

NVC 雷士照明

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

(Incorporated in the Cayman Islands with Limited Liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 2222



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Corporate Information

公司資料

Executive Directors	WANG Donglei WANG Dongming XIAO Yu WANG Keven Dun	執行董事	王冬雷 王冬明 肖宇 王頓
Non-executive Directors	LI Huating LI Wei YANG Jianwen	非執行董事	李華亭 李偉 楊建文
Independent Non-executive Directors	LEE Kong Wai, Conway WANG Xuexian WEI Hongxiong SU Ling	獨立非執行董事	李港衛 王學先 魏宏雄 蘇嶺
Joint Company Secretaries	LO Yee Har, Susan LEUNG Ching Ching	聯席公司秘書	盧綺霞 梁晶晶
Authorized Representatives	LO Yee Har, Susan WANG Dongming	授權代表	盧綺霞 王冬明
Registered Office	Cricket Square Hutchins Drive, P.O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands	註冊辦事處	Cricket Square Hutchins Drive, P.O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands
Registered Place in Hong Kong	Level 54, Hopewell Centre 183 Queen's Road East Hong Kong	香港登記地址	香港皇后大道東183號 合和中心54樓
Principal Place of Business in Hong Kong	Unit 608, 6/F, Lakeside 1 No. 8 Science Park West Avenue Hong Kong Science Park Pak Shek Kok, Hong Kong	香港主要營業地點	香港沙田白石角 香港科學園 科技大道西8號 尚湖樓6樓608室
Corporate Website	www.nvc-lighting.com.cn	公司網址	www.nvc-lighting.com.cn
Investor Relations	E-mail: ir@nvc-lighting.com	投資者關係	電郵: ir@nvc-lighting.com

Corporate Information

公司資料

Principal Share Registrar and Transfer Office	SMP Partners (Cayman) Limited Royal Bank House-3rd Floor 24 Shedden Road P.O. Box 1586 Grand Cayman, KY1-1110 Cayman Islands	股份過戶 登記總處	SMP Partners (Cayman) Limited Royal Bank House-3rd Floor 24 Shedden Road P.O. Box 1586 Grand Cayman, KY1-1110 Cayman Islands
Hong Kong Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong	香港證券 登記處	香港中央證券登記有限公司 香港灣仔皇后大道東183號 合和中心17樓1712-1716號舖
Principal Legal Advisor as to Hong Kong Laws	Freshfields Bruckhaus Deringer	香港法律主要 法律顧問	富而德律師事務所
Auditor	BDO Limited (<i>Certified Public Accountants</i>)	核數師	香港立信德豪會計師事務所 有限公司 (<i>執業會計師</i>)
Principal Bankers	Industrial Bank, Huizhou Branch Ping An Bank, Shenzhen Pingshan Branch Hongkong and Shanghai Banking Corporation Limited	主要往來銀行	興業銀行惠州分行 平安銀行深圳坪山支行 香港上海滙豐銀行有限公司
Investor and Media Relations Consultant	PR ASIA Consultants Limited	投資者及傳媒 關係顧問	亞洲公關有限公司

Financial Highlights

財務摘要

		Six months ended 30 June 截至6月30日止6個月	
		2017 2017年 RMB'000 千人民幣 (Unaudited) (未經審核)	2016 2016年 RMB'000 千人民幣 (Unaudited) (未經審核)
Revenue	收入	1,909,663	1,762,749
Gross profit	毛利	552,147	456,046
Profit before tax	稅前利潤	224,270	143,270
Profit for the period (Note 1)	本期利潤 (附註1)	159,053	98,258
Profit for the period attributable to	以下各方應佔本期利潤		
Owners of the parent	母公司擁有人	148,157	82,140
Non-controlling interests	非控制性權益	10,896	16,118
			(Re-presented) (經重列)
Earnings per share attributable to ordinary equity holders of the parent	母公司普通股權益擁有人應佔每股盈利		
Basic	基本	4.53 cents 4.53 分	2.59 cents 2.59 分
Diluted	攤薄	3.78 cents 3.78 分	2.59 cents 2.59 分

Note 1: Profit for the period represents profit before netting off profit for the period attributable to non-controlling interests.

附註1: 本期利潤為扣除非控制性權益應佔本期利潤前的利潤。

		30 June 2017 2017年 6月30日 RMB'000 千人民幣 (Unaudited) (未經審核)	31 December 2016 2016年 12月31日 RMB'000 千人民幣 (Audited) (經審核)
Non-current assets	非流動資產	1,894,326	1,346,409
Current assets	流動資產	3,394,130	3,598,264
Current liabilities	流動負債	1,986,936	1,635,629
Net current assets	淨流動資產	1,407,194	1,962,635
Total assets less current liabilities	總資產減流動負債	3,301,520	3,309,044
Non-current liabilities	非流動負債	99,822	535,369
Total equity	總權益	3,201,698	2,773,675
Attributable to:	以下各方應佔:		
Owners of the parent	母公司擁有人	3,120,198	2,703,481
Non-controlling interests	非控制性權益	81,500	70,194

Management Discussion and Analysis

管理層討論與分析

Market and Performance Review

During the Period under Review, the global economy experienced gentle recovery. The developed economies such as the U.S., the Eurozone and Japan rebounded in general. The economies of China and India continued to lead the growth. The global economic situation has been the best in recent years. However, the board of governors of The Federal Reserve System was in the course of gradual rate hike, the central banks of Europe and Japan continued to maintain the easing monetary policy. Such monetary policy differentiation of major economies has led to the international financial market turmoil and the increasing global trade protectionism sentiment. The risks and uncertainties of the global economic recovery still existed.

During the Period under Review, China's Gross Domestic Product grew by 6.9% as compared with the Corresponding Period. The Chinese economy was on the rise with steady performance. 2017 was the second year of China's "13th Five-year Plan". Various reform projects were under construction. Various types of industrial policy dividends were released gradually. A new round of scientific and technological revolution and the industrial transformation have been ready to go ahead. Following the expedited implementation of major national projects and infrastructure investment, a new round of energy-saving and reform requirements for the sectors of industries, construction, traffic and so on has kept on growing. Consequently, the lighting industry in the next generation will be upgraded to the smart universal lighting by applying the wireless communication technology. In the global market, with the launch of the strategy of "One Belt, One Road", Chinese enterprises have also entered the strategic period of going global and the golden period of development. According to the research, 35 countries along the route of "One Belt, One Road" have indicated "net import" of foreign energies. It has reflected the consumption of the environmental protection energy-saving products and the development demand for relevant industries in the global market (Source: Semiconductor Lighting Network). Persistent technical upgrade and cost reduction have strengthened the global competitiveness of China LED lighting enterprises. Orders from overseas customers gradually increase in the PRC market and the global LED production is shown to be transferred to the PRC market.

市場及業績回顧

回顧期內，全球經濟溫和復蘇，發達經濟體如美國、歐元區和日本經濟普遍回暖，中國和印度經濟繼續引領增長，全球出現近年來最好的經濟形勢，但主要經濟體貨幣政策分化，如美國聯邦儲備委員會處於漸進加息進程，歐洲和日本中央銀行繼續維持貨幣寬鬆政策等引發國際金融市場動盪，以及全球貿易保護主義升溫等，全球經濟復蘇的風險和不確定性依然存在。

回顧期內，中國國內生產總值較同期比較增長6.9%，中國經濟呈現穩向好態勢。2017年是中國「十三五」規劃的第二年，各項改革進入施工期，各項產業政策紅利逐步釋放，新一輪的科技革命和產業變革蓄勢待發。隨著國家重大工程及基建投資的加速推進，工業、建築、交通等行業孕育著新一輪的節能改造需求，而使用無線通訊技術的智慧通用照明，成為下一代照明產業升級的方向。而從國際市場看，隨著「一帶一路」戰略的推進，中國企業也迎來走出去的戰略窗口期和發展黃金期。據調查，「一帶一路」沿線有35個國家對外能源表示「淨進口」，反映出國際市場對環保節能產品的消費及相關產業的發展需求（資料來源：半導體照明網）。而持續的技術升級和成本降低，中國LED照明企業在全球的競爭力增強，海外客戶訂單逐步向中國市場傾斜，目前全球LED製造呈現向中國市場轉移的趨勢。

Management Discussion and Analysis

管理層討論與分析

Despite the national policy support and the favorable global economic recovery for China LED lighting enterprises, the expedited technological development and industrial integration have led to ever-intensified competition. On the one hand, conventional lighting enterprises have made use of their competitive advantages to shift to the LED lighting market. While the upstream and downstream LED enterprises have utilized their technical advantages in LED chips, packing and application for gradual extension to the lighting market, resulting in the aggravated competition in the industry (Source: Semiconductor Lighting Network). On the other hand, the capital market has also become a strategic place contested by all in the LED lighting industry. More and more enterprises have achieved leaping development with the power of capital. Capital, technology, and scale have become important factors for the existence and development in the industry. LED lighting enterprises are able to seize in advance the opportunities for development in the highly competitive environment only by means of on-going strategic adjustment, accumulation of technologies and capital advantages, so as to create a brand-new sustainable development road in terms of costs, technologies, channels and scales.

The Group has famous brand, extensive sales channel networks and solid strength in the technological research and development, and our products has managed to seize the medium- to high-end domestic and global markets. During the Period under Review, the Group continued to carry on the strategy of dual-channel development of commercial lighting and home lighting, with all-out efforts transforming to the LED lighting product. LED lighting products currently account for more than 70%. Through focusing on the implementation of setting up 400 commercial lighting engineering distributors and the establishment of the stylistic and differentiated home lighting product systems, the Group effectively seized each market segment. By taking advantage of

儘管中國LED照明企業處在國家政策扶持和國際經濟復蘇的良好軌道，但因技術的發展和產業整合的加快，競爭日趨激烈。一方面傳統照明企業利用其競爭優勢轉入LED照明市場，而LED上下游產業鏈的企業利用其LED晶片、封裝和應用的技術優勢逐步延伸至照明市場，行業競爭加劇（資料來源：半導體照明網）；另一方面，資本市場也成為LED照明行業的必爭之地，越來越多的企業借助資本力量實現跨越式發展，資本、技術、規模已成為行業生存發展的重要因素。LED照明企業只有通過不斷的戰略調整積累技術和資金優勢，在成本、技術、渠道、規模等方面走出一條全新的可持續發展道路，才能在激烈的競爭環境中贏得發展先機。

本集團擁有著名的品牌、廣泛的銷售渠道網絡和紮實的技術研發實力，我們的產品佔據著國內及國際中高端市場。回顧期內，本集團繼續踐行商業照明與家居照明雙渠道發展戰略，全力向LED照明產品轉型，目前LED照明產品佔比已超過70%，通過重點推進400家商業照明工程經銷商建設及建立風格化、差異化的家居照明產品體系，有效佔領各細分市場。本集團亦利用互聯網發展勢頭，聯手由國內外各高端家居企業組成的「少海匯」，加快智慧家居照明的戰略佈局。

Management Discussion and Analysis

管理層討論與分析

the Internet development trend, the Group worked hand in hand with the “Shaohaihui”* (少海匯) which comprises domestic and overseas high-end housing enterprises to expedite the smart home lighting strategic layout. As for internal management, the Group continued to concentrate on reducing costs and increasing efficiency, and carried out the reduction of research and development costs, procurement costs, purchasing costs and labor costs, which obviously improved the overall gross margin of the Group. By building up the new enterprise culturing such as “endeavour-oriented” and the “second pioneering management philosophy”, the Group was infused with the endogenic momentum for sustainable development, which finally helped to enhance the overall performance of the Group.

Sales and distribution

During the Period under Review, as for the NVC brand in the PRC market, the Group had 37 exclusive regional distributors. These exclusive regional distributors had a total of 3,275 exclusive outlets (100.0% coverage rate in the provincial capital, 94.1% coverage rate in the prefecture-level cities, 67.3% coverage rate in the county-level cities and 1.5% coverage rate in the town-level cities). The exclusive outlets of the exclusive regional distributors include commercial lighting exclusive outlets, the home lighting exclusive outlets, and the comprehensive commercial lighting and home lighting outlets. Apart from the exclusive outlets, the exclusive regional distributors also had a total of 3,263 exhibition counters and exhibition walls, with over 90% of these exhibition counters and exhibition walls concentrated in town channels. During the Period under Review, the Group invested more resources to develop the town channels, resulting in an increase of 2,120 exhibition counters and exhibition walls as compared with the Corresponding Period. In the commercial lighting sector, the Group continued to focus on pushing ahead with the “400 Plan” and setting up 400 key engineering project distributor teams nationwide with the assignment of the engineering manager to support the engineering project. The Group initiated the “Spring Thunder Action” directly facing the requirements of customers and obtained successfully several million-level projects including “Xi’an Subway No. 4 Route”, “Chengdu Subway No. 7 Route” and “CCCC Yunnan Expressway”. Meanwhile, by means of

在內部管理上，本集團繼續推進降成本提效率的工作，通過研發降成本、製造降成本、採購降成本及人工降成本等措施，顯著提高了集團整體毛利率；建設「以奮鬥者為本」、「二次創業管理哲學」等新企業文化，為本集團注入可持續發展的內生動力，最終助力集團整體業績的提升。

銷售及分銷

在中國雷士品牌市場方面，於回顧期內，本集團擁有37個獨家區域經銷商，獨家區域經銷商旗下共有3,275家專賣店（省會城市覆蓋率為100.0%；地級城市覆蓋率為94.1%；縣級市或縣級城市覆蓋率為67.3%；鄉鎮城市覆蓋率為1.5%）。獨家區域經銷商的專賣店包含商業照明專賣店、家居照明專賣店、商業照明和家居照明綜合店。除專賣店外，獨家區域經銷商還有展櫃、展牆網點共計3,263家（90%以上的展櫃、展牆網點集中於鄉鎮渠道），本集團於回顧期內投入更多資源發展鄉鎮渠道，致使展櫃、展牆網點較同期增加了2,120家。在商業照明領域，本集團繼續重點推進「400計劃」，打造全國400家重點工程經銷商團隊並向其派駐工程經理以支持工程項目；啟動正面回應客戶需求的「春雷行動」，成功取得包括「西安地鐵四號線」、「成都地鐵七號線」、「中交雲南高速公路」等在內的數個百萬級項目；同時，本集團贊助了「祝融獎」全國照明設計師大賽，成功與北京清控人居照明設計院等簽署戰略合作協議，有效激活各地設計師資源，建設覆蓋全國的隱形渠道。在家居照明

Management Discussion and Analysis

管理層討論與分析

sponsoring the “Zhurong Award” in the national competition of lighting designers, the Group has managed to sign strategic cooperation agreements with Human Settlements Lighting Design Institute Beijing Tsinghua Holdings* (北京清控人居照明設計院) and others, effectively activating the resources of designers in various places and building the national invisible channel. In the home lighting sector, the Group insistently focused on “Technology + Arts” to create the stylistic home lighting products and build the stylistic exclusive outlets, with in-depth tapping of the potentials in the segmented market; meanwhile, making use of the innovative marketing model to set up the “7S” customer experience marketing systems (including shop experience system, case experience system, product experience system, service experience system, visual experience system, participation experience system and evaluation experience system) covering over 1,000 shops, which significantly enhanced the sales capability of sales representatives. Furthermore, market promotion activities such as the launch of the Spring Group Buying Fair and the “Proper Replacement of Lamps”, significantly increased the sales of home lighting product. The turnover of the NVC brand products in China increased slightly by 1.1% from the Corresponding Period to RMB1,085,117,000 during the Period under Review.

In respect of the NVC brand products in the international market, the Group kept on promoting the NVC brand in the international market with all-out efforts during the Period under Review, building the “International Leading” lighting brand. The Group continued to consolidate the customer relationship of the matured channels in the UK and so on. In light of the different requirements of customers, the research and development department and the quality department of the Group joined together to customize the stylistic and differentiated products, which effectively stabilized the major customer resources. Having been properly registered, the office in the Middle East was in normal operation to provide project reserves and resources support for the Middle East distributors through in-depth contact with the local market and by tapping products demands. During the Period under Review, the Group won the tenders for major engineering projects including “Qatar Beverly Hills” (卡塔爾貝弗利山莊), “Mobil Oil Qatar Headquarters Building” (美孚石油卡塔爾總部大樓), and “Dubai Horse Racecourse” (迪拜跑馬場), contributing to the sales revenue in millions of Renminbi.

領域，本集團堅持以「科技+藝術」雙結合，打造風格化家居照明產品和設立風格化專賣店，深度挖掘細分市場潛能；同時創新營銷模式，建立覆蓋上千家店舖的「7S」客戶體驗營銷系統（包括門店體驗系統、案例體驗系統、產品體驗系統、服務體驗系統、視覺體驗系統、參與體驗系統及評價體驗系統），顯著提升了門店導購銷售能力。此外，開展春季團購會、「好換燈」等市場推廣活動，顯著提高了家居照明產品銷量。回顧期內，雷士品牌產品的中國銷售額較同期微漲1.1%，達人民幣1,085,117千元。

在國際雷士品牌市場方面，於回顧期內，本集團仍不遺餘力地在國際市場推廣雷士品牌，打造「國際領先」的照明品牌。本集團繼續鞏固英國等成熟渠道的客戶關係，針對不同客戶需求，聯合研發部門、品質部門開發風格化、差異化的產品，有效穩定主要客戶需求。在中東地區，中東辦事處已完成註冊並正常運作，通過深入接觸當地市場，挖掘產品需求，為中東各經銷商提供項目儲備和資源支持，回顧期內成功中標「卡塔爾貝弗利山莊」、「美孚石油卡塔爾總部大樓」、「迪拜跑馬場」等重點工程項目，貢獻數百萬人民幣的銷售額。針對東南亞等發展渠道，本集團因地制宜地開放獨家區域經銷權，以斬獲更多工程訂單，目前東南亞地區處於市場開發和渠道拓展的前期階段，對銷售額貢獻有限。回

Management Discussion and Analysis

管理層討論與分析

Aiming at the development channels in Southeast Asia, the Group released the exclusive regional distributorship in light of the local conditions in order to secure more project orders. Currently, the Southeast Asia region is in the preliminary stage of market development and channel expansion, with limited contribution to the sales revenue. During the Period under Review, the sales revenue of NVC brand products in the international market dropped by 2.4% from the Corresponding Period to RMB174,417,000.

In respect of non-NVC brands in the PRC and international markets, the Group mainly supplied energy-saving lamps, energy-saving light tubes, and accessories for famous lighting enterprises in the form of ODM. Currently, the LED lighting products have been dominating the market gradually. In light of the cost, technology and scale advantages possessed by the production enterprises in China, more and more LED lighting product orders of well-known international lighting enterprises are transferring to China gradually. During the Period under Review, the proportion of the total sales revenue of non-NVC brand LED lighting products of the Group increased persistently, coupled with the stable increase of international orders. Consequently, the total sales revenue of non-NVC brand products grew 27.2% from the Corresponding Period to RMB650,129,000 during the Period under Review.

Product research, development and design

During the Period under Review, the launch of the research and development work of the Group mainly focused on two main streams, the development of new products and the reduction of costs through technology. In response to the Company's strategic product development adjustment plan and oriented by the market demand, the research and development platform of the Group persistently enriches the database of new product designs and has successfully completed the development of 66 product series of indoor luminaries and 33 product series of outdoor luminaries mainly focusing on popular series including the hotel series and the 400 engineering products. Furthermore, the enhancement of the color-rendering index and the improvement of the strobe phenomenon have been achieved through the persistent implementation for the product reform on platformization,

回顧期內，國際雷士品牌銷售額與同期比較下降2.4%，達人民幣174,417千元。

在中國及國際非雷士品牌市場方面，本集團主要以ODM形式為知名照明企業提供節能燈、節能燈管及配件產品。目前LED照明產品正逐步主導市場，而由於中國製造企業具備成本、技術及規模優勢，越來越多國際知名照明企業的LED照明產品訂單正逐漸轉移到中國。回顧期內，本集團非雷士品牌LED照明產品銷售佔比持續提升，以及國際訂單穩定增加，致使回顧期內非雷士品牌產品的銷售總額較同期增長27.2%，達人民幣650,129千元。

產品研發及設計

回顧期內，本集團研發工作主要圍繞新品開發及技術降成本兩大主線展開。本集團研發平台積極響應公司戰略規劃調整產品開發方向，以市場需求為導向，持續豐富新品設計庫，以酒店系列及400工程產品等熱門產品的開發為主，成功完成66個室內燈具產品系列以及33個戶外燈具產品系列的開發。此外，持續推進產品的平台化、模塊化、標準化及系列化改革，優化電源方案平台，提升顯色指數及改善頻閃現象。通過持續的技術升級、結構優化及工藝流程改善等，努力達成本集團研發降成本的目標。於回顧期內，本集團研發項目所投入金額

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modularization, standardization, and serialization, as well as the optimization of power supply solution platform. Through persistent technical upgrade, structural optimization, improvement in technical processes and so on, the Group has attained the target of reducing the costs of the research and development of the Group. During the Period under Review, a total of RMB27,449,000 was invested in the research and development projects of the Group, accounting for 1.4% of the revenue of the Group. In addition, the Group had 108 new patent applications during the Period under Review and was granted 57 patents.

Brand promotion and honour

The Group has committed itself to the creation of No. 1 brand of lighting solution service providers in the era of the Internet. During the Period under Review, in the assessment of the 14th “World Brand Summit” organized by the World Brand Lab, the Group with a brand value of RMB20.685 billion was awarded the No. 1 brand in the lighting industry for six consecutive years. It has showed our powerful brand strength and influence. In the Shanghai International Commercial and Engineering Lighting Exhibition held in April 2017, the Group together with several high-end hotels under Marriott Hotel exhibited the real scene of 4 sets of hotel space model rooms and 1 set of the smart lighting system. Finally, we were honoured to have obtained the “Best Lighting Product Brand Award” of the “Golden Palace Award”. It has fully reflected the Group’s capability of customizing high-end products and providing overall solutions for systematic lighting schemes, which also indicated the sufficient recognition to the strength of the Group by the experts in the professional application sector of the lighting industry. In addition, during the Period under Review, the Group signed the strategic cooperation agreements with “Shaohaihui” jointly sponsored by Qingdao Haier Home Integration Co., Ltd. and other enterprises, and “Youzhu Website”* (有住網) as well and officially declared to have entered the ecosphere of the smart home. Through the cooperation with “Shaohaihui”, the Group by virtue of its professional technology and the brand concept including the art of light has become capable of providing the best overall home lighting solutions for the ecosphere enterprises, which has pushed ahead with the persistent growth in the performance of the Group.

為人民幣27,449千元，佔本集團收入的1.4%。此外，本集團於回顧期內新申請專利有108項，實際獲批授予專利有57項。

品牌推廣及榮譽

本集團致力於打造互聯網時代照明解決方案服務商第一品牌。回顧期內，在由世界品牌實驗室主辦的第十四屆「世界品牌大會」評選中，本集團以人民幣206.85億元的品牌價值榮登照明行業品牌榜首，連續六年蟬聯照明行業第一，彰顯了強大的品牌實力和影響力。在2017年4月份舉辦的上海國際商業及工程照明展覽會上，本集團聯合萬豪酒店旗下多家高端酒店實景展出4套酒店空間樣板房和1套智慧照明系統，並最終榮獲「金殿獎」之「最佳照明產品品牌獎」，充分體現了本集團的高端產品定制能力及整體的系統化照明方案解決能力，也是照明行業專業應用領域專家對本集團實力的充分認可。此外，回顧期內本集團與由青島海爾家居集成股份有限公司等企業聯合發起的「少海匯」以及「有住網」簽訂戰略合作協議，宣告正式打入智慧家居生態圈，通過與「少海匯」的合作，本集團可憑藉其專業技術和光的藝術等品牌理念，為生態圈企業提供最優質的整體家居照明解決方案，推動本集團業績的持續增長。

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Progress of Litigation

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

In relation to one of the aforementioned court actions commenced by a PRC bank against the Subsidiary as a co-defendant, certain funds held by the Subsidiary had been frozen by such PRC bank. Judgement was handed down by the Chongqing Fifth Intermediate People’s Court in April 2016, which, among other things, ordered that the Subsidiary was jointly liable with another PRC company for the payment of RMB60,000,000, plus interest and costs, to such PRC bank. The Company has filed an appeal against the First Instance Judgement with the Chongqing Higher People’s Court. In early 2017, the Company received the judgement of the Chongqing Higher People’s Court which rejected the Subsidiary’s appeal and upheld the former first instance judgement. Please refer to the Company’s announcement dated 27 February 2017 for details. The Subsidiary has filed an application for retrial of such PRC court judgements.

In relation to one of the aforementioned court actions commenced by another bank in China, which alleges, among others, eight individuals/entities (the “Eight Guarantors”), including the Subsidiary, are jointly liable as guarantors for obligations of Chongqing En Wei Xi Industrial Development Co., Ltd.* (重慶恩緯西實業發展有限公司) (“En Wei Xi”) owed to such bank in China, being the sum of RMB35,497,000, plus interest. In September 2016, the Company has received a judgement of the Chongqing First Intermediate People’s Court which held, among other things, that the Eight Guarantors, including the Subsidiary, are jointly

訴訟進展

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

有關上述其中一起由一家中國銀行提起的針對該附屬公司作為共同被告的訴訟，該附屬公司持有的部份資金已被該中國銀行凍結。於2016年4月，重慶市第五中級人民法院作出判決，判令（其中包括）該附屬公司須就向該中國銀行支付人民幣60,000千元另加利息及開支與另一家中國公司承擔共同責任。本公司已經就該判決向重慶市高級人民法院提起上訴。於2017年初，本公司接獲重慶市高級人民法院駁回該附屬公司上訴及維持原一審判決的判決書。詳情請參閱本公司日期為2017年2月27日的公告。該附屬公司已就中國法院判決申請重審。

有關上述其中一起由另一家中國銀行向重慶市第一中級人民法院提起的訴訟，要求（其中包括）包括該附屬公司在內的八名個人／機構（「八名擔保人」）就重慶恩緯西實業發展有限公司（「恩緯西」）向該等中國銀行所欠的人民幣35,497千元欠款另加利息的債務作為擔保人承擔連帶責任。本公司已於2016年9月收到重慶市第一中級人民法院就此等訴狀作出的判決，判令（除其他事項外）八名擔保人，包括該附屬公司，需就向該等中國

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liable with En Wei Xi for the payment to such bank in China of RMB35,497,000, plus interest and costs. The Subsidiary had appealed against such judgement with the Chongqing Higher People's Court. In June 2017, the Company received the judgement of the Chongqing Higher People's Court dated in May 2017 which rejected Subsidiary's appeal and upheld the first instance judgement. Please refer to the Company's announcement dated 30 June 2017 for details. The Company has no present plan of filing further legal proceedings to seek a retrial of the judgement.

In relation to the court action commenced by the PRC finance company against the Subsidiary as a co-defendant, the PRC finance company alleges that Mr. WU Changjiang, the Subsidiary and two other entities are jointly liable as guarantors of the obligations owed by Ms. WU Lian to the PRC finance company under several agreements. The Chongqing First Intermediate People's Court adjudicated that the guarantors, including the Subsidiary, are jointly liable with Ms. WU Lian for the payment to the PRC finance company of RMB34,000,000, plus interest and costs. The Subsidiary filed an appeal against the judgment. After the Period under Review and the date of approval of the condensed consolidated interim financial statements, the Company received a judgment from the Higher People's Court of Chongqing which rejected the Subsidiary's appeal and upheld the first judgment. Please refer to the Company's announcement dated 14 September 2017 for details.

Future Prospects

By means of the on-going innovation and the increase in value and efficiency, various sorts of standardized governance have become effective in the initial stage. During the Period under Review, various goals were achieved perfectly. However, in an environment of intensified domestic and overseas market competition, future pressure and challenges continue to exist. The Group will continue to focus on the expansion of the external channels and the enhancement of the internal management, so as to create new opportunities for the sustainable development of the Group.

銀行支付人民幣35,497千元欠款另加利息及開支與恩緯西承擔連帶責任。該附屬公司已向重慶市高級人民法院就該判決提起上訴。於2017年6月，本公司接獲重慶市高級人民法院駁回該附屬公司上訴及維持一審判決的日期為2017年5月的判決書。詳情請參閱本公司日期為2017年6月30日的公告。本公司目前並無對該判決申請重審的進一步法律訴訟計劃。

有關一家中國財務公司提起的針對該附屬公司作為共同被告的訴訟，該中國財務公司要求吳長江先生、該附屬公司及其他兩家實體應作為擔保人為吳戀女士根據數份協議向該中國財務公司承擔的義務承擔連帶責任。重慶市第一中級人民法院判令擔保人，包括該附屬公司，須就向中國財務公司支付人民幣34,000千元另加利息及開支與吳戀女士承擔連帶責任。附屬公司已就該判決提出上訴。於回顧期及簡明合併中期財務報表獲批准之日期後，本公司接獲重慶市高級人民法院駁回該附屬公司上訴及維持一審判決的判決書。詳情請參閱本公司日期為2017年9月14日的公告。

未來展望

本集團通過持續的開放創新和增值提效，各項規範化治理已初見成效，回顧期內多項任務圓滿達成，但在國內外激烈的市場競爭環境下，未來的壓力和挑戰依然存在，本集團將繼續專注於外部渠道擴張和內部管理提升，為本集團的可持續發展創造新的機遇。

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In terms of expanding the domestic market channels, the Group will continue to solidly implement the establishment of 400 major engineering distributors, set up the rail transit, big space and landscape lighting project group, construct the inter-departmental platform comprising the product, technology and back-office support departments, to provide the full-process support for the engineering projects of each segmented market. Meanwhile, the Group will gradually optimize the invisible channel system of excellent design resources covering all parts of China, set up the VIP Club for NVC designers, form the systematic management platform for the invisible channels, and further consolidate the channel advantages of the Group. In the home lighting sector, the Group will persistently optimize and replace the disqualified exclusive regional distributors in the second half of the year, with the emphasis placed on developing town channel exclusive outlets, and the focus on the Promotion Fair and the Autumn Group Buying Fair which will directly enhance the sales volume, with the aim to further upgrade the terminal sales capability. The Group will also continue to optimize the incentive policy for the exclusive regional distributors, provide the development and the support for professional, serialized and customized products to prompt the exclusive regional distributors to improve the product structure, and increase the sales amount of the commercial lighting and the home lighting products with high gross profit margin.

As for the expansion of the overseas market channels, the Group has planned to add four exclusive outlets in Dubai, Oman, Cambodia, and Italy in the second half of the year. In particular, the engineering strength of the Group will be displayed in the form of professional engineering exhibition halls in Dubai and Oman to create the display of the high-end brand. Meanwhile, the former single commercial lighting exhibition model will be changed, with the introduction of exhibition and promotion of home lighting products. The exclusive outlet in Cambodia will be the first overseas pilot exclusive outlet of the Group with the theme of home lighting products. In addition, the Group has planned to add ten more distributors or customers in Southeast Asia to enhance the ability of channel coverage. Meanwhile, the Group will select one to two countries in the Southeast Asia market as the major pilot spots to vigorously develop the wholesale channels and increase the exhibition rate of products, so as to enhance the market share and the brand popularity.

在國內市場的渠道擴張上，本集團將繼續紮實地推進400家重點工程經銷商建設，組建軌道交通、大空間及景觀亮化項目組，聯合產品、技術及後台支持等部門建立跨部門平台，為各細分市場工程項目提供全流程支持。同時，逐步完善覆蓋全國範圍的優秀設計資源的隱形渠道體系，設立雷士設計師VIP俱樂部，形成系統化的隱形渠道管理平台，進一步鞏固本集團的渠道優勢。在家居照明領域，本集團下半年將持續優化替換不合格的獨家區域經銷商，重點發展鄉鎮渠道專賣店，聚焦直接拉動銷量的推廣會和秋季團購會，力求進一步提升終端售賣能力。本集團也將繼續完善針對獨家區域經銷商的激勵政策，提供專業化、系列化、定制化的產品開發支持，促使獨家區域經銷商改善產品結構，提高高毛利率的商業照明和家居照明產品銷售額。

在海外市場的渠道擴張上，本集團下半年計劃在迪拜、阿曼、柬埔寨和意大利新增四家專賣店，其中迪拜、阿曼將以專業工程展廳的形式，展示本集團的工程實力，打造高端品牌展示；同時將改變以往單一的商業照明展示模式，引入家居類產品進行展示和推廣。柬埔寨專賣店將作為本集團海外首家以家居類產品為主導的試點專賣店。此外，本集團計劃下半年在東南亞區域增加經銷商或客戶10家，提升渠道覆蓋能力，同時將在東南亞市場選取一到兩個國家作為主要試點，大力開發批發渠道，增加產品的曝光率以提升市場佔有率和品牌知名度。

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In terms of product management, the Group will continue to perform research and development work in relation to cost reduction, persistently increase the efficiency of new product development, and strengthen research and development capacity in order to launch the new products into the market in a shorter period of time. As for the internal management, the Group will continue to build up the inventory early warning mechanism, make reasonable arrangement for procurement and production, adequately store the fundamental materials and general materials to avoid the inventory backlog while effectively reducing the procurement costs, set up the special task forces to properly control the delivery time of engineering projects, and enhance the overall rate of order delivery, implement the system of workshop contracts and the “Amoeba” business model, strengthen the semi-automatic reform of the frequently used processes, and enhance the overall production efficiency to provide powerful protection for the stable development of the Group.

在產品管理上，本集團將繼續推進研發降成本工作，持續提高新品開發效率，加強研發力量以縮短新品上市時間。在內部管理上，本集團將建立庫存預警機制，合理安排採購與生產，適量儲備基礎物料及通用物料，避免造成庫存積壓的同時有效降低採購成本；同時設立專職小組，做好工程項目交期管控，提升整體訂單交付率；推行車間承包制及「阿米巴」經營模式，加強常用工序的半自動化改造，提高整體生產效率，為本集團的穩定發展提供強而有力的保障。

The Group's Main Products

本集團主要產品

The Group focuses on developing creative R&D capability, providing professional and optimized LED lighting solutions, and aim to promote the national energy-saving, emission-reduction scheme and enhance green lighting industry forward to more sustainable, healthy and well-regulated growth. The revenue from LED lighting products account for more than 70% of the Group's total revenue.

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

本集團致力於打造創新性研發能力，為客戶提供專業的LED照明集成式優化解決方案，以推進國家節能減排，發展綠色照明環保產業為使命，推進LED照明產業持續、健康、有序的發展。目前LED照明產品的收入佔比超過本集團總銷售收入的70%。

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

1. Luminaire Product Segment:

一、燈具產品分部：

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



Downlights Series
筒燈系列



Ceiling Light Series
天花燈系列



Multiple Light Series
格柵射燈系列

The Group's Main Products

本集團主要產品

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



Track Light Series
軌道射燈系列



Flood Light Series
投光燈系列



Underwater Light Series
水下燈系列



Garden Light Series
庭院燈系列



Bollard Series
草坪燈系列



Wall Light Series
壁燈系列

The Group's Main Products

本集團主要產品



Batten Light Series
支架系列



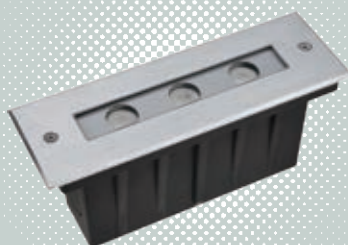
Panel Light Series
燈盤系列



Street Light Series
路燈系列



Tunnel Light Series
隧道燈系列



In-ground Light Series
埋地燈系列



Emergency Light Series 1
消防應急系列一



Emergency Light Series 2
消防應急系列二

The Group's Main Products

本集團主要產品

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



Aluminum Light Series
鋁材燈系列



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



Candle Light Series
蠟燭燈系列



Brass Light Series
全銅燈系列



Wrought Iron Light Series
鐵藝燈系列



Acrylic Light Series
亞克力燈系列



Ventilator Series
換氣扇系列



Bath Heater Series
浴霸系列



Integrated Ceiling Light Series
集成吊頂系列

The Group's Main Products

本集團主要產品

2. Lamp Product Segment:

二、光源產品分部：



Bulb Lamp Series
球泡燈系列



Candle Lamp Series
蠟燭燈系列



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



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



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

3. Lighting Electronic Products Segment: 三、照明電器產品分部：



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



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



Electronic Ballast Series
電子鎮流器系列

Management Discussion and Analysis

管理層討論與分析

Financial Review

Revenue

Revenue represents the net amount of the invoiced value of goods sold, after allowances for returns and trade discounts. During the Period under Review, the turnover of the Group amounted to RMB1,909,663,000, representing an increase of 8.3% as compared with the Corresponding Period.

Revenue by product segments

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

財務回顧

銷售收入

銷售收入指已售貨物的發票價值，經扣除退貨和折扣的淨額。回顧期內，本集團取得銷售收入為人民幣1,909,663千元，較同期增長8.3%。

按產品分部劃分的收入

下表載列按產品分部（燈具、光源和照明電器產品）劃分的收入及各分部的增長率。

		Six months ended 30 June		
		截至6月30日止6個月		
		2017	2016	
		2017年	2016年	
		RMB'000	RMB'000	Growth rate
		千人民幣	千人民幣	增長率
Luminaire products	燈具產品	1,262,710	1,210,405	4.3%
Lamp products	光源產品	501,662	443,105	13.2%
Lighting electronic products	照明電器產品	145,291	109,239	33.0%
Total	合計	1,909,663	1,762,749	8.3%

Management Discussion and Analysis

管理層討論與分析

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

按地理位置及雷士品牌與非雷士品牌銷售劃分的收入

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

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

		Six months ended 30 June 截至6月30日止6個月		
		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣	Growth rate 增長率
Sales revenue from PRC	來自中國的銷售收入			
NVC brand	雷士品牌	1,085,117	1,073,119	1.1%
Non-NVC brands	非雷士品牌	132,798	137,967	-3.7%
<i>Subtotal</i>	<i>小計</i>	1,217,915	1,211,086	0.6%
Sales revenue from international market	來自國際市場的銷售收入			
NVC brand	雷士品牌	174,417	178,718	-2.4%
Non-NVC brands	非雷士品牌	517,331	372,945	38.7%
<i>Subtotal</i>	<i>小計</i>	691,748	551,663	25.4%
Total	合計	1,909,663	1,762,749	8.3%

Management Discussion and Analysis

管理層討論與分析

Revenue by LED lighting products and non-LED lighting products

按LED照明產品和非LED照明產品劃分的收入

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

下表載列按LED照明產品和非LED照明產品劃分的收入及各項目的增長率。

		Six months ended 30 June		
		截至6月30日止6個月		
		2017	2016	
		2017年	2016年	
		RMB'000	RMB'000	Growth rate
		千人民幣	千人民幣	增長率
LED lighting products	LED照明產品	1,463,148	1,176,887	24.3%
Non-LED lighting products	非LED照明產品	446,515	585,862	-23.8%
Total	合計	1,909,663	1,762,749	8.3%

During the Period under Review, the sales of luminaire products increased by 4.3%, mainly benefited from the successful transformation of the dual-channel development model of commercial and home lighting of the Group and the stable growth in the sales proportion of LED lighting products. The sales of lamp products increased by 13.2%, and the sales of lighting electronic products increased by 33.0%. Such growths were respectively benefited from the increase in sales volume of non-NVC brand lamp products and non-NVC brand lighting electronic products in the international markets. During the Period under Review, the Group had enhanced the development of non-NVC brand lighting products and increased the investment in market resources. There is a steady increase in sales orders of non-NVC brand lighting products from major international customers caused by the ever-increasing preference of well-known international lighting enterprises for Chinese manufacturing companies due to their advantages in cost and scope.

回顧期內，燈具產品銷售增長4.3%，主要得益於本集團商業照明和家居照明雙渠道業務模式的成功轉型以及LED照明產品銷售佔比的穩步提升。光源產品銷售增長13.2%，照明電器產品銷售增長33.0%，該增長分別得益於非雷士品牌光源和非雷士品牌照明電器產品在國際市場銷售額的增長，回顧期內本集團加大非雷士品牌照明產品開發及市場資源投入，且中國製造企業因成本和規模優勢越來越受到國際知名照明企業的青睞，主要的國際客戶的非雷士品牌照明產品銷售訂單穩步增加。

Management Discussion and Analysis

管理層討論與分析

During the Period under Review, the sales of LED lighting products increased by 24.3%, while the sales of non-LED lighting products decreased by 23.8%, mainly attributable to the fact that the Group grasped the favorable opportunity generated from the development of the LED industry to generally increase the proportion of LED lighting products through continuous enhancement in the development of new LED lighting products and the increase of the investment in market resources; while affected by the fierce competition in LED lighting products, the sales and price of traditional lighting products showed a progressive decline. The development trends of the above two products were antagonistic.

Cost of Sales

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

回顧期內，LED照明產品銷售增長24.3%，非LED照明產品銷售下降23.8%，主要是本集團抓住了LED行業發展的有利機遇，通過持續加強LED照明新品開發及市場資源投入，逐步提升LED照明產品佔比；而受LED照明產品的激烈競爭影響，傳統照明產品銷量及價格逐步下降，兩者呈現此消彼長的態勢。

銷售成本

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

		Six months ended 30 June 截至6月30日止6個月			
		2017 2017年		2016 2016年	
		Percentage in RMB'000 revenue (%) 千人民幣 佔收入比例(%)		Percentage in RMB'000 revenue (%) 千人民幣 佔收入比例(%)	
Raw materials	原材料	1,024,311	53.6%	707,830	40.2%
Outsourced manufacturing costs	外包生產成本	143,872	7.5%	415,973	23.6%
Labor costs	勞工成本	131,656	6.9%	127,452	7.2%
Indirect costs	間接費用	57,677	3.0%	55,448	3.1%
Total cost of sales	銷售成本合計	1,357,516	71.1%	1,306,703	74.1%

Management Discussion and Analysis

管理層討論與分析

During the Period under Review, the percentage of cost of sales to revenue decreased from 74.1% to 71.1%, and the gross profit margin increased from 25.9% to 28.9% accordingly, mainly due to the positive results achieved by the Group through its ongoing four cost-cutting strategies (namely, reducing the cost of research and development, reducing the procurement cost, reducing the manufacturing cost and reducing the labor cost), including enhancing the upgrade of product technology, optimizing structures and promotion of technological process, public procurement and tendering, timely disposal of dead inventory, the implementation of “Amoeba” operating and strengthening lean production management, which have significantly controlled the costs and improved the overall gross profit margin level.

Gross Profit and Gross Profit Margin

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

During the Period under Review, gross profit of the Group was RMB552,147,000, representing an increase of 21.1% as compared with the Corresponding Period, gross profit margin increased from 25.9% to 28.9%. The gross profit and gross profit margin by segments are as follows:

回顧期內，銷售成本佔收入的百分比從74.1%下降至71.1%，毛利率相應從25.9%上升至28.9%，主要是本集團持續推行的研發降成本、採購降成本、製造降成本及人工降成本等四大降成本措施取得積極成效，包括加強產品的技術升級、結構優化及工藝流程改善、公開採購招標、及時處置呆滯庫存、推行「阿米巴」經營模式及加強精益生產管理等，使各項成本得到明顯控制，提高了整體毛利率水準。

毛利及毛利率

毛利指銷售收入減去銷售成本後的淨額。

回顧期內，本集團實現銷售毛利為人民幣552,147千元，較同期增長21.1%，銷售毛利率從25.9%上升至28.9%。各分部的毛利及毛利率列示如下：

Management Discussion and Analysis

管理層討論與分析

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

(i) 下表載列各產品分部（燈具、光源和照明電器）的毛利和毛利率：

		Six months ended 30 June 截至6月30日止6個月			
		2017 2017年		2016 2016年	
		RMB'000 千人民幣	(%) (%)	RMB'000 千人民幣	(%) (%)
Luminaire products	燈具產品	444,898	35.2%	361,142	29.8%
Lamp products	光源產品	67,153	13.4%	71,439	16.1%
Lighting electronic products	照明電器產品	40,096	27.6%	23,465	21.5%
Total	合計	552,147	28.9%	456,046	25.9%

Management Discussion and Analysis

管理層討論與分析

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

(ii) 下表列示所示期間的按地理位置及雷士品牌產品及非雷士品牌產品的毛利及毛利率：

		Six months ended 30 June 截至6月30日止6個月			
		2017 2017年		2016 2016年	
		RMB'000 千人民幣	(%) (%)	RMB'000 千人民幣	(%) (%)
Gross profit from PRC sales:	中國銷售產生的毛利：				
NVC brand	雷士品牌	412,106	38.0%	318,099	29.6%
Non-NVC brands	非雷士品牌	25,724	19.4%	19,880	14.4%
<i>Subtotal</i>	<i>小計</i>	437,830	35.9%	337,979	27.9%
Gross profit from international sales:	國際銷售產生的毛利：				
NVC brand	雷士品牌	34,161	19.6%	48,871	27.3%
Non-NVC brands	非雷士品牌	80,156	15.5%	69,196	18.6%
<i>Subtotal</i>	<i>小計</i>	114,317	16.5%	118,067	21.4%
Total	合計	552,147	28.9%	456,046	25.9%

Management Discussion and Analysis

管理層討論與分析

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

(iii) 下表載列LED照明產品以及非LED照明產品的毛利及毛利率：

		Six months ended 30 June 截至6月30日止6個月			
		2017 2017年		2016 2016年	
		RMB'000 千人民幣	(%) (%)	RMB'000 千人民幣	(%) (%)
LED lighting products	LED照明產品	455,482	31.1%	337,093	28.6%
Non-LED lighting products	非LED照明產品	96,665	21.6%	118,953	20.3%
Total gross profit	總毛利	552,147	28.9%	456,046	25.9%

During the Period under Review, gross profit margin of luminaire products increased from 29.8% to 35.2%, mainly attributable to the positive results achieved by the Group through its ongoing four cost-cutting strategies (namely, reducing the cost of research and development, reducing the procurement cost, reducing the manufacturing cost and reducing the labor cost), as well as the increase in operating price of household luminaire products. Gross profit margin of lamp products decreased from 16.1% to 13.4%. On the one hand, LED lamp products offered customers more favorable price in order to seize the international market and win the main customer orders; on the other hand, affected by the competition with LED lamp products, the prices of traditional lamp products continued to drop and the manufacturing costs climbed due to unsaturated production capacity, giving rise to a decrease of gross profit margin of the whole lamp products as compared with the Corresponding Period. Gross profit margin of lighting electronic products increased from 21.5% to 27.6%, mainly attributable to the satisfactory results generated from the newly-launched LED lighting electronic products with high gross profit margin, as well as the impacts of the Group's comprehensive cost reduction measures and the fluctuation of exchange rate.

回顧期內，燈具產品毛利率從29.8%上升至35.2%，主要是本集團持續推行的研發降成本、採購降成本、製造降成本及人工降成本等四大降成本措施取得積極成效，以及家居燈具產品運營價的提高；光源產品毛利率從16.1%下降至13.4%，一方面LED光源產品為搶佔國際市場，贏取主要客戶訂單給予客戶更高的價格優惠；另一方面傳統光源產品受LED光源產品競爭影響售價不斷下調，同時產能不飽和導致製造成本攀升，致使整體光源產品毛利率較同期下降；而照明電器產品毛利率從21.5%上升至27.6%，主要是高毛利率的LED照明電器新品投放市場並取得良好效果，以及本集團推行的全面降成本措施及匯率波動的影響。

Management Discussion and Analysis

管理層討論與分析

During the Period under Review, gross profit margin from PRC sales increased from 27.9% to 35.9%; mainly attributable to the benefits generated from the Group's comprehensive cost reduction measures, increase in prices of household products and product structure adjustment. Gross profit margin from international sales decreased from 21.4% to 16.5%, mainly due to the more favorable price offered by the Group in order to seize the international market and win the main customer orders of lamp products during the Period under Review, as well as the obvious decrease in gross profit margin of a subsidiary of the Group which operates in the international markets caused by the fluctuation of the local exchange rate.

Other Income and Gains

Our other income and gains mainly consist of rental income, gain on sales of scrap materials, fair value gain of derivative component of convertible bonds, gain arising from waiver of other payable, government grants and interest income (the breakdown of other income and gains is provided in note 5 to the condensed consolidated interim financial statements on page 86 of this report). We received various types of government grants in the form of tax subsidies and incentives for research and development activities and expansion of production capacity of energy-saving lamp. Government subsidies are provided by relevant authorities at their discretion, and may not be recurring in nature. During the Period under Review, other income and gains increased significantly to RMB69,879,000 as compared with the Corresponding Period, which was mainly due to the effect from the fair value gain of derivative component of convertible bonds and the gain arising from waiver of other payable during the Period under Review.

回顧期內，中國銷售產生的毛利率從27.9%上升到35.9%，主要得益於本集團的全面降成本措施、家居產品提價及產品結構變動產生的效益；而國際銷售產生的毛利率從21.4%下降到16.5%，主要是回顧期內本集團為有效搶佔國際市場主要客戶的光源產品訂單而給予更高的價格優惠，以及本集團一家在國際市場經營的附屬公司受當地匯率波動致使毛利率下降明顯。

其他收入及收益

我們的其他收入及收益主要包括租金收入、銷售廢料、可換股債券衍生工具部份公允價值收益、豁免其他應付賬款產生的收益、政府補助及利息收入等（其他收入及收益的組成請參照本報告第86頁之簡明合併中期財務報表附註5）。同時我們收到各種作為稅收補貼以及鼓勵進行科技研發和擴大節能燈產能的政府補助。這些政府補助由相關機構酌情發放，未必屬於經常性。回顧期內，其他收入及收益較同期大幅增長至人民幣69,879千元，主要是回顧期內因可換股債券衍生工具部份公允價值變動收益及豁免其他應付賬款產生的收益的影響。

Management Discussion and Analysis

管理層討論與分析

Selling and Distribution Costs

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

During the Period under Review, our selling and distribution costs were RMB192,876,000, representing an increase of 37.4% as compared with the Corresponding Period. The increase was mainly due to the rise in staff costs, increase in the marketing and promotion fees of terminal decorations of exclusive outlets for the household lighting products and rise in freight expenses. Our selling and distribution costs as a percentage of total revenue increased from 8.0% to 10.1%.

Administrative Expenses

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

During the Period under Review, our administrative expenses were RMB170,894,000, representing an increase of 1.9% as compared with the Corresponding Period. The increase was mainly attributable to the increase of exchange loss. Our administrative expenses as a percentage in revenue decreased from 9.5% to 8.9%.

Other Expenses

Other expenses mainly consist of losses on disposal of property, plant and equipment, impairment loss of other intangible assets, donations and other miscellaneous expenses.

銷售及分銷費用

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

回顧期內，我們的銷售及分銷費用較同期增長37.4%，達人民幣192,876千元，該增長主要是人工費的增加，家居照明專賣店終端裝修等市場推廣及宣傳費的增加以及運費的上升所致。我們的銷售及分銷費用佔總銷售收入的比例由8.0%上升至10.1%。

管理費用

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

回顧期內，我們的管理費用較同期增長1.9%，達人民幣170,894千元，該增長主要是匯兌損失的增加。我們的管理費用佔收入的比例由9.5%下降至8.9%。

其他費用

其他費用主要包括處置物業、廠房及設備的損失、其他無形資產的減值損失、捐贈支出和其他雜項開支。

Management Discussion and Analysis

管理層討論與分析

Finance Costs

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

Share of Results of Associates

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

Income Tax

During the Period under Review, the Group's income tax amounted to RMB65,217,000.

Profit for the Period (including Profit Attributable to Non-controlling Interests)

Due to the factors mentioned above, our net profit for the period (including profit attributable to non-controlling interests) was RMB159,053,000 during the Period under Review.

Exchange Differences on Translation of Foreign Operations

During the Period under Review, our exchange differences on translation of foreign operations were RMB9,724,000. These exchange differences primarily arose from the translation of the financial statements of the Company and its overseas subsidiaries which are denominated in foreign currencies.

Profit Attributable to Owners of the Parent for the Period

Due to the factors mentioned above, profit attributable to owners of the parent for the period was RMB148,157,000 during the Period under Review.

Profit Attributable to Non-controlling Interests for the Period

During the Period under Review, profit attributable to non-controlling interests for the period was RMB10,896,000.

財務費用

財務費用為銀行貸款利息、可換股債券利息開支及其他利息支出。

應佔聯營公司業績

本項反映回顧期內本集團在聯營公司中享有的淨利潤或承擔的淨虧損份額。

所得稅

回顧期內，本集團所得稅達人民幣65,217千元。

本期利潤（包括非控制性權益應佔部份）

由於上述因素，回顧期內我們本期淨利潤（包括非控制性權益應佔部份）為人民幣159,053千元。

換算海外業務產生的匯兌差額

回顧期內，換算海外業務產生的匯兌差額為人民幣9,724千元，此匯兌差額主要是以外幣計價的本公司及其海外附屬公司財務報表的換算造成。

母公司擁有人應佔的本期利潤

由於上述因素，回顧期內母公司擁有人應佔的本期利潤為人民幣148,157千元。

非控制性權益應佔的本期利潤

回顧期內，非控制性權益應佔的本期利潤為人民幣10,896千元。

Management Discussion and Analysis

管理層討論與分析

Cash Flow and Liquidity

Cash flows

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

現金流量及流動性

現金流量

下表載列從我們的合併現金流量表中節選的現金流量數據。

		Six months ended 30 June	
		截至6月30日止6個月	
		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		千人民幣	千人民幣
Net cash flows generated from operating activities	經營活動所得現金流量淨額	91,326	108,618
Net cash flows used in investing activities	投資活動所用現金流量淨額	(373,911)	(217,653)
Net cash flows generated from financing activities	融資活動所得現金流量淨額	256,801	237,698
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(25,784)	128,663
Cash and cash equivalents at beginning of period	期初現金及現金等價物	1,160,155	917,953
Effect of foreign exchange rate changes, net	匯率變動影響淨額	(10,229)	8,917
Cash and cash equivalents as stated in the statement of financial position and cash flows	於財務狀況表及現金流量表中呈列的現金及現金等價物	1,124,142	1,055,533

As at the end of the Period under Review, the cash and bank balances of the Group were mainly denominated in RMB, HK\$, GBP, BRL and US\$. The RMB is not freely convertible into other currencies, however, under Mainland China's Regulations on the Management of Foreign Exchanges and Administration of Settlement, Sale and Payment of Foreign Exchange Provisions, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

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

Management Discussion and Analysis

管理層討論與分析

Liquidity

Net current assets and working capital sufficiency

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

流動性

淨流動資產及營運資金的充足性

下表列示我們於本回顧期末的流動資產、流動負債及淨流動資產。

		30 June 2017 2017年 6月30日 RMB'000 千人民幣	31 December 2016 2016年 12月31日 RMB'000 千人民幣
CURRENT ASSETS	流動資產		
Inventories	存貨	458,010	401,668
Trade and bills receivables	貿易及票據應收賬款	1,181,230	1,218,003
Prepayments, deposits and other receivables	預付款、保證金及其他應收賬款	386,591	343,115
Income tax recoverable	預付所得稅	10,340	4,596
Other current assets	其他流動資產	13,388	25,303
Restricted bank balances and short-term deposits	受限制的銀行餘額及短期存款	220,429	445,424
Cash and cash equivalents	現金及現金等價物	1,124,142	1,160,155
Sub-total current assets	流動資產小計	3,394,130	3,598,264
CURRENT LIABILITIES	流動負債		
Trade and bills payables	貿易及票據應付賬款	756,274	750,036
Other payables and accruals	其他應付款及預提費用	656,467	749,975
Interest-bearing loans	計息貸款	65,826	48,411
Government grants	政府補助	1,931	2,026
Income tax payable	應付所得稅	38,602	24,951
Convertible bonds	可換股債券		
– derivative component	– 衍生工具部份	34,554	60,230
Convertible bonds	可換股債券		
– liability component	– 負債部份	433,282	–
Sub-total current liabilities	流動負債小計	1,986,936	1,635,629
NET CURRENT ASSETS	淨流動資產	1,407,194	1,962,635

Management Discussion and Analysis

管理層討論與分析

As at 30 June 2017 and 31 December 2016, the total net current assets of the Group amounted to RMB1,407,194,000 and RMB1,962,635,000 respectively, and the current ratio was 1.71 and 2.20 respectively. In light of our current liquidity position, the unutilised banking facilities available to the Group and our projected cash inflows generated from operations, the Directors believe that we have sufficient working capital for our present requirements and for the next 12 months.

於2017年6月30日和2016年12月31日，本集團的淨流動資產總額分別為人民幣1,407,194千元和人民幣1,962,635千元，流動比率分別為1.71和2.20。鑒於我們目前的流動性狀況、本集團在銀行尚未使用的信貸餘額以及預期因經營而產生的現金，董事認為我們擁有充足的營運資金來應付目前及未來12個月的資金需求。

Capital Management

The following table presents our gearing ratios as at the end of the Period under Review.

資本管理

下表呈列我們於本回顧期末的資本負債比率。

		30 June 2017 2017年 6月30日 RMB'000 千人民幣	31 December 2016 2016年 12月31日 RMB'000 千人民幣
Interest-bearing loans and convertible bonds – liability component	計息貸款及可換股債券 — 負債部份	499,108	488,683
Total debt	債務合計	499,108	488,683
Less: cash and cash equivalents and short-term deposits (excluding restricted bank balances)	減：現金及現金等價物及短期存款 (扣除受限制銀行存款)	(1,344,571)	(1,550,183)
Net debt	淨債務	N/A 不適用	N/A 不適用
Total equity attributable to owners of the parent	母公司擁有人應佔總權益	3,120,198	2,703,481
Gearing ratio	資本負債比率	N/A 不適用	N/A 不適用

Management Discussion and Analysis

管理層討論與分析

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

Inventories

The balance of inventories represented our balance of stock of raw materials, work in progress and finished goods as at the end of the Period under Review. We monitor our inventories on a regular basis. During the Period under Review, turnover of average inventories (in days) (average inventories equal to the inventories at the beginning of the period plus inventories at the end of the period (after provision), divided by two. Turnover of average inventories (in days) equals to the average inventories divided by the cost of sales and then multiplied by 180) was 57.0 days, while it was 63.5 days in the Corresponding Period.

More details about the inventories are provided in note 13 to the condensed consolidated interim financial statements on page 95 of this report.

Trade and bills receivables, prepayment, deposits and other receivables and restricted bank balances and short-term deposits

Trade receivables of the Group represented proceeds receivable from sale of goods. The Group's trading terms with its customers are mainly on credit, except for new customers where payment in advance is normally required. The credit periods generally

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

存貨

存貨結餘指本集團在回顧期末的原材料、在製品及產成品庫存餘額。本集團對存貨進行定期監控。於回顧期內，平均存貨週轉天數（平均存貨等於期初存貨加上期末存貨（減去存貨跌價準備後）除以二。平均存貨週轉天數等於平均存貨除以銷售成本，然後乘以180）為57.0天，而同期為63.5天。

有關存貨的詳細情況請參照本報告第95頁的簡明合併中期財務報表附註13。

貿易及票據應收賬款、預付款、保證金及其他應收賬款以及受限制的銀行餘額及短期存款

本集團的貿易應收賬款指來自貨物銷售的應收所得款項。本集團與客戶之間主要通過信用交易，但新客戶一般需要提前支付。主要客戶的信用期限一般介於

Management Discussion and Analysis

管理層討論與分析

range from 30 to 180 days for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balance. Overdue interests of several trade receivables are calculated at an annual interest rate of 12%.

During the Period under Review, turnover of average trade and bills receivables (in days) (average trade and bills receivables equal to the trade and bills receivables at the beginning of the period plus trade and bills receivables at the end of the period (before provision), divided by two. Turnover of average trade and bills receivables (in days) equals to the average trade and bills receivables divided by revenue and then multiplied by 180) was 127.7 days, while it was 137.0 days in the Corresponding Period.

As at 30 June 2017, included in prepayments, deposits and other receivables are the amounts due from a company of RMB550,924,000 (31 December 2016: RMB550,924,000), net of impairment of RMB285,360,000 as at 31 December 2016 and 30 June 2017.

As at 30 June 2017, included in prepayments, deposits and other receivables is an amount of RMB55,396,000 which represented an amount withdrawn by the court during the Period under Review, and the same amount was included in restricted bank balances and short-term deposits as at 31 December 2016.

More details about the trade and bills receivables, prepayment, deposits and other receivables and restricted bank balances and short-term deposits are provided in note 14 to the condensed consolidated interim financial statements on page 96 to page 99 of this report.

30天至180天不等。每位主要客戶均設置最高信用限額。本集團尋求對其未結清應收款項維持嚴格監控，並已建立一個信用監控部門以將信用風險降至最低。高級管理人員定期覆核逾期結餘。鑒於上述情況及本集團貿易應收賬款與大量分散客戶有關，信用風險的集中度並不高。本集團並無就其貿易應收賬款持有任何抵押品或採取其他信用增級。若干貿易應收賬款的逾期利息按年利率12%計算。

於回顧期內，平均貿易及票據應收賬款週轉天數（平均貿易及票據應收賬款等於期初貿易及票據應收賬款加上期末貿易及票據應收賬款（扣除撥備前）除以二。平均貿易及票據應收賬款週轉天數等於平均貿易及票據應收賬款除以收入，然後乘以180）為127.7天，而同期為137.0天。

於2017年6月30日，包括在預付款、保證金及其他應收賬款中的金額為人民幣550,924千元的款項（2016年12月31日：人民幣550,924千元）為應收一家公司的款項，扣除於2016年12月31日和於2017年6月30日的減值人民幣285,360千元。

於2017年6月30日，包括在預付款、保證金及其他應收賬款中的金額為人民幣55,396千元的款項指的是於回顧期內被法院提取的金額，該等金額於2016年12月31日列入受限制的銀行餘額及短期存款。

有關貿易及票據應收賬款、預付款、保證金及其他應收賬款以及受限制的銀行餘額及短期存款的詳細情況請參照本報告第96頁至第99頁的簡明合併中期財務報表附註14。

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Trade and bills payables

During the Period under Review, turnover of average trade and bills payables (in days) (average trade and bills payables equal to trade and bills payables at the beginning of the period plus trade and bills payables at the end of the period, divided by two. Turnover of average trade and bills payables (in days) equals to average trade and bills payables divided by cost of sales and then multiplied by 180) was 99.9 days, while it was 82.1 days in the Corresponding Period. More details about the trade and bills payables are provided in note 15 to the condensed consolidated interim financial statements on page 100 of this report.

Interest-bearing loans

More details about the interest-bearing loans are provided in note 16 to the condensed consolidated interim financial statements on page 101 to page 102 of this report.

Convertible Bonds

More details about the convertible bonds are provided in note 17 to the condensed consolidated interim financial statements on page 102 to page 105 of this report.

Capital expenditure

We funded our capital expenditure with cash generated from operations and bank loans and cash generated from issue of shares or convertible bonds. Our capital expenditure is primarily related to expenditure on property, plant and equipment, prepaid land lease payments and other intangible assets. During the Period under Review, the Group's capital expenditure amounted to RMB44,960,000, mainly attributable to the increase in cost of leasehold improvements, machinery equipment, moulds and non-productive equipment.

貿易及票據應付賬款

於回顧期內，平均貿易及票據應付賬款週轉天數（平均貿易及票據應付賬款等於期初貿易及票據應付賬款加上期末貿易及票據應付賬款除以二。平均貿易及票據應付賬款週轉天數等於平均貿易及票據應付賬款除以銷售成本，然後乘以180）為99.9天，而同期為82.1天。有關貿易及票據應付賬款的詳細情況請參照本報告第100頁的簡明合併中期財務報表附註15。

計息貸款

有關計息貸款的詳細情況請參照本報告第101頁至第102頁的簡明合併中期財務報表附註16。

可換股債券

有關可換股債券的詳細情況請參照本報告第102頁至第105頁的簡明合併中期財務報表附註17。

資本支出

我們的資本支出來源為經營業務所產生的現金、銀行貸款所取得的現金以及發行股份或可換股債券所取得的現金。資本支出主要為有關物業、廠房及設備，預付土地租金及其他無形資產的開支。回顧期內，本集團資本支出為人民幣44,960千元，主要是源於裝修費、機器設備、模具以及非生產設備的增加。

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Off-balance Sheet Arrangement

Except for the derivative component of convertible bonds mentioned in note 17, note 21 and note 22 to the condensed consolidated interim financial statements, we did not have any outstanding derivative financial instruments or off-balance sheet guarantees for outstanding loans. We did not engage in trading activities involving non-exchange traded contracts.

Capital Commitments

The details to capital commitments are provided in note 23 to the condensed consolidated interim financial statements on page 127 of this report.

Continuing Connected Transactions

During the Period under Review, the continuing connected transactions of the Group do not exceed the annual caps previously disclosed in the relevant announcements of the Company.

Mergers, Acquisitions and Investments

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

表外安排

除了簡明合併中期財務報表附註17、附註21及附註22提到的可換股債券的衍生工具部份外，我們概無任何已發行的衍生金融工具及未還貸款的表外擔保。我們概未從事涉及非交易所買賣合約的交易活動。

資本承諾

資本承諾詳細情況請參照本報告第127頁的簡明合併中期財務報表附註23。

持續關連交易

本集團於回顧期內的持續關連交易沒有超過本公司早前於相關公告中所披露的年度上限。

兼併、收購及投資

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

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

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

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

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

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

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

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ETIC is an important business partner of the Company in its industrial chain. The strategic investment in ETIC will enhance the Company's strategic cooperation relationship with ETIC. ETIC is focusing on the production and sale of small household appliances and LED products in the PRC. With a positive outlook on the LED products market and the future performance of ETIC, the Company believes that such share acquisition presents a valuable investment opportunity for the Group to capture the potential growth of ETIC, which will bring benefits to the Group. The Company also considers that the current stock price of ETIC is also at a reasonable level and of investment value. As of the date of this report, the acquisition of ETIC shares has not yet been completed. For more details, please refer to the announcement of the Company dated 12 June 2017.

Save as disclosed in the above, the Group made no acquisition, merger or sale of subsidiaries, associates, joint ventures and investments during the Period under Review.

Issue of New Shares Under General Mandate

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

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

除上述披露之外，於回顧期內，本集團沒有進行附屬公司、聯營公司、合營公司及投資項目的收購、兼併或出售。

根據一般授權發行新股份

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

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

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

The gross proceeds of the subscription will amount to approximately HK\$205,864,000. After deducting the relevant expenses, the net proceeds from the issue of the subscription shares will amount to approximately HK\$205,000,000. The net price for each subscription share is estimated to be approximately HK\$0.797. For more details, please refer to the announcement of the Company dated 27 June 2017. As of the date of this report, the subscription has not been completed.

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

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

認購事項之所得款項總額約為205,864千港元，扣除相關開支後，發行認購股份估計所得款項淨額約為205,000千港元。每股認購股份之淨價格估計約為0.797港元。詳情請參照本公司2017年6月27日的公告。截至本報告日期，認購事項尚未完成。

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

Use of Proceeds from the Global Offering

We did not use the proceeds from the Global Offering in a manner different from those set out in the prospectus of the Company dated 7 May 2010.

Other Significant Investment and Performance

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

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

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

全球發售取得資金的使用

我們沒有改變本公司於2010年5月7日刊發之招股說明書中規定的有關全球發售取得資金的用途。

其他重大投資及表現

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

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

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Loans and Guarantee

The Group did not grant any loans to any entities, nor did it offer any financial assistance to its associates or make any guarantee for the facilities granted to its associates.

Event after the Period under Review

No significant event has happened after 30 June 2017.

Contingent Liabilities

- (a) As at 30 June 2017, contingent liabilities not provided for in the condensed consolidated interim financial statements were as follows:

貸款及擔保

本集團沒有向任何實體提供貸款，也沒有向其聯屬公司提供財務資助或為聯屬公司融資作出擔保。

期後事項

於2017年6月30日後並無任何重大事項。

或有負債

- (a) 於2017年6月30日，未於本簡明合併中期財務報表計提撥備的或有負債如下：

	30 June 2017 2017年 6月30日 RMB'000 千人民幣 (Unaudited) (未經審核)	31 December 2016 2016年 12月31日 RMB'000 千人民幣 (Audited) (經審核)
Guarantees given to banks and a finance company in connection with facilities granted to: Two PRC companies and Mrs. WU Lian, an individual		
就授予下列公司／人士 信貸而給予銀行及 一家財務公司的擔保： 兩間中國公司及 吳戀女士（個別人士）	131,497	131,497

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(b) During the Period under Review, the Group acted as defendant in lawsuits brought by two PRC banks and a PRC finance company alleging that the Group should assume guarantee liabilities and interests according to guarantee agreements. The directors consider that the likelihood of the Group sustaining losses from the guarantees is remote, and accordingly no provision for claims arising from the litigations is considered necessary as at 31 December 2016 and 30 June 2017, save for the related legal and other costs. Based on the respective court judgements, interests are imposed on the principal amounts as disclosed in (a) above, which are calculated on (i) principal amount of approximately RMB62,000,000 at 9.9% per annum plus compound interest at 9.9% per annum on unpaid interest since 21 October 2014; (ii) principal amount of approximately RMB34,000,000 at four times of six-month borrowing rate of the People's Bank of China since 8 October 2015; and (iii) principal amount of approximately RMB35,497,000 at 0.05% per day since 4 January 2015.

(b) 於回顧期內，本集團為由兩家中國銀行及一間中國財務公司根據擔保協議起訴本集團須承擔擔保責任及利息的訴訟的被告。董事認為本集團須承受該等擔保損失的可能性不大，因此，除有關法律及其他成本費用外，於2016年12月31日及2017年6月30日毋須就源自該等訴訟的任何索償計提撥備。根據相關法院判決，誠如上述(a)所披露，本金款項所徵收的利息會以(i)本金款項約人民幣62,000千元以每年9.9%另加自2014年10月21日起未支付利息以每年9.9%的複合利率；(ii)本金款項約人民幣34,000千元自2015年10月8日起以中國人民銀行六個月借款利率的四倍；及(iii)本金款項約人民幣35,497千元自2015年1月4日起以每日0.05%計算。

Pledge of Assets

As at 30 June 2017, save for those disclosed elsewhere in these condensed consolidated interim financial statements, the following assets of the Group were pledged, as applicable:

(1) As at 30 June 2017, certain land use rights with aggregate carrying amounts of RMB47,654,000 (31 December 2016: RMB48,314,000) and certain buildings with carrying amounts of RMB234,574,000 (31 December 2016: RMB242,510,000); and buildings with carrying amounts of RMB44,312,000 (31 December 2016: RMB43,108,000) were pledged for the Group's applications of assets preservation in certain PRC legal proceedings and bank loan facilities respectively.

抵押資產

於2017年6月30日，除本簡明合併中期財務報表另行披露者外，本集團下列資產已被抵押（視情況而定）：

(1) 於2017年6月30日，若干賬面值合計人民幣47,654千元（2016年12月31日：人民幣48,314千元）的土地使用權及若干賬面值人民幣234,574千元（2016年12月31日：人民幣242,510千元）的樓宇及賬面值人民幣44,312千元（2016年12月31日：人民幣43,108千元）的樓宇由於本集團的某些中國法律訴訟而申請資產保全及作為銀行借款融資的抵押。

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| <p>(2) As at 30 June 2017, certain trade receivables with carrying amounts of RMB55,014,000 (31 December 2016: RMB47,347,000) were pledged to secure the bank borrowings.</p> <p>(3) In accordance with several letters of guarantee, deposits with carrying amounts of RMB21,088,000 (31 December 2016: RMB34,533,000) were pledged for issuing letters of guarantee.</p> <p>(4) The deposits with carrying amounts of RMB26,501,000 (31 December 2016: RMB26,501,000) were pledged for the Group's applications of assets preservation in certain PRC legal proceedings.</p> | <p>(2) 於2017年6月30日，賬面值人民幣55,014千元（2016年12月31日：人民幣47,347千元）的若干貿易應收賬款已質押作為銀行借款的擔保。</p> <p>(3) 根據數封銀行保函協議，賬面值為人民幣21,088千元（2016年12月31日：人民幣34,533千元）的存款已質押以發出銀行保函。</p> <p>(4) 為在本集團的某些中國法律訴訟中申請資產保全，賬面值為人民幣26,501千元（2016年12月31日：人民幣26,501千元）的存款已進行質押。</p> |
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Employees

As at 30 June 2017, the Group had approximately 6,731 employees in total (31 December 2016: 6,238). During the Period under Review, the relevant employee salary and benefit expense was RMB276,965,000 (including share option expense of RMB Nil), while our employee salary and benefit expense was RMB257,211,000 (including share option expense of RMB239,000) for the Corresponding Period. The Group regularly reviews remuneration and benefits of its employees according to the relevant market practice and individual performance of the employees. In addition to basic salary, employees are entitled to other benefits including social insurance contributions, employee provident fund schemes, discretionary incentive and share option schemes. The Group ensures that adequate training and professional development opportunities are provided to all employees so as to satisfy their career development needs.

Market Risks

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

僱員

於2017年6月30日，本集團的總員工人數約6,731名（2016年12月31日：6,238名）。回顧期內，有關僱員薪酬及福利開支為人民幣276,965千元（其中購股權費用為人民幣零元），而同期我們的僱員薪酬及福利開支為人民幣257,211千元（其中購股權費用為人民幣239千元）。本集團會定期就有關市場慣例及個別僱員的表現檢討僱員薪酬及福利。除支付基本薪金外，僱員也享受其他福利，包括社會保險、員工公積金計劃、酌情性獎勵及購股權計劃。本集團確保向全體僱員提供充足的培訓和專門發展機會，從而滿足其事業發展需要。

市場風險

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

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Foreign Currency Risk

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

Commodity Price Risk

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

Liquidity Risk

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

Credit Risk

Our major credit risk arises from exposure to a substantial number of trade and bills receivables and prepayments, deposits and other receivables from debtors. We have policies in place to ensure that the sales of products are made to customers with an appropriate credit limit, and we have strict control over credit limits of trade receivables. Our cash and short-term deposits are mainly deposited with registered banks in the PRC and Hong

外幣風險

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

商品價格風險

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

流動資金風險

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

信用風險

我們的主要信用風險來自於債務人的大量貿易及票據應收賬款和預付款、保證金及其他應收款項。我們已訂立政策確保產品出售予有適當信用額度的客戶，且我們嚴格控制貿易應收款項的信用額度。我們的現金和短期存款主要存於中國大陸及香港的註冊銀行。我們亦有限

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Kong. We also have policies that limit our credit risk exposure to any financial institutions. The carrying amounts of trade and bills receivables, prepayments, and deposits and other receivables, cash and cash equivalents and short term deposits included in the condensed consolidated statement of financial position represent our maximum exposure to credit risk in relation to our financial assets. We have no other financial assets which carry significant exposure to credit risk. In 2016, we entered into a number of one-year insurance contracts with China Export & Credit Insurance Corporation, which covered up to 85% of uncollectible receivables from PRC sales and 90% uncollectible receivables from international sales during the period from 1 December 2016 to 30 November 2017 with a maximum compensation amount of RMB25,920,000 for PRC sales and US\$25,000,000 (equivalent to approximately RMB173,425,000) for international sales. We purchased such insurance in order to minimise our exposure to credit risk as we expand our business. We plan to renew such insurance contracts when they become due.

制涉及任何金融機構的信用風險政策。簡明合併財務狀況表中的貿易及票據應收賬款、預付款、保證金及其他應收賬款的賬面值、現金和現金等價物和短期存款反映了本集團就有關金融資產的最大信用風險。我們沒有其他帶有重大信用風險的金融資產。2016年，我們與中國出口信用保險公司訂立若干一年期保險合同，在其承保範圍內，覆蓋於2016年12月1日至2017年11月30日期間的中國銷售應收賬款不可回收金額的85%及海外銷售應收賬款不可回收金額的90%，中國銷售的最高賠償金額為人民幣25,920千元，國際銷售的最高賠償金額為25,000千美元（折合約人民幣173,425千元）。我們購買上述保險是為了最大程度降低我們擴張業務所帶來的信用風險。我們計劃於到期時將該等保險合同續期。

Disclosure of Interests

權益披露

Interests and Short Positions of Substantial Shareholders in the Shares and Underlying Shares

主要股東於股份及相關股份之權益及淡倉

As at 30 June 2017, so far as the Directors and chief executives of the Company are aware, the following shareholders (other than Directors or chief executives of the Company) had 5% or more interests or short positions in the issued shares and underlying shares of the Company which were recorded in the register required to be maintained by the Company pursuant to Section 336 of the SFO:

於2017年6月30日，就本公司董事及最高行政人員所知，根據《證券及期貨條例》第336條所存置的主要股東登記名冊顯示，下列股東（非本公司董事或最高行政人員）於本公司已發行股份及相關股份中擁有5%或以上的權益或淡倉：

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

Disclosure of Interests

權益披露

Name of shareholder 股東名稱	Nature of interests 權益性質	Class of shares 股份類別	Number of shares or underlying shares 股份或相關股份數目	Percentage of the total issued shares 佔已發行股份總數的百分比
SB Asia Investment Fund II L.P.	Beneficial owner 實益擁有人	Ordinary shares 普通股	588,223,000 (L)	16.42%
SAIF II GP, L.P.	Interest of corporation controlled by the substantial shareholders 主要股東所控制的法團的權益	Ordinary shares 普通股	588,223,000 (L) (Note 5) (附註5)	16.42%
SAIF Partners II LP	Interest of corporation controlled by the substantial shareholders 主要股東所控制的法團的權益	Ordinary shares 普通股	588,223,000 (L) (Note 5) (附註5)	16.42%
SAIF II GP Capital Ltd	Interest of corporation controlled by the substantial shareholders 主要股東所控制的法團的權益	Ordinary shares 普通股	588,223,000 (L) (Note 5) (附註5)	16.42%
Guoyuan Investment Fund Series SPC (Acting on behalf of Guoyuan Global Income Fund Segregated Portfolio) Guoyuan Investment Fund Series SPC (代表Guoyuan Global Income Fund Segregated Portfolio行事)	Investment manager 投資經理	Ordinary shares 普通股	540,540,540 (L) (Note 6) (附註6)	15.09%
Rising Wealth Limited 財升有限公司	Beneficial owner 實益擁有人	Ordinary shares 普通股	402,330,000 (L) (Note 7) (附註7)	11.23%
ZHAO Yu 趙煜	Interest of corporation controlled by the substantial shareholders 主要股東所控制的法團的權益	Ordinary shares 普通股	402,330,000 (L) (Note 7) (附註7)	11.23%
Schneider Electric Asia Pacific Limited	Beneficial owner 實益擁有人	Ordinary shares 普通股	288,371,000 (L)	8.05%

Disclosure of Interests

權益披露

Name of shareholder 股東名稱	Nature of interests 權益性質	Class of shares 股份類別	Number of shares or underlying shares 股份或相關股份數目	Percentage of the total issued shares 佔已發行股份總數的百分比
Schneider Electric Industries SAS	Interest of corporation controlled by the substantial shareholders 主要股東所控制的法團的權益	Ordinary shares 普通股	288,371,000 (L) (Note 8) (附註8)	8.05%
Schneider Electric SE	Interest of corporation controlled by the substantial shareholders 主要股東所控制的法團的權益	Ordinary shares 普通股	288,371,000 (L) (Note 8) (附註8)	8.05%
YE Yong 葉勇	Beneficial owner 實益擁有人	Ordinary shares 普通股	270,227,000 (L)	7.54%
	Spouse's interest 配偶的權益	Ordinary shares 普通股	7,433,000 (L) (Note 9) (附註9)	0.21%

Notes:

- (L) represents long position.
- These shares are held by Elec-Tech International (H.K.) Company Limited. As Elec-Tech International (H.K.) Company Limited is a wholly-owned subsidiary of ETIC, ETIC is deemed to be interested in all these shares.

附註：

- (L)代表好倉。
- 該等股份由德豪潤達國際(香港)有限公司持有。德豪潤達國際(香港)有限公司是德豪潤達的全資附屬公司，因此德豪潤達被視為於該等股份中擁有權益。

Disclosure of Interests

權益披露

3. These shares are held by Haitong International Securities Company Limited. As Haitong International Securities Company Limited is a wholly-owned subsidiary of Haitong International Finance Company Limited, which in turn is a wholly-owned subsidiary of Haitong International (BVI) Limited, which is a wholly-owned subsidiary of Haitong International Securities Group Limited, 61.77% interest of Haitong International Securities Group Limited is held by Haitong International Holdings Limited, and which is a wholly-owned subsidiary of Haitong Securities Co., Ltd., Haitong Securities Co., Ltd. and Haitong International Securities Group Limited are deemed to be interested in these shares.
 4. These shares were held by SB Asia Investment Fund II L.P. (588,223,000 shares) and SAIF Partners IV L.P. (10,900,000 shares), respectively. As all these companies are held by Mr. Andrew Y. YAN indirectly, Mr. Andrew Y. YAN is deemed to be interested in the shares of the Company held by the aforesaid companies.
 5. These shares were held by SB Asia Investment Fund II L.P.. As SB Asia Investment Fund II L.P. is a wholly-owned subsidiary of SAIF II GP, L.P., which in turn is a wholly-owned subsidiary of SAIF Partners II LP, and SAIF Partners II LP is a wholly-owned subsidiary of SAIF II GP Capital Ltd, SAIF II GP, L.P., SAIF Partners II LP and SAIF II GP Capital Ltd are deemed to be interested in these shares.
3. 該等股份由Haitong International Securities Company Limited持有。Haitong International Securities Company Limited是Haitong International Finance Company Limited的全資附屬公司，Haitong International Finance Company Limited是Haitong International (BVI) Limited的全資附屬公司，Haitong International (BVI) Limited是Haitong International Securities Group Limited的全資附屬公司，Haitong International Holdings Limited持有Haitong International Securities Group Limited 61.77%的權益，而Haitong International Holdings Limited又是Haitong Securities Co., Ltd.的全資附屬公司，因此Haitong Securities Co., Ltd.及Haitong International Securities Group Limited被視為於該等股份中擁有權益。
 4. 該等股份分別由SB Asia Investment Fund II L.P. 持有588,223,000股及SAIF Partners IV L.P.持有10,900,000股。由於該等公司全部為閻焱先生間接持有，因此閻焱先生被視作擁有該等公司於本公司所持有股份數目中之全部權益。
 5. 該等股份由SB Asia Investment Fund II L.P. 持有。SB Asia Investment Fund II L.P. 是SAIF II GP, L.P.的全資附屬公司，SAIF II GP, L.P.是SAIF Partners II LP的全資附屬公司，而SAIF Partners II LP又是SAIF II GP Capital Ltd的全資附屬公司，因此SAIF II GP, L.P.、SAIF Partners II LP及SAIF II GP Capital Ltd被視為於該等股份中擁有權益。

Disclosure of Interests

權益披露

6. These shares represent the maximum number of shares to be issued and allotted upon exercise in full of the conversion rights attaching to the convertible bonds issued by the Company pursuant to the subscription agreement dated 20 May 2016 entered into between the Company and Guoyuan Investment Fund Series SPC (acting on behalf of Guoyuan Global Income Fund Segregated Portfolio).
 7. Rising Wealth Limited held 145,000,000 shares of the Company. Pursuant to the subscription agreement entered into between the Company and Rising Wealth Limited on 27 June 2017, Rising Wealth Limited conditionally agreed to subscribe and the Company conditionally agreed to allot and issue 257,330,000 shares of the Company. As at the date of this report, the subscription has not been completed yet. As Rising Wealth Limited is wholly and beneficially owned by Ms. ZHAO Yu, Ms. ZHAO Yu is deemed to be interested in the shares held by the aforesaid company in the Company.
 8. These shares are held by Schneider Electric Asia Pacific Limited. As Schneider Electric Asia Pacific Limited is a wholly-owned subsidiary of Schneider Electric Industries SAS, which in turn is a wholly-owned subsidiary of Schneider Electric SE, Schneider Electric Industries SAS and Schneider Electric SE are deemed to be interested in these shares.
 9. As these shares are held by Ms. GAO Xia, the spouse of Mr. YE Yong, Mr. YE Yong is deemed to be interested in these shares.
6. 該等股份為根據本公司於2016年5月20日與Guoyuan Investment Fund Series SPC（代表Guoyuan Global Income Fund Segregated Portfolio行事）訂立的認購協議，於本公司發行的可換股債券所附換股權獲悉數行使後，將予發行及配發最多的股份。
 7. 財升有限公司持有本公司145,000,000股股份。根據本公司於2017年6月27日與財升有限公司訂立之認購協議，財升有限公司有條件同意認購，且本公司有條件同意配發及發行257,330,000股本公司股份。截至本報告日期，認購事項尚未完成。由於財升有限公司為趙煜女士全資實益擁有，因此趙煜女士被視作擁有該公司於本公司所持有股份數目中之全部權益。
 8. 該等股份由Schneider Electric Asia Pacific Limited持有。Schneider Electric Asia Pacific Limited是Schneider Electric Industries SAS的全資附屬公司，而Schneider Electric Industries SAS又是Schneider Electric SE的全資附屬公司，因此Schneider Electric Industries SAS及Schneider Electric SE被視為於該等股份中擁有權益。
 9. 該等股份由葉勇先生的配偶高霞女士持有，因此葉勇先生被視為於該等股份中擁有權益。

Save as disclosed above, as at 30 June 2017, so far as the Directors are aware, no other person (except the Directors and chief executives of the Company) or corporation had 5% or more interests or short positions in the shares and underlying shares of the Company which were recorded in the register required to be maintained by the Company pursuant to Section 336 of the SFO.

除上文所披露者外，就董事所知，於2017年6月30日，概無任何人士（本公司董事或最高行政人員除外）或法團擁有須登記於根據《證券及期貨條例》第336條規定本公司須備存的登記冊內的本公司股份及相關股份5%或以上的權益或淡倉。

Disclosure of Interests

權益披露

Interests and Short Positions of Directors and Chief Executives in the Shares, Underlying Shares and Debentures

As at 30 June 2017, none of the Directors or chief executives of the Company have or are deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or recorded in the register required to be maintained pursuant to Section 352 of Part XV of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the provisions of the Model Code.

Controlling Shareholders

During the Period under Review, the Company did not have any controlling shareholder.

董事及最高行政人員於股份、相關股份及債權證中擁有的權益及淡倉

於2017年6月30日，本公司董事及最高行政人員並無於本公司及其相聯法團（定義見《證券及期貨條例》第XV部份）的股份、相關股份及債權證中擁有根據《證券及期貨條例》第XV部份第7及8部份須知會本公司及聯交所（包括根據《證券及期貨條例》規定，彼等當作或視為擁有之權益或淡倉）或根據《證券及期貨條例》第XV部份第352條規定須予存置之登記冊或根據標準守則須另行知會本公司及聯交所之權益及淡倉。

控制性股東

回顧期內，本公司沒有控制性股東。

Share Option Scheme

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

The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme or any other share option schemes adopted by the Company shall not exceed 10% (the Company may refresh the 10% limit in certain conditions) of the aggregate of the shares in issue on the listing date or 30% of the shares in issue from time to time. The total number of shares issued and to be issued upon exercise of the options granted to each participant under the Share Option Scheme or any other share option scheme adopted by the Company in any 12-month period must not exceed 1% of the shares in issue. Any further grant of options which would

購股權計劃

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

根據購股權計劃或本公司採納的任何其他購股權計劃所授出的所有購股權獲行使時可發行的股份數目上限不得超過本公司上市日期已發行股份的10%（本公司可在某些情況下更新此10%上限）或本公司不時已發行股份的30%。每名參與者於任何12個月期間行使根據購股權計劃或本公司採納的任何其他購股權計劃授予每名參與者的購股權獲行使時已發行及將發行的股份總數不得超過已發行股份的1%。如果再授出購股權會導致按上

Disclosure of Interests

權益披露

result in the number of shares issued as aforesaid exceeding the said 1% limit requires shareholders' prior approval with the relevant participant and his associates abstaining from voting. At the time of grant of the options, our Company may specify any minimum period(s) for which an option must be held before it can be exercised. The Share Option Scheme does not contain any such minimum period.

The subscription price for the shares granted under the options shall be no less than the highest of (a) the closing price of the shares as stated in the daily quotation sheet issued by the Stock Exchange on the date of grant; (b) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five Stock Exchange business days immediately preceding the date of grant; and (c) the nominal value of a share upon its issue. The amount payable by a grantee on acceptance of a grant of options is US\$1. The Share Option Scheme will expire on the date of the tenth anniversary of the adoption of the Share Option Scheme. Further details of the Share Option Scheme are set out in the prospectus of the Company dated 7 May 2010.

During the Period under Review, no option has been granted under the Share Option Scheme.

Pre-IPO Share Option Scheme

The Company adopted the pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") approved by the Board on 15 October 2006 and amended on 23 December 2009 and 24 March 2010. The purpose of the Pre-IPO Share Option Scheme is to assist the Company in attracting, retaining and motivating key employees, Directors, consultants and strategic suppliers. The aggregate number of shares subject to the Pre-IPO Share Option Scheme is 240,429,000 shares, representing 8.11% of the issued share capital of the Company following the initial public offering.

述方式發行的股份數目超過1%，則須經股東事先批准，而相關參與者及其聯繫人必須放棄投票。於授出購股權時，本公司可指明行使購股權前須持有有關購股權的任何最短時限。購股權計劃並無包括任何該等最短時限。

根據購股權可認購的股份的認購價不得低於以下三者的最高者：(a)聯交所於授出日期發出的每日報價表所列的股份收市價；(b)聯交所於緊接授出日期前五個聯交所營業日發出的每日報價表所列的股份平均收市價；及(c)一股股份於發行時的賬面值。承授人接納購股權的應付金額為1美元。購股權計劃於其獲採納後滿十年到期。購股權計劃的進一步詳情載於本公司於2010年5月7日刊發的招股書。

回顧期內，並無根據購股權計劃授出任何購股權。

首次公開發行前購股權計劃

本公司已採納首次公開發行前購股權計劃（「首次公開發行前購股權計劃」）。本計劃於2006年10月15日經董事會批准，並於2009年12月23日及2010年3月24日修訂。授出首次公開發行前購股權旨在吸引、留住及激勵重要僱員、董事、顧問及戰略供應商。首次公開發行前購股權計劃所涉及的股份總數為240,429,000股股份，佔首次公開發行後本公司已發行股本的8.11%。

Disclosure of Interests

權益披露

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

In the event that the Board allows a grantee to exercise an option granted under this Pre-IPO Share Option Scheme by delivering shares previously owned by such grantee and unless otherwise expressly provided by the Board, any shares delivered which were initially acquired by the grantee from the Company (upon exercise of a share option or otherwise) must have been owned by the grantee at least six months as at the date of delivery. The Company will not be obligated to deliver any shares unless and until it receives full payment of the exercise or purchase price and any related withholding obligations and any other conditions to exercise or purchase have been satisfied. Unless otherwise expressly provided, the Board may at any time eliminate or limit a grantee's ability to pay the purchase or exercise price of any option granted under this Pre-IPO Share Option Scheme by any method other than cash payment to the Company. The Board may take all actions necessary to alter the method of option exercise and the exchange and transmittal of proceeds with respect to grantees who reside in the PRC with no permanent residency in a country other than the PRC in order to comply with applicable PRC foreign exchange and tax regulations. Further details of the Pre-IPO Share Option Scheme are set out in the prospectus of the Company dated 7 May 2010.

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

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

Disclosure of Interests

權益披露

As at 30 June 2017, details of outstanding options granted under the Pre-IPO Share Option Scheme are as follows:

於2017年6月30日，首次公開發行前購股權計劃項下尚未行使的購股權詳情如下：

Name of the grantee 承授人姓名	Class of shares 股份類別	Relationship with the Group 與本集團的關係	Number of shares outstanding as at 1 January 2017 於2017年 1月1日 尚未行使的 股份數目	Number of shares outstanding as at 30 June 2017 於2017年 6月30日 尚未行使的 股份數目	Exercise price (HK\$ per share) 行權價格 (港元／股)	Date of grant 授予日	Expiry date 到期日	Percentage of the number of shares outstanding as at 30 June 2017 to the total shares issued 於2017年 6月30日 尚未行使的 股份數目佔 已發行總股本 的百分比
Others (including senior management) 其他人員(含高級管理人員)	Share options 購股權	Employees and others 僱員及其他	1,000,000	-	2.1	24 March 2010 2010年3月24日	8 February 2017 2017年2月8日	- -
Total 合計			1,000,000	-				- -

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

回顧期內，首次公開發行前購股權計劃的所授予購股權中未有購股權被行使或註銷。

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

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

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

Corporate Governance and Other Information

企業管治及其他資料

Corporate Governance

The Directors are of the opinion that, during the Period under Review, the Company had complied with the applicable principles and codes provisions set out in the Code, except for Code Provision A.2.1 which requires that the role of chairman and chief executive officer should be separate and should not be performed by the same person. Given that Mr. WANG Donglei assumed the roles of both chairman and chief executive officer, the Company deviated from this code provision. Mr. WANG Donglei is a director and the chairman of ETIC, which is the controlling corporation of the largest shareholder of the Company, Elec-Tech International (H.K.) Company Limited. Mr. WANG Donglei has many years of experience in product research and development, manufacturing and business management. The dual role arrangement provides strong and consistent market leadership and is critical for efficient business planning and decision making of the Company. As all major decisions are made in consultation with members of the Board and its other relevant committees, and there are four Independent Non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board will also continue to review and monitor the practices of the Company for the purposes of complying with the Code and maintaining a high standard of corporate governance practices of the Company. Save as disclosed above, the Company had fully complied with the principles and code provisions as set out in the Code.

Model Code for Securities Transactions

The Company has adopted the Model Code as its code of conduct regarding directors' securities transactions. Specific enquiry has been made to all Directors, and all the Directors have confirmed that they had complied with all relevant requirements as set out in the Model Code during the Period under Review.

企業管治

董事認為，回顧期內，本公司一直遵守守則所載的適用原則和守則條文，惟守則條文第A.2.1條規定主席與行政總裁的角色應分開及不應由同一個人擔任的規定除外。由於王冬雷先生同時擔任董事長及首席執行官，故本公司偏離此條文。王冬雷先生為德豪潤達的董事及董事長，而德豪潤達為本公司第一大股東德豪潤達國際（香港）有限公司的控股公司，且王冬雷先生擁有多年的產品研發、生產製造及企業管理經驗。這雙重角色有助於貫徹有力而統一的市場領導，對本公司有效率之業務規劃和決策至為重要。由於所有主要決策均會諮詢董事會及其有關委員會，並且董事會有四名獨立非執行董事提出獨立見解，故董事會認為有足夠保障措施確保董事會權力平衡。董事會亦會繼續檢討及監察本公司的常規，以符合守則規定及保持本公司高水準的企業管治常規。除上文披露外，本公司已全面遵守了守則所載的原則和守則條文。

證券交易標準守則

本公司已採納標準守則作為有關董事進行證券交易的行為守則。本公司已向所有董事作出個別查詢，而所有董事已確認在本回顧期內已遵從標準守則所載的所有相關規定。

Corporate Governance and Other Information

企業管治及其他資料

Risk Management and Internal Controls

The Board continuously oversees the Group's risk management and internal control systems on an ongoing basis. During the Period under Review, the Board, through the audit committee of the Company, conducted a review of the effectiveness of the internal control system of the Group, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function.

The Company has established internal audit systems including the internal audit department and the risk control department to review and improve the Group's internal control measures and oversee the measures to be implemented effectively. They all report directly to the chief executive officer. It is complementary to the duties of the external auditor and plays an important role in the Company's internal governance.

After receiving the confirmation from the management to the Board regarding the effectiveness of these systems, the Board is of the view that the Group's risk management and internal control systems are well-established, effective and adequate.

Audit Committee

The Company established an audit committee (the "Audit Committee") in compliance with the Listing Rules with written terms of reference. The primary duties of the Audit Committee include maintaining relationship with the auditor of the Group, reviewing financial information of the Group, supervising the financial reporting system, risk management and internal control system of the Group, and the duties of corporate governance designated by the Board. Currently, the Audit Committee consists of three members, namely, Non-executive Director Ms. YANG Jianwen, Independent Non-executive Director Mr. LEE Kong Wai, Conway and Independent Non-executive Director Mr. WANG Xuexian, respectively. Mr. LEE Kong Wai, Conway has been appointed as the chairman of the Audit Committee. The Audit Committee has reviewed and discussed the interim results for the six months ended 30 June 2017.

風險管理和內部監控

董事會持續監督本集團的風險管理及內部監控體系運行情況。於回顧期內，董事會已通過本公司審核委員會對本集團內部監控系統的有效性作出審核，包括資源充足性、僱員資格及經驗、培訓項目及本集團會計及財務申報職能的預算。

本集團已設立內部審計部及風險控制部等內部審核系統，負責審核、完善本集團的內部控制措施並監督其有效執行，它們均直接向首席執行官匯報。內部審核系統與外部核數師在功能上相輔相成，在監察公司內部治理的工作上擔當重要角色。

經取得管理層向董事會提供有關係統有效性的確認，董事會認為本集團風險管理及內部監控系統妥善、有效而且足夠。

審核委員會

本公司已依照上市規則的規定設立審核委員會（「審核委員會」），並制定書面職權範圍。審核委員會的主要職責包括維持與本集團核數師的關係；審閱本集團的財務資料；監督本集團的財務報告制度、風險管理及內部監控系統；以及董事會轉授的企業管治職責。審核委員會現由三名成員組成，分別為非執行董事楊建文女士、獨立非執行董事李港衛先生和獨立非執行董事王學先先生。李港衛先生已被委任為審核委員會的主席。審核委員會已經審閱並討論了截至2017年6月30日止6個月之中期業績。

Corporate Governance and Other Information

企業管治及其他資料

Remuneration Committee

The Company established a remuneration committee (the “Remuneration Committee”) in compliance with the Listing Rules with written terms of reference. The primary duties of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual Executive Directors and senior management, the remuneration policy and structure for all Directors and senior management, and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration. Currently, the Remuneration Committee consists of three members, namely, Non-executive Director Mr. LI Wei, Independent Non-executive Director Mr. LEE Kong Wai, Conway and Independent Non-executive Director Mr. WEI Hongxiong, respectively. Mr. WEI Hongxiong has been appointed as the chairman of the Remuneration Committee.

Nomination Committee

The Company established a nomination committee (the “Nomination Committee”) in compliance with the Code with written terms of reference. The primary duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of Independent Non-executive Directors. Currently, the Nomination Committee consists of three members, namely, Executive Director Mr. WANG Donglei, Independent Non-executive Director Mr. LEE Kong Wai, Conway and Independent Non-executive Director Mr. WEI Hongxiong, respectively. Mr. WANG Donglei has been appointed as the chairman of the Nomination Committee.

薪酬委員會

本公司已依照上市規則的規定設立薪酬委員會（「薪酬委員會」），並制定書面職權範圍。薪酬委員會的主要職責包括審閱個別執行董事及高級管理層的薪酬待遇、全體董事及高級管理層的薪酬政策及架構並就此向董事會提供意見，及設立透明程序以制定有關薪酬政策及架構，從而確保概無董事或任何彼等的聯繫人士參與釐定彼等自身的薪酬。薪酬委員會現由三名成員組成，分別為非執行董事李偉先生、獨立非執行董事李港衛先生和獨立非執行董事魏宏雄先生。魏宏雄先生已被委任為薪酬委員會的主席。

提名委員會

本公司已依照守則規定設立提名委員會（「提名委員會」），並制定書面職權範圍。提名委員會的主要職責包括檢討董事會的架構，發展及制定提名及委任董事的相關程序，就董事委任及繼任計劃向董事會提供意見，以及評估獨立非執行董事的獨立性。提名委員會現由三名成員組成，分別為執行董事王冬雷先生、獨立非執行董事李港衛先生和獨立非執行董事魏宏雄先生。王冬雷先生已被委任為提名委員會的主席。

Corporate Governance and Other Information

企業管治及其他資料

Strategy and Planning Committee

The Company established a strategy and planning committee (the “Strategy and Planning Committee”) under the Board with written terms of reference. The primary duty of the Strategy and Planning Committee is to propose and formulate the strategic development plan of the Company for the Board’s consideration. Currently, the Strategy and Planning Committee consists of four members, namely, Executive Director Mr. WANG Donglei, Executive Director Mr. XIAO Yu, Non-executive Director Mr. LI Wei and Independent Non-executive Director Mr. WANG Xuexian, respectively. Mr. WANG Donglei has been appointed as the chairman of the Strategy and Planning Committee.

Independent Investigations Committee

To advance the internal investigations into matters involving Mr. WU Changjiang, the former Executive Director and Chief Executive Officer of the Company, the Company has established an independent investigations committee (the “Independent Investigations Committee”) under the Board. The Independent Investigations Committee has been authorised by the Board to exercise powers and perform duties on behalf of the Board in relation to the conduct of the investigations into, among other things, the alleged wrongdoing of Mr. WU Changjiang. The Independent Investigations Committee has also been authorised to consider and make recommendations to the Board with respect to any potential proceedings arising from the internal investigations. In connection with the Company’s investigations of the alleged wrongdoing of Mr. WU Changjiang, the Independent Investigations Committee has instructed a third-party service provider to conduct a forensic review of related irregularities and an internal controls assessment of the Company and its key subsidiaries. The forensic review and internal controls assessment has been completed. Please refer to the announcements of the Company dated 17 July 2015 and 17 September 2015 for details. Currently, the Independent Investigations Committee consists of four members, namely, Non-executive Director Ms. YANG Jianwen, Independent Non-executive Director Mr. LEE Kong Wai, Conway, Independent Non-executive Director Mr. WEI Hongxiong and Independent Non-executive Director Mr. WANG Xuexian, respectively.

戰略與規劃委員會

本公司於董事會下設立戰略與規劃委員會（「戰略與規劃委員會」），並制定書面職權範圍。戰略與規劃委員會的主要職責為建議及制定本公司策略發展計劃以供董事會考慮。戰略與規劃委員會現由四名成員組成，分別為執行董事王冬雷先生、執行董事肖宇先生、非執行董事李偉先生和獨立非執行董事王學先先生。王冬雷先生已被委任為戰略與規劃委員會的主席。

獨立調查委員會

為推進本公司前任執行董事及首席執行官吳長江先生參與的有關事件的內部調查的進行，本公司在董事會下成立了獨立調查委員會（「獨立調查委員會」）。董事會已授權獨立調查委員會在本公司對吳長江先生可能的不法行為進行內部調查時，代表董事會行使相關權力並履行相關職責。獨立調查委員會亦獲授權對內部調查可能引致的任何訴訟程序予以考量並向董事會提出相關建議。就本公司對吳長江先生涉嫌的違規行為的調查，獨立調查委員會指示第三方服務機構對有關違規行為展開法務調查，並對本公司及其主要附屬公司進行內控評估，法務調查及內部監控評估現已完成。詳情請參閱本公司日期為2015年7月17日及2015年9月17日之公告。獨立調查委員會現由四名成員組成，分別為非執行董事楊建文女士、獨立非執行董事李港衛先生、獨立非執行董事魏宏雄先生以及獨立非執行董事王學先先生。

Corporate Governance and Other Information

企業管治及其他資料

Appointment and Resignation of Directors and Change in Directors' Information

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

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

Mr. WANG Xuexian, the Independent Non-executive Director of the Company, has ceased to be an independent non-executive director of ETIC (the shares of which are listed on the Shenzhen Stock Exchange, stock code: 002005) with effect from May 2017.

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

Purchase, Sale or Redemption of the Company's Listed Securities

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

Interim Dividend

The Board proposed not to declare an interim dividend for the six months ended 30 June 2017.

董事任免及資料變更

自2017年1月1日至本報告之日，本公司董事委任、辭任及資料變更情況如下：

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

本公司獨立非執行董事王學先先生於2017年5月起辭任德豪潤達（一間股份於深圳證券交易所上市之公司，股份代號：002005）之獨立非執行董事。

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

收購、出售或贖回本公司上市證券

回顧期內，本公司或其任何附屬公司概無購回、出售或贖回本公司任何上市證券。

中期股息

董事會不建議派發截至2017年6月30日止6個月之中期股息。

Report on Review of Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表審閱報告



Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話：+852 2218 8288
傳真：+852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

To the Board of Directors of NVC LIGHTING HOLDING LIMITED

(Incorporated in the Cayman Islands with limited liability)

致雷士照明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 interim financial statements set out on pages 70 to 128, which comprises the condensed consolidated statement of financial position of NVC Lighting Holding Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as of 30 June 2017 and the condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months then ended, and a summary of significant accounting policies and other 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 interim financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review. This report is made 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.

緒言

我們已審閱載於第70至第128頁之簡明合併中期財務報表，包括雷士照明控股有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）於2017年6月30日的簡明合併財務狀況表，以及截至該日止六個月的簡明合併損益表、簡明合併全面收入表、簡明合併權益變動表及簡明合併現金流量表，以及主要會計政策概要和其他說明性資料。香港聯合交易所有限公司證券上市規則要求有關中期財務資料的報告須根據其相關條文規定及國際會計準則委員會所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」）予以編製。貴公司董事會須負責根據國際會計準則第34號編製和呈列該等簡明合併中期財務報表。我們的責任為根據審閱的結果，對該等簡明合併中期財務報表作出結論，並根據已協定的委聘條款，僅向貴公司（作為一個整體）編製本報告，除此之外，別無其他目的。我們概不會就本報告的內容向任何其他人士負責或承擔責任。

Report on Review of Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表審閱報告

SCOPE OF REVIEW

Except as explained in the basis for qualified conclusion paragraphs below, we conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information 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 Hong Kong 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.

BASIS FOR QUALIFIED CONCLUSION

(a) Impairment of other receivables and uncertainties relating to financial guarantee contracts

As set out in Note 18 to the condensed consolidated interim financial statements, a subsidiary of the Company (the “Subsidiary”) entered into several pledge and guarantee agreements in 2013 and 2014 (the “Pledge and Guarantee Agreements”) with certain banks in the People’s Republic of China (the “PRC”), providing guarantees to the banks for their loan facilities granted to certain borrowers. Counter guarantees were provided by one of the borrowers of the bank loans (the “Borrower”) to the Group. During 2014, aggregate pledged time deposits of RMB550,924,000 of the Subsidiary had been withdrawn by the banks due to default of the bank loans under the guarantees of the Subsidiary.

審閱範圍

除以下保留意見基礎段落所闡釋者外，我們已按照香港會計師公會所頒佈之香港審閱準則第2410號「由實體獨立核數師審閱中期財務資料」進行審閱工作。審閱中期財務資料包括主要向負責財務及會計事務的人員作出查詢，並應用分析性及其他審閱程序。審閱範圍遠遠小於根據香港核數準則進行審核的範圍，故未能令我們確保我們將知悉在審核中可能發現的所有重大事項。因此，我們不會發表審核意見。

保留意見基礎

(a) 其他應收款項減值及關於財務擔保合約的不確定性

誠如載於簡明合併中期財務報表附註18，本公司一家附屬公司（「附屬公司」）分別於2013年及2014年與中華人民共和國（「中國」）境內若干銀行訂立數項質押及擔保協議（「質押及擔保協議」），就該等銀行向其若干借款人授予貸款融資而提供擔保。各筆銀行貸款其中一名借款人（「借款人」）向本集團提供若干反擔保。數家銀行基於附屬公司擔保的數項銀行貸款違約，已於2014年度提取該附屬公司質押定期存款總額為人民幣550,924千元。

Report on Review of Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表審閱報告

BASIS FOR QUALIFIED CONCLUSION (continued)

(a) Impairment of other receivables and uncertainties relating to financial guarantee contracts (continued)

The Group initiated legal actions to claim the counter guarantees provided by the Borrower. As at 31 December 2016 and 30 June 2017, other receivables of RMB550,924,000 due from the Borrower were included in “Prepayments, deposits and other receivables” in the condensed consolidated statement of financial position as set out in Note 14 to the condensed consolidated interim financial statements. The directors are of the opinion that an amount of RMB265,564,000 (the “Recoverable Amount”) is recoverable as at 31 December 2016 and 30 June 2017, and accordingly a provision for the irrecoverable amount of RMB285,360,000 had been recognised in profit or loss for the year ended 31 December 2014. There was no subsequent reversal of the provision or further provision recognised.

As set out in Note 18 to the condensed consolidated interim financial statements, the Subsidiary also entered into guarantee agreements with another PRC bank in 2013 (the “Guarantee Agreement 1”) and a PRC finance company in 2014 (the “Guarantee Agreement 2”) respectively, providing guarantees to the PRC bank and the PRC finance company for their loan facilities granted to their borrowers. The outstanding loans of RMB35,497,000 and RMB34,000,000 in relation to the Guarantee Agreements 1 and 2 were in default in 2015 and 2014 respectively. The PRC bank and the PRC finance company have taken legal actions against the respective borrowers and the guarantors (including the Subsidiary and the Borrower as guarantors) to recover the loan balances and interests.

保留意見基礎 (續)

(a) 其他應收款項減值及關於財務擔保合約的不確定性 (續)

本集團已採取法律行動，就借款人提供的反擔保提出索償。於2016年12月31日以及2017年6月30日，其他應收借款人款項人民幣550,924千元的金額已計入簡明合併中期財務報表附註14所載之簡明合併財務狀況表內「預付款、保證金及其他應收賬款」一項。董事認為於2016年12月31日以及2017年6月30日可收回人民幣265,564千元的金額（「可收回金額」），因此，對不可收回金額人民幣285,360千元計提撥備，並於截至2014年12月31日止年度的損益表內確認。並無後續撥回計提撥備或確認進一步的撥備。

誠如簡明合併中期財務報表附註18所載，該附屬公司亦分別於2013年與另一家中國銀行訂立擔保協議（「擔保協議1」）以及於2014年與一家中國財務公司訂立擔保協議（「擔保協議2」），為該家中國銀行及該家中國財務公司向其借款人授予貸款融資提供擔保。就擔保協議1及擔保協議2的未償還貸款人民幣35,497千元及人民幣34,000千元分別於2015年及2014年違約。該家中國銀行及該家中國財務公司已採取法律行動向各借款人及一眾擔保人（包括該附屬公司及作為借款人的擔保人）追討貸款結餘及利息。

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簡明合併中期財務報表審閱報告

BASIS FOR QUALIFIED CONCLUSION (continued)

保留意見基礎 (續)

(a) Impairment of other receivables and uncertainties relating to financial guarantee contracts (continued)

For the Guarantee Agreement 1, according to the first court judgement in 2016 and the final court judgement in May 2017, the Subsidiary is adjudicated to be jointly liable for the payment to the PRC bank of the outstanding loan, plus interest and costs, and the Group has no plan of filing further legal proceeding therefor. For the Guarantee Agreement 2, according to the first court judgement in 2016, the Subsidiary is adjudicated to be jointly liable for the payment to the PRC finance company of the outstanding loan, plus interest and costs. The Subsidiary has filed appeal against the first court judgement in relation to the Guarantee Agreement 2 and the related outcome of the appeal according to the official legal documents received by the Subsidiary is pending as of the date of approval of these condensed consolidated interim financial statements.

The directors, with reference to legal opinions obtained and other factors, consider that the likelihood of the Group sustaining losses from the Guarantee Agreements 1 and 2 is remote as it is considered that the loans had sufficient underlying securities including the Borrower's guarantees and the Subsidiary is only one of the guarantors for the loans. As a result, the directors considered that no provision thereon is considered necessary as at 31 December 2016 and 30 June 2017.

(a) 其他應收款項減值及關於財務擔保合約的不確定性 (續)

就擔保協議1而言，根據於2016年的首次法院判決及2017年5月的最終法院判決，該附屬公司被裁定須就向該家中國銀行支付的未償還貸款另加利息及開支承擔共同責任，而貴集團並無就此提出進一步法律訴訟的計劃。就擔保協議2而言，根據於2016年的首次法院判決，該附屬公司被裁定須就向該家中國財務公司支付的未償還貸款另加利息及開支承擔共同責任。該附屬公司已就擔保協議2的相關首次法院判決申請上訴，根據該附屬公司收到的正式法律文件，於該等簡明合併中期財務報表獲批准之日期，仍在等待上訴的結果。

經參考取得的法律意見及其他因素，董事認為貴集團須承擔該項擔保協議1及擔保協議2損失的可能性輕微，因據悉該貸款具有足夠的相關擔保（包括借款人的擔保），而附屬公司亦僅為該貸款的其中一名擔保人。因此，董事認為不需要於2016年12月31日及2017年6月30日作出相關撥備。

Report on Review of Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表審閱報告

BASIS FOR QUALIFIED CONCLUSION (continued)

(a) Impairment of other receivables and uncertainties relating to financial guarantee contracts (continued)

However, as the legal proceedings in relation to the Pledge and Guarantee Agreements and the Guarantee Agreement 2 are still in progress and the financial consequence of the final judgement about the legal proceeding in relation to the Guarantee Agreement 1 on the Group is still uncertain and we are unable to obtain sufficient evidence to ascertain the above management assessment, we are not able to assess the likely outcome of the legal proceedings in respect of the amount that the Group would recover from the Borrower's assets as determined by the court and the amount ultimately to be recovered from the Borrower in connection with the Pledge and Guarantee Agreements, and to determine if any provision arising from the Guarantee Agreements 1 and 2 is necessary. As a result, we are not able to ascertain the recoverability of the Recoverable Amount due from the Borrower and any provision for the Guarantee Agreements 1 and 2 as at 30 June 2017 should be recognised. Our audit opinion on the Company's annual consolidated financial statements ended 31 December 2016 was qualified in this respect.

Any adjustments to the Recoverable Amount due from the Borrower and any provision to be recognised as at 31 December 2016 and 30 June 2017 in respect of the Guarantee Agreements 1 and 2 would have a consequential impact on the Group's net assets as at 31 December 2016 and 30 June 2017, and the Group's financial performance for the periods then ended. Our review conclusion on the Company's condensed consolidated interim financial statements for the six months ended 30 June 2016 was also qualified in this respect.

保留意見基礎 (續)

(a) 其他應收款項減值及關於財務擔保合約的不確定性 (續)

然而，由於有關質押及擔保協議以及擔保協議2的法律訴訟仍在進行中，而有關擔保協議1的法律訴訟的最終判決對 貴集團的財務結果仍不確定，且我們無法獲取足夠證據以確定管理層的上述評估，故我們無法評估就 貴集團可依法庭判決收回借款人資產的款額的法律訴訟可能的結果及就質押及擔保協議最終向借款人收回的款額，亦無法確定是否需要就擔保協議1及擔保協議2作出任何撥備。因此，我們無法確定能否回收應收借款人的可收回金額及應否於2017年6月30日就擔保協議1及擔保協議2計提撥備。我們對 貴公司截至2016年12月31日止年度的年度合併財務報表的審核意見就此作出保留。

就應收借款人款項可收回金額的任何調整及於2016年12月31日及2017年6月30日就擔保協議1及擔保協議2確認的任何計提撥備，將會對 貴集團於2016年12月31日及2017年6月30日的淨資產及 貴集團截至該日止期間的財務表現構成重大影響。我們對 貴公司截至2016年6月30日止6個月簡明合併中期財務報表的審核結論亦就此作出保留。

Report on Review of Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表審閱報告

BASIS FOR QUALIFIED CONCLUSION (continued)

(a) Impairment of other receivables and uncertainties relating to financial guarantee contracts (continued)

Had we been able to complete our review of the Recoverable Amount due from the Borrower and provision to be recognised as at 30 June 2017 in respect of the Guarantee Agreements 1 and 2, matters might have come to our attention indicating that adjustments might be necessary to the condensed consolidated interim financial statements.

(b) Provision for loss on financial guarantee contract

As set out in Note 18 to the condensed consolidated interim financial statements, in addition to the agreements as mentioned in the above paragraphs, the Subsidiary entered into a guarantee agreement (the "Guarantee Agreement 3") with a PRC bank in 2014, providing guarantee to the bank for a loan facility granted to its borrower. The bank loan was in default in 2014 and the bank has taken legal actions against the borrower and the guarantors (including the Subsidiary) to recover the bank loan balance and interest. A court order was issued to freeze assets of the guarantors (including the Subsidiary) in the amount of RMB62,000,000. As a result of the court order, bank balance of the Subsidiary in the amount of RMB55,396,000 had been frozen by the bank as at 31 December 2016. According to the first court judgement in 2016 and the final court judgement in January 2017, the Subsidiary is adjudicated to be jointly liable for the payment to the PRC bank of RMB60,000,000, plus interest and costs. In February 2017, the frozen bank balance of the Group has been withdrawn by the court for the purpose of settlement of the claim by the PRC bank. The Subsidiary has filed application of retrial of the PRC court judgements in relation to the Guarantee Agreement 3 and the related outcome of the application according to the official legal documents received by the Subsidiary is pending as of the date of approval of these condensed consolidated interim financial statements and accordingly the Group is of the view that the legal proceedings are still in progress notwithstanding the final court judgement. As at 30 June 2017, the withdrawn amount of RMB55,396,000 was included in "Prepayments, deposits and other receivables" in the condensed consolidated statement of financial position as set out in Note 14 to the condensed consolidated interim financial statements.

保留意見基礎 (續)

(a) 其他應收款項減值及關於財務擔保合約的不確定性 (續)

倘我們能完成對應收借款人款項的可收回金額及於2017年6月30日就擔保協議1及擔保協議2確認的撥備的審閱，我們可能注意到一些事項，顯示可能需要對簡明合併中期財務報表作出調整。

(b) 財務擔保合約損失撥備

誠如簡明合併中期財務報表附註18所載，除以上段落所述的協議，附屬公司於2014年與中國的一家銀行訂立一項擔保協議（「擔保協議3」），為銀行向其借款人授予貸款融資提供擔保。該銀行之貸款未能於2014年償還，而該銀行已採取法律行動向借款人及一眾擔保人（包括附屬公司）追討銀行貸款結餘及利息。經已發出法院指令凍結擔保人（包括附屬公司）資產，即金額人民幣62,000千元。鑒於該法院指令，附屬公司金額為人民幣55,396千元的銀行存款已於2016年12月31日被銀行凍結。根據於2016年的首次法院判決及於2017年1月的最終法院判決，該附屬公司被裁定須就向該家中國銀行支付人民幣60,000千元款項另加利息及成本承擔共同責任。於2017年2月，貴集團被凍結銀行存款被法院提取以支付該家中國銀行的索償。該附屬公司已就擔保協議3的中國法院判決申請重審，於該等簡明合併中期財務報表獲批准之日期，根據附屬公司已收到的正式法律文件，仍在等待申請的相關結果，因此，貴集團認為儘管在最終法院判決下，法律訴訟現仍在進行中。於2017年6月30日，誠如簡明合併中期財務報表附註14所載，人民幣55,396千元的被提取金額已計入簡明合併財務狀況表內「預付款、保證金及其他應收賬款」一項。

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簡明合併中期財務報表審閱報告

BASIS FOR QUALIFIED CONCLUSION (continued)

(b) Provision for loss on financial guarantee contract (continued)

The directors, with reference to legal opinion obtained and other factors, consider that the likelihood of the Group sustaining losses from the guarantee is remote as it is considered that the bank loan had sufficient underlying securities and the Subsidiary is only one of the guarantors for the bank loan. The directors believe that the withdrawn bank balance will be fully recovered upon the conclusion of the retrial of the PRC court judgements and no provision on the frozen and subsequently withdrawn amount is considered necessary as at 31 December 2016 and 30 June 2017 respectively. In addition, the directors are of the opinion that no provision on any shortfall between the amount to be ultimately settled by the Group under the Guarantee Agreement 3 and the Subsidiary's frozen and subsequently withdrawn bank balance is considered necessary as at 31 December 2016 and 30 June 2017 respectively.

However, we are not able to assess the likelihood of successfully applying for the retrial of the PRC court judgements by the Group and the likely outcome of such retrial of the PRC court judgements and we are unable to obtain sufficient evidence to ascertain the above management assessment, and accordingly, we are not able to ascertain whether any provision on the frozen and subsequently withdrawn bank balance as at 30 June 2017, and any shortfall between the amount to be ultimately settled by the Group under the Guarantee Agreement 3 and the Subsidiary's frozen and subsequently withdrawn amount is required to be made as at 30 June 2017. Our audit opinion on the Company's annual consolidated financial statements ended 31 December 2016 was qualified in this respect.

保留意見基礎 (續)

(b) 財務擔保合約損失撥備 (續)

經參考取得的法律意見及其他因素，董事認為 貴集團須承擔該項擔保損失的可能性輕微，因據悉該銀行貸款具有足夠的相關擔保，而附屬公司亦僅為該銀行貸款的其中一名擔保人。董事相信當中國法院判決重審完結時，被提取的銀行存款將可悉數收回，且無需分別於2016年12月31日及2017年6月30日對被凍結及其後被提取的金額計提撥備。此外，董事認為， 貴集團根據擔保協議3最終作出的付款金額與附屬公司的被凍結及隨後提取的銀行存款之間的差額亦不需要分別於2016年12月31日及2017年6月30日計提撥備。

然而，我們未能取得充分恰當的審核證據以評估 貴集團可成功申請中國法庭判決重審的可能性以及中國法院判決重審的可能結果，且我們無法獲取足夠證據以確定管理層的上述評估。因此，我們未能確定於2017年6月30日被凍結及隨後被提取的銀行存款是否應計提撥備，及 貴集團根據擔保協議3最終作出的付款金額與附屬公司的被凍結及隨後被提取金額之間的差額是否需要於2017年6月30日計提撥備。我們對 貴公司截至2016年12月31日止年度的年度合併財務報表的審核意見就此作出保留。

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簡明合併中期財務報表審閱報告

BASIS FOR QUALIFIED CONCLUSION (continued)

(b) Provision for loss on financial guarantee contract (continued)

Any provisions that should have been made as at 31 December 2016 and 30 June 2017 would have a consequential impact on the Group's net assets as at 31 December 2016 and 30 June 2017, and the Group's financial performance for periods then ended. Our review conclusion on the Company's condensed consolidated interim financial statements for the six months ended 30 June 2016 was also qualified in this respect.

Had we been able to complete our review of the provisions that should have been made as at 30 June 2017, matters might have come to our attention indicating that adjustments might be necessary to the condensed consolidated interim financial statements.

QUALIFIED CONCLUSION

Except for the adjustments to the condensed consolidated interim financial statements that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

BDO Limited

Certified Public Accountants

Lam Siu Fung

Practising Certificate Number P05308

Hong Kong, 29 August 2017

保留意見基礎 (續)

(b) 財務擔保合約損失撥備 (續)

任何應於2016年12月31日及2017年6月30日作出的計提撥備將對貴集團於2016年12月31日及2017年6月30日的淨資產及貴集團截至該日止期間的財務表現構成重大影響。我們對貴公司截至2016年6月30日止6個月的簡明合併中期財務報表的審核結論亦就此作出保留。

倘我們能完成對於2017年6月30日作出的撥備的審閱，我們可能注意到一些事項，顯示可能需要對簡明合併中期財務報表作出調整。

保留意見

除倘非因上述情況我們應會知悉對簡明合併中期財務報表需作的調整外，根據我們的審閱工作，我們並沒有注意到任何事項，足以令我們相信簡明合併中期財務報表並非在所有重大方面均按照國際會計準則第34號編製。

香港立信德豪會計師事務所有限公司

執業會計師

林兆豐

執業證書編號P05308

香港，2017年8月29日

Condensed Consolidated Statement of Profit or Loss

簡明合併損益表

		Six months ended 30 June 截至6月30日止6個月		
		2017	2016	
		2017年	2016年	
		RMB'000	RMB'000	
		千人民幣	千人民幣	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
		Notes		
		附註		
REVENUE	收入	3	1,909,663	1,762,749
Cost of sales	銷售成本		(1,357,516)	(1,306,703)
GROSS PROFIT	毛利		552,147	456,046
Other income and gains	其他收入及收益	5	69,879	32,537
Selling and distribution costs	銷售及分銷費用		(192,876)	(140,412)
Administrative expenses	管理費用		(170,894)	(167,724)
Other expenses	其他費用		(19,135)	(40,184)
Finance costs	財務費用	6	(21,279)	(4,957)
Share of results of associates	應佔聯營公司業績		6,428	545
Gain on disposal of a subsidiary	處置一家附屬公司收益		-	7,419
PROFIT BEFORE INCOME TAX	稅前利潤	4	224,270	143,270
Income tax	所得稅	7	(65,217)	(45,012)
PROFIT FOR THE PERIOD	本期利潤		159,053	98,258
Attributable to:	以下各方應佔：			
Owners of the parent	母公司擁有人		148,157	82,140
Non-controlling interests	非控制性權益		10,896	16,118
			159,053	98,258
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通股權益擁有人應佔每股盈利			(Re-presented) (經重列)
Basic	基本		4.53 cents	2.59 cents
		8	4.53分	2.59分
Diluted	攤薄		3.78 cents	2.59 cents
		8	3.78分	2.59分

Details of the dividend are disclosed in Note 9 to the condensed consolidated interim financial statements.

股息的詳情已在簡明合併中期財務報表附註9披露。

Condensed Consolidated Statement of Comprehensive Income

簡明合併全面收入表

Six months ended 30 June
截至6月30日止6個月

		2017 2017年 RMB'000 千人民幣 (Unaudited) (未經審核)	2016 2016年 RMB'000 千人民幣 (Unaudited) (未經審核)
PROFIT FOR THE PERIOD	本期利潤	159,053	98,258
OTHER COMPREHENSIVE INCOME <i>Items that may be reclassified subsequently to profit or loss:</i>	其他全面收入 其後或會重新分類至 損益表的項目：		
Exchange differences on translation of foreign operations	換算海外業務產生的 匯兌差額	9,724	(10,277)
Fair value gain on available-for-sale financial assets	可供出售金融資產 公允價值收益	100	2,600
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	本期全面收入合計	168,877	90,581
Attributable to:	以下各方應佔：		
Owners of the parent	母公司擁有人	157,696	74,626
Non-controlling interests	非控制性權益	11,181	15,955
		168,877	90,581

Condensed Consolidated Statement of Financial Position

簡明合併財務狀況表

			30 June 2017 2017年 6月30日 RMB'000 千人民幣 (Unaudited) (未經審核)	31 December 2016 2016年 12月31日 RMB'000 千人民幣 (Audited) (經審核)
	Notes 附註			
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment	10	物業、廠房及設備	639,535	650,583
Prepaid land lease payments	11	預付土地租金	46,779	47,439
Goodwill		商譽	21,161	21,161
Other intangible assets		其他無形資產	295,030	312,240
Investments in associates		於聯營公司投資	44,458	41,030
Investment in a joint venture		於合營公司投資	100,000	100,000
Long term investments	12	長期投資	275,705	23,000
Deferred tax assets		遞延稅項資產	48,833	48,704
Prepayments for purchase of property, plant and equipment		購買物業、廠房及 設備預付款項	422,825	102,252
Total non-current assets		非流動資產合計	1,894,326	1,346,409
CURRENT ASSETS		流動資產		
Inventories	13	存貨	458,010	401,668
Trade and bills receivables	14	貿易及票據應收賬款	1,181,230	1,218,003
Prepayments, deposits and other receivables	14	預付款、保證金及 其他應收賬款	386,591	343,115
Income tax recoverable		預付所得稅	10,340	4,596
Other current assets		其他流動資產	13,388	25,303
Restricted bank balances and short-term deposits	14	受限制的銀行餘額及 短期存款	220,429	445,424
Cash and cash equivalents		現金及現金等價物	1,124,142	1,160,155
Total current assets		流動資產合計	3,394,130	3,598,264

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Condensed Consolidated Statement of Financial Position

簡明合併財務狀況表

			30 June 2017 2017年 6月30日 RMB'000 千人民幣 (Unaudited) (未經審核)	31 December 2016 2016年 12月31日 RMB'000 千人民幣 (Audited) (經審核)
		Notes 附註		
CURRENT LIABILITIES	流動負債			
Trade and bills payables	貿易及票據應付賬款	15	756,274	750,036
Other payables and accruals	其他應付賬款及應計費用		656,467	749,975
Interest-bearing loans	計息貸款	16	65,826	48,411
Government grants	政府補助		1,931	2,026
Income tax payable	應繳所得稅		38,602	24,951
Convertible bonds – derivative component	可換股債券 – 衍生工具部份	17	34,554	60,230
Convertible bonds – liability component	可換股債券 – 負債部份	17	433,282	–
Total current liabilities	流動負債合計		1,986,936	1,635,629
NET CURRENT ASSETS	淨流動資產		1,407,194	1,962,635
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		3,301,520	3,309,044
NON-CURRENT LIABILITIES	非流動負債			
Government grants	政府補助		12,007	12,859
Deferred tax liabilities	遞延稅項負債		87,815	82,238
Convertible bonds – liability component	可換股債券 – 負債部份	17	–	440,272
Total non-current liabilities	非流動負債合計		99,822	535,369
Net assets	淨資產		3,201,698	2,773,675
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Issued capital	已發行股本		3	2
Reserves	儲備		3,120,195	2,674,734
Proposed final dividend	建議宣派末期股息		–	28,745
			3,120,198	2,703,481
Non-controlling interests	非控制性權益		81,500	70,194
Total equity	總權益		3,201,698	2,773,675

WANG Donglei
王冬雷
Director
董事

XIAO Yu
肖宇
Director
董事

Condensed Consolidated Statement of Cash Flows

簡明合併現金流量表

		Six months ended 30 June	
		截至6月30日止6個月	
		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		千人民幣	千人民幣
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Cash flows from operating activities	經營活動所得現金流量		
Cash generated from operations	經營所得現金	143,188	147,759
Tax paid	已繳稅款	(51,862)	(39,141)
		91,326	108,618
Net cash flows generated from operating activities	經營活動所得現金流量淨額		
Cash flows from investing activities	投資活動所得現金流量		
Interest received	已收利息	13,467	12,783
Proceeds from disposal of items of property, plant and equipment	處置物業、廠房及設備項目的所得款	5,689	2,830
Prepayments for and purchases of items of property, plant and equipment	預付及購買物業、廠房及設備項目	(362,810)	(24,223)
Acquisition of interest in a subsidiary	收購一家附屬公司權益	(263)	(517,348)
Purchases of long term investments	購買長期投資	(255,293)	(22,000)
Investments in associates	於聯營公司的投資	-	(7,300)
Investment in a joint venture	於一家合營公司的投資	-	(100,000)
Proceeds from disposal of a subsidiary	處置一家附屬公司所得款項	-	30,127
Dividend received	已收股息	3,000	-
Additions to other intangible assets	添置其他無形資產	(2,696)	(1,880)
Decrease in the restricted bank balances and short term deposits	受限制銀行結餘及短期存款減少	224,995	409,358
		(373,911)	(217,653)
Net cash flows used in investing activities	投資活動所用現金流量淨額		

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Condensed Consolidated Statement of Cash Flows

簡明合併現金流量表

Six months ended 30 June

截至6月30日止6個月

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		千人民幣	千人民幣
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Cash flows from financing activities	融資活動所得現金流量		
Capital contribution from non-controlling shareholders	非控制性股東增資	-	2,434
Dividends paid to non-controlling shareholders	向非控制性股東派付股息	-	(30,000)
Dividends paid	已派股息	(28,745)	(26,210)
New bank loans	新增銀行借款	15,908	44,911
Repayment of bank loans	償還銀行借款	(222)	(171,922)
Interest paid	已付利息	(17,906)	(3,668)
Proceeds from issuance of convertible bonds	發行可換股債券所得款項	-	422,153
Proceeds from issuance of ordinary shares	發行普通股所得款項	287,766	-
Net cash flows generated from financing activities	融資活動所得現金流量淨額	256,801	237,698
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(25,784)	128,663
Cash and cash equivalents at beginning of period	期初現金及現金等價物	1,160,155	917,953
Effect of foreign exchange rate changes, net	匯率變動影響淨額	(10,229)	8,917
Cash and cash equivalents as stated in the statement of financial position and cash flows	於財務狀況表及現金流量表中呈列的現金及現金等價物	1,124,142	1,055,533

Condensed Consolidated Statement of Changes in Equity

簡明合併權益變動表

Six months ended 30 June 2017

截至2017年6月30日止6個月

		Attributable to owners of the parent 母公司擁有人應佔												
		Share capital	Share premium	Equity reserve	Other reserve	Shareholders' contribution	Statutory reserve	Employee equity benefit reserve	Foreign currency translation reserve	Retained profits	Proposed dividend	Total	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
At 1 January 2017	於2017年1月1日	2	1,107,656	(4,158)	1,000	6,416	156,457	312	(127,389)	1,534,440	28,745	2,703,481	70,194	2,773,675
Profit for the period	本期利潤	-	-	-	-	-	-	-	-	148,157	-	148,157	10,896	159,053
Other comprehensive income:	其他全面收入：													
Exchange differences on translation of foreign operations	換算海外業務產生的匯兌差額	-	-	-	-	-	-	-	9,439	-	-	9,439	285	9,724
Fair value gain on available-for-sale financial assets	可供出售金融資產公允價值收益	-	-	-	100	-	-	-	-	-	-	100	-	100
Total comprehensive income for the period	本期全面收入合計	-	-	-	100	-	-	-	9,439	148,157	-	157,696	11,181	168,877
Transfer to statutory reserve	轉入法定公積金	-	-	-	-	-	1,205	-	-	(1,205)	-	-	-	-
Forfeiture of share options	購股權失效	-	-	-	-	-	-	(312)	-	312	-	-	-	-
Issue of ordinary shares	發行普通股	1	287,765	-	-	-	-	-	-	-	-	287,766	-	287,766
Acquisition of a subsidiary	收購一家附屬公司	-	-	-	-	-	-	-	-	-	-	-	125	125
Dividend paid	已付股息	-	-	-	-	-	-	-	-	-	(28,745)	(28,745)	-	(28,745)
At 30 June 2017 (Unaudited)	於2017年6月30日 (未經審核)	3	1,395,421	(4,158)	1,100	6,416	157,662	-	(117,950)	1,681,704	-	3,120,198	81,500	3,201,698

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Condensed Consolidated Statement of Changes in Equity

簡明合併權益變動表

Six months ended 30 June 2017

截至2017年6月30日止6個月

		Attributable to owners of the parent 母公司擁有人應佔												
		Share capital	Share premium	Equity reserve	Other reserve	Shareholders' contribution	Statutory reserve	Employee equity benefit reserve	Foreign currency translation reserve	Retained profits	Proposed dividend	Total	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣	千人民幣
At 1 January 2016	於2016年1月1日	2	1,840,716	(4,158)	-	6,416	130,452	4,549	(92,553)	1,405,273	26,210	3,316,907	139,122	3,456,029
Profit for the period	本期利潤	-	-	-	-	-	-	-	-	82,140	-	82,140	16,118	98,258
Other comprehensive income:	其他全面收入：													
Exchange differences on translation of foreign operations	換算海外業務產生的匯兌差額	-	-	-	-	-	-	-	(10,114)	-	-	(10,114)	(163)	(10,277)
Fair value gain on available-for-sale financial assets	可供出售金融資產公允價值收益	-	-	-	2,600	-	-	-	-	-	-	2,600	-	2,600
Total comprehensive income for the period	本期全面收入合計	-	-	-	2,600	-	-	-	(10,114)	82,140	-	74,626	15,955	90,581
Transfer to statutory reserve	轉入法定公積金	-	-	-	-	-	7,029	-	-	(7,029)	-	-	-	-
Forfeiture of share options	購股權失效	-	-	-	-	-	-	(235)	-	235	-	-	-	-
Employee share option arrangements	僱員購股權安排	-	-	-	-	-	-	239	-	-	-	239	-	239
Acquisition of additional interests in a subsidiary	收購一家附屬公司額外權益	-	(525,725)	-	-	-	-	-	-	-	-	(525,725)	(26,347)	(552,072)
Capital contribution from non-controlling interest	非控股權益出資	-	-	-	-	-	-	-	-	-	-	-	2,434	2,434
Dividend paid to a non-controlling shareholder	向非控制性股東派付股息	-	-	-	-	-	-	-	-	-	-	-	(30,000)	(30,000)
Transfer upon disposal of a subsidiary	處置一家附屬公司後轉入	-	-	-	-	-	(767)	-	-	767	-	-	-	-
Dividend paid	已付股息	-	-	-	-	-	-	-	-	-	(26,210)	(26,210)	-	(26,210)
At 30 June 2016 (Unaudited)	於2016年6月30日 (未經審核)	2	1,314,991	(4,158)	2,600	6,416	136,714	4,553	(102,667)	1,481,386	-	2,839,837	101,164	2,941,001

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

1.1 Basis of Preparation

These condensed consolidated interim financial statements of the Group for the six months ended 30 June 2017 (the “Period under Review”) have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and International Accounting Standard 34 (“IAS 34”), “Interim Financial Reporting” issued by the International Accounting Standards Board. These condensed consolidated interim financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (‘000) except when otherwise indicated.

The accounting policies and basis of preparation used in the preparation of these condensed consolidated interim financial statements are the same as those used in the Group’s annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of the new and revised International Financial Reporting Standards (“IFRSs”) (which also include International Accounting Standards (“IASs”) and Interpretations) effective for the first time for periods beginning on or after 1 January 2017. Details of any changes in accounting policies are set out in Note 1.2 below.

In preparing these condensed consolidated interim financial statements in compliance with IAS 34, the significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to annual consolidated financial statements for the year ended 31 December 2016.

These condensed consolidated interim financial statements do not include all information and disclosures required in the Group’s annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2016.

1.1 編製基礎

本集團截至2017年6月30日止6個月（「回顧期」）的簡明合併中期財務報表乃遵照香港聯合交易所有限公司證券上市規則附錄十六的適用披露規定及國際會計準則理事會頒佈的國際會計準則第34號（「國際會計準則第34號」）「中期財務報告」編製。該等簡明合併中期財務報表均以人民幣（「人民幣」）呈列，除非另有指明，所有數值均四捨五入到最接近的千位（‘000）。

編製該等簡明合併中期財務報表所採用的會計政策及編製基準與編製本集團截至2016年12月31日止年度的年度合併財務報表所採用的一致，惟採納新訂及經修訂的自2017年1月1日或之後開始的期間首次生效的國際財務報告準則（「國際財務報告準則」）（其中亦包括國際會計準則（「國際會計準則」）及詮釋）除外。有關會計政策變更的詳情請參考下列的附註1.2。

編製符合國際會計準則第34號的簡明合併中期財務報表時，管理層於應用本集團會計政策時所作出的重大判斷以及估計不確定性的主要來源與截至2016年12月31日止年度的年度合併財務報表所應用者相同。

該等簡明合併中期財務報表並不包括本集團年度合併財務報表所需的所有資料及披露，並應連同本集團截至2016年12月31日止年度的年度合併財務報表一併閱讀。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

1.2 Changes In Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of new and revised standards and interpretations effective as of 1 January 2017. The nature and the impact of each new standard or amendment that are relevant to the Group are described below:

Amendments to IAS 7, Disclosure Initiative

Amendments to IAS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments will result in additional disclosures to be provided in the Group's annual financial statements. The Group is not required to provide the additional disclosures in these condensed consolidated interim financial statements.

Amendments to IAS 12, Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to IAS 12 were issued with the purpose of addressing the recognition of deferred tax assets for unrealised losses related to debt instruments measured at fair value, although they also have a broader application for other situation. The amendments clarify that an entity, when assessing whether taxable profit will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

1.2 會計政策及披露的更改

編製簡明合併中期財務報表時採納的會計政策與編製本集團截至2016年12月31日止年度的年度合併財務報表時所依循者一致，惟採納於2017年1月1日生效的新訂及經修訂準則及詮釋除外。與本集團有關的各項新訂準則或修訂本性的性質及影響論述如下：

國際會計準則第7號之修訂－披露計劃

國際會計準則第7號之修訂要求實體作出披露以便財務報表的使用者評估融資活動所產生的負債變動，包括現金流量所產生的變動及非現金變動。該等修訂將導致本集團於年度財務報表中提供額外披露。本集團毋須於該等簡明合併中期財務報表中提供額外披露。

國際會計準則第12號之修訂－就未變現虧損確認遞延稅項資產

儘管國際會計準則第12號之修訂可更廣泛應用於其他情況，但其頒佈目的為說明與以公允價值計量的債務工具相關的未變現虧損確認遞延稅項資產。該等修訂澄清實體於評估是否有應課稅溢利可用作抵扣可扣減暫時差異時，需要考慮稅務法例是否對於可扣減暫時差異轉回時可用作抵扣的應課稅溢利的來源有所限制。此外，該等修訂就實體應如何釐定未來應課稅溢利提供指引，並解釋應課稅溢利可包括收回超過賬面值的部份資產的情況。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

1.2 Changes In Accounting Policies and Disclosures (continued)

Amendments to IFRS 12, Clarification of the scope of disclosure requirements in IFRS 12

The amendments clarify that the disclosure requirements of IFRS 12, other than for those in paragraphs B10-B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale in accordance with IFRS 5.

None of the above amendments that are effective for the first time for periods beginning on or after 1 January 2017 has a material effect on these condensed consolidated interim financial statements. The Group has not applied any new IFRSs or amendments that are not yet effective for the current accounting period.

2. Seasonality of Operations

The principal operations of the Group are manufacture and sales of lamp products, luminaire products and lighting electronic products. Due to the seasonal nature of its products, higher revenues and operation profits are usually expected in the second half of the year rather than in the first six months.

1.2 會計政策及披露的更改 (續)

國際財務報告準則第12號之修訂 – 對國際財務報告準則第12號中披露規定之範圍的澄清

該等修訂澄清國際財務報告準則第12號中的披露規定(除B10-B16段所述者外)適用於實體根據國際財務報告準則第5號分類為持作出售(或計入分類為持作出售之出售組合)的於附屬公司、合營企業或聯營公司的權益(或其於合營企業或聯營公司中的部份權益)。

以上於2017年1月1日或之後開始之期間首次生效的修訂本概無對該等簡明合併中期財務報表產生重大影響。本集團並未採納於本會計期間尚未生效的任何新訂國際財務報告準則或修訂本。

2. 業務的季節性

本集團的主要業務為生產和銷售光源產品、燈具產品和照明電器產品。由於產品受季節性因素影響，預期下半年的收入及經營利潤一般較首六個月為高。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

3. Revenue and Segment Information

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) Luminaire products segment:

Luminaire products represent a complete lighting unit that consists of a lighting fixture, a lamp (namely the light source such as a light bulb or tube) and a lighting electronic device. The luminaire products are sold as complete lighting units or units without lamps and lighting electronics, based on the needs of end customers;

(b) Lamp products segment:

Lamp products represent a range of light bulbs and tubes for compact fluorescent lamps, high intensity discharge (“HID”) lamps, fluorescent lamps, halogen lamps and light emitting diode (“LED”) lamps; and

(c) Lighting electronic products segment:

Lighting electronic products represent electronic transformers, electronic and inductive ballasts for fluorescent, LED and HID lamps, and HID ballast boxes.

3. 收入及分部資料

銷售收入指已售貨物的發票價值，經扣除退貨和折扣的淨額。

出於管理目的，本集團基於其產品及服務組成業務單元，劃分以下三個報告業務分部：

(a) 燈具產品分部：

燈具產品是指一整套照明器材，包括燈具外殼、光源（即燈泡或燈管等燈光來源）和照明電器。基於終端客戶的需求，出售的燈具產品為整燈或不含光源和照明電器的照明器材；

(b) 光源產品分部：

光源產品是指用於緊湊型螢光光源、高強度放電（「HID」）光源、螢光光源、鹵鎢光源和發光二極管（「LED」）光源的一系列燈泡和燈管等；及

(c) 照明電器產品分部：

照明電器產品是指電子變壓器、用於螢光、LED和HID光源的電子與電感鎮流器和HID鎮流器盒等。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

3. Revenue and Segment Information (continued)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before income tax. The adjusted profit or loss before income tax is measured consistently with the Group's profit or loss before income tax except that interest income, finance costs, share of results of associates, unallocated income and gains as well as head office and corporate expenses are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Since total assets, liabilities and capital expenditures for each reportable segment are not regularly provided to the chief operating decision maker, the directors are of the opinion that the disclosure of such amounts is not necessary.

3. 收入及分部資料 (續)

為制定資源分配決策及評估業績，管理層將分別監控本集團業務分部的業績。分部業績按照報告分部利潤或虧損評估（根據經調整稅前利潤或虧損計量）。經調整稅前利潤或虧損的計量與本集團的稅前利潤或虧損相同，惟利息收入、財務費用、應佔聯營公司業績、未分配收入及收益和總辦事處及企業開支則不包括在該計量中。

分部間的銷售及轉讓以在當時現行市場價格基礎上向第三方作出的銷售價格為參照進行交易。

由於各報告分部的總資產、負債及資本支出並不經常提供予主要經營決策人，董事認為該等金額的披露並非必要。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

3. Revenue and Segment Information (continued)

3. 收入及分部資料 (續)

		Revenue 銷售收入		Results 業績	
		Six months ended 30 June 截至6月30日止6個月		Six months ended 30 June 截至6月30日止6個月	
		2017 2017年 RMB'000 千人民幣 (Unaudited) (未經審核)	2016 2016年 RMB'000 千人民幣 (Unaudited) (未經審核)	2017 2017年 RMB'000 千人民幣 (Unaudited) (未經審核)	2016 2016年 RMB'000 千人民幣 (Unaudited) (未經審核)
Luminaire products	燈具產品	1,262,710	1,210,405	444,899	361,141
Lamp products	光源產品	501,662	443,105	67,248	74,365
Lighting electronic products	照明電器產品	145,291	109,239	42,126	23,900
Total	合計	1,909,663	1,762,749	554,273	459,406
Reconciliation	調節項目				
Elimination of intersegment results	抵銷分部間的業績			(2,126)	(3,360)
Interest income	利息收入			13,467	12,783
Unallocated income and gains	未分配收入及收益			14,480	19,754
Corporate and other unallocated expenses [#]	企業及其他未分配費用 [#]			(365,547)	(308,709)
Gain on disposal of a subsidiary	處置一家附屬公司收益			-	7,419
Finance costs	財務費用			(21,279)	(4,957)
Waiver of other payable	豁免其他應付賬款			17,358	-
Fair value gain/(loss) on derivative component of convertible bonds	可換股債券衍生工具部份的公允價值收益/(損失)			24,574	(837)
Impairment of other intangible assets	其他無形資產減值			(17,358)	-
Impairment of property, plant and equipment	物業、廠房及設備減值			-	(38,774)
Share of results of associates	應佔聯營公司業績			6,428	545
Profit before income tax	稅前利潤			224,270	143,270

[#] Corporate and other unallocated expenses consist of unallocated depreciation, amortisation and staff costs, freight expenses and impairment of trade receivables, prepayments and other receivables.

[#] 企業及其他未分配費用包括未分配折舊、攤銷及員工成本、運費及貿易應收賬款減值、預付款及其他應收賬款。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

4. Profit Before Income Tax

This is arrived at after charging/(crediting):

4. 稅前利潤

為經扣除／(計入) 下列項目所得：

		Six months ended 30 June	
		截至6月30日止6個月	
		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		千人民幣	千人民幣
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Cost of inventories sold	已售存貨成本	1,360,273	1,316,275
Depreciation	折舊	48,698	47,485
Amortisation of prepaid land lease payments	預付土地租金攤銷	660	660
Amortisation of computer software, customer relationships and patents*	電腦軟件、客戶關係及專利權攤銷*	672	1,178
Research and development costs:	研發成本：		
Deferred expenditure amortised*	已攤銷的遞延開支*	1,334	1,416
Current period expenditure	本期間開支	27,449	25,944
Less: Government grants released**	減：已發放政府補助**	(12)	(173)
		27,437	25,771
		28,771	27,187
Minimum lease payments	最低租賃付款	9,261	7,629
Auditor's remuneration	核數師薪酬	1,534	1,080
Employee benefit expenses (including directors' and chief executive's remuneration):	僱員福利開支 (包含董事及最高行政人員薪酬)：		
Wages and salaries	工資和薪金	238,270	218,020
Equity-settled share option expense	權益結算購股權開支	-	239
Pension scheme contributions (defined contribution scheme)	退休金計劃供款 (界定供款計劃)	26,081	25,734
Housing funds' contributions	住房公積金供款	5,632	6,142
Other welfare expenses	其他福利開支	6,982	7,076
		276,965	257,211

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

4. Profit Before Income Tax (continued)

This is arrived at after charging/(crediting): (continued)

4. 稅前利潤 (續)

為經扣除/(計入) 下列項目所得：(續)

		Six months ended 30 June	
		截至6月30日止6個月	
		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		千人民幣	千人民幣
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Impairment of property, plant and equipment	物業、廠房及設備減值	-	38,774
Impairment of other intangible assets (Reversal of impairment)/impairment of trade receivables	其他無形資產減值 貿易應收賬款 (減值撥回)/減值	17,358	-
Write-off of prepayments and other receivables	預付款及其他應收款項撇銷	(53)	15,212
Reversal of write-down of inventories to net realisable value	撥回撇減存貨至可變現淨值	-	9,413
Loss/(gain) on disposal of items of property, plant and equipment	處置物業、廠房及設備項目的損失/(收益)	(2,757)	(9,572)
Fair value (gain)/loss of derivative component of convertible bonds (Note 17)	可換股債券的衍生工具部份公允價值(收益)/損失 (附註17)	723	(2,598)
		(24,574)	837

* The amortisation of computer software, customer relationships and patents and the amortisation of deferred development costs for the period are included in "Cost of sales" and "Administrative expenses" in the condensed consolidated statement of profit or loss.

* 本期間電腦軟件、客戶關係及專利權攤銷以及遞延開發成本攤銷計入簡明合併損益表「銷售成本」及「管理費用」。

** Various government grants have been received for setting up research activities in Chongqing City, Guangdong and Zhejiang Province, the People's Republic of China (the "PRC"), to support the development of energy-saving products and LED products. The government grants released have been deducted from the research and development costs to which they relate. Government grants received for which related expenditure has not yet been undertaken are included in government grants in the condensed consolidated statement of financial position. There are no unfulfilled conditions or contingencies relating to these grants.

** 在中華人民共和國(「中國」)重慶市、廣東省及浙江省開展研究活動，以支持節能產品及LED產品的開發，並已因此獲得多項政府補助。發放的政府補助已扣除相關研發成本。就尚未承擔的有關支出而獲得的政府補助計入簡明合併財務狀況表的政府補助。上述補助並無附有任何未實現的條件或有事項。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

5. Other Income and Gains

5. 其他收入及收益

Six months ended 30 June
截至6月30日止6個月

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		千人民幣	千人民幣
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Other income	其他收入		
Bank and other interest income	銀行及其他利息收入	13,467	12,783
Government grants	政府補助	4,391	7,136
Rental income	租金收入	1,758	997
Trademark licence fees	商標許可費	-	250
Handling income	手續費收入	5,011	-
Others	其他	1,973	2,497
		26,600	23,663
Gains	收益		
Exchange gains, net	匯兌收益淨額	-	5,932
Gain on disposal of items of property, plant and equipment	處置物業、廠房及設備項目的收益	-	2,598
Sales of scrap materials	銷售廢料	1,347	344
Fair value gain of derivative component of convertible bonds	可換股債券衍生工具部份的公允價值收益	24,574	-
Gain arising from waiver of other payable	豁免其他應付賬款產生的收益	17,358	-
		43,279	8,874
		69,879	32,537

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

6. Finance Costs

Interest on bank loans	銀行貸款利息
Interest expenses on convertible bonds (Note 17)	可換股債券利息支出(附註17)
Other interest expenses	其他利息支出

6. 財務費用

Six months ended 30 June
截至6月30日止6個月

2017	2016
2017年	2016年
RMB'000	RMB'000
千人民幣	千人民幣
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)
631	363
20,513	2,476
135	2,118
21,279	4,957

7. Income Tax

The Group is subject to income tax on an individual legal entity basis on profits arising in or derived from the tax jurisdictions in which the subsidiaries are domiciled and operate. No provision for Hong Kong profits tax or the United Kingdom (the "UK") corporation income tax has been made as the Group has no assessable profits arising in Hong Kong or the UK during the Period under Review (six months ended 30 June 2016: RMBNil). Taxes on the corporate income elsewhere have been calculated at the rates of tax prevailing in the countries or jurisdictions in which the Group operates.

7. 所得稅

本集團須根據附屬公司所處地及經營地的稅務司法管轄區所產生或賺取的利潤，按獨立法人實體基準繳納所得稅。回顧期內，由於本集團並無在香港或英國產生任何應課稅利潤，因此並無就香港利得稅或英國企業所得稅計提撥備（截至2016年6月30日止6個月：人民幣零元）。其他地區的企業所得稅已按本集團營運所在國家或司法管轄區的現行稅率計算。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

7. Income Tax (continued)

7. 所得稅 (續)

		Six months ended 30 June 截至6月30日止6個月	
		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		千人民幣	千人民幣
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Current income tax	即期所得稅		
– Current income tax charge for the period	– 本期即期所得稅支出	59,843	46,603
– (Over)/under provision in respect of prior years	– 過往年度(超額撥備)/撥備不足	(74)	819
		59,769	47,422
Deferred tax	遞延稅項	5,448	(2,410)
Total tax charge for the period	本期稅項開支合計	65,217	45,012

The Company's subsidiaries located in the PRC are subject to enterprise income tax at the statutory tax rate of 25%. According to the preferential tax policies in the PRC, two of our subsidiaries (six months ended 30 June 2016: two) were recognised as western development enterprises by the local tax authorities and were entitled to the preferential tax rate of 15%, while one of our subsidiaries (six months ended 30 June 2016: three) was recognised as high-tech enterprises by PRC tax authorities and was entitled to the preferential tax rate of 15%.

本公司在中國的附屬公司按25%的法定稅率繳納企業所得稅。按照中國的稅收優惠政策，我們的兩家（截至2016年6月30日止6個月：兩家）附屬公司獲當地稅務機關確認為西部開發企業，享受15%的優惠稅率；同時我們的一家（截至2016年6月30日止6個月：三家）附屬公司獲中國稅務機關確認為高新技術企業，享受15%的優惠稅率。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

8. Earnings per Share Attributable to Ordinary Equity Holders of the Parent

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

8. 母公司普通股權益擁有人應佔每股盈利

本公司普通股權益擁有人應佔基本及攤薄每股盈利的計算是基於以下數據：

		Six months ended 30 June	
		截至6月30日止6個月	
		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		千人民幣	千人民幣
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Earnings	盈利		
Earnings for the purpose of basic earnings per share	用於計算基本每股收益的盈利	148,157	82,140
Effect of dilutive potential ordinary shares:	潛在普通股的攤薄作用：		
– Interest on convertible bonds	– 可換股債券利息	20,513	–
– Fair value gain of derivative component of convertible bonds	– 可換股債券衍生工具部份的公允價值收益	(24,574)	–
Earnings for the purpose of diluted earnings per share	用於計算攤薄每股收益的盈利	144,096	82,140

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

8. Earnings per Share Attributable to Ordinary Equity Holders of the Parent (continued)

8. 母公司普通股權益擁有人應佔每股盈利 (續)

		'000 Shares 千股股份 (Unaudited) (未經審核)	'000 Shares 千股股份 (Unaudited) (未經審核) (Re-presented) (經重列)
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	用於計算基本每股盈利的普通股加權平均數	3,270,993	3,176,410
Effect of dilutive potential ordinary shares:	潛在普通股的攤薄作用：		
– Convertible bonds	– 可換股債券	540,541	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	用於計算攤薄每股盈利的普通股加權平均數	3,811,534	3,176,410

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

8. Earnings per Share Attributable to Ordinary Equity Holders of the Parent (continued)

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options as the exercise price of those share options is higher than the average market price of shares for the six months ended 30 June 2016 and 2017.

No adjustment was made to the basic earnings per share amount presented for the six months ended 30 June 2016 as the convertible bonds outstanding during the period had an anti-dilutive effect on the basic earnings per share amount presented.

Basic and diluted earnings per share for the six months ended 30 June 2016 are re-presented to reflect the bonus elements of issue of new ordinary shares during the period between 1 July 2016 and 30 June 2017.

In June 2017, the Company issued 368,357,000 new ordinary shares at HK\$0.80 each (equivalent to RMB0.78 each) (six months ended 30 June 2016: Nil).

9. Dividend

The directors do not recommend the payment of any dividend for the six months ended 30 June 2016 and 2017.

8. 母公司普通股權益擁有人應佔每股盈利(續)

稀釋每股收益的計算並不假設已行使本公司未行權的購股權，因為購股權行權價格高於截至2016年及2017年6月30日止6個月的股票平均市價。

由於尚未轉換之可換股債券對所呈列基本每股盈利金額具反攤薄影響，故並無對所呈列之截至2016年6月30日止6個月基本每股盈利金額作出攤薄調整。

重新列報截至2016年6月30日止6個月的基本及攤薄每股盈利以反映自2016年7月1日至2017年6月30日新發行普通股的紅利因素。

於2017年6月，本公司以每股0.80港元（相當於人民幣0.78元）新發行368,357千股（截至2016年6月30日止6個月：無）普通股股份。

9. 股息

董事會不建議宣派截至2016年及2017年6月30日止6個月之中期股息。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

10. Property, Plant and Equipment

During the six months ended 30 June 2017, the Group acquired assets with a cost of RMB42,237,000 (six months ended 30 June 2016: RMB48,432,000). Assets with a net book value of RMB6,412,000 were disposed of by the Group during the six months ended 30 June 2017 (six months ended 30 June 2016: RMB232,000).

As at 30 June 2017, land use rights with aggregate carrying amount of RMB47,654,000 (31 December 2016: RMB48,314,000) (Note 11) and certain buildings with aggregate carrying amounts of RMB234,574,000 (31 December 2016: RMB242,510,000); and buildings with carrying amounts of RMB44,312,000 (31 December 2016: RMB43,108,000) were pledged for the Group's applications of assets preservation in certain PRC legal proceedings and bank loan facilities respectively.

10. 物業、廠房及設備

截至2017年6月30日止6個月，本集團以人民幣42,237千元（截至2016年6月30日止6個月：人民幣48,432千元）購買資產。截至2017年6月30日止6個月，本集團已出售賬面淨值為人民幣6,412千元的資產（截至2016年6月30日止6個月：人民幣232千元）。

於2017年6月30日，賬面值合共人民幣47,654千元的土地使用權（2016年12月31日：人民幣48,314千元）（附註11）及賬面值合共人民幣234,574千元（2016年12月31日：人民幣242,510千元）的若干樓宇以及賬面值為人民幣44,312千元（2016年12月31日：人民幣43,108千元）的樓宇分別就本集團於若干中國法律程序中申請資產保全及銀行貸款信貸已抵押。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

11. Prepaid Land Lease Payments

11. 預付土地租金

		30 June	31 December
		2017	2016
		2017年	2016年
		6月30日	12月31日
		RMB'000	RMB'000
		千人民幣	千人民幣
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Carrying amounts as at beginning of period/year	期初／年初的賬面值	48,314	49,633
Recognised during the period/year	期內／年內確認	(660)	(1,319)
Carrying amount as at end of period/year	期末／年末的賬面值	47,654	48,314
Current portion included in prepayments, deposits and other receivables	計入預付款、保證金及其他應收賬款中的流動部份	(875)	(875)
Non-current portion	非流動部份	46,779	47,439

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

12. Long Term Investments

12. 長期投資

		30 June 2017 2017年 6月30日 RMB'000 千人民幣 (Unaudited) (未經審核)	31 December 2016 2016年 12月31日 RMB'000 千人民幣 (Audited) (經審核)
Available-for-sale financial assets:	可供出售金融資產：		
Listed equity investments, at fair value	上市之股本投資， 以公允價值列賬	70,473	23,000
Unlisted equity investments, at fair value	非上市之股本投資， 以公允價值列賬	2,000	-
Unlisted investment fund, at fair value	非上市之投資基金， 以公允價值列賬	203,232	-
		275,705	23,000

During the Period under Review, the gross gain in respect of the Group's long term investments recognised in other comprehensive income amounted to RMB100,000 (six months ended 30 June 2016: RMB2,600,000).

於回顧期內，就確認於其他全面收入的本集團長期投資總收益為人民幣100千元（截至2016年6月30日止6個月：人民幣2,600千元）。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

13. Inventories

13. 存貨

		30 June	31 December
		2017	2016
		2017年	2016年
		6月30日	12月31日
		RMB'000	RMB'000
		千人民幣	千人民幣
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Raw materials	原材料	86,382	87,480
Work in progress	在製品	16,270	16,736
Finished goods	產成品	355,358	297,452
		458,010	401,668

During the Period under Review, the amount of the reversal of write-down of inventories recognised was RMB2,757,000 (six months ended 30 June 2016: RMB9,572,000), which was recorded in "Cost of sales" in the condensed consolidated statement of profit or loss.

回顧期內，已確認的撥回存貨減記金額為人民幣2,757千元（截至2016年6月30日止6個月：人民幣9,572千元），於簡明合併損益表中其被記錄為「銷售成本」。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

14. Trade and Bills Receivables, Prepayments, Deposits, and Other Receivables, and Restricted Bank Balances and Short-term Deposits

14. 貿易及票據應收賬款、預付款、保證金及其他應收賬款以及受限制的銀行餘額及短期存款

		30 June 2017	31 December 2016
		2017年 6月30日	2016年 12月31日
		RMB'000	RMB'000
		千人民幣	千人民幣
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Trade receivables	貿易應收賬款	1,143,819	1,132,043
Impairment	減值	(153,043)	(157,876)
Trade receivables, net	貿易應收賬款淨額	990,776	974,167
Bills receivable	票據應收賬款	190,454	243,836
		1,181,230	1,218,003

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

14. Trade and Bills Receivables, Prepayments, Deposits, and Other Receivables, and Restricted Bank Balances and Short-term Deposits (continued)

An ageing analysis of the trade receivables as at the end of the Period under Review, based on the transaction date and net of impairment provision, is as follows.

14. 貿易及票據應收賬款、預付款、保證金及其他應收賬款以及受限制的銀行餘額及短期存款 (續)

下列是在本回顧期末貿易應收賬款的賬齡分析，基於交易日期和扣除減值撥備後：

		30 June	31 December
		2017	2016
		2017年	2016年
		6月30日	12月31日
		RMB'000	RMB'000
		千人民幣	千人民幣
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Within 3 months	3個月內	733,559	713,343
4 to 6 months	4至6個月	148,047	184,072
7 to 12 months	7至12個月	41,732	12,303
1 to 2 years	1年至2年	39,364	42,370
Over 2 years	2年以上	28,074	22,079
		990,776	974,167

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

14. Trade and Bills Receivables, Prepayments, Deposits, and Other Receivables, and Restricted Bank Balances and Short-term Deposits (continued)

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

As at 30 June 2017, included in the Group's trade receivables are amounts due from related parties of RMB81,038,000 (31 December 2016: RMB68,417,000) which are repayable on similar credit terms to those offered to the major customers of the Group.

As at 30 June 2017, certain trade receivables of NVC Lighting Limited ("UKNVC") with carrying amounts of RMB55,014,000 (31 December 2016: RMB47,347,000) were pledged to secure the bank borrowings of UKNVC as further set out in Note 16.

14. 貿易及票據應收賬款、預付款、保證金及其他應收賬款以及受限制的銀行餘額及短期存款 (續)

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

於2017年6月30日，應收關聯方款項人民幣81,038千元(2016年12月31日：人民幣68,417千元)計入本集團貿易應收賬款，該等款項的還款信貸條件跟提供給本集團的主要客戶相若。

於2017年6月30日，NVC Lighting Limited (「英國雷士」) 的若干貿易應收賬款賬面值人民幣55,014千元(2016年12月31日：人民幣47,347千元)已質押作為英國雷士銀行借款的抵押，進一步詳情載於附註16。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

14. Trade and Bills Receivables, Prepayments, Deposits, and Other Receivables, and Restricted Bank Balances and Short-term Deposits (continued)

The maturity of the bills receivable of the Group as at 31 December 2016 and 30 June 2017 is within 6 months. As at 30 June 2017, included in the Group's and bills receivables are amounts due from related parties of RMB110,000 (31 December 2016: RMBNil).

As at 31 December 2016 and 30 June 2017, the fair values of trade and bills receivables approximate to their carrying amounts largely due to the short-term maturities.

As at 30 June 2017, included in prepayments, deposits and other receivables are the amounts due from a company of RMB550,924,000 (31 December 2016: RMB550,924,000), net of impairment of RMB285,360,000 as at 31 December 2016 and 30 June 2017, further details of which are set out in Note 18(A)(a).

As at 30 June 2017, included in prepayments, deposits and other receivables is an amount of RMB55,396,000 which represented an amount withdrawn by the court during the Period under Review, and the same amount was included in restricted bank balances and short-term deposits as at 31 December 2016, further details of which are set out in Note 18(A)(b)(ii).

14. 貿易及票據應收賬款、預付款、保證金及其他應收賬款以及受限制的銀行餘額及短期存款 (續)

於2016年12月31日及2017年6月30日，本集團的票據應收賬款於6個月內到期。於2017年6月30日，應收關聯方款項人民幣110千元(2016年12月31日：人民幣零元)計入本集團票據應收賬款。

於2016年12月31日及2017年6月30日，貿易及票據應收賬款的公允價值與其賬面價值相若，這主要是其短期性質使然。

於2017年6月30日，包括在預付款、保證金及其他應收賬款中的金額為人民幣550,924千元(2016年12月31日：人民幣550,924千元)為應收一家公司款項，扣除於2016年12月31日和於2017年6月30日的減值人民幣285,360千元，進一步詳情載於附註18(A)(a)。

於2017年6月30日，包括在預付款、保證金及其他應收賬款中的金額為人民幣55,396千元的款項指的是於回顧期內被法院提取的金額，該等金額於2016年12月31日列入受限制的銀行餘額及短期存款，進一步詳情載於附註18(A)(b)(ii)。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

15. Trade and Bills Payables

15. 貿易及票據應付賬款

		30 June 2017 2017年 6月30日 RMB'000 千人民幣 (Unaudited) (未經審核)	31 December 2016 2016年 12月31日 RMB'000 千人民幣 (Audited) (經審核)
Trade and bills payables to third parties	貿易及票據應付賬款 — 第三方	717,067	688,851
Trade and bills payables to related parties	貿易及票據應付賬款 — 關聯方	39,207	61,185
		756,274	750,036

An ageing analysis of the trade and bills payables as at the end of the Period under Review, based on the transaction date, is as follows.

下列是在本回顧期末基於交易日期的貿易及票據應付賬款的賬齡分析。

		30 June 2017 2017年 6月30日 RMB'000 千人民幣 (Unaudited) (未經審核)	31 December 2016 2016年 12月31日 RMB'000 千人民幣 (Audited) (經審核)
Within 3 months	3個月內	721,282	716,962
4 to 6 months	4至6個月	20,818	16,056
7 to 12 months	7至12個月	9,212	1,125
1 to 2 years	1年至2年	597	8,641
Over 2 years	2年以上	4,365	7,252
		756,274	750,036

As at 31 December 2016 and 30 June 2017, the fair values of trade and bills payables approximate to their carrying amounts largely due to the short-term maturities.

於2016年12月31日及2017年6月30日，貿易及票據應付賬款的公允價值與其賬面價值相若，這主要是其短期性質使然。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

16. Interest-Bearing Loans

16. 計息貸款

		30 June 2017 2017年6月30日 (Unaudited) (未經審核)			31 December 2016 2016年12月31日 (Audited) (經審核)		
		Contractual interest rate (%) 合約利率(%)			Contractual interest rate (%) 合約利率(%)		
		Maturity 到期日	RMB'000 千人民幣	Maturity 到期日	RMB'000 千人民幣	RMB'000 千人民幣	
Current	流動部份						
Bank loan – secured	銀行貸款 – 有抵押	Base*+1.90 基本利率*+1.90	On demand ¹ 按要求即付 ¹	55,014	Base*+1.90 基本利率*+1.90	On demand ¹ 按要求即付 ¹	47,347
Bank loans – unsecured	銀行貸款 – 無抵押	4% per month 4%/每月	On demand 按要求即付	812	4% per month 4%/每月	On demand 按要求即付	1,064
		4.35% per annum 4.35%/每年	2018 2018年	10,000	-	-	-
Total	合計			65,826			48,411

1 The secured bank loan represented a GBP-dominated secured facility amounting to GBP8,000,000 (31 December 2016: GBP8,000,000), of which GBP6,241,000 (31 December 2016: GBP5,564,000) had been utilised as at the end of the Period under Review. The bank loan was secured by the pledge over certain trade receivables amounting to RMB55,014,000 (31 December 2016: RMB47,347,000) and certain buildings with carrying amounts of approximately RMB44,312,000 (31 December 2016: RMB43,108,000). In accordance with the contract, the loan was repayable upon the collection of the factored trade receivables and carried a floating interest rate based on the Base plus 1.90%.

* "Base" refers to the Bank of England base rate.

1 有抵押銀行貸款指一筆以英鎊計價的有抵押融資額度英鎊8,000千元(2016年12月31日:英鎊8,000千元),其中英鎊6,241千元(2016年12月31日:英鎊5,564千元)於回顧期末已被動用。銀行貸款乃以質押人民幣55,014千元(2016年12月31日:人民幣47,347千元)的若干貿易應收賬款,賬面值約為人民幣44,312千元(2016年12月31日:人民幣43,108千元)的若干樓宇作為抵押。根據合同,於收回已讓售的貿易應收賬款後,該筆貸款即須償還,並按基本利率加上1.90%的浮動利率計息。

* 「基本利率」指英格蘭銀行基本利率。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

16. Interest-Bearing Loans *(continued)*

As at 31 December 2016 and 30 June 2017, the fair values of interest-bearing loans approximate to their carrying amounts largely due to the short-term maturities.

17. Convertible Bonds

On 20 May 2016, the Company and an independent third party entered into a subscription agreement (the "Subscription Agreement") in relation to the issue of convertible bonds denominated in Hong Kong dollar ("HKD") in an aggregate principal amount of HKD500 million (the "Convertible Bonds"). The Convertible Bonds have been issued on 7 June 2016.

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

- (a) on or after the issue date (i.e. 7 June 2016) and up to and excluding the close of business on the second anniversary of the issue date (the "First Maturity Date", in June 2018) at an initial conversion price of HKD0.925 per share (subject to anti-dilutive adjustments); and
- (b) with extension up to and excluding the close of business on the fourth anniversary of the issue date if agreed by the Company and the bondholder in writing at least 30 days prior to the First Maturity Date (the "Second Maturity Date").

16. 計息貸款 (續)

於2016年12月31日及2017年6月30日，計息貸款的公允價值與其賬面價值相若，這主要是其短期性質使然。

17. 可換股債券

於2016年5月20日，本公司與一名獨立第三方就發行本金額合共500,000千港元以港元(「港元」)計值的可換股債券(「可換股債券」)訂立認購協議(「認購協議」)。可換股債券已於2016年6月7日發行。

根據認購協議，可換股債券可轉換為已繳足普通股：

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

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

17. Convertible Bonds (continued)

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

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

17. 可換股債券 (續)

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

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

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

17. Convertible Bonds (continued)

The movements of the liability component and derivative component of the Convertible Bonds during the year ended 31 December 2016 and the six months ended 30 June 2017 are as follows:

17. 可換股債券 (續)

截至2016年12月31日止年度及2017年6月30日止6個月，可換股債券的負債部份及衍生工具部份的變動如下：

		Liability component of Convertible Bonds	Derivative component of Convertible Bonds	Total
		可換股債券 的負債部份	可換股債券的 衍生工具部份	合計
		RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣
Issue of the Convertible Bonds	已發行的可換股債券	416,493	10,841	427,334
Effective interest expenses recognised to profit or loss	於損益表確認的實際利息支出	22,321	-	22,321
Interest paid	已付利息	(17,936)	-	(17,936)
Fair value change	公允價值變動	-	46,889	46,889
Exchange realignment	外匯調整	19,394	2,500	21,894
At 31 December 2016 (Audited)	於2016年12月31日(經審核)	440,272	60,230	500,502
Effective interest expenses recognised to profit or loss	於損益表確認的實際利息支出	20,513	-	20,513
Interest paid	已付利息	(17,140)	-	(17,140)
Fair value change	公允價值變動	-	(24,574)	(24,574)
Exchange realignment	外匯調整	(10,363)	(1,102)	(11,465)
At 30 June 2017 (Unaudited)	於2017年6月30日(未經審核)	433,282	34,554	467,836

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

17. Convertible Bonds (continued)

The major inputs for the valuation of the fair value of the derivative component of the Convertible Bonds as at 30 June 2017 and 31 December 2016 are show as follows:

		30 June 2017 2017年 6月30日	31 December 2016 2016年 12月31日
Share price	股價	HK\$0.850 0.850港元	HK\$0.990 0.990港元
Conversion price	換股價	HK\$0.925 0.925港元	HK\$0.925 0.925港元
Risk-free rate	無風險利率	0.482%	1.002%
Volatility	波幅	37.96%	28.00%

17. 可換股債券 (續)

於2017年6月30日及於2016年12月31日可換股債券衍生工具部份公允價值估值的主要輸入數據列示如下:

18. Litigations and Contingent Liabilities

(A) Litigations

(a) The Group as a plaintiff

A subsidiary of the Company (the "Subsidiary") entered into several pledge and guarantee agreements in 2013 and 2014 (the "Pledge and Guarantee Agreements") with certain banks in the PRC, providing guarantees to the banks for their loan facilities granted to certain borrowers. Counter guarantees were provided by one of the borrowers of the bank loans, namely Chongqing Wu Ji Real Estate Development Co., Ltd. ("Wu Ji"), to the Group. During 2014, aggregate pledged time deposits of RMB550,924,000 of the Subsidiary had been withdrawn by the banks due to default of the bank loans under the guarantees of the Subsidiary.

18. 訴訟及或有負債

(A) 訴訟

(a) 本集團為原告

本公司的一家附屬公司(「附屬公司」)於2013年及2014年在中國與若干銀行訂立數項質押及擔保協議(「質押及擔保協議」),為銀行向若干借款人授予貸款融資提供擔保。一位銀行貸款的借款人重慶無極房地產開發有限公司(「無極」)向本集團提供了反擔保。於2014年,由於由附屬公司擔保的銀行貸款未能償還,銀行已提取該附屬公司質押定期存款合共人民幣550,924千元。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

18. Litigations and Contingent Liabilities (continued)

(A) Litigations (continued)

(a) The Group as a plaintiff (continued)

The Group initiated a series of legal proceedings against Mr. WU Changjiang, a former director and former chief executive officer of the Company, Mrs. WU Lian (spouse of Mr. WU Changjiang), Mr. WU Xianming, Mrs. CHEN Min, Chongqing Lei Li Jie Industrial Development Co., Ltd., Wu Ji, Chongqing Jiang Te Surface Treatment Co., Ltd. and Chongqing Hua Biao Lighting Manufacturing Co., Ltd., in the Intermediate People's Court of Huizhou for damages. In addition, as indicated in 8 letters of counter guarantee issued by Wu Ji with dates in 2013 and 2014, Wu Ji provided counter guarantees to the Group to reimburse any losses for provision of guarantees on the bank loans borrowed by certain PRC companies under the Pledge and Guarantee Agreements. An aggregate amount of RMB550,924,000 was recognised as other receivables due from a company since 2014 and as at 31 December 2016, and 30 June 2016 and 2017. The directors are of the opinion that an amount of RMB265,564,000 is recoverable since 2014 and as at 31 December 2016, and 30 June 2016 and 2017, and accordingly a provision for the irrecoverable amount of RMB285,360,000 had been charged to profit or loss of the Group since 2014 and up to 31 December 2016, and 30 June 2016 and 2017.

18. 訴訟及或有負債 (續)

(A) 訴訟 (續)

(a) 本集團為原告 (續)

本集團就有關損害向惠州市中級人民法院對本公司前董事兼前首席執行官吳長江先生、吳戀女士(吳長江先生的配偶)、吳憲明先生、陳敏女士、重慶雷立捷實業發展有限公司、無極、重慶江特表面處理有限公司及重慶華標燈具製造有限公司提出一連串的法律訴訟。此外，無極出具的落款時間為2013年及2014年的8封反擔保函顯示，無極向本集團提供反擔保以補償其就若干中國公司根據質押及擔保協議所借銀行貸款提供擔保而產生的任何損失。自2014年起並於2016年12月31日以及2016年及2017年6月30日確認合共人民幣550,924千元的金額為其他應收一家公司款項。董事認為自2014年起並於2016年12月31日以及2016年及2017年6月30日可收回金額為人民幣265,564千元，並就不可收回金額人民幣285,360千元計提撥備及計入本集團自2014年起直至2016年12月31日以及2016年及2017年6月30日的損益表內。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

18. Litigations and Contingent Liabilities (continued)

(A) Litigations (continued)

(b) The Group as a defendant

- (i) The Subsidiary also entered into guarantee agreements with another PRC bank in 2013 (the “Guarantee Agreement 1”) and a PRC finance company in 2014 (the “Guarantee Agreement 2”) respectively, providing guarantees to the PRC bank and the PRC finance company for their loan facilities granted to their borrowers. Mrs. WU Lian is the borrower of the loan in relation to the Guarantee Agreement 2.

The outstanding loans of RMB35,497,000 and RMB34,000,000 in relation to the Guarantee Agreements 1 and 2 were in default in 2015 and 2014 respectively. The PRC bank and the PRC finance company have taken legal actions against the respective borrowers and the guarantors (including the Subsidiary and Wu Ji as guarantors) to recover the loan balances and interests.

18. 訴訟及或有負債 (續)

(A) 訴訟 (續)

(b) 本集團作為被告人

- (i) 附屬公司亦於2013年與一家中國銀行(「擔保協議1」)及於2014年與一家中國財務公司(「擔保協議2」)分別訂立擔保協議，向該中國銀行及中國財務公司就彼等授予借款人的貸款融資提供擔保。吳戀女士為擔保協議2項下貸款的借款人。

按照擔保協議1及擔保協議2，分別仍有貸款人民幣35,497千元及人民幣34,000千元於2015年及2014年未獲償還。該家中國銀行及中國財務公司已採取法律行動，向相關借款人及擔保人(包括作為擔保人的附屬公司及無極)追索貸款結餘及利息。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

18. Litigations and Contingent Liabilities (continued)

(A) Litigations (continued)

(b) The Group as a defendant (continued)

(i) (continued)

For the Guarantee Agreement 1, according to the first court judgement in 2016 and the final court judgement in May 2017, the Subsidiary is adjudicated to be jointly liable for the payment to the PRC bank of the outstanding loan, plus interest and costs, and the Group has no plan of filing further legal proceeding therefor. For the Guarantee Agreement 2, according to the first court judgement in 2016, the Subsidiary is adjudicated to be jointly liable for the payment to the PRC finance company of the outstanding loan, plus interest and costs. The Subsidiary has filed appeal against the first court judgement in relation to the Guarantee Agreement 2 and the related outcome of the appeal according to the official legal documents received by the Subsidiary is pending as of the date of approval of these condensed consolidated interim financial statements.

18. 訴訟及或有負債 (續)

(A) 訴訟 (續)

(b) 本集團作為被告人 (續)

(i) (續)

就擔保協議1而言，根據於2016年的首次法院判決及2017年5月的最終法院判決，該附屬公司被裁定須就向該家中國銀行支付的未償還貸款另加利息及成本承擔共同責任，而本集團並無就此提出進一步法律訴訟的計劃。就擔保協議2而言，根據於2016年的首次法院判決，該附屬公司被裁定須就向該家中國財務公司支付的未償還貸款另加利息及成本承擔共同責任。該附屬公司已就擔保協議2的相關首次法院判決申請上訴，根據該附屬公司收到的正式法律文件，於該等簡明合併中期財務報表獲批准之日期，仍在等待上訴的相關結果。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

18. Litigations and Contingent Liabilities (continued)

(A) Litigations (continued)

(b) The Group as a defendant (continued)

(i) (continued)

The directors, with reference to legal opinions obtained and other factors, consider that the likelihood of the Group sustaining losses from the Guarantee Agreements 1 and 2 is remote. In particular, it is considered that the loans had sufficient underlying securities including Wu Ji's guarantees and the Subsidiary is only one of the guarantors for each of the loans and it is considered not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and no provision is considered necessary as at 31 December 2016 and 30 June 2017. Details of the contingent liabilities are set out in Note 18(B).

18. 訴訟及或有負債 (續)

(A) 訴訟 (續)

(b) 本集團作為被告人 (續)

(i) (續)

經參考取得的法律意見及其他因素，董事認為本集團須承擔該項擔保協議1及擔保協議2損失的可能性輕微，尤其是據悉該貸款具有足夠的相關擔保(包括無極的擔保)，而附屬公司亦僅為該貸款的其中一名擔保人，並認為並無可能需要包含經濟利益的資源流出以償付該等責任。因此，不需要於2016年12月31日及2017年6月30日作出相關撥備。或有負債詳情載於附註18(B)。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

18. Litigations and Contingent Liabilities (continued)

(A) Litigations (continued)

(b) The Group as a defendant (continued)

- (ii) In addition to the above agreements, the Subsidiary entered into a guarantee agreement (the "Guarantee Agreement 3") with a PRC bank in 2014, providing guarantee to the bank for a loan facility granted to its borrower. In addition, the bank loan was secured by the pledge of a piece of land owned by Wu Ji.

The bank loan was in default in 2014 and the bank has taken legal actions against the borrower and the guarantors (including the Subsidiary) to recover the bank loan balance and interest. A court order was issued to freeze assets of the guarantors (including the Subsidiary) in the amount of RMB62,000,000. As a result of the court order, bank balance of the Subsidiary in the amount of RMB55,396,000 had been frozen by the bank as at 31 December 2016, which was included in "Restricted bank balances and short-term deposits" on the condensed consolidated statement of financial position as at 31 December 2016.

18. 訴訟及或有負債 (續)

(A) 訴訟 (續)

(b) 本集團作為被告人 (續)

- (ii) 除上述協議外，附屬公司於2014年與一家中國銀行訂立擔保協議（「擔保協議3」），向該銀行就其授予借款人的貸款融資提供擔保。此外，該銀行貸款由無極擁有的一塊土地作質押擔保。

該銀行貸款未能於2014年償還，而該銀行已採取法律行動向借款人及一眾擔保人（包括附屬公司）追討銀行貸款結餘及利息。經已發出法院指令凍結擔保人（包括附屬公司）資產，即金額人民幣62,000千元。鑒於該法院指令，附屬公司金額為人民幣55,396千元的銀行存款已於2016年12月31日被銀行凍結。該金額計入於2016年12月31日的簡明合併財務狀況表內「受限制的銀行餘額及短期存款」一項。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

18. Litigations and Contingent Liabilities (continued)

(A) Litigations (continued)

(b) The Group as a defendant (continued)

(ii) (continued)

According to the first court judgement in 2016 and the final court judgement in January 2017, the Subsidiary is adjudicated to be jointly liable for the payment to the PRC bank of RMB60,000,000, plus interest and costs. In February 2017, the frozen bank balance of the Group has been withdrawn by the court for the purpose of settlement of the claim by the PRC bank. The Subsidiary has filed application of retrial of the PRC court judgements in relation to the Guarantee Agreement 3 and the related outcome of the application according to the official legal documents received by the Subsidiary is pending as of the date of approval of these condensed consolidated interim financial statements and accordingly the Group is of the view that the legal proceedings are still in progress notwithstanding the final court judgement. As at 30 June 2017, the withdrawn amount of RMB55,396,000 was included in "Prepayments, deposits and other receivables" in the condensed consolidated statement of financial position.

18. 訴訟及或有負債 (續)

(A) 訴訟 (續)

(b) 本集團作為被告人 (續)

(ii) (續)

根據於2016年的首次法院判決及於2017年1月的最終法院判決，該附屬公司被裁定須就向該家中國銀行支付人民幣60,000千元款項另加利息及成本承擔共同責任。於2017年2月，本集團被凍結銀行存款被法院提取以支付該家中國銀行的索償。該附屬公司已就擔保協議3的中國法院判決申請重審，根據該附屬公司收到的正式法律文件，於該等簡明合併中期財務報表獲批准之日期，仍在等待申請的相關結果，因此，本集團認為儘管在最終法院判決下，法律訴訟現仍在進行中。於2017年6月30日，人民幣55,396千元的被提取金額已計入簡明合併財務狀況表內「預付款、保證金及其他應收賬款」一項。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

18. Litigations and Contingent Liabilities (continued)

(A) Litigations (continued)

(b) The Group as a defendant (continued)

(ii) (continued)

The directors, with reference to legal opinion obtained and other factors, consider that the likelihood of the Group sustaining losses from the guarantee is remote. In particular, it is considered that the bank loan had sufficient underlying securities including a piece of land pledged by Wu Ji and the Subsidiary is only one of the guarantors for the bank loan. The directors believe that the withdrawn bank balance will be fully recovered upon the conclusion of the retrial of the PRC court judgements and no provision on the frozen and subsequently withdrawn amount is considered necessary as at 31 December 2016 and 30 June 2017 respectively. In addition, the directors are of the opinion that no provision on any shortfall between the amount to be ultimately settled by the Group under the Guarantee Agreement 3 and the Subsidiary's frozen and subsequently withdrawn amount is considered necessary as at 31 December 2016 and 30 June 2017 respectively. Details of the contingent liabilities are set out in Note 18(B).

18. 訴訟及或有負債 (續)

(A) 訴訟 (續)

(b) 本集團作為被告人 (續)

(ii) (續)

經參考取得
法律意見及
其他因素，董
事認為本集
團承擔該項
損失的可能性
輕微，尤其是
據悉該銀行的
貸款具有足夠
相關擔保，包
括一塊由無極
質押的土地，
而附屬公司亦
僅為該銀行一
擔保人。董事
相信當中國法
院判決重審完
結時，被提取
的銀行存款將
可悉數收回，
且無需分別於
2016年12月31
日及2017年6月
30日對被凍結
及其後被提取
的金額計提撥
備。此外，董
事認為，本集
團根據擔保協
議3最終作出的
付款金額與附
屬公司的被凍
結及其後被提
取的金額之間
的差額亦不需
要分別於2016
年12月31日及
2017年6月30
日計提撥備。
或有負債的請
情載於附註
18(B)。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

18. Litigations and Contingent Liabilities (continued) 18. 訴訟及或有負債 (續)

(B) Contingent liabilities

- (a) As at 30 June 2017, contingent liabilities not provided for in the condensed consolidated interim financial statements were as follows:

(B) 或有負債

- (a) 截至2017年6月30日止，未於簡明合併中期財務報表計提撥備的或有負債如下：

30 June 2017 2017年 6月30日 RMB'000 千人民幣 (Unaudited) (未經審核)	31 December 2016 2016年 12月31日 RMB'000 千人民幣 (Audited) (經審核)
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Guarantees given to banks and a finance company in connection with facilities granted to:
Two PRC companies and Mrs. WU Lian, an individual

就授予下列公司／人士信貸而給予銀行及一家財務公司的擔保：
兩間中國公司及吳戀女士（個別人士）

131,497

131,497

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

18. Litigations and Contingent Liabilities (continued)

(B) Contingent liabilities (continued)

- (b) During the Period under Review, the Group acted as defendant in lawsuits brought by two PRC banks and a PRC finance company alleging that the Group should assume guarantee liabilities and interests according to guarantee agreements. The directors consider that the likelihood of the Group sustaining losses from the guarantees is remote, and accordingly no provision for claims arising from the litigations is considered necessary as at 31 December 2016 and 30 June 2017, save for the related legal and other costs. Based on the respective court judgements, interests are imposed on the principal amounts as disclosed in (a) above, which are calculated on (i) principal amount of approximately RMB62,000,000 at 9.9% per annum plus compound interest at 9.9% per annum on unpaid interest since 21 October 2014; (ii) principal amount of approximately RMB34,000,000 at four times of six-month borrowing rate of the People's Bank of China since 8 October 2015; and (iii) principal amount of approximately RMB35,497,000 at 0.05% per day since 4 January 2015.

18. 訴訟及或有負債 (續)

(B) 或有負債 (續)

- (b) 於回顧期內，本集團為由兩家中國銀行及一家中國財務公司根據擔保協議起訴本集團須承擔擔保責任及利息的訴訟的被告。董事認為本集團須承受該等擔保的損失的可能性不大，因此，除有關法律及其他成本費用外，毋須就截至2016年12月31日及2017年6月30日為源自該等訴訟的任何索償計提撥備。根據相關法院判決，誠如上述(a)所披露，本金款項所徵收的利息會以(i)本金款項約人民幣62,000千元以每年9.9%另加自2014年10月21日起未支付利息以每年9.9%的複合利率；(ii)本金款項約人民幣34,000千元自2015年10月8日起以中國人民銀行六個月借款利率的四倍；及(iii)本金款項約人民幣35,497千元自2015年1月4日起以每日0.05%計算。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

19. Pledge of Assets

As at 30 June 2017, save for those disclosed elsewhere in these condensed consolidated interim financial statements, the following assets of the Group were pledged, as applicable:

Property, plant and equipment	物業、廠房及設備
Prepaid land lease payments	預付土地租金
Trade and bills receivables	貿易及票據應收賬款
Pledged time deposits	有抵押定期存款

19. 資產抵押

於2017年6月30日，除本簡明合併中期財務報表另行披露者外，本集團下列資產已被抵押（視情況而定）：

30 June 2017 2017年 6月30日 RMB'000 千人民幣 (Unaudited) (未經審核)	31 December 2016 2016年 12月31日 RMB'000 千人民幣 (Audited) (經審核)
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278,886	285,618
47,654	48,314
55,014	47,347
47,589	61,034
429,143	442,313

20. Related Party Transactions

- (a) None of the shareholders is the controlling entity of the Company.
- (b) In addition to the information disclosed elsewhere in these condensed consolidated interim financial statements, major related parties with which the Group had transactions during the six months ended 30 June 2017 and six months ended 30 June 2016 are listed below:

An entity with significant influence over the Group

Elec-Tech International Co., Ltd. ("Elec-Tech")

20. 關聯方交易

- (a) 概無股東為本公司控股實體。
- (b) 除本簡明合併中期財務報表其他地方披露的信息外，截至2017年6月30日止6個月及截至2016年6月30日止6個月與本集團進行交易的主要關聯方載列如下：

一家對本集團具有重大影響的實體

廣東德豪潤達電氣股份有限公司（「德豪潤達」）

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

20. Related Party Transactions (continued)

(b) (continued)

Subsidiaries of Elec-Tech

Wuhu Retop Electronics Co., Ltd.
Appliance Co. of America (Zhuhai) Co., Ltd.
Dalian Elec Lighting Technology Co., Ltd.
Yixun (Zhuhai) Lighting Technology Co., Ltd.
(Formerly known as Guangdong Elec-Tech NVC Lighting Co., Ltd.)¹
Wuhu 3E Lighting Co., Ltd.
Wuhu Elec-Tech International Lighting Technology Co., Ltd.
Ying Cheng Precision Die Casting Co., Ltd.
Elec-Tech Lighting Engineering Co., Ltd.

Guangdong Elec-Tech Retop LED Display Co., Ltd.

Huizhou NVC Fire Lighting Co., Ltd.²

Guangdong Elec-Tech Lighting Electrical Co., Ltd.

Elec-Tech International (H.K.) Company Limited

Associates of the Group

Huizhou Thorled-opto Co., Ltd.
Wuhu NVC Electronic Business Co., Ltd.

Entities controlled by Mr. WU Jiannong, a director and substantial shareholder of Zhejiang NVC

Jiangshan World Bright Crystal Co., Ltd.
Quzhou Aushite Illumination Co., Ltd.
Jiangshan Youhe Machinery Co., Ltd.

An entity over which the Group indirectly has significant influence through an associate

Chongqing Chidian Technology Co., Ltd.³

20. 關聯方交易 (續)

(b) (續)

德豪潤達的附屬公司

蕪湖銳拓電子有限公司
北美電器(珠海)有限公司
大連德豪光電科技有限公司
怡迅(珠海)光電科技
有限公司(前稱廣東德豪
雷士照明有限公司)¹
蕪湖三頤照明有限公司
蕪湖德豪潤達光電科技
有限公司
穎承精密壓鑄有限公司
廣東德豪潤達照明系統工程
有限公司
廣東德豪銳拓顯示技術
有限公司
惠州雷士消防照明標識
有限公司²
廣東德豪潤達照明電氣有限
公司
德豪潤達國際(香港)有限
公司

本集團的聯營公司

惠州雷通光電器件有限公司
蕪湖雷士照明電子商務
有限公司

浙江雷士的董事及主要股東 吳建農先生控制的實體

江山世明水晶玻璃有限公司
衢州奧仕特照明有限公司
江山市友和機械有限公司

一家由本集團通過其聯營公 司間接對其具有重大影響的 實體

重慶市弛電科技有限公司³

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

20. Related Party Transactions (continued)

(b) (continued)

An entity controlled by Mr. WANG Dongming, a director of the Company

NVC Lighting & Electrical Technology Singapore Pte. Ltd.

¹ On 30 December 2016, the entity ceased to be a related party of the Group as it ceased to be a subsidiary of Elec-Tech.

² On 9 January 2017, the entity ceased to be a related party of the Group as it has become a subsidiary of the Group.

³ On 9 August 2016, the entity ceased to be a related party of the Group as it ceased to be a subsidiary of the associate.

(c) In addition to the transactions detailed elsewhere in the condensed consolidated interim financial statements, the Group had the following transactions with related parties during the six months ended 30 June 2017:

20. 關聯方交易 (續)

(b) (續)

一家由本公司董事王冬明先生控制的實體

NVC Lighting & Electrical Technology Singapore Pte. Ltd.

¹ 於2016年12月30日，由於該實體不再為德豪潤達的附屬公司，其亦不再為本集團的關聯方。

² 於2017年1月9日，由於該實體已成為本集團一家附屬公司，其不再為本集團的關聯方。

³ 於2016年8月9日，由於該實體不再為聯營公司的附屬公司，其亦不再為本集團的關聯方。

(c) 除簡明合併中期財務報表其他地方詳載的交易外，本集團於截至2017年6月30日止6個月有以下關聯方交易：

Six months ended 30 June

截至6月30日止6個月

	2017	2016
	2017年	2016年
	RMB'000	RMB'000
	千人民幣	千人民幣
Notes	(Unaudited)	(Unaudited)
附註	(未經審核)	(未經審核)
	47,373	—
(i)	2,995	569

Elec-Tech:

Purchases of shares

Purchases of finished goods

德豪潤達：

購買股份

購買產成品

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

20. Related Party Transactions (continued)

(c) (continued)

20. 關聯方交易 (續)

(c) (續)

		Six months ended 30 June 截至6月30日止6個月	
		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
		(Unaudited) (未經審核)	(Unaudited) (未經審核)
		Notes 附註	
Subsidiaries of Elec-Tech: 德豪潤達的附屬公司：			
Sales of finished goods	銷售產成品	(i) 1,278	568
Trademark licence fee income	商標許可費收入	(ii) -	244
Purchases of raw materials and finished goods	購買原材料及產成品	(i) 63,674	39,443
Rental fee income	租金收入	(i) -	121
Rental expense	租金費用	(i) 56	-
Purchases of property, plant and equipment	購買物業、廠房及設備	(i) -	45
Associates of the Group: 本集團的聯營公司：			
Purchases of property, plant and equipment	購買物業、廠房及設備	(i) -	3,735
Rental fee income	租金收入	(i) 571	591
Sales of finished goods	銷售產成品	(i) 27,344	105,647
Purchases of raw materials	購買原材料	(i) 43,168	-
Handling income	手續費收入	(i) 5,011	-
Entities controlled by Mr. WU Jiannong, a director and substantial shareholder of Zhejiang NVC: 浙江雷士的董事及主要股東 吳建農先生控制的實體：			
Purchases of raw materials and finished goods	購買原材料及產成品	(i) 4,281	3,850
Purchases of property, plant and equipment	購買物業、廠房及設備	(i) 188	-

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

20. Related Party Transactions (continued)

(c) (continued)

		Six months ended 30 June 截至6月30日止6個月	
		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
		(Unaudited) (未經審核)	(Unaudited) (未經審核)
		Notes 附註	
Entities over which the Group indirectly has significant influence through an associate:	由本集團通過其聯營公司間接對其具有重大影響的實體：		
Purchases of raw materials and finished goods	購買原材料及產成品	(i) -	5,096
An entity controlled by Mr. WANG Dongming, a director of the Company:	一家由本公司董事王冬明先生控制的實體		
Consultancy fee	諮詢費	(i) 2,074	-

Notes:

- (i) The transactions were made at prices mutually agreed by both parties.
- (ii) Trademark licence fee income arose from licensing the "NVC" brand to related parties, and was charged at 1% to 3% of the related parties' annual sales. The royalty rate was mutually agreed by both parties.

In the opinion of the board of directors, the related party transactions were conducted on normal commercial terms and in the ordinary course of the Group's business.

20. 關聯方交易 (續)

(c) (續)

		Six months ended 30 June 截至6月30日止6個月	
		2017 2017年 RMB'000 千人民幣	2016 2016年 RMB'000 千人民幣
		(Unaudited) (未經審核)	(Unaudited) (未經審核)
		Notes 附註	
Entities over which the Group indirectly has significant influence through an associate:	由本集團通過其聯營公司間接對其具有重大影響的實體：		
Purchases of raw materials and finished goods	購買原材料及產成品	(i) -	5,096
An entity controlled by Mr. WANG Dongming, a director of the Company:	一家由本公司董事王冬明先生控制的實體		
Consultancy fee	諮詢費	(i) 2,074	-

附註：

- (i) 交易乃根據雙方協定的價格進行。
- (ii) 授權關聯方使用「雷士」品牌所產生的商標許可費收入乃按關聯方全年銷售額的1%至3%計提。收費率乃由雙方協定。

董事會認為關聯方交易乃按正常商業條款及本集團一般正常業務過程中進行。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

20. Related Party Transactions (continued)

(d) Outstanding balances with related parties:

Except as disclosed elsewhere in the condensed consolidated interim financial statements, as at 30 June 2017, included in prepayments, deposits and other receivables and other payables and accruals of the Group are the aggregate balance of RMB2,525,000 (31 December 2016: RMB10,387,000) and RMB725,000 (31 December 2016: RMB20,465,000) due with related parties.

(e) Compensation of key management personnel of the Group:

20. 關聯方交易 (續)

(d) 關聯方的未清償結餘：

除簡明合併中期財務報表所披露者外，於2017年6月30日計入應收關聯方的本集團預付款、保證金及其他應收賬款以及其他應付賬款及應計費用合共為人民幣2,525千元(2016年12月31日：人民幣10,387千元)及人民幣725千元(2016年12月31日：人民幣20,465千元)的結餘。

(e) 本集團主要管理人員薪酬：

Six months ended 30 June 截至6月30日止6個月

	2017	2016
	2017年	2016年
	RMB'000	RMB'000
	千人民幣	千人民幣
	(Unaudited)	(Unaudited)
	(未經審核)	(未經審核)
Short-term employee benefits	10,950	9,861
短期僱員福利		

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

21. Financial Instruments by Category

Set out below is an overview of financial instruments held by the Group as at 30 June 2017 and 31 December 2016:

21. 按類別劃分的金融工具

本集團於2017年6月30日及2016年12月31日持有的金融工具概覽如下：

		30 June 2017 2017年 6月30日 RMB'000 千人民幣 (Unaudited) (未經審核)	31 December 2016 2016年 12月31日 RMB'000 千人民幣 (Audited) (經審核)
Financial assets:	金融資產：		
Loans and receivables at amortised cost:	按攤銷成本的貸款及應收款：		
Trade and bills receivables	貿易及票據應收賬款	1,181,230	1,218,003
Financial assets included in prepayments, deposits and other receivables	納入預付款、保證金及其他應收賬款的金融資產	356,994	315,984
Restricted bank balances and short-term deposits	受限制銀行結餘及短期存款	220,429	445,424
Cash and cash equivalents	現金及現金等價物	1,124,142	1,160,155
		2,882,795	3,139,566
Available-for-sale financial assets at fair value	按公允價值的可供出售金融資產		
Long term investments	長期投資	275,705	23,000

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

21. Financial Instruments by Category 21. 按類別劃分的金融工具 (continued) (續)

	30 June 2017 2017年 6月30日 RMB'000 千人民幣 (Unaudited) (未經審核)	31 December 2016 2016年 12月31日 RMB'000 千人民幣 (Audited) (經審核)
Financial liabilities:		
Financial liabilities at fair value through profit or loss:		
Convertible Bonds		
– derivative component	34,554	60,230
Contingent consideration payable	–	41,825
	34,554	102,055
Financial liabilities at amortised cost:		
Trade and bills payables	756,274	750,036
Financial liabilities included in other payables and accruals	613,373	506,215
Interest-bearing loans	65,826	48,411
Convertible Bonds		
– liability component	433,282	440,272
	1,868,755	1,744,934

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

22. Fair Value and Fair Value Hierarchy of Financial Instruments

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

22. 金融工具公允價值及公允價值層級

除賬面值與公允價值合理相若者外，本集團金融工具的賬面值及公允價值如下：

		Carrying amounts		Fair values	
		賬面值		公允價值	
		31		31	
		30 June	December	30 June	December
		2017	2016	2017	2016
		2017年	2016年	2017年	2016年
		6月30日	12月31日	6月30日	12月31日
		RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		(未經審核)	(經審核)	(未經審核)	(經審核)
Financial assets:	金融資產：				
Long term investments	長期投資	275,705	23,000	275,705	23,000
Financial liabilities:	金融負債：				
Convertible Bonds	可換股債券				
– derivative component	– 衍生工具部份	34,554	63,230	34,554	63,230
Contingent consideration payable	或有應付代價	–	41,825	–	41,825

Management has assessed that the fair values of cash and cash equivalents, restricted bank balances and short-term deposits, trade and bills receivables, trade and bills payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, interest-bearing loans and liability component of the Convertible Bonds approximate to their carrying amounts largely due to the short term maturities of these instruments.

管理層評估現金及現金等價物、受限制的銀行結餘及短期存款、貿易及票據應收款項、貿易及票據應付賬款、納入預付賬款、保證金及其他應收賬款的金融資產、納入其他應付賬款及應計費用的金融負債、計息貸款及可換股債券負債部份的公允價值與其賬面值相若，乃主要由於該等金融工具均於短期內到期所致。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

22. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

The Group's management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, management analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of listed equity investments are determined based on quoted market prices.

The fair value of unlisted investment fund is derived from quoted market prices.

Fair values of the unlisted equity investments have been estimated using a discounted cash flows model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unlisted equity investments.

Significant unobservable inputs

– Weighted average cost of capital	25%
– Revenue growth rate	15-30%
– Long term perpetual growth rate	3%

The fair value of the conversion option embedded in the Convertible Bonds is measured using valuation technique, the Binomial Option Pricing Model.

The fair value of contingent consideration payable was estimated based on estimated adjusted profit after income tax of the acquiree, details of which are set out in Note 24.

22. 金融工具公允價值及公允價值層級 (續)

本集團管理層負責釐定金融工具公允價值計量的政策及程序。於各報告日期，管理層分析金融工具公允價值變動及釐定應用於估值之主要輸入數據。一年兩次與審核委員會討論估值程序及結果，以用於中期及年度財務報告。

金融資產及負債的公允價值乃各自願人士之間進行當前交易時買賣金融工具之價格，而該等交易並非在被迫或清盤下進行。

上市之股本投資的公允價值乃根據市場報價釐定。

非上市之投資基金的公允價值乃衍生自市場報價。

非上市之股本投資的公允價值乃使用貼現現金流量模式估計。評估需要管理層須就模式輸入值作出一定假設，包括預測現金流量、折現率、信用風險及波幅。範圍內不同估計的可能性可被合理地估計，且用於管理層對該等非上市股本投資的公允價值估計。

重要不可觀察輸入值

– 加權平均資本成本	25%
– 收入增長率	15-30%
– 長期永久增長率	3%

於可換股債券的嵌入式換股權的公允價值乃應用二項式期權定價模式的估值技術計量。

應付或有代價的公允價值乃根據承購方的經調整稅後利潤估算，詳情載於附註24。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

22. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets and liabilities measured at fair value

As at 30 June 2017 (Unaudited)

22. 金融工具公允價值及公允價值層級 (續)

下表展示本集團金融工具公允價值計量層級：

以公允價值計量的資產及負債

於2017年6月30日（未經審核）

		Fair value measurement using 公允價值計量使用的輸入值			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
		活躍市場報價 (第一層)	重要可觀察 輸入值 (第二層)	重要不可觀察 輸入值 (第三層)	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		千人民幣	千人民幣	千人民幣	千人民幣
Financial asset:	金融資產：				
Long term investments	長期投資				
- Listed equity investments	- 上市之股本投資	70,473	-	-	70,473
- Unlisted equity investments	- 非上市之股本投資	-	-	2,000	2,000
- Unlisted investment fund	- 非上市之投資基金	-	203,232	-	203,232
Financial liabilities:	金融負債：				
Financial liabilities at fair value through profit or loss	以公允價值計入損益的金融負債				
- Convertible Bonds	- 可換股債券	-	-	34,554	34,554
- derivative component	- 衍生工具部份	-	-	-	-

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

22. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

22. 金融工具公允價值及公允價值層級 (續)

As at 31 December 2016 (Audited)

於2016年12月31日 (經審核)

		Fair value measurement using 公允價值計量使用的輸入值			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
		重要可觀察 活躍市場報價 (第一層)	重要不可觀察 輸入值 (第二層)	重要不可觀察 輸入值 (第三層)	總計
		RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣	RMB'000 千人民幣
Financial asset:	金融資產：				
Long term investments	長期投資				
- Listed equity investments	- 上市之股本投資	23,000	-	-	23,000
Financial liabilities:	金融負債：				
Financial liabilities at fair value through profit or loss	以公允價值計入損益的 金融負債				
- Convertible Bonds	- 可換股債券				
- derivative component	- 衍生工具部份	-	-	60,230	60,230
- Contingent consideration payable	- 應付或有代價	-	-	41,825	41,825

During the Period under Review, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

回顧期內，金融資產及金融負債第一層與第二層之間概無公允價值計量轉撥，第三層亦無轉出或轉入。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

23. Capital Commitments

As at 30 June 2017, the Group had the following capital commitments:

Contracted, but not provided for:
Acquisition of property, plant and equipment
Investment in a joint venture
Acquisition of interest in an investment
Investments in associates

已訂約但尚未計提：
收購物業、廠房及設備
於一家合營企業的投資
收購一項投資的權益
投資於聯營公司

30 June 2017 2017年 6月30日 RMB'000 千人民幣 (Unaudited) (未經審核)	31 December 2016 2016年 12月31日 RMB'000 千人民幣 (Audited) (經審核)
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75,755	54,944
400,000	400,000
500	2,000
14,260	13,210
490,515	470,154

24. Acquisition of Additional Interests in a Subsidiary in Prior Year

During the year ended 31 December 2016, the Group acquired additional 50% equity interest in Zhongshan NVC Decorative Lighting Technology Co., Ltd (“Zhongshan NVC”), which increased the Group’s interest in Zhongshan NVC from 50% to 100%. Further details of the acquisition are set out in the Company’s announcements dated 4 February 2016 and 11 November 2016.

24. 於過往年度收購一間附屬公司額外股權

於截至2016年12月31日止年度，本集團收購中山雷士燈飾科技有限公司（「中山雷士」）額外50%的股權，使本集團於中山雷士的股權從50%增加至100%。收購事項的更多詳情載列於本公司日期為2016年2月4日及2016年11月11日的公告。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

24. Acquisition of Additional Interests in a Subsidiary in Prior Year (continued)

Pursuant to the sale and purchase agreements, the consideration for the acquisition includes performance-based contingent consideration adjustments which are calculated as follows:

- (i) Adjusted by applying a multiplier on the adjusted audited profit after income tax of Zhongshan NVC for the year ended 31 December 2016 (“2016 Profit”) less part of cash consideration already paid; and
- (ii) Adjusted by applying a multiplier on the difference between the 2016 Profit and the adjusted audited profit after income tax of Zhongshan NVC for the year ending 31 December 2017 (“2017 Profit”) if the 2017 Profit exceeds 2016 Profit by 15%.

As at 31 December 2016, the fair values of contingent consideration payable for adjustments (i) and (ii) above were estimated to be RMB41,825,000 and RMBNil respectively which will be due for settlement by the Group in 2017 and 2018. During the Period under Review, the fair values for the contingent consideration payables remained unchanged. In addition, during the Period under Review, following the finalisation of audited profit after income tax of Zhongshan NVC for the year ended 31 December 2016, the contingent consideration payable related to adjustment (i) was included in other payables and included in “other payables and accruals” in the condensed consolidated statement of financial position as at 30 June 2017.

25. Approval of the Condensed Consolidated Interim Financial Statements

The unaudited condensed consolidated interim financial statements were approved and authorised for issue by the board of directors of the Company on 29 August 2017.

24. 於過往年度收購一間附屬公司額外股權 (續)

根據買賣協議，上述代價包括基於業績的或有代價調整，計算方法如下：

- (i) 通過對中山雷士截至2016年12月31日止年度經調整經審核稅後利潤（「2016年利潤」）乘以一個倍數並減去已支付的現金代價部分進行調整；及
- (ii) 倘若2017年利潤超逾2016年利潤15%，則通過對2016年利潤與中山雷士截至2017年12月31日止年度經調整經審核稅後利潤（「2017年利潤」）之間的差額乘以一個倍數進行調整。

於2016年12月31日，上述根據(i)及(ii)調整的應付或有代價的公允價值分別為人民幣41,825千元和人民幣零元，並將分別由本集團於2017年及2018年到期結清。回顧期內，應付或有代價的公允價值保持不變。此外，回顧期內，中山雷士截至2016年12月31日止年度經審核稅後利潤完成後，有關根據(i)調整的應付或有代價已包含在其他應付賬款內，並於2017年6月30日計入簡明合併財務狀況表「其他應付賬款及應計費用」內。

25. 批准簡明合併中期財務報表

未經審核簡明合併中期財務報表已於2017年8月29日經董事會批准及授權發行。

Definitions

釋義

In this report, unless the context otherwise requires, the following words and expressions shall have the following meanings. 在本報告中，除文意另有所指外，下列詞彙及用語具有以下涵義。

“Board” 「董事會」	the board of Directors of the Company. 本公司董事會。
“BRL” 「巴幣」	Brazilian Real, the lawful currency of the Federative Republic of Brazil. 巴西雷亞爾，巴西的法定貨幣。
“China” or “PRC” 「中國」	the People’s Republic of China, but for the purpose of this report and for geographical reference only and except where the context requires, references in this report to “China” and the “PRC” do not apply to Taiwan, the Macau Special Administrative Region and the Hong Kong Special Administrative Region. 中華人民共和國，但僅就本報告及地理參考而言，除文意另有所指外，本報告中凡提及「中國」之處均不包括台灣、澳門特別行政區及香港特別行政區。
“Code” 「守則」	the Corporate Governance Code and the Corporate Governance Report as set out in the Appendix 14 to the Listing Rules. 上市規則附錄十四之《企業管治守則》及《企業管治報告》。
“Company” or “our Company” 「本公司」	NVC Lighting Holding Limited (雷士照明控股有限公司), a company incorporated in the British Virgin Islands on 2 March 2006 and subsequently redomiciled to the Cayman Islands on 30 March 2010 as an exempted company with limited liability under the laws of the Cayman Islands. The shares of the Company are listed on the main board of the Stock Exchange. 雷士照明控股有限公司，一家於2006年3月2日在英屬維爾京群島註冊成立，隨後於2010年3月30日將註冊地遷至開曼群島之公司，並根據開曼群島法例註冊為一家獲豁免有限公司，其股份於聯交所主板上市。
“Convertible Bonds” 「可換股債券」	the convertible bonds denominated in Hong Kong dollar in an aggregate principal amount of HKD500,000,000 issued on 7 June 2016 by the Company. 本公司於2016年6月7日發行之本金額合共500,000,000港元以港元計值的可換股債券。
“Corresponding Period” 「同期」	means the six months ended 30 June 2017 or the six months ended 30 June 2016 (as the context may require). 截至2017年6月30日止6個月或截至2016年6月30日止6個月（視乎文義而定）。
“Director(s)” 「董事」	the director(s) of the Company. 本公司董事。

Definitions

釋義

“ETIC” 「德豪潤達」	Elec-Tech International Co., Ltd.* (廣東德豪潤達電氣股份有限公司), a PRC incorporated company which is currently listed on the Shenzhen Stock Exchange. It is a substantial shareholder of the Company. 廣東德豪潤達電氣股份有限公司，一家在中國註冊成立的公司，目前在深圳證券交易所上市，是本公司的一個主要股東。
“En Wei Xi” 「恩緯西」	Chongqing En Wei Xi Industrial Development Co., Ltd.* (重慶恩緯西實業發展有限公司), a limited liability company incorporated in the PRC and owned as to 40% by Mr. WU Xianming, Mr. WU Changjiang’s father-in-law. 重慶恩緯西實業發展有限公司，一家在中國註冊成立並且其中40%的股權由吳長江先生的岳父吳憲明先生擁有的有限公司。
“Group” 「本集團」	our Company and its subsidiaries. 本公司及其附屬公司。
“GBP” 「英鎊」	Great Britain Sterling Pound, the lawful currency of the United Kingdom. 英鎊，英國法定貨幣。
“HK\$” 「港元」	Hong Kong dollars, the lawful currency of Hong Kong. 港元，香港法定貨幣。
“Hong Kong” 「香港」	the Hong Kong Special Administrative Region of People Republic of China. 中華人民共和國香港特別行政區。
“Huizhou NVC” 「惠州雷士」	Huizhou NVC Lighting Technology Co., Ltd.* (惠州雷士光電科技有限公司), a wholly foreign-owned enterprise with limited liability incorporated in the PRC on 29 April 2006 and our direct wholly-owned subsidiary. 惠州雷士光電科技有限公司，一家於2006年4月29日在中國註冊成立的外商獨資有限責任公司，是我們的直接全資附屬公司。
“HID” 「HID」	High intensity discharge. 高強度放電。
“LED” 「LED」	Light-emitting diode. 發光二極管。
“Listing Rules” 「上市規則」	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. 《香港聯合交易所有限公司證券上市規則》。

Definitions

釋義

“Model Code” 「標準守則」	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. 上市規則附錄十之《上市發行人董事進行證券交易的標準守則》。
“ODM” 「ODM」	Original Design Manufacturing, a type of manufacturing under which the manufacturer is responsible for the design and production of the products and the products are marketed and sold under the customer’s brand name. 原設計製造，根據此種製造，製造商負責產品的設計和生產，而產品則以客戶品牌營銷和銷售。
“Period under Review” 「回顧期」	the six months ended 30 June 2017. 截至2017年6月30日止6個月。
“RMB” 「人民幣」	Renminbi, the lawful currency of the PRC. 人民幣，中國法定貨幣。
“SFO” 「《證券及期貨條例》」	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). 《證券及期貨條例》（香港法例第571章）。
“Stock Exchange” 「聯交所」	The Stock Exchange of Hong Kong Limited. 香港聯合交易所有限公司。
“USA” or “US” 「美國」	the United States of America, its territories, its possessions and all was subject to its jurisdiction. 美利堅合眾國，其領土、屬地及其管轄的所有地區。
“US\$” 「美元」	United States dollars, the lawful currency of the United States. 美元，美國法定貨幣。
“UK NVC” 「英國雷士」	NVC Lighting Limited (formerly known as NVC (Manufacturing) Limited), a private company incorporated in England and Wales on 31 May 2007, and our direct wholly-owned subsidiary. NVC Lighting Limited（原名為NVC (Manufacturing) Limited），一家於2007年5月31日在英格蘭及威爾士註冊成立的私人公司，是我們的直接全資附屬公司。
“we”, “us” or “our” 「我們」	our Company or our Group (as the context may require). 本公司或本集團（視乎文義而定）。

Definitions

釋義

“Wu Ji”	Chongqing Wu Ji Real Estate Development Co., Ltd.* (重慶無極房地產開發有限公司), a limited liability company incorporated in the PRC which may potentially be associated with Mr. WU Changjiang.
「無極」	重慶無極房地產開發有限公司，一家在中國註冊成立並且可能與吳長江先生相關聯的有限公司。
“Zhejiang NVC”	Zhejiang NVC Lamps Co., Ltd.* (浙江雷士燈具有限公司), a limited liability company incorporated in the PRC on 28 September 2007, 51% equity interest of which is held by Huizhou NVC and the remaining 49% equity interest of which is held by Zhejiang Tonking New Energy Group Co., Ltd.* (浙江同景新能源集團有限公司).
「浙江雷士」	浙江雷士燈具有限公司，一家於2007年9月28日在中國註冊成立的有限責任公司，惠州雷士持有其51%股權，餘下的49%股權由浙江同景新能源集團有限公司持有。
“Zhongshan NVC”	Zhongshan NVC Decorative Lighting Technology Co., Ltd.* (中山雷士燈飾科技有限公司), a limited liability company incorporated in the PRC on 26 January 2015 and our indirect wholly-owned subsidiary.
「中山雷士」	中山雷士燈飾科技有限公司，一家於2015年1月26日在中國註冊成立的有限責任公司，是我們的間接全資附屬公司。

* Denotes English translation of the name of a Chinese company or entity and is provided for identification purposes only.



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NVC LIGHTING HOLDING LIMITED

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