

HANERGY THIN FILM POWER GROUP LIMITED
漢能薄膜發電集團有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號: 566)

2016 Annual Report 年報



CONTENTS

目錄

	Page 頁次
CORPORATE INFORMATION 公司資料	2
CHAIRMAN'S STATEMENT 主席報告	4
MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析	13
REPORT OF THE DIRECTORS 董事會報告	54
CORPORATE GOVERNANCE REPORT 企業管治報告	81
BIOGRAPHICAL DETAILS OF DIRECTORS 董事履歷	95
INDEPENDENT AUDITOR'S REPORT 獨立核數師報告書	100
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 綜合損益及其他全面收益表	113
CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表	115
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表	117
CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量報表	119
NOTES TO FINANCIAL STATEMENTS 財務報表附註	122
FIVE YEAR FINANCIAL SUMMARY 五年財務概要	279

CORPORATE INFORMATION

公司資料

EXECUTIVE DIRECTORS

Mr. Yuan Yabin (*Chairman*)
Dr. Lam Yat Ming Eddie (*Vice Chairman*)
Mr. Wang Xiong (*Vice Chairman*)
Mr. Si Haijian (*Chief Executive Officer*)
Mr. Huang Songchun (*Financial Controller*)
Mr. Xu Xiaohua
Mr. Zhang Bin

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Zhao Lan
Mr. Wang Tongbo
Professor Xu Zheng
Dr. Wang Wenjing

AUDIT COMMITTEE

Ms. Zhao Lan (*Chairperson*)
Mr. Wang Tongbo
Professor Xu Zheng
Dr. Wang Wenjing

REMUNERATION COMMITTEE

Ms. Zhao Lan (*Chairperson*)
Mr. Wang Tongbo
Professor Xu Zheng
Dr. Wang Wenjing

NOMINATION COMMITTEE

Mr. Wang Tongbo (*Chairperson*)
Ms. Zhao Lan
Professor Xu Zheng
Dr. Wang Wenjing

COMPANY SECRETARY

Ms. Lee Wai Yee

AUDITORS

Ernst & Young

執行董事

袁亞彬先生(*主席*)
林一鳴博士(*副主席*)
王雄先生(*副主席*)
司海健先生(*首席執行官*)
黃松春先生(*財務總監*)
徐曉華先生
張彬先生

獨立非執行董事

趙嵐女士
王同渤先生
徐征教授
王文靜博士

審核委員會

趙嵐女士(*主席*)
王同渤先生
徐征教授
王文靜博士

薪酬委員會

趙嵐女士(*主席*)
王同渤先生
徐征教授
王文靜博士

提名委員會

王同渤先生(*主席*)
趙嵐女士
徐征教授
王文靜博士

公司秘書

李慧兒女士

核數師

安永會計師事務所

CORPORATE INFORMATION

公司資料

PRINCIPAL BANKERS

Bank of Communications
Industrial and Commercial Bank of China (Asia) Limited
Industrial Bank Co., Ltd.
China Construction Bank
China Merchant Bank
Bank of China
ABN AMRO

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 2403A, 24/F, World Trade Centre
280 Gloucester Road
Causeway Bay, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
26 Burnaby Street
Hamilton HM11
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

STOCK CODE

566

WEBSITE

www.hanergythinfilmpower.com

主要往來銀行

交通銀行
中國工商銀行(亞洲)有限公司
興業銀行股份有限公司
中國建設銀行
招商銀行
中國銀行
荷蘭銀行

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

總辦事處及主要營業地點

香港銅鑼灣
告士打道280號
世貿中心24樓2403A室

股份過戶及登記總處

MUFG Fund Services (Bermuda) Limited
26 Burnaby Street
Hamilton HM11
Bermuda

股份過戶及登記香港分處

卓佳登捷時有限公司
香港
灣仔
皇后大道東183號
合和中心22樓

股份代號

566

網址

www.hanergythinfilmpower.com

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the Board of Directors of Hanergy Thin Film Power Group Limited (the "Company", together with its subsidiaries, the "Group"), I would like to present the annual results of the Company for the year ended 31 December 2016.

The year 2016 was one in which the Group has transformed and reincarnated. Faced with the unprecedented difficulty brought by the suspension of trading in its shares, the Group actively implemented its "four transformation measures", which involved strategic transformation, business focus, organizational restructure and open cooperation. Through bold and decisive adjustments and pragmatic actions, the Group was able to achieve rapid growth of business and sales. As at 31 December 2016, the Group achieved a total revenue of approximately HK\$4,483,130,000, representing an increase of 59% as compared with 2015; gross profit of approximately HK\$2,597,772,000, representing a year-on-year growth of 89%; and net profit of approximately HK\$251,614,000, representing a turnaround from loss to profit.

Meanwhile, the Company has made its best effort in communicating with the Securities and Futures Commission ("SFC") to clear the concerns of the SFC and seek resumption of trading of the Company's shares on The Stock Exchange of Hong Kong Limited, upon fulfilling the requirements put forward by the SFC, so as to protect the overall interests of the Company and its shareholders (including shareholders other than the controlling shareholders). At present, the SFC has set out two required conditions for the resumption of trading. (For details, please refer to the Company's announcement dated 23 January 2017 with respect to "Inside Information – Discussion with the Securities and Futures Commission on Resumption of Trading"). The first of the two required conditions has already been fulfilled. As for the second requirement, the Company has been preparing the Disclosure Document, which will include the appointment of financial advisers to carry out due diligence on the Group and the auditors has already completed the audit on the 2016 consolidated financial statements of the Company.

致各位尊敬的股東：

本人謹代表漢能薄膜發電集團有限公司(「本公司」，連同其附屬公司統稱「本集團」)董事會同仁，向各位股東呈上截至二零一六年十二月三十一日止年度之業績。

二零一六年是本集團變革重生的一年。面對停牌所帶來的前所未有的困難，本集團積極實施戰略轉型、業務聚焦、組織變革、開放合作「四大變革」措施，通過大刀闊斧的調整和務實積極的行動，實現了業務及銷售的快速增長。截至二零一六年十二月三十一日，本集團實現總收入4,483,130,000港元，對比二零一五年增長了59%；毛利2,597,772,000港元，同比增長89%；以及淨利251,614,000港元，實現扭虧盈，各項業務呈現出良好的增長勢頭。

與此同時，本公司竭盡所能與證券及期貨事務監察委員會(「證監會」)溝通，以澄清證監會對本集團之疑慮，並尋求在達成證監會要求之條件後，本公司股份於香港聯合交易所有限公司恢復買賣，以保護本公司及股東(包括除控股股東之外的股東)之整體利益。目前，證監會已對復牌提出兩個必要條件(詳見本公司日期為二零一七年一月二十三日有關《內幕消息 — 與證監會復牌討論之最新公告》)，其中第1個復牌必要條件已達成；對於第二個復牌必要條件，本公司目前正在準備披露文件，包括已委聘財務顧問對本集團進行盡職調查，而核數師已對本公司之二零一六年綜合財務報表完成審核。

CHAIRMAN'S STATEMENT

主席報告

ENERGY TRANSFORMATION AND LOW-CARBON DEVELOPMENT HAVE BECOME A GLOBAL CONSENSUS

On 12 December 2015, close to 200 signatories from around the world at the UN Framework Convention on Climate Change reached consensus on the Paris Agreement. All parties will step up their efforts in response to the threat of climate change by meeting the target of reducing greenhouse gas emission as soon as possible, thereby achieving net zero greenhouse gas emission in the second half of this century. The agreement went into effect on 4 November 2016.

China, as a responsible developing country, is an active participant in global climate governance. China integrates its actions in response to climate change into its medium to long term planning of the nation's socio-economic development. Development concepts such as innovation, coordination, transparency and mutual benefits will be transformed into a series of policies and measures in optimising the structure of industries, building low carbon energy systems, developing green buildings and low-carbon transportation and establishing a national carbon emission trade market. In its document of "Intended Nationally Determined Contributions", China proposed to peak its emission of CO₂ at around 2030 and strive to achieve the target earlier if possible, lower the ratio of GDP to carbon dioxide emission by 60%-65% in 2030 as compared with 2005 and raise the use of non-fossil energy to around 20% of one-off energy consumption. The new energy industry which is represented mainly by solar energy is ushering in an unprecedented development opportunity.

能源轉型、低碳發展已成為全球共識

二零一五年十二月十二日，來自全球各地的《聯合國氣候變化框架公約》近200個締約方一致同意通過《巴黎協定》，各方將加強對氣候變化威脅的全球應對，儘快實現溫室氣體排放達標，本世紀下半葉實現溫室氣體淨零排放。該協定已於二零一六年十一月四日正式生效。

中國作為負責任的發展中大國，是全球氣候治理的積極參與者。中國把應對氣候變化融入國家經濟社會發展中長期規劃，將落實創新、協調、綠色、開放、共享的發展理念，實施優化產業結構、構建低碳能源體系、發展綠色建築和低碳交通、建立全國碳排放交易市場等一系列政策措施。中國在「國家自主貢獻」中提出，將於二零三零年左右使二氧化碳排放達到峰值並爭取儘早實現，二零三零年單位國內生產總值二氧化碳排放比二零零五年下降60%-65%，非化石能源佔一次能源消費比重達到20%左右。以太陽能為主要代表的新能源行業正迎來前所未有的發展機遇。

CHAIRMAN'S STATEMENT

主席報告

THE PROSPECT OF SOLAR ENERGY MARKET CONTINUES TO BE OPTIMISTIC WITH RAPID GROWTH PERIOD EXPECTED FOR DISTRIBUTED PHOTOVOLTAICS

Solar energy is rich in resources, with ample supply, inexhaustible and pollution-free. It is an ideal energy for the mankind. Solar energy power generation, as a direct, clean and efficient way of using solar energy, has experienced rapid growth in recent years due to the strong advocacy and support from countries around the world.

According to the statistics of IHS, the newly installed photovoltaic power generation capacity in 2016 reached 77GW globally, representing a year-on-year growth of 34% and two consecutive years of growth over 30%. At this point, the accumulated installed photovoltaic power generation capacity is in excess of 310GW globally.

According to the statistics of China's National Energy Board, China's newly installed photovoltaic power generation capacity in 2016 was 34.54GW, representing a year-on-year increase of 129%. The accumulative installed capacity was 77.42GW. Both newly installed capacity and accumulative capacity were ranked as the world's number one. In particular, the newly installed distributed photovoltaic power capacity was 4.24GW, exhibiting an explosive growth of 200% increase year-on-year.

According to the "13th Five-Year Plan" for Electric Power Development issued by the National Energy Administration on 7 November 2016, installed solar energy power generation capacity was expected to exceed 110GW, with distributed photovoltaic power capacity to exceed 60GW by 2020. Accordingly, it is expected that the average annual installed capacity for distributed photovoltaic power generation in China between 2017 and 2020 should exceed 12GW, a number which is even higher than the accumulative installed distributed photovoltaic power generation capacity of 10.32GW in 2016, and it is expected that distributed photovoltaics will enter a stage of high growth period.

太陽能市場前景持續看好，分佈式光伏迎來高速增長期

太陽能資源豐富，能量巨大，且用之不盡、無污染，是人類的理想能源。太陽能發電作為一種直接、清潔、高效的能源利用方式，得到了世界各國的大力倡導與扶持，近年發展迅速。

根據IHS的統計，二零一六年全球光伏新增裝機容量約77GW，同比增長34%，連續2年增長超過30%。至此，全球光伏累計裝機容量超過310GW。

根據中國國家能源局的統計，二零一六年中國光伏新增裝機容量34.54GW，同比增長129%；累計裝機容量77.42GW，新增裝機容量和累計裝機容量均為全球第一。其中，分佈式光伏新增裝機容量4.24GW，同比增長200%，呈現爆發式增長。

根據二零一六年十一月七日中國國家發改委、國家能源局對外正式發佈的《電力發展「十三五」規劃》，截至二零二零年，中國太陽能發電裝機要達到110GW以上，其中分佈式光伏達到60GW以上。據此預測，二零一七年至二零二零年期間，中國分佈式光伏每年新增裝機量平均達12GW以上，比中國分佈式光伏二零一六年累計裝機量10.32GW還要高，將進入高速增長期。

CHAIRMAN'S STATEMENT

主席報告

A GREAT POTENTIAL FOR THE MARKET OF THIN FILM SOLAR TECHNOLOGY AS THE FUTURE OF SOLAR ENERGY LIES IN THIN FILM

The thin film solar energy technology has the advantages of low consumption of materials, high conversion rate and highly integrated processes. Thin film can be manufactured into translucent, coloured, flexible and light-weight components, which can be used in a wide range of applications. It has a unique advantage in the areas of distributed applications and mobile energy, and therefore presents a great market potential.

Governments in Europe, the United States, Japan and others have included thin film solar power technology as the focus of development and support in the area of solar energy. The Chinese government has also introduced a series of policies recently in support of the technology. In 2016, a number of government bodies including the Chinese State Council, the National Development and Reform Commission, the Energy Bureau and the Ministry of Science and Technology promulgated a number of documents including the "Action Plan for Energy Technical Reform and Innovation (2016-2030)" (《能源技術革命創新行動計劃(2016-2030年)》), the "Catalogue of Key Products in Strategic Emerging Industries" (《戰略性新興產業重點產品目錄》), "Made in China 2025" (《中國製造2025》), "13th Five-Year Information Science and Technology Plan" (《"十三五"國家科技創新規劃》), "Guide to Key Common Technological Development for the Industries" (《產業關鍵共性技術發展指南》). It was clearly stated in these documents that efforts should be made in the development of the highly efficient thin film technologies such as CIGS and GaAs, and a complete set of equipment and production lines with independent intellectual rights should be established with financial and other preferential policies.

太陽能的未來在薄膜，薄膜太陽能市場潛力巨大

薄膜太陽能技術具有消耗材料少、理論效率高、工藝集成度高、弱光和高溫性能好等優點，並可製成透光、彩色、柔性、輕質組件，應用範圍廣，在分佈式應用和移動能源領域具有獨特的優勢，市場潛力巨大。

歐、美、日等國政府已將薄膜太陽能技術列為太陽能領域的重點發展及支持方向，中國政府也於近期連續出台一系列政策對其予以大力支持。二零一六年，中國國務院、發改委、能源局、科技部等多個部門頒佈《能源技術革命創新行動計劃(2016-2030年)》《戰略性新興產業重點產品目錄》《中國製造2025》《「十三五」國家科技創新規劃》《產業關鍵共性技術發展指南》等多個文件，明確提出要大力發展銅銦鎵硒、砷化鎵等高效薄膜電池技術，建立完整的自主知識產權裝備及生產線，並給予金融等政策優惠。

CHAIRMAN'S STATEMENT

主席報告

SUPPORT THE NATIONAL STRATEGIES, FOCUS ON THIN FILM SOLAR ENERGY AND ESTABLISH THE ECOSYSTEM OF THIN FILM SOLAR ENERGY INDUSTRY

In the area of thin film solar energy, the Group has taken early actions to optimise its structure. Through global acquisition of technologies, the Group has acquired the globally advanced CIGS and GaAs technologies, as well as the design, integration and delivery capabilities of related equipment and production lines, which contributed to the Group's core competitiveness. On this foundation, the Group has maintained its leading position in the world's CIGS and GaAs technologies through continuous investments as well as research and development, which have become the primary impetus for the Group's competitive advantage. Meanwhile, the Group has made huge investments in terms of resources and efforts in the area of downstream photovoltaic applications and achieved good results. As of today, the Group's business model for the various downstream sectors have been established, and the unique distribution model and system are preliminary ready. We base ourselves on the continuous innovation of thin film solar technology. On the one hand, we deliver "turnkey solutions" for high-end equipment and production lines as one of the fronts, and on the other hand, we provide distributed energy and mobile energy "one-stop" solutions as the other front. This "One Base and Two Fronts" strategic deployment is basically in place. These together have laid a solid foundation for the Group's future development.

Looking back at 2016, we have been more focused on thin film solar energy, upstream equipment and production lines as well as downstream distributed and mobile applications. We were committed to establishing a thin film solar energy industry ecosystem, and we have successfully completed our transformation while at the same time achieved rapid growth of our business:

響應國家戰略，專注薄膜太陽能， 打造薄膜太陽能產業生態

在薄膜太陽能領域，本集團提前佈局，通過全球技術併購，掌握了全球領先的銅銦鎵硒技術和砷化鎵技術，並獲取了相應裝備及產線的設計、集成與交付能力，成功打造了本集團的核心競爭力。在此基礎上，本集團通過持續不斷的投入和研發，保持了銅銦鎵硒技術和砷化鎵技術的全球領先地位。這構成了本集團競爭優勢的一個重要來源。與此同時，本集團在下游光伏應用領域投入了巨大的資源和力量，取得了良好的成果。截至目前，本集團各下游業務板塊的商業模式均已打通，獨具特色的經銷商模式及體系更已初步成熟。以薄膜太陽能技術的持續創新為基礎、以上游裝備及產線的「交鑰匙」解決方案為左翼、以下游分佈式及移動能源應用的「一站式」解決方案為右翼的「一基兩翼」戰略佈局基本形成。所有這些，都為本集團的未來發展奠定了堅實的基礎。

回顧二零一六年，我們更加專注薄膜太陽能，更加聚焦上游裝備及產線、下游分佈式及移動能源應用，致力於打造薄膜太陽能產業生態，在成功完成轉型的同時，實現了業務的快速發展：

CHAIRMAN'S STATEMENT

主席報告

- 1. Technology development and innovation:** During the year, the Group made a series of breakthrough in CIGS and GaAs technologies, with further advancements along various developmental paths and achievement of higher efficiency in mass production, thus maintaining its global leadership position in thin film solar energy technology. In particular, The R&D efficiency of MiaSolé's chips reaches 19.4%, while the efficiency of the winner module from the U.S. new generation process reaches 18%. This currently represents the highest efficiency globally for sputtering CIGS flexible modules. Solibro's top mass production modules have an efficiency of 16.97% (with 17.92% of effective area), which set the world record for mass production of co-evaporation CIGS modules. Alta Devices' mass production modules have an efficiency reaching 24.8%, and passed the NREL verification in November 2016. Now Alta Devices holds three world records on conversion efficiency for GaAs single knot cells, double knots cells and modules.
 - 2. Upstream equipment and production lines:** Through continuous development and integration of the six major product lines, namely Solibro, MiaSolé, GSE, GaAs, HIT and Silicon Germanium, preliminary economies of scale and synergy have been achieved, and equipment manufacturing and delivery capabilities have been strengthened for the Group, which now has the annual delivery capabilities in GWs and has achieved domestic production of core equipment. Meanwhile, the Group has substantially strengthened its third-party sales of equipment and production lines. By attempting to provide thin film solar energy equipment and "turnkey" solutions of production lines to major customers such as local governments with intention to transform, large state-owned enterprises and major overseas customers under the "Belt and Road Initiative", the Group aims at achieving a rapid growth of upstream equipment and production lines business in the future. In 2016, the Group's upstream equipment and production lines business achieved sales revenue of HK\$3,028,182,000, representing an increase of 53% as compared with 2015.
- 1、技術研發與創新：**年內，本集團在銅銦鎵硒、砷化鎵等技術上取得了一系列的突破，各技術路線的研發和量產效率再創新高，持續保持全球薄膜太陽能技術的領先地位。其中，MiaSolé芯片研發效率達到19.4%，美國新一代工藝量產冠軍組件效率達到18%，為目前全球濺射法CIGS柔性組件最高效率；Solibro量產冠軍組件效率達到16.97%（有效面積17.92%），為共蒸法CIGS組件量產世界紀錄；Alta量產組件效率達到24.8%，於二零一六年十一月通過了NREL驗證，Alta至此同時擁有砷化鎵單結電池、雙結電池和組件三項轉換效率的世界紀錄。
 - 2、上游裝備及產線：**本集團通過持續打造和整合Solibro、MiaSolé、GSE、砷化鎵、HIT、矽鍺六大產品線，初步形成了規模效應和協同效應，裝備製造與交付能力得到顯著增強，已具備了GW級的年度交付能力，並實現了核心裝備的國產化。與此同時，本集團大力加強了裝備及產線的第三方銷售，嘗試通過向意圖轉型的地方政府、大型國企等大客戶以及「一帶一路」海外大客戶提供薄膜太陽能裝備及產線的「交鑰匙」解決方案，希望上游裝備及產線業務將來快速增長。二零一六年，本集團上游裝備及產線業務實現了銷售收入3,028,182,000港元，對比二零一五年增長了53%。

CHAIRMAN'S STATEMENT

主席報告

3. **Downstream distributed and mobile energy applications:** By capitalising on its advanced thin film solar energy technology and products, and adopting the “Double-wheel” strategy (with Household Business driven by distribution channels, and Commercial/BIPV/Agricultural business driven by direct sales to major customers), the Group was able to achieve the best results ever. During the year, the focus on Household Business was changed from recruitment of distributors to support of existing distributors. After optimisation and change, explosive growth was achieved, with accumulative number of distributors of approximately one thousand and two hundred, sales revenue increased 3.4 times year-on-year and the annual installations reached thirty thousand sets. The Commercial Business has fully established its business model and was successful in launching a number of commercial demonstration projects. The number of contracted projects and reserve projects have achieved their scales initially. Full coverage of different photovoltaic applications, including photovoltaic curtain walls, photovoltaic lighting roofs, photovoltaic roofing, photovoltaic sun visors and other forms of applications, were accomplished in BIPV Business. The development and trial production of Solibro BIPV components were completed with significantly improved power generation efficiency in the products. The Agricultural Applications Business completed the development and market launch of “索芙蘭” product series of photovoltaic agricultural solutions. Cooperation with the country's authorities in scientific research was also carried out on issues of photovoltaic agriculture, which provided important conclusions that the Group's modules for photovoltaic agriculture applications would not affect the cultivation of crops underneath. Mobile Energy Business continued to cooperate with a number of world-class strategic customers, and its production could hardly keep up with the demand. In the area of poverty alleviation, we responded to the call of the nation to carry out the precision photovoltaic poverty alleviation programme. Currently, we have business coverage all over the country, benefiting many identified poor families.
- 3、**下游分佈式及移動能源應用：**本集團依托先進的薄膜太陽能技術及產品，全面實施「雙輪驅動」戰略（戶用業務主要走經銷商渠道、商用/BIPV/農業業務主要向大客戶銷售），取得了歷年來的最好業績。年內，戶用業務的重心由招商轉向扶商，優化更換後經銷商數量累計約一千二百家，銷售收入同比增長了3.4倍，年銷售套數約三萬套，實現了爆發式增長；商用業務打通了商業模式，成功落地了多個商業示範項目，簽約項目及儲備項目均已初具規模；BIPV業務實現了光伏幕牆、光伏採光頂、光伏屋面、光伏遮陽板等各種光伏應用形式的全覆蓋，並完成Solibro BIPV組件樣品的開發與試製，產品發電效益將得到顯著提升；農業業務完成了光伏農業「索芙蘭」系列產品解決方案的開發與上市，並與國內權威科研機構合作開展光伏農業種植研究課題，證實了本集團的光伏農業應用組件不會影響棚下農作物種植這個重要結論；移動能源業務與多個世界級戰略大客戶持續展開合作，產品供不應求。此外，在扶貧領域，我們響應國家號召，開展精準光伏扶貧，目前業務覆蓋全國，已使眾多建檔立卡貧困家庭受益。

CHAIRMAN'S STATEMENT

主席報告

STRENGTH CORPORATE GOVERNANCE AND INITIATE CHANGE OF CORPORATE CULTURE

To further strengthen corporate governance, the Company has made adjustments during the year to the appointments of the chairman of the Board and the executive Directors. The development path and management philosophy is characterised as market oriented, technology centred and management based. A flat organisation structure is made up of production and sales functions of the business units, with the combination of sufficient authorisation and rigorous assessment. Systems and processes are reviewed and optimised such that there are rules to follow when performing tasks. At the same time, the Company has launched changes to the corporate culture and established the core values of "customer orientation and provision of the best products and services to the customers". The "customer culture", "Innovative culture" and "reflective culture" have been fully implemented.

Looking forward to 2017, we will continue to invest in research and development of the thin film solar energy technology and maintain the Group's global leadership position in the area of thin film solar energy technology. We will make the best effort in pushing forward full domestic manufacturing of the Group's thin film solar energy equipment and production lines, so as to lower costs substantially and enhance competitiveness. We will continue to implement the "Double-wheel" strategy in the downstream business with distributed and mobile energy applications. While developing the existing sales network, we will also step up the development and management of major customers, especially those with strategic values. We firmly believe that 2017 will be an important year in which the thin film solar energy industry and mobile energy industry can achieve explosive growth.

加強公司治理，啓動文化變革

年內，為進一步加強公司治理，本公司對董事會主席及執行董事進行了任職調整，強化以市場為導向、以技術為核心、以管理為基礎的發展思路和管理思想；實行以事業部為主的產供銷體系，建立充分授權和嚴格考核相結合的扁平化組織；梳理並完善制度、流程，使各項工作均有章可循、有法可依。同時，本公司啓動了文化變革，確立了「以客戶為核心，為客戶提供最好的產品和最好的服務」的核心價值觀，並全面推行實施「客戶文化」、「創新文化」、「反省文化」。

展望二零一七年，我們將持續投入進行薄膜太陽能技術的研發與創新，繼續保持本集團在薄膜太陽能技術領域的全球領先地位；大力推進本集團薄膜太陽能裝備及產線的全面國產化，以大幅降低成本，提高市場競爭力；繼續推進實施下游分佈式及移動能源應用業務的「雙輪驅動」戰略，在夯實現有銷售渠道網絡的同時，加強大客戶尤其是戰略性大客戶的開發和管理。我們堅信，二零一七年將是薄膜太陽能產業和移動能源實現爆發性增長的重要一年。

CHAIRMAN'S STATEMENT

主席報告

Finally, on behalf of the Board, I would like to take this opportunity to express my heartfelt gratitude to all the shareholders and business partners for their support, and to all the staff for their contributions during the year!

最後，本人借此機會代表董事會向全體股東及業務夥伴一直以來所給予的支持表示衷心的感謝，並對全體員工於年內所做的貢獻表示感謝！

Yuan Yabin
Chairman

30 March 2017

袁亞彬
董事會主席

二零一七年三月三十日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS MODEL

Hanergy Thin Film Power Group Limited is a high-tech energy enterprise listed on the Hong Kong Stock Exchange. Its principal activities include (i) the development and design of turnkey production lines for thin film power generation, as well as (ii) the development, operation and sales of downstream thin film power generation projects and application products.

Since entering into the thin film power generation industry in 2009, the Group has been actively involved in the investment and research of the most advanced thin film solar energy technology which was adopted as the Group's core business. Through continual acquisition of overseas thin film technologies, including Solibro in Germany, MiaSolé in the U.S., Global Solar Energy in the U.S., and Alta Devices in the U.S., the Group has acquired copper indium gallium selenium ("CIGS") and gallium arsenide ("GaAs") technologies which are currently the most advanced in the world, and at the same time has mastered the globally advanced equipment production line manufacturing technology and its R&D capabilities. These technologies have become the main sources of competitive advantage for the Group. Meanwhile, the Group deploys teams of scientists at various locations around the globe, including Beijing and Sichuan in China, the United States, Germany and Sweden, etc, for continuous improvement in the performance of thin film power generation technology, which enables the Group to provide customers with the most advanced, cost effective solutions in turnkey production lines.

業務模式

漢能薄膜發電集團有限公司是一家在香港交易所上市的高科技能源企業，主要業務包括 (i) 研發和設計薄膜發電整線生產線，以及 (ii) 開發、運營及銷售下游薄膜發電項目和應用產品。

自二零零九年本集團進入薄膜發電行業以來，積極投入與研發最先進之薄膜太陽能技術，以作為本集團的核心業務。通過持續併購多間領先之海外薄膜技術，包括德國 Solibro 公司、美國 MiaSolé 公司、美國 Global Solar Energy 公司及美國 Alta Devices 公司，本集團已掌握了全球最領先的銅銦鎵硒 (CIGS) 和砷化鎵 (GaAs) 技術，同時也掌握了全球領先的裝備產線製造技術及其研發能力，成為本集團競爭優勢的重要來源。同時，本集團的科學家團隊遍佈全球，包括中國北京、四川、美國、德國及瑞典等，持續提升薄膜發電技術的表現，為客戶提供最先進且具有成本優勢的整線生產線解決方案。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS MODEL *(continued)*

Apart from manufacturing in the upstream production lines, the Group has committed enormous resources and energy to the area of downstream photovoltaic applications in recent years, and has now achieved satisfactory results. The unique end-to-end business model of dealership developed by the Group is becoming mature. During the year, after rounds of optimization and screening, the Group has already accumulated approximately one thousand and two hundred distributors and achieved market coverage at the city and county levels nationwide, laying a solid foundation for the Group's development.

For the Group's strategy on future development, we will continue to maintain our position as the world's most advanced thin film power generation and high-tech energy enterprise and adopt the "One Base and Two Fronts" as our long term strategic deployment. That is, we base ourselves on the continuous innovation of thin film solar technology. On the one hand, we deliver "turnkey solutions" for high-end equipment and production lines as one of the fronts, and on the other hand, we provide distributed energy and mobile energy "one-stop" solutions as the other front. The upstream equipment production line business will be maintained as our core, and the downstream distributed energy business will be our strategic direction, with an aim to vigorously fostering mobile energy as the Group's main direction.

FINANCIAL REVIEW

For the financial year ended 31 December 2016, the Group recorded a revenue of HK\$4,483,130,000, representing a sharp increase of approximately 59% as compared with HK\$2,814,668,000 in 2015. Gross profit increased to HK\$2,597,772,000, representing an increase of approximately 89% as compared with previous year's HK\$1,373,229,000.

業務模式(續)

除了上游生產線製造之外，本集團近年於下游光伏應用之領域，投入了巨大的資源和力量，目前已經取得了良好的成果，商業模式已經完全打通，獨具特色的經銷商模式已趨成熟。本年內，經過優化篩選，本集團累計經銷商數量約一千二百家，完成了對全國市縣級市場的覆蓋，為集團的發展打下了堅實的基礎。

對於本集團未來發展的戰略，我們將繼續保持全球最領先薄膜發電高科技能源公司的位置，以「一基兩翼」為長遠佈局：即是以薄膜太陽能技術的持續創新為基礎，以高端裝備及產線的「交鑰匙」解決方案為左翼，以分佈式能源及移動能源的「一站式」解決方案為右翼，以上游裝備產線業務為核心，下游分佈式能源業務為戰略方向，積極培育移動能源作為集團的大方向。

財務回顧

截至二零一六年十二月三十一日止財政年度，本集團錄得收入4,483,130,000港元，較二零一五年之2,814,668,000港元大幅上升約59%；毛利增加至2,597,772,000港元，較上年度之1,373,229,000港元上升約89%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW *(continued)*

The Group has successfully turned from loss to profit for the year with annual profit of HK\$251,614,000, representing a great improvement over the loss of HK\$12,233,542,000 recorded in the financial year ended 31 December 2015. There are a number of factors contributing to the turn from loss to profit, including but not limited to the following:

1. Due to the success of the Household Power Generation Unit through dealer channels, approximately thirty thousand sets of household photovoltaic system were sold during the period. Sales revenue for the year recorded a strong surge, which increased sharply from HK\$280,694,000 in 2015 to HK\$1,234,999,000; and
2. The revenue for the Group's delivered production lines business under the manufacturing business increased to HK\$2,995,599,000 during the period, representing approximately 55% increase as compared with the revenue of HK\$1,934,115,000 in the same period last year.

In regard of the Group's receivables due from Hanergy Holding's affiliates, as at 31 December 2016, total contracted work receivables amounted to approximately HK\$745,928,000, while trade receivables amounted to approximately HK\$3,913,807,000, among which approximately HK\$2.52 billion was overdue. On 10 March 2017, the Group received RMB1.5 billion (equivalent to approximately HK\$1,692,449,000) from Hanergy Holding and its affiliates for the repayment of trade receivables.

During the period, the Group sold production line equipments and provided services to Shandong Macrolink which brought to the Group a revenue of HK\$2,091,900,000. As at 31 December 2016, trade receivables due from Shandong Macrolink was HK\$2,536,745,000, all of which was overdue. From January to March 2017, Shandong Macrolink has repaid RMB650 million (equivalent to approximately HK\$734,685,000) to the Group.

財務回顧(續)

本集團在本年度成功地轉虧為盈，年度溢利為251,614,000港元，相對截至二零一五年十二月三十一日止財政年度所錄得之虧損12,233,542,000港元大為改善。本年度轉虧為盈由多個原因所致，包括但不限於：

1. 有賴於期內戶用發電事業部透過經銷商渠道取得成功，於期內售出接近三萬套戶用光伏系統，銷售收入由二零一五年之280,694,000港元急升至本年度之1,234,999,000港元，錄得強勁升幅；及
2. 本集團期內製造業務之產線交付業務收入上升至2,995,599,000港元，相比去年同期收入1,934,115,000港元增長約55%。

對於本集團對漢能控股其聯屬公司之應收款項，截至二零一六年十二月三十一日，其應收合同工程總額約為745,928,000港元，貿易應收款項約為3,913,807,000港元，其中約25.2億港元為逾期應收款項。於二零一七年三月十日，本集團收到漢能控股及其聯屬公司對貿易應收款項償還人民幣15億元(約合1,692,449,000港元)。

本集團於期內銷售生產線設備及提供服務予山東新華聯，為本集團帶來2,091,900,000港元之收入。截至二零一六年十二月三十一日，應收山東新華聯之貿易應收款項為2,536,745,000港元，全部皆為逾期應收款項。於二零一七年一月至三月份，山東新華聯對本集團償還人民幣6.5億元(約合734,685,000港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

A. Connected Transactions with Hanergy Holding Group – New Connected Transaction During the Period

In January 2016, Apollo Precision (Fujian) Limited entered into a procurement contract of automated integrated production lines for CIGS thin film solar panels with Shandong Zibo Hanergy PV Company Limited, a subsidiary to Hanergy Holding. Shandong Zibo has made an advance payment of RMB380 million (about HK\$452 million) to Apollo Precision (Fujian) in January 2016, and the recognised after tax income, calculated according to the percentage of completion, was HK\$395 million (the tax-inclusive amount was HK\$437,748,267). Since the amount of advance payment exceeded the recognised income, the balance of the receivables was not increased by this connected transaction.

業務回顧

A. 向漢能控股集團之關連交易 — 期內新增關連交易

二零一六年一月，福建鉑陽精工設備有限公司與漢能控股集團聯屬公司山東淄博漢能薄膜太陽能有限公司簽訂了CIGS薄膜太陽能電池自動化集成製造生產線採購合同，山東淄博已於二零一六年一月向福建鉑陽支付了預付款人民幣3.8億元(約4.52億港元)，按照完工百分比計算二零一六年確認除稅後收入為3.95億港元(含稅金額為437,748,267港元)。由於預付款金額大於確認收入，因此應收款餘額並無因此項關連交易而有所增加。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (continued)

業務回顧(續)

B. Delivery of Production Lines to Hanergy Holding Group

The Group entered into two master sales contracts with Hanergy Holding for the sale of equipment and turnkey production lines for the manufacture of thin film solar photovoltaic modules to Hanergy Holding in 2010 and 2011, respectively. The table below shows an analysis of the related purchase capacity committed and contract revenue recognized in the Group's financial statements:

B. 向漢能控股集團交付生產線

本集團已與漢能控股份別於二零一零年和二零一一年訂立兩份主銷售合同，以向漢能控股銷售用於製造薄膜太陽能光伏組件設備及整套生產線。下表顯示了有關已承諾銷售產能及已在本集團財務報表中確認的合同收入的分析：

		2010 Sales Contracts 二零一零年 銷售合同	2011 Sales Contracts 二零一一年 銷售合同	
		HK\$'mil 百萬港元	HK\$'mil 百萬港元	
1.	Total purchase capacity as stipulated in the sales contracts	銷售合同定下的總銷售產能	3,000MW	7,000MW
2.	Purchase capacity of module equipment and production lines committed by Hanergy Holding as at 31/12/2016	截至二零一六年十二月三十一日，漢能控股已承諾採購組件設備及生產線的產能	1,300MW	7,000MW
3.	Total contract sum	合同總金額	25,800	61,270
4.	To the extent purchase capacity committed by Hanergy Holding:	有關漢能控股已承諾的採購產能：		
(i)	Contract sum attributed to the purchase capacity committed	(i) 已承諾的採購產能應佔合同金額	25,800	61,270
(ii)	Total cumulative down payment made by Hanergy Holding as at 31/12/2016	(ii) 截至二零一六年十二月三十一日，漢能控股已付出的總累計預付定金	1,922	1,560
(iii)	Contract revenue (net of VAT and relevant taxation) recognized in:	(iii) 合同收入(已扣除增值稅和相關稅項)確認：		
	Year ended 31/12/2010	截至二零一零年十二月三十一日止年度	2,310	0
	Year ended 31/12/2011	截至二零一一年十二月三十一日止年度	1,446	1,009
	Year ended 31/12/2012	截至二零一二年十二月三十一日止年度	0	2,756
	Year ended 31/12/2013	截至二零一三年十二月三十一日止年度	0	3,243
	Year ended 31/12/2014	截至二零一四年十二月三十一日止年度	3,102	2,853
	Year ended 31/12/2015	截至二零一五年十二月三十一日止年度	134	(68)
	Year ended 31/12/2016	截至二零一六年十二月三十一日止年度	39	865

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW *(continued)*

B. Delivery of Production Lines to Hanergy Holding Group *(continued)*

Pursuant to the two master sale contracts, production lines delivered by the Group to Hanergy Holding will undergo several phases for move-in and installation, followed by the Start of Production (“SOP”) and then the End of Ramping (“EOR”), before the production lines can begin mass production.

During the period under review, the production lines delivered to Hanergy Holding did not undergo SOP or EOR.

C. Solar Modules Supply Agreement

In 2014, pursuant to the master agreement in relation to the supply of solar modules from 2012 to 2014, the Company’s subsidiary entered into a number of new solar modules ancillary purchase agreements with Hanergy Affiliates to purchase photovoltaic modules, with total production capacity of 558MW, for developing downstream photovoltaic power generation projects. Pursuant to the terms of such ancillary agreements, the Company’s subsidiary had settled approximately 50% of the contract sum when placing the order in 2014. In 2016, Hanergy Affiliates had delivered photovoltaic modules with total production capacity of 136MW. The capacity of the undelivered photovoltaic modules is 228MW.

業務回顧(續)

B. 向漢能控股集團交付生產線(續)

根據兩份主銷售合同，向漢能控股交付之生產線將分數個階段搬入及安裝，成功進行調試生產開始(「SOP」)及調試結束(「EOR」)後便會大量投產。

於回顧期內，向漢能控股交付之生產線並沒有進行調試生產或調試結束。

C. 太陽能組件供應協議

於二零一四年，根據二零一二年至二零一四年太陽能電池組件之供應總協議之下，本公司之附屬公司與漢能聯屬公司訂立多份新光伏組件購買附屬協議，購買總產能為558MW的光伏組件，用於建設下游光伏發電項目。根據該等附屬協議之條款，本公司之附屬公司已於二零一四年下達訂單時支付合同總金額約50%。於二零一六年度，漢能控股聯屬公司交付產能共136MW之光伏組件，尚未交付組件之產能為228MW。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW *(continued)*

D. Group Structure

To facilitate the Group's business development, the Group carried out organizational restructuring during the period. After the restructuring, there are in total 13 business units covering the upstream and downstream core businesses, including:

- (i) Six upstream business units:
 - 1) Equipment Business Unit
 - 2) Flexible Industrial Applications Business Unit
 - 3) Flexible Consumer Applications Business Unit
 - 4) Solibro Business Unit
 - 5) Mobile Energy Business Unit
 - 6) HIT Business Unit

- (ii) Seven downstream business units:
 - 1) Household Power Generation Business Unit
 - 2) Commercial Power Generation Business Unit
 - 3) BIPV Business Unit
 - 4) Agricultural Applications Business Unit
 - 5) Overseas Sales Business Unit
 - 6) Ground-mounted Power Station Business Unit
 - 7) E-commerce Business Unit

業務回顧(續)

D. 集團架構

為配合本集團業務上的發展，本集團於期內進行架構重組，在重組後共十三個核心業務事業部，覆蓋集團上游、下游核心業務，包括：

- (i) 六個上游事業部：
 - 1) 裝備事業部
 - 2) 柔性工業應用事業部
 - 3) 柔性民用事業部
 - 4) Solibro 事業部
 - 5) 移動能源事業部
 - 6) HIT 事業部

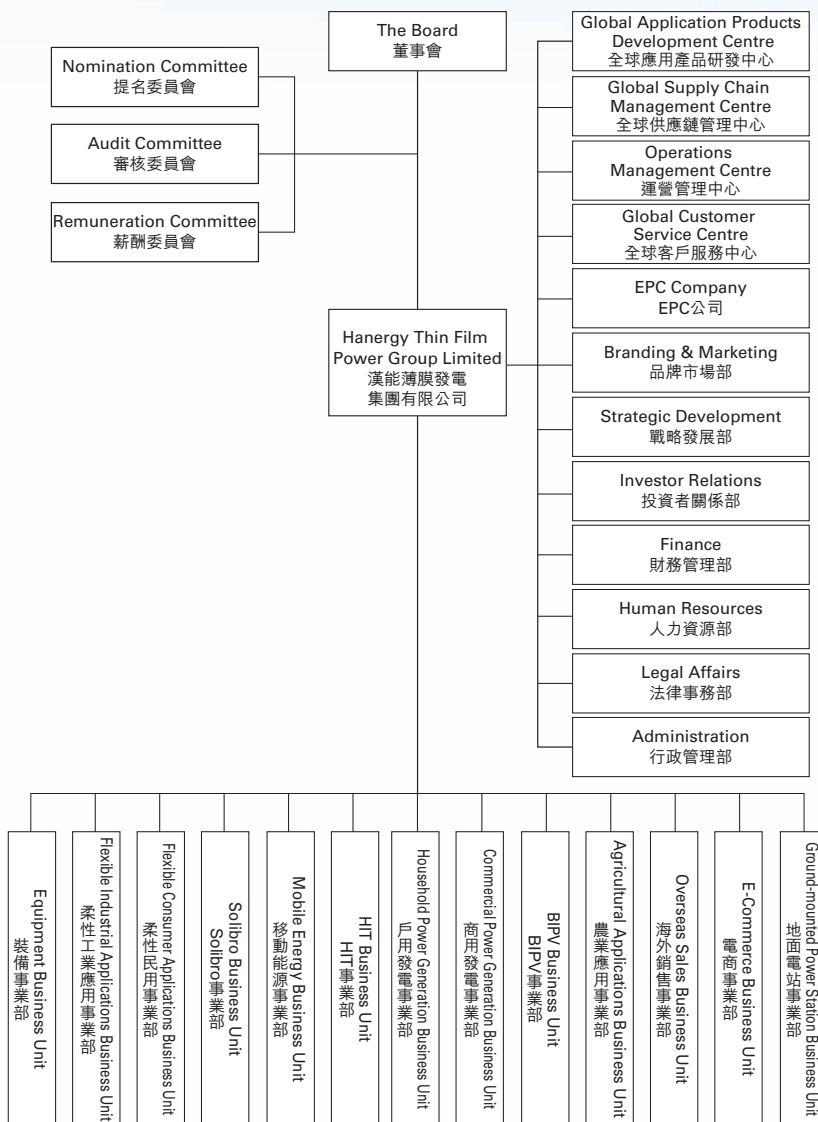
- (ii) 七個下游事業部：
 - 1) 戶用發電事業部
 - 2) 商用發電事業部
 - 3) BIPV 事業部
 - 4) 農業應用事業部
 - 5) 海外銷售事業部
 - 6) 地面電站事業部
 - 7) 電商事業部

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (continued)

D. Group Structure (continued)



Group Structure (as at 31 December 2016)

集團組織架構圖(截至二零一六年十二月三十一日)

業務回顧(續)

D. 集團架構(續)

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW *(continued)*

D. Group Structure *(continued)*

Upstream Business Units

(1) Equipment Business Unit

The unit is mainly engaged in the design and manufacture of turnkey production lines for large-scale thin film solar cells, and the provision of assembling, installation and testing services for production lines, including the independently developed plasma-enhanced chemical vapor deposition (PECVD) equipment which is used for producing silicon-based thin film cells, and the physical vapor deposition (PVD) equipment. Since 2011, the Equipment Business Unit has provided in total more than 2GW (2 million KW) silicon-based thin film solar cell production lines, and will gradually realize self-design and manufacturing of CIGS and HIT production lines. As a platform company, the Equipment Business Unit provides three sets of services for other business units, including Original Equipment Manufacturing (OEM), Original Design Manufacturing (ODM), and Onsite Field Services (OFS). Leveraged on the worldly advanced thin film solar cell technologies, the Equipment Business Unit will independently self-develop and continue to innovate, so as to promote the domestic development and manufacturing of solar cell manufacturing equipment and hence gradually realise the landing of advanced thin film solar energy turnkey production lines in China.

業務回顧(續)

D. 集團架構(續)

上游事業部

(1) 裝備事業部

主要從事設計和製造大規模薄膜太陽能電池整線生產線，並提供產線集成和安裝調試服務，包括自主研發的用於矽基薄膜電池生產的等離子增強化學氣相沉積(PECVD)設備、物理氣相沉積(PVD)設備等。自二零一一年起，裝備事業部已經提供矽基薄膜太陽能電池生產線累積超過2GW(200萬千瓦)，並將逐步實現銅銦鎵硒、HIT生產線的自主化設計製造。裝備事業部將作為平台公司，為其它事業部提供三項服務包括OEM(製造外包)，ODM(設計外包)，以及OFS(現場服務外包)。裝備事業部將依托世界領先的薄膜太陽能電池技術，自主開發、不斷創新，推動太陽能電池製造設備的國產化研製，逐步實現先進薄膜太陽能整線生產線在國內的落地。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW *(continued)*

D. Group Structure *(continued)*

Upstream Business Units (continued)

(2) *Flexible Industrial Applications Business Unit (MiaSolé)*

Based on MiaSolé's magnetron sputtering technology, the unit focused on the development of CIGS flexible thin film solar cell turnkey production lines and set up the MiaSolé Hi-Tech R&D Center in Silicon Valley, the U.S. The business unit adopts the "One Base and Two Fronts" as business model, fully utilizing MiaSolé's advantages on equipment R&D and delivery: adopting production line R&D, manufacture, sales and delivery as its foundation business; adopting the development and sales of CIGS target and core raw material as the one of the business fronts, and adopting the development and sales of high-end flexible CIGS application system as the business for another front; based on the basic business, both fronts jointly support the business unit's development. The advantage of MiaSolé's flexible CIGS technology are its stable, reliable production process and high production efficiency. It has lower energy consumption and does not produce any heavy metal wastewater when compared with the traditional production of crystalline silicon cells. It is regarded by a number of foreign institutions as the next generation large-scale application products in the photovoltaic industry. This technology is also important for the mobilization and civilianization of photovoltaic.

業務回顧(續)

D. 集團架構(續)

上游事業部(續)

(2) 柔性工業應用事業部(MiaSolé)

以MiaSolé磁控濺射技術為主，專注CIGS柔性薄膜太陽能電池整線生產線開發工作，於美國矽谷設有MiaSolé Hi-Tech技術研發中心。事業部以一基兩翼作其商業模式，充分發揮MiaSolé在裝備研發與交付的優勢，以生產線研發、製造、銷售、交付為基礎業務，並以開發銷售CIGS靶材及核心原材料為左翼業務及開發銷售高端柔性CIGS應用系統為右翼業務，兩翼業務在基礎業務上協同支撐事業部發展。MiaSolé柔性銅銦鎵銻技術優點為生產工藝穩定可靠，生產效率高，相比傳統晶矽電池產業能耗低、無重金屬廢水產生，也被國內外多家機構認定為是光伏行業下一代大規模應用產品。同時也是光伏移動化、民用化的重要技術。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (continued)

D. Group Structure (continued)

Upstream Business Units (continued)

(3) Flexible Consumer Applications Business Unit (GSE)

The unit is engaged in the product R&D, production, sales and delivery of photovoltaic equipment by use of the flexible co-evaporation CIGS technology from Global Solar Energy (GSE) based in Arizona, the U.S.. It possesses advanced flexible product packaging technology which is widely applicable to a variety of civilian mobile energy markets. The GSE production line covers 6 out of the 7 major strategic emerging industries, including energy efficiency and environmental protection, high-end equipment, new energies, new materials, new energy vehicles and information technology.

(4) Solibro Business Unit

The unit is mainly engaged in the delivery of CIGS solar energy modules production lines which are based on Solibro technology, as well as the provision of engineering and technical support for turnkey projects. Today, the 21.1% efficiency rate for the laboratory chip and the 16.97% efficiency rate for the champion module achieved by the business unit's Sweden R&D centre, are at the top rank globally and enjoying technical advantage in the industry.

業務回顧(續)

D. 集團架構(續)

上游事業部(續)

(3) 柔性民用事業部(GSE)

主要致力於美國亞利桑那州的 Global Solar Energy (GSE) 柔性共蒸發銅銦鎵硒技術路線下的產品研發、生產、銷售及交付光伏設備，擁有先進之柔性產品封裝技術，可廣泛應用於各類民用移動能源市場。GSE 產線覆蓋 7 大戰略新興產業的 6 個包括節能環保、高端裝備、新能源、新材料、新能源汽車及信息技術。

(4) Solibro 事業部

主要提供 Solibro 技術之銅銦鎵硒 (CIGS) 太陽能組件生產線的交付，為客戶提供交鑰匙工程及技術支持。目前事業部瑞典研發中心之 21.1% 的實驗室芯片效率，以及冠軍組件之 16.97% 效率，目前處於世界領先地位，在行業內已取得技術優勢。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW *(continued)*

D. Group Structure *(continued)*

Upstream Business Units (continued)

(5) Mobile Energy Business Unit (Alta Devices)

Based on the technology of the U.S. subsidiary Alta Devices, the unit is mainly engaged in the R&D and industrialization of the gallium arsenide ("GaAs") thin film cell technology and equipment. Currently, Alta Devices is one of the very few photovoltaic enterprises in the industry which considers the mobile energy as its major target market, and the conversion efficiency rates of the GaAs thin film single junction cell and double junction cell produced by Alta Devices have both broken the world record. In addition, the product's unique and excellent characteristics, including its flexibility, lightness, high performance under weak light condition, and good temperature functionality, making it the ideal material for the mobile energy application. It can be applied to the high value-added market, like the Aerospace (high-altitude and long-endurance (HALE) unmanned aerial vehicles, low earth orbit satellite etc), ground transportation (new energy vehicle), drone and daily application (internet-of-things, wearable devices, e-commerce) etc. Apart from that, the major strategic clients of this business unit are mainly enterprises producing high altitude long-endurance aerial vehicles, with significant gross margin. The products produced by the Mobile Energy Business Unit are flexible, which is precisely the distinctive nature of GaAs products. The Group will capitalize firmly on the current advantages in these fields, expand the production scale and application fields so as to meet the anticipated explosive growth of the market.

業務回顧(續)

D. 集團架構(續)

上游事業部(續)

(5) 移動能源事業部(Alta Devices)

以美國附屬公司Alta Devices技術為基礎，為砷化鎵薄膜電池技術與裝備的研發及產業化。Alta Devices是目前業內極少數明確以移動能源為主要目標市場的光伏企業，其生產的砷化鎵薄膜電池單結電池和雙結電池的轉換效率，皆創造了世界紀錄；再加上其柔性、輕質、弱光好、溫度特性好等優異獨特的產品特性，為移動能源應用的最理想材料，可以使用於高附加值市場，例如航空航天(高空長航時無人機、低軌道衛星等)、地面交通(新能源車)、無人機和日常應用(物聯網、可穿戴、消費電子)等方面。除此之外，此事業部之戰略性大客戶，主要為生產高空長航無人機之企業，其毛利率非常可觀。因為砷化鎵產品的特殊性，而移動能源事業部做的產品正是柔性。本集團將抓緊當前這些領域之優勢，擴大生產規模及應用範圍，迎接市場爆發的節點。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW *(continued)*

D. Group Structure *(continued)*

Upstream Business Units (continued)

(6) HIT Business Unit

As a newly established department, the business unit is engaged in the production of Hetero-junction with Intrinsic Thin-layer (HIT) solar cells turnkey production lines. According to the "Guidelines from the State Council on Encouraging Healthy Solar Industry Developments" (《國務院關於促進光伏產業健康發展的若干意見》), it was proposed that new photovoltaic manufacturing projects should fulfill the industry requirement in which a-Silicon photovoltaic cells should achieve a conversion efficiency rate not less than 20%. Today, only three technological paths can achieve the efficiency of more than 20% conversion rate and at the same time are suitable for commercial mass production. These are the Interdigitated Back Contact (IBC) Cell, the Passivated Emitter Rear Cell (PERC) and the HIT Cell. Compared with the first two technologies, HIT technology has better product controllability, lower production cost and brighter development prospect, and will become the best photovoltaic product for distributed and household solar power station.

Compared with the ordinary crystalline silicon solar cell modules, HIT solar cell module's unit area has 20% more power generation capacity. Because of the HIT cell module's lower temperature coefficient, its reduction of efficiency and output power is comparatively less, and hence it is capable to generate 8% to 10% more electricity than ordinary crystalline silicon solar cell modules per day. As such, the adoption of the highly efficient HIT solar cell module can fully conserve land and rooftop resources.

業務回顧(續)

D. 集團架構(續)

上游事業部(續)

(6) HIT事業部

此事業部乃新成立部門，專注於製造高效矽異質結太陽能電池(HIT，Hetero-junction with Intrinsic Thin-layer)整線生產線。根據《國務院關於促進光伏產業健康發展的若干意見》，提出新上光伏製造項目應滿足單晶矽光伏電池轉換效率不低20%的產業要求；目前世界上轉換效率在20%以上並能夠實現商業化量產的技術路線，只有背接觸電池(IBC)、背鈍化電池(PERC)和矽異質結(HIT)電池三種。HIT技術與前兩種技術相比，具有更好的產品可控性、更低的生產成本以及良好發展前景，將成為分佈式和戶用太陽能電站最優良的光伏產品。

與常規晶體矽太陽能電池組件相比，HIT太陽能電池組件之單位面積的發電量要高出20%；由於HIT電池組件較低的溫度係數，溫度升高後效率和輸出功率下降得相對更少，比常規晶體矽太陽能電池組件在一天中能多發電8%至10%。因此，使用高效率的HIT太陽能電池組件能充分節省土地資源和屋頂資源。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW *(continued)*

D. Group Structure *(continued)*

Downstream Business Units

(1) Household Power Generation Business Unit

The business unit focuses on household solar power generation system and small-scale industrial and commercial distributed power generation projects. It realized over HK\$1 billion sales revenue in 2016, positioning itself comfortably at the top of the household market. After development of more than two years, the Group has developed a huge network of channel distributors, a system of product series and a complete after-sales services system. It is planned that the service can cover more than 90% of 2,000 franchise distributors across cities, regions and counties in 2017, hence establishing an integrated service system of sales, installation and after-sales services, and forging a top brand in household power generation in China.

(2) Commercial Power Generation Business Unit

The Commercial Power Generation Business Unit is a new energy solution provider encapsulating large- to middle-scale power station projects in development, sales of power stations, investment and financing, construction and operation. While it focuses on the five major sectors including industrial and commercial distributed power generation, centralized power station, county-level photovoltaic poverty alleviation, new energy city and special solar energy equipment, etc. Currently the Commercial Power Generation Business Unit is divided into six regional sales departments and four industry sales departments, basically covering all regions across the nation and major industry markets. In 2017 the unit will enter a joint venture and cooperate with major clients and major partners to build a new energy project development company which focuses on China's major domestic new energy market and actively explores in new energy projects under the "Belt and Road" initiative. It is expected that the industrial and commercial distributed generation projects will demonstrate a fast growth trend in 2017.

業務回顧(續)

D. 集團架構(續)

下游事業部

(1) 戶用發電事業部

專注於家用太陽能發電系統和小型工商業分佈式項目，於二零一六年度實現銷售收入超過十億元)，穩居戶用市場前列位置。通過兩年多時間的發展，本集團已經建立了龐大的管道經銷商網絡、系列產品體系和「三位一體」的售後服務體系，計劃於二零一七年可以覆蓋超過90%市區縣的兩千家專營經銷商，建立銷售、安裝、售後一體化的服務體系，打造中國戶用發電第一品牌。

(2) 商用發電事業部

商用發電事業部為集大中型電站項目開發、電站銷售、投融資、工程建設與運營為一體的新能源解決方案提供商，聚焦於工商業分佈式、集中式電站、縣級光伏扶貧、新能源城市和特種太陽能設備等五大板塊。目前商用發電事業部分為六個區域銷售部門和四個行業銷售部門，基本覆蓋全國區域及主要行業市場。二零一七年將與大客戶和主要合作夥伴合資、合作打造新能源項目開發公司，聚焦中國國內主要新能源市場並積極拓展「一帶一路」新能源項目，預計二零一七年工商業分佈式項目，將會呈快速增長趨勢。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW *(continued)*

D. Group Structure *(continued)*

Downstream Business Units (continued)

(3) BIPV Business Unit

This business unit is a system solution provider mainly for construction-related photovoltaic power generation products and services. Its scope of products and services include the provision of construction-related products and services such as photovoltaic building materials and photovoltaic module system, in particular, photovoltaic curtain wall, skylight, photovoltaic sunshade panel system, etc., for clients of public structures, large-scale industrial and commercial structures and high-end urban gardens. Currently, the Group's BIPV products possess multiple functions including light permeation, power generation under weak light condition, UV reduction, soundproof and thermal insulation, etc. The business unit is involved in a wide range of businesses, including photovoltaic curtain wall, skylight, sun-shading wing and car shed etc., with a complete coverage on a variety of applications in building-integrated photovoltaics.

業務回顧(續)

D. 集團架構(續)

下游事業部(續)

(3) BIPV事業部

主要為與建築相關的光伏發電產品及服務的系統解決方案提供商，為公共建築、大型工商業建築，以及高端城市園區等客戶提供如光伏幕牆、採光頂、光伏遮陽系統等一切與建築相關的光伏建材、光伏構件系統產品及服務。目前本集團的BIPV產品具有透光、弱光發電、降低紫外線、隔音、保溫等多重功能，業務涉及範圍廣泛，包括光伏幕牆、採光頂、遮陽翼、車棚等多種光伏建築一體化應用形式的全覆蓋。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW *(continued)*

D. Group Structure *(continued)*

Downstream Business Units (continued)

(4) Agricultural Applications Business Unit

Agricultural Applications Business Unit is mainly engaged in the development and construction of agricultural photovoltaic applications, providing quality agricultural power generation products and thin film solar greenhouse system solutions, quality photovoltaic agricultural products and agricultural park solutions to the customers. The products integrate perfectly with agricultural facilities without affecting the growth of agricultural produce underneath the greenhouse panels. The target markets include photovoltaic agricultural greenhouses, photovoltaic agricultural parks and photovoltaic agricultural poverty alleviation, etc. In 2017, the Agricultural Application Business Unit plans to upgrade the existing solutions for photovoltaic agricultural greenhouses, reducing the overall costs and difficulties in installation of the systems, as well as to develop high-efficiency light permeating modules and application products like standardized photovoltaic pest control light, etc. Through the Public-Private Partnership (PPP) regional investment and financing platform model, the Agricultural Business Unit has established jointly with the government a PPP investment and financing platform as the regional marketing center, initiated and set up the Agricultural Photovoltaic Industrial Fund and Photovoltaic Poverty Alleviation Special Program Fund to undertake regional projects on photovoltaic poverty alleviation projects and agricultural parks projects, and develop small to medium scale distributed and agricultural greenhouse projects through the professional partnership model.

業務回顧 *(續)*

D. 集團架構 *(續)*

*下游事業部 *(續)**

(4) 農業應用事業部

主要從事農業光伏應用項目開發與建設，為客戶提供優質的農業發電產品、薄膜太陽能大棚系統解決方案，為客戶提供優質的光伏農業發電產品及農業園區解決方案。產品可以與農業設施完美結合，不會影響棚下農作物生長，目標市場主要包括光伏農業大棚、光伏農業園區、光伏農業扶貧等市場。二零一七年農業應用事業部將計劃對原有的光伏農業大棚解決方案進行優化升級，以降低系統整體成本和安裝難度，並開發高效透光組件及標準化光伏滅蟲燈等應用型產品。事業部通過公共私營合作制(「PPP」)區域投融资平台模式，農業事業部與政府共同建立PPP投融资平台作為區域營銷中心，發起成立農業光伏產業基金及專項光伏扶貧基金，承接區域內光伏扶貧項目和農業產業園項目；並透過專業合作商模式，開發中小型分佈式和農業大棚項目。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW *(continued)*

D. Group Structure *(continued)*

Downstream Business Units (continued)

(5) Overseas Sales Business Unit

The business unit is engaged in the provision of directional development, design, finance, construction, grid connection, sale of one-stop exclusive energy total solutions, and flexible forms of supporting sales for overseas clients. Through establishing a stable cooperation mechanism for overseas sale channels and constructing an overseas sales terminal platform, the business unit has also laid a solid development foundation for the deployment of Hanergy's global strategy. The business unit's current businesses cover regions including America, Europe, Asia-Pacific, and the Middle East. Through cooperation with industry partners like local project developers, installers, EPC etc., the business unit has established a network for sales and installation services, and developed a cooperation mechanism for the sales of solar PV metal rooftop and new power generation building materials, in an effort to increase sales by the expansion of sales channels in new product developers.

(6) E-commerce Business Unit

The business unit is mainly engaged in online sales of Hanergy consumer solar products, such as thin film solar charging paper, charging pack, thin film solar cell backpack, etc. The target customers are outdoor groups in general, for whom solutions are provided to help handle charging of mobile phones and small electronic devices when they are going outdoors. Through online and O2O sales channels, the unit has set up the official Hanergy Shop, Tmall Flagship Store, JD Flagship Store, Chinese and English webpages in Alibaba, and it is planning to set up Amazon store and Suning store as well.

業務回顧(續)

D. 集團架構(續)

下游事業部(續)

(5) 海外銷售事業部

致力於為海外客戶提供定向開發、設計、融資、施工、併網、銷售一站式專屬能源整體解決方案及靈活的銷售組合方式，並通過建立穩定的海外銷售管道合作機制，搭建海外終端銷售平台，為佈局漢能全球國際化戰略，奠定堅實的發展基礎。事業部目前業務覆蓋美洲、歐洲、亞太、中東等地區，通過與當地項目開發商、安裝商、EPC等行業夥伴合作，建立銷售網絡與安裝服務網絡，開發金屬發電屋頂、新型發電建材等建立銷售合作機制，利用新型產品開發商銷售管道擴大銷售。

(6) 電商事業部

主要在在線銷售漢能民用太陽能產品，如薄膜充電紙、充電包、薄膜電池背包等。主要目標客戶群體為泛戶外類人群，解決在戶外運動時的手機及小型電子設備充電問題。通過在線銷售及O2O渠道銷售，目前已開設漢能官方商城、天貓旗艦店、京東旗艦店、阿里巴巴中英文站，並計劃開設亞馬遜店及蘇寧店。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (continued)

D. Group Structure (continued)

Downstream Business Units (continued)

(7) *Ground-mounted Power Station Business Unit*

The business unit is engaged mainly in the management of the Group's ground-mounted power stations. With the Group's strategic adjustment and shift of business focus, ground-mounted power station is not the current focus of the Group's business development. The business unit is focused on identifying buyers for the existing ground-mounted power stations so that the sales proceeds can be used in supporting the development of other core businesses.

E. Information On Key Projects For The Year

Upstream Business:

(1) *Delivery of Production Lines to Shandong Macrolink*

During the year, the Group's production lines business of the upstream manufacturing business was a key source of revenue for the Group. The total revenue of approximately HK\$2,092 million from the transaction with Shandong Macrolink, calculated based on the percentage of completion, was recognized. Of which, HK\$137 million was derived from the first production line and HK\$1,955 million from the second production line. Macrolink Group is mainly engaged in various industries including real estate, mining, petroleum, chemical and finance, and has become our customer and embarked on solar energy business since 2015.

業務回顧(續)

D. 集團架構(續)

下游事業部(續)

(7) *地面電站事業部*

主要管理本集團旗下之地面電站。由於本集團之戰略調整及業務重心轉移，目前地面電站並非本集團業務發展重點，故此事業部專注於物色買家以出售現持有之地面電站，套現後用以支持其他重點業務的發展。

E. 本年度重點項目介紹

上游：

(1) *交付生產線業務予山東新華聯*

於年內，本集團上游製造業務之產線業務為本集團帶來重要之收入來源。按照完工百分比法計算並確認與山東新華聯之間的收入合計約為20.92億港元，其中第一條產線收入合計約為1.37億港元，第二條產線收入合計約為19.55億港元。新華聯集團主要從事地產、礦業、石油、化工、金融等多個業務，於二零一五年成為本集團之客戶並開始發展太陽能業務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW *(continued)*

E. Information On Key Projects For The Year *(continued)*

Downstream Business:

(1) *The Largest Commercial Rooftop in Netherlands — Plantion Flowers Trading Center*

With the cooperation with Rooftop Energy, the Group installed a total of 2.3MW of Solibro thin-film power generation modules on the rooftop of Plantion, the largest national flowers and plants trading center in Ede in central Netherlands. Netherlands is a major greenhouse country with greenhouse gross floor area of approximately 110 million square meters, accounting for one quarter of total glass greenhouse area in the world. The agricultural PV market has enormous capacity, and is believed to have considerable marketing potential. 37% of the electricity demand of the trading center will be provided in Phase I of the Plantion project, which ingeniously utilizes the non-lighting space of the building, and represents a demonstration for the prospective agricultural photovoltaic consumer groups.

(2) *Solar Bicycle Path in Krommenie, Netherlands*

The project used the Group's PowerFlex modules of GSE, which were laid in the solar bicycle path in Krommenie, the Netherlands. PowerFlex modules are characterized by high conversion rate, lightness, super-thinness and flexibility, and are very suitable for the marine climate of the Netherlands. This modules which absorbs solar energy in the daytime and emits light for the bicycle path during night time is considered a groundbreaking attempt in the application of thin film power generation technology in daily life.

業務回顧(續)

E. 本年度重點項目介紹(續)

下游：

(1) 荷蘭最大商業屋頂Plantion花卉交易中心

本集團與Rooftop Energy合作，在位於荷蘭中部埃德鎮最大的國家花卉植物交易中心Plantion的屋頂上，安裝了共2.3MW的Solibro薄膜發電組件。荷蘭是溫室大國，溫室建築面積約有1.1億平方米，佔全世界玻璃溫室面積的1/4，農業光伏市場容量大，相信有相當推廣潛力。此次漢能Plantion項目，一期工程將提供交易中心37%的電力需求，項目巧妙利用了建築的非採光空間，為潛在農業光伏消費群體起到了示範作用。

(2) 荷蘭克羅默尼太陽能自行車道

此項目利用本集團GSE的PowerFlex組件，鋪設於荷蘭克羅默尼小鎮上的太陽能自行車道。PowerFlex組件擁有轉化率高，質量輕，超薄，可彎曲等優勢，非常適合海洋性氣候的荷蘭；組件於日照時間吸收太陽能，於晚上為自行車道反射出亮光，被視為薄膜發電技術帶到日常生活中的一次具開創性的嘗試。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW *(continued)*

E. Information On Key Projects For The Year *(continued)*

Downstream Business: (continued)

(3) *The 1.2MW Ground Power Station in Portugal*

With the close cooperation between Hanergy's European Company and well-known companies in Portugal, another lighthouse project was completed in southern Europe. The project has applied Solibro's CIGS thin film modules. Hanergy provided a series of services from signing the contract to final completion, including supply of modules, engineering design and process delivery, establishing a good example for Hanergy's brand building in the southern European market.

(4) *The Complete Solar Powered Boat Contributing to the Development of the Amazon Basin*

The project was jointly developed by KARA SOLAR in Ecuador and the Company. Hanergy's flexible CIGS thin film solar modules is used in this complete solar-powered boat by laying flexible solar modules on the rooftop of boat shed. It was completed and successfully launched in The Amazon River in South America. It is a boat fully powered by solar modules for batteries charging, characterized by its environmental friendly, light-weight, flexible, wind-proofed, heat resistant, humidity resistant and stable power generating features. The solar powered boat has a daily power generation capacity of 19 kWh, and its estimated power generation per year is up to approximately 7,000 kWh, which satisfies the requirements for a boat to travel in the waters for 67 km, servicing 9 local districts.

業務回顧(續)

E. 本年度重點項目介紹(續)

下游：(續)

(3) 葡萄牙1.2MW地面電站

漢能歐洲公司和葡萄牙知名企業強強合作，在南歐建成了又一個燈塔級項目。該項目採用Solibro銅銦鎵硒薄膜電池組件，從項目簽訂到最後的施工完成，漢能提供了包括組件供應、工程設計、流程交付等一系列服務，為漢能南歐市場樹立良好品牌範例。

(4) 全太陽能動力船助力亞馬遜河流域發展

此項目由厄瓜多爾KARA SOLAR公司與本公司共同建造，將漢能柔性銅銦鎵硒(CIGS)薄膜太陽能組件用於全太陽能動力船，在船頂棚鋪設柔性太陽能電池組件，建造完成並於南美洲亞馬遜河中成功下水。這是一艘完全由太陽能組件提供動力，為電池充電的太陽能船，具有環保、輕質、柔性、抗風、耐高溫高濕環境、發電效率穩定等特點；太陽能船日均發電量19度，測算年發電量可達約7,000度左右，能夠滿足小船在67公里流域行駛，為當地9個小區的人們提供服務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (continued)

E. Information On Key Projects For The Year (continued)

Downstream Business: (continued)

(5) *Provision of Clean Electricity for the World Cup in Qatar*

MiaSolé, a subsidiary of the Group in the United States, entered into a cooperation agreement with ClearWorld, pursuant to which, it became the exclusive supplier of flexible thin film power generation modules for the ClearWorld RetroFlex LED lighting system. ClearWorld is a supplier of renewable energy systems solutions and will be the official supplier of 2022 World Cup in Qatar. According to the company's design for the World Cup in Qatar, the ClearWorld RetroFlex system will provide upward lighting for palm trees surrounding the football field.

(6) *Installation of MiaSolé Flexible Cells on the Truck Roofs for Logistics Vendors*

The Group benefited from the regulations promulgated by 23 states in the United States that the ignition must be turned off when a diesel powered vehicle is parked. As such, some well-known logistics vendors have their trucks installed with MiaSolé flexible cells on roof tops to provide electricity, instead of diesel, for refrigeration trucks, cold chain logistics and cold stores when the trucks are parked, thereby reducing operating costs. In October 2016, the Group entered into an installation contract for more than 30 trucks with a logistics vendor as a pilot project. If the results are satisfactory, formal agreements will be signed, which will expand the sources of revenue of the Group for the coming year.

業務回顧(續)

E. 本年度重點項目介紹(續)

下游：(續)

(5) 為卡塔爾世界杯提供清潔電力

本集團旗下美國附屬公司MiaSolé與ClearWorld簽署合作協議，成為ClearWorld RetroFlex LED照明系統的柔性薄膜發電組件獨家供貨商。ClearWorld為可再生能源系統解決方案供應商，將為二零二二年卡塔爾世界杯足球賽官方供貨商；按照該公司為卡塔爾世界杯制定的設計方案，ClearWorld RetroFlex系統將為足球場附近的棕櫚樹提供向上照明。

(6) 為物流廠商卡車頂安裝MiaSolé柔性電池

本集團受惠於美國23個州頒佈柴油車在停車的時候必須熄火之法規，一些知名物流廠商使用MiaSolé柔性電池鋪設於卡車頂上，為卡車於停車時提供電力予冷藏車、冷鏈物流及冷庫，而不用柴油推動，從而減輕營運成本。於二零一六年十月，本集團跟物流廠商簽訂大約30多輛卡車安裝合同作為測試，如效果良好，將會正式簽署訂單，並豐富本集團來年之收入。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW *(continued)*

E. Information On Key Projects For The Year *(continued)*

Downstream Business: (continued)

(7) *The 1.2MW Solar Photovoltaic Ranch in Bangkok, Thailand*

The Group cooperated with a local EPC company in Thailand, to provide an overall design of solar PV solution for a ranch in Bangkok, Thailand, and to supply the 1.2MW Oerlikon modules. The PV project's successful completion and connection to grid within a short period of time helped enhance the awareness of Hanergy's thin film products in Thailand and Southeast Asia markets.

(8) *The 90MW Distributed PV Poverty Alleviation Power Generation Project in Qitaihe City, Heilongjiang Province*

In response to the National Poverty Alleviation Program, the Group provided suitable modules according to the local conditions, sunshine conditions and building structures. During the year, it undertook the 90MW distributed PV poverty alleviation generation project in Qitaihe, Heilongjiang Province, the largest government PV poverty alleviation project in the province, by providing EPC service for the installation of 12MW distributed power generation modules in the first phase of the project. The contract value amounted to approximately RMB66 million. The project will help the local poor community get rid of poverty and increase their income as well as uplifting revenue of the Group, thus achieving a win-win result.

業務回顧(續)

E. 本年度重點項目介紹(續)

下游：(續)

(7) 泰國曼谷1.2MW太陽能光伏牧場

本集團與泰國當地EPC公司進行合作，為泰國曼谷一家牧場提供整體太陽能光伏方案的設計，並提供1.2MW歐瑞康組件。該光伏項目在短時間內順利完工並網，有助提升漢能薄膜產品在泰國及東南亞市場上的知名度。

(8) 黑龍江省七台河市90MW分佈式光伏扶貧發電項目

為響應國家扶貧計劃，本集團配合當地環境、日照條件及建築物提供適當組件。年內，於黑龍江省七台河市承接了黑龍江省規模第一、規模最大的政府光伏能源扶貧項目--90MW分佈式光伏扶貧發電項目，為項目一期安裝12MW分佈式發電組件提供EPC服務，合同金額達約人民幣6,600萬元。該項目有助當地貧困居民脫貧致富，並使本集團收入增加，達至雙贏。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW *(continued)*

E. Information On Key Projects For The Year *(continued)*

Downstream Business: (continued)

(9) *Sales of the 10MW PV Power Generation System to Tianjin Yipu Electric*

The PRC government strongly encourages enterprises to use new energy sources to mitigate the intensifying pollution issues. During the year, Tianjin Yipu Electric Co., Ltd. entered into an agreement with the Group in relation to the sales of PV system, with the contract amount of approximately RMB34 million for the projects of agriculture and solar power integration and poverty alleviation, respectively.

(10) *The 3MW Distributed Thin Film Solar Power Plant in Zoucheng Industrial Park in Shandong Province*

The Group installed a distributed copper indium gallium selenide (CIGS) thin film solar power plant in Zoucheng Industrial Park, Shandong Province, which was successfully connected to the grid during the year. The project has installed capacity of 3 MW and applied more than 20,000 pieces of Solibro's CIGS thin film modules, featuring high conversion rate, excellent performance under high temperature and low light conditions, easy installation and easy maintenance. It is expected that the annual power generation capacity of the power plant will exceed 4 million kWh.

業務回顧(續)

E. 本年度重點項目介紹(續)

下游：(續)

(9) 天津易普能10MW光伏發電系統銷售

中國政府大力鼓勵各個單位使用新能源以減少日益嚴重污染之問題，年內天津易普能電氣有限公司向本集團簽訂光伏系統銷售協議，金額約人民幣3,400萬元並分別用於農光互補及扶貧項目上。

(10) 山東鄒城工業園區3MW分佈式薄膜太陽能電站

本集團於山東鄒城工業園區安裝分佈式銅銦鎵硒(CIGS)薄膜太陽能電站，並於年內順利並網。該項目裝機容量3MW，使用兩萬多塊Solibro銅銦鎵硒薄膜電池組件，其特點為高轉化率、高溫及弱光條件下表現優異、安裝便捷及易於維護。預計該電站全年的發電量可達400萬度以上。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW *(continued)*

E. Information On Key Projects For The Year *(continued)*

Downstream Business: (continued)

(11) *The 1MW Rooftop Thin Film Power Station for a Pesticide Company in Yancheng, Jiangsu Province*

The Group successfully installed a 1MW rooftop thin film power station within two months in the facilities of Huifeng Agrochemical Co., Ltd. (輝豐農化股份有限公司), a pesticide company located in Dafeng District, Yancheng City, Jiangsu Province. Solibro's thin-film power generation technology of Hanergy was used in this project. It serves to cut the high electricity bill for the customer and at the same time represents a response to the call for use of environmental friendly energies. After the successful grid connection of the project, the customer was satisfied with the Group's technical ability, execution, professionalism and after-sales service, and showed the intention to further invest in building larger PV power stations for its remaining facilities.

(12) *The Extensive Mobile Energy Market*

The Group designs and manufactures a series of portable thin-film solar products based on MiaSolé's thin film chips, providing quality products for mobile energy usage solutions in the areas such as mobile communications, outdoor sports, tourism, photography, professional scientific research, field operations and emergency rescue. By bringing flexible thin film solar energy power generation technology into life, the Group will provide users with mobile power usage experience which is more portable and satisfactory.

業務回顧(續)

E. 本年度重點項目介紹(續)

下游：(續)

(11) 江蘇鹽城農藥企業1MW屋頂薄膜電站

本集團為農藥企業輝豐農化股份有限公司位於江蘇省鹽城市大豐區的廠房，成功於兩個月內安裝1MW屋頂薄膜電站。此項目採用漢能Solibro薄膜發電技術，為項目客戶節省高昂的電費並同時響應環保能源。項目成功並網之後，客戶對本集團之技術、執行力、專業及售後服務都滿意，有意繼續利用自身其他廠房，投資建設更大的光伏電站。

(12) 移動能源大市場

本集團通過使用MiaSolé的薄膜芯片，設計及生產一系列便攜式薄膜太陽能產品，在移動通訊、戶外運動、旅遊、攝影、專業科學考察、野外作業、應急救援等領域，為移動用電解決方案提供優良產品，將柔性薄膜太陽能發電技術融入生活，為用戶提供了更便攜、更完善的移動用電體驗。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FUTURE OUTLOOK

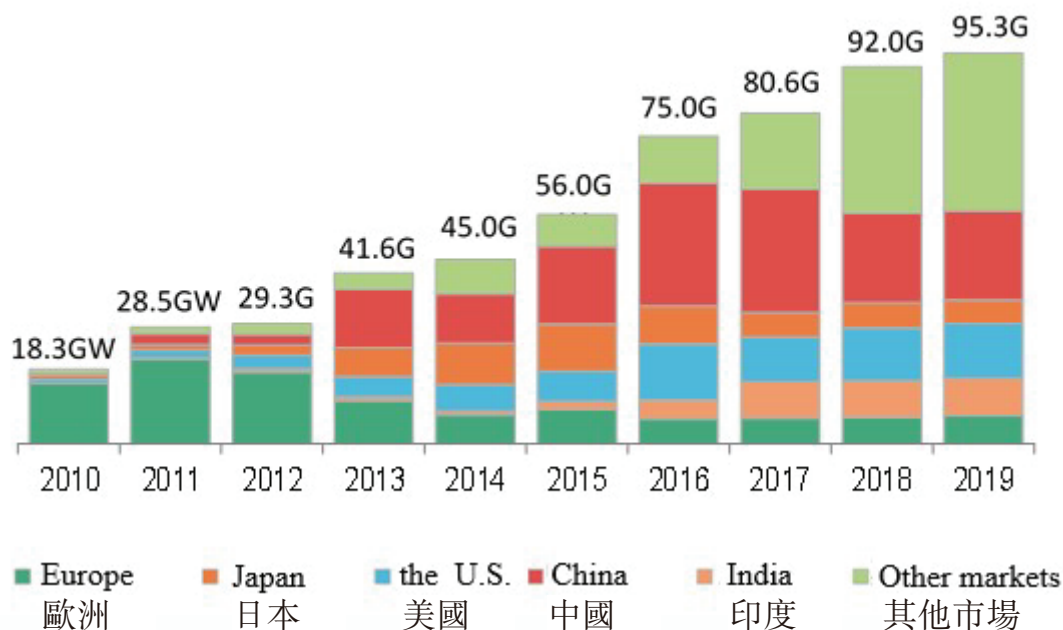
A. Global Solar PV Market

Over the past few years, the global solar PV market saw an explosive growth. In 2016, the demand in the international photovoltaic power generation market continued to rise, which was led by China, Japan and the United States. According to the estimates of Bloomberg New Energy Finance, the newly installed capacity of global PV market is likely to reach 75GW in 2016, and is expected to reach 80.6GW in 2017. Looking forward to the next few years, the global PV market will continue to increase year by year, and China, Japan, the United States and India will be the major markets with the most significant growth in the world, followed by other emerging markets, which will also occupy higher market share.

未來展望

A. 全球太陽能光伏市場

過去幾年，全球太陽能光伏市場呈現爆發性增長。二零一六年國際光伏發電市場的需求持續上升，以中國、日本、美國等國家擔當領頭羊。據彭博新能源財經估計，二零一六年全球光伏新增裝機容量有望達到75GW，二零一七年全球光伏新增裝機量預計將達到80.6GW。放眼未來幾年，全球光伏市場仍會逐年增加，中國、日本、美國、印度將是國際上最主要的增量市場，其他新興市場也會迎頭趕上，佔據更多份額。



Source: Bloomberg New Energy Finance

數據來源：彭博新能源財經

Chart 1 Historical Data and Forecast of Annual New Installations for Global PV Markets

圖1 全球光伏年度新增裝機的歷史數據與預測

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FUTURE OUTLOOK *(continued)*

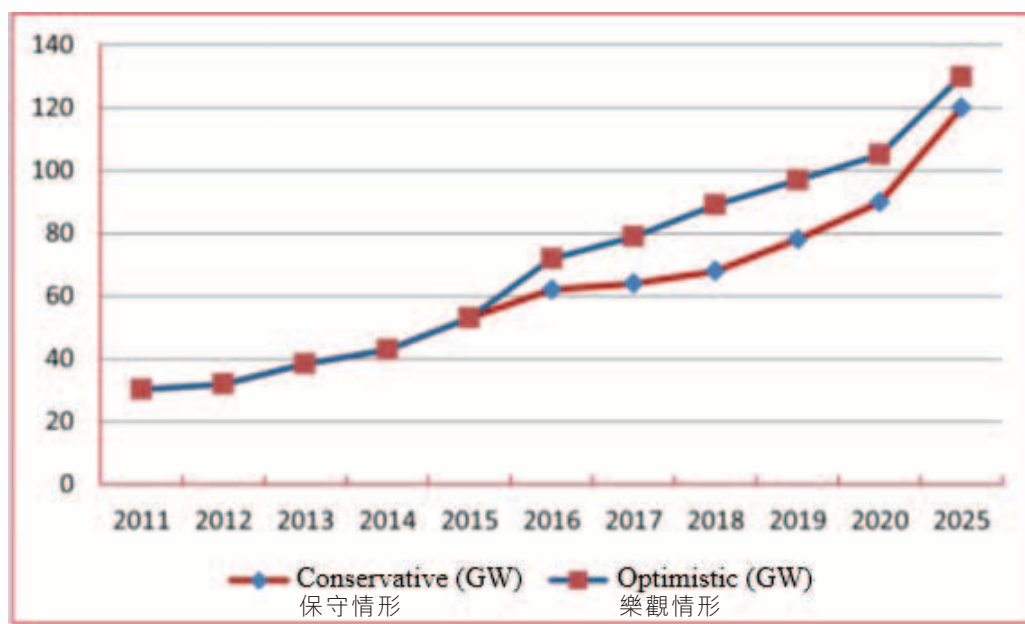
A. Global Solar PV Market *(continued)*

According to the analysis and forecast of China Photovoltaic Industry Association (CPIA), the implementation of the Paris Agreement, a global climate agreement, and the declining LCOE (Levelized Cost of Electricity) will facilitate the further development of global solar PV market and expand the areas and regions for photovoltaic applications. By consolidating data from various major research institutions and taking the minimum value as a conservative estimate and the maximum value as an optimistic estimate, it is expected that the global PV market will continue to grow at a CAGR of 9% from 2016 to 2020.

未來展望(續)

A. 全球太陽能光伏市場(續)

據中國光伏行業協會(CPIA)分析及預測，全球氣候協議《巴黎協定》的落實及光伏發電成本LCOE (Levelized Cost of Electricity)的不斷下降，將會推動全球太陽能光伏市場的進一步發展，並將擴大光伏應用的領域和區域。綜合各大研究機構預測的最低值為保守估計、最高值為樂觀估計，預計二零一六年至二零二零年間全球光伏市場將以9%的複合增長率繼續壯大。



Source: CPIA

數據來源：CPIA

Chart 2 Annual New Installations of Global PV Markets from 2016 to 2025

圖2 二零一六年至二零二五年全球光伏年度新增裝機

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FUTURE OUTLOOK *(continued)*

A. Global Solar PV Market *(continued)*

Solar PV Market in China

In 2016, the newly installed capacity of PV power generation in China maintained a strong momentum, reaching 34.54GW, not only contributed to almost half of the global PV annual new installations, but also ranked as the first in the world for four consecutive years. The cumulative installed capacity amounted to 77.42GW. The newly installed and cumulative capacity was both ranked as the first in the world. According to CPIA's forecast, the constructions for confirmed targets of ordinary power stations, PV pioneers' bases and PV poverty alleviation quota identified in 2017 have been completed basically. With conservative estimation, newly installed capacity can reach 20GW. However, due to a possible adjustment to PV on-grid tariffs in 2017, it is possible that there will be a repeated occurrence of rush installations which will push up the installed capacity. Accordingly, the optimistic estimation for newly installed capacity is expected to reach approximately 30GW in 2017. Under the "13th Five-Year Plan" in China, the target for cumulative installed capacity of PV power generation is at 110-150GW. In the next few years, as the capacity for distributed power generation keeps on the rise, the domestic market is likely to remain at an average growth of approximately 20GW per annum.

未來展望 *(續)*

A. 全球太陽能光伏市場 *(續)*

中國太陽能光伏市場

二零一六年中國光伏發電新增裝機容量仍然保持強勁勢頭，達到34.54GW，不僅貢獻了全球光伏年度新增裝機量的幾乎半壁江山，亦連續四年在此項目上蟬聯全球第一；累計裝機容量亦達到77.42GW，新增和累計裝機容量均為全球第一。根據CPIA預測，二零一七年已確定的普通電站、光伏領跑者基地和光伏扶貧指標等基本完成建設，預計保守情況下新增裝機量可達到20GW。但二零一七年內可能推出光伏上網電價調整，將不排除再次導致搶裝的發生，從而推高裝機量，因此樂觀情況下二零一七年新增裝機量有望達到30GW左右。中國「十三五」規劃中光伏發電的累計裝機目標為110-150GW。預計未來幾年，隨著分佈式發電的蓬勃興起，國內市場規模仍有可能保持在年均20GW左右。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FUTURE OUTLOOK *(continued)*

A. Global Solar PV Market *(continued)*

Solar PV Market in China (continued)

The installed capacity of distributed PV power generation grew at an accelerated rate, with 4.24GW of newly installed capacity in 2016, representing an increase of 200% over that in 2015, and 12% of PV market share. The cumulative installed capacity of distributed PV amounted to 10.32GW (Source: National Energy Administration of China). In 2017, with the construction of PV poverty alleviation power stations and the possible introduction of the favourable policy on tariff adjustment, the installed capacity of distributed PV is expected to reach 6GW or above, accounting for a proportion of more than 20%. From 2018 onward, under the guidance of relevant national policies and plans, the proportion of distributed power stations will continue to increase rapidly. Distributed power generation is a market tapped in early by the Group and is the focus of the Group's business development. It is also an application area that is particularly suitable for thin-film cell products. In the next few years, we will, by taking the market opportunities, seek for a larger market share in distributed power generation.

未來展望(續)

A. 全球太陽能光伏市場(續)

中國太陽能光伏市場(續)

分佈式光伏發電裝機容量發展提速，二零一六年新增裝機容量4.24GW，比二零一五年新增裝機容量增長200%，市場份額佔比達到12%，分佈式累計裝機容量達10.32GW(數據來源：中國國家能源局)。二零一七年，預計隨著光伏扶貧電站的建設以及可能的電價調整政策利好分佈式，分佈式光伏裝機量有望達到6GW以上，佔比超過20%。二零一八年後，分佈式電站在國家相關政策規劃引導下，佔比將會持續並快速增大。分佈式發電是本集團率先佈局的市場及業務發展重點，也是尤為適合薄膜電池產品的應用領域，未來幾年我們將抓住市場機遇，爭取分佈式發電市場的更大份額。

MANAGEMENT DISCUSSION AND ANALYSIS

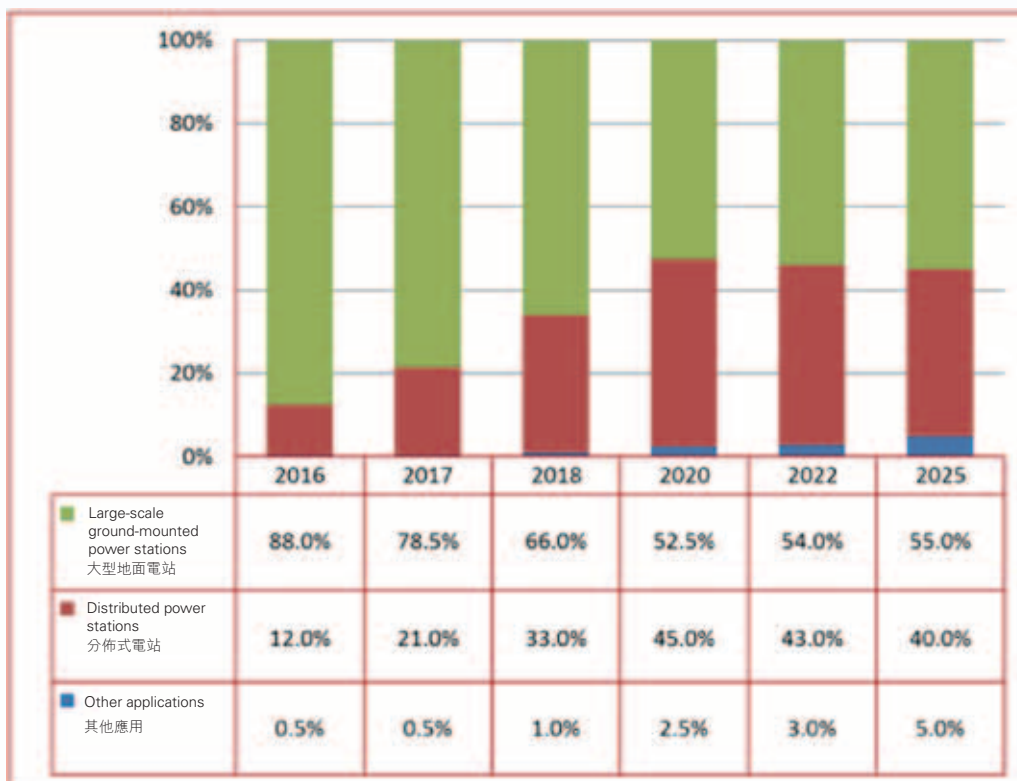
管理層討論及分析

FUTURE OUTLOOK *(continued)*

- A. Global Solar PV Market *(continued)*
 Solar PV Market in China *(continued)*

未來展望 *(續)*

- A. 全球太陽能光伏市場 *(續)*
 中國太陽能光伏市場 *(續)*



Source: CPIA

數據來源：CPIA

Chart 3 The Market Trend of Different Types of PV Applications from 2016 to 2025
 圖3 二零一六年至二零二五年不同類型光伏應用市場變化趨勢

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FUTURE OUTLOOK *(continued)*

B. Policy Support from the Chinese Government

The photovoltaic industry, especially the new thin-film solar technology as the focus of development, is encouraged by Chinese national policies. In addition to those encouraging policies, appropriate policies are also being established to guide the sustainable development of photovoltaic industry towards a direction which is orderly and of high-quality. Following the general direction of the national photovoltaic policies, the local governments in the country have also introduced various supporting policies specific for the local photovoltaic industries, in order to encourage the development of the industry in an orderly and rapid manner.

On 29 February 2016, the National Energy Administration of the PRC issued the "Guidance on the Induction System for Establishment of Targets for Development and Utilization of Renewable Energy Resources of National Energy Administration" (《國家能源局關於建立可再生能源開發利用目標引導制度的指導意見》), which encouraged the promotion of renewable energy resources development and utilization, and urged the achievement of energy development strategic targets of non-fossil energies consumption as a percentage of primary energy consumption to reach 15% and 20% of the primary energy consumption by 2020 and 2030, respectively. The Guidance also gives the opinions on the establishment of specific targets for development and utilization of renewable energy resources, the development of scientific plans, clear responsibilities and obligations, the establishment of monitoring and evaluation systems as well as on studies in relation to improvements of the system and mechanisms of renewable energy resources.

未來展望(續)

B. 中國政府的政策支持

中國國家政策對於光伏產業尤其是新型薄膜太陽能技術作為發展的重點內容，持鼓勵發展的態度，但在鼓勵過程中，也在制定相應的政策推動光伏產業向著有序、優質的方向持續發展。遵循中國國家光伏政策的大方向，中國各地方政府也出台了不同的、適合本地光伏產業發展的配套政策，鼓勵光伏產業有序、快速發展。

二零一六年二月二十九日，中國國家能源局發佈《國家能源局關於建立可再生能源開發利用目標引導制度的指導意見》，要求為促進可再生能源開發利用，保障實現二零二零年及二零三零年非化石能源佔一次能源消費比重分別達到15%及20%的能源發展戰略目標，並提出建立明確的可再生能源開發利用目標、制定科學規劃、明確責任和義務、建立監測和評價制度、研究完善促進體制機制等意見。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FUTURE OUTLOOK (continued)

B. Policy Support from the Chinese Government (continued)

On 28 March 2016, in order to address the power curtailment issues which had been hindering the development of photovoltaic industry, the National Development and Reform Commission of the PRC issued the “Management Measures on Protective Entire Acquisition of Renewable Energy Power” (《可再生能源發電全額保障性收購管理辦法》), to ensure that renewable energy power such as solar energy is given full protection and acquired in its entirety, thus protecting the interests of the investors and promoting new energy production in a consumption revolution.

Thin film solar panels as a strategic focus

In June 2016, the NDRC, MIIT and Energy Administration of the PRC jointly issued the “Made in China 2025 — Energy Equipment Implementation Program” (《中國製造2025—能源裝備實施方案》), in which the “Technical Breakthrough Section” stated that “thin film and other new PV cells and modules: research and development effort should be focused on new solar cells that are available for mass production, such as cadmium telluride thin film cells with conversion efficiency exceeding 20%, CIGS thin-film cells with conversion efficiency exceeding 21%, three-five family compound cells, perovskite cells, dye-sensitized cells, organic solar cells, quantum dot cells, laminated cells and high-efficiency gallium arsenide cells” with conversion efficiency exceeding 43%.

In July 2016, the NDRC of the PRC issued the 2016 working draft of “Guiding Catalogue of Key Products and Services in Strategic Emerging Industries” (《戰略性新興產業重點產品和服務指導目錄》), stated in “5.3.2 Solar Manufacturing Equipment” that “photovoltaic equipment, includes high purity, low energy consumption solar energy class polysilicon production equipment, mono-crystalline silicon drawing equipment, polycrystalline silicon ingot equipment, multiline cutting equipment, high efficiency battery pack and module manufacturing equipment, thin film solar cells manufacturing equipment, new solar cell such as condensed, flexible solar cells manufacturing equipment.”

未來展望(續)

B. 中國政府的政策支持(續)

二零一六年三月二十八日，為解決困擾光伏發展的限電問題，中國國家發展改革委員會出台《可再生能源發電全額保障性收購管理辦法》，全力保障太陽能發電等可再生能源發電的全額保障性收購，保障投資者利益，推動新能源生產和消費革命。

薄膜太陽能電池列為戰略重點

二零一六年六月，中國國家發改委、工信部、能源局發佈《中國製造2025—能源裝備實施方案》，在「技術攻關部分」提出「薄膜及其他新型光伏電池及組件：研發可量產的效率20%以上的碲化鎘薄膜電池、效率21%以上的CIGS薄膜電池、43%以上的三五族化合物電池、鈣鈦礦電池等新型太陽電池、染料敏化電池、有機太陽電池、量子點電池、疊層電池和高效砷化鎵電池」。

二零一六年七月，中國國家發改委發佈《戰略性新興產業重點產品和服務指導目錄》二零一六版徵求意見稿，在「5.3.2 太陽能生產裝備」中「光伏裝備。包括高純度、低耗能太陽能級多晶矽生產設備、單晶矽拉制設備、多晶矽鑄錠設備、多線切割設備、高效電池片及組件製造設備、薄膜太陽電池製造裝備，聚光、柔性等新型太陽電池製造裝備」。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FUTURE OUTLOOK *(continued)*

B. Policy Support from the Chinese Government *(continued)*

Thin film solar panels as a strategic focus (continued)

In July 2016, the State Council issued the “13th Five-Year National Scientific and Technological Innovation Plan”, stated in “III. Develop intelligent green service manufacturing technology under Column 6 Advanced Manufacturing Technologies” that “4. Key optoelectronic manufacturing equipment. Conduct research and development of key manufacturing equipment in the emerging industries including new optical communication devices, semiconductor lighting, efficient photovoltaic cells..., and enhance the independent research and development capabilities of key equipment in the emerging sectors.”

In October 2016, the NDRC issued the “Notice on Application for the Third Batch of Special Construction Funds to Enhance Core Competitiveness of Manufacturing and for Technological Reform in 2016” (《關於做好2016年第三批專項建設基金增強製造業核心競爭力及技術改造項目申報工作的通知》), stated in “V. The Development of Key New Materials” that “(B) 4. The industrialized application of thin film solar cell materials (GaAs, CdTe, CIGS, etc.), vanadium cells and large-scale energy storage technologies”.

未來展望 *(續)*

B. 中國政府的政策支持 *(續)*

*薄膜太陽能電池列為戰略重點 *(續)**

二零一六年七月，中國國務院發佈《「十三五」國家科技創新規劃》，在「三、發展智能綠色服務製造技術，專欄6先進製造技術」中，提出「4.光電子製造關鍵裝備。開展新型光通信器件、半導體照明、高效光伏電池……等新興產業關鍵製造裝備研發，提升新興領域核心裝備自主研發能力」。

二零一六年十月，中國國家發改委發佈《關於做好2016年第三批專項建設基金增強製造業核心競爭力及技術改造項目申報工作的通知》，在「五、關鍵新材料發展工程」中，包含「(二)4.薄膜太陽能電池材料(砷化鎵、碲化鎢、銅銦鎵硒等)，鈮電池及大型儲能技術產業化應用」。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FUTURE OUTLOOK *(continued)*

B. Policy Support from the Chinese Government *(continued)*

Strong support for distributed photovoltaic power generation

Currently, both national and local governments in China are strongly encouraging and supporting distributed power generation projects, by introducing a series of national and local policies to encourage the distributed PV industry, which clearly demonstrated the long-term support for the development of distributed PV industry. On 3 June 2016, the National Energy Administration issued the "Notice on Implementation of Photovoltaic Power Generation Project Construction in 2016 of National Energy Administration" (《國家能源局關於下達2016年光伏發電建設實施方案的通知》), stated that a distributed photovoltaic power generation project was not subject to limitations on scale of construction; that the regional energy authorities would accept registration of projects at any time; that power grid enterprises should conduct connection procedures in a timely manner; and that projects would be included in the scope of subsidies once completed. Under the latest subsidy policies released in late 2016, the electricity subsidy to a national distributed power project is maintained at the original level, that is, RMB0.42/kWh, with no cap on the construction scale of household projects. In addition, a large number of local governments, including Beijing, Hebei and Anhui, also introduced separate electricity subsidy policies for distributed power generation projects lasting for different periods of years in order to promote the construction of distributed power generation projects.

未來展望 *(續)*

B. 中國政府的政策支持 *(續)*

積極支持分佈式光伏發電

目前中國國家和地方政府均對分佈式發電項目採取積極鼓勵和支持態度，出台一系列國家和地方政策支持分佈式光伏產業的發展，明確了對分佈式光伏發展的長期支持。二零一六年六月三日，國家能源局發佈《國家能源局關於下達2016年光伏發電建設實施方案的通知》中，提出分佈式光伏發電項目不限制建設規模，各地區能源主管部門隨時受理項目備案，電網企業及時辦理並網手續，項目建成後即納入補貼範圍。在二零一六年底發佈的最新補貼政策中，國家分佈式項目度電補貼仍維持原有人民幣0.42元／千瓦時的補貼力度，且戶用項目的建設規模不設上限。大量地方政府比如北京、河北、安徽等還單獨針對分佈式發電項目出台了年數不等的度電補貼政策，推動分佈式發電項目的建設。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FUTURE OUTLOOK *(continued)*

B. Policy Support from the Chinese Government *(continued)*

Strong support for distributed photovoltaic power generation (continued)

By eliminating the obstacles restricting the development of distributed photovoltaic power generation and introducing a more regulated market, it is believed that distributed photovoltaic power generation will usher in more significant growth in China. This is very beneficial to the Group's distributed power generation business. The Group will take advantage of this opportunity to improve the construction of channel network and explore the potentials of channels in a timely manner, so as to further consolidate its current market position and expand the scale of existing sales volume.

According to the trend of the current national and local government policies, it is expected that further policies will be introduced to promote the development of photovoltaic industry, which will have a positive effect on the industry. Driven by the national supportive policies as well as the market, the photovoltaic industry in China will continue to flourish in the next few years. With the gradual saturation of ground-mounted power stations in the northwestern region of China, and the maturing conditions of grid parity for PV power, the distributed photovoltaic power generation will enter a stage of rapid development in near future. With further improvement of the energy storage technology, it is expected that the construction of distributed solar power stations will become popular in the densely populated, eastern and southern regions.

未來展望 *(續)*

B. 中國政府的政策支持 *(續)*

積極支持分佈式光伏發電 *(續)*

隨著制約分佈式光伏發展的障礙的掃清及市場的更加規範，相信中國的分佈式光伏發電將會迎來更大的發展。這對於本集團分佈式發電業務的開展非常有利，本集團將緊緊抓住這一有利時機，及時完善渠道網絡建設、深挖渠道潛力，進一步穩固現有市場地位、擴大現有銷售規模。

根據目前國家和地方政府政策制定的趨勢，後續估計還會有推動光伏產業發展的政策會持續出台，對該產業產生利好作用。展望未來幾年，在國家政策扶持和市場驅動的雙重動力下，中國光伏行業發展將繼續向好。隨著中國西北部地區地面電站的逐漸飽和以及光伏平價上網條件的成熟，分佈式光伏將在不久的將來迎來發展高潮。加之配合儲能技術的進一步提升，東部及南部人口密集地區將逐漸開始興建分佈式電站的熱潮。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FUTURE OUTLOOK *(continued)*

C. Implementation of the Sales-oriented Strategy of “One Base Two Fronts”

Through continuous corporate restructuring and governance improvement, the Group has established a clearer governance structure, efficient business processes and customer-oriented sales culture, and has further clarified its vision of becoming a leading global provider of thin film power generation equipment and photovoltaic application solutions. The Group has adopted the strategic deployment of “One Base Two Fronts”, that is, based on the continuous innovation of thin-film solar technology, and with “turnkey” solutions for high-end equipment and production lines on the left front, and “One-stop” solutions for distributed energies and mobile energies on the right front. The Group will focus on the upstream business of equipment production lines, and the downstream businesses of distributed and mobile energies.

By targeting the Asia-Pacific market and through direct sales to major customers, the Group’s upstream business provides the major customers with integrated “turnkey” solutions for thin film solar equipment and production lines. The downstream business provides “one-stop” services and solutions by targeting the emerging markets in Asia-Pacific and the Americas, through a “Double-Wheel” Strategy driven by distributors/channel partners and direct sales to major customers. Meanwhile, the Group is also actively exploring the PPP model, to facilitate its upstream and downstream businesses development.

The Group has put huge resources and efforts in the downstream photovoltaic applications and achieved good results. At present, the business model of the Group’s downstream business has been established, and the unique household system dealership model and system are preliminarily mature, with more than one thousand and two hundred distributors after rounds of shuffling and optimization, covering basically all the markets at city and county level across the nation. These have laid the foundation for further development of the Group.

未來展望(續)

C. 以銷售為導向，實施「一基兩翼」的戰略模式

經過不斷的公司結構調整及治理優化，本集團建立了更加清晰的治理結構、高效的業務流程及以客戶為導向的銷售文化，進一步明確了未來成長為全球領先的薄膜發電裝備與光伏應用解決方案提供商之願景，採取「一基兩翼」的戰略佈局，即以薄膜太陽能技術的持續創新為基礎，以高端裝備及產線的「交鑰匙」解決方案為左翼，以分佈式能源及移動能源的「一站式」解決方案為右翼，聚焦於上游裝備產線業務、下游分佈式能源及移動能源業務。

上游業務以亞太市場為重點目標市場，通過大客戶直銷，為大客戶提供薄膜太陽能裝備及產線的一體化「交鑰匙」解決方案。下游業務以亞太、美洲等新興市場為重點目標市場，實施以經銷商／渠道合作夥伴模式和大客戶直銷模式的「雙輪驅動」戰略，為客戶提供「一站式」服務與解決方案。與此同時，集團也在積極探索PPP模式，加速集團上、下游業務的發展。

集團在下游光伏應用領域投入了巨大的資源和力量，取得了良好的成果。截至目前，集團下游業務的商業模式均已打通，獨具特色的戶用系統經銷商模式及體系更是已初步成熟，優化更換後的經銷商數量保持在一千二百家以上，基本完成了對全國市縣級市場的覆蓋。這些都為集團下一步的發展打下了基礎。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FUTURE OUTLOOK *(continued)*

D. Continue to Upgrade Technologies and Speed Up the Construction of New Bases

Over the past year, various technology paths of the Group achieved new highs in terms of research and development and mass production efficiencies. In particular, Alta Devices' mass production modules have an efficiency reaching 24.8%, and passed the NREL verification in November. Now Alta Devices holds three world records on conversion efficiency for GaAs single knot cells, double knots cells and modules. The R&D efficiency of MiaSolé's chips reaches 19.4%, while the efficiency of the winner module from the new generation process reaches 18%. This currently represents the highest efficiency globally for sputtering CIGS flexible modules. Solibro's top mass production modules have an efficiency of 16.97% (with 17.92% of effective area), which set the world record for mass production of co-evaporation CIGS modules. The R&D efficiency for GSE's chips is 18.7%, while the average efficiency of mass production modules is 15.6%, and the efficiency of top mass production modules is 16.2%. HIT's cells have a R&D efficiency reaching 23%.

The Group will continue to develop the thin-film solar technology aggressively as a core competitiveness of the Group, to further enhance the conversion efficiencies of CIGS solar cells and GaAs solar cells through continuous investment and research and development, and will continue to improve its R&D and manufacturing capabilities in the equipment production line technologies of CIGS and GaAs. Such technologies and capabilities constitute a crucial part of the Group's competitive advantage.

未來展望(續)

D. 繼續提升技術水平，加快新基地建設

過去一年，本集團各技術路線研發和量產效率再創新高。Alta Devices量產組件效率達到24.8%，十一月通過了NREL驗證，至此已同時擁有砷化鎵單結電池、雙結電池和組件三項轉換效率的世界紀錄。MiaSolé芯片研發效率達到19.4%，新一代工藝量產冠軍組件效率達到18%，為目前全球濺射法CIGS柔性組件最高效率。Solibro量產冠軍組件效率達到16.97%（有效面積17.92%），為共蒸法CIGS組件量產世界紀錄。GSE芯片研發效率18.7%，量產組件平均效率15.6%，量產冠軍組件效率達到16.2%。HIT電池片研發效率達23%。

本集團繼續積極培育作為集團核心競爭力的薄膜太陽能技術，通過持續的投入與研發，進一步提升銅銦鎵硒太陽能電池和砷化鎵太陽能電池的轉換率，同時不斷改進在銅銦鎵硒裝備產線技術、砷化鎵裝備產線技術方面的研發與製造能力。這些技術和能力構成集團競爭優勢的一個重要來源。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FUTURE OUTLOOK *(continued)*

D. Continue to Upgrade Technologies and Speed Up the Construction of New Bases *(continued)*

To promote the localization and mass production of these advanced technologies, one of the Group's priorities in the future is to establish production bases for CIGS and GaAs as soon as possible, and to build up mass production capabilities in flexible and efficient thin-film cells in the future. Due to the ever-changing technologies, the expectations of and support for new energy technologies, the future demand for mobile and wearable solar PV applications will increase significantly. Therefore, the Group will focus on Alta Devices, MiaSolé and GSE in the coming years and rapidly proceed with the implementation of advanced thin film technologies and constructions of production bases.

2016 was a year of breakthrough and growth for the Group amidst extreme adversity. Faced with various difficulties due to the lingering effect of trading suspension, the Group has been able to tackle the difficulties with full enthusiasm and strong determination, by aggressively carrying out organization and system reforms, establishing an organizational structure and mechanism that responds to the market in a more timely and efficient manner, constantly promoting technological innovation and upgrading by making use of its technological advantages. While actively exploring localization and mass production of advanced thin film technologies, the Group consistently implements the customer-based sales culture, and focuses on promoting sales operations, including downstream household power generation, distributed power generation, agricultural photovoltaic applications, BIPV and photovoltaic poverty alleviation projects, in order to develop more applications suitable for thin film power generation technologies. Adhering to the mission of "Changing the World with Thin Film Power", the Group will continue to move forward, with an aim to fostering a broader and brighter prospect for the thin film power generation technology.

未來展望 *(續)*

D. 繼續提升技術水平，加快新基地建設 *(續)*

為了推廣這些先進技術的國產化及大規模量產，本集團未來的重點工作之一仍是儘快建立銅銦鎵硒及砷化鎵基地，未來形成柔性、高效薄膜電池的大規模生產能力。隨著技術日新月異的發展及人們對新能源技術的期待和支持，未來對可移動及可穿戴的太陽能光伏應用的需求將會大幅增加。因此，本集團未來幾年將Alta Devices、MiaSolé、GSE作為發展重點，快速推進先進薄膜技術及基地建設的落地工作。

二零一六年對本集團是在極端逆境下突破成長的一年。受到停牌的持續深入影響，本集團面對多種困難，但更能以高亢熱情和堅決意志，破風逆流而上，不遺餘力地進行機構制度改革，建立更快速高效反應市場的組織架構和機制；牢牢抓住技術優勢，不懈推動技術創新和升級，同時積極探索先進薄膜技術的國產化及大規模量產；貫徹以客戶為中心的銷售文化，主力推進下游戶用發電、分佈式發電、農業光伏應用、BIPV、光伏扶貧等銷售業務，開發更多適合薄膜發電技術的應用領域。本集團將繼續砥礪前行，秉承「用薄膜發電改變世界」的使命，將薄膜發電技術推得更廣、更遠。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2016, the Group have interest-bearing bank and other borrowings of HK\$1,050,635,000 (31 December 2015: HK\$1,182,958,000) while the cash and cash equivalents amounted to approximately HK\$248,674,000 (31 December 2015: approximately HK\$447,826,000).

Gearing ratio (total debt less cash and cash equivalent, tax payable, deferred income, other non-current liabilities and deferred tax liabilities ("Net Debt") over adjusted capital and net debt) as at 31 December 2016 was 36.43% (31 December 2015: 31.91%).

TREASURY POLICIES AND EXCHANGE & OTHER EXPOSURES

The Group's monetary transactions and deposits continued to be in the form of US dollars, Renminbi and Hong Kong dollars. The Group expected that the exposure to exchange rates fluctuation was not significant and therefore had not engaged in any hedging activities.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2016 (31 December 2015: Nil).

CHARGES ON ASSETS

As at 31 December 2016 and 31 December 2015, the Group's subsidiaries have charged assets as security for the bank borrowings (The details are set out in note 26 Interest-bearing bank and other borrowings).

流動資金及財務資源

於二零一六年十二月三十一日，本集團之銀行及其他付息借款為1,050,635,000港元(二零一五年十二月三十一日：1,182,958,000港元)，而現金及現金等價物則約為248,674,000港元(二零一五年十二月三十一日：約447,826,000港元)。

於二零一六年十二月三十一日，資本負債比率(債務總額減現金及現金等價物，應付稅項遞延收入，其他非流動負債及遞延稅項負債(「債務淨額」)除以經調整資本及債務淨額)為36.43%(二零一五年十二月三十一日：31.91%)。

庫務政策及匯兌及其他風險

本集團之貨幣交易及存款繼續以美元、人民幣及港元結算。本集團預期匯率波動風險並不重大，故並無進行任何對沖活動。

或然負債

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

資產抵押

於二零一六年十二月三十一日及二零一五年十二月三十一日，本集團之附屬公司有抵押資產用作銀行借款之抵押品(詳情請查看附註26銀行及其他付息借款)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2016, information on sales and purchases relating to the major customers and suppliers is summarized as follows:

主要客戶及供應商

截至二零一六年十二月三十一日止年度，有關主要客戶及供應商之銷售及採購資料概述如下：

		2016 二零一六年	2015 二零一五年
Sales (Percentage over total sales)	銷售(佔總銷售額百分比)		
The largest customer	最大客戶	47%	66%
Five largest customers	五大客戶	72%	86%
Purchases (Percentage over total purchases)	採購(佔總採購額百分比)		
The largest supplier	最大供應商	37%	32%
Five largest suppliers	五大供應商	58%	54%

At 31 December 2016, Shandong Macrolink New Resources Technology Limited was the Group's largest customer. All transactions between the Group and the customer concerned were carried out on normal commercial terms.

於二零一六年十二月三十一日，山東新華聯新能源科技有限公司為本集團之最大客戶。本集團與該客戶進行之所有交易均按一般商業條款進行。

Other than Hanergy Holding and its affiliates (collectively "Hanergy Affiliates"), none of the directors of the Company (the "Director"), their associates, or any shareholder of the Company which to the knowledge of the Directors owns more than 5% of the Company's issued share capital had a beneficial interest in any of the Group's five largest customers or five largest suppliers for the year ended 31 December 2016.

除漢能控股及其聯屬公司(統稱「漢能聯屬公司」)外，截至二零一六年十二月三十一日止年度，本公司各董事(「董事」)、彼等之聯繫人士或據董事所知擁有本公司已發行股本5%以上之任何本公司股東概無擁有本集團任何五大客戶或五大供應商之實益權益。

PERSONNEL

The number of employees of the Group as at 31 December 2016 was 3,162 (31 December 2015: 2,881) of whom 511 (31 December 2015: 300) were office administration staff.

員工

於二零一六年十二月三十一日，本集團之僱員人數為3,162人(二零一五年十二月三十一日：2,881人)，其中511人(二零一五年十二月三十一日：300人)為辦公室行政人員。

Remuneration of employees and directors are determined according to individual performance and the prevailing trends in different areas and reviewed on an annual basis. The Group has also contributed mandatory provident fund, retirement funds and provided medical insurance to its employees.

員工及董事薪酬乃按照個人表現及不同地區之現行薪金趨勢而釐定，並每年進行檢討。本集團亦向員工作出強積金及退休金供款，並提供醫療保險。

Bonuses are awarded based on individual performance and overall Group performance, and are made to certain employees of the Group.

本集團根據個別人員表現及集團整體表現而向若干本集團僱員發放花紅。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

SUSPENSION OF TRADING

Trading in the Company's shares has been halted with effect from 10:40 a.m. on 20 May 2015.

The Company received a letter from the SFC dated 15 July 2015 in relation to the Rule 8(1) directive of the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) (the "SMLR"), in which SFC directed the Stock Exchange to suspend trading in the securities of the Company.

The shares of the Company have been suspended from trading for nearly two years, during which it experienced numerous hardships. The Company has been communicating with the Securities and Futures Commission of Hong Kong ("SFC") to seek resumption of trading of the Company's shares on The Stock Exchange of Hong Kong Limited ("Stock Exchange") with the view to protecting the interests of the Company and its shareholders (including shareholders apart from the controlling shareholder) as a whole. Finally, The SFC sets out two requirements for the resumption. One requirement is that Mr. Li Hejun ("Mr. Li", an executive Director and the Chairman of the Company from 15 May 2014 to 20 May 2016) and the four existing independent non-executive Directors ("INEDs") agree not to contest liability and the court orders sought by the SFC in the civil proceedings commenced by the SFC under section 214 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) against them ("Section 214 Proceedings"). The other requirement is the publication of a disclosure document by the Company (the "Disclosure Document") which will provide detailed information on the Company's activities, business, assets, liabilities, financial performance and prospects. The Disclosure Document will need to be submitted to the SFC for it to consider the Company's request for resumption under section 9 of the SMLR. The powers of the SFC under section 9 of SMLR may only be exercised by a meeting of the SFC and are not delegable.

暫停股票買賣

本公司股票於二零一五年五月二十日上午十時四十分起暫停買賣。

根據本公司收到證監會所發出日期為二零一五年七月十五日有關證券及期貨(在證券市場上市)規則(香港法例第571V章)(「在證券市場上市規則」)第8(1)條指令之函件，指令香港交易所暫停本公司股票買賣。

本公司至今停牌已近兩年，期間經歷了艱辛的歲月，本公司一直以保護公司及股東(包括除控股股東之外的股東)整體利益為最大前提，竭盡所能與證券及期貨事務監察委員會(「證監會」)溝通，以尋求本公司股份於香港聯合交易所有限公司(「聯交所」)恢復交易，最終得到證監會對復牌提出兩個必要條件：第一個必要條件是李河君先生(「李先生」，從二零一四年五月十五日至二零一六年五月二十日之本公司執行董事及主席)及四位現任獨立非執行董事，同意在證監會展開香港法例第571章證券及期貨條例(「證券及期貨條例」)第214條之民事程序(「第214條程序」)中不抗辯責任和證監會尋求的法院命令；另一復牌必要條件是本公司需要發報一份披露文件(「披露文件」)，對本公司之活動、業務、資產、負債、財務績效和前景等資料作出詳細披露。披露文件將需要提交到證監會，證監會將根據在證券市場上市規則第9條作為考慮對本公司之復牌申請。證監會在證券市場上市規則第9條下的權力，只可通過一個證監會的會議行使，而該權力不能委派他人行使。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

SUSPENSION OF TRADING *(continued)*

On 23 January 2017, the SFC has commenced the Section 214 Proceedings to seek disqualification orders against Mr. Li and the four INEDs (namely, Ms. Zhao Lan, Mr. Wang Tongbo, Professor Xu Zheng and Dr. Wang Wenjing). The disqualification orders, if given by the Court, will disallow the five persons from being a director or being involved, directly or indirectly, in the management of any corporation for a certain period in Hong Kong. The SFC also seeks a court order requiring Mr. Li to (a) procure Hanergy Holding Group Limited (“Hanergy Holding”) and/or certain of its subsidiaries (“Hanergy Affiliates”) to pay outstanding receivables due to the Company and its subsidiaries under the sales contracts entered into between Hanergy Holding and a subsidiary of the Company in 2010 and 2011 within 2 years from the date of the order; and (b) execute a contract of guarantee to secure the above-mentioned due payment of all outstanding receivables by Hanergy Holding and Hanergy Affiliates. Mr. Li and the four INEDs do not intend to contest the Section 214 Proceedings.

As to the second requirement, the Company has been preparing the Disclosure Document. The Company has also engaged a financial adviser to conduct due diligence on the Group and engaged auditors to conduct an audit on the consolidated financial statements of the Company.

The Company has used and will continue to use its best endeavours to fulfill the above-mentioned requirements for resumption and will seek to resume trading of its shares on the Stock Exchange as soon as possible. The Company will make further announcement(s) on the progress of the fulfillment of the two abovementioned requirements in due course.

暫停股票買賣(續)

證監會於二零一七年一月二十三日，對李先生及四位現任獨立非執行董事（為趙嵐女士、王同渤先生、徐征教授及王文靜博士）提出第214條民事程序之呈請及尋求上述五名董事若干時間內禁止在香港公司擔任董事或直接或間接參與管理的取消資格令。證監會還尋求法院命令，要求李先生(a)促使漢能控股集團有限公司（「漢能控股」）及／或其某些附屬公司（「漢能聯屬公司」）在下達命令兩年之內，按照二零一零年和二零一一年漢能控股與本公司一家附屬公司簽署的銷售合同支付尚欠本公司及附屬公司的剩餘應收款項；及(b)簽署一份擔保合同，保證漢能控股及漢能聯屬公司支付上述之應收款項。李先生及四位獨立非執行董事，並沒有對214條程序作出抗辯的打算。

對於第二個復牌必要條件，本公司目前正在準備披露文件，包括已委聘財務顧問對本集團進行盡職調查，以及委聘核數師對本公司之綜合財務報表進行審核。

本公司已經並將繼續竭盡所能，努力達成證監會對本公司提出之上述復牌必要條件，讓本公司股份可儘快於聯交所恢復交易。本公司將根據上述兩項必要條件的完成情況，適時對本公司復牌進展發表公佈。

REPORT OF THE DIRECTORS

董事會報告

The Directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. During the year under review, the Group's revenue and operating profit were derived principally from the manufacture of equipment and turnkey production lines for the manufacture of both amorphous silicon based and CIGS thin film solar photovoltaic modules and sale of solar power stations and rooftop power stations.

OPERATING SEGMENT INFORMATION

Details of operating segment information of the Group during the year are set out in note 4 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2016 and the state of the Group's affairs as at that date are set out in the consolidated financial statements on pages 113 to 278.

DIVIDEND

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

董事會欣然提呈截至二零一六年十二月三十一日止年度之年報連同經審核財務報表。

主要業務

本公司之主要業務為投資控股。於回顧年度，本集團之收入及經營溢利主要來自於製造矽基薄膜太陽能光伏組件之生產設備及整套生產線，以及銷售太陽能電站及屋頂電站。

經營分部資料

本集團於年內之經營分部資料詳情載於綜合財務報表附註4。

業績及分配

本集團截至二零一六年十二月三十一日止年度之業績及本集團於該日之事務狀況載於綜合財務報表第113頁至第278頁。

股息

董事會不建議派發截至二零一六年十二月三十一日止年度之末期股息(二零一五年：無)。

REPORT OF THE DIRECTORS

董事會報告

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

To ascertain the entitlement to attend and vote at the AGM to be held on Thursday, 8 June 2017, the register of members of the Company will be closed from Monday, 5 June 2017 to Thursday, 8 June 2017 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 2 June 2017.

SHARE CAPITAL

Details of movements in the Company's share capital and share options during the year are set out in notes 28 and 29 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities for the year ended 31 December 2016.

股東週年大會及暫停辦理股東登記手續

為釐定出席將於二零一七年六月八日(星期四)舉行之股東週年大會及於會上投票之資格，本公司將於二零一七年六月五日(星期一)至二零一七年六月八日(星期四)(包括首尾兩日)暫停辦理股東登記手續，於該段期間內將不會辦理任何股份過戶登記。為符合資格出席股東週年大會並於會上投票，所有填妥之過戶表格連同有關股票，最遲須於二零一七年六月二日(星期五)下午四時三十分前，送達本公司之香港股份過戶登記分處卓佳登捷時有限公司，地址為香港灣仔皇后大道東183號合和中心22樓。

股本

本公司之股本及購股權於年內之變動情況詳情載於綜合財務報表附註28及29。

購買、出售或贖回上市證券

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、贖回或出售任何本公司之上市證券。

REPORT OF THE DIRECTORS

董事會報告

CONTINUING CONNECTED TRANSACTIONS

As disclosed in the Annual Report 2015 (on pages 55-58), continuing connected transactions of the Company included: (1) Transfer of Assets and Leases and Operational Support; and (2) Engineering Trial Run Agreement. The parties to these agreements are Solibro Hi-Tech, a wholly-owned subsidiary of the Company, and Solibro, a wholly-owned subsidiary of Hanergy Holding Company Limited ("Hanergy Holding"). The Company received a notice from Hanergy Holding and was advised that the entire equity interest of Solibro was disposed of to a third party independent of and not connected with the Company and its connected persons on 25 November 2015. Therefore the above transactions no longer constitute continuing connected transactions of the Company in 2016.

In accordance with the reporting and announcement requirements under Chapter 14A of the Listing Rules, the Group had the following continuing connected transactions during the year:

(II) Supplemental agreements with Sichuan Hanergy Photovoltaic Limited ("Sichuan Hanergy")

On 17 March 2014, Apollo Precision (Fujian) Limited ("Fujian Apollo") entered into supplemental agreements to the original agreements with Sichuan Hanergy. The entering into the Supplemental Agreements constitutes a continuing connected transaction under Chapter 14A of the Listing Rules. Details of the Supplemental Agreements are disclosed below:

(i) Supplemental Tenancy Agreements

Pursuant to the terms of the three Supplemental Tenancy Agreements, Fujian Apollo shall rent the Office Premises, the Factory Premises and the Staff Dormitory owned by Sichuan Hanergy for a term of three years commencing from 17 March 2014 to 9 March 2017. The monthly rent for the Office Premises shall be RMB19,680 per month. The monthly rent for the Factory Premises shall be RMB314,280 per month. The monthly rent for the Staff Dormitory shall be RMB10,800 per month. The monthly rent is determined after mutual agreement with reference to the monthly rental of other similar premises in Shuangliu County, Sichuan Province, the PRC.

持續關連交易

誠如二零一五年年報所披露，本公司之持續關連交易(第55-58頁)其中包括(1)轉讓資產及租賃及營運支持；及(2)工程測試服務協定。簽約方均為Solibro Hi-Tech(本集團全資附屬公司)與Solibro(漢能控股集團有限公司(「漢能控股」)之附屬公司)。本公司收到漢能控股通知，於二零一五年十一月二十五日已把Solibro之全部股權出售予獨立於且並非與本公司及其關連人士存有有關連之第三方，因此上述交易於二零一六年度不再構成本公司之持續關連交易。

根據上市規則第14A章項下之申報及公佈規定，本集團於年內進行以下持續關連交易：

(II) 與四川漢能光伏有限公司(「四川漢能」)訂立之補充協議

於二零一四年三月十七日，福建鉑陽精工設備有限公司(「福建鉑陽」)與四川漢能訂立原協議之補充協議。根據上市規則第14A章，訂立該等補充協議構成本公司之持續關連交易。該等補充協議之詳情披露如下：

(i) 補充租賃協議

根據三份補充租賃協議之條款，福建鉑陽須租用四川漢能擁有之辦公場所、工廠場所及員工宿舍，由二零一四年三月十七日起至二零一七年三月九日止為期三年。辦公場所之月租為每月人民幣19,680元。工廠場所之月租為每月人民幣314,280元。員工宿舍之月租為每月人民幣10,800元。月租乃經參考中國四川省雙流縣其他同類場所之月租後，所作出的雙方協定釐定。

REPORT OF THE DIRECTORS

董事會報告

CONTINUING CONNECTED TRANSACTIONS

(continued)

(I) Supplemental agreements with Sichuan Hanergy (continued)

(ii) Supplemental Equipment Lease Agreement

Pursuant to the terms of the Supplemental Equipment Lease Agreement, Sichuan Hanergy shall lease the Production Line located in the Factory Premises with equipments associated with the Production Line to Fujian Apollo for a term of three year commencing from 17 March 2014 to 9 March 2017. The monthly rent for the Production Line and the equipments associated thereto shall be RMB1,376,986.40 per month. The monthly rent is determined after mutual agreement with reference to the monthly rental costs of other similar equipments used in the Production Line in the PRC.

(iii) Supplemental Technology Agreement

Pursuant to the terms of the Supplemental Technology Agreement, Sichuan Hanergy shall upon the request of Fujian Apollo to provide relevant equipments, material and facilities to allow Fujian Apollo to carry out research on thin film solar energy technology development. In particular, Sichuan Hanergy shall upon request of Fujian Apollo to provide PECVD furnaces for research to be conducted by Fujian Apollo. The term of the Supplemental Technology Agreement shall commence from 17 March 2014 to 9 March 2017. The consideration payable by Fujian Apollo to Sichuan Hanergy shall be at RMB12,000 per PECVD furnace. Assuming that the maximum number of PECVD furnaces to be utilised by Fujian Apollo shall be 2,600, the maximum aggregate consideration payable by Fujian Apollo to Sichuan Hanergy under the Supplemental Technology Agreement shall be RMB31,200,000. The consideration payable by Fujian Apollo to Sichuan Hanergy is determined after mutual agreement with reference to the costs and expenses to be borne by Sichuan Hanergy in respect of each PECVD furnace.

持續關連交易(續)

(I) 與四川漢能訂立之補充協議(續)

(ii) 補充設備租賃協議

根據補充設備租賃協議之條款，四川漢能須將位於工廠場所之生產線連生產線相關設備租予福建鉑陽，由二零一四年三月十七日起至二零一七年三月九日止為期三年。生產線及其相關設備之月租為每月人民幣1,376,986.40元。月租乃經參考中國生產線所採用之其他同類設備之月租成本後，所作出的雙方協定釐定。

(iii) 補充技術協議

根據補充技術協議之條款，四川漢能須應福建鉑陽之要求提供相關設備、材料及設施，以便福建鉑陽進行薄膜太陽能之技術開發研究。特別是，四川漢能須應福建鉑陽之要求提供PECVD熔煉爐，以供福建鉑陽進行各項研發工作。補充技術協議之年期將由二零一四年三月十七日起至二零一七年三月九日止。福建鉑陽應付予四川漢能之代價為每台PECVD熔煉爐人民幣12,000元。假設福建鉑陽將使用之最高PECVD熔煉爐數目為2,600台，福建鉑陽根據技術協議應付予四川漢能之最高總代價為人民幣31,200,000元。福建鉑陽應付予四川漢能之代價乃經參考四川漢能就每台PECVD熔煉爐承擔之成本及開支後，所作出的雙方協定釐定。

REPORT OF THE DIRECTORS

董事會報告

CONTINUING CONNECTED TRANSACTIONS

(continued)

(I) Supplemental agreements with Sichuan Hanergy (continued)

(iii) Supplemental Technology Agreement (continued)

Based on the monthly rental payment under the Supplemental Tenancy Agreements and Supplemental Equipment Lease Agreement and the maximum anticipated consideration payable under the Supplemental Technology Agreement, the maximum aggregate annual amount payable by the Group under the Supplemental Agreements will be approximately RMB51,860,952.

The details of the above transactions from (i) to (iii) were set out in an announcement dated 18 March 2014.

(II) Sales of Spare Parts

On 2 April 2014, Fujian Apollo entered into a Spare Parts Sales Agreement with Hanergy Holding for the sales of Spare Parts by Fujian Apollo to Hanergy Holding (including any of its subsidiaries). Pursuant to the Spare Parts Sales Agreement, Hanergy Holding has agreed to purchase from Fujian Apollo, and Fujian Apollo has agreed to sell to Hanergy Holding (including any of its subsidiaries), the Spare Parts.

The selling price and payment terms for the sales of Spare Parts are to be separately negotiated for each Purchase Order by Fujian Apollo and Hanergy Holding. The selling price and payment terms will be arrived at after mutual agreement between Fujian Apollo and Hanergy Holding.

Pursuant to the Spare Parts Sales Agreement, the price of the Spare Parts cannot be higher than the prevailing market price of spare parts.

Pursuant to the Spare Parts Sales Agreement, the total consideration for the sales of Spare Parts by Fujian Apollo to Hanergy Holding (including any of its subsidiaries) for each of the three financial years ended 31 December 2014, 31 December 2015 and 31 December 2016 shall not exceed RMB60 million, RMB120 million and RMB120 million respectively

持續關連交易(續)

(I) 與四川漢能訂立之補充協議(續)

(iii) 補充技術協議(續)

按根據補充租賃協議及補充設備租賃協議支付之月租及根據補充技術協議應付之最高預計代價計算，本集團每年根據該等協議應付之最高總額將約為人民幣51,860,952元。

上文(i)至(iii)項交易詳情載於日期為二零一四年三月十八日之公佈。

(II) 銷售備件

於二零一四年四月二日，福建鉑陽與漢能控股訂立備件銷售合同，由福建鉑陽向漢能控股(包括其任何附屬公司)銷售備件。根據備件銷售合同，漢能控股已同意向福建鉑陽採購，而福建鉑陽已同意向漢能控股(包括其任何附屬公司)出售備件。

銷售備件之售價及付款條款將按福建鉑陽與漢能控股之各份採購訂單分開磋商。售價及付款條款將由福建鉑陽與漢能控股雙方協定後達致。

根據備件銷售合同，備件之價格不得高於備品備件之現行市價。

根據備件銷售合同，截至二零一四年十二月三十一日、二零一五年十二月三十一日及二零一六年十二月三十一日止三個財政年度各年，福建鉑陽向漢能控股(包括其任何附屬公司)銷售備件之總代價分別不得超過人民幣60,000,000元、人民幣120,000,000元及人民幣120,000,000元。

REPORT OF THE DIRECTORS

董事會報告

CONTINUING CONNECTED TRANSACTIONS

(continued)

(II) Sales of Spare Parts *(continued)*

The Spare Parts Sales Agreement shall be effective from the date on which the Spare Parts Sales Agreement is signed and sealed by both parties up to 31 December 2016 (both dates inclusive), after which it may be renewed on mutual agreement subject to compliance with the Listing Rules requirements.

The details of the transactions were set out in an announcement dated 3 April 2014.

(III) Charter Flights Agreement

On 22 July 2014, Beijing Hanergy, a wholly-owned subsidiary of the Company, entered into a Charter Flight Agreement with Hanergy Civil Aviation Company Limited ("Hanergy Aviation"), pursuant to which, Hanergy Aviation agreed to provide charter flights and related services to Beijing Hanergy for a term of three years from 23 July 2014 to 22 July 2017 (both dates inclusive).

The details of the transactions were set out in an announcement dated 23 July 2014.

持續關連交易(續)

(II) 銷售備件(續)

備件銷售合同將由雙方簽署備件銷售合同及蓋章當日起生效，直至二零一六年十二月三十一日(包括首尾兩日)，其後可根據上市規則規定經雙方協定續訂。

有關交易之詳情載於日期為二零一四年四月三日之公佈。

(III) 包機協議

於二零一四年七月二十二日，本公司之全資附屬公司北京漢能與漢能公務航空有限公司(「漢能航空」)訂立包機協議，漢能航空同意向北京漢能提供包機及相關服務，由二零一四年七月二十三日起至二零一七年七月二十二日止(包括首尾兩日)。

有關交易之詳情載於日期為二零一四年七月二十三日之公佈。

REPORT OF THE DIRECTORS

董事會報告

CONTINUING CONNECTED TRANSACTIONS

(continued)

(IV) MiaSolé Service Agreement

On 7 March 2016, MiaSolé Hi-Tech Corp. (“MiaSolé Hi-Tech”), a wholly-owned subsidiary of the Company, and MiaSolé, a wholly owned subsidiary of Hanergy Holding, entered into a service agreement (the “Service Agreement”) pursuant to which MiaSolé Hi-Tech agreed to provide to MiaSolé business and commercial management, accounting and finance, legal, purchasing/procurement, and other general administrative services necessary for the operation of MiaSolé’s business as a purchasing agent for transacting product and direct material sales between the customer and vendor base.

Pursuant to the Service Agreement, MiaSolé shall pay to MiaSolé Hi-Tech a monthly fixed fee of US\$67,500 from 1 January 2016 to 31 December 2018.

The details of the transactions were set out in the Company’s announcement dated 8 March 2016.

持續關連交易(續)

(IV) MiaSolé 服務協議

於二零一六年三月七日，本公司全資附屬公司 MiaSolé Hi-Tech Corp. (「MiaSolé Hi-Tech」) 與漢能控股之全資附屬公司 MiaSolé 訂立服務協議(「服務協議」)，據此，MiaSolé Hi-Tech 同意向 MiaSolé 提供業務及商業管理、會計及財政、法律、購買／採購，以及 MiaSolé 作為採購代理，就處理產品及客戶與賣家間之材料銷售等營運所需之一般行政服務。

根據服務協議，MiaSolé 由二零一六年一月一日至二零一八年十二月三十一日期間，須向 MiaSolé Hi-Tech 支付固定月費 67,500 美元。

該等交易之詳情載於本公司日期為二零一六年三月八日之公佈。

REPORT OF THE DIRECTORS

董事會報告

CONTINUING CONNECTED TRANSACTIONS

(continued)

The independent non-executive Directors of the Company had reviewed the above continuing connected transactions (I) — (IV) and confirmed the transaction had been entered into:

- (1) in the ordinary and usual course of business of the Company;
- (2) either on normal commercial terms or, if there were not sufficient comparable transactions to judge whether they were on normal commercial terms, on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and
- (3) in accordance with the relevant agreement governing them on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

Ernst & Young, the Company's auditors, were 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. Ernst & Young have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Hong Kong Stock Exchange.

持續關連交易(續)

本公司之獨立非執行董事已審閱上述持續關連交易(I)至(IV)，並確認交易乃：

- (1) 於本公司正常及一般業務過程中訂立；
- (2) 按一般商業條款，或倘無足夠可資比較交易以評定是否按一般商業條款，則按對本公司而言不遜於其向獨立第三方提供，或自獨立第三方取得(按適當情況)之條款；及
- (3) 根據規管該等交易之相關協議，而該等協議之條款屬公平合理，且符合本公司股東之整體利益。

本公司核數師安永會計師事務所獲聘根據香港會計師公會頒佈之香港鑑證業務準則第3000號(已修訂)審計或審閱歷史財務資料以外的鑑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之持續關連交易作出報告。安永會計師事務所已根據上市規則第14A.56條發出無保留函件，載列其就本集團於上文所披露之持續關連交易所取得之結果及結論。本公司已向香港聯交所提供核數師函件之副本。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION

(I) Share Option Scheme

Principal terms of Share Option Scheme

Pursuant to the terms of the share option scheme adopted by the Company on 28 August 2007 (the "Share Option Scheme"), the Company may grant option to (i) any director, employee or consultant of the Group or a company in which the Group holds an equity interest or a subsidiary of such company ("Affiliate"); or (ii) any discretionary trust whose discretionary objects include any director, employee or consultant of the Group or an Affiliate; or (iii) a company beneficially owned by any director, employee or consultant of the Group or an Affiliate; or (iv) any customer, supplier or adviser whose service to the Group or business with the Group contributes or is expected to contribute to the business or operation of the Group as may be determined by the Directors from time to time to subscribe for the shares of the Company.

The Share Option Scheme is set up for the purpose of attracting and retaining quality personnel and other persons and providing incentive to them to contribute to the business and operation of the Group. To this end, the Directors may specify the minimum period, if any, for which an option must be held or the performance targets, if any, that must be achieved before the option can be exercised.

Share options may be granted without any initial payment for the share options at an exercise price (subject to adjustments as provided therein) equal to the highest of (i) the nominal value of the shares; (ii) the closing price per share as stated in the Stock Exchange's daily quotations sheet on the date of the grant of the share option; and (iii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the share option.

購股權

(I) 購股權計劃

購股權計劃之主要條款

根據本公司於二零零七年八月二十八日採納之購股權計劃(「購股權計劃」)之條款，本公司可授出購股權予(i)本集團或本集團持有股權之公司或其附屬公司(「聯屬公司」)之任何董事、僱員或諮詢人；或(ii)本集團或聯屬公司之任何董事、僱員或諮詢人為全權託管對象之任何全權信託；或(iii)本集團或聯屬公司之任何董事、僱員或諮詢人實益擁有之公司；或(iv)董事不時釐定向本集團提供之服務或與本集團之業務目前或預期將會對本集團之業務或營運有貢獻之任何客戶、供應商或顧問，以認購本公司股份。

購股權計劃之設立目的為吸引及挽留高質素之員工及其他人士，以及提供獎勵讓彼等為本集團業務及營運作出貢獻。為達此目的，董事或會指定購股權可獲行使前必須持有之最低限期(如有)或必須達致之表現目標(如有)。

購股權可毋須按行使價就該等購股權(可按本文規定而予以調整)作出初步付款而授出，行使價相等於下列三者中之最高者：(i)股份之面值；(ii)每股股份於授出購股權當日在聯交所每日報價表所報之收市價；及(iii)每股股份於緊接授出購股權當日之前五個營業日在聯交所每日報價表所報之平均收市價。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION *(continued)*

(I) Share Option Scheme *(continued)*

Principal terms of Share Option Scheme (continued)

The maximum number of shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the company shall not exceed 10% of the share capital of the Company in issue on 28 August 2007, the date of adoption of the Share Option Scheme, unless a refresh approval of the shareholders is obtained. At a special general meeting of the Company held on 11 June 2010, the shareholders of the Company have approved to refresh the 10% limit. As at the date of this report, the total number of shares available for issue upon the exercise of all options granted or to be granted under the Share Option Scheme is 461,224,947 (representing 10% of the issued share capital of the Company as at the date of passing the resolution to refresh the 10% limit).

The maximum number of the shares (issued and to be issued) in respect of which share options may be granted under the Share Option Scheme to any one grantee in any 12-month period shall not exceed 1% of the share capital of the Company in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Listing Rules.

The Share Option Scheme was approved by the shareholders of the Company on 28 August 2007 and has a life of 10 years until 27 August 2017. The exercise period of an option granted under the Share Option Scheme shall not be more than ten years from its date of grant and may include the minimum period, if any, for which such option must be held before it can be exercised.

購股權(續)

(I) 購股權計劃(續)

購股權計劃之主要條款(續)

因行使根據購股權計劃及本公司任何其他購股權計劃將予授出之全部購股權而可能須予發行之股份最高數目不得超過於二零零七年八月二十八日(採納購股權計劃日期)本公司已發行股本之10%，惟取得股東之更新批准除外。於二零一零年六月十一日舉行之本公司股東特別大會上，本公司股東已批准更新10%限額。於本報告日期，因行使根據購股權計劃已授出或將予授出之全部購股權而可予發行之股份總數為461,224,947股(佔通過更新10%限額之決議案當日之本公司已發行股本之10%)。

根據購股權計劃可於任何12個月期間向任何一名承授人授出購股權之有關股份(已發行及將予發行)最高數目不得超過於有關12個月期間最後一日本公司已發行股本之1%，惟根據上市規則已取得本公司股東批准除外。

購股權計劃已於二零零七年八月二十八日獲本公司股東批准，為期10年，直至二零一七年八月二十七日止。根據購股權計劃授出之購股權之行使期自授出日期起計不超過十年及可能包括有關購股權獲行使之前必須持有之最短期限(如有)。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION *(continued)*

(I) Share Option Scheme *(continued)*

Principal terms of Share Option Scheme (continued)

The exercisable period of the share options granted was determined by the directors of the Company each time when the options were granted. Holders of share options granted under the Share Option Scheme may only exercise their options during the exercisable periods as follows:

Date of grant	Exercisable period	Maximum percentage of exercisable share options
授出日期	行使期	可行使購股權之 上限百分比
27/10/2014 二零一四年十月二十七日	27/10/2014-31/10/2015 二零一四年十月二十七日至二零一五年十月三十一日	10%
	1/11/2015-31/10/2016 二零一五年十一月一日至二零一六年十月三十一日	10%
	1/11/2016-31/10/2017 二零一六年十一月一日至二零一七年十月三十一日	10%
	1/11/2017-31/10/2018 二零一七年十一月一日至二零一八年十月三十一日	10%
	1/11/2018-31/10/2019 二零一八年十一月一日至二零一九年十月三十一日	60%
30/1/2015 二零一五年一月三十日	30/1/2015-29/1/2016 二零一五年一月三十日至二零一六年一月二十九日	10%
	30/1/2016-29/1/2017 二零一六年一月三十日至二零一七年一月二十九日	10%
	30/1/2017-29/1/2018 二零一七年一月三十日至二零一八年一月二十九日	10%
	30/1/2018-29/1/2019 二零一八年一月三十日至二零一九年一月二十九日	10%
	30/1/2019-29/1/2020 二零一九年一月三十日至二零二零年一月二十九日	60%
16/4/2015 二零一五年四月十六日	16/4/2015-15/4/2016 二零一五年四月十六日至二零一六年四月十五日	10%
	16/4/2016-15/4/2017 二零一六年四月十六日至二零一七年四月十五日	10%
	16/4/2017-15/4/2018 二零一七年四月十六日至二零一八年四月十五日	10%
	16/4/2018-15/4/2019 二零一八年四月十六日至二零一九年四月十五日	10%
	16/4/2019-15/4/2020 二零一九年四月十六日至二零二零年四月十五日	60%

購股權(續)

(I) 購股權計劃(續)

購股權計劃之主要條款(續)

所授出購股權的行使期由本公司董事在每次授出購股權時決定。根據購股權計劃獲授出購股權的持有人只可在下列行使期內行使其購股權：

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION *(continued)*

(I) Share Option Scheme *(continued)*

Movements of share options

Details of the movements in the share options granted under the Share Option Scheme during the year are as follows:

Eligible persons	Date of grant	Exercise		Outstanding as	Movement of	Outstanding as
		price	Exercise period	at	share options	at
				1/1/2016	during the year	31/12/2016
				於二零一六年	年內購股權之變動	於二零一六年
				一月一日	Lapsed	十二月三十一日
合資格人士	授出日期	行使價	行使期	尚未行使	已失效	尚未行使
		(HK\$)				
		(港元)				
Director						
董事						
Dr. Lam Yat Ming Eddie	27/10/2014	1.716	27/10/2014-31/10/2019	1,800,000	(200,000)	1,600,000
林一鳴博士	二零一四年十月二十七日		二零一四年十月二十七日至二零一九年十月三十一日			
Other employees	27/10/2014	1.716	27/10/2014-31/10/2019	43,920,000	(10,480,000)	33,440,000
其他僱員	二零一四年十月二十七日		二零一四年十月二十七日至二零一九年十月三十一日			
	30/1/2015	3.61	30/1/2015-29/1/2020	16,735,000	(715,000)	16,020,000
	二零一五年一月三十日		二零一五年一月三十日至二零二零年一月二十九日			
	16/4/2015	6.91	16/4/2015-15/4/2020	23,600,000	(7,580,000)	16,020,000
	二零一五年四月十六日		二零一五年四月十六日至二零二零年四月十五日			
				86,055,000	(18,975,000)	67,080,000

購股權(續)

(I) 購股權計劃(續)

購股權變動

年內根據購股權計劃授出購股權之變動詳情如下：

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION *(continued)*

(II) Other Options

The Company has also granted other options to certain consultants upon completion of acquisition of Apollo Precision Ltd. and its subsidiaries (“Solar Business”) in November 2009 as incentive of their contribution to the development of Solar Business (the “Other Options I”). The Other Options I were not granted under the Share Option Scheme.

Principal terms of the Other Options I

The Other Options I entitled the consultants to subscribe for an aggregate of 320,000,000 shares of the Company as adjusted after the share subdivision effective from 5 November 2009 at an exercise price of HK\$0.25 after the share subdivision effective from 5 November 2009 for a period of 5 years from the date of granting of the Other Options I. The vesting period was 1 year from the date of grant. Details of the Other Options I are set out in the circular dated 29 October 2009. The Other Options I was expired on 24 November 2014.

購股權(續)

(II) 其他購股權

於二零零九年十一月完成收購Apollo Precision Ltd.及其附屬公司(「太陽能業務」)後，本公司亦已向若干顧問授出其他購股權，以獎勵其對太陽能業務發展之貢獻(「其他購股權I」)。其他購股權I並非根據購股權計劃授出。

其他購股權I之主要條款

其他購股權I賦予顧問權利可於其他購股權I授出日期起計5年期間，按行使價0.25港元(已於二零零九年十一月五日股份拆細生效後作出調整)認購合共320,000,000股本公司股份(股份拆細自二零零九年十一月五日起生效後)。歸屬期由授出日期起計為期1年。其他購股權I之詳情載於日期為二零零九年十月二十九日之通函。其他購股權I已於二零一四年十一月二十四日到期。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION *(continued)*

(II) Other Options *(continued)*

Principal terms of the Other Options II

On 18 September 2011, the Company entered into the 2011 Option Agreements with each of Hanergy Holding and Apollo Management respectively pursuant to which the Company conditionally agreed to grant the 2011 Options to Hanergy Holding (or its designated individuals or entities) and Apollo Management (the "Other Options II"). On 16 December 2011 (the "Date of Grant"), after fulfilment of the conditions precedent to each of the 2011 Options Agreements, the Company had granted the Other Options II to Hanergy Option Limited (Hanergy Holding's designated entities) and Apollo Management. The Other Options II were not granted under the Share Option Scheme.

The Other Options II entitled Hanergy Option Limited (Hanergy Holding's designated entities) and Apollo Management to subscribe for an aggregate of 1.3 billion shares and 100 million shares of the Company at an exercise price of HK\$0.1664 respectively. They will lapse upon the fifth anniversary of the Date of Grant. For the Other Options II granted to Hanergy Option Limited on 16 December 2011, the exercise periods are as follows:

- (i) Options to subscribe for 610 million shares of the Company are exercisable during the period commencing on the Date of Grant and ending on the day immediately prior to the fifth anniversary of the Date of Grant;

購股權(續)

(II) 其他購股權(續)

其他購股權II之主要條款

於二零一一年九月十八日，本公司分別與漢能控股及鉑陽管理層各自訂立二零一一年購股權協議，據此，本公司有條件地同意向漢能控股(或其指定之人士或實體)及鉑陽管理層授出二零一一年購股權(「其他購股權II」)。於二零一一年十二月十六日(「授出日期」)，達成二零一一年購股權協議之各項先決條件後，本公司已向Hanergy Option Limited(漢能控股指定之實體)及鉑陽管理層授出其他購股權II。其他購股權II並非根據購股權計劃授出。

其他購股權II賦予Hanergy Option Limited(漢能控股指定之實體)及鉑陽管理層權利可按行使價0.1664港元分別認購合共13億股及1億股本公司股份。購股權將於授出日期五週年失效。於二零一一年十二月十六日授予Hanergy Option Limited之其他購股權II之行使期如下：

- (i) 可認購6.1億股本公司股份之購股權可於授出日期起至緊接授出日期五週年前之日止期間內行使；

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION *(continued)*

(II) Other Options *(continued)*

Principal terms of the Other Options II (continued)

- (ii) Options to subscribe for 310 million shares of the Company are exercisable during the period commencing on the first anniversary of the Date of Grant and ending on the day immediately prior to the fifth anniversary of the Date of Grant;
- (iii) Options to subscribe for 310 million shares of the Company are exercisable during the period commencing on the second anniversary of the Date of Grant and ending on the day immediately prior to the fifth anniversary of the Date of Grant;
- (iv) Options to subscribe for 10 million shares of the Company are exercisable during the period commencing on the third anniversary of the Date of Grant and ending on the day immediately prior to the fifth anniversary of the Date of Grant; and
- (v) Options to subscribe for 60 million shares of the Company are exercisable during the period commencing on the fourth anniversary of the Date of Grant and ending on the day immediately prior to the fifth anniversary of the Date of Grant.

購股權(續)

(II) 其他購股權(續)

其他購股權II之主要條款(續)

- (ii) 可認購3.1億股本公司股份之購股權可於授出日期一週年起的緊接授出日期五週年前之日止期間內行使；
- (iii) 可認購3.1億股本公司股份之購股權可於授出日期兩週年起的緊接授出日期五週年前之日止期間內行使；
- (iv) 可認購1,000萬股本公司股份之購股權可於授出日期三週年起的緊接授出日期五週年前之日止期間內行使；及
- (v) 可認購6,000萬股本公司股份之購股權可於授出日期四週年起的緊接授出日期五週年前之日止期間內行使。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION (continued)

(II) Other Options (continued)

Principal terms of the Other Options II (continued)

For the Other Options II granted to Apollo Management, the exercise periods are as follows:

Name of grantees	承授人姓名	Exercise periods					Total
		From the first anniversary of the Date of Grant	From the second anniversary of the Date of Grant	From the third anniversary of the Date of Grant	From the fourth anniversary of the Date of Grant	From the fifth anniversary of the Date of Grant	
		由授出日期起至一週年起至緊接授出日期五週年前之日止	由授出日期起至一週年起至緊接授出日期五週年前之日止	由授出日期起至兩週年起至緊接授出日期五週年前之日止	由授出日期起至三週年起至緊接授出日期五週年前之日止	由授出日期起至四週年起至緊接授出日期五週年前之日止	合計
Mr. Frank Mingfang Dai	Frank Mingfang Dai 先生	2,800,000	2,800,000	2,800,000	2,800,000	16,800,000	28,000,000
Mr. Hui Ka Wah, Ronnie J.P.	許家驊先生 太平紳士	2,400,000	2,400,000	2,400,000	2,400,000	14,400,000	24,000,000
Dr. Li Yuan-min	李沅民博士	1,200,000	1,200,000	1,200,000	1,200,000	7,200,000	12,000,000
Dr. Xu Xixiang	徐希翔博士	1,200,000	1,200,000	1,200,000	1,200,000	7,200,000	12,000,000
Dr. Shan Hongqing	單洪青博士	1,200,000	1,200,000	1,200,000	1,200,000	7,200,000	12,000,000
Mr. Li Guangmin	李廣民先生	600,000	600,000	600,000	600,000	3,600,000	6,000,000
Mr. Xu Xiaohua	徐曉華先生	600,000	600,000	600,000	600,000	3,600,000	6,000,000
Total	總計	10,000,000	10,000,000	10,000,000	10,000,000	60,000,000	100,000,000

Details of the Other Options II are set out in the circular dated 14 November 2011. The Other Options II was expired on 15 December 2016.

購股權(續)

(II) 其他購股權(續)

其他購股權II之主要條款(續)

授予鉅陽管理層之其他購股權II之行使期如下：

其他購股權II之詳情載於日期為二零一一年十一月十四日之通函。其他購股權II已於二零一六年十二月十五日到期。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION *(continued)*

(II) Other Options *(continued)*

Principal terms of the Other Options III

On 6 September 2012 (after the trading hours), the Company and Hanergy Holding entered into the Option Agreement, pursuant to which the Company has conditionally agreed to grant Hanergy Holding (or such person(s) at its direction) the Options to subscribe for an aggregate of 600,000,000 Option Shares at the exercise price of HK\$0.25 per Option Share (the "Other Options III"). On 31 December 2012 (the "Grant Date"), after fulfilment of the conditions precedent to Option Agreement, the Company had granted the Other Options III to Hanergy Investment Limited (Hanergy Holding's designated entities). The Other Options III were not granted under the Share Option Scheme. They will lapse upon the fifth anniversary of the Grant Date.

For the Other Options III granted to Hanergy Investment Limited on 31 December 2012, the exercise periods are as follows:

- (i) 300,000,000 Option Shares are exercisable during the period commencing from the Grant Date to the day immediately prior to the fifth anniversary of the Grant Date;
- (ii) 150,000,000 Option Shares are exercisable during the period commencing from the first anniversary of the Grant Date to the day immediately prior to the fifth anniversary of the Grant Date; and
- (iii) 150,000,000 Option Shares are exercisable during the period commencing from the second anniversary of the Grant Date to the day immediately prior to the fifth anniversary of the Grant Date.

購股權(續)

(II) 其他購股權(續)

其他購股權III之主要條款

於二零一二年九月六日(交易時段後)，本公司與漢能控股訂立購股權協議，據此，本公司已有條件地同意向漢能控股(或其所指示之有關人士)授出購股權，以按每股購股權股份0.25港元之行使價認購合共600,000,000股購股權股份(「其他購股權III」)。於二零一二年十二月三十一日(「授出日期」)，達成購股權協議之先決條件後，本公司已向Hanergy Investment Limited(漢能控股指定之實體)授出其他購股權III。其他購股權III並非根據購股權計劃授出，並將於授出日期五週年失效。

於二零一二年十二月三十一日授予Hanergy Investment Limited之其他購股權III之行使期如下：

- (i) 300,000,000股購股權股份可於授出日期起至緊接授出日期五週年前之日止期間內行使；
- (ii) 150,000,000股購股權股份可於授出日期一週年起的至緊接授出日期五週年前之日止期間內行使；及
- (iii) 150,000,000股購股權股份可於授出日期兩週年起的至緊接授出日期五週年前之日止期間內行使。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION (continued)

(II) Other Options (continued)

Movements of Other Options

Details of the movements in the Other Options granted to the participants during the year are as follows:

Name	Date of grant	Exercise price	Exercise period	Outstanding as at 1/1/2016 於二零一六年一月一日 尚未行使	Exercised during the year 年內行使	Lapsed during the year 年內失效	Outstanding as at 31/12/2016 於二零一六年十二月三十一日 尚未行使
名稱	授出日期	行使價 (HK\$) (港元)	行使期				
Other Options II granted to Apollo Management 授予鉞陽管理層之 其他購股權II	16/12/2011 二零一一年 十二月十六日	0.1664	16/12/2011-15/12/2016 二零一一年十二月十六日至 二零一六年十二月十五日	65,800,000	(41,800,000)	(24,000,000)	—
Other Options II granted to Hanergy Option Limited 授予 Hanergy Option Limited 之其他購股權II	16/12/2011 二零一一年 十二月十六日	0.1664	16/12/2011-15/12/2016 二零一一年十二月十六日至 二零一六年十二月十五日	70,121,640	(70,120,000)	(1,640)	—
Other Options III granted to Hanergy Investment Limited 授予 Hanergy Investment Limited 之其他購股權III	31/12/2012 二零一二年 十二月三十一日	0.25	31/12/2012-30/12/2017 二零一二年十二月三十一日至 二零一七年十二月三十日	286,655,400	(30,000)	—	286,625,400

The consideration received from issued of shares upon exercise of other options is approximately HK\$18,630,988 during the year.

購股權(續)

(II) 其他購股權(續)

其他購股權變動

年內授予參與者的其他購股權之變動詳情如下：

年內因其他購股權獲行使而發行股份收取之代價約為 18,630,988 港元。

REPORT OF THE DIRECTORS

董事會報告

RESERVES

Movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity of the consolidated financial statements set out on pages 117 and 118.

In the opinion of the Directors, the Company's reserves available for distribution to shareholders at 31 December 2016 were as below:

儲備

本集團之儲備於年內之變動情況載於第 117 頁及第 118 頁綜合財務報表中綜合權益變動表內。

董事認為，本公司於二零一六年十二月三十一日可供分派予股東之儲備如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Contributed surplus	實繳盈餘	33,132	33,132

The contributed surplus of the Company represents the excess of the carrying value of the subsidiaries acquired over the nominal value of the Company's shares issued in prior years and reorganisation during the year ended 31 December 2009 which, under the Companies Act 1981 of Bermuda (as amended), is available for distribution to the shareholders of the Company. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (i) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

本公司之實繳盈餘指被收購附屬公司之賬面值超出本公司於過往年度已發行股份之面值之差額及截至二零零九年十二月三十一日止年度內之資本重組，並可根據一九八一年百慕達公司法(經修訂)分派予本公司股東。然而，倘出現以下情況，則本公司不得宣佈或派發股息或自實繳盈餘分派：

- (i) 派發後，本公司不能償還到期之負債；或
- (ii) 其資產之可變現價值因而少於其負債及其已發行股本及股份溢價賬之總數。

REPORT OF THE DIRECTORS

董事會報告

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws ("Bye-laws") although there is no statutory restriction against such rights under the laws in Bermuda.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 14 to the consolidated financial statements.

BORROWINGS AND INTEREST CAPITALISED

Details of the borrowings of the Group outstanding at 31 December 2016 is set out in note 26 to the consolidated financial statements. There is no capitalised interest in 2016.

PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31 December 2016 are set out in note 1 to the consolidated financial statements.

FINANCIAL SUMMARY

A five year financial summary is shown on pages 279 and 280.

優先購買權

儘管百慕達法例對優先購買權並無法定限制，本公司之公司細則(「公司細則」)並無有關此等權利之規定。

物業、廠房及設備

本集團之物業、廠房及設備於年內之變動詳情載於綜合財務報表附註14。

借款及資本化利息

於二零一六年十二月三十一日，本集團結欠借款之詳情載於綜合財務報表附註26。於二零一六年並無資本化利息。

主要附屬公司

於二零一六年十二月三十一日，本公司主要附屬公司之詳情載於綜合財務報表附註1。

財務概要

五年財務概要載於第279頁及第280頁。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS

The Directors during the year and up to the date of this report were:

EXECUTIVE DIRECTORS

Mr. Yuan Yabin (*Chairman*)
(Appointed on 20 May 2016)
Dr. Lam Yat Ming Eddie (*Vice Chairman*)
Mr. Wang Xiong (*Vice Chairman*)
(Appointed on 1 November 2016)
Mr. Si Haijian (*Chief Executive Officer*)
Mr. Huang Songchun (*Financial Controller*)
Mr. Xu Xiaohua (*Appointed on 20 May 2016*)
Mr. Zhang Bin (*Appointed on 1 October 2016*)
Mr. Li Hejun (*Chairman*) (*Resigned on 20 May 2016*)

Mr. Frank Mingfang Dai
(*Deputy Chairman and Chief Executive Officer*)
(*Resigned on 20 May 2016*)
Dr. Feng Dianbo (*Deputy Chairman*)
(*Resigned on 20 May 2016*)
Mr. Chen Li (*Executive Vice-President*)
(*Resigned on 20 May 2016*)
Mr. Zhang Bo (*Resigned on 15 July 2016*)
Mr. Lin Qi (*Appointed on 17 July 2016 and resigned on 1 October 2016*)
Mr. Liu Jianjun (*Appointed on 20 May 2016 and resigned on 1 November 2016*)

Independent non-executive Directors

Ms. Zhao Lan
Mr. Wang Tongbo
Professor Xu Zheng
Dr. Wang Wenjing

In accordance with the bye-law 86(2) of the Company's Bye-Laws, Mr. Yuan Yabin, Mr. Wang Xiong, Mr. Xu Xiaohua and Mr. Zhang Bin will hold office until the next following annual general meeting of the Company and, being eligible, will offer themselves for re-election.

In accordance with the bye-law 87(1) of the Company's Bye-Laws, Dr. Lam Yat Ming Eddie, Mr. Si Haijian and Mr. Huang Songchun will retire from office at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

董事

年內及直至本報告日期之董事如下：

執行董事

袁亞彬先生(主席)
(於二零一六年五月二十日獲委任)
林一鳴博士(副主席)
王雄先生(副主席)
(於二零一六年十一月一日獲委任)
司海健先生(首席執行官)
黃松春先生(財務總監)
徐曉華先生(於二零一六年五月二十日獲委任)
張彬先生(於二零一六年十月一日獲委任)
李河君先生(主席)
(於二零一六年五月二十日辭任)
Frank Mingfang Dai先生
(副主席兼首席執行官)
(於二零一六年五月二十日辭任)
馮電波博士(副主席)
(於二零一六年五月二十日辭任)
陳力先生(常務副總裁)
(於二零一六年五月二十日辭任)
張波先生(於二零一六年七月十五日辭任)
林啟先生(於二零一六年七月十七日獲委任，並於二零一六年十月一日辭任)
劉建軍先生(於二零一六年五月二十日獲委任，並於二零一六年十一月一日辭任)

獨立非執行董事

趙嵐女士
王同渤先生
徐征教授
王文靜博士

根據本公司之公司細則第86(2)條，袁亞彬先生、王雄先生、徐曉華先生及張彬先生任期至本公司下屆股東週年大會為止，並合資格膺選連任。

根據本公司之公司細則第87(1)條，林一鳴博士、司海健先生及黃松春先生將於應屆股東週年大會上退任，惟合資格並願意膺選連任。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' INTEREST IN SHARES

As at 31 December 2016, the directors or the chief executive of the Company had interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as follows:

董事之股份權益

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在本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債券中擁有任何記錄於本公司根據證券及期貨條例第352條須存置之登記冊之權益或淡倉，或根據香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十所載之上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益或淡倉載列如下：

Name of Director	Capacity held	Number of shares	Number of underlying shares under derivatives equity/share options 衍生工具權益 項下之相關股份/ 購股權數目	Total interests	Percentage of issued share capital (%) 佔已發行股本百分比 (%)
董事姓名	持有身份	股份數目	購股權數目	合共權益	(%)
Mr. YUAN Yabin 袁亞彬先生	Beneficial owner 實益擁有人	20,220,000(L)	—	20,220,000(L)	0.048
Dr. LAM Yat Ming Eddie 林一鳴博士	Beneficial owner 實益擁有人	—	1,600,000(L)	1,600,000(L)	0.004
Mr. HUANG Songchun 黃松春先生	Beneficial owner 實益擁有人	1,162,500(L)	418,500(L)	1,581,000(L)	0.004
Mr. SI Haijian 司海健先生	Beneficial owner 實益擁有人	—	1,500,000(L)	1,500,000(L)	0.004
Mr. XU Xiaohua 徐曉華先生	Beneficial owner 實益擁有人	6,000,000(L)	—	6,000,000(L)	0.014

L — Long positions 好倉

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' INTEREST IN SHARES *(continued)*

Save as disclosed above, as at 31 December 2016, none of the Directors and the chief executive of the Company had registered an interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed under the section headed "Connected Transactions and Continuing Connected Transactions" in the report of the Directors and note 34 to the consolidated financial statements, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed Share Option above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

MANAGEMENT AND SERVICE CONTRACTS

No contracts of significance concerning the management or administration of the whole or any substantial part of any business of the Company were entered into or existed during the year.

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without the payment of compensation (other than statutory compensation).

董事之股份權益(續)

除上文所披露者外，於二零一六年十二月三十一日，本公司之董事及主要行政人員概無於本公司或其相聯法團之股份、相關股份或債券中登記擁有任何須記錄於本公司根據證券及期貨條例第352條須存置之登記冊之權益或淡倉，或根據標準守則須知會本公司及聯交所之權益或淡倉。

董事於重大合同之權益

除董事會報告「關連交易及持續關連交易」及綜合報表附註34披露外，於年結日或年內任何時間，本公司或其任何附屬公司概無訂立董事在當中直接或間接地擁有重大權益之重要合同。

購買股份或債券之安排

除上文購股權一節所披露者外，於年內任何時間，本公司或其任何附屬公司並無訂立任何安排，致使董事可因購買本公司或任何其他法人團體之股份或債券而獲取利益。

管理及服務合同

年內並無訂立或存在任何有關本公司全部或任何主要部分業務之重大管理或行政合同。

獲提名在應屆股東週年大會上重選之董事概無與本公司或其任何附屬公司訂立僱用公司不可在一年內不予賠償(法定賠償除外)而終止之服務合同。

REPORT OF THE DIRECTORS

董事會報告

RETIREMENT SCHEMES

Details of the Group's retirement scheme are shown in note 2.4 to the consolidated financial statements.

The Group's retirement scheme contributions charged to the consolidated statement of profit or loss and other comprehensive income for the year amounted to approximately HK\$31,567,000 (2015: HK\$59,714,000).

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2016, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors and chief executives of the Company, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

退休計劃

本集團之退休計劃詳情載於綜合財務報表附註2.4。

本年度，在綜合損益及其他全面收益表扣除之本集團退休計劃之供款約為31,567,000港元(二零一五年：59,714,000港元)。

主要股東

於二零一六年十二月三十一日，本公司根據證券及期貨條例第336條存置之主要股東名冊顯示，除上文所披露有關若干董事及本公司主要行政人員之權益外，下列股東已通知本公司所持本公司已發行股本之相關權益。

Name of shareholder	Capacity	Number of Shares	Number of underlying shares under derivatives equity 衍生工具權益項下之相關股份數目	Total interests 合共權益	Percentage of issued share capital (%) 佔已發行股本百分比
股東名稱	權益性質	股份數目			
Mr. Li He Jun 李河君先生	Interest of controlled corporation 所控制法團之權益	31,057,190,297(L) (Note 1) (附註1)	150,588,000(L)	31,207,778,297(L)	74.75
		3,122,000,000(S)		3,122,000,000(S)	7.46
北京華勤高科貿易有限公司	Interest of controlled corporation 所控制法團之權益	29,995,830,297(L) (Note 1) (附註1)	150,588,000(L)	30,146,418,297(L)	72.02
		2,822,000,000(S)		2,822,000,000(S)	6.74
北京建煌電力投資有限公司	Interest of controlled corporation 所控制法團之權益	29,995,830,297(L) (Note 1) (附註1)	150,588,000(L)	30,146,418,297(L)	72.02
		2,822,000,000(S)		2,822,000,000(S)	6.74
Hanergy Holding 漢能控股	Beneficial owner & Interest of controlled corporation 實益擁有人及所控制法團之權益	29,995,830,297(L) (Note 1) (附註1)	150,588,000(L)	30,146,418,297(L)	72.21
		2,822,000,000(S)		2,822,000,000(S)	6.76

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS (continued)

主要股東(續)

Name of shareholder	Capacity	Number of Shares	Number of underlying shares under derivatives equity 衍生工具權益項下之相關股份數目	Total interests	Percentage of issued share capital (%) 佔已發行股本百分比
股東名稱	權益性質	股份數目		合共權益	
廣東東江電力開發有限公司	Interest of controlled corporation 所控制法團之權益	29,926,418,297(L)	150,588,000(L)	30,146,418,297(L)	72.02
		(Note 1) (附註 1)			
		2,822,000,000(S)		2,822,000,000(S)	6.74
Hanergy Investment Limited	Beneficial owner & Interest of controlled corporation 實益擁有人及所控制法團之權益	19,654,500,921(L)	150,588,000(L)	19,805,088,921(L)	47.44
		2,822,000,000(S)		2,822,000,000(S)	6.76
Hanergy Option Limited	Beneficial owner 實益擁有人	2,966,785,603(L)	—	2,966,785,603(L)	7.11
GL Wind Farm Investment Limited	Beneficial owner 實益擁有人	1,973,684,104(L)	—	1,973,684,104(L)	4.73
		400,000,000(S)	—	400,000,000(S)	0.96
China Genco Investment Limited	Beneficial owner 實益擁有人	1,917,937,219(L)	—	1,917,937,219(L)	4.61
		982,000,000(S)		982,000,000(S)	2.36
麗江博雅太和新能源投資顧問有限公司	Interest of controlled corporation 所控制法團之權益	1,061,360,000(L)	—	1,061,360,000(L)	2.54
		300,000,000(S)		300,000,000(S)	0.72
河源漢鼎能源科技有限公司	Interest of controlled corporation 所控制法團之權益	1,061,360,000(L)	—	1,061,360,000(L)	2.54
		300,000,000(S)		300,000,000(S)	0.72
漢能光伏科技有限公司	Beneficial owner 實益擁有人	1,061,360,000(L)	—	1,061,360,000(L)	2.54
		300,000,000(S)		300,000,000(S)	0.72

L — Long positions 好倉

S — Short positions 淡倉

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS *(continued)*

Note:

1. These shares comprise the Second Tranche of 1,473,458,688 Subscription Shares at the Subscription Price of HK\$0.12 per Subscription Share and the Third Tranche of 1,473,458,688 Subscription Shares at the Subscription Price of HK\$0.10 per Subscription Share will be issued and allotted pursuant to Subscription Agreement dated 20 May 2010 and the subsequent Supplementary Agreement.

Save as disclosed above, the Company had not been notified any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO as at 31 December 2016.

CORPORATE GOVERNANCE

A report on the corporate governance practices of the Company is set out on pages 81 to 94 of this report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, the Company has maintained sufficient public float as required under the Listing Rules as at the date of this report.

CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Company's principal place of business in Hong Kong has been relocated to Room 2403A, 24/F, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong with effect from 13 September 2016.

主要股東(續)

附註：

1. 該等相關股份包括根據二零一零年五月二十日訂立之認購協議及其後之補充協議予以發行及配發之第二批合共1,473,458,688股認購股份，每股認購股份0.12港元及第三批合共1,473,458,688股認購股份，每股認購股份0.10港元。

除上文所披露者外，於二零一六年十二月三十一日，本公司並無接獲通知任何本公司股份或相關股份之權益或淡倉須列入根據證券及期貨條例第336章須存置之登記冊。

企業管治

有關本公司企業管治常規之報告載於本報告第81頁至第94頁。

公眾持股量充足度

根據本公司所得之公開資料並就董事所知，於本報告日期，本公司已維持上市規則所規定之充足公眾持股量。

更改香港主要營業地點

本公司於香港之主要營業地點已遷至香港銅鑼灣告士打道280號世貿中心24樓2403A室，由二零一六年九月十三日起生效。

REPORT OF THE DIRECTORS

董事會報告

AUDITORS

Ernst & Young was appointed by the Directors to conduct audit on the financial statements of the Company for the year ended 31 December 2016. A resolution will be proposed at the forthcoming annual general meeting to reappoint Ernst & Young as the auditors of the Company.

On behalf of the Board

Yuan Yabin
Chairman

Beijing, the PRC, 30 March 2017

核數師

安永會計師事務所獲董事委任審核本公司截至二零一六年十二月三十一日止年度之財務報表。於應屆股東週年大會上將提呈一項決議案以續聘安永會計師事務所為本公司核數師。

代表董事會

袁亞彬
主席

中國北京，二零一七年三月三十日

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Board is dedicated to provide effective and responsible leadership for the Company. The Directors, individually and collectively, must act in good faith in the best interests of the Company and its shareholders.

The Board has established the following committees to oversee different areas of the Company's affairs. The composition of the Board and the committees are given below and their respective responsibilities are discussed later in this report. The terms of references of these committees adopted by the Board are published on the Company's website (www.hanergythinfilmpower.com).

As at 31 December 2016, the members of the Board and the committees are as follows:

企業管治常規

董事會負責為本公司提供有效及負責任之領導。董事必須個別及共同秉誠行事，以本公司及其股東之最佳利益為依歸。

董事會已成立以下委員會監管本公司不同範疇之事務。董事會及各委員會之成員載於下文，而各自之職責將於本報告下文論述。該等委員會之職權範圍已獲董事會採納，並登載於本公司網站 (www.hanergythinfilmpower.com)。

於二零一六年十二月三十一日，董事會及各委員會之成員如下：

Board	董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Independent non-executive Directors	獨立非執行董事			
Ms. Zhao Lan	趙嵐女士	✓*	✓*	✓
Mr. Wang Tongbo	王同渤先生	✓	✓	✓*
Professor Xu Zheng	徐征教授	✓	✓	✓
Dr. Wang Wenjing	王文靜博士	✓	✓	✓

* Chairperson of the committee 委員會主席

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

(continued)

The Board sets the Group's objectives and strategies and monitors its performance. The Board also decides on matters such as annual and interim results, major transactions, director appointments, dividend and accounting policies. The Board has delegated the authority and responsibility of managing and overseeing the Group's day to day operations to the Chief Executive Officer and Executive Directors of the Company and respective directors of principal subsidiaries of the Group.

Mr. Yuan Yabin is the Chairman of the Board and Mr. Si Haijian is the Chief Executive Officer of the Company. There are clear divisions among their responsibilities with a view to achieving a balance of power and authority. The Chairman provides leadership to the Board in terms of formulating policies and strategies. The Chief Executive Officer of the Company has the overall responsibility of implementing the decisions, policies and strategies approved by the Board, and overseeing the Group's business and operations.

The Company had received annual confirmation from each of the independent non-executive directors as regards their independence to the Company and based on the contents of such confirmations, considers that each of the independent non-executive Directors is independent to the Company.

The company secretary of the Company assists the Chairman in setting the agenda of board meetings and each Director is invited to present any businesses that they wish to discuss or propose at the meetings. All Directors have timely access to all relevant information of the meetings and may take professional advice if necessary.

企業管治常規(續)

董事會設定本集團之目標及戰略，並監管其表現。董事會亦會對有關年度及中期業績、主要交易、董事委任，以及股息及會計政策作出決定。董事會已將管理及監督本集團日常營運之權力以及責任授權予本公司首席執行官及執行董事及本集團主要附屬公司各自之董事。

袁亞彬先生為董事會主席，而司海健先生則為本公司之首席執行官。彼等之職責有清晰劃分，以達至權力及權限方面之平衡。主席負責領導董事會制定政策及戰略。本公司首席執行官全面負責制定獲董事會批准的決策、政策及戰略，以及監督本集團業務及營運。

本公司已接獲各獨立非執行董事就其於本公司之獨立性作出之年度確認，並根據有關確認之內容認為各獨立非執行董事均獨立於本公司。

本公司之公司秘書協助主席擬備董事會會議之會議議程，而各董事均會獲邀提出任何彼等擬於會上討論或提呈之事項。全體董事均可迅速取得所有會議之相關資料，亦可於需要時尋求專業意見。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD

During the year ended 31 December 2016, Board meeting and general meeting were held with details of the Directors' attendance set out below:

董事會

截至二零一六年十二月三十一日止年度曾舉行董事會會議及股東大會，董事出席詳情如下：

Directors	董事	Attendance/No. of meetings 出席次數/會議次數	
		Board meeting 董事會會議	General meeting 股東大會
Executive Directors			
Mr. Yuan Yabin (Appointed on 20 May 2016)	袁亞彬先生 (於二零一六年五月二十日獲委任)	3/3	N/A
Dr. Lam Yat Ming Eddie	林一鳴博士	4/4	1/1
Mr. Wang Xiong (Appointed on 1 November 2016)	王雄先生 (於二零一六年十一月一日獲委任)	1/1	N/A
Mr. Si Haijian	司海健先生	4/4	1/1
Mr. Huang Songchun	黃松春先生	4/4	1/1
Mr. Xu Xiaohua (Appointed on 20 May 2016)	徐曉華先生 (於二零一六年五月二十日獲委任)	2/3	N/A
Mr. Zhang Bin (Appointed on 1 October 2016)	張彬先生 (於二零一六年十月一日獲委任)	1/1	N/A
Mr. Li Hejun (Resigned on 20 May 2016)	李河君先生 (於二零一六年五月二十日辭任)	2/2	1/1
Mr. Frank Mingfang Dai (Resigned on 20 May 2016)	Frank Mingfang Dai 先生 (於二零一六年五月二十日辭任)	2/2	1/1
Dr. Feng Dianbo (Resigned on 20 May 2016)	馮電波博士 (於二零一六年五月二十日辭任)	2/2	1/1
Mr. Chen Li (Resigned on 20 May 2016)	陳力先生 (於二零一六年五月二十日辭任)	2/2	1/1
Mr. Zhang Bo (Resigned on 15 July 2016)	張波先生 (於二零一六年七月十五日辭任)	2/2	1/1
Mr. Lin Qi (Appointed on 17 July 2016 and resigned on 1 October 2016)	林啟先生 (於二零一六年七月十七日獲委任， 並於二零一六年十月一日辭任)	1/1	N/A
Mr. Liu Jianjun (Appointed on 20 May 2016 and resigned on 1 November 2016)	劉建軍先生 (於二零一六年五月二十日獲委任， 並於二零一六年十一月一日辭任)	2/2	N/A
Independent non-executive Directors			
Ms. Zhao Lan	趙嵐女士	4/4	1/1
Mr. Wang Tongbo	王同渤先生	4/4	1/1
Professor Xu Zheng	徐征教授	4/4	1/1
Dr. Wang Wenjing	王文靜博士	4/4	1/1

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD *(continued)*

Under the Bye-laws, all Directors are currently required to offer themselves for re-election by rotation at least once every three years. All Directors appointed to fill a casual vacancy should be subject to election at the first general meeting after their appointment.

The independent non-executive Directors were not appointed for a specific term but their directorship were subject to retirement by rotation and re-election in accordance with the bye-laws of the Company (the "Bye-laws") and the Listing Rules. Under the Bye-laws, one-third of the Directors shall retire from office by rotation at each annual general meeting. According to the Listing Rules, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Directors will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making process are regulated in a proper and prudent manner.

During the year, the Chairman had at least annually held meetings with all independent non-executive directors without the executive directors present.

At the annual general meeting of the Company held on 20 May 2016, the chairman of the Board and the members of all board committees, together with the external auditor of the Company were present to be available to answer any question to ensure effective communication with shareholders of the Company.

Every newly appointed director of the Company had received a comprehensive, formal and tailored induction on appointment. Subsequently any briefing or continuous professional development will be provided to ensure that Director has a proper understanding of the Company's operations and business and is fully aware of his responsibilities under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

董事會(續)

根據公司細則，全體董事現時須最少每三年輪流接受一次重選。所有為填補臨時空缺而獲委任之董事須在接受委任後首次股東大會上進行選舉。

獨立非執行董事之委任並無指定任期，惟彼出任董事須根據本公司之公司細則(「公司細則」)及上市規則輪值告退及接受重新選舉。根據公司細則，每次股東週年大會應有三分之一董事輪值告退。根據上市規則，每名董事(包括有指定任期的董事)應輪席告退，至少每三年一次。

董事將持續檢討及改進本公司之企業管治常規及準則，以確保商業活動及決策程序受到妥善審慎規管。

年內，主席最少每年與全體獨立非執行董事舉行一次執行董事不得出席之會議。

於二零一六年五月二十日舉行之本公司股東週年大會上，董事會主席、所有董事委員會成員及本公司之外聘核數師均有出席，以回應任何提問，確保與本公司股東之間的有效溝通。

各新委任之本公司董事均獲得全面、正式兼特別設計之入職培訓。隨後將獲提供簡報或持續專業發展，以確保董事了解本公司之營運及業務，並明瞭其根據國家法律及普通法、聯交所上市規則、法律及其他監管規定以及本公司之業務及管治政策之責任。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD *(continued)*

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. During the year, in-house seminar was conducted covering the topics on insider dealing, false trading, price rigging, disclosure of information about prohibited transactions, disclosure of false or misleading information inducing transactions, and stock market manipulation. Directors participated in the following trainings:

董事會(續)

本公司鼓勵董事參與持續專業發展學習以增進及更新知識及技能。年內曾進行內部研討會，內容涵蓋內幕交易、虛假交易、操控價格、披露關於受禁之交易資料、披露虛假或具誤導性之資料以誘使進行交易，以及證券市場操縱。董事曾參與下列培訓：

Directors	董事	Types of Trainings 培訓類型
Executive Directors		
Mr. Yuan Yabin	袁亞彬先生	S, R, I
Dr. Lam Yat Ming Eddie	林一鳴博士	S, R
Mr. Wang Xiong	王雄先生	I
Mr. Si Haijian	司海健先生	S, R
Mr. Huang Songchun	黃松春先生	S, R
Mr. Xu Xiaohua	徐曉華先生	S, R, I
Mr. Zhang Bin	張彬先生	I
Independent non-executive Directors		
Ms. Zhao Lan	趙嵐女士	S, R
Mr. Wang Tongbo	王同渤先生	S, R
Professor Xu Zheng	徐征教授	S, R
Dr. Wang Wenjing	王文靜博士	S, R

- S: Attending seminars and/or conferences and/or forums relating to directors' duties
- R: Reading newspaper, journals and updates relating to the economy, general business or directors' duties, etc.
- I: Induction training provided by lawyer on new appointment

- S: 出席與董事職務有關的研討會及／或會議及／或論壇
- R: 閱讀有關經濟、一般業務或董事職務等報章、刊物及最新資料
- I: 新委任時由律師提供之入職培訓

To the best of knowledge of the Company, there is no financial, business, family or other material or relevant relationships among members of the Board.

就本公司所知，董事會成員之間並無財務、業務、家庭或其他重大或相關關係。

Appropriate insurance to cover against liability of the Directors and officers of the Company was arranged and will be renewed annually.

本公司已為董事和高級職員投保有關法律責任的適當保險，並會每年續期。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT COMMITTEE

The audit committee of the Company was established to review the Group's financial reporting, risk management, internal controls and corporate governance issues and make relevant recommendations to the Board. As at 31 December 2016, the Audit Committee comprised four independent non-executive Directors. The chairman of the Audit Committee possesses appropriate professional qualifications, accounting or related financial management expertise as required under the Listing Rules. Please refer to biography section of Directors for further details of the committee members.

The Audit Committee may elect to ask the external auditors to attend its meetings. During the year, the Audit Committee has met with the external auditors with no executive Directors present.

審核委員會

本公司之審核委員會乃成立以審閱本集團之財務申報、風險管理、內部監控及企業管治事宜，並對董事會提出相關建議。於二零一六年十二月三十一日，審核委員會包括四名獨立非執行董事。審核委員會主席具備上市規則所規定之適當專業資格、會計或相關財務管理專業知識。有關委員會成員之進一步詳情請參閱董事履歷一節。

審核委員會可選擇要求外聘核數師出席其會議。於本年度，審核委員會已與外聘核數師舉行並無執行董事出席之會議。

		No. of meetings attended 出席會議次數
Ms. Zhao Lan (<i>Chairperson</i>)	趙嵐女士(主席)	2/2
Mr. Wang Tongbo	王同渤先生	2/2
Professor Xu Zheng	徐征教授	2/2
Dr. Wang Wenjing	王文靜博士	2/2

AUDITOR'S REMUNERATION

The services provided by Ernst & Young and other audit firms and the fees thereof for the year ended 31 December 2016 and 2015, respectively, were as follows:

核數師酬金

安永會計師事務所及其他會計師事務所於截至二零一六年及二零一五年十二月三十一日止年度分別提供之服務及其相關費用如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Statutory Annual	法定年度		
Ernst & Young	安永會計師事務所		
— Agreed upon procedure	— 協定程序	5,263	2,242
— Annual audit and special audit	— 年度審核及特別審核	23,352	12,458
— Other service	— 其他服務	—	74
Other audit firms for the audit and other related service	其他會計師事務所之審核及其他有關服務	2,652	1,484
		31,267	16,258

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE

The remuneration committee of the Company was established to review the remuneration of Directors and the Group's salary policy. A majority of members are independent non-executive Directors. To minimize any conflict of interest, any member who is interested in any given proposed motion is required to abstain from voting on such motion. During the year under review, the Remuneration Committee had reviewed the Group's policy and structure for all remuneration of Directors, and the remuneration of new Directors on appointment.

薪酬委員會

本公司之薪酬委員會成立以審閱董事酬金及本集團薪酬政策。大部分成員為獨立非執行董事。為將利益衝突減至最低，任何成員如於所提出之任何動議中擁有權益，則須就該項動議放棄投票。於回顧年度，薪酬委員會已審閱本集團董事之所有薪酬政策及架構，以及新獲委任董事之薪酬。

		No. of meetings attended 出席會議次數
Ms. Zhao Lan (<i>Chairperson</i>)	趙嵐女士(主席)	2/2
Mr. Wang Tongbo	王同渤先生	2/2
Professor Xu Zheng	徐征教授	2/2
Dr. Wang Wenjing	王文靜博士	2/2

With reference to the respective duties and responsibilities of Directors in the Group as well as the prevailing market condition, the monthly remuneration (including salary and director's fee) of the following Directors were adjusted as follows:

經參考董事各自於本集團之職務及職責以及當前市況後，以下董事之每月酬金(包括薪金及董事袍金)乃調整如下：

Director 董事	Effective Date 生效日期	Monthly Remuneration (Including Salary and Director's Fee) 每月酬金 (包括薪金及董事袍金) HK\$ 港元
Dr. Lam Yat Ming Eddie 林一鳴博士	20 May 2016 二零一六年五月二十日	348,000
Mr. Si Haijian 司海健先生	20 May 2016 二零一六年五月二十日	153,846.15

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION COMMITTEE

The nomination committee of the Company was established with specific written terms of reference to review the structure, size and composition of the Board at least annually, to make recommendations on the procedures and criteria for appointment of Directors and to implement those that are adopted by the Board. All members are independent non-executive Directors.

The Company has a Board Diversity Policy to enhance the quality of its performance. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

提名委員會

本公司已成立提名委員會並以書面訂明其職權範圍，最少每年審核一次董事會之架構、規模及組成，以就委任董事之程序及準則提出建議及將董事會所採納者落實。全體成員均為獨立非執行董事。

本公司已採納董事會成員多元化政策以提升工作質量。為實現持續平衡發展，本公司認為董事會成員多元化是達致戰略目標及可持續發展的關鍵。本公司選任董事會成員時，從多方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識和服務年期。董事會所有委任均以用人唯才為原則，充分顧及董事會成員多元化的裨益參照各種標準選用人才。

No. of meetings attended 出席會議次數

Mr. Wang Tongbo (<i>Chairman</i>)	王同渤先生(主席)	1/1
Ms. Zhao Lan	趙嵐女士	1/1
Professor Xu Zheng	徐征教授	1/1
Dr. Wang Wenjing	王文靜博士	1/1

During the year under review, the Nomination Committee had reviewed and made recommendations to the Board for the appointment of new Directors.

於回顧年度內，提名委員會已審閱及向董事會就委任新董事提供建議。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties with its written terms of reference as set out below:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations 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 review the Company's compliance with the code and disclosure in the Corporate Governance Report.

No corporate governance committee has been established and the corporate governance report has been reviewed by the Board in discharge of its corporate governance function.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The annual and interim results announcement of the Company are published in a timely manner and within three months and two months respectively of the year end and interim periods.

The responsibility of Directors in relation to the financial statements is set out below. It should be read in conjunction with, but distinguished from, the Independent Auditor's Report on pages 100 to 112 which acknowledges the reporting responsibility of the Group's Auditor.

企業管治職能

董事會負責履行企業管治職責，其書面職權範圍載列如下：

- (a) 制定及檢討本公司在企業管治方面之政策及常規並向董事會提出建議；
- (b) 檢討及監察董事及高級管理人員之培訓及持續專業發展；
- (c) 檢討及監察本公司在遵守法律及監管規定方面之政策及常規；
- (d) 檢討本公司遵守該準則之情況及於企業管治報告內之披露。

董事會並無成立企業管治委員會而本企業管治報告已由董事會審閱，以履行其企業管治職能。

問責性與審核

財務申報

本公司年度及中期業績公佈分別於年結日及中期期間結束後各自於三個月及兩個月時限內適時刊發。

董事就財務報表所承擔之責任載列如下。下文與第100頁至第112頁所載獨立核數師報告內本集團核數師確認其報告責任有所不同，但兩者應一併閱讀。

CORPORATE GOVERNANCE REPORT

企業管治報告

ACCOUNTABILITY AND AUDIT *(continued)*

Annual Report and Accounts

The Directors acknowledge their responsibility for the preparation of the annual report and financial statements of the Company to ensure that these financial statements give a true and fair presentation in accordance with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable accounting standards.

Accounting Policies

The Directors consider that in preparing the financial statements, the Group has applied appropriate accounting policies that are consistently adopted and made judgements and estimates that are reasonable and prudent in accordance with the applicable accounting standards.

Accounting Records

The Directors are responsible for ensuring that the Group keeps accounting records which disclose the financial position of the Group upon which financial statements of the Group could be prepared in accordance with the Group's accounting policies while monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail had been provided to all Directors.

Safeguarding Assets

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 within the Group.

Going Concern

The Directors, after due and careful enquiries and by performing the necessary due diligence work to assess the credibility and the capacity of the Hanergy Affiliates, are of the view that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate for the Group to adopt the going concern basis in preparing the financial statements.

問責性與審核(續)

年報及賬目

董事確認其有責任編製本公司之年報及財務報表，以確保此等財務報表能根據香港公司條例的披露規定及適用會計準則，真實而公平地呈列資料。

會計政策

董事認為，本集團在編製財務報表時已應用一貫採納之適當會計政策，並根據適用之會計準則作出合理及審慎之判斷及估計。

會計記錄

董事負責確保本集團保存可披露本集團財政狀況之會計記錄，而藉此等記錄，本集團得以按照本集團之會計政策編製財務報表。全體董事每月均獲提供本公司表現、狀況及前景之平衡及可理解的詳細評估。

保護資產

董事負責採取一切合理及必要之措施保護本集團資產，並防範及查察本集團內之詐騙行為及其他違規事項。

持續經營

經謹慎查詢及藉進行必須盡職審查工作評估漢能聯屬公司之信譽及能力後，董事認為本集團擁有足夠資源在可見未來繼續營運，因此本集團適宜採納持續經營基準編製財務報表。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has an overall responsibility for maintaining a sound and effective risk management and internal control system (the “System”) of the Group. The System is designed not only to achieve the Group’s objectives with facilitating an effective and efficient business operation to ensure a reliable financial reporting and compliance with applicable rules and regulations, but also to provide reasonable, but not absolute, assurance on preventing material misstatement or loss as well as managing and minimizing risks of failure in operational system. The risk management process includes risk identification, risk evaluation, risk management measures and risk control and review.

The Group’s business, financial conditions and results may be affected by risk and uncertainties pertaining to the Group’s business. Certain significant risks have been identified through the process of risk identification and assessment.

The Board should at least annually conduct a review on the effectiveness of the System including all relevant financial, operational and compliance controls and risk management functions.

The Directors, through the Audit Committee and the internal audit department, have continued to review the effectiveness of the System. The System is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. Controls are monitored by management review and by a programme of internal audits.

風險管理及內部監控

董事會就維持本集團穩健而有效之風險管理及內部監控系統(「系統」)負全責。系統旨在透過促進有效及高效之業務運作，確保可靠之財務報告及確保遵守各項適用規則法規以達致本集團之目標，同時亦旨在提供合理但非絕對保證，以防範重大失實陳述或損失，以及理順及減低營運系統失靈之風險。風險管理程序包括風險識別、風險評估、風險管理措施以及風險控制及審查。

本集團之業務、財務狀況及業績可能受與本集團業務有關之風險及不明朗因素影響。透過風險識別及評估已辨識若干重大風險。

董事會應最少每年對系統(包括所有相關財務、營運及合規控制及風險管理功能)之有效性進行一次檢討。

董事一直透過審核委員會及內部審計部檢討系統之有效性。系統旨在管理但不能消除未能達成業務目標之風險，並僅可提供合理但非絕對之無重大錯誤陳述或損失保證。監控措施由管理人員檢討及透過內部審計程序進行監督。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, save for the followings:

The independent non-executive Directors were not appointed for a specific term but their directorship were subject to retirement by rotation and re-election in accordance with the bye-laws of the Company (the “Bye-laws”) and the Listing Rules. Under the Bye-laws, one-third of the Directors shall retire from office by rotation at each annual general meeting. According to the Listing Rules, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Directors will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making process are regulated in a proper and prudent manner.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted a code of conduct (the “Model Code”) regarding securities transactions by the Directors on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules. Having made specific enquiry to all Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by Directors adopted by the Company.

遵守企業管治守則

年內，本公司一直遵守上市規則附錄十四所載之企業管治守則所載之守則條文，以下所述者則除外：

獨立非執行董事之委任並無指定任期，惟彼等出任董事須根據本公司之公司細則（「公司細則」）及上市規則輪值告退及接受重新選舉。根據公司細則，每次股東週年大會應有三分之一董事輪值告退。根據上市規則，每名董事（包括有指定任期的董事）應輪席告退，至少每三年一次。

董事將持續檢討及改進本公司之企業管治常規及準則，以確保商業活動及決策程序受到妥善審慎規管。

本公司董事進行證券交易的標準守則

本公司已就董事進行證券交易採納一套不比上市規則附錄十所載規定準則寬鬆之行為守則（「標準守則」）。經向全體董事作出特定查詢後，董事確認彼等已遵守標準守則所載之要求標準及本公司就董事進行證券交易所採納之行為守則。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS

Convening a Special General Meeting by Shareholders

Pursuant to the Bye-law 58, a special general meeting may be convened by the Board upon requisition by any shareholder holding not less than one-tenth of the issued share capital of the Company and the securities being held carrying the right of voting at any general meetings of the Company. The shareholder shall make a written requisition to the Board or the Company Secretary of the Company at the principal place of business of the Company in Hong Kong, specifying the shareholding information of the shareholder, his/her contact details and the proposal regarding any specified transaction/business and its supporting documents.

The Board shall arrange to hold such general meeting within two (2) months after the receipt of such written requisition. The Company shall serve requisite notice of the general meeting, including the time, place of meeting and particulars of resolutions to be considered at the meeting and the general nature of the business.

If within twenty-one (21) days of the receipt of such written requisition, the Board fails to proceed to convene such special general meeting, the shareholder shall do so pursuant to the provisions of Section 74(3) of the Companies Act of Bermuda.

Putting Forward Proposals at General Meetings

A shareholder shall make a written requisition to the Board or the Company Secretary of the Company at the principal place of business of the Company in Hong Kong, specifying the shareholding information of the shareholder, his/her contact details and the proposal he/she intends to put forward at general meeting regarding any specified transaction/business and its supporting documents.

股東權利

股東召開股東特別大會

根據公司細則第58條，若任何持有本公司不少於十分之一已發行股本而所持證券附帶可於本公司任何股東大會投票權的股東提出要求，董事會可召開股東特別大會。該股東須致函本公司香港主要營業地點向本公司董事會或公司秘書提出書面要求，列明該股東的股權資料、詳細聯絡資料和有關任何具體交易／事宜的建議及有關文件。

董事會須於接獲有關書面要求後兩(2)個月內舉行股東大會。本公司須發出股東大會通告，列明會議時間、地點、將於會上考慮的決議案詳情和有關事項的一般性質。

倘董事會於接獲有關書面要求後二十一(21)天內仍未著手召開股東特別大會，該股東可按照百慕達公司法第74(3)條的規定自行安排。

於股東大會提呈建議

股東須致函本公司於香港的主要營業地點向本公司董事會或公司秘書提出書面要求，列明該股東的股權資料、詳細聯絡資料和擬就任何具體交易／事宜於股東大會提呈的建議及有關文件。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS *(continued)*

Making Enquiry to the Board

Shareholders may send written enquiries, either by post, by facsimiles or by email, together with his/her contact details, such as postal address, email or fax, addressing to Board of the Company at the following address or facsimile number or via email:

Room 2403A, 24/F, World Trade Centre,
280 Gloucester Road, Causeway Bay, Hong Kong,
Fax: (852) 2635 1337
Email: ir@hanergythinfilmpower.com

All enquiries shall be collected by the Company Secretary who shall report to the Executive Directors periodically on the enquiries collected. The Executive Directors shall review the enquiries and assign different kinds of enquiries to appropriate division head/manager for answering. After receiving the answers of all enquiries from the relevant division head/manager, the Company Secretary will collect the answers for the Executive Directors' review and approval.

Shareholders Communication Policy

The Company's shareholders communication policy aims to enhance the corporate communication effectively between the shareholders, and the Board and the senior management of the Company through various official channels so that the shareholders can access the Company's public information equally in a timely manner.

股東權利(續)

向董事會查詢

股東可以郵寄、傳真或電郵方式按以下地址、傳真號碼或電郵向本公司董事會提交書面查詢和郵寄地址、電郵或傳真等詳細聯絡資料：

香港銅鑼灣
告士打道280號
世貿中心24樓2403A室
傳真：(852) 2635 1337
電郵：ir@hanergythinfilmpower.com

公司秘書收集所有查詢，然後定期向執行董事報告，執行董事則審閱所有查詢，並按查詢類別交由相關部門主管／經理解答。公司秘書接獲相關部門主管／經理的解答後加以收集並呈交執行董事覆核及審批。

股東溝通政策

本公司之股東溝通政策旨在透過各種正式渠道促進本公司股東、董事會與高級管理層之間有效溝通，以便股東及時平等掌握本公司公開資料。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷

EXECUTIVE DIRECTORS

Mr. Yuan, Yabin (“Mr. Yuan”), aged 48, was appointed as an executive Director and the Chairman of the Board on 20 May 2016. Mr. Yuan obtained a bachelor degree in engineering from Harbin Institute of Technology in 1990 and a master degree in business administration from Tsinghua University in 2003. Mr. Yuan joined Hanergy Holding Group in 2013 and currently acts as the President of Hanergy Holding Group and President of Alta Devices, Inc. Prior to joining Hanergy Holding Group, Mr. Yuan has worked in CPPCC National Committee and Capital Aerospace Machinery Corporation.

Dr. Lam, Yat Ming Eddie (“Dr. Lam”), aged 48, joined the Board as an executive Director on 15 May 2014 and was appointed as the Vice Chairman of the Board on 20 May 2016. Dr. Lam has years of experience in banking and financing. Dr. Lam is a post-doctorate in Financial Engineering from the Shanghai Jiaotong University and holds a doctor of philosophy degree in Finance from the Hong Kong Chinese University. Dr. Lam is also a Chartered Financial Analyst, Certified Financial Planner and Fellow of The Institute of Financial Accountants. Dr. Lam has worked at various financial institutions, including CITIC Securities International, China CITIC Bank International, BCT, Hong Kong Mortgage Corporation, and Standard Chartered Bank.

Mr. Wang Xiong (“Mr. Wang”), aged 50, was appointed as an executive Director and the Vice Chairman of the Board on 1 November 2016. Mr. Wang obtained a bachelor degree in engineering from the Harbin Engineering University in the PRC in 1987 and obtained a master degree in engineering from Tokai University of Japan in 1993. Mr. Wang has over 20 years of experience in investment management, corporate finance and international marketing. He was an executive director of China Success Finance Group Holdings Limited (Stock Code: 3623), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), from July 2016 to October 2016 and was responsible for capital management of the Company. He was an executive director and the vice chairman of Carnival Group International Holdings Limited (Stock Code: 996), a company listed on the Main Board of the Stock Exchange, from March 2013 to October 2014 and was responsible for coordinating relationship with the government and monitoring the implementation of strategies.

執行董事

袁亞彬先生(「袁先生」)，48歲，於二零一六年五月二十日獲委任為執行董事兼董事會主席。袁先生於一九九零年取得哈爾濱工業大學工學學士學位，二零零三年取得清華大學工商管理碩士學位。袁先生於二零一三年加入漢能控股集團，現任漢能控股集團總裁和 Alta Devices, Inc. 董事長。在加入漢能控股集團前，袁先生曾任職於全國政協機關和首都航天機械公司。

林一鳴博士(「林博士」)，48歲，於二零一四年五月十五日獲委任為執行董事，並於二零一六年五月二十日獲委任為董事會副主席。林博士於銀行及金融方面擁有多年經驗。林博士為上海交通大學財務工程博士後，持有香港中文大學金融學哲學博士學位。林博士亦為特許財務分析師、認可財務策劃師，以及財務會計師公會資深會員。林博士曾任職於多間金融機構，包括中信證券國際、中信銀行國際、BCT銀聯集團、香港按揭證券公司和渣打銀行等。

王雄先生(「王先生」)，50歲，於二零一六年十一月一日獲委任為執行董事兼董事會副主席。王先生於一九八七年取得中國哈爾濱船舶工程學院通信工程學士學位，並於一九九三年取得日本東海大學電子工程碩士學位。王先生有超過二十年的投資管理、企業融資及國際市場拓展經驗。王先生自二零一六年七月至十月擔任一家於香港聯合交易所有限公司(「聯交所」)主板上市的公司中國集成金融集團控股有限公司(股份代號：3623)擔任執行董事，負責公司的資本運作管理。彼自二零一三年三月至二零一四年十月擔任一家於聯交所主板上市的公司嘉年華國際控股有限公司(股份代號：996)的執行董事及副主席，負責協調政府關係及監控戰略的實施。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷

EXECUTIVE DIRECTORS *(continued)*

Mr. Si Haijian (“Mr. Si”), aged 38, joined the Board as an executive Director on 21 December 2015 and was appointed as the Chief Executive Officer of the Company on 20 May 2016. Mr. Si obtained a bachelor’s degree in accounting from Shandong College of Economics (山東經濟學院) in 2002 and an MBA degree from Beijing Jiaotong University (北京交通大學) in 2008. Mr. Si is a fellow member of the Association of Chartered Certified Accountants, a Certified Internal Auditor and a Certified Public Accountant of the PRC. Mr. Si has extensive experiences in financial management. He joined Hanergy Holding in April 2014 and worked for Hanergy Global Solar Power & Applications Group as chief executive officer.

Mr. Huang Songchun (“Mr. Huang”), aged 51, was appointed as an executive Director and the Financial Controller of the Company on 21 December 2015. Mr. Huang also acts as legal representatives of certain subsidiaries of the Company. Mr. Huang obtained a bachelor’s degree in economics from Northern Jiatong University (北方交通大學) (currently known as Beijing Jiatong University 北京交通大學) in 1988. Mr. Huang worked in Guangshen Railway Company (廣深鐵路總公司) (currently known as Guangzhou Railway (Group) Company 廣州鐵路(集團)公司) from 1988 to 2004 and joined Hanergy Holding in 2004. Mr. Hunag currently serves as the management in Hanergy Holding and certain subsidiaries, including (i) the supervisor of 寧夏天淨神州風力發電有限公司 (Ningxia Tianjing Shenzhou Wind Power Co., Ltd*); and (ii) the supervisor of 浙江長興漢能薄膜太陽能有限公司 (Zhejiang Changxing Hanergy Film Solar Power Co., Ltd*).

Mr. Xu, Xiaohua (“Mr. Xu”), aged 38, was appointed as an executive Director on 20 May 2016. Mr. Xu obtained a master degree in microelectronics and solid-state electronics from Institute of Semiconductors, Chinese Academy of Sciences in 2004. Mr. Xu joined Apollo Precision (Fujian) Limited (a wholly-owned subsidiary of the Company) in 2010 and currently acts as management personnel of the Company. Mr. Xu currently serves as the Executive President of Flexible Industrial Applications Business Unit and responsible for the operation of China. He also serves as the Chief Executive Officer of HIT Business Unit and responsible for the operation of the business unit.

* For identification purpose only

執行董事(續)

司海健先生(「司先生」)，38歲，於二零一五年十二月二十一日加入董事會，並於二零一六年五月二十日獲委任為本公司執行董事兼首席執行官。司先生於二零零二年取得山東經濟學院會計學專業學士學位，並於二零零八年取得北京交通大學工商管理碩士學位。司先生現為英國特許公認會計師公會資深會員、國際註冊內部審計師及中國註冊會計師。司先生擁有多年的財務管理經驗，於二零一四年四月加入漢能控股，曾任漢能全球光伏應用集團首席執行官。

黃松春先生(「黃先生」)，51歲，於二零一五年十二月二十一日獲委任為本公司執行董事兼財務總監。黃先生亦擔任本公司若干附屬公司之法人代表。彼於一九八八年取得北方交通大學(現稱為北京交通大學)經濟學學士學位。黃先生於一九八八年至二零零四年曾任職於廣深鐵路總公司(現稱為廣州鐵路(集團)公司)，於二零零四年加入漢能控股，現於漢能控股及若干附屬公司任職管理層，包括(i)寧夏天淨神州風力發電有限公司之監事；及(ii)浙江長興漢能薄膜太陽能有限公司之監事。

徐曉華先生(「徐先生」)，38歲，於二零一六年五月二十日獲委任為執行董事。徐先生於二零零四年取得中國科學院半導體研究所微電子學與固體電子學碩士學位。徐先生於二零一零年加入福建鈞陽精工設備有限公司(本公司全資附屬公司)，現於本公司任職管理層。徐先生目前主要任職柔性工業應用事業部執行總裁，負責中國地區的運營；任職HIT事業部行政總裁，負責事業部的運營。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷

EXECUTIVE DIRECTORS *(continued)*

Mr. Zhang Bin (“Mr. Zhang”), aged 52, was appointed as an executive Director on 1 October 2016. Mr. Zhang obtained a master degree in engineering from the Beihang University in 2009. Mr. Zhang has over 20 years’ experience in corporate brand and sales management. For the past five years, Mr. Zhang was the Vice President of Jomoo Kitchen & Bathroom Appliances Co., Ltd. Mr. Zhang is currently the Senior Vice President of Hanergy Holding Group Limited.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Zhao Lan (“Ms. Zhao”), aged 53, was appointed as an independent non-executive Director, the chairperson of each of Audit Committee and Remuneration Committee of the Company on 23 August 2011 and a member of Nomination Committee of the Company on 29 March 2012. Ms. Zhao obtained the Bachelor of Economics from Renmin University of China, the People’s Republic of China (“PRC”), in 1996. Ms. Zhao is a member of the Chinese Institute of Certified Public Accountants and the Beijing City Certified Tax Agents Association. Ms. Zhao is experienced in auditing, accounting and corporate management.

執行董事(續)

張彬先生(「張先生」)，52歲，於二零一六年十月一日獲委任為執行董事。張先生於二零零九年取得北京航空航天大學工程碩士學位。張先生有超過二十年的企業品牌及營銷管理經驗。在過去的五個，張先生為九牧廚衛股份有限公司副總裁。張先生現為漢能控股集團有限公司之高級副總裁。

獨立非執行董事

趙嵐女士(「趙女士」)，53歲，於二零一一年八月二十三日獲委任為本公司之獨立非執行董事、審核委員會主席及薪酬委員會主席，以及於二零一二年三月二十九日獲委任為本公司之提名委員會委員。在一九九六年於中華人民共和國(「中國」)中國人民大學取得經濟學學士學位。趙女士為中國註冊會計師協會及北京市註冊稅務師協會之成員。趙女士具備審計、會計及企業管理經驗。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS *(continued)*

Mr. Wang Tongbo (“Mr. Wang”), aged 66, has years of experience in foreign import and export. He was appointed as an independent non-executive Director, a member of each of Audit Committee and Remuneration Committee of the Company on 12 December 2011 and Chairman of Nomination Committee of the Company on 15 May 2014. He obtained a master degree in Economics from Liaoning University (遼寧大學) in 1995. Mr. Wang is currently a partner of 美國 — 中國成長基金 (American-China Growth Fund*). Before joining American-China Growth Fund, Mr. Wang has worked in 美國億泰證券公司 (Etech Securities, Inc*) as an executive director from 2005 to 2009; 瀋陽維爾克藥業 (Shenyang Wilke Medicine*) as a director from 2003 to 2004; 瀋陽市政府駐美國辦事處 (Shenyang Municipal Government Offices*) as a chief representative of the United States of America from 1996 to 2002; 瀋陽市對外經濟貿易委員會 (Shenyang Foreign Economic and Trade Commission*) as deputy chief from 1990 to 1996; 瀋陽五金礦產進出口公司 (Shenyang Metals and Minerals Import and Export Corporation*) as general manager from 1988 to 1990; and 中國五金礦產進出口公司 (China National Metals and Minerals Import and Export Corporation*) Shenyang branch office as general manager from 1985 to 1988.

Professor Xu, Zheng (“Professor Xu”), aged 58, was appointed as an independent non-executive Director, member of each of Audit Committee, Remuneration Committee and Nomination Committee of the Company on 15 May 2014. Professor Xu has years of experience in research and development. Professor Xu is a post-doctorate in Optical Engineering of Tianjin University holds a doctor of science degree in Solid State Physics from the Graduate School of Chinese Academy of Sciences and is currently professor of Beijing Jiaotong University.

獨立非執行董事(續)

王同渤先生(「王先生」)，66歲，具備多年對外進出口經驗。彼於二零一一年十二月十二日獲委任為獨立非執行董事、審核委員會委員及薪酬委員會委員，以及於二零一四年五月十五日獲委任為本公司之提名委員會主席。彼於一九九五年取得遼寧大學經濟學碩士學位。王先生現為美國 — 中國成長基金之合伙人。加入美國 — 中國成長基金前，王先生於二零零五年至二零零九年任美國億泰證券公司執行董事；二零零三年至二零零四年任瀋陽維爾克藥業董事；一九九六年至二零零二年任瀋陽市政府駐美國辦事處總代表；一九九零年至一九九六年任瀋陽市對外經濟貿易委員會之副主任；一九八八年至一九九零年任瀋陽五金礦產進出口公司總經理；及一九八五年至一九八八年任中國五金礦產進出口公司瀋陽分公司總經理。

徐征教授(「徐教授」)，58歲，於二零一四年五月十五日獲委任為本公司之獨立非執行董事、審核委員會、薪酬委員會及提名委員會委員。徐教授在研究及發展方面擁有多年經驗。徐教授為天津大學光學工程博士後，持有中國科學院研究生院凝聚態物理專業理學博士學位，目前於北京交通大學擔任教授。

* For identification purpose only

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS *(continued)*

Dr. Wang Wenjing (“Dr. Wang”), aged 57, was appointed as an independent non-executive Director, member of each of Audit Committee, Remuneration Committee and Nomination Committee of the Company on 13 August 2014. Dr. Wang has years of experience in research and development. Dr. Wang is a post-doctorate of the Institute of Chemistry at the Chinese Academy of Sciences. Dr. Wang was a director of Beijing Sunda Solar Energy Technology Co., Ltd. between 2002 to 2005 (北京市太陽能研究所有限公司). Dr. Wang currently is the head of PV research group in the Institute of Electrical Engineering at the Chinese Academy of Sciences.

獨立非執行董事(續)

王文靜博士(「王博士」)，57歲，於二零一四年八月十三日獲委任為本公司之獨立非執行董事、審核委員會、薪酬委員會及提名委員會委員。王博士在研究及發展方面擁有多年經驗。王博士為中國科學院化學研究所博士後。王博士於二零零二年至二零零五年曾任北京市太陽能研究所有限公司董事。王博士目前擔任中國科學院電工研究所太陽電池研究部主任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

安永會計師事務所
香港中環添美道1號
中信大廈22樓
Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the shareholders of Hanergy Thin Film Power Group Limited

(Incorporated in Bermuda with limited liability)

QUALIFIED OPINION

We have audited the consolidated financial statements of Hanergy Thin Film Power Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 113 to 278, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, 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 Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致漢能薄膜發電集團有限公司全體股東

(於百慕達註冊成立之有限公司)

有保留意見

本核數師(以下簡稱「我們」)已審核載於第113頁至第278頁之漢能薄膜發電集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於二零一六年十二月三十一日之綜合財務狀況表與截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量報表，以及主要會計政策概要及其他說明資料。

吾等認為，除本報告有保留意見之基礎段落所述相關事項可能造成的影響外，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實而公平地反映貴集團於二零一六年十二月三十一日的綜合財務狀況，以及貴集團截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港《公司條例》的披露規定妥為編製。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



BASIS FOR QUALIFIED OPINION

As at 31 December 2016, the amounts due from Hanergy Holding Group Limited (“Hanergy Holding”) and its affiliates (collectively referred to as “Hanergy Affiliates”) included in trade receivables, other receivables and gross amount due from contract customers amounted to HK\$3,913,807,000 (2015: HK\$2,596,781,000), HK\$197,441,000 (2015: HK\$200,835,000) and HK\$745,928,000 (2015: HK\$2,031,902,000) respectively. The Group also made prepayments to Hanergy Affiliates for the purchase of photovoltaic modules and the prepayments made to Hanergy Affiliates outstanding as at 31 December 2016 were HK\$405,991,000 (2015: HK\$663,943,000). Also included in the Group’s trade receivables and the gross amount due from contract customers as at 31 December 2016 were amounts due from a third-party customer amounting to HK\$2,536,745,000 (2015: HK\$995,194,000) and HK\$796,204,000 (2015: HK\$898,934,000) respectively. Subsequent to 31 December 2016, the Group received HK\$1,692,449,000 and HK\$734,685,000 from Hanergy Affiliates and the aforesaid third-party customer, respectively. We were unable to obtain sufficient appropriate audit evidence about the recoverability of the Group’s remaining trade receivables and gross amount due from contract customers for contract works due from Hanergy Affiliates and the aforesaid third-party customer of HK\$5,565,550,000, the other receivables due from Hanergy Affiliates of HK\$197,441,000 and prepayments made to Hanergy Affiliates of HK\$405,991,000. Consequently, we were unable to determine whether any provisions are required for these amounts. Any provision for recoverability of these balances would reduce the net assets of the Group as at 31 December 2016 and decrease the Group’s net profit for the year ended 31 December 2016.

有保留意見之基礎

於二零一六年十二月三十一日，貴集團與漢能控股集團有限公司（「漢能控股」）及其聯屬公司（統稱「漢能聯屬公司」）之間的往來餘額，包括貿易應收款項、其他應收款項及應收合同客戶總額，分別為3,913,807,000港元（二零一五年：2,596,781,000港元）、197,441,000港元（二零一五年：200,835,000港元）以及745,928,000港元（二零一五年：2,031,902,000港元）。貴集團因向漢能聯屬公司購入光伏組件而支付預付款，於二零一六年十二月三十一日，貴集團預付漢能聯屬公司款項餘額為405,991,000港元（二零一五年：663,943,000港元）。此外，於二零一六年十二月三十一日，貴集團與一位第三方客戶之貿易應收款項及應收合同客戶總額，分別為2,536,745,000港元（二零一五年：995,194,000港元）以及796,204,000港元（二零一五年：898,934,000港元）。於二零一六年十二月三十一日期後，貴集團分別收到漢能聯屬公司及前述第三方客戶還款1,692,449,000港元及734,685,000港元。吾等未能取得關於貴集團剩餘應收漢能聯屬公司及前述第三方客戶之貿易應收款項及應收合同客戶總額5,565,550,000港元，貴集團其他應收漢能聯屬公司款項197,441,000港元以及貴集團預付漢能聯屬公司款項405,991,000港元之可回收性的充分適當的審核證據。導致我們無法判斷是否需要對該等款項餘額計提準備。任何對上述餘額可回收性計提的準備將可能減少貴集團於二零一六年十二月三十一日之資產淨值，同時減少貴集團截至二零一六年十二月三十一日止年度之淨盈利。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



BASIS FOR QUALIFIED OPINION *(continued)*

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. 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 are independent of the Group in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. In addition to the matters described in the *Basis for qualified opinion* section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

有保留意見之基礎(續)

我們已根據香港會計師公會頒佈之香港審核準則(「香港審核準則」)進行審核。我們於該等準則下之責任會在本報告中核數師就審核綜合財務報表須承擔之責任中進一步詳述。根據香港會計師公會之專業會計師道德守則(「守則」)，我們獨立於貴集團，並已遵循守則履行其他道德責任。我們相信，我們已獲得充足和適當之審核憑證為我們之有保留意見提供基礎。

關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核本期綜合財務報表中最重要之事項。除已在本報告中有保留意見之基礎中陳述的事項，我們將下述事項識別為需於本報告中溝通之關鍵審核事項。此等事項是在我們在審核綜合財務報表整體上及作出意見時進行處理的，而不會就此等事項單獨發表意見。我們對下述每一事項在審計中是如何應對的描述也以此為背景。

我們已經履行本報告核數師就審核綜合財務報表須承擔之責任部分闡述之責任，包括與這些關鍵審計事項相關之責任。相應地，我們的審核工作包括執行為應對評估之綜合財務報表重大錯誤陳述風險而設計之審核程序。我們執行審核程序之結果，包括應對下述關鍵審核事項所執行之程序，為綜合財務報表整體發表審核意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
------------------	--

Impairment of property, plant and equipment (continued)

The accounting policy, significant accounting judgements and estimates and disclosures about the balance of PP&E are included in notes 2.4, 3 and 14 to the consolidated financial statements.

關鍵審核事項(續)

關鍵審核事項	審核時如何因應此關鍵審核事項
--------	----------------

物業、廠房及設備之減值(續)

與物業、廠房及設備結餘有關之會計政策、主要會計判斷及估計及披露資料載於綜合財務報表附註2.4、3及14。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



KEY AUDIT MATTERS (continued)

Key audit matter

Impairment of inventories

Inventories of the Group are classified into raw materials, photovoltaic ("PV") power generation projects to be sold, PV modules and PV application products. The total amount of inventories (before any inventory provision) as at 31 December 2016 was HK\$1,888 million and the inventory provision provided was HK\$240 million (12.7% of inventory balance before any inventory provision). The carrying amount of inventories contributed a significant part (13.3%) of the Group's total current assets as at 31 December 2016.

The estimation of the net realisable value ("NRV") of these inventories requires management to make judgements based on these inventories' ages, obsolescence, future usage plan, estimated net selling prices as well as inventory disposal plans and other economic conditions including selling prices of similar products with appropriate adjustments. Actual sales or usages are likely to be different from those estimated or forecast since anticipated events sometimes do not occur as expected and unforeseen events may arise, and their impact on estimates and forecasts may be material.

How our audit addressed the key audit matter

We obtained and understood the progress of new projects implemented in 2017 and reviewed the subsequent usage and sales of inventories in 2017 together with management's plan for the years after. We reviewed the NRV calculation provided by management and involved our internal valuation specialist to review the methodology, key assumptions and parameters used. We compared the price estimated in the future sales with the Group's historical data, subsequent sales contracts and also that of its industry peers. We also reviewed the adequacy of disclosure made in the Group's consolidated financial statements in respect of the impairment of inventories.

關鍵審核事項(續)

關鍵審核事項

存貨減值

貴集團之存貨被分類為原料、將予售出之光伏發電項目、光伏組件及光伏應用產品。於二零一六年十二月三十一日，存貨總額(未扣任何存貨撥備)為1,888百萬港元，而存貨撥備則達240百萬港元(佔未扣任何存貨撥備之前的存貨總額之12.7%)。存貨賬面值佔貴集團流動資產之重大部分(13.3%)。

就該等存貨可變現淨值進行估算須管理層按該等存貨之年期、過時程度、未來用途計劃、估算淨售價，以至於存貨出售計劃以及其他經濟狀況(如同類產品售價)進行重大判斷，並加以恰當調整。實際銷售或用途很有可能與估算或預測不同，因為所預估之事件有時不如預期般出現，而預期以外之情況或會出現，而其對估算及預測之影響或會重大。

審核時如何因應此關鍵審核事項

我們獲取並瞭解於二零一七年落實新項目之進展，並覆查存貨於二零一七年之其後用途及銷售，以及往後年度之管理層計劃。我們覆查管理層所提供之存貨可變現淨值之計算，並請內部估值專家評估所用之方法、主要假設及所用參數。我們將日後銷售之估算價值與貴集團之歷史數據、期後之銷售合同及同業之銷售合同相比。我們亦評估貴集團綜合財務報表所作出之披露是否充分。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
------------------	--

Impairment of inventories (continued)

The accounting policy, significant accounting judgements and estimates and disclosures about the amount of provision and the balance of inventories are included in notes 2.4, 3, 8 and 17 to the consolidated financial statements.

Revenue recognition on contract work using percentage of completion method (the "POC" method)

The Group conducted several construction contracts both in Manufacturing segment to deliver turnkey production lines for the manufacturing of amorphous silicon based and CIGS thin-film solar photovoltaic modules and Downstream segment to construct a series of household rooftop solar systems to certain small to medium-sized enterprises. Revenue from these fixed price construction contracts was recognised using the POC method, measured by reference to the proportion of costs incurred to date of the estimated total cost of the relevant contract. Revenue recognised using the POC method during the year amounted to HK\$3,025 million, which contributed a significant part (67.5%) of the total revenue of the Group for the year ended 31 December 2016.

We obtained and understood the terms of the construction contracts that the Group entered with its customers. We assessed the POC calculated by management, including assessing the total cost budgeted by comparing with its historical data for similar contracts and test checked the actual cost incurred to date to relevant equipment purchase contracts, goods delivery notes and allocated labour costs for service rendered. We performed physical stocktaking to a selected samples of production lines and household rooftop solar systems. We also assessed the adequacy of disclosure made in the Group's consolidated financial statements about the revenue recognition on contract work using the POC method.

關鍵審核事項(續)

關鍵審核事項	審核時如何因應此關鍵審核事項
--------	----------------

存貨減值(續)

與存貨撥備及結餘金額有關之會計政策、主要會計判斷及估計及披露資料載於綜合財務報表附註2.4、3、8及17。

合同工程按完成百分比確認收入之方法(「POC」法)

貴集團分別就製造分部及下游分部進行多份施工合同，以分別就製造並交付矽基及銅鋅鎵薄膜太陽能光伏組件製造用整線生產線及為若干中小企業製造一系列戶用屋頂太陽能系統。來自固定價格施工合同之收入乃使用POC法確認，並參考至今所產生成本佔估計相關合同總成本之比例計量。年內使用POC法確認之收入為3,025百萬港元，佔截至二零一六年十二月三十一日止年度貴集團總收入之重大部分(67.5%)。

我們取得並了解貴集團與客戶訂立施工合同之條款。我們評估管理層計算得出之POC，包括將預算總成本與同類合同之歷史數據相比，並抽样查核現時就相應設備採購合同所產生之實際成本、運貨憑據及就所提供服務分配之勞動成本。我們抽样就生產線及戶用屋頂太陽能系統進行實際盤點。我們亦評估貴集團綜合財務報表就使用POC法之合同工程之收入確認所作出之披露是否充分。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
------------------	--

Revenue recognition on contract work using percentage of completion method (the "POC" method) (continued)

Revenue recognition on contract work is dependent on the estimation of the total outcome of the construction contract, as well as the work performed to date. Significant judgements are required to estimate the total contract costs, comprising direct materials, the costs of subcontracting, direct labour and an appropriate proportion of variable and fixed construction overheads. Actual outcomes in terms of total contract costs may be higher or lower than those estimated at the end of the reporting period, which would affect the revenue recognised in the current period and in the future periods.

The accounting policy and significant accounting judgements and estimates related to construction contracts and disclosures of contract revenue are included in notes 2.4, 3, and 5 to the consolidated financial statements.

關鍵審核事項(續)

關鍵審核事項	審核時如何因應此關鍵審核事項
--------	----------------

合同工程按完成百分比確認收入之方法(「POC」法)(續)

就合同工程確認收入，視乎對施工合同總後果之估算，以及至今已進行之工程。估計總合同成本時需要重大判斷，包括直接材料、分包成本、直接勞工及恰當比份之可變及固定施工間接成本。按總合同成本計算之實際後果或會高於或低於報告期末之估算，或會對本期間及未來期間確認之收入有影響。

與施工合同及披露合同收入有關之會計政策及主要會計判斷及估計載於綜合財務報表附註2.4、3及5。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the Management Discussion and Analysis in pages 13 to 53, the Report of the Directors in pages 54 to 80, the Corporate Governance Report in pages 81 to 94 and the Biographical Details of Directors in pages 95 to 99, which we obtained prior to the date of this auditor's report, and the other sections of the Annual Report, not including the consolidated financial statements and our auditor's report thereon, ("the Other Sections"), which are expected to be made available to us after that date.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections of the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee.

年報所載之其他資料

貴公司董事對其他資料負責。其他資料包括我們在本核數師報告前已取得於第13頁至第53頁之管理層討論及分析、第54頁至第80頁之董事會報告、第81頁至第94頁之企業管治報告及第95頁至第99頁之董事履歷，以及預期於該日後我們取得之年報其他章節（不包括綜合財務報表及本核數師報告）（「其他章節」）。

我們對綜合財務報表所發表之意見並未涵蓋其他資料。我們不對其他資料發表任何形式之核證結論。

就審核綜合財務報表而言，我們的責任是閱讀其他資料，從而考慮其他資料是否與綜合財務報表或我們在審核過程中獲悉之資料存在重大不符，或似乎存在重大錯誤陳述。倘若我們基於已完成之工作認為其他資料出現重大錯誤陳述，我們須報告該事實。我們就此並無任何事項須報告。

我們閱讀年報內之其他章節時，若我們認為當中有重大錯誤陳述，我們需將此事與審核委員會溝通。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

董事就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則以及香港《公司條例》之披露規定，編製真實而公平之綜合財務報表，以及維持董事認為編製綜合財務報表所必需之有關內部控制，以確保有關綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

在編製綜合財務報表時，貴公司董事須負責評估貴集團持續經營之能力，並披露與持續經營有關之事項（如適用）。除非董事有意將貴集團清盤，或停止營運，或除此之外並無其他實際可行之辦法，否則貴公司董事須採用以持續經營為基礎之會計法。

貴公司董事協助審核委員會履行彼等監督貴集團之財務報告流程之責任。

核數師就審核綜合財務報表須承擔 之責任

我們的目標是合理保證整體上綜合財務報表是否不存在由於欺詐或錯誤而導致之重大錯誤陳述，並出具包含我們意見之核數師報告。我們的報告乃依據百慕達一九八一年公司法第90條編製，以及僅向全體股東報告我們的意見，除此之外，本報告別無其他目的。我們不會就本報告之內容向任何其他人士負上或承擔任何責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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.

As part of an audit in accordance with HKSAAs, we exercise professional judgement 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.

核數師就審核綜合財務報表須承擔之責任(續)

合理保證屬高層次之核證，但不能擔保根據香港審計準則進行之審核在某一重大錯誤陳述存在時總能發現。重大錯誤陳述可源於欺詐或錯誤，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出之經濟決定時，被視為重大錯誤陳述。

我們根據香港審計準則進行審核之工作，運用專業判斷，並在整個審核過程中保持專業懷疑態度。我們亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致之重大錯報風險，因應這些風險設計及執行審核程序，獲得充足及適當之審核憑證為我們的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成之重大錯報風險比未能發現由於錯誤而導致之重大錯報風險更高。
- 了解與審核有關之內部控制，以設計恰當之審核程序，但並非旨在對貴集團之內部控制之有效性發表意見。
- 評估所用會計政策是否恰當，以及董事所作出之會計估計和相關披露是否合理。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- 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.
- 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.

核數師就審核綜合財務報表須承擔 之責任(續)

- 對董事採用以持續經營為基礎之會計法是否恰當作出結論，並根據已獲取之審核憑證，確定是否有對貴集團持續經營之能力構成重大疑問之事件或情況等重大不確定因素。倘若我們認為存在重大不確定因素，我們需要在核數師報告中提請使用者注意綜合財務報表內之相關資料披露，或如果相關披露不足，則修訂我們的意見。我們的結論是基於截至核數師報告日期所獲得之審核憑證。然而，未來事件或情況可能導致貴集團不再具有持續經營之能力。
- 評估綜合財務報表之整體列報、架構和內容，包括披露資料，以及綜合財務報表是否已公平地反映及列報相關交易及事項。
- 就貴集團內各實體或業務活動之財務資料獲得充足之審核憑證，以就綜合財務報表發表意見。我們須負責指導、監督和執行貴集團之審核工作。我們須為我們的審核意見承擔全部責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

We communicate with the 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 the 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 the 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 Cheong Ming Yik.

Ernst & Young
Certified Public Accountants
Hong Kong

30 March 2017

核數師就審核綜合財務報表須承擔 之責任(續)

我們就審核工作之計劃範圍和時間、在審核過程中之主要發現，包括我們在審核過程中識別的內部控制之重大缺失及其他事項與審核委員會進行溝通。

我們亦向審核委員會作出聲明，確認我們已遵守有關獨立性之道德要求，並就所有被合理認為可能影響我們的獨立性之關係和其他事宜以及適用之相關保障措施，與審核委員會進行溝通。

我們通過與審核委員會溝通，確定哪些是本期綜合財務報表審核工作之最重要事項，即關鍵審核事項。除非法律或法規不容許公開披露此等事項或在極罕有之情況下，我們認為披露此等事項可合理預期之不良後果將超過公眾知悉此等事項之利益而不應在報告中予以披露，否則我們會在核數師報告中描述此等事項。

出具本獨立核數師報告的審計項目合夥人為張明益。

安永會計師事務所
執業會計師
香港

二零一七年三月三十日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
REVENUE	收入	5	4,483,130	2,814,668
Cost of sales	銷售成本		(1,885,358)	(1,441,439)
Gross profit	毛利		2,597,772	1,373,229
Other income and gains	其他收入及收益	6	77,204	362,675
Gain/(loss) on disposal of a subsidiary	出售附屬公司收益/ (虧損)	8	62,623	(11,499)
Selling and distribution expenses	分銷開支		(404,769)	(629,129)
Administrative expenses	行政開支		(882,280)	(1,843,873)
Research and development costs	研發成本	8	(567,165)	(825,427)
Impairment of goodwill	商譽減值	8	—	(7,915,318)
Impairment of property, plant and equipment	物業、廠房及設備 減值	8	—	(770,022)
Impairment of intangible assets	無形資產減值	8	—	(969,727)
Other expenses	其他開支		(175,123)	(786,259)
Finance costs	財務成本	7	(49,867)	(72,063)
PROFIT/(LOSS) BEFORE TAX	稅前溢利/(虧損)	8	658,395	(12,087,413)
Income tax expense	所得稅開支	9	(406,781)	(146,129)
PROFIT/(LOSS) FOR THE YEAR	本年度溢利/(虧損)		251,614	(12,233,542)
OTHER COMPREHENSIVE LOSS TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS:	於其後期間重新分類 至損益之其他全面 虧損：			
Exchange differences on translation of foreign operations	換算海外業務之匯兌 差異		(408,183)	(523,533)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	本年度其他全面 虧損，扣除稅項		(408,183)	(523,533)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

綜合損益及其他全面收益表(續)

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

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	本年度全面虧損總額		(156,569)	(12,757,075)
Profit/(loss) for the year attributable to:	應佔本年度溢利／(虧損)：			
Owners of the parent	母公司擁有人		251,620	(12,233,564)
Non-controlling interests	非控股權益		(6)	22
			251,614	(12,233,542)
Total comprehensive loss for the year attributable to:	應佔本年度全面虧損總額：			
Owners of the parent	母公司擁有人		(156,563)	(12,757,097)
Non-controlling interests	非控股權益		(6)	22
			(156,569)	(12,757,075)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE PARENT	母公司擁有人應佔每股盈利／(虧損)	12	HK cents 港仙	HK cents 港仙
Basic	基本		0.60	(29.3)
Diluted	攤薄		0.59	(29.3)

Details of the dividends for the year are disclosed in note 11 to the consolidated financial statements.

本年度股息之詳情於綜合財務報表附註11披露。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

(As at 31 December 2016 於二零一六年十二月三十一日)

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	606,111	342,707
Goodwill	商譽	15	—	—
Intangible assets	無形資產	16	12,685	16,597
Deposits paid for acquisition of items of property, plant and equipment	收購物業、廠房及設備項目之已付按金		28	30
Deferred tax assets	遞延稅項資產	27	—	—
Restricted cash	受限制現金	23	1,878	6,071
Other non-current assets	其他非流動資產		137,685	245,059
Total non-current assets	非流動資產總額		758,387	610,464
CURRENT ASSETS	流動資產			
Inventories	存貨	17	1,648,717	2,358,290
Trade receivables	貿易應收款項	18	6,813,364	3,695,639
Tax recoverable	可收回稅項		2,571	6,303
Gross amount due from contract customers	應收合同客戶總額	19	1,547,405	2,930,836
Other receivables	其他應收款項	20	703,550	518,989
Bills receivable	應收票據	21	11,850	2,805
Deposits and prepayments	按金及預付款項	22	1,391,403	1,688,108
Restricted cash	受限制現金	23	36,179	212,438
Cash and cash equivalents	現金及現金等價物	23	248,674	447,826
			12,403,713	11,861,234
Assets of a disposal group classified as held for sale	分類為待售之出售組合資產	10	32,225	—
Total current assets	流動資產總額		12,435,938	11,861,234
CURRENT LIABILITIES	流動負債			
Trade and bills payables	貿易及票據應付款項	24	1,295,630	1,110,827
Other payables and accruals	其他應付款項及應計費用	25	2,108,503	1,606,923
Interest-bearing bank and other borrowings	銀行及其他附息借款	26	465,880	279,385
Tax payable	應付稅項		927,593	647,611
Deferred income	遞延收入		51,610	18,780
Finance lease payables	應付融資租賃款項		—	8,147
			4,849,216	3,671,673
Liabilities directly associated with the assets classified as held for sale	與分類為待售資產直接有關之負債	10	13,850	—
Total current liabilities	流動負債總額		4,863,066	3,671,673
NET CURRENT ASSETS	流動資產淨值		7,572,872	8,189,561
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債		8,331,259	8,800,025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(continued)

綜合財務狀況表(續)

(As at 31 December 2016 於二零一六年十二月三十一日)

		Notes	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債	27	401,220	417,406
Interest-bearing bank and other borrowings	銀行及其他付息借款	26	584,755	903,573
Finance lease payables	應付融資租賃款項		—	28,769
Other non-current liabilities	其他非流動負債		4,262	2,675
Total non-current liabilities	非流動負債總額		990,237	1,352,423
Net assets	資產淨值		7,341,022	7,447,602
EQUITY	權益			
Equity attributable to the owners of the parent	母公司擁有人應佔權益			
Issued capital	已發行股本	28	104,647	104,367
Reserves	儲備	30	7,235,772	7,342,626
Non-controlling interests	非控股權益		7,340,419	7,446,993
			603	609
Total equity	權益總額		7,341,022	7,447,602

Si Haijian

司海健

Executive Director and Chief Executive Officer
執行董事兼首席執行官

Huang Songchun

黃松春

Executive Director and Financial Controller
執行董事兼財務總監

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 parent 母公司擁有人應佔										
		Issued capital	Share premium account*	Capital redemption reserve*	Reserve funds*	Contributed surplus*	Exchange reserve*	Share option reserve*	Retained profits/(Accumulated losses)* 留存溢利/ (累計虧損)*	Sub-total	Non-controlling interests	Total
		已發行股本	股份溢價賬*	資本贖回儲備*	儲備金*	實繳盈餘*	匯兌儲備*	購股權儲備*	購股權儲備*	小計	非控股權益	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2015	於二零一五年一月一日	104,084	11,417,583	7,600	52,035	150,290	325,625	19,839	8,407,995	20,485,051	587	20,485,638
Loss for the year	本年度虧損	—	—	—	—	—	—	—	(12,233,564)	(12,233,564)	22	(12,233,542)
Other comprehensive loss for the year	本年度其他全面虧損											
Exchange differences related to foreign operations	與海外業務相關之匯兌差異	—	—	—	—	—	(523,533)	—	—	(523,533)	—	(523,533)
Total comprehensive loss for the year	本年度全面虧損總額	—	—	—	—	—	(523,533)	—	(12,233,564)	(12,757,097)	22	(12,757,075)
Appropriation of reserve funds	提取儲備金	—	—	—	69,031	—	—	—	(69,031)	—	—	—
Repurchase of own shares	購回本身股份	(84)	(243,063)	84	—	—	—	—	—	(243,063)	—	(243,063)
Exercise of share options	行使購股權	367	43,144	—	—	—	—	(3,696)	—	39,815	—	39,815
Share option expense	購股權開支	—	—	—	—	—	—	19,282	—	19,282	—	19,282
Deemed contribution from the then shareholder of Alta	視作Alta當時股東出資	—	—	—	—	19,254	—	—	—	19,254	—	19,254
Deemed distribution to the then shareholder of Alta	視作向Alta當時股東分派	—	—	—	—	(116,249)	—	—	—	(116,249)	—	(116,249)
At 31 December 2015	於二零一五年十二月三十一日	104,367	11,217,664	7,684	121,066	53,295	(197,908)	35,425	(3,894,600)	7,446,993	609	7,447,602

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(continued)

綜合權益變動表(續)

(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 parent 母公司擁有人應佔										
		Issued capital	Share premium account*	Capital redemption reserve*	Reserve funds*	Contributed surplus*	Exchange reserve*	Share option reserve*	Retained profits/(Accumulated losses)* 留存溢利/ (累計虧損)*	Sub-total	Non-controlling interests	Total
		已發行股本 HK\$'000 千港元	股份溢價賬* HK\$'000 千港元	資本贖回儲備* HK\$'000 千港元	儲備金* HK\$'000 千港元	實繳盈餘* HK\$'000 千港元	匯兌儲備* HK\$'000 千港元	購股權儲備* HK\$'000 千港元	購股權儲備* HK\$'000 千港元	小計 HK\$'000 千港元	非控股權益 HK\$'000 千港元	總額 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	104,367	11,217,664	7,684	121,066	53,295	(197,908)	36,425	(3,894,600)	7,446,993	609	7,447,602
Profit for the year	本年度溢利	-	-	-	-	-	-	-	251,620	251,620	(6)	251,614
Other comprehensive loss for the year	本年度其他全面虧損	-	-	-	-	-	(408,183)	-	-	(408,183)	-	(408,183)
	Exchange differences related to foreign operations 與海外業務相關之匯兌差異	-	-	-	-	-	(408,183)	-	-	(408,183)	-	(408,183)
Total comprehensive loss for the year	本年度全面虧損總額	-	-	-	-	-	(408,183)	-	251,620	(156,563)	(6)	(156,569)
Appropriation of reserve funds	提取儲備金	-	-	-	14,023	-	-	-	(14,023)	-	-	-
Exercise of share options (note 28(a))	行使購股權(附註28(a))	280	26,957	-	-	-	-	(8,606)	-	18,631	-	18,631
Share option expense (note 29)	購股權開支(附註29)	-	-	-	-	-	-	31,358	-	31,358	-	31,358
At 31 December 2016	於二零一六年十二月三十一日	104,647	11,244,621	7,684	135,089	53,295	(606,091)	58,177	(3,667,003)	7,340,419	603	7,341,022

* These reserve accounts comprise the consolidated reserves of HK\$7,235,772,000 (2015: HK\$7,342,626,000) in the consolidated statement of financial position.

* 該等儲備賬目包括綜合財務狀況表之綜合儲備7,235,772,000港元(二零一五年: 7,342,626,000港元)。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量報表

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

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營項目現金流量		
Profit/(loss) before tax	稅前溢利/(虧損)	658,395	(12,087,413)
Adjustments for:	調整：		
Finance costs	財務成本	49,867	72,063
Interest income from banks, interest income on overdue trade receivables from Hanergy Affiliates and other interest income from third parties	銀行利息收入、漢能聯屬公司逾期貿易應收款項之利息收入及第三方之其他利息收入	(14,946)	(258,103)
Amortisation of intangible assets	無形資產攤銷	1,885	158,956
Impairment of goodwill	商譽減值	—	7,915,318
Impairment of property, plant and equipment	物業、廠房及設備減值	—	770,022
Impairment of intangible assets	無形資產減值	—	969,727
Impairment of trade receivables	貿易應收款項減值	18,211	202,817
Impairment of other receivables	其他應收款項減值	—	247,454
Impairment of prepayments	預付款項減值	20,231	—
Depreciation of items of property, plant and equipment	物業、廠房及設備項目之折舊	40,827	156,867
Write-down of inventories to net realisable value	存貨撇減至可變現淨值	142,921	218,265
Reversal of inventory provision	存貨撥備撥回	(22,180)	—
Reversal of impairment of trade receivables	貿易應收款項之減值撥回	(28,830)	—
Reversal of impairment of other receivables	其他應收款項之減值撥回	(110,188)	—
Write-off of leasehold improvements to profit or loss included in administrative expenses	租賃物業裝修撇減至損益計入行政開支	—	115,506
Write-off of finance lease payables to profit or loss included in other expenses	應付融資租賃款項撇減至損益計入其他開支	(28,787)	—
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之虧損	4,516	6,837
(Gain)/loss on disposal of a subsidiary	出售附屬公司(收益)/虧損	(62,623)	11,499
Product warranty provision	產品保養撥備	37,188	—
Equity-settled share option expenses	以權益結算的股份期權開支	31,358	19,282
		737,845	(1,480,903)
Decrease/(increase) in inventories	存貨減少/(增加)	404,120	(2,031,189)
(Increase)/decrease in trade receivables	貿易應收款項(增加)/減少	(2,168,351)	2,166,826
Increase in other receivables	其他應收款項增加	(119,576)	(195,198)
(Increase)/decrease in bills receivable	應收票據(增加)/減少	(9,045)	94,606
Decrease/(increase) in deposits and prepayments	按金及預付款項減少/(增加)	192,437	(157,988)
Decrease in restricted cash	受限制現金減少	55,421	5,791
Increase in trade and bills payables	貿易及票據應付款項增加	269,463	719,992
Increase in other payables and accruals	其他應付款項及應計費用增加	300,789	212,434
Cash used in operations	經營項目使用之現金	(336,897)	(665,629)
Interest paid	已付利息	(27,005)	(73,787)
Income taxes paid	已付所得稅	(143,156)	(433,914)
Net cash flows used in operating activities	經營項目使用之現金流量淨額	(507,058)	(1,173,330)

CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

綜合現金流量報表(續)

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

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
CASH FLOWS FROM INVESTING ACTIVITIES	投資項目現金流量			
Purchase of items of property, plant and equipment	增購物業、廠房及設備項目		(193,755)	(899,662)
Decrease in deposits paid for acquisition of items of property, plant and equipment	收購物業、廠房及設備項目之已付按金減少		—	2
Purchase of intangible assets	增購無形資產		(1,711)	(5,728)
Acquisition of a subsidiary	收購一間附屬公司		—	(3,241)
Disposal of a subsidiary	出售一間附屬公司	31	(5,670)	4,784
Interest received	已收利息		20,243	63,709
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目之所得款項		13,993	35,397
Proceeds from disposal of intangible assets	出售無形資產之所得款項		3,036	—
Net cash flows used in investing activities	投資活動使用之現金流量淨額		(163,864)	(804,739)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

綜合現金流量報表(續)

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

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動現金流量			
Advances from the ultimate holding company	最終控股公司之墊款		3,514	—
Advances from related parties	關聯人士之墊款		3,609	—
Advances from third parties	第三方之墊款		257,632	—
Proceeds from other borrowings due to related parties	結欠關聯人士之其他借款之所得款項		11,066	123,446
Repayments of other borrowings due to a related party	償還其他借款予一名關聯人士		(3,849)	(744)
Proceeds from other borrowings due to third parties	結欠第三方之其他借款之所得款項		98,935	—
Repayments of other borrowings due to third parties	償還其他借款予第三方		(42,443)	(231,491)
Proceeds from interest-bearing bank borrowings	銀行付息借款之所得款項		4,456	445,449
Repayment of interest-bearing bank borrowings	償還銀行付息借款		(129,431)	(469,749)
Decrease/(increase) in restricted cash	減少/(增加)受限制現金之款項		125,031	(143,539)
Repayment of finance lease payables	償還應付融資租賃款項		(8,129)	(7,974)
Proceeds from issue of shares upon exercise of share options	於行使股權後發行股份之所得款項		18,631	39,815
Deemed contribution from the then shareholder of Alta	視作Alta當時股東出資		—	19,254
Deemed distribution to the then shareholder of Alta	視作Alta當時股東之溢利		—	(116,249)
Payment for share repurchase	購回股份所付款項		—	(243,063)
Net cash flows from/(used in) financing activities	融資項目產生/(使用)之現金流量淨額		339,022	(584,845)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物之減少		(331,900)	(2,562,914)
Cash and cash equivalents at beginning of year	年初之現金及現金等價物		447,826	3,056,916
Effect of foreign exchange rate changes, net	外幣匯率變動之影響，淨額		132,753	(46,176)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終之現金及現金等價物		248,679	447,826
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘之分析			
Cash and cash equivalents as stated in the statement of financial position	於財務狀況表列賬之現金及現金等價物	23	248,674	447,826
Cash and bank balance attributed to a disposal group classified as held for sale	應佔分類為待售之出售組合之現金及銀行結餘	10	5	—
Cash and cash equivalents as stated in the statement of cash flow	於現金流量表列賬之現金及現金等價物		248,679	447,826

NOTES TO 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. CORPORATE AND GROUP INFORMATION

Hanergy Thin Film Power Group Limited (the “Company”) is an exempted company with limited liability incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is located at Room 2403A, 24/F, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the “Group”) were principally involved in (i) the manufacture of equipment and turnkey production lines for the manufacture of amorphous silicon and Copper Indium Gallium Selenide (“CIGS”) based thin-film power modules (“Manufacturing”); (ii) the technological development and production of Gallium Arsenide (“GaAs”) thin-film power turnkey production lines (“Manufacturing”); (iii) building ground-mounted power stations or rooftop power stations for sale and sale of thin-film power modules (“Downstream”); (iv) the research, development and sale of thin-film power application products (“Downstream”); (v) sale of electricity (“Downstream”); and (vi) providing engineering service (“Downstream”).

The Company’s shares are listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Group’s current operations are principally based in Hong Kong, the People’s Republic of China (the “PRC” or “Mainland China”), the Kingdom of Sweden (“Sweden”), the Federal Republic of Germany (“Germany”), the United States of America (the “United States”) and the United Kingdom of Great Britain and Northern Ireland (the “United Kingdom”).

1. 公司及集團資料

漢能薄膜發電集團有限公司(「本公司」)於百慕達註冊成立為獲豁免有限公司。其註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda，其主要營業地點位於香港銅鑼灣告士打道280號世貿中心24樓2403A室。

本公司及其附屬公司(統稱「本集團」)，年內主要從事(i)製造矽基及銅鎳鎘硒(「CIGS」)薄膜發電組件製造用設備及整線生產線(「製造」)；(ii)砷化鎵(「GaAs」)薄膜發電整線生產線技術開發及生產(「製造」)；(iii)建造太陽能地面電站和屋頂電站以供銷售並銷售薄膜組件(「下游」)；(iv)研究、開發及銷售薄膜發電應用產品(「下游」)；(v)銷售電力(「下游」)；及(vi)提供工程服務(「下游」)。

本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市。本集團現時以香港、中華人民共和國(「中國」或「中國內地」)、瑞典王國(「瑞典」)、德意志聯邦共和國(「德國」)、美利堅合眾國(「美國」)及大不列顛及北愛爾蘭聯合王國(「英國」)為主要營運基地。

NOTES TO 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. CORPORATE AND GROUP INFORMATION *(continued)*

On 20 May 2015, the stock price of the Company plunged 47% to HK\$3.91 per share from HK\$7.38 per share before a suspension was announced by the Company on that day. Then on 15 July 2015, the Securities and Futures Commission (“SFC”) directed the Stock Exchange to extend the trading suspension. As at the date of approval of these financial statements, the trading of stock of the Company is still suspended.

In the opinion of the directors, the immediate holding company of the Company is Hanergy Investment Limited (“Hanergy Investment”), which is incorporated in the British Virgin Islands (“BVI”) and the ultimate holding company of the Company is Hanergy Holding, which is established in the PRC.

As at 31 December 2016, Hanergy Holding and its concert parties hold 72.21% of the issued share capital of the Company.

1. 公司及集團資料(續)

於二零一五年五月二十日，在本公司於同日宣佈暫停買賣前，本公司股價由每股7.38港元下挫47%至每股3.91港元。於二零一五年七月十五日，證券及期貨事務監察委員會(「證監會」)指令聯交所延長買賣停牌。於此等財務報表之批准日期，本公司股票買賣仍然暫停。

董事認為，本公司之直接控股公司為於英屬處女群島(「英屬處女群島」)註冊成立之Hanergy Investment Limited (「Hanergy Investment」)，而本公司之最終控股公司為於中國成立之漢能控股。

於二零一六年十二月三十一日，漢能控股及其關連人士持有本公司72.21%已發行股本。

NOTES TO 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. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries

Details of the Group's principal subsidiaries are as follows:

Name 名稱	Place of incorporation/ registration and business 註冊成立/登記及 業務地點	Nominal value of issued/ registered share capital/paid in capital 已發行/註冊股本面值/ 實收資本	Percentage of equity attributable to the Group 本集團應佔權益百分比		Principal activities 主要業務
			2016 二零一六年	2015 二零一五年	
Hanergy Hi-Tech Power International Limited* 漢能高科技能源國際股份有限公司*	BVI 英屬處女群島	Ordinary US\$1,000 普通股 1,000 美元	100%	100%	Investment holding 投資控股
Hanergy Hi-Tech Power (HK) Limited 漢能高科技能源(香港)股份有限公司	Hong Kong 香港	Ordinary US\$77,218,880 普通股 77,218,880 美元	100%	100%	Investment holding and trading of equipment and turnkey production lines 投資控股及買賣設備及整套 生產線
Apollo Precision (Fujian) Ltd.# 福建鉞陽精工設備有限公司	The PRC/ Mainland China 中國/中國內地	Registered RMB 148,087,820 註冊資本人民幣 148,087,820 元	100%	100%	Manufacturing of equipment and turnkey production lines 製造設備及整套生產線
Apollo Precision (Beijing) Ltd.# 北京精誠鉞陽光電設備有限公司	The PRC/ Mainland China 中國/中國內地	Registered RMB5,000,000 註冊資本人民幣 5,000,000 元	100%	100%	Manufacturing of equipment and turnkey production lines 製造設備及整套生產線
Apollo Precision (Kunming) Yuanhong Limited# 昆明鉞陽遠宏能源科技有限公司	The PRC/ Mainland China 中國/中國內地	Registered RMB20,000,000 註冊資本人民幣 20,000,000 元	100%	100%	Manufacturing of equipment and turnkey production lines 製造設備及整套生產線
Apollo Precision (Kunming) Yuantong Limited# 昆明鉞陽遠通光伏設備有限公司	The PRC/ Mainland China 中國/中國內地	Registered RMB 30,790,918 註冊資本人民幣 30,790,918 元	100%	100%	Manufacturing of equipment and turnkey production lines 製造設備及整套生產線
Hanergy Global Solar Power Group Limited** 漢能國際光伏發電集團有限公司*	BVI 英屬處女群島	Ordinary US\$5,000,000 普通股 5,000,000 美元	100%	100%	Investment holding 投資控股
HGSG-NA Land Power 1, LLC	The United States 美國	Registered US\$50,000 註冊資本 50,000 美元	100%	100%	Investment holding 投資控股
Huaibei Qingyuan New Energy Development Limited# 淮北清源新能源開發有限公司	The PRC/ Mainland China 中國/中國內地	Registered RMB25,000,000 註冊資本人民幣 25,000,000 元	100%	100%	Solar power station 太陽能電站
Shizong Qingyuan New Energy Development Limited# 師宗清源新能源開發有限公司	The PRC/ Mainland China 中國/中國內地	Registered RMB60,000,000 註冊資本人民幣 60,000,000 元	100%	100%	Solar power station 太陽能電站
Beijing Hanergy Equipment Technology Co., Ltd.# (formerly known as Beijing Hanergy Zhengxin Solar Technology Co., Ltd.) 北京漢能裝備科技有限公司 (前稱北京漢能正欣光伏科技有限公司)	The PRC/ Mainland China 中國/中國內地	Registered USD 1,069,640,000 註冊資本 1,069,640,000 美元	100%	100%	Investment holding 投資控股

1. 公司及集團資料(續)

附屬公司之資料

本集團主要附屬公司詳情如下：

NOTES TO 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. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Details of the Group's principal subsidiaries are as follows: (continued)

Name 名稱	Place of incorporation/ registration and business 註冊成立/登記及 業務地點	Nominal value of issued/ registered share capital/paid in capital 已發行/註冊股本面值/ 實收資本	Percentage of equity attributable to the Group 本集團應佔權益百分比		Principal activities 主要業務
			2016 二零一六年	2015 二零一五年	
Xinjiang Hanergy Thin Film Solar Power Investment Limited [#] 新疆漢能薄膜太陽能投資有限公司	The PRC/ Mainland China 中國/中國內地	Registered RMB200,000,000 註冊資本人民幣 200,000,000元	100%	100%	Investment holding 投資控股
Solibro Research AB	Sweden 瑞典	Paid in SEK135,433,813 實收資本 135,433,813 瑞典克朗	100%	100%	Provision of research and development service 提供研究及開發服務
Guangdong Hanergy New Energy Investment Co., Ltd. [#] 廣東漢能新能源發電投資有限公司	The PRC/ Mainland China 中國/中國內地	Registered RMB300,000,000 註冊資本人民幣 300,000,000元	100%	100%	Investment holding 投資控股
Beijing Hanergy Household Thin Film Power Technology Co., Ltd. [#] (formerly known as Beijing Hanergy New Energy Investment Power Co., Ltd.) 北京漢能戶用薄膜發電科技有限公司 (前稱北京漢能新能源投資有限公司)	The PRC/ Mainland China 中國/中國內地	Registered RMB90,000,000 註冊資本人民幣 90,000,000元	100%	100%	Investment and sales of rooftop power station 投資控股及銷售屋頂電站
Shanghai Hanergy Thin-Film Power Co., Ltd. [#] 上海漢能薄膜發電有限公司	The PRC/ Mainland China 中國/中國內地	Registered RMB50,000,000 註冊資本人民幣 50,000,000元	100%	100%	Sale of rooftop power stations 銷售屋頂電站
Sichuan Hanergy Thin-Film Power Co., Ltd. [#] 四川漢能薄膜發電有限公司	The PRC/ Mainland China 中國/中國內地	Registered RMB60,000,000 註冊資本人民幣 60,000,000元	100%	100%	Sale of rooftop power stations 銷售屋頂電站
Hubei Hanergy Huazhong Thin-Film Power Co., Ltd. [#] 湖北漢能華中薄膜發電有限公司	The PRC/ Mainland China 中國/中國內地	Registered RMB50,000,000 註冊資本人民幣 50,000,000元	100%	100%	Sale of rooftop power station 銷售屋頂電站
Liaoning Hanergy Thin-Film Power Co., Ltd. [#] 遼寧漢能薄膜發電有限公司	The PRC/ Mainland China 中國/中國內地	Registered RMB100,000,000 註冊資本人民幣 100,000,000元	100%	100%	Dormant 暫無業務
Guangdong Hanergy Thin-Film Power Investment and Development Co., Ltd. [#] 廣東漢能薄膜發電投資發展有限公司	The PRC/ Mainland China 中國/中國內地	Registered RMB600,000,000 註冊資本人民幣 600,000,000元	100%	100%	Investment holding 投資控股
Zunhua Hanergy Yuhua PV Power Limited [#] 遵化漢能煜華光伏發電有限公司	The PRC/ Mainland China 中國/中國內地	Registered RMB60,000,000 註冊資本人民幣 60,000,000元	100%	100%	Solar power station 太陽能電站
Shanxian Huayu New Energy Power Limited [#] 陝縣華宇新能源發電有限公司	The PRC/ Mainland China 中國/中國內地	Registered RMB10,000,000 註冊資本人民幣 10,000,000元	100%	100%	Solar power station 太陽能電站

1. 公司及集團資料(續)

附屬公司之資料(續)

本集團主要附屬公司詳情如下：(續)

NOTES TO 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. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Details of the Group's principal subsidiaries are as follows: (continued)

Name 名稱	Place of incorporation/ registration and business 註冊成立/登記及 業務地點	Nominal value of issued/ registered share capital/paid in capital 已發行/註冊股本面值/ 實收資本	Percentage of equity attributable to the Group 本集團應佔權益百分比		Principal activities 主要業務
			2016 二零一六年	2015 二零一五年	
Beijing Hanergy Solar Investment Co., Ltd. 北京漢能光伏投資有限公司	The PRC/ Mainland China 中國/中國內地	Registered RMB50,010,000 註冊資本人民幣 50,010,000元	100%	100%	Investment holding 投資控股
MiaSolé Hi-Tech Corp.	The United States 美國	Paid in US\$137,294,388 實收資本 137,294,388美元	100%	100%	Manufacturing of photovoltaic products and equipment 製造光伏產品及設備
Hanergy Thin Film Power (UK) Limited	The United Kingdom 英國	Registered GBP5,000 註冊資本 5,000英鎊	100%	100%	Sale of rooftop power stations 銷售屋頂電站
Global Solar Energy, Inc.	The United States 美國	Paid in US\$32,828,656 實收資本 32,828,656美元	100%	100%	Manufacturing of photovoltaic products and equipment 製造光伏產品及設備
Savanna Solar Limited	Ghana 加納	Registered GHC400,000 註冊資本 400,000加納賽地	70%	70%	Construction of photovoltaic power generation projects 建設光伏發電項目
Guangzhou Qiguang Solar Energy Technology Co. Ltd. 廣州啟光太陽能科技有限公司	The PRC/ Mainland China 中國/中國內地	Registered RMB57,000,000 註冊資本人民幣 57,000,000元	100%	100%	Investment in rooftop power stations 投資屋頂電站
Alta Devices, Inc.	The United States 美國	Paid in US\$75,764,360 實收資本 75,764,360美元	100%	100%	Provision of research and development service 提供研究及開發服務
Beijing Hanergy Thin Film Power Electrical Engineering Limited [#] 北京漢能薄膜太陽能電力工程 有限公司	The PRC/ Mainland China 中國/中國內地	Registered RMB70,000,000 註冊資本人民幣 70,000,000元	100%	100%	Provision of engineering services 提供工程服務
Fuhai Hanergy Hengyuan Thin Film Power Limited [#] 福海漢能恒源薄膜發電有限公司	The PRC/Mainland China 中國/中國內地	Registered RMB100,000,000 註冊資本人民幣 100,000,000元	100%	100%	Solar power station 太陽能電站
Jiangmen Qingyuan New Energy Power Investment Limited ^{***} 江門清源新能源發電投資有限公司**	The PRC/ Mainland China 中國/中國內地	Registered RMB6,000,000 註冊資本人民幣 6,000,000元	100%	100%	Solar power station 太陽能電站

* Direct subsidiaries of the Company.

** Disposal group classified as held for sale of the Company

[#] Unofficial English transliteration or translations for identification purpose only.

1. 公司及集團資料(續)

附屬公司之資料(續)

本集團主要附屬公司詳情如下：(續)

* 本公司之直接附屬公司。

** 分類為本公司待售之出售組合。

[#] 非正式英文音譯或翻譯，僅供識別。

NOTES TO 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. CORPORATE AND GROUP INFORMATION *(continued)*

Information about subsidiaries *(continued)*

Details of the Group's principal subsidiaries are as follows: *(continued)*

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Hong Kong Companies Ordinance.

The financial statements have been prepared under the historical cost convention. These financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated. Assets of a disposal group held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.4 to the consolidated financial statements.

For the year ended 31 December 2016, the Group had net cash outflows used in operating activities of HK\$507,058,000 and as at 31 December 2016, the current assets were in excess of the current liabilities of HK\$7,572,872,000 which, as set out in notes 18, 19, 20 and 22, included trade receivables, gross amount due from contract customers and other receivables due from Hanergy Affiliates and prepayments made to Hanergy Affiliates with a total amount of HK\$5,263,167,000 and trade receivables and gross amount due from contract customers from a third-party customer with a total amount of HK\$3,332,949,000.

1. 公司及集團資料(續)

附屬公司之資料(續)

本集團主要附屬公司詳情如下：(續)

上表列出董事認為主要影響本年度業績或構成本集團重大資產淨值部分之附屬公司。董事認為，提供其他附屬公司之詳情會令篇幅過於冗長。

2.1 編製基準

此等財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」，包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例之適用披露規定而編製。

此等財務報表乃按歷史成本法編製。此等財務報表乃以港元呈列，除另有指明者外，所有數值均以四捨五入計算至最接近千元。按綜合財務報表附註2.4所進一步闡釋待售之出售組合的資產按其賬面值與公平值兩者的較低者減出售成本入賬。

於截至二零一六年十二月三十一日止年度，本集團有經營活動所用現金流出淨額507,058,000港元，而於二零一六年十二月三十一日，流動資產比流動負債超出7,572,872,000港元，包括附註18、19、20及22內所載漢能聯屬公司之貿易應收款項、應收合同客戶款項總額及其他應收款項，以及向漢能聯屬公司預付的款項，總額5,263,167,000港元，以及某第三方客戶之貿易應收款項及應收合同客戶款項總額，總額3,332,949,000港元。

NOTES TO 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)

2.1 BASIS OF PREPARATION (continued)

The directors of the Company are considering measures to monitor and improve the cash flows of the Group, including but not limited to the collection of trade receivables due from Hanergy Affiliates and the third-party customers, the expansion to the downstream business and the execution of other manufacturing business with individual customers. The Group received RMB1,500 million from Hanergy Affiliates for the repayment of trade receivables on 10 March 2017, and received RMB650 million from the third-party customer during the first quarter of 2017. The Group has also put a lot of resources and efforts in the downstream photovoltaic applications. The Group has approximately one thousand and two hundred distributors, covering most of the markets at city and county level across Mainland China as at 31 December 2016 and has sold approximately thirty thousand sets of household photovoltaic systems during 2016.

In light of the measures of the Group described above and cash flow forecast prepared by the Company's management for the coming 12 months, the directors of the Company are of the view that the Group is able to meet with its liabilities as and when they fall due in the foreseeable future. Accordingly, the directors of the Company consider that it is appropriate to prepare these financial statements on a going concern basis.

2.1 編製基準(續)

本公司董事正考慮監察及改進本集團現金流量的措施，包括但不限於收回漢能聯屬公司及第三方客戶欠付的貿易應收款項、擴大至下游業務及與個別客戶實行其他製造業務。本集團於二零一七年三月十日收到漢能聯屬公司償還人民幣1,500,000,000元之貿易應收款項，並於二零一七年第一季收到第三方客戶人民幣650,000,000元的款項。本集團亦已投放大量資源及努力發展下游光伏應用。截至二零一六年十二月三十一日，本集團有約一千二百家經銷商，覆蓋中國內地各縣市，於二零一六年本集團出售約三萬套家用光伏系統。

鑑於上文所詳述本集團的措施，加上本公司管理層就未來12個月所編製的現金流量預測，本公司董事認為本集團可應付可見將來的到期負債。故此，本公司董事認為此等財務報表以持續經營基準編製乃屬恰當。

NOTES TO 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)

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2016.

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.1 編製基準(續)

綜合基準

綜合財務報表包括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之財務報表。

附屬公司乃本公司直接或間接控制之實體(包括結構實體)。倘本集團因參與被投資方業務而承擔浮動回報之風險或享有權利，並能夠使用其對被投資方之權力影響其回報(即現有權利可使本集團能於當時指揮權利被投資方之相關活動)，則本集團擁有該實體之控制權。

倘本公司直接或間接於被投資方之投票權或類似權利未能佔大多數，則本集團於評估其是否對被投資方擁有權力時考慮所有相關事實及情況，包括：

- (a) 與被投資方之其他投票權持有人之合同安排；
- (b) 其他合同安排產生之權利；及
- (c) 本集團之投票權及潛在投票權。

附屬公司與本公司之財務報表的報告期間相同，並採用一致會計政策編製。附屬公司之業績由本集團取得控制權之日起計綜合入賬，並繼續綜合入賬至該等控制權終止之日為止。

NOTES TO 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)

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Business combinations under common control are accounted for using the merger accounting method. Detailed accounting policy is set out in note 2.4 to the consolidated financial statements.

2.1 編製基準(續)

綜合基準(續)

損益表及其他全面收益之各部分乃本集團母公司擁有人及非控股權益所應佔，即使於非控股權益之權益為赤字。所有集團內與集團成員之間之交易有關的資產及負債、股權、收益、開支及現金流在綜合時已抵銷。

如果有事實和情況顯示，有關如上所述的三項控制元素中，有其中一項或多項出現改變，本集團會重新評估被投資者是否受控制。於附屬公司之擁有權益有變而未有失去控制者，將按股份交易入賬。

若本集團失去一間附屬公司的控制權，彼會終止確認(i)該附屬公司的資產(包括商譽)及負債、(ii)任何非控股權益的賬面值，及(iii)權益所錄得的累計匯兌差額；及確認(i)所收取代價的公平值、(ii)所保留任何投資的公平值及(iii)損益產生的任何虧絀盈餘。若本集團直接處置相關資產或負債，本集團所分佔先前於其他全部收益部分乃按所規定的相同基準重新分類至損益或保留溢利(如適用)確認。

共同控制下之業務合併乃按合併會計法入賬。詳細的會計政策載於綜合財務報表附註2.4。

NOTES TO 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)

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011) *Investment Entities: Applying the Consolidation Exception*

Amendments to HKFRS 11 and HKFRS 14 *Accounting for Acquisitions of Interests in Joint Operations*
Regulatory Deferral Accounts

Amendments to HKAS 1 *Disclosure Initiative*

Amendments to HKAS 16 and HKAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*

Amendments to HKAS 16 and HKAS 41 *Agriculture: Bearer Plants*

Amendments to HKAS 27 (2011) *Equity Method in Separate Financial Statements*

Annual Improvements 2012-2014 Cycle *Amendments to a number of HKFRSs*

The adoption of new and revised HKFRSs has had no significant financial impact on these financial statements.

2.2 會計政策及披露資料變動

本集團已於本年度財務報表首次採納以下經修訂香港財務報告準則。

香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(二零一一年)修訂本 *投資實體：應用綜合入賬之除外事項*

香港財務報告準則第11號修訂本
香港財務報告準則第14號 *收購合營業務權益的會計方法*
監管遞延賬戶

香港會計準則第1號修訂本 *披露提案*

香港會計準則第16號及香港會計準則第38號修訂本 *澄清折舊及攤銷的可接受方法*

香港會計準則第16號及香港會計準則第41號修訂本 *農業：生產性植物*

香港會計準則第27號(二零一一年)修訂本 *獨立財務報表之權益法*

二零一二年至二零一四年週期之年度改進 *多項香港財務報告準則之修訂*

採納新訂及經修訂香港財務報告準則對此等財務報表並無重大財務影響。

NOTES TO 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)

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions²</i>
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts²</i>
HKFRS 9	<i>Financial Instruments²</i>
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i>
HKFRS 15	<i>Revenue from Contracts with Customers²</i>
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers²</i>
HKFRS 16	<i>Leases³</i>
Amendments to HKAS 7	<i>Disclosure Initiative¹</i>
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses¹</i>
Amendments to HKFRS 12 included in Annual Improvements 2014-2016 Cycle	<i>Disclosure of Interest in Other Entities¹</i>
Amendments to HKFRS 1 included in Annual Improvements 2014-2016 Cycle	<i>First-time Adoption of Hong Kong Financial Reporting Standards²</i>
Amendments to HKAS 28 included in Annual Improvements 2014-2016 Cycle	<i>Investments in Associate and Joint Venture²</i>

- ¹ Effective for annual periods beginning on or after 1 January 2017
- ² Effective for annual periods beginning on or after 1 January 2018
- ³ Effective for annual periods beginning on or after 1 January 2019
- ⁴ No mandatory effective date yet determined but available for adoption

2.3 已頒佈但尚未生效的香港財務報告準則

本集團並未於此等財務報表內應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

香港財務報告準則第2號之修訂本	以股份支付的交易分類及計量 ²
香港財務報告準則第4號之修訂本	與香港財務報告準則第4號保險合同一併應用的香港財務報告準則第9號金融工具 ²
香港財務報告準則第9號	金融工具 ²
香港財務報告準則第10號及香港會計準則第28號之修訂本(二零一一年)	投資者與其聯營公司或合營企業之間之資產出售或注資 ⁴
香港財務報告準則第15號	來自客戶合同之收入 ²
香港財務報告準則第15號之修訂本	香港財務報告準則第15號來自客戶合同之收入之澄清 ²
香港財務報告準則第16號	租賃 ³
香港會計準則第7號之修訂本	披露計劃 ¹
香港會計準則第12號之修訂本	就未變現虧損確認遞延稅項資產 ¹
二零一四年至二零一六年週期之年度改進所載之香港財務報告準則第12號修訂本	其他實體之權益披露 ¹
二零一四年至二零一六年週期之年度改進所載之香港財務報告準則第1號修訂本	首次採納香港財務報告準則 ²
二零一四年至二零一六年週期之年度改進所載之香港會計準則第28號修訂本	於聯營公司及合營企業之投資 ²

- ¹ 於二零一七年一月一日或以後開始的年度期間生效
- ² 於二零一八年一月一日或以後開始的年度期間生效
- ³ 於二零一九年一月一日或以後開始的年度期間生效
- ⁴ 尚未釐定強制生效日期，惟可供採納

NOTES TO 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)

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

The HKICPA issued amendments to HKFRS 2 in August 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet the employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The Group expects to adopt the amendments from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

預期該等適用於本集團之香港財務報告準則之進一步資料如下：

香港會計師公會於二零一六年八月頒佈的香港財務報告準則第2號之修訂本闡述三大範疇：歸屬條件對計量以現金結算的股份支付交易之影響；為僱員履行與以股份支付交易的稅務責任而預扣若干金額的以股份支付交易(附有淨額結算特質)的分類；以及對以股份支付交易的條款及條件作出令其分類由現金結算變為權益結算的修訂時的會計處理方法。該等修訂釐清計量以權益結算的股份支付時歸屬條件的入賬方法亦適用於以現金結算的股份支付。該等修訂引入一個例外情況，在符合若干條件時，為僱員履行與以股份支付的稅務責任而預扣若干金額的以股份支付交易(附有淨額結算特質)，將整項分類為以權益結算的股份支付交易。此外，該等修訂釐清，倘以現金結算的股份支付交易的條款及條件有所修訂，令其成為以權益結算的股份支付交易，則該交易自修訂日期起作為以權益結算的交易入賬。本集團預期自二零一八年一月一日起採納該等修訂。預期該等修訂對本集團財務報表並無造成任何重大影響。

NOTES TO 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)

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 January 2018. The Group is currently assessing the impact of the standard.

HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. In June 2016, the HKICPA issued amendments to HKFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt HKFRS 15 and decrease the cost and complexity of applying the standard. The Group expects to adopt HKFRS 15 on 1 January 2018 and is currently assessing the impact of HKFRS 15 upon adoption.

2.3 已頒佈但尚未生效的香港財務 報告準則(續)

於二零一四年九月，香港會計師公會頒佈香港財務報告準則第9號的最終版本，將金融工具項目的所有階段集於一起以代替香港會計準則第39號及香港財務報告準則第9號的全部先前版本。該準則引入分類及計量、減值及對沖會計處理的新規定。本集團預期於二零一八年一月一日起採納香港財務報告準則第9號。本集團目前正評估該準則的影響。

香港財務報告準則第15號建立一個新的五步模式，從與客戶合同所產生的收入。根據香港財務報告準則第15號，收入按能反映實體預期就交換向客戶轉讓貨物或服務而有權獲得的代價金額確認。香港財務報告準則第15號的原則為計量及確認收入提供更加結構化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆總收入，關於履行責任、不同期間之合同資產及負債賬目結餘的變動以及主要判斷及估計的資料。該準則將取代香港財務報告準則項下所有現時收益確認的規定。於二零一六年六月，香港會計師公會頒佈香港財務報告準則第15號之修訂本以解釋不同實施問題，包括識別履約責任，主事人與代理人及知識產權許可有關的應用指引，以及準則採納的過渡。該等修訂亦擬協助確保實體於採納香港財務報告準則第15號時能更加一致應用及降低應用有關準則的成本及複雜性。本集團預期於二零一八年一月一日起採納香港財務報告準則第15號，目前正評估採納香港財務報告準則第15號的影響。

NOTES TO 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)

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. The Group expects to adopt HKFRS 16 on 1 January 2019 and is currently assessing the impact of HKFRS 16 upon adoption.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

香港財務報告準則第16號取代香港會計準則第17號「租賃」、香港(國際財務報告詮釋委員會) – 詮釋第4號「釐定安排是否包括租賃」、香港(準則詮釋委員會) – 詮釋第15號「經營租賃 – 優惠」及香港(準則詮釋委員會) – 詮釋第27號「評估涉及租賃法律形式交易的內容」。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項租賃確認豁免 – 低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期作出租賃付款為負債(即租賃負債)及代表可使用相關資產的權利為資產(即有使用權資產)。除非有使用權資產符合香港會計準則第40號投資物業的定義，有使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因租賃款項而減少。承租人將須分別確認租賃負債的利息開支及有使用權資產的折舊開支。承租人將亦須於若干事件發生時重新計量租賃負債，例如由於租賃期變更或用於釐定該等款項的一項指數或比率變更而引致未來租賃款項變更。承租人一般將重新計量租賃負債的數額確認為有使用權資產的調整。香港財務報告準則第16號大致沿用香港會計準則第17號內出租人的會計處理方法。出租人將繼續使用與香港會計準則第17號相同的分類原則對所有租賃進行分類，並將其分為經營租賃及融資租賃。本集團預期自二零一九年一月一日採納香港財務報告準則第16號，目前正評估採納香港財務報告準則第16號的影響。

NOTES TO 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)

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

Amendments to HKAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments will result in additional disclosure to be provided in the financial statements. The Group expects to adopt the amendments from 1 January 2017.

Amendments to HKAS 12 were issued with the purpose of addressing the recognition of deferred tax assets for unrealised losses related to debt instruments measured at fair value, although they also have a broader application for other situations. The amendments clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The Group expects to adopt the amendments from 1 January 2017.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

香港會計準則第7號之修訂本要求實體作出披露，以使財務報表使用者可評估融資活動所產生的負債變動，包括現金流量及非現金流量產生的變動。該等修訂將導致須於財務報表作出額外披露。本集團預期自二零一七年一月一日起採納該等修訂。

儘管香港會計準則第12號之修訂本可更廣泛應用於其他情況，惟其頒佈目的為說明與以公平價值計量的債務工具相關的未變現虧損確認遞延稅項資產。該等修訂清楚說明實體於評估是否有應課稅溢利可用作抵扣可扣減暫時差異時，需要考慮稅務法例是否對於可扣減暫時差異轉回時可用作抵扣的應課稅溢利的來源有所限制。此外，該等修訂就實體應如何釐定未來應課稅溢利提供指引，並解釋應課稅溢利可包括收回超過賬面值的部分資產的情況。本集團預期自二零一七年一月一日起採納該等修訂。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

The acquisition of subsidiaries and business under common control, where applicable, has been accounted for using merger accounting method. The financial statements of the businesses under common control are prepared for the same reporting period as the Company, using consistent accounting policies.

The merger method of accounting involves incorporating the financial statement items of the combining entities or businesses in which the common control combinations occur as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling shareholder. The net assets of the combining entities or businesses are combined using the existing book values from the controlling shareholder's perspective. No amount is recognised in respect of goodwill or the excess of the acquirers' interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over the cost of investment at the time of common control combination.

The consolidated statement of profit or loss and other comprehensive income include the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under common control or since their respective dates of incorporation/establishment, where this is a shorter period, regardless of the date of the common control combination. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation.

2.4 主要會計政策概要

業務合併及商譽

收購受共同控制之附屬公司及業務(倘適用)已採用合併會計法入賬。受共同控制之業務之財務報表按與本公司相同之報告期間採用一致之會計政策編製。

合併會計法涉及列入發生共同控制合併之合併實體或業務之財務報表項目，猶如該等項目自該等合併實體或業務首次受有關控權股東控制當日起已合併處理。合併實體或業務之資產淨值採用自控權股東角度之現有賬面值合併。於進行共同控制合併時，並無就商譽或就收購方於被收購公司之可識別資產、負債及或然負債之公平淨值之權益超出投資成本確認任何金額。

綜合損益及其他全面收益表包括各綜合實體或業務自所呈報之最早日期或該等綜合實體或業務首次受共同控制當日或自其各自之註冊成立／成立日期起(以較短期間者為準)之業績，不論共同控制合併之日期。集團內公司間交易所引致之結餘、交易、未變現盈虧及股息均於綜合賬目時抵銷。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Business combinations, other than business combinations under common control, are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

業務合併(除共同控制之業務合併外)採用收購法入賬。轉讓代價以收購日期之公平值計量，乃本集團所轉讓資產之收購日期公平值、本集團自被收購方之前擁有人承擔之負債及本集團發行以交換被收購方控制權之股權之總和。就各業務合併而言，本集團選擇是否以公平值或被收購方可識別資產淨值之應佔比例，計量屬現有擁有權權益及賦予持有人權利於清盤時按比例分佔資產淨值之於被收購方之非控股權益。非控股權益之所有其他部分按公平值計量。收購相關成本於產生時支銷。

當本集團收購業務時，其根據合同條款、經濟環境及於收購日期之相關條件評估金融資產及所承擔之負債以作出適當之分類及指定。此包括將內含衍生工具的被收購公司與主合同分開。

倘業務合併分階段達成，則早前持有之被收購方股權乃按其於收購日期之公平值重新計量，而任何產生之盈虧乃於損益表內確認。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

由收購方將予轉讓之任何或然代價按收購日期之公平值確認。或然代價(被分類為金融工具之資產或負債，按公平值計量，公平值變動將於損益表確認。分類為權益之或然代價將不會重新計量，而其後結算會於權益內列賬。

商譽初步按成本計量，即所轉讓代價、就非控股權益確認之金額及本集團過往所持有被收購公司股本權益之任何公平值之總和超出所收購可識別資產及所承擔負債之淨額之差額。倘此代價及其他項目之總和低於所收購附屬公司資產淨值之公平值，則該差額於重新評估後於損益確認為議價購買收益。

於初步確認後，商譽按成本減任何累計減值虧損計量。商譽每年或於發生事件或情況變動顯示賬面值可能減值時更頻繁地進行減值測試。本集團於十二月三十一日進行年度商譽減值測試。就減值測試而言，於業務合併中收購之商譽自收購日期起分配至本集團各現金產生單位或各組現金產生單位分配，該等現金產生單位預期會受惠於合併帶來之協同效益，而不論本集團其他資產或負債有否分配至該等單位或單位組別。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

減值乃按評估與商譽有關之現金產生單位(現金產生單位組別)之可收回金額而釐定。倘現金產生單位(現金產生單位組別)之可收回金額低於賬面值，則確認減值虧損。已就商譽確認之減值虧損不會於其後期間撥回。

倘商譽已分配至現金產生單位(或現金產生單位組別)及所出售單位內業務之一部分，則於釐定出售事項之盈虧時，與出售業務有關之商譽計入業務賬面值。在此情況下出售之商譽，乃按售出業務與所保留現金產生單位部分之相對價值計量。

公平值計量

本集團於各報告期末按公平值計量其權益投資。公平值為於計量日期市場參與者間於有秩序交易中出售資產所收取或轉讓負債所支付之價格。公平值計量乃基於假設出售資產或轉讓負債之交易於資產及負債之主要市場上進行，或於未有主要市場之情況下，則於資產或負債之最有利市場。主要或最有利市場必須位於本集團可到達之地方。資產或負債之公平值採用市場參與者為資產或負債定價時所用之假設計量(假設市場參與者依照彼等之最佳經濟利益行事)。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 主要會計政策概要(續)

公平值計量(續)

非金融資產之公平值計量乃經計及一名市場參與者透過使用其資產之最高及最佳用途或透過將資產出售予將使用其最高及最佳用途之另一名市場參與者而產生經濟利益之能力。

本集團採用適用於不同情況之估值方法，而其有足夠資料可供計量公平值，以盡量利用相關可觀察資料及盡量減少使用非觀察資料。

根據對整體公平值計量有重大影響之最低等級資料，於財務報表中以公平值計量或披露之所有資產及負債乃按公平值等級分類，描述如下：

第一級 — 根據相同資產或負債在活躍市場上之報價(未經調整)

第二級 — 根據直接或間接對公平值計量有重大影響之可觀察最低等級資料之估值技術

第三級 — 根據非可觀察資料而對公平值計量有重大影響之最低等級資料之估值技術

就經常於財務報表確認之資產及負債而言，本集團於各報告期末透過重新評估分類(根據對整體公平值計量有重大影響之最低等級資料)釐定各等級間是否出現轉移。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, construction contract assets, financial assets and disposal group held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss of the statement of profit or loss and other comprehensive income in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss of the statement of profit or loss and other comprehensive income in the period in which it arises.

2.4 主要會計政策概要(續)

非金融資產之減值

倘出現減值跡象，或需要對資產(存貨、建設合同資產、金融資產及分類為待售之出售組合資產除外)進行年度減值測試，則估計資產之可收回金額。資產之可收回金額乃按資產或現金產生單位之使用價值或其公平值扣除銷售成本之較高者計算，並就個別資產釐定，除非該資產並無產生大致上獨立於其他資產或資產組別之現金流入，在此情況下，則就該資產所屬之現金產生單位釐定可收回金額。

減值虧損僅於資產賬面值超過其可收回金額時確認。在評估使用價值時，估計未來現金流量乃按稅前貼現率計算其現值，該貼現率反映目前市場對貨幣時間價值之評估及該資產之特定風險。減值虧損乃在其產生期間自損益及其他全面收益表之損益與已減值資產功能相符之相關開支類別扣除。

於每個報告期末會評估有否跡象顯示過往確認之減值虧損已不再存在或有所減少。倘出現任何該等跡象，則會估計可收回金額。當用以釐定資產可收回金額之估計有變時，方會撥回先前就資產(商譽除外)確認之減值虧損，惟撥回之數額不可超過倘過往年度並無就該項資產確認減值虧損而原應釐定之賬面值(扣除任何折舊／攤銷)。撥回之減值虧損於產生期間計入損益及其他全面收益表之損益。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;

2.4 主要會計政策概要(續)

關聯人士

下列任何一方被視為本集團之關聯人士：

- (a) 該方為某人士或某人士之直系親屬，且該人士
 - (i) 對本集團具有控制權或共同控制權；
 - (ii) 對本集團具有重大影響力；或
 - (iii) 為本集團或其母公司之其中一名主要管理人；

或

- (b) 該方乃以下任何條件適用之實體：
 - (i) 該實體及本集團為同一集團之成員；
 - (ii) 該實體為另一實體(其他實體之母公司、附屬公司或同系附屬公司)之聯營公司或合營企業；
 - (iii) 該實體及本集團為同一第三間實體之合營企業；

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

- (b) the party is an entity where any of the following conditions applies: (continued)
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

2.4 主要會計政策概要(續)

關聯人士(續)

- (b) 該方乃以下任何條件適用之實體：
(續)
- (iv) 該實體乃第三間實體之合營企業，而另一實體為第三方實體之聯營公司；
 - (v) 該實體為本集團或本集團有關實體為僱員福利設立之退休福利計劃；
 - (vi) 該實體受(a)所述之人士控制或共同控制；及
 - (vii) (a)(i)所述之人士對該實體具有重大影響力或乃該實體(或該實體之母公司)之其中一名主要管理人員；及
 - (viii) 該實體或某集團任何成員公司，乃向本集團或其母公司提供主要管理人士服務之人士。

物業、廠房及設備及折舊

除在建工程以外之物業、廠房及設備乃按成本減累計折舊及任何減值虧損入賬。倘物業、廠房及設備項目分類為持有待售或屬於分類為待售之出售組合，則不予折舊而根據香港財務報告準則第5號入賬，詳情請參閱「持有待售之非流動資產及出售組合」之會計政策。物業、廠房及設備項目之成本包括其購入價以及將該項資產置於其運作狀態及地點作其擬定用途之任何直接相關成本。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss of the statement of profit or loss and other comprehensive income in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write-off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Land and buildings	3% — 5%
Plant and machinery	4% — 20%
Furniture, fixtures and equipment	20% — 33%
Motor vehicles	20% — 25%
Leasehold improvements	over the shorter of the lease terms and 20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

2.4 主要會計政策概要(續)

物業、廠房及設備及折舊(續)

物業、廠房及設備項目投入運作後所產生如維修及保養等開支，通常於產生期間自損益及其他全面收益表之損益扣除。倘符合確認標準，則有關重大檢查之開支會按該資產之賬面值資本化為重置資產。倘物業、廠房及設備之主要部分須分段重置，則本集團將該等部分確認為獨立資產，並設定特定之可使用年期及進行相應折舊。

折舊乃按直線基準將每項物業、廠房及設備之成本於其估計可使用年內撇銷至其剩餘價值。就此所採用之主要年率如下：

土地及樓宇	3% — 5%
廠房及機器	4% — 20%
傢俬、裝置及設備	20% — 33%
汽車	20% — 25%
租賃物業裝修	以租賃期限較短之年期及20%

倘物業、廠房及設備項目各部分之可使用年期不同，則該項目之成本會按合理基準分配至各部分，而各部分會分別計算折舊。就至少一次剩餘價值、可使用年期及折舊方法將至少於各財政年度年結日檢討，並作出調整(如適用)。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss of the statement of profit or loss and other comprehensive income in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents plant and machinery under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and installation. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the assets or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

2.4 主要會計政策概要(續)

物業、廠房及設備及折舊(續)

倘物業、廠房及設備項目(包括任何主要部分)於出售後或預期日後使用或出售該項目不會帶來經濟利益，則會終止確認有關項目。於該資產終止確認年度之損益及其他全面收益表之損益內確認之任何出售或報廢盈虧乃有關資產出售所得款項淨額與賬面值之差額。

在建工程指建設中之廠房及機器，按成本值減任何減值虧損列賬而不作折舊。成本值包括建築工程及安裝之直接成本。在建工程於落成及可供使用時重新分類為物業、廠房及設備之適當類別。

持有待售之非流動資產及出售組合

倘非流動資產及出售組合的賬面值主要透過銷售交易而非持續使用收回，則分類為持有待售。在此情況下，資產或出售組合須可按現狀即時出售，惟須符合出售該等資產或出售組合的慣常條款及出售已有很大把握。分類為出售組合的附屬公司所有資產及負債重新分類為持有待售，而不論出售後本集團有否保留所持前附屬公司的非控股權益。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-current assets and disposal groups held for sale (continued)

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 主要會計政策概要(續)

持有待售之非流動資產及出售組合(續)

分類為待售的非流動資產及出售組合(投資物業及金融資產除外)按賬面價值與公平值減銷售成本之較低者計算。分類為待售的物業、廠房及設備與無形資產不予折舊或攤銷。

無形資產(商譽除外)

分開收購之無形資產於初步確認時按成本計量。於業務合併時收購之無形資產之成本乃收購日期之公平值。無形資產之可使用年期評估為有限。具有有限年期之無形資產其後按可使用年期攤銷，並於有跡象顯示該無形資產可能出現減值時進行減值評估。具有有限年期之無形資產之攤銷年期及攤銷方法至少於各財政年末進行檢討。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill) (continued)

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Technology know-how

Purchased technology know-how is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 10 to 19 years.

Research and development costs

All research costs are charged to profit or loss of the statement of profit or loss and other comprehensive income as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

2.4 主要會計政策概要(續)

無形資產(商譽除外)(續)

具有無限可使用年期之無形資產每年單獨或按現金產生單位進行減值測試。該等無形資產不予攤銷。具有無限可使用年期之無形資產的可使用年期會每年檢討，以釐定其無限可使用年期之評估是否仍然有效。如無，可使用年期評估由無限轉為有限將按前瞻性基準入賬。

技術知識

購入之技術知識按成本減任何減值虧損列賬，並按直線基準於其估計可使用年期為10至19年內攤銷。

研發成本

所有研究成本於產生時自損益及其他全面收益表之損益扣除。

開發新產品項目所產生之開支只會在本集團能顯示有可行性技術完成無形資產以使其可供使用或出售、有意完成及有能力使用或出售資產、資產如何產生未來經濟利益、可否獲得完成項目所需資源及能否可靠計量開發支出時，方可撥作資本及遞延。不符合該等準則之產品開發開支乃於產生時支銷。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to profit or loss of the statement of profit or loss and other comprehensive income so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss the statement of profit or loss and other comprehensive income on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

2.4 主要會計政策概要(續)

租賃

凡將資產擁有權(法定權利除外)之絕大部分回報與風險轉讓予本集團之租賃均列為融資租賃。融資租賃生效時，租賃資產之成本將按最低租賃付款額之現值撥充資本，並連同租賃責任(利息部分除外)入賬，以反映採購及融資。資本化融資租賃所持有之資產，包括融資租賃之預付土地租金，均列入物業、廠房及設備內，並按租賃年期或資產之估計可使用年期兩者之中孰短者計算折舊。上述租賃之財務成本自損益及其他全面收益表中之損益扣除，以於租賃年期內作出定期定額扣減。

通過融資性租購合同獲得的資產列為融資租賃，但於資產預計可使用年期內計算折舊。

資產擁有權之絕大部分回報及風險仍由出租人承擔之租賃，均入賬列為經營租賃。如本集團為承租人，根據經營租賃應付之租金在扣除自出租人收取之任何獎勵金後，按直線基準於租期內於損益及其他全面收益表之損益內扣除。

經營租賃的預付土地租金初步按成本列賬，其後按租賃年期以直線法確認。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Leases *(continued)*

When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2.4 主要會計政策概要(續)

租賃(續)

倘租賃付款不能在土地與樓宇部分間可靠分配，則全部租賃付款均按融資租賃計入物業、廠房及設備之土地及樓宇成本內。

投資及其他金融資產

初步確認及計量

金融資產於初步確認時分類為貸款及應收款項。倘金融資產乃於初步確認，其乃按公平值加收購金融資產應佔之交易成本計量，惟按公平值於損益列賬之金融資產除外。

所有以正常方式買賣之金融資產於交易日(即本集團承諾購買或出售該資產當日)予以確認。以正常方式買賣指須於市場規例或常規所定時間內交付資產之金融資產買賣。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss of the statement of profit or loss and other comprehensive income. The loss arising from impairment is recognised in profit or loss of the statement of profit or loss and other comprehensive income in finance costs for loans and in other expenses for receivables.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

其後計量

金融資產之其後計量視乎其分類進行，方式如下：

貸款及應收款項

貸款及應收款項為具有固定或可確定付款，但在活躍市場中無報價之非衍生金融資產。於初步計量後，該等資產其後採用實際利率法按攤銷成本減任何減值撥備計量。攤銷成本乃按收購之任何折讓或溢價計算，並包括屬實際利率必要部分之費用或成本。實際利率攤銷計入損益及其他全面收益表中損益之其他收入及收益內。減值產生之虧損於損益及其他全面收益表之損益中之財務費用(就貸款而言)及其他開支(就應收款項而言)內確認。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.4 主要會計政策概要(續)

終止確認金融資產

金融資產(或倘適用,一項金融資產之一部分或一組類似金融資產之一部分)主要在下列情況終止確認(即自本集團之綜合財務報表移除):

- 自資產收取現金流量之權利經已屆滿;或
- 本集團已轉讓其自資產收取現金流量之權利,或已根據「轉遞」安排就向第三方在並無重大延誤下全數支付所收取現金流量承擔責任;而(a)本集團已轉讓資產之絕大部分風險及回報,或(b)本集團並無轉讓或保留資產之絕大部分風險及回報,惟已轉讓資產之控制權。

倘本集團已轉讓其自資產收取現金流量之權利或已訂立轉遞安排,其評估是否保留資產所有權之風險及回報以及保留程度。倘無轉讓或保留資產之絕大部分風險及回報,亦無轉讓資產之控制權,則本集團繼續按本集團持續參與資產之程度確認已轉讓資產。在該情況下,本集團亦確認相關負債。已轉讓資產及相關負債乃按反映本集團已保留權利及義務之基準計量。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

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. An impairment exists if one or more events that occurred after the initial recognition of the asset and that loss event have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor 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 observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

2.4 主要會計政策概要(續)

金融資產之減值

本集團於各報告期末評估是否有客觀憑證顯示一項金融資產或一組金融資產出現減值。倘於初步確認資產後發生一項或多項事件，而該虧損事件對該項金融資產或該組金融資產之估計未來現金流量所造成之影響能可靠地估計，則存在減值。減值憑證可包括一名債務人或一群債務人正面臨重大財政困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察資料顯示估計未來現金流量出現可計量減少，例如欠款數目變動或出現與違約相關之經濟狀況。

按攤銷成本列賬之金融資產

就按攤銷成本列賬之金融資產而言，本集團首先會按個別基準就個別屬重大之金融資產或按組合基準就個別不屬重大之金融資產，評估是否個別存在客觀減值憑證。倘本集團釐定個別評估之金融資產(無論具重要性與否)並無客觀憑證顯示出現減值，則該項資產會歸入一組具有相似信貸風險特性之金融資產內，並共同評估該組金融資產是否存在減值。經個別評估減值且減值虧損會予確認或繼續確認入賬之資產，不會納入綜合減值評估之內。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

The amount of any impairment loss identified 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 yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss of the statement of profit or loss and other comprehensive income. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss of the statement of profit or loss and other comprehensive income.

2.4 主要會計政策概要(續)

金融資產之減值(續)

按攤銷成本列賬之金融資產(續)

任何已識別之減值虧損數額按資產賬面值與按估計未來現金流量(不包括尚未產生之未來信貸虧損)現值之差額計算。估計未來現金流量現值乃按金融資產原有實際利率(即初步確認時計算之實際利率)貼現。

該資產之賬面值會通過使用撥備賬而減少，而虧損會於損益及其他全面收益表之損益內確認。利息收入繼續採用計量減值虧損時用以貼現未來現金流量之利率按減少後之賬面值計提。若日後收回之機會極低及所有抵押品已經變現或轉讓予本集團，則撇銷貸款及應收款項連同任何相關撥備。

倘於其後期間估計減值虧損金額由於確認減值以後發生之事件增加或減少，則透過調整撥備賬增加或減少先前確認之減值虧損。倘撇銷其後收回，該項收回計入損益及其他全面收益表中損益之其他開支內。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables and accruals, interest-bearing bank and other borrowings and other non-current liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Trade and bills payables and other payables

They are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss of the statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss and other comprehensive income.

2.4 主要會計政策概要(續)

金融負債

初步確認及計量

金融負債於初步確認時分類為貸款及借貸。本集團於初步確認時釐定其金融負債之分類。

所有金融負債初步按公平值確認，而就貸款及借貸而言，則扣除直接應計交易成本確認。

本集團之金融負債包括貿易及票據應付款項、其他應付款項及應計費用、銀行及其他付息借款及其他非流動負債。

其後計量

金融負債之其後計量根據其分類進行，方式如下：

貿易及票據應付款項及其他應付款項

貿易及其他應付款項及應付票據初步按其公平值計量，其後則採用實際利率法按攤銷成本計量，除非折讓之影響屬不重大，於該情況下則按成本列賬。倘負債獲終止確認，收益及虧損會於損益並透過以實際利率攤銷程序確認。

貸款及借貸

於初步確認後，付息貸款及借貸其後採用實際利率法按攤銷成本計量，除非折讓之影響屬不重大，於該情況下則按成本列賬。倘負債獲終止確認，收益及虧損會於損益及其他全面收益表之損益內並透過以實際利率攤銷程序確認。

攤銷成本乃經考慮於購入時之任何折價或溢價以及實際利率組成部分之費用或成本後計算。實際利率攤銷乃計入損益及其他全面收益表之財務費用中。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss of the consolidated statement of profit or loss and other comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

The non-current assets of the photovoltaic power generation projects that are included in the scope of consolidation and are held for sale are classified as inventories and are measured in the same way as other inventories, including the borrowing costs capitalised until they are ready for use.

2.4 主要會計政策概要(續)

終止確認金融負債

金融負債於負債之責任已解除、註銷或屆滿時終止確認。

當現有金融負債由同一貸款人以大致不同條款之另一負債取代時，或現有負債之條款有重大修改時，則有關交換或修改被視為終止確認原有負債及確認一項新負債，而有關賬面值間之差額乃於綜合損益及其他全面收益表之損益內確認。

抵銷金融工具

倘現時擁有於法律上可強制執行之作抵銷已確認金額，並有意按淨額基準結算，或可同時變現資產並結算負債，則金融資產及金融負債可互相抵銷，而有關淨額會於財務狀況表內呈報。

存貨

存貨乃按成本及可變現淨值兩者中較低者列賬。就在建工程及製成品而言(包括直接物料、直接勞工及適當比例之經常開支)，成本乃按加權平均數基準釐定。可變現淨值則以估計售價減任何估計因完成及出售而產生之成本計算。

光伏發電項目之非流動資產計入合併範圍內及持作銷售分類為存貨，並按其他存貨(包括直至其可供使用所資本化之借貸成本)相同之方式計量。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories (continued)

If a photovoltaic power generation project held for sale has been in operation for over one year and has no corresponding purchase commitment, purchase option or similar agreements, the non-current assets related thereto are transferred from "Inventories" to "Property, Plant and Equipment" in the consolidated statement of financial position.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and bank balances comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

2.4 主要會計政策概要(續)

存貨(續)

倘持作出售之光伏發電項目已營運超過一年，且並無相應之購買承擔、購買選擇權或類似協議，則有關該項目之非流動資產會於綜合財務狀況表中由「存貨」轉撥至「物業、廠房及設備」。

現金及現金等價物

就綜合現金流量報表而言，現金及現金等價物包括手頭現金及活期存款，以及於購入後一般於三個月內到期、可隨時兌換為確定現金數額且價值變動風險不大之短期及高度流通投資，扣除須按要求時償還之銀行透支，並構成本集團現金管理一部分。

就綜合財務狀況表而言，現金及銀行結存包括手頭及銀行現金，包括定期存款及類似現金性質且無用途限制之資產。

撥備

倘因過往事件導致現時承擔責任(法定或推定責任)，且日後可能須流失資源以履行責任，並能可靠估計責任之數額，則確認撥備。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions (continued)

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the consolidated statement of profit or loss and other comprehensive income.

Provisions for product warranties granted by the Group on certain products are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 主要會計政策概要(續)

撥備(續)

倘若貼現影響重大，則所確認之撥備數額為預計履行責任所須之未來開支於報告期末之現值。貼現現值隨時間流逝而增加之款項計入綜合損益及其他全面收益表中列為財務成本。

本集團對若干產品提供產品保用而作出的撥備乃按銷量及過去的維修及退貨情況確認，在適當的情況下貼現至其現值。

所得稅

所得稅包括即期及遞延稅項。有關損益外確認項目之所得稅於其他全面收益或直接於權益內在損益外確認。

現行及過往期間之即期稅項資產及負債乃根據於報告期末已實施或大致實施之稅率(及稅務法例)，考慮本集團經營所在國家之現行詮釋及慣例，按預期可自稅務當局收回或向其支付之數額計算。

遞延稅項乃使用負債法就於報告期末資產與負債之稅基及其作財務申報用途之賬面值兩者間之所有暫時差額計提撥備。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項負債乃就所有應課稅暫時差額確認，除非：

- 遞延稅項負債乃因初步確認商譽或一項並非業務合併且在交易當時不會對會計溢利或應課稅溢利或虧損造成影響之交易中之資產或負債而產生；及
- 就與投資於附屬公司有關之應課稅暫時差額而言，倘暫時差額撥回之時間可予控制或暫時差額於可見將來可能不會撥回則除外。

遞延稅項資產乃就所有可扣減暫時差額、承前未用稅項抵免及任何未用稅項虧損予以確認。遞延稅項資產之確認以有可能將會有應課稅溢利抵銷可扣減暫時差額、承前未用稅項抵免及未用稅項虧損為限，除非：

- 與可扣減暫時差額有關之遞延稅項資產乃因初步確認一項並非業務合併且在交易當時不會對會計溢利或應課稅溢利或虧損造成影響之交易中之資產或負債而產生；及
- 就與投資於附屬公司有關之可扣減暫時差額而言，遞延稅項資產僅會在暫時差額於可見將來可能會撥回及可能有應課稅溢利可用於對銷暫時差額時方會確認。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government grants

Government grants are recognised at their fair values where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項資產之賬面值於各報告期末均會進行審閱，如不再可能有足夠應課稅溢利可用於抵免全部或部分遞延稅項資產，則會予以撇減。未確認之遞延稅項資產會於各報告期末重新評估，在可能有足夠應課稅溢利可用於收回全部或部分遞延稅項資產時予以確認。

遞延稅項資產及負債乃根據於報告期末已實施或已大致實施之稅率(及稅務法例)，按預期將於資產變現或負債償付期間適用之稅率計量。

倘有合法可強制執行權利將即期稅項資產與即期稅項負債抵銷，而遞延稅項乃與同一應課稅實體及同一稅務當局有關，則遞延稅項資產及遞延稅項負債可予抵銷。

政府補貼

政府補貼於有理由確定能予以收取，以及符合所有附帶條件後，按公平值確認。當補貼涉及開支項目，則以有系統方式，將補貼在有關期間內呈列並確認為收益，以抵銷擬作補償之成本。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the manufacture of turnkey production lines and construction of solar power stations for certain small to medium-sized enterprises, on the percentage of completion basis, pursuant to which costs to complete a contract are estimated and revenue is recognised based on the estimated progress to completion, as further explained in the accounting policy for “Construction contracts” below, depending on the structure and terms of arrangement;
- (b) from sale of goods (including the photovoltaic power generation projects) are recognised when the goods have been delivered and title thereto has been transferred. Sale of photovoltaic power generation projects whose non-current assets are classified as inventories are recognised under “Revenue” in the consolidated statement of profit or loss and other comprehensive income for the total price of the shares of the photovoltaic power generation projects plus the amount of the net borrowings relating to the facility (total debt less current assets). At the same time, the related inventories are derecognised with a charge to the consolidated statement of profit or loss and other comprehensive income. The difference between the two amounts represents the operating profit or loss obtained from the sale. Each photovoltaic power generation project adopts the legal structure of a private limited liability company, the financial statements of which are fully consolidated in the accompanying consolidated financial statements;

2.4 主要會計政策概要(續)

收入確認

收入乃於本集團預計可獲得經濟利益及能可靠計算收入時，按下列基準確認入賬：

- (a) 來自製造整套生產線及為若干中小型企業興建太陽能發電站按完工百分比基準，據此，完成合同之成本及收入分別視乎安排之結構及條款，按估計完成進度估計及確認（按下文「建設合同」之會計政策所進一步闡述）；
- (b) 來自銷售貨品（包括光伏發電項目）於貨品已付運及其擁有權已轉移時確認。出售光伏發電項目時，分類為存貨之非流動資產部分於綜合損益及其他全面收益表中確認為收入，該收入金額為出售光伏發電項目股份之價格加上有關設施之借貸淨額（即總債務減流動資產）。同時，有關存貨於綜合損益及其他全面收益表終止確認。該兩項金額之差額為自銷售所得之營運盈虧。各光伏發電項目採用私人有限責任公司之法定架構，其財務報表已在綜合財務報表中合併入賬；

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

- (c) from sales to distributors, two identifiable components of the revenue shall be considered:
 - (i) sales revenue of delivered rooftop solar power systems is recognised when the rooftop solar power systems have been delivered;
 - (ii) installation service revenue is deferred and then recognised as revenue when the installation service is performed;
- (d) from sale of electricity, revenue is generally earned and recognised upon transmission of electricity to the electricity purchasing companies or provincial grid companies;
- (e) from the rendering of services, when the services are rendered;
- (f) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and
- (g) dividend income, when the shareholders' right to receive payment has been established.

Construction contracts

Contract revenue comprises the agreed contract amount and appropriate amounts from variation orders, claims and incentive payments. Contract costs incurred comprise direct materials, the costs of subcontracting, direct labour and an appropriate proportion of variable and fixed construction overheads.

Revenue from fixed price construction contracts is recognised using the percentage of completion method, measured by reference to the proportion of costs incurred to date to the estimated total cost of the relevant contract.

2.4 主要會計政策概要(續)

收入確認(續)

- (c) 來自向經銷商之銷售，須慮及兩項可識別之收益分部：(i) 在戶用屋頂太陽能系統已經交付後，則會確認已交付戶用屋頂太陽能系統之銷售收入；(ii) 進行安裝服務時，安裝服務收入會予以遞延並確認為收益；
- (d) 售電的收入通常在向購電公司或省級電網公司輸電後賺取及確認；
- (e) 來自提供服務，於提供服務時；
- (f) 利息收入，按應計基準以實際利率法使用比率透過應用該比率將估計於金融工具預計年期或較短期間(按適用情況)內之未來現金收入準確貼現至該金融資產之賬面淨值；及
- (g) 股息收入，當股東收取付款之權利確立時。

建設合同

合同收入包括議定合同金額及因訂單、索償及佣金變動而產生之適當金額。所產生之合同成本包括直接物料、分包成本、直接勞工及適當比例之可變及固定建設工程經常開支。

固定價格建設合同之收入乃使用完工百分比法確認，並參考直至該日已產生之成本佔有關合同之估計總成本之比例計量。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Construction contracts (continued)

Provision is made for foreseeable losses as soon as they are anticipated by management. Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 29 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss of the statement of profit or loss and other comprehensive income for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

2.4 主要會計政策概要(續)

建設合同(續)

倘管理層預計到於可見未來出現虧損，即會提取撥備。倘直至該日已產生之合同成本另加已確認溢利減去已確認虧損超逾進度賬單款項，則有關結餘被視為應收客戶之合同工程款項。倘進度賬單款項超逾直至該日已產生之合同成本另加已確認溢利減去已確認虧損，則有關結餘被視為應付合同客戶之款項。

以股份為基礎之付款

本公司設有購股權計劃，以鼓勵及獎勵對本集團營運成功作出貢獻之合資格參與者。本集團僱員(包括董事)收取以股份為基礎之付款形式發出之酬金，據此，僱員提供服務作為權益工具之代價(「權益結算交易」)。

僱員之以權益結算交易之成本乃參考彼等授出當日之公平值計算。公平值由外聘估值師使用二項模式釐定，其詳情載於財務報表附註29。

權益結算交易之成本連同股本之相應增加會於達成表現及/或服務條件之期間內於僱員福利開支中確認。由各報告期末直至歸屬日就權益結算交易確認之累計開支反映歸屬期屆滿之程度，以及本集團就最終將會歸屬之權益工具數目所作最佳估計。期內於損益及其他全面收益表扣除或計入損益之項目指於期初及期終確認之累計開支變動。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognized. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

2.4 主要會計政策概要(續)

以股份為基礎之付款(續)

釐定獎勵的授出日公平值並不考慮服務及非市場表現條件，惟能達成條件的可能性則被評定為將最終歸屬為本集團權益工具數目的最佳估計的一部分。市場表現條件將反映在授出日的公平值。附帶於獎勵中但並無相關服務要求的其他任何條件皆視為非歸屬條件。反映非歸屬條件之獎勵公平值若當中不包含服務及／或表現條件乃即時予以支銷。

因未能達至非市場表現及／或服務條件，而導致最終並無歸屬的獎勵並不會確認支銷，惟包括一項市場或非歸屬條件的獎勵，無論市場或非歸屬條件是否達成，其均會被視為已歸屬，前提是所有其他表現及／或服務條件須已達成。

當修訂權益結算報酬之條款時，倘符合報酬之原有條款，則會確認最少之開支，猶如條款並無修訂一樣。此外，會就導致以股份支付交易之公平總值增加，或按於修訂日期計量而對僱員有利之任何修訂確認開支。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss of the statement of profit or loss and other comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute to a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss of the statement of profit or loss and other comprehensive income as they become payable in accordance with the rules of the central pension scheme.

2.4 主要會計政策概要(續)

以股份為基礎之付款(續)

當權益結算報酬被註銷時，會被視作於註銷當日經已歸屬，並即時確認尚未就報酬確認之任何開支。這包括不符合本集團或僱員所能控制之非歸屬條件之任何報酬。然而，倘已註銷報酬由任何新報酬所替代，並於授出當日獲指定為替代報酬，則該項註銷及新報酬會如前段所述被處理，猶如彼等乃原有報酬之修訂。

於計算每股盈利時，尚未行使購股權之攤薄影響乃反映為額外之股份攤薄。

其他僱員福利

退休金計劃

本集團根據強制性公積金計劃條例為其合資格參與計劃之僱員設立一項定額供款強制性公積金退休福利計劃(「強積金計劃」)。供款乃以僱員之基本薪金百分比作出，並根據強積金計劃之規則於應付時在損益及其他全面收益表之損益內扣除。強積金計劃之資產乃存放於一個獨立管理之基金內，與本集團之資產分開持有。當本集團向強積金計劃供款後，僱員有權完全享有僱主供款。

本集團於中國所經營之附屬公司之僱員，須參加當地市政府設立之中央退休金計劃。此等附屬公司須按其薪酬成本之若干百分比向中央退休金計劃供款，並於根據中央退休金計劃之規則須支付該款項時自損益及其他全面收益表之損益扣除。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Termination benefits

Termination benefits are recognized at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes restructuring costs involving the payment of termination benefits.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss of the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation differences on the items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 主要會計政策概要(續)

終止受僱福利

終止受僱福利按本集團不可撤回該等福利要約及當本集團確認涉及支付終止受僱福利之重組成本，取兩者較早發生時確認。

外幣

此等財務報表以港元呈列，乃本公司之功能及呈列貨幣。本集團各實體決定其本身之功能貨幣，而計入各實體財務報表之項目均以該功能貨幣計量。本集團各實體所入賬之外幣交易初步乃按交易日期其各自之功能貨幣現行匯率入賬。以外幣為單位之貨幣資產及負債按於報告期末功能貨幣之適用匯率重新換算。因結算或換算貨幣項目之差額會於損益及其他全面收益表之損益中確認。

以外幣為單位而按歷史成本計量之非貨幣項目按初次交易日之匯率換算。以外幣為單位而按公平值計量之非貨幣項目，按計量公平值當日之匯率換算。換算非貨幣項目產生並按公平值計量之收益或虧損乃與確認該項目之公平值變動而確認之盈虧之處理方法一致(即於其他全面收益或損益中確認公平值盈虧之項目之匯兌差額，亦分別於其他全面收益或損益中確認)。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign currencies *(continued)*

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss and other comprehensive income are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss of the statement of profit or loss and other comprehensive income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

2.4 主要會計政策概要(續)

外幣(續)

若干海外附屬公司之功能貨幣乃港元以外之貨幣。於報告期末，該等實體之資產及負債按於報告期末之現行匯率換算為港元，而該等實體之損益及其他全面收益表則按該年度之加權平均匯率換算為港元。所產生之匯兌差額均於其他全面收益確認，並於外匯儲備累計。於出售海外業務時，有關該特定海外業務之其他全面收益部分於損益及其他全面收益表之損益中確認。

收購海外業務所產生之任何商譽及收購所產生資產及負債之賬面值之任何公平值調整，乃視為該海外業務之資產及負債處理，並按收市匯率換算。

就綜合現金流量報表而言，海外附屬公司之現金流量乃按現金流量當日之適用匯率換算為港元。整年頻繁產生之海外附屬公司現金流量乃按該年度之加權平均匯率換算為港元。

NOTES TO 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)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds have been borrowed generally, and used for the purpose of obtaining qualifying assets, a capitalisation rate has been applied to the expenditure on the individual assets. There is no capitalisation of interest in 2016 (2015: capitalisation rate of 5.3%).

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

2.4 主要會計政策概要(續)

借貸成本

收購、建造或生產合資格資產(即需要花費長時間方可達致擬定用途或出售之資產)直接應佔之借貸成本乃予以資本化,作為該等資產成本之一部分。在該等資產基本可作擬定用途或出售時,有關借貸成本之資本化將停止。等待用於合資格資產之特定借款暫時性投資所賺取之投資收入乃自己資本化借貸成本中扣除。所有其他借貸成本均於其產生期間列作開支。借貸成本包括利息以及實體借入資金所產生之其他成本。

倘資金屬一般借貸,並用於取得合資格資產,則就個別資產之開支應用資本化比率。於二零一六年並無資本化利息(二零一五年:資本化利率5.3%)。

股息

末期股息於股東大會上獲股東批准後才確認為負債。

NOTES TO 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. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

(i) *Revenue from sale of photovoltaic power generation projects*

Each photovoltaic power generation project adopted the legal structure of a private limited liability company (a "special-purpose entity"), which was a subsidiary of the Group and was consolidated in the Group's consolidated financial statements since its establishment. These special-purpose entities were set up solely for the purpose of constructing solar power plants for sale. Management intends to sell these photovoltaic power generation projects at its initial recognition and construction of these projects. These photovoltaic power generation projects under construction with the intention to sell are therefore determined to be in the Group's ordinary course of businesses. In the Group's consolidated financial statements, the photovoltaic power generation projects under construction were accounted for as inventories held for sale in the ordinary course of business, while the other assets and liabilities pertaining to the respective special-purpose entities were accounted for as assets and liabilities, respectively, in the Group's consolidated statement of financial position.

3. 主要會計判斷及估計

編製本集團財務報表需要管理層作出判斷、估計及假設，而此等將影響收入、開支、資產及負債之呈報金額及其相關披露，以及或然負債之披露。該等假設及估計之不明朗因素可能導致未來需要對受影響資產或負債之賬面值作出重大調整。

判斷

於採用本集團會計政策時，除相關估計外，管理層已作出以下對財務報表確認金額有最重大影響之判斷。

(i) *出售光伏發電項目之收益*

每個光伏發電項目均採用私人有限責任公司的法律架構（「特殊目的實體」），屬本集團附屬公司，並自其成立起綜合計入本集團之綜合財務報表。該等特殊目的實體純粹為建造太陽能電廠以供出售而設。於初次確認及建設該等項目時，管理層有意出售該等光伏發電項目。因此，該等擬出售的在建光伏發電項目被視為於本集團正常業務過程中進行者。於本集團綜合財務報表中，在建光伏發電項目乃入賬列為正常業務過程中的待售存貨，而屬於各特殊目的實體的其他資產及負債則於本集團之綜合財務狀況表分別入賬列為資產及負債。

NOTES TO 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. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(continued)

Judgements (continued)

(i) Revenue from sale of photovoltaic power generation projects (continued)

In this regard, management considered that when the buyer acquired all the equity interest in a special-purpose entity, it would have effectively acquired the photovoltaic power generation project inventories by taking over all the assets and assuming all the liabilities associated with the construction of the related photovoltaic power generation project that belongs to the special-purpose entity. The revenue of the sale of photovoltaic power generation project is then measured at the fair value of the consideration payable by the buyer for the photovoltaic power generation project (i.e., total cash consideration payable by the buyer plus the amount of net liabilities (total liabilities less current assets (excluding inventories))) assumed by the buyers through the acquisition of the equity interest of the special-purpose entity. At the same time, the related inventories are derecognised to the consolidated statement of profit or loss and other comprehensive income as the cost of sales of the sales transaction.

3. 主要會計判斷及估計

(續)

判斷(續)

(i) 出售光伏發電項目之收益(續)

因此，管理層認為，當買方購入特殊目的實體的全部股權時，即已透過接管屬於該特殊目的實體與建設相關光伏發電項目有關的全部資產及承擔全部負債而實質購入光伏發電項目存貨。出售光伏發電項目之收益隨後按買方因收購該特殊目的實體之股權就該光伏發電項目應付之代價(即買方應付之總現金代價另加買方所承擔的負債淨額(總負債減流動資產(存貨除外)))的公平值計量。同時，相關存貨於綜合損益及其他全面收益表內取消確認為出售交易之出售成本。

NOTES TO 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. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(continued)

Judgements (continued)

(ii) Deferred tax liabilities

The Group recognised deferred tax liabilities for all the foreign-invested subsidiaries' undistributed earnings of HK\$401,220,000 (2015: HK\$409,051,000). Under the prevailing income tax law of the PRC and its relevant regulations, dividends paid by PRC enterprises out of profits earned after 31 December 2007 to non-PRC tax resident investors are subject to PRC withholding tax of 10%. A lower withholding tax rate of 5% may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The Group in the past was charged with withholding tax at a rate of 5% when those PRC subsidiaries distributed profits to their holding companies outside Mainland China. Therefore, the Group applied 5% to provide for withholding taxes on retained profits distributable by those subsidiaries established in the PRC in respect of their earnings generated from 1 January 2008 (note 27).

(iii) Operating segment

The Group currently has certain business units based on their products and services to be provided to the customers and each business unit is identified as an operating segment. Among these operating segments, certain operating segments have similar economic characteristics including the nature of the products and services to be provided, the nature of the production processes, and etc. and therefore could be aggregated into a single operating segment. As at 31 December 2016, there are two aggregated operating segments which are Manufacturing segment and Downstream segment. Each of the aggregated operating segments meets the quantitative thresholds to be identified as reportable segments. Further details are given in note 4 to the consolidated financial statements.

3. 主要會計判斷及估計

(續)

判斷(續)

(ii) 遞延稅項負債

本集團就所有海外投資附屬公司的未分配盈利確認遞延稅項負債401,220,000港元(二零一五年: 409,051,000港元)。根據中國現行所得稅法及其相關規定,於二零零七年十二月三十一日以後中國企業以所賺取溢利派付予非中國稅務居民投資者的股息,須按10%稅率繳納中國預扣稅。倘中國與境外投資者所在的司法權區有稅務條約,則可採用較低的5%預扣稅率。本集團過去在中國附屬公司向中國境外控股公司分派溢利時,按5%支銷預扣稅。因此,本集團就於中國成立的附屬公司自二零零八年一月一日起產生的盈利按其可分配保留溢利,按5%作預扣稅撥備(附註27)。

(iii) 經營分部

本集團目前按彼等之產品及向客戶提供服務有若干業務單位,各業務單位識別為經營分部。於該等經營分部中,由於若干經營分部有同類經濟特性,包括產品之性質及提供之服務、生產過程性質等等,因此,將會合併為單一經營分部。於二零一六年十二月三十一日,本集團合共有兩個合併經營分部,其為製造分部及下游分部。各合併經營分部符合被識別為須予報告分部的量化最低要求。進一步詳情載於綜合財務報表附註4。

NOTES TO 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. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(i) Construction contracts

As further explained in note 2.4 to the consolidated financial statements, revenue and profit recognition on contract work is dependent on the estimation of the total outcome of the construction contract, as well as the work performed to date.

Significant judgements are required to estimate the total contract costs, comprising direct materials, the costs of subcontracting, direct labour and an appropriate proportion of variable and fixed construction overheads. Also significant assumptions are required to estimate the total contract costs that will affect whether any provision is required for foreseeable losses. The estimates are made based on past experience and knowledge of project management.

Actual outcomes in terms of total contract costs may be higher or lower than those estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years.

3. 主要會計判斷及估計

(續)

估計不明朗因素

有關未來之主要假設以及其他於報告期末會為下個財政年度資產與負債賬面值帶來重大調整風險之主要估計不明朗因素描述如下。

(i) 建設合同

誠如綜合財務報表附註2.4所進一步闡釋，合同工程之收入及溢利確認須取決於估計建設合同成果總額以及迄今已完成之工程。

估計合同成本總額時須作大量判斷，包括直接物料、分包成本、直接勞工及適當分比之可變及固定施工間接成本等。估計合同成本總額時亦須作大量假設，將影響到是否須就可預見之虧損作任何撥備。此估計乃以過往經驗及項目管理知識為基準而作出。

於報告期末，合同成本總額之實際結果或會高於或低於估計金額，或會影響到未來年度所確認之收益及溢利。

NOTES TO 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. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(continued)

Estimation uncertainty (continued)

(ii) Impairment assessment on property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets of the Group are reviewed by management for possible impairment when events or changes in an operating environment indicate that the carrying amounts of such assets may not be fully recoverable. In determining the recoverable amounts of these assets, expected cash flows to be generated by the assets are discounted to their present values, which involves significant level of estimates relating to sales volume, selling prices and manufacturing and other operating cost, terminal value, growth rates and the discount rate. When a decline in an asset's recoverable amount has occurred, the carrying amount is reduced to its estimated recoverable amount. Further details are given in notes 14 and 16 to the consolidated financial statements.

(iii) Impairment assessment on trade receivables and other receivables

The Group regularly conducts assessments on possible losses resulting from the inability of debtors to settle the amounts due to the Group. The assessment is based, inter alia, on the age of the debt and the creditworthiness of the debtors. If the financial condition of the debtors deteriorates, allowance for doubtful receivables would be required. Further details are given in notes 18 and 20 to the consolidated financial statements.

3. 主要會計判斷及估計

(續)

估計不明朗因素(續)

(ii) 物業、廠房及設備及無形資產之減值評估

倘有事項及經營環境改變而顯示本集團物業、機器及設備及無形資產之賬面值不能全部收回，管理層會檢討該等資產減值之可能性。於釐定此等資產之可收回金額時，須對其銷售量、售價、生產及其他經營成本、最終價值、增長率及貼現率作出大量估計，從而將資產產生之預期現金流量貼現至其現值。倘資產之可收回金額下跌，其賬面值應減少至其估計可收回金額。進一步詳情載於綜合財務報表附註14及16內。

(iii) 貿易應收款項及其他應收款項之減值評估

本集團對因借款人不能償還應付本集團之金額所導致之可能損失進行定期評估。該評估乃根據(其中包括)欠款之賬齡及借款人之信用。如借款人之財務狀況轉差，則或須作出應收呆賬撥備。進一步詳情載於綜合財務報表附註18及20內。

NOTES TO 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. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(continued)

Estimation uncertainty (continued)

(iv) Impairment assessment and net realisable value of inventories

Inventories of the Group are carried at the lower of cost and net realisable value. Management conducts assessments on the net realisable value of inventories by reference to their age, obsolescence, future usage plan, estimated net selling prices, inventory disposal plans and other economic conditions including selling price of similar products with appropriate adjustments. If the actual selling prices of inventories are substantially less than those expected due to an adverse market condition or other factors, an impairment loss on inventories may result. Further details are given in note 17 to the consolidated financial statements.

(v) Income taxes

The Group is subject to income taxes in various jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax 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 impact the income tax and deferred tax provision in the period in which such determination is made. Further details are given in note 9 to the consolidated financial statements.

Recognition of deferred tax assets, which related to tax losses and deductible temporary differences, depends on management's expectation of future taxable profits that will be available against which the tax losses or the asset can be utilised. The outcome of their actual utilisation may be different.

3. 主要會計判斷及估計

(續)

估計不明朗因素(續)

(iv) 存貨之減值評估及可變現淨值

本集團之存貨乃按成本及可變現淨值之較低者列賬。管理層參考存貨之年期、過時程度、未來用途計劃、估算淨售價、存貨出售計劃及其他經濟狀況(如同類產品售價)評估存貨之可變現淨值，並加以恰當調整。倘存貨之實際售價因市場狀況或其他因素遠少於預期，則可能導致存貨減值虧損。進一步詳情載於綜合財務報表附註17內。

(v) 所得稅

本集團須繳納各個司法權區之所得稅。在確定所得稅之撥備時，本集團須作出重大判斷。在正常業務過程中，有許多交易及計算均難以明確作出最終之稅務釐定。本集團根據有否額外稅項將到期之估計確認預計稅項負債。倘若該等事宜之最終稅務結果與初始記錄金額不同，則有關差額將影響落實稅項結果期間之所得稅及遞延稅項撥備。進一步詳情載於綜合財務報表附註9內。

確認有關稅項虧損及可扣稅暫時差額的遞延稅項資產視乎管理層預期日後可能有應課稅利潤可動用稅項虧損或資產。其實際動用結果可能有所不同。

NOTES TO 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. OPERATING SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined according to the Group's major products and service lines.

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

- manufacture of equipment and turnkey production lines for the manufacture of both amorphous silicon based and Copper Indium Gallium Selenide ("CIGS") thin-film solar photovoltaic modules and the technological development and production of Gallium Arsenide ("GaAs") thin-film power turnkey production lines ("Manufacturing");
- construction of solar farms, rooftop power stations, household systems, small to medium-sized enterprises ("SME") commercial systems etc., and sale of power stations, operation of rooftop power stations, sale of solar photovoltaic panels, application products and electricity, and provision of engineering service ("Downstream")

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

4. 經營分部資料

本集團根據向執行董事呈報以供彼等就分配資源至本集團業務部分及審核該等部分表現作出決定之定期內部財務資料識別經營分部及編製分部資料。向執行董事呈報之內部財務資料內之業務部分乃按本集團主要產品及服務類別釐定。

就管理目的而言，本集團根據其產品及服務組織業務單位，並有兩個可呈報經營分部如下：

- 製造矽基及銅銦鎵硒(CIGS)薄膜太陽能光伏組件製造用設備及整線生產線及砷化鎵(GaAs)薄膜發電整線生產線技術開發及生產(「製造」)；
- 建造太陽能電場、屋頂電站、戶用系統、中小企商用系統等，並銷售發電站、經營屋頂電站、銷售太陽能光伏電池板、應用產品及電力，及提供工程服務(「下游」)

管理層獨立監察本集團經營分部之業績以作出有關資源分配及評估分部表現之決定。分部表現乃根據可呈報分部溢利或虧損(即經調整稅前溢利或虧損計量基準)而評估。經調整稅前溢利或虧損之計量方式本集團之除稅前溢利或虧損之計算方式貫徹一致，惟該計量不包括利息收入、財務費用，以及總辦事處及企業開支。

NOTES TO 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. OPERATING SEGMENT INFORMATION

(continued)

Segment assets exclude deferred tax assets and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

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

4. 經營分部資料(續)

分部資產不包括遞延稅項資產和其他未分配總辦事處及企業資產，原因是該等資產乃集體管理。

分部負債不包括遞延稅項負債及其他未分配總辦事處及企業負債，原因是該等負債乃集體管理。

分部間銷售乃參考按當時之現行市價銷售予第三方所使用之銷售價進行交易。

NOTES TO 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. OPERATING SEGMENT INFORMATION

4. 經營分部資料(續)

(continued)

For the year ended 31 December 2016	截至二零一六年 十二月三十一日止年度	Manufacturing 製造 HK\$'000 千港元	Downstream 下游 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Segment Revenue	分部收入			
Sales to external customers	向外部客戶銷售	3,028,182	1,454,948	4,483,130
Segment Results	分部業績	1,402,869	(584,682)	818,187
Including:	包括:			
Interest income	利息收入	3,448	11,390	14,838
Finance cost	財務費用	(40,974)	(6,577)	(47,551)
Research and development cost	研發成本	(566,122)	(1,043)	(567,165)
<i>Reconciliation of segment results:</i>	<i>分部業績對賬:</i>			
Segment results	分部業績			818,187
Interest income	利息收入			108
Finance costs	財務費用			(2,316)
Unallocated other income and gains	未分配其他收入及收益			4,689
Corporate and other unallocated expenses	企業及其他未分配開支			(162,273)
Profit before tax	稅前溢利			658,395
As at 31 December 2016	於二零一六年十二月三十一日	Manufacturing 製造 HK\$'000 千港元	Downstream 下游 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Segment Assets	分部資產	12,930,268	3,031,997	15,962,265
<i>Reconciliation:</i>	<i>對賬:</i>			
Elimination of intersegment receivables	對銷分部間應收款項			(2,789,397)
Corporate and other unallocated assets	企業及其他未分配資產			21,457
Total assets	資產總額			13,194,325
Segment Liabilities	分部負債	3,418,722	4,784,134	8,202,856
<i>Reconciliation:</i>	<i>對賬:</i>			
Elimination of intersegment payables	對銷分部間應付款項			(2,789,397)
Deferred tax liabilities	遞延稅項負債			401,220
Corporate and other unallocated liabilities	企業及其他未分配負債			38,624
Total liabilities	負債總額			5,853,303

NOTES TO 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. OPERATING SEGMENT INFORMATION

(continued)

For the year ended 31 December 2016	截至二零一六年 十二月三十一日止年度	Manufacturing 製造 HK\$'000 千港元	Downstream 下游 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Other Segment Information	其他分部資料			
Reversal of impairment of trade receivables	貿易應收款項之減值撥回	—	(28,830)	(28,830)
Reversal of impairment of other receivables	其他應收款項之減值撥回	—	(110,188)	(110,188)
Impairment of trade receivables	貿易應收款項減值	—	18,211	18,211
Impairment of prepayment	預付款項減值	20,231	—	20,231
Write-down of inventories to net realisable value	存貨撇減至可變現淨值	127,757	15,164	142,921
Reversal of inventory provision	存貨撥備撥回	(22,180)	—	(22,180)
Depreciation and amortisation	折舊及攤銷	4,999	37,243	42,242
<i>Reconciliation:</i>	<i>對賬:</i>			
Corporate and other unallocated depreciation and amortisation	企業及其他未分配折舊及攤銷			470
Total depreciation and amortisation	折舊及攤銷總額			42,712
Capital expenditure*	資本開支*	293,605	8,441	302,046
<i>Reconciliation:</i>	<i>對賬:</i>			
Corporate and other unallocated capital expenditure	企業及其他未分配資本開支			794
Total capital expenditure	資本開支總額			302,840

* Capital expenditure consists of additions to property, plant and equipment and intangible assets.

* 資本開支包括添置物業、廠房及設備及無形資產。

NOTES TO 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. OPERATING SEGMENT INFORMATION

(continued)

For the year ended 31 December 2015	截至二零一五年 十二月三十一日止年度	Manufacturing 製造 HK\$'000 千港元	Downstream 下游 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Segment Revenue	分部收入			
Sales to external customers	向外部客戶銷售	1,977,691	836,977	2,814,668
Segment Results	分部業績	(9,400,801)	(2,539,842)	(11,940,643)
Including:	包括：			
Research and development costs	研發成本	(824,199)	(1,228)	(825,427)
<i>Reconciliation of segment results:</i>	<i>分部業績對賬：</i>			
Segment results	分部業績			(11,940,643)
Interest income	利息收入			63,709
Finance costs	財務費用			(72,063)
Unallocated other income and gains	未分配其他收入及收益			94
Corporate and other unallocated expenses	企業及其他未分配開支			(138,510)
Loss before tax	稅前虧損			(12,087,413)

As at 31 December 2015	於二零一五年十二月三十一日	Manufacturing 製造 HK\$'000 千港元	Downstream 下游 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Segment Assets	分部資產	11,945,744	3,412,926	15,358,670
<i>Reconciliation:</i>	<i>對賬：</i>			
Elimination of intersegment receivables	對銷分部間應收款項			(2,970,595)
Corporate and other unallocated assets	企業及其他未分配資產			83,623
Total assets	資產總額			12,471,698
Segment Liabilities	分部負債	2,958,595	4,574,250	7,532,845
<i>Reconciliation:</i>	<i>對賬：</i>			
Elimination of intersegment payables	對銷分部間應付款項			(2,970,595)
Deferred tax liabilities	遞延稅項負債			417,406
Corporate and other unallocated liabilities	企業及其他未分配負債			44,440
Total liabilities	負債總額			5,024,096

NOTES TO 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. OPERATING SEGMENT INFORMATION

(continued)

For the year ended 31 December 2015	截至二零一五年 十二月三十一日止年度	Manufacturing 製造 HK\$'000 千港元	Downstream 下游 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Other Segment Information	其他分部資料			
Impairment losses recognised in the statement of profit or loss	於損益表確認的減值虧損	9,602,009	53,058	9,655,067
Depreciation and amortisation	折舊及攤銷	236,171	76,357	312,528
Reconciliation:	對賬:			
Corporate and other unallocated depreciation and amortisation	企業及其他未分配折舊及攤銷			3,295
Total depreciation and amortisation	折舊及攤銷總額			315,823
Capital expenditure*	資本開支*	422,400	308,781	731,181
Reconciliation:	對賬:			
Corporate and other unallocated capital expenditure	企業及其他未分配資本開支			622
Total capital expenditure	資本開支總額			731,803

* Capital expenditure consists of additions to property, plant and equipment and intangible assets, including assets from acquisition of subsidiaries.

* 資本開支包括添置物業、廠房及設備、無形資產(包括收購附屬公司所得之資產)。

Geographical information

(a) Revenue from external customers

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Mainland China	中國內地	4,412,827	2,127,615
United Kingdom	英國	4,675	92,671
United States	美國	33,055	537,811
Europe	歐洲	32,083	47,405
Others	其他	490	9,166
		4,483,130	2,814,668

The revenue information above is based on the locations of the customers.

上文之收入資料乃根據客戶之所在地呈列。

NOTES TO 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. OPERATING SEGMENT INFORMATION

(continued)

Geographical information (continued)

(b) Non-current assets

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Mainland China	中國內地	337,077	331,431
United States	美國	401,751	259,955
Hong Kong	香港	963	4,017
United Kingdom	英國	14,420	4,430
Others	其他	4,176	10,631
		758,387	610,464

The non-current asset information above is based on the locations of the assets.

Information about major customers

Revenue of HK\$2,091,900,000 (2015: HK\$1,868,346,000) was derived from sales by the Manufacturing segment to Shandong Macrolink New Resources Technology Limited ("Shandong Macrolink").

Revenue of HK\$903,659,000 (2015: HK\$73,098,000) was derived from sales by the Manufacturing segment to Hanergy Affiliates.

4. 經營分部資料(續)

地區資料(續)

(b) 非流動資產

上文之非流動資產資料乃根據資產之所在地呈列。

有關主要客戶之資料

收入2,091,900,000港元(二零一五年: 1,868,346,000港元)乃來自製造分部向山東新華聯新能源科技有限公司(「山東新華聯」)進行銷售。

收入903,659,000港元(二零一五年: 73,098,000港元)乃來自製造分部向漢能聯屬公司進行銷售。

NOTES TO 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

Revenue, which is also the Group's turnover, mainly represents an appropriate proportion of contract revenue of construction contracts and the sale of solar power stations, the sale of rooftop power stations, sale of solar photovoltaic modules and photovoltaic application products, electricity and provision of engineering service to customers.

An analysis of revenue is as follows:

5. 收入

收入，即本集團之營業額，主要來自工程合同的適當部分合同收入及向客戶銷售太陽能電站、屋頂電站、太陽能光伏組件及光伏應用產品、電力以及提供工程服務之收入。

收入之分析如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Contract revenue	合同收入	3,024,927	1,934,115
Sale of solar power stations	銷售太陽能電站	88,203	458,385
Sale of solar photovoltaic panels	銷售太陽能光伏電池板	111,883	111,748
Sale of rooftop power stations	銷售屋頂電站	1,234,999	280,694
Sale of photovoltaic application products	銷售光伏應用產品	2,908	5,866
Sale of electricity	銷售電力	20,210	12,161
Sale of engineering service	工程服務收入	—	11,699
		4,483,130	2,814,668

NOTES TO 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 INCOME AND GAINS

An analysis of other income and gains is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Government grants*	政府補貼*	17,245	79,403
Bank interest income (note 8)	銀行利息收入(附註8)	2,444	12,022
Other interest income (note 8)	其他利息收入(附註8)	12,502	51,687
Interest income on overdue trade receivables from Hanergy Affiliates (note 8, 20)	逾期應收漢能聯屬公司貿易款項之利息收入(附註8, 20)	—	194,394
Gain on sales of spare parts	銷售零部件之收益	1,595	1,050
Gain on provision of services	提供服務之收益	21,376	14,764
Others	其他	22,042	9,355
		77,204	362,675

* Government grants are tax refunds and funds for the research and innovation works of the Group's subsidiaries to which the related expenses have already been incurred.

6. 其他收入及收益

其他收入及收益分析如下：

* 政府補貼指就已產生相關開支之本集團附屬公司的研究及創新工作而退回之稅款及資金。

NOTES TO 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)

7. FINANCE COSTS

An analysis of finance costs is as follows:

7. 財務成本

財務成本之分析如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interest on other borrowings from related parties	應付關聯方其他借款之利息	14,521	13,895
Interest on other borrowings from unrelated third parties	應付無關聯第三方其他借款之利息	20,351	32,689
Interest on bank borrowings	銀行借貸利息	13,839	25,768
Interest on finance lease	應付融資租賃利息	1,156	1,435
Bills receivable discount charges	應收票據折讓費用	—	4,000
		49,867	77,787
Less: capitalised interest	減：資本化利息	—	(5,724)
		49,867	72,063

NOTES TO 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. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

8. 稅前溢利/(虧損)

本集團之稅前溢利/(虧損)已扣除/(計入)下列項目：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank interest income (note 6)	銀行利息收入(附註6)	(2,444)	(12,022)
Other interest income (note 6)	其他利息收入(附註6)	(12,502)	(51,687)
Interest income on overdue trade receivable from Hanergy Affiliates (note 6)	逾期應收漢能聯屬公司貿易款項之利息收入(附註6)	—	(194,394)
(Gain)/loss on disposal of a subsidiary (note 31)	出售附屬公司(收益)/虧損(附註31)	(62,623)	11,499
Auditor's remuneration	核數師酬金		
Audit service	核數服務	23,594	13,083
Others	其他	7,673	3,175
Amortisation of intangible assets (note 16)	無形資產攤銷(附註16)	1,885	158,956
Depreciation of items of property, plant and equipment (note 10, 14)	物業、廠房及設備項目之折舊(附註10, 14)	40,827	156,867
Employee benefit expenses**:	僱員福利開支**:		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	628,465	977,364
Employment termination benefits included in administrative expenses	僱員離職福利(計入行政開支)	10,324	39,682
Pension schemes	退休金計劃	31,567	59,714
Equity-settled share option expenses	以權益結算的股份期權開支	31,358	19,282
Sub-total	小計	701,714	1,096,042
Research and development costs	研發成本	567,165	825,427
Foreign exchange losses, net*	匯兌損失，淨額*	62,645	84,442
Impairment of goodwill	商譽減值	—	7,915,318
Impairment of property, plant and equipment (note 14)	物業、廠房及設備減值(附註14)	—	770,022
Impairment of intangible assets (note 16)	無形資產減值(附註16)	—	969,727
Impairment of trade receivables* (note 18)	貿易應收款項減值*(附註18)	18,211	202,817
Impairment of prepayments*	預付款項減值*	20,231	—
Impairment of other receivables* (note 20)	其他應收款項減值*(附註20)	—	247,454
Reversal of impairment of trade receivables* (note 18)	貿易應收款項之減值撥回*(附註18)	(28,830)	—
Reversal of impairment of other receivables* (note 20)	其他應收款項之減值撥回*(附註20)	(110,188)	—
Write-down of inventories to net realisable value* (note 17)	存貨撇減至可變現淨值*(附註17)	142,921	218,265
Reversal of inventory provision* (note 17)	存貨撥備撥回*(附註17)	(22,180)	—
Write-off of leasehold improvement to profit or loss included in administrative expenses	租賃物業裝修撇減至損益計入行政開支	—	115,506
Loss on disposal of items of property, plant and equipment*	出售物業、廠房及設備項目之虧損*	4,516	6,837
Minimum lease payments under operating leases:	經營租賃之最低租金：		
Land and buildings	土地及樓宇	184,714	320,747
Equipment	設備	24,444	29,431
Product warranty provision	產品保養撥備	37,188	—

* These items are included in "other expenses" on the face of the consolidated statement of profit or loss and other comprehensive income of the Group.

** This item include the directors' and chief executive's remuneration and key management emolument of the Group (note 13).

* 該等項目計入本集團綜合損益及其他全面收益表之「其他開支」內。

** 該項包括本集團的董事及主要行政人員薪酬及主要管理人員酬金(附註13)。

NOTES TO 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. INCOME TAX

The Company is incorporated in Bermuda and conducts its primary business through its subsidiaries in the PRC and other countries. The Company, under the current laws of Bermuda, is not subject to tax on income or capital gains. Hong Kong profits tax rate was 16.5% (2015: 16.5%) during the years reported. The Company's Hong Kong subsidiaries have both Hong Kong-sourced and non-Hong Kong-sourced income. The latter is not subject to Hong Kong profits tax and the related expenses are non-tax-deductible. For the Hong Kong-sourced income, no provision for Hong Kong profits tax was made as such operations did not generate any assessable profits arising from Hong Kong during the year. Furthermore, there are no withholding tax in Hong Kong on the remittance of dividends.

Effective from 1 January 2008, the PRC's statutory corporate income tax ("CIT") rate is 25%. Certain of the Group's subsidiaries in the PRC were designated as "High New Technology Enterprises" and were entitled to a preferential CIT rate of 15%. The Company's other PRC subsidiaries are subject to income tax at 25% on their respective taxable income as calculated in accordance with the CIT Law and its relevant regulations except for Apollo Precision (Kunming) Yuanhong Limited ("Apollo Kunming"). In 2013, Apollo Kunming received written confirmations from the local tax bureau that Apollo Kunming was taxed on a deemed profit method based on the deemed profits at the 25% statutory tax rate. The deemed profit was determined at 10% of the sales of Apollo Kunming. The Company's subsidiary in Sweden is subject to income tax at a rate of 22%. The Company's subsidiary in the United Kingdom is subject to income tax at a rate of 20%. The Company's subsidiaries in the United States are subject to income tax at rates ranging from 41% to 44%. The Company's subsidiaries in Germany are subject to income tax at a rate of 29%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates. No provision for income tax was made for the overseas subsidiaries as there were no assessable profits during the current and prior years.

9. 所得稅

本公司於百慕達註冊成立，並透過其中國及其他國家附屬公司進行主要業務。根據百慕達之現時法律，於百慕達註冊成立之本公司毋須繳付所得稅或資本收益稅。於報告年間，香港利得稅率為16.5%（二零一五年：16.5%）。本公司之香港附屬公司均擁有來自香港及非來自香港之收入。後者毋須繳付香港利得稅，而相關開支為不可扣稅。就來自香港之收入而言，由於該業務於本年度在香港並無產生任何應課稅溢利，故並無就香港利得稅作出撥備。此外，本公司並無就匯返股息之香港預扣稅。

自二零零八年一月一日起生效，中國法定企業所得稅（「企業所得稅」）率為25%。本集團若干中國附屬公司獲認定為「高新技術企業」，因而可享優惠企業所得稅稅率15%。本公司之其他中國附屬公司須根據企業所得稅法及其相關法規計算按其各自之應課稅收入之25%繳付所得稅，惟昆明鉑陽遠宏能源科技有限公司（「昆明鉑陽」）除外。於二零一三年，昆明鉑陽接獲當地稅局之書面確認，昆明鉑陽須根據法定稅率25%就視為溢利按核定利潤方法徵稅。視為溢利按昆明鉑陽之銷售10%釐定。本公司之瑞典附屬公司須按22%繳納所得稅。本公司之英國附屬公司須按20%繳納所得稅。本公司之美國附屬公司須按從41%至44%繳納所得稅。本公司之德國附屬公司須按29%繳納所得稅。其他地方應課稅溢利之稅項乃按本集團經營所在司法權區實行之稅率計算。由於海外附屬公司並無於本年度或過往年度錄得應課稅溢利，故並無就其作出所得稅撥備。

NOTES TO 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. INCOME TAX (continued)

Under the prevailing CIT Law and the relevant regulations, any dividends paid by the Company's PRC subsidiaries from their earnings derived after 1 January 2008 to the Company's Hong Kong subsidiary are subject to a 5% or 10%, depending on the applicability of the Sino-Hong Kong tax treaty, PRC dividend withholding tax. For the Group, the historical applicable rate is 5%. The Group is therefore liable for withholding taxes on retained earnings distributable by those subsidiaries established in the PRC in respect of their earnings generated from 1 January 2008.

9. 所得稅(續)

根據現行企業所得稅法及其相關法規，於二零零八年一月一日後，本公司之中國附屬公司須向本公司之香港附屬公司所派付之任何自其盈利衍生之股息為5%或10%，視乎中港稅收協定中國股息預扣稅之適用情況。就本集團而言，過往適用稅率為5%。因此，本集團須就自二零零八年一月一日產生之盈利由該等於中國成立之附屬公司可予分派之保留溢利中繳付預扣稅。

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current tax:	即期稅項：		
— The PRC	— 中國		
Income tax expense for the year	本年度所得稅開支	423,138	217,717
Under provision in respect of prior years	過往年度撥備不足	24	2,560
		423,162	220,277
Deferred tax benefit —	遞延稅項溢利 —		
The PRC (note 27)	中國(附註27)	(16,381)	(74,148)
Total tax charge for the year	本年度稅務開支總額	406,781	146,129

NOTES TO 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. INCOME TAX (continued)

A reconciliation of the income tax expense applicable to profit/(loss) before tax at the PRC statutory tax rates which the Company's majority subsidiaries are domiciled to the actual income tax expense is as follows:

9. 所得稅(續)

按中國(本公司及其大部分附屬公司註冊所在地)之法定稅率計算適用於所得稅前溢利/(虧損)之稅務開支與實際所得稅開支對賬如下:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit/(loss) before tax	稅前溢利/(虧損)	658,395	(12,087,413)
Tax at the PRC statutory tax rate	按中國法定稅率計算之稅項	164,599	(3,021,853)
Effect of differences in international and domestic preferential tax rates	國際準則與當地機關實施之稅率差異之影響	(98,454)	(249,641)
Adjustments in respect of current tax of previous periods	過往期間即期稅項之調整	24	2,560
Effect of the deemed profit method	視作溢利方法之影響	1,827	5,771
Expenses not deductible for tax	不可扣稅開支	10,647	18,882
Effect of super-deduction on PRC research and development costs	超額扣除對中國研發費用之影響	(11,661)	(19,743)
Deferred tax assets not recognised for impairments and other temporary difference	未確認減值之遞延稅項資產及其他暫時性差異	62,459	2,611,699
Tax losses not recognised	未確認之稅項虧損	599,136	865,786
PRC dividend withholding tax	中國附屬公司可分派溢利預扣稅	(8,194)	(136,761)
Deferred tax assets written off	撤銷遞延稅項資產	—	69,104
Utilisation of temporary differences not recognised in prior periods	動用以往期間並無確認之暫時性差異	(314,579)	—
Others	其他	977	325
Income tax expense	所得稅開支	406,781	146,129

NOTES TO 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. A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

The Company entered into a sales agreement with a third party to sell the entire equity interests in Jiangmen Qingyuan New Energy Power Investment Limited (“Jiangmen Qingyuan”) on 15 October 2016 with a total consideration of HK\$31,530,000. Up to 31 December 2016, the Company has received HK\$20,120,000 as down payment. The disposal of Jiangmen Qingyuan is due to be completed in 2017. As at 31 December 2016, the sale transaction was still in progress and Jiangmen Qingyuan was classified as a disposal group held for sale as at the end of the reporting period. The information of Jiangmen Qingyuan is included in the “Downstream” segment for the year ended 31 December 2016.

The major classes of assets and liabilities of Jiangmen Qingyuan classified as held for sale as at 31 December 2016 are as follows:

10. 分類為待售之出售組合

本公司於二零一六年十月十五日與第三方訂立銷售協議，以出售江門清源新能源發電投資有限公司(「江門清源」)全部股權，總代價為31,530,000港元。截至二零一六年十二月三十一日，本公司收取20,120,000港元為首付款。出售江門清源一事須於二零一七年完成。於二零一六年十二月三十一日，出售交易仍在進行，江門清源在報告期末獲分類為持有待售之出售組合。江門清源之資料於截至二零一六年十二月三十一日止年度列入「下游」分類。

於二零一六年十二月三十一日分類為持有待售，江門清源之主要類別資產及負債如下：

		HK\$'000 千港元
<i>Assets</i>	<i>資產</i>	
Property, plant and equipment	物業、廠房及設備	28,902
Trade receivables	貿易應收款項	182
Other receivables	其他應收款項	3,135
Deposits and prepayments	按金及預付款項	1
Cash and bank balances	現金及銀行結存	5
Assets classified as held for sale	分類為待售之出售組合資產	32,225
<i>Liabilities</i>	<i>負債</i>	
Trade and bills payables	貿易及票據應付款項	(13,791)
Other payables and accruals	其他應付款項及應計費用	(59)
Liabilities directly associated with the assets classified as held for sale	與分類為待售資產直接有關之負債	(13,850)
Net assets directly associated with the disposal group	與分類為待售之出售組合直接相關之資產淨值	18,375
Exchange reserve	匯兌儲備	904

NOTES TO 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)

11. DIVIDENDS

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

12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amount is based on the profit/(loss) for the year attributable to the owners of the parent, and the weighted average number of ordinary shares of 41,751,928,000 (2015: 41,718,070,000) in issue during the year.

The Group had share options and subscription rights outstanding which could potentially dilute basic earnings/(loss) per share in the future but these securities were excluded from the computation of diluted loss per share for the year ended 31 December 2015 as their effects would have been anti-dilutive. The calculation of the diluted earnings per share amount in 2016 is based on the profit for the year attributable to the owners of the parent without any adjustment. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the calculation of basic earnings per share plus the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of subscription rights into ordinary shares. No adjustment has been made to the weighted average number of ordinary shares as the outstanding options had an anti-dilutive effect on the basic earnings per share amount presented.

11. 股息

董事會不建議派發截至二零一六年十二月三十一日止年度之末期股息(二零一五年：無)。

12. 母公司擁有人應佔每股盈利／(虧損)

每股基本盈利／(虧損)之金額乃根據母公司擁有人應佔年度溢利／(虧損)以及年內已發行普通股之加權平均數41,751,928,000股(二零一五年：41,718,070,000股)計算得出。

本集團的未行使購股權及認購權可能對未來的每股基本盈利／(虧損)構成潛在攤薄影響，但有關證券因具有反攤薄影響，因而在計算截至二零一五年十二月三十一日止年度的每股攤薄虧損時並未計算在內。於二零一六年每股攤薄盈利的金額乃根據母公司擁有人應佔年度溢利計算(不作任何調整)。普通股之加權平均數按照用作計算每股基本盈利的年內已發行普通股數目及假設以零代價視作行使認購權認購普通股予以發行之普通股加權平均數計算。並無就普通股加權平均數作調整，這是因為尚未行使的購股權對已呈列的每股基本盈利金額有反攤薄影響。

NOTES TO 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)

12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE PARENT (continued)

When calculating the diluted earnings per share, an estimated share price of 2016 was used which was calculated by market value of 100% equity interest of the Company (the "Market Value") divided by total outstanding shares as at each valuation date. The Market Value was appraised by an independent valuer (the "Valuer") as the trading of the Company's shares had been suspended since 20 May 2015. The Valuer adopted the market approach, which is basically a comparison method which estimates market value from analysing sales and financial data and ratios of comparable public companies. The Market Value was derived after a discount of lack of marketability

The calculations of basic and diluted earnings/(loss) per share are based on:

12. 母公司擁有人應佔每股盈利／(虧損)(續)

於計算每股攤薄盈利時，已使用二零一六年之估計股價，乃按本公司100%股權之市值(「市值」)除以各估值日期發行在外之股份總數計算。由於本公司股份自二零一五年五月二十日起一直暫停買賣，市值由一名獨立估值師(「估值師」)作評估。估值師採納市場法，其基本上為一種比較法，通過分析上市公司之銷售與財務數據及比率，估計市場價值。市值乃計入缺乏市場流通性折讓後釐定。

每股基本及攤薄盈利／(虧損)乃根據下列項目計算：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit/(loss) attributable to the owners of the parent, used in the basic earnings/(loss) per share calculation	用作計算每股基本盈利／(虧損)之母公司擁有人應佔溢利／(虧損)	251,620	(12,233,564)
Profit/(loss) for the purpose of diluted earnings/(loss) per share calculation	用作計算每股攤薄盈利／(虧損)之溢利／(虧損)	251,620	(12,233,564)

NOTES TO 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)

12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE PARENT (continued)

12. 母公司擁有人應佔每股盈利/ (虧損)(續)

		Number of shares 股份數目	
		2016 二零一六年 '000 千股	2015 二零一五年 '000 千股
Shares	股份		
Weighted average number of ordinary shares in issue during the year used in the basic earnings/(loss) per share calculation	用作計算每股基本盈利/(虧損)之年內已發行普通股加權平均數	41,751,928	41,718,070
Deemed exercise of subscription rights	視作行使認購權	920,004	—
Weighted average number of ordinary shares in issue during the year used in diluted earnings/(loss) per share calculation	用作計算每股攤薄盈利/(虧損)之年內已發行普通股加權平均數	42,671,932	41,718,070

NOTES TO 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)

13. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND KEY MANAGEMENT EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

13. 董事及主要行政人員薪酬及主要管理人員酬金

本年度各董事之酬金根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條，以及公司(披露董事利益資料)規例第2部披露如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Fees	袍金	2,423	2,714
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	10,430	11,720
Equity-settled share-based payments	以權益結算的股份支付	2,588	2,120
Contributions to retirement benefit schemes	退休福利計劃供款	37	72
		13,055	13,912
Total	總額	15,478	16,626

The directors and chief executive represent the key management personnel of the Company.

董事及主要行政人員指本公司主要管理人員。

NOTES TO 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)

13. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND KEY MANAGEMENT EMOLUMENTS (continued)

In prior years, certain Directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 29(b) to the financial statements.

(a) Executive Directors and independent non-executive Directors

13. 董事及主要行政人員薪酬及主要管理人員酬金(續)

於過往年度，若干董事就彼等對本集團之服務根據本公司購股權計劃獲授購股權，進一步詳情載於財務報表附註29(b)。

(a) 執行董事及獨立非執行董事

		Fees	Salaries, allowances and benefits in kind	Equity-settled share-based payments	Contributions to retirement benefit schemes	Total
		袍金	薪金、津貼及實物利益	以權益結算的股份支付	退休福利計劃供款	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
2016	二零一六年					
Executive directors:	執行董事：					
Mr. Yuan Yabin (i)	袁亞彬先生 (i)	144	470	—	—	614
Dr. Lam Yat Ming Eddie (ii)	林一鳴博士 (ii)	234	4,151	466	18	4,869
Mr. Wang Xiong (iii)	王雄先生 (iii)	36	164	—	3	203
Mr. Si Haijian (iv)	司海健先生 (iv)	234	1,084	2,122	—	3,440
Mr. Huang Songchun	黃松春先生	234	780	—	—	1,014
Mr. Xu Xiaohua (v)	徐曉華先生 (v)	143	449	—	—	592
Mr. Zhang Bin (vi)	張彬先生 (vi)	59	442	—	—	501
Mr. Li Hejun (vii)	李河君先生 (vii)	140	—	—	—	140
Mr. Frank Mingfang Dai (viii)	Frank Mingfang Dai 先生 (viii)	140	1,441	—	8	1,589
Dr. Feng Dianbo (ix)	馮電波博士 (ix)	140	—	—	—	140
Mr. Chen Li (x)	陳力先生 (x)	84	936	—	8	1,028
Mr. Liu Jianjun (xi)	劉建軍先生 (xi)	97	177	—	—	274
Mr. Zhang Bo (xii)	張波先生 (xii)	117	—	—	—	117
Mr. Lin Qi (xiii)	林啟先生 (xiii)	45	336	—	—	381
		1,847	10,430	2,588	37	14,902
Independent non-executive directors:	獨立非執行董事：					
Ms. Zhao Lan	趙嵐女士	144	—	—	—	144
Mr. Wang Tongbo	王同渤先生	144	—	—	—	144
Professor Xu Zheng	徐征教授	144	—	—	—	144
Dr. Wang Wenjing	王文靜博士	144	—	—	—	144
		576	—	—	—	576
Total emoluments for the year 2016	二零一六年酬金總額	2,423	10,430	2,588	37	15,478

NOTES TO 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)

13. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND KEY MANAGEMENT EMOLUMENTS (continued)

(a) Executive Directors and independent non-executive Directors (continued)

		Fees	Salaries, allowances and benefits in kind	Equity-settled share-based payments	Contributions to retirement benefit schemes	Total
		袍金	薪金、津貼及實物利益	以權益結算的股份支付	退休福利計劃供款	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
2015	二零一五年					
Executive directors:	執行董事：					
Mr. Li Hejun (vii)	李河君先生(vii)	390	—	—	—	390
Mr. Frank Mingfang Dai (viii)	Frank Mingfang Dai先生(viii)	390	4,000	—	18	4,408
Dr. Feng Dianbo (ix)	馮電波博士(ix)	390	—	—	—	390
Mr. Liu Min	劉民先生	270	—	—	—	270
Mr. Chen Li (x)	陳力先生(x)	234	2,600	—	18	2,852
Dr. Lam Yat Ming Eddie (ii)	林一鳴博士(ii)	234	3,750	116	18	4,118
Mr. Li Guangmin	李廣民先生	210	1,348	—	18	1,576
Mr. Huang Songchun	黃松春先生	6	22	—	—	28
Mr. Si Haijian (iv)	司海健先生(iv)	7	—	2,004	—	2,011
Mr. Zhang Bo (xii)	張波先生(xii)	7	—	—	—	7
		2,138	11,720	2,120	72	16,050
Independent non-executive directors:	獨立非執行董事：					
Ms. Zhao Lan	趙嵐女士	144	—	—	—	144
Mr. Wang Tongbo	王同渤先生	144	—	—	—	144
Professor Xu Zheng	徐征教授	144	—	—	—	144
Dr. Wang Wenjing	王文靜博士	144	—	—	—	144
		576	—	—	—	576
Total emoluments for the year 2015	二零一五年酬金總額	2,714	11,720	2,120	72	16,626

13. 董事及主要行政人員薪酬及主要管理人員酬金(續)

(a) 執行董事及獨立非執行董事(續)

NOTES TO 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)

13. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND KEY MANAGEMENT EMOLUMENTS (continued)

(a) Executive Directors and independent non-executive Directors (continued)

- (i) Mr. Yuan Yabin was appointed as an executive Director and the Chairman of the Company with effect from 20 May 2016.
- (ii) Dr. Lam Yat Ming Eddie, an executive Director of the Company, was appointed as the Vice Chairman of the Company, with effect from 20 May 2016.
- (iii) Mr. Wang Xiong was appointed as an executive Director and the Vice Chairman of the Company with effect from 1 November 2016.
- (iv) Mr. Si Haijian, an executive director of the Company, was appointed as the Chief Executive Officer of the Company, with effect from 20 May 2016.
- (v) Mr. Xu Xiaohua was appointed as an executive Director of the Company with effect from 20 May 2016.
- (vi) Mr. Zhang Bin was appointed as an executive Director of the Company with effect from 1 October 2016.
- (vii) Mr. Li Hejun resigned as an executive Director of the Company and the Chairman of the Board with effect from 20 May 2016.
- (viii) Mr. Frank Mingfang Dai resigned as an executive Director, the Vice Chairman of the Company, and the Chief Executive Officer of the Company with effect from 20 May 2016.
- (ix) Dr. Feng Dianbo resigned as an executive Director and the Vice Chairman of the Company with effect from 20 May 2016.
- (x) Mr. Chen Li resigned as an executive Director and the Vice Chairman of the Company with effect from 20 May 2016.

13. 董事及主要行政人員薪酬及主要管理人員酬金(續)

(a) 執行董事及獨立非執行董事(續)

- (i) 袁亞彬先生已獲委任為執行董事及本公司主席，由二零一六年五月二十日起生效。
- (ii) 本公司執行董事林一鳴博士已獲委任為本公司副主席，由二零一六年五月二十日起生效。
- (iii) 王雄先生已獲委任為本公司的執行董事兼副主席，由二零一六年十一月一日起生效。
- (iv) 本公司執行董事司海健先生已獲委任為本公司首席執行官，由二零一六年五月二十日起生效。
- (v) 徐曉華先生已獲委任為本公司的執行董事，由二零一六年五月二十日起生效。
- (vi) 張彬先生已獲委任為本公司的執行董事，由二零一六年十月一日起生效。
- (vii) 李河君先生已辭任本公司的執行董事及董事會主席，由二零一六年五月二十日起生效。
- (viii) Frank Mingfang Dai先生已辭任本公司的執行董事、副主席兼首席執行官，由二零一六年五月二十日起生效。
- (ix) 馮電波博士已辭任本公司的執行董事及副主席，由二零一六年五月二十日起生效。
- (x) 陳力先生已辭任本公司的執行董事及副主席，由二零一六年五月二十日起生效。

NOTES TO 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)

13. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND KEY MANAGEMENT EMOLUMENTS (continued)

(a) Executive Directors and independent non-executive Directors (continued)

- (xi) Mr. Liu Jianjun was appointed as an executive Director of the Company with effect from 20 May 2016 and resigned with effect from 1 November 2016.
- (xii) Mr. Zhang Bo resigned as an executive Director of the Company with effect from 15 July 2016.
- (xiii) Mr. Lin Qi was appointed as an executive Director of the Company with effect from 17 July 2016 and resigned as an executive Director of the Company with effect from 1 October 2016.

No emolument was paid by the Group to any director as an inducement to join or upon joining the Group, or as compensation for loss of office during the year ended 31 December 2016 (2015: Nil).

There was no arrangement under which a director waived or agreed to waive any remuneration during the year ended 31 December 2016 (2015: Nil).

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included one (2015: two) Director and chief executive whose emoluments are included in the analysis presented above. The emoluments payable to the remaining four (2015: three) individuals during the year are as follows:

13. 董事及主要行政人員薪酬及主要管理人員酬金(續)

(a) 執行董事及獨立非執行董事(續)

- (xi) 劉建軍先生已獲委任為本公司的執行董事，由二零一六年五月二十日起生效，及已辭任，由二零一六年十一月一日起生效。
- (xii) 張波先生已辭任為本公司的執行董事，由二零一六年七月十五日起生效。
- (xiii) 林啟先生已獲委任為本公司的執行董事，由二零一六年七月十七日起生效，及已辭任本公司的執行董事由二零一六年十月一日起生效。

截至二零一六年十二月三十一日止年度，本集團概無向任何董事支付酬金，以吸引彼等加入本集團或於加入本集團作為報酬，或作為離職補償(二零一五年：無)。

截至二零一六年十二月三十一日止年度並無作出董事放棄或同意放棄收取任何酬金之安排(二零一五年：無)。

(b) 五名最高薪酬人士

於本年度，本集團五名最高薪酬人士包括一名(二零一五年：兩名)董事及主要行政人員，其酬金已載於上文分析。年內應付餘下四名(二零一五年：三名)人士之酬金如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Salaries and other emoluments	薪金及其他酬金	10,057	7,223
Discretionary bonuses	酌情花紅	5,713	5,931
Equity-settled share-based payments	以權益結算的股份支付	395	1,713
Contributions to retirement benefit schemes	退休福利計劃供款	155	93
Total	總額	16,320	14,960

NOTES TO 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)

13. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND KEY MANAGEMENT EMOLUMENTS (continued)

(b) Five highest paid individuals(continued)

No emolument was paid by the Group to any top five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office during the year ended 31 December 2016 (2015: Nil).

The number of non-director and non-chief-executive, highest paid employees whose remuneration fell within the following bands is as follows:

13. 董事及主要行政人員薪酬及主要管理人員酬金(續)

(b) 五名最高薪酬人士(續)

截至二零一六年十二月三十一日止年度，本集團概無向任何五名最高薪酬人士支付酬金，以吸引彼等加入本集團或於加入本集團作為報酬，或作為離職補償(二零一五年：無)。

酬金介乎以下範圍之非董事及非主要行政人員、最高薪酬僱員人數如下：

		Number of employees 僱員人數	
		2016 二零一六年	2015 二零一五年
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至 3,500,000 港元	2	—
HK\$3,500,001 to HK\$4,000,000	3,500,001 港元至 4,000,000 港元	1	1
HK\$5,000,001 to HK\$5,500,000	5,000,001 港元至 5,500,000 港元	1	1
HK\$5,500,001 to HK\$6,000,000	5,500,001 港元至 6,000,000 港元	—	1

NOTES TO 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

14. 物業、廠房及設備

		Land and buildings 土地及樓宇 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Leasehold improvements, furniture, fixtures and equipment 租賃物業裝修、傢俬、裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
31 December 2016	二零一六年十二月三十一日						
At 1 January 2016	於二零一六年一月一日						
Cost	成本	68,708	303,777	659,370	477,557	23,893	1,533,305
Accumulated depreciation and impairment	累計折舊及減值	(68,708)	(253,853)	(551,013)	(300,618)	(16,406)	(1,190,598)
Net carrying amount	賬面淨值	—	49,924	108,357	176,939	7,487	342,707
At 1 January 2016, net of accumulated depreciation and impairment	於二零一六年一月一日，扣除累計折舊及減值	—	49,924	108,357	176,939	7,487	342,707
Additions	添置	—	274,749	19,440	6,419	521	301,129
Disposal of a subsidiary (note 31)	出售一間附屬公司(附註31)	—	—	—	(13)	(374)	(387)
Disposals	出售	—	—	(1,545)	(16,964)	—	(18,509)
Transfer	轉撥	—	(127,482)	62,227	65,136	119	—
Other transfer	其他轉撥	—	(717)	48,801	—	—	48,084
Depreciation provided during the year	年內折舊撥備	—	—	(8,061)	(30,615)	(1,480)	(40,156)
Exchange realignment	匯兌調整	—	(3,152)	(14,233)	(9,027)	(345)	(26,757)
At 31 December 2016, net of accumulated depreciation and impairment	於二零一六年十二月三十一日，扣除累計折舊及減值	—	193,322	214,986	191,875	5,928	606,111
At 31 December 2016:	於二零一六年十二月三十一日：						
Cost	成本	68,708	447,175	774,060	523,108	23,814	1,836,865
Accumulated depreciation and impairment	累計折舊及減值	(68,708)	(253,853)	(559,074)	(331,233)	(17,886)	(1,230,754)
Net carrying amount	賬面淨值	—	193,322	214,986	191,875	5,928	606,111
31 December 2015	二零一五年十二月三十一日						
At 1 January 2015	於二零一五年一月一日						
Cost	成本	68,763	323,961	442,959	180,497	14,310	1,030,490
Accumulated depreciation	累計折舊	(15,186)	(20,591)	(156,795)	(63,427)	(7,710)	(263,709)
Net carrying amount	賬面淨值	53,577	303,370	286,164	117,070	6,600	766,781
At 1 January 2015, net of accumulated depreciation	於二零一五年一月一日，扣除累計折舊	53,577	303,370	286,164	117,070	6,600	766,781
Additions	添置	—	305,413	122,269	281,571	9,873	719,126
Disposal of a subsidiary (note 31)	出售一間附屬公司(附註31)	—	—	(24,289)	—	—	(24,289)
Disposals	出售	—	—	(33,799)	(8,330)	(105)	(42,234)
Transfer	轉撥	—	(298,737)	158,411	140,326	—	—
Other transfer	其他轉撥	—	(12,008)	—	—	—	(12,008)
Write off	撇銷	—	—	—	(115,506)	—	(115,506)
Depreciation provided during the year	年內折舊撥備	(1,895)	—	(70,825)	(80,475)	(3,672)	(156,867)
Impairment	減值	(51,627)	(233,262)	(323,393)	(156,716)	(5,024)	(770,022)
Exchange realignment	匯兌調整	(55)	(14,862)	(6,181)	(1,001)	(185)	(22,274)
At 31 December 2015, net of accumulated depreciation and impairment	於二零一五年十二月三十一日，扣除累計折舊及減值	—	49,924	108,357	176,939	7,487	342,707
At 31 December 2015:	於二零一五年十二月三十一日：						
Cost	成本	68,708	303,777	659,370	477,557	23,893	1,533,305
Accumulated depreciation and impairment	累計折舊及減值	(68,708)	(253,853)	(551,013)	(300,618)	(16,406)	(1,190,598)
Net carrying amount	賬面淨值	—	49,924	108,357	176,939	7,487	342,707

NOTES TO 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)

15. GOODWILL

The goodwill arose from the acquisition of the Manufacturing segment in 2009 and its net carrying amount is analysed as follows:

15. 商譽

於二零零九年收購製造分部所產生之商譽及其賬面淨值分析如下：

		HK\$'000 千港元
Cost at 1 January 2015	於二零一五年一月一日按成本值	7,915,318
Impairment during the year	本年度減值	(7,915,318)
Cost and net carrying amount at 31 December 2015	於二零一五年十二月三十一日成本及賬面淨值	—
At 31 December 2015:	於二零一五年十二月三十一日：	
Cost	成本	7,915,318
Accumulated impairment	累計減值	(7,915,318)
Net carrying amount	賬面淨值	—
Cost at 1 January 2016, net of accumulated impairment	於二零一六年一月一日按成本值， 扣除累計減值	—
Impairment during the year	本年度減值	—
Cost and net carrying amount at 31 December 2016	於二零一六年十二月三十一日成本及賬面淨值	—
At 31 December 2016:	於二零一六年十二月三十一日：	
Cost	成本	7,915,318
Accumulated impairment	累計減值	(7,915,318)
Net carrying amount	賬面淨值	—

NOTES TO 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)

16. INTANGIBLE ASSETS

16. 無形資產

		Technology know-how 技術知識 HK\$'000 千港元	Customers' contracts 客戶合同 HK\$'000 千港元	Total 合計 HK\$'000 千港元
31 December 2016	二零一六年 十二月三十一日			
Cost at 1 January 2016, net of accumulated amortisation and impairment	於二零一六年一月一日 按成本值， 扣除累計攤銷及減值	16,597	—	16,597
Additions	添置	1,711	—	1,711
Disposals	出售	(3,036)	—	(3,036)
Amortisation provided during the year	年內攤銷撥備	(1,885)	—	(1,885)
Exchange realignment	匯兌調整	(702)	—	(702)
At 31 December 2016	於二零一六年 十二月三十一日	12,685	—	12,685
At 31 December 2016:	於二零一六年 十二月三十一日：			
Cost	成本	1,619,803	374,613	1,994,416
Accumulated amortisation and impairment	累計攤銷及減值	(1,607,118)	(374,613)	(1,981,731)
Net carrying amount	賬面淨值	12,685	—	12,685
31 December 2015	二零一五年 十二月三十一日			
Cost at 1 January 2015, net of accumulated amortisation	於二零一五年一月一日 按成本值， 扣除累計攤銷	1,181,777	—	1,181,777
Additions	添置	5,728	—	5,728
Acquisition of a subsidiary	收購一間附屬公司	6,949	—	6,949
Amortisation provided during the year	年內攤銷撥備	(158,956)	—	(158,956)
Impairment during the year	年內減值	(969,727)	—	(969,727)
Exchange realignment	匯兌調整	(49,174)	—	(49,174)
At 31 December 2015	於二零一五年 十二月三十一日	16,597	—	16,597
At 31 December 2015:	於二零一五年 十二月三十一日：			
Cost	成本	1,621,128	374,613	1,995,741
Accumulated amortisation and impairment	累計攤銷及減值	(1,604,531)	(374,613)	(1,979,144)
Net carrying amount	賬面淨值	16,597	—	16,597

NOTES TO 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)

17. INVENTORIES

17. 存貨

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Raw materials	原料	1,066,212	1,420,277
Photovoltaic modules	光伏組件	573,162	854,761
Photovoltaic application products	光伏應用產品	515	3,751
Photovoltaic power generation projects to be sold	將予出售之光伏發電項目	248,358	317,979
		1,888,247	2,596,768
Less: impairment provision	減：減值撥備	(239,530)	(238,478)
		1,648,717	2,358,290

The cost of inventories sold for the year ended 31 December 2016 was HK\$1,885,358,000 (2015: HK\$1,431,021,000). A provision for impairment of inventories of HK\$239,530,000 was made for the year ended 31 December 2016 (2015: HK\$238,478,000) to write down the inventories to their net realisable value. There was no interest expense arising from the interest-bearing bank and other borrowings capitalised in photovoltaic power generation stations for the year ended 31 December 2016 (2015: HK\$5,724,000 with capitalised rate of 5.3%) (note 7).

截至二零一六年十二月三十一日止年度，存貨出售成本為1,885,358,000港元(二零一五年：1,431,021,000港元)。截至二零一六年十二月三十一日止年度，為撇減存貨至可變現淨值，存貨減值撥備為239,530,000港元(二零一五年：238,478,000港元)。截至二零一六年十二月三十一日止年度，並無自光伏發電站計息銀行及其他借款產生之利息開支資本化(二零一五年：5,724,000港元，資本化率5.3%)(附註7)。

NOTES TO 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)

18. TRADE RECEIVABLES

18. 貿易應收款項

		Notes	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		附註		
Trade receivables:	貿易應收款項：			
— Due from Hanergy Affiliates	— 應收漢能聯屬公司	(i)	3,913,807	2,596,781
— Due from third parties	— 應收第三方	(ii)	2,957,487	1,296,078
			6,871,294	3,892,859
Less: Impairment of amounts due from third parties	減：應收第三方款項減值		(57,930)	(197,220)
			6,813,364	3,695,639

Notes:

(i) Trade receivables from Hanergy Affiliates

The balances are mainly related to contracts with Hanergy Affiliates, settled in accordance with the terms of the respective contracts which are generally from 3 to 10 days. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Based on the invoice date, the ageing analysis of the Group's trade receivables from Hanergy Affiliates is as follows:

附註：

(i) 應收漢能聯屬公司款項

結餘主要與漢能聯屬公司之合同有關，根據相關合同之條款結算，一般為3至10日。本集團並未就其應收款項餘額持有任何抵押品或其他加強信貸措施。本集團應收漢能聯屬公司款項根據發票日期之賬齡分析如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 3 months	3個月內	1,394,950	247,705
3 to 6 months	3至6個月	54,146	236,740
6 months to 1 year	6個月至1年	68,857	462,089
More than 1 year	超過1年	2,395,854	1,650,247
		3,913,807	2,596,781

NOTES TO 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)

18. TRADE RECEIVABLES (continued)

Notes: (continued)

(i) Trade receivables from Hanergy Affiliates (continued)

The ageing analysis of the trade receivables from Hanergy Affiliates that are not individually nor collectively considered to be impaired is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Neither past due nor impaired	並無逾期及減值	1,394,950	7,751
Less than 3 months past due	逾期少於3個月	—	239,954
3 to 6 months past due	逾期3至6個月	54,146	639,534
6 months to 1 year past due	逾期6個月至1年	68,857	1,709,542
More than 1 year past due	逾期超過1年	2,395,854	—
		3,913,807	2,596,781

During this year, Hanergy Affiliates paid HK\$451,660,000 down payment of a construction contract and repaid a total of HK\$211,571,000 for the previous construction contracts to the Group. The Group issued certain payment request letters and legal letters to Hanergy Affiliates requiring repayment of the rest of the trade receivables and reserved rights to take further legal actions against Hanergy Affiliates.

Trade receivables of HK\$2,395,854,000 as at 31 December 2016 (2015: Nil) were past due for more than 1 year. Trade receivables of HK\$123,003,000 as at 31 December 2016 (2015: HK\$2,589,030,000) were past due for less than 1 year. Subsequent to 31 December 2016 and up to 30 March 2017 (when the financial statements were approved for issuance), Hanergy Affiliates repaid HK\$1,692,449,000 (translated from RMB by using the exchange rate at the beginning of March 2017) to the Group.

18. 貿易應收款項(續)

附註：(續)

(i) 應收漢能聯屬公司款項(續)

應收漢能聯屬公司款項中並無被視為個別地或共同地減值之貿易應收款項之賬齡分析如下：

年內，漢能聯屬公司向本集團就建設合同支付451,660,000港元首付款，並就以往之建設合同償付合共211,571,000港元。本集團向漢能聯屬公司發出若干催款函及律師信，要求償還餘下貿易應收款項，並保留對漢能聯屬公司採取進一步法律行動之權利。

於二零一六年十二月三十一日，應收款項2,395,854,000港元(二零一五年：無)已逾期超過一年。於二零一六年十二月三十一日，貿易應收款項123,003,000港元(二零一五年：2,589,030,000港元)已逾期少於一年。於二零一六年十二月三十一日後及直至二零一七年三月三十日(財務報表獲批准刊發當日)，漢能聯屬公司向本集團清償1,692,449,000港元(按二零一七年三月初之匯率由人民幣換算)。

NOTES TO 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)

18. TRADE RECEIVABLES (continued)

Notes: (continued)

(i) Trade receivables from Hanergy Affiliates (continued)

Furthermore, pursuant to the relevant sales contracts, the Group is entitled to claim Hanergy Affiliates interest penalty on the overdue progress payments. Interest penalty is calculated at 0.04% per day of the overdue trade receivables. No interest penalty was recognised due from Hanergy Affiliates for the year ended 31 December 2016 (2015: HK\$194,394,000). The balance of interest penalty recorded in amount due from Hanergy Holding that included in the other receivables was HK\$194,394,000 as at 31 December 2016 (2015: HK\$194,394,000). Up to 30 March 2017 (when the financial statements were approved for issuance), Hanergy Holding did not settle any of the interest penalty of HK\$194,394,000.

(ii) Trade receivables from third parties

a. Trade receivables from Shandong Macrolink

The balances are mainly related to contracts with Shandong Macrolink, settled in accordance with the terms of the contracts which is generally from 3 to 7 days. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

Based on the invoice date, the ageing analysis of the Group's net trade receivables from Shandong Macrolink is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 3 months	3個月內	—	—
3 to 6 months	3至6個月	—	—
6 months to 1 year	6個月至1年	1,599,964	995,194
More that 1 year	超過1年	936,781	—
		2,536,745	995,194

18. 貿易應收款項(續)

附註：(續)

(i) 應收漢能聯屬公司款項(續)

另外，根據相關銷售合同，本集團有權就過期進度款項向漢能聯屬公司申索罰息。罰息就過期貿易應收款項按每日0.04%計算。截至二零一六年十二月三十一日止年度，並無就應收漢能聯屬公司款項確認罰息(二零一五年：194,394,000港元)。於二零一六年十二月三十一日，應收漢能控股款項所錄得的罰息餘額(計入其他應收款項)為194,394,000港元(二零一五年：194,394,000港元)。截至二零一七年三月三十日(財務報表獲批准刊發當日)，漢能控股尚未結付194,394,000港元罰息中的任何部分。

(ii) 應收第三方貿易款項

a. 應收山東新華聯之貿易款項

該款項主要涉及與山東新華聯之合同，按照合同規定結算一般為3至7天。本集團並未持有就其應收款項的任何抵押或其他可提升信用之物。

根據發票日期，本集團應收山東新華聯之貿易款項淨額之賬齡分析如下：

NOTES TO 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)

18. TRADE RECEIVABLES (continued)

Notes: (continued)

(ii) Trade receivables from third parties (continued)

a. Trade receivables from Shandong Macrolink (continued)

The ageing analysis of the trade receivables from Shandong Macrolink that are not individually nor collectively considered to be impaired is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Neither past due nor impaired	並無逾期及減值	—	—
Less than 3 months past due	逾期少於3個月	—	—
3 to 6 months past due	逾期3至6個月	980,186	332,597
6 months to 1 year past due	逾期6個月至1年	619,778	662,597
More than 1 year past due	逾期超過1年	936,781	—
		2,536,745	995,194

During this year, Shandong Macrolink paid HK\$587,443,000 down payment of the construction contract and repaid a total of HK\$59,032,000 to the Group. Subsequent to 31 December 2016 and up to 30 March 2017 (when the financial statements were approved for issuance), Shandong Macrolink repaid HK\$734,685,000 (translated from RMB by using the respective spot rates at the date of the payments made) to the Group.

18. 貿易應收款項(續)

附註：(續)

(ii) 應收第三方貿易款項(續)

a. 應收山東新華聯之貿易款項(續)

應收山東新華聯之貿易款項並未各自或共同地視為已減值的賬齡分析如下：

於本年度，山東新華聯就建設合同向本集團支付587,443,000港元分期付款及償付合共59,032,000港元。於二零一六年十二月三十一日其後及直至二零一七年三月三十日(財務報表獲批准刊發當日)，山東新華聯向本集團償還734,685,000港元(按付款日期之各自即期匯率由人民幣換算)。

NOTES TO 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)

18. TRADE RECEIVABLES (continued)

Notes: (continued)

(ii) Trade receivables from third parties (continued)

b. Trade receivables from other third parties

The credit period is generally one month, extending up to three months for major customers. Based on the invoice date, the ageing analysis of the Group's trade receivables from other third parties is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 3 months	3個月內	66,549	22,556
3 to 6 months	3至6個月	119,537	107,843
6 months to 1 year	6個月至1年	142,741	36,070
More than 1 year	超過1年	91,915	134,415
		420,742	300,884
Less: Impairment	減：減值	(57,930)	(197,220)
		362,812	103,664

The ageing analysis of the trade receivables from other third parties that are not individually nor collectively considered to be impaired is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Neither past due nor impaired	並無逾期或減值	65,979	66,866
Less than 3 months past due	逾期少於3個月	119,525	898
3 to 6 months past due	逾期3個月至6個月	148,555	4,975
6 months to 1 year past due	逾期6個月至1年	3,601	30,925
More than 1 year past due	逾期超過1年	25,152	—
		362,812	103,664

18. 貿易應收款項(續)

附註：(續)

(ii) 應收第三方貿易款項(續)

b. 應收其他第三方之貿易款項

一般信用期限為一個月，惟主要客戶可享長達三月個月之信用期限。根據發票日期，本集團應收其他第三方之貿易款項之賬齡分析如下：

來自其他第三方之貿易應收款項(個別或共同均不被認為須予減值)之賬齡分析如下：

NOTES TO 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)

18. TRADE RECEIVABLES (continued)

Notes: (continued)

(ii) Trade receivables from third parties (continued)

b. Trade receivables from other third parties (continued)

The movements in provision for impairment of trade receivables are as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	於一月一日	197,220	—
Impairment losses recognised (note 8)	已確認減值虧損 (附註8)	18,211	202,817
Disposal of a subsidiary	出售一間附屬公司	(125,150)	—
Reversal of impairment (note 8)	減值撥回 (附註8)	(28,830)	—
Exchange realignment	匯兌調整	(3,521)	(5,597)
At 31 December	於十二月三十一日	57,930	197,220

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of HK\$57,930,000 (2015: HK\$197,220,000) with a carrying amount before provision of HK\$57,930,000 (2015: HK\$197,220,000).

The individually impaired trade receivables relate to customers that were in financial difficulties or were in default in principal payments and none of the receivables is expected to be recovered.

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

The directors of the Company considered that the fair values of trade receivables are not materially different from their carrying amounts because these amounts have short maturity periods at their inception.

18. 貿易應收款項(續)

附註：(續)

(ii) 應收第三方貿易款項(續)

b. 應收其他第三方之貿易款項(續)

應收貿易款項減值撥備的變動如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	197,220	—
Impairment losses recognised (note 8)	18,211	202,817
Disposal of a subsidiary	(125,150)	—
Reversal of impairment (note 8)	(28,830)	—
Exchange realignment	(3,521)	(5,597)
At 31 December	57,930	197,220

上述貿易應收款項減值撥備包括個別減值貿易應收款項的撥備57,930,000港元(二零一五年：197,220,000港元)，未扣減值前的賬面值為57,930,000港元(二零一五年：197,220,000港元)。

個別減值貿易應收款項與面臨財政困難或拖欠本金未還的客戶有關，且預期當中任何應收款項不可予收回。

並無逾期或減值之應收款項與大量多元化客戶有關，彼等近期並無欠款記錄。

已逾期但未減值之應收款項與多名獨立客戶有關，彼等於本集團之記錄良好。按過往經驗，本公司董事認為，由於信貸質素並無明顯轉變，並認為結欠仍可予全數收回，故無須就該等結欠進行減值撥備。

由於應收款項自開始起計於短期內到期，故本公司董事認為該等款項之公平值與其賬面值並無重大差異。

NOTES TO 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)

19. GROSS AMOUNT DUE FROM CONTRACT CUSTOMERS

The Group's gross amount due from customers for contract work was related to contracts with Hanergy Affiliates and Shandong Macrolink and construction of solar power stations for certain small to medium-sized enterprises ("SME"). The movement of gross amount due from contract customers is as follows:

19. 應收合同客戶總額

本集團應收合同客戶總額與漢能聯屬公司和山東新華聯以及為若干中小企業(「中小企」)建設太陽能電站之合同有關。應收合同客戶總額調動如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	於一月一日	2,930,836	3,278,508
Contract costs incurred plus recognised profits less recognised losses	已產生合同成本加已確認溢利減已確認虧損	3,280,988	2,196,443
Progress billings	進度賬單款項	(4,196,857)	(2,092,041)
Exchange realignment	匯兌調整	(467,562)	(452,074)
At 31 December	於十二月三十一日	1,547,405	2,930,836

As at 31 December 2016, the Group's gross amount due from Hanergy Affiliates and Shandong Macrolink for contract work were HK\$745,928,000 (2015: HK\$2,031,902,000) and HK\$796,204,000 (2015: HK\$898,934,000) respectively.

於二零一六年十二月三十一日，本集團應收漢能聯屬公司及山東新華聯之合同工程總額分別為745,928,000港元(二零一五年：2,031,902,000港元)及796,204,000港元(二零一五年：898,934,000港元)。

NOTES TO 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)

20. OTHER RECEIVABLES

20. 其他應收款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Other receivables:	其他應收款項：		
— Due from the ultimate holding company	— 應收最終控股公司	194,820	194,820
— Due from Hanergy Affiliates	— 應收漢能聯屬公司	2,621	6,015
— Due from third parties	— 應收第三方	529,032	555,253
		726,473	756,088
Less: Impairment	減：減值	(22,923)	(237,099)
		703,550	518,989

The movements in provision for impairment of other receivables are as follows:

其他應收款項減值撥備的變動如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	於一月一日	237,099	—
Impairment losses recognised (note 8)	已確認減值虧損(附註8)	—	247,454
Reversal during the year (note 8)	年內回撥(附註8)	(110,188)	—
Disposal of a subsidiary	出售一間附屬公司	(94,416)	—
Exchange realignment	匯兌調整	(9,572)	(10,355)
At 31 December	於十二月三十一日	22,923	237,099

NOTES TO 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)

20. OTHER RECEIVABLES (continued)

The balances of other receivables due from the ultimate holding company represented the interest penalty on the overdue progress payments of the contract work. As disclosed in note 18, pursuant to the relevant sales contracts, the Group is entitled to claim Hanergy Affiliates interest penalty on the overdue progress payments. Interest penalty of HK\$194,394,000 at a rate of 0.04% per day of the overdue trade receivables was included in other receivables due from the ultimate holding company as at 31 December 2016 (2015: HK\$194,394,000). Up to 30 March 2017 (the date of approval of the financial statements), the ultimate holding company did not settle any of the interest penalty of HK\$194,394,000.

Included in the above provision for impairment of other receivables is a provision for individually impaired receivables of HK\$22,923,000 (2015: HK\$237,099,000) with a carrying amount before provision of HK\$22,923,000 (2015: HK\$237,099,000).

The individually impaired other receivables relate to debtors that were in financial difficulties or were in default in principal payments and none of the receivables is expected to be recovered.

Except for those other receivables that are already impaired and the interest penalty due from the ultimate holding company, the financial assets included in the above balance are related to receivables for which there was no recent history of default and with no fixed term of repayment.

The directors of the Company considered that the fair values of other receivables are not materially different from their carrying amounts because these amounts have short maturity periods at their inception.

20. 其他應收款項(續)

其他應收最終控股公司款項結餘，是指合同工程進度款項的過期罰息。誠如附註18所披露，根據相關銷售合同，本集團有權就過期進度款項向漢能聯屬公司申索罰息。於二零一六年十二月三十一日應收最終控股公司其他應收款項當中，包括罰息194,394,000港元(二零一五年：194,394,000港元)，乃按過期貿易應收款項按每日0.04%息率計算。截至二零一七年三月三十日(批准財務報表當日)為止，最終控股公司尚未結付194,394,000港元罰息中的任何部分。

上述其他應收款項減值撥備包括就個別減值應收款項作出的撥備22,923,000港元(二零一五年：237,099,000港元)，未扣減值前的賬面值為22,923,000港元(二零一五年：237,099,000港元)。

個別減值其他應收款項與面臨財政困難或拖欠本金未還的債務人有關，且預期當中任何應收款項不可予收回。

除已予減值的其他應收款項及應收最終控股公司的罰息外，上述結餘所包括的財務資產與並無近期拖欠紀錄的應收款項有關，並無固定償還款期限。

由於其他應收款項自開始起計於短期內到期，故本公司董事認為該等款項之公平值與其賬面值並無重大差異。

NOTES TO 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)

21. BILLS RECEIVABLE

At 31 December 2016, certain subsidiaries of the Group endorsed certain bills receivable accepted by banks in Mainland China to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB41,170,000 (equivalent to HK\$46,025,000). Included in these bills receivables, RMB37,360,000 (equivalent to HK\$41,766,000) of the bills receivables have been derecognised (the "Derecognised Bills"). The Derecognised Bills had a maturity of five to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the year ended 31 December 2016, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively.

As part of its normal business, certain subsidiaries of the Group discounted certain bills receivable to bank. The Group did not discount any bill receivables to the bank for the year ended 31 December 2016 (2015: HK\$107,904,000). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the bills receivable discounted to bank. Accordingly, it has derecognised the full carrying amounts of the bills receivable that discounted to bank. The maximum exposure to loss from the Group's Continuing Involvement in the discounted bills and the undiscounted cash flows to repurchase these discounted bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the discounted bills are not significant. During the year ended 31 December 2016, there was no discounted charges (2015: HK\$4,000,000) recognised since there was no discounting of bills receivables.

21. 應收票據

於二零一六年十二月三十一日，本集團若干附屬公司向若干供應商簽署內地銀行接納的若干應收票據，以償付結欠該等供應商的貿易應付款項，賬面總值為人民幣41,170,000元(相當於46,025,000港元)。該等票據應收款項當中，有人民幣37,360,000元(等值41,766,000港元)之票據應收款項已予終止確認(「終止確認票據」)。於報告期末，已取消確認的票據於五至六個月到期。根據中國票據法，倘中國之銀行違約，已取消確認的票據之持有人擁有針對本集團的追索權(「持續參與」)。董事認為，本集團已轉移已取消確認的票據相關之絕大部分風險及回報，故已取消確認已取消確認的票據之全部賬面值及相關貿易應付款項。本集團持續參與已取消確認的票據及購回該等已取消確認的票據之未貼現現金流量產生虧損之最大風險相當於其賬面值。董事認為，本集團持續參與已取消確認的票據之公平值並不大。

截至二零一六年十二月三十一日止年度，本集團於轉讓已取消確認的票據當日並無確認任何損益。於本年度內概無就持續參與確認或累計確認任何損益。

作為其正常業務的一部分，本集團若干附屬公司向銀行貼現若干應收票據。本集團於截至二零一六年十二月三十一日止年度並無將給予該銀行之任何票據應收款項貼現(二零一五年：107,904,000港元)。董事認為，本集團已將應收票據有關的絕大部分風險及回報轉移往銀行，故此已終止確認已向銀行貼現之應收票據之全數賬面值。本集團持續參與已貼現票據及購回已貼現票據之未貼現現金流產生虧損之最大風險相當於其賬面值。董事認為，本集團持續參與已貼現票據之公平值並不大。截至二零一六年十二月三十一日止年度，由於並無貼現應收票據，並無確認未貼現開支(二零一五年：4,000,000港元)。

NOTES TO 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)

22. DEPOSITS AND PREPAYMENTS

22. 按金及預付款項

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Deposits	按金		47,768	47,729
Prepayments paid to:	已付予以下人士之 預付款項：			
— Hanergy Affiliates	— 漢能聯屬公司	(i)	405,991	663,943
— Third parties	— 第三方		981,683	982,661
			1,387,674	1,646,604
Less: impairment	減：減值		(44,039)	(6,225)
			1,391,403	1,688,108

Included in the above assets, HK\$1,100,740,000 (2015: HK\$356,868,000) of the prepayments has an ageing over 1 year, whereas all the remaining deposits and prepayments have an ageing less than 1 year.

Except for those prepayments already impaired, assets included in the above balance are related to prepayments for certain uncompleted purchase contracts which the Group is currently kept communicating with the suppliers for settlement of these contracts.

上述資產中包含一項為1,100,740,000港元(二零一五年：356,868,000港元)的超過1年預付款項，其餘所有按金及預付款項之賬齡皆少於1年。

除已予減值的預付款項外，上述結餘所包括的資產與若干未完成採購合同的預付款項有關，本集團正與供應商就履行該等合同進行溝通。

NOTES TO 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)

22. DEPOSITS AND PREPAYMENTS

(continued)

Note:

- (i) The balances mainly represented the prepayments for the purchase of photovoltaic ("PV") modules under the master agreement signed with Hanergy Holding on 11 April 2012. The master agreement is effective for three years from 1 January 2012 to 31 December 2014. During 2013, the Company's subsidiaries entered into several photovoltaic module purchase subcontracts ("Subcontracts") with Hanergy Affiliates, nominees of Hanergy Holding, to purchase PV modules with a total capacity of 677.9 MW for construction of the downstream photovoltaic power generation projects. According to the terms of the Subcontracts, approximately 50% of the total contract amounts have been paid by the Company's subsidiaries on the placement of the orders in 2013. As of 31 December 2013, a total of 58.5 MW PV modules have been delivered by Hanergy Affiliates.

The delay of delivery of the PV modules was mainly due to the production arrangement by Hanergy Affiliates, which has caused the delay in the construction of the photovoltaic power generation projects by the Group. Accordingly, the Group reached mutual agreement with Hanergy Affiliates to return the prepayments of HK\$1,262,629,000 before 31 December 2014 in relation to a total capacity of 459.4 MW PV modules and terminate these Subcontracts simultaneously.

During 2014, the Company's subsidiaries also entered into several new PV module purchase subcontracts with Hanergy Affiliates to purchase PV modules with a total capacity of 558 MW for construction of the downstream photovoltaic power generation projects. According to the terms of the Subcontracts, approximately 50% of the total contract amounts have been paid by the Company's subsidiaries on the placement of the orders in 2014.

A total of 28.8 MW PV modules have been delivered by Hanergy Affiliates in 2014. As of 31 December 2014, the total capacity of 689.2 MW PV modules have not been delivered by Hanergy Affiliates.

20. 按金及預付款項(續)

附註：

- (i) 結餘指根據於二零一二年四月十一日與漢能控股簽署之總協議，就購入光伏(「光伏」)組件支付之預付款項。總協議於二零一二年一月一日至二零一四年十二月三十一日期間生效。於二零一三年，本公司之附屬公司與漢能聯屬公司，漢能控股之代理人，訂立多份光伏組件購入附屬協議(「附屬協議」)，就建設下游光伏發電項目購入總產能為677.9MW之光伏組件。根據附屬協議條款，本公司之附屬公司已於二零一三年下達訂單時支付合同總金額約50%。於二零一三年十二月三十一日，漢能聯屬公司已交付產能為58.5MW之光伏組件。

延後交付光伏組件主要是由於漢能聯屬公司之生產安排導致本集團建設光伏發電項目有所延誤所致。因此，本集團已與漢能聯屬公司達成雙方協議，以於二零一四年十二月三十一日前退回預付款與總產能為459.4MW的光伏組件相關的款項1,262,629,000港元，並同時終止此等附屬協議。

二零一四年，本公司之附屬公司與漢能聯屬公司同時訂立多份新光伏組件購買附屬協議，以購買總產能為558MW的光伏組件，用於建設下游光伏發電項目。根據該等附屬協議之條款，本公司之附屬公司已於二零一四年下達訂單時支付合同金額約50%。

於二零一四年中，漢能聯屬公司已交付產能共28.8MW之光伏組件。於二零一四年十二月三十一日，漢能聯屬公司尚未交付產能689.2MW之光伏組件。

NOTES TO 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)

22. DEPOSITS AND PREPAYMENTS

(continued)

Note: (continued)

(i) (continued)

The Company and Hanergy Holding entered into a PV module supply agreement on 30 April 2015 for purchase of PV modules for the year ended 31 December 2015.

On 20 January 2015, the Company entered into a supplemental agreement to the 150 MW PV modules supply contract signed on 23 December 2013 with Hanergy Holding on the settlement of the prepayments made in 2013 by offsetting this with the payables of delivered PV modules under the 150MW PV modules supply contract, and the original total capacity of 150 MW was reduced to 80.9MW.

During 2015, the Company's subsidiaries entered into several new Subcontracts with Hanergy Affiliates under the PV modules supply agreement to purchase PV modules with a total capacity of 57.7 MW for construction of the downstream photovoltaic power generation projects. According to the terms of the Subcontracts, approximately 50% of the total contract sum have been paid by the Company's subsidiaries on the placement of the orders in 2015.

A total of 315 MW PV modules have been delivered by Hanergy Affiliates in the year 2015. As of 31 December 2015, a total capacity of 362.8 MW PV modules have not been delivered by Hanergy Affiliates.

During 2016, the Company signed certain new purchase orders with Hanergy Affiliates for a total capacity of 1.2 MW PV modules. A total capacity of 136.0 MW PV modules have been delivered by Hanergy Affiliates in 2016. As at 31 December 2016, a total capacity of 228.0 MW PV modules have not been delivered by Hanergy Affiliates.

20. 按金及預付款項(續)

附註：(續)

(i) (續)

於二零一五年四月三十日，本公司與漢能控股就於截至二零一五年十二月三十一日止年度購買光伏組件訂立光伏組件供應協議。

於二零一五年一月二十日，本公司就與漢能控股於二零一三年十二月二十三日訂立的150MW光伏組件供應合同訂立補充協議，結算於二零一三年作出的預付款項以150MW光伏組件供應合同下已交付光伏組件的應付款項抵銷，原總電量150MW亦已予削減為80.9MW。

於二零一五年，本公司附屬公司又根據光伏組件供應協議與漢能聯屬公司訂立多份新附屬協議，以購買總產能為57.7MW的光伏組件，用於建設下游光伏發電項目。根據該等附屬協議之條款，本公司之附屬公司已於二零一五年下達訂單時支付合同金額約50%。

於二零一五年，漢能聯屬公司已交付產能共315MW之光伏組件。於二零一五年十二月三十一日，漢能聯屬公司尚未交付產能合共362.8MW之光伏組件。

於二零一六年，本公司與漢能聯屬公司訂立若干新採購訂單，購買總產能為1.2MW之光伏組件。於二零一六年，漢能聯屬公司已交付產能共136.0MW之光伏組件。於二零一六年十二月三十一日，漢能聯屬公司尚未交付產能合共228.0MW之光伏組件。

NOTES TO 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)

23. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

23. 現金及現金等價物及受限制現金

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cash and bank balances	現金及銀行結存	248,674	447,826
Restricted cash	受限制現金	38,057	218,509
Less: Restricted cash	減：受限制現金	(38,057)	(218,509)
Cash and cash equivalents	現金及現金等價物	248,674	447,826

The breakdown of cash and cash equivalents and restricted cash by denominated currency as at 31 December 2016 is as follow:

於二零一六年十二月三十一日，按計值貨幣劃分之現金及現金等價物及受限制現金之明細如下：

(HK\$ equivalent) (相等於港元)		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cash and bank balances denominated in:	以下列貨幣計值之 現金及銀行結存：		
RMB	人民幣	123,895	188,977
USD	美元	104,112	142,732
HKD	港元	12,292	70,642
EUR	歐羅	5,238	33,262
GBP	英鎊	917	5,403
Others	其他	2,220	6,810
Total	總額	248,674	447,826
Restricted cash denominated in:	以下列貨幣計值之受限制現金：		
RMB	人民幣	23,859	191,187
USD	美元	14,198	27,322
Total	總額	38,057	218,509

NOTES TO 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)

23. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH (continued)

At the end of the reporting period, the cash and cash equivalents and the restricted cash of the Group denominated in RMB amounted to HK\$147,754,000 (2015: HK\$380,164,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks that are authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day to three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and restricted cash are deposited with creditworthy banks with no recent history of default.

24. TRADE AND BILLS PAYABLES

23. 現金及現金等價物及受限制現金(續)

於報告期末，本集團以人民幣為單位之現金及現金等價物及受限制現金為147,754,000港元(二零一五年：380,164,000港元)。人民幣不可自由兌換為其他貨幣，然而，根據中國內地之外匯管制條例及結匯管理規定，本集團獲批准透過獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

銀行現金根據每日銀行存款利率計算之浮息賺取利息。短期定期存款之存款期由一日至三個月不等，視乎本集團之即時現金需求而定，並按各短期定期存款息率賺取利息。銀行結存及受限制現金存放於信譽良好且無近期拖欠記錄之銀行。

24. 貿易及票據應付款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade and bills payables due to:	應付予以下人士之貿易及票據應付款項：		
— Related parties	— 關聯人士	409,469	235,223
— Third parties	— 第三方	886,161	875,604
		1,295,630	1,110,827

NOTES TO 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)

24. TRADE AND BILLS PAYABLES (continued)

Based on the invoice date, the ageing analysis of the Group's trade and bills payables is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0 — 30 days	0 — 30 日	372,940	222,423
31 — 60 days	31 — 60 日	53,963	94,328
61 — 90 days	61 — 90 日	73,741	177,637
Over 90 days	90 日以上	794,986	616,439
		1,295,630	1,110,827

The trade payables are non-interest-bearing and the credit terms are normally 60 days.

24. 貿易及票據應付款項(續)

根據發票日期，本集團貿易及票據應付款項之賬齡分析如下：

應付貿易款項並不付息，一般信用期限為60日。

25. OTHER PAYABLES AND ACCRUALS

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Deposits	按金		6,238	5,000
Other payables due to:	應付予以下人士之其他應付款項：			
— The ultimate holding company	— 最終控股公司	(i)	3,931	417
— The immediate holding company	— 直接控股公司	(ii)	16,853	16,853
— Hanergy Affiliates	— 漢能聯屬公司	(iii)	81,765	78,156
— Third parties	— 第三方		984,685	704,244
Sub-total	小計		1,087,234	799,670
Advances from customers	客戶預付款	(iv)	698,705	535,661
Accruals	應計費用	(v)	289,564	266,592
Provision for warranties	保養撥備	(vi)	26,762	—
			2,108,503	1,606,923

25. 其他應付款項及應計費用

NOTES TO 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)

25. OTHER PAYABLES AND ACCRUALS

(continued)

Notes:

- (i) Payables to the ultimate holding company represent the advances from Hanergy Holding to the Group for the daily operation purpose. The balances are unsecured, interest-free and repayable on demand.
- (ii) Payables to the immediate holding company represent the advances from Hanergy Investment to the Group for the daily operation purpose. The balances are unsecured, interest-free and repayable on demand.
- (iii) The balance included the advances of HK\$39,705,000 (2015: HK\$59,149,000) from Hanergy Affiliates to the Group for the daily operation purpose, and the balance of HK\$42,060,000 (2015: HK\$19,007,000) payable to Sichuan Hanergy Photovoltaic Limited ("Sichuan Hanergy"), Hanergy Holding's affiliate, relating to rental of a production line, office premises, factory premises and staff dormitory, and the usage of relevant equipment, material and facilities, etc. The above balances are unsecured, interest-free and repayable on demand.
- (iv) The balance included the advances of HK\$326,717,000 (2015: HK\$269,283,000) from distributors to the Group to buy the household rooftop power stations and photovoltaic application products.
- (v) The balance included an amount of HK\$43,930,000 (2015: HK\$22,228,000) which represented the maximum expense which the Group would be charged on certain current lawsuits.

25. 其他應付款項及應計費用(續)

附註：

- (i) 應付最終控股公司之款項指漢能控股就日常營運目的付予本集團之預付款項。該等結餘為無抵押、免息及於要求時還款。
- (ii) 應付直接控股公司之款項指 Hanergy Investment 就日常營運目的付予本集團之預付款項。該等結餘為無抵押、免息及於要求時還款。
- (iii) 結餘包括漢能聯屬公司就日常營運目的付予本集團之預付款項 39,705,000 港元(二零一五年：59,149,000 港元)，及就租用生產線、辦公場所、工廠場所及員工宿舍以及使用相關設備、材料及設施等向漢能控股之聯屬公司四川漢能光伏有限公司(「四川漢能」)應付之餘款 42,060,000 港元(二零一五年：19,007,000 港元)。上述結餘為無抵押、免息及於要求時還款。
- (iv) 分銷商向本集團預付之 326,717,000 港元(二零一五年：269,283,000 港元)，以作購買戶用屋頂電站及光伏產品之用。
- (v) 結餘包括本集團認為就現有訴訟可能需要支付之最高金額 43,930,000 港元(二零一五年：22,228,000 港元)。

NOTES TO 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)

25. OTHER PAYABLES AND ACCRUALS

(continued)

Notes: (continued)

(vi) Provision for warranties

25. 其他應付款項及應計費用(續)

附註：(續)

(vi) 保養撥備

		Product warranties 產品保養 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	—
Provided during the year	年內撥備	37,188
Amounts utilised during the year	年內已使用金額	(9,544)
Exchange realignment	匯兌調整	(882)
At 31 December 2016	於二零一六年十二月三十一日	26,762
Portion classified as current liabilities	列為流動負債部分	26,762
Non-current portion	非流動部分	—

The Group provides three to ten years warranties to its customers on certain of its photovoltaic modules, inverter and rooftop power stations, under which faulty products are repaired or replaced. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

All amounts are short term and hence the carrying amounts of other payables and accruals are considered to be a reasonable approximation of their fair values. Save for those disclosed above, other payables and accruals are non-interest-bearing and are normally has no fixed term of settlement.

本集團就若干光伏組件、變流器及屋頂電站提供三至十年保養，據此，產品如有故障，可予修理或替換。保養撥備之金額乃按銷售額及過往修理及退貨水平之經驗為基準。估計基準乃定期檢討，並在適當情況下修改。

所有金額為短期，因此其他應付款項及應計費用之賬面值被視為其公平值之合理約數。除上述披露外，其他應付款項及應計費用為不計息，並無固定結算期限。

NOTES TO 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)

26. INTEREST-BEARING BANK AND OTHER BORROWINGS 26. 銀行及其他付息借款

	Notes 附註	31 December 2016 二零一六年十二月三十一日			31 December 2015 二零一五年十二月三十一日		
		Effective interest rate (%) 有效息率 (%)	Maturity 到期日	HK\$'000 千港元	Effective interest rate (%) 有效息率 (%)	Maturity 到期日	HK\$'000 千港元
Current:							
Bank overdrafts — unsecured	即期： 銀行透支 — 無抵押	—	On demand 有需要時	—	—	On demand 有需要時	156
Bank loans — guaranteed and secured	銀行借款 — 已抵押及擔保 (a)	8.5-11	2017	55,897	8.5	2016	59,682
Bank loans — secured	銀行借款 — 已抵押 (b)	—	—	—	2-2.4	2016	124,635
Interest-bearing other borrowings	其他付息借款						
Related parties — unsecured	關聯方 — 無抵押	5-6	2017	2,038	5-6	2016	2,239
Related parties — unsecured	關聯方 — 無抵押	3	2017	1,551	—	—	—
A Third party — unsecured	第三方 — 無抵押	5	2017	55,853	—	—	—
A Third party — unsecured	第三方 — 無抵押	2	2017	412	—	—	—
Current portion of long-term borrowings	長期借款之即期部分						
Bank loans — guaranteed	銀行借款 — 已擔保 (c)	5% above PBOC benchmark lending rate 人行基準貸款利率上浮5%	2017	5,031	5% above PBOC benchmark lending rate 人行基準貸款利率上浮5%	2016	10,743
Bank loans — guaranteed and secured	銀行借款 — 已抵押及擔保 (d)	—	—	—	25% above PBOC benchmark lending rate 人行基準貸款利率上浮25%	2016	4,573
Related parties — unsecured	關聯方 — 無抵押	3	2017	77,399	3	2016	77,357
Related parties — unsecured	關聯方 — 無抵押	3	2017	267,699	—	—	—
Total	合計			465,880			279,385
Non-current:							
Bank loans — guaranteed	非即期： 銀行借款 — 已擔保 (c)	5% above PBOC benchmark lending rate 人行基準貸款利率上浮5%	2018-2029	107,768	5% above PBOC benchmark lending rate 人行基準貸款利率上浮5%	2017-2029	112,154
Bank loans — guaranteed and secured	銀行借款 — 已抵押及擔保 (d)	—	—	—	25% above PBOC benchmark lending rate 人行基準貸款利率上浮25%	2017-2025	35,294
Interest-bearing other borrowings	其他付息借款						
Related parties — unsecured	關聯方 — 無抵押	3	2018	141,607	3	2018	137,889
Related parties — unsecured	關聯方 — 無抵押	—	—	—	3	2017	260,147
A Third party — guaranteed	第三方 — 已擔保 (c)	PBOC benchmark lending rate 人行基準貸款利率	2022	335,380	PBOC benchmark lending rate 人行基準貸款利率	2022	358,089
				584,755			903,573
Total	合計			1,050,635			1,182,958

NOTES TO 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)

26. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued) 26. 銀行及其他付息借款(續)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Analysed into:	分析為：		
Bank loans and overdrafts repayable:	應付銀行借貸及透支：		
Within one year or on demand	一年內或按要求償還	60,928	199,789
In the second year	第二年內	5,590	12,831
In the third to fifth years, inclusive	第三至第五年內(首尾兩年包括在內)	14,533	25,662
Beyond five years	超過五年	87,645	108,955
		168,696	347,237
Other borrowings repayable:	其他應付借款：		
Within one year	一年內	404,952	79,596
In the second year	第二年內	141,607	260,147
In the third to fifth years, inclusive	第三至第五年內(首尾兩年包括在內)	—	137,889
Beyond five years	超過五年	335,380	358,089
		881,939	835,721
Total	合計	1,050,635	1,182,958

NOTES TO 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)

26. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

Notes:

- (a) The loan matured on 30 June 2016. Guarantee from Hanergy Holding did not release upon maturity. The borrower, Apollo Precision (Fujian) Ltd, a subsidiary of the Company, did not repay the loan as contracted on 30 June 2016. An interest penalty thus incurred and was calculated at an annual rate of 30% above the contracted interest rate. On 2 September 2016, RMB42,000,000 (be equivalent to HK\$46,954,000) of the aforementioned loan was renewed at an annual rate of 8.5% with maturity to September 2017 and guaranteed by Hanergy Holding. The remaining balance of RMB8,000,000 (be equivalent to HK\$8,943,000) was still unpaid bearing the interest penalty as at 31 December 2016.
- (b) The bank borrowings are secured by the pledged deposit of HK\$112,173,000 (be equivalent to RMB100,340,000) held by Apollo Precision (Fujian) Ltd ("Fujian Apollo"), a subsidiary of the Company.
- (c) The bank borrowings and other borrowings are guaranteed by Hanergy Holding.
- (d) The bank borrowings are guaranteed by Hanergy Holding, Hanergy (Guangdong) New Energy Investment Co., Ltd, (a subsidiary of the Company) and Mr. Li Hejun (ex-Chairman of the Company). The bank borrowings are secured by:
- (i) All of the accounts receivable from FAW-Volkswagen 10MW photovoltaic electricity generation project;
- (ii) All the Hanergy (Foshan) New Energy Investment Co., Ltd. (a subsidiary of the Company)'s stock rights and other derived rights held by Hanergy (Guangdong) New Energy Investment Co., Ltd.

All guarantee and security of the borrowings were released when the borrower, Foshan Clean Energy New Energy Co., Ltd. was sold by the Company in October 2016.

26. 銀行及其他付息借款(續)

附註：

- (a) 貸款已於二零一六年六月三十日到期。漢能控股所作擔保於到期時仍未予解除。於二零一六年六月三十日，借款方福建鉑陽精工設備有限公司(本公司之附屬公司)並無按約定償還貸款，並因而產生罰息。罰息按約定利息加30%之年利率計算。於二零一六年九月二日，上述貸款中有人民幣42,000,000元(等值46,954,000港元)以年利率8.5%已予重續於二零一七年九月到期，並由漢能控股擔保。其餘人民幣8,000,000元(等值8,943,000港元)仍未償還，於二零一六年十二月三十一日須承擔罰息。
- (b) 銀行借款由本公司之附屬公司福建鉑陽精工設備有限公司(「福建鉑陽」)持有之已抵押存款112,173,000港元(等值人民幣100,340,000元)所抵押。
- (c) 銀行借款及其他借款由漢能控股提供擔保。
- (d) 銀行借款已由漢能控股、本公司之附屬公司廣東漢能新能源發電投資有限公司及本公司前任主席李河君先生提供擔保。該銀行借款由以下所抵押：
- (i) 所有一汽大眾10MW光伏發電項目之應收款項；
- (ii) 所有佛山清源新能源發電投資有限公司(本公司之附屬公司)之股權權益及廣東漢能新能源發電投資有限公司持有之其他衍生權益。

該等借款之全部擔保及抵押已於本公司在二零一六年十月出售借款方佛山清源新能源發電投資有限公司時解除。

NOTES TO 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)

27. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

27. 遞延稅項

年內遞延稅項負債及資產之變動如下：

		Recognition of differences on revenue of construction contracts	Unrealised profit or loss on intra-group transfer of assets or transactions	Fair value adjustment on business combination	Withholding Tax	Accruals	Other temporary differences	Total
		確認建設合同收入差額	集團內轉讓資產或交易之未變現損益	業務合併之公平值調整	預扣稅	應計費用	其他暫時差額	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
1 January 2015	二零一五年一月一日	3,914	738	(21,906)	(540,089)	41,264	30,488	(485,591)
Deferred tax credited/(charged) to the statement of profit or loss and other comprehensive income during the year (note 9)	年內於損益及其他全面收益表中計入/(扣除)之遞延稅項(附註9)	(12,403)	(738)	21,906	136,761	(40,890)	(30,488)	74,148
Exchange realignment	匯兌調整	134	—	—	(5,723)	(374)	—	(5,963)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	(8,355)	—	—	(409,051)	—	—	(417,406)
Deferred tax credited to profit or loss during the year (note 9)	年內於損益中計入之遞延稅項(附註9)	8,187	—	—	8,194	—	—	16,381
Exchange realignment	匯兌調整	168	—	—	(363)	—	—	(195)
At 31 December 2016	於二零一六年十二月三十一日	—	—	—	(401,220)	—	—	(401,220)

NOTES TO 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)

27. DEFERRED TAX (continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Net deferred tax liabilities recognised in the consolidated statement of financial position 於綜合財務狀況表確認之淨遞延稅項負債	(401,220)	(417,406)

The Group has tax losses of HK\$5,953,729,000 (2015: HK\$3,964,138,000) that are available for offsetting against future taxable profits of the companies in which the losses arose, subject to the rules of the tax jurisdictions in which the Group operates. Deferred tax assets have not been recognised in respect of HK\$5,953,729,000 (2015: HK\$3,964,138,000) as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Included in the unrecognised tax losses, HK\$5,953,729,000 (2015: HK\$3,964,138,000) will expire at various dates from 2017 to 2022, if unused.

Deferred tax assets have not been recognised on the Group's deductible temporary differences of HK\$10,315,948,000 as of 31 December 2016 (2015: HK\$11,175,847,000) as it is not considered probable that taxable profits will be available against which the deductible temporary differences can be utilised in the foreseeable future.

27. 遞延稅項(續)

就呈列之目的而言，若干遞延稅項資產及負債已於財務狀況表內對銷。以下為就財務呈報目的而言，本集團遞延稅項結餘之分析：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Net deferred tax liabilities recognised in the consolidated statement of financial position 於綜合財務狀況表確認之淨遞延稅項負債	(401,220)	(417,406)

本集團之稅務虧損5,953,729,000港元(二零一五年：3,964,138,000港元)可於本集團經營所在稅務司法權區之規則之規限下，用以抵銷產生虧損之公司之未來應課稅溢利。由於該等虧損已由虧損一段時間之附屬公司所產生，並被視為不可能有應課稅溢利可用作抵銷稅務虧損，故並無就該5,953,729,000港元(二零一五年：3,964,138,000港元)確認遞延稅項資產。

未獲確認之稅項虧損中，有5,953,729,000港元(二零一五年：3,964,138,000港元)如未動用，則將於二零一七年至二零二二年屆滿。

由於認為在可見將來不可能有應課稅溢利以動用暫時差額，並無就本集團於二零一六年十二月三十一日之可扣稅臨時差額10,315,948,000港元(二零一五年：11,175,847,000港元)確認遞延稅項資產。

NOTES TO 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)

28. SHARE CAPITAL

(a) Shares

28. 股本

(a) 股份

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Authorised:	法定：		
64,000,000,000 (2015: 64,000,000,000) ordinary shares of HK\$0.0025 each	64,000,000,000 股 (二零一五年： 64,000,000,000 股)每 股面值 0.0025 港元之普 通股	160,000	160,000
Issued and fully paid:	已發行及繳足：		
41,859,051,000 (2015: 41,747,101,000) ordinary shares of HK\$0.0025 each	41,859,051,000 股 (二零一五年： 41,747,101,000 股) 每股面值 0.0025 港元 之普通股	104,647	104,367

NOTES TO 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)

28. SHARE CAPITAL (continued)

(a) Shares (continued)

A summary of the transactions during the year is as follow:

		Number of shares in issue 已發行股份數目 '000 shares 千股	Issued capital 已發行股本 HK\$'000 千港元	Share premium account 股份溢價賬 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日及 二零一五年一月一日	41,633,609	104,084	11,417,583	11,521,667
Repurchase of own shares	購回本身股份	(33,724)	(84)	(243,063)	(243,147)
Exercise of share options (note 29)	行使購股權(附註29)				
— Share options granted to the consultants and the management of the Group (note 29(b))	— 授予本集團顧問及管理層之 購股權(附註29(b))	11,970	30	13,230	13,260
— Other Options II (note 29(c)(ii))	— 其他購股權II(附註29(c)(ii))	86,779	216	14,223	14,439
— Other Options III (note 29(c)(iii))	— 其他購股權III(附註29(c)(iii))	48,467	121	11,995	12,116
		147,216	367	39,448	39,815
Transfer from share option reserve (note 30(iv))	轉撥自購股權儲備 (附註30(iv))	—	—	3,696	3,696
Sub-total	小計	147,216	367	43,144	43,511
At 31 December 2015	於二零一五年十二月三十一日	41,747,101	104,367	11,217,664	11,322,031

28. 股本(續)

(a) 股份(續)

年內之交易概要如下：

NOTES TO 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)

28. SHARE CAPITAL (continued)

(a) Shares (continued)

		Number of shares in issue 已發行股份數目 '000 shares 千股	Issued capital 已發行股本 HK\$'000 千港元	Share premium account 股份溢價賬 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及 二零一六年一月一日	41,747,101	104,367	11,217,664	11,322,031
Exercise of share options (note 29)	行使購股權(附註29)				
— Share options granted to the consultants and the management of the Group (note 29(b))	— 授予本集團顧問及管理層之 購股權(附註29(b))	41,800	105	6,851	6,956
— Other Option II (note 29(c)(ii))	— 其他購股權II(附註29(c)(ii))	70,120	175	11,493	11,668
— Other Option III (note 29(c)(iii))	— 其他購股權III(附註29(c)(iii))	30	—	7	7
		111,950	280	18,351	18,631
Transfer from share option reserve (note 30(iv))	轉撥自購股權儲備 (附註30(iv))	—	—	8,606	8,606
Sub-total	小計	111,950	280	26,957	27,237
At 31 December 2016	於二零一六年十二月三十一日	41,859,051	104,647	11,244,621	11,349,268

28. 股本(續)

(a) 股份(續)

NOTES TO 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)

28. SHARE CAPITAL (continued)

(b) Subscription rights

On 20 May 2010, Fujian Apollo, an indirect wholly-owned subsidiary of the Company and Hanergy Holding entered into a sales contract ("2010 Sales Contract") pursuant to which Fujian Apollo agreed to sell, and Hanergy Holding agreed to purchase the turnkey equipment, tools and machinery of solar photovoltaic modules production system with annual production capacity of 3,000 MW to be delivered in three batches for a total contract sum of US\$2.55 billion. On the same date, the Company entered into a subscription agreement ("2010 Subscription Agreement") with Hanergy Holding. According to the 2010 Subscription Agreement, subject to the fulfilment or waiver of the conditions set out in the 2010 Subscription Agreement, Hanergy Holding is entitled to subscribe for an aggregate of 4,911,528,960 shares of the Company, in three tranches, namely the first batch of 1,964,611,584 shares, the second batch of 1,473,458,688 shares and the third batch of 1,473,458,688 shares. The subscription price is HK\$0.239 per share. Pursuant to the supplemental agreement entered into on 18 September 2011, the exercise price for the second batch and the third batch of the 2010 Subscription Agreement was revised to HK\$0.12 per share and HK\$0.1 per share, respectively. The exercise period of the 2010 Subscription Agreement was in following manner:

28. 股本(續)

(b) 認購權

於二零一零年五月二十日，福建鉑陽(本公司之間接全資附屬公司)與漢能控股訂立銷售合同(「二零一零年銷售合同」)，據此，福建鉑陽已同意出售而漢能控股已同意購入年度總產能為3,000MW之太陽能光伏組件生產系統之整套設備、工具及機器，將分三批交付，總合同金額為25.5億美元。於同日，本公司與漢能控股訂立認購協議(「二零一零年認購協議」)。根據二零一零年認購協議，待二零一零年認購協議所載條件達成或獲豁免，漢能控股有權分三批認購合共4,911,528,960股本公司股份，即第一批1,964,611,584股、第二批1,473,458,688股及第三批1,473,458,688股。認購價為每股0.239港元。根據於二零一一年九月十八日訂立之補充協議，二零一零年認購協議之第二批及第三批之行使價分別修訂為每股0.12港元及每股0.1港元。二零一零年認購協議之行使期如下：

NOTES TO 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)

28. SHARE CAPITAL (continued)

(b) Subscription rights (continued)

Exercise periods	行使期	Number of rights 認購權數目
On the third business day after the payment by Hanergy Holding in respect of the 2010 Sales Contract received by Fujian Apollo to be not less than HK\$3.3 billion	福建鉑陽收到漢能控股就二零一零年銷售合同支付不少於33億港元後第三個營業日	1,964,611,584
On the third business day after i) the payment by Hanergy Holding in respect of the 2010 Sales Contract received by Fujian Apollo to be not less than HK\$5 billion and ii) the down payment of not less than 8% of the consideration of the second batch production lines in respect of the 2010 Sales Contract, or upon Hanergy Holding having an irrevocable undertaking to pay within 24 months from the date to complete such batch	i) 福建鉑陽收到漢能控股於就二零一零年銷售合同支付不少於50億港元；及 ii) 就二零一零年銷售合同支付不少於第二批生產線代價8%之款項作為預付定金，或於漢能控股不可撤回地承諾後於該批完成日期起計24個月內支付該款項後第三個營業日	1,473,458,688
On the third business day after i) the payment by Hanergy Holding in respect of the 2010 Sales Contract received by Fujian Apollo to be not less than HK\$6 billion and ii) the down payment of not less than 8% of the consideration of the third batch production lines in respect of the 2010 Sales Contract, or upon Hanergy Holding having an irrevocable undertaking to pay within 24 months from the date to complete such batch	i) 福建鉑陽收到漢能控股就二零一零年銷售合同支付不少於60億港元；及 ii) 就二零一零年銷售合同支付不少於第三批生產線代價8%之款項作為預付定金，或於漢能控股不可撤回地承諾後於該批完成日期起計24個月內支付該款項後第三個營業日	1,473,458,688
		4,911,528,960

28. 股本(續)

(b) 認購權(續)

NOTES TO 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)

28. SHARE CAPITAL (continued)

(b) Subscription rights (continued)

On 18 September 2011, Fujian Apollo and Hanergy Holding entered into a sales contract ("2011 Sales Contract") in relation to, among others, the sale of the turnkey equipment, tools and machinery of solar PV modules production system with annual production capacity of 7,000 MW to be delivered in three batches and the provisions of the technical and engineering support, training services and the grant of a software licence in relation to the equipments by Fujian Apollo to Hanergy Holding, for an aggregate consideration of US\$5.95 billion. On the same date, the Company entered into a subscription agreement ("2011 Subscription Agreement") with Hanergy Holding. According to the 2011 Subscription Agreement, subject to the fulfilment or waiver of the conditions set out in the 2011 Subscription Agreement, Hanergy Holding is entitled to subscribe for, in three tranches, an aggregate of 18,000,000,000 shares of the Company at the subscription price of HK\$0.1 per share. The exercise period of the 2011 Subscription Agreement was in following manner:

28. 股本(續)

(b) 認購權(續)

於二零一一年九月十八日，福建鉑陽與漢能控股訂立銷售合同(「二零一一年銷售合同」)，內容有關(其中包括)銷售年度總產能為7,000 MW之太陽能光伏組件生產系統之整套設備、工具及機器，將分三批交付，以及福建鉑陽向漢能控股提供有關設備之技術及工程支援服務、培訓服務及授出軟件使用權，總代價為59.5億美元。於同日，本公司與漢能控股訂立認購協議(「二零一一年認購協議」)。根據二零一一年認購協議，待二零一一年認購協議所載條件達成或獲豁免，漢能控股有權分三批認購合共18,000,000,000股本公司股份，認購價為每股0.1港元。二零一一年認購協議事項之行使期如下：

NOTES TO 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)

28. SHARE CAPITAL (continued)

(b) Subscription rights (continued)

Exercise periods	行使期	Number of rights 認購權數目
Within one year after the cumulative consideration in respect of the 2011 Sales Contract received by Fujian Apollo to be not less than HK\$1,800,000,000	福建鉑陽收到二零一一年銷售合同之累計代價不少於1,800,000,000港元後一年內	6,000,000,000
Within one year after the cumulative consideration in respect of the 2011 Sales Contract received by Fujian Apollo to be not less than HK\$3,600,000,000	福建鉑陽收到二零一一年銷售合同之累計代價不少於3,600,000,000港元後一年內	6,000,000,000
Within one year after the cumulative consideration in respect of the 2011 Sales Contract received by Fujian Apollo to be not less than HK\$6,300,000,000	福建鉑陽收到二零一一年銷售合同之累計代價不少於6,300,000,000港元後一年內	6,000,000,000
		18,000,000,000

On 28 September 2011, the Company and Hanergy Holding entered into a subscription agreement ("Incentive Agreement"), pursuant to which Hanergy Holding is entitled to subscribe for 3 billion shares of the Company at the subscription price of HK\$0.10 per share, upon the fulfilment of the conditions precedent under the Incentive Agreement, among others, the completion of subscription for all three batches of the 2011 Subscription Agreement by 31 October 2013. On 31 October 2013, the Company and Hanergy Holding entered into supplemental agreement to extend the expiry date from 31 October 2013 to 31 October 2014.

於二零一一年九月二十八日，本公司與漢能控股訂立認購協議（「獎勵協議」），據此，待獎勵協議之先決條件（其中包括於二零一三年十月三十一日前完成二零一一年認購協議之所有三批認購）達成後，漢能控股有權按每股0.10港元之認購價認購30億股本公司股份。於二零一三年十月三十一日，本公司與漢能控股訂立補充協議，以將到期日由二零一三年十月三十一日延後至二零一四年十月三十一日。

NOTES TO 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)

28. SHARE CAPITAL (continued)

(b) Subscription rights (continued)

On 28 December 2012, the ordinary resolution approving the Whitewash Waiver was duly passed by the independent shareholders of the Company. From that date, all the pre-conditions of the 2010 Subscription Agreement and 2011 Subscription Agreement have been substantially met except the obtaining by the Company of the written consent from all the bondholders of the convertible bonds issued in 2009 ("Convertible Bonds") to waive any adjustment to the conversion price pursuant to the provisions of the Convertible Bonds caused by the transactions contemplated under the 2010 Subscription Agreement and 2011 Subscription Agreement ("Convertible Bondholders' Waiver").

On 27 February 2013, pursuant to the obtaining of the Convertible Bondholders' Waiver and the cumulative payment received by Fujian Apollo over HK\$3.3 billion and HK\$1.8 billion in respect of the 2010 Sales Contract and the 2011 Sales Contract, respectively, the Company completed the issue and allotment of the first tranche subscription of 1,964,611,584 shares of the 2010 Subscription Agreement ("2010 First Subscription") and the first tranche subscription of 6,000,000,000 shares of the 2011 Subscription Agreement ("2011 First Subscription") to Hanergy Investment, a company wholly-owned by Hanergy Holding, at the subscription price of HK\$0.239 per share and HK\$0.1 per share, respectively.

On 24 September 2013, pursuant to the obtaining of the Convertible Bondholders' Waiver and the cumulative payment received by Fujian Apollo over HK\$3.6 billion in respect of the 2011 Sales Contract, the second batch of the 6,000,000,000 shares of the 2011 Subscription Agreement (the "2011 Second Subscription") were issued and allotted to Hanergy Investment, at the subscription price of HK\$0.1 per share.

28. 股本(續)

(b) 認購權(續)

於二零一二年十二月二十八日，批准清洗豁免之普通決議案已獲本公司獨立股東正式通過。由當日起，二零一零年認購協議及二零一一年認購協議之所有先決條件已大致上達成，惟本公司向二零零九年已發行之可換股債券(「可換股債券」)所有債券持有人取得書面同意，豁免因根據二零一零年認購協議及二零一一年認購協議擬進行之交易導致根據可換股債券之條文對兌換價作出之任何調整除外(「可換股債券持有人豁免」)。

於二零一三年二月二十七日，根據取得可換股債券持有人豁免，以及福建鉑陽就二零一零年銷售合同及二零一一年銷售合同分別收到累計付款超過33億港元及18億港元，本公司完成分別按認購價每股0.239港元及每股0.1港元向漢能控股全資擁有之公司Hanergy Investment發行及配發第一批認購1,964,611,584股股份(「二零一零年第一項認購事項」)及第一批認購6,000,000,000股股份(「二零一一年第一項認購事項」)。

於二零一三年九月二十四日，根據取得可換股債券持有人豁免，以及福建鉑陽就二零一一年銷售合同收到累計付款不少於36億港元，二零一一年認購協議之第二批6,000,000,000股股份已按認購價每股0.1港元發行及配發予Hanergy Investment(「二零一一年第二項認購事項」)。

NOTES TO 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)

28. SHARE CAPITAL (continued)

(b) Subscription rights (continued)

On 2 September 2014, pursuant to the obtaining of the Convertible Bondholders' Waiver and the cumulative payment received by Fujian Apollo over HK\$6.3 billion in respect of the 2011 Sales Contract, the third batch of the 6,000,000,000 shares of the 2011 Subscription Agreement (the "2011 Third Subscription") were issued and allotted to Hanergy Investment, at the subscription price of HK\$0.1 per share. Upon the completion for all three batches of the 2011 Subscription Agreement, 3,000,000,000 shares of the Incentive Agreement were issued and allotted to Hanergy Investment, at the subscription price of HK\$0.1 per share.

The following table summarises the subscription right transactions during the years:

28. 股本(續)

(b) 認購權(續)

於二零一四年九月二日，因取得可換股債券持有人豁免，加上福建鉑陽就二零一一年銷售合同收到之累計款項超過63億港元，二零一一年認購協議下第三批6,000,000,000股股份(「二零一一年第三項認購事項」)已按認購價每股0.1港元發行及配發予漢能投資。完成二零一一年認購協議內全部三批後，獎勵協議下之3,000,000,000股股份已按認購價每股0.1港元發行及配發予漢能投資。

下表概述年內進行之認購權交易：

		Subscription rights outstanding 未行使認購權 '000 千份	Weighted average exercise price 加權平均行使價 HK\$ 港元
Outstanding at 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日及二零一五年一月一日尚未行使	2,946,917	0.11
Issue of subscription right	授出的認購權	—	—
Exercised	已行使	—	—
Outstanding at 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日尚未行使	2,946,917	0.11
Issue of subscription right	授出的認購權	—	—
Exercised	已行使	—	—
Outstanding at 31 December 2016	於二零一六年十二月三十一日尚未行使	2,946,917	0.11

NOTES TO 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)

29. SHARE OPTIONS

(a) Share option scheme

Pursuant to a resolution passed on 28 August 2007, the Company adopted a share option scheme (the "Scheme") relating to the grant of share options to directors, employees and other participants (the "Grantee") including consultants, advisers, suppliers and customers of the Group.

The directors may specify the minimum period, if any, for which an option must be held or the performance targets, if any, that must be achieved by the Grantee before the option can be exercised.

Share options may be granted without any initial payment and at an exercise price (subject to adjustments as provided therein) equal to the highest of (i) the nominal value of the shares; (ii) the closing price per share as stated in the Stock Exchange's daily quotation sheet on the date of the grant of the share option; and (iii) the average of the closing prices per share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the grant of the share option.

The maximum number of shares which may be issued upon the exercise of all options to be granted under the Scheme and any other share option scheme(s) of the Company shall not exceed 10% of the share capital of the Company in issue on 28 August 2007, the date of adoption of the Scheme, unless a refresh approval of the shareholders is obtained.

29. 購股權

(a) 購股權計劃

根據於二零零七年八月二十八日通過之決議案，本公司採納一項購股權計劃（「該計劃」）向本集團之董事、僱員及其他參與者（「承授人」，包括顧問、諮詢人、供應商及客戶）授出購股權。

董事或會指定購股權可獲行使前必須持有之最短限期（如有）或承授人必須達致之表現目標（如有）。

購股權可毋須支付任何初步款項而授出，行使價（可按當中規定之方式調整）相等於下列三者中之最高者：(i) 股份之面值；(ii) 股份於購股權授出當日在聯交所每日報價表所述之每股收市價；及 (iii) 股份於緊接購股權授出當日前五個營業日於聯交所每日報價表所述之每股平均收市價。

因行使根據該計劃及本公司任何其他購股權計劃將予授出之全部購股權而可能發行之股份最高數目不得超過本公司於二零零七年八月二十八日（即採納該計劃之日期）之已發行股本之10%，惟已取得股東之更新批准除外。

NOTES TO 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)

29. SHARE OPTIONS *(continued)*

(a) Share option scheme *(continued)*

Pursuant to the special general meeting held on 11 June 2010, the resolution approving the renewal of the 10% of the general limit was passed by the shareholders and the maximum number of shares which may be issued upon the exercise of all options to be granted under the Scheme and any other share option scheme(s) of the Company shall not exceed 10% of the share capital of the Company in issue on 11 June 2010. The total number of shares available for issue under the Scheme is 461,224,947 (representing 10% of the issued share capital of the Company as at the date of passing the resolution to refresh the 10% limit).

The maximum number of the shares (issued and to be issued) in respect of which share options may be granted under the Scheme to any one Grantee in any 12-month period shall not exceed 1% of the share capital of the Company in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Listing Rules.

The Scheme was approved by the shareholders of the Company on 28 August 2007 and has a life of 10 years until 27 August 2017.

29. 購股權(續)

(a) 購股權計劃(續)

根據於二零一零年六月十一日舉行之股東特別大會，批准更新10%一般上限之決議案獲股東批准，而因行使根據該計劃及本公司任何其他購股權計劃將予授出之全部購股權而可能發行之股份最高數目不得超過本公司於二零一零年六月十一日之已發行股本之10%。可供根據該計劃發行之股份總數為461,224,947股(佔本公司於通過更新10%上限之決議案當日之已發行股本10%)。

於任何12個月期間根據該計劃授予任何一名承授人之購股權所涉及之股份最高數目(已發行及將予發行)不得超過本公司於該12個月期間最後一日之已發行股本之1%，惟根據上市規則已取得本公司股東之批准除外。

該計劃已於二零零七年八月二十八日獲本公司股東批准，為期10年，直至二零一七年八月二十七日為止。

NOTES TO 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)

29. SHARE OPTIONS (continued)

(b) Share options granted to the consultants and the management of the Group

The following share based payment arrangements were outstanding during the year:

29. 購股權(續)

(b) 授予本集團顧問及管理層之購股權

以下以股份為基礎之付款安排於年內尚未行使：

		2016 二零一六年		2015 二零一五年	
		Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of options 購股權數目 '000 千股	Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of options 購股權數目 '000 千股
At 1 January	於一月一日	2.0605	151,855	0.8912	134,900
Granted during the year	年內授出	—	—	5.5181	42,200
Exercised during the year	年內行使	0.1664	(41,800)	1.1078	(11,970)
Lapsed during the year	年內失效	1.5203	(36,100)	2.0639	(11,945)
Expired during the year	年內到期	3.2577	(6,875)	1.7160	(1,330)
Outstanding at 31 December	於十二月三十一日 尚未行使	3.4088	67,080	2.0605	151,855
Exercisable at 31 December	於十二月三十一日 可予行使	3.3050	7,940	0.5213	73,955

As the trading of the Company's shares had been suspended since 20 May 2015, the weighted average share price at the date of exercise for share options exercised during the the year could not be determined (2015: HK\$4.43).

At the end of the reporting period, the Company had 67,080,000 share options outstanding under the aforesaid options as listed in the table above. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 67,080,000 additional ordinary shares of the Company and additional share capital of HK\$167,700 (before issue expenses).

由於本公司股份自二零一五年五月二十日以來一直被暫停買賣，故不能釐定年內已行使購股權於行使日期之加權平均股價(二零一五年：4.43港元)。

於報告期末，本公司根據該上述購股權有67,080,000份購股權尚未行使。倘全面行使尚未行使購股權，按照本公司現有股本架構，將發行67,080,000股本公司新增普通股，並新增股本167,700港元(未扣除發行開支)。

NOTES TO 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)

29. SHARE OPTIONS (continued)

(b) Share options granted to the consultants and the management of the Group (continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

Granted to 授予		Number of options 購股權數目		Exercise price* 行使價*	Exercise period 行使期
		2016 二零一六年 '000 千股	2015 二零一五年 '000 千股		
Management of the Group I (i)	本集團 管理層 I (i)	—	65,800	0.1664	16 December 2011 to 15 December 2016 二零一一年十二月十六日至 二零一六年十二月十五日
Management of the Group II (ii)	本集團 管理層 II (ii)	35,040	45,720	1.716	27 October 2014 to 31 October 2019 二零一四年十月二十七日至 二零一九年十月三十一日
Management of the Group III (iii)	本集團 管理層 III (iii)	16,020	16,735	3.61	30 January 2015 to 29 January 2020 二零一五年一月三十日至 二零二零年一月二十九日
Management of the Group IV (iv)	本集團 管理層 IV (iv)	16,020	23,600	6.91	16 April 2015 to 15 April 2020 二零一五年四月十六日至 二零二零年四月十五日
		67,080	151,855		

* The exercise price of the share options is subject to adjustment in the case of rights on bonus issues, or other similar changes in the Company's share capital.

29. 購股權(續)

(b) 授予本集團管理層之購股權(續)

於報告期末尚未行使之購股權之行使價及行使期如下：

* 購股權之行使期可於紅股發行或本公司股本出現其他類似變動時作出調整。

NOTES TO 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)

29. SHARE OPTIONS (continued)

(b) Share options granted to the consultants and the management of the Group (continued)

Notes:

- (i) On 16 December 2011, the Company granted 100,000,000 share options to the management of the Group for nil consideration at an exercise price of HK\$0.1664 per share. The exercise periods of the share options granted to the management of the Group are as follows:

Exercise periods	行使期	Number of options 購股權數目 '000 千份
16 December 2011 to 15 December 2016	二零一一年十二月十六日至 二零一六年十二月十五日	10,000
16 December 2012 to 15 December 2016	二零一二年十二月十六日至 二零一六年十二月十五日	10,000
16 December 2013 to 15 December 2016	二零一三年十二月十六日至 二零一六年十二月十五日	10,000
16 December 2014 to 15 December 2016	二零一四年十二月十六日至 二零一六年十二月十五日	10,000
16 December 2015 to 15 December 2016	二零一五年十二月十六日至 二零一六年十二月十五日	60,000
		100,000

- (ii) On 27 October 2014, the Company announced to grant 68,300,000 share options to the employees of the Group for HK\$1 as consideration by each of the Grantees at an exercise price of HK\$1.716 per share under the Scheme approved by the shareholders of the Company on 28 August 2007(note 29(a)). As at 31 December 2014, 63,100,000 share options were validly accepted.

29. 購股權(續)

(b) 授予本集團管理層之購股權(續)

附註：

- (i) 於二零一一年十二月十六日，本公司以零代價授出100,000,000份購股權予本集團管理層，行使價為每股0.1664港元。授予本集團管理層之購股權之行使期如下：

- (ii) 於二零一四年十月二十七日，本公司根據本公司股東於二零零七年八月二十八日批准之該計劃，向本集團僱員公佈授出68,300,000份購股權，代價為每位承授人1港元，行使價為每股1.716港元(附註29(a))。於二零一四年十二月三十一日，63,100,000份購股權被有效接納。

NOTES TO 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)

29. SHARE OPTIONS (continued)

(b) Share options granted to the consultants and the management of the Group (continued)

Notes: (continued)

(ii) (continued)

The exercise periods of the share options granted to the employees of the Group are as follows:

Exercise periods	行使期	Number of options 購股權數目 '000 千份
27 October 2014 to 31 October 2015	二零一四年十月二十七日至二零一五年十月三十一日	6,310
1 November 2015 to 31 October 2016	二零一五年十一月一日至二零一六年十月三十一日	6,310
1 November 2016 to 31 October 2017	二零一六年十一月一日至二零一七年十月三十一日	6,310
1 November 2017 to 31 October 2018	二零一七年十一月一日至二零一八年十月三十一日	6,310
1 November 2018 to 31 October 2019	二零一八年十一月一日至二零一九年十月三十一日	37,860
		63,100

(iii) On 30 January 2015, the Company announced to grant 19,300,000 share options to the employees of the Group for HK\$1 as consideration by each of the Grantees at an exercise price of HK\$3.61 per share under the Scheme approved by the shareholders of the Company on 28 August 2007 (note 29(a)). As at 31 December 2015, 17,800,000 share options were validly accepted.

The exercise periods of the share options granted to the employees of the Group are as follows:

Exercise periods	行使期	Number of options 購股權數目 '000 千份
30 January 2015 to 29 January 2016	二零一五年一月三十日至二零一六年一月二十九日	1,780
30 January 2016 to 29 January 2017	二零一六年一月三十日至二零一七年一月二十九日	1,780
30 January 2017 to 29 January 2018	二零一七年一月三十日至二零一八年一月二十九日	1,780
30 January 2018 to 29 January 2019	二零一八年一月三十日至二零一九年一月二十九日	1,780
30 January 2019 to 29 January 2020	二零一九年一月三十日至二零二零年一月二十九日	10,680
		17,800

29. 購股權(續)

(b) 授予本集團管理層之購股權(續)

附註：(續)

(i) (續)

授予本集團僱員之購股權之行使期如下：

(iii) 於二零一五年一月三十日，本公司根據本公司股東於二零零七年八月二十八日批准之該計劃，向本集團僱員公佈授出19,300,000份購股權，代價為每位承授人1港元，行使價為每股3.61港元(附註29(a))。於二零一五年十二月三十一日，17,800,000份購股權被有效接納。

授予本集團僱員之購股權之行使期如下：

NOTES TO 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)

29. SHARE OPTIONS (continued)

(b) Share options granted to the consultants and the management of the Group (continued)

Notes: (continued)

- (iv) On 16 April 2015, the Company announced to grant 25,200,000 share options to the employees of the Group for HK\$1 as consideration by each of the Grantees at an exercise price of HK\$6.91 per share under the Scheme approved by the shareholders of the Company on 28 August 2007 (note 29(a)). As at 31 December 2015, 24,400,000 share options were validly accepted.

The exercise periods of the share options granted to the employees of the Group are as follows:

Exercise periods	行使期	Number of options 購股權數目 '000 千份
16 April 2015 to 15 April 2016	二零一五年四月十六日至二零一六年四月十五日	2,440
16 April 2016 to 15 April 2017	二零一六年四月十六日至二零一七年四月十五日	2,440
16 April 2017 to 15 April 2018	二零一七年四月十六日至二零一八年四月十五日	2,440
16 April 2018 to 15 April 2019	二零一八年四月十六日至二零一九年四月十五日	2,440
16 April 2019 to 15 April 2020	二零一九年四月十六日至二零二零年四月十五日	14,640
		24,400

29. 購股權(續)

(b) 授予本集團管理層之購股權(續)

附註：(續)

- (iv) 於二零一五年四月十六日，本公司根據本公司股東於二零零七年八月二十八日批准之該計劃，向本集團僱員公佈授出25,200,000份購股權，代價為每位承授人1港元，行使價為6.91港元(附註29(a))。於二零一五年十二月三十一日，24,400,000份購股權被有效接納。

授予本集團僱員之購股權之行使期如下：

NOTES TO 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)

29. SHARE OPTIONS *(continued)*

(c) Other share options

Beside the abovementioned share-based options issued, the Company granted the following share options as financial instruments to the grantees.

i) Other Options II

On 18 September 2011, the Company entered into an option agreement (“2011 Option Agreement”) with Hanergy Holding, pursuant to which the Company conditionally agreed to grant the options (“Other Options II”) to Hanergy Holding (or its designated individuals or entities). The options issued to Hanergy Holding were mainly to ensure its signature and smooth execution of the 2011 Sales Contract.

On 16 December 2011, after fulfilment of the conditions precedent to each of the 2011 Option Agreements, the Company had granted the Other Options II to Hanergy Option Limited (Hanergy Holding’s designated entity). The Other Options II were not granted under the Scheme.

The Other Options II entitled Hanergy Option Limited to subscribe for an aggregate of 1.3 billion shares of the Company at an exercise price of HK\$0.1664 per share. They will lapse upon the fifth anniversary of the date of grant.

29. 購股權(續)

(c) 其他購股權

根據上述已發行之以股份為基礎購股權，本公司向承授人授出以下購股權作為金融工具。

i) 其他購股權II

於二零一一年九月十八日，本公司與漢能控股訂立購股權協議(「二零一一年購股權協議」)，據此，本公司有條件地同意向漢能控股(或其指定之人士或實體)授出購股權(「其他購股權II」)。發行予漢能控股之購股權主要為確保其簽署及順利簽立二零一一年銷售合同。

於二零一一年十二月十六日，於達成二零一一年購股權協議各自之先決條件後，本公司已向Hanergy Option Limited(漢能控股之指定實體)授出其他購股權II。其他購股權II並非根據該計劃授出。

其他購股權II賦予Hanergy Option Limited權利可按行使價每股0.1664港元認購合共13億股本公司股份，其將於授出日期五週年失效。

NOTES TO 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)

29. SHARE OPTIONS (continued)

(c) Other share options (continued)

i) Other Options II (continued)

For the Other Options II granted on 16 December 2011, the exercise periods are as follows:

Exercise periods	行使期	Number of options 購股權數目 '000 千股
16 December 2011 to 15 December 2016	二零一一年十二月十六日至 二零一六年十二月十五日	610,000
16 December 2012 to 15 December 2016	二零一二年十二月十六日至 二零一六年十二月十五日	310,000
16 December 2013 to 15 December 2016	二零一三年十二月十六日至 二零一六年十二月十五日	310,000
16 December 2014 to 15 December 2016	二零一四年十二月十六日至 二零一六年十二月十五日	10,000
16 December 2015 to 15 December 2016	二零一五年十二月十六日至 二零一六年十二月十五日	60,000
		1,300,000

29. 購股權(續)

(c) 其他購股權(續)

i) 其他購股權II(續)

於二零一一年十二月十六日授出之其他購股權II之行使期如下：

NOTES TO 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)

29. SHARE OPTIONS (continued)

(c) Other share options (continued)

i) Other Options II (continued)

The following table summarises the movements of the Other Options II during the year:

		2016 二零一六年		2015 二零一五年	
		Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of options 購股權數目 '000 千股	Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of options 購股權數目 '000 千股
At 1 January	於一月一日	0.1664	70,122	0.1664	156,901
Granted during the year	年內授出	—	—	—	—
Exercised during the year	年內行使	0.1664	(70,120)	0.1664	(86,779)
Expired during the year	年內屆滿	0.1664	(2)	—	—
At 31 December	於十二月三十一日	—	—	0.1664	70,122
Exercisable at 31 December	於十二月三十一日 可予行使	—	—	0.1664	70,122

As the trading of the Company's shares had been suspended since 20 May 2015, the weighted average share price at the date of exercise for share options exercised during the year could not be determined (2015: HK\$4.07).

29. 購股權(續)

(c) 其他購股權(續)

i) 其他購股權II(續)

下表概述其他購股權II於年內之變動：

由於本公司股份自二零一五年五月二十日以來一直被暫停買賣，故不能釐定年內已行使購股權於行使日期之加權平均股價(二零一五年：4.07港元)。

NOTES TO 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)

29. SHARE OPTIONS (continued)

(c) Other share options (continued)

i) Other Options II (continued)

The exercise prices and exercise periods of the Other Options II outstanding as at the end of the reporting period are as follows:

Number of options 購股權數目		31 December 十二月三十一日	
2016 二零一六年 '000 千份	2015 二零一五年 '000 千份	Exercise price* 行使價* HK\$ per share 每股港元	Exercise period 行使期
—	122	0.1664	16 December 2013 to 15 December 2016 二零一三年十二月十六日至二零一六年 十二月十五日
—	10,000	0.1664	16 December 2014 to 15 December 2016 二零一四年十二月十六日至二零一六年 十二月十五日
—	60,000	0.1664	16 December 2015 to 15 December 2016 二零一五年十二月十六日至二零一六年 十二月十五日
—	70,122		

* The exercise price of the share options is subject to adjustment in the case of rights on bonus issues, or other similar changes in the Company's share capital.

29. 購股權(續)

(c) 其他購股權(續)

i) 其他購股權II(續)

於報告期末尚未行使其其他購股權II之行使價及行使期如下：

* 購股權之行使期可於紅股發行或本公司股本出現其他類似變動時作出調整。

NOTES TO 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)

29. SHARE OPTIONS *(continued)*

(c) Other share options *(continued)*

ii) Other Options III

On 6 September 2012, the Company and Hanergy Holding entered into an option agreement, pursuant to which the Company has conditionally agreed to grant Hanergy Holding (or such person(s) at its direction) options (the "Other Options III") to subscribe for an aggregate of 600,000,000 shares of the Company at the exercise price of HK\$0.25 per share. Since the Hanergy Options, which were acting as an incentive of contribution to a smooth execution of the 2010 Sales Contract, have lapsed in 2011, the Company and Hanergy Holding entered into this option agreement to grant options as incentive for the smooth execution and expediting the transactions contemplated under the 2010 Sales Contract.

On 31 December 2012, after the fulfilment of the conditions precedent to the option agreement, the Company had granted the Other Options III to Hanergy Investment (Hanergy Holding's designated entity). The Other Options III were not granted under the Scheme. They will lapse upon the fifth anniversary of the date of grant.

29. 購股權(續)

(c) 其他購股權(續)

ii) 其他購股權計劃III

於二零一二年九月六日，本公司與漢能控股訂立購股權協議，據此，本公司已有條件地同意向漢能控股(或其所指示之有關人士)授出購股權(「其他購股權III」)，以按每股0.25港元之行使價認購合共600,000,000股本公司股份。由於漢能購股權(作為對順利簽立二零一零年銷售合同作出貢獻之激勵)已於二零一一年失效，故本公司與漢能控股訂立此購股權協議，以授出購股權作為順利簽立及加快根據二零一零年銷售合同擬進行之交易之激勵。

於二零一二年十二月三十一日，達成購股權協議之先決條件後，本公司已向Hanergy Investment(漢能控股指定之實體)授出其他購股權III。其他購股權III並非根據該計劃授出，並將於授出日期五週年失效。

NOTES TO 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)

29. SHARE OPTIONS (continued)

(c) Other share options (continued)

ii) Other Options III (continued)

For the Other Options III granted to Hanergy Investment Limited on 31 December 2012, the exercise periods are as follows:

Exercisable period	行使期	Number of options 購股權數目 '000 千股
31 December 2012 to 30 December 2017	二零一二年十二月三十一日至 二零一七年十二月三十一日	300,000
31 December 2013 to 30 December 2017	二零一三年十二月三十一日至 二零一七年十二月三十一日	150,000
31 December 2014 to 30 December 2017	二零一四年十二月三十一日至 二零一七年十二月三十一日	150,000
		600,000

The following table summarises the movement of the Other Options III during the year:

		2016 二零一六年		2015 二零一五年	
		Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of options 購股權數目 '000 千股	Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of options 購股權數目 '000 千股
At 1 January	於一月一日	0.25	286,655	0.25	335,122
Granted during the year	年內授出		—		—
Exercised during the year	年內行使	0.25	(30)	0.25	(48,467)
Expired during the year	年內屆滿		—		—
Outstanding at 31 December	於十二月三十一日 尚未行使	0.25	286,625	0.25	286,655
Exercisable at 31 December	於十二月三十一日 可予行使	0.25	286,625	0.25	286,655

As the trading of the Company's shares had been suspended since 20 May 2015, the weighted average share price at the date of exercise for share options exercised during the year could not be determined (2015: HK\$6.05).

29. 購股權(續)

(c) 其他購股權(續)

ii) 其他購股權計劃III(續)

於二零一二年十二月三十一日授予Hanergy Investment Limited之其他購股權III之行使期如下：

Exercisable period	行使期	Number of options 購股權數目 '000 千股
31 December 2012 to 30 December 2017	二零一二年十二月三十一日至 二零一七年十二月三十一日	300,000
31 December 2013 to 30 December 2017	二零一三年十二月三十一日至 二零一七年十二月三十一日	150,000
31 December 2014 to 30 December 2017	二零一四年十二月三十一日至 二零一七年十二月三十一日	150,000
		600,000

下表概述其他購股權III於年內之變動：

		2016 二零一六年		2015 二零一五年	
		Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of options 購股權數目 '000 千股	Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of options 購股權數目 '000 千股
At 1 January	於一月一日	0.25	286,655	0.25	335,122
Granted during the year	年內授出		—		—
Exercised during the year	年內行使	0.25	(30)	0.25	(48,467)
Expired during the year	年內屆滿		—		—
Outstanding at 31 December	於十二月三十一日 尚未行使	0.25	286,625	0.25	286,655
Exercisable at 31 December	於十二月三十一日 可予行使	0.25	286,625	0.25	286,655

由於本公司股份自二零一五年五月二十日以來一直被暫停買賣，故不能釐定年內已行使購股權於行使日期之加權平均股價(二零一五年：6.05港元)。

NOTES TO 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)

29. SHARE OPTIONS (continued)

(c) Other share options (continued)

ii) Other Options III (continued)

The exercise prices and exercise periods of the Other Options III outstanding as at the end of the reporting period are as follows:

Number of options 購股權數目		31 December 十二月三十一日		Exercise price* 行使價*		Exercise period 行使期	
2016 二零一六年 '000 千份	2015 二零一五年 '000 千份	Exercise price* 行使價*	Exercise price* 行使價*	Exercise price* 行使價*	Exercise price* 行使價*	Exercise period 行使期	Exercise period 行使期
		HK\$ per share 每股港元	HK\$ per share 每股港元	HK\$ per share 每股港元	HK\$ per share 每股港元		
—	—	0.25	0.25	0.25	0.25	31 December 2012 to 30 December 2017 二零一二年十二月三十一日至二零一七年 十二月三十日	31 December 2012 to 30 December 2017 二零一二年十二月三十一日至二零一七年 十二月三十日
136,625	136,655	0.25	0.25	0.25	0.25	31 December 2013 to 30 December 2017 二零一三年十二月三十一日至二零一七年 十二月三十日	31 December 2013 to 30 December 2017 二零一三年十二月三十一日至二零一七年 十二月三十日
150,000	150,000	0.25	0.25	0.25	0.25	31 December 2014 to 30 December 2017 二零一四年十二月三十一日至二零一七年 十二月三十日	31 December 2014 to 30 December 2017 二零一四年十二月三十一日至二零一七年 十二月三十日
286,625	286,655						

* The exercise price of the share options is subject to adjustment in the case of rights on bonus issues, or other similar changes in the Company's share capital.

At 31 December 2016, included in the above outstanding share options, 24,874,300 were options transferred from Hanergy Investment to the Group's employees.

29. 購股權(續)

(c) 其他購股權(續)

ii) 其他購股權計劃III(續)

於報告期末尚未行使之其他購股權III之行使價及行使期如下：

* 購股權之行使期可於紅股發行或本公司股本出現其他類似變動時作出調整。

於二零一六年十二月三十一日，上述尚未行使之購股權當中，有24,874,300份乃從Hanergy Investment轉予本集團僱員之購股權。

NOTES TO 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)

29. SHARE OPTIONS (continued)

(c) Other share options (continued)

ii) Other Options III (continued)

The fair values of the options were estimated at their grant dates using the binomial model with the following assumptions:

Stock price as at grant date (HK\$)	授出當日之股價(港元)	0.18~6.90*
Exercise price (HK\$)	行使價(港元)	0.25
Earliest exercise date	最早行使日期	20 April 2015 to 15 July 2017 二零一五年 四月二十日至 二零一七年 七月十五日
Maximum option life in years	購股權最長年期	1.10~2.66
Volatility	波幅	44.61%~62.48%
Risk free rate	無風險比率	0.07%~0.73%
Dividend yield	股息回報率	0%
Trigger price multiple	觸發價倍數	1x
Exit rate	離職比率	0%

* The stock price for grant dates after 20 May 2015 was calculated by market value of 100% equity interest of the Company (the "Market Value") divided by total outstanding shares as at each valuation date. The Market Value was appraised by an independent valuer (the "Valuer") as the trading of the Company's shares had been suspended since 20 May 2015. The Valuer adopted the market approach, which is basically a comparison method which estimates market value from analysing sales and financial data and ratios of comparable public companies. The Market Value was derived after a discount of lack of marketability.

29. 購股權(續)

(c) 其他購股權(續)

ii) 其他購股權計劃III(續)

該批購股權之公平值乃按二項式模式於授出日期連同下列假設予以估計：

* 以二零一五年五月二十日之後為授出日期的股價，乃按本公司100%股權之市值(「市值」)除以各估值日期發行在外之股份總數計算。由於本公司股份自二零一五年五月二十日起一直暫停買賣，市值由一名獨立估值師(「估值師」)作評估。估值師採納市場法，其基本上為一種比較法，通過分析可資比較上市公司之銷售與財務數據及比率，估計市場價值。市值乃計入缺乏市場流通性折讓後釐定。

NOTES TO 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)

29. SHARE OPTIONS (continued)

(c) Other share options (continued)

ii) Other Options III (continued)

The expected volatility was based on the historical volatility of the Company's stock prices over a period that is commensurate with the expected life of the options.

The fair value of the options transferred was assessed to be HK\$6,285,000. Equity-settled share option expenses of HK\$2,619,000 were charged to profit or loss during the current year (2015: HK\$2,004,000).

The following table summarises the movements of Other Options II and Other Options III during the year:

29. 購股權(續)

(c) 其他購股權(續)

ii) 其他購股權計劃III(續)

預期波幅是依據期限與期權預期年限相一致的公司股價歷史波動率得出。

所評估已轉讓購股權之公平值為6,285,000港元。已自本年度的損益中扣除2,619,000港元(二零一五年:2,004,000港元)以權益結算之購股權開支。

下表概述其他購股權II及其他購股權III於年內之變動：

		Share options outstanding 未行使 購股權 '000 千份	Weighted average exercise price 加權平均 行使價 HK\$ 港元
Outstanding at 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日 及二零一五年一月一日 尚未行使	492,023	0,2233
Exercised	已行使	(135,246)	0.1964
Expired	已屆滿	—	—
Outstanding at 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日 及二零一六年一月一日 尚未行使	356,777	0.2336
Exercised	已行使	(70,150)	0.1664
Expired	已屆滿	(2)	0.1664
Outstanding at 31 December 2016	於二零一六年十二月三十一日 尚未行使	286,625	0.25

NOTES TO 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)

29. SHARE OPTIONS *(continued)*

(c) Other share options *(continued)*

At the end of the reporting period, the Company had 286,625,000 share options outstanding under the above option. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 286,625,000 additional ordinary shares of the Company and additional share capital of HK\$717,000 (before issue expenses).

30. RESERVES

The amounts of the Group's reserves and the movements therein for the current year are presented in the consolidated statement of changes in equity on pages 117 and 118 of the consolidated financial statements.

(i) Capital redemption reserve

Capital redemption reserve represents an amount equivalent to the par value of the ordinary shares cancelled as a result of the share repurchase.

(ii) Reserve funds

Pursuant to the relevant laws and regulations in the PRC, a portion of the profits of the Company's subsidiaries in the PRC has been transferred to the reserve funds which are restricted to use to offset against accumulated losses or to increase capital. As at 31 December 2016, approximately HK\$135,089,000 (2015: HK\$121,066,000) has been recognised to the reserve funds.

(iii) Contributed surplus

The contributed surplus arose from the capital reorganisation and common control business combinations in prior years.

(iv) Share option reserve

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the consolidated financial statements. The amount will be transferred either to the share premium account when the related options are exercised, or retained profits should the related options expire or lapse.

29. 購股權(續)

(c) 其他購股權(續)

於報告期末，本公司根據上述之購股權有286,625,000份購股權尚未行使。倘全面行使尚未行使購股權，按照本公司現有股本架構，將發行286,625,000股本公司新增普通股，並新增股本717,000港元(未扣除發行開支)。

30. 儲備

本集團於本年度之儲備金額及其變動載於綜合財務報表第117頁及第118頁之綜合權益變動表。

(i) 資本贖回儲備

資本贖回儲備之金額等於因股份購回而註銷之普通股面值。

(ii) 儲備金

根據中國相關法例及法規，本公司之中國附屬公司之部分溢利已轉撥至具限制用途之儲備金，以抵銷累計虧損或增加資本。於二零一六年十二月三十一日，約135,089,000港元(二零一五年：121,066,000港元)已於儲備金中確認。

(iii) 實繳盈餘

實繳盈餘乃產生於過往年度之資本重組及共同控制之業務合併。

(iv) 購股權儲備

購股權儲備包括已授出但未行使之購股權之公平值，按綜合財務報表附註2.4有關股份支付之會計政策進一步闡述。該金額將於相關購股權獲行使時轉撥至股份溢價賬，或於相關購股權屆滿或失效時轉撥至留存溢利。

NOTES TO 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. DISPOSAL OF A SUBSIDIARY

2016

On 25 October 2016, Hanergy Thin Film Solar Investment (Beijing) Limited, an indirectly wholly-owned subsidiary of the Company, entered into a sales and purchase agreement with Beijing Heng Run Xiang Da Investment Limited, to sell all the equity interests of Qinghai Hanergy Thin Film Solar Investment Limited ("Qinghai Hanergy") with a selling price of RMB200,000.

The following table summarises the carrying value of net assets of Qinghai Hanergy as at the date of disposal:

		HK\$'000 千港元
Net assets disposal of:	所出售資產淨值：	
Cash and cash equivalents	現金及現金等價物	5,899
Property, plant and equipment (Note 14)	物業、廠房及設備(附註14)	387
Other receivables	其他應收款項	11,189
Other payables and accruals	其他應付款項及應計費用	(79,869)
		(62,394)
Gain on disposal of a subsidiary	出售一間附屬公司之收益	62,623
		229
Satisfied by cash	以現金結付	229

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

		HK\$'000 千港元
Cash consideration	現金代價	229
Cash and bank balances disposed of	出售之現金及銀行結存	(5,899)
Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary	就出售一間附屬公司而言，現金及現金等價物之淨流出	(5,670)

31. 出售一間附屬公司

二零一六年

於二零一六年十月二十五日，漢能薄膜太陽能投資(北京)有限公司(本公司之間接全資附屬公司)與北京恒潤祥達投資有限公司訂立買賣協議，以出售青海漢能薄膜太陽能投資有限公司(「青海漢能」)之股權，售價為人民幣200,000元。

下表概述青海漢能資產淨值於出售當日之賬面值：

就出售一間附屬公司而言，現金及現金等價物淨流出之分析如下：

NOTES TO 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. DISPOSAL OF A SUBSIDIARY (continued)

2015

On 16 April 2015, HGSG-NA Land Power 1, LLC (“HGSG”), an indirect wholly-owned subsidiary of the Company, entered into a sales and purchase agreement with East to West Solar LLC (“ETWS”), to sell the 1MW AC ground solar plant in the form of sales of all the equity interests of the MLH Phase 3, LLC (“MLH”) with a selling price of US\$1.65 million (part of which was used for the repayment of the interest-bearing bank and other borrowings of MLH)

The following table summarises the carrying value of net assets of MLH as at the date of disposal:

31. 出售一間附屬公司(續)

二零一五年

於二零一五年四月十六日，本公司之間接全資附屬公司HGSG-NA Land Power 1, LLC(「HGSG」)已與East to West Solar LLC(「ETWS」)訂立買賣協議，以出售MLH Phase 3, LLC(「MLH」)的全部股權之形式(售價為1,650,000美元)出售1MW地面光伏電站(部分用作償還MLH之計息銀行及其他借貸)。

下表概述MLH於出售日期之資產淨值賬面值：

		HK\$'000 千港元
Net assets disposed of:	所出售資產淨值：	
Property, plant and equipment (note 14)	物業、廠房及設備(附註14)	24,289
Other payables and accruals	其他應付款項及應計費用	(2,485)
Interest bearing bank and other borrowings	銀行及其他付息借款	(8,006)
		13,798
Loss on disposal of a subsidiary	出售附屬公司虧損	(11,499)
Total identifiable net assets at fair value	按公平值計量之可識別資產淨值總額	2,299
Satisfied by cash	以現金支付	4,784
Waiver of other receivables from the subsidiary disposed of	出售附屬公司獲豁免其他應收款項	(2,485)
		2,299

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

有關出售一間附屬公司之現金及現金等價物淨流入之分析如下：

		HK\$'000 千港元
Cash consideration	現金代價	4,784
Cash and bank balances disposed of	所出售之現金及銀行結餘	—
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	有關出售一間附屬公司之現金及現金等價物淨流入	4,784

NOTES TO 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. OPERATING COMMITMENTS

(a) Operating lease commitments

As lessee

The Group leases a number of properties, warehouses and equipment under operating leases, with leases negotiated for an initial period of three months to five years, with an option to renew the lease and renegotiate the terms at the expiry dates or at dates as mutually agreed between the Group and the respective landlords. None of the leases include contingent rental.

At 31 December 2016, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	一年內	95,680	99,397
In the second to fifth years, inclusive	第二至五年(包括首尾兩年)	203,325	182,816
Over five years	五年以上	176,801	35,588
		475,806	317,801

(b) Other Commitments

At 31 December 2016, the Group had total other commitments of HK\$634,595,000 (2015: HK\$726,871,000) under the non-cancellable contracts of the photovoltaic power generation station building projects.

32. 經營承擔

(a) 經營租賃承擔

作為承租人

本集團根據經營租賃租用若干物業、倉庫及設備，租賃初步為期三個月至五年，可選擇於租約屆滿當日或本集團與有關業主雙方同意之日續租及重新磋商條款。該等租賃概不包括或然租金。

於二零一六年十二月三十一日，本集團根據不可撤銷經營租賃之未來最低租金總額將於下列期限屆滿：

(b) 其他承擔

於二零一六年十二月三十一日，本集團有根據建造光伏發電站項目不可撤銷合同之其他承擔總額為634,595,000港元(二零一五年：726,871,000港元)。

NOTES TO 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)

33. CAPITAL COMMITMENTS

33. 資本承擔

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Acquisition of items of property, plant and equipment	收購物業、廠房及設備項目		
— Contracted, but not provided for	— 已訂約但未撥備	113,154	520,734
— Authorised, but not contracted for	— 已授權但未訂約	—	—
		113,154	520,734

34. RELATED PARTY TRANSACTIONS

34. 關聯人士交易

(a) In addition to the transactions and balances detailed elsewhere in these consolidated financial statements, the Group had the following material transactions with related parties during the year.

(a) 除於此等綜合財務報表其他部分所詳述之交易及結餘外，本集團於年內與關聯人士進行以下重大交易。

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Manufacturing of turnkey production lines	製造整套生產線	(i)	903,659	65,769
Rental expense	租金開支	(ii)	4,521	6,832
Equipment lease expense	設備租賃開支	(iii)	16,526	17,594
Equipment lease income	設備租賃收入	(iv)	—	8,324
Technology usage fee expense	技術使用費開支	(v)	1,315	12,470
Purchase/prepayments for purchase of photovoltaic modules	採購光伏組件之採購／預付款項	(vi)	371,732	207,706
Sales of spare parts	銷售零部件	(vii)	2,160	1,292
Operational support expense	營運支持開支	(viii)	—	2,847
Operational support income	營運支持收入	(ix)	—	14,764
Sales of flexible photovoltaic modules and cells	銷售柔性光伏組件及電池	(x)	29	7,329
Trial run service	測試服務	(xi)	—	20,573
Purchase of IT-hardware and machinery	採購資訊科技硬件及機器	(xii)	—	6,336
Charter flights fee	包機費用	(xiii)	—	2,617
Import commission fee	進口代理費	(xiv)	1,448	143
Office service income	辦公室服務收入	(xv)	6,286	—
Interest expenses	利息支出	(xvi)	14,521	13,895

NOTES TO 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)

34. RELATED PARTY TRANSACTIONS

(continued)

(a) (continued)

Notes:

- (i) The revenue from the sales of equipment and turnkey production lines was receivable from Hanergy Affiliates. The sales were made in accordance with the terms as stipulated in the relevant sales contracts.
- (ii) Rental of office premises, factory premises and a staff dormitory by Fujian Apollo, an indirect wholly-owned subsidiary of the Company, from Sichuan Hanergy, Hanergy Holding's affiliate in 2015 and 2016, and lease of office space by Solibro Hi-Tech GmbH ("SHT"), an indirect wholly-owned subsidiary of the Company, from Solibro GmbH ("Solibro"), Hanergy Holding's affiliate in 2015.
- (iii) Equipment lease expense represents the rental of a production line by Fujian Apollo from Sichuan Hanergy.
- (iv) Equipment lease income represents the lease of certain tools and system for the production of CIGS photovoltaic modules owned by SHT to Solibro in 2015.
- (v) The usage of relevant equipment, material and facilities by Fujian Apollo from Sichuan Hanergy to carry out research on thin-film solar energy technology development.
- (vi) Photovoltaic modules was purchased from Hanergy Holding, Solibro (from 1 January 2015 to 25 November 2015) and Hanergy Global Investment and Sales Pte. Ltd ("Hanergy Global Investment And Sales") for the Group's Downstream business. For details of the agreement, please refer to note 22 to the consolidated financial statements.

34. 關聯人士交易(續)

(a) (續)

附註：

- (i) 銷售設備及整套生產線之收入乃應收自漢能聯屬公司。銷售乃根據相關銷售合同訂明之條款進行。
- (ii) 本公司之間接全資附屬公司福建鉑陽於二零一五年及二零一六年向漢能控股之聯屬公司四川漢能租用辦公場所、工廠場所及員工宿舍，以及本公司間接全資附屬公司Solibro Hi-Tech GmbH (「SHT」)於二零一五年向漢能控股之聯屬公司Solibro GmbH (「Solibro」)租用辦公空間之租金。
- (iii) 設備租賃開支指福建鉑陽向四川漢能租用一條生產線之租金。
- (iv) 設備租賃收入指於二零一五年向Solibro租賃SHT所擁有之若干工具及系統以生產CIGS光伏組件。
- (v) 福建鉑陽使用四川漢能之相關設備、材料及設施，以進行薄膜太陽能之技術開發及研究。
- (vi) 就本集團之下游業務來自漢能控股、Solibro(二零一五年一月一日至二零一五年十一月二十五日)及Hanergy Global Investment and Sales Pte. Ltd (「Hanergy Global Investment And Sales」)購入光伏組件。有關該協議之詳情，請參閱綜合財務報表附註22。

NOTES TO 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)

34. RELATED PARTY TRANSACTIONS

(continued)

(a) (continued)

Notes: (continued)

- (vii) Sales of spare parts of turnkey equipment, tools and machinery of solar photovoltaic modules production systems by Fujian Apollo to the Hanergy Affiliates at prices arrived at agreed terms.
- (viii) Certain operational support in IT services, laboratory and lab equipment use and testing, sales support, telecommunication services, payroll services and other support services provided to SHT and Solibro Research AB (“SRAB”), both indirect wholly-owned subsidiaries of the Company, by Solibro, Hanergy Holding’s affiliate in 2015.
- (ix) Certain operational support to Solibro for IT services and production quality enhancement support, product management services and troubleshooting services provided by SHT in 2015.
- (x) Sales of flexible photovoltaic modules and cells by the Company’s indirect wholly-owned subsidiary, MiaSolé Hi-Tech Corp. (“MHT”) to certain subsidiaries of Hanergy Holding.
- (xi) Service for manufacturing test runs provided to SHT by Solibro, Hanergy Holding’s affiliate in 2015.
- (xii) Sales of IT-hardware and machinery to SHT and SRAB by Solibro, Hanergy Holding’s affiliate in 2015.
- (xiii) Charter flights and related services provided by Hanergy Civil Aviation Company Limited (“Hanergy Aviation”), Hanergy Holding’s affiliate, to Beijing Hanergy Solar Investment Co., Ltd. (“Beijing Hanergy”), an indirect wholly-owned subsidiary of the Company.
- (xiv) Service for importing provided to Beijing Hanergy New Energy Investment Co., Ltd. by Beijing Rongtai Energy Investment Co., Ltd., Hanergy Holding’s affiliate.
- (xv) General administration and office service provided by MHT to MiaSolé, Hanergy Holding’s affiliate.
- (xvi) Other interest bearing borrowings provided by Hanergy Global Investment And Sales, Hanergy Holding America Inc., Hanergy Investment and Hanergy Holding (HK) Ltd, Hanergy Holding’s affiliates.

34. 關聯人士交易(續)

(a) (續)

附註：(續)

- (vii) 福建鈞陽按協定條款達致之價格向漢能聯屬公司銷售太陽能光伏組件生產系統之整套設備零部件、工具及機器。
- (viii) 漢能控股之聯屬公司Solibro於二零一五年向本公司兩間間接全資附屬公司SHT及Solibro Research AB (「SRAB」)提供資訊科技服務、實驗室設備使用及檢測、銷售支持、電訊服務、薪資服務等方面的營運支持及其他支援服務。
- (ix) 於二零一五年，SHT向Solibro提供資訊科技服務及生產品質提升支持、產品管理服務及故障排除方面的若干營運支持。
- (x) 本公司之間接全資附屬公司MiaSolé Hi-Tech Corp. (「MHT」)向漢能控股之若干附屬公司銷售柔性光伏組件及電池。
- (xi) 漢能控股之聯屬公司Solibro於二零一五年向SHT提供製造測試服務。
- (xii) 漢能控股之聯屬公司Solibro於二零一五年向SHT及SRAB銷售資訊科技硬件及機器。
- (xiii) 漢能控股之聯屬公司漢能公務航空有限公司(「漢能航空」)向本公司之間接全資附屬公司北京漢能光伏投資有限公司(「北京漢能」)提供包機及相關服務。
- (xiv) 漢能控股之聯屬公司北京榮泰能源投資有限公司向北京漢能新能源投資有限公司提供進口服務。
- (xv) MHT向MiaSolé(漢能控股之聯屬公司)提供之一般行政及辦公室服務。
- (xvi) Hanergy Global Investment And Sales、Hanergy Holding America Inc.、Hanergy Investment及Hanergy Holding (HK) Ltd(漢能控股之聯屬公司)提供之其他計息借款。

NOTES TO 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)

34. RELATED PARTY TRANSACTIONS

(continued)

(b) Other transactions with related parties:

2016

Other than disclosed above, there was no other transactions with related parties during the year ended 31 December 2016.

2015

On 25 January 2015, Fujian Apollo, a wholly owned subsidiary of the Company, as buyer entered into an agreement with Beijing Hanergy Chuangyu Technology Limited, a subsidiary of Hanergy Holding, as seller for the acquisition of two intangible assets at a consideration of RMB500,000 in cash.

(c) Details of compensation of key management personnel of the Group are set out in note 13 to the consolidated financial statements.

The related party transactions in respect of items (a) and (b) above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

34. 關聯人士交易(續)

(b) 其他與關聯人士進行之交易：

二零一六年

除上文所披露者外，於截至二零一六年十二月三十一日止年度內，概無其他與關聯人士之交易。

二零一五年

於二零一五年一月二十五日，本集團之全資附屬公司福建鉑陽(作為買方)與漢能控股之附屬公司北京漢能創昱科技有限公司(作為賣方)就收購兩項無形資產訂立協議，現金代價為人民幣500,000元。

(c) 本集團主要管理層薪酬詳情載於綜合財務報表附註13。

有關上述第(a)項及(b)項之關聯人士交易亦構成上市規則第14A章所界定之關連交易或持續關連交易。

NOTES TO 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. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

2016

35. 金融工具按類別

各項金融工具的賬面值截至報告期末類別如下：

金融資產

二零一六年

		Loans and receivables 貸款及應收款項 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Trade receivables	貿易應收款項	6,813,364	6,813,364
Gross amount due from contract customers	應收合同客戶總額	1,547,405	1,547,405
Financial assets included in other receivables and deposits	金融資產包括其他應收款項及按金	751,318	751,318
Bills receivable	應收票據	11,850	11,850
Restricted cash	受限制現金	38,057	38,057
Cash and cash equivalents	現金及現金等價物	248,674	248,674
		9,410,668	9,410,668

NOTES TO 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. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial liabilities

2016

35. 金融工具按類別(續)

金融負債

二零一六年

		Financial liabilities at amortised cost 按攤銷成本之金融負債 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Trade and bills payables	貿易及票據應付款項	1,295,630	1,295,630
Financial liabilities included in other payables and accruals	金融負債包括其他應付款項及應計費用	1,372,985	1,372,985
Interest-bearing bank and other borrowings	銀行及其他附息借款	1,050,635	1,050,635
Other non-current liability	其他非流動負債	4,262	4,262
		3,723,512	3,723,512

NOTES TO 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. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial assets

2015

35. 金融工具按類別(續)

金融資產

二零一五年

		Loans and receivables 貸款及 應收款項 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Trade receivables	貿易應收款項	3,695,639	3,695,639
Gross amount due from contract customers	應收合同客戶總額	2,930,836	2,930,836
Financial assets included in other receivables and deposits	金融資產包括其他應收款項及 按金	566,718	566,718
Bills receivable	應收票據	2,805	2,805
Restricted cash	受限制現金	218,509	218,509
Cash and cash equivalents	現金及現金等價物	447,826	447,826
		7,862,333	7,862,333

NOTES TO 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. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial liabilities

2015

35. 金融工具按類別(續)

金融負債

二零一五年

		Financial liabilities at amortised cost	Total
		按攤銷成本之金融負債	合計
		HK\$'000	HK\$'000
		千港元	千港元
Trade and bills payables	貿易及票據應付款項	1,110,827	1,110,827
Financial liabilities included in other payables and accruals	金融負債包括其他應付款項及應計費用	1,057,469	1,057,469
Interest-bearing bank and other borrowings	銀行及其他附息借款	1,182,958	1,182,958
Other non-current liability	其他非流動負債	2,675	2,675
		3,353,929	3,353,929

NOTES TO 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)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

Financial risk management is coordinated at the Group's headquarters, in close co-operation with the board of directors. The overall objectives in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets.

It is not the Group's policy to actively engage in the trading of financial instruments for speculative purposes. The Group's senior management works under the policies approved by the board of directors. It identifies ways to access financial markets and monitors the Group's financial risk exposures. Regular reports are provided to the board of directors.

36. 財務風險管理目標及政策

本集團透過於其日常營運過程及其投資活動中使用金融工具而面對財務風險。財務風險包括市場風險(包括外匯風險及利率風險)、信貸風險及流動資金風險。

財務風險管理主要在本集團總部協調，並與董事會緊密合作。整體之財務風險管理目的集中於保障本集團短期至中期之現金流，從而將面對金融市場風險減至最低。

主動參與投機性質之金融工具交易並非本集團之政策。本集團之高級管理層按董事會批准之政策工作，確定評估金融市場及監察本集團金融風險之方法，並向董事會提供定期報告。

NOTES TO 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)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk

(i) Transactions in foreign currencies and the Group's risk management policies

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. Approximately 67% (2015: 69%) of the Group's sales were denominated in currencies other than the functional currencies of the operating units making the sale.

The Group reviews its foreign currency exposure regularly. No hedging or other alternatives have been implemented during the year.

The policies to manage foreign currency risk have been followed by the Group since prior years and are considered to be effective.

(ii) Summary of exposure

Foreign currency denominated financial assets and liabilities, translated into Hong Kong dollars at the closing rates, are as follows:

		2016 二零一六年				2015 二零一五年			
		US\$ 美元 HK\$'000 千港元	RMB 人民幣 HK\$'000 千港元	EUR 歐元 HK\$'000 千港元	SGD 新加坡元 HK\$'000 千港元	US\$ 美元 HK\$'000 千港元	RMB 人民幣 HK\$'000 千港元	EUR 歐元 HK\$'000 千港元	SGD 新加坡元 HK\$'000 千港元
Trade receivables	貿易應收款項	6,239,410	—	—	—	3,386,061	3,617	38,069	—
Gross amount due from contract customers	應收合同客戶總額	1,547,405	—	—	—	2,930,836	—	—	—
Cash and bank balances	現金及銀行結存	72,313	—	1,848	—	73,223	—	898	—
Trade and other payables	貿易及其他應付款項	(846)	(6,493)	(26)	—	(198)	—	(30)	—
Interest-bearing bank and other borrowings	銀行及其他附息借款	—	—	—	(1,610)	(124,635)	—	—	(1,643)
Gross exposure arising from recognised financial instruments	已確認金融工具產生之風險總額	7,858,282	(6,493)	1,822	(1,610)	6,265,287	3,617	38,937	(1,643)

36. 財務風險管理目標及政策(續)

外幣風險

(i) 外幣交易及本集團之風險管理政策

本集團承受交易性貨幣風險。該等風險來自經營單位以其功能貨幣以外之貨幣進行之買賣。本集團約67% (二零一五年：69%) 的銷售以銷售經營單位的功能貨幣以外的貨幣列值。

本集團定期檢討其外幣風險。年內並無進行對沖或其他安排。

外幣風險管理政策於過往數年一直由本集團沿用，且被認為行之有效。

(ii) 風險概要

以外幣計值之金融資產及負債按收市匯率換算為港元如下：

NOTES TO 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)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

(iii) Sensitivity analysis

The following table illustrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rates of foreign currencies other than the functional currencies of the relevant operating units. The rates are used when reporting foreign currency risk internally to key management personnel and represents management's best assessment of the change in foreign currency exchange rates.

The sensitivity analysis of the Group's exposure to foreign currency risk at the end of the reporting period has been performed based on the assumed percentage changes in foreign currency exchange rates taking place at the beginning of the financial year and the assumption that such changes held constant throughout the year. All other variables are held constant.

Appreciation/(depreciation) in US\$ against RMB

36. 財務風險管理目標及政策(續)

外幣風險(續)

(iii) 敏感度分析

下表闡述報告期末外匯(相關經營單位之功能貨幣除外)變動之合理可能變動之敏感度。比率為向主要管理人員內部呈報外匯風險時所用之比率，並為管理層對外幣匯率可能變動之最佳評估。

於報告期末，本集團所面對外幣風險之敏感度分析乃假設外幣匯率變動百分比於財政年初發生並假設有關變動於整年內維持不變而進行。所有其他變數維持不變。

美元兌人民幣升值/(貶值)

	2016 二零一六年		2015 二零一五年	
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
	+5%	(-5%)	+5%	(-5%)
	升5%	(跌5%)	升5%	(跌5%)
Profit/(loss) for the year and retained profits 本年度溢利/(虧損)及留存溢利	150,157	(150,157)	315,634	(315,634)

NOTES TO 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)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

(iii) Sensitivity analysis (continued)

Appreciation/(depreciation) in RMB against HK\$

		2016 二零一六年		2015 二零一五年	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
		+5%	(-5%)	+5%	(-5%)
		升5%	(跌5%)	升5%	(跌5%)
Profit/(loss) for the year and retained profits	本年度溢利／(虧損)及留存溢利	(124)	124	179	(179)

Appreciation/(depreciation) in EUR against HK\$

		2016 二零一六年		2015 二零一五年	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
		+5%	(-5%)	+5%	(-5%)
		升5%	(跌5%)	升5%	(跌5%)
Profit/(loss) for the year and retained profits	本年度溢利／(虧損)及留存溢利	35	(35)	1,923	(1,923)

36. 財務風險管理目標及政策(續)

外幣風險(續)

(iii) 敏感度分析(續)

人民幣兌港元升值／(貶值)

歐元兌港元升值／(貶值)

NOTES TO 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)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk

(i) Exposures to interest rate risk and the Group's risk management policies

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating interest rate instruments will result in the Group facing cash flow interest rate risk. As at 31 December 2016, approximately HK\$602,456,000 (2015: HK\$662,105,000) of the Group's interest-bearing bank and other borrowings bore interest at fixed rate.

(ii) Sensitivity analysis

The following table illustrates the sensitivity of the Group's profit for the year and equity to a possible change in interest rates of +/-50 basis points (2015: +/-50 basis points), with effect from the beginning of the year. The calculation is based on the Group's amount of floating rate borrowings during the year. All other variables are held constant.

	2016 二零一六年		2015 二零一五年	
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
	+50 basis points +50 基點	-50 basis points -50 基點	+50 basis points +50 基點	-50 basis points -50 基點
Profit/(loss) for the year and retained profits				
本年度溢利／ (虧損)及留存溢利	(856)	856	(2,005)	2,005

The assumed changes in interest rates are considered to be reasonable based on observation of current market conditions and represent the management's assessment of reasonable change in interest rates over the period until the end of the next reporting period.

36. 財務風險管理目標及政策(續)

利率風險

(i) 利率風險承擔及本集團之風險管理政策

利率風險指金融工具之公平值或現金流量因市場利率改變而出現波動之風險。浮動利率工具將令本集團面臨現金流量利率風險。於二零一六年十二月三十一日，約602,456,000港元(二零一五年：662,105,000港元)之本集團銀行及其他付息借款按固定利率計息。

(ii) 敏感度分析

下表闡述自年初起，本集團之本年度溢利及權益對利率可能出現 +/-50 基點(二零一五年： +/-50 基點)變動之敏感度。有關運算乃以本集團於年內之浮動利率借款為基礎。所有其他變數維持不變。

利率之假設變動乃經觀察現行市況後視為合理之變動，並為管理層對截至下個報告期末止期間利率之合理變動之評估。

NOTES TO 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)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

(i) Summary of exposures

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and its investing activities.

The credit risk of the Group's other financial assets, which mainly comprise cash and cash equivalents, restricted cash, bills receivable, trade and other receivables, gross amount due from contract customers and deposits and prepayments arises from the default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and other receivables is disclosed in notes 18 and 20 to the consolidated financial statements.

(ii) Risk management objectives and policies

The Group's policy is to deal only with creditworthy counterparties. Credit terms are granted to new customers after a creditworthiness assessment. When considered appropriate, customers may be requested to provide proof as to their financial position.

Customers who are not considered creditworthy are required to pay in advance or on delivery of goods. Payment records of customers are closely monitored. Overdue balances and significant trade receivables are highlighted. The directors will determine the appropriate recovery actions. It is not the Group's policy to request collateral from its customers.

36. 財務風險管理目標及政策(續)

信貸風險

(i) 風險概要

信貸風險指金融工具之對方未能按金融工具之條款履行其責任，並導致本集團錄得財務虧損之風險。本集團之信貸風險主要來自於其日常營運過程及其投資活動中授予客戶信貸。

本集團其他金融資產(包括現金及現金等價物、受限制現金、應收票據、貿易及其他應收款項、應收合同客戶總額、以及按金及預付款項)之信貸風險來自對方違約，最高風險相等於該等工具之賬面值。

有關本集團產生自貿易及其他應收款項之信貸風險之進一步量化數據於綜合財務報表附註18及20披露。

(ii) 風險管理目標及政策

本集團之政策為僅與信譽良好之對方進行交易。授予新客戶之信貸期乃經信譽評估後授出。倘認為適合，客戶可被要求提供財政狀況之證明。

被認為信譽不佳之客戶須預付款項或於交付時付款。客戶之付款記錄獲密切監視。逾期結餘及重大貿易應收款受重視。董事將釐定適當追收行動。本集團之政策不要求其客戶提供抵押品。

NOTES TO 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)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

(ii) Risk management objectives and policies (continued)

The credit risk for liquid funds is considered negligible as the counterparties are reputable banks.

The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a reasonable level.

(iii) Concentration of credit risk

Included in trade receivables was HK\$3,913,807,000 (2015: HK\$2,596,781,000) due from customers under common control with Hanergy Holding, which represented approximately 57% (2015: 70%) of total account receivables from customers at the end of the reporting period.

Included in trade receivables was HK\$2,536,745,000 (2015: HK\$995,194,000) due from Shandong Macrolink, which represented approximately 37% (2015: 27%) of total trade receivables from customers at the end of the reporting period.

The directors of the Company believe that impairment allowance is adequate in respect of such balance as the customer had a good track record of settlements during the current year and prior years.

36. 財務風險管理目標及政策(續)

信貸風險(續)

(ii) 風險管理目標及政策(續)

由於對方為信譽良好之銀行，故流動資金之信貸風險被認為極微。

信貸政策在過往數年度一直由本集團沿用，且被認為行之有效，將本集團承擔之信貸風險限制在合理水平。

(iii) 信貸風險集中

貿易應收款項3,913,807,000港元(二零一五年：2,596,781,000港元)包括應收客戶(由漢能控股共同控制)款項，佔報告期末之應收客戶賬款總額約57%(二零一五年：70%)。

貿易應收款項包括2,536,745,000港元(二零一五年：995,194,000港元)應收山東新華聯之款項，約佔報告期末之客戶貿易應收款項總額約37%(二零一五年：27%)。

本公司董事相信，由於顧客於本年及去年均擁有良好結算記錄，故就該等結餘計提之減值撥備充足。

NOTES TO 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)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade payables, and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and long term.

Analysed below is the remaining contractual maturity for the Group's financial liabilities as at the end of the reporting period. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on which the Group can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay.

The contractual maturity analysis below is based on the contractual undiscounted payments as at the end of the reporting period:

2016

		On demand 於要求時 HK\$'000 千港元	Less than 6 months 少於6個月 HK\$'000 千港元	6 to 12 months 6至12個月 HK\$'000 千港元	1 to 5 years 1至5年 HK\$'000 千港元	Over 5 years 超過5年 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Trade and bills payables	貿易及票據應付款項	350,542	639,469	305,619	—	—	1,295,630
Other payables and accruals	其他應付款項及應計費用	1,372,985	—	—	—	—	1,372,985
Interest-bearing bank and other borrowings	銀行及其他附息借款	—	414,363	59,867	173,676	458,507	1,106,413
Other non-current liability	其他非流動負債	783	—	—	3,479	—	4,262
		1,724,310	1,053,832	365,486	177,155	458,507	3,779,290

36. 財務風險管理目標及政策(續)

流動資金風險

流動資金風險乃與本集團未能履行金融負債相關責任之風險有關。本集團在清償貿易應付款項以及在現金流量管理方面承擔流動資金風險。本集團之目標為維持適當之流動資產水平及承諾資金額度，以應付其短及長期之流動資金需要。

以下為就本集團於報告期末之非衍生金融負債之剩餘合同到期日。負債乃按本集團可被要求付款之最早日期計入，惟貸權人可選擇結清負債之日期。當負債以分期方式結清，則各分期乃分配至本集團承諾付款之最早期間。

以下合同到期分析乃根據截至報告期末之合同未貼現付款作出：

二零一六年

NOTES TO 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)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

2015

		On demand 於要求時 HK\$'000 千港元	Less than 6 months 少於6個月 HK\$'000 千港元	6 to 12 months 6至12個月 HK\$'000 千港元	1 to 5 years 1至5年 HK\$'000 千港元	Over 5 years 超過5年 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Trade and bills payables	貿易及票據應付款項	—	879,569	139,982	91,276	—	1,110,827
Other payables and accruals	其他應付款項及應計費用	1,057,469	—	—	—	—	1,057,469
Interest-bearing bank and other borrowings	銀行及其他附息借款	—	210,767	105,157	564,318	540,408	1,420,650
Finance Lease payables	應付融資租賃款項	—	4,651	4,651	30,003	—	39,305
		1,057,469	1,094,987	249,790	685,597	540,408	3,628,251

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2016 and 31 December 2015.

36. 財務風險管理目標及政策(續)

流動資金風險(續)

二零一五年

資本管理

本集團之主要資本管理目標為確保本集團有能力持續經營，並維持穩健資本比率，以支持其業務及盡量提升股東價值。

本集團管理其資本架構並就經濟狀況變動及相關資產之風險特徵作出調整。為維持或調整資本架構，本集團可能調整支付予股東之股息金額、向股東退回資本或發行新股份。本集團不受任何外部施加之資本規定所限制。於截至二零一六年十二月三十一日及二零一五年十二月三十一日止年度，本集團資本管理目標、政策或程序概無變動。

NOTES TO 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)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. Net debt includes interest-bearing bank and other borrowings, trade and bills payables, finance lease payables and other payables and accruals, less cash and cash equivalents. Adjusted capital includes equity attributable to owners of the parent. The gearing ratios as at the end of the reporting periods were as follows:

36. 財務風險管理目標及政策(續)

資本管理(續)

本集團利用資本負債比率(即債務淨額除以經調整資本加債務淨額)監控資本。債務淨額包括銀行及其他付息借款、貿易及票據應付款項、應付融資租賃款項以及其他應付款項及應計費用(扣除現金及現金等價物)。經調整資本包括母公司擁有人應佔權益。於報告期末之資本負債比率如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interest-bearing bank and other borrowings (note 26)	銀行及其他付息借款(附註26)	1,050,635	1,182,958
Trade and bills payables (note 24)	貿易及票據應付款項(附註24)	1,295,630	1,110,827
Other payables and accruals (note 25)	其他應付款項及應計費用(附註25)	2,108,503	1,606,923
Finance lease payables	應付融資租賃款項	—	36,916
Less: Cash and cash equivalents (note 23)	減：現金及現金等價物(附註23)	(248,674)	(447,826)
Net debt	債務淨額	4,206,094	3,489,798
Equity attributable to the owners of the parent	母公司擁有人應佔權益	7,340,419	7,446,993
Adjusted capital	經調整資本	7,340,419	7,446,993
Adjusted capital and net debt	經調整資本及債務淨額	11,546,513	10,936,791
Gearing ratio	資本負債比率	36.43%	31.91%

NOTES TO 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)

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

The fair values of cash and cash equivalents, restricted cash, trade and bills receivables, financial assets included in other receivables, deposits and prepayments, trade and bills payables, financial liabilities included in other payables and accruals, and the current-portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of finance lease payables, the non-current portion of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities, and are approximate to their carrying amount.

37. 金融工具之公平值及公平值架構

金融資產及負債之公平值已根據該工具在雙方自願的情況下的現行交易(而非強制或清盤出售)金額入賬。已採用下列方法及假設以估量公平值：

現金及現金等價物、受限制現金、貿易及票據應收款項、包括於其他應收款項、按金及預付款項中的金融資產，貿易及票據應付款項、包括於其他應付款項及應計費用中的金融負債，以及銀行及其他付息借款的即期部分之公平值與其賬面值相近，主要由於此等工具的到期時間較短。

應付融資租賃款項以及銀行及其他付息借款非即期部分之公平值，乃按預計未來現金流量，以年期、信貸風險及剩餘到期時限相近的工具的現行可用利率貼現計算，且與賬面值相若。

NOTES TO 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)

38. EVENTS AFTER THE REPORTING PERIOD

(i) Amount due from Hanergy Holding to the Group

With respect to the overdue trade receivables and interest penalty owed by Hanergy Holding and its subsidiaries to the Group, as disclosed in the Company's announcement dated 27 July 2016, the Group has been negotiating with Hanergy Holding and its subsidiaries (the "Hanergy Holding Group") for the repayment arrangements. As at 31 December 2016, the total amount of trade receivables (due and not yet due) owed by Hanergy Holding and/or its subsidiaries to the Group, the gross amount due from the contract with Hanergy Affiliates, other receivables and interest penalty due from Hanergy Affiliates ("Secured Indebtedness") amounted to approximately HK\$4,857,176,000.

As at the date of these financial statements, Mr. Li Hejun, Hanergy Holding and its subsidiaries, have made the following arrangement for the Secured Indebtedness:

- On 10 March 2017, Hanergy Holding and its subsidiaries made the repayment of RMB1,500,000,000 (equivalent to approximately HK\$1,692,449,000, based on the exchange rate at the beginning of March 2017) to the Group.
- After deducting the repayment of RMB1,500,000,000 (equivalent to approximately HK\$1,692,449,000) from Hanergy Holding and its subsidiaries to the Group, the amount of Secured Indebtedness was reduced from approximately HK\$4,857,176,000 to approximately HK\$3,164,727,000 ("Remaining Secured Indebtedness").

38. 報告期後事項

(i) 本集團對漢能控股之應收款項

誠如本公司二零一六年七月二十七日之公佈所披露，對於漢能控股及其附屬公司尚欠之應收款項及罰息，本集團一直與漢能控股及其附屬公司（「漢能控股集團」）商討還款安排。於二零一六年十二月三十一日，漢能控股及／或其附屬公司對本集團之尚欠貿易應收款項總額（包括已經到期及未到期）、應收漢能聯屬公司之合同總額、其他應收款項及應收漢能聯屬公司之罰息（「受擔保債務」）約為4,857,176,000港元。

截至此等財務報表的發表日期，李河君先生、漢能控股及其附屬公司，對受擔保債務已經作出如下安排：

- 漢能控股及其附屬公司，於二零一七年三月十日對本集團償還了人民幣15億元（相當於約1,692,449,000港元，按二零一七年三月初之匯率換算）。
- 減去漢能控股及其附屬公司對本集團償還之人民幣15億元（相當於約1,692,449,000港元）後，受擔保債務金額將由約4,857,176,000港元減少至約3,164,727,000港元（「剩餘受擔保債務」）。

NOTES TO 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)

38. EVENTS AFTER THE REPORTING PERIOD (continued)

(i) Amount due from Hanergy Holding to the Group (continued)

- On 20 March 2017, Mr. Li Hejun (the "Guarantor") entered into a deed of guarantee (the "Deed of Guarantee") with the Company, pursuant to which the Guarantor agreed to provide personal guarantee in favour of the Company in respect of the Secured Indebtedness owed to the Group. The Guarantor undertook to procure Hanergy Holding and its subsidiaries to repay the Remaining Secured Indebtedness owed to the Group within 24 months after the resumption of trading in the shares of the Company ("Resumption of Trading") in accordance with the following timetable:

- (i) within 12 months after Resumption of Trading, repay 20% of Remaining Secured Indebtedness;
- (ii) within 18 months after Resumption of Trading, repay 30% of Remaining Secured Indebtedness; and
- (iii) within 24 months after Resumption of Trading, repay 50% of Remaining Secured Indebtedness.

38. 報告期後事項(續)

(i) 本集團對漢能控股之應收款項(續)

- 於二零一七年三月二十日，李河君先生(「擔保人」)與本公司訂立擔保契約(「擔保契約」)，擔保人就漢能控股尚欠本集團的受擔保債務，將會向本公司提供個人擔保。擔保人承諾促使漢能控股及其附屬公司，對於尚欠本集團之剩餘受擔保債務，將會在本公司股票恢復交易(「復牌」)後之24個月內，按照以下時間表償還：

- (i) 本公司股票復牌後12個月內，償還剩餘受擔保債務的20%；
- (ii) 本公司股票復牌後18個月內，償還剩餘受擔保債務的30%；及
- (iii) 本公司股票復牌後24個月內，償還剩餘受擔保債務的50%。

NOTES TO 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)

38. EVENTS AFTER THE REPORTING PERIOD (continued)

(i) Amount due from Hanergy Holding to the Group (continued)

- On 20 March 2017, Hanergy Option Limited (the "Chargor", a company owned by Mr. Li Hejun) and the Company (as beneficiary) entered into a deed of share charge (the "Share Charge"), pursuant to which the Chargor agreed to mortgage and pledge, by way of first fixed charge, the 1,367,000,000 ordinary shares in the issued share capital of the Company held by the Chargor to the Company (the "Charged Shares"), as a continuous security for the due and punctual payments, performance and discharge of all present and future obligations and liabilities of the Hanergy Holding Group to the Company, and the observance by the Guarantor of all other obligations indicated in the Deed of Guarantee. Upon the occurrence of any events of default (such as, all the responsible individuals are unable to pay any sums mentioned in the deed of guarantee, the Guarantor is unable to fully and timely perform or fulfill any obligations or undertakings under the Deed of Guarantee), the Share Charge shall become immediately enforceable. That is, the Company may enforce the Charged Shares, by any suitable means, in whole or in part, and sell or otherwise dispose of all or part of the security assets, without prior notice to the Chargor or authorisation by any court or person, at such time, in such manner, on such terms as it thinks fit.

(ii) Amount due from Shandong Macrolink

As at 31 December 2016, trade receivables from Shandong Macrolink amounted to HK\$2,536,745,000, which were all past due. During the period from January to March 2017, Shandong Macrolink repaid RMB649,980,000 (equivalent to approximately HK\$734,685,000, based on the respective spot rates at the dates of the payments made).

38. 報告期後事項(續)

(i) 本集團對漢能控股之應收款項(續)

- 於二零一七年三月二十日，Hanergy Option Limited (「抵押方」，李河君先生擁有之公司)與本公司(作為受惠方)訂立股份抵押契約(「股份抵押」)，由抵押方持有於本公司已發行股本中的1,367,000,000股普通股(「已抵押股份」)，以第一固定抵押的方式，抵押及質押予本公司，以作為其繳付、履行及解除漢能控股集團對本公司所有目前及未來的義務及責任和擔保人遵從所有在擔保契約列明的其他責任的持續性抵押。如果發生失責事件(例如所有責任人未能支付擔保契約內提及的任何款項，擔保人未能完整及準時地履行或遵守擔保契約下所承擔的任何責任或承諾等)，股份抵押將可以馬上執行，即本公司可用任何合適的方式，執行抵押股份的全部或部分，在沒有事先通知抵押方或在沒有得到任何法院或人士授權的情況下，以其認為合適的時間、方式及條款，出售或以其他方式處置全部或部分抵押資產。

(ii) 應收山東新華聯之應收款項

截至二零一六年十二月三十一日，應收山東新華聯之貿易應收款項為2,536,745,000港元，全部均為逾期應收款項。於二零一七年一月至三月期間，山東新華聯償還人民幣649,980,000元(相當於約734,685,000港元，按付款日期之各自即期匯率換算)。

NOTES TO 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)

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

39. 本公司財務狀況表

報告期末有關本公司財務狀況表的資料如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	748	3,555
Investments in subsidiaries	投資於附屬公司	6,473,988	6,958,447
Total non-current assets	非流動資產總額	6,474,736	6,962,002
CURRENT ASSETS	流動資產		
Inventories	存貨	1,268	1,267
Due from subsidiaries	應收附屬公司	32	23
Deposits and prepayments	按金及預付款項	9,630	5,005
Cash and cash equivalents	現金及現金等價物	4,075	53,351
Total current assets	流動資產總額	15,005	59,646
CURRENT LIABILITIES	流動負債		
Due to subsidiaries	應付附屬公司	229,372	235,262
Other payables and accruals	其他應付款項及應計費用	23,798	27,273
Tax payable	應繳稅項	2,300	2,300
Total current liabilities	流動負債總額	255,470	264,835
NET CURRENT LIABILITIES	流動負債淨額	(240,465)	(205,189)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債		
Net assets	資產淨值	6,234,271	6,756,813
EQUITY	權益		
Issued capital	已發行股本	104,647	104,367
Reserves (note)	儲備(附註)	6,129,624	6,652,446
Total equity	權益總額	6,234,271	6,756,813

NOTES TO 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)

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A Summary of the Company's reserves is as follows:

		Share premium account	Capital redemption reserve	Contributed surplus	Share option reserve	Accumulated losses	Total
		股份溢價賬	贖回儲備	實繳盈餘	購股權儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
1 January 2015	二零一五年一月一日	11,417,583	7,600	33,132	19,839	(778,114)	10,700,040
Exercise of share options	行使購股權	43,144	—	—	(3,696)	—	39,448
Share option expenses	購股權開支	—	—	—	19,282	—	19,282
Repurchase of own shares	購回本身股份	(243,063)	84	—	—	—	(242,979)
Transaction with owners	與擁有人之交易	(199,919)	84	—	15,586	—	(184,249)
Total comprehensive loss for the year	本年度全面虧損總額	—	—	—	—	(3,863,345)	(3,863,345)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	11,217,664	7,684	33,132	35,425	(4,641,459)	6,652,446
Exercise of share options	行使購股權	26,957	—	—	(8,606)	—	18,351
Share option expense	購股權開支	—	—	—	31,358	—	31,358
Transaction with owners	與擁有人之交易	26,957	—	—	22,752	—	49,709
Total comprehensive loss for the year	本年度全面虧損總額	—	—	—	—	(572,531)	(572,531)
At 31 December 2016	於二零一六年十二月三十一日	11,244,621	7,684	33,132	58,177	(5,213,990)	6,129,624

39. 本公司財務狀況表(續)

附註：

本公司儲備的概要如下：

40. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 30 March 2017.

40. 批准財務報表

財務報表已於二零一七年三月三十日經董事會批准及授權刊發。

FIVE YEAR FINANCIAL SUMMARY

五年財務概要

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published financial statements is set out below.

下文載列本集團過去五個財政年度之業績、資產及負債概要，乃摘錄自己刊發之財務報表。

RESULTS

業績

		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
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
CONTINUING OPERATION	持續經營業務					
REVENUE	收入	2,756,463	3,283,791	9,615,028	2,814,668	4,483,130
PROFIT/(LOSS) BEFORE TAX	稅前溢利／(虧損)	1,666,158	2,277,313	4,186,692	(12,087,413)	658,395
Income tax expense	所得稅務開支	(349,976)	(259,289)	(983,074)	(146,129)	(406,781)
PROFIT/(LOSS) FOR THE YEAR	本年度溢利／(虧損)	1,316,182	2,018,024	3,203,618	(12,233,542)	251,614
Profit/(loss) for the year attributable to the owners of the parent	母公司擁有人應佔本年度溢利／(虧損)	1,316,182	2,018,024	3,203,696	(12,233,564)	251,620
(Loss)/profit for the year attributable to non-controlling interests	非控股權益應佔本年度(虧損)／溢利	—	—	(78)	22	(6)

FIVE YEAR FINANCIAL SUMMARY

五年財務概要

ASSETS AND LIABILITIES

資產及負債

			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
		Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		附註	千港元	千港元	千港元	千港元	千港元
Goodwill	商譽	15	7,915,318	7,915,318	7,915,318	—	—
Intangible assets	無形資產	16	551,091	1,211,056	1,181,777	16,597	12,685
Property, plant and equipment	物業、廠房及設備	14	133,848	320,054	766,781	342,707	606,111
Available-for-sale investment	可供出售投資		85,800	85,800	—	—	—
Deposits paid for acquisition of items of property, plant and equipment	收購物業、廠房及設備項目之已付按金		2,376	493	32	30	28
Deferred tax assets	遞延稅項資產	27	44,286	23,420	76,404	—	—
Other non-current assets	其他非流動資產		—	—	4,072	251,130	139,563
Net current assets	流動資產淨值		3,230,256	6,699,248	12,014,399	8,189,561	7,572,872
Deferred tax liabilities	遞延稅項負債	27	(250,875)	(324,501)	(561,995)	(417,406)	(401,220)
Other non-current liabilities	其他非流動負債		—	(89,582)	(911,150)	(935,017)	(589,017)
Total equity	權益總額		11,712,100	15,841,306	20,485,638	7,447,602	7,341,022

