LONG JI TAI HE HOLDING LIMITED
隆基泰和控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1281)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

The board (the "Board") of directors (the "Directors") of Long Ji Tai He Holding Limited (the "Company") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2015 together with the comparative figures for the year ended 31 December 2014 as follows:

Consolidated Statement of Profit or Loss
For the year ended 31 December 2015
(Expressed in Renminbi)

	Note	**2015**	2014
		RMB'000	*RMB'000*
Continuing operations:			
Revenue	*3(a)*	**324,168**	61,828
Cost of sales		**(292,394)**	(41,823)
Gross profit		**31,774**	20,005
Selling and distribution expenses		**(948)**	(1,029)
Administrative expenses		**(9,543)**	(6,866)
Profit from operations		**21,283**	12,110
Finance income		**20**	21
Finance costs		**(259)**	(6,220)

Consolidated Statement of Profit or Loss (Continued)
For the year ended 31 December 2015
(Expressed in Renminbi)

	Note	2015 RMB'000	2014 RMB'000
Profit before taxation		**21,044**	5,911
Income tax	4(a)	**(6,446)**	(3,696)
Profit for the year from continuing operations		**14,598**	2,215
Discontinued operation:			
Loss from discontinued operation, net of tax	5	**(1,622)**	(72,379)
Profit/(loss) for the year		**12,976**	(70,164)
Attributable to:			
Equity shareholders of the Company		**12,976**	(70,164)
Profit/(loss) for the year		**12,976**	(70,164)
Earnings/(losses) per share (RMB)	6		
Basic:			
Continuing operations		**0.0241**	0.0037
Discontinued operation		**(0.0027)**	(0.1203)
		0.0214	(0.1166)
Diluted:			
Continuing operations		**0.0240**	0.0037
Discontinued operation		**(0.0027)**	(0.1193)
		0.0213	(0.1156)

Consolidated Statement of Profit or Loss and other Comprehensive Income
For the year ended 31 December 2015
(Expressed in Renminbi)

	2015	2014
	RMB'000	*RMB'000*
Profit/(loss) for the year	**12,976**	(70,164)
Other comprehensive income for the year (after tax and reclassification adjustments):		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	**60**	3,830
Other comprehensive income for the year	**60**	3,830
Total comprehensive income for the year	**13,036**	(66,334)
Attributable to:		
Equity shareholders of the Company	**13,036**	(66,334)
Total comprehensive income for the year	**13,036**	(66,334)

Consolidated Statement of Financial Position

At 31 December 2015

(Expressed in Renminbi)

		At 31 December	
		2015	2014
	Note	***RMB'000***	*RMB'000*
Non-current assets			
Lease prepayments		**6,177**	6,331
Property, plant and equipment		**13,055**	12,830
Available-for-sale financial assets		**5,000**	—
Total non-current assets		**24,232**	19,161
Current assets			
Lease prepayments		**154**	154
Inventories		**23,559**	18,260
Trade and other receivables, deposits and prepayments	*8*	**390,391**	51,395
Restricted cash		**251,015**	—
Cash and cash equivalents		**158,518**	6,290
		823,637	76,099
Assets of a disposal group classified as held for distribution	*7*	**—**	676,445
Total current assets		**823,637**	752,544
Total assets		**847,869**	771,705
Current liabilities			
Interest-bearing borrowings		**220,000**	78,000
Receipts in advance		**26,131**	13,646
Trade and other payables	*9*	**217,499**	47,125
Current taxation		**13,675**	7,924
		477,305	146,695
Liabilities of a disposal group classified as held for distribution	*7*	**—**	359,570
Total current liabilities		**477,305**	506,265
Net current assets		**346,332**	246,279

Consolidated Statement of Financial Position (Continued)
At 31 December 2015
(Expressed in Renminbi)

		At 31 December	
		2015	2014
	Note	***RMB'000***	*RMB'000*
Total assets less current liabilities		**370,564**	265,440
Non-current liabilities			
Interest-bearing borrowing		**300,000**	—
Total non-current liabilities		**300,000**	—
Net assets		**70,564**	265,440
Equity			
Share capital	*10(a)*	**4,943**	4,900
Reserves		**65,621**	260,540
Total equity attributable to equity shareholders of the Company		**70,564**	265,440
Total equity		**70,564**	265,440

Notes to the Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 GENERAL INFORMATION

Long Ji Tai He Holding Limited (the "Company", formerly known as "Kai Shi China Holdings Company Limited") 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 Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on 12 January 2012.

On 22 November 2014, Mr. Kai Chenglian ("Mr. Kai") and Yi Ming Jia Lin Holdings Company Limited, which was wholly owned by Mr. Kai (collectively the "Vendors"), Longevity Investment Holding Limited ("Longevity") and Mr. Wei Shaojun, the sole shareholder of Longevity, entered into an agreement (the "Share Sale Agreement") relating to the sale of 450,900,000 shares of the Company held by the Vendors at a price of HK$0.8568 per share. Pursuant to the terms of the Share Sale Agreement, the Company was required, among other things, to carry out an asset reorganisation (the "Asset Reorganisation"), to effect a distribution in specie of shares of a wholly-owned subsidiary of the Company, Kai Shi Holdings Company Limited ("KSH") (the "Distribution In Specie"). The transactions contemplated under the Share Sale Agreement (the "Transactions") were approved by the independent shareholders of the Company at an extraordinary general meeting of the Company held on 16 January 2015 and completion of the Share Sale Agreement took place on 23 January 2015. For details, please refer to the joint announcement of the Company, the Vendors and Longevity dated 5 December 2014 and the circular of the Company dated 24 December 2014.

Pursuant to the Asset Reorganisation, the Company, among other things, reorganised its subsidiaries into two sub-groups, the KSH Group and the Remaining Group (comprising the Company and its subsidiaries other than those with KSH Group). The KSH Group, comprising KSH and its subsidiaries, is engaged in property development business (the "Distributed Business"). The Remaining Group is engaged in the business of provision of construction and engineering services and manufacture, processing and sales of doors and windows in the People Republic of China (the "PRC") (the "Retained Business").

Upon completion of the Share Sale Agreement, Longevity became the registered shareholder of 450,900,000 shares of the Company, representing approximately 74.90% of the then issued share capital of the Company. Mr Wei Shaojun, the sole shareholder of Longevity, has become the ultimate controlling party of the Company upon completion of the Share Sale Agreement.

On 26 January 2015, the KSH Group, having a net asset value of RMB212,179,000 on that day, was distributed to the then shareholders whose names appeared on the register of members of the Company at 22 January 2015 by way of the Distribution In Specie. Following the completion of the Distribution In Specie, the principal subsidiaries of the Company are engaged in the Retained Business.

An offer was subsequently made by China International Capital Corporation Hong Kong Securities Limited ("CICCHKS") on behalf of Longevity to acquire all the issued shares in the Company (other than those already owned or agreed to be acquired by Longevity and parties acting in concert with it) at a price of HK$0.8568 per share and to cancel all outstanding options which have been granted by the Company in accordance with the pre-IPO share option scheme ("Pre-IPO Share Option Scheme") of the Company on 24 June 2011 at a price of HK$0.1368 per share option (the "Listco Offers").

The Listco Offers were closed on 26 February 2015 with valid acceptances of a total 76,080,000 shares representing 12.52% of the total issued share capital of the Company. Upon the completion of the Listco Offers, Longevity held 526,980,000 shares of the Company, representing approximately 86.75% of the issued share capital of the Company. There has been no acceptance received in respect of the option offer. All the outstanding options (save for the options held by Mr. Kai and his spouse, which were excluded from the Listco Offers) subject to the option offer were exercised in full on 16 February 2015 and 5,440,000 new shares were issued accordingly.

By a special resolution passed at an extraordinary general meeting of the Company held on 26 March 2015, the English name of the Company was changed from "Kai Shi China Holdings Company Limited"to "Long Ji Tai He Holding Limited"and "隆基泰和控股有限公司" was adopted as its new Chinese name to replace "開世中國控股有限公司".

On 23 April 2015, Longevity entered into a placing agreement with CICCHKS, pursuant to which CICCHKS agreed to place on a fully underwritten basis 94,107,488 shares of the Company held by Longevity to independent placees at a price of HK$0.8568 per share. Completion of the placing took place on 28 April 2015. Immediately after the completion of the placing, Longevity is interested in 432,872,512 shares of the Company, representing 71.26% of the issued share capital of the Company.

On 11 November 2015, the Group announced that it intended to enter into the clean energy business. The Group will carry out businesses, such as investment, development and operation of solar power photovoltaic stations, production of photovoltaic components, smart operation of microgrids and construction technology for energy conservation and emission reduction, in order to develop the Group into an integrated service provider of the clean energy, energy conservation and environmental protection industry. Up to 31 December 2015, the Group has yet to earn revenue from its provision of smart energy solutions and solar energy business.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which collective term includes 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. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the "Group").

The measurement basis used in the preparation of the financial statements is the historical cost basis except that financial instruments classified as available-for-sale are stated at their fair value.

Non-current assets and disposal groups classified as held for distribution are stated at the lower of carrying amount and fair value less costs to distribute.

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Changes in accounting policies

The IASB has issued the following amendments to IFRSs that are first effective for the current accounting period of the Group:

— Amendments to IAS 19, *Employee benefits: Defined benefit plans: Employee contributions*

— *Annual Improvements to IFRSs 2010–2012 Cycle*

— *Annual Improvements to IFRSs 2011–2013 Cycle*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are primary land development and public infrastructure construction, sales of doors and windows and provision of construction and engineering services.

The amount of each significant category of revenue is as follows:

	2015	2014
	RMB'000	*RMB'000*
Continuing operations:		
Primary land development	**119,049**	—
Public infrastructure construction	**174,198**	—
Sales of doors and windows	**28,187**	49,383
Provision of construction and engineering services	**2,734**	12,445
	324,168	61,828
Discontinued operation:		
Sales of properties	**—**	20,837
Rental income	**44**	5,020
	44	25,857
	324,212	87,685

The Group includes only one customer (2014: three) with whom transactions have exceeded 10% of the Group's revenues. In 2015, revenues from these customers amounted to RMB293,247,000 (2014: RMB28,000,000).

(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. No operating segments have been aggregated to form the following reportable segments.

— Primary land development and public infrastructure construction; and

— Provision of smart energy solutions and solar energy business

No geographic information is shown as substantially all assets, liabilities, revenue and profit from the operations of the Group are derived from activities in the PRC.

(c) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets and current assets. Segment liabilities include current liabilities and loans and borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "profit after tax".

In addition to receiving segment information concerning profit after tax, management is provided with segment information concerning revenue (including inter-segment sales), interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2015 and 2014 is set out below.

	Primary land development and public infrastructure construction *RMB'000* *(Note 1)*	Provision of Smart energy solutions and solar energy business *RMB'000* *(Note 1)*	Others *RMB'000* *(Note 2)*	Total *RMB'000*
For the year ended 31 December 2015				
Revenue from external customers	293,247	—	30,965	324,212
Inter-segment revenue	—	—	—	—
Reportable segment revenue	293,247	—	30,965	324,212
Reportable segment profit/(loss)	20,073	(47)	(7,050)	12,976
Interest income from bank deposits	—	—	20	20
Interest expense	—	—	(260)	(260)
Depreciation and amortisation for the year	(33)	—	(667)	(700)
Reportable segment assets	589,828	150,111	122,566	862,505
Additions to non-current segment assets during the year	364	—	421	785
Reportable segment liabilities	571,652	150,163	70,126	791,941
For the year ended 31 December 2014				
Revenue from external customers	—	—	87,685	87,685
Inter-segment revenue	—	—	—	—
Reportable segment revenue	—	—	87,685	87,685
Reportable segment loss	—	—	(70,164)	(70,164)
Interest income from bank deposits	—	—	21	21
Interest expense	—	—	(6,220)	(6,220)
Depreciation and amortisation for the year	—	—	(2,569)	(2,569)
Reportable segment assets	—	—	771,705	771,705
Additions to non-current segment assets during the year	—	—	14	14
Reportable segment liabilities	—	—	484,168	484,168

Note 1: After the Group announced its intention to enter into the clean energy business in November 2015, the Group changed the composition of operating segments as the financial results are grouped and reported differently to the Group's most senior executive management for the purposes of resource allocation and performance assessment. Following the change in composition of operating segments, primary land development and public infrastructure construction, and provision of smart energy solutions and solar energy business are presented as the Group's reportable segments. No comparative financial information for these two segments are presented as they are the Group's new business segments in 2015.

Note 2: Others include both continuing operations (sales of doors and windows and provision of construction and engineering services) and discontinued operation (property development).

(d) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	2015	2014
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**324,212**	87,685
Elimination of discontinued operation	**(44)**	(25,857)
Consolidated revenue	**324,168**	61,828
Profit		
Reportable segment profit/(loss)	**12,976**	(70,164)
Elimination of discontinued operation	**1,622**	72,379
Consolidated profit for the year from continuing operations	**14,598**	2,215
Assets		
Reportable segment assets	**862,505**	771,705
Elimination of inter-segment receivables	**(14,636)**	—
Consolidated total assets	**847,869**	771,705
Liabilities		
Reportable segment liabilities	**791,941**	484,168
Elimination of inter-segment payables	**(14,636)**	—
Deferred tax liabilities	**—**	22,097
Consolidated total liabilities	**777,305**	506,265

4 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	2015	2014
	RMB'000	*RMB'000*
Continuing operations		
Current tax		
PRC Corporate Income Tax ("CIT")	**6,446**	3,696
	6,446	3,696
Discontinued operation:		
Current tax		
PRC Land Appreciation Tax ("LAT")	**—**	1,684
	—	1,684
Deferred tax		
Origination and reversal of temporary differences relating to CIT	**—**	(15,865)
Origination and reversal of temporary differences relating to LAT	**—**	(12,375)
	—	(26,556)

(b) Reconciliation between tax expenses and profit before taxation from continuing operations at applicable tax rates:

	2015	2014
	RMB'000	*RMB'000*
Profit before taxation from continuing operations	**21,044**	5,911
Notional tax on profit before taxation from continuing operations, calculated at the rates applicable to profits in the countries concerned	**6,387**	1,648
Tax effect of non-deductible expenses	**—**	34
Tax effect of the Asset Reorganisation	**—**	1,850
Others	**59**	164
Actual tax expenses from continuing operations *(Note)*	**6,446**	3,696

Note: For the year ended 31 December 2014, tax expenses excludes the tax credit from discontinued operation of RMB26,556,000, which has been included in loss from discontinued operation, net of tax in the consolidated statement of profit or loss.

(i) Effective from 1 January 2008, the PRC's statutory income tax rate is 25%.

(ii) 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 Profits Tax was made as the Group's Hong Kong subsidiary did not earn any income subject to Hong Kong Profits Tax during the year ended 31 December 2015 (2014: nil).

(iii) PRC LAT is levied on properties developed by the Group in the PRC for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use right, borrowing costs and all qualified property development expenditures. LAT paid is deductible expenses for PRC income tax purposes.

A subsidiary of the Group was subject to LAT which is calculated based on 5% to 8% of their revenue in accordance with the authorised tax valuation method approved by the local tax bureau.

The Directors are of the opinion that the authorised tax valuation method is one of the allowable taxation methods in the PRC and the respective local tax bureaus are the competent tax authorities to approve the authorised tax valuation method in charging CIT and LAT to the corresponding PRC subsidiary of the Group, and the risk of being challenged by the State Tax Bureau or any tax bureau of higher authority is remote.

The Group did not have any properties subject to LAT following the completion of the Distribution In Specie on 26 January 2015.

(iv) The PRC CIT Law and its implementation rules impose a withholding tax at 10%, unless reduced by a tax treaty or arrangement, for dividends distributed by PRC-resident enterprises to their non-PRC-resident corporate investors for profits earned since 1 January 2008. Under the Sino-Hong Kong Double Tax Arrangement, a qualified Hong Kong tax resident is entitled to a reduced withholding tax rate of 5% if the Hong Kong tax resident is the "beneficial owner"and holds 25% or more of the equity interest of the PRC enterprise directly.

5 DISCONTINUED OPERATION

As described in note 1, the KSH Group was distributed to the shareholders of the Company on 26 January 2015. The KSH Group is engaged in the Distributed Business, which results are presented herein as discontinued operation. The results of the Distributed Business for the year ended 31 December 2014 and the period from 1 January to 26 January 2015 (the date of Distribution In Specie) are set out below.

(a) Results of discontinued operation

	Note	**2015** **RMB'000**	2014 RMB'000
Revenue	*3(a)*	**44**	25,857
Cost of sales		**—**	(63,221)
Selling and distribution expenses		**(269)**	(3,216)
Administrative expenses		**(1,396)**	(17,038)
Decrease in fair value of investment properties		**—**	(41,971)
Finance income		**—**	850
Finance costs		**(1)**	(196)
Loss before taxation		**(1,622)**	(98,935)
Income tax	*4(a)*	**—**	26,556
Loss from discontinued operation, net of tax		**(1,622)**	(72,379)

(b) Cash flows generated from/(used in) discontinued operation

	2015 **RMB'000**	2014 RMB'000
Net cash generated from/(used in) operating activities	**4,097**	(23,929)
Net cash generated from financing activities	**1,192**	23,557
Net increase/(decrease) in cash and cash equivalents of the discontinued operation	**5,289**	(372)

(c) The assets and liabilities of the Distributed Business as at 26 January 2015 are set out below.

	RMB'000
Property, plant and equipment	3,658
Investment properties	180,639
Properties under development	148,120
Completed properties held for sale	306,546
Trade and other receivables, deposits and prepayments	35,118
Cash and cash equivalents	7,660
Total assets	681,741
Receipts in advance	6,834
Trade and other payables	330,794
Current taxation	109,837
Deferred tax liabilities	22,097
Total liabilities	469,562
Net assets	212,179

The Distribution In Specie was approved by the independent shareholders of the Company on 16 January 2015 and reflected as deduction of reserves upon distribution on 26 January 2015.

6 EARNINGS/(LOSSES) PER SHARE

(a) Basic earnings/(losses) per share

The calculation of basic earnings/(losses) per share from continuing operations and discontinued operation are based on the corresponding profit/(loss) attributable to ordinary equity shareholders of the Company from continuing operations and discontinued operation of RMB14,598,000 (2014: RMB2,215,000) and loss of RMB1,622,000 (2014: loss of RMB72,379,000) respectively and the weighted average number of 606,739,507 (2014: 602,000,000) ordinary shares in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2015	2014
	No. of shares	*No. of shares*
Issued ordinary shares at 1 January	**602,000,000**	602,000,000
Effect of share options exercised	**4,739,507**	—
Weighted average number of ordinary shares at 31 December	**606,739,507**	602,000,000

(b) Diluted earnings/(losses) per share

The calculation of diluted earnings/(losses) per share from continuing operations and discontinued operation are based on the corresponding profit/(loss) attributable to ordinary equity shareholders of the Company of RMB14,598,000 (2014: RMB2,215,000) and loss of RMB1,622,000 (2014: loss of RMB72,379,000) respectively and the weighted average number of 608,362,947 (2014: 606,726,965), calculated as follows:

Weighted average number of ordinary shares

	2015 ***No. of shares***	2014 *No. of shares*
Weighted average number of ordinary shares at 31 December	**606,739,507**	602,000,000
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	**1,623,440**	4,726,965
Weighted average number of ordinary shares (diluted) at 31 December	**608,362,947**	606,726,965

7 ASSETS AND LIABILITIES OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR DISTRIBUTION

As described in note 1, the KSH Group was distributed to the shareholders of the Company on 26 January 2015. The KSH Group is engaged in the Distributed Business, which results are presented herein as discontinued operation. The assets and liabilities of the Distributed Business as at 31 December 2014 are set out below.

(a) Assets and liabilities of disposal group classified as held for distribution

	At 31 December 2014 *RMB'000*
Property, plant and equipment	3,658
Investment properties	180,639
Properties under development	148,120
Completed properties held for sale	306,546
Trade and other receivables, deposits and prepayments	35,111
Cash and cash equivalents	2,371
Assets of a disposal group classified as held for distribution	676,445
Receipts in advance	5,533
Trade and other payables *(Note)*	222,103
Current taxation	109,837
Deferred tax liabilities	22,097
Liabilities of a disposal group classified as held for distribution	359,570
Net assets of a disposal group classified as held for distribution	316,875

Note: The balance of trade and other payables presented above does not include amount due to the Remaining Group of RMB104,865,000, which was settled by Mr. Kai on behalf of the KSH Group upon completion of the Transactions in January 2015. The amount due to the Remaining Group were eliminated against the corresponding amount of receivables of the Remaining Group in the comparative figures of the consolidated statement of financial position presented in this financial statements. The corresponding amount due to Mr. Kai as a result of the settlement was included in trade and other payables of the KSH Group on 26 January 2015 (the date of Distribution In Specie) as presented in note 5(c).

(b) Cumulative income or expenses included in other comprehensive income

There are exchange differences on translation of financial statements of overseas subsidiaries of RMB2,958,000 and surplus on revaluation upon transfer of property, plant and equipment to investment properties of RMB2,229,000 included in other comprehensive income relating to the disposal group.

(c) Measurement of fair values

The non-recurring fair value measurement for the disposal group of RMB322,944,000 was based on the offer price of the KSH Offer as specified in the composite offer document dated 30 January 2015, which has been categorised as a Level 1 fair value.

8 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

(a) Trade and other receivables, deposits and prepayments in the consolidated statement of financial position comprise:

	2015	2014
	RMB'000	*RMB'000*
Trade receivables		
— Third parties	**37,081**	35,966
	37,081	35,966
Deposits and prepayments	**12,681**	8,618
Other receivables	**7,968**	1,404
Gross amount due from customers for contract work	**332,661**	5,407
	390,391	51,395

Trade receivables are primarily related to sales of doors and windows and provision of construction and engineering services. Proceeds are paid by instalments in accordance with the terms of corresponding sales and purchase agreements.

The amount of the Group's trade and other receivables expected to be recovered after more than one year is RMB2,156,000 (2014: RMB3,223,000). All of the other trade and other receivables are expected to be recovered within one year.

(b) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables, deposits and prepayments), based on invoice date (or date of revenue recognition, if earlier) and net of allowance for doubtful debts, is as follows:

	2015	2014
	RMB'000	*RMB'000*
Within 1 year (inclusive)	**21,767**	34,309
Over 1 year	**15,314**	1,657
	37,081	35,966

Trade receivables are due within 30 days from the date of billing.

(c) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

No allowance for doubtful debts in respect of trade receivables was recognised as at 31 December 2015 (2014: nil).

(d) Trade receivables that are not impaired

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired as follows:

	2015	2014
	RMB'000	*RMB'000*
Neither past due nor impaired	**21,767**	30,247
Less than 1 month past due	**65**	918
Overdue more than 1 month but less than 1 year	**234**	3,144
Overdue more than 1 year	**15,015**	1,657
Past due	**15,314**	5,719
	37,081	35,966

9 TRADE AND OTHER PAYABLES

	2015	2014
	RMB'000	*RMB'000*
Trade payables	**18,363**	13,278
Other payables and accruals	**24,315**	8,847
Amount due to immediate parent	**4,593**	25,000
Amount due to a director	**10**	—
Amounts due to other related parties	**170,218**	—
	217,499	47,125

As of the end of the reporting period, the ageing analysis of trade payables (which are included in trade and other payables), based on invoice date, is as follows:

	2015	2014
	RMB'000	*RMB'000*
Within 1 month	**12,222**	7,344
Over 1 month but within 1 year	**5,662**	5,113
Over 1 year	**479**	821
Total	**18,363**	13,278

10 SHARE CAPITAL AND RESERVES

(a) Share capital

(i) *Authorised and issued share capital*

	2015		2014	
	No. of shares	***Amount***	*No. of shares*	*Amount*
	'000	***HK$'000***	*'000*	*HK$'000*
Authorised:				
Ordinary shares of HK$0.01 each	**2,000,000**	**20,000**	2,000,000	20,000

Ordinary shares, issued and fully paid:

	2015		2014	
	No. of shares	***Amount***	*No. of shares*	*Amount*
		HK$		*HK$*
At 1 January	**602,000,000**	**6,020,000**	602,000,000	6,020,000
Shares issued for exercise of share options	**5,440,000**	**54,400**	—	—
At 31 December	**607,440,000**	**6,074,400**	602,000,000	6,020,000

As at 31 December 2015, the Company had issued share capital of HK$6,074,400 (2014: HK$6,020,000), which was equivalent to RMB4,943,000 (2014: RMB4,900,000).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(ii) *Increase in share capital*

During the year ended 31 December 2015, 5,440,000 share options were exercised by the former directors and employees of the Group under Pre-IPO Share Option Scheme. 5,440,000 ordinary shares with par value of HK$0.01 each were issued at a consideration of HK$3,916,800 (equivalent to RMB3,105,000), of which HK$3,862,400 (equivalent to RMB3,062,000) were credited to the share premium account. Amount previously recognised in the share-based compensation reserve in connection with these exercised share options of RMB3,236,000 was also transferred to the share premium account.

(b) Dividends

During the year ended 31 December 2015, the Company has not declared any dividend (2014: nil) to the shareholders of the Company.

CHANGE OF CONTROLLING SHAREHOLDER

On 22 November 2014, Mr. Kai Chenglian ("Mr. Kai") and Yi Ming Jia Lin Holdings Company Limited (collectively, the "Vendors"), Longevity Investment Holding Limited ("Longevity") and Mr. Wei Shaojun entered to a share sale agreement (the "Share Sale Agreement"), pursuant to which the Vendors have conditionally agreed to sell and procure the sale of, and Longevity has conditionally agreed to purchase, the sale shares (the "Sale Shares"), being 450,900,000 shares of the Company (the "Shares"), representing approximately 74.90% of the then entire issued share capital of the Company as at the date of the Share Sale Agreement, at an aggregate consideration of HK$386,331,120, representing HK$0.8568 per Sale Share. The Share Sale Agreement is conditional upon, among other things, completion of the proposed asset reorganisation of the Group (the "Asset Reorganisation").

Pursuant to the Asset Reorganisation, the Company, among other things, reorganised its subsidiaries into two subgroups, the KSH Group and the Remaining Group (each as defined below). The KSH Group, comprising Kai Shi Holding Company Limited ("KSH") and its subsidiaries, is engaged in the property development business (the "Distributed Business"). The Remaining Group, comprising the Company, and its subsidiaries other than those within KSH Group, is engaged in the businesses of provision of construction and engineering services and manufacture, processing and sales of doors and windows in the People's Republic of China ("PRC"). The Asset Reorganisation, which reorganises the Distributed Businesses under the KSH Group, is necessary to give effect to the distribution in specie (the "Distribution In Specie") of the shares of KSH (the "KSH Shares").

The Distribution In Specie was approved by the independent shareholders of the Company at an extraordinary general meeting of the Company held on 16 January 2015. Completion of the Share Sale Agreement (the "Share Sale Completion") and the Distribution In Specie took place on 23 January 2015 and 26 January 2015, respectively. The KSH Group was then distributed to the then shareholders by way of Distribution in Specie. Mr. Wei Shaojun, the sole shareholder of Longevity, has become the ultimate controlling shareholder of the Company upon the Share Sale Completion.

Subsequent to the Share Sale Completion, China International Capital Corporation Hong Kong Securities Limited ("CICCHKS"), on behalf of Longevity and pursuant to Rule 26.1 of the Code on Takeovers and Mergers (the "Takeovers Code"), made the offers (the "Listco Offers"), which were unconditional mandatory cash offers to acquire all the issued ordinary Shares (other than those already owned or agreed to be acquired by Longevity and parties acting in concert with it) and to cancel all outstanding options (the "Options") which were granted by the Company in accordance with the pre-IPO option scheme (the "Pre-IPO Option Scheme") of the Company on 24 June 2011 at a price of HK$0.8568 per Share and to cancel all outstanding options at a price of HK$0.1368 per Option. The Listco Offers closed on 26 February 2015.

SUFFICIENCY OF PUBLIC FLOAT

Upon the close of the Listco Offers, so far as the Company was aware, Longevity and parties acting in concert with it were interested in, held, controlled or directed an aggregate of 526,980,000 Shares, representing approximately 86.75% of the entire issued share capital of the Company as at the closing date of the Listco Offers; and there were 80,460,000 issued Shares in the hands of the public, representing approximately 13.25% of the entire issued share capital of the Company. Accordingly, the Company did not fulfill the minimum public float requirement under Rule 8.08(1)(a) of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong (the "Stock Exchange"). An application was made to the Stock Exchange for a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for a period of three months.

On 23 April 2015, Longevity entered into a placing agreement with CICCHKS, pursuant to which 94,107,488 Shares of the Company held by Longevity have been placed to independent placees at HK$0.8568 per Share (the "Placement"). The Placement was closed on 28 April 2015. Subsequently, Longevity held 432,872,512 Shares, representing approximately 71.26% of the issued share capital of the Company. The general public held a total of 174,567,488 Shares, representing approximately 28.74% of the issued share capital of the Company. The public float of the Company has been restored to more than 25% of the issued share capital of the Company since then.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Upon the completion of the Distribution In Specie on 26 January 2015, the business of property development undertaken in Dalian, the PRC, by the Group (the "Discontinued Operation") has been distributed to the then shareholders. The remaining businesses of sales of doors and windows as well as provision of construction and engineering services were the existing businesses of the Group prior to its change in controlling shareholder, which are not regarded as the Group's current and future principal business. In July 2015, the Group undertook the primary land development and public infrastructure construction business of the Baoding Donghu project ("Donghu Project"). Except for the continued development of the Donghu Project, the Group does not have any plan to further pursue the primary land development and public infrastructure construction business in the future. The Donghu Project enables the Group to build a solid customer base for its smart energy solution business. In November 2015, the Group announced to develop the business of clean energy, which mainly includes the provision of smart energy solutions and the development, operation and sale of high efficiency and quality photovoltaic power stations, and which will be the Group's principal activities.

All in all, during the Reporting Period, the Group's continuing operations (the "Continuing Operations") are mainly included (1) the business of doors and windows as well as provision of construction and engineering services that remained to the Group after the Distribution In Specie; (2) primary land development and public infrastructure construction business; and (3) smart energy and solar energy business.

For the Reporting Period, the Group's annual revenue was RMB324,168,000 (2014: RMB61,828,000) and made a successful turnaround to net profit of RMB12,976,000 (2014: Loss of RMB70,164,000), which was derived from the profit of the Continuing Operations of RMB14,598,000 (2014: RMB2,215,000), as compensated by the loss from the Discontinued Operation of RMB1,622,000 (2014: RMB72,379,000). For the Reporting Period, the primary land development and public infrastructure construction business contributed revenue and net profit of more than 90% and generated revenue and net profit amounted to RMB293,247,000 (2014: Nil) and RMB20,073,000 (2014: Nil), respectively. Revenue of the businesses of doors and windows as well as provision of construction and engineering services was RMB30,921,000 (2014: RMB61,828,000), registering a loss of RMB368,000 (2014: Profit of RMB2,215,000). The smart energy and solar energy businesses had not yet made any contribution to the Group's revenue in 2015.

KEY 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 focus on the control of risks and uncertainties with the aim of understanding and addressing the concerns of stakeholders. Key risk factors and uncertainties affecting the Group are outlined below.

These factors are not 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 become material in the future.

Risks relating to the industry and policies

The Group's clean energy business and its growth are subject to the macroeconomic conditions in the PRC and the changes of government policies, including any change in government support to the photovoltaic power generation industry, such as reduction in preferential tax treatment and the availability of government subsidies and incentives; any change in government policies that covers priority dispatch for electricity, on-grid tariff and guarantee on power purchase, and more stringent regulatory environment and approval process; the success of or greater support from government for power generation technologies using alternative energies, for instance, fuel cells, wind power, hydroelectric power and biomass energy, nuclear and geothermal energy; any fluctuation in economic and market conditions that affects the financing and viability of renewable energy sources, for instance, any increase or decrease in prices of petroleum and other fossil fuels; any relaxation of regulations on electricity industry and energy industry as a whole.

Risks relating to technologies

As the development and operation of smart energy service platforms and photovoltaic power stations are at the early stage of development, it is uncertain as to the technological requirements for developing and operating smart platforms as well as the acceptance of products. In particular, establishing smart energy service platforms involves critical technologies such as technological systems of internet of energy, big data systems of energy sector, energy saving analysis technologies based on big data mining, efficient mobile application systems and energy routers. Therefore, to a certain extent, their realisation and operation are subject to a certain extent of uncertainties and risks.

Risks relating to funding

The Group's primary land development business and solar power station business are capital intensive and long term in nature, there is no assurance that the Group will be able to secure adequate funding for these projects on terms that are acceptable to the Group, or that these projects will achieve their initial expected return. The Group's ability to arrange external financing and the costs of such financing are subject to various factors including general economic conditions, interest rates and the availability of bank credits in the PRC. Should the Group fail to secure any short term or long term project financing as budgeted or at all, the Group's business, financial position and operating results may be materially and adversely affected.

Risks relating to project development

The Group may decide not to proceed any project reserved that the Group may consider unsuitable for development. Finally, those projects under development or reserved may not meet the Group's return expectation as a consequence of schedule delays, cost overruns or revenue shortfalls, or being unable to be sold to buyers at a profit or at all, or revenue generated is below the Group's expected level or beyond the expected time period.

FINANCIAL REVIEW

Revenue and Gross Profit

The Group's revenue and gross profit for the Reporting Period amounted to RMB324,168,000 (2014: RMB61,828,000) and RMB31,774,000 (2014: RMB20,005,000), respectively. For the Reporting Period, revenue from primary land development and public infrastructure construction was approximately RMB293,247,000 (2014: Nil), while revenue from other businesses was approximately RMB30,921,000 (2014: RMB61,828,000). The increases in revenue and gross profit were mainly attributable to the recognition of revenue and gross profit from the Donghu Project in respect of the primary land development and public infrastructure construction business by the Group since July 2015.

Selling and distribution expenses

Selling and distribution expenses incurred by the Group for the Reporting Period was RMB948,000 (2014: RMB1,029,000), which remained flat in general as compared to previous year.

Administrative expenses

Administrative expenses incurred by the Group for the Reporting Period was RMB9,543,000 (2014: RMB6,866,000). Such increase in 2015 was mainly due to the increased administrative expenses resulting from the business expansion subsequent to the Asset Reorganisation.

Net finance costs

Net finance costs for the Reporting Period amounted to RMB239,000 (2014: RMB6,199,000), representing a decrease of 96% compared to last year, owing to the borrowing costs incurred by the new Donghu Project in 2015 were borne by the government.

Income tax

Income tax expenses for the Reporting Period was RMB6,446,000 (2014: RMB3,696,000), which mainly related to the income tax expenses arising from the Donghu Project. As a comparison, income tax expenses for 2014 was mainly attributable to the profit from the other businesses and the gain on the Asset Reorganisation.

Discontinued Operation

Loss from the Discontinued Operation for 2015 amounted to RMB1,622,000 (2014: RMB72,379,000), primarily due to its administrative and selling expenses prior to the Distribution In Specie on 26 January 2015. For 2014, the loss was caused by the decrease in the fair value of investment properties of RMB41,971,000 and the write-down of completed properties held for sale and properties under development amounting to RMB50,897,000.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at 31 December 2015, bank balances and cash was approximately RMB409,533,000 (31 December 2014: RMB6,290,000), of which approximately RMB251,015,000 (31 December 2014: Nil) was restricted bank balances and cash only available for payment of expenses incurred by the Donghu Project. Such increase was mainly contributed by the cash injected for the new businesses in 2015. As at 31 December 2014, the amount only included the cash balances of the Continuing Operations before the Asset Reorganisation of the Group.

Total current assets and liquidity ratio

As at 31 December 2015, total current assets and liquidity ratio (total current assets/total current liabilities) was approximately RMB823,637,000 (31 December 2014: RMB752,544,000) and 1.73 (31 December 2014: 1.49), respectively. The total current assets primarily included the cash and receivables of the new businesses subsequent to the Asset Reorganisation. For 2014, current assets primarily represented assets held for distribution.

External borrowings and pledge of assets

As at 31 December 2015, the Group had an external borrowing of RMB520,000,000 (31 December 2014: RMB78,000,000), of which RMB300,000,000 was secured by equity interests in a subsidiary of the Group.

Gearing Ratio

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

	31 December 2015	31 December 2014
	RMB'000	*RMB'000*
External borrowings	**520,000**	78,000
Less: Cash and cash equivalents	**(158,518)**	(6,290)
Restricted cash	**(251,015)**	—
Net debt	**110,467**	71,710
Total equity	**70,564**	265,440
Total capital (Net debt plus total equity)	**181,031**	337,150
Gearing ratio (Net debt/total capital)	**61.0%**	21.3%

As at 31 December 2015, the gearing ratio of the Group increased by 39.7 percentage points to 61.0% when compared to 21.3% for 2014. Such increase was primarily due to the increase in borrowings as a result of loan facilities raised for the Donghu Project, together with the significant reduction of total equity caused by the Distribution In Specie in January 2015. The loan facilities raised for the Donghu Project will be repaid progressively by the project settlements received from the Baoding government starting from 2016 onwards. Therefore, the Group is not exposed to any insolvency risk.

Interest rate risk

The Group's interest rate risk arises primarily from its external borrowings. During the Reporting Period, interest rates of external borrowings were fixed, ranging from 10.80% to 14.46% per annum (2014: 7.20% to 7.50% per annum). As the external borrowings as at 31 December 2015 represented only the borrowings incurred by the Donghu Project, which were borne by the government, the Group was not exposed to any interest rate risk thereon.

Exchange risk

As the Group's principal activities are carried out in the PRC, the Group's transactions are mainly denominated in RMB, which is not freely convertible into foreign currencies. All foreign exchange transactions involving RMB must take place through the People's Bank of China or other institutions authorised 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 in 2015 and the impact of foreign currency risk on the Group's operation is minimal.

Capital commitments

The Group had no significant capital commitments as at 31 December 2015 (31 December 2014: Nil).

Contingent liabilities

As at 31 December 2015, the Group did not have any material contingent liabilities (31 December 2014: Nil).

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

On 14 July 2015, Hebei Meijia Business Management Company Limited, an indirect wholly-owned subsidiary of the Company, signed a share transfer agreement with Baoding Sheng Qian City Construction and Investment Co., Ltd held by Mr. Wei Shaojun to acquire 100% equity of Baoding Sheng Chen City Constructions Management Company Limited ("Baoding Shen Chen"). Based on the calculation of the net assets of Baoding Sheng Chen on a consolidation basis, the consideration of the acquisition was RMB7,873,000.

For details, please refer to the connected transaction announcement of the Company dated 14 July 2015. Except for the above disclosure, during the Reporting Period, there was no other significant investment, material acquisition and disposal.

EMPLOYEES

The Group had 95 employees as at 31 December 2015 (2014: 149 employees, of whom 98 and 51 were employed for the Continuing Operations and the Discontinued Operation, respectively).

In order to attract and retain high-caliber employees to ensure smooth operation and cater for the Group's constant expansion, the Group offers competitive remuneration packages, with reference to market conditions and individual qualifications and experience. Pursuant to the relevant labour 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 18% or 20% of the eligible employees. The Group has no other material obligation for the payment of pension benefits associated with the Schemes beyond the annual contributions described above.

Pre-IPO Share Option Scheme and Share Option Scheme

The Company adopted the Pre-IPO Share Option Scheme on 24 June 2011. As at 1 January 2015, there were 11,140,000 outstanding share options (the "Options) under the Pre-IPO Share Option Scheme. As at 31 December 2015, there was no outstanding Option under the Pre-IPO Share Option Scheme as all share options outstanding at 1 January 2015 were either exercised or lapsed during 2015.

The Company also adopted a share option scheme (the "Share Option Scheme") on 22 November 2011 (details of which are set out in the paragraph headed "Share Option Scheme" in Appendix VII "Statutory and General Information" of the prospectus of the Company dated 30 December 2011). As at 31 December 2015, no share options were outstanding under the Share Option Scheme.

MARKET OUTLOOK

As consciousness on green and low-carbon lifestyle, energy saving and energy safety is globally widespread, all countries are now endeavouring their best efforts in order to establish an internet of energy for smart energy applications. Internet of energy, in substance, is a combination of ultra-high voltage grid, smart grid and clean energy, which represents the key, the foundation and the principle, respectively.

To address the establishment of internet of energy, the PRC government has rolled out reform policies at national level. In March 2015, the "Opinions on Deepening the Reform on Power Sector" (Zhong Fa [2015] No.9) was issued by the Communist Party of China Central Committee and the State Council. In November 2015, nine government agencies, including the National Development and Reform Commission and the National Energy Administration, jointly issued six core supporting documents concerning the new reform on power sector, covering the reform on electricity transmission and distribution, the development of electricity market, the set-up and regulated operations of electricity trading companies, the orderly relaxation of control on power generation and consumption, and the reform on electricity retailing. The proposals of establishing independent trading companies, reform on power generation and consumption and the liberalisation of electricity retailing firmly support and safeguard the development of smart energy sector. They help to eliminate the impediments in the development of smart energy system and breakthrough the bottleneck currently experienced.

In respect of the development of clean energy, solar photovoltaic energy is regarded as one of the most important energy in clean energy industry and is highly supported by the State policy. In June 2014, the "State Council released the Energy Development Strategy Action Plan (2014–2020)", which targets that the cumulative installed capacity of photovoltaic power generation in China to reach 100 gigawatts by 2020, representing an annual compound growth rate of 73%, which presents a promising future for the industry.

By seizing the opportunities arising from the development of internet of energy and smart application industry, the Group targets to become a leading provider of green city smart energy solutions in the PRC. Through its smart energy service platforms, the Group provides energy consumers with comprehensive smart services including distributed energy, energy saving, energy trading and other value-added services. The Group seeks a balanced development between the demand-side and supply-side of energy consumption. Its principal activities include the provision of smart energy solutions and the development, operation and sale of high efficiency and quality photovoltaic power stations.

FINAL DIVIDENDS

The Board does not recommend the payment of final dividend for the year ended 31 December 2015 (2014: Nil).

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 adopted code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules as its own code of corporate governance.

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 Shaojun (appointed on 30 January 2015), an executive Director, was the chairman of the Board and chief executive officer of the Company before 11 November 2015. In view of Mr. Wei Shaojun's extensive experience in several businesses and his wealth of practical and management experience, the Board considered that vesting the roles of chairman and chief executive officer in the same individual is beneficial to the business prospects and management of the Company.

As the Group introduced new businesses during the Reporting Period, on 11 November 2015, Mr. Wei Shaojun has resigned as the chief executive officer of the Company with an aim to achieve better corporate governance of the Company. Mr. Wei Qiang, an executive Director, has been appointed as the chief executive officer of the Company in place of Mr. Wei Shaojun. The Chairman of the Board is responsible for providing strategic advice and guidance on the business development of the Group, while the Chief Executive Officer is responsible for the day-to-day operations of the Group. Therefore, the Company has complied with code provision A.2.1 of the CG code as at 31 December 2015.

Save as disclosed herein, the Company was in compliance with the code provisions set out in the CG Code throughout the year ended 31 December 2015. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (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 enquiries, all of the Directors who held their office during the reporting year have confirmed that they had complied with the required standard set out in the Model Code throughout the reporting year.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the year ended 31 December 2015, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

THE 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 2015 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.

The financial figures in respect of Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2015 as set out in the preliminary announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

CHANGE OF COMPANY NAME

The name of the Company has been approved to be changed from "Kai Shi China Holdings Company Limited 開世中國控股有限公司" to "Long Ji Tai He Holding Limited 隆基泰和控股有限公司" by the Company's extraordinary general meeting on 26 March 2015. The Certificate of Incorporation on Change of Company Name was issued by the Registrar of Companies in the Cayman Islands on 2 April 2015. The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 28 April 2015 confirming the registration of the new name "Long Ji Tai He Holding Limited 隆基泰和控股有限公司" of the Company under the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

On 4 March 2016, in order to better reflect the Company's recent development in the smart energy business and solar energy business, the Board proposes that the name of the Company be changed from "Long Ji Tai He Holding Limited 隆基泰和控股有限公司" to "LongiTech Smart Energy Holding Limited 隆基泰和智慧能源控股有限公司" by the Company's annual general meeting.

For further details, please refer to the Company's announcement dated 4 March 2016.

PUBLICATION OF THE AUDITED CONSOLIDATED ANNUAL RESULTS AND 2015 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ljth.hk), and the 2015 Annual Report containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Long Ji Tai He Holding Limited
Wei Shaojun
Chairman

Hong Kong, 4 March 2016

As at the date of this announcement, the executive directors of the Company are Mr. Wei Shaojun, Mr. Wei Qiang, Mr. Li Hai Chao and Ms. Zhen Xiaojing and the independent non-executive directors of the Company are Mr. Li Chun, Mr. Han Qinchun and Mr. Wong Yik Chung John.