



LongiTech Smart Energy Holding Limited
隆基泰和智慧能源控股有限公司

(formerly known as Long Ji Tai He Holding Limited 前稱：隆基泰和控股有限公司)
(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

2016
年報 Annual Report



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Wei Shaojun (*Chairman*)
Mr. Wei Qiang (*Chief Executive Officer*)
Mr. Li Haichao
Ms. Zhen Xiaojing

Independent Non-executive Directors

Mr. Han Qinchun
Mr. Wong, Yik Chung John
Mr. Han Xiaoping

AUDIT COMMITTEE

Mr. Wong, Yik Chung John (*Chairman*)
Mr. Han Qinchun
Mr. Han Xiaoping

REMUNERATION COMMITTEE

Mr. Han Qinchun (*Chairman*)
Mr. Wei Qiang
Mr. Wong, Yik Chung John

NOMINATION COMMITTEE

Mr. Wei Shaojun (*Chairman*)
Mr. Wong, Yik Chung John
Mr. Han Xiaoping

AUTHORISED REPRESENTATIVES

Mr. Wei Shaojun
Ms. Zhen Xiaojing

JOINT COMPANY SECRETARIES

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

LEGAL ADVISORS

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

魏少軍先生(*主席*)
魏強先生(*行政總裁*)
李海潮先生
甄曉淨女士

獨立非執行董事

韓秦春先生
黃翼忠先生
韓曉平先生

審核委員會

黃翼忠先生(*主席*)
韓秦春先生
韓曉平先生

薪酬委員會

韓秦春先生(*主席*)
魏強先生
黃翼忠先生

提名委員會

魏少軍先生(*主席*)
黃翼忠先生
韓曉平先生

授權代表

魏少軍先生
甄曉淨女士

聯席公司秘書

鄒燕紅女士
吳嘉雯女士(*ACIS, ACS*)

法律顧問

香港法例:
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

CORPORATE INFORMATION

公司資料

REGISTERED OFFICE

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

HEADQUARTERS IN THE PRC

18/F, West Tower, WFC
No. 1 East 3rd Ring Middle Road
Chaoyang District
Beijing
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3606, 36/F
The Centre
99 Queen's Road Central
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
Industrial and Commercial Bank of China
Bank of China
China Construction Bank
China Minsheng Bank
China CITIC Bank
Bank of Beijing

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
東三環中路1號
環球金融中心西樓18層

香港主要營業地點

香港
皇后大道中99號
中環中心
36樓3606室

開曼群島股份過戶登記總處

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PO Box 1350
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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
中國工商銀行
中國銀行
中國建設銀行
中國民生銀行
中信銀行
北京銀行

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



Chairman

Mr. Wei Shaojun

主席

魏少軍先生

Dear Shareholders,

On behalf of the board (the “Board”) of directors (the “Directors”) of LongiTech Smart Energy Holding Limited (the “Company”) and the management, I am honoured to present the report on the annual development and operating results of the Company together with its subsidiaries (collectively, the “Group”) for the year ended 31 December 2016 (the “Reporting Period”) to all the shareholders of the Company (the “Shareholders”).

尊敬的各位股東：

本人非常榮幸的代表隆基泰和智慧能源控股有限公司(「本公司」)董事(「董事」)會(「董事會」)及管理層，向各位本公司股東(「股東」)提呈本公司及其附屬公司(統稱「本集團」)截至二零一六年十二月三十一日止年度(「本報告期間」)的發展狀況及運營業績報告。

CHAIRMAN'S STATEMENT

主席報告

2016 was the first year of actual implementation since the Company announced the development of its clean energy business. In 2016, in pursuing the objective of becoming a leading operator of smart energy cloud platforms in the People's Republic of China (the "PRC"), the Group adjusted its organizational structure, consolidated its quality resources and persistently carried out the transformation and strategic upgrade of its businesses. Owing to the concerted effort of its staff and the strong support from its shareholders, the Group grew significantly in terms of total assets and earnings in 2016. For the Reporting Period, the Group generated revenue of approximately RMB607,137,000 (2015: RMB324,168,000), while profit attributable to owners of the Company was RMB51,456,000 (2015: RMB12,976,000), representing an increase of 87.3% and 296.5% respectively, when compared to the same period of the previous year. Moreover, the Group's smart energy and solar energy businesses started generating revenue and profit for the Group during the year.

THE FIRST STEP TOWARDS BUILDING THE ECOSPHERE FOR THE SMART ENERGY INDUSTRY

In 2016, the Group consolidated a variety of quality resources, vigorously engaged in innovation and took the first step towards building the ecosphere for the smart energy industry by facilitating the combination and fostering the mutually complementary development of online and offline businesses.

In respect of the construction of the online smart energy cloud platform, in light of the development opportunities and challenges brought by "Internet +" smart energy, we recognized the enormous potential and the vital function of information technology in its comprehensive integration with the energy industry in the future. Apart from actively bringing in professional talents to strengthen our own research and development capabilities, we also entered into a solid cooperative partnership with IBM China (defined below). The Group developed and upgraded the Cloud Platform (defined below) all by itself, and established an energy big data center to support the Group's development model of a light-asset business with data and knowledge at its core.

二零一六年，是本公司宣佈發展清潔能源業務以來開始真正實施的第一年。二零一六年，本集團圍繞成為中華人民共和國（「中國」）領先的智慧能源雲平台運營商的目標，調整組織架構，整合優勢資源，持續進行了業務的轉型和戰略升級。在本集團全體員工的共同努力下，在廣大股東的大力支持下，本集團二零一六年度的資產總值及盈利水平獲得了顯著發展。本報告期間，本集團收益約為人民幣607,137,000元（二零一五年：人民幣324,168,000元），本公司擁有人應佔溢利為人民幣51,456,000元（二零一五年：人民幣12,976,000元），與去年同期相比分別增長了87.3%及296.5%。並在本年度，本集團的智慧能源及太陽能業務開始為本集團貢獻收益和利潤。

初步構建智慧能源產業生態圈

二零一六年，本集團整合各方優勢資源，大力創新，通過線上、線下業務的搭配組合和互相促進，初步構建了智慧能源的產業生態圈。

在線上智慧能源雲平台的建設方面，面對「互聯網+」智慧能源所帶來的發展機遇及挑戰，我們認識到了信息技術在未來與能源產業深度融合的巨大潛力及重要作用。我們除了積極引入專業人才加強自身研發能力之外，還與IBM中國（定義見下文）建立了深度的合作關係。本集團自主開發並升級了雲平台（定義見下文）並建立了能源大數據中心，以支撐本集團以數據、知識為核心的輕資產業務發展模式。

CHAIRMAN'S STATEMENT

主席報告

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In respect of forging its offline business, in August 2016, the Group acquired the Hebei Energy Management Platform Companies (defined below) to quickly obtain the relevant experience in energy monitoring, energy management and energy saving services through corporate mergers and acquisitions, and to swiftly promote the construction of sub-systems for the Cloud Platform in the meantime, so that the data on the energy consumption of corporations can be uploaded to the Company's cloud platform system in real time. Through gathering a huge number of energy consumers in a speedy manner, the Group offered these consumers a diversified portfolio of services including power trade, smart operation and maintenance, energy monitoring and energy saving. Meanwhile, the Group actively shifted power generation towards rooftop distributed photovoltaic power stations, and achieved synergistic development along with its smart energy business.

OUTLOOK

In the face of the tough challenge posed by global warming, actively coping with climatic changes and fostering green, low-carbon development have become a global consensus and macro trend. Under the guidance of the "13th Five-Year Plan" in China, "Internet+", energy revolution, industry upgrade and regional development are becoming the main theme of the period of the "13th Five-Year Plan" and beyond. Reforms are deepening across the energy industry. Numerous policies favourable to the industry are being launched on an on-going basis.

Adapting to the development trends of the times, in 2017, the Group will continue to focus on the Beijing-Tianjin-Hebei region by vigorously advancing the construction of the sub-systems for the Cloud Platform, actively participating in the trading of power for sale in Hebei Province, while engaging in the smart operation and maintenance of electricity based on big data. As the Group continues to accumulate more experience in the industry and gather more information for its trove of big data, the value of the smart energy cloud platform as a resource will become more obvious, while data as an asset will generate higher returns, thus helping us grow into a group based on big data, platforms and smart operations in the industry.

Lastly, I hereby extend my sincere gratitude to all Shareholders, business associates, staff, customers and different social sectors for their continued support to the Group.

Wei Shaojun
Chairman

22 March 2017

在線下業務的打造方面，於二零一六年八月，本集團收購了河北能源管理平台公司（定義見下文），通過企業併購的方式快速獲取能源監測、能源管理及節能服務等方面的相關經驗，並在此過程中迅速推廣雲平台的子站建設，將企業的能源消耗數據實時上傳到本公司的雲平台系統。通過迅速集成大量能源消費客戶，為其提供包含電力交易、智能運維、能源監測和節能改造等在內的多樣化服務組合。同時，在發電側，積極向屋頂分佈式光伏轉型，並與本集團的智慧能源業務形成聯動發展。

未來展望

面對全球氣候變暖的嚴峻形勢，積極應對氣候變化、推進綠色低碳發展已成為全球共識和大趨勢。在中國「十三五規劃」的指導下，「互聯網+」、能源革命、產業升級、區域發展等成為「十三五規劃」乃至更長一個時期的主旋律，能源行業改革不斷深化，眾多產業利好政策不斷出臺。

順應時代發展趨勢，二零一七年本集團將繼續深耕京津冀，大力推進雲平穩子站建設，積極參與河北省售電交易，同時依托大數據進行電力智能運維等。在此過程中，隨著本集團對行業經驗與大數據的持續積累，智慧能源雲平台數據資源的價值將進一步凸顯，數據資產變現的能力將進一步增強，將有助於我們成長為依托大數據的、平台型的、智慧型的產業集團。

最後，本人謹此向全體股東、合作夥伴、員工、客戶及社會各界一直以來對本集團的大力支持表示由衷的感謝！

主席
魏少軍

二零一七年三月二十二日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

OVERVIEW

Having officially announced the development of the clean energy business in November 2015, the Group persistently pushed ahead with the transformation and strategic upgrade of its businesses in 2016, for the objective of becoming a leading operator of smart energy cloud platforms in the PRC. In 2016, through adjusting and enhancing its organizational structure and collaborating with external professional firms, the Group completed the construction and optimization of the systems for the LongiTech Smart Energy Cloud Platform (the “**Cloud Platform**”), a comprehensive operation platform of smart energy solutions. Meanwhile, the Group worked on the strategic layout for the customers of its smart energy and solar energy businesses, established industrial and commercial demonstration zones for smart energy solutions, and actively promoted the construction of data sub-systems for energy consumption customers. All these have laid a sound foundation for the Group’s future business development.

The Group’s principal business activities consist of (1) the smart energy and solar energy businesses, and (2) the primary land development and public infrastructure construction business (the “**Primary Land Development Business**”). In particular, the smart energy and solar energy businesses, being the Group’s principal businesses, have been generating revenue and profit for the Group during 2016.

For the Reporting Period, the Group’s annual revenue was RMB607,137,000 (2015: RMB324,168,000), while profit attributable to owners of the Company was RMB51,456,000 (2015: RMB12,976,000), representing an increase of 87.3% and 296.5% respectively, when compared to the same period of the previous year.

綜述

自二零一五年十一月本集團正式宣佈發展清潔能源業務後，於二零一六年度，本集團圍繞成為中國領先的智慧能源雲平台運營商的目標，持續進行了業務的轉型和戰略升級。於二零一六年度，本集團對組織架構進行了調整和優化，並開展與外部專業機構的合作，完成了隆基泰和智慧能源綜合運營雲平台系統（「**雲平台**」）的搭建和優化、升級。同時，本集團進行智慧能源及太陽能業務的客戶戰略佈局，建立了智慧能源解決方案的工業及商業示範點，並積極推廣能源消費客戶的數據子站建設，為本集團下一步業務的發展奠定了良好基礎。

本集團主營業務為：(1)智慧能源及太陽能業務；及(2)土地一級開發及公共基礎設施建設業務（「**土地一級開發業務**」）。其中智慧能源及太陽能業務為本集團的主營業務，並於二零一六年度為本集團貢獻收益及溢利。

本集團於本報告期間之年度實現收益人民幣607,137,000元（二零一五年：人民幣324,168,000元），本公司擁有人應佔溢利為人民幣51,456,000元（二零一五年：人民幣12,976,000元），與去年同期相比分別增長了87.3%及296.5%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

Smart Energy and Solar Energy Businesses

Smart Energy Business

Against the market backdrop and in the context of the State's vigorous promotion of "Internet +" smart energy and reform in the area of energy consumption, the combination of energy and the internet for smart energy applications show enormous market potential and business opportunities. Adapting to the developments in the industry and in the market, the Group is determined to develop the Cloud Platform, a comprehensive operation platform of smart energy solutions integrating energy systems and internet technology, and to achieve the automation and datamation of the entire energy usage process covering energy data collection, energy utilization monitoring, energy consumption analysis, energy consumption management, etc. Meanwhile, by gathering energy consumers and conducting analysis of energy big data, the Cloud Platform is able to provide energy consumers with an all-rounded smart energy service, including energy monitoring, power trade, smart operation and maintenance, energy conservation improvement and distributed energy, thus offering energy consumers the last-mile smart services and making the Group one of the most sophisticated domestic operators of smart energy cloud platforms.

業務回顧

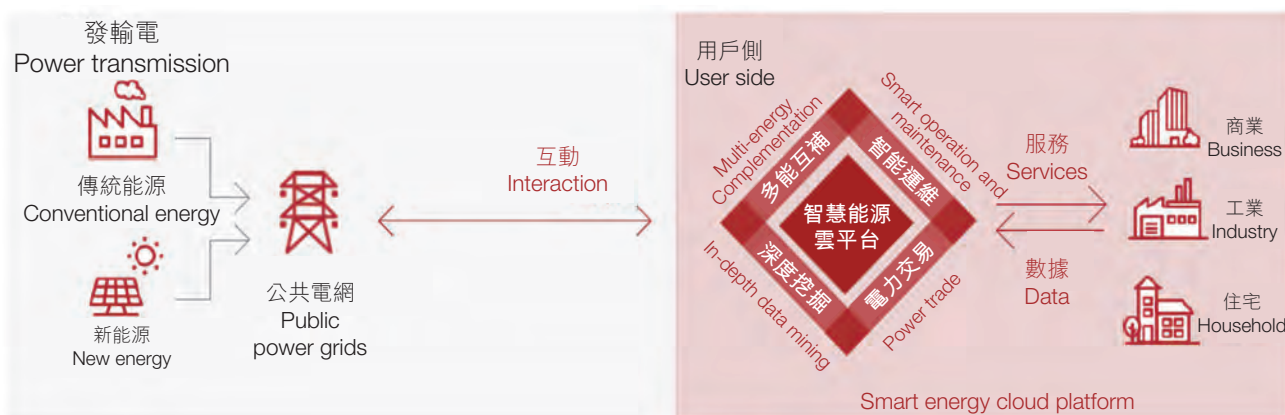
智慧能源及太陽能業務

智慧能源業務

在國家大力推進「互聯網+」智慧能源及國家大力推進能源消費領域改革的市場環境和大背景下，能源與互聯網結合並形成能源的智慧化運用，隱藏著巨大的市場潛力和商機。順應行業及市場發展，本集團正銳意打造智慧能源解決方案的綜合運營雲平台，將能源系統與互聯網技術融合，實現從能源數據採集—用能過程監控—能源消耗分析—能耗管理等全過程的自動化和數據化；同時，雲平台通過集成能源消費者，分析能源大數據，為能源消費者提供全方位的智慧能源服務：包括能源監測、電力交易、智能運維、節能改造及分佈式能源等，為能源消費者提供最後一公里的智能服務，成為國內最具規模的智慧能源雲平台運營商之一。

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LongiTech Smart Energy Holding Limited Annual Report 2016



 為能源消費提供最後一公里智能服務
To provide energy consumers with last-mile smart services

To ensure the accomplishment of the targets set out above, the Group actively explored the smart energy business and made fruitful attempts in this area during the year of 2016. In terms of the structure, the Group arranged the smart energy business into (1) back-end information technology support and (2) front-end business development. With data analysis and insights as the core, the Group managed to build up a base of energy consumers quickly and get its online to offline (the "O2O") business model off the ground.

為保障上述目標的實現，於二零一六年，本集團對智慧能源業務進行了積極探索和有益嘗試，在架構上，將智慧能源業務分為(1)後台信息技術支持及(2)前端業務拓展，以數據分析和洞察為核心，快速積累能源消費者，做到線上線下(「O2O」)業務模式互相結合。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論與分析

In respect of its back-end information technology support, during the Reporting Period, the Group actively brought in external professional talents, stepped up its efforts at research and development and cooperated with IBM (China) Company Limited (“**IBM China**”) in developing and upgrading the Cloud Platform and establishing energy big data center. Such big data center for the Cloud Platform will become the core supporting development of the Group’s smart energy services and the asset-light business model with data and knowledge. Currently, the big data center for the Cloud Platform is capable of accessing the energy data of 100,000 corporate customers in real time. Meanwhile, based upon multi-application modules, the Cloud Platform has the ability of multi-source data cognition, insight and prediction. As a result, it can provide customers with more scientific and accurate prediction results, and further explore customers’ demand for energy. The Company is continuously developing advanced application modules, including intelligent diagnosis of power transmission and distribution and energy application services based on blockchain, so as to consistently provide quality energy management services for the contracted customers of energy consumption of the Company.

Some parts of the Company’s Cloud Platform interface are displayed as follows:



In respect of its front-end business development, during the Reporting Period, the Group has established smart energy industrial and commercial parks as demonstration projects, represented by Lightway’s plants and Baigou mall. Meanwhile, in August 2016, the Group acquired a company held by Hebei Province Power Demand Side Management and Instruction Centre (河北省電力需求側管理指導中心), namely Hebei Fakai Energy Development Co., Ltd. (河北省發凱能源開發有限責任公司) (“**Fakai Energy Development**”), and its two subsidiaries namely Hebei Fakai Scientific Power Consumption Services Co., Ltd. (河北省發凱科學用電服務有限責任公司) (“**Fakai Scientific Power Consumption Services Company**”) and Hebei Fakai Energy Monitoring Services Co., Ltd. (河北省發凱能源監測服務有限責任公司) (“**Fakai Energy Monitoring Services Company**”) (the three aforementioned companies

在後台信息技術的支持方面，於本報告期間，本集團積極引進外部專業人才，加大研發力度，並與國際商業機器(中國)有限公司(「**IBM中國**」)進行合作，開發並升級了雲平台並建立了能源大數據中心。該雲平台大數據中心將成為支撐本集團智慧能源服務及憑藉數據、知識的輕資產業務模式發展的核心。目前，該雲平台大數據中心具備實時接入10萬家企業客戶能源數據的能力；同時，具備基於多應用模塊、多數據源的認知、洞察、預測能力，可為客戶提供更加科學、精準的預測結果，深度發掘客戶的能源需求。本公司仍在持續研發前沿性應用模塊，包括輸配電智能診斷服務、基於區塊鏈的能源應用服務等，為本公司簽約的能源消費客戶持續提供優質的能源管理服務。

以下為本公司雲平台部分界面展示：

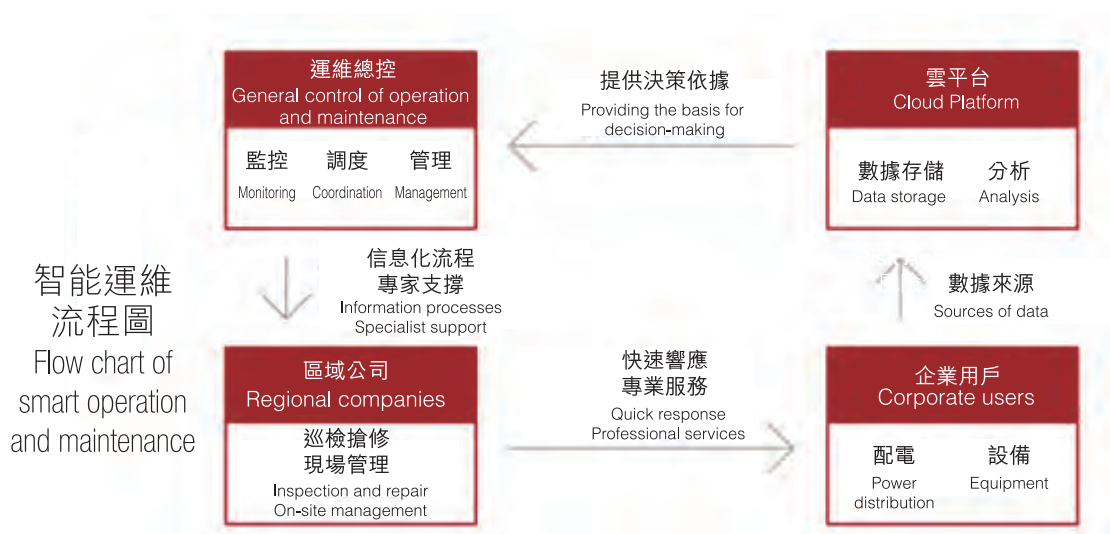
在前端的業務拓展方面，於本報告期間，本集團已建設了以光為工廠及白溝商城為代表的智慧能源工業和商業園區示範項目。同時，於二零一六年八月，本集團收購了河北省電力需求側管理指導中心所屬的河北省發凱能源開發有限責任公司(「**發凱能源開發**」)及其下屬的河北省發凱科學用電服務有限責任公司(「**發凱科學用電公司**」)和河北省發凱能源監測服務有限責任公司(「**發凱能源監測公司**」)兩家子公司(以上三家公司統稱「**河北能源管理平台公司**」)。河北能源管理平台公司原為間接隸屬於河北省發展和改革委員會的專業從事能源管

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are collectively referred to as the “**Hebei Energy Management Platform Companies**”). Hebei Energy Management Platform Companies were previously indirectly owned by Hebei Development and Reform Commission, specializing in energy management, energy monitoring, and the verification and certification of energy saving, having accumulated extensive practical experience in areas such as energy consumption management, energy monitoring and the verification of energy saving, and having built a professional team. After acquiring Hebei Energy Management Platform Companies, the Group leveraged the wealth of resources in its disposal in Hebei Province and the experience and capabilities of Hebei Energy Management Platform Companies in the rapid promotion of constructing data sub-systems for the Cloud Platform. As of the date of this report, 916 energy consumption corporate customers had entered into contracts with the Group, and were entitled to use such services, of which 169 corporate customers whose energy data can be accessed via the Cloud Platform in real time. Currently, the number of corporations that have entered into contracts with the Group with access to the Group’s online services is constantly increasing and accumulating. Relying on the Group’s Cloud Platform system of services, the Group will provide corporate customers under contract with smart operation and maintenance services to help corporations achieve the optimization of power distribution on the user side, and offer 24-hour, non-stop smart monitoring, smart operation maintenance and emergency protection.

理、能源監測及節能量核查認證的機構，在能耗的管理、能源監測及節能量核查等方面積累了豐富的實踐經驗並建立了專業化團隊。本集團收購河北能源管理平台公司後，借助本集團在河北省原有的豐富資源及河北能源管理平台公司原有的經驗、能力，迅速推廣雲平台的數據子站建設。截至本報告日期，本集團已簽約及享有的能源消費企業客戶數量達916家，其中已有169家客戶的能源數據已經實時接入到雲平台系統。目前，本集團的簽約及上線企業數量還在不斷增加和積累。依託本集團的雲平台服務系統，本集團將為簽約的企業客戶提供智能運維服務，幫助企業實現用戶端配電的優化調整，並提供24小時不間斷的智能監控、智能運行維護及應急保障。

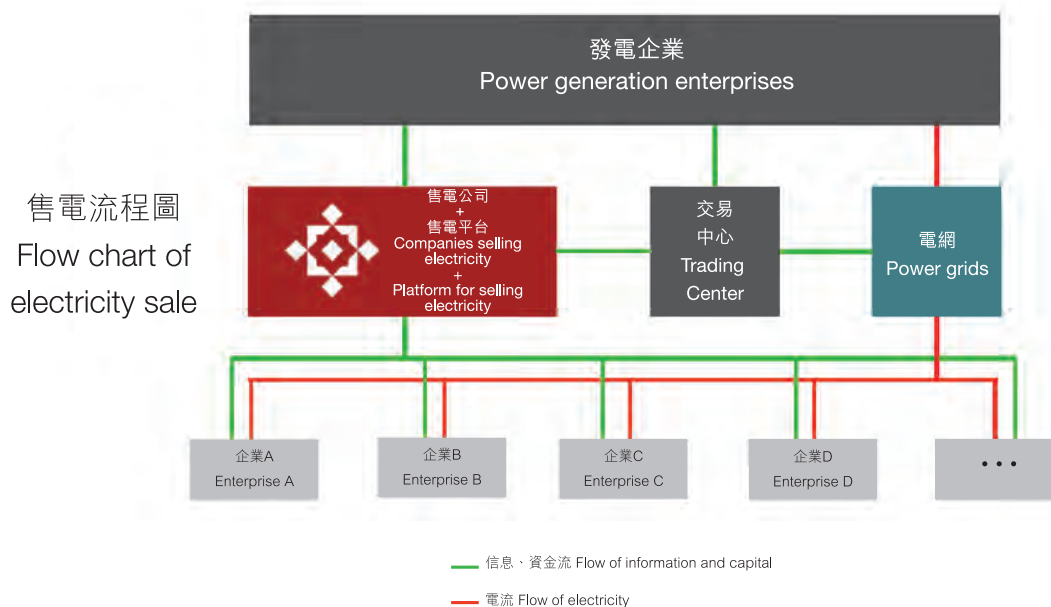


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Meanwhile, the Group actively took part in the electricity sales business in Hebei Province. On 6 February 2017, Fakai Energy Development obtained the qualification for selling electricity, and has begun to participate in the sale of electricity in Hebei Province.

同時，本集團積極參與河北省的售電業務，於二零一七年二月六日，發凱能源開發獲得售電交易資格，並已開始參與河北省的售電交易。



Solar Energy Business

In respect of its solar energy business, during the Reporting Period, the Group, by means of acquisitions, held three solar power stations, which were fully connected to the power grids, namely Hebei Longhua (Ground power station), Liangshan Shengxiang (Distributed), Huaian Jingyang (Distributed) with a total installed capacity of approximately 30 MW.

For the operation model of the solar power stations, the Group engaged in the development and construction of solar power stations, and provision of relevant consultation management services mainly through self-direction and co-development model. Solar power stations were mainly sold upon completion. In respect of the strategic layout for the solar energy business, taking into account the continuous decline in the national subsidy for ground power stations and the advantage of distributed power stations in generating power that is consumed nearby and in receiving a stable subsidy, the Group shifted its business focus from large-scale ground power stations to distributed power stations so as to better cope with market changes, while achieving synergistic development of its solar energy business along with its smart energy business.

太陽能業務

在太陽能業務方面，於本報告期間，本集團通過收購方式總計持有河北隆化(地面電站)、梁山聖翔(分佈式電站)、淮安精陽(分佈式電站)三個已全部併網發電的太陽能發電站項目，總計約30兆瓦的裝機容量。

在太陽能電站的運營模式上，主要通過自主開發、聯合開發的模式，進行太陽能電站的開發、建設及提供相關諮詢管理服務。太陽能電站建成後，將主要採取出售的模式。在太陽能業務的戰略佈局方面，針對國家對地面電站補貼不斷降低的趨勢，及分佈式電站在就近消納、補貼穩定等方便的優勢，本集團業務重點由大型地面電站轉向分佈式電站，以更好地應對市場的變化。同時，實現與本集團智慧能源業務的聯動發展。

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At the same time, in view of market conditions, the Group launched a home photovoltaic system developed for household users (the “**home photovoltaic system**”) at the end of the year 2016. The power generated by the home photovoltaic system could meet the daily power demand of the household users while returning any residual power to the power grids. The Group sold solar power integrating systems such as solar panels, inverters and frames to agents, who would then sell these solar power station systems to ultimate household users. The Group had sold approximately 2MW of home photovoltaic system in the year 2016. The development of the home photovoltaic system will bring new growth opportunities and profit-making points to the Group.

同時，結合市場情況，本集團於二零一六年底開展了為家庭用戶開發的戶用光伏系統（「**戶用光伏系統**」）。戶用光伏系統所發電力，可滿足家庭用戶日常用電需求的同時，餘電還可以上網。本集團通過出售綜合了太陽能電池組件、逆變器、支架等系統的太陽能集成系統給代理商，再由代理商出售給最終家庭用戶。於二零一六年，本集團已出售約2兆瓦的戶用光伏系統。戶用光伏系統的開發和發展，將為本集團太陽能業務的發展帶來新的增長機會和盈利點。

During the Reporting Period, the smart energy and solar energy businesses generated a revenue of RMB41,624,000 (2015: Nil) for the Group, while the profit attributable to owners of the Company was RMB26,621,000 (2015: a loss of RMB47,000).

於本報告期間，智慧能源及太陽能業務為本集團帶來的收益為人民幣41,624,000元（二零一五年：無），本公司擁有人應佔溢利為人民幣26,621,000元（二零一五年：虧損人民幣47,000元）。

Primary Land Development Business

The Primary Land Development Business refers to the primary land development and the public infrastructure construction businesses of the Baoding Donghu project (the “**Boading Donghu Project**”). During the Reporting Period, the Baoding Donghu Project generated a revenue of approximately RMB522,289,000 (2015: RMB293,247,000) and the profit attributable to owners of the Company of approximately RMB34,952,000 (2015: RMB20,073,000).

一級開發業務

土地一級開發業務是指保定東湖項目（「**保定東湖項目**」）的土地一級開發及公共建設業務。於本報告期內，保定東湖項目為本集團帶來的收益約為人民幣522,289,000元（二零一五年：人民幣293,247,000元），本公司擁有人應佔溢利約為人民幣34,952,000元（二零一五年：人民幣20,073,000元）。

MARKET OUTLOOK

World energy structure is undergoing a significant adjustment today and efforts for tackling climatic changes have entered a new phase. A new round of energy revolution is emerging. The “13th Five-Year Plan” undertaken by China since 2016 revolves around the 5 development ideals of “Innovation, Coordination, Green, Openness and Sharing”. In energy industry, clean energy will be strongly developed and “Internet+” action plan will be executed, guiding and facilitating China’s energy consumption revolution and energy management system reforms. Concurrently, coordinated development for the Beijing-Tianjin-Hebei region is established as one of China’s national development strategies. Facing acute problems such as continual degradation of ecological environment of Beijing-Tianjin-Hebei region and urban system development imbalance, reducing emission of pollutants in the region become a prime mission for the government of the PRC.

市場展望

當前，世界能源格局深刻調整，應對氣候變化進入新階段，新一輪能源革命蓬勃興起。中國於二零一六開始實施的「第十三個五年計劃」，圍繞「創新、協調、綠色、開放、共享」五大發展理念，在能源行業，將大力發展清潔能源，並實施「互聯網+」行動計劃，引導及推動中國的能源消費革命及能源管理體系的深化改革。與此同時，京津冀協同發展作為中國的國家發展戰略之一，面對京津冀生態環境持續惡化、城鎮體系發展失衡等突出問題，削減區域污染物排放總量成為中國政府的當務之急。

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On the dimension of policies, in 2016, national ministries and commissions such as National Development and Reform Commission and National Energy Administration in succession put forward the “13th Five-Year Plan of Energy Development”, “13th Five-Year Plan of Renewable Energy Development”, “13th Five-Year Plan of Solar Energy Development”, “13th Five-Year Plan of Electric Power Development”, “Several Opinions on Further Deepening the Reform of the Electric Power System”, “Guiding Opinions on Facilitating “Internet +” Smart Energy Development”, etc, facilitate deepening reforms of China energy industry and electric power system. Based on the above policies, by 2020, energy consumption per ten thousand Renminbi gross domestic product will fall by 15% compared with 2015. Total energy consumption will be controlled within 5 billion tonnes of standard coal. In the field of production of clean energy represented by photovoltaic power, it is expected by the end of 2020, installed capacity of China’s solar energy will reach 110 GW, including installed capacity of photovoltaic generation of 105 GW, among which installed capacity of ground photovoltaic plants will reach 45 GW, installed capacity of distributed photovoltaic plants will reach more than 60 GW. Distributed photovoltaic power will become dominant.

With regard to the electricity distribution and sale reform, in October 2016, in view of the implementation of “Several Opinions of the CPC Central Committee and the State Council on Further Deepening the Reform of the Electric Power System” (Zhong Fa [2015] No. 9) and adhering to the spirit enshrined under the supporting documents of electric power system reform with a view to opening up the business of distribution and sale of electricity to social capital in an orderly manner, the National Development and Reform Commission and National Energy Administration formulated and promulgated the “Management Measures for the Entry and Exit of Companies Selling Electricity” and “Management Measures for Orderly Relaxing the Control over the Power Distribution Network Business”. The announcement of these two management measures will fundamentally facilitate reform process of electric power, symbolizing the entry of China’s electricity sale market into a concrete development phase after opening up to the society. China’s electricity sale market will reach a scale of over one trillion Renminbi.

In energy conservation and emission reduction, according to 2015 the whole society electricity consumption data released by the National Energy Administration, annual energy consumption of all heavy industry enterprises of China is approximately 3 trillion kilowatt hour (“kWh”). If heavy industry enterprises are included in the scope of monitoring, through applying smart energy functions, an energy-saving rate of above 10% can be realized simply through measures such as energy-saving management, energy-saving by technological improvement and load

在政策層面，二零一六年，國家發展改革委、國家能源局等國家部委陸續出台了《能源發展「十三五」規劃》、《可再生能源發展「十三五」規劃》、《太陽能發展「十三五」規劃》、《電力發展「十三五」規劃》、《關於進一步深化電力體制改革的若干意見》、《關於推進「互聯網+」智慧能源發展的指導意見》等，繼續推動中國能源行業及電力體制的深化改革。根據以上政策，到二零二零年，中國人民幣每萬元國內生產總值能耗比二零一五年下降15%，能源消費總量控制在50億噸標準煤以內。在以光伏為代表的清潔能源生產領域，預計到二零二零年底，中國的太陽能累計裝機將達到110吉瓦，其中，光伏發電裝機容量105吉瓦，地面光伏電站總裝機容量45吉瓦，分佈式光伏電站總裝機容量達到60吉瓦以上，分佈式光伏將成為主角。

在配售電改革領域，二零一六年十月，為貫徹落實《中共中央國務院關於進一步深化電力體制改革的若干意見》(中發[2015]9號)和電力體制改革配套文件精神，有序向社會資本放開配售電業務，國家發展改革委、國家能源局制定並發佈了《售電公司准入與退出管理辦法》和《有序放開配電網業務管理辦法》。此兩個辦法的發佈，將從根本上有效推進電力改革進程，標誌著中國的售電市場向全社會開啟後進入實質性發展階段，中國的售電市場規模將突破人民幣萬億元。

在節能減排領域，據國家能源局發佈二零一五年全社會用電量數據，全國重工業企業年用電總量約為3萬億千瓦時(「千瓦時」)，如將重工業企業納入監測範圍，應用智慧能源的功能開發，僅通過管理節電、技改節電和負荷控制等措施，就可實現10%以上的節電率，每年可以至少節約用電約3千億千瓦時電，相當於節約1億噸以上標準煤、

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control. Approximately at least 300 billion kWh of electricity can be saved each year, equivalent to approximately saving above 100 million tonnes of standard coal, and reducing approximately 270 million tonnes of carbon dioxide, approximately 8 million tonnes of sulphur dioxide, approximately 72 million tonnes of nitrogen oxide and approximately 4 million tonnes of dust. Hence, activating smart energy application is of importance with respect to deepening energy conservation and emission reduction, enhancing energy use efficiency, improving atmospheric environment's quality, lowering enterprise energy consumption cost and forming new economic growth points of new industries.

Our Strategy

Looking ahead of the year 2017, facing numerous market opportunities induced by transformation of industries such as energy and the internet, the Group will exert efforts in both power generation and power use and commit itself to becoming a leading smart energy cloud platform operator in the PRC. On the side of power generation, the Group will vigorously push ahead with the development and construction of the home photovoltaic system, focus on the layout of the Beijing-Tianjin-Hebei area, and expand into regions such as Jiangsu, Zhejiang, Shandong, Shanxi and Liaoning. At the same time, we will actively transform into distributed photovoltaic plants, and undertake investment, development and construction of distributed photovoltaic power stations in industries with large rooftop area such as logistics commerce and manufacturing processing. On the side of power use, the Group will continue to focus on Beijing-Tianjin-Hebei region. We will advance the promotion and construction of data sub-systems for major enterprises in Hebei Province and continue to expand and accumulate energy consumption customers. We will undertake big data collection and analysis, deeply identifying customers' needs. Concurrently, according to the direction of energy sale policy of both the PRC and Hebei Province, we will advance energy sale business in an orderly manner and actively engage in Hebei Province's power trade. In the field of intelligent operation, the Group will develop operational and technical standards of intelligent operation businesses and intelligent operation professional teams. We plan to develop intelligent operation demonstration industrial parks in Hebei Province and establish a preliminary business scale in intelligent operation. By virtue of O2O business combination, we provide customers with a service portfolio combining power sale, intelligent operation, energy monitoring and distributed energy supply. We aim to establish competitive advantages of the Group in smart energy and make our contribution to national and local socio-economic development and environmental protection.

減排二氧化碳約2.7億噸、減排二氧化硫約800萬噸、減排氮氧化物約7,200萬噸、減排粉塵約400萬噸。因此，開展智慧能源應用對深化節能減排工作的開展，提高能源使用效率，改善大氣環境質量，降低企業能耗成本，形成新的產業經濟增長點具有重要意義。

我們的策略

展望二零一七，面對能源、互聯網等產業變遷所催生的諸多市場機會，本集團將在發電側與用電側兩側發力，致力於打造中國領先的智慧能源雲平台運營商。在發電側，本集團將大力推進戶用系統的開發、建設，重點佈局京津冀，並向江浙、山東、山西、遼寧等地拓展。同時，將積極向分佈式光伏電站轉型，面向物流商貿、製造加工等擁有大面積屋頂的行業進行分佈式光伏電站投資、開發、建設等。在用電側，本集團將繼續深耕京津冀區域，對河北省的重點企業大力推進數據子站的推廣、建設，不斷擴大並積累能源消費客戶數量，並對大數據進行收集、分析，深入挖掘客戶需求。同時，根據中國及河北省地方售電政策的動向，循序漸進推進售電業務，積極參加河北省的電力交易。在智能運維方面，本集團將構建智能運維業務運營與技術標準體系，搭建運維作業專業隊伍，並計劃在河北省內建立智能運維示範園區，初步形成智能運維業務的規模。通過上述O2O業務的組合，為客戶提供包含售電、智能運維、能源監測、分佈式能源供應等的服務組合。我們的目標是形成本集團智慧能源的競爭優勢，並為國家、地方經濟社會的發展及環境保護貢獻一份力量。



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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 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 2015, key risks and uncertainties affecting the Group are listed below.

Industry and policy risk

The Group's smart energy and solar energy businesses and its development and growth are subject to the macroeconomic conditions and government policies in the PRC. In 2016, Chinese government rolled out many supportive policies in the sector of clean energy industry and electricity distribution and sale, actively facilitating the development of China's clean energy industry and promoting the integration of energy and "Internet +". Electricity distribution and sale business was opened up to society. However, China's time of opening up of electricity distribution and sale is relatively short. The depth and density of power system reform and uncertainties of electricity transaction rules as well as adjustments of national subsidy policy and tax incentives on photovoltaics will have significant impact upon the development of the main business of the Company. Failure to fully analyze and judge the impact of national macro policy adjustments and timely make operation strategy adjustments and respond to markets quickly will all have impact upon the realization of the Company's strategic targets and business targets.

Risk compared with 2015 ↓

Measures: To strengthen industry and policy analysis, pay attention to national policies and industry policies and dynamics of benchmark industry and conduct data collection, organization, analysis and research; to continually conduct prospective research of industry trends and maintain judgement capability; to formulate important information response mechanism and report important information to management in a timely basis so that management can quickly respond to changes of industry and policies; to adjust the Group's business strategy and mode of operation in a timely manner.

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。此等因素非巨細無遺亦非全面，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。

與二零一五年度相比，影響本集團的主要風險及不確定因素概述於下文。

行業及政策風險

本集團的智慧能源及太陽能業務其發展及增長一直受限於中國宏觀經濟及政府政策的影響。二零一六年度，中國政府對清潔能源行業及配售電領域出台了大量利好政策，積極推動及引導中國清潔能源行業的發展，鼓勵能源與「互聯網+」結合，並向社會公眾放開配售電業務。但中國對配售電領域的開放時間較短，其對電力體制改革的深度和力度、售電交易規則的不確定性，及國家對光伏補貼政策和稅收優惠方面的調整等，將對本公司主營業務的發展帶來重大影響，未充分分析、判斷國家宏觀政策調整的影響，未及時進行相應的營運策略調整，並快速對市場做出反應，將可能影響本公司戰略目標及經營目標的實現。

風險較二零一五年 ↓

應對措施：加強行業及政策分析，關注國家政策、產業政策及標桿行業動態進行收集、整理、分析和研究，保持對行業趨勢的前瞻性研究和判斷能力；制定重大信息響應機制，及時將重要信息彙報管理層，以便管理層快速對行業及政策的變化做出反應，對本集團的業務策略及運營模式及時做出相應調整。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Market competition risk

Market competition is keen in energy industry. With the opening up of electricity distribution and sale business by the Chinese government, many electricity sale companies engage in the business of electricity distribution and sale, energy saving service and business relating to Internet of Energy. Market competition will be increasingly acute. If the Group fails to correctly judge and seize development trends of this industry and undertake commercial mode innovation and technological innovation in time based on technological development, industry standards and user demands and if the Group fails to continually provide users with good user experience, it will be subject to an unfavorable position under increasingly keen market competition.

Newly added risk

Measures: To quickly obtain promotion and construction experience of Industry data sub-systems through acquisition of Hebei Energy Management Platform Companies; to quickly accumulate energy consumption client cluster; meanwhile, establish cooperation with professional operation companies and sub-system construction companies to enrich the epitaxy of enterprise big data; to deeply identify users' energy demands through data collection, mining and analysis by setting up an energy big data center; to provide clients with precision marketing and diversified energy management services to increase customer loyalty and strengthen the Company's overall market competitiveness.

Information technology risk

Ability of insight and analysis of energy data is the core of smart energy business development. Whether the technological and R&D capacity of the Cloud Platform of the Company can be maintained at a relatively high level, whether we can provide insight of clients' energy data with sufficient assurance and support, deepness and maturity of energy data exploration as well as actual application results of smart operation and maintenance and energy conservation improvement are all subject to a certain extent of uncertainties and risks.

Risk compared with 2015 ←→

Measures: To actively introduce external professional talents, establish professional talent teams, and cooperate with internationally renowned enterprises like IBM China so as to maintain a relatively high technological standard of the Company's Cloud Platform; meanwhile, cooperate with external professional institutions such as North China Electric Power University, Global Internet Research Institute, China Electricity Council and China Magisterial Energy Network and continually enhance the Company's research level and ability. In addition, in promoting sub-system construction, the Company undertook extensive research and recognized enterprises' needs, and feedback was used for Cloud Platform's development techniques. Efforts were made to align the development of cloud platform with enterprises' actual needs, enhancing effectiveness of enterprises' energy efficiency management.

市場競爭風險

本集團所處的能源行業處於充分的市場競爭中，隨著國家對配售電業務的放開，大量的售電公司投入到配售電、節能服務乃至能源互聯網相關的業務中，市場競爭將日趨激烈，如本集團不能正確判斷、把握行業的發展趨勢，根據技術發展、行業標準和用戶需求及時進行商業模式的創新和技術創新，不能持續為用戶提供良好的用戶體驗，將可能在日趨激烈的市場競爭中處於不利地位。

新增風險

應對措施：以併購河北能源管理平台公司方式快速獲取行業數據子站推廣、建設經驗，快速積累能源消費客戶群，同時，與專業化的運維公司、子站建設公司進行合作，豐富企業大數據的外延；另一方面，通過線上搭建智慧能源綜合運營雲平台，建立能源大數據中心，通過數據的收集、挖掘和分析，深入洞察客戶的能源需求，為客戶提供精準的營銷和多樣化的能源管理服務，增加客戶粘性，增強本公司的整體市場競爭力。

信息技術風險

能源信息數據的分析和洞察能力是智慧能源業務發展的核心。本公司雲平台的技術水平與研發能力能否保持較高水平，能否為客戶的能源數據洞察提供充分的保障與支持，對能源數據挖掘的深度和成熟度，以及在智能運維、節能改造等方面的實際應用效果，尚存在一定的不確定性和風險。

風險較二零一五年←→

應對措施：積極引進外部專業人才，建立專業化人才隊伍，並與國際知名企業IBM中國進行合作，使本公司雲平台的技術水平保持較高標準；同時，與華北電力大學、全球互聯網研究院、中電聯、國家能源網等外部專業機構進行合作，不斷提升本公司自身的研發水平和能力。此外，公司在子站建設推廣過程中，深入企業調研，瞭解企業需求，並反饋至雲平台的研發技術中，盡量使雲平台的開發與企業的實際需求匹配，為企業的能效管理帶來良好效益。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Capital risk

The Group's smart energy business and solar power plant business are both 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.

Risk compared with 2015 ←→

Measures: To continue to maintain good cooperative partnership with numerous large financial institutions so as to guarantee the Group's financing demands; meanwhile, actively extend different financing channels, for example issuing shares or bonds to ensure investment and operation capital. In addition, in daily operation and management, we strengthened capital coordinated management and strictly executed capital plan. Standards for different costs and expenses were identified and budget management was strengthened so as to ensure effective use of capital.

Project development risk

The Group may decide not to proceed with solar power plant projects reserved that the Group may consider unsuitable for development. Eventually, 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.

Risk compared with 2015 ←→

Measures: We cooperated with partners in developing solar energy power plants and adopted a mode of joint development with the Group's smart energy sub-stations so as to reduce project development risks. Concurrently, regarding projects for sale, meanwhile, we established communication with potential buyers about the scale, basic condition and rate of return of projects before project development, so as to minimize project sale risk.

Notes:

Risk level increased ↑

Risk level decreased ↓

Risk level mostly unchanged ←→

資金風險

本集團的智慧能源業務及太陽能電站業務均屬於資本密集型和長期性質，本集團不能保證將能夠按本集團可接受的條款，為此等項目及業務取得足夠的資金支持，亦不保證此等項目及業務的發展將實現其初期預計回報。本集團安排外部融資的能力及有關融資成本視乎多個因素而定，包括整體經濟狀況、利率及中國銀行的信貸供應。倘本集團無法按預算、金額為有關項目取得或根本無法取得短期或長期的項目融資，這可能會對本集團的業務、財務狀況及經營業績造成重大不利影響。

風險較二零一五年←→

應對措施：繼續保持與眾多大型金融機構的良好合作關係，以有效保證本集團的融資需求；同時，積極拓展各種融資渠道，例如發行股份或債券等，保證投資及經營所需資金。此外，在本集團的日常經營管理過程中，加強資金統籌管理，嚴格執行資金計劃；明確各項成本費用標準，加強預算管理，確保資金的有效利用。

項目發展風險

本集團可能決定不進行本集團認為不適宜發展的太陽能電站儲備項目。最終，該等在建或儲備的項目可能由於進度延遲、成本超支或收益短缺，或無法售予買方獲利或根本無法售出，或其產生的收益水平未達本集團預期，或未在原預期時段產生收益而未必達到本集團的回報預期。

風險較二零一五年←→

應對措施：對太陽能電站的開發採取與合作方共同合作開發的模式，及採取與本集團智慧能源子站推廣聯動發展的模式，降低項目開發風險，同時，對予以出售的項目，項目開發前即與潛在買家對項目的規模、基本情況、收益率等基本信息進行事前的溝通和對接，盡量降低項目出售的風險。

附註：

風險水平上升↑

風險水平下降↓

風險水平大致相同←→

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FINANCIAL REVIEW

Revenue and Gross Profit

The Group's revenue and gross profit for the Reporting Period amounted to RMB607,137,000 (2015: RMB324,168,000) and RMB79,813,000 (2015: RMB31,774,000), respectively. For the Reporting Period, revenue from the smart energy and solar energy businesses was RMB41,624,000 (2015: Nil), revenue from the Primary Land Development Business was approximately RMB522,289,000 (2015: RMB293,247,000), while revenue from other businesses was approximately RMB43,224,000 (2015: RMB30,921,000). The increases in revenue and gross profit were mainly attributable to (1) the growth in the revenue and profit from the smart energy and solar energy businesses of the Group, and (2) the contribution from the Baoding Donghu Project of the Group's Primary Land Development Business.

Selling and distribution expenses

Selling and distribution expenses incurred by the Group for the Reporting Period was RMB2,850,000 (2015: RMB948,000), representing an increase of 200.6% in 2016 compared to the previous year, mainly due to the increase in marketing expenses for the smart energy business.

Administrative expenses

Administrative expenses incurred by the Group for the Reporting Period was RMB29,071,000 (2015: RMB9,543,000), representing an increase of 204.6% in 2016 compared to the previous year, mainly due to an increase in the operating costs of the smart energy and solar energy businesses.

Finance expenses — net

Net finance costs for the Reporting Period amounted to RMB9,029,000 (2015: RMB239,000), representing an increase of 3,677.8% compared to the previous year, mainly due to the borrowing costs arising from the acquisition of solar power stations in March and April 2016.

Income tax

Income tax expenses for the Reporting Period were RMB12,758,000 (2015: RMB6,446,000), representing an increase of 97.9% compared to the previous year, mainly due to the income tax of the Baoding Donghu Project.

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607,137,000元(二零一五年: 人民幣324,168,000元)及人民幣79,813,000元(二零一五年: 人民幣31,774,000元)。於本報告期間,來自智慧能源及太陽能業務之收益為人民幣41,624,000元(二零一五年: 無),來自土地一級開發業務的收益約為人民幣522,289,000元(二零一五年: 人民幣293,247,000元),來自其他業務的收益約為人民幣43,224,000元(二零一五年: 人民幣30,921,000元)。收益及毛利增加主要由於本集團(1)智慧能源及太陽能業務收益及之溢利增長;及(2)來自一級開發業務保定東湖項目的貢獻所致。

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2,850,000元(二零一五年: 人民幣948,000元),二零一六年較上年增長200.6%,主要增長原因為智慧能源業務市場推廣費用增加。

行政開支

本集團於本報告期間行政開支為人民幣29,071,000元(二零一五年: 人民幣9,543,000元),二零一六年較上年增長204.6%,主要增長由智慧能源及太陽能業務的營運費用增加所致。

財務成本—淨額

本報告期間的財務成本淨額為人民幣9,029,000元(二零一五年: 人民幣239,000元),較上年增長3,677.8%,增加主要為二零一六年三月及四月購入太陽能發電站之借款費用。

所得稅

本報告期間的所得稅開支為人民幣12,758,000元(二零一五年: 人民幣6,446,000元),較上年增長97.9%,增加的主要原因為保定東湖項目計提所得稅增加。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Liquidity, financial and capital resources

Cash position

As at 31 December 2016, bank balances and cash were approximately RMB205,333,000 (31 December 2015: RMB409,533,000), of which approximately RMB296,000 (31 December 2015: RMB251,015,000) were restricted bank balances and cash (only available for payment of expenses incurred by the Donghu Project). Such decrease was mainly due to the fact that the construction fee for the Baoding Donghu project caused a drop in restricted cash.

Total current assets and liquidity ratio

As at 31 December 2016, total current assets and liquidity ratio (total current assets/total current liabilities) were approximately RMB955,121,000 (31 December 2015: RMB823,483,000) and 3.36 (31 December 2015: 1.73) respectively. The increase in total current assets was primarily due to the increase in receivables for construction work, while the increase in liquidity ratio was due to a net decrease in the repayment of short-term borrowings by RMB184,625,000 in 2016.

External borrowings and pledge of assets

As at 31 December 2016, the Group had an external borrowing of RMB704,239,000 (31 December 2015: RMB520,000,000), of which RMB208,600,000 was secured by certain machineries of solar power plants with original cost of RMB185,660,000 and future receivable collection right of certain subsidiaries and RMB495,639,000 was secured by future receivable collection right of certain subsidiaries (31 December 2015: RMB300,000,000 was secured by equity interests in a subsidiary of the Group).

流動資金、財務及資本資源

現金狀況

於二零一六年十二月三十一日，銀行結餘及現金約為人民幣205,333,000元(二零一五年十二月三十一日：人民幣409,533,000元)，其中：受限銀行結餘及現金(僅用於東湖項目支出)約為人民幣296,000元(二零一五年十二月三十一日：人民幣251,015,000元)。減少的主要因為保定東湖項目工程支出導致受限制現金減少。

流動資產總額及流動比率

於二零一六年十二月三十一日，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955,121,000元(二零一五年十二月三十一日：人民幣823,483,000元)及3.36(二零一五年十二月三十一日：1.73)。流動資產總額的主要增加為工程應收款增加，流動比率增長原因為二零一六年歸還短期借款淨減少人民幣184,625,000元所致。

外部借貸及資產質押

於二零一六年十二月三十一日，本集團的外部借款為人民幣704,239,000元(二零一五年十二月三十一日：人民幣520,000,000元)，其中人民幣208,600,000元以若干原值為人民幣185,660,000元的太陽能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，以及人民幣495,639,000元以若干附屬公司未來應收款項之收款權抵押作為擔保(二零一五年十二月三十一日：人民幣300,000,000元以本集團內某附屬公司的股權提供質押擔保)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

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：

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Bank loans	銀行貸款	704,239	520,000
Less: Cash and cash equivalents	減：現金及現金等價物	(205,037)	(158,518)
Restricted cash	受限制現金	(296)	(251,015)
Net debt	債務淨額	498,906	110,467
Total equity	權益總額	306,882	70,564
Total capital (Net debt plus total equity)	總資本(債務淨額加權益總額)	805,788	181,031
Gearing ratio (Net debt/total capital)	負債比率(債務淨額/總資本)	61.9%	61.0%

As at 31 December 2016, the gearing ratio of the Group was 61.9%, which remained flat in general as compared to 61.0% of 2015. The debts of the Group mainly consist of long-term debts, representing 95.0% (31 December 2015: 57.7%) of total debts. In particular, the borrowings for solar power stations amounting to RMB208,600,000 were repaid progressively with the proceeds from the sale of electricity, while the borrowings for the Donghu Project amounting to RMB495,639,000 will be repaid progressively by the project settlements received from the Baoding government starting from 2017 onwards. Therefore, the Group is not exposed to any significant insolvency risk.

於二零一六年十二月三十一日，本集團之負債比率為61.9%，與二零一五年之61.0%相比基本持平，本集團債務主要為長期債務，佔95.0%（二零一五年十二月三十一日：57.7%），其中：太陽能電站借款人民幣208,600,000元以售電所得資金逐步償還，而東湖項目借款人民幣495,639,000元將由保定政府於二零一七年及以後年度支付之工程結算款逐步償還，故本集團並無面臨重大償債風險。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Interest rate risk

The Group's interest rate risk arises primarily from its external borrowings. During the Reporting Period, interest rates of external borrowings ranged from 5.39% to 7.50% per annum (2015: 10.80% to 14.46% per annum). In particular, the interests on the borrowings incurred by the 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 stations 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 exchange 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 in 2016 and the impact of foreign currency risk on the Group's operation is minimal.

Capital commitments

The Group had capital commitments amounting to approximately RMB24,331,000 as at 31 December 2016 (31 December 2015: Nil).

Contingent liabilities

As at 31 December 2016, the Group did not have any material contingent liabilities (31 December 2015: Nil).

利率風險

本集團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7.50%之年利率計息(二零一五年：年利率10.8%至14.46%)。其中：東湖項目借款利息由政府承擔，並無面臨借款利率風險；而太陽能電站借款利率為中國人民銀行同期借款基準利率上浮10%至15%，其風險源自中國匯率政策的波動，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。

由於二零一六年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

於二零一六年十二月三十一日，本集團資本承擔約人民幣24,331,000元(二零一五年十二月三十一日：無)。

或有負債

於二零一六年十二月三十一日，本集團並無任何重大或有負債(二零一五年十二月三十一日：無)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

RELIANCE ON KEY CUSTOMERS

For the Reporting Period, revenue from the Baoding Donghu Project amounted to approximately RMB522,289,000 (2015: RMB293,247,000), representing approximately 86.0% of the Group's revenue (2015: 90.5%). As the revenue from the Baoding Donghu Project mainly came from the People's Government of Baoding, the primary key customer of the Group is the People's Government of Baoding. The project settlements for the Baoding Donghu Project mainly consist of funds financed by the government of Baoding. With the guaranteed funding from the government, no risk arises for the Group. For the Reporting Period, the Group received project settlements from the government amounting to approximately RMB304,619,000 (2015: Nil). Meanwhile, the Group is actively promoting its smart energy and solar energy businesses. For the Reporting Period, smart energy and solar energy businesses achieved revenue of approximately RMB41,624,000 (2015: Nil). The smart energy and solar energy businesses are expected to gradually account for an increasing share of the Group's revenue and become the Group's principal activities.

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

On 6 April 2016, the Company's indirect wholly-owned subsidiary, Shijiazhuang Xiangguang New Energy Company Limited (石家莊祥光新能源科技有限公司) as purchaser, entered into an equity transfer agreement with Hebei Dingrui Construction and Decoration Company Limited (河北鼎瑞建築裝飾有限公司) as vendor for the acquisition of 100% equity interests in Huaian Jingyang Photovoltaic Technology Company Limited (淮安精陽光伏科技有限公司) ("**Huaian Jingyang**"). The consideration for the acquisition was RMB7,185,000 determined based on, *inter alia*, the audited net asset value of Huaian Jingyang as at 31 December 2015 and the future income of the project after arm's length negotiations. Huaian Jingyang developed the distributed photovoltaic power stations project with an installed capacity of 5MW. The project has been connected to the power grids.

對主要客戶之依賴

本報告期間，保定東湖項目收入約人民幣522,289,000元(二零一五年：人民幣293,247,000元)，佔本集團收入的約86.0%(二零一五年：90.5%)，而保定東湖項目的收入主要來自於保定人民政府，因此，本集團最主要客戶為保定人民政府。保定東湖項目的工程結算款來自於保定政府撥付的財政資金，由於該等財政資金有政府的信用保障，因此對本集團並無任何風險。本報告期間，本集團共收到政府支付的工程結算款約人民幣304,619,000元(二零一五年：無)。同時，本集團正積極拓展智慧能源及太陽能業務，智慧能源及太陽能業務於本報告期間實現收入約人民幣41,624,000元(二零一五年：無)，預計該業務收入比重將逐步提高並成為本集團之主要業務。

重大投資、附屬公司及聯營公司之重大收購及出售

二零一六年四月六日，本公司之間接全資附屬公司石家莊祥光新能源科技有限公司(作為買方)與河北鼎瑞建築裝飾有限公司(作為賣方)訂立股權轉讓協議，收購了淮安精陽光伏科技有限公司(「**淮安精陽**」)100%股權，收購對價以(其中包括)淮安精陽於二零一五年十二月三十一日經審核資產淨值及綜合考慮該項目未來的收益情況而進行公平磋商後釐定，為人民幣7,185,000元。淮安精陽已開發裝機容量為5兆瓦的分佈式光伏電站項目。該項目已併網發電。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論與分析

On 7 April 2016, the Company's indirect wholly-owned subsidiary, Baoding Xuguang New Energy Company Limited (保定旭光新能源有限責任公司) as purchaser entered into an equity transfer agreement with Mr. Du Yizhong (杜義忠) and Ms. Song Qiaofeng (宋巧鳳) as vendors for the acquisition of 84.58% equity interests in Beijing Zhongneng Hexin Photovoltaic Technology Company Limited (北京中能和信光電技術有限公司) ("Beijing Zhongneng"). The consideration was at RMB8,458,000 determined based on, *inter alia*, the audited net asset value of Beijing Zhongneng as at 31 December 2015 and the future income of the project after arm's length negotiations. Beijing Zhongneng developed the approved photovoltaic power stations project with 20 MW installed capacity through Zhongneng Hexin Longhua County Solar Power Generation Company Limited (中能和信隆化縣太陽能發電有限責任公司) ("Hebei Longhua"). The project has been connected to the power grids.

For details, please refer to the announcement of the Company dated 7 April 2016. Save for the above disclosure, during the Reporting Period, there was no other significant investment, material acquisition and disposal.

EMPLOYEES AND REMUNERATION POLICIES

The Group had 245 employees as at 31 December 2016 (2015: 95 employees). The increase in the number of employees was due to the expansion of the smart energy business. Employees were remunerated according to the nature of their positions, individual qualification, performance, 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 solar energy 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.

二零一六年四月七日，本公司之間接全資附屬公司保定旭光新能源有限責任公司（作為買方）與杜義忠先生及宋巧鳳女士（作為賣方）訂立股權轉讓協議，收購了北京中能和信光電技術有限公司（「北京中能」）84.58%股權，收購對價以（其中包括）北京中能於二零一五年十二月三十一日經審核資產淨值及綜合考慮該項目未來的收益情況而進行公平磋商後釐定，為人民幣8,458,000元。北京中能通過中能和信隆化縣太陽能發電有限責任公司（「河北隆化」）開發經批准裝機容量為20兆瓦的光伏電站項目。該項目已併網發電。

詳情請參閱本公司日期為二零一六年四月七日之公告。除上述披露外，於本報告期間，本集團不存在其他重大投資、重大收購及出售事項。

僱員及薪酬政策

本集團於二零一六年十二月三十一日聘有245名僱員（二零一五年：95名僱員），員工人數增加主要是由於智慧能源業務拓展所致。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層級員工，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太陽能業務，本集團致力於保護環境並減少運營對環境的影響。本於本報告期間，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。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

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LongiTech Smart Energy Holding Limited Annual Report 2016

In the course of developing its smart energy, solar power station and Primary Land Development Business, the Group should comply with the requirements and restrictions under the environmental laws and regulations, in particular, 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.

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 our 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 our Company, our industry and our communities. For more details of the Group's environmental, social and governance report of 2016, please refer to the first "Environmental, Social and Governance Report" of the Company to be issued by the end of April, 2017.

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 solar energy businesses in China are regulated by the local laws and regulations on renewable energy and the provision and sale of electricity, 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.

本集團在智慧能源、太陽能电站及土地一級開發業務發展過程中，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，於本報告期內，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。

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、供應商及當地社區，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、行業及社區可持續增長之方式與利益相關方互動。關於本集團二零一六年度之環境、社會責任及企業管治報告之詳情，請參閱本公司即將於二零一七年四月底刊發的第一份《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太陽能業務的開發和運營，主要受當地的可再生能源和電力供應、銷售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。於本報告期內，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。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

DIRECTORS

Executive Directors

Mr. Wei Shaojun, aged 53, joined the Company as the Chairman, an executive Director, Chief Executive Officer and the chairman of the Nomination Committee in January 2015. Mr. Wei had resigned as Chief Executive Officer on 11 November 2015. Mr. Wei is the founder, the controlling shareholder and the chairman of Longjitaihe Industry Co., Ltd. (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 approximately 20 years of experiences in real property development business operation, business management, etc. Mr. Wei is a member of the 12th National People’s Congress, a member of the 9th and 10th Hebei Province Committee of the Chinese People’s Political Consultative Conference (CPPCC), a National Model Worker, and the vice chairman of the 11th Hebei Province Federation of Industry & Commerce. Mr. Wei is the father of Mr. Wei Qiang, the executive Director and chief executive officer of the Company.

Mr. Wei Qiang, aged 34, joined the Company as an executive Director, the Chief Executive Officer and a member of the Remuneration Committee on 11 November 2015. Mr. Wei Qiang has around 9 years of work and management experiences in the clean energy industry. Mr. Wei Qiang is the founder and controlling shareholder of Lightway Green Energy Company Limited (“**Lightway Company**”). 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, the executive Director and the Chairman of the Board.

Mr. Li Haichao, aged 41, joined the Company as an executive Director in February 2015. Mr. Li is a structural engineer. Mr. Li is the vice president of Longjitaihe Industry Co., Ltd. and assists the chairman of Longjitaihe Group with management of daily affairs. Mr. Li joined Longjitaihe Group in 2002, and gained over 15 years of work experience in fields such as real estate development, business management, business operation, etc. Mr. Li studied part-time at Jilin University with a major in civil engineering from 2012 to 2015.

Ms. Zhen Xiaojing, aged 34, joined the Company as an executive Director and Chief Financial Officer in January 2015. Ms. Zhen resigned as the Chief Financial Officer of the Company on 16 October 2015. Ms. Zhen had worked in Longjitaihe Group since her graduation in 2006 and has around 11 years of working and management experiences in financial management and capital & funds operation. Ms. Zhen graduated from College of Accounting, Hebei University of Economics and Business in 2006 with a major in accountancy, and Ms. Zhen also obtained a bachelor’s degree in business administration.

董事

執行董事

魏少軍先生，53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。魏先生為隆基泰和實業有限公司（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約20年的經驗。魏先生為第十二屆全國人民代表大會代表、第九屆及第十屆中國人民政治協商會議（政協）河北省委員會委員、全國勞動模範及河北省工商業聯合會第十一屆副主席。魏先生為執行董事及本公司行政總裁魏強先生的父親。

魏強先生，34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。魏強先生於清潔能源行業擁有約9年的工作和管理經驗。魏強先生為光為綠色新能源股份有限公司（「**光為公司**」）的創始人及控股股東。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、執行董事兼董事會主席魏少軍先生的兒子。

李海潮先生，41歲，於二零一五年二月加入本公司擔任執行董事。李先生為建築工程師。李先生乃隆基泰和實業有限公司的副總裁，協助隆基泰和集團董事長進行日常事務的管理工作。李先生自二零零二年起加入了隆基泰和集團，在地產開發、企業管理、商業運營等方面擁有逾15年的工作經驗。李先生於二零一二年至二零一五年期間，兼讀了吉林大學土木工程專業。

甄曉淨女士，34歲，於二零一五年一月加入本公司擔任執行董事兼首席財務官。甄女士已於二零一五年十月十六日辭任本公司首席財務官。甄女士自二零零六年畢業後至今，一直在隆基泰和集團任職，在財務管理和資本運營方面擁有約11年的工作和管理經驗。甄女士於二零零六年畢業於河北經貿大學會計學院，會計專業，並獲工商管理學學士學位。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Independent Non-executive Directors

Mr. Han Qinchun, aged 58, 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. Mr. Han had resigned as the member of the Nomination Committee, and was appointed as the chairman of the Remuneration Committee on 28 June 2016. Mr. Han is currently the president of China International Capital Management Company Limited (Hong Kong). Mr. 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 is a Registered Real Estate Appraiser, Planner and Engineer in the PRC. He has rich experience in the PRC property sector, financial investment, equity capital market and listed companies' management. Mr. 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). Mr. 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.

Mr. Wong, Yik Chung John, aged 49, 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 27 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 Western Securities Co. Ltd. (stock code: 002673), Yang Guang Co., Ltd. (stock code: 000608) and (ii) the Stock Exchange, namely Golden Resources Development International Limited (stock code: 677); Beijing North Star Company Limited (stock code: 588) and Biosino BioTechnology and Science Incorporation (stock code: 8247). 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), Chanco International Group Limited (stock code: 264), KEE Holdings Company Limited (stock code: 2011) and Beijing Capital Land Ltd. (stock code: 2868).

獨立非執行董事

韓秦春先生，58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。韓先生於二零一六年六月二十八日辭任本公司提名委員會委員，並獲委任擔任薪酬委員會主席。韓先生現為中國國際資本管理有限公司(香港)總裁。韓先生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。彼亦為一名中國房地產註冊估價師、規劃師和工程師。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有豐富經驗。韓先生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。韓先生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。

黃翼忠先生，49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27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西部證券股份有限公司(股份代號：002673)、陽光新業地產股份有限公司(股份代號：000608)及(ii)聯交所上市公司金源米業國際有限公司(股份代號：677)、北京北辰實業股份有限公司(股份代號：588)及中生北控生物科技股份有限公司(股份代號：8247)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)、卓高國際集團有限公司(股份代號：264)、開易控股有限公司(股份代號：2011)以及首創置業股份有限公司(股份代號：2868)。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

Mr. Han Xiaoping, aged 59, 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, and listed company on the Stock Exchange (stock code: 579) since October 2014.

SENIOR MANAGEMENT

Mr. Wang Hui, aged 35, joined the Company as the chief financial officer in October 2015. He has over 12 years of experience in capital market, corporate finance and bank financing in Hong Kong and Mainland China. Prior to joining the Company, Mr. Wang served in various financial institutions including Standard Chartered Bank, UBS, Credit Suisse and China International Capital Corporation where he executed transactions on initial public offering, merger and acquisition, overseas bond offering and overseas bank financing. Mr. Wang holds a bachelor's degree in Economics from Fudan University.

韓曉平先生，59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。

高級管理層

王輝先生，35歲，於二零一五年十月加入本公司擔任首席財務官。彼於香港及中國內地擁有逾12年於資本市場、企業融資及銀行信貸融資的經驗。在加入本公司之前，王先生曾任職於多家金融機構，包括渣打銀行、瑞士銀行、瑞士信貸及中國國際金融股份有限公司，彼在其任職期間完成了多項首次公開發售、兼併收購、境外債券發行及境外銀行融資的交易。王先生畢業於復旦大學，獲經濟學學士學位。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

Dr. Liu Zhengang, aged 42, 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 over 13 years of experience in optoelectronic technology and quality management and the design, construction, operation and maintenance management of photovoltaic power plants. Dr. Liu joined Lightway Company 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 Tsingtao, China. From 1998 to 2000, Dr. Liu studied master course in Organic Chemistry of 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.

Mr. Wang Yong, aged 39, joined the Company as the development vice president in November 2015. He is primarily responsible for the overall management of the solar energy business, including development, construction, and maintenance of solar power stations. Mr. Wang has over 9 years of experience in the sale of components for the photovoltaic industry and in the development of power plant stations. Mr. Wang joined Lightway Company 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.

劉振剛博士，42歲，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。劉博士擁有逾13年的光電技術研究、質量管理及光伏電站設計、建設、營運及維修管理經驗。劉博士於二零一二年六月加入光為公司，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。

王勇先生，39歲，於二零一五年十一月加入本公司擔任開發副總裁，主要負責本公司太陽能業務的全面管理工作，包括太陽能電站的開發、建設、運維等。王先生擁有逾9年的光伏行業組件銷售及發電站開發經驗。王先生於二零一三年一月加入光為公司，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。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

Mr. Chen Gang, aged 47, joined the Company as the Company's general manager for Hebei region in May 2016. He is primarily responsible for marketing the Company's smart energy business (including data sub-systems, sale of electricity and power use management) in Hebei Province. He is a senior economist. He has over 11 years of work experience in the operation and management of energy. Before joining the Company, Mr. Chen worked at Hebei Development and Reform Commission for a long time, participated in the formulation of numerous policies of the PRC, such as the "Demand-Side Management Measures for Power" (《電力需求側管理辦法》), and directed numerous research projects on international issues for institutions including the World Bank, the Asian Development Bank, and the Energy Foundation (United States) in the capacity of leader of the research group or director of the project office. He is familiar with the national policies on the macro-economy and the industry, as well as energy development strategies. He has also established extensive and sound working relationships with local governments, enterprise units, as well as domestic and foreign energy organizations and institutions. From 2005 to 2016, Mr. Chen served as the deputy director and director of Hebei Province Power Demand Side Management and Instruction Centre (河北省電力需求側管理指導中心), and the standing deputy director of the execution centre for the energy saving and emission reduction project in Hebei Province utilizing the loans from the Asian Development Bank, where he fully directed the demand-side power management of Hebei Province. From 1997 to 2005, Mr. Chen worked at Hebei Development and Reform Commission. From 1988 to 1992, Mr. Chen graduated from the faculty of mechanical and electrical studies of the Beijing Institute of Clothing Technology (北京服裝學院), with a bachelor's degree of engineering in automation.

陳剛先生，47歲，於二零一六年五月加入本公司擔任本公司河北區域總經理，主要負責本公司智慧能源業務(包括數據子站、售電、用電託管等)在河北省的市場推廣。彼為高級經濟師。彼在能源的運行管理方面擁有超過11年的工作經驗。在加入本公司之前，陳先生長期供職於河北省發展和改革委員會，曾參與製定中國《電力需求側管理辦法》等多項政策，並作為課題組組長或項目辦公室主任主持世界銀行、亞洲開發銀行、美國能源基金會等機構的多個國際課題研究項目，熟知國家宏觀經濟、產業政策及能源發展戰略，並與當地政府、企事業單位及國內外能源組織機構具有廣泛、良好的合作關係。於二零零五年至二零一六年，陳先生任河北省電力需求側管理指導中心副主任、主任、河北省利用亞洲開發銀行貸款節能減排項目執行中心常務副主任，全面主持河北省電力需求側的管理工作。於一九九七年至二零零五年，陳先生供職於河北省發展和改革委員會。於一九八八年至一九九二年，陳先生畢業於北京服裝學院機電系自動化專業，獲工學學士學位。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. Zhang Zhigang, aged 45, joined the Company as the Company's chief engineer for energy technology and the general manager of the Beijing office in February 2017. He is primarily responsible for designing the Company's data sub-system solutions and monitoring standards, as well as marketing the Company's smart operation and maintenance business and sale of electricity at the national level. He has over 24 years of work experience in the operation and management of the electricity industry, with extensive experience in the automation of coordination for corporations on power grids, management of informatization and the research and development of systems related to the electricity market, project implementation and business management. He is also familiar with the transactions in the electricity market, the theoretical framework, designing of rules and practical operations related to the sale of electricity. From 2016 to January 2017, Mr. Zhang served as the general manager of Beijing Join Bright Digital Power Technology Company Limited (北京中恒博瑞數字電力科技有限公司), where he was responsible for the business development of the user-side internet of energy (internet + smart energy). From 2006 to 2015, Mr. Zhang worked at the State Grid Corporation of China, where he served as the deputy head of the construction department of the information and communication division, and the head of the monitoring department of the centre for operational monitoring, respectively. When he was directing the work at the State Grid Corporation of China, Mr. Zhang received numerous awards, including the Special-class Award and First-class Award of the Award for Advancements in Science and Technology at the State Grid Corporation of China. Prior to that, Mr. Zhang worked at a number of well-known electricity research institutions and companies in China, where he engaged in work such as consultation, research and development, business management and market development for products related to power systems. From 1996 to 1998, Mr. Zhang studied power systems and automation at the Harbin Institute of Technology (哈爾濱工業大學) and obtained a master's degree in engineering. From 1989 to 1993, he studied power systems and automation at the Harbin Institute of Technology and obtained a bachelor's degree in engineering.

張志剛先生，45歲，於二零一七年二月加入本公司擔任本公司能源技術總工程師兼北京公司總經理，主要負責本公司數據子站的方案設計及標準管控工作，並負責本公司智能運維及售電業務的全國市場推廣。彼在電力行業的運營管理方面擁有超過24年的工作經驗，在電網企業調度自動化、管理信息化和電力市場相關系統研發、項目實施和業務管理方面擁有豐富的經驗，並熟悉電力市場交易和售電相關理論框架、規則設計及實務操作。於二零一六年至二零一七年一月，張先生任北京中恒博瑞數字電力科技有限公司總經理，負責用戶側能源互聯網(互聯網+智慧能源)的業務拓展。於二零零六年至二零一五年，張先生任職國家電網公司，分別擔任信息通信部建設處副處長及運營監測(控)中心監測處處長，其於國家電網公司主持工作期間，曾獲國家電網公司科學技術進步獎特等獎、一等獎等多項獎項。在此之前，張先生還曾於國內多家著名電力研究院及公司任職，從事電力系統相關產品諮詢、研發、業務管理和市場開發等工作。張先生於一九九六至一九九八年，就讀於哈爾濱工業大學電力系統及其自動化專業，獲工學碩士學位；一九八九年至一九九三年，就讀於哈爾濱工業大學電力系統及其自動化專業，獲工學學士學位。

REPORT OF DIRECTORS

董事會報告

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

本公司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 Company are smart energy and solar energy businesses, mainly providing energy consumers with an all-rounded smart energy services, including energy monitoring, smart operation and maintenance, power trade, energy conservation improvement and distributed energy through the smart energy Cloud Platform, along with the development and construction of solar power stations and the provision of relevant consultation management services.

The principal activities and other particulars of the Company's subsidiaries are set out in note 18 to the audited consolidated financial statements in this annual report.

主要業務

本公司之主要業務為智慧能源及太陽能業務，主要通過智慧能源雲平台為能源消費者提供包括能源監測、智能運維、電力交易、節能改造及分佈式能源等在內的全方位的智慧能源服務，以及太陽能電站的開發、建設及提供相關諮詢管理服務。

本公司附屬公司之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18。

RESULTS

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss on page 85 of this annual report.

業績

本集團於本報告期間的業績載於本年報第85頁之綜合損益表。

KEY FINANCIAL PERFORMANCE INDICATORS

The financial key performance indicators of the Group for the Reporting Period is set out in the section of "Financial Summary" of this annual report.

主要財務表現指標

本集團於本報告期間的主要財務表現指標載於本年報「財務概要」一節內。

BUSINESS REVIEW AND OUTLOOK

The business review, including a description of the principal risks and uncertainties facing the Company and an indication of likely future development in the business of the Company for the Reporting Period is set out in the sections of "Chairman's Statement" and "Management Discussion and Analysis" of this annual report.

業務回顧及展望

本公司本報告期間的業務回顧(包括本公司面對的主要風險及不確定性之描述與日後可能出現的業務發展)載於本年報「主席報告」及「管理層討論與分析」兩節內。

REPORT OF DIRECTORS

董事會報告

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LongiTech Smart Energy Holding Limited Annual Report 2016

CHANGE OF COMPANY NAME

Following the approval of the Shareholders at the annual general meeting held on 28 June 2016, the name of the Company was 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”. The Certificate of Incorporation on Change of Company Name was issued by the Registrar of Companies in the Cayman Islands on 14 July 2016. 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 2 August 2016, confirming the registration of the new name “LongiTech Smart Energy Holding Limited 隆基泰和智慧能源控股有限公司” of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

FINAL DIVIDENDS

The Board does not recommend the payment of final dividend for the year ended 31 December 2016 (2015: Nil).

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 Tuesday, 23 May 2017 (“the **Meeting**”), the transfer books and register of members of the Company will be closed from Thursday, 18 May 2017 to Tuesday, 23 May 2017, 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 Wednesday, 17 May 2017.

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 14 to the audited consolidated financial statements in this annual report.

更改公司名稱

經股東於二零一六年六月二十八日舉行之本公司股東週年大會批准，本公司之名稱由「Long Ji Tai He Holding Limited 隆基泰和控股有限公司」更改為「LongiTech Smart Energy Holding Limited 隆基泰和智慧能源控股有限公司」，並於二零一六年七月十四日，經開曼群島公司註冊處發出更改公司名稱註冊證書。香港公司註冊處於二零一六年八月二日發出註冊非香港公司變更名額註冊證明書，確認本公司之新名稱「LongiTech Smart Energy Holding Limited 隆基泰和智慧能源控股有限公司」已根據公司條例（香港法例第622章）第16部於香港註冊。

末期股息

董事會並不建議就截至二零一六年十二月三十一日止年度派付末期股息（二零一五年：無）。

截止股份過戶登記

為釐定出席於二零一七年五月二十三日（星期二）應屆股東週年大會（「**大會**」）及於大會上投票的資格，本公司將於二零一七年五月十八日（星期四）至二零一七年五月二十三日（星期二）期間（包括首尾兩日）暫停辦理股份過戶登記手續。為符合資格出席股東週年大會，所有股份過戶文件連同相關股票須於二零一七年五月十七日（星期三）下午四時三十分之前交回本公司之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）。

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14。

REPORT OF DIRECTORS 董事會報告

INTEREST-BEARING BORROWINGS

Details of interest-bearing borrowings of the Group as at 31 December 2016 are set out in note 25 to the audited consolidated financial statements in this annual report.

EQUITY-LINKED AGREEMENTS

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

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 is set out on pages 175 to 176 of this annual report. This summary does not form part of the audited consolidated financial statements in this annual report.

SHARE CAPITAL

Details of the movements in the Company's issued share capital during the Reporting Period are set out in note 24 to the audited consolidated financial statements in this annual report.

ISSUE OF SHARES

On 20 October 2016, the Company entered into the placing agreement (“**Placing Agreement**”) with the placing agent. Pursuant to the Placing Agreement, the Company has conditionally agreed to allot and issue, and the placing agent has conditionally agreed to place on a best effort basis, a maximum of 121,000,000 placing shares (“**Placing Shares**”) to not less than six placees at the placing price of HK\$1.70 per Placing Share (“**Placing Price**”) in order to broaden the shareholders base and the capital base of the Company (“**Placing**”). All of the placees were independent professional, institutional and/or individual investors. The Placing Price of HK\$1.70 per Placing Share represented (i) a discount of approximately 14.57% to the closing price of HK\$1.99 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 15.42% to the average closing price of HK\$2.01 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement. The nominal value of the Placing Shares was HK\$0.01 each per Placing Share, and the aggregate nominal value was HK\$1,210,000.

計息借貸

本集團於二零一六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25。

股票掛鈎協議

除於本年報所披露者外，於本報告期間，本集團概無訂立或存在任何股票掛鈎協議。

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載於本年報第175至176頁。此摘要並不構成本年報經審核綜合財務報表的一部分。

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24。

股份發行

於二零一六年十月二十日，本公司與配售代理訂立配售協議（「**配售協議**」）。根據配售協議，本公司已有條件同意配發及發行，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1.70港元（「**配售價**」）向不少於六名承配人配售最多121,000,000股配售股份（「**配售股份**」），以擴大大公司股東基礎及資本基礎（「**配售事項**」）。所有承配人均為獨立專業、機構及／或個人投資者。配售價為每股配售股份1.70港元，較(i)股份於配售協議日期在聯交所所報的收市價每股股份1.99港元折讓約14.57%；及(ii)股份於配售協議日期前最後五個連續交易日在聯交所所報的平均收市價每股股份2.01港元折讓約15.42%。配售股份面值為每股配售股份0.01港元，總面值為1,210,000港元。

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On 9 November 2016, the Placing was completed and total 121,000,000 Placing Shares have been successfully placed to by the Placing Agent to not less than six places at the Placing Price of HK\$1.70 per Placing Share pursuant to the terms and conditions of the Placing Agreement. The gross proceeds from the Placing amounted to approximately HK\$205,700,000 and the net proceeds amounted to HK\$204,012,000. The Company intends to utilise the proceeds for the development of smart energy cloud platform system and sub-systems, the development and construction of distributed energy projects and the general working capital of the Group.

As at 31 December 2016, HK\$62,000,000 and HK\$17,000,000 of the net of proceeds have been utilised in smart energy and solar energy businesses, and general working capital of the Group respectively. The remaining of the net of proceeds will be utilised as the description set out in the announcement dated 20 October 2016 of the Company.

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 businesses of smart energy and solar power stations, 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.

於二零一六年十一月九日，配售事項已告完成。根據配售協議之條款及條件，合共121,000,000股配售股份已由配售代理成功按配售價每股配售股份1.70港元向不少於六名承配人配售。配售事項之所得款項總額約為205,700,000港元，淨額為204,012,000港元。本公司擬將所得款項用作開發智慧能源雲平台系統及子系統、發展及建設分佈式能源項目及本集團一般營運資金。

於二零一六年十二月三十一日，所得款項淨額中62,000,000港元及17,000,000港元已分別用於智慧能源及太陽能業務，及本集團的一般營運資金。剩餘所得款項淨額將按照本公司日期為二零一六年十月二十日公告中所載的擬定用途使用。

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例及規例。

本集團在智慧能源及太陽能電站業務發展過程中，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，於本報告期間內，本集團已遵守對本集團有重大影響的環境保護法律、法規。

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PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's 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 2016, 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 24 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 2016, the aggregate amount of reserves available for distribution to equity Shareholders was RMB197,049,000 (31 December 2015: RMB18,036,000).

CHARITABLE DONATIONS

The Group did not make any charitable donations during the Reporting Period (2015: 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

於截至二零一六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24及綜合權益變動表。

可供分派儲備

於二零一六年十二月三十一日,可供分派予權益股東的儲備總額為人民幣197,049,000元(二零一五年十二月三十一日:人民幣18,036,000元)。

慈善捐獻

本集團於本報告期間並無作出慈善捐獻(二零一五年:無)。

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CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

Connected Transactions

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

On 30 September 2016, Hebei Longitech Cloud Energy Company Limited (“Hebei Longitech”), an indirect wholly-owned subsidiary of the Company entered into (i) an agreement (the “LJTH Agreement”) with LongJiTaiHe Industry Co. Ltd. (“LongJiTaiHe”); and (ii) an agreement (the “Lightway Agreement”) with Baoding Lightway Green Energy Technology Company Limited (“Lightway Green Energy”), respectively, pursuant to which Hebei Longitech shall establish the smart energy cloud platform sub-systems for subsidiaries of LongJiTaiHe and for plants of Lightway Green Energy at an aggregate services fees of RMB5,000,000 and RMB7,300,000, respectively.

Since LongJiTaiHe is a company ultimately controlled by Mr. Wei Shaojun (the ultimate controlling Shareholder, the executive Director and the Chairman of the Board) and Lightway Green Energy is a company controlled by Mr. Wei Qiang, the executive Director, the chief executive officer and the son of Mr. Wei Shaojun, the transactions contemplated under the LJTH Agreement and Lightway Agreement (collectively, the “Agreements”) constituted connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) of the aggregated transactions contemplated under the Agreements exceeded 0.1% and were below 5%, the transactions contemplated under the Agreements were subject to the reporting and announcement requirements and were exempt from as the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

For details, please refer to the announcement of the Company dated 30 September 2016.

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了以下關連交易（惟根據聯交所證券上市規則（「上市規則」）第14A章獲豁免的持續關連交易除外）：

於二零一六年九月三十日，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」）分別(i)與隆基泰和實業有限公司（「隆基泰和」）訂立協議（「隆基泰和協議」）；及(ii)與保定光為綠色能源科技有限公司（「光為綠色能源」）訂立協議（「光為協議」），據此，河北隆基泰和將為隆基泰和的附屬公司及光為綠色能源的工廠建設智慧能源子雲平台系統，總服務費分別為人民幣5,000,000元及人民幣7,300,000元。

由於隆基泰和為由魏少軍先生（最終控股股東、執行董事及董事會主席）最終控制之公司，而光為綠色能源為由執行董事、行政總裁及魏少軍先生之兒子魏強先生控制之公司，隆基泰和協議及光為協議（統稱「該等協議」）項下擬進行之交易構成上市規則第14A章項下之本公司關連交易。

由於該等協議項下擬進行之匯總交易之適用百分比率（除盈利比率外）超過0.1%但低於5%，該等協議項下擬進行之交易須遵守上市規則第14A章項下有關申報及公告的規定，但可獲豁免遵守獨立股東批准的規定。

詳情請參閱本公司日期為二零一六年九月三十日的公告。

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Continuing Connected Transaction

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

Master Agreement

On 16 November 2016, Hebei Longitech entered into an agreement (the “**Master Agreement**”) with Lightway Green Energy in relation to the supply of solar modules by Lightway Green Energy to the Group for the period from the date of the Master Agreement to 31 December 2018. As disclosed in the announcement of the Company dated 16 November 2016, the proposed annual caps (i.e. the maximum annual aggregate consideration payable by the Group to Lightway Green Energy) for the 3 years ended/ending 31 December 2016, 2017 and 2018 should not exceed RMB16,000,000.

As there is a change in the future business development plan of the Group, the Board expects that the annual caps of the Master Agreement for the years ending 31 December 2017 and 2018 will no longer be sufficient. As such, on 19 January 2017, Hebei Longitech entered into a supplemental agreement (the “**Supplemental Agreement**”) with Lightway Green Energy to revise the annual caps for the years ending 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 was duly passed by way of poll at the extraordinary general meeting of the Company held on 10 March 2017.

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

The total amount paid to Lightway Green Energy for the year ended 31 December 2016 was approximately RMB6,128,000.

IMPLICATIONS UNDER THE LISTING RULES

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

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）：

總協議

於二零一六年十一月十六日，河北隆基泰和與光為綠色能源訂立協議（「**總協議**」），內容有關光為綠色能源自總協議日期至二零一八年十二月三十一日期間向本集團供應太陽能組件。誠如本公司日期為二零一六年十一月十六日之公告所披露，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之建議年度上限（即本集團應付予光為綠色能源之最高年度總代價）不得高於人民幣16,000,000元。

由於本集團之未來業務發展計劃出現變動，故董事會預期總協議於截至二零一七年及二零一八年十二月三十一日止年度之年度上限將不再充足。因此，於二零一七年一月十九日，河北隆基泰和與光為綠色能源訂立補充協議（「**補充協議**」），以修訂截至二零一七年及二零一八年十二月三十一日止年度之年度上限，由人民幣16,000,000元修訂至人民幣420,000,000元。有關總協議（經補充協議補充）及經修訂上限之決議案已於二零一七年三月十日舉行之本公司股東特別大會上以投票表決方式正式通過。

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及二零一七年三月十日的公告，及本公司日期為二零一七年二月二十一日之通函。

截至二零一六年十二月三十一日止年度之已支付光為綠色能源總金額約為人民幣6,128,000元。

上市規則之涵義

由於光為綠色能源為由執行董事兼魏少軍先生之兒子魏強先生控制之公司，故總協議（經補充協議補充）項下擬進行之交易構成上市規則第14A章項下之本公司持續關連交易。

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

The independent non-executive Directors have reviewed the continuing connected transaction set out above and have confirmed that the continuing connected transaction was 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 disclosed by the Group on page 37 of this annual report 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.

Save for the connected transaction and the continuing connected transaction disclosed above, the Board is of the view that those material related party transactions disclosed in note 32 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.

由於總協議(經補充協議補充)項下擬進行之交易之適用百分比率(除盈利比率外)超過5%，故總協議(經補充協議補充)項下擬進行之交易須遵守上市規則第14A章項下有關於申報、公告及獨立股東批准之規定。

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之條款；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之條款訂立。

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之鑒證工作」，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，載列有關本集團於本年報第37頁所披露的持續關連交易的核數師結果及結論。本公司已向聯交所提交核數師函件副本。

除上文所披露之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32所披露之該等重大關連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之「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。

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MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group's five largest customers accounted for approximately 92% (2015: 99%) of the total sales for the Reporting Period and sales to the largest customer included therein amounted to 86% (2015: 90%) of the total sales for the Reporting Period. Purchases from the Group's five largest suppliers accounted for approximately 53% (2015: 70%) of the total purchase for the Reporting Period and purchase from the Group's largest supplier included therein amounted to 21% (2015: 39%) of the total purchase for the Reporting Period.

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 and suppliers.

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.

主要客戶及供應商

本集團向五大客戶的銷售額約佔本報告期間總銷售額的92% (二零一五年：99%)，其中向最大客戶的銷售額佔本報告期間總銷售額的86% (二零一五年：90%)。本集團向五大供應商的採購額約佔本報告期間總採購額的53% (二零一五年：70%)，其中向本集團最大供應商的採購額佔本報告期間總採購額的21% (二零一五年：39%)。

於本報告期間，董事或彼等的任何緊密聯繫人或任何股東(就董事所深知擁有已發行股份數目的5%以上者)概無於本集團五大客戶及供應商中擁有任何權益。

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。

REPORT OF DIRECTORS

董事會報告

DIRECTORS

The Directors during the Reporting Period and up to the date of this annual report are as follows:

Executive Directors

Mr. Wei Shaojun (*Chairman*)
Mr. Wei Qiang (*Chief Executive Officer*)
Mr. Li Haichao
Ms. Zhen Xiaojing

Independent non-executive Directors

Mr. Han Qinchun
Mr. Wong, Yik Chung John
Mr. Han Xiaoping
(*appointed on 28 June 2016*)
Mr. Li Chun
(*resigned on 28 June 2016*)

Mr. Li Chun resigned as an independent non-executive Director with effect from 28 June 2016 in order to devote more time and focus to his personal business commitments.

In accordance with article 112 of the Company's articles of association, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting after his/her appointment and any Director appointed by the Board as an additional Director shall hold office only until the next following annual general meeting of the Company. Accordingly, at the forthcoming annual general meeting to be held, Mr. Han Xiaoping shall retire from office as Director and being eligible, has offered himself for re-election as Director.

In accordance with article 108(a) of the Company's articles of association, at the forthcoming annual general meeting to be held, each of Ms. Zhen Xiaojing, Mr. Li Haichao and Mr. Wei Qiang will retire from his/her office as Director, and being eligible, has offered himself/herself for re-election as Director. At the forthcoming annual general meeting, ordinary resolutions will be proposed to re-elect Ms. Zhen Xiaojing, Mr. Li Haichao and Mr. Wei Qiang.

董事

於本報告期間及截至本年報日期的董事如下：

執行董事

魏少軍先生(*主席*)
魏強先生(*行政總裁*)
李海潮先生
甄曉淨女士

獨立非執行董事

韓秦春先生
黃翼忠先生
韓曉平先生
(*於二零一六年六月二十八日獲委任*)
李淳先生
(*於二零一六年六月二十八日辭任*)

李淳先生已辭任獨立非執行董事，自二零一六年六月二十八日起生效，以投入更多時間及專注於彼之個人業務承擔。

根據本公司組織章程細則第112條，任何獲董事會委任以填補臨時空缺的董事的任期將直至其獲委任後的首次股東大會為止，而任何獲董事會委任為增補董事的董事的任期僅直至本公司下屆股東週年大會為止。因此，在即將舉行之股東週年大會上，韓曉平先生將退任董事一職，並符合資格及願意膺選連任為董事。

根據本公司組織章程細則第108(a)條，在即將舉行之股東週年大會上，甄曉淨女士、李海潮先生及魏強先生各自將退任董事一職，並符合資格及願意重選為董事。於應屆股東週年大會上，將提呈普通決議案重選甄曉淨女士、李海潮先生及魏強先生。

REPORT OF DIRECTORS

董事會報告

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" on pages 25 to 30 in 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

Mr. Wei Shaojun and Ms. Zhen Xiaojing have entered into a service contract with the Company on 13 March 2015 for a term of three years commencing from 30 January 2015. Mr. Li Haichao has entered into a service contract with the Company on 13 March 2015 for an initial term of three years commencing from 26 February 2015. Mr. Wei Qiang has entered into a service contract with the Company on 11 November 2015 with a term of three years. Each of the executive Directors' service contracts may be renewable subject to both parties' agreement.

Mr. Han Qinchun has entered into a service contract with the Company on 13 March 2015 for an initial term of three years commencing from 26 February 2015. Mr. Wong, Yik Chung John has entered into a service contract with the Company on 16 October 2015 with a term of three years. Mr. Han Xiaoping has entered into a service contract with the Company on 28 June 2016 with a term of three years. Each of the independent non-executive Directors' service contracts may be renewable subject to both parties' agreement.

No Director proposed for re-election at the forthcoming annual general 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.

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第25頁至第30頁「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。

董事之服務合約

魏少軍先生及甄曉淨女士已於二零一五年三月十三日與本公司訂立服務合約，由二零一五年一月三十日起為期三年。李海潮先生已於二零一五年三月十三日與本公司訂立服務合約，由二零一五年二月二十六日起初步為期三年。魏強先生已於二零一五年十一月十一日與本公司訂立服務合約，任期為三年。各執行董事的服務合約均可在雙方協議下予以續期。

韓秦春先生已於二零一五年三月十三日與本公司訂立服務合約，由二零一五年二月二十六日起初步為期三年。黃翼忠先生已於二零一五年十月十六日與本公司訂立服務合約，任期為三年。韓曉平先生已於二零一六年六月二十八日與本公司訂立服務合約，任期為三年。各獨立非執行董事的服務合約均可在雙方協議下予以續期。

擬於應屆股東週年大會上重選的任何董事概無與本公司訂立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)的服務合約。

REPORT OF DIRECTORS

董事會報告

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 35 to the audited consolidated financial statements in this annual report.

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 five highest paid individuals during the Reporting Period are set out in notes 8 and 35 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 8 to the audited consolidated financial statements in this annual report.

CHANGE TO INFORMATION IN RESPECT OF DIRECTORS

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.

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。

董事之薪酬

本公司董事之薪酬詳情載於本年報經審核綜合財務報表附註35。

薪酬政策

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

董事及五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8及35。

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8。

董事的資料變動

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。

REPORT OF DIRECTORS

董事會報告

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 32 to the audited consolidated financial statements and in the section headed "Connected Transaction 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 2016, 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:

Mr. Wei Shaojun and Mr. Wei Qiang held share interests and directorships in companies of the Longjitaihe Group which engage in businesses of clean energy (mainly the production and sales of photovoltaic components and the development, construction and operation of photovoltaic power stations and primary land development.

董事於重大交易、安排或合約之權益

除本年報經審核綜合財務報表附註32及「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歲子女亦概無獲授予任何權利，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。

董事於競爭業務之權益

除下文所披露者外，於二零一六年十二月三十一日，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：

魏少軍先生及魏強先生於隆基泰和集團旗下公司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、銷售及光伏電站的開發、建設、運營）以及土地一級開發的業務。

REPORT OF DIRECTORS

董事會報告

Being a listed company that serves as the only platform for the Longjitaihe Group to engage in clean energy, the Group's principal businesses include smart energy and solar energy. In the future, the Group will be the main entity carrying out the business of smart energy and the new business of solar photovoltaic power stations. Other than the production of photovoltaic components and the operation and maintenance of completed photovoltaic power stations, the Longjitaihe Group will not participate in the new business of the development of photovoltaic power stations or other clean energy business. On the other hand, the Group does not have any plan to further pursue the primary land development business except for the existing Donghu Project. On this basis, there does not exist any material competition between the businesses of the Group and those of the Longjitaihe Group in which the above Directors hold interests and/or positions.

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

SHARE OPTION SCHEME

The Company adopted a share option scheme ("**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.

本集團作為隆基泰和集團唯一開展清潔能源的資本市場上市平台，其主要業務包括智慧能源及太陽能。未來智慧能源及新的太陽能光伏電站業務將主要通過本集團進行，隆基泰和集團除原有的光伏組件生產業務及已建成的光伏電站的運營維護外，將不再參與新的光伏電站開發及其他清潔能源業務。對土地一級開發業務，除現有的東湖項目外，本集團未來沒有計劃進一步拓展該項業務。因此，本集團的業務與上述董事持有權益及／或擔任職位的隆基泰和集團的業務，不存在重大競爭。

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。

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。

REPORT OF DIRECTORS

董事會報告

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 (i.e. a total of 60,000,000 Shares), representing 8.2% of the number of the issue Shares of the Company as at date of this annual 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.

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.

3. 根據購股權計劃可供發行之股份總數

根據購股權計劃可予授出之購股權所涉及之股份數目上限，合共不得超出於上市日期本公司已發行股份數目的10%（即為合共60,000,000股股份，佔本公司於本年報日期的已發行股份數目的8.2%）。

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予的購股權（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之期限

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. 於購股權行使前必須持有購股權之最短期限

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之款項

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。

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董事會報告

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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 be at least 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 2016, the remaining life of the Share Option Scheme is approximately 4 years and 9 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 on the Listing Date. 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.

No share options under the Share Option Scheme had been granted by the Company during the Reporting Period.

8. 認購價之釐定基準

根據購股權計劃授出的任何特定購股權所涉及之股份的認購價由董事會全權釐定並通知參與者，且不得低於以下之最高者：(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. 購股權計劃之有效期限

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。於二零一六年十二月三十一日，購股權計劃的餘下期限約為四年另九個月。

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上市日期已發行股份的10%。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%。

於本報告期間，本公司並無任何已根據購股權計劃授出的購股權。

REPORT OF DIRECTORS

董事會報告

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 2016, 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 of Company

Name of Director 董事姓名	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	Founder of a discretionary trust (Note 1) 一項酌情信託的成立人(附註1)	431,672,512(L)	59.25%
Mr. Wei Qiang 魏強先生	Beneficiary of a trust (Note 2) 信託的受益人(附註2)	422,872,512(L)	58.05%

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

於二零一六年十二月三十一日，本公司董事或主要行政人員於本公司或其任何相聯法團(香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部所定義者)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) 於本公司股份的權益

REPORT OF DIRECTORS

董事會報告

Notes:

1. According to the disclosure of interests forms filed by each of Mr. Wei Shaojun and BNP Paribas Singapore Trust Corporation Limited on 23 November 2016 respectively, 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 8,800,000 Shares through its control over Harvest Oak Holdings Limited and, acting as the trustee, is also 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 431,672,512 Shares as a founder of the discretionary trust. The details of which are set out as follows:

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)
Harvest Oak Holdings Limited	BNP Paribas Singapore Trust Corporation Limited	100.00	Y 是	8,800,000(L)

2. According to the disclosure of interests form filed by Mr. Wei Qiang on 11 November 2016, Mr. Wei Qiang is deemed to be interested in 422,872,512 Shares as a beneficiary of a trust.

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

附註：

1. 根據魏少軍先生及BNP Paribas Singapore Trust Corporation Limited各自分別於二零一六年十一月二十三日提交之權益披露表，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Harvest Oak Holdings Limited的控制權於8,800,000股股份中擁有權益，以及作為受託人亦被視為透過其於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431,672,512股股份中擁有權益。有關詳情如下：

2. 根據魏強先生於二零一六年十一月十一日之權益披露表，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。

3. 字母「L」表示於股份之好倉。

(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%

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

附註：字母「L」表示於股份之好倉。

REPORT OF DIRECTORS

董事會報告

Save as disclosed above, as at 31 December 2016, 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.

除上文所披露者外，於二零一六年十二月三十一日，概無本公司董事或主要行政人員於本公司或其任何相聯法團（證券及期貨條例第XV部所定義者）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

As at 31 December 2016, 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:

(i) Long Position in the Shares

Name of Substantial Shareholder 主要股東名稱	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
Longevity Investment Holding Limited	Beneficial owner (Note 1) 實益擁有人(附註1)	422,872,512(L)	58.05%
BNP Paribas Singapore Trust Corporation Limited	Trustee (Note 1) 受託人(附註1)	431,672,512(L)	59.25%
King River Developments Limited	Interest of controlled corporation (Note 1) 受控制法團權益(附註1)	422,872,512(L)	58.05%
China Create Capital Limited	Beneficial owner 實益擁有人	100,000,000(L)	13.73%

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

於二零一六年十二月三十一日，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分部之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之登記冊的權益或淡倉：

(i) 於股份的好倉

REPORT OF DIRECTORS

董事會報告

Notes:

1. According to the disclosure of interests forms filed by each of Mr. Wei Shaojun and BNP Paribas Singapore Trust Corporation Limited on 23 November 2016 respectively, 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 8,800,000 Shares through its control over Harvest Oak Holdings Limited and, acting as the trustee, is also 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 431,672,512 Shares as a founder of the discretionary trust.
2. The letter "L" denotes the long position in Shares.

Save as disclosed above, and as at 31 December 2016, 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

For the year ended 31 December 2016, the Company was not engaged 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.

附註：

1. 根據魏少軍先生及BNP Paribas Singapore Trust Corporation Limited各自分別於二零一六年十一月二十三日提交之權益披露表，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Harvest Oak Holdings Limited的控制權於8,800,000股股份中擁有權益，以及作為受託人亦被視為透過其於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431,672,512股股份中擁有權益。
2. 字母「L」表示於股份之好倉。

除上文所披露者外，於二零一六年十二月三十一日，本公司並無獲悉有任何人士(本公司董事或主要行政人員除外)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分部之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所述登記冊的權益或淡倉。

重大法律程序

截至二零一六年十二月三十一日止年度，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之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而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。

REPORT OF DIRECTORS 董事會報告

POST BALANCE SHEET EVENTS

The material post balance sheet events are disclosed in note 36 to the audited consolidated financial statements in this annual report.

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 2016 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 Corporate Governance Report on pages 52 to 77 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.

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 themselves for reappointment at the forthcoming annual general meeting of the Company.

By Order of the Board

Wei Shaojun
Chairman

Hebei Province, the PRC, 22 March 2017

結算日後事項

重大結算日後事項載於本年報經審核綜合財務報表附註36。

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二零一六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之主要資料載於本年報第52頁至第77頁企業管治報告。

足夠公眾持股量

根據本公司公開可得資料及據董事所知，本公司已發行股本總額的最少25%（即聯交所批准及上市規則允許的訂明最低公眾持股量）於本報告期間及截至本年報日期一直由公眾人士持有。

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股東週年大會上獲續聘。

承董事會命

主席
魏少軍

中國河北省，二零一七年三月二十二日

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 2016.

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 strictly 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. The Directors recognize the importance of incorporating the elements of good corporate governance in the management structures and internal control procedures of the Company so as to achieve effective accountability to the Shareholders as a whole. 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.

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.

董事會欣然提呈截至二零一六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。

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。本公司已於本報告期間嚴格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。董事認同，為達致向整體股東有效的問責性，在本公司的管理架構及內部監控程序下，引進良好的企業管治元素非常重要。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。

董事進行證券交易

本公司已採納上市規則附錄十所載之標準守則作為其本身有關董事進行證券交易之操守守則。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之規定準則。

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，以供可能擁有關於本公司內幕消息的有關僱員於買賣本公司證券時遵守。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS

(i) Composition of the Board of Directors

The Board currently consists of seven Directors with a combination of four executive Directors and three independent non-executive Directors. During the Reporting Period and at the date of this annual report, the composition of the Board is as follows:

Executive Directors

Mr. Wei Shaojun
Mr. Wei Qiang
Mr. Li Haichao
Ms. Zhen Xiaojing

Independent Non-executive Directors

Mr. Han Qinchun
Mr. Wong, Yik Chung John
Mr. Han Xiaoping
(appointed on 28 June 2016)
Mr. Li Chun
(resigned on 28 June 2016)

The biographies of the Directors are set out under the section headed "Directors and Senior Management" of this annual report.

The Board is the core of the corporate governance structure of the Company. It is responsible for giving guidance to and reviewing the efficiency of the management. The Board is fully aware of its prime responsibilities to the Company and its duties to protect and enhance long-term shareholders' value. The executive Directors, with the assistance from the senior management, form the core management team of the Company. The executive Directors have the overall responsibility for formulating the business strategies and development plan of the Company and the Group, and the senior management is responsible for supervising and executing the plans of the Group.

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.

董事會

(i) 董事會的組成

董事會目前由七名董事組成，包括四名執行董事及三名獨立非執行董事。於本報告期間及本年報日期，董事會由以下董事組成：

執行董事

魏少軍先生
魏強先生
李海潮先生
甄曉淨女士

獨立非執行董事

韓秦春先生
黃翼忠先生
韓曉平先生
(於二零一六年六月二十八日獲委任)
李淳先生
(於二零一六年六月二十八日辭任)

董事履歷載於本年報「董事及高級管理層」一節。

董事會為本公司企業管治架構的核心，負責指引管理層並對其進行實效審核。董事會深知其對本公司之主要責任及其自身職責乃保障及提升股東之長期價值。執行董事在高級管理層的協助下組成本公司的核心管理隊伍。執行董事肩負為本公司及本集團制定業務策略及發展計劃的整體責任，而高級管理層則負責監督及落實本集團的計劃。

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。

CORPORATE GOVERNANCE REPORT

企業管治報告

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LongiTech Smart Energy Holding Limited Annual Report 2016

(ii) Functions of the Board

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) formulate the proposals for profit distributions; (v) assume the responsibilities of corporate governance of the Group; (vi) establish and review the Group's risk management and internal control systems through the Audit Committee; and (vii) exercise other powers, functions and duties conferred by the Shareholders in general meetings.

(iii) Board Meeting and Attendance Record

The Company adopts the practice of holding board meetings regularly, at least four times a year, and at approximately quarterly intervals. 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 Company's articles of association. Generally, at least 14 days notice will be given for the regular Board meetings by the Company. The Directors will receive details of agenda items at least 3 days before each regular Board meeting to ensure that the Directors are able to make informed decisions regarding the matters to be discussed in the meetings. 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.

All Directors can individually contact the management and obtain complete and timely information in relation to conducting the business and operation of the Company. Every month, the Company prepares reports setting out the major events and recent developments of the Company and circulates the reports to the Directors.

During the Reporting Period, 8 Board meetings and one general meeting were held. The annual general meeting of the Company was held on 28 June 2016.

(ii) 董事會的職能

董事會的主要職能包括：(i)召開股東大會並於會上匯報董事會工作；(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)制定溢利分派的方案；(v)承擔本集團的企業管治責任；(vi)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系統；及(vii)行使股東於股東大會上賦予的其他權力、職能及職責。

(iii) 董事會會議及出席紀錄

本公司的董事會每年至少定期舉行四次會議，大約每季舉行一次。根據本公司組織章程細則第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。一般而言，本公司至少提前14日發出董事會常務會議通告。董事將於各董事會常務會議最少3日前收取詳細議程，以確保董事可就將於會上討論的事宜作出知情決定。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足夠詳細地記錄董事會已考慮的事項及作出的決定等資料。

所有董事均可分別與管理層聯絡，並獲提供有關進行本公司業務及營運之完整和及時的資料。本公司每月編製載有其重大事項及最近發展的報告並發予所有董事。

於本報告期間，本公司舉行了8次董事會會議及一次股東大會，而本公司股東週年大會於二零一六年六月二十八日舉行。

CORPORATE GOVERNANCE REPORT

企業管治報告

The following is the attendance record of the Board meetings and general meeting:

以下為董事會會議及股東大會的出席紀錄：

		Attendance/Eligible to attend 出席／合資格出席紀錄	
		Board Meeting(s) 董事會會議	General Meeting(s) 股東大會
Executive Directors			
	執行董事		
Mr. Wei Shaojun (<i>Chairman</i>)	魏少軍先生(主席)	5/8	1/1
Mr. Wei Qiang (<i>Chief Executive Officer</i>)	魏強先生(行政總裁)	7/8	1/1
Mr. Li Haichao	李海潮先生	7/8	1/1
Ms. Zhen Xiaojing	甄曉淨女士	7/8	1/1
Independent Non-executive Directors			
	獨立非執行董事		
Mr. Han Qinchun	韓秦春先生	8/8	1/1
Mr. Wong, Yik Chung John	黃翼忠先生	7/8	1/1
Mr. Han Xiaoping (<i>appointed on 28 June 2016</i>)	韓曉平先生 (於二零一六年六月二十八日獲委任)	4/5	0/0
Mr. Li Chun (<i>resigned on 28 June 2016</i>)	李淳先生 (於二零一六年六月二十八日辭任)	3/3	1/1

APPOINTMENT AND RE-ELECTION OF THE DIRECTORS

Mr. Wei Shaojun and Ms. Zhen Xiaojing have entered into a service contract with the Company on 13 March 2015 for a term of three years commencing from 30 January 2015. Mr. Li Haichao has entered into a service contract with the Company on 13 March 2015 for an initial term of three years commencing from 26 February 2015. Mr. Wei Qiang has entered into a service contract with the Company on 11 November 2015 with a term of three years. Each of the executive Director's service contract may be renewable subject to both parties agreement.

委任及重選董事

魏少軍先生及甄曉淨女士已於二零一五年三月十三日與本公司訂立服務合約，由二零一五年一月三十日起為期三年。李海潮先生已於二零一五年三月十三日與本公司訂立服務合約，由二零一五年二月二十六日起初步為期三年。魏強先生已於二零一五年十一月十一日與本公司訂立服務合約，任期為三年。各執行董事的服務合約均可在雙方協議下予以續期。

CORPORATE GOVERNANCE REPORT

企業管治報告

Mr. Han Qinchun has entered into a service contract with the Company on 13 March 2015 for an initial term of three years commencing from 26 February 2015. Mr. Wong, Yik Chung John has entered into a service contract with the Company on 16 October 2015 with a term of three years. Mr. Han Xiaoping has entered into a service contract with the Company on 28 June 2016 with a term of three years. Each of the independent non-executive Directors' service contracts may be renewable subject to both parties' agreement.

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).

In compliance with the code provision in A.4.2 of the CG Code, all Directors appointed to fill a casual vacancy should be subject to election by Shareholders at the first general meeting after their appointment. By virtue of Article 112 of the articles of association of the Company, the Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Shareholders after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In compliance with the code provision in A.4.2 of the CG Code, all Directors are subject to retirement by rotation at least once every three years. Furthermore, pursuant to the Article 108(a) of the articles of association of the Company, 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. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.

Mr. Han Xiaoping, Ms. Zhen Xiaojing, Mr. Li Haichao and Mr. Wei Qiang will retire from office as Directors at the forthcoming annual general meeting, and being eligible, have offered themselves for re-election.

韓秦春先生已於二零一五年三月十三日與本公司訂立服務合約，由二零一五年二月二十六日起初步為期三年。黃翼忠先生已於二零一五年十月十六日與本公司訂立服務合約，任期為三年。韓曉平先生已於二零一六年六月二十八日與本公司訂立服務合約，任期為三年。各獨立非執行董事的服務合約均可在雙方協議下予以續期。

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。

根據企業管治守則的守則條文第A.4.2條，獲委任以填補臨時空缺的所有董事均須於其獲委任後首次股東大會上由股東選舉。根據本公司組織章程細則第112條，董事會有權不時及隨時委任任何人士為董事以填補臨時空缺或作為增補董事，惟按此獲委任的董事人數不得超過股東於股東大會上不時釐定的人數上限。任何獲董事會委任以填補臨時空缺的董事的任期將直至其獲委任後的首次股東大會為止，惟可於該大會上膺選連任。獲董事會委任以出任現屆董事會新增成員的任何董事的任期僅直至本公司下屆股東週年大會為止，屆時將合資格膺選連任。

根據企業管治守則的守則條文第A.4.2條，全體董事均須最少每三年輪席退任一次。此外，根據本公司組織章程細則第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。退任董事應符合資格重選。本公司可於有董事退任的股東大會上填補該職位空缺。

韓曉平先生、甄曉淨女士、李海潮先生及魏強先生將於應屆股東週年大會上退任董事一職，並符合資格及願意重選連任。

CORPORATE GOVERNANCE REPORT

企業管治報告

The procedures and process of appointment, re-election and removal of Directors are set out in the articles of association of the Company. 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.

委任、重選及免任董事的程序及過程載於本公司組織章程細則。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。

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The joint company secretaries of the Company 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 and they were asked to submit a signed training record to the Company on annual basis. During the year ended 31 December 2016, the current Directors received the following training with an emphasis on the role, functions and responsibilities of directors of listed companies through attending seminars, conferences and reading materials:

入職及持續專業發展

本公司鼓勵董事參與持續專業發展，以發展及重溫其知識及技能。本公司之聯席公司秘書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此等資料並被要求每年向本公司提交一份已簽署的培訓紀錄。於截至二零一六年十二月三十一日止年度，現任董事透過出席研討會、會議或閱讀材料，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	董事姓名	Latest regulatory information/ references	Professional skills in finance, management and the industry	
		監管最新資料 /參考資料	財務/管理/ 行業專業技能	
		Reading materials	Reading materials	Attending seminars
		閱讀材料	閱讀材料	出席研討會
Executive Directors	執行董事			
Mr. Wei Shaojun	魏少軍先生	✓	✓	✓
Mr. Wei Qiang	魏強先生	✓	✓	✓
Mr. Li Haichao	李海潮先生	✓	✓	✓
Ms. Zhen Xiaojing	甄曉淨女士	✓	✓	✓
Independent Non-executive Directors	獨立非執行董事			
Mr. Han Qin Chun	韓秦春先生	✓	✓	✓
Mr. Wong, Yik Chung John	黃翼忠先生	✓	✓	✓
Mr. Han Xiaoping (appointed on 28 June 2016)	韓曉平先生 (於二零一六年六月二十八日獲委任)	✓	✓	✓
Mr. Li Chun (resigned on 28 June 2016)	李淳先生 (於二零一六年六月二十八日辭任)	✓	✓	

CORPORATE GOVERNANCE REPORT

企業管治報告

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.

The Chairman of the Board and the chief executive officer of the Company (the “**Chief Executive Officer**”) are currently two separate positions held by Mr. Wei Shaojun and Mr. Wei Qiang, respectively, with clear distinction in responsibilities. 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.

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，主席及行政總裁之角色應分離且由不同人士擔任。

本公司之董事會主席及行政總裁（「**行政總裁**」）目前分別由魏少軍先生及魏強先生擔任，為職能劃分明確之兩個不同職位。董事會主席負責就本集團的業務發展提供策略意見及指引；而行政總裁則負責本集團的日常營運。

INDEPENDENT NON-EXECUTIVE DIRECTORS

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 Shaojun, Chairman of the Board, held a meeting with the independent non-executive Directors without the executive Directors' presence on 22 December 2016.

獨立非執行董事

遵照上市規則第3.10(1)條及第3.10(2)條的規定，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於獲委任前已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，董事會主席魏少軍先生已於二零一六年十二月二十二日與獨立非執行董事舉行一次會議，會上並無執行董事出席。

CORPORATE GOVERNANCE REPORT

企業管治報告

Save as disclosed in the Directors' biographies set out in the section headed "Directors and Senior Management" in this annual report, none of the Directors has any personal relationship (including financial, business, family or other material or relevant relationship) with any other Director and chief executive.

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 Audit Committee, the Remuneration Committee and the nomination committee (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.

DELEGATION BY THE BOARD

The Board reserves for its decision all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The functions and duties conferred on the Board include convening shareholders' meetings and reporting on the work of the Board to the Shareholders at shareholders' meetings as may be required by applicable laws, implementing resolutions passed at shareholders' meetings, determining the Company's business plans and investment plans, formulating the Company's annual budget and final accounts, formulating the Company's proposals for dividend and bonus distributions as well as exercising other powers, functions and duties as conferred on it by the Company's articles of association and applicable laws. The senior management is delegated with the authority and responsibilities by the Board for the day-to-day management and operations of the Group. 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.

除載於本年報「董事及高級管理層」一節的董事履歷所披露者外，概無董事與任何其他董事及主要行政人員之間存在任何個人關係(包括財務、業務、家屬或其他重大或相關的關係)。

所有董事(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(「**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。

董事會授權

董事會保留於本公司所有主要事宜之決策權，包括：批准及監察所有政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易(特別是可能涉及利益衝突之交易)、財務資料、委任董事以及其他重大財務及營運事宜。董事於履行職責時有權尋求獨立專業意見，費用由本公司承擔，並受鼓勵個別接觸本公司高級管理層並與其商議。

董事會的職能及職責包括根據適用法律的可能規定召開股東大會並於股東大會上向股東匯報董事會的工作，執行於股東大會通過的決議案，釐定本公司的業務計劃及投資計劃，制訂本公司的年度預算及決算賬目，制訂本公司的股息及花紅分派建議以及行使本公司的組織章程細則及適用法律所賦予的其他權力、職能及職責。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。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。

CORPORATE GOVERNANCE REPORT

企業管治報告

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibility are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

本集團之日常管理、行政及營運已授權高級管理層處理。授權職能及責任由董事會定期檢討。管理層訂立任何重大交易前須取得董事會之批准。

CORPORATE GOVERNANCE FUNCTION

The Board recognizes that corporate governance should be the collective responsibility of the Directors and their corporate governance duties include:

- (a) to develop, review and implement the Company's policy and practices on corporate governance and make recommendation to the Board;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors;
- (e) to establish, review and monitor the risk management and internal control systems of the Company;
- (f) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report; and
- (g) to develop, review and monitor the implementation of the shareholders' communication policy to ensure its effectiveness, and make recommendation to the Board where appropriate to enhance shareholders' relationship with the Company.

During the Reporting Period, the Board had reviewed and discussed the above-mentioned corporate governance policy and practices, including training and continuous professional development of Directors and senior management, compliance with laws and regulatory regulations, the Company's compliance with the CG Code and the relevant disclosures in the Corporate Governance Report.

企業管治職能

董事會確認，企業管治應由董事集體負責，而彼等的企業管治職責包括：

- (a) 制定、檢討及執行本公司的企業管治政策及常規，並向董事會提供推薦建議；
- (b) 檢討及監察董事及高級管理層的培訓及持續專業發展；
- (c) 檢討及監察本公司的政策及常規是否符合法律及監管的規定；
- (d) 制定、檢討及監察適用於僱員及董事的操守守則及合規手冊(如有)；
- (e) 建立、檢討及監察本公司之風險管理及內部監控系統；
- (f) 檢討本公司是否遵守企業管治守則及於企業管治報告中作出之披露；及
- (g) 制定、檢討及監察股東溝通政策的執行情況以確保其效力，並建議董事會於適當時加強股東與本公司的關係。

於本報告期間，董事會已審閱及討論上文所述之企業管治政策及常規，包括董事及高級管理層的培訓及持續專業發展、法律及監管規則的合規事宜、本公司遵守企業管治守則的情況及企業管治報告中的相關披露。

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Pursuant to the code provision A.5.6 of the CG Code, listed issuers are required to adopt a board diversity policy. The Board has adopted the board diversity policy and summary of the board diversity policy is set out below:

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board. The Nomination Committee will monitor the implementation of this policy and will from time to time review this policy to ensure the effectiveness of this policy.

AUDIT COMMITTEE

The Audit Committee was established on 22 November 2011. The Audit Committee comprises three members, namely Mr. Wong, Yik Chung John (*Chairman*), Mr. Han Qinchun and Mr. Han Xiaoping, all of the members are independent non-executive Directors. Mr. Han Xiaoping has been appointed as a member of Audit Committee on 28 June 2016, in place of Mr. Li Chun who has ceased to be a member of Audit Committee with effect from 28 June 2016. 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.

根據企業管治守則的守則條文第A.5.6條，上市發行人須採納董事會多元化政策。董事會已採納董事會多元化政策，董事會多元化政策的概要載列如下：

本公司深明並相信董事會多元化可提高其表現質素，並致力確保董事會擁有適合本公司業務所需之均衡技能、經驗和多元化觀點。董事會所有委任均繼續以用人唯才為原則，並充分顧及董事會成員多元化之裨益。甄選人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年期。最終將按既定人選的長處及可為董事會提供的貢獻而作決定。提名委員會將監察本政策之實施及將不時檢討本政策，確保本政策行之有效。

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)、韓秦春先生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。於二零一六年六月二十八日，韓曉平先生獲委任為審核委員會成員，接替自二零一六年六月二十八日起辭任審核委員會成員之李淳先生。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任免向董事會提供推薦建議、審閱財務報表、報告及賬目及檢討、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。

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

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During the Reporting Period, the Audit Committee has mainly fulfilled the following responsibilities:

- reviewing the unaudited interim results for the six months ended 30 June 2016 and the audited annual results for the year ended 31 December 2016, 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;
- 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.

During the Reporting Period, the Audit Committee has held 4 meetings. The following is the attendance record of the Audit Committee meetings during the year ended 31 December 2016:

於本報告期間，審核委員會主要履行下列職務：

- 審閱本集團截至二零一六年六月三十日止六個月的未經審核中期業績及截至二零一六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；
- 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控制系統的責任。

於本報告期間，審核委員會已舉行四次會議。以下是審核委員會於截至二零一六年十二月三十一日止年度的會議出席紀錄：

		Attended/ Eligible to attend
		出席／合資格 出席紀錄
Mr. Wong, Yik Chung John (<i>Chairman</i>)	黃翼忠先生(主席)	4/4
Mr. Han Qinchun	韓秦春先生	4/4
Mr. Han Xiaoping (<i>appointed on 28 June 2016</i>)	韓曉平先生 (於二零一六年六月二十八日獲委任)	2/2
Mr. Li Chun (<i>resigned on 28 June 2016</i>)	李淳先生 (於二零一六年六月二十八日辭任)	3/3

REMUNERATION COMMITTEE

The Remuneration Committee was established on 22 November 2011. The Remuneration Committee comprises three members, namely Mr. 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. Mr. Han Qinchun has been appointed as the chairman of Remuneration Committee on 28 June 2016, in place of Mr. Li Chun who has ceased to be the chairman and member of Remuneration Committee with effect from 28 June 2016.

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先生(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。於二零一六年六月二十八日，韓秦春先生獲委任為薪酬委員會主席，接替自二零一六年六月二十八日起辭任薪酬委員會主席及成員之李淳先生。

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

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。

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.

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。

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.

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

During the Reporting Period, the Remuneration Committee has mainly fulfilled the following responsibilities:

於本報告期間，薪酬委員會主要履行下列職務：

- reviewing the remuneration policies of the Group for 2016 and reviewing the remuneration package for executive Directors and the senior management personnel; and
- discussing the Company's plan to grant share options.

- 檢討本集團於二零一六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；及
- 就本公司購股權授予計劃進行商討。

During the Reporting Period, the Remuneration Committee has held 2 meetings. The following is the attendance record of the Remuneration Committee meetings during the year ended 31 December 2016:

於本報告期間，薪酬委員會已舉行二次會議。以下是薪酬委員會於截至二零一六年十二月三十一日止年度的會議出席紀錄：

**Attended/
Eligible to attend**
出席／合資格
出席紀錄

Mr. Han Qinchun (<i>Chairman</i>) (<i>appointed on 28 June 2016</i>)	韓秦春先生(主席) (於二零一六年六月二十八日獲委任)	1/1
Mr. Wei Qiang	魏強先生	2/2
Mr. Wong, Yik Chung John	黃翼忠先生	2/2
Mr. Li Chun (<i>resigned on 28 June 2016</i>)	李淳先生 (於二零一六年六月二十八日辭任)	1/1

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NOMINATION COMMITTEE

The Nomination Committee was established on 22 November 2011. The Nomination Committee comprises three members, namely Mr. Wei Shaojun (*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. Mr. Han Xiaoping has been appointed as a member of Nomination Committee on 28 June 2016, in place of Mr. Han Qinchun who has ceased to be a member of Nomination Committee with effect from 28 June 2016.

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.

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 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 2016 AGM;
- nominating candidates for independent non-executive Directors; and
- assessing the independence of independent non-executive Directors.

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。提名委員會由魏少軍先生(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。於二零一六年六月二十八日，韓曉平先生獲委任為提名委員會成員，接替自二零一六年六月二十八日起辭任提名委員會成員之韓秦春先生。

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。

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。

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

於本報告期間，提名委員會主要履行下列職務：

- 檢討董事會的架構、構成及董事會成員多元化政策；
- 就於二零一六年股東週年大會上重選退任董事提出建議；
- 提名獨立非執行董事候選人；及
- 評估獨立非執行董事的獨立性。

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During the Reporting Period, the Nomination Committee has held one meeting. The following is the attendance record of the Nomination Committee meeting during the year ended 31 December 2016:

於本報告期間，提名委員會已舉行一次會議。以下為提名委員會於截至二零一六年十二月三十一日止年度的會議出席紀錄：

		Attended/ Eligible to attend
		出席/合資格 出席紀錄
Mr. Wei Shaojun (<i>Chairman</i>)	魏少軍先生(主席)	1/1
Mr. Wong, Yik Chung John	黃翼忠先生	1/1
Mr. Han Xiaoping (<i>appointed on 28 June 2016</i>)	韓曉平先生 (於二零一六年六月二十八日獲委任)	0/0
Mr. Han Qinchun (<i>resigned on 28 June 2016</i>)	韓秦春先生 (於二零一六年六月二十八日辭任)	1/1

REMUNERATION OF SENIOR MANAGEMENT

高級管理層的薪酬

For the Reporting Period, remuneration of the senior management of the Company (whose biographies are set out on pages 27 to 30 of this annual report), other than Directors as disclosed in note 8 to the audited consolidated financial statements in this annual report, is within the following band for each person:

於本報告期間，按本年報經審核綜合財務報表附註8所披露，董事以外本公司高級管理層(其履歷載於本年報第27至30頁)各人之薪酬介於下述範疇：

Remuneration Band	薪酬範圍	Number of Individuals
		人數
Nil to HK\$1,000,000	零至1,000,000港元	3
HK\$2,500,000 to HK\$3,000,000	2,500,000港元至3,000,000港元	1

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AUDITOR'S REMUNERATION AND REPORTING RESPONSIBILITIES

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:

核數師的薪酬及申報責任

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：

Type of Services	服務種類	RMB'000 人民幣千元
Audit services for 2016	二零一六年的核數服務	2,000
Non-audit services for 2016	二零一六年的非核數服務	—
Total	總計	2,000

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。

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. With effect from 1 April 2012, the Company provides all members of the Board with monthly updates on the Company's performance, position and prospects.

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之財務報表，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。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，以保障本集團資產及避免及偵察欺詐及其他違規狀況。自二零一二年四月一日起，本公司向董事會全體成員提供有關本公司表現、狀況及前景的最新月度資料。

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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

The Board is responsible for establishing and maintaining appropriate risk management and internal control systems for the Group, and to regularly assess and continuously supervise their effectiveness to foster the sustainable development of the Group. The management is responsible for designing, implementing and supervising the risk management and internal control systems, and providing the Board with the confirmation of the effectiveness of risk management and internal control.

The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable rather than absolute assurance against material misstatement or loss. Such systems do not provide an absolute shield against factors such as unpredictable risks, e.g. natural catastrophes, fraud, human errors, etc.

The Board supervises the risk management and internal control systems on an on-going basis rather than as a one-off review. The Board has delegated to the Audit Committee the responsibility of supervising the management in designing, implementing and monitoring the risk management and internal control systems. In 2016, the Audit Committee considered and reviewed the risk management and internal control systems of the Group for two times, and reported the findings of the reviews to the Board.

During the Reporting Period, the Board had obtained the confirmation from the management regarding the effectiveness of the risk management and internal control systems. For the Reporting Period, the Board considers that risk management and internal control were effective and adequate for the Group as a whole. There was no issue relating to the material controls, including financial, operational and compliance controls as well as the risk management functions of the Group. The Board also reviewed the resources for accounting, internal audit and financial reporting functions, staff qualifications and experience, and the training courses for the staff and the relevant budget were sufficient for the Reporting Period.

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

董事會肩負責任，為本集團建立及保持適當的風險管理及內部監控系統，並定期評估、持續監督其有效性，以促進本集團的可持續發展。管理層負責設計、實施以及監督風險管理和內部監控系統的工作，並向董事會提供風險管理和內部監控是否有效的確認。

風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，並只能對不會有重大的失實陳述或損失作出合理而非絕對的保證，並該系統不能完全排除不可預測風險（例如自然災害、欺詐、人為錯誤等）等因素的影響。

董事會持續監督風險管理及內部監控系統，而非一次性的檢討。董事會已授權審核委員會，監督管理層對風險管理及內部監控系統的設計、實施及監察。於二零一六年度，審核委員會就本集團的風險管理及內部監控系統進行了二次審議及檢討，並向董事會彙報審議結果。

於本報告期間，董事會已取得管理層對風險管理及內部監控系統有效性的確認。就本報告期間而言，董事會認為，風險管理及內部監控就本集團整體而言是有效及足夠的，概無有關本集團重要監控（包括財務、營運以及合規監控及風險管理職能）的問題。董事會亦已檢討本報告期間會計、內部審核及財務彙報職能方面的資源、員工資歷及經驗，以及於本報告期間員工所接受的培訓課程及有關預算是足夠的。

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Scope of risk management and internal control

The risk management and internal control of the Company covers the Company and its subsidiaries, encompassing the Group's principal businesses, namely, the smart energy and solar energy businesses and the Primary Land Development Business. The important items included in the scope of internal control are financial control, operational control, compliance control and risk management functions. The review has been conducted based on the guidelines and definitions for regulating firms and professional bodies, with reference to the five elements of internal control, namely, the internal environment, risk assessment, control activities, information and communication, and internal supervision, covering all the key controls and measures. The scope of review also includes the Group's resources for accounting, financial reporting and internal inspection, staff qualifications and experience, and the adequacy of training.

Risk management and internal control systems

The Group established an integrated risk management and internal control systems tailored to suit the management needs of the Group, a system that is modelled on the COSO framework and combines the CG Code of the Stock Exchange, the Basic Standard for Enterprise Internal Control and the Implementation Guidelines for Enterprise Internal Control of China with the characteristics of the industry the Group operates in. With its orientation towards risk management and internal control as the core, the objective of such system is to offer reasonable assurances that the Group's operations and management are in compliance with laws and regulations in order to safeguard the security of the Group's assets, ensure the truthfulness, accuracy and completeness of the Group's financial reports and related information, enhance operational efficiency and results, and build a scientific and orderly integrated risk management and internal control system that brings risks under control, meets the actual needs of the Group and covers the Group's various business segments, thereby securing the achievement of the Group's strategic objectives.

Risk management

Risks are inherent in every business and the challenge lies in identifying and managing them so that they are managed, reduced, transferred, shared, hedged or tolerated after weighing up the pros and cons. Effective risk management has always been a part of the overall achievement of the Company's strategic objectives.

風險管理及內部監控範疇

本公司的風險管理及內部監控涵蓋了本公司及其下屬子公司，包含了本集團的主營業務範圍，即智慧能源及太陽能業務及土地一級開發業務。納入內部監控範圍的重要事項包括了財務監控、運營監控、合規監控、風險管理功能等。有關檢討工作是以監管機構及專業團體的指引、定義為基礎，根據內部環境、風險評估、控制活動、訊息與溝通及內部監督的五項內部監控元素進行評估，涵蓋所有重要的監控及措施；檢討範圍亦包括本集團會計、財務彙報、內部稽核職能的資源、員工資歷和經驗及培訓的足夠性。

風險管理和內部監控體系

本集團建立了一套以COSO框架為藍本，結合了聯交所《企業管治守則》、中國《企業內部控制基本規範》、《企業內部控制配套指引》及本集團所處行業之特點，建立了符合本集團管理需求的綜合風險管理和內部監控體系。其目標是：以風險管理為導向，以內部控制為核心，合理保證本集團經營管理合法合規，保障本集團的資產安全，確保本集團的財務報告及相關信息的真實、準確、完整，提高經營效率和效果，構建符合本集團實際需要並涵蓋本集團各業務板塊的科學、規範、風險受控的綜合風險管理和內部監控體系，確保本集團戰略目標的實現。

風險管理

每項業務均面臨內在風險，因此，我們面對的挑戰在於識別及管理風險，以管理、降低、轉移、分擔、規避或權衡利弊後承受風險。有效的風險管理歷來是本公司全面實現戰略目標的一部分。

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The risk management system

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

風險管理體系

本集團的風險管理體系以下文所示的三道防線為指引：



The first line of defence

A Risk Management Executive Team has been set up, comprising the Group's functional centres, business segments and 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 and the Internal Audit Department feedback on the risks. The Risk Management Leading Team revises and refines the risk management system to confine risk management to the first line of defence. Through supervision and inspection, the Internal Audit Department makes sure that the risk management procedure and mitigation plans are carried out well.

第一道防線

設立風險管理執行小組，由本集團各職能中心、各事業部及全體員工組成。各職能中心、各事業部及個人於日常運營中執行本集團的風險管理策略，並根據業務的變化及時收集風險，反饋至風險管理領導小組和內審部，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線。內審部督促及檢查，確保風險管理程序及舒緩計劃的良好落實。

The second line of defence

A Risk Management Leading Team has been set up, comprising the Group's president, vice-president and the directors of the centres. The Risk Management Leading Team designs, implements and supervises the risk management system to identify, communicate and assess the significant risks for the Group. The Risk Management Leading Team also formulates and adjusts the response measures, and ensures their effective implementation. The Internal Audit Department supervises the risk management system designed and implemented by the Risk Management Leading Team, independently assesses the effectiveness of such system and regularly reports the findings of assessment to the Audit Committee.

第二道防線

設立風險管理領導小組，由本集團總裁、副總裁、各中心總監等組成。風險管理領導小組設計、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。內審部對風險管理領導小組設計、實施的風險管理體系進行監督，獨立評估其有效性，並定期向審核委員會彙報評估結果。

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The third line of defence

The Board and its affiliated Audit Committee, 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 on-going basis.

Risk management procedure

The following diagram shows the risk management procedure:

第三道防線

由董事會及其下屬的審核委員會組成。董事會、審核委員會負責評估及釐定本集團達成策略目標時所願意接納的風險性質及程度，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系統，並持續監督風險管理及內控體系的有效性。

風險管理程序

下圖展示風險管理程序：



(1) Risk identification: The Group regularly gathers relevant information in a comprehensive, systematic and continuous manner based on the operational and control objectives previously laid down and, by considering the information in light of the actual situation, conducts risk assessment in a timely manner to accurately identify the internal risks and external risks related to achieving the control objectives and determine the relevant risk appetite with the Audit Committee and the Board. At the stage of risk identification, the Group compiles a database of the various kinds of risks the Group is faced with, a database that influences how the Group achieves its objectives.

(1) 風險識別：本集團定期根據設定的經營、控制目標，全面系統持續地收集相關信息，結合實際情況及時進行風險評估，準確識別與實現控制目標相關的內部風險和外部風險，並與審核委員會、董事會確定相應的風險承受度。風險識別階段，形成了影響目標實現的本集團各類風險數據庫。

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- (2) Risk analysis: By way of questionnaires, the Group rates risks in terms of their likelihood of occurrence and impact upon occurrence. In conducting risk analysis, a methodology combining the qualitative approach with the quantitative approach is adopted. Risks are analyzed and ranked based on their likelihood of occurrence and impact upon occurrence, and mapped onto the risk plots of the Group.
- (2) 風險分析：本集團運用問卷調查的形式，對風險發生的可能性及其影響程度進行打分。風險分析時採用定性與定量相結合的方法，按照風險發生的可能性及其影響程度對識別的風險進行分析和排序，繪製形成了本集團風險坐標圖。
- (3) Risk responses: In formulating the risk response strategies, the Group adopts the appropriate control measures through ascertaining the risk preferences of Directors, the Chief Executive Officer and other senior management personnel, and the staff in key positions to avoid material loss for the Group's operations as a result of individual risk preferences. The risk strategies to be adopted include a mixed use of risk response strategies ranging from risk hedging, risk reduction, risk sharing to risk toleration, and weighing the risks against the gains in achieving effective risk control. The Group compiles its risk management reports based on the information from the assessment and analysis of risks, as well as the risk response strategies.
- (3) 風險應對：在制定風險應對策略時，本集團通過掌握董事、行政總裁及其他高級管理人員、關鍵崗位員工的風險偏好，採取適當的控制措施，避免因個人風險偏好給本集團經營帶來重大損失。採用的風險策略包括綜合運用風險規避、風險降低、風險分擔和風險承受等風險應對策略，權衡風險與收益，實現對風險的有效控制。根據風險評估、分析及應對策略信息，形成了本集團風險管理報告。
- (4) Dynamic monitoring of changes in risks and risk responses: In light of the different stages of development and the progress of business development, the Group gathers information related to changes in risks on a regular and on-going basis to conduct risk identification and risk analysis, adjust the relevant risk response strategies in a timely manner, and supervise the implementation of such strategies.
- (4) 動態監控風險變化及風險應對情況：本集團根據不同發展階段和業務拓展情況，定期持續收集與風險變化相關的信息，進行風險識別和風險分析，及時調整相應風險應對策略，並監督其執行情況。

Key risks and uncertainties

Details of the risks and uncertainties involved in the business operations of the Group are set out in "Key Risks and Uncertainties" in "Management Discussion and Analysis".

The procedure for reviewing the effectiveness of risk management and internal control systems

The appraisal system in internal control

The Group laid down the Appraisal Guidelines for Internal Control to systematically standardize items such as the appraisal objectives for risk management and internal control, the criteria for recognizing defects and the methodology adopted for appraisals. The Guidelines are applied in the supervision of the process and results of internal control for the purpose of ensuring that the internal control system is dynamically adapting to the changes in the Group's operating environment and management objectives through on-going supervision, and that the internal control system is constantly undergoing dynamic adjustment and refinement. The application of the Guidelines is also aimed at enhancing the awareness of the results of internal control among members at the various levels of management entities and control, as well as supervising appraisals.

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詳見「管理層討論與分析」中的「主要風險及不確定因素」。

檢討風險管理及內部監控系統有效性的程序

內部控制評價制度

本集團建立了《內部控制評價指引》，對風險管理及內部監控的評價目標、缺陷認定標準、評價辦法等內容進行了系統的規範。該指引用於對內部控制運行過程和效果的監督，目的是通過持續監督，確保內控監督體系動態適應本集團的經營環境和管理目標的變化，不斷處於動態調整和完善之中，並實現各級管理主體和控制成員對內控效果的瞭解以及監督評價。

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The procedure and methodology for reviewing risk management and internal control

1. On-going supervision focusing on key control appraisals: In respect of the high-risk and important business items in the course of the Group's operations and management, the Internal Audit Department focused on the key control appraisals by supervising the key control in the internal control module of the Group in the year 2016 on an on-going basis, with due regard for high-risk areas and important business items, to prevent risks, standardize operations and enhance management.
2. Assessing the risks in business processes and the effectiveness of the internal control set-up: The Internal Audit Department rationalizes the major business processes of the Group by conducting interviews with the key persons in charge. Determining the control objectives for each business process and identifying the risks of threats materializing, the Internal Audit Department appraises the risks in business processes and the effectiveness of the internal control set-up by matching the risks with the existing control measures of the Group and conducting walk-through tests.
3. Testing the effectiveness of actual implementation: To appraise the effectiveness of the implementation of risk management and internal control, the Internal Audit Department regularly tests the key control points in each business process in a number of ways, including inquiry, observation, inspection and replication.
4. By selecting, formulating and implementing on-going and/or independent assessments, the Internal Audit Department determines whether the essential ingredients of risk management and internal control are in place and working properly.
5. The defects in risk management and internal control are assessed in a timely manner, and reported to the persons responsible for adopting the corrective measures, including the senior management personnel and the Board, where appropriate.

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.

檢討風險管理及內部監控的程序和方法

1. 以關鍵控制評價為主，進行持續監督：內審部對本集團經營管理過程中的高風險和重要業務事項，以關鍵控制評價為主，對本集團二零一六年度內部控制模塊中的關鍵控制進行持續監督，關注高風險領域和重要業務事項，以防範風險、規範運營、提升管理。
2. 進行業務流程風險及內部監控設計有效性的評估：內審部採用關鍵負責人訪談的方式梳理本集團主要業務流程，並對每個業務流程確定控制目標、識別威脅目標實現的風險，並與本集團現有的控制措施進行匹配、穿行測試來評價業務流程風險及內控設計的有效性。
3. 對實際執行的有效性進行測試：內審部定期對每個業務流程的關鍵控制點採用詢問、觀察、檢查、重新執行等測試方式評價風險管理及內部監控執行的有效性。
4. 內審部選擇、制訂並實施持續及／或獨立的評估，確定風險管理及內部監控的各要素是否存在並運作正常。
5. 適時評估風險管理及內部監控的缺失，並將有關缺失通知負責採取糾正措施的相關人士，包括高層管理人員和董事會（如適合）作出溝通。

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之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內幕消息或其作出有關決定後須即時公佈。

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- 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.
- 本公司已根據上市規則及內幕消息披露指引，制定了本公司的《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、內幕消息的彙報及披露流程，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、高級管理人員和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公司經營狀況、財務狀況及其他公司經營情況與任何機構和個人進行溝通時，指定專門的信息披露執行主體。
- 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》，要求員工從一入職開始就承擔相關保密責任。

Internal audit function

The Company established the internal audit function (the “**Internal Audit Department**”) which plays a major role in monitoring the internal governance of the Company. The major tasks of the Internal Audit Department are reviewing the financial condition and internal control of the Group and conducting comprehensive audits of the Group on a regular basis. In the course of conducting audits, the Internal Audit Department has the right to inspect all records, assets and personnel information. To ensure the independence of the Internal Audit Department in conducting audits, the person in charge of the Internal Audit Department reports directly to the Audit Committee. With an Internal Audit Department staffed by employees experienced in internal audits, the Group has adequate resources at its command at this stage.

內部審核職能

本公司設立內部審核職能（「**內審部**」），肩負監察本公司內部管治的重任。內審部的主要工作包括檢討本集團的財務狀況及內部監控，並定期就本集團進行全面審核。內審部有權在審核的過程中查閱所有紀錄、資產及人事資料。內審部負責人直接向審核委員會彙報，以確保其在內部審核過程中的獨立性。本集團內審部員工在內審方面擁有豐富經驗，就本集團現階段而言資源是足夠的。

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Main activities of the Internal Audit Department in 2016:

- Conducting independent reviews for the Group's risk and control measures while ensuring that the relevant risks and any shortcoming in internal control have been addressed properly;
- Monitoring the implementation of risk control and internal control practices in coordination with functional departments, business segments and staff members;
- Rigorously inspecting and testing risk management and internal control systems, and presenting recommendations on improvements;
- Reporting the findings of monitoring the risk management and internal control systems to the Audit Committee for a total of two times;
- Conducting regular audits for the finance, operation and compliance of major business units, taking a risk-oriented approach;
- Carrying out special reviews for the areas that the management, the Audit Committee and the Board devoted their attention to;
- Reviewing the procedure for the Group's management and control measures for continuing connected transactions, and reporting the findings to the independent non-executive Directors;
- Offering internal consulting services regarding risk management and internal control, as well as helping to improve the management and operating performance of the various business units within the Group.

內審部二零一六年的主要工作內容：

- 對本集團的風險和監控措施進行獨立檢討，並確保有關風險和任何內部監控之不足已得到適當的處理；
- 與各職能部門、各事業部及員工協調，監察其風險管控和內部監控實務的執行情況；
- 對風險管理和內部監控體系進行嚴格的檢查及測試，並提出改善建議；
- 共二次向審核委員會彙報風險管理和內部監控體系的監控結果；
- 以風險為導向，定期審計主要業務單位的財務、運營及合規情況；
- 對管理層、審核委員會及董事會關注的範疇進行特別檢討；
- 檢討本集團持續性關聯交易管控措施的程序，並向獨立非執行董事進行彙報；
- 就風險管理內部控制提供內部諮詢服務以及幫助改善本集團內各業務單位的管理及運營表現。

JOINT COMPANY SECRETARY

Ms. Mok Ming Wai was the company secretary of the Company and resigned with effect from 31 August 2016, and Ms. Zou Yanhong (“**Ms. Zou**”) and Ms. Ng Ka Man (“**Ms. Ng**”) have been appointed as joint company secretaries of the Company with effect from 31 August 2016.

聯席公司秘書

莫明慧女士曾為本公司之公司秘書，於二零一六年八月三十一日起辭任。鄒燕紅女士（「鄒女士」）及吳嘉雯女士（「吳女士」）於二零一六年八月三十一日獲委任為本公司之聯席公司秘書。

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Ms. Zou is the senior legal manager 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 Ka Man, an assistant vice president of TMF Hong Kong Limited (a global corporate service provider), as its Joint Company Secretary to assist Ms. Zou Yanhong to discharge her duties as company secretary of the Company. The primary corporate contact person at the Company is Ms. Zou Yanhong, the Joint Company Secretary.

For the year ended 31 December 2016, Ms. Zou and Ms. Ng have 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.

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.

鄒女士為本公司證券事務部之高級法務經理，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、適用之法律、法規及規章得到遵循。

為了維持良好的企業管治並確保符合上市規則及適用之香港法律，本公司也聘用了達盟香港有限公司(為一所全球企業服務供應商)的助理副總裁吳嘉雯女士作為本公司之聯席公司秘書，以協助鄒燕紅女士履行本公司的公司秘書之職責。本公司內部主要聯絡人為本公司之聯席公司秘書鄒燕紅女士。

截至二零一六年十二月三十一日止年度，鄒女士與吳女士已根據上市規則第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、及時而有效的溝通的重要性。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之渠道。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。

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。

CORPORATE GOVERNANCE REPORT

企業管治報告

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 28 June 2016, all resolutions including the approval of the audited consolidated financial statements of the Company and the Group for the year ended 31 December 2015, 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.

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 of the Company to propose a person for election as a director are available on the website of the Company.

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。於二零一六年六月二十八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二零一五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。

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之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（由董事會推選之情況除外）。根據該細則規定，提交該等通知之期間須由不早於指定進行該選舉之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之最短期間須為最少7日。有關本公司股東提名人選參選董事的程序可於本公司網站閱覽。

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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.

詢問董事會

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

CHANGE IN CONSTITUTIONAL DOCUMENTS

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

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

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What we have audited

The consolidated financial statements of LongiTech Smart Energy Holding Limited (the "Company") and its subsidiaries (the "Group") set out on pages 85 to 174, which comprise:

- the consolidated balance sheet as at 31 December 2016;
- 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.

我們已審計的內容

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85至174頁的綜合財務報表，包括：

- 於二零一六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

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 2016, 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.

我們的意見

我們認為，該等綜合財務報表已根據《國際財務報告準則》真實而中肯地反映了貴集團於二零一六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。

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INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



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》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。

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羅兵咸永道

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

- Recognition of bargain purchase gain

我們在審計中識別的關鍵審計事項概述如下：

- 議價收購收益的確認

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

Recognition of bargain purchase gain

議價收購收益的確認

Refer to note 4(a) Critical accounting estimates and judgements-Business combinations, note 6 Other gains-net and note 31 Business combinations to the consolidated financial statements.

請參閱綜合財務報表附註4(a)關鍵會計估計和判斷—業務合併、附註6其他收益—淨額和附註31業務合併。

We focused on this area due to the size of bargain purchase gain (RMB 25 million) derived from the acquisition of three solar power plants from third parties, and because the Directors' assessment for fair value of the solar power plants acquired involves judgements and assumptions on the future operation results based on current market conditions and available information.

我們關注這一領域是因為產生於自第三方收購三個光伏電站的議價收購收益的金額重大(人民幣25百萬元)；並且管理層在對收購光伏電站的公平值評估過程中運用了基於目前的市場情況和可獲得信息對未來經營結果預測的判斷和假設。

We evaluated the composition of management's cash flow forecasts and the process by which they were developed, including verifying the mathematical accuracy of the underlying calculations.

我們評估了管理層的現金流預測的構成及其編製過程，並驗證了相關計算的準確性。

We also challenged management's key assumptions in the forecasts for:

我們也質疑了管理層在如下方面的關鍵預測假設：

- (1) Solar power generation, by comparing to their historical actual operation data and attenuation rates with industry forecasts;
- (1) 光伏電站發電量，將其與歷史實際營運數據及衰減率的行業預測相對比；
- (2) Electricity tariff, by matching with the current market price set and published by local government authorities;
- (2) 電價，將其與當地政府定價部門制定並公佈的現行市場電價相對比；
- (3) Future cost profiles, by comparing to historical actual costs and growth rates comparable to power generation; and
- (3) 未來成本費用，將其與歷史實際成本及考慮與發電量相匹配的增長率相對比；及
- (4) The discount rates, by estimating a range of discount rates independently, and ensuring the discount rates adopted by management were within the range.
- (4) 折現率，我們獨立估算了折現率區間，由此評價管理層採用的折現率是否在合理範圍內。

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羅兵咸永道

Key Audit Matter

關鍵審計事項

The management determined the fair value of each solar power plant based on a discounted free cash flow model. In performing such assessment, the management had adopted the following key assumptions and judgements:

管理層採用自由現金流量折現模型的計算結果為基礎，評估確定每個光伏電站的公平值。在這些評估中，管理層採用了如下的關鍵假設和判斷：

- Forecast of solar power generation;
- 光伏電站發電量的預測；
- Forecast of electricity tariff;
- 電價的預測；
- Forecast of cost profiles; and
- 經營成本費用的預測；及
- Discount rates
- 折現率

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 compared the actual power generation and operating results of these solar power plants in 2016 with the forecasts to consider whether any forecasts included assumptions that, with hindsight, had material deviation.

我們也將這些光伏電站在二零一六年度實際發電量和運營結果與預測結果進行比較，以考慮是否存在事後的證據顯示與預測中的假設存在重大偏差。

Based upon the above procedure performed, we found the key assumptions and input data adopted were supported by the evidence we gathered and consistent with our expectation.

基於上述程序，我們發現管理層採用的關鍵假設和數據輸入值能被我們所收集的證據支持，並且與我們的預期一致。

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.

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瞭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。

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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.

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。

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

董事及審核委員會就綜合財務報表須承擔的責任

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.

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。

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.

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。

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

審核委員會須負責監督貴集團的財務報告過程。

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

核數師就審計綜合財務報表承擔的責任

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.

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）報告，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。

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

- 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。
- 瞭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。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



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.

- 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。

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LongiTech Smart Energy Holding Limited Annual Report 2016

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.

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。

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 22 March 2017

羅兵咸永道會計師事務所
執業會計師

香港，二零一七年三月二十二日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 31 December 2016 截至二零一六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	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
		Note 附註	
Continuing operations	持續經營業務		
Revenue	收益	5(a)	324,168
Cost of sales	銷售成本	7	(292,394)
Gross profit	毛利		79,813
Other gains-net	其他收益—淨額	6	—
Selling and distribution expenses	銷售及分銷開支	7	(948)
Administrative expenses	行政開支	7	(9,543)
Profit from operations	經營溢利		73,733
Finance income	融資收入	9	20
Finance expenses	融資開支	9	(259)
Finance expenses — net	融資開支—淨額	9	(239)
Profit before income tax	除所得稅前溢利		64,704
Income tax expense	所得稅開支	10	(6,446)
Profit for the year from continuing operations	持續經營業務之年內溢利		51,946
Discontinued operation	已終止業務		
Loss for the year from discontinued operations	已終止業務之年內虧損		(1,622)
Profit for the year	年內溢利		51,946

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 31 December 2016 截至二零一六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	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
		Note 附註	
Profit attributable to:	以下應佔溢利：		
Owners of the Company	本公司擁有人		12,976
Non-controlling interests	非控股權益		—
		51,456	
		490	
		51,946	12,976
Profit/(loss) attributable to owners of the Company arises from:	本公司擁有人應佔溢利／(虧損)來自：		
Continuing operations	持續經營業務	51,456	14,598
Discontinued operations	已終止業務	—	(1,622)
		51,456	12,976
Earnings per share from continuing and discontinued operations attributable to owners of the Company for the year	年內本公司擁有人應佔持續經營業務及已終止業務之每股盈利		
Basic earnings per share (RMB)	每股基本盈利(人民幣元)		
From continuing operations	持續經營業務	11(a)	0.0241
From discontinued operations	已終止業務	11(a)	(0.0027)
		0.0824	0.0214
Diluted earnings per share (RMB)	每股攤薄盈利(人民幣元)		
From continuing operations	持續經營業務	11(b)	0.0240
From discontinued operations	已終止業務	11(b)	(0.0027)
		0.0824	0.0213

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2016 截至二零一六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	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	Note 附註		
Profit for the year	年內溢利	51,946	12,976
Other comprehensive income:	其他全面收入：		
Items that may be reclassified subsequently to profit or loss:	隨後可能重新分類至損益之項目：		
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之匯兌差額	2,831	60
Other comprehensive income for the year, net of tax	年內其他全面收入，經扣除稅項	2,831	60
Total comprehensive income for the year	年內全面收入總額	54,777	13,036
Attributable to:	以下應佔：		
Owners of the Company	本公司擁有人	54,287	13,036
Non-controlling interests	非控股權益	490	—
Total comprehensive income for the year	年內全面收入總額	54,777	13,036
Total comprehensive income attributable to owners of the Company arises from:	本公司擁有人應佔全面收入總額來自：		
Continuing operations	持續經營業務	54,287	14,658
Discontinued operations	已終止業務	—	(1,622)
		54,287	13,036

CONSOLIDATED BALANCE SHEET

綜合資產負債表

At 31 December 2016 於二零一六年十二月三十一日

As at 31 December
於十二月三十一日

	Note	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Assets			
Non-current assets			
Leasehold land and land use rights	13	8,240	6,331
Property, plant and equipment	14	271,826	13,055
Intangible assets	15	24,431	—
Available-for-sale financial assets	16	—	5,000
Other non-current assets	17	12,878	—
		317,375	24,386
Current assets			
Inventories	19	27,618	23,559
Trade and other receivables	20	114,424	57,730
Amount due from customers for contract work	21	604,746	332,661
Available-for-sale financial assets	16	3,000	—
Restricted cash	22	296	251,015
Cash and cash equivalents	23	205,037	158,518
		955,121	823,483
Total assets		1,272,496	847,869
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	24(a)	6,002	4,943
Reserves	24(b)	212,257	23,951
Retained earnings		88,623	41,670
Total equity		306,882	70,564

CONSOLIDATED BALANCE SHEET

綜合資產負債表

At 31 December 2016 於二零一六年十二月三十一日

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
		Note 附註	
Liabilities	負債		
Non-current liabilities	非流動負債		
Borrowings	借貸	25	300,000
Deferred government grants	遞延政府補貼		—
Deferred income tax liabilities	遞延所得稅負債	28	—
			681,320
Current liabilities	流動負債		
Borrowings	借貸	25	220,000
Receipts in advance	預收款項	26	26,131
Trade and other payables	貿易及其他應付款項	27	217,499
Current income tax liabilities	即期所得稅負債		13,675
			284,294
Total liabilities	負債總額		965,614
Total equity and liabilities	權益及負債總額		1,272,496

The Notes on pages 93 to 174 are an integral part of these consolidated financial statements.

第93頁至第174頁所載附註為本綜合財務報表一部分。

The financial statements on pages 85 to 174 were approved by the Board of Directors on 22 March 2017 and were signed on its behalf.

第85頁至第174頁所載財務報表於二零一七年三月二十二日經董事會批准，並由下列董事代表簽署。

Wei Shaojun
魏少軍
Director
董事

Zhen Xiaojing
甄曉淨
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2016 截至二零一六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 reserves	Share-based compensation reserve	Exchange reserve	Property revaluation reserve	Other reserve	Retained earnings	Total	Non-controlling interests	Total equity	
		Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Balance at 1 January 2015	於二零一五年一月一日結餘		4,900	94,089	22,282	5,648	2,063	2,229	605	133,624	265,440	–	265,440
Comprehensive income	全面收入		–	–	–	–	–	–	12,976	12,976	–	–	12,976
Profit for the year	年內溢利		–	–	–	–	60	–	–	60	–	–	60
Other comprehensive income	其他全面收入		–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income	全面收入總額		–	–	–	–	60	–	–	12,976	13,036	–	13,036
Transactions with owners in their capacity as owners	與擁有人以其擁有的身份進行的交易												
Share issued for exercise of share options	行使購股權而發行股份	24(a)(i)	43	6,298	–	(3,236)	–	–	–	–	3,105	–	3,105
Equity settled share-based transactions	按權益結算以股份支付之交易		–	–	–	1,162	–	–	–	–	1,162	–	1,162
Forfeiture of share options	沒收購股權		–	–	–	(3,574)	–	–	–	–	–	–	–
Appropriation to statutory reserves	撥至法定儲備		–	–	1,916	–	–	–	–	(1,916)	–	–	–
Distribution in specie	實物分派	24(b)(ii)	–	(82,956)	(17,448)	–	(2,958)	(2,229)	–	(106,589)	(212,179)	–	(212,179)
Total transaction with owners, recognised directly in equity	與擁有人進行交易，直接於權益入賬		43	(76,658)	(15,532)	(5,648)	(2,958)	(2,229)	–	(104,930)	(207,912)	–	(207,912)
Balance at 31 December 2015	於二零一五年十二月三十一日結餘		4,943	17,431	6,750	–	(835)	–	605	41,670	70,564	–	70,564

		Attributable to owners of the Company 本公司擁有人應佔										
		Share capital	Share premium	Statutory reserves	Exchange reserve	Other reserve	Retained earnings	Total	Non-controlling interests	Total equity		
		Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2016	於二零一六年一月一日結餘		4,943	17,431	6,750	(835)	605	41,670	70,564	–	70,564	
Comprehensive income	全面收入		–	–	–	–	–	51,456	51,456	490	51,946	
Profit for the year	年內溢利		–	–	–	2,831	–	–	2,831	–	2,831	
Other comprehensive income	其他全面收入		–	–	–	–	–	–	–	–	–	
Total comprehensive income	全面收入總額		–	–	–	2,831	–	51,456	54,287	490	54,777	
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	24(a)(i)	1,059	177,390	–	–	–	–	178,449	–	178,449	
Acquisition of subsidiary	收購附屬公司	31	–	–	–	–	–	–	–	4,634	4,634	
Appropriation to statutory reserves	撥至法定儲備		–	–	4,503	–	–	–	(4,503)	–	–	
Acquisition of non-controlling interests	收購非控股權益	31	–	–	–	–	3,582	–	3,582	(5,124)	(1,542)	
Total transaction with owners, recognised directly in equity	與擁有人進行交易，直接於權益入賬		1,059	177,390	4,503	–	3,582	(4,503)	182,031	(490)	181,541	
Balance at 31 December 2016	於二零一六年十二月三十一日結餘		6,002	194,821	11,253	1,996	4,187	88,623	306,882	–	306,882	

The Notes on pages 93 to 174 are an integral part of these consolidated financial statements.

第93頁至第174頁所載附註為本綜合財務報表一部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2016 截至二零一六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	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	Note 附註		
Cash flows from operating activities	經營活動所得現金流量		
Cash used in operations	經營所用現金	(194,743)	(267,343)
Interest received	已收利息	633	421
Income tax paid	已付所得稅	(2,205)	(695)
Net cash used in operating activities	經營活動所用現金淨額	(196,315)	(267,617)
Cash flows from investing activities	投資活動所得現金流量		
Purchases of leasehold land and land use rights	購買租賃土地及土地使用權	(2,520)	—
Purchases of property, plant and equipment	購買物業、廠房及設備	(4,876)	(785)
Purchases of intangible assets	購買無形資產	(9,223)	—
Proceeds from sale of property, plant and equipment	出售物業、廠房及設備所得款項	2,609	—
Government grants received	取得政府補貼	2,690	—
Acquisition of subsidiaries, net of cash acquired	收購附屬公司，扣除購入現金	(926)	—
Proceeds from disposal of available-for-sale financial assets	出售可供出售金融資產所得款項	2,000	—
Decrease/(increase) in restricted cash	受限制現金減少/(增加)	250,719	(251,015)
Distribution in specie	實物分派	—	(7,660)
Net cash generated from/(used in) investing activities	投資活動所得/(所用)現金淨額	240,473	(259,460)
Cash flows from financing activities	融資活動所得現金流量		
Proceeds from issuance of ordinary shares	發行普通股所得款項	178,449	—
Proceeds from borrowings	借貸所得款項	495,639	520,000
Repayment of borrowings	償還借貸	(527,162)	(78,000)
Interest paid	已付利息	(65,494)	(25,406)
Advances from related parties	關連方墊款	94,107	182,346
Repayments of fund to related parties	償還關連方之資金	(169,482)	74,793
Acquisition of non-controlling interests	收購非控股權益	(1,542)	—
Proceeds from shares issued under share option scheme	根據購股權計劃發行股份之所得款項	—	3,105
Net cash generated from financing activities	融資活動所得現金淨額	4,515	676,838
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	48,673	149,761

CONSOLIDATED STATEMENT OF CASH FLOW

綜合現金流量表

For the year ended 31 December 2016 截至二零一六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	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
		Note 附註	
Cash and cash equivalents at beginning of the period	於期初之現金及現金等價物		8,661
Exchange (losses)/gains on cash and cash equivalents	現金及現金等價物匯兌(虧損)/收益		96
Cash and cash equivalents at end of year	於年末的現金及現金等價物	23	158,518
			158,518
			(2,154)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

1 GENERAL INFORMATION

LongiTech Smart Energy Holding Limited (the “Company”, formerly known as “Long Ji Tai He Holding 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 address of its registered office is Clifton House, 75 Fort Street PO Box 1350, Grand Cayman KY1-1108, 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 (the “Group”) are principally engaged in primary land development and public infrastructure construction (“primary land development business”) and smart energy and solar energy businesses. The Company’s parent company is Longevity Investment Holding Limited (“Longevity”), and the ultimate owner is Mr. Wei Shaojun (“the controlling shareholder”).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements the Company 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. The consolidated financial statements have been prepared under the historical cost conversion, as modified by the revaluation of available-for-sale financial instruments which are carried 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」, 前稱「隆基泰和控股有限公司」)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 Street, 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」)主要從事土地一級開發及公建建設(「土地一級開發業務」)以及智慧能源及太陽能業務。本公司母公司為Longevity Investment Holding Limited(「Longevity」), 而最終擁有人為魏少軍先生(「控股股東」)。

2 重大會計政策概要

編製該等綜合財務報表時採用之主要會計政策如下。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

本公司之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」)編製, 此統稱包括由國際會計準則理事會(「國際會計準則理事會」)頒佈的所有適用的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。綜合財務報表乃以歷史成本法編製, 並就按公平值列賬之可供出售金融工具重估而作出調整。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

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 Changes in accounting policy and disclosures

(a) *New and amended standards adapted by the Group*

The following amendments to standards have been adopted by the Group for the first time for the financial year began on or after 1 January 2016:

- Clarification of acceptable methods of depreciation and amortisation — Amendments to IAS 16 and IAS 38
- Annual improvements to IFRSs 2012 — 2014 cycle, and
- Disclosure initiative — Amendments to IAS 1.

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect 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之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 會計政策及披露事項變動

(a) *本集團已採納之新訂及經修訂準則*

以下準則修訂本由本集團於二零一六年一月一日或之後開始之財政年度首次採納：

- 國際會計準則第16號及國際會計準則第38號之修訂本—釐清可接納折舊及攤銷方法
- 國際財務報告準則二零一二年至二零一四年週期的年度改進；及
- 國際會計準則第1號之修訂本—首次披露。

採納該等修訂本對本期間或任何過往期間並無造成任何影響，對未來期間構成影響的機會亦不大。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Changes in accounting policy and disclosures (Continued)

(b) *New standards and interpretations not yet adopted*

The following new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

IFRS 9, "Financial instruments"

The new standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

While the Group has yet to undertake a detailed assessment of the classification and measurement of financial assets, debt instruments currently classified as available-for-sale (AFS) financial assets would appear to satisfy the conditions for classification as at fair value through other comprehensive income (FVOCI) and hence there will be no change to the accounting for these assets.

Accordingly, the Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets.

2 重大會計政策概要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露事項變動(續)

(b) *未採納之新訂準則及詮釋*

以下新訂準則、準則修訂本及詮釋於二零一六年一月一日之後開始之年度期間生效，並未於編製本綜合財務報表時應用。除以下所述者外，此等新訂準則、準則修訂本及詮釋預期不會對本集團的綜合財務報表造成重大影響：

國際財務報告準則第9號「金融工具」

該項新訂準則主要針對金融資產及金融負債的分類、計量及取消確認，為金融資產引進了新的對沖會計規則及新的減值模式。

本集團尚未對金融資產之分類及計量進行詳細評估，但目前分類為可供出售金融資產之債務工具似乎可滿足按公平值計入其他全面收入之分類條件，因此該等資產之會計處理方法不會有所變動。

因此，本集團預期該新指引不會對其金融資產之分類及計量造成重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Changes in accounting policy and disclosures (Continued)

(b) *New standards and interpretations not yet adopted (Continued)*

IFRS 9, "Financial instruments" (Continued)

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from IAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortized cost, debt instruments measured at FVOCI, contract assets under IFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

2 重大會計政策概要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露事項變動(續)

(b) *未採納之新訂準則及詮釋(續)*

國際財務報告準則第9號「金融工具」(續)

由於新規定僅影響指定按公平值計入損益之金融負債之會計處理方法，而本集團並無任何該等負債，故不會影響本集團金融負債之會計處理方法。取消確認之規則已自國際會計準則第39號「金融工具：確認及計量」轉移且並無變動。

新減值模式要求根據預期信貸虧損確認減值撥備，而非僅根據國際會計準則第39號之情況般計提信貸虧損。該模式適用於按攤銷成本分類之金融資產、按公平值計入其他全面收入計量之債務工具、國際財務報告準則第15號「來自客戶合約的收益」項下之合約資產、應收租賃款項、貸款承擔及若干金融擔保合約。儘管本集團尚未就新模式可能對其減值撥備造成的影響進行詳細評估，惟其可能導致提前確認信貸虧損。

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財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Changes in accounting policy and disclosures (Continued)

(b) *New standards and interpretations not yet adopted (Continued)*

IFRS 9, "Financial instruments" (Continued)

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

IFRS 9 must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed IFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety. The Group does not intend to adopt IFRS 9 before its mandatory date.

2 重大會計政策概要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露事項變動(續)

(b) *未採納之新訂準則及詮釋(續)*

國際財務報告準則第9號「金融工具」(續)

該新準則亦引進擴大披露之規定及呈報方式之更新，預期將更改本集團對其金融工具作出披露之性質及程度(特別是於採納新準則之年度內)。

國際財務報告準則第9號必須應用於二零一八年一月一日或之後開始之財政年度。按照已完成的國際財務報告準則第9號之過渡條文，只允許就二零一五年二月一日前開始之年度呈報期間分階段提早採納此項準則。該日之後必須全盤採納新規則。本集團無意於其強制日期前採納國際財務報告準則第9號。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Changes in accounting policy and disclosures (Continued)

(b) *New standards and interpretations not yet adopted (Continued)*

IFRS 15, "Revenue from contracts with customers"

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Management is currently assessing the effects of applying the new standard on the Group's financial statements at this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessments of the impact over the next twelve months.

IFRS 15 is mandatory for financial years commencing on or after 1 January 2018. At this stage, the Group does not intend to adopt the standard before its effective date.

2 重大會計政策概要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露事項變動(續)

(b) *未採納之新訂準則及詮釋(續)*

國際財務報告準則第15號「來自客戶合約的收益」

國際會計準則理事會已頒佈確認收益之新準則。此將取代涵蓋貨品及服務合約之國際會計準則第18號及涵蓋建造合同之國際會計準則第11號。此新準則乃根據貨品或服務之控制權轉讓予客戶時才確認收益之原則下作出。此準則允許在採納時採用全面追溯法或經修訂追溯法。

管理層目前正評估應用新訂準則現階段對本集團財務報表的影響。本集團無法估計新規則對本集團財務報表的影響。本集團將對未來十二個月造成的影響進行更詳細評估。

國際財務報告準則第15號將於二零一八年一月一日或之後開始之財政年度強制生效。於此階段，本集團不擬於生效日期前採納此準則。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Changes in accounting policy and disclosures (Continued)

(b) *New standards and interpretations not yet adopted (Continued)*

IFRS 16, "Leases"

IFRS 16 will result in almost all leases being recognised on the balance sheet, 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 accounting for lessors will not significantly change.

The standard will affect primarily the accounting for Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of RMB20,022,000, see Note 30. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

The new standard is mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

2 重大會計政策概要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露事項變動(續)

(b) *未採納之新訂準則及詮釋(續)*

國際財務報告準則第16號「租賃」

國際財務報告準則第16號將導致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之區分已取消。在新準則下，會確認資產(使用租賃項目之權利)及支付租金之金融負債。唯一例外情況為短期及低價值之租賃。

對於出租人之會計處理將不會出現重大變動。

此準則將主要影響本集團經營租賃之會計處理。於報告日期，本集團有人民幣20,022,000元之不可撤銷經營租賃承擔(見附註30)。然而，本集團尚未釐定在何程度下此等承擔將會導致確認資產與未來付款之負債，以及對於本集團溢利及現金流量分類有何影響。

部分承擔可能釐定為短期低價值租約的例外，而部分承擔則可能不合作為國際財務報告準則第16號所指租賃安排之條件。

此新準則將於二零一九年一月一日或之後開始之財政年度強制生效。於此階段，本集團不擬於生效日期前採納此準則。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries

A subsidiary is an entity (including a structured entity) 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 over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by IFRS.

2 重大會計政策概要(續)

2.2 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，且有能力通過對實體行使其權力而影響該等回報時，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合併入賬，並於該控制權終止之日終止合併入賬。

(a) 業務合併

本集團採用收購法對業務合併入賬。就收購附屬公司轉讓的代價為所轉讓資產、對被收購方的前擁有人產生之負債及本集團所發行股權的公平值。所轉讓代價包括或然代價安排產生的任何資產或負債的公平值。於業務合併時所收購的可識別資產及所承擔的負債及或然負債，初步按收購日的公平值計量。

本集團按逐項收購基準確認於被收購方的任何非控股權益。於被收購方的屬於現時擁有權權益並賦予其持有人於清盤時按比例分佔實體資產淨值的非控股權益乃初步以公平值或現時的擁有權權益應佔被收購方可識別資產淨值中已確認款額的比例計量。除非國際財務報告準則規定須採用其他計量基準，否則非控股權益之一切其他成份均以收購日期之公平值計量。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

(a) Business combinations (Continued)

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss.

Intra-group 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. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Separate financial statement

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)

2.2 附屬公司(續)

(a) 業務合併(續)

收購相關成本於產生時列為開支。

所轉讓代價、被收購方的任何非控股權益金額及被收購方的任何先前股權於收購日期的公平值超過所收購可識別淨資產公平值的數額乃記錄為商譽。就議價收購而言，倘所轉讓代價、已確認非控股權益及先前持有的經計量權益總和低於所收購附屬公司淨資產的公平值，則有關差額將直接於損益表內確認。

集團內公司間交易、集團公司之間交易的結餘及未變現收益均予以抵銷。除非交易提供所轉讓資產減值的證據，否則未變現虧損亦予以抵銷。附屬公司呈報的金額已作出必要調整，以確保與本集團的會計政策一致。

(b) 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。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the senior executive management.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss within "finance income or expenses". All other foreign exchange gains and losses are presented in statement of profit or loss within "other gains — net". Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

2 重大會計政策概要(續)

2.3 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。主要經營決策者負責分配經營分部的資源及評估其表現，已獲識別為高級行政管理層。

2.4 外幣換算

(a) 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的主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表乃以人民幣呈列，人民幣為本集團的呈列貨幣。

(b) 交易及結餘

外幣交易均按交易當日或重新計量項目的估值日期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在損益表內確認。

與借貸和現金及現金等價物有關的匯兌收益及虧損在損益表內的「融資收入或開支」中列報。所有其他匯兌收益及虧損在損益表內的「其他收益 — 淨額」中列報。非貨幣性金融資產及負債(例如分類為可供出售的權益)的折算差額包括在其他全面收入中。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation (Continued)

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary 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 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.

2.5 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment, 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 the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

2 重大會計政策概要(續)

2.4 外幣換算(續)

(c) 集團公司

功能貨幣與列報貨幣不同的所有本集團實體的業績及財務狀況(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之收市匯率換算；
- 各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之累計影響，則在此情況下，收入及開支按交易日期之匯率換算；及
- 一切因此而產生之匯兌差額均於其他全面收入確認。

2.5 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)。重置部分的賬面值會終止確認。所有其他維修及保養於發生時自有關財政期間的損益表扣除。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment (Continued)

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	20 years
Plant and machinery	5–20 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 2.8).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains-net" in the consolidated statement of profit or loss.

2.6 Leasehold land and land use rights

Lease hold land and land use rights are amortised on the straight-line basing over the period of the operating leases or their approved use periods.

2.7 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

2 重大會計政策概要(續)

2.5 物業、廠房及設備(續)

物業、廠房及設備折舊乃採用直線法計算，按以下估計可使用年期將成本分攤至其剩餘價值：

樓宇	20年
廠房及機械	5至20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，並於適當時候作出調整。

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2.8)。

出售的收益和虧損按所得款與賬面值的差額釐定，並在綜合損益表內「其他收益－淨額」中確認。

2.6 租賃土地及土地使用權

租賃土地及土地使用權採用直線法按其經營租賃期間或獲批准使用期間攤銷。

2.7 無形資產

(a) 商譽

商譽於收購附屬公司時產生，即所轉讓代價、於被收購方之任何非控股權益金額及任何先前於被收購方之股權於收購日期之公平值超出已收購可識別資產淨值之公平值之差額。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Intangible assets (Continued)

(a) Goodwill (Continued)

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Computer software

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use. These costs are amortised over their estimated useful lives.

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment and whenever there is an indication of impairment. Assets that are subject to amortisation are reviewed 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 flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 重大會計政策概要 (續)

2.7 無形資產 (續)

(a) 商譽 (續)

就減值測試而言，業務合併所獲得的商譽會分配至預期將受益於合併協同效應的各現金產生單元（「現金產生單元」）或現金產生單元組。商譽被分配的每個單元或單元組指在主體內商譽被監控作內部管理用途的最底層次。商譽在經營分部層次進行監控。

商譽每年進行減值檢討，或當有事件出現或情況改變顯示可能出現減值時，作出更頻密檢討。包含商譽的現金產生單元的賬面價值與可收回金額作比較，可收回金額為使用價值與公平值減出售成本的較高者。任何減值即時確認為開支，且其後不會撥回。

(b) 電腦軟件

購入的電腦軟件按購入和達致使用而產生的成本為基準作資本化處理。該等成本乃按其估計可使用年期攤銷。

2.8 非金融資產減值

並無固定可使用年期之資產或尚未能使用的無形資產毋須攤銷，但需每年及於出現減值跡象時測試有否減值。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，予以攤銷之資產須檢討有否減值。減值虧損乃按資產賬面值超出其可收回款額之金額確認。可收回款額指資產之公平值減出售費用與使用價值之較高者。就評估有否減值而言，資產將會按有獨立可識別現金流量（現金產生單元）之最低水平分類。出現減值之非金融資產（不包括商譽），於各報告日期均就可能撥回減值而予以檢討。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.10 Construction contracts

A construction contract is defined by IAS 11, "Construction contracts", as a contract specifically negotiated for the construction of an asset or a group of assets, where the customer is able to specify the major structural elements of the design. The accounting policy for contract revenue is set out in Note 2.21(a).

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

Construction contracts in progress at the end of the reporting period are recorded at the net amount of costs incurred plus recognised profit less recognised losses and progress billings, and are presented in the statement of financial position as the "Amount due from customers for contract work" (as an asset) or the "Amount due to customers for contract work" (as a liability), as applicable. Progress billings not yet paid by the customer are included under "Trade and other receivables". Amounts received before the related work is performed are presented as "Receipts in advance".

2 重大會計政策概要 (續)

2.9 存貨

存貨按成本與可變現淨值兩者的較低者入賬。成本以加權平均法計算。成品及在製品的成本包括原材料、直接人工、其他直接成本及與生產相關的製造費用(按正常營運能力計算)，惟不包括借貸成本。可變現淨值指在日常業務過程中的估計售價，減適用的可變銷售費用。

2.10 建造合同

根據國際會計準則第11號「建造合同」的定義，建造合同乃就一項或一組資產的工程而特定協商的合約，當中客戶可特別指明設計的主要構架組成元素。合同收入的會計政策載於附註2.21(a)。

倘若能可靠地估計建造合同的結果，而該合同很可能獲得盈利，便根據合約業務於報告期末的完成程度將合約成本確認為支出。倘若合約總成本可能超過合同總收入，預期虧損便會即時確認為支出。倘若無法可靠地估計建造合同的結果，合約成本即會在產生期間確認為支出。

於報告期末尚在進行中的建造合同，乃按已產生的成本加上已確認的溢利，再減去已確認的虧損及進度款後的淨額列賬，並呈列於財務狀況表作為「應收客戶合約工程款項」(作為資產)或「預收客戶合約工程款項」(作為負債)(按適者)。客戶尚未支付的進度款乃計入「貿易及其他應收款項」內。在進行相關工程前所收的款項呈列為「預收款項」。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Financial assets

(a) Classification

The Group classifies its financial assets into the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity and available-for-sale. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

As of 31 December 2016, the Group's financial assets primarily comprise loans and receivables, and available-for-sale financial assets.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables", "cash and cash equivalents" and "restricted cash" in the balance sheet.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2 重大會計政策概要(續)

2.11 金融資產

(a) 分類

本集團將其金融資產分類為以下類別：以公平值計量且其變動計入損益、貸款及應收款項、持有至到期投資、以及可供出售。分類視乎收購金融資產之目的。管理層應在初始確認時釐定金融資產的分類。

截至二零一六年十二月三十一日，本集團的金融資產主要是貸款及應收款項以及可供出售金融資產。

貸款及應收款項為固定或可確定付款額且沒有在活躍市場上報價的非衍生金融資產。此等項目包括在流動資產內，但預期將於報告期末起計超過12個月結算的數額，則分類為非流動資產。本集團的貸款及應收款項由資產負債表「貿易及其他應收款項」、「現金及現金等價物」及「受限制現金」組成。

可供出售金融資產為被指定作此類別或並無分類為任何其他類別的非衍生工具。除非投資到期或管理層有意在報告期末後12個月內處置該投資，否則此等資產列在非流動資產內。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Financial assets (Continued)

(b) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date—the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2.12 Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is 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) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2 重大會計政策概要(續)

2.11 金融資產(續)

(b) 確認和計量

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。對於以公平值計量但其變動並非計入損益的所有金融資產，其投資初始按其公平值加交易成本確認。當從投資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。可供出售金融資產其後按公平值列賬。貸款及應收款項其後利用實際利率法按攤銷成本列賬。

2.12 金融資產減值

(a) 以攤銷成本列賬的資產

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。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Impairment of financial assets (Continued)

(a) Assets carried at amortised cost (Continued)

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss. If a loan or held- to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may 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 decreases and the decrease can 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 is recognised in the consolidated statement of profit or loss.

2 重大會計政策概要 (續)

2.12 金融資產減值 (續)

(a) 以攤銷成本列賬的資產 (續)

減值的證據可包括債務人或一組債務人遇上嚴重財政困難、逾期或拖欠償還利息或本金、債務人很有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流有可計量的減少，例如與違約有相互關連的拖欠情況或經濟狀況改變。

對於貸款及應收款項類別，損失金額乃根據資產賬面值與按金融資產原實際利率貼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，而損失金額則在綜合損益表確認。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貼現率為按合同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綜合損益表轉回。

NOTES TO THE FINANCIAL STATEMENTS

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Impairment of financial assets (Continued)

(b) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, if any such evidence exists the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is reclassified from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated statement of profit or loss.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is reclassified from equity and recognised in profit or loss. Impairment losses recognised in the consolidated statement of profit or loss on equity instruments are not reversed through the consolidated statement of profit or loss.

2 重大會計政策概要(續)

2.12 金融資產減值(續)

(b) 分類為可供出售資產

本集團在每個報告期末評估是否有客觀證據證明某一金融資產或某一金融資產組已經減值。

對於債券，如存在此等證據，累計虧損(按購買成本與當時公平值的差額，減該金融資產之前在損益確認的任何減值虧損計算)自權益中重新分類並在損益中記賬。如在後續期間，被分類為可供出售的債務工具的公平值增加，而增加可客觀地與減值虧損在損益確認後發生的事件有關，則將減值虧損在綜合損益表轉回。

至於權益投資，證券公平值的大幅度或長期跌至低於其成本值，亦是證券已經減值的證據。若存在此等證據，累計虧損(按購買成本與當時公平值的差額，減該金融資產之前在損益確認的任何減值虧損計算)自權益中重新分類並在損益中記賬。在綜合損益表中就權益工具確認的減值虧損，不得透過綜合損益表轉回。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see Note 2.12).

2.14 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.15 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.

2.16 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 重大會計政策概要(續)

2.13 貿易及其他應收款項

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。如貿易及其他應收款的收回預期在一年或以內(或倘仍在正常經營週期中,則可較長時間),其被分類為流動資產;否則分類為非流動資產。

貿易及其他應收款項初步按公平值確認,其後採用實際利率法按攤銷成本減呆賬減值撥備(見附註2.12)計量。

2.14 現金及現金等價物

在綜合現金流量表中,現金及現金等價物包括手頭現金、活期銀行通知存款、原到期為三個月或以下的其他短期高流動性投資。

2.15 股本

普通股被分類為權益。直接歸屬於發行新股或期權的新增成本在權益中列為所得款的減少(扣除稅項)。

2.16 貿易及其他應付款項

貿易及其他應付款項為在日常經營活動中向供應商購買商品或服務而應支付的債務。如貿易及其他應付款項的支付日期在一年或以內(如仍在正常經營週期中,則可較長時間),其被分類為流動負債;否則分類為非流動負債。

貿易及其他應付款項初步按公平值確認,其後採用實際利率法按攤銷成本計量。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Borrowings

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.18 Employee benefits

(a) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Contributions to local defined contribution retirement schemes pursuant to the relevant labor rules and regulations in the People's Republic of China (the "PRC") are recognised as an expense in profit or loss as incurred, except to the extent that they are included in the cost of inventories.

2 重大會計政策概要(續)

2.17 借貸

借貸初步按公平值減應佔交易成本確認。初步確認後，借貸按攤銷成本列賬，而初步確認金額與贖回價值之間的任何差額會在借貸期間內以實際利率法於損益內確認。

除非本集團可無條件將負債的結算遞延至報告期末後最少12個月，否則借貸分類為流動負債。

2.18 僱員福利

(a) 短期僱員福利及定額供款退休計劃供款

薪金、年度獎金、帶薪年假、向定額供款退休計劃供款以及非貨幣福利成本於僱員提供相關服務的年度內累計。倘延期支付或清償該等款項並產生重大影響，則該等金額以其現值列賬。

除已計入存貨成本的供款外，根據中華人民共和國（「中國」）有關勞動法規及規例，向當地定額供款退休計劃作出的供款在產生時於損益確認為支出。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Employee benefits (Continued)

(b) Share-based payment

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. 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, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining as 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 save or holding shares for a specified period of time).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss, with a corresponding adjustment to equity.

2 重大會計政策概要(續)

2.18 僱員福利(續)

(b) 以股份為基礎的付款

僱員提供服務以換取授出購股權的公平值確認為開支。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(例如實體的股份價格)；
- 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)。

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之購股權數目之估計。其於綜合損益表確認對原來估計作出修訂之影響(如有)，並在權益作出相應調整。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of 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.

(a) 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 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.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, 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, the deferred income tax is 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 substantively 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 income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 重大會計政策概要(續)

2.19 即期及遞延所得稅

期內稅項開支包括即期及遞延稅項。稅項在綜合損益表確認，惟倘該等開支與其他全面收入或直接於權益確認的項目有關時，則稅項分別於其他全面收入或直接於權益確認。

(a) 即期所得稅

即期所得稅支出根據本公司的附屬公司經營及產生應課稅收入的國家於報告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。

(b) 遞延所得稅

內在差異

遞延所得稅利用負債法確認資產和負債的稅基與資產和負債在綜合財務報表的賬面值的差額而產生的暫時性差異。然而，若遞延所得稅負債來自在交易(不包括業務合併)中對資產或負債的初始確認，而在交易時不影響會計損益或應課稅利潤或損失，則不作記賬。遞延所得稅採用在報告期末前已頒佈或實質上已頒佈，並在有關的遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用的稅率(及法例)而釐定。

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。

NOTES TO THE FINANCIAL STATEMENTS

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

2.20 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 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 重大會計政策概要(續)

2.19 即期及遞延所得稅(續)

(b) 遞延所得稅(續)

外在差異

遞延所得稅負債會因在附屬公司的投資所產生的應課稅暫時性差異而計提準備，惟暫時性差異的撥回時間可由本集團控制或暫時性差異不能在可預見的未來得到撥回之該等遞延所得稅負債除外。

就附屬公司投資產生的可扣減暫時性差異確認遞延所得稅資產，但只限於暫時性差異很可能在將來轉回，並有充足的應課稅利潤抵銷可用的暫時性差異。

2.20 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限內按直線法計入綜合損益表。

NOTES TO THE FINANCIAL STATEMENTS

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

(a) Contract revenue

A construction contract is defined by IAS 11, "Construction contracts", as a contract specifically negotiated for the construction of an asset.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion. Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

2 重大會計政策概要(續)

2.21 收益確認

收益按已收或應收對價的公平值計量，並相當於供應貨品的應收款項，扣除折扣、退貨和增值稅後列賬。當收益的金額能夠可靠計量；當未來經濟利益很可能流入有關主體；及當本集團每項活動均符合具體條件時(如下文所述)，本集團便會將收益確認。本集團會根據退貨往績並考慮客戶類別、交易種類和每項安排的特點作出估計。

(a) 合同收入

國際會計準則第11號「建造合同」的定義為：為建造一項資產而特別訂立的合同。

當建造合同結果能夠可靠估算且合同很有可能盈利時，則於合同期內根據完工階段確認合同收入。合同成本根據報告期末合同活動的完工階段確認為開支。當總合同成本有可能超過總合同收入，預期損失即時確認為開支。

當建造合同結果不能可靠估算時，則只有在產生的合同成本將來可能得以收回的情況下才能確認合同收入。

合同工程、索償和獎勵的變動僅於可能已與客戶協定並能可靠計量時計入合同收入。

NOTES TO THE FINANCIAL STATEMENTS

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Revenue recognition (Continued)

(a) Contract revenue (Continued)

The Group uses the “percentage-of-completion” method to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

At the end of the reporting period, the Group reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognised profits (less recognised losses) exceed progress billings; a contract represents a liability where the opposite is the case.

(b) Sales of electricity

Revenue arising from the sale of electricity generated from solar power stations is recognised when the electricity is generated and transmitted.

(c) Sales of goods

Revenue is recognised when the goods are delivered at the customers’ premises, and the customer has accepted the goods and the related risks and rewards of ownership.

(d) Sales of services

For sales of services, revenue is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of actual services provided as a proportion of the total service to be provided.

2 重大會計政策概要 (續)

2.21 收益確認 (續)

(a) 合同收入 (續)

本集團採用「完工百分比法」釐定在既定期間內須確認的適當金額。完工階段乃依據直至報告期末已產生的合同成本佔各合同估計成本總額的比例計量。釐定完工階段時，在本年度就合同的未來活動所產生的成本不計入合同成本。

於報告期末，本集團就每項合同將淨合同狀況報告為資產或負債。當已產生成本加已確認利潤(減已確認損失)超出進度款時，該合同確認為資產，反之則確認為負債。

(b) 銷售電力

銷售太陽能發電站產生的電力所得收益於電力產生及輸送時確認。

(c) 銷售貨品

貨品送至客戶場地且客戶接納貨品及其所有權相關風險及回報時確認收益。

(d) 銷售服務

就銷售服務而言，收入在服務提供的會計期間內確認，根據已發生成本佔估計總成本的比例確定完工進度，按照完工百分比確認收入。

NOTES TO THE FINANCIAL STATEMENTS

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Interest income

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

2.23 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.24 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including cash flow and fair value interest rate risk), credit risk, liquidity risk and concentration risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

2 重大會計政策概要(續)

2.22 利息收入

利息收入採用實際利息法按時間比例基準確認。

2.23 借貸成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間處理以作其預定用途或銷售的資產)的一般及特定借貸成本,加入該等資產的成本內,直至資產大致上備妥供其預定用途或銷售為止。

所有其他借貸成本在產生期內的損益中確認。

2.24 股息分派

向本公司股東分配的股息在股息獲本公司股東批准的期間內於本集團的財務報表內列為負債。

3 財務風險管理

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。本集團之整體風險管理計劃集中處理金融市場之不明朗因素及致力減低對本集團財務表現之潛在不利影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk

(i) Cash flow and fair value interest rate risk

The Group's interest rate risk arises primarily from its borrowings. Borrowing obtained at variable rates expose the Group to cash flow interest rate risk which is offset by cash held at variable rates. During 2016 and 2015, the Group's borrowings at variable rate were denominated in RMB.

Borrowing obtained at fix rates expose the Group to fair value interest rate risk.

The Group did not use any interest rate swap to hedge its interest rate risk during the year.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險

(i) 現金流量及公平值利率風險

本集團的利率風險主要來自其借貸。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。於二零一五年及二零一六年，本集團的浮息借貸以人民幣計值。

按定息取得的借貸令本集團承受公平值利率風險。

年內，本集團並未使用任何利率掉期以對沖其利率風險。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Cash flow and fair value interest rate risk (Continued)

As at 31 December 2016, approximately RMB404,239,000 (2015: Nil) of the Group's borrowings were at variable interest rates. The interest rates and terms of repayment of the Group's borrowings are disclosed in Note 25. At 31 December 2016, if interest rates on borrowings had been 1.00 percentage-point higher/lower with all other variables held constant, before-tax profit for the year would have been RMB4,042,390 lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

As at 31 December 2016, approximately RMB300,000,000 (2015: RMB520,000,000) 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 available to the Group for similar financial instruments is RMB314,050,000.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 現金流量及公平值利率風險(續)

於二零一六年十二月三十一日，本集團浮息借貸約為人民幣404,239,000元(二零一五年：無)。本集團借貸的利率及還款期限於附註25中披露。於二零一六年十二月三十一日，倘借貸利率上升/降低1.00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4,042,390元，主要是由於浮息借貸的利息開支增加/減少。

於二零一六年十二月三十一日，本集團定息借貸約為人民幣300,000,000元(二零一五年：人民幣520,000,000元)。該等定息借貸按未來合約現金流量以本集團就類似金融工具可得的現有市場利率貼現估算的公平值為人民幣314,050,000元。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or other counterparty fails to honor its contractual obligations, and arises principally from the Group's trade and other receivables and deposit with banks. The Group maintains a defined credit policy and exposures to these credit risks are monitored on an ongoing basis.

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 information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not obtain collateral from customers.

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.

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.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in Note 20.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險

信貸風險指本集團在客戶或其他對手方未能履行合約責任的情況下招致財務虧損的風險，且主要來自本集團的貿易及其他應收款項及銀行存款。本集團設有明確的信貸政策並持續監察所面對的該等信貸風險。

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貨評估。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。

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。鑑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。

最高信貸風險為綜合資產負債表中各金融資產之賬面值(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。

有關本集團貿易及其他應收款項所產生的信貸風險之進一步量化披露載於附註20。

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財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

		As at 31 December 2016 於二零一六年十二月三十一日				
		Contractual undiscounted cash outflow 合約未折現之現金流出				
		Within 1 year or on demand 一年內或 應要求	1 year to 2 years 一年至 兩年	2 years to 5 years 兩年至 五年	5 years above 五年以上	Total 總計
		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
Borrowings	借貸	71,868	365,517	218,258	208,120	863,763
Trade and other payables	貿易及其他應付款項	204,541	—	—	—	204,541
		276,409	365,517	218,258	208,120	1,068,304

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動性風險

本集團個別營運公司負責自身之現金管理，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金融機構承諾提供充足資金以滿足短期及較長期的流動資金需求。

下表列示本集團於報告期末之金融負債之餘下合約到期情況，此乃根據合約未折現之現金流量(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：

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財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

		As at 31 December 2015 於二零一五年十二月三十一日					
		Contractual undiscounted cash outflow 合約未折現之現金流出					
		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	
Borrowings	借貸	276,869	331,414	—	—	608,283	
Trade and other payables	貿易及其他應付款項	208,035	—	—	—	208,035	
		484,904	331,414	—	—	816,318	

(d) Concentration risk

A significant portion of revenue of the Group is derived from one customer within the primary land development segment, which accounted for 86% of total revenue in year 2016 (2015: 90%).

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the consolidated balance sheet) less cash and cash equivalents, and restricted cash. Total capital is calculated as "equity" as shown in the consolidated balance sheet plus net debt.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動性風險 (續)

(d) 集中風險

本集團收益大部份來自土地一級開發分部的一名客戶，佔二零一六年收益總額的86% (二零一五年：90%)。

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(包括綜合資產負債表所示「短期及長期借貸」)減現金及現金等價物及受限制現金。總資本等於綜合資產負債表所示的「權益」加上債務淨額。

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財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management (Continued)

The Group's strategy is to maintain the gearing ratio at a healthy capital level in order to support its business. The principal strategies adopted by the Group include, without limitation, reviewing future cash flow requirement and the ability to meet debt repayment schedules when they fall due, maintaining a reasonable level of available banking facilities and adjusting investment plans and financing plans, if necessary, to ensure that the Group has a reasonable level of capital to support its business. The gearing ratios at the end of the reporting period were as follows:

3 財務風險管理(續)

3.2 資本管理(續)

本集團的策略是保持負債比率在穩健的資本水平，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。於報告期末的負債比率如下：

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Total borrowings	借貸總額	704,239	520,000
Less: cash and cash equivalents	減：現金及現金等價物	(205,037)	(158,518)
Restricted cash	受限制現金	(296)	(251,015)
Net debt	債務淨額	498,906	110,467
Total equity	權益總額	306,882	70,564
Total capital	總資本	805,788	181,031
Gearing ratio	負債比率	62%	61%

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財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation

(i) Financial assets measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period 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 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 valuations: Fair value measured using Level 2 inputs i.e. 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.

3 財務風險管理(續)

3.3 公平值估計

(i) 按公平值計量的金融資產

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之公平值。按國際財務報告準則第13號公平值計量之定義，可將公平值等級架構分為三級。公平值計量之等級分類按照於估值技術中採用的輸入數據之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之未調整報價。

第二級估值：公平值透過採用第二級輸入數據計量，即未符合第一級之可觀察輸入數據，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之輸入數據。

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財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(i) Financial assets measured at fair value (Continued)

Fair value hierarchy (Continued)

Level 3 valuations: Fair value measured using significant unobservable inputs.

3 財務風險管理 (續)

3.3 公平值估計 (續)

(i) 按公平值計量的金融資產 (續)

公平值等級架構 (續)

第三級估值：公平值透過採用重要無法觀察輸入數據計量。

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**Fair value
measurements as at
31 December 2016
categorised into
Level 2**
於二零一六年
十二月三十一日
公平值計量分類為
第二級
RMB'000
人民幣千元

Recurring fair value measurements	經常性公平值計量	
Financial assets:	金融資產：	
Available-for-sale financial assets	可供出售金融資產	3,000

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of available-for-sale financial assets in Level 2 is determined by reference to quoted prices of instruments similar to the assets being valued, adjusted for factors unique to the assets being valued.

(ii) 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 2016 and 2015.

第二級公平值計量使用的估值方法及輸入數據

於第二級的可供出售金融資產公平值乃參照與評值資產相若的工具的報價而釐定，並經就評值資產的獨有因素作出調整。

(ii) 非按公平值列賬的金融資產及負債的公平值

於二零一六年及二零一五年十二月三十一日，本集團按成本或攤銷成本列賬的金融工具之賬面值與其公平值相差不大。

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財務報表附註

For the year ended 31 December 2016 截至二零一六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 judgement.

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之公平值在彼等之間分配收購成本。本集團已實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，可能會對商譽的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。釐定所收購之有形及無形資產之估計可使用年期亦須作出判斷。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) Construction contracts

As explained in policy Notes 2.21 revenue and profit recognition on an incompleting project is dependent on estimating the total outcome of the construction contract, as well as the work done to date. Based on the Group's recent experience and the nature of the construction activity undertaken by the Group, the Group makes estimates of the point at which it considers the work is sufficiently advanced such that the costs to complete and revenue can be reliably estimated. As a result, until this point is reached the amounts due from customers for contract work as disclosed in Note 21 will not include profit which the Group may eventually realise from the work done to date. In addition, actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

(c) Estimated 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 and other receivables

The Group estimates impairment losses for trade and other receivables resulting from the inability of the customers to make the required payments. Details of the estimate and assumptions have been disclosed in Note 2.12. If the financial condition of the customers were to deteriorate, actual write off would be higher than estimated.

4 關鍵會計估計和判斷(續)

(b) 建造合同

誠如政策附註2.21所述，未竣工項目之收益及溢利確認須視乎所估計的建造合同之總成果以及至今已進行的工程量而定。根據本集團近期經驗及本集團所進行的建築活動的性質，本集團估計工程進度，乃足以讓本集團可靠地估計完成成本及收益。因此，在到達該程度前，附註21所披露之應收客戶合約工程款項將不包括本集團最終可能從迄今已進行工程變現的溢利。此外，總成本或收益的實際結果可能高於或低於報告期末的估計，而其會影響到未來年度確認的收益及溢利，作為對迄今金額之調整。

(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、廠房及設備之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之預期予以釐定。當可使用年限與之前估計不同時，管理層將修訂折舊支出，或核銷或撇減已報廢或已出售的技術上已過時或非戰略性的資產。

(d) 貿易及其他應收款項減值

本集團會對因客戶無法按要求付款而產生的貿易及其他應收款項減值虧損作出估計。估計及假設詳情於附註2.12披露。如果客戶的財政狀況變差，實際的註銷數字可能會高於估計數字。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六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 realization of future income tax assets is dependent on the Group's ability to generate sufficient taxable income in future years to utilise income tax benefits and tax loss carry-forwards. Deviations of future profitability from estimates or in the income tax rate would result in adjustment to the value of future 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 PRC according to the relevant tax jurisdictions is subject to judgement on the timing of the payment of the dividend, where the Group considered that if it is 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，未來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未來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。倘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，則不就預扣稅計提撥備。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六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	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Continuing operations:	持續經營業務：		
Primary land development and public infrastructure construction	土地一級開發及公建建設	522,289	293,247
Sales of electricity	銷售電力	28,522	—
Provision of home photovoltaic system and smart energy cloud platform construction service	提供戶用光伏系統及智慧能源雲平台建設服務	13,102	—
Sales of doors and windows	銷售門窗	41,270	28,187
Provision of construction and engineering services	提供建設及工程服務	1,954	2,734
		607,137	324,168
Discontinued operation:	已終止業務：		
Rental income	租金收入	—	44
		607,137	324,212

The Group has only one customer (2015: one) with whom transactions have exceeded 10% of the Group's revenues which is relating to primary land development and public infrastructure construction. In 2016, revenues from this customer amounted to RMB522,289,000 (2015: RMB293,247,000). Details of concentration of credit risk arising from this customer are set out in Note 3.1(d).

本集團只與一名客戶(二零一五年：一名)進行的交易為佔本集團收益10%以上，該等交易與土地一級開發及公建建設有關。於二零一六年，來自該客戶的收益金額為人民幣522,289,000元(二零一五年：人民幣293,247,000元)。因有關客戶而產生信貸風險集中的詳情載於附註3.1(d)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六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.

- Primary land development business; and
- Smart energy and solar energy businesses

Primary land development business refer to the primary land development and public infrastructure construction 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.

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。

- 土地一級開發業務；及
- 智慧能源及太陽能業務

土地一級開發業務是指土地一級開發及公建建設業務。

本集團經營業務的絕大部分資產、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

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

5 REVENUE AND SEGMENT INFORMATION

(Continued)

(c) Segment results, assets and liabilities

5 收益及分部資料(續)

(c) 分部業績、資產及負債

		Primary land development business 土地一級 開發業務 RMB'000 人民幣千元	Smart energy and solar energy businesses 智慧能源及 太陽能業務 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 2016	截至二零一六年 十二月三十一日 止年度				
Revenue from external customers	對外客戶收益	522,289	41,624	43,224	607,137
Reportable segment profit/ (loss) after tax	可呈報分部除稅後 溢利/(虧損)	34,952	27,111	(10,117)	51,946
Interest income from bank deposits	銀行存款利息收入	507	98	28	633
Interest expense	利息開支	(868)	(8,794)	—	(9,662)
Depreciation and amortisation	折舊及攤銷	(163)	(9,587)	(3,254)	(13,004)
As at 31 December 2016	於二零一六年 十二月三十一日				
Reportable segment assets	可呈報分部資產	660,723	510,127	223,972	1,394,822
Additions to non-current segment assets during the year	年內添置非流動 分部資產	605	296,259	378	297,242
Reportable segment liabilities	可呈報分部負債	606,628	424,955	56,357	1,087,940
For the year ended 31 December 2015	截至二零一五年 十二月三十一日 止年度				
Revenue from external customers	對外客戶收益	293,247	—	30,965	324,212
Reportable segment profit/ (loss) after tax	可呈報分部除稅後 溢利/(虧損)	20,073	(47)	(7,050)	12,976
Interest income from bank deposits	銀行存款利息收入	—	—	20	20
Interest expense	利息開支	—	—	(260)	(260)
Depreciation and amortisation for the year	年內折舊及攤銷	(33)	—	(667)	(700)
As at 31 December 2015	於二零一五年 十二月三十一日				
Reportable segment assets	可呈報分部資產	589,828	150,111	122,566	862,505
Additions to non-current segment assets during the year	年內添置非流動分 部資產	364	—	421	785
Reportable segment liabilities	可呈報分部負債	571,652	150,163	70,126	791,941

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

5 REVENUE AND SEGMENT INFORMATION

(Continued)

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

5 收益及分部資料(續)

(d) 可呈報分報收益、損益、資產及負債對賬

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收益		
Reportable segment revenue	可呈報分部收益	607,137	324,212
Elimination of discontinued operation	抵銷已終止業務	—	(44)
Consolidated turnover	綜合營業額	607,137	324,168
Profit after tax	除稅後溢利		
Reportable segment profit	可呈報分部溢利	51,946	12,976
Elimination of discontinued operation	抵銷已終止業務	—	1,622
Consolidated profit for the year from continuing operations	來自持續經營業務的年內綜合溢利	51,946	14,598
Assets	資產		
Reportable segment assets	可呈報分部資產	1,394,822	862,505
Elimination of inter-segment receivables	抵銷分部間應收款項	(122,326)	(14,636)
Consolidated total assets	綜合資產總額	1,272,496	847,869
Liabilities	負債		
Reportable segment liabilities	可呈報分部負債	1,087,940	791,941
Elimination of inter-segment payables	抵銷分部間應付款項	(122,326)	(14,636)
Consolidated total liabilities	綜合負債總額	965,614	777,305

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

6 OTHER GAINS-NET

6 其他收益—淨額

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Bargain purchase gain (Note 31)	議價收購收益(附註31)	25,138	—
Gains on disposal of property, plant and equipment, net	出售物業、廠房及設備收益 淨額	14	—
Government grants	政府補貼	700	—
Others	其他	(11)	—
		25,841	—

7 EXPENSE BY NATURE

7 按性質分類的開支

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Subcontract costs	分包成本	475,733	267,467
Raw materials and consumables used	所用原材料及耗材	32,477	17,138
Employee benefit expense	僱員福利開支	18,451	9,436
Depreciation and amortisation	折舊及攤銷	13,004	700
Transportation and travelling expenses	運輸及差旅開支	2,835	851
Consulting and legal fees	諮詢及法律費用	2,211	1,171
Auditor's remuneration	核數師薪酬		
— audit and audit related services	— 審核及審核相關服務	2,000	1,100
Rental expenses	租金開支	1,990	1,846
Changes in inventories of finished goods and work in progress	製成品及在製品的存貨變動	934	(4,061)
Others	其他	9,610	7,237
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	559,245	302,885

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

8 EMPLOYEE BENEFIT EXPENSE

8 僱員福利開支

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Wages, salaries and allowances	工資、薪金及津貼	17,020	8,543
Social security cost	社會保障成本	1,431	726
Equity-settled share-based payment expense	按權益結算以股份支付之款項開支	—	167
		18,451	9,436

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 18% and 20% of the eligible employees' salaries. The local government authorities are responsible for the entire pension obligations payable to retired employees.

The Group has no other material obligation for the payment of pension benefits associated with the Schemes beyond the annual contributions described above.

(a) Equity settled share-based payments

After all the outstanding share options had been exercised or forfeited before 31 December 2015, the Group did not have any share options outstanding as at 31 December 2016 and 2015.

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18%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。

(a) 按權益結算以股份支付之款項

所有尚未行使的購股權於二零一五年十二月三十一日前行使或沒收後，本集團於二零一六年及二零一五年十二月三十一日並無任何尚未行使的購股權。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

8 EMPLOYEE BENEFIT EXPENSE (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include one (2015: three) director whose emoluments are reflected in the analysis shown in Note 35. The emoluments payable to the remaining four individuals (2015: two) are as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Wages, salaries and allowances	工資、薪金及津貼	3,505	867
Social security cost	社會保障成本	43	38
		3,548	905

The emoluments of the four (2015: two) individuals with the highest emoluments are within the following band:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 Number of individuals 人數	2015 二零一五年 Number of individuals 人數
Nil to HK\$1,000,000	零至1,000,000港元	3	2
HK\$2,500,000- HK\$3,000,000	2,500,000港元至3,000,000港元	1	—
		4	2

8 僱員福利開支(續)

(b) 五位最高薪人士

年內，本集團的五位最高薪人士中包括一位(二零一五年：三位)董事，其薪金請見附註35之分析，其餘四位(二零一五年：兩位)薪酬情況如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 Number of individuals 人數	2015 二零一五年 Number of individuals 人數
Nil to HK\$1,000,000	零至1,000,000港元	3	2
HK\$2,500,000- HK\$3,000,000	2,500,000港元至3,000,000港元	1	—
		4	2

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

9 FINANCE EXPENSE — NET

9 融資開支 — 淨額

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Interest income on bank deposits	銀行存款利息收入	633	20
Interest expense incurred	已產生利息開支	(65,500)	(17,804)
Less: interest expense capitalised in the cost for construction contract work	減：計入建造合同施工成本的 資本化利息開支	55,838	17,548
Net interest expense	利息開支淨額	(9,662)	(256)
Other finance costs	其他融資成本	—	(3)
Finance expenses — net	融資開支 — 淨額	(9,029)	(239)

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10 INCOME TAX EXPENSE

10 所得稅開支

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current income tax	即期所得稅	12,758	6,446
Deferred income tax	遞延所得稅	—	—
		12,758	6,446

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

10 INCOME TAX EXPENSE (Continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the statutory tax rate applicable to profits of the consolidated entities as follows:

10 所得稅開支(續)

本集團除稅前溢利的稅項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差額如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit before tax	除稅前溢利	64,704	21,044
At applicable statutory income tax rates	按適用法定所得稅率計算	16,176	5,261
Effect of preferential tax rates	優惠稅率之影響	(1,084)	—
Bargain purchase gain not subject to tax	毋須繳稅之議價收購收益	(6,285)	—
Tax losses for which no deferred income tax asset was recognised	並無確認遞延所得稅資產之稅項虧損	3,950	1,155
Others	其他	1	30
Tax charge (Note)	稅項支出(附註)	12,758	6,446

The expiry date of unused tax loss is as follows:

未運用稅項虧損到期日期如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Year 2020	二零二零年度	1,155	1,155
Year 2021	二零二一年度	3,950	—
		5,105	1,155

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

10 INCOME TAX EXPENSE (Continued)

Note:

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.

The statutory tax rate of entities registered in the PRC for the year end 31 December 2016 is 25% (2015: 25%), except for certain subsidiaries entitled to exemption or preferential rates.

No provision for Hong Kong profit tax was made as the Group's Hong Kong subsidiaries did not earn any income subject to Hong Kong profit tax during the year ended 31 December 2016 (2015: Nil).

11 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 (Note 24(a)).

10 所得稅開支(續)

附註：

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。

截至二零一六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%（二零一五年：25%），惟若干附屬公司獲免稅或享受優惠稅率。

由於本集團的香港附屬公司於截至二零一六年十二月三十一日止年度並無賺取任何須繳納香港利得稅的收入，故並無就香港利得稅作出撥備（二零一五年：無）。

11 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之加權平均數計算（附註24(a)）。

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit from continued operation attributable to owners of the Company	本公司擁有人應佔持續經營業務之溢利	51,456	14,598
Loss from discontinued operation attributable to owners of the Company	本公司擁有人應佔已終止業務之虧損	—	(1,622)
		51,456	12,976
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數（千股）	624,678	606,740
Basic earnings per share (RMB)	每股基本盈利（人民幣元）		
— Continuing operations	— 持續經營業務	0.0824	0.0241
— Discontinued operation	— 已終止業務	—	(0.0027)

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

11 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. No dilutive effect on earnings per share for the year ended 31 December 2016 as the Group had no dilutive potential ordinary shares. For the year ended 31 December 2015, the Company had 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.

11 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。截至二零一六年十二月三十一日止年度，由於本集團並無潛在攤薄普通股，每股盈利未受攤薄影響。截至二零一五年十二月三十一日止年度，本公司擁有購股權。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。

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		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit from continued operation attributable to owners of the Company	本公司擁有人應佔持續經營業務之溢利	51,456	14,598
Loss from discontinued operation attributable to owners of the Company	本公司擁有人應佔已終止業務之虧損	—	(1,622)
Profit used to determine diluted earnings per share	用以釐定每股攤薄盈利之溢利	51,456	12,976
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數(千股)	624,678	606,740
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之影響(千股)	—	1,623
Weighted average number of ordinary shares for diluted earnings per share (thousands)	每股攤薄盈利之普通股加權平均數(千股)	624,678	608,363
Diluted earnings per share (RMB)	每股攤薄盈利(人民幣元)		
— Continuing operations	— 持續經營業務	0.0824	0.0240
— Discontinued operation	— 已終止業務	—	(0.0027)

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財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

11 EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share (Continued)

The number of shares that would have been issued assuming the exercise of the share option less 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 is the number of shares issued for no consideration.

12 DIVIDENDS

During the year ended 31 December 2016, the Company has not declared any dividend (2015: nil) to the shareholders of the Company.

13 LEASEHOLD LAND AND LAND USE RIGHTS

11 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。

12 股息

於截至二零一六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(二零一五年：無)。

13 租賃土地及土地使用權

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	6,331	6,485
Additions	添置	2,520	—
Amortisation	攤銷	(611)	(154)
At 31 December	於十二月三十一日	8,240	6,331

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

1.4 PROPERTY, PLANT AND EQUIPMENT

1.4 物業、廠房及設備

		Buildings	Plant and machinery	Motor vehicles	Furniture, fixtures and equipment	Construction in progress	Total
		樓宇 RMB'000 人民幣千元	廠房及機械 RMB'000 人民幣千元	汽車 RMB'000 人民幣千元	傢俱、裝置及設備 RMB'000 人民幣千元	在建工程 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Cost:	成本：						
At 1 January 2015	於二零一五年一月一日	—	3,649	1,257	622	10,279	15,807
Additions	添置	—	10	57	718	—	785
Disposals	出售	—	—	(20)	—	—	(20)
At 31 December 2015	於二零一五年十二月三十一日	—	3,659	1,294	1,340	10,279	16,572
At 1 January 2016	於二零一六年一月一日	—	3,659	1,294	1,340	10,279	16,572
Acquisitions of subsidiaries	收購附屬公司	9,202	245,814	205	4,825	—	260,046
Additions	添置	—	31	1,476	2,611	9,588	13,706
Transfer in and out	轉入轉出	10,279	—	—	—	(10,279)	—
Disposals	出售	(13)	(2,391)	(383)	—	—	(2,787)
At 31 December 2016	於二零一六年十二月三十一日	19,468	247,113	2,592	8,776	9,588	287,537
Accumulated depreciation:	累計折舊：						
At 1 January 2015	於二零一五年一月一日	—	1,896	960	121	—	2,977
Charge for the year	年內支出	—	252	145	149	—	546
Written back on disposals	出售時撤回	—	—	(6)	—	—	(6)
At 31 December 2015	於二零一五年十二月三十一日	—	2,148	1,099	270	—	3,517
At 1 January 2016	於二零一六年一月一日	—	2,148	1,099	270	—	3,517
Charge for the year	年內支出	2,865	8,667	162	692	—	12,386
Written back on disposals	出售時撤回	—	(152)	(40)	—	—	(192)
At 31 December 2016	於二零一六年十二月三十一日	2,865	10,663	1,221	962	—	15,711
Net book value:	賬面淨值：						
At 31 December 2016	於二零一六年十二月三十一日	16,603	236,450	1,371	7,814	9,588	271,826
At 31 December 2015	於二零一五年十二月三十一日	—	1,511	195	1,070	10,279	13,055

Depreciation expense of RMB8,786,000 (2015: RMB498,000) has been charged in “cost of sales”, and RMB3,600,000 (2015: RMB48,000) in “administrative expenses”.

折舊開支人民幣8,786,000元(二零一五年：人民幣498,000元)已從「銷售成本」中扣除，而折舊開支人民幣3,600,000元(二零一五年：人民幣48,000元)已從「行政開支」中扣除。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

14 PROPERTY, PLANT AND EQUIPMENT (Continued)

Pursuant to the relevant pledge contract, certain machineries of solar power plants with original cost of RMB185,660,000 were pledged as security (Note 25(i)).

14 物業、廠房及設備(續)

根據相關抵押合約，若干原值為人民幣185,660,000元的太陽能發電站機械為借貸抵押物(附註25(i))。

15 INTANGIBLE ASSETS

15 無形資產

		Goodwill 商譽 RMB'000 人民幣千元	Computer software 電腦軟件 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2015	於二零一五年 十二月三十一日			
Cost	成本	—	—	—
Accumulated amortisation	累計攤銷	—	—	—
Net book amount	賬面淨值	—	—	—
Year ended 31 December 2016	截至二零一六年 十二月三十一日止年度			
Opening net book amount	期初賬面淨值	—	—	—
Additions	添置	8,822	15,616	24,438
Amortisation charge	攤銷支出	—	(7)	(7)
Closing net book amount	期末賬面淨值	8,822	15,609	24,431
At 31 December 2016	於二零一六年 十二月三十一日			
Cost	成本	8,822	15,616	24,438
Accumulated amortisation	累計攤銷	—	(7)	(7)
Net book amount	賬面淨值	8,822	15,609	24,431

For the year ended 31 December 2016, amortisation of RMB7,000 (2015: nil) is included in administrative expenses.

截至二零一六年十二月三十一日止年度，人民幣7,000元(二零一五年：無)之攤銷計入行政開支。

The Group's goodwill recognised in the consolidated balance sheet of approximately RMB8,822,000 as a result of acquisition of Hebei Fakai Energy Development Company Limited (Fakai Energy Development) (Note 31(d)).

本集團因收購河北省發凱能源開發有限責任公司(「發凱能源開發」)(附註31(d))而於綜合資產負債表確認商譽約人民幣8,822,000元。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

15 INTANGIBLE ASSETS (Continued)

For goodwill arose in connection with Fakai Energy Development, the recoverable amount was determined based on value-in-use calculations. These calculations use free cash flow projections based on financial budgets approved by management covering a five-year period. Cash flow beyond the five-year period are extrapolated using the estimated growth rate of 2%. The discount rate used which is 14% is before-tax and reflects specific risks relating to Fakai Energy Development. No impairment is recognised based on the assessments.

15 無形資產(續)

就與發凱能源開發有關的商譽而言，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批准的五年期財政預算的自由現金流量預測計算。五年期後的現金流量以2%的估計增長率推定。所用折現率(14%)為除稅前折現率，反映與發凱能源開發相關的特定風險。概無根據該等評估確認減值。

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16 AVAILABLE-FOR-SALE FINANCIAL ASSETS

In August 2015, the Group obtained loans of RMB500,000,000 from Lu Jia Zui International Trust Company ("Lu Jia Zui Trust"). Pursuant to the relevant rules and regulations issued by the China Banking Regulatory Commission and Ministry of Finance, the Group is required to contribute 1% of the loans proceeds to the fund managed centrally by China Trust Insurance Fund Co., Ltd. The investment is classified as available-for-sale financial assets.

At 31 December 2016, the balance of available-for-sale financial asset is RMB3,000,000 is expected to be disposed within 12 months upon the maturity of the borrowings from Lu Jia Zui Trust.

16 可供出售金融資產

於二零一五年八月，本集團向陸家嘴國際信託有限公司(「陸家嘴信託」)取得貸款人民幣500,000,000元。根據中國銀行業監督管理委員會及財政部頒佈的相關規則及規例，本集團須把貸款所得款項1%投入由中國信託業保障基金有限責任公司集中管理的基金。該項投資分類為可供出售金融資產。

於二零一六年十二月三十一日，可供出售金融資產結餘為人民幣3,000,000元，預期將於12個月內自陸家嘴信託取得的借貸到期時出售。

17 OTHER NON-CURRENT ASSETS

At 31 December 2016, the Group's other non-current assets represents value-added tax recoverable that is expected to be utilised after one year.

17 其他非流動資產

於二零一六年十二月三十一日，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。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

18 INVESTMENT IN SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2016.

18 於附屬公司投資

下表列出於二零一六年十二月三十一日之主要附屬公司。

Name of company	Place of incorporation	Registered capital	Equity interest held by the Group	Principal activities
公司名稱	註冊成立地點	註冊資本	本集團持有股權	主要業務
Hebei Yuedu City Construction Investment Company Limited (Note i) ("Hebei Yuedu") 河北躍都城市建設投資有限公司(附註i)(「河北躍都」)	PRC 中國	RMB120,000,000 人民幣120,000,000元	100%	Public infrastructure construction 公建建設
Baoding Qiantai Investment Company Limited (Note i) ("Baoding Qiantai") 保定乾泰投資有限公司(附註i)(「保定乾泰」)	PRC 中國	RMB120,000,000 人民幣120,000,000元	100%	Primary land development 土地一級開發
Zhongneng Hexin Longhua County Solar Power Generation Company Limited (Note i) 中能和信隆化縣太陽能發電有限責任公司(附註i)	PRC 中國	RMB10,000,000 人民幣10,000,000元	100%	Operation of Solar energy Station 太陽能電站運營
Tianjin Lion Window & Door Co., Ltd. (Note ii) ("Lion Tianjin") 萊恩(天津)門窗有限公司(附註ii)(「萊恩天津」)	PRC 中國	USD2,880,000 2,880,000美元	100%	Manufacture and sale of doors and windows 生產及銷售門窗
Hebei Longitech Cloud Energy Technology Company Limited (Note i) 河北隆基泰和雲能源科技有限公司(附註i)	PRC 中國	RMB30,000,000 人民幣30,000,000元	100%	Smart energy service 智慧能源服務
Hebei Fakai Energy Development Company Limited (Note i) 河北省發凱能源開發有限責任公司(附註i)	PRC 中國	RMB300,000,000 人民幣300,000,000元	100%	Smart energy service 智慧能源服務

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

18 INVESTMENT IN SUBSIDIARIES (Continued)

Note i: These entities are PRC limited liability companies. As at 31 December 2016, the registered capital of these entities have not been paid up. The English translation of the company name is for reference only. The official name of the these companies are in Chinese.

Note ii: The entity is wholly foreign owned enterprise established in the PRC. The English translation of the company name is for reference only. The official name of the company is in Chinese.

18 於附屬公司投資(續)

附註i：該等實體為中國有限責任公司。於二零一六年十二月三十一日，此等實體的註冊資本尚未繳足。公司的英文譯名僅供參考，公司正式名稱為中文。

附註ii：該實體為於中國成立的外商獨資企業。公司的英文譯名僅供參考，公司正式名稱為中文。

146 19 INVENTORIES

19 存貨

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Raw materials	原材料	7,857	2,864
Work in progress	在製品	468	126
Finished goods	製成品	19,293	20,569
		27,618	23,559

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

20 TRADE AND OTHER RECEIVABLES

- (a) Trade and other receivables in the consolidated balance sheet comprise:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	74,204	37,081
Bills receivables	應收票據	710	—
Prepayments	預付款項	25,465	12,681
Other receivables	其他應收款項	14,045	7,968
		114,424	57,730

As at 31 December 2016, the future receivable collection right of solar energy business and primary land development business were pledged as securities for the Group's borrowings (Note 25).

- (b) Ageing analysis of trade receivables

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 year	於一年內	57,726	21,767
Over 1 year	一年以上	16,478	15,314
		74,204	37,081

Trade receivables are due within 30 to 60 days from the date of billing.

20 貿易及其他應收款項

- (a) 綜合資產負債表內的貿易及其他應收款項包括：

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	74,204	37,081
Bills receivables	應收票據	710	—
Prepayments	預付款項	25,465	12,681
Other receivables	其他應收款項	14,045	7,968
		114,424	57,730

於二零一六年十二月三十一日，太陽能業務及土地一級開發業務之未來應收款項之收款權乃抵押作為本集團借貸之擔保(附註25)。

- (b) 貿易應收款項之賬齡分析

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 year	於一年內	57,726	21,767
Over 1 year	一年以上	16,478	15,314
		74,204	37,081

貿易應收款項自開單日期起30天至60天內到期。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

20 TRADE AND OTHER RECEIVABLES (Continued)

(b) Ageing analysis of trade receivables (Continued)

As at 31 December 2016 and 2015, no impairment for doubtful debt was made.

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Neither past due nor impaired	並無逾期或減值	57,726	21,767
Past due but not impaired	逾期但無減值	16,478	15,314
		74,204	37,081

(c) The carrying amount 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	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
HK\$	港元	1,518	1,477
RMB	人民幣	112,906	56,253
		114,424	57,730

20 貿易及其他應收款項(續)

(b) 貿易應收款項之賬齡分析(續)

於二零一六年及二零一五年十二月三十一日，概無計提呆賬減值。

(c) 本集團貿易及其他應收款項之賬面值以下列貨幣計值：

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21 AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORK

21 應收客戶合約工程款項

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Contract cost 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	909,365	332,661
Less: progress billings	減：進度款	(304,619)	—
Net balance sheet position for ongoing contracts	持續合約之淨資產負債表狀況	604,746	332,661
Representing:	指：		
Amounts due from customers for contract work	應收客戶合約工程款項	604,746	332,661
Amounts due to customers for contract work	預收客戶合約工程款項	—	—
		604,746	332,661

For the year ended 31 December 2016, total contract revenue recognised is RMB 522,289,000 (2015: RMB 293,247,000).

截至二零一六年十二月三十一日止年度，已確認合同收入總額為人民幣522,289,000元（二零一五年：人民幣293,247,000元）。

22 RESTRICTED CASH

As at 31 December 2016 and 2015, the Group had restricted cash amounting to RMB296,000 (2015: RMB251,015,000), representing deposits made according to the terms of loan agreements signed between the Group and the lenders (Note 25), whereby the Group is required to deposit the entire loan proceeds into restricted accounts. This restricted cash amount can only be applied to finance the fund required for the development of a designated primary land development business.

22 受限制現金

於二零一六年及二零一五年十二月三十一日，本集團持有受限制現金人民幣296,000元（二零一五年：人民幣251,015,000元），指根據本集團與債權人所訂立的貸款協議的條款（見附註25）所作的存款，本集團須把全數貸款所得款項存入受限制賬戶。此受限制現金金額僅可應用於撥付發展指定土地一級開發業務所需資金。

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23 CASH AND CASH EQUIVALENTS

23 現金及現金等價物

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash at bank	銀行存款	204,935	158,218
Cash on hand	手頭現金	102	300
		205,037	158,518

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
HK\$	港元	109,264	2,097
RMB	人民幣	95,534	155,955
US\$	美元	239	466
		205,037	158,518

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24 SHARE CAPITAL AND RESERVES

(a) Share capital

(i) Authorised and issued share capital

		As at 31 December 於十二月三十一日			
		2016 二零一六年		2015 二零一五年	
		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:	法定：				
Ordinary shares of HK\$0.01 each	每股面值0.01港元 之普通股	2,000,000	20,000	2,000,000	20,000

Ordinary shares, issued and fully paid:

普通股，已發行且已繳足：

		2016 二零一六年			2015 二零一五年		
		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	607,440	6,074	4,943	602,000	6,020	4,900
Shares issued for exercise of share options	因行使購股權發 行之股份	—	—	—	5,440	54	43
Placing of new shares (Note)	配售新股 (附註)	121,000	1,210	1,059	—	—	—
At 31 December	於十二月 三十一日	728,440	7,284	6,002	607,440	6,074	4,943

Note: On 9 November 2016, 121,000,000 ordinary shares with par value of HK\$0.01 each were issued with proceeds of HK\$204,012,000 (equivalent to RMB178,449,000), of which HK\$1,210,000 (equivalent to RMB1,059,000) and HK\$202,802,000 (equivalent to RMB177,390,000) were credited to share capital and share premium account, respectively.

附註：於二零一六年十一月九日，發行121,000,000股每股面值0.01港元之普通股，所得款項為204,012,000港元（相當於人民幣178,449,000元），其中1,210,000港元（相當於人民幣1,059,000元）及202,802,000港元（相當於人民幣177,390,000元）分別計入股本及股份溢價。

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24 SHARE CAPITAL AND RESERVES (Continued)

(a) Share capital (Continued)

(i) Authorised and issued share capital (Continued)

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) 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 the share premium account of the Company.

Under the Companies Law (Revised) of the Cayman Islands, the funds in the share premium account of the Company 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.

24 股本及儲備(續)

(a) 股本(續)

(i) 法定及已發行股本(續)

於截至二零一五年十二月三十一日止年度，根據首次公開發售前購股權計劃，本集團前任董事及僱員行使5,440,000份購股權。5,440,000股每股面值0.01港元之普通股以3,916,800港元(相當於人民幣3,105,000元)之代價予以發行，其中3,862,400港元(相當於人民幣3,062,000元)計入股份溢價。此前就該等人民幣3,236,000元之已行使購股權於以股份支付之報酬儲備中確認之金額亦被轉至股份溢價。

(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之部分已被計入本公司之股份溢價。

根據開曼群島公司法(經修訂)，本公司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之債務。

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24 SHARE CAPITAL AND RESERVES (Continued)

(b) Reserves (Continued)

(ii) Statutory reserve

PRC statutory reserves were established in accordance with the relevant PRC rules and regulations and the articles of association of respective companies of the Group. PRC companies are required to transfer certain of their net profits (after offsetting prior year losses), as determined under the approval by the board of directors, to statutory general reserve.

Statutory general reserve can be used to reduce prior years' 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, and is non-distributable other than in liquidation.

24 股本及儲備(續)

(b) 儲備(續)

(ii) 法定儲備

已根據中國相關規例及法規以及本集團旗下各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所釐定的若干純利(抵銷以前年度虧損後)轉至法定一般儲備。

法定一般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%,且儲備不可用於分派(清盤除外)。

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25 BORROWINGS

25 借貸

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Short-term borrowings	短期借貸		
Unsecured other borrowings (Note (iii))	無抵押其他借貸(附註(iii))	—	220,000
Current portion of long-term borrowings	長期借貸即期部分	35,375	—
		35,375	220,000
Long-term borrowings	長期借貸		
Secured other borrowings (Note (i) (iii))	有抵押其他借貸(附註(i)(iii))	208,600	300,000
Secured bank borrowings (Note (ii))	有抵押銀行借貸(附註(ii))	495,639	—
		704,239	300,000
Less: current portion of long-term borrowings	減：長期借貸即期部分	(35,375)	—
		668,864	300,000
Total borrowings	借貸總額	704,239	520,000

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25 BORROWINGS (Continued)

At 31 December 2016, the Group's borrowings were all denominated in RMB and were repayable as follows:

25 借貸(續)

於二零一六年十二月三十一日，本集團應償還借貸(全數以人民幣計值)如下：

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Bank borrowings	銀行借貸		
Within one year	一年內	18,975	—
Between 1 and 2 years	一年至兩年	307,950	—
Between 2 and 5 years	兩年至五年	127,983	—
over 5 years	五年以上	40,731	—
		495,639	—
Other borrowings	其他借貸		
Within one year	一年內	16,400	220,000
Between 1 and 2 years	一年至兩年	17,500	300,000
Between 2 and 5 years	兩年至五年	41,900	—
over 5 years	五年以上	132,800	—
		208,600	520,000
Total borrowings	借貸總額	704,239	520,000

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

25 BORROWINGS (Continued)

- (i) As at 31 December 2016, the Group had borrowings from a fellow subsidiary under common control of an executive director, amounting to RMB208,600,000. The interest rates of these borrowings ranged from 5.39% to 5.635% per annum. The borrowings were jointly guaranteed by controlling shareholder and his spouse and a fellow subsidiary under common control of the controlling shareholder. Pursuant to the relevant pledge contract, certain machineries of solar power plants with original cost of RMB185,660,000 and future receivable collection right of certain subsidiaries were pledged as security.
- (ii) As at 31 December 2016, the Group had secured bank borrowings, amounting to RMB495,639,000. The interest rates of these borrowings ranged from 5.635% to 7.5% per annum. It was jointly guaranteed by the controlling shareholder and a fellow subsidiary under common control of the controlling shareholder. Pursuant to the relevant pledge contract, future receivable collection right of certain subsidiaries were pledged as security.
- (iii) In August 2015, the Group obtained loans from Lu Jia Zui Trust amounting to RMB500,000,000, of which RMB200,000,000 has a maturity of one year borne interest at 14% per annum, and the remaining balance of RMB300,000,000 has maturity of two years and borne interest at 14.46% per annum. The total were jointly guaranteed by the controlling shareholder and his spouse and a fellow subsidiary under common control of the controlling shareholder. Pursuant to the relevant pledge contract, certain subsidiary's equity interests were pledged as security of the RMB300,000,000.

25 借貸(續)

- (i) 於二零一六年十二月三十一日，本集團向一名執行董事共同控制下的一間同系附屬公司取得借貸人民幣208,600,000元。該等借貸按介乎5.39%至5.635%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。根據相關抵押合約，若干原值為人民幣185,660,000元的太陽能發電站機械及若干附屬公司之未來應收款項之收款權乃抵押作擔保。
- (ii) 於二零一六年十二月三十一日，本集團有抵押銀行借貸為人民幣495,639,000元。該等借貸按介乎5.635%至7.5%的年利率計息。該借貸由控股股東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。根據相關抵押合約，本集團若干附屬公司未來應收款項之收款權乃抵押作為擔保。
- (iii) 於二零一五年八月，本集團向陸家嘴信託取得借貸人民幣500,000,000元，當中人民幣200,000,000元為一年到期，按年利率14%計息，其餘結餘人民幣300,000,000元為兩年到期，按年利率14.46%計息。全部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。根據相關抵押合約，本集團一間附屬公司股權乃抵押作為人民幣300,000,000元之擔保。

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25 BORROWINGS (Continued)

(iv) The Group has the following undrawn borrowing facilities:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Expiring within one year	於一年內屆滿	370,000	1,000,000

25 借貸(續)

(iv) 本集團有下列未提取的借貸融資：

26 RECEIPTS IN ADVANCE

As at 31 December 2016 and 2015, receipts in advance represent sales proceeds received from customers in connection with the Group's sales of doors and windows.

26 預收款項

於二零一六年及二零一五年十二月三十一日，預收款項指本集團因銷售門窗而從客戶收到的銷售所得款項。

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27 TRADE AND OTHER PAYABLES

27 貿易及其他應付款項

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade payables	貿易應付款項	104,206	18,363
Other payables and accruals	其他應付款項及預提費用	100,335	189,672
Taxes payable	應付稅項	6,196	9,464
		210,737	217,499

As 31 December 2016, ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date are as follows:

於二零一六年十二月三十一日，貿易應付款項(包括屬貿易性質之應付關連方款項)按發票日期之賬齡分析如下：

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 year	一年以內	102,787	17,884
Over 1 year	一年以上	1,419	479
		104,206	18,363

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28 DEFERRED INCOME TAX LIABILITIES

The analysis of deferred tax is as follows:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Deferred income tax liabilities:	遞延所得稅負債：		
Deferred income tax liabilities to be recovered after more than 12 months	逾12個月後可收回的遞延所得稅負債	9,856	—

The gross movement on the deferred income tax accounts is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	—	—
Fair value adjustments relating to acquisition of subsidiaries	與收購附屬公司有關之公平值調整	9,856	—
At 31 December	於十二月三十一日	9,856	—

28 遞延所得稅負債

遞延稅項分析如下：

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Deferred income tax liabilities:	遞延所得稅負債：		
Deferred income tax liabilities to be recovered after more than 12 months	逾12個月後可收回的遞延所得稅負債	9,856	—

遞延所得稅賬目之總變動如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	—	—
Fair value adjustments relating to acquisition of subsidiaries	與收購附屬公司有關之公平值調整	9,856	—
At 31 December	於十二月三十一日	9,856	—

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29 CASH GENERATED FROM OPERATIONS

29 經營業務所得現金

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit before income tax including discontinued operations	包括已終止業務之除所得稅前溢利	64,704	19,422
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	611	154
Depreciation of items of property, plant and equipment	物業、廠房及設備項目折舊	12,386	546
Amortisation of other intangible assets	其他無形資產攤銷	7	—
(Gain)/Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之(收益)/虧損	(14)	14
Equity settled share-based payment expenses	按權益結算以股份支付之款項開支	—	1,162
Gain on acquisition of subsidiaries	收購附屬公司之收益	(25,138)	—
Finance expenses	融資開支	9,662	260
Foreign exchange losses on operating activities	經營活動之匯兌虧損	(2,154)	(13)
Deferred income from government grants	來自政府補貼之遞延收入	(90)	—
Changes in working capital	營運資本變動		
Increase in inventories	存貨增加	(2,173)	(5,299)
Increase in amount due from customers for contract work	應收客戶合約工程款項增加	(213,590)	(301,848)
(Increase)/decrease in trade and other receivables	貿易及其他應收款項(增加)/減少	(23,744)	723
(Decrease)/Increase in trade and other payables	貿易及其他應付款項(減少)/增加	(15,210)	17,536
Cash used in operations	經營所用現金	(194,743)	(267,343)

Major non-cash transactions:

On 26 January 2015, the Group distributed the shares of Kai Shi Holdings Company Limited (having a consolidated net asset value of RMB212,179,000) to the shareholders whose names appeared on the register of members of the Company at 22 January 2015.

主要非現金交易：

於二零一五年一月二十六日，本集團向於二零一五年一月二十二日名列於本公司股東名冊的股東分派開世控股有限公司(擁有綜合資產淨值人民幣212,179,000元)的股份。

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30 COMMITMENT

(a) Capital commitments

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Contracted but not yet incurred	已訂約但未發生	24,331	—

(b) Operating lease commitment

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 year	一年內	8,354	1,377
After 1 year but within 5 years	一年後但五年內	11,668	1,198
		20,022	2,575

30 承擔

(a) 資本承擔

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Contracted but not yet incurred	已訂約但未發生	24,331	—

(b) 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	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 year	一年內	8,354	1,377
After 1 year but within 5 years	一年後但五年內	11,668	1,198
		20,022	2,575

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

31 BUSINESS COMBINATIONS

During the year ended 31 December 2016, the Group acquired three solar power plants and one smart energy platform company from third parties.

- (a) On 10 March 2016, the Group acquired 100% equity interest in Liangshan Shengxiang Renewable Technology Company Limited (梁山聖翔新能源科技有限公司) (“Liangshan Shengxiang”) from a third party for a consideration of RMB10,000. The fair value of identifiable net assets in Liangshan Shengxiang on the date of acquisition was RMB1,083,000. The excess of fair value of identifiable net assets over the consideration is credited to other gains-net.

The principal activity of Liangshan Shengxiang is development and operation of solar power plant located in Shandong Province, the PRC, with an aggregate installed capacity of approximately 5MW.

- (b) On 6 April 2016, the Group acquired 100% equity interest in Huaian Jingyang Photovoltaic Technology Company Limited (淮安精陽光伏科技有限公司) (“Huaian Jingyang”) from a third party for a consideration of RMB7,185,000. The fair value of identifiable net assets in Huaian Jingyang on the date of acquisition was RMB14,290,000. The excess of fair value of identifiable net assets over the consideration is credited to other gains-net.

The principal activity of Huaian Jingyang is development and operation of solar power plant located in Jiangsu Province, the PRC, with an aggregate installed capacity of approximately 5MW.

31 業務合併

於截至二零一六年十二月三十一日止年度內，本集團向第三方收購三個太陽能發電站及一家智慧能源平台公司。

- (a) 於二零一六年三月十日，本集團向第三方收購梁山聖翔新能源科技有限公司(「梁山聖翔」)全部股權，代價為人民幣10,000元。於收購日期，梁山聖翔之可識別淨資產之公平值為人民幣1,083,000元。可識別淨資產公平值超出代價部分計入其他收益—淨額。

梁山聖翔主要業務為開發及營運位於中國山東省的太陽能發電站，總裝機容量約5兆瓦。

- (b) 於二零一六年四月六日，本集團向第三方收購淮安精陽光伏科技有限公司(「淮安精陽」)全部股權，代價為人民幣7,185,000元。於收購日期，淮安精陽之可識別淨資產公平值為人民幣14,290,000元。可識別淨資產公平值超出代價部分計入其他收益—淨額。

淮安精陽主要業務為開發及營運位於中國江蘇省的太陽能發電站，總裝機容量約5兆瓦。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

31 BUSINESS COMBINATIONS (Continued)

- (c) On 7 April 2016, the Group acquired 84.58% equity interest in Beijing Zhongneng Hexin Photovoltaic Technology Company Limited (北京中能和信光電技術有限公司) (“Beijing Zhongneng”) from a third party for a consideration of RMB8,458,000. The fair value of identifiable net assets in Beijing Zhongneng on the date of acquisition was RMB30,052,000. The excess of fair value of identifiable net assets over the consideration is credited to other gains-net. On 31 May 2016, the Group acquired remaining 15.42% equity interest in Beijing Zhongneng from the non-controlling shareholder for a consideration of RMB 1,542,000. The Group recognised the difference between the consideration and the additional share of net assets as an increase in other reserves and a decrease in non-controlling interests.

The principal activity of Beijing Zhongneng is development and operation of solar power plant through Zhongneng Hexin Longhua County Solar Power Generation Company Limited (中能和信隆化縣太陽能發電有限責任公司) (“Hebei Longhua”) located in Hebei Province, the PRC, with an aggregate installed capacity of approximately 20MW.

31 業務合併(續)

- (c) 於二零一六年四月七日，本集團向第三方收購北京中能和信光電技術有限公司(「北京中能」) 84.58% 股權，代價為人民幣 8,458,000 元。於收購日期，北京中能可識別淨資產公平值為人民幣 30,052,000 元。可識別淨資產公平值超出代價部分計入其他收益—淨額。於二零一六年五月三十一日，本集團向非控股股東收購北京中能餘下 15.42% 股權，代價為人民幣 1,542,000 元。本集團將代價與淨資產的額外份額之差額確認為其他儲備增加及非控股權益減少。

北京中能主要業務為通過中能和信隆化縣太陽能發電有限責任公司(「河北隆化」)開發及營運位於中國河北省的太陽能發電站，總裝機容量約 20 兆瓦。

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財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

31 BUSINESS COMBINATIONS (Continued)

- (d) On 8 August 2016, the Group acquired 100% equity interest in Hebei Fakai Energy Development Co., Ltd (河北省發凱能源開發有限責任公司) ("Fakai Energy Development") from a third party for a consideration of RMB12,820,000. The principal activity of Fakai Energy Development includes the development and utilisation of energy, the development and management of energy efficiency projects, and power trade.

31 業務合併(續)

- (d) 於二零一六年八月八日，本集團向第三方收購河北省發凱能源開發有限責任公司(「發凱能源開發」)全部股權，代價為人民幣12,820,000元。發凱能源開發主要業務為能源的開發利用，能效項目的開發及管理、電力交易等。

		Liangshan Shengxiang 梁山聖翔 RMB'000 人民幣千元	Huaian Jingyang 淮安精陽 RMB'000 人民幣千元	Beijing Zhongneng 北京中能 RMB'000 人民幣千元	Fakai Energy Development 發凱能源開發 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Purchase consideration	收購代價	10	7,185	8,458	12,820	28,473
Recognised amounts of identifiable assets acquired and liabilities assumed	已收購可識別資產及已承擔負債之已確認金額					
Cash and bank balances	現金及銀行結餘	8,598	7,950	10,627	372	27,547
Property, plant and equipment	物業、廠房及設備	31,980	38,353	182,623	7,090	260,046
Intangible assets	無形資產	—	—	—	9	9
Inventories	存貨	—	—	974	912	1,886
Receivables	應收款項	8,144	3,613	7,053	645	19,455
Payables	應付款項	(13,552)	(2,048)	(37,907)	(4,831)	(58,338)
Borrowings	借貸	(37,139)	(35,623)	(143,000)	—	(215,762)
Deferred tax liabilities	遞延稅項負債	(310)	(1,830)	(7,517)	(199)	(9,856)
Others	其他	3,362	3,875	17,199	—	24,436
Total identifiable net assets	可識別資產淨值總額	1,083	14,290	30,052	3,998	49,423
Non-controlling interests	非控股權益	—	—	(4,634)	—	(4,634)
Bargain purchase recognised in the consolidated statement of profit or loss (Note)	於綜合損益表確認之議價收購(附註)	(1,073)	(7,105)	(16,960)	—	(25,138)
Goodwill recognised in the consolidated balance sheet	於綜合資產負債表確認之商譽	—	—	—	8,822	8,822
		10	7,185	8,458	12,820	28,473
Outflow of cash to acquire business, net of cash acquired	收購業務之現金流出，扣除購入現金					
— cash consideration	— 現金代價	(10)	(7,185)	(8,458)	(12,820)	(28,473)
— cash and banks in subsidiaries acquired	— 購入附屬公司之現金及銀行存款	8,598	7,950	10,627	372	27,547
Cash outflow on acquisition	收購之現金流出	8,588	765	2,169	(12,448)	(926)

Note: The main reason giving rise to the bargain purchase was the fact that the present value of net cash inflow for the life of the solar power plants acquired exceeded the total consideration paid.

附註：引起議價收購的主要原因是所收購的太陽能發電站在使用壽命內的淨現金流入現值實際上已超出已付的總代價。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

31 BUSINESS COMBINATIONS (Continued)

- (e) The revenue included in the consolidated statement of profit or loss since 7 April 2016 contributed by Beijing Zhongneng was RMB20,360,000. Beijing Zhongneng also contributed profit of RMB6,644,000 over the same period. Had Beijing Zhongneng been consolidated from 1 January 2016, the consolidated statement of profit or loss would show pro-forma revenue of RMB610,264,000 and profit of RMB51,307,000.

The revenue included in the consolidated statement of profit or loss since 6 April 2016 contributed by Huaian Jingyang was RMB4,037,000. Huaian Jingyang also contributed profit of RMB1,061,000 over the same period. Had Huaian Jingyang been consolidated from 1 January 2016, the consolidated statement of profit or loss would show pro-forma revenue of RMB608,143,000 and profit of RMB52,194,000.

The revenue included in the consolidated statement of profit or loss since 10 March 2016 contributed by Liangshan Shengxiang was RMB4,141,000. Liangshan Shengxiang also contributed profit of RMB862,000 over the same period. Had Liangshan Shengxiang been consolidated from 1 January 2016, the consolidated statement of profit or loss would show pro-forma revenue of RMB607,536,000 and profit of RMB51,848,000.

The revenue included in the consolidated statement of profit or loss since 8 August 2016 contributed by Fakai Energy Development was RMB388,000. Fakai Energy Development also contributed loss of RMB3,694,000 over the same period. Had Fakai Energy Development been consolidated from 1 January 2016, the consolidated statement of profit or loss would show pro-forma revenue of RMB608,946,000 and profit of RMB49,137,000.

31 業務合併(續)

- (e) 北京中能自二零一六年四月七日起對綜合損益表的收益貢獻為人民幣20,360,000元。北京中能同期亦貢獻溢利人民幣6,644,000元。假若北京中能自二零一六年一月一日起綜合入賬，綜合損益表將出現備考收益人民幣610,264,000元及溢利人民幣51,307,000元。

淮安精陽自二零一六年四月六日起對綜合損益表的收益貢獻為人民幣4,037,000元。淮安精陽同期亦貢獻溢利人民幣1,061,000元。假若淮安精陽自二零一六年一月一日起綜合入賬，綜合損益表將出現備考收益人民幣608,143,000元及溢利人民幣52,194,000元。

梁山聖翔自二零一六年三月十日起對綜合損益表的收益貢獻為人民幣4,141,000元。梁山聖翔同期亦貢獻溢利人民幣862,000元。假若梁山聖翔自二零一六年一月一日起綜合入賬，綜合損益表將出現備考收益人民幣607,536,000元及溢利人民幣51,848,000元。

發凱能源開發自二零一六年八月八日起對綜合損益表的收益貢獻為人民幣388,000元。發凱能源開發同期亦貢獻虧損人民幣3,694,000元。假若發凱能源開發自二零一六年一月一日起綜合入賬，綜合損益表將出現備考收益人民幣608,946,000元及溢利人民幣49,137,000元。

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財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

32 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party 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 member of the Group are also considered as related parties.

(a) Significant transactions with related parties

32 關連方交易

如一方有能力直接或間接控制另一方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關連方。

(a) 與關連方之重大交易

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Funds received from fellow subsidiaries under 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	81,583	176,551
Funds received from parent company	從母公司取得資金	12,474	4,593
Funds received from directors	從董事取得資金	50	10
Sales of goods or services to a fellow subsidiary under common control of an executive director	向一名執行董事共同控制的一間同系附屬公司銷售貨品或服務	7,800	—
Purchases of goods or services from a fellow subsidiary under common control of an executive director	從一名執行董事共同控制的一間同系附屬公司購買貨品或服務	6,128	—
Borrowings from a fellow subsidiary under common control of the controlling shareholder	從控股股東共同控制的一間同系附屬公司取得借貸	—	20,000
Payment of interest expenses	支付利息開支	—	973

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

32 RELATED PARTY TRANSACTIONS (Continued)

32 關連方交易(續)

(b) Key management compensation

(b) 主要管理層薪酬

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Wages, salaries and allowances	工資、薪金及津貼	5,366	2,458
Social security cost	社會保障成本	19	108
Share-based payment	以股份支付之款項	—	931
		5,385	3,497

(c) Year-end balances with related parties

(c) 與關連方的年末結餘

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Amounts due from:	應收以下款項：		
Parent company	母公司	2,684	—
A fellow subsidiary under 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	7,800	—
		10,484	—
Amounts due to:	應付以下款項：		
Parent company	母公司	274	4,593
Directors	董事	55	10
Other fellow subsidiaries under common control of the controlling shareholder	控股股東共同控制下的其他同系附屬公司	101,916	170,218
		102,245	174,821
Loans from:	貸款來自：		
A fellow subsidiary under common control of the controlling shareholder	控股股東共同控制下的一間同系附屬公司	—	20,000
A fellow subsidiary under 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	208,600	—
		208,600	20,000

Payables due to directors, the parent company and related parties are interest free, unsecured and have no fixed terms of repayment.

應付董事、母公司及關連方的款項均為免息、無擔保及無固定還款期限。

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財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

33 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

33 本公司的資產負債表及儲備變動

Balance sheet of the Company

本公司的資產負債表

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Assets	資產		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	184	277
Intangible assets	無形資產	1	—
Investment in subsidiaries	於附屬公司投資	—	—
		185	277
Current assets	流動資產		
Trade and other receivables	貿易及其他應收款項	66,568	6,299
Cash and cash equivalents	現金及現金等價物	107,372	2,098
		173,940	8,397
Total assets	資產總額	174,125	8,674
Equity and Liabilities	權益及負債		
Equity attributable to equity shareholders of the Company	本公司權益股東應佔權益		
Share capital	股本	6,002	4,943
Other reserves (Note(i))	其他儲備(附註(i))	197,049	16,262
Accumulated loss (Note(i))	累計虧損(附註(i))	(29,377)	(17,754)
Total equity	權益總額	173,674	3,451
Liabilities	負債		
Trade and other payables	貿易及其他應付款項	451	5,223
Total current liabilities	流動負債總額	451	5,223
Total liabilities	負債總額	451	5,223
Total equity and liabilities	權益及負債總額	174,125	8,674

The balance sheet of the Company was approved by the Board of Directors on 22 March 2017 and was signed on its behalf:

本公司的資產負債表於二零一七年三月二十二日經董事會批准，並由下列董事代表簽署。

Wei Shaojun
魏少軍
Director
董事

Zhen Xiaojing
甄曉淨
Director
董事

NOTES TO THE FINANCIAL STATEMENTS

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

33 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

33 本公司的資產負債表及儲備變動(續)

Note (i): Reserve movement of the Company

附註(i): 本公司的儲備變動

		Accumulated loss	Other reserves
		累計虧損	其他儲備
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January 2015	於二零一五年一月一日	(16,269)	97,996
Loss for the year	年內虧損	(5,059)	—
Other comprehensive income	其他全面收入	—	529
Share issued for exercise of share options	行使購股權而發行股份	—	3,105
Equity settled share-based transactions	按權益結算以股份支付之交易	—	1,162
Forfeiture of share options	沒收購股權	3,574	(3,574)
Distribution in specie	實物分派	—	(82,956)
At 31 December 2015	於二零一五年十二月三十一日	(17,754)	16,262
At 1 January 2016	於二零一六年一月一日	(17,754)	16,262
Loss for the year	年內虧損	(11,623)	—
Other comprehensive income	其他全面收入	—	3,397
Share premium from placing of new shares	配售新股股份溢價	—	177,390
At 31 December 2016	於二零一六年十二月三十一日	(29,377)	197,049

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34 FINANCIAL INSTRUMENTS BY CATEGORY

34 金融工具類別

(a) Financial assets

(a) 金融資產

		31 December 2016 二零一六年十二月三十一日		
		Loans and receivables 貸款及應收款項 RMB'000 人民幣千元	Available-for-sale financial asset 可供出售金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Available-for-sale financial assets	可供出售金融資產	—	3,000	3,000
Trade and other receivables	貿易及其他應收款項	88,959	—	88,959
Cash and cash equivalents	現金及現金等價物	205,037	—	205,037
Restricted cash	受限制現金	296	—	296
		294,292	3,000	297,292

		31 December 2015 二零一五年十二月三十一日		
		Loans and receivables 貸款及應收款項 RMB'000 人民幣千元	Available-for-sale financial asset 可供出售金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Available-for-sale financial assets	可供出售金融資產	—	5,000	5,000
Trade and other receivables	貿易及其他應收款項	45,049	—	45,049
Cash and cash equivalents	現金及現金等價物	158,518	—	158,518
Restricted cash	受限制現金	251,015	—	251,015
		454,582	5,000	459,582

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34 FINANCIAL INSTRUMENTS BY CATEGORY

(Continued)

(b) Financial liabilities

34 金融工具類別 (續)

(b) 金融負債

		Other financial liabilities at amortised cost 按攤銷成本列賬之其他金融負債 31 December 2016 二零一六年十二月三十一日 RMB'000 人民幣千元	Other financial liabilities at amortised cost 按攤銷成本列賬之其他金融負債 31 December 2015 二零一五年十二月三十一日 RMB'000 人民幣千元
Trade and other payables	貿易及其他應付款項	204,541	208,035
Borrowings	借貸	704,239	520,000
		908,780	728,035

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

35 BENEFITS AND INTERESTS OF DIRECTORS

35 董事的福利及權益

The remuneration of every director is set out below:

各董事的薪酬如下：

Name	姓名	Year ended 31 December 2016 截至二零一六年十二月三十一日止年度				Total
		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 (Note iii)	
		袍金 RMB'000 人民幣千元	薪金 RMB'000 人民幣千元	退休福利計劃的僱主供款的僱主供款 RMB'000 人民幣千元	就董事提供有關管理本公司或其附屬公司之其他服務而已付或應收的其他酬金(附註iii) RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Chairman	主席					
Mr. Wei Shaojun	魏少軍先生	—	—	—	—	—
Executive directors:	執行董事：					
Mr. Wei Qiang	魏強先生	—	2,396	3	—	2,399
Mr. Li Haichao	李海潮先生	—	—	—	—	—
Ms. Zhen Xiaojing	甄曉淨女士	—	—	—	—	—
Independent non-executive directors:	獨立非執行董事：					
Mr. Han Qinchun	韓秦春先生	214	—	—	—	214
Mr. Wong, Yik Chung John	黃翼忠先生	214	—	—	—	214
Mr. Li Chun (Note i)	李淳先生(附註i)	107	—	—	—	107
Mr. Han Xiaoping (Note i)	韓曉平先生(附註i)	109	—	—	—	109
Total	總計	644	2,396	3	—	3,043

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

35 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

35 董事的福利及權益 (續)

		Year ended 31 December 2015 截至二零一五年十二月三十一日止年度				
		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 (Note iii)	Total
		袍金 RMB'000 人民幣千元	薪金 RMB'000 人民幣千元	退休福利計劃 的僱主供款 RMB'000 人民幣千元	就董事提供有關 管理本公司或其 附屬公司之其他 服務而已付或應收 的其他酬金(附註iii) RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Chairman	主席					
Mr. Wei Shaojun	魏少軍先生	—	—	—	—	—
Executive directors:	執行董事:					
Mr. Wei Qiang	魏強先生	—	312	—	—	312
Mr. Li Haichao	李海潮先生	—	—	—	—	—
Ms. Zhen Xiaojing	甄曉淨女士	—	—	—	—	—
Mr. Kai Chenglian	開成連先生	—	—	—	443	443
Mr. Kai Xiaojiang	開曉江先生	—	—	—	133	133
Ms. Jiang Shuxia	姜淑霞女士	—	—	—	133	133
Ms. Han Liping	韓麗萍女士	—	—	—	133	133
Independent non-executive directors:	獨立非執行董事:					
Mr. Li Chun	李淳先生	172	—	—	—	172
Mr. Han Qinchun	韓秦春先生	172	—	—	—	172
Mr. Wong, Yik Chung John (Note ii)	黃翼忠先生(附註ii)	43	—	—	—	43
Mr. Liu Da (Note ii)	劉達先生(附註ii)	129	—	—	—	129
Total	總計	516	312	—	842	1,670

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

35 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

Notes:

- (i) On 28 June 2016, Mr. Han Xiaoping was appointed as independent non-executive director of the company and Mr. Li Chun resigned as independent non-executive director of the Company.
- (ii) On 16 October 2015, Mr. Wong Yik Chung, John was appointed as independent non-executive director of the company and Mr. Liu Da resigned as independent non-executive director of the Company.
- (iii) These represent the estimated value of share options granted to the Company's former directors under the Company's Pre-IPO Share Option Scheme. 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 2.18(b), includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting. The details of these benefits in kind, including the principal terms and number of options granted, are disclosed in Note 8.

36 SUBSEQUENT EVENTS

On 19 January 2017, the Company announced to grant an aggregate of 11,300,000 share options (the "Options") under its share option scheme adopted on 22 November 2011. The Options will entitle the grantees to subscribe for up to a total of 11,300,000 new shares of HK\$0.01 each in the share capital of the Company, representing approximately 1.55% of all the shares in issue as at the date of the announcement.

35 董事的福利及權益 (續)

附註：

- (i) 於二零一六年六月二十八日，韓曉平先生獲委任為本公司獨立非執行董事，而李淳先生則辭任本公司獨立非執行董事。
- (ii) 於二零一五年十月十六日，黃翼忠先生獲委任為本公司獨立非執行董事，而劉達先生則辭任本公司獨立非執行董事。
- (iii) 該款項指根據本公司的首次公開發售前購股權計劃授予本公司前任董事購股權的估計價值。該等購股權的價值根據附註2.18(b)所載本集團有關以股份支付交易的會計政策計算，包括對過往年度當權益工具於歸屬前被沒收所累計之撥回金額之調整。該等實物利益(包括授出購股權的主要條款及數目)的詳情於附註8中披露。

36 結算日後事項

於二零一七年一月十九日，本公司宣佈，根據於二零一一年十一月二十二日採納的購股權計劃授出合共11,300,000份購股權(「購股權」)。承授人可憑藉購股權認購最多合共11,300,000股本公司股本中每股面值0.01港元的新股份，相當於截至該公告日期所有已發行股份的約1.55%。

FINANCIAL SUMMARY

財務概要

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					
		2012	2013	2014	2015	2016	
		二零一二年	二零一三年	二零一四年	二零一五年	二零一六年	
		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	
Turnover	營業額	105,703	100,908	61,828	324,168	607,137	
Income tax expense	所得稅支出	(22,464)	(9,612)	(3,696)	(6,446)	(12,758)	
Profit for the year	年度溢利	31,041	6,290	(70,164)	12,976	51,946	
Attributable to:	以下人士應佔：						
Shareholders of the Company	本公司股東	31,041	6,290	(70,164)	12,976	51,456	
Non-controlling interests	非控股權益	—	—	—	—	490	

FINANCIAL SUMMARY

財務概要

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					
		2012	2013	2014	2015	2016	
		二零一二年	二零一三年	二零一四年	二零一五年	二零一六年	
		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	
ASSETS	資產						
Non-current assets	非流動資產	220,294	251,666	19,161	24,386	317,375	
Current assets	流動資產	648,135	660,218	752,544	823,483	955,121	
Total assets	資產總額	868,429	911,884	771,705	847,869	1,272,496	
LIABILITIES	負債						
Non-current liabilities	非流動負債	42,971	50,366	—	300,000	681,320	
Current liabilities	流動負債	504,671	531,381	506,265	477,305	284,294	
Total liabilities	負債總額	547,642	581,747	506,265	777,305	965,614	
EQUITY	權益						
Total equity attributable to shareholders of the Company	本公司股東應佔權益總額	320,787	330,137	265,440	70,564	306,882	
Non-controlling interests	非控股權益	—	—	—	—	—	
Total equity	權益總額	320,787	330,137	265,440	70,564	306,882	



LongiTech Smart Energy Holding Limited
隆基泰和智慧能源控股有限公司

(formerly known as Long Ji Tai He Holding Limited 前稱：隆基泰和控股有限公司)
(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

