



隆基泰和智慧能源

LONGITECH SMART ENERGY

LongiTech Smart Energy Holding Limited

隆基泰和智慧能源控股有限公司

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

Stock Code 股份代號 : 1281



ANNUAL 年
REPORT 報 2018

CONTENTS

目錄



Corporate Information 公司資料	02
Chairman's Statement 主席報告	04
Management Discussion and Analysis 管理層討論與分析	08
Report of Directors 董事會報告	33
Directors and Senior Management 董事及高級管理層	65
Corporate Governance Report 企業管治報告	71
Independent Auditor's Report 獨立核數師報告	101
Consolidated Statement of Profit or Loss 綜合損益表	109
Consolidated Statement of Comprehensive Income 綜合全面收益表	111
Consolidated Balance Sheet 綜合資產負債表	112
Consolidated Statement of Changes in Equity 綜合權益變動表	114
Consolidated Statement of Cash Flows 綜合現金流量表	116
Notes to the Financial Statements 財務報表附註	118
Financial Summary 財務概要	219

BOARD OF DIRECTORS

Executive Directors

Mr. Wei Qiang (*Chairman and Chief Executive Officer*)

Mr. Yuen Chi Ping (*Vice-chairman and Co-Chief Executive Officer*)

Dr. Liu Zhengang

Non-executive Director

Mr. Wei Shaojun

Independent Non-executive Directors

Dr. Han Qinchun

Mr. Wong Yik Chung, John

Mr. Han Xiaoping

AUDIT COMMITTEE

Mr. Wong Yik Chung, John (*Chairman*)

Dr. Han Qinchun

Mr. Han Xiaoping

REMUNERATION COMMITTEE

Dr. Han Qinchun (*Chairman*)

Mr. Wong Yik Chung, John

Mr. Wei Qiang

NOMINATION COMMITTEE

Mr. Wei Qiang (*Chairman*)

Mr. Wong Yik Chung, John

Mr. Han Xiaoping

AUTHORISED REPRESENTATIVES

Mr. Wei Qiang

Ms. Zou Yanhong

JOINT COMPANY SECRETARIES

Ms. Zou Yanhong

Ms. Ng Ka Man (*ACIS, ACS*)

LEGAL ADVISOR

As to Hong Kong law:

SIDLEY AUSTIN

39/F, Two International Finance Centre

Central

Hong Kong

AUDITOR

PricewaterhouseCoopers

Certified Public Accountants

22/F, Prince's Building

Central

Hong Kong

董事會

執行董事

魏強先生 (*主席兼行政總裁*)

袁志平先生 (*副主席兼聯席行政總裁*)

劉振剛博士

非執行董事

魏少軍先生

獨立非執行董事

韓秦春博士

黃翼忠先生

韓曉平先生

審核委員會

黃翼忠先生 (*主席*)

韓秦春博士

韓曉平先生

薪酬委員會

韓秦春博士 (*主席*)

黃翼忠先生

魏強先生

提名委員會

魏強先生 (*主席*)

黃翼忠先生

韓曉平先生

授權代表

魏強先生

鄒燕紅女士

聯席公司秘書

鄒燕紅女士

吳嘉雯女士 (*ACIS, ACS*)

法律顧問

香港法律:

盛德國際律師事務所

香港

中環

國際金融中心二期39樓

核數師

羅兵咸永道會計師事務所

執業會計師

香港

中環

太子大廈22樓

REGISTERED OFFICE

Clifton House
75 Fort Street
PO Box 1350
Grand Cayman
KY1-1108
Cayman Islands

HEADQUARTERS IN THE PRC

4209, 42nd Floor
Building A 19
East Third Ring North Road
Chaoyang District
Beijing
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 805, 8th Floor, Harcourt House
No. 39 Gloucester Road
Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Estera Trust (Cayman) Limited
PO Box 1350
Clifton House
75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

PRINCIPAL BANKERS

China Development Bank
Bank of China
China Construction Bank
China Minsheng Bank

COMPANY'S WEBSITE

www.longitech.hk

STOCK CODE

1281 (Main Board of The Stock Exchange of Hong Kong Limited)

註冊辦事處

Clifton House
75 Fort Street
PO Box 1350
Grand Cayman
KY1-1108
Cayman Islands

中國總部

中國
北京市
朝陽區
東三環北路甲19號樓
42層4209

香港主要營業地點

香港
灣仔
告士打道39號
夏慤大廈8樓805室

開曼群島股份過戶登記總處

Estera Trust (Cayman) Limited
PO Box 1350
Clifton House
75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心22樓

主要往來銀行

國家開發銀行
中國銀行
中國建設銀行
中國民生銀行

公司網址

www.longitech.hk

股份代號

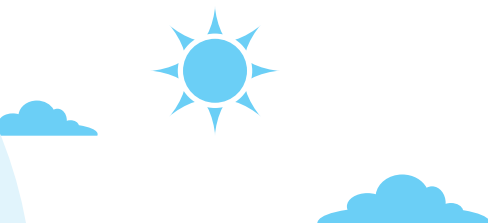
1281 (香港聯合交易所有限公司主板)

Chairman's Statement

主席報告

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of LongiTech Smart Energy Holding Limited (the “**Company**”) together with its subsidiaries (collectively, the “**Group**”), I hereby present the annual report of the Company for the year ended 31 December 2018 (the “**Reporting Period**”) to all the shareholders of the Company (the “**Shareholders**”).



尊敬的各位股東：

本人謹代表隆基泰和智慧能源控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）董事（「董事」）會（「董事會」），向各位股東（「股東」）提呈本公司截至二零一八年十二月三十一日止年度（「本報告期間」）的年度報告。



CHAIRMAN 主席
Mr. Wei Qiang 魏強先生



In 2018, the external environment was complicated and severe. After having the growth beyond expectations in 2017, China experienced an economic slowdown and faced downward pressure in 2018. Against the backdrop of domestic "supply-side reform" and "de-leveraging" and other policies, the domestic market was subject to great fluctuations. Enterprises, especially private enterprises, suffered from a general increase in pressure on their operations.

2018 was also a year when the Group undertook self-adjustment and self-optimization in response to the changes in external environment. Following the announcement of the national macroeconomic control policy on solar power plants (Fa Gai Neng Yuan [2018] No. 823) on 31 May 2018 (the **"531 Policy"**), which clearly stipulated that the construction plan of ordinary solar power plants would be suspended for 2018, the development of the Group's home photovoltaic system business was adversely affected. Faced with severe challenges brought by such sudden changes in policies, we actively adjusted business development strategies and investment structure, integrated various resources, and acquired companies with strong technological reserves and project reserves in distributed energy and technical energy conservation. By way of cooperating with advantageous enterprises, we engaged in investments as well as mergers and acquisitions with respect to heat, gas and particularly distributed natural gas heating supply business, and provided relevant energy-saving and technology consulting services, ensuring the stable business development of the Group.

During the Reporting Period, the Group's revenue was approximately RMB708,493,000 (for the same period of 2017: RMB897,902,000), and profit attributable to owners of the Company was RMB107,720,000 (for the same period of 2017: RMB135,197,000), representing a decrease of approximately 21.1% and 20.3%, respectively as compared to the same period of last year, which was mainly attributable to the decrease in revenue and profit of the home photovoltaic system business of the Group under the impact of the 531 Policy, and the increase in operating costs resulting from the increase in investments and mergers and acquisitions by the Group during the Reporting Period.

二零一八年，外部環境複雜嚴峻，中國經濟在經歷了二零一七的超預期增長後，二零一八年增速放緩並面臨下行壓力。在中美貿易摩擦及國內的「供給側改革」和「去槓桿」等政策背景下，國內市場環境波動較大，企業特別是民營企業的經營壓力全面上升。

二零一八年也是本集團順應外部形勢變化進行自我調整、自我優化的一年。隨著二零一八年五月三十一日國家對光伏電站宏觀調控政策（發改能源[2018]823號）（「**531政策**」）的發佈，該政策明確規定二零一八年度暫不安排普通光伏電站建設規模，對本集團戶用光伏系統業務的發展造成了不利影響。面對政策突然變化帶來的嚴峻挑戰，我們積極調整業務發展策略和投資結構，整合各種資源，收購了在分佈式能源及技術節能等方面擁有較強的技術儲備和項目儲備的公司，通過與優勢企業合作的方式，開展了熱、燃氣特別是分佈式天然氣供熱業務的投資和併購，並提供了相關的節能環保和技術諮詢服務，確保了本集團業務的穩定發展。

於本報告期間，本集團之收益約為人民幣708,493,000元（二零一七年同期：人民幣897,902,000元），本公司擁有人應佔溢利為人民幣107,720,000元（二零一七年同期：人民幣135,197,000元），與去年同期相比分別下降了約21.1%及20.3%。主要是因為受531政策的影響使本集團戶用光伏系統業務的收益及溢利下降，及本集團於本報告期間加大投資及併購力度導致營運費用增加所致。

DEVELOPMENT STRATEGY IN 2019

According to the forecast of the International Monetary Fund, in view of tightening global financial conditions, the downside risks of the world economy will increase. The economic development in China will also face a more complicated and severe external environment in 2019. Nevertheless, green and low-carbon is the development trend of global energy. China will also adhere to the development path of energy conservation and emission reduction. According to the Chinese government work report in March 2019, the unit energy consumption of GDP is expected to decrease by around 3% in 2019, with a further reduction in emission of major pollutants.

In terms of energy structure, China's energy development is entering into a new stage of transition from expansion of total volume to enhancement of quality and efficiency. Under the dual pressures of energy crisis and environmental protection, the proportion of clean energy and renewable energy is continually expanding in energy consumption. In particular, characterized by clean, low carbon, high efficiency and other features, distributed energy not only achieves an efficient use of energy, but also reduces costs and carbon emissions, and achieves effective integration of resources and environment, which helps to form a more stable, reliable and clean energy system. It is one of the important directions in the energy reform in China.

According to the 13th Five Year Plan of China's Energy Development promulgated by the State Council, development of distributed energy is highly emphasized, and it is stipulated that the installed capacity of distributed natural gas and distributed solar power generation shall reach 15,000,000 MW and 60,000,000 MW by 2020, respectively, of which distributed solar power plants shall account for over 50% in the overall installed capacity of solar power plants. According to the Clean Energy Consumption Action Plan (2018-2020) (《清潔能源消納行動計劃(2018-2020年)》) formulated by the National Development and Reform Commission and the National Energy Administration, development of scattered and distributed renewable energy is encouraged with first priority and winter clean heating for northern China should be promoted. Efforts should be made for the comprehensive implementation of the requirements under the Winter Clean Heating Plan for Northern China (2017-2021) (《北方地區冬季清潔取暖規劃(2017-2021年)》), in order to accelerate the increase in proportion of clean heating with a clean heating rate in northern China reaching 50% and 70% in 2019 and 2021, respectively. Distributed energy will embrace important development opportunities.

二零一九年發展策略

根據國際貨幣基金組織的預測，由於全球金融條件收緊，世界經濟下行風險加大。二零一九年中國經濟的發展也將面臨更複雜更嚴峻的外部環境。但綠色低碳是全球能源的發展趨勢，中國也將繼續堅持節能減排的發展道路。根據二零一九年三月的中國政府工作報告，二零一九年單位國內生產總值能耗預計下降3%左右，主要污染物排放量繼續下降。

在能源結構方面，中國的能源發展正進入從總量擴張向提質增效轉變的全新階段，在能源危機及環境保護的雙重壓力下，清潔能源及可再生能源在能源消費中的比重越來越高。其中，分佈式能源具有清潔、低碳、高效等特點，不僅可以實現能源的高效利用，還能降低成本，降低碳排放，實現資源和環境的有效結合，有助於形成一個更穩定、可靠和清潔的能源系統，是中國能源革命的重要方向之一。

根據國務院發布的《中國能源發展「十三五」規劃》，高度重視分佈式能源發展，並規定到二零二零年，分佈式天然氣發電和分佈式光伏發電裝機容量分別達到1,500萬千瓦和6,000萬千瓦，其中分佈式光伏電站佔光伏電站整體裝機的容量更是達到50%以上。根據國家發展和改革委員會、國家能源局制定的《清潔能源消納行動計劃(2018-2020年)》，優先鼓勵分散式、分佈式可再生能源開發，推進北方地區冬季清潔取暖，全面落實《北方地區冬季清潔取暖規劃(2017-2021年)》的要求，加快提高清潔供暖比重，二零一九年、二零二一年實現北方地區清潔取暖率達到50%、70%。分佈式能源將迎來重要的發展時機。

Looking forward to 2019, we are expected to face tremendous opportunities arising from the adjustment in China's energy structure. At the same time, we are also expected to encounter issues such as slow progress of the power system reform in China, huge fluctuations in the solar power industry under the political influences and exploratory application of smart energy, which all have brought various challenges and uncertainties to the business development of the Group. In 2019, the Group will adjust and optimize its industrial structure depending on industry development opportunities. Leveraging its industry experience, resource advantages and project reserves built up in the past, and on top of the investment and operation of clean energy such as electricity, heat and gas, the Group is expected to actively expand its distributed energy, especially distributed natural gas heating business, and develop home photovoltaic system business in part according to the national subsidy policy for the solar power industry. At the same time, the Group will expand and enrich other clean energy businesses according to industry opportunities. With respect to the online cloud platform, in combination of its smart energy cloud platform system, the Group will provide relevant energy custody, energy-saving modification, technical and consulting services for electricity, heat, gas and other users. We are expected to respond to the complex economic situation and changes in the external environment with our flexible business strategies, so as to achieve long-term development in the interests of our Shareholders.

Lastly, I hereby extend my sincere gratitude to all Shareholders, investors, clients, suppliers and business partners on behalf of the Board for their continual support and to all employees for their tireless efforts and contribution in 2018.

Wei Qiang
Chairman

29 March 2019

展望二零一九年，我們將面臨中國能源結構調整所催生的重大機遇，同時，也面臨著因中國電力體制改革進展緩慢、光伏行業受政策影響所帶來的巨大波動及智慧能源應用尚處於探索階段等問題，給本集團業務的發展帶來諸多挑戰及不確定性。二零一九年，本集團將視行業發展機會，調整優化產業結構，在過去所積累的行業經驗、資源優勢及項目儲備的基礎上，以電、熱、氣等清潔能源的投資運營為基礎，積極拓展分布式能源特別是分布式天然氣供熱業務，並視國家對光伏行業的補貼政策情況部分發展戶用光伏系統業務；同時，本集團將視行業機會拓展和豐富其他清潔能源業務。在線上雲平台方面，將結合本集團的智慧能源雲平台系統，為電、熱、氣等用戶提供相關的能源托管、節能改造、技術、諮詢服務等。通過靈活的經營策略，以應對複雜的經濟形勢和外部環境的變化，實現本公司股東利益的長遠發展。

最後，本人謹代表董事會，藉此向所有股東、投資者、客戶、供應商和業務合作夥伴表示衷心的感謝，感謝他們的不斷支持，並感謝所有員工於二零一八年度作出的不懈努力和貢獻。

魏強
主席

二零一九年三月二十九日

Management Discussion and Analysis

管理層討論與分析

OVERVIEW

The Group was principally engaged in smart energy business and public infrastructure construction business, with gradual expansion and diversification to other clean energy business. Adhering to the business philosophy of “behave with sincerity, do things with honesty and do business with trust”, the Group aims at becoming a leading comprehensive service provider of smart energy in China.

The year 2018 was a year of dramatic changes. Against the macro backdrop of intensifying downward pressure of the national economy, as well as the severe circumstance under the 531 Policy, the Group actively adjusted business development strategies, optimized personnel organization structure, consolidated various resources, undertook investments and mergers and acquisitions for distributed natural gas heating and urban centralized heating, and carried out management, analysis and service of big data through its smart energy cloud platform, ensuring the continued development of the Group's businesses.

During the Reporting Period, the Group's revenue was RMB708,493,000 (the same period of 2017: RMB897,902,000), while the profit attributable to owners of the Company was RMB107,720,000 (the same period of 2017: RMB135,197,000), representing a decrease of approximately 21.1% and 20.3% respectively as compared to the same period of last year. The major reason of the decrease was primarily attributable to (i) the impact of the national 531 Policy, resulting in a decrease in revenue and profit of home photovoltaic system business of the Group; and (ii) the increase in investments and mergers and acquisitions by the Group during the Reporting Period, resulting in an increase in relevant operation expenses. During the Reporting Period, smart energy business generated a revenue of RMB529,258,000 (the same period of 2017: RMB655,948,000), and the profit attributable to owners of the Company was RMB130,063,000 (the same period of 2017: RMB118,894,000), contributing to 74.7% of the Group's revenue and 120.7% of the Group's profit attributable to owners of the Company. The smart energy business remains as the core business of the Group.

綜述

本集團的主營業務為智慧能源業務、公建建設業務，並逐步拓展和豐富其他清潔能源業務。本著以「以情做人、以誠做事、以信經商」的經營宗旨，本集團的目標是成為中國領先的智慧能源綜合服務商。

二零一八年，是風雲變幻的一年，在全國經濟下行壓力增大的宏觀形勢下，在531政策對光伏行業影響的嚴峻形勢下，本集團積極調整業務發展策略，優化集團人員組織架構，整合各種資源，開展對分布式天然氣供熱、城市集中供熱等業務的投資併購，並通過智慧能源雲平台進行大數據的管理、分析和服務，確保了本集團業務的持續發展。

於本報告期間，本集團之收益為人民幣708,493,000元（二零一七年同期：人民幣897,902,000元），本公司擁有人應佔溢利為人民幣107,720,000元（二零一七年同期：人民幣135,197,000元），與去年同期相比分別下降了約21.1%及20.3%。下降的原因主要是(i)受國家531政策的影響，導致本集團戶用光伏系統業務收益及溢利下降；及(ii)於本報告期間本集團加強投資併購的力度，導致相關營運費用增加所致。於本報告期間，智慧能源業務之收益為人民幣529,258,000元（二零一七年同期：人民幣655,948,000元），本公司擁有人應佔溢利為人民幣130,063,000元（二零一七年同期：人民幣118,894,000元），為本集團貢獻了74.7%及120.7%的收益及本公司擁有人應佔溢利。智慧能源業務依然為本集團的核心業務。

BUSINESS REVIEW

Smart Energy Business

The Group's smart energy business, positioned as comprehensive energy services for the user side, mainly sets out to meet the demand of industrial, commercial and residential clients as well as public institutions; provides customers with a full range of smart energy comprehensive utilization services based on various energy resources including electricity, heat and gas by leveraging on our smart energy cloud platform (the "Cloud Platform") with proprietary intellectual property rights, to help our customers improve energy usage efficiency, reduce energy usage cost, and thus build a rich, clean and low-carbon energy supply system.

The Group seeks to meet the above business objectives by integrating energy systems with the internet technology. On one hand, the Group acquires premium energy assets and projects by expanding its offline business in comprehensive energy such as electricity, heat and gas, and earns stable operation and investment revenue from operating and managing such assets as electricity, heat and gas. On the other hand, the Group uploads the real-time data of electricity, heat and gas from industrial and commercial enterprises and residential users to the Cloud Platform, integrates and analyzes big data, and taps into energy utilization potential of customers to provide users with other services that cover the entire industrial chain, from multi-energy complementation of electricity, heat and gas, smart operation, energy trade, energy efficiency analysis and consultancy management to energy finance and energy big data.

Offline Energy Business

During the Reporting Period, the Group's offline energy business mainly focuses on industrial parks, commercial complexes, public utilities and residential clients, around electricity, heat and gas industry, and undertook investment and operation in fields including distributed solar power plant, distributed natural gas heating, urban centralized heating and incremental power distribution grids.

業務回顧

智慧能源業務

本集團的智慧能源業務，定位於用戶側的綜合能源服務，主要從工商業、住宅、公共機構等客戶的需求出發，依托於具有自主知識產權的智慧能源雲平台（「雲平台」），為客戶提供基於電、熱、氣等多種能源的全方位智慧能源綜合利用服務，幫助客戶提升能源使用效率，降低能源使用成本，構建豐富、清潔、低碳的供能結構體系。

本集團實現上述業務目標是透過將能源系統與互聯網技術融合，一方面通過線下拓展電、熱、氣等綜合能源業務，獲取優質的能源資產和項目，並通過對電、熱、氣等資產的運營和管理，賺取穩定的運營和投資收益；另一方面，通過線上的雲平台系統，將電、熱、氣等工商業企業及居民用戶的能源數據實時上傳到雲平台，集成並分析大數據，挖掘客戶用能潛力，為用戶提供包括電、熱、氣為主的多能互補、智能運維、能源交易、能效分析、諮詢管理乃至能源金融、能源大數據等其他全產業鏈服務。

線下能源業務

於本報告期間，本集團的線下能源業務，主要是以工業園區、商業綜合體、公共機構及住宅客戶為主，圍繞電、熱、氣行業，進行了分佈式光伏、分佈式天然氣供熱、城市集中供熱及增量配電網等領域的投資和運營。

Distributed Solar Power Plant Business

Distributed solar power plant business mainly comprises the investment and operation of industrial and commercial distributed solar power plants, as well as home photovoltaic system.

In respect of industrial and commercial distributed solar power plants, the Group mainly holds and operates distributed solar power plants and gains stable revenue from power generation. During the Reporting Period, apart from the acquisition of a 10.2 MW industrial distributed solar power plants in October 2018, the Group did not expand other distributed solar power plants projects. During the Reporting Period, the Group held a total of 11 solar power plants, of which 10 were industrial and commercial distributed solar power plants, and 1 was ground power plant, with an aggregate installed capacity of approximately 64 MW. During the Reporting Period, power generation of these 11 solar power plants totaled 75,044 MWh, with all the power plants running steadily and generating power with grid connection. Currently, all solar power plants have been included into the National Subsidy Catalogue, except Guangdong Jiangmen Lingzhi Power Plant (with an installed capacity of 1 MW) which is expected to be included into the Eighth Batch of National Subsidy Catalogue.

In respect of home photovoltaic system business, the Group mainly gains sales revenue from the sale of solar photovoltaic integrating systems. Under the impact of the 531 Policy, shipments of home photovoltaic system business of the Group were affected to a greater extent in the second half of 2018. During the Reporting Period, actual shipments of home photovoltaic system of the Group were approximately 73 MW (the same period of 2017: 121 MW), bringing the number of users to approximately 19,300.

分佈式光伏業務

分佈式光伏業務主要包括工商業分佈式電站及戶用光伏系統的投資和運營。

在工商業分佈式光伏電站方面，本集團主要是持有並運營分佈式光伏電站，獲取穩定的發電收益。於本報告期間，本集團除了於二零一八年十月收購了一座10.2兆瓦的工業分佈式光伏電站外，並未拓展其他分佈式光伏電站項目。於本報告期間，本集團共持有11個光伏電站，其中10個為工商業分佈式光伏電站，1個為地面電站，總裝機容量約64兆瓦。於本報告期間，該11個光伏電站的總發電量為75,044兆瓦時，所有電站均運行穩定並已併網發電；除廣東江門凌志電站(裝機容量：1兆瓦)外，其餘光伏電站均已納入國家補助目錄，廣東江門凌志電站預計將於第八批補貼目錄中納入。

在戶用光伏系統業務方面，本集團主要通過出售太陽能光伏集成系統獲取銷售收益。受國家531政策的影響，於二零一八年下半年，本集團的戶用光伏系統業務出貨量受到較大影響。於本報告期間，本集團的戶用光伏系統實際出貨量約73兆瓦(二零一七年同期：121兆瓦)，累積用戶數約19,300餘戶。

Distributed Heat Supply Business

With the transformation of China's energy structure, in particular it was proposed in the 2017 Chinese government work report that efforts should be made to win the "War of Defending Blue Sky", and to accelerate the resolution of coal-fired pollution problem, by requiring "2+26" cities ("**2+26**" cities) in provinces and municipalities including Beijing, Tianjin, Hebei, Shanxi, Shandong and Henan to achieve negative growth of total coal consumption. As a relatively efficient clean energy, natural gas is favored by the government and the market. As one of the major measures to improve air quality, "replacement of coal by gas" has been widely promoted and applied.

During the Reporting Period, the Group focused on strengthening its investment and layout in the field of distributed natural gas heating. The distributed natural gas heating of the Group mainly focuses on Tianjin, Hebei, Shaanxi, Shanxi and Shandong etc., where the "2+26" cities are located. The investment targets are mainly relatively stable public utilities such as schools, hospitals and governments and some high-quality industrial and commercial and residential clients. Investment and operation are mainly carried out by means of energy escrow or energy sharing. The Group earns revenue from energy operation escrow or from energy sharing. During the Reporting Period, the Group has invested in distributed natural gas heating projects with an area of approximately 600,000 square meters. It is expected that the investment cost in these projects will be recovered in approximately 4 to 6 years, and the Group has around 10 to 20 years of operation and management rights over the majority of the projects, thereby bringing long-term and stable income to the Group.

Others

During the Reporting Period, the Group also carried out the operation and investment of an incremental power distribution grid and an urban centralized heat supply project, and provided smart operation and management services for some urban centralized heat supply projects, accumulating relevant industry experiences.

The Group will take the investment and operation of these distributed solar power plants and distributed natural gas heating projects as entry point to fully tap into the energy utilization demands of customers in various energy fields such as electricity, heat and gas, so as to facilitate the application, promotion and enhancement of the Group's comprehensive energy business.

分佈式供熱業務

隨著中國能源結構的轉型，特別是二零一七年中國政府工作報告提出打贏「藍天保衛戰」，加快解決燃煤污染問題，要求北京、天津、河北、山西、山東、河南等省市的「2+26」城市（「**2+26**」城市）實現煤炭消費總量負增長。天然氣作為相對高效的清潔能源，受到政府和市場的青睞，「煤改氣」作為改善空氣質量的重要措施之一，得到大範圍的推廣和應用。

於本報告期間，本集團重點加強了在分佈式天然氣供熱領域的投資和佈局。本集團的分佈式天然氣供熱主要圍繞天津、河北、陝西、山西、山東等「2+26」城市所在區域進行佈局，投資的對象主要是學校、醫院、政府等較為穩定的公共事業機構及部分優質的工商業及住宅客戶，投資運營方式主要是能源託管或能源分享方式，本集團獲取能源的運營託管收益或節能分享收益。於本報告期間，本集團已投資約60萬平米的分佈式天然氣供熱項目，預計這些項目的投資成本大概4至6年左右能收回，而本集團對絕大部分項目享有10至20年左右的運營管理權，從而為本集團帶來長期、穩定的收益。

其他

於本報告期間，本集團還進行了一個增量配電網及一個城市集中供熱項目的運營和投資，並為部分城市集中供熱項目提供智慧化運營管理服務，積累了相關行業經驗。

本集團將以這些分佈式光伏、分佈式天然氣供熱項目的投資、運營為切入點，充分挖掘客戶在電、熱、氣等多種能源領域的用能需求，以帶動本集團綜合能源業務的應用、推廣和提升。

Online Cloud Platform

During the Reporting Period, with respect to developing and building the online Cloud Platform, based on the existing system, the Group engaged in the second phase of transformation and upgrade of home photovoltaic system by integrating artificial intelligence into the system, to further improve the system analysis and detection function and reduce the operation and maintenance cost of home solar power plants. Meanwhile, the Group rationalized the heating business, developed and launched thermal energy and distributed thermal energy subsystem. The system aims at resolving the problem of information island, and through integration of enterprises' information flow, business flow and data flow achieving information resources sharing as well as free flow of information, enhancing decision-making efficiency and thereby realizing value of heat supply data. In addition, during the Reporting Period, the Group continued to strengthen its technological research and development and investment in the Cloud Platform, and applied for and protected patent technologies for relevant research results, so as to support data access to and business development of the Group regarding heat, electricity, gas, intelligent operation and maintenance, energy efficiency analysis, etc.

During the Reporting Period, by leveraging the monitoring and big data collection and analysis capabilities of the Group's Cloud Platform system, the Group achieved unattended and automated control of home solar power plants and distributed natural gas heating projects, saving manpower costs.

During the Reporting Period, the Group also carried out energy audit services for several dozen public institutions in Hebei Province, undertaking audit work on comprehensive energy-saving modification of power distribution grids and quality enhancement of electricity. We also carried out inspection and acceptance check of "replacement of coal by electricity" and "replacement of coal by gas" projects of over 350,000 households in Hebei Province, accumulating work experience in energy efficiency analysis and gaining a good reputation in the local area. In August 2018, the Group's smart energy Cloud Platform system was awarded demonstration project of new generation information technology application with special financial support by Hebei Provincial Department of Industry and Information Technology.

在線雲平台

於本報告期間，在線雲平台的開發建設方面，本集團在原有系統的基礎上，對戶用光伏系統進行了二期改造升級，將人工智能融入系統，進一步提高了系統的分析檢測功能，降低戶用光伏電站的運維成本；同時，本集團對供熱業務進行了梳理，開發並上線了熱能及分佈式熱能子系統，系統意在打破信息孤島問題，將企業的信息流、業務流、數據流三流合一，實現分佈信息資源的共享及信息流暢，提高決策效率，從而實現供熱數據價值化。此外，於本報告期間，本集團持續加強對雲平台的技術研發和投入，對相關研究成果進行專利技術的申請和保護，以支撐本集團在熱、電、氣及智能運維、能效分析等業務板塊的數據接入以及業務開展。

於本報告期間，依托本集團雲平台系統的監控及大數據收集和分析能力，本集團已實現對戶用光伏電站及分佈式天然氣供熱項目的無人值守和自動化控制，節約了人力成本。

於本報告期間，本集團還對河北幾十家公共機構進行了能源審計服務，開展了對配電網綜合節能改造及電能質量提升的審核工作，並對河北35萬多戶的煤改電、煤改氣工程項目進行了審核驗收，積累了能效分析的工作經驗，並在當地取得了良好的口碑。二零一八年八月，本集團的智慧能源雲平台系統獲得河北省工業和信息化廳專項資金支持的新一代信息技術應用示範項目。

During the Reporting Period, the smart energy business generated a revenue of approximately RMB529,258,000 (for the same period of 2017: RMB655,948,000) for the Group, representing a decrease of approximately 19.3% as compared to the same period of last year. Profit attributable to owners of the Company was approximately RMB130,063,000 (for the same period of 2017: RMB118,894,000), representing an increase of approximately 9.4% as compared to the same period of last year. The decrease in revenue was mainly due to the decrease in revenue from home photovoltaic system business of the Group under the impact of the 531 Policy. The increase in profit attributable to owners of the Company was mainly due to the share of net profit from Shandong Hailifeng Clean Energy Joint Stock Co., Ltd. (山東海利豐清潔能源股份有限公司) (“**Hailifeng**”) during the year.

Public Infrastructure Construction Business

Public infrastructure construction business represents the public infrastructure construction business of the Baoding Donghu Project (the “**Baoding Donghu Project**”) and related preliminary investment and post-construction operation management business. During the Reporting Period, the Baoding Donghu Project generated a revenue of approximately RMB179,235,000 (for the same period of 2017: RMB241,954,000) for the Group and the profit attributable to owners of the Company of approximately RMB15,107,000 (for the same period of 2017: RMB31,595,000). The decrease in revenue and profit was mainly attributable to the decline in preliminary investment in such project, which was affected by the local government’s general plan on the project and the development progress, resulting in decline in preliminary investment gain and profit.

於本報告期間，智慧能源業務為本集團帶來的收益約為人民幣529,258,000元(二零一七年同期：人民幣655,948,000元)，較上年同期下降約19.3%，本公司擁有人應佔溢利為人民幣130,063,000元(二零一七年同期：人民幣118,894,000元)，較上年同期上升約9.4%。收益下降主要是因為受531政策影響下使本集團戶用光伏業務之收益下降所致。本公司擁有人應佔溢利增加，主要是因為本年度投資山東海利豐清潔能源股份有限公司(「**海利豐**」)產生的分佔溢利淨值所致。

公建建設業務

公建建設業務是指保定東湖項目(「**保定東湖項目**」)的公共基礎設施建設及相關前期投資和後期建設運營管理業務。於本報告期間，保定東湖項目為本集團帶來的收益約為人民幣179,235,000元(二零一七年同期：人民幣241,954,000元)，本公司擁有人應佔溢利約為人民幣15,107,000元(二零一七年同期：人民幣31,595,000元)。收益及溢利的下降主要是因為本項目的前期投資進度受政府對項目當地的整體規劃和開發進度的影響，本年度本集團對該項目的前期投資額下降導致相關的前期投資收益及溢利下降所致。

BUSINESS OUTLOOK IN 2019

The past year of 2018 was a year with drastic changes and major adjustments in the global economic layout, trade friction, geopolitics and normalization of monetary policies in major developed economies have increased the uncertainty of the global economy and financial markets. It is expected that the world economy will continue to maintain a weak growth trend in 2019, and the downward pressure on the Chinese economy will still be relatively large. However, the green and low carbon development concept in relation to energy saving and emission reduction, and achievement of sustainability has reached a general consensus in the whole society. The development strategy of “promoting energy production and consumption revolution, building a clean, low-carbon, safe and efficient energy system” proposed at the 19th National Congress of the Communist Party of China has also been integrated into practical actions. In the next few years, the Group believes that China’s investment demand for environmental protection industries such as energy conservation and emission reduction, green and low carbon, clean energy and renewable energy will continue to grow.

Looking into 2019, opportunities and challenges coexist. In 2019, the Group will adopt more flexible operation strategies, and optimize and adjust industrial structure to cope with the complex economic situation and changes in the external environment.

In the area of solar power business, 2019 is expected to be a year of transformation for the solar power industry, also marking the first year of the industry becoming non-subsidized. In light of the uncertainties during industry transformation, the Group will slow down its promotion of the home photovoltaic system business while maintaining its current scale of the distributed solar power plants. In addition, subject to national subsidy policy for solar power industry and development opportunities arising in the industry, the Group will, in conjunction with the promotion of the Company’s distributed integrated energy business, explore business development models suitable for the distributed solar power business of the Group by building upon its primitive accumulation of resources consisting of its industry experience, advantages in talent and sales network.

二零一九年業務展望

過去的二零一八年，是世界經濟格局大變革、大調整的一年，貿易摩擦、地緣政治、主要發達經濟體貨幣政策正常化等加大了全球經濟和金融市場的不確定性，預計二零一九年世界經濟仍將維持弱增長態勢，中國經濟的下行壓力依然較大。但節能減排、實現可持續的綠色、低碳發展理念在全社會已經形成普遍共識，中共第十九次全國代表大會上提出的「推進能源生產和消費革命，構建清潔低碳、安全高效的能源體系」這一發展方略也融入並落實到實際行動中來。未來數年，本集團認為中國的節能減排、綠色低碳、清潔能源、可再生能源等環保行業投資需求將獲得持續增長。

展望二零一九年，機遇與挑戰並存。二零一九年，本集團將採取更為靈活的經營策略，優化調整產業結構，以應對複雜的經濟形勢和外部環境的變化。

在光伏業務方面，二零一九年預計將是光伏行業轉型的一年，也將是光伏行業發展的「非補貼」元年。在行業轉型態勢不明朗的情況下，本集團將在維持現有分佈式光伏電站規模的基礎上，放緩對戶用光伏系統業務的推廣。同時，視國家對光伏產業補貼政策及行業發展機會，本集團將在原先所積累的行業經驗、人才優勢及銷售網絡等資源的基礎上，結合本公司的分佈式綜合能源業務的推廣，探索適合本集團的分佈式光伏業務模式。

In view of opportunities emerged from China's energy industry restructuring, energy conservation and emission reduction as well as prevention and control of air pollution, in particular, the Beijing-Tianjin-Hebei integration strategy and the construction of Xiong'an New Area have presented favorable opportunities for clean energy and renewable energy. Especially for distributed energy, which represents a critical trend for future energy development with its characteristics such as reasonable energy efficiency, low consumption, low pollution, flexible operation and positive system economy. From a global perspective, nations with higher energy utilization rates and higher levels of environment protection tend to be more enthusiastic in the promotion and application of distributed energy technology and promulgate more precise supportive policies. Currently, the distributed energy in China is still at its initial stage. Reduction of related costs and digitization of energy systems will present the distributed energy of China with ample development opportunities.

In 2019, the Group will give full play to the regional and resource advantages in Hebei Province, focusing on diversified investments and layout in the distributive energy business, especially in such areas as distributed heating, distributed gas, technological transformation for energy conservation, by way of investment, mergers and acquisitions and cooperation with leading partners, primarily in Beijing, Tianjin and Hebei, Xiong'an New Area and "2+26" cities and their peripheral regions. According to industry development opportunities, the Group will select investment targets prudently and improve the quality of investment, while seeking the diversified development of the Group's business, also safeguard the interests of its shareholders as a whole.

針對中國能源產業結構調整及節能減排、大氣污染防治所催生的機會，特別是京津冀一體化發展戰略及雄安新區的建設，為清潔能源及可再生能源的發展提供了良好機遇。特別是分佈式能源，具有能效利用合理、損耗小、污染少、運行靈活，系統經濟性好等特點，是未來能源發展的重要方向，具有非常大的發展前景。從全球範圍看，能源利用率越高、環境保護越好的國家，對於發展分佈式能源技術的推廣應用就越熱衷，支持政策越明確。目前，我國的分佈式能源仍處於起步階段，隨著中國分佈式能源相關成本的降低和能源系統的數字化進程，為中國分佈式能源發展創造了新的機會。

二零一九年，本集團將發揮作為河北企業的區域優勢及資源優勢，以京津冀、雄安新區及「2+26」城市等周邊地區為主，通過投資、併購及與優勢夥伴合作等方式，在分佈式綜合能源業務特別是分佈式清潔能源供熱、燃氣、節能技術改造等領域進行多元化的投資和佈局。本集團將視行業發展機會，審慎選擇投資目標，提高投資質量，在尋求本集團多元化業務發展的同時，保障股東的整體利益。

FINANCIAL REVIEW

Revenue and Gross Profit

The Group's revenue and gross profit for the Reporting Period amounted to RMB708,493,000 (for the same period of 2017: RMB897,902,000) and RMB243,831,000 (for the same period of 2017: RMB260,480,000), respectively. During the Reporting Period, revenue from the smart energy business was RMB529,258,000 (for the same period of 2017: RMB655,948,000). Revenue from the public infrastructure construction business was approximately RMB179,235,000 (for the same period of 2017: RMB241,954,000). Decrease in revenue and gross profit from the same period of last year was primarily attributable to the drop in revenue and profit of the home photovoltaic system business under the influence of national policies.

Selling and Distribution Expenses

Selling and distribution expenses incurred by the Group for the Reporting Period were RMB22,146,000 (for the same period of 2017: RMB24,519,000), representing a decrease of 9.7% as compared to last year, primarily attributable to downturn of home photovoltaic system business in second half year.

Administrative Expenses

Administrative expenses incurred by the Group for the Reporting Period were RMB89,234,000 (for the same period of 2017: RMB68,190,000), representing an increase of 30.9% as compared to last year, primarily attributable to the increase in investments and mergers and acquisitions by the Group during the year, resulting in an increase in relevant operation expenses.

Financial Expenses – Net

Net financial expenses for the Reporting Period were RMB9,308,000 (for the same period of 2017: RMB19,235,000), representing a decrease of 51.6% as compared to last year, primarily attributable to repayment of bank loans during the year.

Income Tax

Income tax expenses for the Reporting Period were RMB10,386,000 (for the same period of 2017: RMB22,328,000), representing a decrease of 53.5% as compared to last year, primarily attributable to the decrease in profit before income tax of smart energy business.

財務回顧

收益及毛利

本集團於本報告期間的收益及毛利分別為人民幣708,493,000元(二零一七年同期:人民幣897,902,000元)及人民幣243,831,000元(二零一七年同期:人民幣260,480,000元)。於本報告期間,來自智慧能源業務之收益為人民幣529,258,000元(二零一七年同期:人民幣655,948,000元),來自公建建設業務的收益約為人民幣179,235,000元(二零一七年同期:人民幣241,954,000元)。收益及毛利較去年同期有所下降,主要是由於戶用光伏系統業務受國家政策影響導致的收益及溢利有所下降所致。

銷售及分銷開支

本集團於本報告期間的銷售及分銷開支為人民幣22,146,000元(二零一七年同期:人民幣24,519,000元),本報告期間較上年下降9.7%,主要原因為下半年戶用光伏系統業務下降所致。

行政開支

本集團於本報告期間行政開支為人民幣89,234,000元(二零一七年同期:人民幣68,190,000元),較上年增長30.9%,主要原因為本年度本集團加強投資併購力度,導致相關運營費用增加所致。

財務成本 – 淨額

本報告期間的財務成本淨額為人民幣9,308,000元(二零一七年同期:人民幣19,235,000元),較上年減少51.6%,減少主要為本年度償還銀行借款所致。

所得稅

本報告期間的所得稅開支為人民幣10,386,000元(二零一七年同期:人民幣22,328,000元),較上年減少53.5%,減少的主要原因為智慧能源業務之除所得稅前溢利減少。

Financial Assets at Fair Value through Profit or Loss

The Group held three financial assets for investment purpose as at the end of the Reporting Period, which are stated at fair value:

- (1) On 20 July 2018 and 7 September 2018, the Group subscribed for shares in an unlisted investment fund, Giga Opportunities Fund Ltd., an independent third party, at the total investment cost of HK\$90,000,000 (equivalent to RMB78,859,000). The Group has the intention of holding it for short to medium term investment and it is redeemable upon making application to the fund administrator which allows better flexibility in investment turn, and with an expectation of sharing of profits and capital appreciation from the investment fund. The investment fund is stated at fair value, which amounted to HK\$78,586,000 (equivalent to RMB68,858,000) as at 31 December 2018, with fair value loss of approximately HK\$11,414,000 (equivalent to RMB10,001,000) recognized for the Reporting Period. The carrying amount of the investment fund represented approximately 3.2% of the total assets of the Group and approximately 41.9% of the portfolio of financial assets at fair value through profit or loss as at 31 December 2018.
- (2) On 6 September 2018, the Group subscribed for share in an unlisted investment fund, Yue Xiu Stable Income SP, an independent third party, at the investment cost of HK\$88,800,000 (equivalent to RMB77,806,000). The Group has the intention of holding it for short to medium term investment, and it is redeemable upon making application to the fund administrator which allows better flexibility in investment turn, and with an expectation of capital appreciation from the investment fund. The investment fund is stated at fair value, which amounted to HK\$90,642,000 (equivalent to RMB79,420,000) as at 31 December 2018, with fair value gain of approximately HK\$1,842,000 (equivalent to approximately RMB1,614,000) recognized for the Reporting Period. The carrying amount of the investment fund represented approximately 3.7% of the total assets of the Group and approximately 48.3% of the portfolio of financial assets at fair value through profit or loss as at 31 December 2018.

按公平值計量且其變動計入損益的金融資產

本集團於本報告期末持有三項金融資產，用作投資為目的，並按公平值列賬：

- (1) 於二零一八年七月二十日及二零一八年九月七日，本集團認購非上市投資基金之股份，Giga Opportunities Fund Ltd.，為獨立第三方，總投資成本為90,000,000港元(相等於人民幣78,859,000元)。本集團有意持作短至中期投資，且可向該基金管理人提出贖回申請，投資彈性比較大，並希望可以從該基金獲得盈利分紅及資本增值。該基金乃按公平值列賬，於二零一八年十二月三十一日的公平值為78,586,000港元(相等於人民幣68,858,000元)，於本報告期間該基金產生公平值虧損約11,414,000港元(相等於人民幣10,001,000元)。該基金賬面值佔二零一八年十二月三十一日本集團資產總值之約3.2%及按公平值計量且其變動計入損益金融資產組合之約41.9%。
- (2) 於二零一八年九月六日，本集團認購非上市投資基金之股份，越秀穩定增長基金，為獨立第三方，投資成本為88,800,000港元(相等於人民幣77,806,000元)。本集團有意持作短至中期投資，且可向該基金管理人提出贖回申請，投資彈性比較大，並希望可以從該基金獲得資本增值。該基金乃按公平值列賬，於二零一八年十二月三十一日的公平值為90,642,000港元(相等於人民幣79,420,000元)，於本報告期間該基金產生公平值收益約1,842,000港元(相等於約人民幣1,614,000元)。該基金賬面值佔二零一八年十二月三十一日本集團資產總值之約3.7%及按公平值計量且其變動計入損益金融資產組合之約48.3%。

(3) Pursuant to an exchangeable bond subscription agreement dated 8 August 2018 and supplemental agreement dated 10 September 2018, the Group subscribed for an unlisted exchangeable corporate bond with the maturity date on 31 December 2020, with the principal amount of HK\$10,000,000 (equivalent to RMB8,762,000) and coupon rate of 13.5% per annum, issued by Supreme Trillion Development Limited, an independent third party, on 11 September 2018. The Group may exercise the exchangeable rights to convert whole or part of the exchangeable bond into the ordinary shares of Asia Interactive Content Holdings Limited, a subsidiary of Supreme Trillion Development Limited, representing approximately 8.5% or 10% (as the case may be) of the issued share capital of it.

The Group has the intention of holding the exchangeable bonds for long-term investment, with an expectation of stable high coupon interest return and proposes to convert into ordinary shares in a right time in order to capture capital appreciation brought to the Group. The exchangeable bond is stated at fair value, which amounted to HK\$10,000,000 (equivalent to RMB8,762,000) as at 31 December 2018, with no fair value changes for the Reporting Period. The carrying amount of the exchangeable bond represented approximately 0.4% of the total assets of the Group and approximately 5.3% of the portfolio of financial assets at fair value through profit or loss as at 31 December 2018.

For the year ended 31 December 2017, the Group's investments primarily consist of long-term projects in the area of smart energy and public infrastructure constructions, which generally take a longer time to generate positive cash flow. In the event that there is any unexpected event that has negative impact on the business and prospect of smart energy industry, the Group's overall business performance could be affected. In light of above, as part of the Group's development plan and risk control, in the financial year 2018, the Board considers that the inclusion of investment in financial assets will help to diversify its asset and investment portfolio and reduce the impact of any market risk on the overall business of the Group.

(3) 根據日期為二零一八年八月八日的可交換債券認購協議及二零一八年九月十日的補充協議，本集團認購獨立第三方卓兆發展有限公司，於二零一八年九月十一日發行的非上市可交換公司債券，到期日為二零二零年十二月三十一日，本金額為10,000,000港元(相等於人民幣8,762,000元)且票面年利率為13.5%。本集團可行使交換權利，將全額或者部分該可交換債券轉換為卓兆發展有限公司持股之附屬公司，亞洲互動媒體控股有限公司之普通股股份，約佔其已發行股本之8.5%或10%(視屬何情況而定)。

本集團持有該可交換債券為長期投資目的，希望為本集團提供穩定高利息回報，以及在適當時機轉換為普通股股份，提高資本增值效益。該可交換債券是按公平值列賬，於二零一八年十二月三十一日的公平值為10,000,000港元(相等於人民幣8,762,000元)，於本報告期間，該可交換債券沒有產生公平值變動。該可交換債券賬面值佔二零一八年十二月三十一日本集團資產總值之約0.4%及按公平值計量且其變動計入損益金融資產組合之約5.3%。

截至二零一七年十二月三十一日止年度，本集團之投資主要包括於智慧能源及公建建設領域之長期項目，一般需要較長時間產生正面現金流量。倘出現任何對智慧能源行業之業務及前景產生負面影響之不可預計事件，本集團之整體業務表現可能會受到影響。鑒於以上所述，作為本集團發展計劃及風險控制之一部分，於二零一八年的財務年度，董事會認為納入金融資產投資將有助多元化其資產及投資組合並減低任何市場風險對本集團整體業務之影響。

The strategy of the Group with respect to the investment in financial assets is not to invest in speculative securities but mainly in lower risk investments, with the initial investments focusing on investment funds managed by qualified and licensed investment managers and which invest in low risk underlying assets with relative low price volatility, higher liquidity, short to medium terms and/or stable income stream.

Liquidity, Financial and Capital Resources

Cash position

As at 31 December 2018, bank balances and cash were approximately RMB164,136,000 (as at 31 December 2017: RMB108,701,000), of which approximately RMB1,219,000 (as at 31 December 2017: RMB1,679,000) were restricted bank balances and cash (only available for payment of expenses incurred by the Baoding Donghu Project). The increase on bank balances and cash was mainly due to proceeds from the rights issue in March 2018, and collection of receivables from smart energy business.

Total current assets and liquidity ratio

As at 31 December 2018, total current assets and liquidity ratio (total current assets/total current liabilities) were approximately RMB1,370,646,000 (as at 31 December 2017: RMB1,404,387,000) and 9.75 (as at 31 December 2017: 2.73) respectively. The decrease in total current assets was mainly due to the decrease in trade receivables, and the increase in liquidity ratio was due to the net decrease of RMB253,040,000 in the balance of current bank borrowings in 2018.

External borrowings and pledge of assets

As at 31 December 2018, the Group had an external borrowing of RMB567,600,000 (as at 31 December 2017: RMB933,545,000), of which RMB282,600,000 was secured by the solar power plant machineries with carrying amount of RMB303,731,000 and the future receivable collection right of certain subsidiaries (as at 31 December 2017: RMB310,500,000 was secured by the solar power plant machineries with carrying amount of RMB350,730,000 and the future receivable collection right of certain subsidiaries); and RMB285,000,000 was secured by the undertakings made by the related parties of the Group (as at 31 December 2017: RMB295,000,000).

本集團有關金融資產投資之策略為不投資於投機性證券，惟主要投資於較低風險投資，初始投資集中於合資格持牌投資經理所管理之投資基金，有關投資基金投資於價格波動相對較低、流動性較高、中短期及/或具備穩定收入來源之低風險相關資產。

流動資金、財務及資本資源

現金狀況

於二零一八年十二月三十一日，銀行結餘及現金約為人民幣164,136,000元(二零一七年十二月三十一日：人民幣108,701,000元)，其中：受限銀行結餘及現金(僅用於保定東湖項目支出)約為人民幣1,219,000元(二零一七年十二月三十一日：人民幣1,679,000元)。銀行結餘及現金增加主要來自於二零一八年三月取得供股資金及智慧能源業務經營回款。

流動資產總額及流動比率

於二零一八年十二月三十一日，流動資產總額及流動比率(流動資產總額/流動負債總額)分別約為人民幣1,370,646,000元(二零一七年十二月三十一日：人民幣1,404,387,000元)及9.75(二零一七年十二月三十一日：2.73)。流動資產總額的減少主要為貿易應收款減少，流動比率增加原因為二零一八年即期銀行借款餘額淨減少人民幣253,040,000元所致。

外部借貸及資產質押

於二零一八年十二月三十一日，本集團的外部借款為人民幣567,600,000元(二零一七年十二月三十一日：人民幣933,545,000元)，其中人民幣282,600,000元以若干賬面價值為人民幣303,731,000元的光伏電站機械及若干附屬公司之未來應收款項之收款權抵押作擔保(二零一七年十二月三十一日：人民幣310,500,000元以若干賬面價值為人民幣350,730,000元的光伏發電站機械及若干附屬公司之未來應收款項之收款權抵押作擔保)；人民幣285,000,000元以本集團關聯方提供保證擔保(二零一七年十二月三十一日：人民幣295,000,000元)。

Management Discussion and Analysis (Continued)

管理層討論與分析(續)

Gearing ratio

The following table sets out the calculation of the gearing ratio of the Group as at the date indicated:

負債比率

下表載列本集團於所示日期的負債比率的計算：

		31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Bank loans	銀行貸款	567,600	933,545
Less: Cash and cash equivalents	減：現金及現金等價物	(162,917)	(107,022)
Restricted cash	受限制現金	(1,219)	(1,679)
Net debt	債務淨額	403,464	824,844
Total equity	權益總額	1,479,949	774,801
Total capital (Net debt plus total equity)	總資本(債務淨額加權益總額)	1,883,413	1,599,645
Gearing ratio (Net debt/total capital)	負債比率(債務淨額/總資本)	21.4%	51.6%

As at 31 December 2018, the gearing ratio of the Group was 21.4%, decreased by 30.2 percentage points as compared with the gearing ratio of 51.6% at 31 December 2017. The decrease was primarily due to repayment of bank borrowings.

Long-term debts were the principle debts of the Group, accounting for 94.2% (31 December 2017: 69.3%), in which: the borrowings of RMB282,600,000 of solar power plants were gradually settled by the proceeds of the sale of electricity, and the borrowings of RMB285,000,000 in relation to Baoding Donghu Project will be gradually settled via the borrowings used for the project provided by the People's Government of Baoding for 2019 and the subsequent years, therefore, the Group is not exposed to any significant insolvency risk.

於二零一八年十二月三十一日，本集團之負債比率為21.4%，與二零一七年十二月三十一日之51.6%相比減少30.2個百分點，主要減少原因為償還銀行借款所致。

本集團債務主要為長期債務，佔94.2%（二零一七年十二月三十一日：69.3%），其中：太陽能电站借款人民幣282,600,000元以售電所得資金逐步償還，而保定東湖項目借款人民幣285,000,000元將由保定政府以於二零一九年及以後年度支付之工程款逐步償還，故本集團並無面臨重大償債風險。

Interest rate risk

The Group's interest rate risk arises primarily from external borrowings. During the Reporting Period, interest rates of external borrowings ranged from 5.39% to 7% per annum (for the same period of 2017: 5.39% to 7.50% per annum). In particular, the interests on the borrowings incurred by the Baoding Donghu Project were borne by the government, resulting in no exposure to any interest rate risk thereon. The interest rate applicable to the borrowings for solar power plants was 10% to 15% over the same period base lending rate of the People's Bank of China. The source of risk lies in the fluctuations in China's interest rate policies. Nevertheless, the Group expects that the interest rate risk would have no material impact on the Group's consolidated profit or loss.

Exchange risk

As the Group's principal activities are carried out in the PRC, the Group's transactions are mainly denominated in Renminbi, which is not freely convertible into foreign currencies. All foreign exchange transactions involving Renminbi must take place through the People's Bank of China or other institutions authorized to buy and sell foreign exchange. The exchange rates adopted for the foreign exchange transactions are the rates of exchange quoted by the People's Bank of China that are determined largely by supply and demand.

The Group currently does not have a policy on foreign currency risk as it had minimal transactions denominated in foreign currencies during the Reporting Period and the impact of foreign currency risk on the Group's operation is minimal.

Capital commitments and investment commitments

The Group had capital commitments amounting to approximately RMB148,000 as at 31 December 2018 (as at 31 December 2017: RMB5,681,000). Investment commitments amounted to RMB101,600,000 (as at 31 December 2017: nil), which were mainly the Group's obligations on capital contribution to Longyao (Beijing) Clean Energy Technology Company Limited (隆耀(北京)清潔能源科技有限公司) ("Longyao Beijing"), an associate, which shall be payable by 31 December 2021.

Contingent liabilities

As at 31 December 2018, the Group did not have any material contingent liabilities (as at 31 December 2017: nil).

利率風險

本集團的利率風險主要來自外部借款。於本報告期間，外部借款按介乎5.39%至7%之年利率計息(二零一七年同期：年利率5.39%至7.50%)。其中：保定東湖項目借款利息由政府承擔，並無面臨借款利率風險；而光伏電站借款利率為中國人民銀行同期借款利率上浮10%至15%，其風險源自中國利率政策的波動，但本集團預計該利率風險對本集團綜合損益之影響並不重要。

匯率風險

由於本集團的主要業務在中國進行，本集團的交易主要以人民幣計值，而人民幣不可自由兌換為外幣。所有涉及人民幣的外匯交易均須透過中國人民銀行或其他授權進行外匯買賣的機構進行。外匯交易所採用的匯率為中國人民銀行主要根據供應和需求釐定所報的匯率。

由於本報告期間以外幣計值的交易極少，本集團現時並無關於外幣風險的政策，且外幣風險對本集團營運的影響極小。

資本承擔和投資承擔

於二零一八年十二月三十一日，本集團資本承擔約為人民幣148,000元(二零一七年十二月三十一日：人民幣5,681,000元)。投資承擔為人民幣101,600,000元(二零一七年十二月三十一日：無)，主要為本集團應於二零二一年十二月三十一日前完成對聯營公司隆耀(北京)清潔能源科技有限公司(「隆耀北京」)的出資義務。

或有負債

於二零一八年十二月三十一日，本集團並無任何重大或有負債(二零一七年十二月三十一日：無)。

RELIANCE ON KEY CUSTOMERS

For the Reporting Period, revenue from the smart energy business amounted to approximately RMB529,258,000 (for the same period of 2017: RMB655,948,000), representing approximately 74.7% of the Group's revenue (for the same period of 2017: 73.1%). As the revenue from the smart energy business mainly came from Hebei Zhanyuan New Energy Technology Co., Ltd (河北展源新能源科技有限公司) (“**Hebei Zhanyuan**”), the key customer of the Group is Hebei Zhanyuan. Since the receivables of Hebei Zhanyuan were collected gradually in normal progress, the Group is not exposed to any significant risk.

MATERIAL ACQUISITIONS AND DISPOSAL

Material Acquisitions

1. Capital injection into Haitian Fangyuan

On 9 July 2018, Beijing Longguang Energy Technology Co., Ltd. (“**Beijing Longguang**”), an indirect wholly-owned subsidiary of the Company, entered into a capital injection agreement (the “**Capital Injection Agreement**”) with the original shareholders of Tianjin Haitian Fangyuan Energy Saving Technology Co., Ltd. (“**Haitian Fangyuan**”), in respect of the cooperation on Haitian Fangyuan. Pursuant to the Capital Injection Agreement, Beijing Longguang injected RMB6,111,000 into Haitian Fangyuan. The registration of the capital injection in the relevant administration for industry and commerce was completed on 16 August 2018. Upon completion of the capital injection, Beijing Longguang held 55% equity interests of Haitian Fangyuan, and Haitian Fangyuan became an indirect non-wholly-owned subsidiary of the Company. As an energy-saving service provider and a PRC high-tech company registered in the National Development and Reform Commission, Haitian Fangyuan has extensive experience in the investment, construction, operation and management of technical energy conservation and energy performance contracting. It also has extensive technical expertise and project reserves in the distributed natural gas heating and related energy conservation services.

For details, please refer to the announcement of the Company dated 9 July 2018.

對主要客戶之依賴

於本報告期間，智慧能源業務收入約為人民幣529,258,000元(二零一七年同期：人民幣655,948,000元)，佔本集團收入約74.7%(二零一七年同期：73.1%)，而智慧能源收入主要來自於河北展源新能源科技有限公司(「**河北展源**」)，因此，本集團的主要客戶為河北展源。河北展源的應收款按正常程序逐步回收，對本集團並無重大風險。

重大收購及出售

重大收購

1. 增資海天方圓

於二零一八年七月九日，本公司之間接全資附屬公司北京隆光能源科技有限公司(「**北京隆光**」)與天津海天方圓節能技術有限公司(「**海天方圓**」)的原有股東就海天方圓的合作簽署了增資合作協議(「**增資協議**」)。根據增資協議，北京隆光以人民幣6,111,000元增資海天方圓。增資之工商登記已於二零一八年八月十六日完成。增資後，北京隆光持有海天方圓55%股權，海天方圓成為本公司間接持有的非全資附屬公司。海天方圓是國家發展和改革委員會備案的節能服務公司、中國高新技術企業，在技術節能及合同能源管理的投資、建設、運營、管理方面擁有豐富經驗，並在分佈式天然氣供熱及相關的節能服務方面擁有豐富的技術儲備和項目儲備。

詳情請參閱本公司日期為二零一八年七月九日之公告。

2. Acquisition of Lightway power plant

On 22 August 2018, Gao Bei Dian City Guangshuo New Energy Co., Ltd. (高碑店市光碩新能源有限責任公司) (“**Guangshuo**”, as the purchaser), an indirect wholly-owned subsidiary of the Company, entered into an acquisition agreement (the “**Acquisition Agreement**”) with Baoding Lightway Green Energy Technology Co., Ltd. (保定光為綠色能源科技有限公司) (“**Baoding Lightway**”, as the vendor). Pursuant to the Acquisition Agreement, Guangshuo conditionally agreed to acquire the sale asset from Baoding Lightway at a consideration of RMB30,000,000 (excluding tax). The sales asset is a 10.2 MW distributed solar power plant located at the Lightway Industrial Park, Hebei Province, the PRC. The power plant has been connected to the power grid since April 2014 and has been operating normally since then. The transaction was approved at the extraordinary general meeting of the Company held on 3 October 2018 and completed on 4 October 2018.

For details, please refer to the announcements of the Company dated 22 August 2018, 13 September 2018 and 3 October 2018, and the circular of the Company dated 14 September 2018.

2. 收購光為電站

於二零一八年八月二十二日，本公司之間接全資附屬公司高碑店市光碩新能源有限責任公司(「光碩」，作為買方)，與保定光為綠色能源科技有限公司(「保定光為」，作為賣方)訂立收購協議(「收購協議」)。根據收購協議，光碩已有條件同意向保定光為收購銷售資產，代價為不含稅金額人民幣3,000萬元。銷售資產為位於中國河北光為工業園之10.2兆瓦分佈式太陽能電站，該電站自二零一四年四月以來已並網發電並自此正常營運。本次交易已於二零一八年十月三日通過本公司股東特別大會批准，並於二零一八年十月四日完成。

詳情請參閱本公司日期分別為二零一八年八月二十二日、二零一八年九月十三日及二零一八年十月三日之公告，及二零一八年九月十四日之通函。

3. Acquisition of Baotou Wind Power

On 7 November 2018, Longe International Investment Limited (as the purchaser), a direct wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) with China Ruifeng Renewable Energy Holdings Limited (as the vendor), Suzlon Energy (Tianjin) Company Limited (as a guarantor of the vendor) and the Company (as a guarantor of the purchaser). Pursuant to the Sale and Purchase Agreement, Longe International Investment Limited agreed to acquire 100% equity interests in Sino Renewable Energy Holdings Company Limited (the “**Target Company**”) at a consideration of HK\$195,360,000, which shall be satisfied by the issuance of convertible bonds of the Company. The Target Company indirectly holds 100% equity interests in Baotou City Yinfeng Huili New Energy Investment Ltd. (“**Baotou Yinfeng**”). Baotou Yinfeng has the ownership of a wind power project in Baotou City, Inner Mongolia Autonomous Region, the PRC, and the planned installed capacity of the project is 200 MW, with 49.8 MW for the first phase. As the conditions precedent to the acquisition were not fulfilled on or before 10 January 2019, the Sale and Purchase Agreement has been terminated and the acquisition will not proceed. All rights, obligations and liabilities of the Company, the purchaser, the vendor and the guarantor have ceased and terminated, and none of the parties thereto shall be liable to the other party save for those relating to the loan and any antecedent breaches of the Sale and Purchase Agreement.

For details, please refer to the announcements of the Company dated 7 November 2018, 9 November 2018, 20 November 2018, 7 December 2018 and 10 January 2019.

Save for disclosed above, the Group had no other material acquisition during the year ended 31 December 2018.

Material Disposal

During the Reporting Period, the Group had no material disposal.

3. 收購包頭風電

於二零一八年十一月七日，Longe International Investment Limited（本公司之直接全資附屬公司，作為買方）與中國瑞風新能源控股有限公司（作為賣方）、蘇司蘭能源（天津）有限公司（作為賣方擔保方）及本公司（作為買方擔保方）簽署了一份買賣協議（「**買賣協議**」）。根據買賣協議，Longe International Investment Limited以195,360,000港元購買Sino Renewable Energy Holdings Company Limited（「**目標公司**」）100%股權，該對價將通過本公司發行可換股債券方式支付。目標公司間接持有包頭市銀風匯利新能源投資有限公司（「**包頭銀風**」）100%股權，包頭銀風擁有位於中國內蒙古自治區包頭市一風電項目的所有權，該項目規劃裝機容量200兆瓦，一期49.8兆瓦。由於收購事項之先決條件未能於二零一九年一月十日或之前達成，買賣協議經已終止，且收購事項將不會進行。本公司、買方、賣方及保證人於買賣協議項下之所有權利、義務及責任已經終止及終結，概無買賣協議之訂約方須向另一方承擔責任，惟與貸款有關及任何先前違反買賣協議者除外。

詳情請參閱本公司日期為二零一八年十一月七日、二零一八年十一月九日、二零一八年十一月二十日、二零一八年十二月七日及二零一九年一月十日之公告。

除上文所披露者外，本集團截至二零一八年十二月三十一日止年度概無其他重大收購。

重大出售

於本報告期間，本集團概無重大出售。

Significant Investment

1. Investment in Longyao Beijing

On 4 June 2018, Baoding Yize New Energy Technology Company Limited (保定溢澤新能源科技有限公司) (“**Baoding Yize**”), an indirect wholly-owned subsidiary of the Company, entered into a capital increase agreement (the “**Capital Increase Agreement**”) with Beijing Yaohui Hengchang Technology Partnership Enterprise (Limited Partnership) (北京耀輝恒昌科技合夥企業(有限合夥)) (“**Beijing Yaohui**”) and Longyao Beijing. Pursuant to the Capital Increase Agreement, Baoding Yize and Beijing Yaohui conditionally agreed to inject RMB45,000,000 and RMB55,000,000 into Longyao Beijing respectively. Prior to the additional capital injection under the Capital Increase Agreement, Baoding Yize and Beijing Yaohui held 45% and 55% equity interests respectively. Upon completion of the capital increase, the shareholding structure of Longyao Beijing would remain unchanged and the total registered capital of Longyao Beijing would increase from RMB200 million to RMB300 million. The registration of the capital injection with the relevant administration for industry and commerce was completed on 27 June 2018. Upon completion of the capital increase, Longyao Beijing has become an associated company of the Company.

Pursuant to the Capital Increase Agreement, the capital increase together with the original capital injection amount shall be paid by Baoding Yize and Beijing Yaohui, respectively, within six months from the date of the Capital Increase Agreement, which was 3 December 2018. Based on the actual operating and funding requirements of Longyao Beijing, on 4 December 2018, Baoding Yize, Beijing Yaohui and Longyao Beijing entered into a supplemental agreement to the Capital Increase Agreement (the “**Supplemental Agreement**”). According to the Supplemental Agreement, unpaid capital increase amount and unpaid original capital injection amount shall be paid to Longyao Beijing by Baoding Yize and Beijing Yaohui, respectively, before 31 December 2021. All capital contribution shall mainly be used for heating business related investments and acquisitions, relevant technical consulting, management and services, and other purposes considered as appropriate by the board of the directors of Longyao Beijing according to its actual operational needs.

For details, please refer to the announcements of the Company dated 4 June 2018 and 4 December 2018.

重大投資

1. 投資隆耀北京

於二零一八年六月四日，本公司之間接全資附屬公司保定溢澤新能源科技有限公司(「保定溢澤」)與北京耀輝恒昌科技合夥企業(有限合夥)(「北京耀輝」)及隆耀(北京)訂立增資協議(「增資協議」)。根據增資協議，保定溢澤及北京耀輝有條件同意向隆耀北京分別注入人民幣45,000,000元及人民幣55,000,000元。保定溢澤及北京耀輝根據增資協議追加注資之前，隆耀北京由保定溢澤及北京耀輝分別持有45%及55%股權。於增資完成後，隆耀北京之股權架構將維持不變，隆耀北京之註冊資本總額將由人民幣2億元增至人民幣3億元。增資之工商變更登記已於二零一八年六月二十七日完成。於增資完成後，隆耀北京成為本公司之聯營公司。

根據增資協議，增資額連同原來注資額將分別由保定溢澤及北京耀輝分別於增資協議日期起計六個月內，即於二零一八年十二月三日前支付。於二零一八年十二月四日，根據隆耀北京之實際經營管理需要及資金需求，保定溢澤、北京耀輝及隆耀北京就增資協議簽署補充協議(「補充協議」)。根據補充協議，保定溢澤及北京耀輝應於二零二一年十二月三十一日前各自完成對隆耀北京未繳納之增資額及未繳納之原來注資額的繳納義務。所有出資款將主要用於隆耀北京於熱力事業相關的投資、併購及相關的技術諮詢、管理和服務等，及隆耀北京董事會根據實際經營需要調整之其他用途。

詳情請參閱本公司日期為二零一八年六月四日及二零一八年十二月四日之公告。

2. Investment in Shandong Hailifeng

On 26 July 2018, Beijing Longguang, an indirect wholly-owned subsidiary of the Company, Shengli Oilfield Lifeng Industrial Group Co., Ltd. (“**Shengli Oilfield Lifeng**”) and Hailifeng entered into a acquisition agreement (the “**Acquisition Agreement**”). Pursuant to the Acquisition Agreement, Beijing Longguang invested RMB60,000,001 in Hailifeng. The registration of the investment with the relevant administration for industry and commerce was completed on 1 August 2018. Upon completion of the investment, Beijing Longguang indirectly held 40% equity interest in Hailifeng. Hailifeng became an associated company of the Company. Hailifeng and its subsidiaries are mainly engaged in the operation and management of distributed clean energy heating and cooling supply; production, sales and installation of heat pump products; geothermal engineering construction, and energy management contract, etc.

For details, please refer to the announcement of the Company dated 26 July 2018.

In accordance with the terms of the Acquisition Agreement, Shengli Oilfield Lifeng has provided certain performance undertakings to Beijing Longguang, under which Beijing Longguang has the right to require Shengli Oilfield Lifeng to purchase the 40% of the registered capital in Hailifeng hold by Beijing Longguang (the “**Sale Shares**”) if Hailifeng fails to meet performance undertakings (the “**Put Option**”).

As Hailifeng has failed to meet the performance target for the year ended 31 December 2018, Beijing Longguang elected to exercise the Put Option. Shengli Oilfield Lifeng, Beijing Longguang and Hailifeng entered into a Repurchase Agreement on 29 March 2019 (the “**Repurchase Agreement**”) pursuant to which Shengli Oilfield Lifeng will purchase the Sale Shares for consideration of RMB60,000,001. In addition, Beijing Longguang is entitled to a distributable profit of Hailifeng for 2018 of RMB16,000,000.

For details, please refer to the announcement of the Company dated 29 March 2019.

Save for disclosed above, the Group had no other significant investments during the Reporting Period.

2. 投資山東海利豐

二零一八年七月二十六日，本公司之間接全資附屬公司北京隆光與勝利油田利豐實業集團有限公司(「勝利油田利豐」)及海利豐訂立收購協議(「收購協議」)。根據收購協議，北京隆光以人民幣60,000,001元投資海利豐。投資之工商登記已於二零一八年八月一日完成。投資完成後，北京隆光已間接擁有海利豐40%的股權，海利豐成為本公司的聯營公司。海利豐及其附屬公司主要從事分佈式清潔能源供熱及制冷的運營管理、熱泵產品的生產、銷售與安裝、地熱工程施工、合同能源管理等。

詳情請參閱本公司日期為二零一八年七月二十六日之公告。

根據收購協議的條款，勝利油田利豐已向北京隆光提供若干履約承諾，據此，倘履約承諾項下的目標未達成，北京隆光有權要求勝利油田利豐購買北京隆光持有的海利豐40%的股權(「銷售股份」)(「認沽期權」)。

由於海利豐於截至二零一八年十二月三十一日止年度未能達成履約目標，北京隆光選擇行使認沽期權。勝利油田利豐、北京隆光及海利豐於二零一九年三月二十九日訂立回購協議(「回購協議」)，據此，勝利油田利豐將購買銷售股份，代價為人民幣60,000,001元；此外，北京隆光有權獲得海利豐二零一八年的可分配利潤人民幣16,000,000元。

詳情請參閱本公司日期為二零一九年三月二十九日之公告。

除上文所披露者外，本集團於本報告期間概無其他重大投資。

USE OF PROCEEDS

1. Placing of New Shares under General Mandate in September 2017

On 28 September 2017, 145,688,000 new shares were placed by Yue Xiu Securities Company Limited, the placing agent of the Company, to not less than six places at the price of HK\$1.98 per placing share. The aggregate gross proceeds from the placing was approximately HK\$288 million and the aggregate net proceeds from the placing was approximately HK\$285 million. The Company intended to use approximately 65% of the net proceeds from the placing for the development of smart energy business and the relevant potential investments and mergers and acquisitions to be identified, approximately 25% for the development of solar energy business, especially the home photovoltaic system, and the remaining balance of approximately 10% as general working capital of the Group.

The analysis of the intended and actual uses of the net proceeds from the placing of new shares under general mandate as at 31 December 2017 and 31 December 2018 is set out below:

所得款項用途

1. 於二零一七年九月根據一般授權配售新股份

於二零一七年九月二十八日，本公司配售代理越秀證券有限公司按每股配售股份1.98港元的價格配售145,688,000股新股份予不少於六名承配人，配售事項所得款項總額合共約為288百萬港元，而配售事項所得款項淨額合共約為285百萬港元。本公司計劃用配售所得款項淨額之約65%用作發展智慧能源業務及有關尚待識別之潛在投資及併購，約25%用作發展太陽能業務(尤其是戶用光伏系統)及約10%之餘額用作本集團一般營運資金。

截至二零一七年十二月三十一日及二零一八年十二月三十一日，根據一般授權配售新股份所得款項淨額的計劃用途及實際使用金額的分析載列如下：

		Amount actually used as at 31 December 2017	Amount actually used from 1 January 2018 to 31 December 2018
	Intended use of proceeds	31 December 2017	1 January 2018 to 31 December 2018
	所得款項之 擬定用途	截至二零一七年 十二月三十一日 實際使用金額	二零一八年 十二月三十一日 實際使用金額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
65% for the development of smart energy business and the relevant potential investments and mergers and acquisitions to be identified	65%用作智慧能源業務及有關尚待識別之潛在投資及併購	185,250	(169,936)
25% for the development of solar energy business, especially the home photovoltaic system	25%用作發展太陽能業務(尤其是戶用光伏系統)	71,250	(49,698)
10% for general working capital	10%用作一般營運資金	28,500	(7,394)
		285,000	(240,740)
		(15,314)	(21,552)
			(7,394)
			(44,260)

2. Rights Issue in March 2018

On 25 January 2018, the Company implemented a rights issue on the basis of one rights share for every two shares held on the record date by issuing 459,474,000 rights shares at the subscription price of HK\$1.20 per rights share. The par value of rights shares is HK\$0.01 each. The theoretical ex-rights price calculated based on the closing price of HK\$2.05 per share as quoted on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on the last trading day, i.e. 25 January 2018, was approximately HK\$1.77 per share. The rights issue financed the requirements of the Group’s development, offering all the qualifying shareholders equal opportunity to subscribe for their pro-rata provisional allotment of the rights shares without diluting their respective shareholding, and providing them with an opportunity to participate in the future development of the Group.

The Company completed the rights issue on the basis of one rights share for every two shares by placing and issuing an aggregate of 459,474,000 shares on 22 March 2018. The gross proceeds from the rights issue were approximately HK\$551 million, while the net proceeds from the rights issue were approximately HK\$549 million. The net price per rights share was approximately HK\$1.19.

The intended applications of the net proceeds from the rights issue are as follows: (a) approximately HK\$384 million, i.e. 70% of the net proceeds, for the development of smart energy and solar energy businesses; and (b) approximately HK\$165 million, i.e. 30% of the net proceeds, as general working capital of the Group.

2. 於二零一八年三月進行之供股

於二零一八年一月二十五日，本公司已按於記錄日期每持有兩股股份獲發一股供股股份之基準，以發行459,474,000股供股股份之方式按每股供股股份1.20港元之認購價進行供股。供股股份之每股面值為0.01港元。本公司股份於最後交易日（即二零一八年一月二十五日）在香港聯合交易所有限公司（「**聯交所**」）所報收市價每股2.05港元計算之理論除權價為每股約1.77港元。發行供股股份可為本集團籌集發展所需之資金，並可為所有合資格股東提供平等機會以認購彼等按比例獲暫定配發之供股股份而不攤薄彼等各自之股權及為彼等提供參與本集團未來發展之機會。

於二零一八年三月二十二日，本公司按每兩股股份獲發一股供股股份之基準完成供股，共配發及發行合計459,474,000股股份。供股之所得款項總額約為551百萬港元，所得款項淨額約為549百萬港元，每股供股股份之淨價約為1.19港元。

供股所得款項淨額之計劃用途為：(a) 約384百萬港元（即所得款項淨額之70%）用於發展智慧能源及太陽能業務；及(b) 約165百萬港元（即所得款項淨額之30%）用作本集團的一般營運資金。

The analysis of the intended and actual uses of the net proceeds from the rights issue as at 31 December 2018 is set out below:

於二零一八年十二月三十一日，供股所得款項淨額的計劃用途及實際使用金額的分析載列如下：

		Amount actually used from 22 March 2018 to 31 December 2018 於二零一八年 三月二十二日至 二零一八年 十二月三十一日 所得款項之 擬定用途 HK\$'000 千港元	31 December 2018 於二零一八年 十二月三十一日 實際使用金額 HK\$'000 千港元	Remaining proceeds as at 31 December 2018 於二零一八年 十二月三十一日 餘下的款項 HK\$'000 千港元
70% for the development of smart energy and solar energy businesses	70%用於發展智慧能源及太陽能業務	384,000	(347,000)	37,000
30% for general working capital	30%用作一般營運資金	165,000	(165,000)	0
		549,000	(512,000)	37,000

The remaining balance of the proceeds is expected to be used as intended in the coming twelve months.

所得款項的餘額預計將在未來十二個月內按擬定用途動用。

3. Placing of New Shares under General Mandate in August 2018

On 27 July 2018, the Company and the placing agent, Golden Rich Securities Limited, entered into a placing agreement (as amended and supplemented on 10 August 2018 and 17 August 2018) (the “**Placing Agreement**”). Pursuant to the Placing Agreement, the Company conditionally agreed to allot and issue, and the placing agent conditionally agreed, on a best effort basis, to place up to 128,000,000 placing shares (the “**Placing Shares**”) to not less than six placees at the placing price of HK\$1.37 per placing share (the “**Placing Price**”). The par value of the Placing Shares was HK\$0.01 each. The closing price of the Company’s shares was HK\$1.71 per share as quoted on the Stock Exchange on 27 July 2018, i.e. the date of the Placing Agreement. Through the placing, the Group was offered with a good opportunity to raise additional funds to strengthen its financial position, diversify its existing business and revenue streams, and broaden its shareholder base and capital base (the “**Placing**”).

3. 於二零一八年八月根據一般授權配售新股份

於二零一八年七月二十七日，本公司與配售代理金裕富證券有限公司訂立配售協議（「**配售協議**」，於二零一八年八月十日及二零一八年八月十七日修訂及補充）。根據配售協議，本公司已有條件同意配售及發行，而配售代理已有條件同意盡最大努力按配售價每股配售股份1.37港元（「**配售價**」）向不少於六名承配人配售最多128,000,000股配售股份（「**配售股份**」），配售股份之每股面值為0.01港元。本公司股份於二零一八年七月二十七日（即配售協議日期）在聯交所所報的收市價為每股股份1.71港元。通過配售事項，本集團可籌集額外資金以加強本集團之財務狀況、多元化其現有業務及收入來源、擴大其股東基礎及資本基礎提供良機（「**配售事項**」）。

Management Discussion and Analysis (Continued)

管理層討論與分析(續)

The Placing was completed on 27 August 2018, an aggregate of 106,182,000 Placing Shares were successfully placed by the placing agent to not less than six placees at the Placing Price. The aggregate gross proceeds from the Placing were approximately HK\$145.5 million, while the aggregate net proceeds from the Placing were approximately HK\$143.3 million. The net placing price was HK\$1.35 per Placing Share. Among the net proceeds from the Placing, the Company intended to use approximately 52% for repayment of short-term bank borrowings, approximately 30% for financial investments, and the remaining balance of approximately 18% for general working capital of the Group.

The analysis of the intended and actual uses of the net proceeds from the Placing as at 31 December 2018 is set out below:

配售事項於二零一八年八月二十七日完成，合共106,182,000股配售股份已由配售代理成功按配售價向不少於六名承配人配售。配售事項所得款項總額合共為145.5百萬港元，配售事項所得款項淨額合共約為143.3百萬港元，淨配售價約為每股配售股份1.35港元。本公司計劃用配售事項所得款項淨額約52%用於償還短期銀行借貸、約30%用於金融投資，而餘額約18%用作本集團之一般營運資金。

於二零一八年十二月三十一日，配售所得款項淨額的計劃用途及實際使用金額的分析載列如下：

		Intended use of proceeds	Amount actually used from 27 August 2018 to 31 December 2018
		所得款項之 擬定用途	於二零一八年 八月二十七日至 二零一八年 十二月三十一日 實際使用金額
		HK\$'000	HK\$'000
		千港元	千港元
52% for repayment of short-term bank borrowings	52%用於償還短期銀行借貸	74,516	(74,516)
30% for financial investments	30%用作金融投資	42,990	(42,990)
18% for general working capital	18%用作一般營運資金	25,794	(25,794)
		143,300	(143,300)

EMPLOYEES AND REMUNERATION POLICIES

The Group had 170 employees as at 31 December 2018 (as at 31 December 2017: 302 employees). The decrease in the number of employees was primarily due to the contraction of the smart energy business, especially the home photovoltaic system business. Employees were remunerated according to the nature of their positions, individual qualification, performance, work experience and market trends, and subject to periodic reviews based on their performance. Meanwhile, to attract and retain high caliber employees to ensure smooth operation and cater for the Group's constant expansion, the Group offers competitive remuneration and benefit packages to employees at different levels, including discretionary bonuses, various training programmes, sponsorship for further study and share option scheme for the benefit of the directors and eligible employees of the Group.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

With smart energy and public construction businesses as its principal business activities, the Group is committed to environmental protection and mitigating the impact of its operations on the environment. During the Reporting Period, the Group has complied with the requirements of the relevant laws and regulations that have a significant impact on the Group's operations.

In the course of developing its smart energy and public construction businesses, the Group should mainly comply with the requirements and restrictions under the following environmental laws and regulations, namely, the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法), the Law of the People's Republic of China on the Prevention and Control of Water Pollution (中華人民共和國水污染防治法), the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (中華人民共和國大氣污染防治法), the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (中華人民共和國固體廢物污染環境防治法), the Law of the People's Republic of China on Appraising of Environment Impacts (中華人民共和國環境影響評價法) and the Regulations on the Administration of Environmental Protection of Construction Projects (建設項目環境保護管理條例). The Group affirms the importance of complying with the laws and regulations on environmental protection. During the Reporting Period, the Group has complied with the relevant laws and regulations on environmental protection that are of importance to the Group.

僱員及薪酬政策

於二零一八年十二月三十一日，本集團聘有170名僱員(二零一七年十二月三十一日：302名僱員)。僱員減少主要是由於本集團的智慧能源業務特別是戶用光伏系統業務的收縮所致。僱員乃根據其職位性質、個人資格、表現、工作經驗及市場趨勢釐定薪酬，並根據其表現進行定期考評。同時，為招攬及延攬高質素僱員以確保營運順暢及應付本集團持續拓展，本集團提供具競爭力的薪酬及福利待遇予不同職級員工，包括酌情花紅、多項培訓計劃、進修贊助及購股權計劃，從而令本集團之董事及合資格僱員受益。

環境及社會責任

本集團之主營業務為智慧能源及公建建設業務，本集團致力於保護環境並減少運營對環境的影響。於本報告期間，本集團已遵守對本集團運營有重大影響的相關法律及法規要求。

本集團在智慧能源及公建建設業務發展過程中，主要遵守以下環境法律及法規所規定的監管及限制：《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》、《中華人民共和國大氣污染防治法》、《中華人民共和國固體廢物污染環境防治法》、《中華人民共和國環境影響評價法》及《建設項目環境保護管理條例》。本集團一向重視遵守環境保護法律法規，於本報告期間，本集團已遵守對本集團有重大影響的相關環境保護法律、法規。

We also recognize the importance of maintaining mutually beneficial relationships with our stakeholders, namely our employees, customers and suppliers and local communities whose support is vital to the Group's sustainable development. We pay close attention to the needs of all stakeholders, deliver solutions addressing their needs and we continuously interact with our stakeholders in way that is conducive to sustainable growth in the Company, our industry and our communities. For more details of the Group's environmental, social and governance report of 2018, please refer to the "Environmental, Social and Governance Report" of the Company to be issued in April 2019.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group operates its businesses mainly in Mainland China. The development and operation of the Group's smart energy and public construction businesses in the PRC are regulated by the local laws and regulations on renewable energy, the provision of electricity and construction project, as well as various policies and industry guidance catalogs issued by the local governments. There was no incident of non-compliance with the relevant laws and regulations that had or would have a significant impact on the Company during the Reporting Period.

我們也意識到維持與利益相關方的互利關係之重要。利益相關方包括我們的僱員、客戶、供貨商及當地小區，其支持對本集團之可持續發展至關重要。我們密切關注各利益相關方的需求，提供解決方案以滿足其需求，並不斷以有益於本公司、行業及小區可持續增長之方式與利益相關方互動。關於本集團二零一八年度之環境、社會責任及企業管治報告之詳情，請參閱本公司即將於二零一九年四月刊發的《環境、社會及企業管治報告》。

遵守相關法律法規

本集團之業務主要於中國內地運營。本集團在中國的智慧能源及公建建設業務的開發和運營，主要受當地的可再生能源和電力供應、工程建設相關法律法規及當地政府頒佈的各項政策和行業指導規範。於本報告期間，概無違反相關法律法規並已經或可能會對本公司造成重大影響之事故發生。

The Directors are pleased to present their report and the audited consolidated financial statements of the Group for the Reporting Period.

董事欣然提呈董事會報告及本集團於本報告期間的經審核綜合財務報表。

PRINCIPAL ACTIVITIES

The principal activities of the Group are smart energy business, public infrastructure construction and the related preliminary investment and post-construction operation management business, with gradual expansion and diversification to other clean energy business. The principal activities and other particulars of the Company's principal subsidiaries are set out in note 17 to the audited consolidated financial statements in this annual report.

主要業務

本集團的主要業務為智慧能源業務、公建建設業務及相關前期投資和後期建設運營管理業務，並逐步拓展和豐富其他清潔能源業務。本公司主要附屬公司的主要業務及其他詳情載於本年報經審核綜合財務報表附註17。

RESULTS

The results of the Group for the Reporting Period are set out in the "Consolidated Statement of Profit or Loss" on page 109 of this annual report.

業績

本集團於本報告期間的業績載於本年報第109頁的「綜合損益表」。

FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years and the financial key performance indicators of the Group for the Reporting Period are set out on pages 219 to 220 of this annual report. This summary does not form part of the audited consolidated financial statements in this annual report.

財務概要

本集團於過去五個財政年度的業績以及資產、負債及非控股權益的概要及本集團於本報告期間的主要財務指標載於本年報第219頁至第220頁。此概要並不構成本年報經審核綜合財務報表的一部分。

BUSINESS REVIEW AND OUTLOOK

The business review for the Reporting Period and an indication of likely future development in the business of the Company are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. Our risk management system and a description of the principal risks and uncertainties that the Company may be facing are provided in the "Corporate Governance Report" of this annual report.

業務回顧及展望

本公司就本報告期間的業務回顧及日後可能出現的業務發展的說明載於本年報「主席報告」及「管理層討論與分析」兩節內。我們的風險管理系統以及本公司可能面臨的主要風險及不明朗因素描述載於本年報的「企業管治報告」。

FINAL DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: Nil).

末期股息

董事會並不建議就截至二零一八年十二月三十一日止年度派付末期股息(二零一七年：無)。

DIVIDENDS POLICY

The Company adopted a dividend policy (the “**Policy**”) which can be downloaded from the Company’s website www.longitech.hk.

1. Purpose

The Policy is made under the premises that the Company fully considers and guards the interests of all Shareholders, and starts from actual business operation, and on the basis of the Company’s various expenditures, maintaining financial stability and autonomy, and realizing the Company’s sustained, stable and healthy development.

2. Policy

- 2.1 Under the Policy, the Board will consider factors such as the Company’s annual performance, cash flow performance, future financing needs, major capital expenditures, business operating model, industrial development trends, the Company’s development stage and strategic planning etc., in order to decided on cash dividend or stock dividend.
- 2.2 Subject to applicable laws and regulations and the memorandum and articles of association of the Company (the “**Articles of Association**”), the Company may pay out cash dividends when the Company’s distributable profit is positive and the Company’s cash flow can cover the Company’s daily operation and sustainable development requirement. When the Company pays out cash dividend, the proportion of cash dividend should be or not less than 20%–50% of the given year’s distributable profit that belongs to the shareholder. This should serve as a general but not mandatory standard for the Board when considering paying out dividend.
- 2.3 In complying with the requirements of the applicable laws, rules and regulations and the Articles of Association and in order to ensure the Company in maintaining a reasonable share capital and shareholding structure, in the case the Company’s attributable profit is positive, the Company may issue stock dividend, so as to reward the Shareholders for investment, to share the profit of the Company and to maintain the valuation of the Company’s stock within a reasonable range.

派息政策

本公司已採納派息政策(「**該政策**」)，該政策可於本公司網站(www.longitech.hk)下載。

1. 目的

本公司充分考慮和維護全體股東利益，從實際經營情況出發，在滿足本公司各項支出，保持財務穩健性和自主性，以及實現本公司持續、穩定、健康發展的基礎上，制定該政策。

2. 政策

- 2.1 根據該政策，董事會將結合本公司的全年業績表現、現金流量表現、未來融資需求、重大資本支出、業務經營模式、行業發展趨勢及本公司所處的發展階段及戰略規劃等情況，制定現金或股息分配的政策。
- 2.2 在符合適用的法律法規及本公司的組織章程大綱及細則(「**章程**」)的規定的前提下，當本公司可供分配的利潤為正值且本公司的現金流可以兼顧其日常經營和可持續發展需求時，本公司可進行現金分紅。如本公司進行現金分紅，現金分紅的比例應當為或不少於當年實現的歸屬於股東可供分配利潤的20%–50%。此為董事會考慮派付股息之一般但非強制性標準。
- 2.3 在遵守適用的法律法規及公司章程的規定並保證本公司股本規模和股權結構合理的情況下，當歸屬本公司的利潤為正，為了獎勵投資股權，分享企業利潤，維持本公司的股票估值處於合理範圍內，本公司可以發放股票股息。

3. Review

The Board will review the Policy on a regular basis to ensure that the Policy is in line with market practice and supports the Company's continuous development strategy.

3. 檢討

董事會將定期檢討該政策，以確保該政策符合市場慣例，並能支持本公司的持續發展戰略。

CLOSURE OF THE REGISTER OF MEMBERS

In order to ascertain the entitlements to attend and vote at the forthcoming annual general meeting to be held on Thursday, 30 May 2019 (the "Meeting"), the transfer books and register of members of the Company will be closed from Monday, 27 May 2019 to Thursday, 30 May 2019, both days inclusive, during which period no share transfers can be registered. In order to qualify for attending the Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 24 May 2019.

截止股份過戶登記

為釐定出席於二零一九年五月三十日(星期四)舉行的應屆股東週年大會(「大會」)及於大會上投票的資格，本公司將於二零一九年五月二十七日(星期一)至二零一九年五月三十日(星期四)期間(包括首尾兩日)暫停辦理股份過戶登記手續。為符合資格出席大會，所有股份過戶文件連同相關股票須於二零一九年五月二十四日(星期五)下午四時三十分之前交回本公司的香港股份過戶登記分處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心22樓)。

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in note 15 to the audited consolidated financial statements in this annual report.

物業、廠房及設備

本集團於本報告期間的物業、廠房及設備變動詳情載於本年報經審核綜合財務報表附註15。

INTEREST-BEARING BORROWINGS

Details of interest-bearing borrowings of the Group as at 31 December 2018 are set out in note 29 to the audited consolidated financial statements in this annual report.

計息借貸

本集團於二零一八年十二月三十一日的計息借貸詳情載於本年報經審核綜合財務報表附註29。

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report, no equity-linked agreements were entered into by the Group, or existed during the Reporting Period.

股票掛鈎協議

除於本年報所披露者外，於本報告期間，本集團概無訂立或仍參與任何股票掛鈎協議。

SHARE CAPITAL

Details of the movements in the Company's issued share capital during the Reporting Period are set out in note 28 to the audited consolidated financial statements in this annual report.

ISSUE OF SHARES

A review and discussion of the issue of Shares for the Reporting Period are provided in the "Management Discussion and Analysis".

COMPLIANCE WITH LAWS AND REGULATIONS AND ENVIRONMENTAL POLICIES

During the Reporting Period, the Group has complied with the relevant laws and regulations that have a significant impact on the operations of the Group.

In the course of developing the smart energy and solar energy businesses, the Group shall comply with the requirements and restrictions under the environmental laws and regulations, in particular of: the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法), the Law of the People's Republic of China on the Prevention and Control of Water Pollution (中華人民共和國水污染防治法), the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (中華人民共和國大氣污染防治法), the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (中華人民共和國固體廢物污染環境防治法), the Law of the People's Republic of China on Appraising of Environment Impacts (中華人民共和國環境影響評價法) and the Regulations on the Administration of Environmental Protection of Construction Projects (建設項目環境保護管理條例). The Group affirms the importance of complying with the laws and regulations on environmental protection. During the Reporting Period, the Group has complied with the laws and regulations on environmental protection that are of importance to the Group.

股本

本公司於本報告期間的已發行股本變動詳情載於本年報經審核綜合財務報表附註28。

股份發行

於本報告期間股份發行的審閱及討論載於「管理層討論及分析」一節。

遵守法律及法規與環保政策

於本報告期間，本集團已遵守對本集團營運有重大影響的相關法律及規例。

本集團在智慧能源及太陽能業務發展過程中，主要遵守以下環境法律及法規所規定的監管及限制：《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》、《中華人民共和國大氣污染防治法》、《中華人民共和國固體廢物污染環境防治法》、《中華人民共和國環境影響評價法》及《建設項目環境保護管理條例》。本集團一向重視遵守環境保護法律及法規，於本報告期間，本集團已遵守對本集團有重大影響的環境保護法律及法規。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands where the Company was incorporated, which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

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

During the year ended 31 December 2018, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

RESERVES

Details of movements in the reserves of the Group during the Reporting Period are set out in note 28 to the audited consolidated financial statements and in the consolidated statement of changes in equity respectively in this annual report.

DISTRIBUTABLE RESERVES

At 31 December 2018, the aggregate amount of reserves available for distribution to equity Shareholders was RMB1,149,044,000 (31 December 2017: RMB525,716,000).

CHARITABLE DONATIONS

The Group did not make any charitable donations during the Reporting Period (2017: Nil).

優先購買權

本公司組織章程細則或本公司註冊成立所在地開曼群島法例第22章公司法(一九六一年第3號法例，經綜合及修訂)並無優先購買權條文，規定本公司須按比例向現有的股東發售新股份。

購買、出售或贖回本公司上市證券

於截至二零一八年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

儲備

本集團於本報告期間的儲備變動詳情分別載於本年報經審核綜合財務報表附註28及綜合權益變動表。

可供分派儲備

於二零一八年十二月三十一日，可供分派予權益股東的儲備總額為人民幣1,149,044,000元(二零一七年十二月三十一日：人民幣525,716,000元)。

慈善捐獻

本集團於本報告期間並無作出慈善捐獻(二零一七年：無)。

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Connected Transactions

The Group carried out the following connected transactions (other than connected transactions that were exempted under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”)) during the Reporting Period:

(1) Acquisition of a distributed solar power station

On 22 August 2018, Guangshuo, an indirect wholly-owned subsidiary of the Company, entered into an agreement with Baoding Lightway, under which the Guangshuo conditionally agreed to acquire a 10.2 MW distributed solar power station located at the Lightway Industrial Park, Hebei Province, the PRC from the Baoding Lightway at the consideration of RMB30 million (excluding tax) (the “**Acquisition**”).

Implications under the Listing Rules

As one or more of the applicable percentage ratios in respect of the Acquisition, when aggregated with the previous acquisitions of the Company since 10 March 2016, exceeds 25% but all are less than 100%, and as Baoding Lightway is a wholly-owned subsidiary of Lightway Green Energy Technology Co., Ltd. (“**Lightway Green Energy**”), a company held as to approximately 69% by Mr. Wei Qiang, an executive Director and chief executive officer of the Company, the Acquisition constituted a connected transaction for the Company under Chapter 14A of the Listing Rules which was subject to the approval by the independent Shareholders at the extraordinary general meeting (the “**EGM**”) by way of poll.

The resolution in respect of the Acquisition was duly passed by way of poll at the EGM of the Company held on 3 October 2018 and the Acquisition was completed on 4 October 2018.

For details, please refer to the announcements of the Company dated 22 August 2018, 13 September 2018, 3 October 2018 and the circular dated 14 September 2018.

關連交易及持續關連交易

關連交易

本集團於本報告期間進行以下關連交易(惟根據聯交所證券上市規則(「**上市規則**」)第14A章獲豁免的關連交易除外):

(1) 收購分布式太陽能電站

於二零一八年八月二十二日,本公司的間接全資附屬公司光碩與保定光為訂立協議,據此,光碩有條件同意向保定光為收購位於中國河北省光為工業園之10.2兆瓦分布式太陽能電站,代價為不合稅金額人民幣30百萬元(「**收購事項**」)。

上市規則的涵義

由於有關收購事項之一項或多項適用百分比率(與本公司自二零一六年三月十日起之先前收購事項合併計算時)超過25%但全部低於100%,且保定光為為光為綠色能源科技有限公司(「**光為綠色能源**」,為由本公司執行董事兼行政總裁魏強先生持有約69%權益之公司)的全資附屬公司,故收購事項亦構成上市規則第14A章項下的本公司關連交易,須經獨立股東於股東特別大會(「**股東特別大會**」)上以投票表決方式批准。

有關收購事項的決議案已於二零一八年十月三日舉行的本公司股東特別大會上以投票表決方式正式通過,而收購事項亦已於二零一八年十月四日完成。

詳情請參閱本公司日期為二零一八年八月二十二日、二零一八年九月十三日及二零一八年十月三日的公告及日期為二零一八年九月十四日的通函。

(2) Provision of services to Longchuang

On 8 October 2018, Guangshuo, an indirect wholly-owned subsidiary of the Company, entered into the services agreement (the “**Services Agreement**”) with Gao Bei Dian City Long Chuang Central Heating Company Limited (“**Longchuang**”, 高碑店市隆創集中供熱有限公司), pursuant to which Guangshuo has agreed to provide technical solution services and cloud platform services to Longchuang, with service fees of RMB6,000,000 in total.

Implications under the Listing Rules

Since Longchuang is owned as to 99% by Mr. Wei Shaojun, the non-executive Director and the controlling shareholder of the Company, and 1% by his daughter, Longchuang is therefore a connected person and the transactions contemplated under the Services Agreement constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the provision of such services on an aggregated basis were more than 0.1% but less than 5%, the transactions contemplated under the Services Agreement were subject to the reporting, announcement and annual review requirements but were exempt from the circular and independent Shareholder’s approval requirements under Chapter 14A of the Listing Rules.

For details, please refer to the announcement of the Company dated 8 October 2018.

Continuing Connected Transactions

The Group carried out the following continuing connected transactions (other than continuing connected transactions that are exempted under Chapter 14A of the Listing Rules) during the Reporting Period:

(1) Master Agreement and Supplemental Agreements in relation to the supply of solar modules

On 16 November 2016, Hebei Longitech Cloud Energy Company Limited (“**Hebei Longitech**”), an indirect wholly-owned subsidiary of the Company, entered into an agreement (the “**Master Agreement**”) with Baoding Lightway in relation to the supply of solar modules by Baoding Lightway to the Group for the period from the date of the Master Agreement to 31 December 2018. Pursuant to the Master Agreement, the proposed annual caps (i.e. the maximum annual aggregate consideration payable by the Group to Baoding Lightway) for the 3 years ended 31 December 2016, 2017 and 2018 should not exceed RMB16,000,000.

(2) 向隆創提供服務

於二零一八年十月八日，本公司的間接全資附屬公司光碩與高碑店市隆創集中供熱有限公司(「隆創」)訂立服務協議(「服務協議」)，據此，光碩同意向隆創提供技術解決方案服務及雲平台服務，服務費合計為人民幣6,000,000元。

上市規則的涵義

由於隆創由本公司非執行董事及控股股東魏少軍先生及其女兒分別擁有99%及1%權益，故隆創為關連人士，而服務協議項下擬進行的交易構成上市規則第14A章項下的本公司關連交易。由於提供該等服務的適用百分比率按合計基準多於0.1%但少於5%，故服務協議項下擬進行的交易須遵守上市規則第14A章項下的申報、公告及年度審閱規定，惟獲豁免遵守通函及獨立股東批准的規定。

詳情請參閱本公司日期為二零一八年十月八日的公告。

持續關連交易

本集團於本報告期間進行以下持續關連交易(惟根據上市規則第14A章獲豁免的持續關連交易除外)：

(1) 有關供應太陽能組件的總協議及補充協議

於二零一六年十一月十六日，本公司間接全資附屬公司河北隆基泰和雲能源科技有限公司(「河北隆基泰和」)與保定光為訂立協議(「總協議」)，內容有關保定光為自總協議日期至二零一八年十二月三十一日止期間向本集團供應太陽能組件。根據總協議，截至二零一六年、二零一七年及二零一八年十二月三十一日止三個年度的建議年度上限(即本集團應付予保定光為的最高年度總代價)不得高於人民幣16,000,000元。

On 19 January 2017, Hebei Longitech entered into a supplemental agreement (the “**Supplemental Agreement**”) with Baoding Lightway to revise the annual caps (the “**Revised Caps**”) for the years ended 31 December 2017 and 2018 from RMB16,000,000 to RMB420,000,000. The resolution in respect of the Master Agreement (as supplemented by the Supplemental Agreement) and the Revised Caps were duly passed by way of poll at the EGM of the Company held on 10 March 2017.

On 22 December 2017, as a result of the internal business restructuring of Lightway Green Energy, Hebei Longitech entered into a supplemental agreement (the “**Second Supplemental Agreement**”) with Baoding Lightway and Lightway Green Energy, pursuant to which (i) Lightway Green Energy will replace its wholly-owned subsidiary, Baoding Lightway, as the party to the Master Agreement and the Supplemental Agreement; and (ii) Lightway Green Energy together with its subsidiaries (including Baoding Lightway) will continue to supply the relevant solar modules to members of the Group as contemplated under the Master Agreement and Supplemental Agreement. Lightway Green Energy, same as Baoding Lightway, is principally engaged in new energy technology development and the production and sale of photovoltaics components.

For details, please refer to the announcements of the Company dated 16 November 2016, 19 January 2017, 10 March 2017, 22 December 2017 and the circular dated 21 February 2017.

The total amount purchased for the solar modules from Lightway Green Energy together with its subsidiaries (including Baoding Lightway) for the year ended 31 December 2018 was approximately RMB93,083,000.

Implications under the Listing Rules

Since each of Baoding Lightway and Lightway Green Energy is a company controlled by Mr. Wei Qiang, an executive Director and a chief executive officer of the Company, the transactions contemplated under the Master Agreement (as supplemented by the Supplemental Agreement and the Second Supplemental Agreement) constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

於二零一七年一月十九日，河北隆基泰和與保定光為訂立補充協議(「**補充協議**」)，以將截至二零一七年及二零一八年十二月三十一日止年度的年度上限由人民幣16,000,000元修訂至人民幣420,000,000元(「**修訂上限**」)。有關總協議(經補充協議補充)及經修訂上限的決議案已於二零一七年三月十日舉行的本公司股東特別大會上以投票表決方式正式通過。

於二零一七年十二月二十二日，由於光為綠色能源進行內部業務重組，河北隆基泰和與保定光為及光為綠色能源訂立補充協議(「**第二份補充協議**」)，據此，(i)光為綠色能源將取代其全資附屬公司保定光為作為總協議及補充協議的訂約方；及(ii)光為綠色能源連同其附屬公司(包括保定光為)將繼續按總協議及補充協議所擬定向本集團成員公司供應相關太陽能組件。光為綠色能源從事的業務與保定光為相同，主要為新能源技術發展以及生產及銷售光伏產品。

詳情請參閱本公司日期為二零一六年十一月十六日、二零一七年一月十九日、二零一七年三月十日及二零一七年十二月二十二日的公告及日期為二零一七年二月二十一日的通函。

截至二零一八年十二月三十一日止年度已向光為綠色能源連同其附屬公司(包括保定光為)採購太陽能組件的總金額約為人民幣93,083,000元。

上市規則的涵義

由於保定光為及光為綠色能源均為由本公司執行董事兼行政總裁魏強先生控制的公司，故總協議(經補充協議及第二份補充協議補充)項下擬進行的交易構成上市規則第14A章項下的本公司持續關連交易。

As the applicable percentage ratios (other than the profits ratio) of the transactions contemplated under the Master Agreement (as supplemented by the Supplemental Agreement and the Second Supplement Agreement) exceeded 5%, the transactions contemplated under the Master Agreement (as supplemented by the Supplemental Agreement and the Second Supplement Agreement) were subject to reporting, announcement and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(2) First Master Agreement and Second Master Agreement in relation to the supply of electricity

First Master Agreement

On 10 July 2017, Guangshuo, entered into the master agreement ("**First Master Agreement**") with Longjitaihe Property Co., Ltd. ("**Longjitaihe Property**", 隆基泰和置業有限公司) in respect of the continuing connected transactions between members of the Group and Longjitaihe Property and its subsidiaries.

Pursuant to the terms of the First Master Agreement, members of the Group will lease roof top and related storage and operation spaces from Longjitaihe Property and its subsidiaries for the installation of the solar power plant facilities of the Group, and upon the solar power plants get connected to the grid, supply electricity to Longjitaihe Property and its subsidiaries.

No rent is payable by Guangshuo in respect of the leasing of roof tops and other operational spaces from Longjitaihe Property. This arrangement is in-line with common market practice and in-line with the agreement commonly adopted by Guangshuo with independent third party customers under equivalent circumstances.

In respect of the supply of electricity by Guangshuo to Longjitaihe Property, the fees will be based on the unit price per kWh as published by the Provincial Price Bureau of which the power station projects are located at (which is subject to adjustment from time to time), with a discount of no more than 20% being offered in comprehensive consideration of the free rental of roof top and the electricity usage of the landlord, etc. The transactions under such electricity purchase agreement are conducted in the usual and ordinary course of business of the Group on normal commercial terms, and under equivalent conditions, the terms and consideration are similar to those offered to independent third party customers.

由於總協議(經補充協議及第二份補充協議補充)項下擬進行的交易的適用百分比率(除盈利比率外)超過5%，故總協議(經補充協議及第二份補充協議補充)項下擬進行的交易須遵守上市規則第14A章項下有關申報、公告及獨立股東批准的規定。

(2) 有關供應電力的首份總協議及第二份總協議

首份總協議

於二零一七年七月十日，光碩與隆基泰和置業有限公司(「隆基泰和置業」)訂立總協議(「首份總協議」)，內容有關本集團成員公司與隆基泰和置業及其附屬公司的持續關連交易。

根據首份總協議的條款，本集團成員公司將向隆基泰和置業及其附屬公司租賃屋頂以及相關貯存及操作空間，以供安裝本集團的光伏電站設施，並將於光伏電站併網發電後向隆基泰和置業及其附屬公司供應電力。

光碩毋須就向隆基泰和置業租賃屋頂及其他操作空間支付租金。此安排乃符合一般市場慣例，亦符合光碩在同等情況下與獨立第三方客戶通常所採納的協議。

就光碩向隆基泰和置業所供應的電力而言，費用將以電站項目所在地省物價局所發佈的每千瓦時單位價格計算(可不時調整)，並於綜合考慮免費租賃屋頂及業主用電量等情況後提供不多於20%的折扣。該購電協議項下的交易乃本集團於一般及日常業務過程中按正常商業條款進行，且在同等條件下，其條款及代價與提供予獨立第三方客戶者相若。

The First Master Agreement has a term of 20 years for the leases and a term of 25 years for the supply of electricity. The annual caps under the First Master Agreement in respect of the supply of electricity to Longjitaihe Property during the term of the agreement will not exceed RMB10,000,000.

Longjitaihe Property is a company controlled and owned by Mr. Wei Shaojun, a non-executive Director and the controlling shareholder of the Company. The transactions contemplated under the First Master Agreement constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Second Master Agreement

On 10 July 2017, Guangshuo entered into the master agreement (the “**Second Master Agreement**”) with Longjitaihe Industrial Co., Ltd (“**Longjitaihe Industrial**”, 隆基泰和實業有限公司) and Lightway Green Energy in respect of the continuing connected transactions between members of the Group and Longjitaihe Industrial, Lightway Green Energy and their subsidiaries.

Pursuant to the terms of the Second Master Agreement, members of the Group will lease roof top and related storage and operation spaces from Longjitaihe Industrial and Lightway Green Energy and their subsidiaries for the installation of the solar power plant facilities of the Group, and upon the solar power plants get connected to the grid, supply electricity to Longjitaihe Industrial and Lightway Green Energy and their subsidiaries.

No rent is payable by Guangshuo in respect of the leasing of roof tops and other operational spaces from Longjitaihe Industrial and Lightway Green Energy under the Second Master Agreement. This arrangement is in-line with common market practice and in-line with the agreement commonly adopted by Guangshuo with independent third party customers under equivalent circumstances.

In respect of the supply of electricity by Guangshuo, the fees will be based on the unit price per kWh as published by the Provincial Price Bureau of which the power station projects are located at (which is subject to adjustment from time to time), with a discount of no more than 20% being offered in comprehensive consideration of the free rental of roof top and the electricity usage of the landlord, etc. The transactions under such electricity purchase agreement are conducted in the usual and ordinary course of business of the Group on normal commercial terms, and under equivalent conditions, the terms and consideration are similar to those offered to independent third party customers.

首份總協議的租賃期限為20年，而電力供應期限為25年。於協議期內，首份總協議項下就向隆基泰和置業供應電力的年度上限將不會超過人民幣10,000,000元。

隆基泰和置業乃由本公司非執行董事兼控股股東魏少軍先生控股擁有的公司。根據上市規則第14A章，首份總協議項下擬進行的交易構成本公司的持續關連交易。

第二份總協議

於二零一七年七月十日，光碩與隆基泰和實業有限公司(「**隆基泰和實業**」)及光為綠色能源訂立總協議(「**第二份總協議**」)，內容有關本集團成員公司與隆基泰和實業、光為綠色能源及其附屬公司的持續關連交易。

根據第二份總協議的條款，本集團成員公司將向隆基泰和實業以及光為綠色能源及其附屬公司租賃屋頂以及相關貯存及操作空間，以供安裝本集團的光伏電站設施，並將於光伏電站併網發電後向隆基泰和實業以及光為綠色能源及其附屬公司供應電力。

根據第二份總協議，光碩毋須就向隆基泰和實業及光為綠色能源租賃屋頂及其他操作空間支付租金。此安排乃符合一般市場慣例，亦符合光碩在同等情況下與獨立第三方客戶通常所採納的協議。

就光碩所供應的電力而言，費用將以電站項目所在地省物價局所發佈的每千瓦時單位價格計算(可不時調整)，並於綜合考慮免費租賃屋頂及業主用電量等情況後提供不多於20%的折扣。該購電協議項下的交易乃本集團於一般及日常業務過程中按正常商業條款進行，且在同等條件下，其條款及代價與提供予獨立第三方客戶者相若。

The Second Master Agreement has a term of 20 years for the leases and a term of 25 years for the supply of electricity. The annual caps under the Second Master Agreement in respect of the supply of electricity to Longjitaihe Industrial and Lightway Green Energy during the term of the agreement will not be exceed RMB8,000,000.

Longjitaihe Industry and Lightway Green Energy are companies respectively controlled and owned by Mr. Wei Shaojun and Mr. Wei Qiang, both are the Directors of the Company. The transactions contemplated under the Second Master Agreement constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

For details, please refer to the announcements of the Company dated 27 April 2017, 9 June 2017, 10 July 2017 and the circular dated 22 May 2017.

The transaction amounts under the First Master Agreement and the Second Master Agreement for the year ended 31 December 2018 were approximately RMB5,147,000 and RMB494,000 respectively.

Implications under the Listing Rules

As the annual caps in respect of the continuing connected transactions under the First Master Agreement and the Second Master Agreement on an aggregate bases are expected to be more than 0.1% but less than 5%, the First Master Agreement and the Second Master Agreement are subject to the reporting, announcement and annual review requirements and exempted from the independent Shareholders' requirement under Chapter 14A of the Listing Rules.

Rule 14A.52 of the Listing Rules provides that the duration of continuing connected transaction agreements must be fixed and reflect normal commercial terms and, except in special circumstances, must not exceed three years. As both the First Master Agreement and the Second Master Agreement have a term of 20 years for the leases and 25 years for the supply of electricity, the Company has engaged Southwest Securities (HK) Capital Limited, an independent financial adviser, to review and analyse the terms of the First Master Agreement and the Second Master Agreement and the independent financial adviser has confirmed and formed the view that it was usual and normal business practice for agreements in the nature of the First Master Agreement and the Second Master Agreement to be of such durations.

第二份總協議的租賃期限為20年，而電力供應期限為25年。於協議期內，第二份總協議項下就向隆基泰和實業及光為綠色能源供應電力的年度上限將不會超過人民幣8,000,000元。

隆基泰和實業及光為綠色能源科技分別由魏少軍先生及魏強先生(均為本公司董事)控股擁有的公司。根據上市規則第14A章，第二份總協議項下擬進行的交易構成本公司的持續關連交易。

詳情請參閱本公司日期分別為二零一七年四月二十七日、二零一七年六月九日及二零一七年七月十日的公告及二零一七年五月二十二日的通函。

截至二零一八年十二月三十一日止年度，首份總協議及第二份總協議的交易金額分別約為人民幣5,147,000元及人民幣494,000元。

上市規則的涵義

由於預期首份總協議及第二份總協議項下持續關連交易的年度上限按合計基準將多於0.1%但少於5%，故首份總協議及第二份總協議須遵守上市規則第14A章項下的申報、公告及年度審閱規定，並獲豁免遵守獨立股東批准的規定。

上市規則第14A.52條規定，持續關連交易協議的期限必須為固定且反映一般商業條款，除特殊情況外，不得超過三年。由於首份總協議及第二份總協議就租賃而言均為期20年，而就電力供應而言則為期25年，故本公司已委聘獨立財務顧問西證(香港)融資有限公司審閱及分析首份總協議及第二份總協議的條款，而獨立財務顧問已確認並認為就首份總協議及第二份總協議的性質而言，該等協議的有關年期屬一般及正常商業慣例。

(3) Revolving Loan Agreement

On 13 June 2018, the Company entered into the revolving loan agreement (the “**Revolving Loan Agreement**”) with Longjitaihe Industrial, pursuant to which the Company has agreed to provide through the Company or any of its subsidiaries to Longjitaihe Industrial or any one of its subsidiaries, and/or third parties designed by Longjitaihe Industrial, collectively or individually, a revolving loan in an aggregate principal amount of up to RMB110 million for the availability period commenced from 13 June 2018 and ending on 12 June 2019.

For details, please refer to the announcement of the Company dated 13 June 2018.

The transaction amount for the year ended 31 December 2018 was approximately RMB109,650,000.

Implications under the Listing Rules

As at the date of the Revolving Loan Agreement, Longjitaihe Industrial was held as to 99% by Mr. Wei Shaojun, the non-executive Director and the controlling shareholder of the Company. Accordingly, the Revolving Loan Agreement and the transaction contemplated thereunder constituted continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the transaction under the Revolving Loan Agreement exceeded 0.1% but were less than 5%, the transaction was only subject to reporting, annual review and announcement requirements but were exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(4) Provision of management service to Longchuang

On 8 October 2018, Guangshuo, an indirect wholly-owned subsidiary of the Company, entered into the Services Agreement with Longchuang, pursuant to which Guangshuo has agreed to provide management service to Longchuang for the periods (i) between 1 November 2018 to 31 December 2018 (the “**Service Year 2018**”) and (ii) between 1 January 2019 to 30 March 2019 (the “**Service Year 2019**”).

The annual caps for the management services under the Services Agreement are (i) RMB13,100,000 for the Service Year 2018; and (ii) RMB21,900,000 for the Service Year 2019.

(3) 循環貸款協議

於二零一八年六月十三日，本公司與隆基泰和實業訂立循環貸款協議（「**循環貸款協議**」），據此，本公司同意透過本公司或其任何附屬公司向（共同或個別）隆基泰和實業或其任何一間附屬公司及／或隆基泰和實業指定的第三方提供循環貸款，本金總額最高為人民幣110百萬元，有效期限由二零一八年六月十三日開始並於二零一九年六月十二日結束。

詳情請參閱本公司日期為二零一八年六月十三日的公告。

截至二零一八年十二月三十一日止年度的交易金額約為人民幣109,650,000元。

上市規則的涵義

於循環貸款協議日期，隆基泰和實業由本公司非執行董事及控股股東魏少軍先生持有99%權益，因此，循環貸款協議及其項下擬進行的交易構成上市規則第14A章項下的本公司持續關連交易。

由於循環貸款協議項下交易的適用百分比率超過0.1%但低於5%，該交易僅須遵守上市規則第14A章項下申報、年度審核及公告規定，但獲豁免遵守通函及獨立股東批准規定。

(4) 向隆創提供管理服務

於二零一八年十月八日，本公司間接全資附屬公司光碩與隆創訂立服務協議，據此，光碩同意於(i)二零一八年十一月一日至二零一八年十二月三十一日期間（「**二零一八年服務年度**」）及(ii)二零一九年一月一日至二零一九年三月三十日期間（「**二零一九年服務年度**」）向隆創提供管理服務。

服務協議項下管理服務的年度上限為：(i)二零一八年服務年度為人民幣13,100,000元；及(ii)二零一九年服務年度為人民幣21,900,000元。

For details, please refer to the announcement of the Company dated 8 October 2018.

The transaction amount for the year ended 31 December 2018 was approximately RMB12,264,000.

Implications under the Listing Rules

Since Longchuang is owned as to 99% by Mr. Wei Shaojun, the non-executive Director and the controlling shareholder of the Company, and 1% by his daughter, Longchuang is therefore a connected person and the transactions contemplated under the Services Agreement constitute continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the provision of such services on an aggregated basis were more than 0.1% but less than 5%, the transactions contemplated under the Services Agreement were subject to the reporting, announcement and annual review requirements but were exempt from the circular and independent shareholder's approval requirements under Chapter 14A of the Listing Rules.

The independent non-executive Directors have reviewed the continuing connected transactions set out above and have confirmed that the continuing connected transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "**Assurance Engagements Other Than Audits or Reviews of Historical Financial Information**" and with reference to Practice Note 740 "**Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules**" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued their unqualified letter containing the auditor's findings and conclusions in respect of the continuing connected transactions above-mentioned in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been submitted by the Company to the Stock Exchange.

詳情請參閱本公司日期為二零一八年十月八日的公告。

截至二零一八年十二月三十一日止年度的交易金額約為人民幣12,264,000元。

上市規則的涵義

由於隆創由本公司非執行董事及控股股東魏少軍先生及其女兒分別擁有99%及1%權益，故隆創為關連人士，而服務協議項下擬進行的交易構成上市規則第14A章項下的本公司持續關連交易。

由於提供該等服務的適用百分比率按會計基準多於0.1%但少於5%，故服務協議項下擬進行的交易須遵守上市規則第14A章項下的申報、公告及年度審閱規定，惟獲豁免遵守通函及獨立股東批准的規定。

獨立非執行董事已審閱上文所載述的持續關連交易，並確認該等持續關連交易乃：(i)於本集團一般及日常業務過程中；(ii)按一般商業條款或較佳的條款；及(iii)根據規管該等交易的有關協議按公平合理且符合股東整體利益的條款訂立。

本公司的核數師接受委聘，按照香港會計師公會頒佈的《香港鑒證業務準則》第3000號(經修訂)「**非審核或審閱過往財務資料的鑒證工作**」，並參考《實務說明》第740號「**關於香港《上市規則》所述持續關連交易的核數師函件**」，就本集團的持續關連交易作出報告。核數師已按照上市規則第14A.56條出具無保留意見函件，載列有關前述持續關連交易的核數師審核結果及結論。本公司已向聯交所提交核數師函件副本。

Save for the connected transactions and the continuing connected transactions disclosed above, the Board is of the view that those material related party transactions disclosed in note 37 to the audited consolidated financial statements as contained in this annual report do not constitute “connected transactions” or “continuing connected transactions”, as the case may be, that are subject to the reporting, announcement or independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules in respect of the above connected transactions.

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group’s five largest customers accounted for approximately 86% (2017: 91%) of the total sales for the Reporting Period and sales to the largest customer included therein amounted to 51% (2017: 56%) of the total sales for the Reporting Period. Purchases from the Group’s five largest suppliers accounted for approximately 72% (2017: 57%) of the total purchase for the Reporting Period and purchase from the Group’s largest supplier included therein amounted to 32% (2017: 41%) of the total purchase for the Reporting Period.

Of the five largest customers, Longchuang is a company controlled by Mr. Wei Shaojun, the non-executive Director and the controlling shareholder of the Company, and is thus a connected person of the Company. The Group’s sales to Longchuang amounted to 2.51% (2017: nil) of the total sales for the Reporting Period. For details, please refer to the section headed “Connected Transactions” (2) “Provision of services to Longchuang” and the section headed “Continuing Connected Transactions” (4) “Provision of management service to Longchuang” in the “Report of Directors”.

Of the five largest suppliers, Lightway Green Energy and Baoding Lightway are the companies controlled by Mr. Wei Qiang, an executive Director and the chief executive officer of the Company, and are the connected persons of the Company. The Group’s purchase from Lightway Green Energy and Baoding Lightway amounted to 32% (2017: 41%) of the total purchase for the Reporting Period. For details, please refer to the section headed “Continuing Connected Transactions” (1) “Master Agreement and Supplemental Agreements in relation to the supply of solar modules” in the “Report of Directors”.

Save as disclosed above, during the Reporting Period, none of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the number of issued shares) had any interest in the Group’s five largest customers or suppliers.

除上文所披露的關連交易及持續關連交易外，董事會認為，本年報所載經審核綜合財務報表附註37所披露的該等重大關聯方交易並不構成須遵守上市規則第14A章有關申報、公告或獨立股東批准規定的「關連交易」或「持續關連交易」(視情況而定)。本公司已就上述關連交易遵守上市規則第14A章的披露規定。

主要客戶及供應商

本集團向五大客戶所作銷售額佔本報告期間總銷售額約86%(二零一七年: 91%)，其中向最大客戶所作銷售額佔本報告期間總銷售額的51%(二零一七年: 56%)。本集團向五大供應商所作採購額佔本報告期間總採購額約72%(二零一七年: 57%)，其中向本集團最大供應商所作採購額佔本報告期間總採購額的32%(二零一七年: 41%)。

前五大客戶中，隆創由本公司非執行董事及控股股東魏少軍先生控制的公司，為本公司的關連人士。本集團向隆創所作銷售額佔本報告期間總銷售額的約2.51%(二零一七年: 無)。具體請見「董事會報告」中有關「關聯交易」章節(2)「向隆創提供服務」及「持續關連交易」章節(4)「向隆創提供管理服務」。

前五大供應商中，光為綠色能源及保定光為由本公司執行董事及行政總裁魏強先生控制的公司，為本公司的關連人士，本集團向其所作採購額佔本報告期間總採購額的約32%(二零一七年: 41%)。具體請見「董事會報告」中有關「持續關連交易」章節(1)「有關供應太陽能組件的總協議及補充協議」。

除上述所披露者外，於本報告期間，董事或彼等的任何緊密聯繫人或任何股東(就董事所知擁有已發行股份數目5%以上者)概無於本集團五大客戶或供應商中擁有任何權益。

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group understands that employees are valuable assets. The Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

The Group also understands that it is important to maintain good relationship with its suppliers and customers to fulfil its immediate and long-term goals. To maintain its brand competitiveness and dominant status, the Group aims at delivering constantly high standards of quality in the products and service to its customers. During the Reporting Period, there was no material and significant dispute between the Group and its suppliers and/or customers.

DIRECTORS

The Directors during the Reporting Period and currently are as follows:

Executive Directors

Mr. Wei Qiang (*Chairman and Chief Executive Officer*)

Mr. Yuen Chi Ping (*Vice-chairman and Co-Chief Executive Officer*)
(appointed on 27 April 2018)

Dr. Liu Zhengang

Non-executive Director

Mr. Wei Shaojun

Independent non-executive Directors

Dr. Han Qinchun

Mr. Wong Yik Chung, John

Mr. Han Xiaoping

In accordance with article 108(a) of the Articles of Association, at the forthcoming Meeting to be held, Mr. Wei Qiang, Mr. Han Xiaoping and Dr. Liu Zhengang will retire from office as Directors, and being eligible, have offered themselves for re-election as Directors. At the forthcoming Meeting, ordinary resolutions will be proposed to re-elect Mr. Wei Qiang, Mr. Han Xiaoping and Dr. Liu Zhengang.

與僱員、客戶及供應商的關係

本集團明白僱員是寶貴資產，因此提供具競爭力的薪酬待遇以吸引及激勵僱員。本集團會定期檢討僱員的薪酬待遇，並於有需要時作出調整以符合市場水平。

本集團亦明白與供應商和客戶維持良好關係對達成其即時及長遠目標的重要性。本集團為保持其品牌的競爭力及主導地位，銳意向客戶提供始終如一的優質產品和服務。於本報告期間，本集團與供應商及／或客戶並無發生任何實質和重大的爭議。

董事

於本報告期間及目前的董事如下：

執行董事

魏強先生(主席兼行政總裁)

袁志平先生(副主席兼聯席行政總裁)

(於二零一八年四月二十七日獲委任)

劉振剛博士

非執行董事

魏少軍先生

獨立非執行董事

韓秦春博士

黃翼忠先生

韓曉平先生

根據章程第108(a)條，在應屆大會上，魏強先生、韓曉平先生及劉振剛博士各自將退任董事一職，並符合資格及願意膺選連任為董事。於應屆大會上，將提呈普通決議案重選魏強先生、韓曉平先生及劉振剛博士。

BIOGRAPHIES OF DIRECTORS AND OTHER SENIOR MANAGEMENT

The biographical details of the Directors and other senior management are disclosed in the section headed “Directors and Senior Management” of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received a written confirmation from each of the independent non-executive Directors in respect of his independence in accordance with Rule 3.13 of the Listing Rules. The Board considers that all independent non-executive Directors are being considered to be independent by reference to the factors stated in the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming Meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

MANAGEMENT CONTRACTS

Other than the service contracts of the Directors, the Company has not entered into any contract with any individual, firm or body corporate to manage or administer the whole or any substantial part of any business of the Company during the Reporting Period.

REMUNERATION OF THE DIRECTORS

Details of the remuneration of the Directors of the Company are set out in note 39 to the audited consolidated financial statements in this annual report.

董事及其他高級管理層的履歷

董事及其他高級管理層的履歷詳情於本年報「董事及高級管理層」一節披露。

獨立非執行董事的獨立性確認書

本公司已收到各獨立非執行董事根據上市規則第3.13條的規定就其獨立性發出的書面確認。經參考上市規則所述因素，董事會認為所有獨立非執行董事均被視為獨立人士。

董事的服務合約

擬於應屆大會上膺選連任的任何董事概無與本公司訂立的服務合約不得由本公司於一年內終止而毋須支付賠償(法定賠償除外)。

管理合約

除董事的服務合約外，本公司於本報告期間概無與任何人士、公司或法人團體訂立任何合約，以管理或處理本公司任何業務的全部或任何重大部分。

董事的薪酬

本公司董事的薪酬詳情載於本年報經審核綜合財務報表附註39。

EMOLUMENT POLICY

The remuneration committee (the “**Remuneration Committee**”) of the Company is set up for reviewing the Group’s emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group’s operating results, individual performance and comparable market practices. The remunerations of the Directors are determined with reference to the economic situation, the market condition, the responsibilities and duties assumed by each Director as well as their individual performance.

Details of the emoluments of the Directors, and 5 highest paid individuals during the Reporting Period are set out in notes 10 and 39 to the audited consolidated financial statements in this annual report.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of the Company are set out in note 10 to the audited consolidated financial statements in this annual report.

CHANGE TO INFORMATION IN RESPECT OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the change to information in respect of a Director is set out below:

1. On 16 August 2018, Mr. Yuen Chi Ping was appointed as an independent non-executive director of Sun Cheong Creative Development Holdings Limited (listed on the Stock Exchange, stock code: 1781).

Save as disclosed above, for the Reporting Period, there was no change to information which is required to be disclosed and has been disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

薪酬政策

本公司薪酬委員會(「**薪酬委員會**」)的設立旨在根據本集團的經營業績、個人表現及可作比較的市場慣例，檢討本集團的薪酬政策及本集團所有董事及高級管理層的薪酬架構。各董事的薪酬乃參考經濟狀況、市場條件以及各董事所承擔的職責和責任及其個人表現而釐定。

董事及5位最高薪人士於本報告期間的酬金詳情載於本年報經審核綜合財務報表附註10及39。

退休及僱員福利計劃

本公司退休及僱員福利計劃的詳情載於本年報經審核綜合財務報表附註10。

董事的資料變動

根據上市規則第13.51B(1)條，有關董事的資料變動如下：

1. 於二零一八年八月十六日，袁志平先生獲委任為新昌創展控股有限公司的獨立非執行董事(於聯交所上市，股份代號：1781)。

除上文所披露者外，於本報告期間，並無任何資料變動為董事根據上市規則第13.51(2)條(a)至(e)段及(g)段須予及已予披露者。

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 37 to the audited consolidated financial statements and in the section headed "Connected Transactions and Continuing Connected Transactions" in this annual report, neither Director nor entity connected with the Directors had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group subsisting at any time during the Reporting Period or at the end of the year to which the Company, its holding company, or any of its subsidiaries was a party.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

DIRECTORS' INTEREST IN COMPETING BUSINESS

Save as disclosed below, as at 31 December 2018, none of the Directors or any of their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

Pursuant to Rule 8.10(2) of the Listing Rules, the following current Directors held share interests and/or directorships in companies engaged in businesses which compete or likely to compete, either directly or indirectly, with the businesses of the Group:

董事於重大交易、安排或合約的權益

除本年報經審核綜合財務報表附註37「關連交易及持續關連交易」一節所披露者外，董事及與董事有關連的實體概無於本公司、其控股公司或其任何附屬公司訂立而於本報告期間內任何時間或年末存續，且與本集團業務有重大關係的任何交易、安排或合約中直接或間接擁有重大權益。

董事收購股份或債券的權利

除本年報內另作披露者外，於本報告期間內任何時間，本公司或其任何附屬公司並無訂立任何安排，致使董事可藉收購本公司或任何其他法人團體的股份或債券而獲益，而董事或其任何配偶或未滿18歲子女亦無獲授任何權利，以認購本公司或任何其他法人團體的股本或債務證券，或已行使任何有關權利。

董事於競爭業務的權益

除下文所披露者外，於二零一八年十二月三十一日，董事或彼等各自的任何聯繫人概無從事與本集團業務構成或可能構成直接或間接競爭的任何業務或於當中擁有任何權益。

根據上市規則第8.10(2)條，以下現任董事於從事業務與本集團業務構成或可能構成直接或間接競爭的公司中持有股份權益及／或擔任董事：

Mr. Wei Shaojun holds share interests and directorships in Longjitaihe industrial (together with its subsidiary “Longjitaihe Group”), Longjitaihe Group engages in businesses of public infrastructure construction business. As smart energy business constitutes the Group’s principal business activities, the Group currently has no plan to further expand public infrastructure construction business after the Baoding Donghu Project is complete. On this basis, there does not exist any material competition between the businesses of the Group and those of the Longjitaihe Group.

Mr. Wei Qiang holds share interests and directorships in Lightway Green Energy and Baoding Lightway which engage in businesses of clean energy, mainly the production and sales of photovoltaic components and the development, construction and operation of solar power plants.

As the Group acquired a 10.2 MW distributed solar power plant located at the Lightway Industrial Park from Baoding Lightway on 4 October 2018, Lightway Green Energy (including its subsidiary) does not hold any solar power plants. Therefore, there does not exist any material competition between the businesses of the Group and those of the Lightway Green Energy (including its subsidiary).

In the future, the Group will be the main entity carrying out the business of smart energy and other clean energy, the Longjitaihe Group and Lightway Green Energy(including its subsidiary) will not participate in the smart energy and other clean energy business that will be competed with the Group.

Each of the Directors is aware of his fiduciary duties as a Director of the Company which require, among other things, that he acts for the benefit and in the best interests of the Company and avoids any conflicts between his duties as a Director and his personal interest.

As the Board is independent of the boards of the aforesaid companies and maintains three independent non-executive Directors, the Group operates its businesses independently of, and at arm’s length from, the businesses of the aforesaid companies.

魏少軍先生於隆基泰和實業(連同其附屬公司為「隆基泰和集團」)持有股份權益及擔任董事，而隆基泰和集團乃從事公建建設業務。由於本集團的主要業務活動為智慧能源，於保定東湖項目完結後，本集團目前沒有計劃進一步拓展公建建設業務。因此，本集團的業務與隆基泰和集團的業務不存在重大競爭。

魏強先生於光為綠色能源及保定光為持有股份權益及擔任董事，而該等公司乃從事清潔能源(主要為光伏組件的生產及銷售以及光伏電站的開發、建設及運營)的業務。

由於本集團於二零一八年十月四日向保定光為收購位於光為工業園之10.2兆瓦分佈式太陽能電站，光為綠色能源(包括其附屬公司)並不擁有任何光伏電站。因此，本集團的業務與光為綠色能源(包括其附屬公司)的業務不存在重大競爭。

於未來，智慧能源及其他清潔能源業務將主要通過本集團進行，隆基泰和集團及光為綠色能源(包括其附屬公司)將不再參與與本集團存在競爭的智慧能源及其他清潔能源業務。

董事各自瞭解其作為本公司董事的受信責任，即(其中包括)其行事須以本公司的利益為依歸並符合本公司的最佳利益，亦須避免其董事職責與本身的個人利益產生任何衝突。

由於董事會乃獨立於上述公司的董事會且成員包括三名獨立非執行董事，故本集團獨立於上述公司的業務按公平基準經營其業務。

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) on 22 November 2011.

1. Purpose

The purpose of the Share Option Scheme is to attract and retain the eligible persons, to provide additional incentive to them and to promote the success of the business of the Group.

2. Participants

The Board is authorised, at their absolute discretion and subject to the terms of the Share Option Scheme, to grant options to subscribe the Shares to, inter alia, any employees (full-time and part-time), directors, consultants, advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group.

3. Total number of Shares available for issue under the Share Option Scheme

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme shall not in aggregate exceed 10% of the number of the issued Shares of the Company as at the Listing Date. On 12 June 2018, the Company had refreshed the scheme mandate limit of the Share Option Scheme to 10% of the aggregate number of the Shares of the Company in issue as at that date, i.e. a total of 137,842,200 Shares, representing 9.28% of the number of the Shares of the Company in issue as at the date of this report.

4. Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of options granted to any grantee (including both exercised and outstanding options) under the Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue.

5. Period within which the Shares must be taken up under an option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

購股權計劃

本公司於二零一一年十一月二十二日採納一項購股權計劃(「購股權計劃」)。

1. 目的

購股權計劃旨在吸引及挽留合資格人士，向彼等提供額外獎勵以及推動本集團業務創出佳績。

2. 參與者

董事會獲授權全權酌情根據購股權計劃的條款，向(其中包括)本集團任何僱員(全職及兼職)、董事、諮詢人、顧問、分銷商、承包商、供應商、代理、客戶、商業夥伴或服務供應商授出購股權，以供認購股份。

3. 根據購股權計劃可供發行的股份總數

根據購股權計劃可予授出的購股權所涉及的股份數目上限，合共不得超出於上市日期本公司已發行股份數目的10%。於二零一八年六月十二日，本公司已更新購股權計劃的計劃授權限額至該日本公司已發行股份總數的10%，即合共137,842,200股股份，佔本公司於本報告日期已發行股份數目的9.28%。

4. 各參與者的配額上限

截至授出日期止任何12個月期間，任何承授人因行使根據購股權計劃獲授的購股權(包括已行使及尚未行使的購股權)而獲發行及將獲發行的股份總數，不得超過已發行股份的1%。

5. 根據購股權必須認購股份的期限

購股權可於董事會可能釐定的期間內隨時根據購股權計劃的條款行使，惟有關期間不得超過由授出日期起計十年，並受有關提前終止條文所規限。

6. Minimum period for which an option must be held before it can be exercised

The Board may in its absolute discretion set a minimum period for which an option must be held and performance targets that must be achieved before an option can be exercised.

7. Time of acceptance and the amount payable on acceptance of the option

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK\$1.00.

8. Basis of determining the subscription price

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall not be lower than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option.

9. Life of the Share Option Scheme

The Share Option Scheme became unconditional on the Listing Date and shall be valid and effective for a period of ten years commencing on 22 November 2011, subject to the early termination provisions contained in the Share Option Scheme. As at 31 December 2018, the remaining life of the Share Option Scheme is approximately 2 years and 11 months.

The Company shall be entitled to issue options, provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme does not exceed 10% of the shares in issue as at 12 June 2018, the date on which the Company had refreshed the scheme mandate limit of the Share Option Scheme. The Company may at any time refresh such limit, subject to the shareholders' approval and issue of a circular in compliance with the Listing Rules, provided that the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the Shares in issue at the time.

6. 於購股權行使前必須持有購股權的最短期限

董事會可全權酌情設定行使購股權前必須持有購股權的最短期限及須達成的表現目標。

7. 接納時限及接納購股權時應付的款項

授出購股權的要約限於發出有關要約日期(包括當日)起七日內接納。購股權的承授人須於接納要約時就獲授的購股權向本公司支付1.00港元。

8. 認購價的釐定基準

根據購股權計劃授出的任何特定購股權所涉及股份的認購價由董事會全權釐定並通知參與者，且不得低於以下各項的最高者：(i)於購股權授出日期聯交所每日報價表所示的股份收市價；(ii)緊接購股權授出日期前5個營業日聯交所每日報價表所示的股份平均收市價；及(iii)股份於購股權授出日期的面值。

9. 購股權計劃的有效

購股權計劃已於上市日期成為無條件，並於二零一一年十一月二十二日起計十年期間有效及生效，惟可根據購股權計劃所載的條文提前終止。於二零一八年十二月三十一日，購股權計劃的餘下期限約為二年及十一個月。

本公司將有權發行購股權，惟行使根據購股權計劃授出的所有購股權時可能發行的股份總數不得超過截至二零一八年六月十二日已發行股份的10%，即本公司於該日期已更新購股權計劃的計劃授權限額。本公司可於任何時間更新有關上限，惟須於取得股東批准並遵照上市規則刊發通函後，方可作實，而行使根據本公司所有購股權計劃授出的所有尚未行使及有待行使的購股權時可能發行的股份總數不得超過當時已發行股份的30%。

Report of Directors (Continued)

董事會報告(續)

As at 31 December 2018, details of the movement of the share options under the Share Option Scheme are as follows:

於二零一八年十二月三十一日，購股權計劃項下有關購股權變動的詳情如下：

Name and category of participants	Date of grant	Exercise period	Closing price preceding date of grant (HK\$ per share)	Exercise price (HK\$ per Share)	Adjusted exercise price (HK\$ per Share) (Note 1)	Number of Share Options					As at 31 December 2018
						As at 1 January 2018	Granted during the Period	Exercised during the Period	Cancelled during the Period	Lapsed during the Period	
參與者姓名及類別	授出日期	行使期間	授出日期前的收市價 (每股港元)	行使價 (每股港元)	經調整行使價 (每股港元) (附註1)	於二零一八年一月一日	期內授出	期內行使	期內註銷	期內失效	於二零一八年十二月三十一日
<i>Directors</i>											
<i>董事</i>											
Mr. Yuen Chi Ping (Note 2) 袁志平先生(附註2)	26 January 2018 二零一八年一月二十六日	26 January 2019 to 25 January 2028 (Note 3) 二零一九年一月二十六日至二零二八年一月二十五日(附註3)	1.711	2.132	1.7796	—	11,008,998	—	—	—	11,008,998
Dr. Liu Zhengang 劉振剛博士	19 January 2017 二零一七年一月十九日	19 January 2018 to 21 November 2021 (Note 3) 二零一八年一月十九日至二零二一年十一月二十一日(附註3)	1.603	2.2	1.8364	1,198,000	—	—	—	—	1,198,000
	11 May 2018 二零一八年五月十一日	1 February 2019 to 10 May 2028 二零一九年二月一日至二零二八年五月十日	2.42	2.4	N/A 不適用	—	780,000	—	—	—	780,000
	14 September 2018 二零一八年九月十四日	1 April 2019 to 31 March 2026 (Note 3) 二零一九年四月一日至二零二六年三月三十一日(附註3)	2	2	N/A 不適用	—	4,020,000	—	—	—	4,020,000
Dr. Han Qinchun 韓秦春博士	26 January 2018 二零一八年一月二十六日	26 January 2018 to 25 January 2028 二零一八年一月二十六日至二零二八年一月二十五日	1.711	2.132	1.7796	—	359,400	—	—	—	359,400
Mr. Wong Yik Chung, John 黃翼忠先生	26 January 2018 二零一八年一月二十六日	26 January 2018 to 25 January 2028 二零一八年一月二十六日至二零二八年一月二十五日	1.711	2.132	1.7796	—	359,400	—	—	—	359,400
Mr. Han Xiaoping 韓曉平先生	26 January 2018 二零一八年一月二十六日	26 January 2018 to 25 January 2028 二零一八年一月二十六日至二零二八年一月二十五日	1.711	2.132	1.7796	—	359,400	—	—	—	359,400
Subtotal 小計						1,198,000	16,887,198				18,085,198
<i>Other eligible persons</i>											
<i>其他合資格人士</i>											
	19 January 2017 二零一七年一月十九日	19 January 2017 to 21 November 2021 (Note 3) 二零一七年一月十九日至二零二一年十一月二十一日(附註3)	1.603	2.2	1.8364	11,141,400	—	—	—	—	11,141,400
	26 January 2018 二零一八年一月二十六日	26 January 2019 to 25 January 2028 (Note 3) 二零一九年一月二十六日至二零二八年一月二十五日(附註3)	1.711	2.132	1.7796	—	22,017,993	—	—	—	22,017,993
	26 January 2018 二零一八年一月二十六日	26 July 2018 to 25 January 2028 二零一八年七月二十六日至二零二八年一月二十五日	1.711	2.132	1.7796	—	2,336,100	—	—	—	2,336,100
	11 May 2018 二零一八年五月十一日	1 February 2019 to 10 May 2028 二零一九年二月一日至二零二八年五月十日	2.42	2.4	N/A 不適用	—	9,360,000	—	—	(780,000)	8,580,000
	14 September 2018 二零一八年九月十四日	1 April 2019 to 31 March 2026 (Note 3) 二零一九年四月一日至二零二六年三月三十一日(附註3)	2	2	N/A 不適用	—	62,625,000	—	—	—	62,625,000
Subtotal 小計						11,141,400	96,339,093			(780,000)	106,700,493
Total 總計						12,339,400	113,226,291			(780,000)	124,785,691

Notes:

1. Pursuant to the terms of the Share Option Scheme, adjustments are required for the exercise price and the number of Shares available for subscription under the outstanding share options as a result of the Company's rights issue, with effect from 22 March 2018. The exercise prices of the share options granted on 19 January 2017 and 26 January 2018 were adjusted to HK\$1.8364 per Share and HK\$1.7796 per Share, respectively. For details, please refer to the announcement of the Company dated 21 March 2018.
2. Among these 11,008,998 share options, 5,504,499 share options are beneficially owned by Mr. Yuen Chi Ping, and the remaining 5,504,499 share options are held by Dragon Legend Global Limited, which is beneficially wholly-owned by Mr. Yuen Chi Ping.
3. These share options granted will be subject to vesting in three tranches within three years. The vesting of share options is based on the fulfilment of certain performance targets of the Group, including but not limited to the financial performance of the Group as well as the grantee's individual performance.

During the Reporting Period, the fair value of share options granted to the Directors and other eligible persons was HK\$104,468,000 (equivalent to RMB88,338,000), and recognised as administrative expense was HK\$12,308,000 (equivalent to RMB10,407,000).

附註：

1. 根據購股權計劃的條款，由於本公司進行供股，行使價及可根據尚未行使購股權認購之股份數目須作出調整，自二零一八年三月二十二日起生效。分別於二零一七年一月十九日及二零一八年一月二十六日所授出的購股權之行使價獲調整為每股1.8364港元及每股1.7796港元。有關詳情可參閱本公司日期為二零一八年三月二十一日的公告。
2. 該等11,008,998股購股權中，5,504,499股購股權由袁志平先生實益擁有，而另外的5,504,499股購股權由Dragon Legend Global Limited持有，該公司由袁志平先生實益全資擁有。
3. 該等授出之購股權將於3年期間分三批歸屬。購股權的歸屬乃以達成有關本集團的若干表現為目標，包括但不限於本集團的財務表現以及承授人的個人表現。

於本報告期間，授予董事及其他合資格人士的購股權公平值為104,468,000港元(相當於人民幣88,338,000元)，確認為行政開支的購股權的公平值為12,308,000港元(相當於人民幣10,407,000元)。

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND THE CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 31 December 2018, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)) which 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 any interests which they are taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) Interest in the Shares and underlying Shares of Company

Name of Director	Capacity/Nature of Interest	Number of Shares/ underlying Shares held	Approximate Percentage of shareholding
董事姓名	身份／權益性質	所持股份／ 相關股份數目	股權概約百分比
Mr. Wei Shaojun 魏少軍先生	Founder of a discretionary trust ⁽¹⁾ 一項酌情信託的成立人 ⁽¹⁾	422,872,512(L)	28.48%
	Interest of controlled corporations ⁽²⁾ 所控制法團權益 ⁽²⁾	433,154,756(L)	29.18%
	Total 總計	856,027,268(L)	57.66%

董事及主要行政人員於本公司及相聯法團的股份、相關股份及債券中擁有的權益及淡倉

於二零一八年十二月三十一日，董事或本公司主要行政人員於本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例相關條文被當作或視作擁有的任何權益），或根據證券及期貨條例第352條規定須登記於該條所述登記冊的權益及淡倉，或根據上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」）規定須知會本公司及聯交所的權益及淡倉如下：

(i) 於本公司股份及相關股份的權益

Name of Director 董事姓名	Capacity/Nature of Interest 身份／權益性質	Number of Shares/ underlying Shares held 所持股份／ 相關股份數目	Approximate Percentage of shareholding 股權概約百分比
Mr. Wei Qiang 魏強先生	Beneficiary of a discretionary trust ⁽³⁾ 一項酌情信託的受益人 ⁽³⁾	422,872,512(L)	28.48%
Dr. Liu Zhengang 劉振剛博士	Beneficial owner ⁽⁴⁾ 實益擁有人 ⁽⁴⁾	5,998,000(L)	0.40%
Mr. Yuen Chi Ping 袁志平先生	Beneficial owner ⁽⁵⁾ 實益擁有人 ⁽⁵⁾	71,597,830(L)	4.82%
	Interest of controlled corporation ⁽⁵⁾ 所控制法團權益 ⁽⁵⁾	5,504,499(L)	0.37%
	Total 總計	77,102,329(L)	5.19%
Mr. Han Xiaoping 韓曉平先生	Beneficial owner ⁽⁶⁾ 實益擁有人 ⁽⁶⁾	359,400(L)	0.02%
Dr. Han Qinchun 韓泰春博士	Beneficial owner ⁽⁷⁾ 實益擁有人 ⁽⁷⁾	359,400(L)	0.02%
Mr. Wong Yik Chung, John 黃翼忠先生	Beneficial owner ⁽⁸⁾ 實益擁有人 ⁽⁸⁾	359,400(L)	0.02%

Notes:

附註：

1. King River Developments Limited is deemed to be interested in 422,872,512 Shares through its control over Longevity Investment Holding Limited and BNP Paribas Singapore Trust Corporation Limited is deemed to be interested in 422,872,512 Shares through its control over King River Developments Limited, and Mr. Wei Shaojun is deemed to be interested in 422,872,512 Shares as a founder of the discretionary trust. The details of which are set out as follows:

1. King River Developments Limited被視為透過其於Longevity Investment Holding Limited的控制權於422,872,512股股份中擁有權益，及BNP Paribas Singapore Trust Corporation Limited被視為透過其於King River Developments Limited的控制權於422,872,512股股份中擁有權益，而魏少軍先生(作為酌情信託成立人)被視為於422,872,512股股份中擁有權益。有關詳情如下：

Name of controlled corporation 受控制法團名稱	Name of controlling shareholder 控股股東名稱	% control 控股百分比	Direct interest 直接權益	Number of Shares 股份數目
King River Developments Limited	BNP Paribas Singapore Trust Corporation Limited	100.00	N 否	422,872,512(L)
Longevity Investment Holding Limited	King River Developments Limited	100.00	Y 是	422,872,512(L)

- | | |
|---|--|
| <p>2. Such 419,954,756 Shares are beneficially owned by Lightway Power Holdings Limited, which was incorporated in the Cayman Islands. Lightway Power Holdings Limited was wholly-owned by Global Capital Alliance Limited, which was incorporated in the British Virgin Islands and is directly and wholly-owned by Mr. Wei Shaojun. In addition, 13,200,000 Shares are beneficially owned by Harvest Oak Holdings Limited, which was incorporated in the British Virgin Islands and directly and wholly-owned by Mr. Wei Shaojun. Mr. Wei Shaojun is deemed to be interested in 433,154,756 Shares through its controlled corporations.</p> | <p>2. 該等419,954,756股股份由在開曼群島註冊成立之Lightway Power Holdings Limited實益擁有。Lightway Power Holdings Limited由在英屬處女群島註冊成立並由魏少軍先生直接全資擁有之Global Capital Alliance Limited全資擁有。此外，13,200,000股股份由在英屬處女群島註冊成立並由魏少軍先生直接全資擁有之Harvest Oak Holdings Limited實益擁有。魏少軍先生被視為透過其所控制法團於433,154,756股股份中擁有權益。</p> |
| <p>3. Mr. Wei Qiang is deemed to be interested in 422,872,512 Shares as a beneficiary of a trust.</p> | <p>3. 魏強先生(作為信託受益人)被視為於422,872,512股股份中擁有權益。</p> |
| <p>4. Dr. Liu Zhengang is interested in 5,998,000 share options of the Company.</p> | <p>4. 劉振剛博士於5,998,000股本公司購股權中擁有權益。</p> |
| <p>5. Mr. Yuen Chi Ping is interested in 66,093,331 Shares and 11,008,998 share options. Among these 11,008,998 share options, 5,504,499 share options are beneficially owned by Mr. Yuen Chi Ping and the remaining 5,504,499 share options are beneficially held by Dragon Legend Global Limited, which is beneficially wholly-owned by Mr. Yuen Chi Ping. Therefore, Mr. Yuen Chi Ping is deemed to be interested in such share options.</p> | <p>5. 袁志平先生於66,093,331股股份及11,008,998股購股權中擁有權益。該等11,008,998股購股權中，5,504,499股購股權由袁志平先生實益擁有，而另外的5,504,499股購股權由Dragon Legend Global Limited實益擁有，該公司由袁志平先生實益全資擁有。因此，袁志平先生被視為於該等購股權中擁有權益。</p> |
| <p>6. Mr. Han Xiaoping is interested in 359,400 share options of the Company.</p> | <p>6. 韓曉平先生於359,400股本公司購股權中擁有權益。</p> |
| <p>7. Dr. Han Qinchun is interested in 359,400 share options of the Company.</p> | <p>7. 韓秦春博士於359,400股本公司購股權中擁有權益。</p> |
| <p>8. Mr. Wong Yik Chung, John is interested in 359,400 share options of the Company.</p> | <p>8. 黃翼忠先生於359,400股本公司購股權中擁有權益。</p> |
| <p>9. The letter "L" denotes the long position in Shares.</p> | <p>9. 字母「L」表示於股份之好倉。</p> |

(ii) Interest in the Shares of Associated Corporations (ii) 於相聯法團股份的權益

Name of Director 董事姓名	Name of associated corporation 相聯法團名稱	Capacity/Nature of interest 身份/權益性質	Number of Shares held 所持股份數目	Approximate percentage of shareholding 股權概約百分比
Mr. Wei Shaojun 魏少軍先生	Longevity Investment Holding Limited	Beneficial owner 實益擁有人	1(L)	100%
Mr. Wei Shaojun 魏少軍先生	Harvest Oak Holdings Limited	Beneficial owner 實益擁有人	1(L)	100%
Mr. Wei Shaojun 魏少軍先生	Lightway Power Holdings Limited	Beneficial owner 實益擁有人	1(L)	100%

Note: The letter "L" denotes the long position in Shares.

附註：字母「L」表示於股份的好倉。

Save as disclosed above and save for the share options as set out under the section headed "Share Option Scheme", as at 31 December 2018, none of the Directors or chief executive of the Company had any interests or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者及載於「購股權計劃」一節中之購股權外，於二零一八年十二月三十一日，概無董事或本公司主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中擁有任何根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉，或根據證券及期貨條例第352條規定須登記於該條所述登記冊的權益或淡倉，或根據標準守則規定須知會本公司及聯交所的權益或淡倉。

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

主要股東及其他人士於本公司股份及相關股份中擁有的權益及淡倉

As at 31 December 2018, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company as disclosed above) had interests or short positions in Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, which were recorded in the register to be kept by the Company under section 336 of the SFO:

於二零一八年十二月三十一日，就董事所知，下列人士(非上文所披露的本公司董事或主要行政人員)於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須向本公司及聯交所披露的權益或淡倉，或根據證券及期貨條例第336條記錄於本公司須存置的登記冊的權益或淡倉：

(i) Long Position in the Shares and underlying Shares

(i) 於股份及相關股份的好倉

Name of Substantial Shareholder	Capacity/Nature of interest	Number of Shares/ underlying Shares held 所持股份/ 相關股份數目	Approximate percentage of shareholding 股權概約百分比
主要股東名稱	身份／權益性質		
Longevity Investment Holding Limited	Beneficial owner ⁽¹⁾ 實益擁有人 ⁽¹⁾	422,872,512(L)	28.48%
BNP Paribas Singapore Trust Corporation Limited	Trustee ⁽¹⁾ 受託人 ⁽¹⁾	422,872,512(L)	28.48%
King River Developments Limited	Interest of controlled corporation ⁽¹⁾ 受控制法團權益 ⁽¹⁾	422,872,512(L)	28.48%
Lightway Power Holdings Limited	Beneficial owner ⁽²⁾ 實益擁有人 ⁽²⁾	419,954,756(L)	28.29%
Global Capital Alliance Limited	Interest of controlled corporation ⁽²⁾ 受控制法團權益 ⁽²⁾	419,954,756(L)	28.29%
China Create Capital Limited	Beneficial owner 實益擁有人	160,090,000(L)	10.78%
Haitong International Financial Solutions Limited	Beneficial owner	100,000,000(L)	6.74%
海通國際金融服務有限公司	實益擁有人		
Haitong International Holdings Limited	Interest of controlled corporation	100,000,000(L)	6.74%
海通國際控股有限公司	受控制法團權益		

Name of Substantial Shareholder	Capacity/Nature of interest	Number of Shares/ underlying Shares held 所持股份/ 相關股份數目	Approximate percentage of shareholding 股權概約百分比
主要股東名稱	身份/權益性質		
Haitong International Securities Group Limited 海通國際證券集團有限公司	Interest of controlled corporation 受控制法團權益	100,000,000(L)	6.74%
Haitong Securities Co., Ltd. 海通證券股份有限公司	Interest of controlled corporation 受控制法團權益	100,000,000(L)	6.74%
China Ruifeng Renewable Energy Holdings Limited 中國瑞風新能源控股有限公司	Beneficial owner ⁽³⁾ 實益擁有人 ⁽³⁾	88,800,000(L)	5.98%

Notes:

- King River Developments Limited is deemed to be interested in 422,872,512 Shares through its control over Longevity Investment Holding Limited and BNP Paribas Singapore Trust Corporation Limited is deemed to be interested in 422,872,512 Shares through its control over King River Developments Limited, and Mr. Wei Shaojun is deemed to be interested in 422,872,512 Shares as a founder of the discretionary trust.
- Such 419,954,756 Shares are beneficially owned by Lightway Power Holdings Limited, which was incorporated in the Cayman Islands. Lightway Power Holdings Limited was wholly-owned by Global Capital Alliance Limited, which was incorporated in the British Virgin Islands and is directly and wholly-owned by Mr. Wei Shaojun. In addition, 13,200,000 Shares are beneficially owned by Harvest Oak Holdings Limited, which was incorporated in the British Virgin Islands and directly and wholly-owned by Mr. Wei Shaojun. Mr. Wei Shaojun is deemed to be interested in 433,154,756 Shares of controlled corporation.

附註：

- King River Developments Limited 被視為透過其於 Longevity Investment Holding Limited 的控制權於 422,872,512 股股份中擁有權益，及 BNP Paribas Singapore Trust Corporation Limited 被視為透過其於 King River Developments Limited 的控制權於 422,872,512 股股份中擁有權益，而魏少軍先生(作為酌情信託成立人)被視為於 422,872,512 股股份中擁有權益。
- 該等 419,954,756 股股份由在開曼群島註冊成立之 Lightway Power Holdings Limited 實益擁有。Lightway Power Holdings Limited 由在英屬處女群島註冊成立並由魏少軍先生直接全資擁有之 Global Capital Alliance Limited 全資擁有。此外，13,200,000 股股份由在英屬處女群島註冊成立並由魏少軍先生直接全資擁有之 Harvest Oak Holdings Limited 實益擁有。魏少軍先生被視為透過其所控制法團於 433,154,756 股股份中擁有權益。

3. On 7 November 2018, the Company, Longe International Investment Limited, a wholly-owned subsidiary of the Company (as the purchaser), China Ruifeng Renewable Energy Holdings Limited (as the vendor) and Suzlon Energy (Tianjin) Co., Ltd. (as the warrantor) entered into the Sale and Purchase Agreement, pursuant to which, the purchaser agreed to acquire and the vendor agreed to sell, the target company at HK\$195,360,000, which is to be satisfied by the issuance of the convertible bonds in the principal amount of HK\$195,360,000 by the Company, with the conversion price of HK\$2.2 per conversion share. The Sale and Purchase Agreement has lapsed as the conditions precedent of acquisition have not been fulfilled on or before 10 January 2019. For details, please refer to the announcements of the Company dated 7 November 2018, 9 November 2018, 20 November 2018, 7 December 2018 and 10 January 2019.

4. The letter "L" denotes the long position in Shares.

Save as disclosed above, and as at 31 December 2018, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

SIGNIFICANT LEGAL PROCEEDINGS

During the Reporting Period, the Company was not involved in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company.

PERMITTED INDEMNITY PROVISION

The Company's articles of association provide that each Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he or she may sustain or incur in or about the execution of the duties of his or her office or otherwise in relation thereto. In addition, the Company has arranged appropriate directors' and officers' liability insurance in respect of relevant legal actions against the Directors.

3. 於二零一八年十一月七日，本公司、本公司之全資附屬公司Longe International Investment Limited(作為買方)、中國瑞風新能源控股有限公司(作為賣方)及 Suzlon Energy (Tianjin) Co., Ltd.(作為擔保人)訂立買賣協議，據此，買方同意收購，而賣方同意出售目標公司，價格為195,360,000港元，有關代價將由本公司透過發行本金額為195,360,000港元的可換股債券支付，每股換股股份的換股價為2.2港元。由於收購之先決條件並未於二零一九年一月十日或之前達成，買賣協議已告失效。詳情請參閱本公司日期為二零一八年十一月七日、二零一八年十一月九日、二零一八年十一月二十日、二零一八年十二月七日及二零一九年一月十日的公告。

4. 字母「L」表示於股份的好倉。

除上文所披露者外，及於二零一八年十二月三十一日，本公司並無獲任何人士(本公司董事或主要行政人員除外)告知彼於股份或相關股份中擁有或被視為擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露的權益或淡倉，或根據證券及期貨條例第336條規定須登記於該條例所述登記冊的權益或淡倉。

重大法律程序

於本報告期間，本公司概無涉及任何重大訴訟或仲裁，且就董事所知，本公司亦無尚未了結或面臨威脅的任何重大訴訟或申索。

許可彌償條文

本公司組織章程細則規定，本公司各董事或其他高級人員有權就其於履行本身職責時或與此相關的情況下可能蒙受或招致的一切損失或責任，從本公司的資產獲得彌償。此外，本公司已就針對董事提起的相關法律行動，作出適當的董事及高級人員責任保險安排。

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”), comprising the three independent non-executive Directors, has reviewed the Group’s consolidated financial statements for the year ended 31 December 2018 together with the management and the external auditor of the Company. The Audit Committee is of the opinion that such statements have complied with the applicable accounting standards, and the disclosures required by the Stock Exchange and other relevant legal requirements, and that adequate disclosures have been made.

CORPORATE GOVERNANCE

Principal information on the corporate governance practices adopted by the Company is set out in the section headed “Corporate Governance Report” of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the knowledge of the Directors, at least 25% of the Company’s total issued share capital, being the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, are held by the public at all times during the Reporting Period and as of the date of this annual report.

審核委員會

本公司審核委員會(「**審核委員會**」)由三名獨立非執行董事組成，其已與本公司管理層及外部核數師審閱本集團截至二零一八年十二月三十一日止年度的綜合財務報表。審核委員會認為，該等報表已符合適用會計準則以及聯交所的披露要求及其他相關法律規定，並已作出充分披露。

企業管治

有關本公司所採納企業管治常規的主要資料載於本年報「企業管治報告」一節。

足夠公眾持股量

根據本公司公開可得資料及據董事所知，於本報告期間及截至本年報日期，本公司已發行股本總額中至少25%(即聯交所批准及上市規則允許的訂明最低公眾持股量)一直由公眾人士持有。

AUDITOR

The consolidated financial statements for the Reporting Period prepared in accordance with IFRS were audited by PricewaterhouseCoopers who shall retire and, being eligible, offer itself for re-appointment at the forthcoming Meeting of the Company.

By Order of the Board

Wei Qiang

Chairman and Chief Executive Officer

Hebei Province, the PRC, 29 March 2019

核數師

於本報告期間根據國際財務報告準則編製的綜合財務報表已由羅兵咸永道會計師事務所審核。羅兵咸永道會計師事務所將退任，並符合資格及願意於本公司應屆大會上獲續聘。

承董事會命

主席兼行政總裁

魏強

中國河北省，二零一九年三月二十九日

Directors and Senior Management

董事及高級管理層

DIRECTORS

Executive Directors

Mr. Wei Qiang, aged 36, joined the Company as an executive Director, the chief executive officer of the Company and a member of the Remuneration Committee on 11 November 2015. On 29 June 2017, Mr. Wei Qiang was appointed as the chairman of the Board and chairman of the Nomination Committee of the Board. Mr. Wei Qiang has around 11 years of work and management experiences in the clean energy industry. Mr. Wei Qiang is the founder and controlling shareholder of Lightway Green Energy, which mainly engage in businesses of production and sales of photovoltaic components and the development, construction and operation of solar power plants. Mr. Wei Qiang has also been serving as a director of a rural bank initiated by Chengdu Rural Commercial Bank since 2013. On August 2018, Mr. Wei Qiang was appointed as the president of Longjitaihe Holding Group and head of the real estate business division of Longjitaihe Property. From 2003 to 2006, Mr. Wei Qiang studied at the University of Auckland in New Zealand majoring in Finance and from 2007 to 2009, studied business administration and information strategies at Tsinghua University. Mr. Wei Qiang is the son of Mr. Wei Shaojun, the ultimate controlling shareholder of the Company and the non-executive Director.

董事

執行董事

魏強先生，36歲，於二零一五年十一月十一日加入本公司擔任執行董事兼行政總裁及薪酬委員會成員。於二零一七年六月二十九日，魏強先生獲委任為董事會主席及董事會提名委員會主席。魏強先生於清潔能源行業擁有約11年的工作和管理經驗。魏強先生為光為綠色能源的創始人及控股股東，光為綠色能源主要從事光伏組件的生產和銷售及光伏電站的開發、建設和運營業務。魏強先生自二零一三年起擔任由成都農村商業銀行發起的一家農村銀行的董事。於二零一八年八月，魏強先生獲委任為隆基泰和控股集團總裁兼隆基泰和置業房地產事業部總裁。於二零零三年至二零零六年期間，魏強先生就讀於新西蘭奧克蘭大學金融學專業，並於二零零七年至二零零九年期間，兼讀了清華大學的工商管理與信息化戰略專業。魏強先生為本公司最終控股股東兼非執行董事魏少軍先生的兒子。

Directors and Senior Management (Continued) 董事及高級管理層 (續)

Mr. Yuen Chi Ping, aged 40, joined the Company as an executive Director, the vice-chairman of the Board and the co-chief executive officer of the Company on 27 April 2018. Mr. Yuen is primarily responsible for the Group's strategic development; and overseeing and supervising the capital market activities, overseas investment and financing, investor relations and risk management of the Group. Mr. Yuen is a qualified lawyer in both Hong Kong and England and Wales. Mr. Yuen has over 12 years of experience practicing as a lawyer in the PRC and Hong Kong, and has extensive experience in corporate law, China-related public and private mergers and acquisitions, and capital market transactions. Mr. Yuen obtained a bachelor's degree in laws in 2001 and completed the PCLL programme in 2002 in the University of Hong Kong, then undertook his traineeship and worked as a lawyer in various leading international law firms. He worked as a special counsel in the Shanghai office of Baker & McKenzie from 2007 to 2014, responsible for the firm's securities practice in Shanghai. Mr. Yuen has been a non-executive director of Hin Sang Group (International) Holding Co. Ltd. (stock code: 6893) since July 2016; the chief executive officer and an executive director of Applied Development Holdings Limited (stock code: 519) since September 2016; a non-executive director of China High Speed Transmission Equipment Group Co., Ltd. (stock code: 658) since December 2016 and an Independent non-executive director of Sun Cheong Creative Development Holdings Limited (stock code: 1781) since August 2018. Mr. Yuen has also been a director of Pok Oi Hospital (a charity organisation) since April 2017. Mr. Yuen was the chief operation officer of Fullshare Holdings Limited (stock code: 607) from October 2014 to March 2018.

Dr. Liu Zhengang, aged 44, on 29 June 2017, Dr. Liu was appointed as an executive Director. Dr. Liu joined the Company as the operations vice president in November 2015. He is primarily responsible for business plans, market research, technology development and resource-pooling of the Company's smart energy business. Dr. Liu has about 15 years of technical research and management experience in the photovoltaic and clean energy industry. Dr. Liu joined Lightway Green Energy in June 2012 and was appointed as vice president of operations. From 2008 to 2012, Dr. Liu worked at the Institute of Electrical Engineering Chinese Academy of Science (中科院電工所) as a deputy research associate in solar cell technology. From 2005 to 2008, he worked as a senior engineer at Haier Group Central Research Institute (海爾集團中央研究院) in Qingdao, China. From 1998 to 2000, Dr. Liu studied a master course in Organic Chemistry at the Shandong University, and began his doctorate in advance in 2000. Dr. Liu obtained his doctorate in Inorganic Chemistry in 2003. From 2003 to 2005, Dr. Liu began researching at the School of Physics of Peking University (北京大學物理學院) as a postgraduate doctor.

袁志平先生，40歲，於二零一八年四月二十七日加入本公司擔任執行董事、董事會副主席兼聯席行政總裁。袁先生主要負責本集團的策略發展，以及統籌監管本集團的資本市場活動、海外投融資、投資者關係及風險管理。袁先生為香港、英格蘭及威爾斯的合資格律師。袁先生於中國及香港擁有逾12年的執業律師經驗，並在公司法、與中國有關的公私併購，以及資本市場交易方面擁有豐富經驗。袁先生於二零零一年獲得香港大學法學學士學位，並於二零零二年完成香港大學法學專業證書課程，其後彼於多家主要的國際律師事務所進行實習培訓並擔任律師。由二零零七年至二零一四年間，彼於貝克·麥堅時律師事務所上海辦事處擔任特別顧問，負責該行在上海的證券業務。自二零一六年七月起，袁先生為衍生集團(國際)控股有限公司(股份代號：6893)的非執行董事；自二零一六年九月起，彼於實力建業集團有限公司(股份代號：519)出任行政總裁兼執行董事；自二零一六年十二月起，彼為中國高速傳動設備集團有限公司(股份代號：658)的非執行董事；並自二零一八年八月起，彼為新昌創展控股有限公司的獨立非執行董事(股份代號：1781)。自二零一七年四月起，袁先生亦出任博愛醫院(為一家慈善機構)總理。由二零一四年十月至二零一八年三月期間，袁先生於豐盛控股有限公司(股份代號：607)出任首席運營官。

劉振剛博士，44歲，於二零一七年六月二十九日獲委任為執行董事。劉博士於二零一五年十一月加入本公司擔任營運副總裁，主要負責本公司智慧能源業務的商業規劃、市場研究、技術開發及資源整合工作。劉博士擁有約15年的光伏及清潔能源行業的技術研究及管理工作經驗。劉博士於二零一二年六月加入光為綠色能源，獲委任為運營副總裁。於二零零八年至二零一二年，劉博士任職於中科院電工所，擔任太陽能電池技術副研究員。於二零零五年至二零零八年，彼於中國青島的海爾集團中央研究院擔任高級工程師。劉博士於一九九八年至二零零零年就讀於山東大學的有機化學碩士專業，並於二零零零年提前攻讀博士學位，於二零零三年獲無機化學博士學位。二零零三年至二零零五年間，劉博士在北京大學物理學院開展博士後研究。

Non-executive Director

Mr. Wei Shaojun, aged 55 joined the Company as the chairman, an executive Director, chief executive officer and the chairman of the Nomination Committee in January 2015. Mr. Wei resigned as chief executive officer on 11 November 2015. On 29 June 2017, Mr. Wei resigned as the chairman of the Board and chairman of the Nomination Committee of the Board and was re-designated as a non-executive Director. Mr. Wei is the founder, the controlling shareholder and the chairman of Longjitaihe Industrial (together with its subsidiaries collectively, the “**Longjitaihe Group**”) which is engaged in integrated diversified industries including real estate development, commercial operations and new energy and Mr. Wei has more than 22 years of experiences in real property development business operation, business management, etc. Mr. Wei is a National Model Worker, and Peking University Post EMBA. Mr. Wei is currently serving as a director and the chairman of the board of Jiangsu Tongda Technology Co., Ltd. (Shenzhen Stock Exchange, stock code: 002576). Mr. Wei is the father of Mr. Wei Qiang, the executive Director and chief executive officer of the Company.

Independent Non-executive Directors

Dr. Han Qinchun, aged 60, joined the Company as an independent non-executive Director, a member of the Audit Committee and a member of the Nomination Committee in February 2015. Dr. Han had resigned as the member of the Nomination Committee, and was appointed as the chairman of the remuneration committee on 28 June 2016. Dr. Han is currently the president of Hong Kong Internation Financial Assets Market Limited. Dr. Han obtained a Doctorate degree in philosophy in urban economics and management from The University of Hong Kong in 1998. He also obtained a bachelor's degree from Xi'an University of Architecture and Technology in 1982. He has rich experience in the PRC property sector, financial investment, equity capital market and listed companies' management. He had worked in securities and investment in Bank of China International Holdings Limited, Agricultural Bank of China Securities Limited (now known as Agricultural Bank of China International Holdings Limited) and Everbright Securities Company (Hong Kong) Limited. Dr. Han was the director of Real Estate Research Centre of Peking University HSBC Business School from October 2011 to April 2015. He served as the vice-chairman and co-president of Hong Long Holdings Limited (now known as Sun Century Group Limited) from early 2006 to January 2010, a listed company on the Stock Exchange (stock code: 1383). Dr. Han has also been an independent non-executive director of Lingbao Gold Company Ltd., a listed company on the Main Board of the Stock Exchange (stock code: 3330) since March 2012.

非執行董事

魏少軍先生，55歲，於二零一五年一月加入本公司擔任主席、執行董事、行政總裁及提名委員會主席。魏先生於二零一五年十一月十一日辭任行政總裁。於二零一七年六月二十九日，魏先生辭任董事會主席及董事會提名委員會主席，並調任為非執行董事。魏先生為隆基泰和實業(連同其附屬公司統稱「**隆基泰和集團**」)(為一家綜合房地產發展、商業營運及新能源等多元化產業的企業)的創始人、控股股東及董事長，並於房地產商業經營、企業管理等方面擁有超過22年的經驗。魏先生為全國勞動模範及北京大學中國企業家後EMBA。魏先生現為江蘇通達動力科技股份有限公司(深圳證券交易所，股份代碼：002576)的董事及董事長。魏先生為執行董事及本公司行政總裁魏強先生的父親。

獨立非執行董事

韓秦春博士，60歲，於二零一五年二月加入本公司擔任獨立非執行董事、審核委員會成員及提名委員會成員。韓博士於二零一六年六月二十八日辭任本公司提名委員會委員，並獲委任為薪酬委員會主席。韓博士現為港金所有有限公司總裁。韓博士於一九九八年獲香港大學城市經濟及管理專業博士學位，亦於一九八二年獲西安建築科技大學學士學位。彼在中國房地產領域、金融投資領域、股票資本市場和上市公司管理方面具有豐富經驗。彼先後在中銀國際控股有限公司、農銀證券有限公司(現農銀國際控股有限公司)、光大證券(香港)有限公司從事證券和投資工作。韓博士於二零一一年十月至二零一五年四月擔任北京大學滙豐商學院房地產研究中心主任，於二零零六年年初至二零一零年一月，曾任聯交所上市公司鴻隆控股有限公司(股份代號：1383)(現稱太陽世紀集團有限公司)副主席及聯席總裁。韓博士自二零一二年三月起亦為聯交所主板上市公司靈寶黃金股份有限公司(股份代號：3330)之獨立非執行董事。

Directors and Senior Management (Continued)

董事及高級管理層 (續)

Mr. Wong Yik Chung, John, aged 52, joined the Company as an independent non-executive Director, the chairman of the Audit Committee, a member of the Nomination Committee and the Remuneration Committee on 16 October 2015. Mr. John Wong Yik Chung is a qualified accountant and has over 29 years of experience in auditing and corporate finance work, with extensive exposure to the business enterprises in the PRC. He is the founder of Vantage Group and TMF China, which provide professional outsourcing solutions to companies investing in the PRC and targeting at international customers. Mr. Wong graduated from the University of Melbourne. He is a fellow member of each of the Australian Society of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants. He also obtained a PRC Certificate of Independent Directorship in 2002. Over the past three years, he served as independent non-executive directors for the following companies listed on (i) the Shenzhen Stock Exchange, namely Yang Guang Co., Ltd. (stock code: 000608) and (ii) the Stock Exchange, namely KEE Holdings Company Limited (stock code: 2011) and Ascent International Holdings Limited (stock code: 264). He is currently serving as independent non-executive directors for the following companies which are listed on the Stock Exchange, namely EcoGreen International Group Limited (stock code: 2341), Perfect Optronics Limited (stock code: 8311), and Beijing Capital Land Ltd. (stock code: 2868).

黃翼忠先生，52歲，於二零一五年十月十六日加入本公司擔任獨立非執行董事、審核委員會主席、提名委員會及薪酬委員會成員。黃翼忠先生為合資格會計師，擁有逾29年審計及企業融資工作經驗，在中國商業企業具有資深經驗。彼為Vantage Group和TMF China之創始人，該等公司向投資於中國並以國際客戶為主之公司提供專業外判解決方案。黃先生於墨爾本大學畢業，為澳洲會計師公會及香港會計師公會資深會員。彼亦於二零零二年取得中國獨立董事證書。於過去三年，彼於下列(i)深圳證券交易所上市公司陽光新業地產股份有限公司(股份代號：000608)及(ii)聯交所上市開易控股有限公司(股份代號：2011)及中壘國際控股有限公司(股份代號：264)任職獨立非執行董事。彼目前擔任以下於聯交所上市公司之獨立非執行董事，包括：中怡國際集團有限公司(股份代號：2341)、圓美光電有限公司(股份代號：8311)，以及首創置業股份有限公司(股份代號：2868)。

Mr. Han Xiaoping, aged 61, joined the Company as an independent non-executive Director, a member of the Audit Committee and the Nomination Committee on 28 June 2016. He worked for the Civil Aviation Administration of China (CAAC) from 1985 to 1988. From 1989 to 1992, he served as the vice president for the Saturn Computer System Co. Ltd. He joined Beijing Falcon Investment Co. Ltd. in 1993 and served as its managing director since then. He is a committee member of the new technology committee under the Thermoelectric Committee of Chinese Society for Electrical Engineering (CSEE) since 1995. He established China Energy Net in 2000 and served as its chief information officer since then, and he also serves as the chief writer of Energy Review, Chief Researcher of China Energy Net Research Center. He currently serves as the deputy director of Financial Enterprises Investment Committee of Chinese Enterprises Investment Association, Deputy Secretary of China Venture Capital Association (CVCA), Expert at the Policies & Regulations Department of National Energy Administration, deputy director and secretary-general of China Energy Research Society Distributed Energy Professional Committee, committee member of Industrial Electric Demand Side Management Expert Advisory Committee under China Electricity Council (CEC), Visiting Professor of North China Electrical Power University, Expert of China Smart City Inter-department coordination office, and the executive director of China Blockchain Innovation and Application Alliance. Mr. Han Xiaoping awarded as “Top 10 Advanced People of 2010 Energy-saving China”, and “Ten Years Outstanding Contribution of China Distributed Energy”. Mr. Han Xiaoping has been an independent non-executive director of Beijing Jingneng Clean Energy Co., Limited, a listed company on the Main Board of the Stock Exchange (stock code: 579) since October 2014. Mr. Han Xiaoping has also been an independent non-executive director of Tianjin Tianbao Energy Co., Ltd., a listed company on the Main Board of the Stock Exchange (stock code: 1671) since April 2018.

韓曉平先生，61歲，於二零一六年六月二十八日加入本公司擔任獨立非執行董事、審核委員會委員、提名委員會委員。韓曉平先生於一九八五年至一九八八年任職中國民航總局。於一九八九年至一九九二年擔任土星電腦系統有限公司副總裁。一九九三年起進入北京群鷹投資有限公司至今任董事總經理。自一九九五年擔任中國電機工程學會熱電專業委員會下新技術委員會委員。彼於二零零零年創建中國能源網，並任首席資訊官至今，同時擔任《能源思考》雜誌首席撰稿人和中國能源網研究中心首席研究員。彼現任中國企業投資協會金融投資委員會副主任、中國投資協會創投專委會副秘書長、國家能源局政策法規司專家、中國能源研究會分佈式能源專業委員會副主任兼秘書長、中國電力聯合會工業領域電力需求側管理專家指導委員會委員、華北電力大學客座教授、中國智慧城市部際協調辦公室專家、中國區塊鏈技術創新與應用聯盟常務理事。韓曉平先生獲選「二零一零年節能中國十大先進人物」、獲「中國分佈式能源十年突出貢獻獎」。自二零一四年十月起，韓曉平先生出任聯交所主板上市公司北京京能清潔能源電力股份有限公司(股份代號：579)之獨立非執行董事；彼亦於二零一八年四月起，出任聯交所主板上市公司天津天寶能源股份有限公司(股份代號：1671)之獨立非執行董事。

SENIOR MANAGEMENT

At the date of this report, the senior management of the Group comprises the executive Directors above, namely, Mr. Wei Qiang, Mr. Yuen Chi Ping, Dr. Liu Zhengang and Mr. Wang Yong. The biography of Mr. Wang Yong is set out below.

Mr. Wang Yong, aged 41, joined the Company as the development vice president in November 2015. He is primarily responsible for the development and management of the distributed integrated energy business of the Group. Mr. Wang has over 11 years of management experience in clean energy industry. Mr. Wang joined Lightway Green Energy in January 2013 as the general manager for China. From 2010 to 2012, Mr. Wang served as the deputy general manager of product marketing at Xie Xin Solar System Company Limited in Nanjing (協鑫光伏系統有限公司). From 2007 to 2010, he served as the project director of a new energy company at ET Solar Energy Corporation (中盛光電集團) in Nanjing. From 2005 to 2007, he served as deputy general manager of Jiangsu Hui Xin Credit Consulting Co., Ltd. (江蘇匯信信用資訊有限公司) in Nanjing. Mr. Wang graduated from Southeast University in 2000 in Computer and Applications. Mr. Wang is currently studying in EMBA, School of Economics and Management, Tsinghua University.

Details of the interests of the Directors in the Company are disclosed in the section headed "INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND THE CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS" under the "Report of the Directors".

高級管理層

於本報告日期，本集團之高級管理人員包括上述的執行董事，即魏強先生、袁志平先生、劉振剛博士，及王勇先生。王勇先生之簡歷詳見如下：

王勇先生，41歲，於二零一五年十一月加入本公司擔任開發副總裁，主要負責本集團分佈式綜合能源業務的開發、推廣及管理工作等。王先生擁有逾11年的清潔能源行業管理工作經驗。王先生於二零一三年一月加入光為綠色能源，任職中國區總經理。於二零一零年至二零一二年，王先生於南京擔任協鑫光伏系統有限公司產品營銷部副總經理。於二零零七年至二零一零年，彼於南京擔任中盛光電集團新能源公司項目總監。於二零零五年至二零零七年，彼於南京擔任江蘇匯信信用資訊有限公司副總經理。王先生於二零零零年畢業於東南大學的計算機及應用專業。王先生目前於清華大學的經濟管理學院EMBA在讀。

有關董事於本公司權益的詳情於「董事會報告」內「董事及最高行政人員於本公司及相聯法團的股份、相關股份及債券中擁有的權益及淡倉」一節披露。

Corporate Governance Report

企業管治報告

The Board is pleased to present this corporate governance report in this annual report for the year ended 31 December 2018.

董事會欣然提呈截至二零一八年十二月三十一日止年度載於本年報內的此份企業管治報告。

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company has complied with the code provisions of the Corporate Governance Code and Corporate Governance Report (the “CG Code”) contained in Appendix 14 to the Listing Rules during the Reporting Period, except for code provision A.2.1 relating to the role of chairman and chief executive officer. Details of such deviation and explanation are set out on the section headed “Chairman and Chief Executive Officer” below.

The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code. Set out below is detailed discussion of the corporate governance practices adopted and observed by the Company for the Reporting Period.

遵守企業管治守則

本集團致力維持高水平的企業管治，以保障股東權益以及提升企業價值及問責性。除了有關於主席及行政總裁角色的守則條文第A.2.1條外，本公司已於本報告期間遵守上市規則附錄十四所載的企業管治守則及企業管治報告（「企業管治守則」）的守則條文。該等偏離詳情及說明載於下文「主席及行政總裁」一節。

本公司將繼續檢討並提升其企業管治常規，以確保符合企業管治守則。下文載列有關本公司本報告期間所採納及所遵守的企業管治常規的詳細討論。

BOARD OF DIRECTORS

Composition of the Board of Directors

The Board currently consists of seven Directors with a combination of three executive Directors, one non-executive Director and three independent non-executive Directors. During the Reporting Period and currently, the composition of the Board is as follows:

Executive Directors

Mr. Wei Qiang (*Chairman and Chief Executive Officer*)

Mr. Yuen Chi Ping (*Vice-chairman and Co-Chief Executive Officer*)
(appointed on 27 April 2018)

Dr. Liu Zhengang

Non-executive Director

Mr. Wei Shaojun

Independent non-executive Directors

Dr. Han Qinchun

Mr. Wong Yik Chung, John

Mr. Han Xiaoping

董事會

董事會的組成

董事會目前由七名董事組成，包括三名執行董事、一名非執行董事及三名獨立非執行董事。於本報告期間及目前，董事會由以下董事組成：

執行董事

魏強先生(主席兼行政總裁)

袁志平先生(副主席兼聯席行政總裁)

(於二零一八年四月二十七日獲委任)

劉振剛博士

非執行董事

魏少軍先生

獨立非執行董事

韓秦春博士

黃翼忠先生

韓曉平先生

The biographies of the Directors are set out under the section headed “Directors and Senior Management” of this annual report. Save as disclosed herein, the Directors do not have any other relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate liability insurance to indemnify the Group’s Directors for their liabilities arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

Functions of the Board

The overall management of the Company’s business is vested in the Board, which assumes the responsibility for leadership and control of the Company and the Directors are collectively responsible for promoting the long term success of the Group by directing and supervising the Company’s affairs and overseeing the achievement of strategic plans to enhance Shareholders’ value. The Directors are aware of their duties to act in good faith and expected to make decisions objectively in the best interests of the Company.

The principal functions of the Board are to:

- (i) convene general meetings and report the Board’s work at general meetings;
- (ii) implement the resolutions passed by the Shareholders in general meetings;
- (iii) consider and approve strategies, financial objectives, annual budget, investment proposals of the Group;
- (iv) approve and authorise material transactions, including acquisition, investment, disposal of assets (in particular those that may involve conflict of interests);
- (v) formulate the proposals for profit distributions;
- (vi) assume the responsibilities of corporate governance of the Group;
- (vii) establish and review the Group’s risk management and internal control systems through the Audit Committee; and
- (viii) exercise other powers, functions and duties conferred by the Shareholders in general meetings.

董事履歷載於本年報「董事及高級管理層」一節。除於本文披露者外，董事與本公司任何董事、高級管理層或主要或控股股東概無任何關係。

所有董事均本著真誠履行職責，以符合適用的法例及規例，並時刻以本公司及股東的利益為依歸行事。

本公司已就彌償本集團董事因企業活動所產生的責任安排適當的責任保險。保險的保障範圍將每年予以檢討。

董事會的職能

董事會負責本公司業務的整體營運，承擔領導及監控本公司的責任，而董事共同負責指導及監督本公司事務以及監管策略性計劃的實行，以提升股東價值，從而促使本集團邁向長期成功。董事均知悉須盡職履行彼等的職責，並以本公司利益為依歸，客觀地作出決策。

董事會的主要職能包括：

- (i) 召開股東大會並於會上彙報董事會工作；
- (ii) 執行股東於股東大會上通過的決議案；
- (iii) 考慮及批准本集團的策略、財務目標、年度預算、投資方案；
- (iv) 批准及授權進行重大交易，包括收購、投資、出售資產(特別是可能涉及利益衝突的交易)；
- (v) 制定溢利分派的方案；
- (vi) 承擔本集團的企業管治責任；
- (vii) 透過審核委員會，建立和檢討本集團的風險管理及內部監控體系；及
- (viii) 行使股東於股東大會上賦予的其他權力、職能及職責。

The senior management is delegated with the authority and responsibilities by the Board for the day-to-day management and operations of the Group. Approval has to be obtained from the Board prior to any significant transactions entered into by the management. The Board meets regularly to review the financial and operating performance of the Company, and considers and approves the overall strategies and policies of the Company.

All Directors have separate access to the management and are provided with full and timely information about the conduct of the business and operation of the Group. A monthly report containing significant events and latest development of the Group was provided to all Directors. Upon request by the Board, independent professional advice will be available to the Directors to facilitate the decision-making process.

During the Reporting Period, the Board has regularly reviewed the contributions from the Directors and confirmed that they have spent sufficient time performing their responsibilities.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Wei Qiang, an executive Director, is both the co-chief executive officer and the chairman of the Board. Mr. Yuen Chi Ping, an executive Director, is both the vice-chairman of the Board and co-chief executive officer. According code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Board is of the opinion that, with the Company now being at a stage of rapid development, the current structure could improve the Company's effectiveness and efficiency in reaching its business goals. The Board also believes that this arrangement will not be detrimental to the balance of power and authority between the chairman and the chief executive officer, while a higher ratio of non-executive Directors (including independent non-executive Directors) will enable the Board to make unbiased judgments more effectively.

高級管理層獲董事會授予授權及責任，負責本集團的日常管理及營運。管理層訂立任何重大交易前須取得董事會批准。董事會定期會面，以檢討本公司的財務及營運表現，並審議及批准本公司的整體策略及政策。

所有董事均可分別與管理層聯絡，並獲提供有關進行本集團業務及營運的完整和及時的資料。所有董事獲提供載有本集團重大事項及最近發展的月度報告。在董事會要求下，董事可取得獨立專業意見，以助作出決策。

於本報告期間，董事會已定期檢討董事對本公司所付出的貢獻，並確認彼等已付出足夠時間履行其職責。

主席及行政總裁

根據企業管治守則的守則條文第A.2.1條，主席及行政總裁的角色應有區分，並且不應由同一名人士擔任。

執行董事魏強先生為聯席行政總裁兼董事會主席。執行董事袁志平先生為董事會副主席兼聯席行政總裁。根據企業管治守則條文第A.2.1條規定，主席及行政總裁的角色應有區分，並且不應由同一名人士擔任。董事會認為，由於本公司現時處於迅速發展的階段，故此目前的架構可令本公司更有效率地達成其業務目標。董事會亦相信，目前的安排將不會令主席及行政總裁之間的權力及職權平衡受損，而非執行董事（包括獨立非執行董事）比重較高可令董事會更有效地作出無偏頗的判斷。

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. After making specific enquiry, all of the Directors who held their office during the Reporting Period have confirmed that they had complied with the required standard set out in the Model Code throughout the Reporting Period.

The Company has also adopted its own code of conduct regarding employees' securities transactions on terms no less exacting than the standard set out in the Model Code for the compliance by its relevant employees who are likely to be in possession of inside information of the Company in respect of their dealings in the Company's securities.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies and practices on corporate governance and code of conduct applicable to employees and Directors, reviewing and monitoring training and continuous professional development of Directors and senior management and the Company's policies and practices on compliance with legal and regulatory requirements, as well as reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

During the Reporting Period, the Board considered the following corporate governance matters:

- review of the compliance with the CG Code; and
- review of the effectiveness of the risk management and internal control systems of the Group through the Audit Committee.

董事進行證券交易

本公司已採納上市規則附錄十所載的標準守則作為其本身有關董事進行證券交易的操守守則。經作出具體查詢後，於本報告期間在任的全體董事均確認彼等已於整個本報告期間遵守標準守則的規定準則。

本公司亦已就僱員進行證券交易採納自身的操守準則，有關條款不比標準守則所載的標準寬鬆，以供可能擁有本公司內幕消息的有關僱員於買賣本公司證券時遵守。

企業管治職能

董事會負責履行企業管治職能，如制訂及檢討本公司的企業管治政策及常規，以及僱員及董事適用的行為守則、檢討及監督董事及高級管理層的培訓及持續專業發展、本公司有關遵守法律及監管規定的政策及常規，以及檢討本公司遵守企業管治守則及於企業管治報告披露資料的情況。

於本報告期間，董事會考慮以下企業管治事宜：

- 檢討是否已遵守企業管治守則；及
- 透過審核委員會檢討本集團的風險管理及內部監控系統的成效。

INDEPENDENT NON-EXECUTIVE DIRECTORS 獨立非執行董事

In compliance with Rules 3.10(1) and 3.10(2) of the Listing Rules, the Company has appointed three independent non-executive Directors. The Board considers that all independent non-executive Directors have appropriate and sufficient industry, professional qualifications, or accounting or related financial management expertise to carry out their duties so as to protect the interests of Shareholders. Under Rule 3.10A of the Listing Rules, listed issuers are required to appoint independent non-executive directors representing at least one-third of the Board. The Company has three independent non-executive Directors currently representing more than one-third of the Board and therefore, the Company has complied with Rule 3.10A of the Listing Rules.

Prior to their respective appointment, each of the independent non-executive Directors has submitted a written statement to the Stock Exchange confirming their independence and has undertaken to inform the Stock Exchange as soon as practicable if there is any subsequent change of circumstances which may affect their independence. The Company has also received a written confirmation from each of the independent non-executive Directors in respect of their independence in accordance with Rule 3.13 of the Listing Rules. The Board considers that all independent non-executive Directors are being considered to be independent by reference to the factors stated in the Listing Rules.

During the Reporting Period, Mr. Wei Qiang, chairman of the Board, held a meeting with the non-executive Director (including independent non-executive Directors) without the executive Directors' presence on 29 March 2018.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company.

As regards the CG code provision requiring directors to disclose the number and nature of the offices held in public companies and organisations and other significant commitments as well as their identity and the time involved to the issuer, Directors have agreed to disclose their commitments to the Company in a timely manner.

遵照上市規則第3.10(1)條及第3.10(2)條，本公司已委任三名獨立非執行董事。董事會認為全體獨立非執行董事均具有合適及充足的行業、專業資格或會計或相關財務管理專業知識，以履行彼等的職責，藉以保障股東的利益。根據上市規則第3.10A條，上市發行人須委任至少佔董事會人數三分之一的獨立非執行董事。本公司目前有三名獨立非執行董事，佔董事會人數三分之一以上，因此，本公司已符合上市規則第3.10A條。

獨立非執行董事各自已於獲委任前向聯交所提交書面聲明確認彼等的獨立性，並已承諾在實際可行的情況下盡快知會聯交所於其後可能影響彼等獨立性的任何情況變動。本公司亦已接獲各獨立非執行董事根據上市規則第3.13條就其獨立性發出的書面確認。經參考上市規則所述的因素，董事會認為所有獨立非執行董事均被視為獨立人士。

於本報告期間，董事會主席魏強先生已於二零一八年三月二十九日與非執行董事(包括獨立非執行董事)舉行一次會議，會上並無執行董事出席。

全體董事(包括獨立非執行董事)已為董事會有效及高效地運作帶來廣泛而寶貴的業務經驗、知識及專業技能。獨立非執行董事受邀任職於本公司審核委員會、薪酬委員會及提名委員會。

至於企業管治守則條文要求董事披露於公眾公司及機構所任職務的數量及性質和其他重大承諾以及彼等的身份及為發行人投入的時間，董事已同意適時向本公司披露其承擔。

APPOINTMENT AND RE-ELECTION OF THE DIRECTORS

Each of the Directors has been appointed for a specific term of 3 years, subject to the provisions on Directors' retirement as set out in the Articles of Association and none of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation). All Directors appointed by the Board shall hold office only until the next general meeting of the Company (in the case of filling a casual vacancy) or until the next annual general meeting of the Company (in the case of an addition to the Board), and every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every 3 years.

Pursuant to the article 108(a) of the Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall be subject to retirement by rotation at least once every three years.

Mr. Wei Qiang, Mr. Han Xiaoping and Dr. Liu Zhengang will retire from office as Directors at the forthcoming Meeting, and being eligible, have offered themselves for re-election.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association.

Nomination Policy

The Nomination Committee (the "**Nomination Committee**") is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors. The Company adopted a nomination policy (the "**Nomination Policy**") which can be downloaded from the Company's website. A summary of the Nomination Policy is set out below:

1. Purpose

To ensure that Board members have the skills, experiences and diverse perspectives needed by the Company's business.

董事委任及重選

各董事均以三年的指定任期獲委任，惟須受章程所載的董事退任條文所規限。概無任何董事已訂立不得由本集團於一年內終止而毋須支付賠償(法定賠償除外)的服務合約。所有獲董事會委任的董事的任期僅至其獲委任後本公司下屆股東大會(如屬填補臨時空缺)為止，或本公司下屆股東週年大會(如屬董事會增補成員)為止，並且各董事(包括以指定任期獲委任的董事)須最少每三年輪席退任一次。

根據章程第108(a)條，在每屆股東週年大會上，當時在任的三分之一董事(或若其人數並非三或三的倍數，則為最接近但不少於三分之一的人數)須最少每三年輪席退任一次。

魏強先生、韓曉平先生及劉振剛博士將於應屆大會上退任董事一職，並符合資格及願意膺選連任。

委任、重選及罷免董事的程序及過程載於本章程。

提名政策

提名委員會(「**提名委員會**」)負責檢討董事會的組成，並就委任或重選董事及董事的繼任計劃向董事會提出建議。本公司採納了提名政策(「**提名政策**」)，該政策可於本公司的網站下載。提名政策概要載列如下：

1. 目的

確保董事會成員具備切合本公司業務所需的技巧、經驗及多元化觀點。

2. Selection Principle

The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:

- (1) The Company's development strategy needs;
- (2) Reputation for integrity;
- (3) Achievements and experiences in the Company's major business;
- (4) Time devotion and the representation of relevant beneficial parties;
- (5) Diversity in all its aspects, including but not limited to gender, age (has to be aged 18 or older), cultural and educational background, professional experiences, skills, knowledge and management experiences;
- (6) Directorship in other public companies and corporate governance structures of those companies, etc; and
- (7) Independence (for independent non-executive Director).

These factors are for references only and excluded to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

3. Nomination Procedure

- 3.1 The secretary of the Nomination Committee shall call a meeting of the Nomination Committee and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members.
- 3.2 For filling a casual vacancy, the Nomination Committee shall propose candidates for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting of the Company, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.

2. 甄選準則

提名委員會在甄選建議人選時將參考以下因素：

- (1) 本公司的發展戰略需要；
- (2) 信譽；
- (3) 於本公司主營業務方面所具有的成就及經驗；
- (4) 可投入的時間及代表相關方的利益；
- (5) 董事會成員的多元化，包括但不限於性別、年齡(18歲或以上)、文化及教育背景、專業經驗、技能、知識和管理經驗等多方面；
- (6) 於其他公眾公司擔任董事職位及該公司之企業管治架構之情況；及
- (7) 獨立性情況(針對獨立非執行董事)。

上述因素只供參考，並不旨在涵蓋所有因素，也不具決定性作用。提名委員會可決定提名任何其認為適當的人士。

3. 提名程序

- 3.1 提名委員會秘書須召開提名委員會會議，並邀請董事會成員提名人選(如有)供提名委員會開會前考慮。提名委員會亦可提名未獲董事會成員提名的人選。
- 3.2 如要填補臨時空缺，提名委員會須推薦人選供董事會考慮及批准。如要建議候選人在本公司股東大會上參選，提名委員會須向董事會提名供其考慮及推薦參選。

3.3 The nominated candidate(s) shall not assume that he/she has been proposed by the Board to stand for election at the general meeting of the Company until a circular to the Shareholders is issued.

3.4 In order to provide information of the candidate(s) nominated by the Board stand for election at general meeting of the Company, the Company will issue a circular to the Shareholders stating the candidate's name, resume (including qualifications and relevant experiences), proposed remuneration, and other information required in accordance with applicable law, rules and regulation.

3.5 For independent non-executive Director, in addition to the information listed in clause 3.4 above, the followings should also be specified in the Shareholders' circular:

- (1) Process used to identify the individual, reason why the Board considers that individual should be elected, and reason why the Board considers that individual is independent;
- (2) If the nominated independent non-executive Director will serve as a Director for the seventh (or more) public listed companies, the reason why the Board believes this individual can still devote enough time to fulfil his/her director's responsibilities;
- (3) Views and perspectives, skills and experiences that individual can bring to the Board;
- (4) How will this individual promote diversity of the Board; and
- (5) Other contents that applicable laws, regulations, listing rules and regulatory bodies required.

4. Responsibility

The ultimate responsibility for selecting and appointing Directors is shared by all Directors of the Company.

3.3 在直至發出股東通函前，被提名人士不可假設其已獲董事會建議在股東大會上參選。

3.4 為提供有關獲董事會提名在本公司股東大會上參選的候選人資料，本公司將會向股東發出通函，列載候選人的姓名、簡歷(包括資格及相關經驗)、建議酬金及根據適用法律、規則及規例所要求載列的其他資料。

3.5 對獨立非執行董事，除上述第3.4條所列資料外，在股東通函中還應該列明以下資料：

- (1) 用以物色該名人士的流程、董事會認為應選任該名人士的理由，以及董事會認為該名人士屬獨立人士的原因；
- (2) 如果候任獨立非執行董事將出任第七間(或以上)上市公司的董事，董事會認為該名人士仍可投入足夠時間履行董事責任的原因；
- (3) 該名人士能為董事會帶來的觀點及角度、技能及經驗；
- (4) 該名人士如何促進董事會成員多元化；及
- (5) 適用的法律、法規、上市規則及監管機構要求列明的其他內容。

4. 責任承擔

甄選並委任董事的最終責任由本公司全體董事共同承擔。

5. Monitoring and Reviewing

- 5.1 The Nomination Committee is responsible for reviewing composition of the Board and succession plan of the Board, and conduct a review annually.
- 5.2 The Nomination Committee should regularly monitor and review formal procedures for the Nomination Policy to ensure that the Nomination Policy is tailored to the needs of the Company and reflects current regulatory requirement and good governance practices.

THE BOARD COMMITTEES

(1) Audit Committee

The Audit Committee was established on 22 November 2011. The Audit Committee currently comprises three members, namely Mr. Wong Yik Chung, John (Chairman), Dr. Han Qinchun and Mr. Han Xiaoping, all of the members are independent non-executive Directors. The Audit Committee shall meet at least twice a year with the Company's external auditors regarding the review of the Company's financial report and accounts.

The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment and removal of auditor, review the financial statements, reports and accounts, and review and monitor the financial reporting system, risk management and internal control systems. The Audit Committee has reviewed the Group's consolidated financial statements for the Reporting Period.

The written terms of reference of the Audit Committee adopted by the Board are in line with the provisions of the CG Code and are available on the websites of the Company and the Stock Exchange.

During the Reporting Period, the Audit Committee has held 2 meetings and mainly fulfilled the following responsibilities:

- reviewing the unaudited interim results for the six months ended 30 June 2018 and the audited annual results for the year ended 31 December 2017, discussing the interim results and annual results with external auditors (in the absence of the management of the Company), and forming the opinion that the relevant financial statements have been prepared in accordance with the applicable accounting standards and regulation, and that adequate disclosures have been made;

5. 監察及檢討

- 5.1 提名委員會負責檢討董事會的組成，審議董事會成員的繼任計劃，並每年做出一次檢討。
- 5.2 提名委員會應定期監察及檢討提名政策的正式程序，確保提名政策切合本公司的需要，同時反映當前監管的規定及良好的企業管治常規。

董事會委員會

(1) 審核委員會

審核委員會於二零一一年十一月二十二日成立。審核委員會由黃翼忠先生(主席)、韓秦春博士及韓曉平先生三名成員組成，全體成員均為獨立非執行董事。審核委員會每年須就審閱本公司的財務報告及賬目與本公司外聘核數師至少舉行兩次會議。

審核委員會的主要職責包括就核數師的委任及罷免向董事會提供推薦建議、審閱財務報表、報告及賬目以及檢討及監督財務報告系統、風險管理及內部監控系統。審核委員會已審閱本集團於本報告期間的綜合財務報表。

董事會所採納的審核委員會書面職權範圍符合企業管治守則的條文，並可於本公司及聯交所網站上瀏覽。

於本報告期間，審核委員會舉行了兩次會議並主要履行下列職務：

- 審閱截至二零一八年六月三十日止六個月的未經審核中期業績及截至二零一七年十二月三十一日止年度的經審核年度業績、與外聘核數師商討該等中期業績及年度業績(本公司管理層避席)，並認為相關財務報表的編製符合適用會計準則及規定，且作出充分披露；

- reviewing and assessing the independence of external auditors, and making recommendations on the change and appointment of external auditors; and
- assisting the Board in fulfilling the responsibilities for maintaining effective risk management and internal control systems.

- 檢討及評估外聘核數師的獨立性，並就變更及委任外聘核數師提供推薦意見；及
- 協助董事會履行維持有效風險管理及內部監控系統的責任。

Auditor's Remuneration

During the Reporting Period, the remuneration paid or payable to the Company's independent auditor, PricewaterhouseCoopers, in respect of its audit and non-audit services were as follows:

Type of Services 服務種類		RMB'000 人民幣千元
Audit services for 2018	二零一八年的核數服務	2,500
Non-audit services for 2018	二零一八年的非核數服務	—
Total	總計	2,500

核數師的薪酬

於本報告期間，向本公司獨立核數師羅兵咸永道會計師事務所就其核數及非核數服務已付或應付的薪酬如下：

The statement of the Company's independent auditor regarding their reporting responsibilities on the consolidated financial statements of the Group for the Reporting Period is set out in the section headed "Independent Auditor's Report" in this annual report.

本公司獨立核數師就有關彼等對本集團本報告期間綜合財務報表的申報責任聲明載於本年報「獨立核數師報告」一節。

(2) Remuneration Committee

The Remuneration Committee was established on 22 November 2011. The Remuneration Committee comprises three members, namely Dr. Han Qinchun (Chairman), Mr. Wei Qiang and Mr. Wong Yik Chung, John, the majority of which are independent non-executive Directors and one of the members is an executive Director.

The primary duties of the Remuneration Committee are to make recommendations to the Board on the remuneration of the Directors and senior management.

The Remuneration Committee shall meet at least once every year to discuss remuneration related matters. No Director is allowed to be involved in deciding his/her own remuneration.

The written terms of reference of the Remuneration Committee adopted by the Board are in line with the provisions of the CG Code and are available on the websites of the Company and the Stock Exchange.

(2) 薪酬委員會

薪酬委員會於二零一一年十一月二十二日成立。薪酬委員會由韓秦春博士(主席)、魏強先生及黃翼忠先生三名成員組成，大部分成員為獨立非執行董事，其中一名成員為執行董事。

薪酬委員會的主要職責為就董事及高級管理層的薪酬向董事會提供推薦建議。

薪酬委員會每年須至少舉行一次會議以討論薪酬相關事宜。任何董事均不得參與釐定其本人的薪酬。

董事會所採納的薪酬委員會書面職權範圍符合企業管治守則的條文，並可於本公司及聯交所網站上瀏覽。

During the Reporting Period, the Remuneration Committee has held 3 meetings, passed two written resolutions and mainly fulfilled the following responsibilities:

- reviewing the remuneration policies of the Group for 2018 and reviewing the remuneration package for executive Directors and the senior management personnel;
- discussing the Company's plan to grant share options of 2018 and making recommendations to the Board; and
- discussing the remuneration for the appointment of Mr. Yuen Chi Ping as an executive Director, vice-chairman of the Board and the co-chief executive officer, and reviewing and making recommendations regarding the terms of Mr. Yuen Chi Ping's service contract.

For the Reporting Period, remuneration of the senior management of the Company (whose biographies are set out in the section headed "Directors and Senior Management" of this annual report), other than Directors as disclosed in note 39 to the audited consolidated financial statements in this annual report, is within the following band for each person:

Remuneration Band 薪酬範圍	Number of Individuals 人數
HK\$1,000,000 to HK\$2,000,000 1,000,000港元至2,000,000港元	1

於本報告期間，薪酬委員會舉行了三次會議、通過兩份書面決議案並主要履行下列職務：

- 檢討本集團於二零一八年的薪酬政策及檢討執行董事及高級管理人員的薪酬待遇；
- 就本公司二零一八年度之購股權授予計劃進行商討並向董事會提出建議；及
- 就委任袁志平先生為執行董事、董事會副主席兼聯席行政總裁的薪酬進行商討，審閱及建議袁志平先生的服務協議。

於本報告期間，除本年報經審核綜合財務報表附註39所披露的董事外，本公司高級管理層（其履歷載於本年報「董事及高級管理層」一節）各人的薪酬介乎以下範圍：

(3) Nomination Committee

The Nomination Committee was established on 22 November 2011. The Nomination Committee comprises three members, namely Mr. Wei Qiang (Chairman), Mr. Wong Yik Chung, John and Mr. Han Xiaoping, the majority of which are independent non-executive Directors and one of the members is an executive Director.

The primary duty of the Nomination Committee is to make recommendations to the Board regarding candidates to fill vacancies on the Board and senior management and to ensure that the candidates to be nominated as Directors are experienced, high calibre individuals.

(3) 提名委員會

提名委員會於二零一一年十一月二十二日成立。提名委員會由魏強先生(主席)、黃翼忠先生及韓曉平先生三名成員組成，大部分成員為獨立非執行董事，其中一名成員為執行董事。

提名委員會的主要職責為就填補董事會及高級管理層空缺的候選人向董事會提供推薦建議，並確保獲提名擔任董事的人選為經驗豐富及才能卓越的人士。

The Nomination Committee shall meet at least once every year for reviewing the structure, size and composition of the Board, assessing the independence of the independent non-executive Directors and other related matters. In reviewing and recommending the appointment of new Directors, the Nomination Committee would seek to identify the competencies required to enable the Board to fulfill its responsibilities. The resume or documents of the nominee or candidate will be given to the Nomination Committee for consideration.

The written terms of reference of the Nomination Committee adopted by the Board are in line with the provisions of the CG Code and are available on the websites of the Company and the Stock Exchange.

During the Reporting Period, the Nomination Committee has held 1 meeting, passed one written resolution, and mainly fulfilled the following responsibilities:

- reviewing the structure, composition and the Board diversity policy;
- making recommendations regarding the re-election of retiring Directors at the 2018 annual general meeting;
- nominating candidate for executive Director;
- assessing the independence of independent non-executive Directors; and
- reviewing and recommending the appointment of Mr Yuen Chi Ping as executive Director, vice-chairman of the Board and co-chief executive officer, and reviewing and making recommendations regarding his service contract.

提名委員會每年須至少舉行一次會議，以檢討董事會的架構、規模及組成、評估獨立非執行董事的獨立性以及處理其他有關事宜。於審議及推薦新董事的任命時，提名委員會將物色所須的人才，以確保董事會履行其職責。提名人或候選人的履歷或文件將提交提名委員會以供其考慮。

董事會所採納的提名委員會書面職權範圍符合企業管治守則的條文，並可於本公司及聯交所網站上瀏覽。

於本報告期間，提名委員會舉行了一次會議、通過一份書面決議案並主要履行下列職務：

- 檢討董事會的架構、組成及董事會成員多元化政策；
- 就於二零一八年股東週年大會上重選退任董事提出建議；
- 提名執行董事候選人；
- 評估獨立非執行董事的獨立性；及
- 審閱及建議委任袁志平先生為執行董事、董事會副主席及聯席行政總裁，並審閱及建議其服務協議。

Board Diversity Policy

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. All Board appointments will be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board. The Board diversity policy (the “**Diversity Policy**”) adopted aims to set out the approach to achieve diversity on the Board. A summary of the Diversity Policy is set out below:

1. Selection Criteria

Selection will be based on a range of diversity, including but not limited to gender, age (has to be aged 18 or older), cultural and educational background, professional experiences, skills, knowledge and management experiences. When appointing Board members, the principle is to comply with Company’s development, and the benefit of diversity of Board members should also fully taken into account.

2. Measurable Objectives

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experiences, skills, knowledge and management experiences. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

3. Monitoring and Reporting

The Nomination Committee will report composition of the Board on diversification prospect (including gender, age, cultural and educational background, professional experiences, skills, knowledge and management experiences) in the “Corporate Governance Report” and monitor implementation of the Diversity Policy.

4. Review of the Diversity Policy

The Nomination Committee will review the Diversity Policy in a timely manner to ensure that the Diversity Policy is effective. The Nomination Committee will discuss any amendments that need to be made and then propose amendments to the Board for approval.

董事會多元化政策

本公司明白並深信董事會成員多元化對提升其表現素質有利。為達致可持續的均衡發展，本公司認為董事會成員多元化對支持本公司戰略的實現及可持續的均衡發展裨益良多。董事會所有委任均以用人唯才為原則，並在考慮人選時按適當準則充分顧及董事會成員多元化的裨益。採納的董事會多元化政策(「**多元化政策**」)旨在列載董事會為達致成員多元化而採取的方針。多元化政策概要載列如下：

1. 甄選準則

甄選人員將按一系列多元化範圍為基準，包括但不限於性別、年齡(18歲或以上)、文化及教育背景、專業經驗、技能、知識及管理經驗。在董事會成員的任命方面，以符合本公司發展的戰略為原則，並充分顧及董事會成員多元化的裨益。

2. 可計量目標

在甄選董事會候選人的委任時，提名委員會將從董事多元化層面出發，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及管理經驗等。最終董事候選人將會根據候選人的優勢及其將會給董事會提供的貢獻而決定。

3. 監察及匯報

提名委員會將在「企業管治報告」內匯報董事會在多元化層面的組成(包括性別、年齡、文化及教育背景、專業經驗、技能、知識及管理經驗)，並監察多元化政策的執行。

4. 檢討多元化政策

提名委員會將在適當時候檢討多元化政策，以確保多元化政策行之有效。提名委員會將會討論任何須作出的修訂，再向董事會提出修訂建議，由董事會審批。

5. Disclosure of the Diversity Policy

The Diversity Policy is posted on the website of the Company for public review.

The summary of the Diversity Policy and measurable objectives and compliance schedules established to implement the Diversity Policy will be disclosed annually in the Corporate Governance Report.

In reviewing the Board composition, the Nomination Committee shall give adequate consideration to the Diversity Policy. The Nomination Committee believes that the current composition of the Board is balanced and diversified with the high-calibre members from different cultural backgrounds and possessing professional expertise of various industries, which indicates that the Diversity Policy has been well implemented.

5. 多元化政策的披露

多元化政策登載在本公司網站供公眾查閱。

多元化政策概要及為執行本政策而制定的可計量目標和達標進度將每年在企業管治報告內披露。

在檢討董事會組成時，提名委員會須充分考慮多元化政策。提名委員會相信，董事會現時組成人數平衡及具多元化，成員為高質素人選，來自不同文化背景及擁有各行業的專業知識，顯示多元化政策已充分實施。

BOARD MEETING AND ATTENDANCE RECORD

Practices and Conduct of Meetings

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and more frequently as the needs of the business demand. The Directors can attend meetings in person or by means of such telephone, electronic or other communication facilities so as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such meeting shall constitute presence in person at such meetings in accordance with article 133 of the Articles of Association.

The Board and Committees' meeting schedule and the agenda of each meeting are made available to Directors in advance. Notices of regular Board meetings were served to all Directors at least 14 days before the meetings. For all other Board and Committees' meetings, reasonable notices were given. Papers for Board meetings or Committees' meetings together with all relevant information are sent to all Directors or Committee members at least 3 days before each meeting to enable them to make informed decisions with adequate data.

All Directors will also be provided with sufficient resources to perform their duties, and upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company's expense. All minutes of Board meetings will be recorded in sufficient detail, including matters considered and decisions reached by the Board.

董事會會議及出席紀錄

常規及召開會議

本公司的董事會每年至少定期舉行四次會議，亦會按業務需求增加次數。根據本公司章程第133條，董事可親身或透過電話、電子或讓所有與會人士可同時及即時互相溝通的其他通訊方式出席會議，而參加有關會議應構成親身出席。

董事獲事先提供董事會及委員會會議時間表及各會議的會議議程。董事會常務會議的通告於舉行會議前最少14日送交全體董事，至於所有其他董事會及委員會會議，則會發出合理通知。董事會會議或委員會會議的文件連同所有相關資料，於各會議前最少三日送交全體董事或委員會成員，以向彼等提供充足資料，得以作出知情決定。

全體董事亦將可獲提供充裕資源以履行其職責，而經合理要求，董事可在適當情況下尋求獨立專業意見，費用由本公司承擔。所有董事會會議紀錄均詳細記錄董事會已考慮的事項及作出的決定等資料。

Meetings held and Attendance

The Board held 12 Board meetings during the Reporting Period. The composition of the Board and the Committees, the attendance records of the Directors at the Board meetings, committees meetings and general meetings during the Reporting Period are set out below:

已舉行的會議及出席

於本報告期間，董事會舉行了12次董事會會議。董事會及委員會組成以及本報告期間董事會會議、委員會會議及股東大會的董事出席紀錄載列如下：

Name of Directors 董事姓名	Meetings attended/held 出席/舉行的會議						
	Board meeting 董事會會議	Audit Committee meeting 審核委員會會議	Remuneration Committee meeting 薪酬委員會會議	Nomination Committee meeting 提名委員會會議	Annual general meeting 股東週年大會	Extraordinary general meeting 股東特別大會	
Executive Directors 執行董事							
Mr. Wei Qiang (Chairman and Chief Executive Officer) 魏強先生(主席兼行政總裁)	10/12	N/A 不適用	3/3	1/1	1/1	1/1	
Mr. Yuen Chi Ping (Vice-Chairman and Co-Chief Executive Officer) (appointed on 27 April 2018) 袁志平先生(副主席兼聯席行政總裁)(於二零一八年四月二十七日獲委任)	10/10	N/A 不適用	N/A 不適用	N/A 不適用	1/1	1/1	
Dr. Liu Zhengang 劉振剛博士	12/12	N/A 不適用	N/A 不適用	N/A 不適用	1/1	1/1	
Non-executive Director 非執行董事							
Mr. Wei Shaojun 魏少軍先生	10/12	N/A 不適用	N/A 不適用	N/A 不適用	1/1	1/1	
Independent Non-executive Directors 獨立非執行董事							
Dr. Han Qinchun 韓秦春博士	12/12	2/2	3/3	N/A 不適用	1/1	1/1	
Mr. Wong Yik Chung, John 黃翼忠先生	12/12	2/2	3/3	1/1	1/1	1/1	
Mr. Han Xiaoping 韓曉平先生	12/12	2/2	N/A 不適用	1/1	1/1	1/1	

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Upon their appointment, Directors are advised on the legal and other duties and obligations they have as directors of a listed company. Each newly appointed Director receives a comprehensive induction package designed to enhance his/her knowledge and understanding of the Group's culture and operations. Discussion sessions with key management personnel are also held.

During the year ended 31 December 2018, we have arranged trainings which were presented by professional firms to the Directors. Through the course of their directorship, the joint company secretaries of the Company also from time to time updated and provided written training material relating to the roles, functions and duties of a director and all the aforesaid Directors studied such materials. All Directors are also encouraged to attend relevant training courses at the Company's expense.

We have maintained record of the continuous professional development participated by the Directors. During the year ended 31 December 2018, the current Directors received the following training with an emphasis on the role, functions and responsibilities of directors of listed companies through attending briefings, seminars and reading materials:

入職及持續專業發展

董事在獲委任時獲告知作為上市公司董事所承擔的法律責任及其他職責及義務。每名新委任董事均獲得一套全面入職資料，以加深其對本集團文化及營運的知識及了解。此外，本公司還會安排新委任董事與主要管理人員交流。

於截至二零一八年十二月三十一日止年度，我們已安排專業公司向董事提供培訓。於董事擔任董事期間，本公司的聯席公司秘書亦會不時更新並提供有關董事角色、職能及職責的書面培訓資料，而上述全體董事均已學習該等資料。本公司亦鼓勵全體董事參加相關培訓課程，費用由本公司承擔。

我們保留了董事參與持續專業發展的紀錄。於截至二零一八年十二月三十一日止年度，現任董事透過出席簡報會、研討會及閱讀材料，接受以下重點在於上市公司董事的角色、職能及職責的培訓：

Name of Director		Reading materials/ regulatory updates/ monthly reports	Attending briefings/ seminars
		閱讀材料/ 監管更新資料/ 月度報告	出席簡報會/ 研討會
Mr. Wei Qiang	魏強先生	✓	✓
Mr. Yuen Chi Ping (appointed on 27 April 2018)	袁志平先生 (於二零一八年四月二十七日獲委任)	✓	✓
Dr. Liu Zhengang	劉振剛博士	✓	✓
Mr. Wei Shaojun	魏少軍先生	✓	✓
Dr. Han Qinchun	韓秦春博士	✓	✓
Mr. Wong Yik Chung, John	黃翼忠先生	✓	✓
Mr. Han Xiaoping	韓曉平先生	✓	✓

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Group's financial statements for each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flows in accordance with the disclosure requirements of the Listing Rules, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and applicable accounting standard. The Company deploys appropriate and sufficient resources to prepare audited accounts. In preparing the financial statements for the Reporting Period, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. In addition, the Company provides all members of the Board with monthly updates on the Company's performance, position and prospects.

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

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management Structure

The Board is responsible for establishing and maintaining appropriate and effective risk management and internal control system, and regularly assessing and continuously supervising its effectiveness to safeguard the overall interests of the Group and its Shareholders, and to foster the sustainable development of the Group. However, the risk management and internal control system formulated by the Group aims to manage, instead of eliminate, all risks exposed to the Group. Such system cannot completely eliminate inherent limitations such as unpredictable risks and events beyond control (e.g. natural disasters, fraud and judgment errors), and can only provide reasonable but not absolute assurance against material misstatement or loss.

董事就財務報表的財務報告責任

董事會確認其須負責根據上市規則、香港法例第622章公司條例的披露規定及適用的會計準則編製本集團各財政期間的財務報表，以真實公允地反映本集團的事務狀況以及業績及現金流量。本公司調配恰當及充裕的資源以編製經審核賬目。在編製本報告期間的財務報表時，董事會已選擇合適的會計政策並貫徹一致地應用、作出審慎及公允合理的判斷及估計，並按持續經營基準編製財務報表。董事負責採取一切合理及必需的步驟，以保障本集團的資產以及避免及偵察欺詐及其他違規狀況。此外，本公司每月向董事會全體成員提供有關本公司表現、狀況及前景的最新資料。

董事並不知悉可能對本集團持續經營的能力產生重大疑問的事項或情況的任何重大不明朗因素。

風險管理與內部監控

風險管理架構

董事會有責任建立及保持適當及有效之風險管理及內部監控系統，並定期評估、持續監督其有效性，以保障本集團及其股東的整體利益、促進本集團的可持續發展。然而，本集團制定的風險管理及內部監控系統旨在管理而非消除所有本集團需面對的風險。該系統無法完全排除不可預測風險及不可控制事件(例如自然災害、欺詐及判斷失誤)等固有限制，只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

The Group established an Enterprise Risk Management (the “ERM”) framework to implement effective risk management. Our risk management structure is simple and clear, with a defined scope of duties.

Board of Directors

As a body in charge of the Group’s risk management and internal control system, the Board is responsible for the setting up of clear ERM framework and risk management policies, aiming to assess and evaluate the business strategies of the Group and its degree of risk tolerance. With the support of the Audit Committee, whose authority has been delegated by the Board, the Board constantly monitors the risk management and internal control system of the Group, as well as conducts review as to its effectiveness at least once year.

Audit Committee

As the highest body, second only to the Board, being responsible for the risk management and internal control system, the Audit Committee provides advice and support in respect of all risk matters, including on-going monitoring of the implementation of risk management procedures, reviewing the Group’s list of major risk exposures, reviewing and approving the internal control review plans and results.

Management

The management of the Group is responsible for identifying and continuously monitoring strategic, operational, financial, reporting and compliance risks associated with the daily operations of the Group. The management reports to the Board and the Audit Committee on relevant risks and their changes. The management also designs, formulates and implements various internal control measures to mitigate the risks, and rectify internal control deficiencies they identified in a timely manner.

Professional third party internal control advisor

To ensure the independence of the internal control review, the Group has outsourced the internal audit function to a professional third party internal control advisor (the “Internal Control Advisor”), who is responsible for reviewing the effectiveness of the Group’s risk management procedures and effectiveness of the internal control systems. The Internal Control Advisor formulates the internal control review plan based on risk assessment and gets approval from the Audit Committee, and directly reports the review results to the Audit Committee.

本集團透過建立企業風險管理(「企業風險管理」)框架，以落實有效的風險管理工作。本集團的風險管理架構簡單明確，責任清晰：

董事會

董事會是集團風險管理及內部監控系統的總負責機構。董事會負責建立清晰的風險管理框架及風險管理政策，有關政策旨在評估及釐定本集團的業務戰略及定義風險承受程度。董事會授權審核委員會，並在其協助下持續監督本集團風險管理及內部監控體系，並且每年就本集團風險管理及內部監控系統之有效性進行至少一次檢討。

審核委員會

審核委員會為僅次於董事會的最高風險管理及內部監控系統負責機構，向董事會就所有風險事宜提供建議及支援，包括監督集團的整體風險管理程序的執行、審閱集團的主要風險名單、審批內部監控覆核計劃及審閱內部監控覆核結果等。

管理層

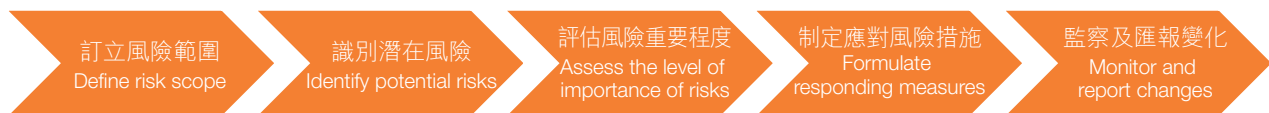
集團管理層負責於日常營運過程中識別並持續監測集團所面對的戰略、營運及財務、報告和合規風險，向董事會及審核委員會匯報有關風險以及其變化情況。管理層亦設計、制定及實施各種紓緩風險的內部監控措施，並透過各途徑收集內部監控缺失資訊並及時執行整改。

第三方專業內控顧問

為保證內部監控覆核的獨立性，本集團將內部審核功能外判至第三方專業內控顧問(下稱「內控顧問」)，工作內容包括檢討本集團風險管理程序，以及內部監控系統有效性。內控顧問的內部監控覆核以風險評估為基礎制定，並由審核委員會審批，內控顧問亦會直接向審核委員會報告有關的檢討結果。

Risk Management Procedures

The Group has established the ERM framework so as to effectively manage all kinds of risks exposed to the Group. The ERM framework defined the procedures for identifying, assessing, responding to and monitoring risks and their changes. Through regular discussions with each operating function, the Group strengthened the understanding of risk management so that all employees will understand and report the risks timely which enhanced the Group's ability to identify and manage risks.



In the course of risk identification, the management liaises with each operating function, collects significant risk factors that affect the Group from the bottom to the top, in various aspects including strategies, operational and financial matters, reporting and compliances. After establishing risk assessment scope, the management will assess the potential impact and possibilities of the risks and prioritise the risks, and make appropriate internal control measures are then developed to mitigate the risks identified and monitor the changes of risks in an on-going manner.

Risk Management System

The Group's risk management system is guided by the three lines of defence:

The first line of defence — Maintain an effective internal control system (operational level)

The Group has set up a Risk Management Executive Team, comprising functional centres, various business departments and all staff. In the course of their daily operations, the functional centres, business segments and individuals execute the risk management strategies of the Group, gather risks in a timely manner based on the changes in the business and give the Risk Management Leading Team feedback on the risks. The Risk Management Leading Team revises and optimizes the risk management system to confine risk management of the Group to the first line of defence.

風險管理程序

本集團建立了企業風險管理框架以有效地管理集團所面對的各種風險。該企業風險管理框架定義了本集團識別、評估、應對和監測風險及其變化的程序。集團透過定期研討加強各職能部門其對風險管理的認識，從而讓所有員工理解並及時匯報風險，加強集團風險管理的能力。

在進行風險識別時，管理層與各營運職能部門溝通，由下而上方式收集對本集團有影響的重大風險因素，包括戰略、營運及財務、報告和合規等各個範疇。在建立風險評估範圍後，管理層根據風險的潛在影響與發生機會判斷風險的重要程度，制定應對有關風險的內控措施，並對風險的變化情況進行持續監察和匯報。

風險管理體系

本集團的風險管理體系以三道防線為指引：

第一道防線 — 維持有效的內控系統 (營運層面)

本集團設立風險管理執行小組，由各職能中心、各事業部及全體員工組成。各職能中心、各事業部及人士於日常運營中執行本集團的風險管理策略，並根據業務的變動及時收集風險，反饋至風險管理領導小組，由風險管理領導小組修訂並完善風險管理體系，以將本集團的風險管理控制在第一道防線。

The major strategies of risk management of the Group include: establish clear internal control policies and procedures, clearly define the responsibilities, authorities and accountabilities of each key position; establish code of conduct, convey to all employee the Group's requirements on integrity and ethic; establish whistle blowing mechanism, encourage employees to report incidents of misconduct or fraud; establish appropriate level of information technology assess rights, avoid leakage of price sensitive information; and establish inside information disclosure policy, including reporting channels and responsible person of disclosure, unified response to external enquiries and obtain advice from professional financial advisors or the Stock Exchange, if necessary.

In 2018, the Board has reviewed the effectiveness of internal control policies and procedures, including those related to financial reporting and Listing Rule compliance and the management also conveyed confirmation of the effectiveness of the risk management and internal control systems to the Board and the Audit Committee. The Board has considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting, internal audit and financial reporting functions when reviewing risk management and internal control procedures.

The second line of defence — On-going risk monitoring (risk management level)

The Group has set up a Risk Management Leading Team, comprising the president, the vice-president and the directors of different centres. The Risk Management Leading Team based on risk management framework and risk management policies established by the Board designs, implements and supervises the risk management system to identify, communicate and assess the significant risks for the Group, and liaise with each operating function and collect significant risk information that affect the Group from the bottom to the top and continually monitors changes in risks.

The Group has established a risk register to record the risks identified, the management will assess the potential impact and possibilities of each major risk and formulated relevant internal control measures.

In 2018, the Risk Management Leading Team conducted evaluation of risk management structure and procedures and submitted a risk assessment report to the Board and the Audit Committee, including a 3-year internal control review plan, to enable the Board and the Audit Committee to effectively monitor the major business risks of the Group and know about how the management responds to and mitigates such risks.

本集團風險管理的主要策略包括：設有明確的內部監控政策和程序，清晰界定各部門及職位的職責、授權及問責性；設有員工行為守則，傳遞集團對於員工誠信及道德價值方面的要求；設有舉報機制，鼓勵僱員舉報涉嫌行為失當或舞弊的事件；設置適當的資訊科技權限，防止股價敏感消息外泄；及設有內幕消息匯報政策，包括設立匯報渠道及信息披露負責人，統一回應外界查詢，並在需要時諮詢專業財務顧問或聯交所意見。

於二零一八年，董事會已檢討內部監控政策和程序的有效性，包括財務報告及遵守《上市規則》規定的程序，而管理層亦已向董事會及審核委員會確認風險管理及內部監控系統有效性。董事會在檢討風險管理及內部監控程序時，已考慮在會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是否足夠。

第二道防線 — 持續監察風險(風險管理層面)

本集團設立風險管理領導小組，由總裁、副總裁、各中心總監等組成。風險管理領導小組根據董事會建立的風險管理框架及風險管理政策設計、實施以及監督風險管理體系，對本集團重大風險進行識別、溝通及評估，制定並調整應對措施並確保其有效實施；並與各營運職能部門溝通，由下而上方式收集對本集團有影響的重大風險資訊及持續監察風險的變化。

本集團建立風險登記冊紀錄已識別的風險，定期評估每項主要風險對集團的潛在影響及發生的可能性，制定相關內控措施。

於二零一八年，風險管理領導小組進行了風險管理架構及程序的檢討，並向董事會及審核委員會提交風險評估報告，以及未來三年的內控覆核計劃，讓董事會及審核委員會更有效地監察本集團的主要業務風險以及了解管理層如何應對及減低該等風險。

The third line of defence — Independent review

The Board and the Audit Committee under the Board, which make up the third line of defence, are responsible for assessing and determining the nature and level of risks the Group is willing to take in achieving its strategic objectives, ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems, and supervising the effectiveness of the risk management and internal control systems on an ongoing basis.

The Group has delegated internal control function to the Internal Control Advisor, independently reviewed the effectiveness of the Group's risk management and internal control systems, reviewed the effectiveness of the Group's risk management and internal control systems, and submitted the internal control review report to the Audit Committee.

In 2018, the Internal Control Advisor has completed the internal control review for the Reporting Period. The review aimed at the transactions conducted from 1 January 2018 to 31 December 2018, and the scope of the review covered the effectiveness of the internal control measures at corporate level and operational level. The Internal Control Advisor has also reported the results of the internal control review to the Audit Committee.

The management has established remediation and improvement plan for internal control weaknesses identified. Nothing has come to the Audit Committee's or Board's attention to believe that risk management and internal control systems of the Group are inadequate or ineffective.

Principle Risks and Uncertainties

Risks and uncertainties involved in the business operations of the Group may affect the Group's financial conditions or growth prospects. In dealing with these risk factors and uncertainties, the Group focuses on the control of risks and uncertainties with the aim of understanding and addressing the concerns of stakeholders. Such factors are by no means exhaustive or comprehensive, and there may be other risks in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Compared with 2017, key risks and uncertainties affecting the Group are summarized below.

第三道防線 — 獨立覆核

第三道防線由董事會及其下屬的審核委員會組成，負責評估及釐定本集團為達成策略目標所願意承受的風險性質及程度，確保本集團設立及維持合適及有效的風險管理及內部監控體系，並持續監督風險管理及內部監控體系的有效性。

集團已將內審職能外判至內控顧問，對集團的風險管理及內部監控系統進行獨立覆核，檢討集團風險管理和內部監控系統的有效性，並向審核委員會提交內控覆核報告。

於二零一八年，內控顧問已完成以本報告期間的內控覆核工作，覆核針對二零一八年一月一日至二零一八年十二月三十一日期間發生的交易，覆核範圍包括企業層面及營運層面的內控措施有效性。內控顧問亦已向審核委員會匯報內控覆核工作結果。

對於發現的內控問題或不足之處，管理層已制定糾正措施及改善方案。審核委員會及董事會未有注意到任何事件令他們相信本集團的風險管理及內部監控系統存在重大不足。

主要風險及不確定因素

本集團業務營運所涉及的風險及不確定因素可能會影響本集團的財務狀況或發展前景。在處理此等風險及不確定因素時，本集團以瞭解及響應利益相關者的關注點為目標，集中對風險及不確定因素作出控制。此等因素非鉅細靡遺亦非全面，除下文所示者外，亦可能存在著本集團未知或現時非重大但日後可能變成重大的其他風險。

與二零一七年度相比，影響本集團的主要風險及不確定因素概述於下文。

Industry and Policy Risk

The Group's smart energy and solar energy businesses and public infrastructure construction business are all located in the PRC. Therefore, the Group's development pace and profit growth will be affected by the macroeconomic conditions and government policies in the PRC. Profit of the Company will also be significantly affected by the Chinese and global macroeconomic fluctuations, government's policy in respect of clean energy, as well as the extent of subsidy and adjustments. If the Group fails to grasp and judge macroeconomic and national policy changes, and adjust its operational strategies in time, or fails to respond to the economic transition quickly, the development of the Group and realization of its operation targets may be affected.

Risk compared with 2017 ↑

The management believes that the general macro economy is lack of strong growth points, and the downward trend of the Chinese economy will continue. In addition, the government will soon introduce a new subsidy policy for the photovoltaic industry, which brings uncertainty to the overall industry, resulting in rapid changes.

Countermeasures:

- regularly consulted and cooperated with professional consulting bodies. Conducted analysis, research and prediction of macro-economic conditions, government policies and industrial policies;
- the management continued to focus on the overall economic and policy changes and adjust business strategies according to conditions, and expand diversified business to avoid unnecessary loss; and
- fully considered potential policy risks before undertaking new investment projects, and avoid investing in projects with uncertain policy risks.

Market Competition Risk

Competition is keen in the smart energy and solar energy market. The management expects that market competition will follow a trend of transition to oligarchs. The Group must correctly judge and grasp the development trend of the industry. If the Group fails to grasp development of relevant technology and follow industry standards, and provide innovative products and technology that satisfy user demands, it may be in a disadvantageous position in the increasingly fierce market competition.

行業及政策風險

本集團的智慧能源業務、太陽能業務，以及公建建設業務均處於中國境內，因此本集團的發展步伐以及營利增長會受到中國宏觀經濟形勢及政府政策所影響。中國以至世界性宏觀經濟的波動，以及政府對清潔能源的政策、補貼及調控的力度等均會重大地影響本公司的利潤。如本集團未能掌握及判斷宏觀經濟及國家政策的轉變，及時調整營運策略，或未能及時對經濟轉變快速反應，可能影響本集團的發展和經營目標的實現。

風險較二零一七年 ↑

管理層認為宏觀經濟整體欠缺強勁的增長點，且中國經濟下行趨勢將持續。此外，政府即將就光伏行業推出新的補貼政策，此舉帶來整體行業的不確定性，並且受其影響而急速改變。

應對措施：

- 定期與專業諮詢機構進行諮詢及合作，對宏觀經濟形勢、政府政策及產業政策進行分析、研究和預測；
- 管理層持續關注總體經濟及政策轉變，並根據情況調整業務策略，拓展多元化業務，避免產生不必要的損失；及
- 進行新投資項目前充分考慮潛在的政策風險，避免投資於政策風險不明朗之項目。

市場競爭風險

智慧能源及太陽能市場競爭激烈，管理層預期市場競爭將趨向寡頭轉變，本集團必須正確地判斷及把握行業的發展趨勢。假如本集團未能掌握相關技術的發展、跟隨行業標準，提供滿足用戶需求的創新產品和技術，將可能在日趨激烈的市場競爭中處於不利地位。

Risk compared with 2017 ←→

Competition in the photovoltaic industry is basically confirmed, while smart energy and distributed energy industry are still in the start-up phase. Industry policies, market and technological cost level are not yet stable and mature. Changes and opportunities co-exist.

Countermeasures:

- the management actively monitored dynamics of the industry and competitors, expand offline resources, accumulate and analyze big data so as to moderately adjust the services of the entire industry chain and strengthen the competitiveness of the Group;
- the Group actively expanded diversified businesses such as electricity, heat, gas and distributed energy, facilitated market layout and expanded business scale, thereby seizing first-mover advantage; and
- the Group actively developed new technology and service projects, and maintained the leading position of the Group in the industry.

Information Technology Risk

“Internet+” is the mainstream of various industries, and can enhance efficiency and save cost in maximum and provide quality user experience through technologies such as the Internet and big data. If the Group’s technology for its Cloud Platform and its research and development capabilities fail to maintain at a high level continuously, if the Group fails to accurately grasp the trends of technology, products and markets in time, and provide corresponding support and guarantees in line with the offline business development, and ensure the safety of the big data, the Group’s market development scheme, its achievement of business objectives and its prospects will be adversely affected.

Risk compared with 2017 ←→

Technologies relating to “Internet+” are becoming mature in the PRC and talents are not lacking in the market. The Group has always closely followed mainstream technology in the market leveraging on a cloud platform with independent intellectual property rights as core, and timely undertaken commercial model innovation and technological innovation. The management believes that risks in relevant aspect are stable and under control.

Countermeasures:

- a specialized research department was established with teams of professional talents, and cooperated with external professional institutions such as university and research institute to continually enhance the Company’s research level and ability;

風險較二零一七年 ←→

光伏行業競爭格局基本固化，智慧能源及分佈式能源行業則處於初創期，行業政策、市場、技術成本水準尚未成熟穩定，變化與機遇並存。

應對措施：

- 管理層積極地關注行業和競爭對手動態，拓展線下資源，積累並分析大資料，以適度調節全產業鏈的服務，以增強本集團的競爭力；
- 本集團積極拓展電、熱、氣及分佈式能源等多元化業務，加快市場佈局，擴大規模，搶佔先發優勢；及
- 本集團積極研發新技術和服務專案，保持本集團在同行中保持領先地位。

資訊技術風險

「互聯網+」是各行各業的主流趨勢，透過互聯網、大資料等科技，最大程度地提高效率，節省成本，提供優質的用戶體驗。如本集團的雲平台技術水準與研發能力無法持續保證較高水準，不能及時準確把握技術、產品和市場發展趨勢，不能根據線下業務的開展提供相應的支援和保障，以及如無法保證大資料的安全，這對本集團的市場開拓計劃、經營目標的實現及發展前景造成不利影響。

風險較二零一七年 ←→

「互聯網+」相關的技術在國內日漸成熟，市場上不乏人才，本集團具有自主智慧財產權的雲平台為核心，一直緊貼現時市場上的主流技術、根據行業標準、技術發展和使用者需求及時進行商業模式創新和技術創新，管理層認為有關方面的風險穩定可控。

應對措施：

- 建立專業化的人才隊伍，通過與大學、研究院等外部專業機構合作，加強技術的研發和創新能力；

- built related Cloud Platform subsystems and develop new products and technology that will satisfy market demands, with standardized management and control system;
 - measures including encrypted message, informationalization protection and private cloud storage were taken to ensure the safety of the data; and
 - strengthened competitiveness of Cloud Platform by introducing artificial intelligence technology.
- 建立相關的雲平台子系統，以標準化的管控體系，研發符合市場需求的新產品和新技术；
 - 採取資訊加密、資訊化防護手段及私有雲儲存環境等，保證資料的安全性；及
 - 通過引入人工智慧技術，加強雲平台的核心競爭力。

Capital Risk

Smart energy and solar energy businesses traditionally require large capital investment. Financing ability and financing cost of the Group depend on global economic condition, interest rates and banks' credit policy as well as its own financial performance. The Group cannot guarantee that credit line, cost and terms can be obtained according to the Group's preference or project needs, which may affect the expected rewards of business and projects. Similarly, the direct or end customers of the Group may terminate or reduce their demand for the Group's products or services as a result of financing difficulties. In addition, the Group also cannot guarantee that it can recover its receivables in time and in full. The Group's cash flow may therefore be significantly and adversely affected.

Risk compared with 2017 ↑

The global economy is entering the cycle of interest rate hike. Liquidity in the market is not as high as those in the past few years, making banks and other financing institutions putting greater emphasis on risk management. The management believes that the Group currently does not have significant financing pressure, but should pay more attention to risks relating to capital compared with the past.

Countermeasures:

- made full use of the capital platform and strengthened cooperation with financial institutions such as banks, actively maintained the stability of various financing channels, thereby reducing the Company's financial costs;
- strengthened the overall management of funds during the daily operational management process of the Group, conducted wealth management prudently, clarified various standards of cost and expense and strengthened budget management; and
- established the collection mechanism of receivables and credit assessment mechanism, strengthened credit risk management, and collected amounts in time.

資金風險

智慧能源及太陽能業務傳統上需要大量資金投入，本集團融資能力及融資成本取決於環球經濟狀況、利率、銀行信貸政策及本集團自身之財務表現所影響。本集團不能保證融資的額度、成本及條款能夠按照本集團的意願或專案需要而獲取，並或會因此而影響業務及項目之預計回報。同樣道理，本集團之直接或終端客戶可能會因融資困難而中止或減少對本集團產品或服務之需求。另外，本集團亦無法保證能及時和足額回收本集團之應收賬款，本集團之現金流或會因此受到重大不利的影響。

風險較二零一七年 ↑

環球經濟逐漸步入加息週期，市場資金流動不如過去幾年活躍，影響到銀行及其他融資機構更加注重風險管理。管理層認為集團現時未有重大的融資壓力，但應該較過往更關心資金相關之風險。

應對措施：

- 充分利用資本平台和加強與銀行等金融機構的合作，積極維持各融資管道之穩定性，從而降低本公司財務成本；
- 在本集團的日常經營管理過程中，加強對資金的統籌管理，審慎理財，明確各項成本費用標準，加強預算管理；及
- 建立應收賬款催收機制及信用評核機制，加強信用風險管理，及時催收賬款。

Integrated Management and Control Risks

The support of well-developed organizational and governance structure is necessary for business development. If the organizational structure, functions orientation and capacity of integrated management and control could not support the development need of the Group, and adapt to various environmental and risk changes including strengthening of regulation, market competition and rapid development of business, the Group's capacity of realizing its operational and strategic targets would be affected.

Risk compared with 2017 ↑

With gradual expansion of the Group's business and asset scale, as well as changes in organizational structure arising from merger and acquisition of new business, the management needs to review and optimize organizational and governance structure to adapt to changes. At the same time, the Group has to ensure after streamlining the Group's structure and reducing employees, the Group still has adequate resources to maintain and monitor effective implementation of management policies.

Countermeasures:

- the management regularly reviewed development of business, optimized legal person governance structure and regularly assesses and reviewed the Group's organizational structure and each function's orientation;
- formulated and implemented refined corporate governance system, set up appropriate monitoring structures, and made necessary adjustments according to business development needs;
- regularly reviewed effectiveness of the Group's risk management and internal control through independent internal control advisor; and
- reviewed new merger and acquisition and financial investment business in time, and formulated appropriate monitoring and internal control procedures for new business, so that they are connected with current business appropriately.

Merger and Acquisition Transaction Risk

The Group needs to support business development through different merger and acquisitions. If the Group fails to fully grasp real operational, financial and legal conditions of the targets of the transactions, and accurately evaluates actual value of the targets of transactions, it may have to pay an exceedingly high transaction consideration, or may have to bear liabilities for merger and acquisition targets, or bear the risk of failure of merger and acquisition transactions.

綜合管控風險

業務發展過程需要完善的組織及管治架構支援，如果本集團的組織架構、職能定位及綜合管控能力無法支撐本集團的發展需要，適應監管加強、市場競爭、業務快速發展等各種環境及風險變化，將影響本集團實現其經營及戰略目標的能力。

風險較二零一七年 ↑

本集團隨著本集團業務和資產規模的逐步擴大，以及因併購新業務帶來的組織架構變化，管理層需要時刻檢討及完善組織及管治架構，以適應變化。同時，本集團需確保在精簡集團架構，減少員工後，本集團仍有足夠的資源維持及監控管理政策的有效落實。

應對措施：

- 管理層定期檢討業務發展的情況，完善法人治理結構，定期評估、檢討本集團的組織架構及各職能的定位；
- 制定及落實完善的企業管治體系，設置適當的監控架構，並根據業務發展的需要而調整；
- 通過獨立的內控顧問，定期檢討本集團風險管理及內控之有效性；及
- 及時檢討新的併購及金融投資業務，並針對新業務制定合適的監控及內控程式，使之與現有業務適當地對接。

併購交易風險

本集團需要透過各種併購支援業務發展，假若本集團未有充分掌握交易標的之真實營運、財務、法務等綜合情況，以及準確評估交易標的之實際價值，或會因而付出過高的交易代價，或需要為併購目標承擔其負債，或承擔併購交易失敗之風險。

Additional risk

The Group is currently in a phase of rapid growth and will frequently carry out project mergers and acquisitions to support business development. However, the management has always attached great importance to the management of merger and acquisition transaction risks and carefully reviewed each transaction target. Therefore, it considers that relevant risks should still be acceptable.

Countermeasures

- for each merger and acquisition project, the Group will first undertake internal due diligence investigation, and learn about project background, actual business condition, financial condition and legal compliance, as the basis of preliminary review;
- for each potential merger and acquisition object passing preliminary project initiation phase, the Group will appoint experienced third-party professional institutions to conduct detailed, business, financial and legal due diligence investigation, so as to check the truthfulness of merger and acquisition projects;
- the Group appointed professional evaluation institutions to conduct value assessment on merger and acquisition projects, to see whether transaction consideration is too high or not;
- the Group set up a specialized investment and merger and acquisition committee. Committee members are all senior management personnel experienced in fields including operation, management, finance, legal affairs and investment and merger and acquisition; and
- after completing projects for merger and acquisition, the Group will regularly supervise its operational performance, financial performance and other comprehensive performance, and regularly conduct checking and assessment, to confirm whether it reaches the Group's investment performance, and will adopt corresponding measures in time depending on actual conditions, to lower the Group's risk of investments.

Notes:

Risk level increased ↑

Risk level decreased ↓

Risk level mostly unchanged ←→

新增風險

本集團現時處於高速增長階段，會頻繁地進行專案併購支持業務發展，但管理層一直十分重視併購交易風險之管理，小心謹慎檢討每一個交易對象，因此認為有關風險仍然處於可接受水準。

應對措施：

- 對於每一個併購項目，本集團會先進行內部盡職調查，瞭解項目背景、業務實況、財務狀況和法務合規狀況，作為初步立項評審付基礎；
- 對於每一個通過初步立項階段的潛在併購物件，本集團會委任富有經驗之協力廠商專業機構，進行詳細的業務、財務、法務等盡職調查，以查證併購項目的真確性；
- 本集團會就委任專業評估機構，對併購專案進行價值評估，以瞭解交易作價是否過高；
- 本集團設立專門的投資併購委員會，委員均為在營運、管理、財務、法務、投資併購等方面具有豐富經驗的高管人員，綜合盡調情況對本集團之投資併購專案進行最終評審，確定是否併購；及
- 對已併購項目，本集團將定期監督其運營表現、財務表現及其他綜合表現，並定期進行檢查評估，以確認其是否達到本集團之投資表現，並視情況及時採取相應措施，以盡量降低本集團之投資風險。

附註：

風險水平上升↑

風險水平下降↓

風險水平大致相同←→

INSIDE INFORMATION MANAGEMENT

The Group's procedure and internal control measures regarding the handling and dissemination of inside information are listed below:

- The Group is aware of its obligations under the disclosure requirements under the Listing Rules and the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission in June 2012. The overriding principle is for the Group to make an announcement as soon as any inside information comes to the attention of the Group or the Group makes any decision based on such information.
- The Company has formulated its own Guidelines on Management and Disclosure of Inside Information in accordance with the Listing Rules and the Guidelines on Disclosure of Inside Information, clarifying the organization for managing inside information within the Company and the processes for reporting and disclosing inside information, and ensuring that Board members, the senior management personnel and specific executive personnel with access to price-sensitive and/or inside information by reason of their position or employment at the Company or its subsidiaries are in strict compliance with the relevant regulations and guidelines.
- By way of financial reports, announcements and its website, the Group discloses information to the public in an extensive and non-exclusive manner to implement and disclose its fair disclosure policy.
- In the course of communicating with any organization or individual regarding the Company's operating condition, financial condition and other operating developments in a variety of formats, including presentations on results, analyst presentations, roadshows and the reception of investors for their research purposes, the Company designates a specific executing entity for information disclosure.
- The Company has formulated its Confidentiality Protocol, expressly prohibiting any unauthorized use of confidential information or inside information. At the same time, staff members are required to sign a confidentiality agreement during induction, which means they are expected to take upon themselves the duty of confidentiality when they start their job.

內幕消息管理

以下列出本集團對於有關處理及發放內幕消息的程序和內部監控措施：

- 本集團明白其根據上市規則項下的披露規定及證券及期貨事務監察委員會於二零一二年六月頒佈的「內幕消息披露指引」所須履行的責任，首要原則是本集團一旦知悉任何內幕消息或其有就內幕消息作出任何決定後須儘快作出公佈。
- 本公司已根據上市規則及內幕消息披露指引制定本公司的《內幕消息管理及披露指引》，明確了本公司的內幕消息管理機構、內幕消息的匯報及披露流程，並確保本公司及附屬公司因職位或受僱關係而能夠取得價格敏感及／或內幕消息的董事會成員、高級管理人員及特定的行政人員嚴格遵守相關規定及指引。
- 本集團透過財務報告、公告及其網站等途徑，向公眾廣泛及非獨家地披露資料，以實施及披露其公平披露政策。
- 本公司通過業績說明會、分析師會議、路演、接受投資者調研等形式就本公司的經營狀況、財務狀況及其他公司經營情況與任何機構和人士進行溝通時，指定專門的資料披露執行主體。
- 本公司已制定《保密條例》，明確嚴禁未經授權使用機密或內幕消息，同時員工入職時即需簽訂《保密協議》，要求員工從入職開始承擔相關保密責任。

JOINT COMPANY SECRETARY

Ms. Zou Yanhong (“**Ms. Zou**”) and Ms. Ng Ka Man (“**Ms. Ng**”) are the joint company secretaries of the Company.

Ms. Zou is the director of securities affairs department of the Company and is also responsible for advising the Board on corporate governance matters and ensuring that the Board policy and procedures, and the applicable laws, rules and regulations are followed.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engages Ms. Ng, a manager of TMF Hong Kong Limited (a global corporate service provider), as its Joint Company Secretary to assist Ms. Zou to discharge her duties as company secretary of the Company. The primary corporate contact person at the Company is Ms. Zou, the Joint Company Secretary.

For the year ended 31 December 2018, each of Ms. Zou and Ms. Ng has undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

INVESTORS AND SHAREHOLDERS RELATIONS

The Board recognizes the importance of maintaining clear, timely and effective communication with the Shareholders and the investors. The Board also recognises that effective communication with the investors is the key to establish investor confidence and to attract new investors. Therefore, the Group is committed to maintaining a high degree of transparency to ensure that the investors and the Shareholders receive accurate, clear, comprehensive and timely information of the Group by the publication of financial reports, announcements, circulars and other corporate communications on the websites of the Stock Exchange and the Company. The Company’s website (www.longitech.hk) has been set up as a means to provide information of the Company to the Shareholders and potential investors and to communicate with them directly and effectively. Shareholders are welcomed to make enquiry to the Board or make request for the Company’s information to the extent such information is publicly available.

聯席公司秘書

鄒燕紅女士(「鄒女士」)及吳嘉雯女士(「吳女士」)為本公司的聯席公司秘書。

鄒女士為本公司證券事務部總監，負責就企業管治事宜向董事會提供意見，確保董事會政策及程序、適用法律、規章及法規得到遵循。

為了維持良好的企業管治並確保符合上市規則及適用香港法律，本公司亦聘用達盟香港有限公司(為一所全球企業服務供應商)的經理吳女士作為本公司的聯席公司秘書，以協助鄒女士履行本公司公司秘書的職責。本公司內部主要聯絡人為本公司的聯席公司秘書鄒女士。

截至二零一八年十二月三十一日止年度，鄒女士與吳女士均已根據上市規則第3.29條參加不少於15小時的相關專業培訓。

投資者及股東關係

董事會認同與股東及投資者保持清晰、及時而有效溝通的重要性。董事會亦認同與投資者進行有效溝通是建立投資者信心及吸引新投資者的關鍵所在。因此，本集團致力保持高透明度，確保投資者及股東通過聯交所及本公司網站所刊發的財務報告、公告、通函及其他企業通訊獲得有關本集團準確、清晰、完整而及時的資料。本公司已設立網站(www.longitech.hk)，作為向股東及潛在投資者提供本公司資訊，以及與彼等直接有效溝通的渠道。本公司歡迎股東向董事會作出查詢或要求提供本公司可向公眾公開的資料。

The Board shall maintain an on-going dialogue with Shareholders and the investment community. Shareholders are also encouraged to attend the annual general meeting and other general meetings that may be convened by the Company, for which notices will be served for an adequate period in accordance with the Listing Rules and articles of association of the Company. The Directors will be available to answer Shareholders' questions at the general meetings.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each issue at Shareholder meetings, including the election of individual directors.

At any general meetings, a resolution put to vote of the meeting shall be decided by way of a poll except where a show of hands is allowed under the Listing Rules and the results of voting by poll will be declared at the meeting and published on the websites of the Stock Exchange and the Company respectively pursuant to the Listing Rules. At the annual general meeting of the Company held on 12 June 2018, all resolutions, including the approval of the audited consolidated financial statements of the Company and the Group for the year ended 31 December 2017, were passed by poll by the Shareholders.

Convening of extraordinary general meeting and putting forward proposals

Shareholders may put forward proposals for consideration at a general meeting according to the Companies Ordinance (Chapter 622 of the laws of Hong Kong) and the articles and association of the Company. According to article 64 of the articles of association of the Company, extraordinary general meetings shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition.

董事會將與股東及投資大眾保持持續溝通。歡迎股東參與本公司召開的股東週年大會及其他股東大會，大會通告將根據上市規則及本公司組織章程細則於充分的期間內發出。董事將於股東大會為股東解答疑問。

股東權利

為保障股東的權益及權利，本公司將於股東大會上就每項事項(包括選舉個別董事)提呈獨立決議案。

在任何股東大會上，除非上市規則允許以舉手方式表決，否則提呈大會的決議案將以投票方式表決，而投票表決結果將於會上宣佈，以及根據上市規則分別於聯交所及本公司網站公佈。於二零一八年六月十二日舉行的本公司股東週年大會上，股東以投票方式通過全部決議案(包括批准本公司及本集團截至二零一七年十二月三十一日止年度的經審核綜合財務報表)。

召開股東特別大會及提呈建議

股東可根據香港法例第622章公司條例及本公司組織章程細則提呈建議供於股東大會上省覽。根據本公司組織章程細則第64條，股東特別大會亦須在一名或以上於遞交申請當日持有有權於股東大會投票的本公司繳足股本不少於十分之一的股東要求下召開。有關要求須以書面向董事會或本公司的公司秘書提出，述明要求董事會召開股東特別大會以處理該要求內訂明的任何事項。有關大會須於遞交有關要求後2個月內舉行。

As regards proposing a person for election as a director, article 113 of the articles of association of the Company stipulates that no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Registration Office. The period for lodgment of the notices required under this Article will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least 7 days. The procedures for Shareholders to propose a person for election as a director are available on the website of the Company.

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could email their enquiries to investor@longitech.hk.

CHANGE IN CONSTITUTIONAL DOCUMENTS

During the Reporting Period, there is no significant change in constitutional documents of the Company.

就提名人選參選董事而言，本公司組織章程細則第113條規定，除非一項有意提名選舉該位人士為董事的書面通知以及一項該位被推選人士簽發表明其願意選舉的書面通知已呈交至總辦事處或註冊辦事處，否則概無人士（退任董事除外）有權在任何股東大會上選舉出任董事職位（由董事會推選的情況除外）。根據該細則規定，提交該等通知的期間須由不早於指定進行該選舉的股東大會通告寄發翌日起計，及不遲於該股東大會舉行日期前7日結束，而向本公司發出該等通知的最短期間須為最少7日。有關股東提名人選參選董事的程序可於本公司網站閱覽。

向董事會查詢

股東如欲向董事會提出有關本公司的查詢，可將問題電郵至 investor@longitech.hk。

章程文件的變更

於本報告期間，本公司的章程文件概無任何重大變更。

Independent Auditor's Report 獨立核數師報告



羅兵咸永道

To the Shareholders of LongiTech Smart Energy Holding Limited
(incorporated in the Cayman Islands with limited liability)

致隆基泰和智慧能源控股有限公司股東
(於開曼群島註冊成立的有限公司)

OPINION

意見

What we have audited

我們已審計的內容

The consolidated financial statements of LongiTech Smart Energy Holding Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 109 to 218, which comprise:

隆基泰和智慧能源控股有限公司(以下簡稱「**貴公司**」)及其附屬公司(以下統稱「**貴集團**」)列載於第109至218頁的綜合財務報表，包括：

- the consolidated balance sheet as at 31 December 2018;
 - the consolidated statement of profit or loss for the year then ended;
 - the consolidated statement of comprehensive income for the year then ended;
 - the consolidated statement of changes in equity for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於二零一八年十二月三十一日的綜合資產負債表；
 - 截至該日止年度的綜合損益表；
 - 截至該日止年度的綜合全面收益表；
 - 截至該日止年度的綜合權益變動表；
 - 截至該日止年度的綜合現金流量表；及
 - 綜合財務報表附註，包括主要會計政策概要。

Our opinion

我們的意見

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“**IFRSs**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

我們認為，該等綜合財務報表已根據《國際財務報告準則》(「《國際財務報告準則》」)真實而中肯地反映了貴集團於二零一八年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

PricewaterhouseCoopers
22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888
www.pwchk.com

羅兵咸永道會計師事務所
香港中環太子大廈廿二樓
總機：+852 2289 8888，傳真：+852 2810 9888
www.pwchk.com



羅兵咸永道

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

意見的基礎

我們已根據《國際審計準則》(《國際審計準則》)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據國際會計師專業操守理事會頒佈的《專業會計師道德守則》(以下簡稱「道德守則」)，我們獨立於貴集團，並已履行道德守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。



羅兵咸永道

Key audit matter identified in our audit is summarised as follows:

我們在審計中識別的關鍵審計事項概述如下：

- Recoverability of overdue trade receivables

- 逾期貿易應收款項的可收回程度

Key Audit Matter

關鍵審計事項

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Recoverability of overdue trade receivables

逾期貿易應收款項的可收回程度

Refer to note 22 Trade and other receivables to the consolidated financial statements.

請參閱綜合財務報表附註22貿易及其他應收款項。

The Group's overdue trade receivables amounted to RMB352,352,000 which were exposed to a higher risk of collectability issue as at 31 December 2018.

於二零一八年十二月三十一日，貴集團的逾期貿易應收款項為人民幣352,352,000元，有關款項面臨較高的不可收回風險。

The Group makes a provision of RMB18,652,000 on trade receivables based on an assessment of the recoverability of overdue trade receivables as at 31 December 2018.

於二零一八年十二月三十一日，根據對逾期貿易應收款項可收回程度的評估，貴集團就貿易應收款項作出撥備人民幣18,652,000元。

Our procedures in relation to the recoverability of overdue trade receivables included:

我們對有關逾期貿易應收款項的可收回程度的審計程序包括：

- Understood the key controls in respect of granting credit to third parties and the impairment assessment performed by the Group's management on the Group's receivables;
- 了解授予第三方信用及貴集團管理層就貴集團應收款項所作減值估值的關鍵控制；
- We tested management's assessment of the expected credit losses by comparing to supportable evidence about the collectability of the overdue trade receivables such as subsequent settlement after the year end date within ordinary settlement cycle of respective customers, credit history, business performance and financial capability of the customers and forward-looking information;
- 我們透過比較管理層對預期信貸虧損的估值與逾期貿易應收款項可收回程度的可靠憑證檢驗管理層估值，如在有關客戶的正常結算週期內於年終結算日後進行的其後結算以及該等客戶的信用歷史、業務表現及財政能力以及前瞻性資料；



Key Audit Matter

關鍵審計事項

The Group calculates the loss allowance for trade receivables using the credit risk exposure and the expected loss rate of trade receivables. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables. The Group assesses the expected credit losses associated with its trade receivables on a forward looking basis. It considers available reasonable and supportive forwarding-looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

貴集團使用信貸風險及貿易應收款項的預期虧損率計算貿易應收款項的虧損撥備。貴集團採用國際財務報告準則第9號簡化方法以計量預期信貸虧損，該方法就貿易應收款項採用存續期預期虧損撥備。貴集團按前瞻性基準評估與其貿易應收款項相關的預期信貸虧損，考慮了可用的合理且具有支持作用的前瞻性資料。過往虧損率進行了調整，以反映當前及前瞻性資料中影響客戶結清應收款項能力的宏觀經濟因素。

We focus on this area due to the significant balance of trade receivables as at 31 December 2018 and the uncertainty of estimation involved in the management's assessment process in respect of the collectability of trade receivables. Any changes in the circumstances of the customers may affect the collectability of the relevant balances.

由於二零一八年十二月三十一日之貿易應收款項結餘重大，且管理層就貿易應收款項的可收回程度的估值程序涉及估計的不確定性，因此我們重點關注該範疇。如客戶的情況出現任何變化，可能對相關結餘的可收回程度產生影響。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

- We also tested, on a sample basis, the accuracy of the ageing profile of trade receivables for the purpose of identifying overdue trade receivables and their overdue period; and
- 我們亦在抽樣的基礎上檢驗貿易應收款項的賬齡狀況，旨在識別逾期貿易應收款項及其逾期年限；及
- We tested the accuracy of the calculation of the allowance for doubtful debts using the credit risk exposure and the expected credit loss rate of trade receivables.
- 我們使用信貸風險及貿易應收款項的預期信貸虧損率檢驗呆賬撥備計算準確性。

Based on the procedures described, we consider management's assessment on recoverability of trade receivables is supportable by the evidence we gathered.

根據所述程序，我們認為，所收集的證據能夠證實管理層對貿易應收款項的可收回程度所作評估。



羅兵咸永道

OTHER INFORMATION

The Directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。



羅兵咸永道

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Audit Committee are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

董事及審核委員會就綜合財 務報表須承擔的責任

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

在擬備綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會須負責監督貴集團的財務報告過程。

核數師就審計綜合財務報表 承擔的責任

我們的目標，是對綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《國際審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。



羅兵咸永道

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

在根據《國際審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。



羅兵咸永道

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ng Ping Fai.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 March 2019

- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是吳炳輝。

羅兵咸永道會計師事務所
執業會計師

香港，二零一九年三月二十九日

Consolidated Statement of Profit or Loss

綜合損益表

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

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
		Notes 附註	
Continuing operations	持續經營業務		
Revenue	收益	5(a)	897,902
Cost of sales	銷售成本	8	(637,422)
Gross profit	毛利		243,831
Selling and distribution expenses	銷售及分銷開支	8	(24,519)
Administrative expenses	行政開支	8	(68,190)
Impairment losses on financial assets	金融資產減值虧損	9	—
Other income	其他收入	6	—
Other gains — net	其他收益淨額	7	9,518
Profit from operations	經營溢利		120,008
Finance income	融資收入	11	610
Finance expenses	融資開支	11	(19,845)
Finance expenses — net	融資開支淨額	11	(19,235)
Share of net profit of associates accounted for using the equity method	採用權益法入賬的聯營公司的純利份額	18	—
Profit before income tax	除所得稅前溢利		118,887
Income tax expense	所得稅開支	12	(22,328)
Profit from continuing operations	持續經營業務的溢利		108,501
Discontinued operations	已終止業務		
Loss from discontinued operations attributable to owners of the Company	本公司擁有人應佔已終止業務的虧損		(238)
Profit for the year	年內溢利		108,501

Consolidated Statement of Profit or Loss (Continued)

綜合損益表(續)

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

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
		Notes 附註	
Profit is attributable to:	以下應佔溢利：		
Owners of the Company	本公司擁有人		135,197
Non-controlling interests	非控股權益		291
			108,501
Profit attributable to owners of the Company arises from:	本公司擁有人應佔溢利來自：		
Continuing operations	持續經營業務		135,435
Discontinued operations	已終止業務		(238)
			107,720
Earnings per share for profit attributable to owners of the Company (RMB):	本公司擁有人應佔溢利的每股盈利(人民幣元)：		
Basic earnings per share	每股基本盈利		
From continuing operations	持續經營業務	13(a)	0.1712
From discontinued operations	已終止業務	13(a)	(0.0003)
			0.0821
Diluted earnings per share	每股攤薄盈利		
From continuing operations	持續經營業務	13(b)	0.1709
From discontinued operations	已終止業務	13(b)	(0.0003)
			0.0820

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes. 以上綜合損益表應與隨附的附註一併閱讀。

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit for the year	年內溢利	108,501	135,488
Other comprehensive income/(loss)	其他全面收入/(虧損)		
Items that may be reclassified subsequently to profit or loss:	隨後可能重新分類至損益的項目：		
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表所產生的匯兌差額	14,638	(4,173)
Other comprehensive income/(loss) for the year, net of tax	年內其他全面收入/(虧損)，經扣除稅項	14,638	(4,173)
Total comprehensive income for the year	年內全面收入總額	123,139	131,315
Attributable to:	以下應佔：		
Owners of the Company	本公司擁有人	122,358	131,024
Non-controlling interests	非控股權益	781	291
		123,139	131,315
Total comprehensive income for the year attributable to owners of the Company arises from:	本公司擁有人應佔年內全面收入總額來自：		
Continuing operations	持續經營業務	122,358	131,262
Discontinued operations	已終止業務	—	(238)
		122,358	131,024

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

以上綜合全面收益表應與隨附的附註一併閱讀。

Consolidated Balance Sheet

綜合資產負債表

At 31 December 2018 於二零一八年十二月三十一日

		As at 31 December		
		於十二月三十一日		
		2018	2017	
		二零一八年	二零一七年	
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	
	Notes			
	附註			
Assets	資產			
Non-current assets	非流動資產			
Leasehold land and land use rights	租賃土地及土地使用權	14	4,254	1,634
Property, plant and equipment	物業、廠房及設備	15	498,459	480,349
Investment properties	投資物業		—	9,000
Intangible assets	無形資產	16	19,698	38,475
Deferred tax assets	遞延稅項資產	31	3,021	569
Contract assets	合約資產	21	155,440	—
Investments accounted for using the equity method	採用權益法入賬的投資	18	101,587	—
Financial assets at fair value through profit or loss	按公平值計量且其變動計入損益的金融資產	24	8,762	—
Other non-current assets	其他非流動資產	19	7,781	17,510
Total non-current assets	非流動資產總額		799,002	547,537
Current assets	流動資產			
Inventories	存貨	20	24,480	25,815
Contract assets	合約資產	21	304,350	—
Amount due from customers for contract work	應收客戶合約工程款項	21	—	500,316
Trade and other receivables	貿易及其他應收款項	22	543,486	769,555
Financial assets at amortised cost	按攤銷成本計量的金融資產	23	178,513	—
Financial assets at fair value through profit or loss	按公平值計量且其變動計入損益的金融資產	24	155,681	—
Restricted cash	受限制現金	26	1,219	1,679
Cash and cash equivalents	現金及現金等價物	27	162,917	107,022
Total current assets	流動資產總額		1,370,646	1,404,387
Total assets	資產總額		2,169,648	1,951,924
Equity and liabilities	權益及負債			
Share capital	股本	28(a)	12,255	7,629
Reserves	儲備	28(b)	1,154,287	555,658
Retained earnings	保留盈餘		307,248	210,300
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,473,790	773,587
Non-controlling interests	非控股權益		6,159	1,214
Total equity	權益總額		1,479,949	774,801

Consolidated Balance Sheet (Continued) 綜合資產負債表(續)

At 31 December 2018 於二零一八年十二月三十一日

		As at 31 December 於十二月三十一日	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
		Notes 附註	
Liabilities	負債		
Non-current liabilities	非流動負債		
Borrowings	借款	29	647,305
Deferred government grants	遞延政府補貼		2,493
Deferred tax liabilities	遞延稅項負債	31	12,554
Total non-current liabilities	非流動負債總額		662,352
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付款項	30	202,114
Contract liabilities	合約負債		—
Receipts in advance	預收款項		738
Current tax liabilities	即期所得稅負債		25,679
Borrowings	借款	29	286,240
Total current liabilities	流動負債總額		514,771
Total liabilities	負債總額		1,177,123
Total equity and liabilities	權益及負債總額		1,951,924

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

以上綜合資產負債表應與隨附的附註一併閱讀。

The financial statements on pages 109 to 218 were approved by the Board of Directors on 29 March 2019 and were signed on its behalf

第109頁至第218頁所載財務報表於二零一九年三月二十九日經董事會批准，並由下列董事代表簽署

Wei Qiang
魏強

Liu Zhengang
劉振剛

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔							Non-controlling interests		Total equity
		Share capital	Share premium	Statutory reserve	Share-based compensation reserve 以股份支付之報酬儲備	Exchange reserve 匯兌儲備	Other reserve 其他儲備	Retained earnings 保留盈餘	Total	Non-controlling interests	Total equity
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Balance at 1 January 2017	於二零一七年一月一日結餘	6,002	194,821	11,253	—	1,996	4,187	88,623	306,882	—	306,882
Comprehensive income	全面收入										
Profit for the year	年內溢利	—	—	—	—	—	—	135,197	135,197	291	135,488
Other comprehensive loss	其他全面虧損	—	—	—	—	(4,173)	—	—	(4,173)	—	(4,173)
Total comprehensive income	其他全面收入	—	—	—	—	(4,173)	—	135,197	131,024	291	131,315
Transactions with owners in their capacity as owners	與擁有人以其擁有的身份進行的交易										
Placing of new shares	配售新股份	1,627	332,722	—	—	—	—	—	334,349	—	334,349
Non-controlling interests on acquisition of subsidiaries	收購附屬公司的非控股權益	—	—	—	—	—	—	—	—	1,960	1,960
Dividends provided for or paid	就股息作出撥備或派付股息	—	—	—	—	—	—	—	—	(1,037)	(1,037)
Appropriation to statutory reserve	撥至法定儲備	—	—	13,520	—	—	—	(13,520)	—	—	—
Equity-settled share-based transactions	按權益結算以股份支付之交易	—	—	—	1,332	—	—	—	1,332	—	1,332
Total transactions with owners, recognised directly in equity	與擁有人進行交易，直接於權益入賬	1,627	332,722	13,520	1,332	—	—	(13,520)	335,681	923	336,604
Balance at 31 December 2017	於二零一七年十二月三十一日結餘	7,629	527,543	24,773	1,332	(2,177)	4,187	210,300	773,587	1,214	774,801

Consolidated Statement of Changes in Equity (Continued) 綜合權益變動表(續)

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

		Attributable to owners of the Company 本公司擁有人應佔									
		Share capital	Share premium	Statutory reserve	Share-based compensation reserve	Exchange reserve	Other reserve	Retained earnings	Total	Non- controlling interests	Total equity
		股本	股份溢價	法定儲備	以股份支付 之報酬儲備	匯兌儲備	其他儲備	保留盈餘	總計	非控股權益	總權益
Notes 附註		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
	Balance at 1 January 2018 於二零一八年一月一日結餘	7,629	527,543	24,773	1,332	(2,177)	4,187	210,300	773,587	1,214	774,801
	Comprehensive income 全面收入										
	Profit for the year 年內溢利	-	-	-	-	-	-	107,720	107,720	781	108,501
	Other comprehensive income 其他全面收入	-	-	-	-	14,638	-	-	14,638	-	14,638
	Total comprehensive income 全面收入總額	-	-	-	-	14,638	-	107,720	122,358	781	123,139
	Transactions with owners in their capacity as owners 與擁有人以其擁有人身份進行的交易										
	Rights issue 供股 28(a)	3,699	438,699	-	-	-	-	-	442,398	-	442,398
	Placing of new shares 配售新股份 28(a)	927	124,113	-	-	-	-	-	125,040	-	125,040
	Non-controlling interests on acquisition of subsidiaries 收購附屬公司的非控股權益 36	-	-	-	-	-	-	-	-	4,700	4,700
	Contributions of equity 權益出資	-	-	-	-	-	-	-	-	500	500
	Dividends provided for or paid 就股息作出撥備或派付股息	-	-	-	-	-	-	-	-	(1,036)	(1,036)
	Appropriation to statutory reserves 撥至法定儲備	-	-	10,772	-	-	-	(10,772)	-	-	-
	Equity-settled share-based transactions 按權益結算以股份支付的交易 10(b)	-	-	-	10,407	-	-	-	10,407	-	10,407
	Total transactions with owners, recognised directly in equity 與擁有人進行交易，直接於權益入賬	4,626	562,812	10,772	10,407	-	-	(10,772)	577,845	4,164	582,009
	Balance at 31 December 2018 於二零一八年十二月三十一日結餘	12,255	1,090,355	35,545	11,739	12,461	4,187	307,248	1,473,790	6,159	1,479,949

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

以上綜合權益變動表應與隨附的附註一併閱讀。

Consolidated Statement of Cash Flows

綜合現金流量表

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

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
		Notes 附註	
Cash flows from operating activities 經營活動所得現金流量			
Cash generated from/(used in) operations	經營所得/(所用)現金	33	482,784 (264,857)
Interest received	已收利息		467 610
Income tax paid	已付所得稅		(28,585) (17,723)
Net cash generated from/(used in) operating activities 經營活動所得/(所用)現金淨額			454,666 (281,970)
Cash flows from investing activities 投資活動所得現金流量			
Payments for acquisition of subsidiaries, net of cash acquired	就收購附屬公司支付款項，扣除購入現金	36(c)	1 5,450
Payments for leasehold land and land use rights	租賃土地及土地使用權支付款項		(3,077) —
Payments for property, plant and equipment	物業、廠房及設備支付款項		(67,169) (100,915)
Payments for intangible assets	無形資產支付款項		(7,820) (14,634)
Payments for investments in associates	就投資聯營公司支付款項	18	(93,400) —
Payments for financial assets at amortised cost	就按攤銷成本計量的金融資產支付款項		(178,050) —
Payments for financial assets at fair value through profit or loss	就按公平值計量且其變動計入損益的金融資產支付款項	24	(182,289) —
Proceeds from disposal of subsidiaries	出售附屬公司所得款項		31,702 49,541
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		6,039 —
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公平值計量且其變動計入損益的金融資產所得款項	24	16,148 —
Proceeds from disposal of available-for-sale financial assets	出售可供出售金融資產所得款項		— 3,000
Interests received on financial assets at amortised cost held for cash management purposes	持作現金管理的按攤銷成本計量的金融資產的已收利息		3,907 —
Government grants received	取得政府補貼		2,000 —
Decrease/(Increase) in restricted cash	受限制現金減少/(增加)		460 (1,383)

Consolidated Statement of Cash Flows (Continued) 綜合現金流量表(續)

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

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	Notes 附註		
Net cash used in investing activities		(471,548)	(58,941)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	28(a)	567,438	242,923
Proceeds from equity contribution of non-controlling shareholders		500	—
Proceeds from borrowings		—	380,715
Repayment of borrowings		(365,945)	(286,610)
Interest paid		(40,281)	(60,802)
Advances from related parties	37	8,060	18,816
Repayment of funds to related parties	37	(97,387)	(47,392)
Dividends paid to non-controlling interests in subsidiaries		(1,036)	(1,037)
Net cash generated from financing activities		71,349	246,613
Net increase/(decrease) in cash and cash equivalents		54,467	(94,298)
Cash and cash equivalents at the beginning of the year		107,022	205,037
Exchange gains/(losses) on cash and cash equivalents		1,428	(3,717)
Cash and cash equivalents at the end of the year	27	162,917	107,022

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

以上綜合現金流量表應與隨附的附註一併閱讀。

Notes to the Financial Statements

財務報表附註

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

1 GENERAL INFORMATION

LongiTech Smart Energy Holding Limited (the “**Company**”) was incorporated in the Cayman Islands on 4 January 2011 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, the Cayman Islands. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 12 January 2012.

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in smart energy business and public infrastructure construction business. The two major shareholders of the Company are Longevity Investment Holding Limited (“**Longevity**”) and Lightway Power Holdings Limited (“**Lightway Power**”). The ultimate beneficial owner of the Company is Mr. Wei Shaojun (the “**controlling shareholder**”).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable International Financial Reporting Standards (“**IFRSs**”), which include all applicable individual International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Interpretations issued by the International Accounting Standards Board (“**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value.

1 一般資料

隆基泰和智慧能源控股有限公司(「**本公司**」)於二零一一年一月四日根據開曼群島公司法第22章(一九六一年第3號法例·經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。註冊辦事處地址為Clifton House, 75 Fort Streets PO Box 1350, Grand Cayman KY1-1108, Cayman Islands。本公司股份於二零一二年一月十二日在香港聯合交易所有限公司主板上市。

本公司及其附屬公司(「**本集團**」)主要從事智慧能源業務及公建建設業務。本公司兩名主要股東為Longevity Investment Holding Limited(「**Longevity**」)及Lightway Power Holdings Limited(「**Lightway Power**」)。本公司最終實益擁有人為魏少軍先生(「**控股股東**」)。

2 重大會計政策概要

本附註提供編製該等綜合財務報表時採用的重大會計政策清單。除另有註明者外，此等政策已於所有呈報年度貫徹應用。

2.1 編製基準

本集團的綜合財務報表乃按照所有適用的國際財務報告準則(「**國際財務報告準則**」)(此包括由國際會計準則理事會(「**國際會計準則理事會**」)頒佈的所有適用個別國際財務報告準則、國際會計準則(「**國際會計準則**」)及詮釋)及香港公司條例的披露規定編製。綜合財務報表乃以歷史成本法編製，惟若干按公平值計量的金融資產則除外。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.1.1 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing on 1 January 2018:

- IFRS 9 Financial Instruments,
- IFRS 15 Revenue from Contracts with Customers,
- Amendments to IFRS 4 — Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts,
- Amendments to IFRS 2 — Classification and Measurement of Share-based Payment Transactions,
- Amendments to IAS 40 — Transfers to Investment Property,
- Annual Improvements to IFRSs 2014-2016 Cycle, and
- Interpretation 22 Foreign Currency Transactions and Advance Consideration.

The impact of the adoption of IFRS 9 and IFRS 15 are disclosed in Note 2.2. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 重大會計政策概要(續)

2.1 編製基準(續)

根據國際財務報告準則編製財務報表需要採用若干重大會計估計，亦需要管理層在應用本集團的會計政策時作出判斷。涉及需要較多判斷或較為複雜的範疇，或涉及對綜合財務報表屬重大假設和估算的範疇，在附註4中披露。

2.1.1 本集團已採納的新訂及經修訂準則

本集團於二零一八年一月一日開始的年度報告期內首次應用以下準則及修訂本：

- 國際財務報告準則第9號金融工具，
- 國際財務報告準則第15號來自客戶合約的收益，
- 國際財務報告準則第4號的修訂本——併應用國際財務報告準則第9號金融工具與國際財務報告準則第4號保險合同，
- 國際財務報告準則第2號的修訂本——以股份支付的交易的分類及計量，
- 國際會計準則第40號的修訂本——轉讓投資物業，
- 國際財務報告準則二零一四年至二零一六年週期的年度改進，及
- 詮釋第22號外幣交易及墊付代價。

採納國際財務報告準則第9號及國際財務報告準則第15號的影響於附註2.2披露。以上所列其他修訂本對於過往期間確認的金額並無造成任何影響，亦預期不會對本期間或未來期間構成重大影響。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.2 New standards and interpretations not yet adopted

The following published new accounting standards and interpretations are effective for the annual reporting period commencing on or after 1 January 2019 and have not been early adopted by the Group:

		Effective for annual period commencing on or after 於當日或之後 開始的年度期間生效
IFRS 16 國際財務報告準則第16號	Leases 租賃	1 January 2019 二零一九年一月一日
IFRS 17 國際財務報告準則第17號	Insurance Contracts 保險合同	1 January 2021 二零二一年一月一日
Amendments to IFRS 9 國際財務報告準則第9號的修訂本	Prepayment Features with Negative Compensation 反向賠償的提前還款特徵	1 January 2019 二零一九年一月一日
Amendments to IAS 19 國際會計準則第19號的修訂本	Plan Amendment, Curtailment or Settlement 計劃修訂、縮減或結清	1 January 2019 二零一九年一月一日
Amendments to IAS 28 國際會計準則第28號的修訂本	Long-term Interests in Associates and Joint Ventures 於聯營公司及合營公司的長期權益	1 January 2019 二零一九年一月一日
Amendments to IFRS 10 and IAS 28 國際財務報告準則第10號及國際會計準則第28號的修訂本	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 投資者及其聯營公司或合營公司間的資產出售或注資	To be determined 待定
	Annual Improvements to IFRSs 2015–2017 Cycle 國際財務報告準則二零一五年至二零一七年週期的年度改進	1 January 2019 二零一九年一月一日
IFRIC 23 國際解釋公告第23號	Uncertainty over Income Tax Treatments 所得稅處理的不確定性	1 January 2019 二零一九年一月一日

The impact of IFRS 16 on the Group is set out below. None of the other new and amended standards and interpretations listed above is expected to have a significant impact on the Group.

2 重大會計政策概要(續)

2.1 編製基準(續)

2.1.2 未採納的新訂準則及詮釋

以下已發布新會計準則及詮釋於二零一九年一月一日或之後開始的年度報告期內生效，且並未由本集團提前採納：

國際財務報告準則第16號對本集團的影響如下文所載。以上其他各項新訂及經修訂準則及詮釋預期不會對本集團造成重大影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.2 New standards and interpretations not yet adopted (Continued)

IFRS 16 Leases

IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The Group has reviewed all of its leasing arrangements in light of the new lease accounting rules in IFRS 16. The standard will affect primarily the accounting for the Group's operating leases.

As at the reporting date, the Group has non-cancellable operating lease commitments of RMB5,431,000 (Note 34). Of these commitments, RMB4,722,000 relates to short-term and low value leases which will be recognised on a straight-line basis as expense in profit or loss.

For the remaining lease commitments the Group expects to recognise right-of-use assets of RMB369,000 and lease liabilities of RMB369,000 on 1 January 2019. Net current assets will be RMB131,000 lower due to the presentation of a portion of the liability as a current liability.

The Group expects that net profit after tax will decrease by RMB22,000 for the year ending 31 December 2019 as a result of adopting the new rules. Operating cash flows will increase and financing cash flows decrease by RMB141,000 for the year ending 31 December 2019 as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

2 重大會計政策概要(續)

2.1 編製基準(續)

2.1.2 未採納的新訂準則及詮釋(續)

國際財務報告準則第16號「租賃」

國際財務報告準則第16號於二零一六年一月頒布，其將導致承租人於資產負債表確認絕大部分租賃，原因是經營租賃與融資租賃的區分已取消。在新準則下，會確認資產(使用租賃項目的權利)及支付租金的金融負債。唯一例外情況為短期及低價值的租賃。

本集團已就國際財務報告準則第16號的新租賃會計規則審閱所有其租賃安排。此準則將主要影響本集團經營租賃的會計處理。

於報告日期，本集團有人民幣5,431,000元的不可撤銷經營租賃承擔(附註34)。該等承擔當中，人民幣4,722,000元與短期及低價值的租賃有關，將按直線法確認為開支並計入損益。

就剩餘租賃承擔而言，本集團預計於二零一九年一月一日確認使用權資產人民幣369,000元及租賃負債人民幣369,000元。流動資產淨值將減少人民幣131,000元，乃由於部分負債列為流動負債。

由於採納新規則，預計本集團截至二零一九年十二月三十一日止年度的除稅後純利將減少人民幣22,000元。而由於償還租賃負債本金部分將分類為融資活動現金流量，截至二零一九年十二月三十一日止年度的經營現金流量將增加而融資現金流量將減少人民幣141,000元。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.2 New standards and interpretations not yet adopted (Continued)

IFRS 16 Leases (Continued)

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for prepaid lease expenses).

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.2 Changes in accounting policies

This note explains the impact of the adoption of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers on the Group's financial statements.

2.2.1 IFRS 9 Financial Instruments

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies. The new accounting policies are set out in Note 2.12 below. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated. There was no impact on the Group's retained earnings as at 1 January 2018 or 1 January 2017.

2 重大會計政策概要(續)

2.1 編製基準(續)

2.1.2 未採納的新訂準則及詮釋(續)

國際財務報告準則第16號「租賃」(續)

本集團將自二零一九年一月一日的強制應用日期起應用該準則。本集團打算採用簡化過渡方法，並且不會重述首次採用前一年的比較金額。使用權資產將按採納時的租賃負債金額計量(就預付租賃開支作出調整)。

概無其他尚未生效準則預期將於本期或未來報告期間對本集團或對可預見的未來交易造成重大影響。

2.2 會計政策變動

本附註闡釋採納國際財務報告準則第9號金融工具及國際財務報告準則第15號來自客戶合約的收益對本集團財務報表的影響。

2.2.1 國際財務報告準則第9號金融工具

國際財務報告準則第9號取代國際會計準則第39號中與金融資產及金融負債的確認、分類及計量、金融工具的終止確認、金融資產的減值及對沖會計處理有關的條文。

自二零一八年一月一日起採納國際財務報告準則第9號金融工具，令會計政策出現變動。新會計政策於下文附註2.12列載。根據國際財務報告準則第9號的過渡條文，並無重列比較數字。對本集團於二零一八年一月一日及二零一七年一月一日的保留盈餘並無影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

2.2.1 IFRS 9 Financial Instruments (Continued)

Impairment of financial assets

The Group has four types of financial assets that are subject to IFRS 9's expected credit loss model:

- trade receivables,
- tariff adjustment receivables,
- contract assets relating to public infrastructure construction business, and
- other financial assets at amortised cost.

The Group was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

(a) Trade receivables, tariff adjustment receivables and contract assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, tariff adjustment receivables and contract assets. To measure the expected credit losses, trade receivables, tariff adjustment receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. Note 22 provides for details about the calculation of the loss allowance for trade receivables as at 1 January 2018 and 31 December 2018.

2 重大會計政策概要(續)

2.2 會計政策變動(續)

2.2.1 國際財務報告準則第9號金融工具(續)

金融資產減值

本集團有四類金融資產受限於國際財務報告準則第9號的預期信貸虧損模式：

- 貿易應收款項、
- 電價補貼應收款項、
- 與公建建設業務相關的合約資產、及
- 按攤銷成本計量的其他金融資產。

本集團須就該等各資產類別根據國際財務報告準則第9號修訂其減值方法。然而，倘現金及現金等價物亦受限於國際財務報告準則第9號的減值規定，已識別的減值虧損並不重大。

(a) 貿易應收款項、電價補貼應收款項及合約資產

本集團採用國際財務報告準則第9號簡化方法以計量預期信貸虧損，該方法就所有貿易應收款項、電價補貼應收款項及合約資產採用存續期預期虧損撥備。為計量預期信貸虧損，貿易應收款項、電價補貼應收款項及合約資產根據共同信貸風險特徵及逾期天數分類。附註22提供有關於二零一八年一月一日及二零一八年十二月三十一日的貿易應收款項虧損撥備的計算詳情。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

2.2.1 IFRS 9 Financial Instruments (Continued)

Impairment of financial assets (Continued)

- (a) Trade receivables, tariff adjustment receivables and contract assets (Continued)

Tariff adjustment receivables derive from the subsidies in respect of the sales of electricity. Contract assets relate to unbilled work in progress in the public infrastructure construction business. Applying the expected credit risk model did not result in any loss allowance recognised for tariff adjustment receivables or contract assets as at 1 January 2018 or 31 December 2018.

- (b) Other financial assets at amortised cost

Other financial assets at amortised cost include loans to related parties, loans to third parties and other receivables. Note 23 provides for details about the loss allowance for loans to third parties as at 31 December 2018. Applying the expected credit risk model did not result in any loss allowance recognised for loans to related parties or other receivables as at 1 January 2018 or 31 December 2018.

2.2.2 IFRS 15 Revenue from Contracts with Customers

IFRS 15 replaces the provisions of IAS 18 Revenue and IAS 11 Construction Contracts that relate to the recognition, classification and measurement of revenue and costs.

2 重大會計政策概要(續)

2.2 會計政策變動(續)

2.2.1 國際財務報告準則第9號金融工具(續)

金融資產減值(續)

- (a) 貿易應收款項、電價補貼應收款項及合約資產(續)

電價補貼應收款項源自出售電力的補貼。合約資產與公建建設業務中的在建未進賬工程有關。應用預期信貸風險模式並無造成於二零一八年一月一日或二零一八年十二月三十一日為電價補貼應收款項或合約資產確認任何虧損撥備。

- (b) 按攤銷成本計量的其他金融資產
按攤銷成本計量的其他金融資產包括關聯方貸款、第三方貸款及其他應收款項。附註23提供於二零一八年十二月三十一日第三方貸款虧損撥備的資料。應用預期信貸風險模式並無造成於二零一八年一月一日或二零一八年十二月三十一日確認任何關聯方貸款或其他應收款項的虧損撥備。

2.2.2 國際財務報告準則第15號來自客戶合約的收益

國際財務報告準則第15號替代國際會計準則第18號收益及國際會計準則第11號建造合約中與確認、分類以及計量收益及成本有關的條文。

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

2.2.2 IFRS 15 Revenue from Contracts with Customers (Continued)

The Group has adopted IFRS 15 from 1 January 2018, which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The Group elected to use a modified retrospective approach for transition which allows the Group to recognise the cumulative effects of initially applying IFRS 15 as an adjustment to the opening balance of retained earnings as at 1 January 2018. The Group elected to apply the practical expedient for completed contracts and did not restate the contracts completed before 1 January 2018, thus the comparative figures have not been restated. In summary, the following adjustments were made to the amounts recognised in the balance sheet as at 1 January 2018:

	IAS 18 & IAS 11 carrying amount as at 31 December 2017 二零一七年 十二月三十一日 國際會計準則 第18號及國際 會計準則第11號 的賬面值 RMB'000 人民幣千元	Reclassification	IFRS 15 carrying amount as at 1 January 2018 二零一八年 一月一日 國際財務報告準則 第15號的賬面值 RMB'000 人民幣千元
Contract assets	合約資產	—	500,316
Amount due from customers for contract work	應收客戶合約工程款項	500,316	(500,316)
Contract liabilities	合約負債	—	738
Receipts in advance	預收款項	738	(738)

There was no impact on the Group's retained earnings as at 1 January 2018 or 1 January 2017.

2 重大會計政策概要(續)

2.2 會計政策變動(續)

2.2.2 國際財務報告準則第15號來自客戶合約的收益(續)

本集團於二零一八年一月一日起採納國際財務報告準則第15號，導致會計政策變動及須對財務報表中已確認的金額進行調整。本集團於過渡時選擇採用經修訂追溯法，准許本集團確認初始應用國際財務報告準則第15號的累計影響，作為對於二零一八年一月一日保留盈餘期初結餘作出的調整。本集團選擇就已完成合約應用實務方法，且並無重列於二零一八年一月一日前完成的合約，故比較數字尚未予以重列。總而言之，對於在二零一八年一月一日的資產負債表中已確認的金額作出以下調整：

對本集團於二零一八年一月一日或二零一七年一月一日的保留盈餘並無影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Principles of consolidation and equity accounting

2.3.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (Note 2.4).

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet, respectively.

2 重大會計政策概要(續)

2.3 綜合原則及權益會計法

2.3.1 附屬公司

附屬公司乃本集團擁有控制權的實體(包括結構性實體)。當本集團因參與實體的業務而承擔可變回報的風險或享有可變回報的權利，且能夠運用其指導實體活動的權力影響該等回報時，即表示本集團控制該實體。附屬公司於控制權轉讓予本集團之日起悉數合併入賬，並於該控制權終止之日終止合併入賬。

本集團的業務合併會計處理使用收購會計法(附註2.4)。

集團內公司間交易、結餘及集團公司間交易的未變現收益均予以對銷。未變現虧損亦會對銷，除非該交易有證據顯示所轉讓資產出現減值則作別論。附屬公司的會計政策已按需要變更，以確保與本集團所採納政策貫徹一致。

於附屬公司業績及權益的非控股權益分別於綜合損益表、全面收益表、權益變動表及資產負債表內獨立列示。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Principles of consolidation and equity accounting (Continued)

2.3.2 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (Note 2.3.3), after initially being recognised at cost.

2.3.3 Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.11.

2 重大會計政策概要(續)

2.3 綜合原則及權益會計法(續)

2.3.2 聯營公司

聯營公司為本集團對其具有重大影響力但不具有控制權或共同控制權的所有實體。一般情況下，本集團持有20%至50%的投票權。於初步按成本確認後，於聯營公司的投資將採用權益會計法(附註2.3.3)入賬。

2.3.3 權益法

根據權益會計法，投資初步按成本確認，其後進行調整以於損益確認本集團應佔被投資方收購後溢利或虧損並於其他綜合收益確認本集團應佔被投資方其他綜合收益的變動。已收或應收聯營公司的股息確認為投資賬面值扣減。

當本集團應佔按權益列賬的投資的虧損等於或超過其應佔該實體的權益(包括任何其他無抵押長期應收款項)時，本集團不再確認進一步虧損，除非本集團代表聯營公司承擔責任或支付款項。

本集團與其聯營公司之間交易的未實現收益按本集團於聯營公司權益為限抵銷。未實現虧損亦予以抵銷，除非有證據顯示交易所轉讓資產出現減值。聯營公司的會計政策已在必要時作出調整，以確保與本集團所採納的政策一致。

以權益法入賬的投資的賬面值按照附註2.11所述政策進行減值測試。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

2 重大會計政策概要(續)

2.4 業務合併

不論有否收購權益工具或其他資產，所有業務合併的會計處理均採用收購會計法。收購附屬公司的轉讓代價包括：

- 所轉讓資產的公平值、
- 被收購業務的前擁有人所承擔的負債、
- 本集團已發行股權、
- 或有代價安排所產生的任何資產或負債的公平值，及
- 任何附屬公司預先存在股權的公平值。

除少數例外情況外，在業務合併中所收購的可辨認資產以及所承擔的負債及或有負債按於收購日期的公平值初始計量。本集團按個別收購基準於所收購實體的任何非控股權益按公平值或非控股權益佔所收購實體的可識別淨資產的比例確認。

收購相關成本於產生時列為開支。

所轉讓代價、被收購實體之任何非控股權益金額及任何先前於被收購實體之股權於收購日期之公平值超逾所收購可識別淨資產公平值之差額，乃入賬列作商譽。倘該等款項低於所收購業務可識別淨資產之公平值，則該差額會直接於損益內確認為議價收購。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Business combinations (Continued)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2.5 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 重大會計政策概要(續)

2.4 業務合併(續)

如果現金代價的任何部分延遲結算，則未來的應付金額將按交換日的現值折現。所用折現率為實體的增量借款利率，即在相似條款及條件下可向獨立融資人獲得類似借貸的利率。或有代價分為權益或金融負債。分類為金融負債的金額隨後按公平值重新計量，公平值變動計入損益。

倘業務合併分階段進行，則收購方先前持有的被收購方股權於收購日期的賬面價值按收購日期的公平值重新計量；該重新計量產生的任何收益或虧損乃於損益確認。

2.5 獨立財務報表

附屬公司投資乃按成本減減值入賬。成本包括投資的直接歸屬成本。本公司按已收及應收股息將附屬公司業績入賬。

倘自相關投資收取的股息超出附屬公司於股息宣派期間的全面收入總額，或倘個別財務報表內所列投資的賬面值超出綜合財務報表所示被投資方淨資產(包括商譽)的賬面值，則須對附屬公司投資進行減值測試。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The Board of Directors of the Company has identified the senior executive management as the chief operating decision-maker, who assesses the financial performance and position of the Group, makes strategic decisions and allocates resources.

2.7 Foreign currency translation

2.7.1 Functional and presentation currency

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

2.7.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

2 重大會計政策概要(續)

2.6 分部報告

經營分部按照與向主要經營決策者提供的內部報告貫徹一致的方式報告。

本公司董事會已指定高級管理人員為主要經營決策者，負責評估本集團的財務表現及狀況，以及作出策略決策及分配資源。

2.7 外幣換算

2.7.1 功能及呈列貨幣

各本集團實體的財務報表所列項目均以該實體經營所在主要經濟環境的貨幣（「功能貨幣」）計量。綜合財務報表以人民幣（「人民幣」）呈列，人民幣為本公司的呈列貨幣。

2.7.2 交易及結餘

外幣交易均按交易當日的匯率折算為功能貨幣。結算該等交易以及將外幣計價的貨幣資產及負債按年終匯率折算產生的匯兌收益及虧損一般在損益內確認。若與合資格現金流對沖及合資格淨投資對沖有關，或歸屬於海外業務的部分淨投資，則於權益遞延。

與借貸有關的匯兌收益及虧損在綜合損益表內的融資成本中列報。所有其他匯兌收益及虧損在損益表內的其他收益／（虧損）中以淨額中列報。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Foreign currency translation (Continued)

2.7.2 Transactions and balances (Continued)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

2.7.3 Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each consolidated statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income.

2 重大會計政策概要(續)

2.7 外幣換算(續)

2.7.2 交易及結餘(續)

按公平值計量的外幣非貨幣性項目，將採用公平值確定日的匯率折算。按公平值列賬的資產及負債的折算差額將報告為公平值損益的一部分。例如，非貨幣資產及負債(例如按公平值持有且其變動計入損益的權益)的折算差額將計入損益的公平值損益的一部分，而非貨幣資產(例如分類為按公平值計量且其變動計入其他全面收入的權益)的折算差額將在其他全面收入中確認。

2.7.3 集團公司

功能貨幣與列報貨幣不一的海外業務的業績及財務狀況(概無持有極度通貨膨脹經濟的貨幣)皆換算為列報貨幣：

- 各資產負債表所列資產及負債按其結算日的收市匯率換算；
- 各綜合損益表所列收入及開支按平均匯率換算，除非此平均匯率不足以合理地概括反映於交易日期適用匯率的累計影響，則在此情況下，收入及開支按交易日期的匯率換算；及
- 一切因此而產生的匯兌差額於其他全面收入確認。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Leasehold land and land use rights

Lease hold land and land use rights are amortised on a straight-line basis over the approved use periods.

2.9 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term, as follows:

Buildings	20 years
Plant and machinery	5–25 years
Motor vehicles	5–10 years
Furniture, fixtures and equipment	3–5 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.11).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and included in profit or loss.

2 重大會計政策概要(續)

2.8 租賃土地及土地使用權

租賃土地及土地使用權以直線法於批准使用期內攤銷。

2.9 物業、廠房及設備

物業、廠房及設備均以歷史成本減累計折舊及虧損減值(如有)列賬。歷史成本包括收購該等項目直接發生的開支。

後續成本只有在與該項目有關的未來經濟利益很可能流入本集團，而該項目的成本能夠可靠地計量時，方會計入資產的賬面值內或確認為獨立資產(若適用)。任何作為獨立資產入賬的部份的賬面值會於取代時終止確認。所有其他維修及保養於發生時自有關報告期間損益扣除。

折舊採用直線法計算，按以下估計可用年期(或倘為租賃裝修及特定租賃廠房及設備，則為較短的租賃期)將成本或重估價值扣除其剩餘價值後分攤：

樓宇	20年
廠房及機械	5至25年
汽車	5至10年
傢俱、裝置及設備	3至5年

資產的剩餘價值及可使用年期在各報告期末進行檢討，並於適當時作出調整。

倘資產的賬面值超過其估計可收回金額，則資產的賬面值將即時撇減至其可收回金額(附註2.11)。

出售的收益和虧損按所得款與賬面值的差額釐定，並計入損益。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Intangible assets

2.10.1 Goodwill

Goodwill is measured as described in Note 2.4. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (“CGUs”) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The CGUs or groups of CGUs are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (Note 5).

2.10.2 Patent

Patent acquired in a business combination is recognised at fair value at the acquisition date. It has a finite useful life and is subsequently carried at cost less accumulated amortisation and impairment losses, if any.

2.10.3 Software

Acquired computer software is stated at historical cost less accumulated amortisation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Costs associated with maintaining software programmes are recognised as an expense as incurred.

2.10.4 Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Software	5 years
Patent	10 years

2 重大會計政策概要(續)

2.10 無形資產

2.10.1 商譽

商譽按附註2.4所述計量。收購附屬公司的商譽包括在無形資產中。商譽不攤銷，但每年進行減值測試，如果有事件出現或情況有變而顯示其可能減值，則更頻密地進行減值測試，並計入成本減累計減值虧損。出售實體的收益及虧損包括與出售實體有關的商譽賬面值。

就減值測試而言，商譽會分配至現金產生單位。此項分配是對預期可從商譽產生的業務合併中得益的現金產生單位或現金產生單位的組別而作出的。現金產生單位或現金產出單位組別以最低級別確認，以監控商譽作內部管理用途，即經營分部(附註5)。

2.10.2 專利

於業務合併時購入的專利於收購日期按公平值確認。該專利有固定可使用年期，並於期後計入成本減累計攤銷及減值虧損(如有)。

2.10.3 軟件

購買的電腦軟件列入歷史成本減累計攤銷及減值虧損(如有)。歷史成本包括由購買項目直接發生的開支。與維持軟件有關的成本於產生時確認為開支。

2.10.4 攤銷方法及時期

本集團以直線法於以下時期內攤銷可使用年期有限的無形資產：

軟件	5年
專利	10年

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or CGUs. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.12 Investments and other financial assets

2.12.1 Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured at fair value (either through profit or loss or through other comprehensive income ("OCI")), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

2 重大會計政策概要(續)

2.11 非金融資產減值

並無固定可使用年期的商譽及無形資產毋須攤銷，但需每年或在有事件出現或情況有變而顯示其可能減值時更頻密測試有否減值。倘有事件出現或情況有變而顯示資產賬面值或許不能收回時，須測試其他資產有否減值。減值虧損乃按資產賬面值超出其可收回款額的金額確認。可收回款額指資產的公平值減出售費用與使用價值的較高者。就評估有否減值而言，資產按有大部份獨立於其他資產或現金產生單位的現金流入之獨立可識別現金流入的最低層次分類。除商譽外，出現減值的非金融資產於各報告期末均就可能撥回減值而予以檢討。

2.12 投資及其他金融資產

2.12.1 分類

自二零一八年一月一日起，本集團將其金融資產分為以下計量類別：

- 按公平值(計入損益或計入其他全面收入(「其他全面收入」))計量的金融資產，及
- 按攤銷成本計量的金融資產。

該分類取決於本集團管理金融資產的業務模式及現金流量合約條款。

就按公平值計量的資產而言，收益及虧損將錄入損益或其他全面收入。就非持作買賣的權益工具投資而言，其將取決於本集團是否於初始確認時選擇不可撤回地將權益投資按公平值計量且其變動計入其他全面收入(「按公平值計量且其變動計入其他全面收入」)入賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets (Continued)

2.12.1 Classification (Continued)

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2.12.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.12.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“**FVPL**”), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2 重大會計政策概要(續)

2.12 投資及其他金融資產(續)

2.12.1 分類(續)

當且僅當其管理該等資產的業務模式改變時，本集團將債務投資重新分類。

2.12.2 確認及終止確認

常規購買及出售的金融資產在交易日(本集團承諾購買或出售該資產之日)確認。當從金融資產收取現金流量的權利已到期或已轉讓，而本集團已實質上將所有權的所有風險和報酬轉讓時，金融資產即終止確認。

2.12.3 計量

於初始確認時，本集團按公平值加上(倘金融資產並非按公平值計量且其變動計入損益(「按公平值計量且其變動計入損益」))收購金融資產直接應佔的交易成本計量金融資產。以按公平值計量且其變動計入損益列賬的金融資產的交易成本於損益中列支。

於釐定其現金流量是否純粹為支付本金及其利息時會全面考慮附帶嵌入式衍生工具的金融資產。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets

(Continued)

2.12.3 Measurement (Continued)

(a) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost**
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI**
Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

2 重大會計政策概要(續)

2.12 投資及其他金融資產(續)

2.12.3 計量(續)

(a) 債務工具

債務工具的其後計量取決於本集團管理資產的業務模式及資產的現金流量特徵。本集團將其債務工具分為三種計量類別：

- **攤銷成本**
倘為收取合約現金流量而持有的資產的現金流量純粹為支付本金及利息，則該等資產按攤銷成本計量。該等金融資產的利息收入使用實際利率法計入融資收入。終止確認產生的任何收益或虧損直接於損益中確認，並與匯兌收益及虧損一併於其他收益/(虧損)中呈列。減值虧損於損益表中作為單獨項目呈列。
- **按公平值計量且其變動計入其他全面收入**
倘為收取合約現金流量及出售金融資產而持有的資產的現金流量純粹為支付本金及利息，則該等資產按公平值計量且其變動計入其他全面收入計量。賬面值的變動計入其他全面收入，惟於損益中確認的減值收益或虧損、利息收入及匯兌收益及虧損的確認除外。金融資產終止確認時，先前於其他全面收入確認的累計收益或虧損由權益重新分類至損益，並於其他收益/(虧損)中確認。該等金融資產的利息收入使用實際利率法計入融資收入。匯兌收益及虧損乃於其他收益/(虧損)中呈列，而減值開支於損益表中作為單獨項目呈列。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets

(Continued)

2.12.3 Measurement (Continued)

(a) Debt instruments (Continued)

• FVPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

(b) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2.12.4 Impairment

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

2 重大會計政策概要(續)

2.12 投資及其他金融資產(續)

2.12.3 計量(續)

(a) 債務工具(續)

- 按公平值計量且其變動計入損益不符合按攤銷成本或按公平值計量且其變動計入其他全面收入條件的資產按公平值計量且其變動計入損益計量。其後按公平值計量且其變動計入損益計量的債務投資的收益或虧損於損益確認並於其產生期間於其他收益/(虧損)中呈列。

(b) 權益工具

本集團其後按公平值計量所有權益投資。倘本集團管理層選擇於其他全面收入中呈列權益投資的公平值收益及虧損，則投資終止確認後，其後不會將公平值的收益及虧損重新分類至損益。倘本集團確立收取付款的權利，則此類投資的股息持續作為其他收入於損益內確認。

按公平值計量且其變動計入損益的金融資產公平值的變動於損益表內的其他收益/(虧損)中確認(倘適用)。按公平值計量且其變動計入其他全面收入計量的權益投資的減值虧損(及減值虧損撥回)不會與公平值的其他變動分開呈報。

2.12.4 減值

本集團自二零一八年一月一日按前瞻性基準評估與其按攤銷成本及按公平值計量且其變動計入其他全面收入列賬的債務工具相關的預期信貸虧損。所應用的減值方法取決於信貸風險是否顯著增加。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets (Continued)

2.12.4 Impairment (Continued)

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables (Note 22).

2.12.5 Accounting policies applied until 31 December 2017

The Group has applied IFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Until 31 December 2017, the Group classifies its financial assets in the following categories:

- financial assets at FVPL,
- loans and receivables,
- held-to-maturity investments, and
- available-for-sale financial assets.

The classification determined on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting period. See Note 25 for details about each type of financial asset.

2 重大會計政策概要(續)

2.12 投資及其他金融資產(續)

2.12.4 減值(續)

就貿易應收款項而言，本集團採用國際財務報告準則第9號允許的簡化方法，該方法規定預期使用年期虧損將自初步確認應收款項起確認(附註22)。

2.12.5 截至二零一七年十二月三十一日已應用的會計政策

本集團已追溯應用國際財務報告準則第9號，但已選擇不重列可比較資料。因此，所提供的可比較資料繼續按本集團的過往會計政策入賬。

直至二零一七年十二月三十一日，本集團按下述類別劃分其金融資產：

- 按公平值計量且其變動計入損益的金融資產、
- 貸款及應收款項、
- 持至到期投資，及
- 可供出售金融資產。

分類基於投資的獲得目的而確定。管理層於初始確認時確定投資類型，對於持至到期的資產，則於各報告期末重新評估該項指定。每種金融資產的詳情請見附註25。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets (Continued)

2.12.5 Accounting policies applied until 31 December 2017 (Continued)

(a) Subsequent measurement

The measurement at initial recognition is the same as described in IFRS 9. Subsequent to the initial recognition, loans and receivables and held-to-maturity investments were subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at FVPL were subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised as follows:

- for financial assets at FVPL — in profit or loss within other gains/(loss),
- for available-for-sale financial assets that are monetary securities denominated in a foreign currency — translation differences related to changes in the amortised cost of the security were recognised in profit or loss and other changes in the carrying amount were recognised in other comprehensive income, and
- for other monetary and non-monetary securities classified as available-for-sale — in OCI.

When securities classified as available-for-sale were sold, the accumulated fair value adjustments recognised in OCI were reclassified to profit or loss as gains and other losses from investment securities.

2 重大會計政策概要(續)

2.12 投資及其他金融資產(續)

2.12.5 截至二零一七年十二月三十一日已應用的會計政策 (續)

(a) 後續計量

初始確認的計量與國際財務報告準則第9號所述一致。初始確認後，貸款及應收款項以及持至到期投資後續使用實際利率法按攤銷成本列賬。

可供出售的金融資產及按公平值計量且其變動計入損益的金融資產其後按公平值列賬。公平值變動所產生的收益或虧損按以下方式確認：

- 按公平值計量且其變動計入損益的金融資產 — 於損益內其他收益/(虧損)確認，
- 可供出售金融資產(即以外幣計值的貨幣證券) — 與證券攤銷成本變動有關的換算差額於損益確認，而賬面值的其他變動則於其他全面收益確認，及
- 分類為可供出售的其他貨幣及非貨幣證券 — 於其他全面收入內確認。

當分類為可供出售的證券售出時，已於其他全面收入確認的累計公平值調整重新分類至損益，列作投資證券所得收益及其他虧損。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets

(Continued)

2.12.5 Accounting policies applied until 31 December 2017 (Continued)

(b) Impairment

The Group assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired.

For loans and receivables, the amount of the loss was measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset was reduced and the amount of the loss was recognised in profit or loss. If a loan or held-to-maturity investment had a variable interest rate, the discount rate for measuring any impairment loss was the current effective interest rate determined under the contract. As a practical expedient, the Group could measure impairment on the basis of an instrument’s fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor’s credit rating), the reversal of the previously recognised impairment loss was recognised in profit or loss.

Impairment testing of trade receivables is described in Note 22.

2 重大會計政策概要(續)

2.12 投資及其他金融資產(續)

2.12.5 截至二零一七年十二月三十一日已應用的會計政策(續)

(b) 減值

本集團於每個報告期末評估是否存在客觀證據證明某一金融資產或某一金融資產組出現減值。只有當存在客觀證據證明於因為首次確認資產後發生一宗或多宗事件導致出現減值(「損失事項」)，而該宗(或該等)損失事項對該項或該組金融資產的估計未來現金流量構成的影響可以合理估計，有關的金融資產或金融資產組才算出現減值及產生減值虧損。就分類為可供出售的股本投資而言，當證券的公平值大幅或長期低於其成本時，則認為資產出現減值跡象。

對於貸款及應收款項，損失金額乃根據資產賬面值與按金融資產原實際利率折現而估計未來現金流量(不包括仍未產生的未來信貸損失)的現值兩者的差額計量。資產賬面值予以削減，而損失金額則在損益確認。如貸款或持有至到期投資為浮動利率，計量任何減值損失的折現率為按合約釐定的當前實際利率。在實際應用中，本集團可利用可觀察的市場價格，按工具的公平值計量減值。

如在後續期間，減值虧損的數額減少，而此減少可客觀地聯繫至減值在確認後才發生的事件(例如債務人的信用評級有所改善)，則之前已確認的減值虧損可在損益轉回。

貿易應收款項的減值測試詳情載於附註22。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2.14 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Impairment losses on trade receivables are presented as impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Previous accounting policy for impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. Other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment. Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

2.15 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with banks.

2 重大會計政策概要(續)

2.13 存貨

存貨按成本與可變現淨值兩者的較低者入賬。購入存貨之成本扣除回扣及折扣後釐定。可實現淨值是在日常業務過程中之估計售價減銷售所需開支。

2.14 貿易應收款項

貿易應收款項為在日常業務活動中就貨品銷售或服務執行而應收客戶的款項。

貿易應收賬款初步按無條件代價金額確認，除非彼等按公平值確認時包括重大融資成分。本集團持有貿易應收賬款以收取合約現金流量，因此其後採用實際利息法按攤銷成本計量。

貿易應收款項的減值虧損呈列為經營溢利內的減值虧損。其後收回先前撇銷的金額會記入同一單行項目的貸方。

應收貿易款項過往的會計政策

去年，應收貿易款項的減值根據已發生損失模型而作出評估。已知為無法收回的個別應收款項會直接撇減至其賬面值。其他應收款項會整體評估是否有客觀證據顯示已產生減值但尚未識別。對該等應收款項而言，會於獨立減值撥備中確認估計減值虧損。如預期不能收回額外現金，則已確認減值撥備的應收款項會與撥備撇銷。

2.15 現金及現金等價物

就於現金流量表中呈列而言，現金及現金等價物包括手頭現金及活期銀行通知存款。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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

2 重大會計政策概要(續)

2.16 股本

普通股被分類為權益。直接歸屬於發行新股或購股權的新增成本在權益中列為所得款的減少(扣除稅項)。

2.17 貿易及其他應付款項

該等款項指於本財政年度結束前向本集團提供的未付款貨品及服務的負債。貿易及其他應付款項列為流動負債，除非在報告期後12個月內未到期付款。該等款項最初按公平值確認，其後採用實際利率法以攤餘成本列賬。

2.18 借貸

借貸初步按公平值扣除所產生交易成本確認。借貸隨後按攤銷成本計量。所得款項(扣除交易成本)與贖回金額之間的任何差額，均採用實際利率法於借貸期間在損益中確認。設立貸款融資所支付的費用在很可能提取部分或全部融資的情況下確認為貸款的交易成本。在這種情況下，費用將於提取貸款後收取。倘沒有證據表明部分或全部融資可能被提取，則該費用將資本化為流動服務的預付款，並在與其相關融資期間攤銷。

當合約中規定的義務解除、取消或到期時，借貸從資產負債表中移除。已豁免或轉讓予另一方的金融負債賬面值與已付代價(包括轉讓的任何非現金資產或承擔的負債)之間的差額，於損益確認為融資成本。

借貸分類為流動負債，除非本集團有無條件權利在報告期結束後至少12個月推遲償還負債。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.20 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

2.20.1 Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 重大會計政策概要(續)

2.19 借貸成本

直接歸屬於收購、興建或生產合資格資產於一段長時間完成及準備以作其預定用途或銷售的一般及特定借貸成本資本化，合資格資產指必須經一段長時間處理以作其預定用途或銷售的資產。

特定借貸的臨時投資所產生的投資收入，等待合格資產的支出從符合資本化條件的借貸費用中扣除。

其他借貸成本於產生期間支銷。

2.20 即期及遞延所得稅

期內的所得稅開支或計入是按當期應納稅所得額計算的應納稅所得額，根據各個司法管轄區的適用所得稅稅率，按遞延稅項資產及負債暫時性差異和未使用稅項虧損的變動調整。

2.20.1 即期所得稅

即期所得稅支出根據本公司的附屬公司及聯營公司經營及產生應課稅收入的國家於報告期期末已頒佈或實質上已頒佈的稅務法例計算。管理層就適用稅務法例解釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定準備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Current and deferred income tax (Continued)

2.20.2 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.21 Employee benefits

2.21.1 Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

2 重大會計政策概要(續)

2.20 即期及遞延所得稅(續)

2.20.2 遞延所得稅

遞延所得稅採用負債法就資產及負債的稅基與其於綜合財務報表的賬面值之間的暫時差異全數撥備。但倘初始確認商譽，則不確認遞延所得稅負債。倘初始確認業務合併以外的交易中的資產或負債，並且在交易時不影響會計或應課稅損益，則遞延所得稅不會入賬。遞延所得稅乃使用於報告期末已頒布或實際頒布的稅率(及法律)釐定，並預期於相關遞延所得稅資產變現或遞延所得稅負債結算時應用。

遞延所得稅資產是就很可能有未來應課稅利潤而就此可使用暫時性差異而確認。

當有法定強制執行權利抵銷當期稅項資產及負債以及遞延稅項結餘與同一稅務機關有關時，遞延所得稅資產及負債均予以抵銷。倘實體具有法定可強制執行的抵銷權並且有意以淨額結算，或同時進行資產變現與負債結算，則當期稅務資產及稅務負債將予以抵銷。

即期及遞延稅項於損益確認，惟與其他全面收益或直接於權益確認的項目有關者除外。於此情況下，稅項分別在其他綜合收益中確認或直接於權益中確認。

2.21 僱員福利

2.21.1 短期責任

工資及薪金的負債，包括非貨幣性福利及累積病假，預計將在僱員提供相關服務的報告期結束後12個月內全部結清，於報告期末對員工的服務進行確認，並以負債結算時預期支付的金額計量。負債在資產負債表中呈列為即期員工福利責任。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Employee benefits

2.21.2 Post-employment obligations

The Group's post-employment schemes are defined contribution pension plans.

Payments to state-managed retirement benefit schemes and Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions. The Group has no further payment obligations once the contributions have been paid.

2.22 Share-based payment

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, the Company's share price),
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (for example, the requirement for employees to hold shares for a specified period of time).

The total expense is recognised over the vesting period, over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2 重大會計政策概要(續)

2.21 僱員福利

2.21.2 離職后責任

本集團離職後計劃為定額供款退休金計劃。

向國營退休福利計劃及強制性公積金計劃作出的供款於僱員提供服務而有權享有該供款時列作開支。一旦支付供款，本集團不再承擔其他付款義務。

2.22 以股份為基礎的付款

已授出購股權的公平值確認為僱員福利開支，並相應增加權益。列作開支的總金額乃參照已授出購股權的公平值釐定，而計算時：

- 包括任何市場表現條件(例如本公司的股份價格)；
- 不包括任何有關服務及非市場表現的歸屬條件(例如盈利能力、銷售增長目標及有關人士於一段特定時間內是否仍然為該實體的僱員)的影響；及
- 包括任何非歸屬條件的影響(例如規定僱員儲蓄或於特定時限內持有股份)。

開支總額於歸屬期確認，而歸屬期間須符合所有指定歸屬條件。於各報告期末，本集團會修訂其對根據非市場表現及服務條件預期將歸屬的購股權數目的估計。其於綜合損益表確認對原來估計作出修訂的影響(如有)，並在權益作出相應調整。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Revenue recognition

Revenues are recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer,
- creates and enhances an asset (for example, work in progress) that the customer controls as the Group performs, or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset. The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

- direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract, or
- the Group's efforts or inputs to the satisfaction of the performance obligation relative to the total expected inputs to the satisfaction of that performance obligation.

2 重大會計政策概要(續)

2.23 收益確認

當資產控制權轉移至客戶時，確認收益。取決於合約條款及合約適用法律，資產控制權隨時間或於時間點轉讓。倘本集團履約符合以下條件，則資產控制權隨時間轉移：

- 客戶同時收到且消耗本集團提供的所有利益，
- 隨本集團履約而創造及增加由客戶控制的資產(例如在建工程)，或
- 並無創造對本集團有替代用途的資產，且本集團可強制執行其權利以收回至今已完成履約部分的款項。

倘資產控制權隨時間轉移，則收益參照履約責任完成的進度於合約期內確認。於其他情況下，收益於客戶獲得資產控制權的時間點確認。履約責任完成進度的計量基於下列能夠最佳描述本集團完成履約責任表現的其中一種方法計量：

- 直接將對客戶迄今為止轉移的貨物或服務價值與合約中承諾的剩餘貨物或服務比較計量，或
- 在與完成有關履約責任的預期總投入比較下本集團對完成履約責任的努力或投入。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Earnings per share

2.24.1 Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

2.24.2 Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.25 Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group, as lessee, are classified as operating leases (Note 34). Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

2.26 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

2 重大會計政策概要(續)

2.24 每股盈利

2.24.1 每股基本盈利

每股基本盈利乃按本公司擁有人應佔溢利除以本財政年度已發行普通股的加權平均數計算。

2.24.2 每股攤薄盈利

每股攤薄收益調整用於確定每股基本盈利的因素，並考慮到：

- 與潛在攤薄普通股相關的所得稅影響之利息及其他融資成本，及
- 假設轉換所有潛在攤薄普通股，調整額外發行普通股的加權平均數。

2.25 租賃

所有權的大部分風險和報酬並未轉讓給本集團(承租人)之租賃歸類為經營租賃(附註34)。經營租賃支付的款項於租賃期內按直線法計入損益。

2.26 股息分派

於報告期期末或之前就任何宣派股息作出撥備乃經適當授權而不再由本集團酌情決定，但並未於報告期期末分派。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the consolidated statement of profit or loss on a straight-line basis over the expected lives of the related assets.

2.28 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets, see Note 7 below.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes (Note 11).

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2 重大會計政策概要(續)

2.27 政府補貼

政府補貼於有合理保證本集團將收到補貼，且能符合補貼的所有條件時按公平值確認。

與成本有關的政府補貼以遞延方式處理，並配合於該有關成本獲補償期間的綜合損益表內確認。

與物業、廠房及設備有關的政府補貼計入非流動負債為遞延政府補貼，並按相關資產的預期年限內按直線法計入綜合損益表。

2.28 利息收入

按公平值計量且其變動計入損益的金融資產的利息收入計入該等資產的公平值淨收益/(虧損)，見下文附註7。

利息收入作為融資收入呈報，主要來自為現金管理而持有的金融資產(附註11)。

利息收入的計算方法是將實際利率應用於金融資產的賬面總額，除隨後變為信用減值的金融資產外。就信用減值之金融資產，於金融資產的賬面淨值應用實際利率(扣除虧損撥備後)。

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

3 FINANCIAL RISK MANAGEMENT

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance.

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk, liquidity risk and concentration risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1.1 Market risk

(a) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the HK dollar ("HK\$") and US dollar ("US\$"). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity. The risk is measured through a forecast of highly probable HK\$ and US\$ transactions.

The Group's exposure to foreign currency risk as at 31 December 2018 and 2017, expressed in RMB, was as follows:

	Notes 附註	31 December 2018 二零一八年十二月三十一日		31 December 2017 二零一七年十二月三十一日	
		HK\$ 港元 RMB'000 人民幣千元	US\$ 美元 RMB'000 人民幣千元	HK\$ 港元 RMB'000 人民幣千元	US\$ 美元 RMB'000 人民幣千元
Cash and cash equivalents 現金及現金等價物	27	42,417	5,611	33,053	1,096
Unlisted convertible bond 非上市可換股債券	24	8,762	—	—	—
Unlisted investment funds 非上市投資基金	24	—	148,278	—	—
Trade and other receivables 貿易及其他應收款項	22	1,886	—	849	—

3 財務風險管理

本附註闡述本集團面臨的財務風險以及該等風險如何影響本集團未來的財務表現。

3.1 財務風險因素

本集團的業務使其面臨多種財務風險：市場風險(包括外匯風險、現金流量及公平值利率風險)、信貸風險、流動性風險及集中風險。本集團整體風險管理計劃集中處理金融市場的不明朗因素及致力減低對本集團財務表現的潛在不利影響。

3.1.1 市場風險

(a) 匯兌風險

本集團面對來自主要有關港元(「港元」)及美元(「美元」)的外幣交易匯兌風險。外匯風險來自未來商業交易及並非以集團實體的功能貨幣計值的已確認資產及負債。風險以預期極可能以港元及美元進行的交易計量。

本集團於二零一八年及二零一七年十二月三十一日面對的外匯風險(以人民幣呈列)如下：

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.1 Market risk (Continued)

(a) Foreign exchange risk (Continued)

As most of the Group's HK\$ and US\$ denominated financial instruments are held by the Group's subsidiaries whose functional currency is HK\$, the Group primarily exposed to changes in HK\$/RMB exchange rates. The sensitivity of other comprehensive income to changes in the exchange rates arising mainly from HK\$ and US\$ denominated financial instruments is as follows:

		Year ended 31 December	
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<i>Impact on other comprehensive income</i>	<i>其他全面收入的影響</i>		
HK\$/RMB exchange rate — increase 10%	港幣兌人民幣的匯率 — 增加10%	20,696	3,500
HK\$/RMB exchange rate — decrease 10%	港幣兌人民幣的匯率 — 減少10%	(20,696)	(3,500)

(b) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings with variable rates expose the Group to cash flow interest rate risk which is offset by cash held at variable rates. Borrowings with fixed rates expose the Group to fair value interest rate risk. For the years ended 31 December 2018 and 2017, the Group's borrowings were denominated in RMB. The Group did not use any interest rate swap to hedge its interest rate risk during the years ended 31 December 2018 and 2017.

As at 31 December 2018, RMB282,600,000 (2017: RMB398,545,000) of the Group's borrowings were at variable interest rates. The interest rates and the terms of repayment of the Group's borrowings are disclosed in Note 29. As at 31 December 2018, if the interest rates on borrowings had been 100 basis points higher/lower with all other variables held constant, profit before income tax would have been RMB2,826,000 lower/higher, mainly as a result of higher/lower interest expense.

3 財務風險管理(續)

3.1 財務風險因素(續)

3.1.1 市場風險(續)

(a) 匯兌風險

本集團大部分以港元及美元計值的金融工具由本集團附屬公司持有，彼等功能貨幣為港幣，本集團主要面臨港幣兌人民幣的匯率變動。其他全面收入就主要來自以港元及美元計值的金融工具匯率變動的敏感度如下所示：

		Year ended 31 December	
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<i>Impact on other comprehensive income</i>	<i>其他全面收入的影響</i>		
HK\$/RMB exchange rate — increase 10%	港幣兌人民幣的匯率 — 增加10%	20,696	3,500
HK\$/RMB exchange rate — decrease 10%	港幣兌人民幣的匯率 — 減少10%	(20,696)	(3,500)

(b) 現金流量及公平值利率風險

本集團的利率風險主要來自長期借款。按浮息取得的借貸令本集團承受現金流量利率風險，惟有關風險被按浮息持有的現金所抵銷。按定息取得的借貸令本集團承受公平值利率風險。於截至二零一八年及二零一七年十二月三十一日止年度，本集團的借貸以人民幣計值。於截至二零一八年及二零一七年十二月三十一日止年度，本集團並未使用任何利率掉期以對沖其利率風險。

於二零一八年十二月三十一日，本集團浮息借貸約為人民幣282,600,000元(二零一七年：人民幣398,545,000元)。本集團借貸的利率及還款期限於附註29中披露。於二零一八年十二月三十一日，倘借貸利率上升/降低100個百分點，且所有其他變數維持不變，年內除稅前溢利將降低/上升人民幣2,826,000元，主要是由於利息開支增加/減少。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.1 Market risk (Continued)

(b) Cash flow and fair value interest rate risk (Continued)

As at 31 December 2018, RMB285,000,000 (2017: RMB535,000,000) of the Group's borrowings were at fixed interest rates. The fair value of these fixed interest rate borrowings estimated by discounting the future contractual cash flows at the current market interest rate for similar financial instruments available to the Group is RMB289,463,000 (2017: RMB564,925,000).

3.1.2 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt instruments carried at amortised cost and at FVPL, and deposits with banks, as well as credit exposures to customers, including outstanding receivables.

In respect of deposit with banks, the Group mitigates its exposure to credit risk by placing deposits with financial institutions with established credit rating. Given the high credit rating of the banks, management does not expect any counterparty to fail to meet its obligations.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account the information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not obtain any security from its customers. Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in Note 22.

The Group's investment in debt instruments are regularly monitored for credit deterioration by management. Loans to related parties are considered to be low risk investments. Quantitative disclosures in respect of the Group's exposure to credit risk arising from loans to third parties are set out in Note 23.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated balance sheet after deducting any impairment allowance. The Group does not provide any financial guarantees which would expose the Group to credit risk.

3 財務風險管理(續)

3.1 財務風險因素(續)

3.1.1 市場風險(續)

(b) 現金流量及公平值利率風險(續)

於二零一八年十二月三十一日，本集團固定利率借貸約為人民幣285,000,000元(二零一七年：人民幣535,000,000元)。該等固定利率借貸的公平值估計按未來合約現金流量以本集團可得之類似金融工具之當前市場利率折現計算為人民幣289,463,000元(二零一七年：人民幣564,925,000元)。

3.1.2 信貸風險

信貸風險來自現金及現金等價物、以攤銷成本及按公平值計量且其變動計入損益列賬的債務工具的合約現金流量、銀行存款，以及客戶的信貸風險，包括未償還應收款項。

至於銀行存款，本集團將存款存放於信貸評級良好的金融機構以降低所承受的信貨風險。鑒於該等銀行的信貸評級高，管理層預期不會出現交易對手未能履行其責任的情況。

就貿易及其他應收款項而言，本集團會對獲得超過某金額信貸的所有客戶進行個別的信貸評估。此等評估集中於客戶過往支付到期款項的記錄及目前的付款能力，並考慮到針對客戶及客戶經營所在經濟環境相關的資料。一般來說，本集團不會向客戶獲取抵押品。有關本集團貿易及其他應收款項所產生信貸風險的進一步量化披露載於附註22。

本集團於債務工具的投資會定期受到管理層對信貸惡化的監控。關連方貸款被視為低風險投資。有關本集團向第三方貸款所產生的信貸風險的量化披露載於附註23。

最高信貸風險為綜合資產負債表中各金融資產的賬面值(經扣除任何減值撥備)。本集團並無提供任何可能導致本集團面臨信貸風險的財務擔保。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.3 Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investments of cash surpluses and the raising of loans to cover expected cash demands, subject to the approval of the Board of Directors of the Company when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor liquidity requirements and its compliance with the loan covenants, to ensure that it maintains sufficient reserve of cash and adequate borrowing facilities from major banks to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities of the Group's financial liabilities as at 31 December 2018 and 2017, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if variable, based on current rates at the end of the reporting period) and the earliest date the Group is required to pay:

		Within 1 year or on demand 一年內 或應要求 RMB'000 人民幣千元	1 year to 2 years 一年至兩年 RMB'000 人民幣千元	2 years to 5 years 兩年至五年 RMB'000 人民幣千元	5 years above 五年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 31 December 2018	於二零一八年十二月三十一日					
Borrowings	借貸	68,707	318,780	108,279	187,034	682,800
Trade and other payables	貿易及其他應付款項	82,080	—	—	—	82,080
		150,787	318,780	108,279	187,034	764,880
As at 31 December 2017	於二零一七年十二月三十一日					
Borrowings	借貸	341,609	87,120	465,991	218,222	1,112,942
Trade and other payables	貿易及其他應付款項	187,481	—	—	—	187,481
		529,090	87,120	465,991	218,222	1,300,423

3.1.4 Concentration risk

For the year ended 31 December 2018, 76% (2017: 83%) of the total revenue of the Group is derived from two customers (2017: two customers), of which one is from smart energy business and the other is from public infrastructure construction business (Note 5(a)).

3 財務風險管理(續)

3.1 財務風險因素(續)

3.1.3 流動性風險

本集團個別營運公司負責自身的現金管理，包括現金盈餘的短期投資以及籌集貸款以滿足預期現金需求，惟超逾預先釐定權限水平的借貸須經本公司董事會批准。本集團按其政策定期監察流動資金需求以及借貸契諾的遵守情況，以確保維持充足現金儲備以及獲主要銀行承諾提供充足借貸以滿足短期及較長期的流動資金需求。

下表列示本集團於二零一八年及二零一七年十二月三十一日的金融負債餘下合約到期情況，此乃根據合約未折現的現金流量(包括根據已訂約利率或(僅限於浮息)於報告期末的現行利率所計算的利息付款)以及本集團可被要求付款的最早日期作為分析釐定：

3.1.4 集中風險

截至二零一八年十二月三十一日止年度，本集團總收入的76%(二零一七年：83%)來自智慧能源業務及公建建設業務(附註5(a))的兩名客戶(二零一七年：兩名客戶)。

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management

The objectives of capital management of the Group are safeguarding its ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders and maintaining an optimal capital structure to reduce the cost of capital.

The Group monitors its capital on the basis of gearing ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents and restricted cash. Total capital is calculated as total equity plus net debt.

The Group's strategy is to maintain the gearing ratio at a healthy level to support its business. The main strategies adopted by the Group include, without limitations, reviewing future cash flow requirements and the ability to meet the debt repayment schedules when they fall due, maintaining a reasonable level of borrowing facilities from banks and adjusting investment plans and financing plans, if necessary, to ensure that the Group has a reasonable level of capital to support its business. As at 31 December 2018 and 2017, the gearing ratio was calculated as follows:

3 財務風險管理(續)

3.2 資本管理

本集團管理資本的目的為保障本集團能夠繼續以持續經營方式，為股東提供回報以及為其他權益持有人帶來利益，並且維持最佳資本結構以減少資金成本。

本集團以負債比率監管資本。比率乃根據債務淨額除以總資本計算。債務淨額等於總借貸減現金及現金等價物及受限制現金。總資本等於權益總額加上債務淨額。

本集團的策略是保持負債比率在穩健的水平，以支持業務。本集團採取的主要策略包括但不限於審閱未來現金流量需求及支付到期債務的能力，維持可用銀行融資在合理水平及調整投資計劃和融資計劃(如需要)，以確保本集團擁有合理水平的資本支持業務。於二零一八年及二零一七年十二月三十一日的負債比率如下：

		As at 31 December 於十二月三十一日	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Total borrowings	借貸總額	567,600	933,545
Less: cash and cash equivalents restricted cash	減：現金及現金等價物 受限制現金	(162,917) (1,219)	(107,022) (1,679)
Net debt	債務淨額	403,464	824,844
Total equity	權益總額	1,479,949	774,801
Total capital	總資本	1,883,413	1,599,645
Gearing ratio	負債比率	21.4%	51.6%

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation

3.3.1 Fair value hierarchy

The following table presents the fair value of the Group's financial assets measured at the end of the reporting periods on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13 Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1: Fair value measured using only Level 1 inputs — unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2: Fair value measured using Level 2 inputs — observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3: Fair value measured using significant unobservable inputs.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

As at 31 December 2018 and 2017, the Group's assets measured at fair value are as follows:

As at 31 December 2018

Financial assets at fair value through profit or loss

Unlisted investment funds	24	148,278	—
Unlisted convertible bond	24	8,762	—
Put option over shares in associate	24	—	7,403

As at 31 December 2017

Investment properties

於二零一八年十二月三十一日

按公平值計量且其變動計入損益的金融資產

非上市投資基金	24	148,278	—
非上市可換股債券	24	8,762	—
聯營公司股份認沽期權	24	—	7,403

於二零一七年十二月三十一日

投資物業

Level 2
第二級

RMB'000

Notes
附註

人民幣千元

Level 3
第三級

RMB'000

人民幣千元

3 財務風險管理(續)

3.3 公平值估計

3.3.1 公平值層級

公平值等級架構下表呈列本集團金融工具於報告期末按經常性基準計量的公平值。按國際財務報告準則第13號公平值計量的定義，可將公平值等級架構分為三級。公平值計量等級分類按照於估值技術中採用的輸入數據的可觀察性及重要性而釐定：

- 第一級估值：公平值只透過採用第一級輸入數據計量，即計量日期於活躍市場上有關相同資產或負債的未調整報價。
- 第二級估值：公平值透過採用第二級輸入數據計量，即未符合第一級的可觀察輸入數據，及並無利用重要並無法觀察輸入數據。無法觀察輸入數據是由未獲得市場數據而來的輸入數據。
- 第三級估值：公平值透過重要並無法觀察輸入數據計量

本集團按其政策確認於報告期末確認公平值層級的轉入及轉出。

下表呈列本集團按於二零一八年十二月三十一日及二零一七年十二月三十一日的公平值計量的資產：

	Notes 附註	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元
As at 31 December 2018			
Financial assets at fair value through profit or loss			
Unlisted investment funds	24	148,278	—
Unlisted convertible bond	24	8,762	—
Put option over shares in associate	24	—	7,403
As at 31 December 2017			
Investment properties		9,000	—

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

3.3.1 Fair value hierarchy (Continued)

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2018 or 2017. There were no transfers among level 1, level 2 and level 3 for recurring fair value measurements during the year ended 31 December 2018 or 2017.

(a) Valuation techniques and inputs used in Level 2 fair value measurements

For unlisted investment funds, the Group obtains net asset value of the funds (i.e. the fair value of the portfolio included in the funds) from the fund manager.

For unlisted convertible bond, the Group obtains independent valuations. At the end of the reporting period, the Directors of the Company updated their assessment of the fair value of the convertible bond, taking into account the most recent independent valuation results. The fair value of the convertible bond has been derived using the binomial model. The key inputs in this model include the profitability of the issuer and the possibility of a successful initial public offering of the issuer.

(b) Valuation techniques and inputs used in Level 3 fair value measurements

The Group owns a put option over the equity of its associate, Shandong Hailifeng Clean Energy Joint Stock Co., Ltd. (Note 18(a)), which permits the Group to put its shares in the associate back to the controlling shareholder of the associate at a predetermined price if the associate fails to fulfill its performance commitment to the Group. The amount receivable under the option on exercise is recognised at the present value of the redemption amount as at 31 December 2018.

3.3.2 Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2018 and 2017 since either the instruments are short-term in nature or the interest receivable/payable is close to current market rates.

3 財務風險管理(續)

3.3 公平值估計(續)

3.3.1 公平值層級(續)

於二零一八年或二零一七年十二月三十一日，本集團並未按非經常性基準以公平值計量任何金融資產或金融負債。截至二零一八年或二零一七年十二月三十一日止年度，並無經常性公平值計量於第一級、第二級及第三級之間轉移。

(a) 第二級公平值計量使用的估值方法及輸入數據

就非上市投資基金而言，本集團從基金管理人處獲得基金的資產淨值(即基金中包含的投資組合的公平值)。

就非上市可換股債券而言，本集團獲得獨立估值。於報告期末，本公司董事已考慮最新獨立估值結果，更新其對可換股債券公平值的評估。可轉換債券的公平值使用二項式模型得出。該模型的關鍵輸入包括發行人的盈利能力以及發行人首次公開發行成功的可能性。

(b) 第三級公平值計量使用的估值方法及輸入數據

本集團擁有其聯營公司山東海利豐清潔能源股份有限公司(附註18(a))股權的認沽期權，倘該聯營公司未履行其對本集團的履約承諾，本集團可按預定價格將其於聯營公司的股份售回給該聯營公司的控股股東。行使期權的應收款項按贖回金額於二零一八年十二月三十一日的現值確認。

3.3.2 非按公平值列賬的金融資產及負債的公平值

由於金融工具屬短期性質或應收/應付利息與當前市利率相若，故本集團按成本或攤銷成本列賬的金融工具的賬面值與其於二零一八年十二月三十一日及二零一七年十二月三十一日的公平值相差不大。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Business combinations

Accounting for acquisitions require the Group to allocate the cost of acquisition to specific assets acquired and liabilities assumed based on their fair values at the date of acquisition. The Group has undertaken processes to identify all assets and liabilities acquired, including acquired intangible assets. Judgements made in identifying all acquired assets, determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as assets' useful lives, could materially impact the calculation of goodwill and depreciation and amortisation charges in subsequent periods. Estimated fair values are based on information available near the acquisition date and on expectations and assumptions that have been deemed reasonable by management. Determining the estimated useful lives of tangible and intangible assets acquired also requires judgements.

4 關鍵會計估計和判斷

本集團根據過往經驗及其他因素(包括在相關情況下認為合理的未來事件預期)持續評估該等估計及判斷。

本集團對未來作出估計及假設。按定義，得出的會計估計很少會與相關實際結果相同。存在重大風險會導致資產及負債的賬面值於下個財政年度作出重大調整的估計及假設討論如下。

(a) 業務合併

收購會計處理要求本集團基於所收購資產及所承擔負債於收購日期的公平值在彼等之間分配收購成本。本集團已實行程序以識別所收購的所有資產及負債，其中包括所收購的無形資產。在識別所有收購的資產、釐定所收購資產及所承擔負債各個類別的估計公平值以及資產的可使用年期時作出的判斷，可能會對商譽計算以及往後期間的折舊及攤銷造成重大影響。估計公平值乃基於收購日期前後可用的資料以及管理層認為合理的預期及假設釐定。釐定所收購的有形及無形資產的估計可使用年期亦須作出判斷。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) Estimation of the fair value of certain financial assets

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used see Note 3.3.1.

(c) Estimation of the useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment with reference to the estimated periods that the Group intends to derive future economic benefits from the use of these assets. Management will revise the depreciation charges where useful lives are different to previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

(d) Impairment for trade receivables

The loss allowances for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. As at 31 December 2018, a provision of RMB18,652,000 was provided for impairment of trade receivables (2017: RMB3,791,000).

4 關鍵會計估計和判斷(續)

(b) 若干金融資產的估計公平值

不在活躍市場交易的金融工具的公平值採用估值法確定。本集團根據其判斷選擇多種方法，並主要基於各報告期末市場狀況作出假設。有關使用的關鍵假設的詳細信息，請參閱註釋3.3.1。

(c) 物業、廠房及設備的估計可使用年期

本集團管理層釐定物業、廠房及設備的估計可使用年期及相關折舊支出，乃參考估計期內本集團擬從該等資產產生未來經濟利益的預期予以釐定。當可使用年限與之前估計不同，管理層將修訂折舊支出，或撤銷或撇減已報廢或已出售且技術上已過時或非戰略性的資產。

(d) 貿易應收款項減值

貿易應收款項的虧損撥備乃基於有關違約風險及預期虧損率的假設。本集團根據本集團過往歷史、當前市場狀況以及各報告期末的前瞻性估計進行判斷，作出該等假設及選擇減值計算的輸入數據。於二零一八年十二月三十一日，就貿易應收款項作出撥備人民幣18,652,000元(二零一七年：人民幣3,791,000元)。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(e) Income taxes and deferred taxes

There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will be reflected in the income tax expense and deferred tax provisions in the period in which such determination is made. In addition, the realisation of income tax assets is dependent on the Group's ability to generate sufficient taxable income in the future years to utilise income tax benefits and tax loss carry-forwards. Deviations from estimates of the future profitability or the income tax rate would result in adjustments to the value of income tax assets and liabilities that could have a significant effect on the income tax expenses.

(f) Withholding taxes arising from the distributions of dividends

The Group's determination as to whether to accrue for withholding taxes from the distribution of dividends from subsidiaries in the People's Republic of China (the "PRC") according to the relevant tax jurisdictions is subject to judgement on the timing of the payment of the dividends. The Group considered it's probable that the profits of the subsidiary in the PRC will not be distributed in the foreseeable future, therefore no withholding taxes were provided.

4 關鍵會計估計和判斷(續)

(e) 所得稅及遞延稅項

日常業務過程中存在若干不能確定最終稅項的交易及計算。本集團根據對是否需要繳付額外稅款的估計確認負債。倘此等事宜的最終稅務結果有別於首次入賬的金額，則有關差額將於決定所得稅開支及遞延稅項撥備期間反映在該所得稅開支及遞延稅項撥備。另外，所得稅資產的變現取決於本集團未來產生充足應課稅收入的能力，以使用所得稅收益及稅項損失結轉。未來盈利能力或所得稅率偏離估計將造成對所得稅資產及負債的價值進行調整，這將對所得稅開支產生重大影響。

(f) 派發股息引起的預扣稅

本集團於釐定是否就相關稅務司法權區計提派發來自中國(「中國」)的附屬公司的股息引起的預扣稅時，須對派付股息的時間作出判斷。本集團認為於可見未來不大可能會分派中國的附屬公司的溢利，因此不就預扣稅計提撥備。

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

5 REVENUE AND SEGMENT INFORMATION 5 收益及分部資料

(a) Revenue

(a) 收益

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Continuing operations:	持續經營業務：		
Sales of home photovoltaic system and provision of smart energy service	銷售戶用光伏系統及提供智慧能源服務	465,470	594,268
Sales of electricity	銷售電力	63,788	61,680
Public infrastructure construction business (Note 21)	公建建設業務(附註21)	179,235	241,954
		708,493	897,902
Discontinued operations:	已終止業務：		
Sales of doors and windows	銷售門窗	—	15,713
Provision of construction and engineering services	提供建設及工程服務	—	110
		—	15,823
		708,493	913,725

For the year ended 31 December 2018, the Group's transactions with two customers (2017: two customers) have exceeded 10% of the Group's total revenue respectively, of which one customer is relating to the sales of home photovoltaic system and the other is relating to public infrastructure construction business. For the year ended 31 December 2018, revenue derived from these two customers amounted to RMB539,716,000 (2017: RMB741,035,000).

截至二零一八年十二月三十一日止年度，本集團與兩名客戶(二零一七年：兩名)進行的交易分別佔本集團收益總額10%以上，其中一名客戶與銷售戶用光伏系統有關，而另一名與公建建設業務有關。截至二零一八年十二月三十一日止年度，來自該兩名客戶的收益金額為人民幣539,716,000元(二零一七年：人民幣741,035,000元)。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

5 REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments:

- Smart energy business, and
- Public infrastructure construction business.

Public infrastructure construction business refers to the public infrastructure construction and the related preliminary investment and post-construction operation management business of the Baoding Donghu Project.

No geographical information is shown as substantially all of the assets and liabilities, revenue and profit from the operations of the Group are derived from the business activities in the PRC.

5 收益及分部資料(續)

(b) 分部報告

本集團按分部管理業務，而分部以業務類別(產品及服務)區分。為符合向本集團最高級行政管理層內部呈報資料以便分配資源及評估業績表現的方式，本集團已呈列下列兩個可呈報分部：

- 智慧能源業務，及
- 公建建設業務。

公建建設業務是指保定東湖項目的公建建設、相關前期投資及建設後經營管理業務。

本集團經營業務的絕大部分資產及負債、收益及溢利均來自中國業務，故並未呈列地理分部資料。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

5 REVENUE AND SEGMENT INFORMATION 5 收益及分部資料(續)

(Continued)

(c) Segment results, assets and liabilities

(c) 分部業績、資產及負債

		Smart energy business 智慧能源業務 RMB'000 人民幣千元	Public infrastructure construction business 公建建設業務 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
For the year ended 31 December 2018	截至二零一八年十二月 三十一日止年度				
Revenue from external customers	對外客戶收益	529,258	179,235	—	708,493
Reportable segment profit/(loss) after tax	可呈報分部除稅後 溢利/(虧損)	130,844	15,107	(37,450)	108,501
Finance income (Note 11)	融資收入(附註11)	3,722	1,855	1,753	7,330
Finance expenses (Note 11)	融資開支(附註11)	(16,638)	—	—	(16,638)
Depreciation and amortisation (Note 8)	折舊及攤銷(附註8)	(34,894)	(84)	(845)	(35,823)
As at 31 December 2018	於二零一八年 十二月三十一日				
Reportable segment assets	可呈報分部資產	1,561,178	463,048	574,618	2,598,844
Additions to non-current assets during the year	年內添置非流動資產	74,886	—	1,633	76,519
Reportable segment liabilities	可呈報分部負債	758,314	360,393	188	1,118,895
For the year ended 31 December 2017	截至二零一七年十二月 三十一日止年度				
Revenue from external customers	對外客戶收益	655,948	241,954	15,823	913,725
Reportable segment profit/(loss) after tax	可呈報分部除稅後 溢利/(虧損)	119,185	31,595	(15,292)	135,488
Finance income (Note 11)	融資收入(附註11)	110	305	195	610
Finance expenses (Note 11)	融資開支(附註11)	(15,199)	(4,646)	—	(19,845)
Depreciation and amortisation (Note 8)	折舊及攤銷(附註8)	(26,848)	(84)	(145)	(27,077)
As at 31 December 2017	於二零一七年 十二月三十一日				
Reportable segment assets	可呈報分部資產	1,699,202	753,608	144,820	2,597,630
Additions to non-current assets during the year	年內添置非流動資產	269,077	—	219	269,296
Reportable segment liabilities	可呈報分部負債	1,154,577	667,918	334	1,822,829

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

5 REVENUE AND SEGMENT INFORMATION (Continued)

5 收益及分部資料(續)

(d) Reconciliations of reportable segment revenue, profit after tax, assets and liabilities

(d) 可呈報分部收益、除稅後溢利、資產及負債對賬

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue	收益		
Reportable segment revenue	可呈報分部收益	708,493	913,725
Elimination of discontinued operations	抵銷已終止業務	—	(15,823)
Consolidated turnover	綜合營業額	708,493	897,902
Profit after tax	除稅後溢利		
Reportable segment profit after tax	可呈報分部除稅後溢利	108,501	135,488
Elimination of discontinued operations	抵銷已終止業務	—	238
Consolidated profit for the year from continuing operations	來自持續經營業務的 年內綜合溢利	108,501	135,726
Assets	資產		
Reportable segment assets	可呈報分部資產	2,598,844	2,597,630
Elimination of inter-segment receivables	抵銷分部間應收款項	(429,196)	(645,706)
Consolidated total assets	綜合資產總額	2,169,648	1,951,924
Liabilities	負債		
Reportable segment liabilities	可呈報分部負債	1,118,895	1,822,829
Elimination of inter-segment payables	抵銷分部間應付款項	(429,196)	(645,706)
Consolidated total liabilities	綜合負債總額	689,699	1,177,123

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

6 OTHER INCOME

6 其他收入

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Government grants	政府補貼	2,107	—

7 OTHER GAINS — NET

7 其他收益淨額

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Net fair value losses on financial assets at FVPL (Note 24)	按公平值計量且其變動計入 損益的金融資產公平值虧損 淨額(附註24)	(9,101)	—
Interest income on non-current financial assets at FVPL	按公平值計量且其變動計入損益 的非流動金融資產利息收入	350	—
Fair value gain on put option over shares in associate	聯營公司股份認沽期權公平 值收益	7,403	—
Net foreign exchange gains/(losses)	匯兌收益/(虧損)淨額	1,005	(1,061)
Net gains on disposal of property, plant and equipment	出售物業、廠房及設備收益淨額	730	—
Gains on disposal of subsidiaries	出售附屬公司的收益	962	—
Bargain purchase gain	議價收購收益	—	7,943
Fair value gains on investment properties	投資物業公平值收益	—	2,125
Others	其他	(138)	511
		1,211	9,518

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

8 EXPENSES BY NATURE

The cost of sales, selling and distribution expenses and administrative expenses in the consolidated statement of profit or loss are listed as follows by nature:

8 按性質分類的開支

綜合損益表中銷售成本、銷售及分銷開支及行政開支按性質載列如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Changes in inventories of finished goods	製成品的存貨變動	366,675	410,044
Subcontract costs	分包成本	76,595	201,053
Employee benefit expense (Note 10)	僱員福利開支(附註10)	58,675	45,654
Depreciation and amortisation	折舊及攤銷	35,823	27,077
Transportation and travelling expenses	運輸及差旅開支	9,220	11,491
Rental expenses	租金開支	4,384	6,743
Promotion and advertising expenses	推廣及廣告開支	4,642	6,496
Consulting and legal fees	諮詢及法律費用	7,954	5,852
Auditor's remuneration	核數師薪酬		
— Audit services	— 審核服務	2,500	2,400
— Non-audit services	— 非審核服務	—	—
Write-downs of inventories (Note 20)	存貨跌價準備(附註20)	255	—
Bad debt provisions	壞賬撥備	—	3,791
Others	其他	9,319	9,530
Total cost of sales, selling and distribution expenses and administrative expenses	銷售成本、銷售及分銷開支及行政開支總額	576,042	730,131

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

9 IMPAIRMENT LOSSES ON FINANCIAL ASSETS

9 金融資產減值虧損

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Loss allowance for trade receivables (Note 22)	貿易應收款項虧損撥備(附註22)	14,861	—
Loss allowance for financial assets at amortised cost (Note 23)	按攤銷成本計量的金融資產虧損撥備(附註23)	900	—
		15,761	—

10 EMPLOYEE BENEFIT EXPENSE

10 僱員福利開支

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Wages, salaries and allowances	工資、薪金及津貼	41,575	38,169
Post employment benefits (a)	離職後福利(a)	6,693	6,153
Equity-settled share-based payment expense (b)	按權益結算以股份支付的款項開支(b)	10,407	1,332
		58,675	45,654

10 EMPLOYEE BENEFIT EXPENSE (Continued)

(a) Post employment benefits

Pursuant to the relevant labor rules and regulations in the PRC, the Group's subsidiaries in the PRC participate in defined contribution retirement benefit schemes (the "Schemes") organised by the PRC municipal government authorities whereby the Group is required to make contributions to the Schemes at the rate of 19% and 20% of the eligible employees' salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees.

The Group has no other material obligations for the payment of pension benefits associated with the Schemes beyond the annual contributions described above.

The Group has joined a Mandatory Provident Fund ("MPF") Scheme for its employees of the Group's subsidiaries in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. The retirement benefits scheme contributions arising from the MPF Scheme charged to the consolidated statement of profit or loss represent contributions payable to the funds by the Group at rates specified in the rules of the scheme.

(b) Equity settled share-based payment

On 26 January, 11 May and 14 September 2018, the Company announced to grant 36,441,291, 10,140,000 and 66,645,000 share options (the "Options"), respectively, under its share option scheme adopted on 22 November 2011. The Options entitled the eligible participants to subscribe for up to a total of 113,226,291 new shares of HK\$0.01 each in the share capital of the Company. The expense arising from share-based payment transactions recognised during the year as part of employee benefit expense was RMB10,407,000.

10 僱員福利開支(續)

(a) 離職後福利

根據中國相關勞動條例及法規，本集團的中國附屬公司須參加由中國市級政府機關組織的定額供款退休福利計劃(「計劃」)，據此，本集團須按合資格僱員薪金19%及20%的比率向計劃作出供款。地方政府機關負責向退休僱員支付全額退休金責任。

除上述年度供款外，本集團並無與計劃相關的退休福利付款的其他重大責任。

本集團已為其香港附屬公司僱員加入強積金計劃。強積金計劃的資產與本集團的資產分開，由獨立信託人於其控制的基金持有。在綜合損益表內扣除的強積金計劃的退休福利計劃供款，指本集團按該計劃的規則所規定的比率向有關基金應做出的供款。

(b) 按權益結算以股份支付的款項開支

於二零一八年一月二十六日、五月十一日及九月十四日，本公司宣佈按其於二零一一年十一月二十二日採納的購股權計劃分別授出36,441,291股、10,140,000股及66,645,000股購股權(「購股權」)。購股權賦予合資格參與者權利認購本公司股本中最多合共113,226,291股每股面值0.01港元的新股份。以股份支付交易產生的開支約人民幣10,407,000元於年內作為僱員福利開支一部分確認。

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

10 EMPLOYEE BENEFIT EXPENSE (Continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2018 include three (2017: three) Directors whose emoluments are reflected in the analysis shown in Note 39. The emoluments payable to the remaining two (2017: two) individuals during the year are as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Wages, salaries and allowances	工資、薪金及津貼	1,213	1,159
Social security costs	社會保障成本	250	165
Equity-settled share-based payment expense	按權益結算以股份支付的 款項開支	851	—
		2,314	1,324

The emoluments of the two (2017: two) individuals fell within the following bands:

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 Number of individuals 人數	2017 二零一七年 Number of individuals 人數
Nil to HK\$1,000,000	零至1,000,000港元	—	2
HK\$1,000,000 to HK\$2,000,000	1,000,000港元至2,000,000港元	2	—

10 僱員福利開支(續)

(c) 五位最高薪人士

截至二零一八年十二月三十一日止年度，本集團的五位最高薪人士中包括三位(二零一七年：三位)董事，其薪金請見附註39的分析，其餘兩位(二零一七年：兩位)年內薪酬情況如下：

該兩位(二零一七年：兩位)最高薪人士的薪酬介於下述範疇：

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

11 FINANCE EXPENSES – NET

11 融資開支 – 淨額

		Year ended 31 December	
		截至十二月三十一日止年度	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<i>Finance income</i>	融資收入		
Interest income from financial assets held for cash management purposes (Note 23)	金融資產持作現金管理之利息收入(附註23)	6,863	—
Interest income from bank deposits	銀行存款利息收入	467	610
Total interest income	利息收入總額	7,330	610
<i>Finance expenses</i>	融資開支		
Interest expense incurred	已產生利息開支	(40,281)	(60,802)
Less: interest expense capitalised in the cost of contract work	減：計入建造合約施工成本的資本化利息開支	23,645	40,961
Net interest expense	利息開支淨額	(16,636)	(19,841)
Other finance expenses	其他融資開支	(2)	(4)
Finance expenses – net	融資開支 – 淨額	(9,308)	(19,235)

12 INCOME TAX EXPENSE

12 所得稅開支

		Year ended 31 December	
		截至十二月三十一日止年度	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current income tax	即期所得稅	13,101	22,365
Deferred income tax	遞延所得稅	(2,715)	(37)
		10,386	22,328

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

12 INCOME TAX EXPENSE (Continued)

The reconciliation between the income tax on the Group's profit before tax and the theoretical amount that would arise using the statutory tax rates applicable to the profit of consolidated entities are as follows:

12 所得稅開支(續)

本集團除稅前溢利的所得稅與採用適用於綜合實體溢利的法定稅率計算得出的理論稅額的對賬如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	118,887	158,054
At applicable statutory tax rates	按適用法定稅率計算	29,722	39,514
Effect of preferential tax rates	優惠稅率的影響	(16,708)	(20,449)
Tax losses for which no deferred income tax asset was recognised	並無確認遞延所得稅資產的稅項虧損	7,588	8,567
Previously unrecognised tax losses recouped to reduce current tax expense	彌補以前年度未確認稅務虧損(以減少即期稅項開支)	(5,007)	—
Recoverable income tax of public infrastructure construction business	公建建設業務可收回所得稅	(4,447)	(3,318)
Research and development tax credit	研發稅務抵免	(762)	—
Bargain purchase gain not subject to tax	毋須課稅的議價收購收益	—	(1,986)
Tax charge	稅項支出	10,386	22,328

The expiry date of the tax effect of unused tax losses is as follows:

未運用稅項虧損的稅務影響的到期日期如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Year 2020	二零二零年度	—	1,155
Year 2021	二零二一年度	98	3,950
Year 2022	二零二二年度	8,567	8,567
Year 2023	二零二三年度	7,588	—
		16,253	13,672

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

12 INCOME TAX EXPENSE (Continued)

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in these jurisdictions.

No provision for Hong Kong profit tax was made as the Group does not have assessable profits arising in Hong Kong during the year ended 31 December 2018 (2017: nil).

For the year end 31 December 2018, the statutory tax rate of entities registered in the PRC is 25% (2017: 25%), except for certain subsidiaries entitled to tax exemption or preferential rates.

On 30 November 2017, Hebei LongiTech Cloud Energy Technology Co., Ltd. (“**Hebei Cloud Energy**”) was certified as a High-Tech Enterprise of Hebei Province, effective from 1 January 2017 to 31 December 2019, during which Hebei Cloud Energy enjoys a preferential income tax rate of 15%.

During the year ended 31 December 2018, Tianjin Haitian Fangyuan Energy Saving Technology Co., Ltd. (“**Haitian Fangyuan**”) was certified as a High-Tech Enterprise of Tianjin City, effective from 23 November 2018 to 23 November 2021, during which Haitian Fangyuan enjoys a preferential income tax rate of 15%.

Subsidiaries operating solar power plants are exempted from corporate income tax for the first three years and are entitled to a 50% tax reduction for the subsequent three years (三免三減半) since their respective first revenue-generating years.

From 1 January 2018 to 31 December 2022, Hoboksar Mongol Autonomous County Sifang Dianjin Energy Co., Ltd. is exempted from corporate income tax for the first two years and are entitled to a 50% tax reduction for the subsequent three years (兩免三減半).

12 所得稅開支(續)

根據開曼群島及英屬處女群島規則及法規，本集團於該等司法權區毋須繳納任何所得稅。

由於本集團於截至二零一八年十二月三十一日止年度並無於香港產生課稅溢利，故並無就香港利得稅作出撥備(二零一七年：無)。

截至二零一八年十二月三十一日止年度，於中國註冊的實體的法定稅率為25%(二零一七年：25%)，惟若干附屬公司獲免稅或享受優惠稅率。

於二零一七年十一月三十日，河北隆基泰和雲能源科技有限公司(「**河北雲能源**」)獲認可為河北省高新技術企業，有效期自二零一七年一月一日至二零一九年十二月三十一日止。於該三年間，河北雲能源將享有15%的優惠所得稅率。

截至二零一八年十二月三十一日止年度，天津海天方圓節能技術有限公司(「**海天方圓**」)獲認可為天津市高新技術企業，有效期自二零一八年十一月二十三日至二零二一年十一月二十三日止，於該期間，海天方圓將享有15%的優惠所得稅率。

就經營太陽能發電站的附屬公司而言，自該等公司各自的首個獲利年度起，首三年豁免繳納企業所得稅，其後三年獲50%稅項減免(三免三減半)。

自二零一八年一月一日至二零二二年十二月三十一日，和布克賽爾蒙古自治縣四方電金能源有限公司首兩年獲豁免繳納企業所得稅，其後三年獲50%稅項減免(兩免三減半)。

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

13 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

13 每股盈利

(a) 每股基本盈利

每股基本盈利乃按本公司擁有人應佔溢利除以本年度已發行普通股的加權平均數計算。

		Year ended 31 December	
		截至十二月三十一日止年度	
		2018	2017
		二零一八年	二零一七年
Profit from continuing operations attributable to owners of the Company (RMB'000)	本公司擁有人應佔持續經營業務的溢利(人民幣千元)	107,720	135,435
Loss from discontinued operations attributable to owners of the Company (RMB'000)	本公司擁有人應佔已終止業務的虧損(人民幣千元)	—	(238)
		107,720	135,197
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數(千股)	1,311,614	791,225
Basic earnings per share (RMB)	每股基本盈利(人民幣元)		
— Continuing operations	— 持續經營業務	0.0821	0.1712
— Discontinued operations	— 已終止業務	—	(0.0003)
		0.0821	0.1709

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

13 EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. During the year ended 31 December 2018 and 2017, the Company had outstanding share options. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share.

13 每股盈利(續)

(b) 每股攤薄盈利

每股攤薄盈利乃按因假設轉換所有潛在攤薄普通股而調整已發行普通股的加權平均數計算。截至二零一八年及二零一七年十二月三十一日止年度，本公司擁有未行使購股權。由此無償發行的股份數目乃計入普通股加權平均數，作為計算每股攤薄盈利時所用的分母。

Year ended 31 December

截至十二月三十一日止年度

2018

2017

二零一八年

二零一七年

Profit from continuing operations attributable to owners of the Company (RMB'000)	本公司擁有人應佔持續經營業務的溢利(人民幣千元)	107,720	135,435
Loss from discontinued operations attributable to owners of the Company (RMB'000)	本公司擁有人應佔已終止業務的虧損(人民幣千元)	—	(238)
		107,720	135,197
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數(千股)	1,311,614	791,225
Effect of deemed issue of shares under the Company's share option scheme for no consideration (thousands)	視作根據本公司購股權計劃無償發行股份的影響(千股)	1,557	1,352
Adjusted weighted average number of ordinary shares for diluted earnings per share (thousands)	每股攤薄盈利的普通股經調整加權平均數(千股)	1,313,171	792,577
Diluted earnings per share (RMB)	每股攤薄盈利(人民幣元)		
— Continuing operations	— 持續經營業務	0.0820	0.1709
— Discontinued operation	— 已終止業務	—	(0.0003)
		0.0820	0.1706

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

13 EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share (Continued)

The number of shares issued for no consideration is the number of shares that would have been issued assuming the exercise of the share option less the number of shares that could have been issued at fair value (determined as the average market price per share for the year) for the same total proceeds.

13 每股盈利(續)

(b) 每股攤薄盈利(續)

無償發行的股份數目是假設行使購股權後應發行的股份數目，減去就相同所得款項總額按照公平值（按照全年每股平均市價而定）原應發行的股份數目後得出。

14 LEASEHOLD LAND AND LAND USE RIGHTS

14 租賃土地及土地使用權

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At 1 January	於一月一日	1,634	8,240
Additions	添置	3,077	—
Disposals of subsidiaries	出售附屬公司	—	(6,163)
Amortisation	攤銷	(457)	(443)
At 31 December	於十二月三十一日	4,254	1,634

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

15 PROPERTY, PLANT AND EQUIPMENT

15 物業、廠房及設備

		Buildings	Plant and machinery	Motor vehicles	Furniture, fixtures and equipment	Construction in progress	Total
		樓宇	廠房及機械	汽車	傢俱、裝置及設備	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost	成本						
At 1 January 2017	於二零一七年一月一日	19,468	247,113	2,592	8,776	9,588	287,537
Acquisitions of subsidiaries	收購附屬公司	14,210	208,239	3	2,151	276	224,879
Additions	添置	140	4,348	1,551	15,763	6,744	28,546
Transfers	轉讓	—	309	—	3,216	(3,525)	—
Transfers to investment properties	轉撥至投資物業	(8,051)	—	—	—	—	(8,051)
Disposals of subsidiaries	出售附屬公司	(9,345)	(677)	(608)	(1,417)	(4,083)	(16,130)
At 31 December 2017	於二零一七年十二月三十一日	16,422	459,332	3,538	28,489	9,000	516,781
At 1 January 2018	於二零一八年一月一日	16,422	459,332	3,538	28,489	9,000	516,781
Acquisitions of subsidiaries (Note 36)	收購附屬公司(附註36)	—	8,735	237	59	74	9,105
Additions	添置	564	32,538	620	5,375	13,016	52,113
Transfers	轉讓	—	18,251	—	3,149	(21,400)	—
Disposals of subsidiaries	出售附屬公司	—	(1,189)	(1,120)	(8,463)	(103)	(10,875)
Disposals of assets	出售資產	—	(4,130)	(224)	(8,271)	—	(12,625)
At 31 December 2018	於二零一八年十二月三十一日	16,986	513,537	3,051	20,338	587	554,499
Accumulated depreciation	累計折舊						
At 1 January 2017	於二零一七年一月一日	2,865	10,663	1,221	962	—	15,711
Charge for the year	年內支出	333	15,092	504	8,878	—	24,807
Transfers to investment properties	轉撥至投資物業	(1,176)	—	—	—	—	(1,176)
Disposals of subsidiaries	出售附屬公司	(1,730)	(315)	(585)	(280)	—	(2,910)
At 31 December 2017	於二零一七年十二月三十一日	292	25,440	1,140	9,560	—	36,432
At 1 January 2018	於二零一八年一月一日	292	25,440	1,140	9,560	—	36,432
Charge for the year	年內支出	794	22,152	594	6,230	—	29,770
Disposals of subsidiaries	出售附屬公司	—	(370)	(380)	(2,096)	—	(2,846)
Disposals of assets	出售資產	—	(100)	(60)	(7,156)	—	(7,316)
At 31 December 2018	於二零一八年十二月三十一日	1,086	47,122	1,294	6,538	—	56,040
Net book amount	賬面淨值						
At 31 December 2018	於二零一八年十二月三十一日	15,900	466,415	1,757	13,800	587	498,459
At 31 December 2017	於二零一七年十二月三十一日	16,130	433,892	2,398	18,929	9,000	480,349

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

15 PROPERTY, PLANT AND EQUIPMENT

(Continued)

- (a) For the year ended 31 December 2018, depreciation of RMB22,877,000 (2017: RMB14,012,000) has been charged to cost of sales and RMB6,893,000 (2017: RMB10,795,000) to administrative expenses.
- (b) Pursuant to the relevant pledge contracts, certain machineries of the solar power plants of the Group with a carrying amount of RMB303,731,000 (2017: RMB350,730,000) were pledged as security for the Group's borrowings as at 31 December 2018 (Note 29(a)).

15 物業、廠房及設備(續)

- (a) 折舊人民幣22,877,000元(二零一七年:人民幣14,012,000元)計入銷售成本,以及折舊人民幣6,893,000元(二零一七年:人民幣10,795,000元)計入行政開支。
- (b) 根據相關抵押合約,於二零一八年十二月三十一日若干賬面值為人民幣303,731,000元的太陽能發電站機械抵押作為本集團借款的擔保(二零一七年:人民幣350,730,000元)(附註29(a))。

16 INTANGIBLE ASSETS

16 無形資產

		Goodwill 商譽 RMB'000 人民幣千元	Software 軟件 RMB'000 人民幣千元	Patent 專利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2017	於二零一七年十二月三十一日				
Cost	成本	9,508	30,801	—	40,309
Accumulated amortisation	累計攤銷	—	(1,834)	—	(1,834)
Net book amount	賬面淨值	9,508	28,967	—	38,475
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度				
Opening net book amount	期初賬面淨值	9,508	28,967	—	38,475
Acquisitions of subsidiaries (Note 36)	收購附屬公司(附註36)	366	—	4,038	4,404
Additions	添置	—	7,820	—	7,820
Amortisation charge	攤銷支出	—	(5,428)	(168)	(5,596)
Disposals of subsidiaries	出售附屬公司	(6,613)	(18,792)	—	(25,405)
Closing net book amount	期末賬面淨值	3,261	12,567	3,870	19,698
At 31 December 2018	於二零一八年十二月三十一日				
Cost	成本	3,261	17,240	4,038	24,539
Accumulated amortisation	累計攤銷	—	(4,673)	(168)	(4,841)
Net book amount	賬面淨值	3,261	12,567	3,870	19,698

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

16 INTANGIBLE ASSETS (Continued)

For the year ended 31 December 2018, amortisation of RMB5,587,000 (2017: RMB1,788,000) has been charged to administrative expenses and RMB9,000 to cost of sales (2017: RMB39,000 to selling and distribution expenses).

The Group's goodwill of RMB686,000 was recognised in the consolidated balance sheet as a result of the acquisition of Gao Bei Dian City Guangshuo New Energy Co., Ltd. during the year ended 31 December 2017.

The Group's goodwill of RMB366,000 was recognised in the consolidated balance sheet as a result of the acquisition of Tianjin Haitian Fangyuan Energy Saving Technology Co., Ltd. during the year ended 31 December 2018.

The Group's goodwill of RMB8,822,000 arose from the acquisition of Hebei Fakai Energy Development Co., Ltd. ("**Fakai**") and its two wholly-owned subsidiaries, Hebei Fakai Scientific Power Consumption Services Co., Ltd. ("**Scientific Power Consumption**") and Hebei Fakai Energy Monitoring Services Co., Ltd. ("**Energy Monitoring**") during the year ended 31 December 2016. During the year ended 31 December 2018, the Group sold its 100% shares in Scientific Power Consumption and Energy Monitoring, which resulted in a disposal of goodwill of RMB6,613,000, based on the respective recoverable amount of goodwill attributable to Fakai, Scientific Power Consumption and Energy Monitoring, using the value-in-use calculations. These calculations use free cash flow projections based on the financial forecast prepared by management covering a seven-year period. The key assumptions, revenue growth rate and discount rate used in the value-in-use calculations as at 31 December 2018, are as follows:

Revenue growth rate	收入增長率	5%
Pre-tax discount rate	除稅前折現率	13%

Revenue growth rate is based on current industry trends, including inflation forecasts. The before-tax discount rate of 13% reflects specific risks relating to Fakai, Scientific Power Consumption and Energy Monitoring.

No impairment is recognised based on the management's impairment assessment of goodwill as at 31 December 2018 (2017: nil).

16 無形資產(續)

截至二零一八年十二月三十一日止年度，人民幣5,587,000元(二零一七年：1,788,000元)的攤銷計入行政開支，以及人民幣9,000元的攤銷計入銷售成本(二零一七年：人民幣39,000元計入銷售及分銷開支)。

截至二零一七年十二月三十一日止年度，本集團因收購高碑店市光碩新能源有限責任公司而於綜合資產負債表確認商譽約人民幣686,000元。

截至二零一八年十二月三十一日止年度，本集團因收購天津海天方圓節能技術有限公司而於綜合資產負債表確認商譽約人民幣366,000元。

截至二零一六年十二月三十一日止年度，本集團因收購河北省發凱能源開發有限責任公司(「**發凱**」)及其兩間全資附屬公司河北省發凱科學用電服務有限責任公司(「**科學用電**」)及河北省發凱能源檢測服務有限責任公司(「**能源檢測**」)而獲商譽約人民幣8,822,000元。截至二零一八年十二月三十一日止年度，本集團出售其於科學用電及能源檢測全部股份而撥回商譽人民幣6,613,000元，按照歸屬於發凱、科學用電及能源檢測的商譽可收回金額依據使用價值計算方法釐定。使用價值的計量基於管理層所作七年期財務預測的自由現金流量預測計算。於二零一八年十二月三十一日使用價值計算方法所用的主要假設收入增長率及折現率如下：

收入增長率基於當前行業趨勢，包括通脹預測。除稅前折現率13%反映與發凱、科學用電及能源檢測相關的特定風險。

截至二零一八年十二月三十一日止年度，概無根據管理層商譽減值評估確認減值(二零一七年：無)。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

17 SUBSIDIARIES

The following is a list of the principal subsidiaries as at 31 December 2018:

17 附屬公司

下表列出於二零一八年十二月三十一日的主要附屬公司：

Name of company 公司名稱	Place of incorporation 註冊成立地點	Registered capital 註冊資本	Equity interest held by the Group 本集團持有股權	Principal activities 主要業務
Hebei Longitech Cloud Energy Technology Co., Ltd. 河北隆基泰和雲能源科技有限公司	the PRC 中國	RMB300,000,000 人民幣300,000,000元	100%	Smart energy service 智慧能源服務
Gao Bei Dian City Guangshuo New Energy Co., Ltd. 高碑店市光碩新能源有限責任公司	the PRC 中國	RMB125,708,800 人民幣125,708,800元	100%	Operation of solar power station 營運太陽能
Hoboksar Mongol Autonomous County Sifang Dianjin Energy Co., Ltd. 和布克賽爾蒙古自治縣四方電金能源有限公司	the PRC 中國	RMB10,000,000 人民幣10,000,000元	100%	Smart energy service 智慧能源服務
Hebei Fakai Energy Development Co., Ltd. 河北省發凱能源開發有限責任公司	the PRC 中國	RMB50,000,000 人民幣50,000,000元	100%	Smart energy service 智慧能源服務
Zhongneng Hexin Longhua County Solar Power Generation Co., Ltd. 中能和信隆化縣太陽能發電有限責任公司	the PRC 中國	RMB10,000,000 人民幣10,000,000元	100%	Operation of solar power station 營運太陽能
Tianjin Haitian Fangyuan Energy Saving Technology Co., Ltd. 天津海天方圓節能技術有限公司	the PRC 中國	RMB111,111,100 人民幣111,111,100元	55%	Smart energy service 智慧能源服務
Hebei Yuedu City Construction Investment Co., Ltd. 河北躍都城市建設投資有限公司	the PRC 中國	RMB120,000,000 人民幣120,000,000元	100%	Public infrastructure construction 公建建設
Baoding Qiantai Investment Co., Ltd. 保定乾泰投資有限公司	the PRC 中國	RMB120,000,000 人民幣120,000,000元	100%	Public infrastructure construction 公建建設

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

18 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Set out below are the associates of the Group as at 31 December 2018. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of incorporation	% of ownership interest	Carrying amount
公司名稱	註冊地點	所有者權益百分比	賬面值
Shandong Hailifeng Clean Energy Joint Stock Co. Ltd. (a) 山東海利豐清潔能源股份有限公司	the PRC 中國	40%	68,597
Longyao (Beijing) Clean Energy Technology Co., Ltd. (b) 隆耀(北京)清潔能源科技有限公司	the PRC 中國	45%	32,990
Total equity-accounted investments	採用權益法入賬的投資總額		101,587

18 採用權益法入賬的投資

以下載列本集團於二零一八年十二月三十一日的聯營公司。下列實體的股本僅由普通股組成，由本集團直接持有。公司註冊成立的國家也是其主要營業地點，所有者權益的比例與持有的投票權比例相同。

(a) On 26 July 2018, Beijing Longguang Energy Technology Co., Ltd. (“**Beijing Longguang**”), an indirect wholly-owned subsidiary of the Company, entered into an acquisition agreement with Shengli Oilfield Lifeng Industrial Group Co., Ltd. (the “**vendor**”), an independent third party to the Group, and Shandong Hailifeng Clean Energy Joint Stock Co., Ltd. (“**Hailifeng**”), under which Beijing Longguang acquired 29.41% of the shares of Hailifeng from the vendor, at the consideration of RMB1. As the capital contribution in respect of 29.41% shares of Hailifeng had not been made by the vendor, Beijing Longguang assumed the capital contribution obligation of RMB30,000,000. Beijing Longguang has also agreed to contribute an additional capital of RMB30,000,000 to Hailifeng. Hailifeng and its subsidiaries are principally engaged in the operation and management of heating and cooling supply, production, sales and installation of heat pump products, geothermal engineering construction and energy management. Upon completion of this transaction, Beijing Longguang held 40% of the shares in Hailifeng, and Hailifeng became an associate of the Company.

(a) 二零一八年七月二十六日，本公司間接全資附屬公司北京隆光能源科技有限公司(「**北京隆光**」)與本集團獨立第三方勝利油田利豐實業集團有限公司(「**賣方**」)及山東海利豐清潔能源股份有限公司(「**海利豐**」)訂立收購協議，據此，北京隆光以代價人民幣1元向賣方收購海利豐29.41%股份。由於賣方尚未就海利豐29.41%股份進行出資，故北京隆光承擔出資責任人民幣30,000,000元。北京隆光亦已同意向海利豐額外出資人民幣30,000,000元。海利豐及其附屬公司主要從事供熱及製冷的運營管理、熱泵產品的生產、銷售與安裝、地熱工程施工及能源管理。該交易完成後，北京隆光持有海利豐40%的股份，海利豐成為本公司的聯營公司。

18 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(a) (Continued)

In accordance with the terms of the acquisition agreement, the vendor has provided certain performance undertakings to Beijing Longguang, under which Beijing Longguang has the right to require the vendor to purchase the 40% of the shares in Hailifeng if Hailifeng fails to meet performance undertakings (the “**Put Option**”).

As Hailifeng has failed to meet the performance target for the year ended 31 December 2018, Beijing Longguang has elected to exercise the Put Option. The vendor, Beijing Longguang and Hailifeng have entered into a repurchase agreement on 29 March 2019, under which the vendor will purchase the 40% of the shares in Hailifeng from Beijing Longguang for a consideration of RMB60,000,001. In addition, Beijing Longguang is entitled to a distributable profit of Hailifeng amounting RMB16,000,000 for the year ended 31 December 2018.

- (b) On 4 June 2018, Baoding Yize New Energy Technology Co., Ltd. (“**Baoding Yize**”), an indirect wholly-owned subsidiary of the Company, and Beijing Yaohui Hengchang Technology Partnership Enterprise (Limited Partnership) (“**Yaohui**”), an independent third party to the Group, entered into a capital increase agreement (as amended and supplemented on 4 December 2018) to make additional capital injection to Longyao (Beijing) Clean Energy Technology Co., Ltd. (“**Longyao**”), a limited company established by Yaohui and Baoding Yize in the PRC. The capital increase amount of RMB45,000,000 and the original capital injection amount of RMB90,000,000 shall be paid by Baoding Yize before 31 December 2021. Longyao is principally engaged in the provision of technology promotion services. Baoding Yize has paid RMB33,400,000 during the year ended 31 December 2018.

18 採用權益法入賬的投資(續)

(a) (續)

根據收購協議的條款，賣方已向北京隆光提供若干履約承諾，據此，倘海利豐未能履約承諾項下的目標，北京隆光有權要求賣方購買北京隆光持有的海利豐40%的股權（「認沽期權」）。

由於海利豐於截至二零一八年十二月三十一日止年度未能達成履約目標，北京隆光選擇行使認沽期權。賣方、北京隆光及海利豐於二零一九年三月二十九日訂立回購協議，據此，賣方將從北京隆光購買其持有的海利豐40%的股權，代價為人民幣60,000,001元；此外，北京隆光有權獲得海利豐截至二零一八年十二月三十一日止年度的可分配利潤人民幣16,000,000元。

- (b) 於二零一八年六月四日，本公司間接全資附屬公司保定溢澤新能源科技有限公司（「保定溢澤」）與本集團獨立第三方北京耀輝恆昌科技合夥企業（有限合夥）（「耀輝」）訂立增資協議（於二零一八年十二月四日修訂及補充），向隆耀（北京）清潔能源科技有限公司（「隆耀」）（一間耀輝與保定溢澤於中國成立的有限責任公司）分別追加注資。根據協議，保定溢澤於二零二一年十二月三十一日前須支付增資額人民幣45,000,000元及原來注資額人民幣90,000,000元。隆耀主要從事提供技術推廣業務。保定溢澤於截至二零一八年十二月三十一日止年度已支付人民幣33,400,000元。

Notes to the Financial Statements (Continued)
 財務報表附註(續)

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

18 INVESTMENTS ACCOUNTED FOR USING
 THE EQUITY METHOD (Continued)

18 採用權益法入賬的投資(續)

(c) Commitments in respect of associates

(c) 聯營公司承擔

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Investment in associate	於聯營公司投資	101,600	—

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

18 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

18 採用權益法入賬的投資(續)

(d) Summarised financial information for associates

The table below provides summarised financial information for Group's associates. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

(d) 聯營公司財務信息概述

本集團聯營公司財務信息概述如下表所示。披露的信息反映相關聯營公司財務報表中呈報的金額，而非本集團應佔該等金額的份額。該等披露信息進行了修訂以反映本集團在採用權益法時所做的調整，包括公平值調整及會計政策差異的修改。

		As at 31 December 2018	
		於二零一八年十二月三十一日	
		Hailifeng	Longyao
		海利豐	隆耀
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Summarised balance sheet	資產負債表概述		
Current assets	流動資產	275,723	109,003
Non-current assets	非流動資產	238,221	35,704
Current liabilities	流動負債	(306,521)	(71,395)
Non-current liabilities	非流動負債	(35,931)	—
Net Assets	淨資產	171,492	73,312
Reconciliation to carrying amounts of investment in associates	於聯營公司投資賬面值對賬		
Opening net assets	期初淨資產	150,000	74,222
Profit/(Loss) for the period	期內利潤/(虧損)	21,492	(910)
Closing net assets	期末淨資產	171,492	73,312
Group's shares in %	本集團股份比例	40%	45%
Group's shares in RMB	本集團股份以人民幣列示	68,597	32,990
Carrying amounts of investment in associates	於聯營公司投資賬面值	68,597	32,990

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

18 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(e) Reconciliation of the aggregate carrying amounts from opening to closing balances

The table below provides the reconciliation of the Group's aggregate carrying amounts of investments in associates from opening to closing balances:

		RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	—
Cost of investments	投資成本	93,400
Share of net profit of associates for the year ended 31 December 2018	截至二零一八年十二月三十一日止年度 聯營公司的純利份額	8,187
At 31 December 2018	於二零一八年十二月三十一日	101,587

19 OTHER NON-CURRENT ASSETS

As at 31 December 2018 and 2017, the Group's other non-current assets represent the recoverable value-added tax that is expected to be utilised after one year.

20 INVENTORIES

Write-downs of inventories to net realisable value amounted to RMB255,000 (2017: nil), which were recognised as an expense during the year ended 31 December 2018 and included in cost of sales in profit or loss.

18 採用權益法入賬的投資(續)

(e) 期初及期末賬面總值對賬

下表載列本集團於聯營公司的投資總額期初賬面值與期末結餘的對賬：

19 其他非流動資產

於二零一八年及二零一七年十二月三十一日，本集團的其他非流動資產指預期於一年後使用的待抵扣增值稅進項稅金。

20 存貨

		As at 31 December 於十二月三十一日	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Finished goods	產成品	24,480	25,815

存貨跌價準備為人民幣255,000元(二零一七年：零)，於截至二零一八年十二月三十一日止年度確認為開支，併按銷售成本計入損益。

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

21 CONTRACT ASSETS/AMOUNT DUE FROM CUSTOMERS FOR CONTRACT WORK

21 合約資產／應收客戶合約工程款項

		As at 31 December 於十二月三十一日	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Contract costs incurred plus recognised profit less recognised losses	所產生合約成本加上已確認溢利減已確認虧損	1,325,073	1,199,607
Less: progress billings	減：進度款	(865,283)	(699,291)
Net balance sheet position for ongoing contracts	持續合約的淨資產負債表狀況	459,790	500,316
Analysed for reporting purpose as:	就報告目的而分析為：		
Amount due from customers for contract work	應收客戶合約工程款項	—	500,316
Contract assets	合約資產	459,790	—
Less: long-term portion of contract assets	減：合約資產長期部分	(155,440)	—
Contract assets/amount due from customers for contract work in current assets	流動資產中合約資產／應收客戶合約工程款項	304,350	500,316

For the year ended 31 December 2018, total contract revenue recognised is RMB179,235,000 (2017: RMB241,954,000).

於截至二零一八年十二月三十一日止年度，已確認合約收入總額為人民幣179,235,000元(二零一七年：人民幣241,954,000元)。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

22 TRADE AND OTHER RECEIVABLES

22 貿易及其他應收款項

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables	貿易應收款項	431,790	475,845
Tariff adjustment receivables	電價補貼應收款項	45,725	44,785
		477,515	520,630
Bad debt provisions	壞賬撥備	(18,652)	(3,791)
Total trade receivables	貿易應收款項總額	458,863	516,839
Notes receivables	應收票據	300	712
Prepayments	預付款項	6,328	11,980
Other receivables	其他應收款項	77,995	240,024
		543,486	769,555

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

22 TRADE AND OTHER RECEIVABLES (Continued)

As at 31 December 2018 and 2017, the collection rights of the receivables derived from industrial and commercial distributed power plants and public infrastructure construction business were pledged as security for the Group's borrowings (Note 29).

Ageing analysis of trade receivables in gross basis is as follows:

		As at 31 December 於十二月三十一日	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 1 year	於一年內	433,029	503,106
Over 1 year	一年以上	44,486	17,524
		477,515	520,630

As at 31 December 2018, RMB23,795,000 of trade receivables aged over one year represents tariff adjustment receivables (2017: RMB17,524,000), which derives from the subsidies in respect of the sales of electricity. Applying the expected credit risk model did not result in any loss allowance recognised for tariff adjustment receivables as at 31 December 2018 or 31 December 2017.

22 貿易及其他應收款項(續)

於二零一八年及二零一七年十二月三十一日，工商業分佈式電站及公建建設業務的應收款項收款權乃抵押作為本集團借款的擔保(附註29)。

貿易應收款項總額的賬齡分析如下：

於二零一八年十二月三十一日，賬齡一年以上達人民幣23,795,000元的貿易應收款項為電價補貼應收款項(二零一七年：人民幣17,524,000元)，有關款項來自銷售電力補貼。應用預期信貸風險模型並無對於二零一八年十二月三十一日或二零一七年十二月三十一日的電價補貼應收款項作出任何虧損撥備。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

22 TRADE AND OTHER RECEIVABLES (Continued) 22 貿易及其他應收款項(續)

Trade receivables are due within 180 days from the date of billing. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance for trade receivables as at 31 December 2018 and 1 January 2018 was determined as follows:

貿易應收款項自開單日期起180天內到期。為計量預期信貸虧損，應收貿易款項根據共同信貸風險特徵及逾期日數予以分類。於二零一八年十二月三十一日及二零一八年一月一日，貿易應收款項的減值撥備釐定如下：

		Current 即期	More than 1 day past due 逾期超過 1日	More than 180 days past due 逾期超過 180日	More than 1.5 years past due 逾期超過 1.5年	More than 2.5 years past due 逾期超過 2.5年	More than 3.5 years past due 逾期超過 3.5年	Total 總計
As at 31 December 2018	於二零一八年 十二月三十一日							
Expected loss rate	預計虧損率	0%	5%	10%	20%	50%	100%	
Gross carrying amount (RMB'000)	賬面總額 (人民幣千元)	79,438	331,661	20,691	—	—	—	431,790
Loss allowance (RMB'000)	虧損撥備 (人民幣千元)	—	(16,583)	(2,069)	—	—	—	(18,652)
As at 1 January 2018	於二零一八年 一月一日							
Expected loss rate	預計虧損率	0%	5%	10%	20%	50%	100%	
Gross carrying amount (RMB'000)	賬面總額 (人民幣千元)	400,039	75,806	—	—	—	—	475,845
Loss allowance (RMB'000)	虧損撥備 (人民幣千元)	—	(3,791)	—	—	—	—	(3,791)

The loss allowance for trade receivables as at 31 December 2017 reconciles to the opening loss allowance on 1 January 2018 as follows:

於二零一七年十二月三十一日的貿易應收款項虧損撥備與於二零一八年一月一日的期初虧損撥備的對賬如下：

		RMB'000 人民幣千元
As at 31 December 2017 — calculated under IAS 39	於二零一七年十二月三十一日—按國際會計準則第39號計算	3,791
Amounts restated through opening retained earnings	計入期初保留盈餘的重述金額	—
Opening loss allowance as at 1 January 2018 — calculated under IFRS 9	於二零一八年一月一日的期初虧損撥備 —按國際財務報告準則第9號計算	3,791

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

22 TRADE AND OTHER RECEIVABLES (Continued) 22 貿易及其他應收款項(續)

Movements in the loss allowance of trade receivables were as follows:

貿易應收款項虧損撥備的變動如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At 1 January	於一月一日	3,791	—
Provision for bad debts	壞賬撥備	14,861	3,791
At 31 December	於十二月三十一日	18,652	3,791

As at 31 December 2018 and 2017, trade receivables are analysed as follows:

於二零一八年及二零一七年十二月三十一日，貿易應收款項分析如下：

		As at 31 December 於十二月三十一日	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Neither overdue nor impaired	並無逾期或減值	125,163	444,824
Overdue and impaired	已逾期及減值	18,652	3,791
Overdue but not impaired	逾期但無減值	333,700	72,015
		477,515	520,630

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

22 TRADE AND OTHER RECEIVABLES (Continued)

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

		As at 31 December 於十二月三十一日	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
HK\$	港元	1,886	849
RMB	人民幣	541,600	768,706
		543,486	769,555

As at 31 December 2018 and 2017, the carrying amount of trade and other receivables approximated their fair values.

本集團貿易及其他應收款項的賬面值以下列貨幣計值：

		As at 31 December 於十二月三十一日	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
HK\$	港元	1,886	849
RMB	人民幣	541,600	768,706
		543,486	769,555

於二零一八年及二零一七年十二月三十一日，貿易及其他應收款項的賬面值與其公平值相若。

23 FINANCIAL ASSETS AT AMORTISED COST

Loans to related parties (a)	關聯方貸款(a)	111,872
Loans to third parties (b)	第三方貸款(b)	67,541
Less: loss allowance for financial assets at amortised cost	減：按攤銷成本計量的金融資產虧損撥備	(900)
		178,513

These amounts generally arise from transactions outside the operating activities of the Group. Interests are charged at commercial rates and included in finance income for the year ended 31 December 2018 (Note 11).

23 按攤銷成本計量的金融資產

As at
31 December
2018
於二零一八年
十二月三十一日
RMB'000
人民幣千元

該等款項一般來自本集團經營活動以外的交易。利息按商業利率收取，計入截至二零一八年十二月三十一日止年度的融資收入中(附註11)。

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

23 FINANCIAL ASSETS AT AMORTISED COST (Continued)

As at 31 December 2018, the Group's financial assets at amortised cost were denominated in RMB. Due to the short-term nature of these financial assets, their carrying amounts are considered to be not materially different from their fair values.

Movement in the loss allowance of financial assets at amortised cost was as follows:

		Loans to third parties 第三方貸款 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	—
Loss allowance recognised during the year	年內已確認虧損撥備	900
At 31 December 2018	於二零一八年十二月三十一日	900

(a) On 20 December 2018, the Company and Longjitaihe Industry Co., Ltd. ("Longjitaihe Industry"), a company controlled by the controlling shareholder and established in the PRC, entered into a loan agreement, pursuant to which Heibei Cloud Energy, an indirect subsidiary of the Company, had provided a loan of RMB109,650,000 to Longjitaihe Industry. The repayment of principal amount and interests, at a rate of 9% per annum, are due on 19 April 2019. As at 31 December 2018, the accrued interest of the loan amounted to RMB222,000.

On 6 December 2018, Baoding Yize and Longyao, an associate of the Company, entered into a loan agreement, pursuant to which Baoding Yize had provided a loan of RMB2,000,000 to Longyao for the period from 6 December to 5 March 2019. The interest rate of the loan is 9% per annum.

(b) As at 31 December 2018, RMB10,000,000 of the Group's loans to third parties is pledged by the borrower's assets and jointly guaranteed by an independent third party, RMB8,000,000 is pledged by the equity interest in the borrower and jointly guaranteed by the borrower's controlling shareholders and RMB33,536,000 is pledged by the borrower's assets, the equity interest in an independent third-party company and jointly guaranteed by one of the shareholders of the borrower and independent third parties.

23 按攤銷成本計量的金融資產 (續)

於二零一八年十二月三十一日，本集團按攤銷成本計量的金融資產以人民幣計值。由於該等金融資產的短期性質，其賬面值與其公平值並無重大差異。

按攤銷成本計量的金融資產虧損撥備變動情況如下：

(a) 於二零一八年十二月二十日，本公司與受控股股東控制並於中國成立的公司隆基泰和實業有限公司（「隆基泰和實業」）訂立貸款協議，本公司間接附屬公司河北雲能源同意提供貸款予隆基泰和實業，金額為人民幣109,650,000元。貸款本金及利息於二零一九年四月十九日前償付，貸款年息率為9%，於二零一八年十二月三十一日，貸款的應計利息為人民幣222,000元。

於二零一八年十二月六日，保定溢澤與本公司聯營公司隆耀訂立貸款協議，保定溢澤同意於二零一八年十二月六日至二零一九年三月五日期間提供貸款予隆耀，金額為人民幣2,000,000元。貸款年息率為9%。

(b) 於二零一八年十二月三十一日，本集團向第三方提供的人民幣10,000,000元貸款由借款人資產抵押並由獨立第三方共同擔保，人民幣8,000,000元由借款人的股權抵押並由借款人的控股股東共同擔保，人民幣33,536,000元由借款人資產抵押、由獨立第三方的股權抵押並由借款人的股東及獨立第三方共同擔保。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

24 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

24 按公平值計量且其變動計入損益的金融資產

As at
31 December
2018
於二零一八年
十二月三十一日
RMB'000
人民幣千元

Non-current assets	非流動資產	
Unlisted convertible bond (a)	非上市可換股債券(a)	8,762
Current assets	流動資產	
Unlisted investment funds (b)	非上市投資基金(b)	148,278
Put option over shares in associate (Note 3.3.1(b))	聯營公司股份認沽期權(附註3.3.1(b))	7,403
		155,681
Total financial assets at FVPL	按公平值計量且其變動計入損益的 金融資產總額	164,443

The Group held three financial assets for investment purpose as at 31 December 2018, which were all stated at fair value:

- (a) Pursuant to the convertible bond subscription agreement dated 8 August 2018 and the supplemental agreement dated 10 September 2018, the Group subscribed for an unlisted convertible corporate bond with the maturity date on 31 December 2020, the principal amount of HK\$10,000,000 (equivalent to RMB8,762,000) and the coupon interest of 13.5% per annum, issued by Supreme Trillion Development Limited on 11 September 2018, an independent third party to the Group. The Group can exercise the exchangeable rights to convert the whole or partial amount of the bond into 10% or 8.5% (as the case may be) ordinary shares of Asia Interactive Content Holdings Limited, a subsidiary of Supreme Trillion Development Limited.

本集團於二零一八年十二月三十一日持有三項金融資產投資，均按公平值列賬：

- (a) 根據日期為二零一八年八月八日的可換股債券認購協議及二零一八年九月十日的補充協議，本集團認購獨立第三方卓兆發展有限公司，於二零一八年九月十一日發行的非上市可換股公司債券，到期日為二零二零年十二月三十一日，本金額為10,000,000港元(相等於人民幣8,762,000元)且票面年利率為13.5%。本集團可行使交換權利，將全額或者部分該可換股債券轉換為卓兆發展有限公司持股之附屬公司，亞洲互動媒體控股有限公司之普通股股份，約佔其已發行股本之8.5%或10%(視屬何情況而定)。

24 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(a) (Continued)

The Group has the intention of holding the convertible bond for long-term investment, with an expectation to propose to convert into ordinary shares in a right time in order to capture capital appreciation brought to the Group. As at 31 December 2018, the carrying amount of the convertible bond approximated its fair value.

(b) On 20 July and 7 September 2018, the Group subscribed for shares in an unlisted investment fund, Giga Opportunities Fund Ltd. (“Giga”), an independent third party, at the total investment cost of HK\$90,000,000 (equivalent to RMB78,859,000). The Group has the intention of holding Giga for short-term investment, as it is redeemable upon the application made to the fund administrator which allows better flexibility in investment turn. Giga is stated at fair value amounting to HK\$78,586,000 (equivalent to RMB68,858,000) as at 31 December 2018, with a fair value loss of HK\$11,414,000 (equivalent to RMB10,001,000) recognised in profit or loss for the year ended 31 December 2018.

On 6 September 2018, the Group subscribed for shares in an unlisted investment fund, Yue Xiu Stable Income SP (“Yue Xiu”), an independent third party, at the investment cost of HK\$88,800,000 (equivalent to RMB77,806,000). The Group has the intention of holding Yue Xiu for short-term investment, as it is redeemable upon the application made to the fund administrator which allows better flexibility in investment turn. Yue Xiu is stated at fair value amounting to HK\$90,642,000 (equivalent to RMB79,420,000) as at 31 December 2018, with a fair value gain of HK\$1,842,000 (equivalent to RMB1,614,000) recognized in profit or loss for the year ended 31 December 2018.

24 按公平值計量且其變動計入損益的金融資產(續)

(a) (續)

本集團持有該可換股債券為長期投資目的，希望在適當時機轉換為普通股股份，為本集團提高資本增值效益。於二零一八年十二月三十一日，可換股債券的賬面值與其公平值相若。

(b) 於二零一八年七月二十日及二零一八年九月七日，本集團認購獨立第三方Giga Opportunities Fund Ltd. (「Giga」)非上市投資基金股份，總投資成本為90,000,000港元(相等於人民幣78,859,000元)。本集團有意持作短期投資，且可向該基金管理人提出贖回申請，投資彈性比較大。Giga乃按公平值列賬，於二零一八年十二月三十一日的公平值為78,586,000港元(相等於人民幣68,858,000元)，於截至二零一八年十二月三十一日止年度該基金產生確認為損益之公平值虧損約11,414,000港元(相等於人民幣10,001,000元)。

於二零一八年九月六日，本集團認購獨立第三方非上市投資基金之股份，越秀穩定增長基金(「越秀基金」)，投資成本為88,800,000港元(相等於人民幣77,806,000元)。本集團有意持作短期投資，且可向該基金管理人提出贖回申請，投資彈性比較大。越秀基金乃按公平值列賬，於二零一八年十二月三十一日的公平值為90,642,000港元(相等於人民幣79,420,000元)，於截至二零一八年十二月三十一日止年度該基金產生確認為損益之公平值收益約1,842,000港元(相等於約人民幣1,614,000元)。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

24 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(b) (Continued)

On 28 June 2018, the Group subscribed for an unlisted investment fund from an independent financial institution with the investment cost of HK\$20,000,000 (equivalent to RMB16,862,000). The Group has the intention of holding for short-term investment.

On 31 December 2018, the Group redeemed this investment at the amount of HK\$19,185,000 (equivalent to RMB16,148,000) with a fair value loss of HK\$815,000 (equivalent to RMB714,000) recognised in profit or loss for the year ended 31 December 2018.

The carrying amounts of the Group's financial assets at fair value through profit or loss are denominated in the following currencies:

24 按公平值計量且其變動計入損益的金融資產(續)

(b) (續)

於二零一八年六月二十八日，本集團認購一項獨立金融機構的非上市投資基金，投資成本為20,000,000港元(相等於人民幣16,862,000元)。本集團有意持作短期投資。

於二零一八年十二月三十一日，本集團贖回該項投資金額為19,185,000港元(相等於人民幣16,148,000元)，截至二零一八年十二月三十一日止年度確認為損益之公平值虧損約815,000港元(相等於人民幣714,000元)。

本集團按公平值計量且其變動計入損益的金融資產的賬面值以下列貨幣計值：

		As at 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元
US\$	美元	148,278
HK\$	港元	8,762
RMB	人民幣	7,403
		164,443

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

25 FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

(a) Financial assets

		Notes 附註	Financial assets at amortised cost 按攤銷成本計 量的金融資產 RMB'000 人民幣千元	Financial assets at FVPL 按公平值計量且 其變動計入損益 的金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Financial assets at amortised cost	按攤銷成本計量的 金融資產	23	178,513	—	178,513
Financial assets at FVPL	按公平值計量且其變 動計入損益的金融 資產	24	—	164,443	164,443
Trade and other receivables	貿易及其他應收款項		537,158	—	537,158
Restricted cash	受限制現金	26	1,219	—	1,219
Cash and cash equivalents	現金及現金等價物	27	162,917	—	162,917
			879,807	164,443	1,044,250

25 金融工具類別

本集團持有下列金融工具：

(a) 金融資產

As at 31 December 2018

於二零一八年十二月三十一日

		Notes 附註	RMB'000 人民幣千元
Trade and other receivables	貿易及其他應收款項		757,575
Restricted cash	受限制現金	26	1,679
Cash and cash equivalents	現金及現金等價物	27	107,022
			866,276

As at
31 December 2017
於二零一七年
十二月三十一日

Loans and receivables
貸款及應收款項
RMB'000
人民幣千元

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

25 FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

(b) Financial liabilities

25 金融工具類別

(b) 金融負債

Financial liabilities at amortised cost

按攤銷成本計量的金融負債

As at 31 December

於十二月三十一日

		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade and other payables	貿易及其他應付款項	82,080	187,481
Borrowings	借貸	567,600	933,545
		649,680	1,121,026

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

26 RESTRICTED CASH

As at 31 December 2018, the Group's restricted cash amounted to RMB1,219,000 (2017: RMB1,679,000), representing the deposits made according to the terms of loan agreements between the Group and the lenders, whereby the Group is required to deposit the entire proceeds of the loan into restricted bank accounts. This restricted cash can only be used to finance the development of a designated public infrastructure construction business.

26 受限制現金

於二零一八年十二月三十一日，本集團持有受限制現金人民幣1,219,000元(二零一七年：人民幣1,679,000元)，指根據本集團與貸款人所訂立貸款協議的條款所作的存款，本集團須把全數貸款所得款項存入受限制銀行賬戶。此受限制現金僅可應用於撥付發展指定公建建設業務所需資金。

27 CASH AND CASH EQUIVALENTS

27 現金及現金等價物

		As at 31 December 於十二月三十一日	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Cash at bank	銀行存款	162,916	107,005
Cash on hand	手頭現金	1	17
		162,917	107,022

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

27 CASH AND CASH EQUIVALENTS (Continued)

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

27 現金及現金等價物(續)

現金及現金等價物的賬面值以下列貨幣計值：

		As at 31 December 於十二月三十一日	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
HK\$	港元	42,417	33,053
US\$	美元	5,611	1,096
RMB	人民幣	114,889	72,873
		162,917	107,022

28 SHARE CAPITAL AND RESERVES

(a) Share capital

Authorised and issued share capital:

28 股本及儲備

(a) 股本

法定及已發行股本：

		As at 31 December 於十二月三十一日			
		2018 二零一八年		2017 二零一七年	
		No. of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元	No. of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
Authorised: Ordinary shares of HK\$0.01 each	法定： 每股面值0.01港元的 普通股	2,000,000	20,000	2,000,000	20,000

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

28 SHARE CAPITAL AND RESERVES (Continued) 28 股本及儲備(續)

(a) Share capital (Continued)

Ordinary shares, issued and fully paid:

		2018 二零一八年			2017 二零一七年		
		No. of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元	RMB equivalent 等額人民幣 RMB'000 人民幣千元	No. of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元	RMB equivalent 等額人民幣 RMB'000 人民幣千元
At 1 January	於一月一日	918,948	9,189	7,629	728,440	7,284	6,002
Rights issue (i)	供股(i)	459,474	4,595	3,699	—	—	—
Placing of new shares (ii)	配售新股份(ii)	106,182	1,062	927	190,508	1,905	1,627
At 31 December	於十二月三十一日	1,484,604	14,846	12,255	918,948	9,189	7,629

(i) On 22 March 2018, the Company completed a rights issue on the basis of one rights share for every two shares held on the record date. 459,474,000 ordinary shares with par value of HK\$0.01 each were issued at the subscription price of HK\$1.20 per rights share, with net proceeds of HK\$549,529,000 (equivalent to RMB442,398,000), of which HK\$4,595,000 (equivalent to RMB3,699,000) and HK\$544,934,000 (equivalent to RMB438,699,000) were credited to share capital and share premium, respectively.

(ii) On 27 August 2018, the Company completed the placing of 106,182,000 ordinary shares with par value of HK\$0.01 each. The aggregate net proceeds were HK\$143,276,000 (equivalent to RMB125,040,000), of which HK\$1,062,000 (equivalent to RMB927,000) and HK\$142,214,000 (equivalent to RMB124,113,000) were credited to share capital and share premium, respectively.

(a) 股本(續)

普通股，已發行且已繳足：

(i) 於二零一八年三月二十二日，本公司按於記錄日期每持有兩股股份獲發一股供股股份的基準完成供股。按每股供股股份認購價1.20港元發行459,474,000股每股面值0.01港元的普通股，所得款項淨額為549,529,000港元(相當於人民幣442,398,000元)，其中4,595,000港元(相當於人民幣3,699,000元)及544,934,000港元(相當於人民幣438,699,000元)分別計入股本及股份溢價。

(ii) 於二零一八年八月二十七日，本公司完成配售106,182,000股每股面值0.01港元的普通股，所得款項淨額合計為143,276,000港元(相當於人民幣125,040,000元)，其中1,062,000港元(相當於人民幣927,000元)及142,214,000港元(相當於人民幣124,113,000元)分別計入股本及股份溢價。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

28 SHARE CAPITAL AND RESERVES (Continued)

(b) Reserves

(i) Share premium

The excess of the issued price net of any issuance expenses over the par value of the shares issued has been credited to share premium of the Company. On 22 March and 27 August 2018, HK\$544,934,000 (equivalent to RMB438,699,000) and HK\$142,214,000 (equivalent to RMB124,113,000) were credited to share premium, respectively.

Under the Companies Law (Revised) of the Cayman Islands, the funds in share premium are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Statutory reserve

The PRC statutory reserve were established in accordance with the relevant rules and regulations of the PRC and the articles of association of the companies in the Group. The companies in the PRC are required to transfer certain of their net profits (after offsetting prior-year losses), under the approval by the Board of Directors, to general statutory reserve. For the year ended 31 December 2018, RMB10,772,000 was credited to statutory reserve (2017: RMB13,520,000).

General statutory reserve can be used to reduce prior-year losses, if any, and may be converted into paid-in/share capital by issuing new shares to shareholders proportionate to their existing percentage of equity interests provided that the balance after such issue is not less than 25% of the registered capital. General statutory reserve is non-distributable other than in liquidation.

28 股本及儲備(續)

(b) 儲備

(i) 股份溢價

扣除任何發行開支後，發行價超過已發行股份面值的部分已計入本公司的股份溢價。於二零一八年三月二十二日及八月二十七日，544,934,000港元(相當於人民幣438,699,000元)及142,214,000港元(相當於人民幣124,113,000元)分別計入股份溢價。

根據開曼群島公司法(經修訂)，股份溢價中的資金可分派予本公司股東，惟緊隨股息擬派發日期後，本公司可清償於一般業務過程中到期的債務。

(ii) 法定儲備

已根據中國相關規例及法規以及本集團旗下公司的組織章程細則設立中國法定儲備。中國公司須將董事會批准的若干純利(抵銷以前年度虧損後)轉至一般法定儲備。於截至二零一八年十二月三十一日止年度，人民幣10,772,000元計入法定儲備(二零一七年：人民幣13,520,000元)。

一般法定儲備可用於減少過往年度虧損(如有)，並可透過按股東當時所持股本權益百分比向股東發行新股而轉為已繳/股本，惟該等發行後所剩結餘不得低於註冊資本的25%。除清盤外，一般法定儲備不可用於分派。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

29 BORROWINGS

29 借貸

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Long-term borrowings	長期借貸		
— Pledged and guaranteed (a)	— 已質押及已擔保(a)	282,600	638,545
— Guaranteed (b)	— 已擔保(b)	285,000	295,000
		567,600	933,545
Less: current portion of long-term borrowings	減：長期借貸即期部分		
— Pledged and guaranteed	— 已質押及已擔保	(23,200)	(36,240)
— Guaranteed	— 已擔保	(10,000)	(250,000)
		(33,200)	(286,240)
Non-current borrowings	非即期借貸		
— Pledged and guaranteed	— 已質押及已擔保	259,400	602,305
— Guaranteed	— 已擔保	275,000	45,000
		534,400	647,305

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

29 BORROWINGS (Continued)

As at 31 December 2018 and 2017, the Group's borrowings were repayable as follows:

		As at 31 December 於十二月三十一日	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 1 year	一年內	33,200	286,240
Between 1 and 2 years	一年至兩年	299,000	46,620
Between 2 and 5 years	兩年至五年	74,900	414,385
over 5 years	五年以上	160,500	186,300
		567,600	933,545

(a) As at 31 December 2018, the Group's secured bank borrowings amounting to RMB282,600,000 (2017: RMB638,545,000), with the interest rates ranging from 5.39% to 5.64% per annum, were jointly guaranteed by the controlling shareholder, his spouse and a fellow subsidiary under the common control of the controlling shareholder. Pursuant to the relevant pledge contracts, certain machineries of the solar power plants of the Group with a carrying amount of RMB303,731,000 (2017: RMB350,730,000) and the collection rights of the receivables of certain subsidiaries of the Company were pledged as security (Note 35).

(b) As at 31 December 2018, the Group's secured bank borrowing amounting to RMB285,000,000 (2017: RMB295,000,000), with the interest rate of 7.00% per annum, was jointly guaranteed by the controlling shareholder, his spouse and a fellow subsidiary under the common control of the controlling shareholder.

(c) The carrying amounts of the Group's bank borrowings are not materially different from their fair values as at 31 December 2018 and 2017 since the interest payable is close to current market rates.

(d) As at 31 December 2018 and 2017, the Group's borrowings were denominated in RMB.

29 借貸(續)

於二零一八年及二零一七年十二月三十一日，本集團應償還借貸如下：

		As at 31 December 於十二月三十一日	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 1 year	一年內	33,200	286,240
Between 1 and 2 years	一年至兩年	299,000	46,620
Between 2 and 5 years	兩年至五年	74,900	414,385
over 5 years	五年以上	160,500	186,300
		567,600	933,545

(a) 於二零一八年十二月三十一日，本集團有抵押銀行借貸為人民幣282,600,000(二零一七年：人民幣638,545,000元)。該等借貸按介乎5.39%至5.64%的年利率計息。該等借貸由控股股東及其配偶以及控股股東共同控制下的一間同系附屬公司共同提供擔保。根據相關質押合約，若干賬面值為人民幣303,731,000元(二零一七年：人民幣350,730,000元)的太陽能發電站機械及若干附屬公司的應收款項收款權乃質押作抵押品(附註35)。

(b) 於二零一八年十二月三十一日，本集團有抵押銀行借貸為人民幣285,000,000元(二零一七年：人民幣295,000,000元)。該借貸按7.00%的年利率計息。該借貸由控股股東及其配偶，以及控股股東共同控制下的一間同系附屬公司共同提供擔保。

(c) 由於應付利息接近即期市場利率，本集團於二零一八年及二零一七年十二月三十一日銀行借貸的賬面值與其公平值並無重大差異。

(d) 於二零一八年及二零一七年十二月三十一日，本集團借貸以人民幣計值。

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

30 TRADE AND OTHER PAYABLES

30 貿易及其他應付款項

		As at 31 December 於十二月三十一日	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade payables	貿易應付款項	36,154	123,534
Accruals and other payables	應計費用及其他應付款項	45,926	63,947
Tax payables	應付稅項	12,961	14,633
		95,041	202,114

Ageing analysis of trade payables is as follows:

貿易應付款項的賬齡分析如下：

		As at 31 December 於十二月三十一日	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 1 year	一年以內	35,073	123,424
Over 1 year	一年以上	1,081	110
		36,154	123,534

As at 31 December 2018 and 2017, the Group's trade and other payables were denominated in RMB and the carrying amounts of the balances approximated their fair values.

於二零一八年及二零一七年十二月三十一日，本集團的貿易及其他應付款項以人民幣計值，且結餘賬面值與其公平值相若。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

31 DEFERRED INCOME TAX

(a) Deferred tax assets

		As at 31 December 於十二月三十一日	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Deferred tax assets to be recovered within 12 months	將於12個月內收回的遞延稅項資產	3,021	569

Movements on deferred tax assets were as follows:

遞延稅項資產的變動如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At 1 January	於一月一日	569	—
Bad debt provisions	壞賬撥備	2,229	569
Write-downs of inventories	存貨跌價準備	38	—
Provision for financial assets at amortised cost	按攤銷成本計量的金融資產撥備	185	—
At 31 December	於十二月三十一日	3,021	569

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

31 DEFERRED INCOME TAX (Continued)

(b) Deferred tax liabilities

		As at 31 December 於十二月三十一日	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Deferred tax liabilities to be recovered within 12 months	將於12個月內收回的遞延稅項負債	225	49
Deferred tax liabilities to be recovered after more than 12 months	將於超過12個月後收回的遞延稅項負債	12,066	12,505
		12,291	12,554

Movements on deferred tax liabilities were as follows:

遞延稅項負債的變動如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At 1 January	於一月一日	12,554	9,856
Fair value adjustments relating to acquisitions of subsidiaries	與收購附屬公司有關的公平值調整	468	2,167
Reversal of accumulated fair value gains of investment properties disposed	已出售投資物業累計公平值收益之撥回	(731)	—
Fair value gains on investment properties	投資物業的公平值收益	—	531
At 31 December	於十二月三十一日	12,291	12,554

32 DIVIDENDS

During the year ended 31 December 2018, the Company has not declared any dividends to the shareholders of the Company (2017: nil).

32 股息

於截至二零一八年十二月三十一日止年度，本公司並無向本公司股東宣派任何股息(二零一七年：無)。

Notes to the Financial Statements (Continued)

財務報表附註 (續)

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

33 CASH FLOW INFORMATION

33 現金流量資料

(a) Cash generated from operations

(a) 經營業務所得現金

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
		Notes 附註	
Profit before income tax from:	自下列項目的除所得稅前溢利：		
Continuing operations	持續經營業務		118,887
Discontinued operation	已終止業務		—
			158,054 (238)
Profit before income tax including discontinued operation	包括已終止業務的除所得稅前溢利		118,887
			157,816
Adjustments for:	經調整以下項目：		
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	14	457
Depreciation of property, plant and equipment	物業、廠房及設備項目折舊	15	29,770
Amortisation of intangible assets	無形資產攤銷	16	5,596
Bad debt provisions	壞賬撥備	22	14,861
Impairment of financial assets at amortised cost	按攤銷成本計量的金融資產減值	23	900
Write-downs of inventories	存貨跌價準備	20	255
Net gains on disposal of property, plant and equipment	出售物業、廠房及設備的收益淨額	7	(730)
Gains on acquisition of subsidiaries	收購附屬公司的收益	7	—
Gains on disposal of subsidiaries	出售附屬公司的收益	7	(962)
Net fair value losses on financial assets at FVPL	按公平值計量且其變動計入損益的金融資產公平值虧損淨額	7	9,101
Interest income on non-current financial assets at FVPL	按公平值計量且其變動計入損益的非流動金融資產利息收入	7	(350)
Fair value gain on put option over shares in associate	聯營公司股份認沽期權公平值收益	7	(7,403)
Fair value gains to investment properties	投資物業公平值收益	7	—
Share of net profit of associates	應佔聯營公司純利	18	(8,187)
Equity settled share-based payment expenses	按權益結算以股份支付的款項開支	10	10,407
Deferred income from government grants	來自政府補貼的遞延收入		(107)
Finance expenses	融資開支		12,774
Foreign exchange losses on operating activities	經營業務匯兌虧損		1,428
			(3,717)
Changes in working capital:	營運資本變動：		
Decrease/(Increase) in inventories	存貨減少/(增加)		2,984
Decrease in contract asset/amount due from customers for contract work	合約資產/應收客戶合約工程款項減少		40,526
Decrease/(Increase) in trade and other receivables	貿易及其他應收款項減少/(增加)		359,650
(Decrease)/Increase in trade and other payables	貿易及其他應付款項(減少)/增加		(107,073)
			12,393
Cash generated from/(used in) operations	經營產生/(所用)現金		482,784
			(264,857)

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

33 CASH FLOW INFORMATION (Continued)

(b) Net debt reconciliation

33 現金流量資料(續)

(b) 債務淨額對賬

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等價物	162,917	107,022
Restricted cash	受限制現金	1,219	1,679
Borrowings — repayable within one year	借貸 — 於一年內償還	(33,200)	(286,240)
Borrowings — repayable after one year	借貸 — 於一年後償還	(534,400)	(647,305)
Net debt	債務淨額	(403,464)	(824,844)
Cash and cash equivalents	現金及現金等價物	162,917	107,022
Restricted cash	受限制現金	1,219	1,679
Gross debt — fixed interest rates	債務總額 — 固定利率	(285,000)	(535,000)
Gross debt — variable interest rates	債務總額 — 浮動利率	(282,600)	(398,545)
Net debt	債務淨額	(403,464)	(824,844)

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

33 CASH FLOW INFORMATION (Continued)

(b) Net debt reconciliation (Continued)

		Other assets		Liabilities from financing activities		Total
		Cash and equivalents	Restricted cash	Borrowings due within 1 year	Borrowings due after 1 year	
		現金及現金等價物	受限制現金	於一年內到期借貸	於一年後到期借貸	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Net debt as at 1 January 2017	於二零一七年一月一日之債務淨額	205,037	296	(35,375)	(668,864)	(498,906)
Cash flows	現金流量	(94,298)	1,383	35,375	(129,481)	(187,021)
Acquisitions — borrowings	收購 — 借貸	—	—	—	(135,200)	(135,200)
Foreign exchange adjustments	匯兌調整	(3,717)	—	—	—	(3,717)
Other non-cash movements	其他非現金變動	—	—	(286,240)	286,240	—
Net debt as at 31 December 2017	於二零一七年十二月三十一日之債務淨額	107,022	1,679	(286,240)	(647,305)	(824,844)
Cash flows	現金流量	54,467	(460)	286,240	79,705	419,952
Foreign exchange adjustments	匯兌調整	1,428	—	—	—	1,428
Other non-cash movements	其他非現金變動	—	—	(33,200)	33,200	—
Net debt as at 31 December 2018	於二零一八年十二月三十一日之債務淨額	162,917	1,219	(33,200)	(534,400)	(403,464)

33 現金流量資料(續)

(b) 債務淨額對賬(續)

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

34 COMMITMENTS

(a) Capital commitments

Capital expenditures contracted for but not yet incurred are as follows:

		As at 31 December 於十二月三十一日	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Contracted but not yet incurred	已訂約但未發生	148	5,681

(b) Investment commitments

See Note 18(c) for details about commitments in respect of associates.

(c) Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

34 承擔

(a) 資本承擔

已訂約但未發生資本開支如下：

(b) 投資承擔

於聯營公司的承擔詳情請參閱附註18(c)。

(c) 經營租賃承擔

根據不可撤銷經營租賃的未來最低租賃付款總額如下：

		As at 31 December 於十二月三十一日	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 1 year	一年內	4,722	8,442
After 1 year but within 5 years	一年後但五年內	709	6,205
		5,431	14,647

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

35 ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for borrowings are as follows:

35 已質押資產作為抵押品

質押作借貸抵押品的資產的賬面值為：

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Machineries of solar power plants	太陽能發電站機械	303,731	350,730
Contract assets/Amount due from customers for contract work	合約資產/ 應收客戶合約工程款項	459,790	500,316
Trade receivables	貿易應收款項	62,198	56,334

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

36 BUSINESS COMBINATIONS

(a) Summary of acquisition

On 9 July 2018, Beijing Longguang entered into an agreement with the original shareholders of Haitian Fangyuan, who are independent third parties. Beijing Longguang committed to inject capital of a total of RMB61,111,000 into Haitian Fangyuan by stages. On 1 August 2018, Beijing Longguang injected RMB6,111,000 into Haitian Fangyuan. Upon completion of the capital increase, Beijing Longguang held 55% of the shares of Haitian Fangyuan, which had become an indirect non-wholly-owned subsidiary of the Company, and the remaining 45% of the shares of Haitian Fangyuan continued to be held by the original shareholders. Haitian Fangyuan is mainly engaged in energy-saving service business.

Details of the purchase consideration, net assets acquired and goodwill are as follows:

36 業務合併

(a) 收購概要

於二零一八年七月九日，北京隆光與海天方圓原股東訂立協議，該等股東均為獨立第三方。北京隆光承諾分階段向海天方圓注資合計人民幣61,111,000元。於二零一八年八月一日，北京隆光向海天方圓注資人民幣6,111,000元。完成增資後，北京隆光持有海天方圓55%股份，海天方圓已成為本公司的間接非全資附屬公司，而其餘45%股份由海天方圓原股東持有。海天方圓主要從事節能服務業務。

收購代價、所收購資產淨值及商譽詳情如下：

		RMB'000 人民幣千元
Purchase consideration:	收購代價	
Cash Paid	支付現金	6,111

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

36 BUSINESS COMBINATIONS (Continued)

(a) Summary of acquisition (Continued)

The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

36 業務合併(續)

(a) 收購概要(續)

因收購確認的資產及負債的公平值如下：

		RMB'000 人民幣千元
Assets	資產	
Property, plant and equipment	物業、廠房及設備	9,105
Intangible assets	無形資產	4,038
Inventories	存貨	1,466
		<hr/>
Trade and other receivables	貿易及其他應收款項	6,856
Cash and cash equivalents	現金及現金等價物	6,112
		<hr/>
		27,577
		<hr/>
Liabilities	負債	
Deferred tax liabilities	遞延稅項負債	(641)
Trade and other payables	貿易及其他應付款項	(15,420)
Current tax liabilities	即期稅項負債	(1,071)
		<hr/>
		(17,132)
		<hr/>
Net identifiable assets acquired	所收購可識別資產淨額	10,445
Less: non-controlling interests	減：非控股權益	(4,700)
Add: goodwill	加：商譽	366
		<hr/>
Net assets acquired	所收購資產淨額	6,111

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

36 BUSINESS COMBINATIONS (Continued)

(b) Revenue and profit contribution

The acquired business contributed revenue of RMB9,545,000 and net profit of RMB2,990,000 to the Group for the period from 1 August to 31 December 2018.

If the acquisition had occurred on 1 January 2018, consolidated pro-forma revenue and net profit of the Group for the year ended 31 December 2018 would have been RMB720,769,000 and RMB99,008,000, respectively.

The pro-forma revenue and net profit of the Group derived from the acquisition of Haitian Fangyuan is for illustrative purpose only and does not necessarily reflect the Group's revenue and operating results if the acquisition had been occurred on 1 January 2018 and could not serve as a basis for the forecast of future operation results.

(c) Purchase consideration — cash inflow

Cash balance acquired
Cash consideration

所收購現金結餘
現金代價

Net cash inflow — investing activity

淨現金流入—投資活動

RMB'000
人民幣千元

6,112
(6,111)

1

37 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family members are also considered as related parties of the Group.

36 業務合併(續)

(b) 收益及溢利貢獻

於二零一八年八月一日至十二月三十一日止期間，所收購業務分別為本集團貢獻收益及純利人民幣9,545,000元及人民幣2,990,000元。

倘收購於二零一八年一月一日發生，截至二零一八年十二月三十一日止年度的本集團(包含海天方圓)綜合備考收益及純利將分別為人民幣720,769,000元及人民幣99,008,000元。

根據收購海天方圓所得出的本集團備考收益及純利僅作說明用途，並不真實反映在收購已於二零一八年一月一日發生之情況下本集團的收益及經營業績，故不能作為未來經營業績預測之基準。

(c) 收購代價—現金流入

37 關聯方交易

如一方有能力直接或間接控制或在作出財務及營運決策時對另一方施加重大影響，則雙方被視為有所關連。共同控制實體亦被視為關連方。本集團主要管理人員及與其關係密切的家庭成員也被視為本集團關聯方。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

37 RELATED PARTY TRANSACTIONS (Continued) 37 關聯方交易(續)

(a) Related party transactions (Continued)

(a) 關聯方交易(續)

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Funds received from parent company	從母公司取得資金	3	2,793
Funds received from fellow subsidiaries under the common control of the controlling shareholder	從控股股東共同控制下的同系附屬公司取得資金	3,807	11,000
Funds received from fellow subsidiaries under the common control of an executive Director	從一位執行董事共同控制下的同系附屬公司取得資金	4,250	5,023
Funds repaid to parent company	償還資金予母公司	(63)	(227)
Funds repaid to fellow subsidiaries under the common control of the controlling shareholder	償還資金予控股股東共同控制下的同系附屬公司	(18,888)	(13,160)
Funds repaid to fellow subsidiaries under the common control of an executive Director	償還資金予一位執行董事共同控制下的同系附屬公司	(78,436)	(34,005)
Loans provided to a fellow subsidiary under the common control of the controlling shareholder	提供貸款予控股股東共同控制下的同系附屬公司	(109,650)	—
Loans provided to an associate	提供貸款予一間聯營公司	(2,000)	—
Sales of goods or services	銷售貨品或提供服務	29,086	14,784
Purchases of goods or services received	購買貨品或接受服務	93,083	356,727
Dividends paid to non-controlling shareholders of subsidiaries	向附屬公司非控股股東支付股息	(1,036)	(1,037)

As at 31 December 2018, bank borrowings of RMB567,600,000 (2017: RMB933,545,000) were jointly guaranteed by the controlling shareholder, his spouse and a fellow subsidiary under the common control of the controlling shareholder (Note 29).

於二零一八年十二月三十一日，銀行借款人民幣567,600,000元(二零一七年：人民幣933,545,000元)由控股股東及其配偶以及一間受控股股東共同控制的同系附屬公司共同擔保(附註29)。

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

37 RELATED PARTY TRANSACTIONS (Continued)

37 關聯方交易(續)

(b) Key management personnel compensation

Remuneration for key management personnels of the Group, including amounts paid to the Directors, is as follows:

(b) 主要管理層人員薪酬

本集團主要管理層人員的薪酬(包括支付予董事的款項)如下:

		Year ended 31 December	
		截至十二月三十一日止年度	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Wages, salaries and allowances	工資、薪金及津貼	6,871	6,133
Social security costs	社會保障成本	553	461
Share-based payments	以股份支付的款項	2,412	239
		9,836	6,833

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

37 RELATED PARTY TRANSACTIONS (Continued) 37 關聯方交易(續)

(c) Outstanding balances with related parties

(c) 與關聯方的未償還結餘

		As at 31 December	
		於十二月三十一日	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Amounts due from:	應收以下款項：		
Parent company	母公司	—	3
Fellow subsidiaries under the common control of the controlling shareholder	控股股東共同控制下的一間同系附屬公司	12,875	5,541
Fellow subsidiaries under the common control of an executive Director	一位執行董事共同控制下的一間同系附屬公司	4,452	4,790
Subsidiary of an associate	一間聯營公司的附屬公司	2,000	—
		19,327	10,334
Amounts due to:	應付以下款項：		
Parent company	母公司	70	133
Directors	董事	1	1
Fellow subsidiaries under the common control of the controlling shareholder	控股股東共同控制下的一間同系附屬公司	1,182	18,888
Fellow subsidiaries under the common control of an executive Director	一位執行董事共同控制下的一間同系附屬公司	2,171	78,490
		3,424	97,512
Loans to:	貸款來自：		
A fellow subsidiary under the common control of the controlling shareholder (Note 23)	控股股東共同控制下的一間同系附屬公司(附註23)	109,872	—
An associate (Note 23)	一間聯營公司(附註23)	2,000	—
		111,872	—

Amounts due from and due to related parties, of which there are no fixed terms of repayments, are interest free and unsecured.

應收及應付關聯方的款項為免息及無擔保，並無固定還款期限。

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

38 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

(a) Balance sheet of the Company

		As at 31 December 於十二月三十一日	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	Notes 附註		
Assets	資產		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	1,329	546
Intangible assets	無形資產	10	2
Investment in subsidiaries	於附屬公司的投資	342	—
		1,681	548
Current assets	流動資產		
Trade and other receivables	貿易及其他應收款項	944,555	505,910
Financial assets at fair value through profit or loss	按公平值計量且其變動計入損益的金融資產	148,278	—
Cash and cash equivalents	現金及現金等價物	37,189	32,207
		1,130,022	538,117
Total assets	資產總額	1,131,703	538,665
Equity and Liabilities	權益及負債		
Equity attributable to equity holders of the Company	本公司權益股東應佔權益		
Share capital	股本	12,255	7,629
Reserves	儲備	1,149,044	525,716
Accumulated losses/Retained earnings	累計虧損/保留盈餘	(29,678)	4,983
Total equity	權益總額	1,131,621	538,328
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付款項	82	337
Total equity and liabilities	權益及負債總額	1,131,703	538,665

The balance sheet of the Company was approved by the Board of Directors on 29 March 2019 and was signed on its behalf.

Wei Qiang
魏強

本公司的資產負債表於二零一九年三月二十九日經董事會批准，並由下列董事代表簽署。

Liu Zhengang
劉振剛

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

38 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Reserve movement of the Company

		Reserves 儲備	Accumulated losses 累計虧損
	Notes 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	197,049	(29,377)
Profit for the year	年內溢利	—	34,360
Other comprehensive loss	其他全面虧損	(4,055)	—
Share premium from placing of new shares	配售新股份溢價	332,722	—
At 31 December 2017	於二零一七年十二月三十一日	525,716	4,983
At 1 January 2018	於二零一八年一月一日	525,716	4,983
Loss for the year	年內虧損	—	(34,661)
Other comprehensive income	其他全面收入	60,516	—
Share premium from rights issue	供股溢價	438,699	—
Share premium from placing of new shares	配售新股份溢價	124,113	—
At 31 December 2018	於二零一八年十二月三十一日	1,149,044	(29,678)

38 本公司資產負債表及儲備變動(續)

(b) 本公司儲備變動

Notes to the Financial Statements (Continued) 財務報表附註(續)

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

39 BENEFITS AND INTERESTS OF DIRECTORS

The remuneration of Directors of the Company for the years ended 31 December 2018 and 2017 is set out below:

39 董事的福利及權益

截至二零一八年及二零一七年十二月三十一日止年度本公司董事的薪酬如下：

Name	姓名	Year ended 31 December 2018 截至二零一八年十二月三十一日止年度				Total 總計
		Fees 袍金 RMB'000 人民幣千元	Salary 薪金 RMB'000 人民幣千元	Employer's contribution to a retirement benefit scheme 退休福利計劃的僱主供款 RMB'000 人民幣千元	Other emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking (c) 就董事提供有關管理本公司或其附屬公司的其他服務而已付或應收的其他酬金(c) RMB'000 人民幣千元	
Chairman Mr. Wei Qiang	主席 魏強先生	—	2,368	15	—	2,383
Executive Directors Mr. Yuen Chi Ping (a) Mr. Liu Zhengang	執行董事 袁志平先生(a) 劉振剛先生	— —	1,926 1,168	10 —	2,207 161	4,143 1,329
Non-executive Director Mr. Wei Shaojun	非執行董事 魏少軍先生	—	—	—	—	—
Independent non-executive Directors Mr. Wong Yik Chung, John Dr. Han Qinchun Mr. Han Xiaoping	獨立非執行董事 黃翼忠先生 韓秦春博士 韓曉平先生	211 211 211	— — —	— — —	167 167 167	378 378 378
		633	5,462	25	2,869	8,989

Notes to the Financial Statements (Continued)

財務報表附註(續)

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

39 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

39 董事的福利及權益(續)

Name	姓名	Fees	Salary	Employer's contribution to a retirement benefit scheme	Other emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking (c)	Total
Year ended 31 December 2017 截至二零一七年十二月三十一日止年度						
Chairman	主席					
Mr. Wei Qiang	魏強先生	—	2,413	—	—	2,413
Executive Directors	執行董事					
Mr. Liu Zhengang	劉振剛先生	—	1,294	—	239	1,533
Mr. Wang Hui (b)	王輝先生(b)	—	1,503	—	—	1,503
Mr. Li Haichao (b)	李海潮先生(b)	—	—	—	—	—
Ms. Zhen Xiaojing (b)	甄曉淨女士(b)	—	460	—	—	460
Non-executive Director:	非執行董事					
Mr. Wei Shaojun	魏少軍先生	—	—	—	—	—
Independent non-executive Directors:	獨立非執行董事					
Mr. Wong Yik Chung, John	黃翼忠先生	217	—	—	—	217
Dr. Han Qinchun	韓秦春博士	217	—	—	—	217
Mr. Han Xiaoping	韓曉平先生	217	—	—	—	217
		651	5,670	—	239	6,560

(a) On 27 April 2018, Mr. Yuen Chi Ping was appointed as the executive Director, the vice-chairman of the Board of Directors and the Co-Chief Executive Officer of the Company.

(b) On 29 June 2017, Mr. Li Haichao and Ms. Zhen Xiaojing resigned as executive Directors of the Company. On 30 August 2017, Mr. Wang Hui resigned as executive Director of the Company.

(c) These represent the fair value of share options granted to the Directors under the Company's share option scheme and recognised as equity-settled share-based payment expense for the respective years. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in Note 2.22, including adjustments to reverse accrued in previous periods where grants of equity instruments are forfeited prior to the vesting date. The principal terms and the number of options granted, are disclosed in Note 10(b).

(a) 於二零一八年四月二十七日，袁志平先生獲委任為本公司執行董事、董事會副主席及聯席行政總裁。

(b) 於二零一七年六月二十九日，李海潮先生及甄曉淨女士辭任本公司執行董事。於二零一七年八月三十日，王輝先生辭任本公司執行董事。

(c) 該款項指根據本公司的購股權計劃授予本公司董事購股權的公允價值及於各自年份確認為按權益結算以股份支付的款項開支。該等購股權的價值根據附註2.22所載本集團有關以股份支付交易的會計政策計算，包括對過往期間當權益工具於歸屬前被沒收所累計的撥回金額的調整。主要條款及授出購股權數目的詳情於附註10(b)中披露。

CONSOLIDATED RESULTS

綜合業績

A summary of consolidated results and of the assets, liabilities and equity of the Group for the last five financial years is set out below:

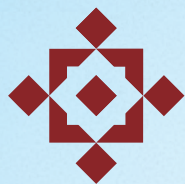
本集團過往五個財政年度之綜合業績以及資產、負債及權益概要載列如下：

		Year ended 31 December					
		截至十二月三十一日止年度					
		2014	2015	2016	2017	2018	
		二零一四年	二零一五年	二零一六年	二零一七年	二零一八年	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
				Restated			
				重述			
Turnover	營業額	61,828	324,168	563,913	897,902	708,493	
Income tax expense	所得稅支出	(3,696)	(6,446)	(12,321)	(22,328)	(10,386)	
Profit for the year	年度溢利	(70,164)	12,976	51,946	135,488	108,501	
Attributable to:	以下人士應佔：						
Shareholders of the Company	本公司股東	(70,164)	12,976	51,456	135,197	107,720	
Non-controlling interests	非控股權益	—	—	490	291	781	

CONSOLIDATED ASSETS, LIABILITIES AND EQUITY

綜合資產、負債及權益

		As at 31 December 於十二月三十一日				
		2014 二零一四年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
ASSETS	資產					
Non-current assets	非流動資產	19,161	24,386	317,375	547,537	799,002
Current assets	流動資產	752,544	823,483	955,121	1,404,387	1,370,646
Total assets	資產總額	771,705	847,869	1,272,496	1,951,924	2,169,648
LIABILITIES	負債					
Non-current liabilities	非流動負債	—	300,000	681,320	662,352	549,077
Current liabilities	流動負債	506,265	477,305	284,294	514,771	140,622
Total liabilities	負債總額	506,265	777,305	965,614	1,177,123	689,699
EQUITY	權益					
Total equity attributable to shareholders of the Company	本公司股東應佔	265,440	70,564	306,882	773,587	1,473,790
Non-controlling interests	非控股權益	—	—	—	1,214	6,159
Total equity	權益總額	265,440	70,564	306,882	774,801	1,479,949



隆基泰和智慧能源

LONGITECH SMART ENERGY

LongiTech Smart Energy Holding Limited
隆基泰和智慧能源控股有限公司

Suite 805, 8th Floor, Harcourt House, No. 39 Gloucester Road, Wanchai, Hong Kong
香港灣仔告士打道39號夏慤大廈8樓805室
www.longitech.hk

