



# China Baofeng (International) Limited 中國寶豐（國際）有限公司

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

STOCK CODE 股份代號 : 3966

## 2019 Annual Report 年報

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# CORPORATE INFORMATION

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Dang Yanbao (*Chairman*)  
Mr. Dang Zidong (*Chief executive officer*)  
Mr. Liu Yuanguan  
Mr. Gao Jianjun

#### Non-executive Directors

Mr. Cheng Hoo  
Mr. Chung Kin Shun, Jimmy

#### Independent Non-executive Directors

Mr. Xia Zuoquan  
Dr. Tyen Kan Hee, Anthony  
Mr. Guo Xuewen

### COMPANY SECRETARY

Ms. Jiao Yingchen

### AUDIT COMMITTEE

Dr. Tyen Kan Hee, Anthony (*Chairman*)  
Mr. Xia Zuoquan  
Mr. Guo Xuewen

### REMUNERATION COMMITTEE

Mr. Guo Xuewen (*Chairman*)  
Mr. Xia Zuoquan  
Dr. Tyen Kan Hee, Anthony

### NOMINATION COMMITTEE

Mr. Dang Yanbao (*Chairman*)  
Mr. Xia Zuoquan  
Dr. Tyen Kan Hee, Anthony  
Mr. Guo Xuewen

### AUTHORISED REPRESENTATIVES

Mr. Chung Kin Shun, Jimmy  
Mr. Dang Zidong

### PRINCIPAL BANKERS

Bank of China  
Bank of Communications Co., Ltd. Hong Kong Branch  
Chinese Mercantile Bank  
Hua Xia Bank

### AUDITOR

Deloitte Touche Tohmatsu

### 董事會

#### 執行董事

黨彥寶先生(*主席*)  
黨自東先生(*行政總裁*)  
劉元管先生  
高建軍先生

#### 非執行董事

鄭豪先生  
鍾建舜先生

#### 獨立非執行董事

夏佐全先生  
田耕熹博士  
郭學文先生

### 公司秘書

焦穎辰女士

### 審核委員會

田耕熹博士(*主席*)  
夏佐全先生  
郭學文先生

### 薪酬委員會

郭學文先生(*主席*)  
夏佐全先生  
田耕熹博士

### 提名委員會

黨彥寶先生(*主席*)  
夏佐全先生  
田耕熹博士  
郭學文先生

### 授權代表

鍾建舜先生  
黨自東先生

### 主要往來銀行

中國銀行  
交通銀行股份有限公司香港分行  
華商銀行  
華夏銀行

### 核數師

德勤•關黃陳方會計師行

# CORPORATE INFORMATION

## 公司資料

### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 3401, 34/F  
Two Pacific Place  
88 Queensway  
Admiralty  
Hong Kong

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited  
Suites 3301-4, 33/F  
Two Chinachem Exchange Square  
338 King's Road, North Point  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Royal Bank of Canada Trust Company (Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman  
KY1-1110  
Cayman Islands

### CORPORATE WEBSITE

[www.baofengintl.com](http://www.baofengintl.com)

### STOCK CODE

3966

### 註冊辦事處

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

### 總辦事處及香港主要營業地點

香港  
金鐘  
金鐘道88號  
太古廣場二座  
34樓3401室

### 香港股份過戶登記分處

聯合證券登記有限公司  
香港  
北角英皇道338號  
華懋交易廣場2期  
33樓3301-4室

### 開曼群島股份過戶登記總處

Royal Bank of Canada Trust Company (Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman  
KY1-1110  
Cayman Islands

### 公司網站

[www.baofengintl.com](http://www.baofengintl.com)

### 股份代碼

3966



# CHAIRMAN'S STATEMENT

## 主席報告

Dear Fellow Shareholders,

On behalf of the board of directors (the “**Board**”) of China Baofeng (International) Limited (the “**Company**”), I am pleased to present the annual report for the year ended 31 December 2019 of the Company.

Upon successful commencement of operation of the photovoltaic power generation projects in the second half of 2016, the Company (together with its subsidiaries, collectively referred as the “**Group**”) have developed rapidly in the past years; however, our business expansion slowed down and revenue declined due to the unfavourable policies and weather in 2019. The profit attributable to the owners of the Company for the financial year ended 31 December 2019 (the “**current year**”) decreased by approximately 32.8% to approximately RMB296.9 million from RMB442.0 million for the year ended 31 December 2018. For the year ended 31 December 2019, the Group recorded total revenue of approximately RMB885.4 million, 60.0% of which was generated from investment, construction and operation of photovoltaic power generation projects (the “**Photovoltaic Power Generation Business**”). In order to strengthen the sustainable development, the Company has undergone strategic transformation in the previous year by acquiring the leased photovoltaic power generation equipment for the operation of photovoltaic business since the commencement of the grid-connected project in 2016 and turning it to our self-owned equipment. Given the market is increasingly competitive, the transformation will be beneficial to the Group to strengthen its leading position in the photovoltaic power industry, assert its dominance and is conducive to healthy and stable development of the project in the long run. In the future, the Company will explore other diversified investment and development opportunities and maximise the shareholder's interest in addition to contributing to the society.

### INDUSTRY OVERVIEW

The photovoltaic industry in the People's Republic of China (the “**PRC**”) has currently reached the climax in terms of output capacity and installed capacity. In 2017, the newly installed capacity of photovoltaic power generation throughout the year achieved an unprecedented record of 53GW, resulting in an expanding subsidy gap. The National Development and Reform Commission of the PRC (“**NDRC**”), the Ministry of Finance of the PRC (“**Ministry of Finance**”) and the National Energy Administration (“**NEA**”) thus jointly issued the notice in relation to photovoltaic power generation in 2018 (關於二零一八年光伏發電有關事項的通知) (the “**531 New Policy**”) to prevent the disorganised industry development. Over a year of implementation, the 531 New Policy has had significant impact on the photovoltaic industry.

各位股東，

本人代表中國寶豐(國際)有限公司(「**本公司**」)董事會(「**董事會**」)，欣然提呈本公司截至二零一九年十二月三十一日的年度報告。

本公司(連同其附屬公司合稱「**本集團**」)的光伏發電項目於二零一六年下半年順利投產後，經歷了過去幾年的飛速發展，二零一九年受政策及天氣等方面影響，拓展及收入均有所減緩。截至二零一九年十二月三十一日止財政年度(「**本年度**」)本公司擁有人應佔之利潤較截至二零一八年十二月三十一日的人民幣442,000,000元降約32.8%至約人民幣296,900,000元。截至二零一九年十二月三十一日止年度，集團獲得總收益約人民幣885,400,000元，其中60.0%源自光伏發電項目的投資、建設及運營(「**光伏發電業務**」)。為鞏固公司持久性發展，於剛剛過去的一年，公司實行了戰略轉型，購入了自並網發電，用作本集團於二零一六年展開項目以來，營運光伏業務所租賃的光伏發電設備，將其轉為自有。在市場競爭日益激烈的今天，此次轉型將有利於鞏固集團在光伏發電產業的主導地位，增加主動權及有利於該項目長期健康穩定的發展。未來，公司將尋求更多元化的投資和發展機會，在尋求股東利益最大化的同時為社會獻出一份微薄之力。

### 行業概覽

目前，中華人民共和國(「**中國**」)的光伏行業已達到了產能和裝機量的高峰，二零一七年全年新增光伏裝機達到了史無前例的53GW。這一局面帶來的直接後果便是補貼缺口的不斷擴大。為了避免行業無序發展，中國國家發展改革委員會(「**發改委**」)、中國財政部(「**財政部**」)、國家能源局(「**能源局**」)聯合發佈了《關於二零一八年光伏發電有關事項的通知》(「**531新政**」)，截至目前531新政已經實施一年有餘，對光伏行業影響明顯。

# CHAIRMAN'S STATEMENT

## 主席報告

According to the requirements of the 531 New Policy, distributed photovoltaic power plants with a scale of approximately 10 million kW were scheduled for construction whereas no construction was scheduled for normal photovoltaic power stations in 2018. Therefore, according to the overall statistics, newly installed capacity of photovoltaic power generation has significantly declined. Since 2019, the PRC has successively issued several documents with greater impact on the photovoltaic industry:

### MAIN FEATURES OF 2019 NEW POLICY

- (1) The key features of the new photovoltaic policy is to exert the market influence on resources allocation. In addition to photovoltaic poverty alleviation and household photovoltaic system, the new policy also provides that other photovoltaic power generation projects which require state subsidy, in principle, have to be competed for allocation, where state-subsidised projects and tariff will be determined through declaration by project owners and competition.
- (2) In 2019, the domestic photovoltaic power generation market has entered a new stage, in which various project models such as subsidy-free grid parity, competition for state subsidy allocation and stock project construction co-existed. The newly issued policy bolsters the upstream development in the manufacturing industry, eliminates the less competitive market players from the stronger ones in the industry and advocates cost and electricity subsidy reduction through reasonably increase of scale by price competition.

According to the latest statistics published by the National Energy Administration, the newly installed capacity of photovoltaic power generation in the PRC reached 30.11 million kW in 2019, representing a decrease of 31.6% as compared to that of the corresponding period in 2018, which was mainly attributable to the change in policy on the subsidy of photovoltaic power generation in 2019; whereas one of the primary reasons for this development was large subsidy gap in the renewable energy generation. With a significant drop in the renewable energy generation cost, the mission of state subsidy for onshore wind farms, photovoltaic power plants and industrial and commercial distributed photovoltaic plants has been basically completed.

根據531新政的規定，暫不安排二零一八年普通光伏電站建設規模，僅安排1,000萬千瓦左右的分布式光伏建設規模。因此，從整體數據而言，光伏新增容量明顯減少。二零一九年至今，我國已經先後出台多部對光伏行業影響較大的文件：

### 2019新政策的主要特徵

- (1) 新光伏政策的重要特徵是發揮市場在資源配置中的決定性作用，要求除光伏扶貧、戶用光伏外，其餘需要國家補貼的光伏發電項目原則上均須按照競爭配置方式，通過項目業主申報、競爭排序方式確定國家補貼項目及電價。
- (2) 二零一九年國內光伏發電市場進入無補貼平價上網與享受國家補貼競爭配置、存量項目建設等多種項目模式並存的新階段。新公佈的政策通過競價以合理的新增規模支撐上游製造業發展，促進行業的優勝劣汰，激勵降低成本和度電補貼。

根據國家能源局最新發佈的數據，二零一九年，我國新增光伏發電裝機為3,011萬千瓦，比上年同期同比下降31.6%，而導致這一局面的一個重要原因是二零一九年度光伏補貼政策的改變，而其中根源問題之一，在於可再生能源發電補貼資金缺口較大；且隨著可再生能源發電成本的大幅下降，陸上風電、光伏電站、工商業分佈式光伏國家補貼的歷史使命似乎已基本完成。

# CHAIRMAN'S STATEMENT

## 主席報告

### NOTICE ON SUBSIDY IN 2020

The Ministry of Finance has issued a total of seven subsidy catalogues for now. Currently, subsidy entitlement is only available for projects registered in the subsidy catalogues. The latest notice of the Administrative Measures on the additional subsidies on Renewable Energy Electricity Prices (the “**2020 Administrative Measures**”) concerning the administrative measure of renewable energy projects indicates that, prior to the issue of the 2020 Administrative Measures, any renewable energy generation projects which require subsidy are subject to requirement of competent authority of national energy and shall be included in the list of subsidised projects upon approval by power grid enterprises. The Company has classified its existing projects as photovoltaic projects prior to issue of the 2020 Administrative Measures, and it is expected the existing photovoltaic project of the Group would be included in the list of subsidised projects once the approval of the State Grid Corporation of China is obtained and would receive subsidy in accordance with the 2020 Administrative Measures.

### PHOTOVOLTAIC POWER GENERATION, OUR FUTURE WAY OUT

Over years of development, the PRC has witnessed different stages of photovoltaic power generation from starting up, industrialisation to large-scale production. However, it is difficult to dislodge the historical baggage before entering the grid parity era along with the increasing scale of installed capacity and expanding subsidy gap in the renewable energy generation. According to the market research in the industry sector, the subsidy gap will increase to RMB228.0 billion (US\$33.2 billion) at the end of 2019 after taking account into projects other than the Renewable Energy Tariff Subsidy Catalogue (the “**Catalogue**”). In 2035, the cumulative subsidy gap of all projects will escalate to RMB1.4 trillion (approximately US\$203.0 billion). In view of the present situation, the worsening problems of high non-technical cost of projects and larger financial burden on enterprises will directly affect photovoltaic power grid parity and the market competitiveness. It is estimated that the state subsidy will no longer be available for onshore wind farms, photovoltaic power plants and industrial and commercial distributed photovoltaic power plants in 2021.

In general, the photovoltaic power generation projects in recent years have been facing unstable policy environment, wide involvement and complex trading model. Currently, various new policies have been implemented. For granting the subsidy based on the previous tariff documents, operators of photovoltaic power projects are required to fully connecting its projects to the power grid in accordance with policy requirements of the PRC. The Group has always been vigilant to relevant policies, followed the relevant requirements of the PRC and make corresponding adjustments to future investment strategy when necessary.

### 2020有關補貼款的通知

到目前為止，財政部共發佈了7批補貼目錄。截至目前，只有納入補貼目錄上的項目能夠獲得補貼。而根據近期《可再生能源電價附加資金管理辦法》的通知（「**二零二零年管理辦法**」）有關可再生能源項目的管理辦法：二零二零年管理辦法指出在二零二零年管理辦法印發前需補貼的可再生能源發電項目，需符合國家能源主管部門要求，按流程經電網企業審核後納入補助項目清單。本公司現有項目歸屬於二零二零年管理辦法印發前的光伏項目，且於取得中國國家電網公司批准後，預期本集團的現行光伏項目將被納入補助項目名單及將會根據二零二零年管理辦法收取補貼。

### 光伏發電 未來前景

經過多年發展，我國光伏發電經歷成長起步、產業化發展、規模化發展等階段。然而，隨著可再生能源發電裝機規模的不斷增加，可再生能源補貼資金缺口持續加大，在步入平價時代前，難以擺脫歷史包袱。根據行業市場研究，如果將在可再生能源電價附加資金補助目錄（「**目錄**」）之外的項目考慮在內，補貼缺口在二零一九年底將升至人民幣2,280億元（332億美元）。到二零三五年，所有項目累計補助資金缺口會擴大至人民幣1.4萬億元（約2,030億美元）。從目前情況看，項目非技術成本高、企業負擔重的問題越來越突出，直接影響光伏發電平價上網和市場競爭力。預計到二零二一年，陸上風電、光伏電站、工商業分佈式光伏將全面取消國家補貼。

總體而言，光伏項目近年來具有政策環境不穩定、涉及主體眾多、交易模式複雜等特點。如今，各項新政已經實施，光伏項目投資主體必須按照國家政策要求及時全容並網，以保證按照之前的電價文件取得補貼。本集團已隨時關注相關政策，緊跟國家相關要求，並會在必要時對未來投資策略做出相應調整。



# CHAIRMAN'S STATEMENT

## 主席報告

### RISKS MANAGEMENT AND INTERNAL CONTROL FORTIFICATION

In the coming year, the Group will further fortify its risk management and internal control, integrate the risk management and internal control with its daily operation and improve the operation safety of the Photovoltaic Power Generation Business. The management actively participated in and established the relevant management team to ensure rules and regulations are complied with and internal controls are carried out properly. In 2020, the Group will further optimise our systems, procedures and incentives measures, etc. to promote our vitality and economic efficiency and increase our profitability.

In terms of the business of the sales of lighting products including portable lighting products, shades for lamps and furniture sets and other home accessory products (the "Lighting Products Business"), additional tariffs imposed by the United States and intensified competition in principal markets will have adverse effect on the business. We will continue to strengthen our internal management and cost control, and set up corresponding strategies based on the prevailing market condition.

In 2020, the Company will keep abreast of the industry trends and pay close attention to the legal and investment risks arising from new policies, and control and cope with the same in addition to gradually adopting to the new trend. The Company will also continuously improve its technology standard and the management level on legal risk to ensure our projects are in compliance with the laws and requirements and achieve efficient management and operation. Meanwhile, to realise long-term and steady development, the Company has been continuously seeking to explore new investment projects and channels, and may undergo transformation and open up to new markets in the future to diversify investment portfolio and bring higher and more stable investment return for shareholders.

### APPRECIATION

On behalf of the Board, I would like to express our gratitude to our staff for their dedicated hard work, and I would also like to thank all of our shareholders and stakeholders for their strong support.

**Dang Yanbao**  
Chairman

27 March 2020

### 加強風險管理及內部監控

新的一年，本集團將進一步加強風險管理及內部監控，將風險管理及內部監控與本集團日常業務結合，提升光伏發電業務安全運營。管理層積極參與，並設立了相關的管理小組，以確保各項規則得以遵守，使內部監控得以妥善執行。二零二零年本集團將通過進一步優化制度、流程、激勵措施等提升企業的活力和經濟效益，提高集團盈利水平。

在銷售照明（包括移動式照明產品、燈罩以及傢具組合及其他家居飾品（「照明產品業務」））方面，業務主要受到美國關稅上升及主要市場競爭加劇等不利影響。我們將繼續加強內部管理，控制成本，根據市場環境制定相應的策略。

二零二零年，本公司將緊跟行業動態，逐步適應新形勢的同時，高度關注新政策引發的法律及投資風險，及時進行防控與應對，不斷提升自身技術水平和法律風險管理水平，保證項目合規合法，高質量管理及運營。與此同時，為保證公司長期的平穩發展，本公司正積極尋求開拓新的投資項目和渠道，未來不排除轉型及開拓新市場為股東爭取多元化的投資渠道及更高更穩定的投資收益。

### 致謝

本人僅代表董事會對員工的辛勤工作及全體股東及全體利益相關人士對本集團的支持致以衷心的感謝。

**黨彥寶**  
主席

二零二零年三月二十七日

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### PRINCIPAL BUSINESS

The Group are engaged in (i) the Photovoltaic Power Generation Business; and (ii) the Lighting Products Business.

### INDUSTRY OVERVIEW

#### Photovoltaic Power Generation Industry

On 23 April 2019, the NDRC issued the Circular on Improving the Mechanism for Feed-in-Tariff Rate of Photovoltaic Power Generation (關於完善光伏發電上網電價機制有關問題的通知) (the “**2019 Photovoltaic FiT Notice**”) which was effective on 1 July 2019. It sets out the following provisions regarding the feed-in-tariff rates for utility-scale ground-mounted solar farm projects:

- (1) the benchmark feed-in-tariff rates have been changed to guidance rates. The guidance rates for utility-scale ground-mounted solar farm stations, which are newly operated in resource zone I, II and III and entitled to national subsidy, are RMB0.40/kWh, RMB0.45/kWh and RMB0.55/kWh, respectively (tax included);
- (2) the feed-in-tariff rates for newly-operated utility-scale ground-mounted solar farm projects are in principle determined by way of market competition and shall not exceed the guidance rates for the resource zone where the solar farm project is operated. Upon determination of the feed-in-tariff rate, the portion within the local benchmark price of coal-fire power will be settled by local subsidiaries of the State Grid Corporation of China and the remaining balance shall be settled by the National Renewable Energy Development Fund;
- (3) where an utility-scale ground-mounted solar farm project is granted with the national subsidy, but has not obtained the approval for feed-in-tariff rate, its applicable feed-in-tariff rate shall either be subject to provisions of the notice issued by the NDRC, the Ministry of Finance and the NEA in relation to photovoltaic power generation in 2018 (關於二零一八年光伏發電有關事項的通知) (the “**2018 Notice**”) (if it is connected to grid on or before 30 June 2019), or the 2019 Photovoltaic FiT Notice (if connected to grid on or after 1 July 2019); and
- (4) for village-level solar power projects for poverty alleviation which have been included into the Catalogue, the feed-in-tariff rates for such projects in resource zone I, II and III are unchanged and remain at RMB0.65/kWh, RMB0.75/kWh and RMB0.85/kWh, respectively.

### 主要業務

本集團從事(i)光伏發電業務；及(ii)照明產品業務。

### 行業回顧

#### 光伏發電行業

於二零一九年四月二十三日，發改委頒佈關於完善光伏發電上網電價機制有關問題的通知(「**二零一九年光伏上網電價通知**」)，自二零一九年七月一日起生效。其載列以下有關大型地面太陽能發電場項目的上網電價規定：

- (1) 標桿上網電價經已改為指引費率。於第I類、第II類及第III類資源區新營運的大型地面太陽能發電場的指引費率可享有國家補貼，分別為人民幣0.40元／千瓦時、人民幣0.45元／千瓦時及人民幣0.55元／千瓦時(含稅)；
- (2) 新營運大型地面太陽能發電場項目的上網電價費率原則上由市場競爭釐定，不得超過太陽能發電場項目營運所在資源區的指引費率。釐定上網電價費率後，介乎燃煤發電當地基準價格的部分將由中國國家電網公司地方附屬公司償付，而餘額將由國家可再生能源發展基金償付；
- (3) 倘大型地面太陽能發電場項目獲授國家補貼但未取得上網電價費率的批准，其適用上網電價費率須遵守發改委、財政部及能源局所發佈關於二零一八年光伏發電有關事項的通知(「**二零一八年通知**」)(倘於二零一九年六月三十日或之前併網)或二零一九年光伏上網電價通知(倘於二零一九年七月一日或之後併網)的規定；及
- (4) 就已列入目錄的扶貧村級太陽能發電場項目而言，第I類、第II類及第III類資源區內該等項目的上網電價維持不變，分別維持於人民幣0.65元／千瓦時、人民幣0.75元／千瓦時及人民幣0.85元／千瓦時。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

On 20 January 2020, the Ministry of Finance, the NDRC and the NEA jointly issued the Several Opinions on Promoting the Healthy Development of Non-hydro Renewable Energy Power Generation (關於促進非水可再生能源發電健康發展的若干意見) (the “**2020 Opinion**”). Pursuant to the 2020 Opinion, the PRC government will no longer announce new additions to the existing Catalogues.

On 20 January 2020, the Ministry of Finance, the NDRC and the NEA jointly issued the 2020 Administrative Measures which was effective on 20 January 2020. It sets out additional measures on providing the subsidies to renewable energy projects. Particularly:

- (1) for the renewable energy generation projects launched before the issue of the 2020 Administrative Measures, such projects would be included in the list of subsidised projects after approval by the power grid enterprises;
- (2) for the renewable energy generation projects launched after the issue of the 2020 Administrative Measures, the Ministry of Finance shall determine the amount of subsidies based on the amount of the Renewable Energy Development Fund, the technological advancement and the industry development; and
- (3) the criteria under which the renewable energy generation projects would be included in the list of subsidised projects includes the following: (i) newly launched projects are required to be counted towards the total renewable energy generation subsidy for the year in which the projects are launched. Existing projects are required to meet the requirements of the NEA, and be included in the annual construction scale management according to the scale management needs; (ii) examination, approval or filing has been completed in accordance with relevant national regulations; compliance with the national renewable energy price policy, and the on-grid electricity price has been reviewed and approved by the pricing authority; (iii) the timetable for grid connection of all the units meets the subsidy requirement; (iv) relevant examination, approval, filing and grid connection requirements have been reviewed and approved by the national renewable energy information management platform.

The 2019 Photovoltaic FiT Notice does not and is not expected to affect the Group's existing Yinchuan Project (defined below), as the Yinchuan Project commenced operation prior to the publication of the 2019 Photovoltaic FiT Notice. It is expected that the Yinchuan Project would be included in the list of subsidised projects once the approval of the State Grid Corporation of China is obtained and would receive subsidy in accordance with the 2020 Opinion and the 2020 Administrative Measures.

於二零二零年一月二十日，財政部、發改委及能源局共同發佈關於促進非水可再生能源發電健康發展的若干意見(「**二零二零年意見書**」)。根據二零二零年意見書，中國政府不會再向現有目錄撥付新資金。

此外，於二零二零年一月二十日，財政部、發改委及能源局共同發佈二零二零年管理辦法，自二零二零年一月二十日起生效。其載列有關為可再生能源項目提供補貼的其他方案。具體而言：

- (1) 就於二零二零年管理辦法發佈前推行的可再生能源發電項目而言，有關項目將於電網企業批准後納入補貼項目名單內；
- (2) 就於二零二零年管理辦法發佈後推行的可再生能源發電項目而言，財政部將根據可再生能源發展基金款項、科技發展及業內發展釐定補貼金額；及
- (3) 將被納入補貼項目名單的可再生能源發電項目的準則包括下列各項：(i)新推行項目須於推行項目的年度計入可再生能源發電補貼總額。現行項目須符合能源局的規定且根據規模管理要求載於年度建築規模管理內；(ii)已根據相關國家規定完成審核、審批或備案；遵守國家可再生能源定價政策以及上網電價已獲定價部門審閱及批准；(iii)所有單位的併網時間表符合補貼規定；(iv)相關審核、審批、備案及併網規定已獲國家可再生能源資訊管理平台審閱及批准。

二零一九年光伏上網電價通知並無且預期不會對本集團現有的銀川項目(定義見下文)造成影響，乃由於在刊發二零一九年光伏上網電價通知前，銀川項目已展開營運。於取得中國國家電網公司批准後，預期銀川項目將被納入補貼項目名單及將會根據二零二零年意見書及二零二零年管理辦法收取補貼。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### Portable Lighting Products Industry

The competition of the global portable lighting products industry in 2019 remained fierce. The United States portable lighting products market, which is the principal market of the lighting products of the Group, has been highly saturated with numerous firms selling a diverse range of products manufactured both domestically and internationally.

In relation to the United States-PRC trade war that commenced since 2018, in December 2019, the United States and the PRC had reached an agreement on a phase one trade deal. Nonetheless, the United States will be maintaining 25 percent tariffs on approximately \$250 billion of Chinese imports, along with 7.5 percent tariffs on approximately \$120 billion of Chinese imports. It is expected that that trading environment of the lighting products industry between the United States and the PRC will continue to be challenging.

### BUSINESS REVIEW

For the year ended 31 December 2019, the business of the Group has been integrated into two segments, which are Photovoltaic Power Generation Business and Lighting Products Business.

For the year ended 31 December 2019, while the Group's revenue decreased by approximately 3.6% to approximately RMB885.4 million, profit attributable to the owners of the Company decrease by approximately 32.8% to approximately RMB296.9 million. The decline in profit was mainly due to an increase in depreciation expenses and finance costs after the acquisition of the Equipment (defined below) and an increase in income tax expenses as a result of increased taxation in connection with the interim dividends distributed during the year ended 31 December 2019 and the expiry of a tax holiday of 3-year full exemption that was enjoyed by a subsidiary of the Company. These negative impacts were partially offset by an increase in other income.

### Photovoltaic Power Generation Business

During the year under review, the Photovoltaic Power Generation Business continued to bring profits to the Group. At the end of 2019, the photovoltaic power generation output capacity of the Yinchuan Project had been increased from 350 megawatt in 2017 to 390 megawatt.

In respect of the 350 megawatt photovoltaic power generation output capacity of the Group's photovoltaic project in Yinchuan City (the "**Yinchuan Project**"), Ningxia Hui Autonomous Region ("**Ningxia**"), the PRC, after completion of the sale and purchase agreement entered into between Ningxia Baofeng Photovoltaic Power Generation Company Limited\* (寧夏寶豐光伏發電有限公司) ("**Baofeng Photovoltaic**"), a subsidiary of the Company, as purchaser and Yinchuan Binhe New Energy Investment Development Co., Ltd\* (銀川濱河新能源投資開發有限公司) (the "**Vendor**") dated 23 March 2019 ("**Sale and Purchase Agreement**") in May 2019, Baofeng Photovoltaic purchased the 350-megawatt photovoltaic power generation equipment, the ancillary facilities, the materials in stock, products and accessories of the Yinchuan Project

### 移動式照明產品行業

二零一九年全球移動式照明產品行業競爭依舊激烈。美國移動式照明產品市場(本集團照明產品的主要市場)高度飽和,許多公司競相在國內外出售各種各樣的照明產品。

中美貿易戰自二零一八年展開後,美國及中國終在二零一九年十二月達成第一階段貿易協議。然而,美國將繼續對價值約2,500億美元及約1,200億美元的中國進口商品分別徵收25%及7.5%的關稅。預期中美照明產品行業之貿易環境將繼續面臨挑戰。

### 業務回顧

截至二零一九年十二月三十一日止年度,本集團的業務整合為兩個分部,即光伏發電業務及照明產品業務。

截至二零一九年十二月三十一日止年度,本集團的收益減少約3.6%至約人民幣885,400,000元,而本公司擁有人應佔溢利則減少約32.8%至約人民幣296,900,000元。溢利減少乃主要由於折舊開支及財務費用於收購設備(定義見下文)後有所增加以及稅項因截至二零一九年十二月三十一日止年度分派中期股息以及本公司一間附屬公司有權享受的三年免稅期屆滿而增加,從而令所得稅開支增加。該等不利影響因其他收入增加而部分抵銷。

### 光伏發電業務

於回顧年度,光伏發電業務繼續為本集團帶來溢利。於二零一九年年末,銀川項目的光伏發電產能已由二零一七年的350兆瓦增加至390兆瓦。

就本集團位於中國寧夏回族自治区(「**寧夏**」)銀川市具備350兆瓦光伏發電產能的光伏項目(「**銀川項目**」)而言,於二零一九年五月完成本公司附屬公司寧夏寶豐光伏發電有限公司(「**寶豐光伏**」,作為買方)與銀川濱河新能源投資開發有限公司(「**賣方**」)訂立日期為二零一九年三月二十三日的買賣協議(「**買賣協議**」)後,寶豐光伏購買銀川項目的350兆瓦光伏

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

(the “**Equipment**”) at a consideration of approximately RMB2,398.2 million (tax inclusive), which was subsequently reduced to approximately RMB2,336.1 million (tax inclusive) in July 2019 due to the reduction of the VAT rate from 16% to 13% effective on 1 April 2019 pursuant to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》) promulgated by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs of the PRC. The Equipment is a set of photovoltaic power generation equipment which was leased to Baofeng Photovoltaic by the Vendor since its acquisition of the Equipment and has been used by the Group in the Yinchuan Project for the photovoltaic business operations of the Group since the commencement of the Yinchuan Project in 2016.

In addition, in May 2019, the finance lease arrangement commenced between Baofeng Photovoltaic as lessee and Huaxia Financial Leasing Co., Ltd. (華夏金融租賃有限公司) as lessor (the “**Lessor**”) pursuant to the finance lease agreement dated 23 March 2019 (“**Finance Lease Agreement**”), under which the Lessor paid RMB1,700.0 million of the consideration under the Sale and Purchase Agreement to the Vendor, upon which it takes ownership of the Equipment. The Lessor then leases back the Equipment to Baofeng Photovoltaic for a principal lease amount of RMB1,700.0 million to be paid by monthly instalments (plus interests) commencing after a grace period which will expire by 28 January 2021, with the last payment to be made by 28 January 2031. From the lease commencement date up to the end of the grace period, Baofeng Photovoltaic only has to pay interests on the principal lease amount but does not have to make repayments of the principal lease amount. The indebtedness and obligations of Baofeng Photovoltaic under the Finance Lease Agreement are guaranteed by the Company and secured by a charge over the entire equity interest in Baofeng Photovoltaic, by a charge over all receivables arising from the income of the Yinchuan Project from time to time (other than the amount of tariff adjustment receivables already assigned by Baofeng Photovoltaic), and by a charge over all power generation equipment and ancillary facilities used in the Yinchuan Project, in favour of the Lessor.

As an ancillary arrangement to the acquisition under the Sale and Purchase Agreement, in May 2019, the Vendor has paid an amount of RMB300.0 million to Baofeng Photovoltaic in cash, and in return Baofeng Photovoltaic has assigned the tariff adjustment receivables in the amount of RMB300.0 million to the Vendor effective on the date Baofeng Photovoltaic received the aforesaid cash payment pursuant to the an assignment agreement dated 23 March 2019 entered into between Baofeng Photovoltaic and the Vendor (the “**Assignment Agreement**”). For details of the Sale and Purchase Agreement, the Finance Lease Agreement and the Assignment Agreement, please refer to the announcements of the Company dated 25 March 2019 and 30 July 2019, respectively.

As at 31 December 2019, the fair value of the Equipment amounted to approximately RMB1,997.2 million and was approximately 46.1% of the total assets of the Group.

發電設備、配套設施、物料存貨、產品及配件(「**設備**」)，代價約為人民幣2,398,200,000元(含稅)，其後於二零一九年七月減至約人民幣2,336,100,000元(含稅)，原因為增值稅率根據財政部、中國稅務總局及海關總署頒佈的《關於深化增值稅改革有關政策的公告》於二零一九年四月一日起由16%降至13%。設備為自賣方收購設備後租賃予寶豐光伏的一套光伏發電設備，並由本集團於二零一六年展開銀川項目以來，於銀川項目中用作本集團的光伏業務營運。

此外，於二零一九年五月，寶豐光伏(為承租人)與華夏金融租賃有限公司(為出租人，「**出租人**」)根據日期為二零一九年三月二十三日的融資租賃協議(「**融資租賃協議**」)開展融資租賃安排，據此，出租人已向賣方支付買賣協議項下之代價人民幣1,700,000,000元，屆時其取得設備的所有權。出租人其後租回設備予寶豐光伏，租賃本金為人民幣1,700,000,000元，將於寬限期(將於二零二一年一月二十八日屆滿)後每月分期支付(另加利息)，最後一期付款將於二零三一年一月二十八日前作出。自租賃開始日期起至寬限期結束，寶豐光伏僅須支付租賃本金的利息，但毋須償還租賃本金。寶豐光伏之融資租賃協議的債務及責任由本公司擔保及以寶豐光伏的全部股權的押記、由銀川項目收入不時產生的所有應收款項(寶豐光伏已經轉讓的電價調整應收款項金額除外)的押記及就銀川項目所用的所有發電設備及配套設施的押記為抵押，以出租人為受益人。

作為買賣協議項下收購事項的配套安排，於二零一九年五月，賣方已向寶豐光伏支付現金人民幣300,000,000元。就此，根據寶豐光伏與賣方訂立日期為二零一九年三月二十三日之轉讓協議(「**轉讓協議**」)，寶豐光伏已向賣方轉讓金額為人民幣300,000,000元的電價調整應收款項，在寶豐光伏收取前述的現金款項當日起生效。請參閱本公司日期為二零一九年三月二十五日及二零一九年七月三十日的公告，以分別瞭解買賣協議以及融資租賃協議及轉讓協議的詳情。

於二零一九年十二月三十一日，設備的公平值約為人民幣1,997,200,000元，佔本集團資產總值約46.1%。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

The Directors consider that it is beneficial for the Group to purchase the Equipment pursuant to the Sale and Purchase Agreement and the Finance Lease Agreement and the ancillary security documents for, among others, the following reasons and on the following bases:

董事認為，根據買賣協議及融資租賃協議以及附屬抵押文件購買設備對本集團有利，其中包括以下原因及基準：

- (a) the lease agreement between the Vendor and Baofeng Photovoltaic (the “**Existing Lease**”) was due to expire in May 2019. Under the Group’s operation arrangement of leasing the Equipment for its Photovoltaic Power Generation Business, such business is subject to the commercial risks and uncertainties that the Existing Lease may not be renewed upon expiry or that the rental may be increased upon renewal of the Existing Lease. If the Group becomes the owner of the Equipment, such commercial risks and uncertainties in relation to the rental of the Equipment can be eliminated;
  - (b) in the event that the Existing Lease could not be renewed, the operation and profitability of the Yinchuan Project will be severely hindered without the Equipment, and will result in written-down value of the infrastructure in relation to the Yinchuan Project owned by the Group. Since the Photovoltaic Power Generation Business has become the main driver of growth of the Group and the Equipment is of primary significance to such business, in order to maintain the Group’s profitability, it is important for the Group to ensure sustainable and stable operation of the Yinchuan Project in the long run by securing the continued full operation of the Equipment;
  - (c) although there will be finance costs during the lease term, the Group will at the same time no longer have to bear rental expenditure on the Equipment as well as the risks associated with the renewal of the Existing Lease as mentioned above. Considering that the Equipment has a useful life of 25 years, after deducting the three years of use by the Group itself since leasing in May 2016 and following the completion of the lease term, the Group expects to further enjoy about 10 years of useful life of the Equipment without any further payment of finance payments or rent, which will be conducive to profitability of the Group in the long run.
- (a) 賣方與寶豐光伏訂立的租賃協議(「**現有租賃**」)已於二零一九年五月屆滿。根據本集團就光伏發電業務租賃設備的營運安排，該業務面臨現有租賃未能於屆滿後獲重續或租金可能於重續現有租賃後上升的商業風險及不確定因素。倘本集團成為設備擁有人，該等有關設備租金的商業風險及不確定因素可被消除；
  - (b) 倘現有租賃未能重續，銀川項目的營運及盈利能力將因缺乏設備而受到嚴重影響，並將導致撇減與本集團所擁有銀川項目有關的基建的價值。由於光伏發電業務已成為本集團增長的主要驅動力，設備對該業務十分重要，為維持本集團的盈利能力，透過保證設備的持續全面營運以確保銀川項目長遠可持續及穩定營運對本集團至關重要；
  - (c) 儘管租賃期內將產生財務費用，與此同時，本集團將毋須再承擔設備的租賃開支以及上述重續現有租賃相關的風險。考慮到設備的可使用年期為25年，經扣減本集團自二零一六年五月租賃起已使用設備三年，及於租賃期完成後，本集團預期將能再使用設備10年左右，而毋須進一步支付任何財務付款或租金，而此舉將對本集團長遠盈利能力有利。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

As confirmed by the State Grid Corporation of China, for the year ended 31 December 2019, the Group has generated an aggregate of 720.5 million kWh power and the Photovoltaic Power Generation Business continued to be the main source of the revenue of the Group, accounting for approximately 60.0% (31 December 2018: 59.8%) of the Group's total revenue for the year ended 31 December 2019. The aggregated power generated for the year ended 31 December 2019 dropped by approximately 5.7% to 720.5 million kWh (31 December 2018: 763.8 million kWh) due to a decrease in number of sunny days. Nevertheless, such impact was offset by an increase in average unit selling price (tax exclusive) as a result of a reduction of VAT rate. In addition, the Photovoltaic Power Generation Business was the sole contributor to the profit of the Group, contributing to approximately 100.3% of the Group's total segment profit for the year ended 31 December 2019 (31 December 2018: 98.7%).

The Group's revenue from the Photovoltaic Power Generation Business for the year ended 31 December 2019 was approximately RMB531.4 million, representing a decrease of approximately 3.2% from the revenue generated for the corresponding year in 2018 (31 December 2018: RMB549.1 million). The segment profit margin of the Photovoltaic Power Generation Business was approximately 66.5% for the year ended 31 December 2019 (31 December 2018: 84.5%), and the segment profit decreased by approximately 23.9% to approximately RMB353.2 million (31 December 2018: RMB464.2 million) which was mainly due to an increase in depreciation expenses and finance costs after acquisition of the Equipment.

### Lighting Products Business

The Group's revenue from the Lighting Products Business for the year ended 31 December 2019 was approximately RMB354.0 million (31 December 2018: RMB369.4 million), contributing to approximately 40.0% (31 December 2018: 40.2%) of the Group's total revenue, and representing a decrease of 4.2% from the revenue generated in the corresponding year in 2018. Excluding the effect of RMB depreciation against HK\$ during the year ended 31 December 2019, the revenue decreased by 9.6% compared to the corresponding year in 2018. The segment profit margin of Lighting Products Business turned negative to approximately -0.3% for the year ended 31 December 2019 (31 December 2018: +1.6%) and there was a segment loss of approximately RMB1.0 million (31 December 2018: a segment profit of approximately RMB6.1 million). The segment loss was due to the additional tariff imposed by the United States, and continuous keen competition in the principal market of the lighting products of the Group.

經中國國家電網公司確認，截至二零一九年十二月三十一日止年度，本集團共發電720,500,000千瓦時，而光伏發電業務繼續成為本集團的主要收益來源，佔本集團截至二零一九年十二月三十一日止年度之總收益約60.0%（二零一八年十二月三十一日：59.8%）。由於晴朗天數減少，截至二零一九年十二月三十一日止年度的總發電量下跌約5.7%至720,500,000千瓦時（二零一八年十二月三十一日：763,800,000千瓦時）。儘管如此，平均單位售價（除稅後）因增值稅率減少而有所增加，抵銷總發電量下跌的影響。此外，光伏發電業務為本集團溢利的唯一來源，貢獻本集團截至二零一九年十二月三十一日止年度分部溢利總額的約100.3%（二零一八年十二月三十一日：98.7%）。

截至二零一九年十二月三十一日止年度，本集團來自光伏發電業務的收益約為人民幣531,400,000元，較二零一八年相應年度產生的收益（二零一八年十二月三十一日：人民幣549,100,000元）減少約3.2%。截至二零一九年十二月三十一日止年度，光伏發電業務的分部利潤率約為66.5%（二零一八年十二月三十一日：84.5%），且分部溢利減少約23.9%至約人民幣353,200,000元（二零一八年十二月三十一日：人民幣464,200,000元），主要由於收購設備後導致折舊開支及財務費用增加。

### 照明產品業務

截至二零一九年十二月三十一日止年度，本集團照明產品業務的收益約為人民幣354,000,000元（二零一八年十二月三十一日：人民幣369,400,000元），貢獻本集團收益總額約40.0%（二零一八年十二月三十一日：40.2%），較二零一八年相應年度產生的收益減少4.2%。撇除於截至二零一九年十二月三十一日止年度人民幣兌港幣貶值的影響，收益較二零一八年相應年度減少9.6%。截至二零一九年十二月三十一日止年度，照明產品業務分部利潤率轉為負值至約-0.3%（二零一八年十二月三十一日：+1.6%），分部虧損約人民幣1,000,000元（二零一八年十二月三十一日：分部溢利約人民幣6,100,000元）。分部虧損乃由於美國徵收額外關稅及本集團照明產品的主要市場持續劇烈競爭所致。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### OUTLOOK AND PROSPECTS

In 2020, the Board believes that the Photovoltaic Power Generation Business will continue to be the Group's main profit contributor. Nonetheless, given that less favourable policies issued by the government of the PRC in relation to the photovoltaic power generation industry, the Group will continue to implement costs control measures in the Photovoltaic Power Generation Business in order to maintain reasonable returns to the shareholders of the Company (the "Shareholders"). The Board may conduct a strategic review on the operations of the Group, identify and evaluate business opportunities in the other sectors with positive outlook such as elderly care industry and health care industry in order to diversify the income stream of the Group for the benefit of the Shareholders as a whole.

#### Photovoltaic Power Generation Business

Further to the issue of the 2020 Opinion and the 2020 Administrative Measures, the Board of directors of the Company (the "Directors") expects the Yinchuan Project to be included in the list of subsidized projects. It is expected that the Group will receive settlements of tariff adjustment receivables from the PRC government (in which part of them will be paid to the Lessor under the Finance Lease Agreement).

#### Lighting Products Business

In 2020, it is expected that the Lighting Products Business may continue to be adversely affected by the additional tariffs imposed by the United States due to uncertainty arising from the United States-PRC trade war and intensified competition in its principal markets. In case the market competition continues to intensify, the Group would deploy its resources efficiently and shift the focus on other segments of the Group so that the Group will generate long term return to the Shareholders.

### FINANCIAL REVIEW

#### Change of functional currency

Prior to 1 January 2019, United States Dollars ("US\$") was regarded as the functional currency of the Company and the consolidated financial statements were presented in Hong Kong Dollars ("HK\$"). For the year ended 31 December 2019, the Board consider that as a result of continued focus on the Photovoltaic Power Generation Business in the PRC and the significant amount of acquisition of the Equipment which was financed by a source of funding in the PRC, the primary economic environment in which the Company operates has changed and it is more appropriate to use Renminbi ("RMB") as the functional currency. The presentation currency of the financial information is also changed to RMB in line with the change in functional currency.

### 前景及展望

於二零二零年，董事會相信光伏發電業務將繼續為本集團的主要溢利來源。然而，由於中國政府減少頒佈有關光伏發電業的有利政策，本集團將繼續於光伏發電業務實施成本控制措施，為本公司股東（「股東」）維持合理回報。董事會可能對本集團的營運進行戰略檢討，物色及評估其他充滿樂觀前景行業的業務機遇（如養老產業及健康護理產業），以分散本集團的收入來源，從而滿足股東的整體利益。

#### 光伏發電業務

於發佈二零二零年意見書及二零二零年管理辦法後，本公司之董事（「董事」）會預期，銀川項目將被納入補貼項目名單。預期本集團將向中國政府收取電價調整應收款項，當中部分將根據融資租賃協議支付予承租人。

#### 照明產品業務

於二零二零年，預期照明產品業務仍將受到美國就中美貿易戰帶來的不確定性徵收額外關稅以及主要市場競爭加劇的不利影響。倘市場競爭持續加劇，本集團將迅速調配資源，轉而專注於本集團的其他分部，從而為股東創造長期回報。

### 財務回顧

#### 功能貨幣變更

於二零一九年一月一日前，本公司的功能貨幣為美元（「美元」），而綜合財務報表乃按港元（「港元」）呈列。於截至二零一九年十二月三十一日止年度，董事會認為鑒於持續專注於中國光伏發電業務以及收購設備的大量金額乃由中國資金來源撥資，本公司運營所在的主要經濟環境已變更，使用人民幣（「人民幣」）為功能貨幣更為合適。財務資料呈列貨幣亦與功能貨幣一同變更為人民幣。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

The change in functional and presentation currencies was accounted for in accordance with Hong Kong Accounting Standard 21 “The Effects of Changes in Foreign Exchange Rates” (“HKAS 21”). The effects of the change in presentation currency have been accounted for retrospectively with comparative figures restated. The comparative information in these audited consolidated financial statements has been restated to reflect as if RMB has always been the presentation currency of the Group. The change in functional currency of the Company was applied prospectively from the date of change in accordance with HKAS 21.

功能及呈列貨幣變更乃根據香港會計準則第21號「外匯匯率變動的影響」(「香港會計準則第21號」)予以列賬。變更呈列貨幣的影響已追溯入賬，並已重列比較數字。該等經審核綜合財務報表的比較資料已按猶如人民幣一直以來均為本集團的呈列貨幣而予以重列。本公司功能貨幣變更已自變更日期起根據香港會計準則第21號獲追溯應用。

### Segment Information

The Group reported its financial information by two segments: (i) Photovoltaic Power Generation Business; and (ii) Lighting Products Business. The table below is an analysis of the Group's revenue, segment profit and segment profit margin of its operation by segment for the year ended 31 December 2018 and 2019, respectively.

### 分部資料

本集團按兩個分部報告其財務資料：(i) 光伏發電業務；及(ii) 照明產品業務。下表分別為截至二零一八年及二零一九年十二月三十一日止年度本集團業務按分部劃分的收益、分部溢利及分部利潤率分析。

	For the year ended 31 December 截至十二月三十一日止年度							
	2019 二零一九年				2018 二零一八年			
	Revenue 收益 RMB'000 人民幣千元	% of revenue 佔收益百分比	Segment profit (loss) 分部溢利 (虧損) RMB'000 人民幣千元	Segment profit margin 分部利潤率 (%) (%)	Revenue 收益 RMB'000 人民幣千元	% of revenue 佔收益百分比	Segment profit 分部溢利 RMB'000 人民幣千元	Segment profit margin 分部利潤率 (%) (%)
Photovoltaic Power Generation Business 光伏發電業務	531,387	60.0	353,240	66.5	549,138	59.8	464,225	84.5
Lighting Products Business 照明產品業務	354,020	40.0	(1,050)	(0.3)	369,376	40.2	6,095	1.6
Total 總計	885,407	100.0	352,190	39.8	918,514	100.0	470,320	51.2



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### Revenue

During the year ended 31 December 2019, revenue of the Group was derived from the Photovoltaic Power Generation Business and Lighting Products Business amounting to approximately RMB885.4 million, representing a decrease of approximately 3.6% from approximately RMB918.5 million for the year ended 31 December 2018.

Revenue derived from the Photovoltaic Power Generation Business amounted to RMB531.4 million, representing a decrease of approximately 3.2% from approximately RMB549.1 million for the year ended 31 December 2018. The Photovoltaic Power Generation Business continued to be the major contributor to the Group's total revenue. During the year ended 31 December 2019, while the revenue from Photovoltaic Power Generation Business was adversely affected by the decrease in number of sunny days, the impact of which was offset by an increase in average unit selling price (tax exclusive) as a result of reduction of VAT rate. Revenue derived from the Lighting Products Business amounted to RMB354.0 million, representing a decrease of approximately 4.2% from approximately RMB369.4 million for the year ended 31 December 2018. The Lighting Products Business continued to be impacted by the additional tariff imposed by the United States and the fierce competition in the market. As a result, excluding the effect of RMB depreciation against HK\$, the revenue from the Lighting Products Business decreased by 9.6% compared to the corresponding year in 2018.

### Gross profit and gross profit margin

During the year ended 31 December 2019, the gross profit of the Group amounted to approximately RMB476.4 million, representing a decrease of approximately 8.5% from approximately RMB520.6 million for the year ended 31 December 2018. The gross profit margin of the Group decreased from approximately 56.7% for the year ended 31 December 2018 to approximately 53.8% for the year ended 31 December 2019. The decrease in both gross profit and gross profit margin of the Group for the year was due to an increase in costs of sales of approximately 2.8% from approximately RMB397.9 million for the year ended 31 December 2018 to approximately RMB409.1 million for the year ended 31 December 2019.

### Operating costs

During the year ended 31 December 2019, the total operating cost increased to approximately RMB86.6 million, representing a decrease of approximately 1.7% from approximately RMB88.1 million for the corresponding year in 2018. The decrease in operating cost was primarily due to a decrease in tax surcharges and other operating expenses.

### 收益

截至二零一九年十二月三十一日止年度，本集團的收益來自光伏發電業務及照明產品業務，為數約人民幣885,400,000元，較截至二零一八年十二月三十一日止年度約人民幣918,500,000元減少約3.6%。

來自光伏發電業務的收益為人民幣531,400,000元，較截至二零一八年十二月三十一日止年度的約人民幣549,100,000元減少約3.2%。光伏發電業務持續為本集團總收益的主要貢獻。於截至二零一九年十二月三十一日止年度，來自光伏發電業務的收益受到晴朗天數減少的不利影響，其影響由平均單位售價（除稅後）因增值稅率減少而增加予以抵銷。來自照明產品業務的收益為人民幣354,000,000元，較截至二零一八年十二月三十一日止年度的約人民幣369,400,000元減少約4.2%。照明產品業務持續受到美國施加的額外關稅以及市場內激烈競爭的影響。因此，剔除人民幣兌港幣貶值的影響，來自照明產品業務產生的收益較二零一八年相應年度減少9.6%。

### 毛利及毛利率

截至二零一九年十二月三十一日止年度，本集團的毛利為數約人民幣476,400,000元，較二零一八年十二月三十一日止年度約人民幣520,600,000元減少約8.5%。本集團毛利率由截至二零一八年十二月三十一日止年度約56.7%減少至截至二零一九年十二月三十一日止年度約53.8%。本集團年內毛利及毛利率均有所下降，乃由於銷售成本由截至二零一八年十二月三十一日止年度的約人民幣397,900,000元增加約2.8%至截至二零一九年十二月三十一日止年度的約人民幣409,100,000元。

### 經營成本

截至二零一九年十二月三十一日止年度，總經營成本增加至約人民幣86,600,000元，較二零一八年相應年度約人民幣88,100,000元減少約1.7%。經營成本減少乃主要由於附加稅及其他運營開支減少。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### Finance Costs

The Group recorded finance costs amounting to approximately RMB87.4 million for the year ended 31 December 2019 (31 December 2018: RMB4.7 million). The increase in finance costs during the year was mainly due to the interest expenses and handling charges under the Finance Lease Agreement and imputed interests arising from the amount due to a photovoltaic facilities provider.

### Profit attributable to owners of the Company

Profit attributable to owners of the Company of approximately RMB296.9 million was recorded for the year ended 31 December 2019, as compared with a profit of approximately RMB442.0 million attributable to owners of the Company for the corresponding year in 2018. The decline in profit was mainly due to an increase in depreciation expenses and finance costs after the acquisition of the Equipment and an increase in income tax expenses as a result of increased taxation in connection with the interim dividends declared on 16 August 2019 and the expiry of a tax holiday of 3-year full exemption that was enjoyed by a subsidiary of the Company. These negative impacts were partially offset by an increase in other income. Earnings per share was RMB44.72 cents for the year ended 31 December 2019, as compared with earnings per share of RMB72.32 cents for the corresponding year in 2018.

### EVENT AFTER THE REPORTING PERIOD

The outbreak of the novel coronavirus (“**COVID-19**”) in early 2020 and the subsequent quarantine measures and travel restrictions imposed worldwide may have impact on the Group’s operations. For the Photovoltaic Power Generation Business, the photovoltaic power generation process is not labour intensive and the daily operation of the solar power plant has not been affected. As at the date of this annual report, the Board is not aware of any material adverse impact on the financial performance of the Photovoltaic Power Generation Business as a result of the outbreak of the COVID-19.

### 財務費用

截至二零一九年十二月三十一日止年度，本集團錄得財務費用約人民幣87,400,000元（二零一八年十二月三十一日：人民幣4,700,000元）。年內財務費用增加乃主要由於融資租賃協議項下的利息開支及手續費以及應付光伏設施供應商款項產生的應計利息所致。

### 本公司擁有人應佔溢利

截至二零一九年十二月三十一日止年度，本公司擁有人應佔溢利約為人民幣296,900,000元，而二零一八年相應年度的本公司擁有人應佔溢利則約為人民幣442,000,000元。溢利減少乃主要由於折舊開支及財務費用於收購設備後有所增加以及稅項因於二零一九年八月十六日宣派中期股息以及本公司一間附屬公司有權享受的三年免稅期屆滿而增加，從而令所得稅開支增加。該等不利影響因其他收入增加而部分抵銷。截至二零一九年十二月三十一日止年度，每股盈利為人民幣44.72分，而二零一八年相應年度的每股盈利則為人民幣72.32分。

### 報告期後事項

二零二零年初爆發新型冠狀病毒（「**COVID-19**」），世界各地其後實施隔離措施及旅遊限制，其可對本集團的營運構成影響。就光伏發電業務而言，由於光伏發電過程不會耗用大量人力，太陽能發電廠的日常營運未受影響。於本年報日期，董事會並不知悉任何因爆發COVID-19而對光伏發電業務的財務表現所帶來的負面影響。

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## 管理層討論與分析

For the Lighting Products Business, the production lines of the suppliers of the Group for lighting products were suspended for a short period of time after the Chinese new year holidays, and gradually resumed normal production in March 2020. Since there are uncertainties about how the pandemic will evolve as at the date of this annual report, the Board considers that the financial effects on the Lighting Products Business cannot be reasonably estimated and will continue to monitor and assess the impact of COVID-19 on the Lighting Products Business. The financial impact, if any, will be reflected in the future financial statements of the Group.

### NON-HKFRS MEASURES

#### Earnings before interest and taxes, depreciation and amortisation

To supplement the audited consolidated financial information of the Group prepared in accordance with Hong Kong Financial Reporting Standard (“**HKFRS**”), one non-HKFRS measure, namely the earnings before interest and taxes, depreciation and amortisation (“**EBITDA**”), as additional financial measure, has been presented in this annual report. The EBITDA is calculated by adding (i) depreciation of property, plant and equipment; (ii) depreciation for right-of-use assets; (iii) amortisation of intangible asset; and (iv) finance costs to the profit before tax. This unaudited non-HKFRS financial measure should be considered in addition to, not as a substitute for, measures of the Group’s financial performance prepared in accordance with HKFRS. In addition, this non-financial measure may be defined differently from similar terms used by other companies. The Board believes that the presentation of non-HKFRS measures when shown in conjunction with the corresponding HKFRS measures provides useful information to Shareholders and the Board regarding financial and business trends relating to its financial condition and results of operations. The Board also believes that the non-HKFRS measures are appropriate for evaluating the Group’s operating performance.

就照明產品業務而言，本集團照明產品供應商的生產線於中國農曆新年過後短暫暫停，並於二零二零年三月逐漸回復正常生產。由於於本年報日期疫情會否升級存在不確定因素，董事會認為照明產品業務的財務影響不能作出合理預期，並將持續監察及評估COVID-19對照明產品業務帶來的影響。財務影響(如有)將於本集團的未來財務報表中反映。

### 非香港財務報告準則計量

#### 除利息及稅項、折舊及攤銷前盈利

為補充根據香港財務報告準則(「**香港財務報告準則**」)編製的本集團經審核綜合財務報表，一項非香港財務報告準則計量，即除利息及稅項、折舊及攤銷前盈利(「**EBITDA**」)，作為額外的財務計量，已於本年報呈列。EBITDA乃按於除稅前溢利加上(i)物業、廠房及設備折舊；(ii)使用權資產折舊；(iii)無形資產攤銷；及(iv)財務費用計算所得。該未經審核非香港財務報告準則財務計量應當被視為對本集團根據香港財務報告準則編製的財務表現的補充而非替代計量。此外，該非財務計量的涵義或與其他公司所使用類似的詞彙有所不同。董事會認為連同相應香港財務報告準則計量一併呈列非香港財務報告準則計量為股東及董事會提供關於其財務狀況及經營業績相關的財務及業務趨勢的有用信息。董事會亦認為，非香港財務報告準則計量適用於評估本集團的經營表現。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

The following table sets forth the reconciliation of the Group's non-HKFRS financial measures for year ended 31 December 2019 and the corresponding year in 2018 to the nearest measures prepared in accordance with HKFRS:

下表載列截至二零一九年十二月三十一日止年度及二零一八年相應年度本集團非香港財務報告準則財務計量與根據香港財務報告準則編製的最接近計量之對賬：

		For the year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Reconciliation of profit before taxation to EBITDA:	除稅前溢利與EBITDA的對賬：		
<b>Profit before tax</b>	<b>除稅前溢利</b>	<b>333,084</b>	449,852
Add:	加：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	64,724	9,048
Depreciation for right-of-use assets	使用權資產折舊	3,212	—
Amortisation of intangible asset	無形資產攤銷	85	81
Finance costs	財務費用	87,399	4,712
<b>EBITDA</b>	<b>EBITDA</b>	<b>488,504</b>	463,693

For the year ended 31 December 2019, EBITDA of the Company was approximately RMB488.5 million, representing an increase of approximately 5.4% from approximately RMB463.7 million for the year ended 31 December 2018. The increase of the EBITDA was mainly due to a decrease in leasing expenses under Existing Lease and other operating expenses.

截至二零一九年十二月三十一日止年度，本公司之EBITDA約為人民幣488,500,000元，較截至二零一八年十二月三十一日止年度的約人民幣463,700,000元增加約5.4%。EBITDA增加乃主要由於現有租賃項下的租賃開支及其他營運開支減少。

### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2019, cash and cash equivalents of the Group were approximately RMB183.8 million, representing an increase of 153.1% from approximately RMB72.6 million as at 31 December 2018. This was mainly due to the net effect of cash of RMB300,000,000 received from the Vendor under the Assignment Agreement, payment of interim dividend and payments of interests and handling charges under the Finance Lease Agreement during the year.

### 流動資金及財務資源

於二零一九年十二月三十一日，本集團現金及現金等值物約為人民幣183,800,000元，較於二零一八年十二月三十一日約人民幣72,600,000元增加153.1%，主要由於根據轉讓協議自賣方收取的現金人民幣300,000,000元、派付中期股息及年內支付融資租賃協議項下的利息及手續費的淨影響所致。

For the year ended 31 December 2019, the Group's primary source of funding included cash generated from its operating activities and interest bearing borrowing.

截至二零一九年十二月三十一日止年度，本集團的主要資金來源包括其經營活動產生之現金及計息借款。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

As at 31 December 2019, the Group had a total interest bearing borrowing of RMB1,665.5 million which represents the finance lease obligation under the Finance Lease Agreement, for a principal lease amount of RMB1,700.0 million to be paid by monthly instalments (plus interests) commencing after a grace period which will expire by 28 January 2021, with the last payment to be made by 28 January 2031. As at 31 December 2018, the Group had no borrowing. The Group's current ratio (current asset divided by current liabilities) was 14.8 times as at 31 December 2019, increased from 9.5 times as at 31 December 2018 which was mainly due to the increase in trade and other receivables contract assets and cash received under the Assignment Agreement.

### FINAL DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended 31 December 2019 (2018: Nil). During the year ended 31 December 2019, an interim dividend of 20 HK cents (equivalent to RMB18 cent) per share amounting to approximately RMB119.5 million was paid to the Shareholders.

### CAPITAL STRUCTURE

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to Shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of (i) net debt, which includes the interest bearing borrowing and net cash and cash equivalents and pledged deposits, and (ii) equity attributable to owners of the Group, comprising issued capital and reserves. As at 31 December 2019, net gearing ratio was 90.4% (31 December 2018: net cash in excess of debts). This ratio is based on interest bearing borrowing and bills payable less cash and cash equivalents and pledged bank deposit divided by total equity.

As at 31 December 2019 and 31 December 2018, the Group has no bank borrowings. As at 31 December 2018, bills payable amounting to RMB1.3 million were secured by bank deposits of RMB1.3 million. There was no bill payable and pledged bank deposit as at 31 December 2019.

As at 31 December 2019, the other interest bearing borrowing which represents the finance lease obligation under the Finance Lease Agreement amounted to RMB1,665.5 million (31 December 2018: Nil), which carried interests at 5.978% (31 December 2018: Nil). It was guaranteed by the Company and secured by a charge over the entire equity interest in Baofeng Photovoltaic, by a charge over all receivables arising from the income of the Yinchuan Project from time to time (other than the amount of tariff adjustment receivables already assigned by Baofeng Photovoltaic), and by a charge over all power generation equipment and ancillary facilities used in the Yinchuan Project, in favour of the Lessor (31 December 2018: Nil).

於二零一九年十二月三十一日，本集團的總計息借款為人民幣1,665,500,000元，指融資租賃協議項下之融資租賃承擔，租賃本金為人民幣1,700,000,000元，將於寬限期（將於二零二一年一月二十八日屆滿）後每月分期支付（另加利息），最後一期付款將於二零三一年一月二十八日前作出。於二零一八年十二月三十一日，本集團並無借款。本集團的流動比率（即流動資產除以流動負債）於二零一九年十二月三十一日為14.8倍，較二零一八年十二月三十一日的9.5倍有所增加，乃主要由於貿易及其他應收款項、合約資產以及轉讓協議項下已收現金增加。

### 末期股息

董事會並不建議派付截至二零一九年十二月三十一日止年度之任何末期股息（二零一八年：無）。截至二零一九年十二月三十一日止年度，本公司已向股東派付中期股息每股20港仙（相等於人民幣18分），合共約人民幣119,500,000元。

### 資本架構

本集團管理其資本，旨在透過在債務與權益間作出最佳平衡，確保本集團實體的可持續經營，亦為股東締造最大回報。本集團的整體策略與往年維持不變。

本集團的資本架構包括(i)債務淨額（包括計息借款以及現金及現金等值物淨值及已抵押存款）；及(ii)本集團擁有人應佔權益（包括已發行股本及儲備）。於二零一九年十二月三十一日，淨資本負債比率為90.4%（二零一八年十二月三十一日：現金淨額超逾債務）。該比率乃根據計息借款及應付票據現金及現金等值物以及已抵押銀行存款再除以權益總額計算。

於二零一九年十二月三十一日及二零一八年十二月三十一日，本集團並無銀行借款。於二零一八年十二月三十一日，應付票據人民幣1,300,000元由銀行存款人民幣1,300,000元作抵押。於二零一九年十二月三十一日，概無應付票據及已抵押銀行存款。

於二零一九年十二月三十一日，其他計息借款指融資租賃協議項下的融資租賃承擔，金額為人民幣1,665,500,000元（二零一八年十二月三十一日：無），並按5.978%（二零一八年十二月三十一日：無）的利率計息。其由本公司擔保及以寶豐光伏的全部股權的押記、由銀川項目收入不時產生的所有應收款項（寶豐光伏已經轉讓的電價調整應收款項金額除外）的押記及就銀川項目所用的所有發電設備及配套設施的押記為抵押，以出租人為受益人（二零一八年十二月三十一日：無）。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

As at 31 December 2019, the Group's cash and cash equivalents were mainly held in Renminbi, US dollars and HK dollars.

The Directors shall review the capital structure regularly, taking into account the cost of capital and the associated risks. Based on recommendations of the Board, the Group will maintain an appropriate capital structure accordingly.

### EMOLUMENT POLICY

The Directors' fees are determined by the Board as authorised by the Shareholders in the annual general meeting. The Board shall consider the recommendation of the remuneration committee of the Company ("**Remuneration Committee**") with reference to the Directors' duties, responsibilities and performance and the results of the Group. Each executive Director may also receive a year-end bonus in respect of each financial year. The amount of such bonus will be determined by the Board with reference to the recommendation of the Remuneration Committee.

As at 31 December 2019, the Group has a total of nine (31 December 2018: nine) Directors and employed 192 (31 December 2018: 214) employees. Total staff costs, including Directors' emoluments, amounted to approximately RMB54.4 million for the year ended 31 December 2019 (31 December 2018: RMB52.2 million). The Group's remuneration policies were determined with reference to the performance, qualification and experience of individual employee, as well as the results of the Group and the market conditions. The Group also provided discretionary bonus, medical insurance and provident fund to employees. The Company adopted a share option scheme (the "**Share Option Scheme**") on 21 June 2012, under which the Company can grant options to, among others, employees of the Group to subscribe for shares of the Company ("**Shares**") for rewarding them for their contributions to the Group and providing incentives to them to optimise their future contributions to the Group. Up to the 31 December 2019, no share option has been granted under the Share Option Scheme.

於二零一九年十二月三十一日，本集團的現金及現金等值物主要以人民幣、美元及港元持有。

董事定期檢討資本結構，考慮資本成本及資本相關風險。本集團會根據董事會的建議相應維持其適當的資本結構。

### 薪酬政策

董事袍金由董事會於股東週年大會獲得股東授權後釐定。董事會將考慮本公司薪酬委員會（「**薪酬委員會**」）在參考各董事的職務、責任及表現和本集團的業績後所提供的推薦意見釐定。各執行董事亦可能就每個財政年度獲得年終花紅。該等花紅的金額將由董事會參照薪酬委員會提供的推薦意見而釐定。

於二零一九年十二月三十一日，本集團有合共九名（二零一八年十二月三十一日：九名）董事及192名（二零一八年十二月三十一日：214名）員工。截至二零一九年十二月三十一日止年度，總僱員開支（包括董事酬金）約為人民幣54,400,000元（二零一八年十二月三十一日：人民幣52,200,000元）。本集團的薪酬政策乃按照僱員個人表現、資歷及經驗，以及本集團業績及市場環境而釐定。本集團亦向僱員提供酌情花紅、醫療保險及公積金。本公司於二零一二年六月二十一日採納購股權計劃（「**購股權計劃**」），據此，本公司可授出購股權予（其中包括）本集團僱員以認購本公司股份（「**股份**」），以此獎勵彼等對本集團所作出的貢獻，並激勵僱員日後對本集團作出貢獻。截至二零一九年十二月三十一日，概無根據該購股權計劃授出任何購股權。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### RETIREMENT SCHEMES

The Group operates a Mandatory Provident Fund Scheme under the Mandatory Provident Fund Schemes Ordinance (Cap. 485) for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those employees of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs with the maximum monthly amount of HK\$1,500 to the scheme, which contribution is matched by employees.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefits scheme operated by the PRC government. The subsidiaries are required to contribute a specified range of payroll costs to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

The Group's subsidiaries in the United States of America operate defined contribution schemes. Contributions to the defined contribution schemes are made at a certain percentage of the employee's payroll.

### CONTINGENT LIABILITIES

As at 31 December 2019 and 31 December 2018, the Group did not have any contingent liability.

### SIGNIFICANT INVESTMENTS

Save as disclosed in the section headed "Business Review – Photovoltaic Power Generation Business", the Group did not have any other significant investments as at 31 December 2019.

### FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 31 December 2019. In the event that the Group is engaged in any plan for material investments or capital assets, the Company will make announcement(s) and comply with relevant rules under the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "Listing Rules") as and when appropriate.

### 退休計劃

本集團根據強制性公積金計劃條例第485章為全部香港合資格僱員設立強制性公積金計劃。該計劃資產與本集團僱員之資產分開持有，存放於受託人所控制的基金內。本集團向該計劃作出有關薪金成本5%的供款，每月最高金額為1,500港元，該供款與僱員所作出者相符。

本集團中國附屬公司的僱員為中國政府營運的國家管理退休福利計劃成員。該等附屬公司須按薪金成本的特定範圍向退休福利計劃作出供款。本集團對退休福利計劃的唯一責任為作出指定供款。

本集團美國附屬公司設有定額供款計劃。定額供款計劃乃按僱員薪金的若干百分比作出供款。

### 或有負債

於二零一九年十二月三十一日及二零一八年十二月三十一日，本集團並無任何或有負債。

### 重大投資

除「業務回顧－光伏發電業務」一節披露外，於二零一九年十二月三十一日，本集團並無任何其他重大投資。

### 重大投資或資本資產的未來計劃

於二零一九年十二月三十一日並無重大投資或資本資產的具體計劃。倘本集團參與任何重大投資或資本資產計劃，本公司將適時遵照香港聯合交易所有限公司證券上市規則（「上市規則」）的相關規則刊發公告。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### MATERIAL ACQUISITIONS OR DISPOSALS

During the year ended 31 December 2019, there was no material acquisition or disposal of subsidiaries, associated companies and joint ventures by the Group.

### CHARGES ON ASSETS

As at 31 December 2019, no bank deposits (31 December 2018: RMB1.3 million) were pledged to a bank for issue of bills payable. The Group's land and buildings with carrying value of RMB0.6 million (31 December 2018: RMB0.6 million) were pledged to a bank to secure banking facilities granted to the Group. In addition, charges were created over (i) the entire equity interest in Baofeng Photovoltaic; (ii) all receivables arising from the income of the Yinchuan Project from time to time (other than the amount of tariff adjustment receivables already assigned by Baofeng Photovoltaic); and (iii) all power generation equipment and ancillary facilities used in the Yinchuan Project, in favour of the Lessor for the obligations of Baofeng Photovoltaic under the Finance Lease Agreement.

### FOREIGN EXCHANGE EXPOSURE

During the year under review, a significant part of revenue of the Group borrowing under the Finance Lease Agreement were denominated in Renminbi while the Group has transactions invoiced in US dollars and bank balances and cash denominated in HK dollars, and accordingly the Group was exposed to foreign exchange risk. Save as disclosed herein, the amounts of other foreign currencies involved in the Group's operation for the year ended 31 December 2019 were insignificant. The Group did not have a foreign currency hedging policy and did not employ any financial instrument for hedging purpose during the year ended 31 December 2019. However, the management monitored foreign exchange exposure closely to keep the net exposure to an acceptable level.

### CAPITAL COMMITMENT

As at 31 December 2019, the Group's capital commitment amounted to approximately RMB2.7 million (31 December 2018: RMB13.3 million) in respect of property, plant and equipment contracted but not provided for.

### 重大收購或出售

截至二零一九年十二月三十一日止年度，本集團並無有關附屬公司、聯營公司及合資企業的重大收購或出售。

### 抵押資產

於二零一九年十二月三十一日，概無銀行存款(二零一八年十二月三十一日：人民幣1,300,000元)已抵押予銀行發行應付票據。本集團賬面值為人民幣600,000元(二零一八年十二月三十一日：人民幣600,000元)的土地及樓宇已抵押予銀行以取得本集團的銀行信貸融資額。此外，就租賃融資協議項下寶豐光伏之責任，我們對(i)寶豐光伏全部股權；(ii)銀川項目收入不時產生的所有應收款項(寶豐光伏已轉讓的電費調整應收款項金額除外)；及(iii)銀川項目所用的所有發電設備及配套設施以出租人為受益人進行抵押。

### 外匯風險

於回顧年度，本集團融資租賃協議項下借款的絕大部分收益以人民幣計值，然而本集團有以美元出具發票的交易及以港元計值的銀行結餘及現金，故本集團須承受外匯風險。除本報告所披露者外，於截至二零一九年十二月三十一日止年度，本集團業務所涉及的其他外匯金額甚小。於截至二零一九年十二月三十一日止年度，本集團並無外幣對沖政策，亦無運用任何財務工具作對沖用途。然而，管理層密切監察外匯風險以將淨風險維持在可接受水平。

### 資本承擔

於二零一九年十二月三十一日，本集團就收購物業、廠房及設備之已訂約但未撥備資本承擔約為人民幣2,700,000元(二零一八年十二月三十一日：人民幣13,300,000元)。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層履歷詳情

#### EXECUTIVE DIRECTORS

**Mr. Dang Yanbao (黨彥寶)**, aged 47, is currently the Chairman of the Company and the chairman of the nomination committee of the Company (the **"Nomination Committee"**). Mr. Dang was appointed as executive Director of the Company with effect from 30 January 2016 and as the Chairman of the Board with effect from 19 February 2016. He is an experienced Chinese businessman and currently the chairman of the board of directors of Ningxia Baofeng Energy Group Co., Ltd.\* (寧夏寶豐能源集團股份有限公司) (**"Baofeng Energy"**), which was listed on the Shanghai Stock Exchange (Stock Code: 600989) in May 2019. The subsidiaries of Ningxia Baofeng Energy Group Co., Ltd.\* (寧夏寶豐能源集團股份有限公司) include a number of companies engaged in the coal and energy sector, such as Ningxia East Step Environmental Protection Technology Co., Ltd. (寧夏東毅環保科技有限公司), Ningxia Baofeng Energy Group Coal Coking Limited\* (寧夏寶豐能源集團煤焦化有限公司), Ningxia Baofeng Group Tar Hydrogenation Limited (寧夏寶豐集團焦油加氫有限公司), Ning Xia Fengda Fine Chemical Co., Ltd. (寧夏峰達精細化工有限公司) and Ningxia Baofeng Group Hongsi Coal Mining Co., Ltd.\* (寧夏寶豐集團紅四煤業有限公司). He graduated at Ningxia University in July 1996 and was awarded an Executive Master's degree in Business Administration from Peking University in July 2007. Mr. Dang held several public offices in China, including the vice president of the second China Charity Alliance (中國慈善聯合會) since 2019, vice president of the Federation of Industry and Commerce of Ningxia (寧夏工商業聯合會副主席) and counselor for the People's Government of Ningxia Hui Autonomous Region.

Mr. Dang is the sole shareholder of Fung Teng which is interested in 456,150,000 Shares (representing approximately 68.71% of the total issued share capital of the Company). He is also a director of Fung Teng.

Mr. Dang is the uncle of Mr. Dang Zidong, an executive Director and the chief executive officer of the Company.

**Mr. Dang Zidong (黨自東)**, aged 30, is currently the chief executive officer of the Company. He is also a director of subsidiaries of the Group namely Jing Pai Management LTD.\* (京柏管理有限公司), Stand Nice Limited and Honest Joy International Limited). He graduated from Beijing Geely University (北京吉利大學) in 2012 with a degree in industry and business administration. He was the general manager of Ningxia Huixin Microfinance Co., Ltd.\* (寧夏匯信小額貸款有限公司) before joining the Group. Mr. Dang Zidong was previously responsible for sales in Ningxia Baofeng Energy Group Co., Ltd.\* (寧夏寶豐能源集團股份有限公司) and had held the position of manager of marketing and planning department in Huifengxiang Commercial Holdings Co., Ltd.\* (滙豐祥商業控股有限公司). He was appointed as executive Director and the chief executive officer of the Company with effect from 19 February 2016.

\* For identification purpose only

#### 執行董事

**黨彥寶先生**，47歲，現任本公司主席兼提名委員會（「提名委員會」）主席。黨先生自二零一六年一月三十日起獲委任為本公司執行董事，並自二零一六年二月十九日起獲委任為董事會主席。彼為資深的中國商人，現為寧夏寶豐能源集團股份有限公司（「寶豐能源」）（於二零一九年五月在上海證券交易所上市，股份代號：600989）之董事會主席。寧夏寶豐能源集團股份有限公司的附屬公司包括多間從事煤炭及能源界別之公司，譬如寧夏東毅環保科技有限公司、寧夏寶豐能源集團煤焦化有限公司、寧夏寶豐集團焦油加氫有限公司、寧夏峰達精細化工有限公司及寧夏寶豐集團紅四煤業有限公司。彼於一九九六年七月在寧夏大學畢業，並於二零零七年七月在北京大學畢業，獲頒授高級管理人員工商管理碩士學位。黨先生於中國擔任多項公職，包括自二零一九年起擔任第二個中國慈善聯合會副主席、寧夏工商業聯合會副主席及寧夏回族自治區人民政府參事。

黨先生為峰騰之唯一股東，該公司擁有456,150,000股股份（佔本公司全部已發行股本約68.71%）之權益。彼亦為峰騰之董事。

黨先生為本公司執行董事兼行政總裁黨自東先生之叔父。

**黨自東先生**，30歲，現任本公司行政總裁。彼亦為本集團附屬公司京柏管理有限公司、添立有限公司以及誠悅國際有限公司之董事。彼於二零一二年畢業於北京吉利大學，持有工商企業管理學位。彼於加入本集團前曾擔任寧夏匯信小額貸款有限公司總經理。黨自東先生曾在寧夏寶豐能源集團股份有限公司負責銷售工作，及在滙豐祥商業控股有限公司擔任行銷策劃部經理。彼自二零一六年二月十九日起獲委任為本公司執行董事兼行政總裁。

\* 僅供識別



## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層履歷詳情

Mr. Dang Zidong is the nephew of Mr. Dang Yanbao, the Chairman and executive Director of the Company. Mr. Dang Yanbao is the sole shareholder and a director of Fung Teng, the controlling Shareholder, which is interested in 456,150,000 Shares (representing approximately 68.71% of the total issued share capital of the Company).

**Mr. Liu Yuanguan (劉元管)**, aged 53, is currently the chief executive officer of Ningxia Baofeng Energy Group Co., Ltd.\* (寧夏寶豐能源集團股份有限公司). He is also a director of subsidiaries of the Group, namely Ningxia Baofeng Electric Power Operation Management Co., Ltd.\* (寧夏寶豐電力運營管理有限公司) and Ningxia Baofeng Photovoltaic Power Generation Company Limited\* (寧夏寶豐光伏發電有限公司). He is a veteran in the coal mining, energy and chemical industry with more than 32 years of experience. Mr. Liu holds the title of senior engineer and has a master's degree from Xi'an University of Science and Technology awarded in July 2005 and a bachelor degree from China University of Mining and Technology (formerly known as China Institute of Mining and Technology) awarded in July 1987. He was appointed as executive Director of the Company with effect from 30 January 2016.

**Mr. Gao Jianjun (高建軍)**, aged 45, is currently the vice president of Ningxia Baofeng Energy Group Co., Ltd.\* (寧夏寶豐能源集團股份有限公司). Mr. Gao has over 24 years of experience in the coal mining, crude oil and energy industry. Mr. Gao graduated at Yan'an University in chemical engineering technology in July 2013, and holds the title of engineer. He was appointed as executive Director of the Company with effect from 30 January 2016.

#### NON-EXECUTIVE DIRECTORS

**Mr. Cheng Hoo (鄭豪)**, aged 58, obtained a Bachelor of Laws degree from the University of Hong Kong in 1987. He was admitted as a solicitor in Hong Kong in 1990 and in England and Wales in 1995. Mr. Cheng has over 29 years' experience in the practice of law. He is a co-founder and senior partner of Nixon Peabody CWL. He was appointed as non-executive Director of the Company with effect from 19 February 2016.

**Mr. Chung Kin Shun, Jimmy (鍾建舜)**, aged 50, is an investment banker with over 21 years of corporate finance experience in Hong Kong and is responsible for handling corporate finance transactions, including initial public offering and mergers and acquisitions activities. He graduated from the University of London with a Bachelor of Science degree in August 1992. He was appointed as non-executive Director of the Company with effect from 26 September 2016.

黨自東先生為本公司主席兼執行董事黨彥寶先生之侄兒。黨彥寶先生為本公司控股股東峰騰之唯一股東及董事，該公司擁有456,150,000股股份(佔本公司全部已發行股本約68.71%)之權益。

劉元管先生，53歲，現為寧夏寶豐能源集團股份有限公司之行政總裁。彼亦為本集團附屬公司寧夏寶豐電力運營管理有限公司及寧夏寶豐光伏發電有限公司之董事。彼為煤炭開採、能源和化工行業之資深人員，擁有超過32年經驗。劉先生擁有高級工程師頭銜以及於二零零五年七月獲西安理工大學頒授碩士學位及於一九八七年七月獲中國礦業大學(前稱中國礦業學院)頒授學士學位。彼自二零一六年一月三十日起獲委任為本公司執行董事。

高建軍先生，45歲，現為寧夏寶豐能源集團股份有限公司之副總裁。高先生擁有逾24年的煤炭開採、石油和能源行業經驗。高先生於二零一三年七月在延安大學修畢化工工藝專業並擁有工程師頭銜。彼自二零一六年一月三十日起獲委任為本公司執行董事。

#### 非執行董事

鄭豪先生，58歲，於一九八七年獲香港大學法學士學位，並分別於一九九零年及一九九五年在香港及英格蘭與威爾士取得律師資格。鄭先生擁有逾29年法律實務經驗，為尼克松•鄭林胡律師行的聯合創辦人及首席合夥人。彼自二零一六年二月十九日起獲委任為本公司非執行董事。

鍾建舜先生，50歲，為投資銀行家，擁有逾21年的香港企業融資經驗，並負責處理機構融資交易，包括首次公開發售及併購活動。彼於一九九二年八月在倫敦大學畢業，獲理學士學位。彼自二零一六年九月二十六日起獲委任為本公司非執行董事。

\* For identification purpose only

\* 僅供識別

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷詳情

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Dr. Tyen Kan Hee, Anthony (田耕熹)**, aged 64, is currently the chairman of the audit committee of the Company (the “**Audit Committee**”), and a member of each of the Remuneration Committee and the Nomination Committee. He has nearly 43 years’ experience in accounting, auditing and consultancy practice. In 1977, He joined Price Waterhouse, and then joined Klynveld Main Goerdeler and Morgan Bank. He founded his own accounting and consulting firm in 1985. His firm then merged with Hong Kong Grant Thornton in 1990 and was responsible for the development of the firm’s business in the PRC thereafter and stationed in Beijing for seven years since then. From 2001 to 2003, he worked in a local bank and participated in the bank’s mergers and acquisitions business. Since 2003, he has been working at his own accounting and consulting firm and provided professional services for local and international companies.

Dr. Tyen Kan Hee, Anthony holds a doctorate degree in Philosophy and a master degree in Business Administration, both from the Chinese University of Hong Kong. He is an associate member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants and a member of the Chinese Institute of Certified Public Accountants. He was appointed as independent non-executive Director of the Company with effect from 19 February 2016.

Dr. Tyen Kan Hee, Anthony is currently an independent non-executive director of Ourgame International Holdings Limited (stock code: 6899), which is listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). He was previously an independent non-executive director of Summit Ascent Holdings Limited (stock code: 102) and Melco International Development Limited (stock code: 200), which are listed on the Stock Exchange, Entertainment Gaming Asia Inc., a company listed on the NASDAQ Capital Market, and an independent director of Alpha Peak Leisure Inc., a company listed on the TSX Venture Exchange Inc.

### 獨立非執行董事

田耕熹博士，64歲，現任本公司審核委員會（「**審核委員會**」）主席及薪酬委員會及提名委員會成員。彼從事會計、審計和諮詢專業接近43年。一九七七年，彼加入了普華會計師事務所，之後加盟了Klynveld Main Goerdeler以及摩根銀行。彼在一九八五年創立了自己的會計師和諮詢公司，至一九九零年，該公司和香港均富會計師行合併，其後負責發展該行的中國業務，其間常駐在北京達七年之久。在二零零一年至二零零三年間，彼在一家本地銀行從事銀行合併收購的業務。自二零零三年起，彼一直任職於本身的會計師和諮詢公司，為本地以及國際的企業提供專業服務。

田耕熹博士持有香港中文大學哲學博士及工商管理碩士學位。彼為香港會計師公會會員、英國特許公認會計師公會資深會員及中國註冊會計師協會會員。彼自二零一六年二月十九日起獲委任為本公司獨立非執行董事。

田耕熹博士現為聯眾國際控股有限公司（股份代號：6899）（於香港聯合交易所有限公司（「**聯交所**」）上市）之獨立非執行董事。彼曾擔任凱升控股有限公司（股份代號：102）及新濠國際發展有限公司（股份代號：200）（均於聯交所上市）以及Entertainment Gaming Asia Inc.（一間於納斯達克資本市場上市之公司）之獨立非執行董事及Alpha Peak Leisure Inc.（一間於TSX Venture Exchange Inc.上市之公司）之獨立董事。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷詳情

**Mr. Xia Zuoquan (夏佐全)**, aged 56, is currently a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. He studied computer science in Beijing Institute of Iron and Steel Engineering\* (北京鋼鐵學院) (now known as University of Science & Technology of Beijing\* (北京科技大學)) from 1985 to 1987 and he graduated from Guanghua School of Management of Peking University with an MBA in 2007. Mr. Xia worked in the Hubei branch of The People's Insurance Company\* (中國人民保險公司) and joined Shenzhen BYD Battery Company Limited in 1997. Mr. Xia held positions as an executive director and a vice president of BYD Company Limited, a company listed on the Stock Exchange (stock code: 1211) and the Shenzhen Stock Exchange (stock code: 002594). Mr. Xia is currently a non-executive director of the BYD Company Limited and an independent non-executive director of China YuHua Education Corporation Limited (stock code: 6169), both companies are listed on the Stock Exchange. Mr. Xia is also currently the chairman of Shenzhen Zhengxuan Investment (Holdings) Co., Ltd.\* (深圳市正軒投資有限公司), the chairman of Annuo Youda Gene Technology (Beijing) Co. Ltd.\* (安諾優達基因科技(北京)有限公司), director of Shenzhen UniFortune Supply Chain Service Co., Ltd.\* (深圳市聯合利豐供應鏈管理有限公司), director of Shenzhen UBTECH Robotics Corp.\* (深圳市優必選科技有限公司) and director of Guangdong Beizhi Cepin Network Technology Co., Ltd.\* (廣東倍智測聘網路科技股份有限公司). He was appointed as independent non-executive Director of the Company with effect from 19 February 2016.

**Mr. Guo Xuewen (郭學文)**, aged 54, is currently the chairman of the Remuneration Committee and a member of each of the Audit Committee and Nomination Committee. He is currently the chief executive officer of Shenzhen MY Capital Asset Management Co., Ltd.\* (深圳茂源資本資產管理有限公司). He was a partner of Heidrick & Struggles, a consulting firm in the United States of America, and previously founded Beijing Viewhigh Technologies Co., Ltd.\* (北京望海康信科技有限公司) and served as its chairman. Mr. Guo graduated from Tsinghua University and holds a Master of Business Administration degree from the University of Warwick in the United Kingdom and a doctorate degree from the University of East Anglia in the United Kingdom. He was appointed as independent non-executive Director of the Company with effect from 19 February 2016.

夏佐全先生，56歲，現任審核委員會、薪酬委員會及提名委員會成員。彼於一九八五年至一九八七年期間在北京鋼鐵學院(現為北京科技大學)修讀計算機科學；並於二零零七年獲北京大學光華管理學院工商管理碩士學位。夏先生曾在中國人民保險公司湖北分公司工作，並於一九九七年加入深圳市比亞迪實業有限公司。夏先生曾任比亞迪股份有限公司(於聯交所(股份代號：1211)及深圳證券交易所(股份代號：002594)上市之公司)執行董事兼副總裁。夏先生現任比亞迪股份有限公司非執行董事，並擔任中國宇華教育集團有限公司(股份代號：6169)獨立非執行董事，該兩間公司均於聯交所上市。夏先生現時亦擔任深圳市正軒投資有限公司董事長、安諾優達基因科技(北京)有限公司董事長、深圳市聯合利豐供應鏈管理有限公司董事、深圳市優必選科技有限公司董事和廣東倍智測聘網路科技股份有限公司董事。彼自二零一六年二月十九日起獲委任為本公司獨立非執行董事。

郭學文先生，54歲，現任薪酬委員會主席及審核委員會及提名委員會成員。彼現為深圳茂源資本資產管理有限公司行政總裁。彼曾擔任美國諮詢公司 Heidrick & Struggles 合夥人，及曾創立北京望海康信科技有限公司並擔任其董事長。郭先生於清華大學畢業，並持有英國華威大學工商管理學碩士學位及英國東英大學博士學位。彼自二零一六年二月十九日起獲委任為本公司獨立非執行董事。

\* For identification purpose only

\* 僅供識別



## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層履歷詳情

#### SENIOR MANAGEMENT

**Mr. Chan Sheung Chi (陳雙志)**, aged 41, is the chief financial officer of the Company. He joined the Group in January 2017 and is responsible for the financial management of the Group. Mr. Chan has over 16 years of experience in the financial industry. He obtained a Bachelor of Business Administration (Accounting and Finance) Degree from the University of Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants.

#### COMPANY SECRETARY

**Ms. Jiao Yingchen (焦穎辰)**, aged 37, is currently the company secretary of the Company. She is an associate member of The Institute of Chartered Secretaries and Administrators of London and the Hong Kong Institute of Chartered Secretaries. She holds a bachelor degree from the University of Illinois Urbana-Champaign and a master degree in Corporate Governance from the Hong Kong Polytechnic University. Ms. Jiao has over 12 years of experience in company secretary and related fields for listed companies. Ms. Jiao was appointed as the company secretary of the Company with effect from 4 October 2016.

#### 高級管理層

**陳雙志先生**，41歲，為本公司之財務總監。彼於二零一七年一月加入本集團並負責本集團之財務管理。陳先生於財務行業擁有逾16年經驗。彼獲授香港大學工商管理（會計及財務）學士學位。彼為香港會計師公會會員。

#### 公司秘書

**焦穎辰女士**，37歲，現為本公司公司秘書。彼為倫敦特許秘書及行政人員公會及香港特許秘書公會之會員。彼持有美國伊利諾大學－香檳分校之學士學位及香港理工大學公司管治碩士學位。焦女士於上市公司公司秘書及相關領域擁有逾12年經驗。焦女士自二零一六年十月四日起獲委任為本公司公司秘書。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Company endeavors to maintain a high standard of corporate governance for the enhancement of its Shareholders' value and provide transparency, accountability and independence. The Company has complied with the required code provisions set out in the Corporate Governance Code (the "Corporate Governance Code") contained in Appendix 14 of the Listing Rules during the year ended 31 December 2019, except for the following:

Under code provision A.6.7 of the Corporate Governance Code, independent non-executive Directors and other non-executive Directors should attend general meetings to gain and develop a balanced understanding of the views of Shareholders. For the year ended 31 December 2019, Mr. Dang Yanbao, the chairman of the Board and Mr. Xia Zuoquan did not attend the extraordinary general meeting of the Company held on 30 April 2019 due to other business engagements.

Under code provision C.2.5 of the Corporate Governance Code, an issuer should have an internal audit function. For the year ended 31 December 2019, the Company engaged an external accounting firm in the PRC to carry out internal audit to a subsidiary of the Company involving in the Photovoltaic Power Generation Business, nonetheless, the Company did not have an internal audit function for the entire Group for the year ended 31 December 2019. Taking into account the size and complexity of the operations of the Group, the Company considers that the existing organisation structure and close supervision by the management can maintain sufficient risk management and internal control of the Group. However, the Board will review the need to set up an internal audit function from time to time and may set up an internal audit team if the need arises.

Save as disclosed above, the Board considers that the Company had complied with the code provisions set out in the Corporate Governance Code of the Listing Rules during the year ended 31 December 2019.

### COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

During the year ended 31 December 2019, the Group adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company. Upon specific enquiry, each Director confirms that during his tenure in the year ended 31 December 2019, he had fully complied with the required code of conduct and there was no event of non-compliance.

本公司一向致力於維持高水準之企業管治以提升股東價值，並提供透明度、問責性和獨立性。本公司於截至二零一九年十二月三十一日止年度一直遵守上市規則附錄十四所載企業管治守則（「企業管治守則」）載列的必守守則條文，以下情況除外：

根據企業管治守則的守則條文第A.6.7條，獨立非執行董事及其他非執行董事應出席股東大會，以獲得及均衡了解股東的意見。截至二零一九年十二月三十一日止年度，由於其他業務事宜，董事會主席黨彥寶先生及夏佐全先生並無出席本公司於二零一九年四月三十日舉行的股東特別大會。

根據企業管治守則的守則條文第C.2.5條，發行人應具有內部審核職能。截至二零一九年十二月三十一日止年度，本公司外聘一家中國會計師行就本公司從事光伏發電業務的附屬公司進行內部審核，儘管如此，本公司於截至二零一九年十二月三十一日止年度並無就整個集團設立內部審核職能。考慮到本集團經營的規模及複雜程度，本公司認為現有組織架構及管理層的密切監管可使本集團維持充分的風險管理及內部控制。然而，董事會將不時檢討設立內部審核職能的必要性，並可能於有需要時成立內部審核團隊。

除上文所披露者外，董事會認為截至二零一九年十二月三十一日止年度本公司已遵守上市規則企業管治守則所載的守則條文。

### 遵守證券交易的標準守則

於截至二零一九年十二月三十一日止年度，本集團已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則，作為規管董事就本公司證券進行證券交易之行事守則。經特定查詢後，各董事均已確認，於截至二零一九年十二月三十一日止年度其任期內已全面遵守必守行事守則，且亦無任何違規事件。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### BOARD OF DIRECTORS

The Board is responsible for the overall leadership of the Group, overseeing the Group's strategic decisions and monitoring the business and performance of the Group. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. The Chairman of the Board is Mr. Dang Yanbao and the chief executive officer of the Company is Mr. Dang Zidong, and they separately exercised the roles and functions of the Chairman of the Board and the chief executive officer during the year ended 31 December 2019.

As at the date of this report, the Board currently comprises nine Directors, consisting of four executive Directors, two non-executive Directors and three independent non-executive Directors, who are set out as follows:

#### Executive Directors

Mr. Dang Yanbao (*Chairman of the Board and chairman of the Nomination Committee*)

Mr. Dang Zidong (*chief executive officer*)

Mr. Liu Yuanguan

Mr. Gao Jianjun

#### Non-executive Directors

Mr. Cheng Hoo

Mr. Chung Kin Shun, Jimmy

#### Independent Non-executive Directors

Mr. Xia Zuoquan (*member of the Audit Committee, Nomination Committee and Remuneration Committee*)

Dr. Tyen Kan Hee, Anthony (*chairman of the Audit Committee and member of the Nomination Committee and Remuneration Committee*)

Mr. Guo Xuewen (*chairman of the Remuneration Committee and member of the Audit Committee and Nomination Committee*)

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

The relationships among the members of the Board are disclosed under "Biographical Details of Directors and Senior Management" on pages 24 to 28 of this report.

The Company has received written annual confirmations of independence from each independent non-executive Director who served his term of office during the year ended 31 December 2019 pursuant to the requirements of the Listing Rules.

### 董事會

董事會負責本集團整體領導、監督本集團決策和監察本集團業務和表現。董事會將本集團日常管理和營運的權力和責任下放給本集團的高級管理層。董事會主席為黨彥寶先生，本公司行政總裁為黨自東先生，於截至二零一九年十二月三十一日止年度，彼等分別行使董事會主席及行政總裁之角色及職能。

於本報告日期，董事會現由九名董事組成，包括四名執行董事、兩名非執行董事及三名獨立非執行董事，載列如下：

#### 執行董事

黨彥寶先生(董事會主席及提名委員會主席)

黨自東先生(行政總裁)

劉元管先生

高建軍先生

#### 非執行董事

鄭豪先生

鍾建舜先生

#### 獨立非執行董事

夏佐全先生(審核委員會、提名委員會及薪酬委員會成員)

田耕熹博士(審核委員會主席以及提名委員會及薪酬委員會成員)

郭學文先生(薪酬委員會主席以及審核委員會及提名委員會成員)

上列董事名單(按類別劃分)亦於本公司根據上市規則不時發出之所有公司通訊中披露。所有公司通訊中亦根據上市規則明確標識各獨立非執行董事。

董事會各成員之間的關係於本報告第24至28頁之「董事及高級管理層履歷詳情」披露。

本公司已接獲各個於截至二零一九年十二月三十一日止年度在任的獨立非執行董事根據上市規則規定發出的獨立性年度確認書。



# CORPORATE GOVERNANCE REPORT

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Each of the executive Directors has entered into a service agreement with the Company for three years. The two non-executive Directors have signed an appointment letter with the Company for two years and three years, respectively. Each of the independent non-executive Directors has signed an appointment letter with the Company for two years. All the Directors and the Company are required to give three months' notice in writing to the other party for termination of the service agreement/appointment letter. All the Directors are appointed for a specific term and subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company.

### Board meeting, Committee meeting and Annual General Meeting/Extraordinary General Meeting in 2019

The Board has held Board meetings at approximately quarterly intervals with participation by a majority of Directors. During the year ended 31 December 2019, five Board meetings, three Audit Committee meetings, one Remuneration Committee meeting and one Nomination Committee meeting were held. One extraordinary general meeting ("EGM") was held during the year ended 31 December 2019. The attendance record of each Director at the Board meeting(s), committee meeting(s) and annual general meeting(s) during the financial year are set out below:

執行董事已與本公司各自訂立服務協議，為期三年。兩名非執行董事已與本公司簽訂委任函，分別為期兩年及三年。獨立非執行董事已與本公司各自簽訂委任函，為期兩年。全體董事及本公司須向另一方發出三個月之書面通知後方能終止服務協議／委任函。全體董事均有指定任期，並須根據本公司之公司章程在本公司股東週年大會上輪值退任及重選連任。

### 二零一九年之董事會會議、委員會會議及股東週年大會／股東特別大會

董事會大約按季度舉行董事會會議，大部分董事均有出席。於截至二零一九年十二月三十一日止年度，本公司共召開了五次董事會會議、三次審核委員會會議、一次薪酬委員會會議及一次提名委員會會議。截至二零一九年十二月三十一日止年度召開一次股東特別大會（「股東特別大會」）。於財政年度內，各董事於董事會會議、委員會會議及股東週年大會之出席記錄載列如下：

Name of Directors	董事名稱	Attendance/Number of meetings					
		AGM	EGM	Board meeting	Audit Committee	Remuneration Committee	Nomination Committee
		股東週年大會	股東特別大會	董事會會議	審核委員會	薪酬委員會	提名委員會
<i>Executive Directors</i>							
Mr. Dang Yanbao (Chairman of the Board and chairman of the Nomination Committee)	黨彥寶先生(董事會主席及提名委員會主席)	1/1	0/1	3/5	-	-	0/1
Mr. Dang Zidong (chief executive officer)	黨自東先生(行政總裁)	1/1	1/1	5/5	-	-	-
Mr. Liu Yuanguan	劉元管先生	1/1	1/1	5/5	-	-	-
Mr. Gao Jianjun	高建軍先生	1/1	1/1	5/5	-	-	-
<i>Non-executive Directors</i>							
Mr. Cheng Hoo	鄭豪先生	1/1	1/1	5/5	-	-	-
Mr. Chung Kin Shun, Jimmy	鍾建舜先生	1/1	1/1	5/5	-	-	-
<i>Independent Non-executive Directors</i>							
Mr. Xia Zuoquan	夏佐全先生	1/1	0/1	4/5	2/3	1/1	1/1
Dr. Tyen Kan Hee, Anthony (chairman of the Audit Committee)	田耕熹博士 (審核委員會主席)	1/1	1/1	5/5	3/3	1/1	1/1
Mr. Guo Xuewen (chairman of the Remuneration Committee)	郭學文先生 (薪酬委員會主席)	1/1	1/1	5/5	3/3	1/1	1/1

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

During the year ended 31 December 2019, the Board had, at all times, met the requirements of the Listing Rules of having at least three independent non-executive Directors (representing at least one-third of the Board) with one independent non-executive Director, being Dr. Tyen Kan Hee, Anthony, possessing appropriate professional qualifications and accounting and related financial management expertise.

The Company has received written annual confirmations of independence from each independent non-executive Director in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

### Practice and Conduct of Meetings

Notices of regular Board meetings have been given to all Directors at least 14 days before the date of a meeting and reasonable notices have been given for other Board and committee meetings.

Board papers together with all appropriate, complete and reliable information are sent to all Directors at least three days before each Board meeting or Audit Committee meeting to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. All Directors are given an opportunity to include matters in the agenda for regular Board meetings. The Board and each Director also have separate and independent access to the senior management whenever necessary. With the support of the senior management, the Chairman is responsible for ensuring that the Directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings.

Minutes of all Board meetings recording sufficient details of matters considered and decisions reached are duly kept by the company secretary and opened for inspection at any reasonable time on reasonable notice by the Directors.

The Company's articles of association contains provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

The Chairman has held a meeting with all independent non-executive Directors without the presence of other Directors.

截至二零一九年十二月三十一日止年度，董事會一直遵守上市規則有關最少有三名獨立非執行董事（最少佔董事會三分之一）之規定，而其中一名獨立非執行董事田耕熹博士具備合適專業資格以及會計及相關財務管理專業知識。

本公司已接獲各獨立非執行董事根據上市規則第3.13條所載獨立指引發出之獨立性年度確認書。本公司認為，全體獨立非執行董事均為獨立人士。

### 會議常規及守則

全體董事均於大會日期前至少14日獲發常規董事會會議通知，至於其他董事會會議及委員會會議亦獲發合理通知。

董事會文件連同所有合適、完整及可靠資料，最少於各董事會會議或審核委員會會議前三天送交全體董事，以便董事知悉本公司最新發展及財務狀況以作出知情決定。所有董事均有機會於常規董事會會議之議程中加入需討論之事宜。董事會及各董事如有需要，亦可個別獨立接觸高級行政人員。在高級行政人員之協助下，主席須確保董事能及時收到充足、完整及可靠之資料，並就於董事會會議上提出之事宜作出恰當之簡短匯報。

公司秘書負責保管記錄有所考慮事宜充足詳情及所達成之決定之所有董事會會議記錄，該等記錄可供董事在發出合理時間通知後查閱。

本公司之公司章程載有有關規定，要求有關董事於批准彼等或其任何聯繫人士擁有重大利益的交易時放棄投票並不計入會議法定人數。

主席已與全體獨立非執行董事舉行並無執行董事出席之會議。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Directors' continuous training and professional development

Pursuant to code provision A.6.5 of the Corporate Governance Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. Up to the date of this report, all the Directors have participated in continuous professional development by attending training courses or reading relevant materials on the topics related to corporate governance and regulations.

The Company has arranged a Directors' training to all Directors to provide updates on the Listing Rules, which was held on 12 July 2019 and all Directors had participated in such Directors training.

The individual training record of each Director for the year ended 31 December 2019 is summarised below:

### 董事持續培訓及專業發展

根據企業管治守則之守則條文第A.6.5條，全體董事需要參與發展及更新彼等知識及技能之持續專業發展。這是為了確保他們在具備全面及相關的資訊下為董事會作出貢獻。截至本報告日期，全體董事均通過參加培訓課程或閱讀與企業管治和法規有關的材料進行持續專業發展。

本公司於二零一九年七月十二日為全體董事安排一次董事培訓，向彼等提供有關上市規則的更新情況，全體董事均參與了是次董事培訓。

截至二零一九年十二月三十一日止年度，各董事的個人培訓記錄概述如下：

		Attended seminar(s)/ read relevant materials in relation to the business or directors' duties (Yes/No) 參加研討會／閱讀與業務 或董事職責有關的 相關材料 (有／無)
Name of Directors	董事姓名	
<i>Executive Directors</i>	<i>執行董事</i>	
Mr. Dang Yanbao	黨彥寶先生	Yes有
Mr. Dang Zidong	黨自東先生	Yes有
Mr. Liu Yuanguan	劉元管先生	Yes有
Mr. Gao Jianjun	高建軍先生	Yes有
<i>Non-executive Directors</i>	<i>非執行董事</i>	
Mr. Cheng Hoo	鄭豪先生	Yes有
Mr. Chung Kin Shun, Jimmy	鍾建舜先生	Yes有
<i>Independent Non-executive Directors</i>	<i>獨立非執行董事</i>	
Mr. Xia Zuoquan	夏佐全先生	Yes有
Dr. Tyen Kan Hee, Anthony	田耕熹博士	Yes有
Mr. Guo Xuewen	郭學文先生	Yes有



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### BOARD COMMITTEES

The Board has established three committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. The terms of reference of the above committees are posted on the Company's website.

#### Audit Committee

The Audit Committee was established on 21 June 2012 with written terms of reference which have been updated from time to time to align with the code provisions set out in the Corporate Governance Code and the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process, internal control and risk management system of the Group. During the year ended 31 December 2019, the Company engaged an external accounting firm in the PRC to carry out internal audit to a subsidiary of the Company involving in the Photovoltaic Power Generation Business and it involves independent reviews of the adequacy and effectiveness of its risk management and internal control systems. On the other hand, the risk management and internal controls are also self-assessed by the management and reviewed by the Board on an on-going basis. The professional accounting firm engaged by the Group will then report to the Audit Committee in a regular interval.

During the year ended 31 December 2019, members of the Audit Committee were Dr. Tyen Kan Hee, Anthony, Mr. Xia Zuoquan and Mr. Guo Xuewen, all being independent non-executive Directors, with Dr. Tyen Kan Hee, Anthony being the chairman of the Audit Committee. In 2019, three meetings were held by the Audit Committee, all of them were with the attendance of the external auditor of the Company. Among other matters, the Audit Committee reviewed the interim and annual reports as well as results announcements before submission to the Board, focusing on the compliance with accounting standards, the Listing Rules and legal requirements; the Audit Committee also reviewed the Company's financial controls, internal controls and risk management systems and made recommendations to the Board on the re-appointment of the Company's external auditor. The consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2019 have been reviewed by the Audit Committee.

### 董事委員會

董事會已成立三個委員會，即審核委員會、薪酬委員會及提名委員會，以監督本公司各特定方面的事務。上述各委員會之職權範圍均載於本公司網站。

#### 審核委員會

審核委員會於二零一二年六月二十一日成立，具有書面職權範圍，其按照企業管治守則所載的守則條文及上市規則不時更新。審核委員會的主要職責為審閱及監督本集團的財務申報程序、內部監控和風險管理體系。截至二零一九年十二月三十一日止年度，本公司外聘一家中國會計師行就本公司從事光伏發電業務的附屬公司進行內部審核，當中涉及對其風險管理及內部監控系統的充分性及有效性進行獨立審閱。另一方面，風險管理及內部監控亦由管理層進行自我評估，並由董事會持續審閱。本集團委聘的專業會計師事務所隨後將定期向審核委員會匯報。

截至二零一九年十二月三十一日止年度，審核委員會成員為全體獨立非執行董事，即田耕熹博士、夏佐全先生及郭學文先生，並由田耕熹博士出任審核委員會主席。於二零一九年，審核委員會舉行了三次會議，本公司外聘核數師均有出席。除其他事務外，審核委員會審閱了中期及年度報告，以及向董事會提交前審閱業績公告，側重於是否符合會計準則、上市規則及法律規定；審核委員會亦已審閱本公司的財務監控、內部監控及風險管理體系，並就續聘本公司外聘核數師向董事會提出建議。截至二零一九年十二月三十一日止年度的綜合財務狀況表、綜合損益及其他全面收益表及其相關附註已經審核委員會審閱。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Remuneration Committee

The Remuneration Committee was established on 21 June 2012 and has adopted written terms of reference in compliance with code provision B.1.2 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules for the year ended 31 December 2019. The primary duties of the Remuneration Committee include the evaluation of the performance, approving the terms of the service contracts of the Directors and the making of recommendations to the Board on the remuneration package of the Directors and senior management.

During the year ended 31 December 2019, members of the Remuneration Committee were Mr. Guo Xuewen, Mr. Xia Zuoquan and Dr. Tyen Kan Hee, Anthony, all being independent non-executive Directors, with Mr. Guo Xuewen being the chairman of the Remuneration Committee. In 2019, the Remuneration Committee held one meeting, and reviewed and made recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration, a significant portion of which will be linked to corporate and individual performance, among other matters.

### Nomination Committee

The Nomination Committee was established on 21 June 2012 and has adopted written terms of reference in compliance with code provision A.5.2 of the Corporate Governance Code for the year ended 31 December 2017.

The principal responsibilities of the Nomination Committee are to review the composition of the Board, including its structure, size and diversity at least annually to ensure that it has a balance of expertise, skills and experience that fits the business model and specific needs of the Group. It is also responsible for identifying, considering and recommending to the Board eligible persons with suitable background in becoming members of the Board, monitoring the succession planning of Directors and assessing the independence of independent non-executive Directors. The Nomination Committee will also give consideration to the Board diversity policy (the "**Board Diversity Policy**") when identifying suitably qualified candidates in becoming members of the Board, summary of which are set out as follows:

- (a) the Board recognises and embraces the benefits of having a diverse Board to enhance quality of its performance;
- (b) with a view of achieving a sustainable and balanced development that fits the business model and specific needs of the Company, the Company considers 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, experience (professional or otherwise), skills, knowledge and length of services; and

### 薪酬委員會

薪酬委員會於二零一二年六月二十一日成立，於截至二零一九年十二月三十一日止年度，已遵照上市規則附錄十四所載企業管治守則條文第B.1.2條採納書面職權範圍。薪酬委員會的主要職責包括評估董事及高級管理層的表現、批准董事服務合約的條款及就董事及高級管理層的薪酬組合向董事會提供推薦建議。

於截至二零一九年十二月三十一日止年度，薪酬委員會成員為全體獨立非執行董事，即郭學文先生、夏佐全先生及田耕熹博士，並由郭學文先生出任薪酬委員會主席。於二零一九年，薪酬委員會舉行了一次會議，審閱本公司有關全體董事及高級管理層薪酬的政策及架構（當中大部分與公司及個人表現有關），並就此向董事會提供建議。

### 提名委員會

提名委員會於二零一二年六月二十一日成立，於截至二零一七年十二月三十一日止年度，已遵照企業管治守則守則條文第A.5.2條採納書面職權範圍。

提名委員會的主要職責為至少每年一次檢討董事會的組成，包括其架構、規模及多元化，以確保董事會具備適合本集團業務模式及特定需求的均衡專業知識、技能及經驗。提名委員會亦負責物色、考慮及向董事會推薦具合適背景的合資格人士成為董事會成員、監察董事繼任安排，以及評估獨立非執行董事的獨立身份。提名委員會於物色合適的合資格人選成為董事會成員時，亦考慮董事會多元化政策（「**董事會多元化政策**」），有關概要載列如下：

- (a) 董事會明白並深信董事會成員多元化對提升公司的表現素質裨益；
- (b) 為達致符合本公司業務模式及特定需求的可持續及均衡發展，本公司認為，董事會層面日益多元化為支持其達到戰略目標及維持可持續發展的關鍵元素。在設定董事會組成時會從多個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、經驗（專業或其他）、技能、知識及服務年期；及

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- (c) the ultimate appointment decision will be based on merit and contribution that the selected candidates will bring to the Board without focusing on only single diversity aspect.

Given that the Group would like to further develop the Photovoltaic Power Generation Business, the Company would put more weight on the relevant experience and professional experience in selecting candidates for executive Directors.

The Board will review the Board Diversity Policy annually. During the year ended 31 December 2019, as our Board considered its current size being optimal, therefore the Board has not yet set any objectives for further implementing the Board Diversity Policy.

During the year ended 31 December 2019, members of the Nomination Committee were Mr. Dang Yanbao, Mr. Xia Zuoquan, Dr. Tyen Kan Hee, Anthony and Mr. Guo Xuewen, a majority being independent non-executive Directors, with the Chairman of the Board as the chairman of the Nomination Committee.

In 2019, the Nomination Committee held one meeting, taken into consideration the Board Diversity Policy, reviewed the structure, size and composition of the Board, made recommendations to the Board on the re-election of Directors and assessed the independence of each of the independent non-executive Directors.

### Corporate Governance Functions

The Board is responsible for performing the functions set out in code provision D.3.1 of the Corporate Governance Code of the Listing Rules.

The Board reviewed the Company's corporate governance policies and practices, continuous professional development of Directors, the Company's policies and practices on compliance with legal and regulatory requirements and the Listing Rules, and the Company's compliance with the Corporate Governance Code and disclosure in this corporate governance report.

### COMMUNICATION WITH SHAREHOLDERS

The Company endeavors to maintain an on-going dialogue with its Shareholders, in particular, through annual general meetings or other general meetings to communicate with the Shareholders and encourage their participation.

The Company will continue to maintain an open and effective investor communication policy and to update investors on relevant information on the Group's business in a timely manner, subject to relevant regulatory requirements.

- (c) 最終將按人選的長處及可為董事會提供的貢獻而作決定，而不會僅著重多元化的其中一方面。

由於本集團希望更進一步發展光伏發電業務，本公司將於挑選執行董事的人選時投放重心於其相關經驗及專業經驗。

董事會將每年檢討董事會多元化政策。於截至二零一九年十二月三十一日止年度，由於董事會認為其現時規模理想，因此並無訂立任何目標旨在進一步實施董事會多元化政策。

於截至二零一九年十二月三十一日止年度，提名委員會成員為黨彥寶先生、夏佐全先生、田耕熹博士及郭學文先生，其中大部分成員為獨立非執行董事，並由董事會主席出任提名委員會主席。

於二零一九年，提名委員會舉行了一次會議，考慮董事會多元化政策，檢討董事會架構、規模及組成，並向董事會提出董事重選建議及評估各獨立非執行董事的獨立性。

### 企業管治職能

董事會負責執行載於上市規則企業管治守則之守則條文第D.3.1條的職能。

董事會已審閱本公司的企業管治政策及常規、董事持續專業發展、本公司就遵守法律及監管規定以及上市規則的政策和常規以及本公司遵守企業管治守則之情況及本企業管治報告的披露。

### 與股東之溝通

本公司致力與股東保持聯繫，特別是透過股東週年大會或其他股東大會與股東溝通，並鼓勵股東參與。

本公司將繼續維持公開及有效之投資者溝通政策，根據相關監管規定及時向投資者提供有關本集團業務之最新相關資料。



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### GENERAL MEETINGS WITH SHAREHOLDERS

The annual general meeting of the Company will be held on Friday, 29 May 2020.

### SHAREHOLDERS' RIGHTS

To safeguard the interests and rights of the Shareholders, a separate resolution is proposed for each substantially separate issue at the Shareholders' meeting. Save as provided under the Listing Rules, resolutions put to vote at the general meetings of the Company (other than purely administrative and procedural matters) are taken by poll and poll results are posted on the respective websites of the Company and the Stock Exchange after the Shareholders' meetings.

#### Convening an extraordinary general meeting

Pursuant to article 58 of the articles of association of the Company, EGM of the Company shall be convened on the requisition of any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, and such Shareholders shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty one days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s), as a result of the failure of the Board, shall be reimbursed to the requisitionist(s) by the Company.

#### Putting enquiries to the Board

To ensure effective communication between the Board and the Shareholders, the Company has adopted a Shareholders' communication policy (the "**Policy**"). Under the Policy, the Company's information shall be communicated to the Shareholders mainly through its general meetings, including annual general meetings, the Company's financial reports (interim and annual reports), and its corporate communications and other corporate publications on the Company's website and the Stock Exchange's website. The Shareholders may at any time make a request for the Company's information to the extent that such information is publicly available. Any such questions shall be first directed to the company secretary of the Company at the Company's principal place of business in Hong Kong at Suites 3401, 34/F, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong or through email to [ir@baofengintl.com](mailto:ir@baofengintl.com).

### 與股東的股東大會

本公司的股東週年大會將於二零二零年五月二十九日(星期五)舉行。

### 股東權利

為保障股東權益及權利，本公司將就各大致個別事宜於股東大會提呈獨立決議案。除上市規則規定者外，於本公司股東大會上提呈之決議案(純屬行政及程序事宜除外)將以投票方式表決，投票表決之結果將於股東大會後分別在本公司及聯交所網站上刊載。

#### 召開股東特別大會

根據本公司的公司章程第58條，本公司之股東特別大會須應任何一名或多名股東於任何時間內均有權向董事會或本公司公司秘書遞交請求書，要求董事會就處理請求書所述事項召開股東特別大會，惟股東於遞交請求書之日須持有不少於本公司已繳足資本之十分之一(於本公司股東大會上具表決權者)，而該大會須於請求書遞交日期後兩個月內舉行。如董事會於請求書遞交日期起計二十一日內未有召開該大會，則該等請求者可按相同方式自行召開大會，而本公司須向請求者償付因董事會的不作為令請求者招致的所有合理開支。

#### 向董事會提出查詢

為確保董事會與股東保持有效溝通，本公司已採納一項股東溝通政策(「該政策」)。根據該政策，本公司將主要透過股東大會(包括股東週年大會)、本公司之財務報告(中期及年度報告)以及其於本公司網站及聯交所網站上刊登之公司通訊及其他企業刊物向股東提供其資料。股東可隨時索取本公司之公開資料。股東應透過本公司之香港主要營業地點(地址為香港金鐘金鐘道88號太古廣場二座34樓3401室)或電郵至[ir@baofengintl.com](mailto:ir@baofengintl.com)向本公司公司秘書提出任何有關查詢。

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### Putting forward proposals at Shareholders' meetings

The number of Shareholders necessary for putting forward a proposal at a Shareholders' meeting of the Company shall be any number of Shareholders representing not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings at the date of the request. Any such proposals shall be first directed to the company secretary of the Company at the Company's principal place of business in Hong Kong at Suites 3401, 34/F, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong or through email to [ir@baofengintl.com](mailto:ir@baofengintl.com). The request will be verified with the Company's branch share registrar and transfer office in Hong Kong and upon their confirmation that the request is proper and in order, the Board will be asked to include the proposal in the agenda for the general meeting.

### Dividend Policy

The Company has adopted a dividend policy in which the declaration of future dividends will depend on, among others, the Group's earnings, the business environment in which the Group conducts its business, the business strategies of the Group, the capital needs of the Group in the future and the tax implication of the dividend to our Group. The potential investors should note that dividend payments should not be regarded as an indication of future dividend policy. After considering the factors set out above, the Board has resolved not to recommend any final dividend for the year ended 31 December 2019.

### COMPANY SECRETARY

During the year ended 31 December 2019, Ms. Jiao Yingchen was the company secretary of the Company. Ms. Jiao is an employee of the Company and has day-to-day knowledge of the Company's affairs. As the company secretary, Ms. Jiao supports the Board by ensuring Board procedures and all applicable law, rules and regulations are followed. She is responsible for advising the Board on governance matters and facilitates induction and professional development of the Directors. The selection, appointment or dismissal of the company secretary of the Company is subject to the Board's approval in accordance with the articles of association of the Company. Whilst the company secretary of the Company reports to the chief executive on the Group's company secretarial and corporate governance matters, all Directors have access to the advice and services of the company secretary of the Company. Ms. Jiao Yingchen confirmed that she has taken no less than 15 hours of relevant professional training during the year in compliance with the Listing Rules.

### 於股東大會上提呈議案

於本公司股東大會上提呈議案所需股東人數為於遞呈請求書當日持有不少於本公司有權於股東大會上投票之繳足股本十分之一的任何股東人數。股東應透過本公司之香港主要營業地點（地址為香港金鐘金鐘道88號太古廣場二座34樓3401室）或電郵至 [ir@baofengintl.com](mailto:ir@baofengintl.com) 先向本公司公司秘書提出任何有關議案。有關請求將由本公司之香港股份過戶登記分處核實。彼等確認有關請求屬適當及符合程序時，將要求董事會將有關議案納入股東大會的議程內。

### 股息政策

本公司已採納一項股息政策，未來股息的宣派將視乎（其中包括）本集團盈利、本集團進行其業務的業務環境、本集團的業務策略、本集團的未來資金需求及股息對本集團的稅務影響。潛在投資者應注意過去支付股息的情況不應視為未來股息政策的象徵。經考慮上述因素，董事會已決議不建議就截至二零一九年十二月三十一日止年度派發末期股息。

### 公司秘書

截至二零一九年十二月三十一日止年度，焦穎辰女士為本公司之公司秘書。焦女士為本公司之僱員，並對本公司之日常事務有所認識。作為公司秘書，焦女士協助董事會確保遵循董事會程序及所有適用法律、規則及法規。彼負責就管治事宜向董事會提供意見，並安排董事的入職培訓及專業發展。本公司之公司秘書的選擇、委任或撤職須經董事會根據本公司之公司章程批准。本公司之公司秘書就本集團之公司秘書及企業管治事宜向行政總裁匯報，全體董事均可取得本公司之公司秘書的意見及服務。年內，焦穎辰女士確認已遵守上市規則接受不少於十五個小時之相關專業培訓。

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### DIRECTORS' AND OFFICERS' INSURANCE

Appropriate insurance covers on Directors' and officers' liabilities have been in force to protect the Directors and officers of the Group from their risk exposure arising from the business of the Group.

### DIRECTORS' AND AUDITOR'S RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board is responsible for presenting a balanced, clear and understandable assessment of interim and annual reports, other inside information announcements and other financial disclosures required under the Listing Rules and other statutory requirements.

The Directors acknowledged their responsibility for preparing the consolidated financial statements of the Company for the year ended 31 December 2019. The Directors are responsible for overseeing the preparation of financial statements of the Company with a view to ensure that such financial statements give a true and fair view of the state of affairs of the Company. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, therefore the Directors continue to adopt the going concern approach in preparing the consolidated financial statements.

The auditor of the Company acknowledges their reporting responsibilities in the independent auditor's report on the consolidated financial statements of the Company for the year ended 31 December 2019.

### AUDITOR'S REMUNERATION

The Company has engaged its auditor, Deloitte Touche Tohmatsu, to prepare the statutory audit of the Group's consolidated financial statements during the year ended 31 December 2019. The remuneration paid/payable to the auditor of the Group is set out as follows:

### 董事及高級人員之保險

涵蓋董事及高級人員責任之適當保險已有效保障本集團董事及高級人員因本集團業務產生之風險。

### 董事及核數師對綜合財務報表所承擔責任

董事會負責就中期及年度報告、其他內幕消息公告及根據上市規則及其他法定要求須作出之其他財務披露事項呈列平衡、清晰及易懂之評估。

董事確悉彼等就編製本公司截至二零一九年十二月三十一日止年度之綜合財務報表之責任。董事負責監督編製本公司財務報表以確保該等財務報表真實而公平地反映本公司事務狀況。董事並不知悉任何有關可能導致本公司持續經營能力受重大質疑之事件或情況之重大不明朗因素，故董事於編製綜合財務報表時繼續採納持續經營方式。

本公司核數師知悉其須就截至二零一九年十二月三十一日止年度本公司綜合財務報表承擔獨立核數師之申報責任。

### 核數師酬金

本公司委聘其核數師德勤•關黃陳方會計師行就本集團截至二零一九年十二月三十一日止年度的綜合財務報表進行法定核數。以下為已付／應付予本集團核數師之酬金：

		Paid/payable for the year ended 31 December 已付／應付費用 截至十二月三十一日止年度	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Services rendered	所提供服務		
Statutory audit services	法定審計服務	1,144	1,046
Non-statutory audit services	非法定審計服務	660	374

The non-statutory audit services are mainly related to review of interim consolidated financial statements and review in connection with the acquisition of the 350-megawatt photovoltaic power generation equipment in 2019.

非法定審核服務主要與審閱中期綜合財務報表及審閱二零一九年收購350兆瓦光伏發電設備有關。



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### INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is the key to enhancing investor relations. It is committed to a policy of open and timely disclosure of corporate information to the Shareholders and the public. The Company updates its Shareholders on its latest business developments and financial performance through its interim and annual reports. The corporate website of the Company ([www.baofengintl.com](http://www.baofengintl.com)) has provided an effective communication platform to its Shareholders and the public.

During the year ended 31 December 2019, there had been no significant change in the Company's constitutional documents.

### RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

During the year ended 31 December 2019, the Board and the Audit Committee conducted selective reviews of the effectiveness of the systems of risk management and internal control of the Group over financial, operational and compliance controls. The Board and the Audit Committee were not aware of any areas of concern that would have a material impact on the Group's financial position or results of operations and considered the risk management and internal control systems to be generally effective and adequate including the adequacy of resources, staff qualifications and experience, training programs and budget of the accounting, internal audit and financial reporting functions.

During the year ended 31 December 2019, the Company engaged an external accounting firm in the PRC to carry out internal audit to a subsidiary of the Company involving in the Photovoltaic Power Generation Business and it involves independent reviews of the adequacy and effectiveness of its risk management and internal control systems. Nonetheless, the Company did not have an internal audit function for the entire Group for the year ended 31 December 2019. Taking into account the size and complexity of the operations of the Group, the Company considers that the existing organisation structure and close supervision by the management can maintain sufficient risk management and internal control of the Group. However, the Board will review the need to set up an internal audit function from time to time and may set up an internal audit team if the need arises.

### 投資者關係

本公司相信，維持高透明度是提升投資者關係的關鍵，並致力保持向其股東及公眾人士公開及適時披露公司資料的政策。本公司透過其中期及年度報告向其股東更新其最新業務發展和財務表現。本公司的公司網站([www.baofengintl.com](http://www.baofengintl.com))已為股東及公眾人士提供一個有效的溝通平台。

於截至二零一九年十二月三十一日止年度，本公司之憲章文件並無重大變更。

### 風險管理及內部監控

董事會對風險管理及內部監控系統負責，並有責任檢討該等系統的有效性。該等系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大失實陳述或損失作出合理而非絕對的保證。

截至二零一九年十二月三十一日止年度，董事會及審核委員會就本集團風險管理及內部監控系統於財務、營運及合規控制的有效性進行選擇性地審閱。董事會及審核委員會並無發現任何會對本集團財務狀況或經營業績產生重大影響的問題，並認為風險管理及內部監控系統整體有效及充分（包括充分的資源、員工資質及經驗、培訓計劃及會計預算、內部監控及財務報告職能）。

截至二零一九年十二月三十一日止年度，本公司外聘一家中國會計師行就本公司從事光伏發電業務的附屬公司進行內部審核，當中涉及對其風險管理及內部監控系統的充分性及有效性進行獨立審閱。儘管如此，本公司於截至二零一九年十二月三十一日止年度並無就整個集團設立內部審核職能。考慮到本集團的營運規模及複雜程度，本公司認為現有組織架構及管理層的密切監察可維持本集團的充分風險管理及內部監控。然而，董事會將不時檢討設置內部審核職能的需求，並可能在必要時成立內部審核團隊。

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### RISK MANAGEMENT

The fundamental strategy of risk management is to know the risks associated with the Group and to perceive the change of those risks from time to time. The major risks of the Group include but are not limited to:

#### Business risk

In relation to the Lighting Products Business, market competition was keen in the principal market of the lighting products of the Group and the Group might not be able to maintain its popularity among its customers. For the Photovoltaic Power Generation Business, the industry is heavily regulated by the PRC government and the timing of settling tariff adjustment would have an impact on the operations of the Group.

In view of the above challenges, the Board has continuously had an efficient communications system to mitigate the risks, and would adjust our strategy accordingly. Solutions in dealing with risks in relation to the businesses of the Group include improving the quality of our products, increasing the efficiency of our business, and establishing effective communication channels with relevant regulatory authorities.

#### Financial risk

The risks associated with the Group's financial instruments include foreign exchange risk, price risk, credit risk, liquidity risk and interest rate risk.

A significant part of revenue of the Group borrowing under the Finance Lease Agreement were denominated in Renminbi while the Group has transactions invoiced in US dollars and bank balances and cash denominated in HK dollars, and accordingly the Group was exposed to foreign exchange risk. It will continue to closely monitor the risks and take measures to lower the risks if necessary.

### 風險管理

風險管理的基本策略乃為知悉與本集團有關的風險及了解該等風險不時之變化。本集團的主要風險包括但不限於：

#### 業務風險

就照明產品業務方面，本集團照明產品的主要市場競爭激烈，本集團可能無法保持我們在客戶中的知名度。光伏發電業務方面，該行業受中國政府嚴格規管，確定電價調整的時間將對本集團的營運產生影響。

考慮到上述挑戰，董事會繼續設立有效的溝通系統減低風險，並對我們的策略作出相應調整。處理與本集團業務相關的風險的解決方案包括改進產品質量、提高業務效率及與相關監管機構建立有效的溝通渠道。

#### 財務風險

與本集團財務工具有關的風險包括外匯風險、價格風險、信貸風險、流動資金風險及利率風險。

本集團融資租賃協議項下借款的絕大部分收益以人民幣計值，然而本集團有以美元出具發票的交易及以港元計值的銀行結餘及現金，故本集團須承受外匯風險。我們將繼續密切監督該等風險，並會於必要時採取措施降低風險。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

In relation to the Lighting Products Business, the Company normally gives its customers a credit period of 30-90 days. Based on past experience, the trade receivables not provided for can normally be recovered and the Group has strict control over its trade receivables. For the Photovoltaic Power Generation Business, the Ningxia branch of the State Grid Corporation of China was the Group's only customer for the year ended 31 December 2019. The trade receivables included charges for electricity supply and tariff adjustment. The charges for electricity supply would usually be received in the following month, while the collection of tariff adjustment receivables is expected in the normal operation cycle, which may be more than one year. The Group's operation solar power plant has qualified for registration in the list of subsidized projects under the 2020 Administrative Measures. The Directors are confident that the tariff adjustment receivables are fully recoverable upon the allocation of funds from the PRC government. The Company will continue to closely monitor the changes of relevant regulations, maintain an effective communication channel with relevant regulatory authorities and take appropriate measures to mitigate any risks which may arise in this regard.

### INTERNAL CONTROLS

#### Internal control environment

The Group has in place an integrated framework of internal controls which is consistent with the Committee of Sponsoring Organisations of the Treadway Commission's framework. Under the framework, the management is primarily responsible for the design, implementation and maintenance of internal controls while the Board and the Audit Committee oversee the actions of the management and monitor the effectiveness of the controls that have been put in place. The framework and activities taken are illustrated below:

#### Framework and activities taken

##### Control Environment

- Management takes a hands-on approach and is fully committed to set the control environment ensuring that individuals are control conscious
- The Group has set up the relevant management team to ensure regulations are complied with and internal controls are carried out properly
- Management closely monitors the organisation structure and the responsibilities of individuals granting appropriate authorities for them to handle assigned tasks
- Performance evaluation procedures are available to ensure individuals are competent

就照明產品業務而言，本公司通常給予客戶30-90日的信貸期。根據我們的過往經驗，並未計提撥備的貿易應收款項一般能夠收回，且本集團會嚴格監控貿易應收款項。就光伏發電業務而言，中國國家電網公司寧夏分公司為本集團截至二零一九年十二月三十一日止年度的唯一客戶。貿易應收款項包括供電費用及電價調整。供電費用通常於下月收取，而電價調整應收款項則預期於正常營運週期內收取，可能超過一年。本集團經營的太陽能發電廠已符合資格根據二零二零年管理辦法登記列入補貼項目名單。董事堅信，電價調整應收款項可於中國政府劃撥資金時悉數予以收回。本公司將繼續密切監控相關法規的變動，並與相關監管機構維持有效的溝通渠道及採取適合措施減低就此可能產生之任何風險。

### 內部監控

#### 內部監控環境

本集團已設立與Committee of Sponsoring Organisations of the Treadway Commission 架構一致之內部監控綜合架構。根據該架構，管理層主要負責設計、實施及維持內部監控工作，而董事會及審核委員會則負責監督管理層之行動及監察已設立之監控成效。該架構及所採取之措施說明如下：

#### 架構範疇所採取措施

##### 監控環境

- 管理層積極參與，致力建立監控環境，確保各人均具備監控意識
- 本集團已設立相關管理小組，以確保各項規例得以遵守，而內部監控得以妥善執行
- 管理層密切監察組織結構及個人責任，作出適當授權，以便處理獲指派之工作
- 設有表現評估程序，以確保個別人士表現稱職



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### *Risk Assessment*

- Management has established a clear strategic direction and business objectives
- Formal risk assessment has been conducted to identify and analyse key risks associated with achieving the Group's objectives which form the basis for determining key control activities

### *Control Activities*

- Policies/procedures on key control activities are established to ensure management directives are carried out
- Range of activities including approvals, authorisation, verifications, recommendations, performance reviews, asset security and segregation of duties are identified and implemented

### *Information and Communication*

- Pertinent information is identified, captured, processed and reported
- Access to internal and external general information is available
- Management maintains an open-door policy to allow communication, taking place both horizontally and vertically through the organisation

### **Internal Control System**

In respect of the internal control system, procedures have been designed for safeguarding assets against unauthorised use or disposition, ensuring the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensuring compliance of applicable laws, rules and regulations.

### *風險評估*

- 管理層設有清晰策略指引及業務目標
- 進行正式風險評估，以找出及分析跟達致本集團目標有關之主要風險，從而作為奠定主要監控活動之基礎

### *監控活動*

- 制定有關主要監控活動之政策／程序，以確保管理層之指示得以執行
- 識別及推行一系列行動，當中包括：批准、授權、核實、建議、表現審核、資產保護及職責劃分

### *資料及通訊*

- 識別、擷取、處理及匯報相關資料
- 可獲取內部及外界一般資訊
- 管理層維持公開政策，以容許組織內進行縱向及橫向之溝通

### **內部監控系統**

就內部監控系統而言，本集團已設立若干程序，以防止資產未經授權使用或處置、確保存有正確會計記錄以提供可靠財務資料作內部使用或刊發，以及確保遵守適用法律、規則及法規。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The following chart illustrates the internal control system and risk management procedures adopted by the Group during the year ended 31 December 2019:

下圖載列本集團於截至二零一九年十二月三十一日止年度採納的內部監控系統及風險管理程序：

### BOARD 董事會

- Establish strategic objectives
- Overall risk management
- Monitor the nature of the Group's major risks
- Monitor the risk management framework
- Review key risks and mitigation strategies, and ensure the effectiveness of risk management
- Ensure that the Group has established and maintained a reasonable and effective risk management framework
- Oversee the implementation of risk management
- Assess the risks assumed by the Board to approve the Group's implementation of the strategic objectives
- 訂立策略目標
- 整體風險管理
- 監察本集團主要風險的性質
- 監察風險管理框架
- 審閱主要風險及緩解策略，及確保風險管理的有效性
- 確保本集團已設立及維持一個合理和有效的風險管理架構
- 監督風險管理執行工作
- 就董事會批准本集團為實踐策略目標而承擔的風險進行評估

### RISK MANAGEMENT TEAM 風險管理小組

- The risk management team is composed of the relevant functional departments of the Company
- Responsible for the specific work of all stages of the overall risk management of the Company
- Develop guidelines for risk management
- Prepare annual risk assessment
- Conduct self-examination and inspection of the Company's risk management on a regular basis
- 風險管理小組由本公司相關職能部門組成
- 負責本公司整體風險管理各階段的具體工作
- 制定風險管理工作指引
- 編製年度風險評估
- 定期對本公司風險管理工作進行自查和檢驗

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### HEAD OF PHOTOVOLTAIC POWER PLANT 光伏電站站長

- Fully responsible for the safety of personnel and equipment at the photovoltaic power plant, and ensure safe and economic operations
  - Participate in all kinds of inspection and make rectification recommendations
  - Responsible for equipment inspection and maintenance, and give notice for examining and processing equipment defects in a timely manner
  - Responsible for all acceptances after maintenance and make acceptance and rectification recommendations
  - Review the receipt of items, purchase and reimbursement accounts at the power plant, and oversee the economic accounts of the inspection departments
  - Provide feedback to the risk management team of major deficiencies and substantive vulnerabilities in a timely manner
- 對光伏電站的人員和設備的安全全面負責，確保安全經濟運行
  - 參加各類檢修，作出驗收整改意見
  - 做好設備巡檢和維護，及時通知檢修處理設備缺陷
  - 負責各類檢修後的驗收，提出驗收整改意見
  - 審核電站發生的物品領用、購置、報銷帳目，監督檢查部門的經濟帳目
  - 及時向風險管理小組反饋重大缺陷和實質性漏洞情況

### HEAD OF GENERAL MANAGEMENT DEPARTMENT 綜合管理部部長

- Responsible for collection of legal risk, security risk, personnel change risk, procurement cost risk, information system risk and conduct initial risk identification and evaluation
  - Responsible for the Company's confidential management
  - Prepare the Company's annual administrative expenses budget and control the administrative expenditures
  - Make response proposals and report to the risk management team of the Company
  - Responsible for specific risk management of the department
- 負責法律風險、安全事務風險、人員變動風險、採購成本風險、信息系統風險收集、初步進行風險識別和評價
  - 負責本公司的保密管理
  - 編製本公司年度行政費用預算，控制行政費用支出
  - 提出反應草案，向本公司風險管理小組匯報
  - 負責部門具體風險管理

### HEAD OF FINANCE DEPARTMENT 財務部部長

- Organise and implement risk management assessments of the Company
  - Organise and oversee the implementation of control system, identify, collect and analyse control deficiencies, make and implement recommendations for improvement
  - Provide feedback to the risk team of major deficiencies and substantive vulnerabilities in a timely manner in order to monitor the operation of the internal control system
  - Review the Company's annual risk assessment report, and submit to the Board for approval
  - Organise internal control testing, implement internal control improvement recommendations, investigate and deal with incidents that result in significant loss or adverse effect because of control failure
- 組織和實施本公司風險管理評估工作
  - 組織控制制度的實施，監督控制制度的實施情況，發現、收集、分析控制缺陷，提出及實施改進意見
  - 及時向風險小組反饋重大缺陷和實質性漏洞情況，以便監控內部控制體系的運行情況
  - 審議本公司年度風險評估報告，並提交董事會審批
  - 組織內控測試、落實內控改善建議，對控制失效造成重大損失或不良影響的事件進行調查、處理

### HEAD OF ENGINEERING MANAGEMENT DEPARTMENT 工程管理部部長

- Identify, evaluate and assess risks to achieve strategic objectives
  - Implement risk management procedures and internal control measures in operating and functional areas
  - Conduct risk management activities during daily operations and report
  - Ensure that the effectiveness of the risk management framework within the scope of its own responsibilities is reviewed at least annually and seek confirmation from the Audit Committee
- 識別、評價及評估風險以實現戰略目標
  - 在運營及職能範疇執行風險管理程序及內部監控措施
  - 於日常營運進行風險管理活動及匯報
  - 確保至少每年檢討一次本身職責範圍內之風險管理架構的成效，並向審核委員會作出有關確認



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### General

The system is established for the Group's risk management, to develop a standardised and effective risk control system, improve risk management and prevention, ensure the healthy and sound operation of the Company and enhance the management of risks with reference to the actual situation of the Company.

Comprehensive risk management is a process and method which provides reasonable assurance for achieving the overall objective of risk management, where the Company implements basic procedures of risk management in every procedure of corporate management and during the course of operation to nurture a sound risk management culture and develop a sound comprehensive risk management system. The goal of comprehensive risk management is to ensure that the Company's management activities are carried out healthily, to avoid and reduce the possible losses caused by risks and to guarantee the achievement of the strategic objectives, which mainly include:

- to control risks in line with overall objectives and within acceptable levels;
- to achieve timely, reliable and complete communication of the Company's internal and external information;
- to ensure the Company's business activities comply with the provisions of national laws and regulations;
- to improve the effectiveness and efficiency of the Company's operations and management; and
- to ensure the Company's establishment of management solutions for significant risks to enable it not to suffer great losses due to catastrophic risk or human error.

### Risk Management Process:

#### *Collect initial risk management information*

Each of the functional departments extensively and continuously collects internal and external initial information related to the Company's risks and risk management, including historical data and future forecasts. The initial information collected shall be screened, refined, compared, classified and assembled to form the Company's initial risk management information for risk assessment.

### 總則

為本集團的風險管理，建立規範、有效的風險控制體系，提高風險管理與防範能力，確保本公司健康穩健運行，提高風險管理水平，結合本公司的實際情況，制定該系統。

全面風險管理，指本公司通過在公司管理的各個環節和經營過程中執行風險管理的基本流程，培育良好的風險管理文化，建立健全全面風險管理體系，從而為實現風險管理的總體目標提供合理保證的過程和方法。全面風險管理的目標是確保本公司管理活動健康進行，規避和減少風險可能造成的損失，保證戰略目標的實現，主要包括：

- 將風險控制在與總體目標相適應並可承受的範圍內；
- 實現本公司內外部信息溝通的及時、可靠、完整；
- 確保本公司經營活動遵循國家法律法規的規定；
- 改善本公司經營管理的效益及效率；及
- 確保本公司建立針對各項重大風險的危機處理方案，使其不因災害性風險或人為失誤而遭受重大損失。

### 風險管理流程：

#### *收集風險管理初始信息*

各職能部門廣泛、持續不斷地收集與本公司風險和風險管理相關的內部、外部初始信息，包括歷史數據和未來預測。對收集的初始信息應進行必要的篩選、提煉、對比、分類、組合，形成本公司風險管理初始信息，以便進行風險評估。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### *Risk assessment*

Risk assessment includes three steps: risk identification, risk analysis and risk evaluation. Risk assessment may be carried out by the risk management team in conjunction with other functional departments and, if necessary, with a qualified, reputable and professional risk management intermediary. Risk identification refers to identifying risks in the Company's important business activities and its major business processes. Risk analysis is a clear definition of the identified risks and their characteristics, relating to analysing and describing the likelihood and conditions of the risks that occur. Risk evaluation is to assess the impact of the risks on the Company's achievement of objectives and the value of those risks.

### *Develop and implement risk management strategies*

The risk management team formulates the Company's significant risk management strategies based on risk graphs and the Company's development strategy by determining the risk appetite, risk tolerance and risk management effectiveness criteria according to the different business characteristics, selecting such appropriate risk management tools such as risk exposure, risk aversion, risk transfer, risk conversion, risk hedging, risk compensation and risk control, clarifying the minimum and maximum risk that the Company is exposed to, and accordingly identifying the Company's risk warning line and the corresponding risk mitigation measures. The effectiveness and reasonableness of the established significant risk management strategies are reviewed annually to formulate adjustment recommendations for the Company's significant risk management strategies of the year.

### *Propose and implement risk management solutions*

The Group has also established an internal control accountability system, which expressly stipulates the responsibilities of the relevant functional departments and project companies, posts and personnel based on the principle of unification of rights, obligations and responsibilities.

### *Control and improvement of risk management supervision*

All departments shall regularly carry out self-examination and inspection on the risk management of the Company, and when defects are identified, rectify them in a timely manner. Inspection and examination reports shall be submitted to the Company's risk management team in a timely manner for its review and subsequently submitted to the Audit Committee. The Company's risk management functional departments and audit departments should conduct an annual inspection and examination of the implementation and effectiveness of the risk management work of all functional departments and project companies, and issue special reports on risk management assessment and recommendations.

The Company regulates the handling and dissemination of inside information in compliance with the relevant laws and regulations and implements various procedures to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made.

### *風險評估*

風險評估包括風險辨識、風險分析、風險評價三個步驟。風險評估可由風險管理小組聯同其他職能部門實施，必要時可聘請有資質、信譽好、風險管理專業能力強的中介機構協助實施。風險辨識是指查找公司各項重要經營活動及其重要業務流程中的風險。風險分析是對辨識出的風險及其特徵進行明確的定義，分析和描述風險發生可能性的高低、風險發生的條件。風險評價是評估風險對公司實現目標的影響程度、風險的價值等。

### *制定和實施風險管理策略*

風險管理小組根據風險圖譜，圍繞本公司的發展戰略，根據不同業務特點，確定風險偏好、風險承受度、風險管理有效性標準，選擇風險承擔、風險規避、風險轉移、風險轉換、風險對沖、風險補償、風險控制等適合的風險管理工具的總體策略，明確本公司風險的最低限度和不能超過的最高限度，並據此確定本公司風險的預警線及相應採取的風險對策，提出本公司重大風險管理策略。每年重新評估已制定的重大風險管理策略的有效性和合理性，形成本公司年度重大風險管理策略調整建議。

### *提出和實施風險管理解決方案*

本集團已建立內控責任制度。按照權利、義務和責任相統一的原則，明確規定各有關職能部門和項目公司、崗位及人員應負的責任。

### *風險管理監督控制與改進*

各部門應定期對本公司風險管理工作進行自查和檢驗，及時發現缺陷並改進。檢查、檢驗報告及時報送公司風險管理小組，經風險管理小組審核後報送審核委員會。公司風險管理職能部門和審計部門每年一次對各職能部門和項目公司風險管理工作實施情況和有效性進行檢查和檢驗，並出具風險管理評估和建議專項報告。

本公司按照相關法例及法規規管內幕消息的處理及發佈、實施多項程序以確保內幕消息在獲適當批准披露前一直保密，並確保有效及一致地發佈有關消息。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

This Environmental, Social and Governance Report for the year ended 31 December 2019 (the “**Reporting Period**”) is prepared by the Group under the requirements in the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 (the “**ESG Guide**”) of the Listing Rules.

The Board has the overall responsibility for the Company’s environmental, social and governance (“**ESG**”) strategy and reporting. Our management is responsible for evaluating, determining, monitoring and managing ESG-related risks and the effectiveness of the ESG management system. The scope of policies, compliance, disclosure of data and relevant measures in this report covers the Group’s photovoltaic power plant and office in Hong Kong. In determining the coverage of this report, the Company assessed the contribution of the operating subsidiaries to the profit attributable to owners of the Company. The ESG information of those operating subsidiaries which contribute less than 5% of the profit attributable to owners of the Company would not be included in this report.

The long term vision of the Group in managing ESG issues is to promote the development of the green energy and to minimise all emissions and wastes. In medium-term and short-term, we are dedicated to the building of a stable and reliable power generation system to safeguard a safer, cleaner, more economical and more sustainable electric power supply.

The management personnel leading our various business activities, in conjunction with our respective employees and other key stakeholders have all involved in the materiality assessment, the identification of the following ESG aspects and their incorporation into this report.

In assessing materiality, the Board has taken into account (i) the economic, environmental, and social impacts of such ESG risks; (ii) how such ESG risks would influence the decisions of the stakeholders of the Group; and (iii) how such ESG risks would affect the long term vision and medium-term and short-term ESG strategy of the Group.

To implement the ESG strategy stated above, the company secretary would coordinate the designated personnel in different business units to collect data in relation to the key performance indicators of each of the ESG aspects. The Board would then evaluate the effectiveness of the ESG management annually.

根據上市規則附錄二十七《環境、社會及管治報告指引》(「**ESG指引**」)中的要求，本集團編制了截至二零一九年十二月三十一日止年度(「**報告期間**」)的《環境、社會及管治報告》。

本公司董事會整體負責本公司環境、社會及管治(「**環境、社會及管治**」)策略和彙報。管理層負責評估、釐定、監控及管理環境、社會及管治相關的事項與風險，以及環境、社會及管治管理系統的成效。本報告與政策、合規情況、所披露之數據及相關措施涉及的範圍均包括本集團的光伏發電廠及香港辦公室。於釐定本報告內容範圍時，本公司已評估營運附屬公司對本公司擁有人應佔溢利的貢獻。有關營運附屬公司對本公司擁有人應佔溢利貢獻低於5%的環境、社會及管治資訊將不會載入本報告。

本集團於管理環境、社會及管治議題上的長遠目標乃為促進綠色能源的發展及盡可能減低各種排放物及廢棄物的產生。就中期及短期目標而言，我們致力於構建穩定可靠的電力生產體系，保障更安全、更清潔、更經濟、更持續的電力供應。

負責統領本公司各項業務活動的管理人員已聯同相關員工和其他主要持份者，就本報告均有參與重要性評估和識別以下主要環境、社會及管治事項，並納入本報告中。

於評估重大性時，董事會已考慮下列各項(i)有關環境、社會及管治風險的經濟、環境及社會影響；(ii)有關環境、社會及管治風險將如何影響本集團持份者決定；及(iii)有關環境、社會及管治風險將如何影響本集團長遠目標以及中期及短期環境、社會及管治的策略。

於執行上述環境、社會及管治的策略時，公司秘書將與不同業務部門的指定人員溝通，以收集環境、社會及管治各方面重大績效指標的數據。董事會將會每年評估環境、社會及管治管理的有效性。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

Environmental, Social and Governance Aspects	Major Environmental, Social and Governance Matters	環境、社會及管治層面	主要環境、社會及管治事項
<b>A. Environmental</b>		<b>A. 環境</b>	
A1. Emissions	<ul style="list-style-type: none"> <li>Emissions and Waste</li> <li>Carbon Emissions</li> </ul>	A1. 排放物	<ul style="list-style-type: none"> <li>排放物及廢棄物</li> <li>碳排放</li> </ul>
A2. Use of Resources	<ul style="list-style-type: none"> <li>Use of Energy and Water Consumption</li> </ul>	A2. 資源使用	<ul style="list-style-type: none"> <li>能源使用及耗水量</li> </ul>
A3. The Environment and Natural Resources	<ul style="list-style-type: none"> <li>The Environmental Management System</li> <li>Continuing Compliance Control</li> </ul>	A3. 環境及天然資源	<ul style="list-style-type: none"> <li>環境管理體系</li> <li>持續合規監控</li> </ul>
<b>B. Social</b>		<b>B. 社會</b>	
B1. Employment	<ul style="list-style-type: none"> <li>Employment Practices and Equal Opportunity</li> </ul>	B1. 僱傭	<ul style="list-style-type: none"> <li>僱傭常規和平等機會</li> </ul>
B2. Health and Safety	<ul style="list-style-type: none"> <li>Healthy and Safe Working Environment</li> </ul>	B2. 健康與安全	<ul style="list-style-type: none"> <li>健康和安全工作環境</li> </ul>
B3. Development and Training	<ul style="list-style-type: none"> <li>Development and Training for Employees</li> </ul>	B3. 發展及培訓	<ul style="list-style-type: none"> <li>員工發展和培訓</li> </ul>
B4. Labour Standards	<ul style="list-style-type: none"> <li>Preventing Child Labour and Forced Labour</li> </ul>	B4. 勞工準則	<ul style="list-style-type: none"> <li>防止童工和強制勞工</li> </ul>
B5. Supply Chain Management	<ul style="list-style-type: none"> <li>Sustainable Supply Chain Management</li> </ul>	B5. 供應鏈管理	<ul style="list-style-type: none"> <li>可持續供應鏈管理</li> </ul>
B6. Product Responsibility	<ul style="list-style-type: none"> <li>Stable Power Supply</li> <li>Customer Service</li> </ul>	B6. 產品責任	<ul style="list-style-type: none"> <li>穩定電力供應</li> <li>客戶服務</li> </ul>
B7. Anti-corruption	<ul style="list-style-type: none"> <li>Anti-corruption</li> </ul>	B7. 反貪污	<ul style="list-style-type: none"> <li>反貪污</li> </ul>
B8. Community Investment	<ul style="list-style-type: none"> <li>Engagement in Supporting Community</li> </ul>	B8. 社區投資	<ul style="list-style-type: none"> <li>參與支援社區</li> </ul>

Details of each ESG aspect are as follows.

我們以下將詳細描述各個環境、社會及管治層面的情況。

### (A) ENVIRONMENTAL

#### A1. Emissions

The Group pays great attention to environmental protection by committing to promoting the development of green energy in society, so as to minimise all emissions and wastes. We are confident that our philosophy is conducive to maintaining the sustainability of the community, thus facilitating its stable and peaceful development. For this purpose, we provide the society with green and clean energy in the power generation method of low pollution and low emission by developing and promoting photovoltaic electricity to the community, in order to reduce the emission of greenhouse gases, including carbon dioxide. In the process of generating photovoltaic electricity, solar power is converted into electricity by using semiconducting materials that exhibit the photovoltaic effect while generating almost zero carbon dioxide or other pollutants and without requiring any cooling water. Such environmental policies were put in practice and covering the subsidiaries of the Group in Hong Kong and the PRC since January 2017 but no written policy was adopted as at the date of this report. Such practice is being reviewed from time to time by our management as when necessary.

### (A) 環境

#### A1. 排放物

本集團重視環境保護，致力向社會推動綠色能源發展，以減少各種排放物及廢棄物的產生。我們相信本集團的理念有助維持社區的可持續性，令社區能平穩、安定地發展。為此，我們通過發展及向社區推廣光伏發電，以低污染、低排放的生產方式向社會提供綠色清潔能源，減少二氧化碳等溫室氣體排放。光伏發電過程中，利用光伏半導體材料進行光伏效應而將太陽能轉換為電能，過程中幾乎不會產生二氧化碳或其他環境污染物，也無需使用冷卻水。有關環保政策經已實行，並自二零一七月一日起擴展至本集團於香港及中國的附屬公司，惟於本報告日期並無採用任何書面政策。管理層會於必要時不時審閱有關政策實行。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### *Emissions and Waste*

Our photovoltaic plant commenced operation successfully in the third quarter of 2016. Photovoltaic power generation is the process of converting solar radiation into electricity by exhibition of the photovoltaic effect with no exhaust gas, sewage water or other hazardous pollutants being produced. During the Reporting Period, the Group did not generate any hazardous waste and only generated a small amount of non-hazardous waste, mainly attributed to the consumption of approximately 311.95 kg in aggregate of paper by the offices of its power plants and its Hong Kong office. In response to environmental protection, we advocate the philosophy of a paperless office by utilising an e-platform and liaising through e-communication with our employees and clients on a best effort basis in order to reduce paper consumption. The amount of non-hazardous waste increased by 43.2kg in the Reporting Period, mainly caused by the increasing of hard copy print outs due to enhancement of completion inspection procedures of the projects of the Group and enhancement of internal control of financial systems.

### *Carbon Emissions*

Our carbon emission mainly arises from power consumption. During the Reporting Period, the consumption of purchased power was associated with our business operations, which emitted 26,171 tonnes of carbon dioxide equivalent (CO<sub>2</sub>e). We have implemented various energy conservation measures to reduce carbon emission. For the details regarding the data of power consumption and our energy conservation measures, please refer to the paragraph headed "A2. Use of Resources" below.

Remark: The carbon emission was calculated with reference to Greenhouse Gas Protocol published by World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI), the Reporting Guidance on Environmental KPIs published by HKEX and Baseline Emission Factors for Regional Power Grids in China (中國區域電網基準線排放因子) published by the Department of Climate Change of PRC's National Development and Reform Commission.

### *排放物及廢棄物*

我們的光伏發電廠於二零一六年第三季度順利投產，是利用光電效應，將太陽輻射轉化為電能的過程，因此該過程中不會產生任何廢氣、污水或其他有害廢棄物。於報告期間，本集團並無產生任何有害廢棄物，且僅產生少量的無害廢棄物，主要為發電廠區之辦公室及香港辦公室使用的紙張，共計重量約311.95千克。為響應環保，我們推廣無紙化辦公，通過使用電子管理平台及盡可能與員工及客戶使用電子通訊渠道以減少紙張的消耗。於報告期間，無害廢棄物重量增加43.2公斤，主要由於本集團加強執行項目檢驗流程及增強財務系統內部監控導致紙張數量上升。

### *碳排放*

我們的碳排放主要源自電力消耗。於報告期間，由我們的業務營運所產生的外購耗電相關二氧化碳當量(CO<sub>2</sub>e)為26,171噸。我們已實施各種節電措施，以幫助減少碳排放量。有關電力的消耗數據及節電措施請參考下文「A2.資源使用」一節。

註：碳排放之計算參照世界企業永續發展協會(World Business Council for Sustainable Development)與世界資源研究院(World Resources Institute)出版之《溫室氣體盤查議定書》、香港交易所《環境關鍵績效指標彙報指引》及中國國家發展和改革委員會應對氣候變化司公布之中國區域電網基準線排放因子。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

During the Reporting Period, the relevant laws and regulations relating to environmental protection that may have significant impact on the Group includes the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), the Law of the PRC on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), the Law of the PRC on the Prevention and Control of Air Pollution (《中華人民共和國大氣污染防治法》) and the Law of the PRC on Prevention and Treatment of Solid Waste Pollution (《中華人民共和國固體廢物污染環境防治法》). During the Reporting Period, we have not detected any material breach of such relevant laws and regulations.

### A2. Use of Resources

We are committed to technological innovation and have devoted a lot of capital and professional talents to drive the technological development of photovoltaic electricity, seeking to enhance the power generation efficiency of our photovoltaic electricity system on a continuous basis, including the enhancement of conversion efficiency from light to electricity, the increase of the light panel's effective area for receiving sunlight and the maximum power point tracking technology. The Group implemented a horizontal single axis tracking system to adopt a tilted angle for photovoltaic power generation, which maximises the angle for attracting sunlight according to the degree of solar irradiance, thereby effectively enhancing the conversion efficiency and increasing the volume of power generation. Such environmental policies were put in practice and covering the subsidiaries of the Group in Hong Kong and the since January 2017 but no written policy was adopted as at the date of this report. Such practice is being reviewed from time to time by our management as when necessary.

於本報告期間內，可能對本集團有重大影響的環境保護相關的法例法規包括《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》、《中華人民共和國大氣污染防治法》、《中華人民共和國固體廢物污染環境防治法》等。於報告期間，我們並無發現相關法例法規的重大違反情況。

### A2. 資源使用

我們致力於技術革新，投入大量的資金與專業人才以推動光伏發電的科技發展，務求不斷提高光伏發電系統的發電效率，包括提高光電轉換效率、提高光板有效接受面積和最大功率點跟踪技術等發展方向。本集團採用帶傾角的平單軸跟踪式光伏發電，根據太陽輻照度的強度，進行最大角度的跟踪，有效的提高太陽輻射轉化效率，提高發電量。有關環保政策經已實行，並自二零一七月一月起擴展至本集團於香港及中國的附屬公司，惟於本報告日期並無採用任何書面政策。管理層會於必要時不時審閱有關政策實行。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### *Use of Energy and Water Consumption*

During the Reporting Period, the energy consumption disclosed was mainly attributed to the utility electricity with a total of 35,354,800 kWh, representing 3.7328 kWh energy consumed per square meter. Our water consumption was not material as most of it was used for basic office cleaning. During the Reporting Period, the water consumption of our power plants was 2,800 cubic meters, representing 0.0003 cubic meter water consumed per square meter.

Since our water supply facility is located in our leased office in Hong Kong, its management fee is inclusive of our water consumption volume and water utility bills. Municipal water is our main consumption source, and there is no difficulty in obtaining a water source.

During the Reporting Period, the energy consumption by the Group was slightly reduced and the water consumption was similar as the previous reporting period.

Although our electricity and water consumption is relatively low, the Group still strives to reduce such consumption. We advocate the philosophy of a green office and have formulated related rules and regulations. By standardising water and electricity consumption practices, as well as incorporating energy conservation and emission reduction into daily management, we reinforce our electricity distribution on our lighting and air conditioning system, thereby reducing unnecessary resource wastes. In order to remove dust and dirt on the surface of our solar modules, and in turn to improve power generation, we wipe and clean the solar modules on a regular basis, thereby maximising the conversion efficiency of solar irradiation. Employees are the most important element of our green office, therefore, we attach great importance on enhancing the awareness among our employees in saving resources, and emphasise that the management shall take the lead and become a model in integrating environmental protection into the workplace, aiming to develop a green workplace from the top down.

Given our business nature, no packing materials are used during our daily operations.

### *能源使用及耗水量*

我們於報告期間內所披露的能源消耗主要為市電消耗，共消耗35,354,800千瓦時，每平方米消耗的電力為3.7328千瓦時。本集團的水資源消耗並不重大，我們大部分的耗水乃用於基本辦公室清潔。我們的發電廠區於報告期間的耗水量為2,800立方米，每平方米的耗水量為0.0003立方米。

而由於我們香港辦公室的供水設施設於我們的租賃物業，使用量及水費亦已計算入我們的管理費中。我們主要耗用城市用水，因此在獲取適用水源上並沒有問題。

於報告期間，本集團能源消耗輕微減少，而耗水量與前報告期相近。

儘管我們的耗電量及耗水量相對較低，本集團亦致力減少能源及水資源消耗。我們倡導綠色辦公，制定了相關的規章制度、通過設置用水、用電等資源使用規範，同時將節能減排納入日常管理，加大了辦公區域照明、空調等電力調配，減少了不必要的資源浪費。我們亦會定期對光伏組件表面灰塵、髒污進行擦洗清潔，最大限度提高太陽輻射轉換效率，提高發電量。員工是我們綠色辦公的最重要的因素，因此我們十分重視將節用資源的概念教育員工，並強調由管理層以身作則，將環保融入工作場所，由上而下地打造出綠色的工作場所。

由於我們的業務性質，我們於日常營運中不會使用任何的包裝材料。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### A3. The Environment and Natural Resources

#### *The Environmental Management System*

In accordance with the requirements of the ISO 14001 standard for an environmental management system, we have established an environmental management system since January 2016 covering all our offices and power plants which is reviewed from time to time by our management as and when necessary. The system covers the full-cycle operation including environmental policies establishment, environmental risks and factors identification, control procedures, environmental impact assessment as well as construction and operation of project approved. We identify the major environmental factors to assess their impacts, implement control measures and plan accordingly.

#### *Continuing Compliance Control*

We also develop compliance management procedure for all environmental risks, and prescribe and continuously monitor the standards for environmental factors. Relevant personnel will pay regular attention to the amendment of regulations and update the Group's compliance plan and monitoring standards in a timely manner.

In addition, we provide service to 寧夏寶豐生態牧場有限公司 for its photovoltaic agriculture business, utilising the feature of zero emission of solar photovoltaic power generation to plant goji berries and alfalfas, which generates better economic and social benefits.

Please refer to paragraphs headed "A1. Emissions" and "A2. Use of Resources" in this report on the significant impacts of activities on the environment and natural resources and the actions taken to manage them during the Reporting Period.

### A3. 環境及天然資源

#### 環境管理體系

我們按照ISO 14001環境管理體系標準要求，自二零一六年一月起建立了覆蓋本集團辦公區域和各電站的環境管理體系（管理層會於必要時不時審閱），並完整覆蓋了從環境制度建設、環境風險因素識別到運行控制程序、環境影響評估及審批的項目建設和運營全流程。根據識別出的重要環境因素，確定其影響級別，並制定相應的控制措施和計劃。

#### 持續合規監控

我們亦為各環境風險制定合規性管理流程，為環境因素訂立標準及進行持續監控。相關人員需定期留意法規是否更改，及時更新本集團的合規計劃與監控標準。

另外，我們向寧夏寶豐生態牧場有限公司提供服務，利用太陽能光伏發電無污染零排放的特點，種植枸杞、苜蓿等，實現農光互補以此創造更好的經濟效益和社會效益。

請參閱本報告「A1. 排放物」及「A2. 資源使用」一段，以瞭解於報告期間活動對環境及天然資源的重大影響以及應對有關影響所採取的行動。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### (B) SOCIAL

#### B1. Employment

##### *Employment Practices and Equal Opportunity*

We are committed to the building of a standardised, orderly, fair and effective operation system of human resources in a bid to make full use of its talents and their capabilities, and actively carry out rich and colourful cultural activities to build a harmonious culture and atmosphere and to enhance the sense of belonging of our staff.

We promote an equal opportunity principle and have zero tolerance and no allowance on all discrimination. We recruit talents based on their educational backgrounds, experiences, skills, potential and performance in interviews, rather than other factors such as gender, marital status or degree of disability. Each employee joins the Group with equal treatment. The same salary structure applies to all men and women, and they are promoted based on several factors, including their speciality, working performance and experience.

We also strive to make sure that the level of our employees' income and benefits is competitive in the market. We strictly comply with relevant laws and regulations, such as the PRC Labour Law, to offer pension insurance, medical insurance, work injury insurance, maternity insurance, unemployment insurance, provident fund and employer's liability insurance for employees in the PRC. Pregnant employees are entitled to maternity leave while male employees are entitled to paternity leave. In Hong Kong, we provide mandatory provident fund benefits, labour insurance, annual leave, paid sick leave, maternity leave, paternity leave and other statutory welfares to our employees in accordance with the laws and regulations concerning labour issues in Hong Kong.

During the Reporting Period, the relevant laws and regulations in relation to human resources in Hong Kong include the Employment Ordinance (Cap. 57), Minimum Wages Ordinance (Cap. 608), the Mandatory Provident Fund Schemes Ordinance (Cap. 485), Sex Discrimination Ordinance (Cap. 480), Disability Discrimination Ordinance (Cap. 487), Family Status Discrimination Ordinance (Cap. 527) and Race Discrimination Ordinance (Cap. 602).

### (B) 社會

#### B1. 僱傭

##### *僱傭常規和平等機會*

我們致力於構建規範、有序、公正、有效的人力資源運作體系，力求人盡其才、才盡其用，並積極開展豐富的文化活動，以構建和諧的文化氛圍，增強員工的歸屬感。

我們提倡平等機會，對一切歧視行為採取不容許、不容忍的態度。在招聘時，我們只會根據學歷、經驗、技術、潛質及面試表現招聘人才，其他因素例如性別、婚姻狀況或殘疾程度等都不在考慮之列。每一位加入本集團的員工，都可享受平等的待遇。我們的男女員工在薪酬架構上都是一致，實現男女同工同酬，並且因應員工的專長、工作表現、經驗等因素作為職位晉升的依據。

我們亦致力於確保員工收入及福利水平在市場上具備競爭力。我們嚴格遵守中國內地《勞動法》等相關法律法規，為內地員工提供養老保險、醫療保險、工傷保險、生育保險、失業保險、住房公積金、僱主責任險，及對生育女／男員工提供生育假、陪產假。在香港，我們也嚴格遵守香港勞工法例，為員工提供強積金、勞工保險、年休假、有薪病假、產假、待產假等法定福利。

於報告期間，香港人力資源的相關法規包括第57章僱傭條例、第608章最低工資條例、第485章強制性公積金計劃條例、第480章性別歧視條例、第487章殘疾歧視條例、第527章家庭崗位歧視條例及第602章種族歧視條例。



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During the Reporting Period, the relevant laws and regulations in relation to human resources in the PRC include Labour Contract Law of the People's Republic of China (中華人民共和國勞動合同法), the Provisional Measures for Maternity Insurance of Employees of Corporations (企業職工生育保險試行辦法), the Decisions on the Establishment of a Unified Program for Basic Old-Aged Pension Insurance of the State Council (國務院關於建立統一的企業職工基本養老保險制度的決定), the Decisions on the Establishment of the Medical Insurance Program for Urban Workers of the State Council (國務院關於建立城鎮職工基本醫療保險制度的決定), the Unemployment Insurance Measures (失業保險條例), the Interim Regulations Concerning the Collection and Payment of Social Insurance Premiums (社會保險費徵繳暫行條例), the Social Insurance Law of the People's Republic of China (中華人民共和國社會保險法) and the Regulations on the Management of Housing Funds (住房公積金管理條例).

During the Reporting Period, we have incurred approximately RMB54.4 million on total staff costs including benefits.

During the Reporting Period, the Group has not detected any material breach of relevant laws and regulations relating to human resources.

### B2. Health and Safety

#### *Healthy and Safe Working Environment*

We conscientiously implement national laws and regulations as well as standards and specifications in relation to work safety and occupational health, actively promote the implementation of the OHSAS18000 standards for an occupational health and safety management system and continuously improve our systems and processes to ensure the health and occupational safety of our employees. We adopted such standard since January 2016 and are reviewed from time to time by our management as and when necessary. We monitor occupational disease hazards every year, reasonably evaluate the impacts that works and environment have on employee's personal health, and reinforce the emergency management and prevention measures for work safety through a series of safety measures, such as work safety committee meetings, safety month activities, meetings before and after shifts, work safety weekly meetings, safety supervision, online safety meetings, regular and irregular inspections, safety evaluation, hazard

於報告期間，中國人力資源的相關法規包括中華人民共和國勞動合同法、企業職工生育保險試行辦法、國務院關於建立統一的企業職工基本養老保險制度的決定、國務院關於建立城鎮職工基本醫療保險制度的決定、失業保險條例、社會保險費徵繳暫行條例、中華人民共和國社會保險法及住房公積金管理條例。

於報告期間，我們產生的總僱員開支（包括福利）約為人民幣54,400,000元。

於本報告期間內，本集團並未發現任何與人力資源相關的法例和法規的重大違反事宜。

### B2. 健康與安全

#### *健康和安全工作環境*

我們切實執行國家法律法規和有關安全生產與職業健康的標準規範，積極推動國際標準OHSAS18000職業健康安全管理体系的實施，持續完善制度和流程，竭力保障員工健康與安全。我們自二零一六年一月起採取有關標準，而有關標準乃由管理層於必要時不時審閱。我們每年進行職業危害因素的監測，合理地評估工作及環境對員工個人健康的影響，並通過一系列安全措施，強化安全生產應急管理和預防措施，如安全生產委員會會議、安全月活動、運行值班班前會和班後會、安全生產周例會、安全監督及安全網例會、定期和不定期安全檢查、

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identification and implementation of 25 anti-accident measures. Employees in charge of works with high risks must wear safety protection while working and attend trainings on safety and working skills on a regular basis, in order to minimise the possibility of accidents at the source.

During the Reporting Period, the relevant laws and regulations in relation to provision of healthy and safe workplace in Hong Kong include the Occupational Safety and Health Ordinance (Cap. 509) and Employees' Compensation Ordinance (Cap. 282).

During the Reporting Period, the relevant laws and regulations in relation to provision of healthy and safe workplace in the PRC include the Work Safety Law of the People's Republic of China (中華人民共和國安全生產法), Regulation of Insurance for Labour Injury (工傷保險條例).

During the Reporting Period, we have not incurred any expense due to work injury claims by employees.

During the Reporting Period, we have not detected any breach of the laws and regulations relating to health and safety in the workplace.

### B3. Development and Training

#### *Development and Training for Employees*

We actively assist our employees in their personal development to enable them to discover their value within the Group while contributing to our growth and development. We maintain a well-established training system, regularly set training goals and provide employees with relevant training to enhance their working knowledge and skills. We have invited professional technical staff from the design units and suppliers of our equipment to provide designated training, while at the same time arranged training on electronic, mechanical and safety aspects to improve the technical skills and overall environment of our employees on a monthly basis. In addition, employees are encouraged and assisted to identify their personal ambitions and draw up a career development plan with their immediate supervisors.

安全性評價、危險源辨識和重大危險源確定、二十五項反事故措施實施等。對於負責高風險工作的員工，他們在工作時必須配戴安全裝備，並定期接受有關安全及工作技術的培訓，從源頭減低意外的發生機會。

於報告期間，香港提供健康及安全工作環境有關的相關法律法規包括第509章職業安全及健康條例及第282章僱員補償條例。

於報告期間，提供中國健康及安全工作環境有關的相關法律法規包括中華人民共和國安全生產法及工傷保險條例。

於報告期間，僱員工傷索償產生開支為零。

本集團於報告期間內並無發現任何違反與工作場所健康與安全有關之法律及規例之個案。

### B3. 發展及培訓

#### *員工發展和培訓*

我們積極幫助員工成長，實現個人在企業中的價值，為企業成長與發展作出貢獻。我們已訂立完善的培訓制度，定期制定培訓目標，向員工提供相應培訓，以提升員工的工作知識及技術。我們亦會邀請設計單位、設備供應單位專業技術人員對員工進行專項培訓，同時每月組織電氣、機械、安全培訓，不斷提高專業技能和綜合素養。我們鼓勵及協助員工計劃個人志向，與上司規劃職業發展計劃。

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To this end, the Group continues to strengthen its team of skilled personnel and has implemented an appraisal system for technicians to facilitate their growth. We also carry out in-depth trainings for leaders, professionals, skilled personnel and collective induction trainings for newly-joined college graduates under the overall requirements of “by classification, multilayer and on demand”, while enhancing training methods and adopting innovative training means to improve training efficiency. Moreover, a skills competition is also held on a regular basis to show their talent and boost the cross-learning atmosphere among our employees.

Such training policies were put in practice and covering the subsidiaries of the Group in Hong Kong and the PRC since January 2016 but no written policy was adopted as at the date of this report. Such practice is being reviewed from time to time by our management as and when necessary.

#### **B4. Labour Standards**

##### *Preventing Child and Forced Labour*

We strictly comply with national laws and regulations, including the Labour Law and the Labour Contract Law of the PRC and laws and regulations concerning human resources set out in the paragraph headed “B1. Employment” in Hong Kong, and lawfully enter into labour contract with our employees. Employment of child and forced labour is completely eradicated. All employees are encouraged to report to the Group at any time for any non-compliance incidents such as employment of child and forced labour during the course of our recruitment and operations. Such policies in relation to preventing child or forced labour was adopted when the Group commenced operation in Hong Kong and the PRC and will be reviewed when there is amendment to the relevant laws and regulations.

During the Reporting Period, we have not detected any breach of the laws and regulations relating to preventing child or forced labour.

為此，本集團不斷加強技能人員隊伍建設，開展專業技術人員職稱評定，讓員工在更適合自己的發展通道上成長。我們亦落實「分類、梯次、按需」總體要求，深入開展領導人員、專業人員、技能人員培訓以及新進高校畢業生入職集中培訓，同時改進培訓方式、創新培訓手段，以提高培訓效果。我們更定期舉辦技能比賽，讓員工展現才華，及鼓勵員工之間互相學習的風氣。

有關培訓政策經已實行，並自二零一六月一日起擴展至本集團於香港及中國的附屬公司，惟於本報告日期並無採用任何書面政策。管理層會於必要時不時審閱有關政策實行。

#### **B4. 勞工準則**

##### *防止童工和強制勞工*

我們嚴格遵守中國內地《勞動法》及《勞動合同法》和「B1. 僱傭」一段所載香港人力資源法律法規，依法與員工簽訂勞動合同，堅決杜絕僱用童工和強迫勞動，員工一旦發現本集團在招聘及營運過程中存在僱用童工及強迫勞工等違規情況，可隨時向我們反映該等違規情況。本集團於香港及中國開始營運時經已採納防止兒童或強制勞工的有關政策，且倘出現相關法律法規的修訂時，本集團將對其進行檢討。

本集團於報告期間內並無發現任何違反與防止兒童或強制勞工有關之法律及規例之個案。



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## 環境、社會及管治報告

### B5. Supply Chain Management

#### *Sustainable Supply Chain Management*

The Group is persistent in developing fair and impartial working relationships with its suppliers. The purchases of all major materials are subject to an administrative regime that separates purchase, delivery inspection and acceptance, and supervision in a bid to eliminate corruption at the source. Contracts and agreements are performed in stringent compliance with contractual requirements and all suppliers are treated with respect in an equal manner. Meanwhile, we also attach great importance to the reflection of problems on suppliers and will carry out a sustained review on their performance in fulfilling the contracts. Any related persons are encouraged to report any abnormalities or provide any comments to our purchasing management centre as soon as practicable.

While fulfilling our own social responsibility, we also incorporate concepts and requirements of social responsibility in the management of our suppliers. A stringent and standardised system for the selection and management of suppliers has been formulated, in a bid to safeguard a healthy and orderly marketplace. For the environment, our suppliers are required to obtain, maintain and regularly update all environmental permits and licenses and comply with all operational and other disclosure requirements in respect of the environment. For equipment upgrades and production process enhancements, our suppliers are also required to take steps to economise on the use of natural resources, promote waste recovery and recycling as well as properly manage and duly deal with environmental hazards. In addition, all our suppliers are required to adopt proper measures to minimise safety risks in the workplace, including the formulation of an emergency plan and the provision of sufficient personal protection items. Labour practices and performance are two important considerations in the selection of suppliers. We have zero tolerance for suppliers' environmental and labour malpractices, and will surely avoid or cease cooperation with such suppliers once it comes to our attention.

### B5. 供應鏈管理

#### *可持續供應鏈管理*

我們堅持與供應商建立公平公正的合作關係，所有重要物料的採購均實行「採購、驗收及監督」三分離的管理機制，從源頭上杜絕貪污及腐敗現象的發生。我們嚴格按照合同要求，履行合同協議事項，尊重並平等對待每一個供應商。同時，我們也十分重視供應商問題的反饋，在履行合約過程中將不斷審查供應商的表現，相關人員可實時向採購管理中心上報任何異常情況或意見。

在履行自身社會責任的同時，我們將社會責任理念和要求融入供應商管理中，並制訂了嚴謹及規範的供應商選擇與管理制度，以維護健康有序的市場環境。在環境方面，我們規定了供應商需取得、維護並定時更新所有環境許可及執照，並遵循所有有關環境的操作和信息披露要求。在設備提升、改善生產工藝等層面，我們規定了供應商亦需有相關措施以節約使用自然資源，促進廢物回收再利用，並正確管理及妥善處置對環境造成危害的物質。此外，我們亦要求所有供應商提供適當的措施以減低工作場所中的安全風險，包括建立應急計劃、提供足夠的個人保護物品等。在選擇供應商的過程中，供應商的勞工實踐標準及表現會是其中一個重要的考慮因素。我們對供應商在環境及勞工方面的不良行為採取零容忍的立場，如有發現，定當避免或停止與此類供應商合作。

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Such supply chain policies were put in practice and covering the subsidiaries of the Group in Hong Kong and the PRC since January 2016 but no written policy was adopted as at the date of this report. Such practice is being reviewed from time to time by our management as and when necessary.

### B6. Product Responsibility

#### *Stable Power Supply*

We are dedicated to the building of a stable and reliable power generation system to safeguard a safer, cleaner, more economical and more sustainable electric power supply. Therefore, we regard safe production as one of the prerequisites for a stable power supply and sustainable development for us, along with the establishment of a sound system through driving the development of a safety, health, and environmental (“**SHE**”) management system on all fronts and revising and complying with the SHE management regulations.

To ensure a stable power supply, we have formulated various facility management regulations and set out plans for overhauls and technological upgrades in a bid to maintain facility management and secure as table operation of our power generating units, as well as adopted specific investigation techniques to enhance facility repair and maintenance, eliminate any hazards in the power generating units and enhance reliability in a bid to deal with the challenges in the peak power consumption periods during the summer and winter seasons.

We have fulfilled relevant technical standards and operational requirements of a grid system in relation to the frequency, peak and voltage modulation, to guarantee the safety and reliability of the power we supply and the operation of our grid system in an economical and reliable manner.

During the Reporting Period, the relevant laws and regulations in relation to power supply include Measures for the Supervision and Administration of Power Work Safety (電力安全生產監督管理辦法).

有關供應鏈政策經已實行，並自二零一六月一月起擴展至本集團於香港及中國的附屬公司，惟於本報告日期並無採用任何書面政策。管理層會於必要時不時審閱有關政策實行。

### B6. 產品責任

#### *穩定電力供應*

我們致力於構建穩定可靠的電力生產體系，保障更安全、更清潔、更經濟、更持續的電力供應。因此，我們堅持將安全生產視為穩定電力供應和確保我們的可持續發展的前提條件，並建設完善的制度，全面推進安全健康環保(「**安全健康環保**」)的管理體系建設，修編安全健康環保管理制度。

為確保穩定的電力供應，我們制定各種設備管理制度及大型檢修與技術改造工作計劃，以完善設備管理及保障機組的穩定運行，並採取專項檢查等措施，加強設備檢修，排除機組隱患，提升發電機組的可靠性水平，以應對夏季及冬季時段的用電高峰期的挑戰。

我們已根據電網相關技術要求，滿足電網系統調頻、調峰、調壓及功率預測等相關技術標準、運行要求，保證了我們電能質量的安全性、可靠性，同時也促使電網運行在經濟、穩定、可靠供電的體系中。

於報告期間，電力供應有關的相關法律法規包括電力安全生產監督管理辦法。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### *Customer Service*

We are pleased to communicate with our customers to understand their requirements and comments on our products. Our customer services team strives to provide customers with professional product consultation and after-sale services, with multiple communication channels available for customers to offer their comments. In case of any customer dissatisfaction with our products or services, we have set up measures to deal with their comments and timely conduct rectification in regard thereof, so as to gain customer satisfaction with our products.

We have developed principles of confidentiality in respect of the personal information of our customers to focus on the protection of their privacy. In no case will we disclose any customer's personal information to a third party without the customer's consent. All information will be protected in a physically safe method or by security settings in our computer system to avoid theft.

Such product safety policies and privacy policies were put in practice and covering the subsidiaries of the Group in Hong Kong and the PRC since January 2016 but no written policy was adopted as at the date of this report. Such practice is being reviewed from time to time by our management as and when necessary.

During the Reporting Period, the relevant laws and regulations in relation to data privacy in Hong Kong include the Personal Data (Privacy) Ordinance (Cap. 486).

During the Reporting Period, we have not detected any breach of the laws and regulations relating to the quality of our products and services.

### *客戶服務*

我們樂意跟客戶溝通，瞭解他們的需求及對產品的意見。我們的客戶服務團隊務求為客戶提供專業的產品諮詢及售後跟進服務。團隊已設立多種溝通渠道，供客戶提供意見。如客戶對產品或服務不滿意，我們已設立客戶意見處理辦法，為客戶及時地進行整改，以令客戶滿意我們的產品。

對於客戶的個人資料，我們已建立保密守則，重點保護客戶的私隱。我們不會在未經客戶同意的情況下向第三方披露客戶的個人資料。所有資料都會以安全的物理方法或電腦安全設置所保護，以免被他人盜用。

有關產品安全政策及私隱政策經已實行，並自二零一六月一月起擴展至本集團於香港及中國的附屬公司，惟於本報告日期並無採用任何書面政策。管理層會於必要時不時審閱有關政策實行。

於報告期間，香港資料私隱有關的相關法律法規包括第486章個人資料(私隱)條例。

本集團於報告期間內並無發現違反與產品及服務質量有關之法律及規例之個案。



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## 環境、社會及管治報告

### B7. Anti-corruption

#### *Anti-corruption and Bribery*

As a corporate citizen, the Group has not only established internal codes of conduct for its staff, but also developed various interior mechanisms, with the aim to enhance the awareness of preventing improper conduct. We also offer processing methods in that regard to secure the legality and compliance of our operations. Our internal codes of conduct mainly consist of "Commandment for Integrity Culture (誠信文化戒條)", "Code of Conduct of the Manager and Staff (經理及員工行為守則)" and "Security Management Standard (安全管理標準)", in which all our staff are required to abide by. We also insist on maintaining a high level of corporate governance. To secure high transparency, the terms of reference of the board committees have been uploaded to the Group's website for public information. Moreover, in order to actively prevent and combat corruption, we have established an anti-corruption team which holds anti-corruption meetings on a regular basis. Such anti-corruption policies were adopted when the Group commenced operation in Hong Kong and the PRC and will be reviewed when there is amendment to the relevant laws and regulations. We have also conducted a corruption risk assessment once a year and delivered the Group's anti-corruption policies and procedures through thematic training and the publication of press releases. We have made clear of the Group's serious stance on corrupt conducts, improved the staff's vigilance, alertness and processing capability towards such conducts and regulated individual behaviour.

During the Reporting Period, the relevant laws and regulations in relation to anti-corruption in Hong Kong include the Prevention of Bribery Ordinance (Cap. 201) and the relevant laws and regulations in relation to anti-corruption in the PRC include the Criminal Law of the People's Republic of China (中華人民共和國刑法).

During the Reporting Period, we have not detected any breach of the laws and regulations relating to anti-corruption.

### B7. 反貪污

#### *反貪污賄賂*

作為企業公民，我們在建立內部員工行為守則之外，還建立了不同的內部機制，旨在提高意識以防範不當行為，並提供相關的處理方法，保證運營合法合規。我們的內部行為守則主要有「誠信文化戒條」、「經理及員工行為準則」，以及「安全管理標準」，要求所有員工恪守合規原則。我們堅持維持高水準的企業管治，為了保證高透明度，董事會委員會的職權範圍信息已上載到本集團網站供公眾參閱。此外，為了積極預防與打擊腐敗行為，我們成立了反腐小組，並定期組織召開反腐倡廉會議。本集團於香港及中國開始營運時經已採納反貪污的有關政策，且倘出現相關法律法規的修訂時，本集團將對其進行檢討。我們亦會每年進行一次腐敗風險評估，加上專題培訓及發布通訊稿等傳達本集團反腐政策及程序，明確本集團針對舞弊行為的嚴肅立場，增強員工對舞弊的防範意識、警覺性和處理能力，並且規範員工個人行為。

於報告期間，香港反貪污有關的相關法律法規包括第201章防止賄賂條例，而中國反貪污有關的相關法律法規包括中華人民共和國刑法。

本集團於報告期間內並無發現任何違反貪污賄賂相關之法律及規例之個案。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### B8. Community Investment

#### *Engagement in Supporting Community*

Community development is closely related to our operations. We would never achieve sustainable development without our communities. Through recruiting local manpower and employee volunteer services, we have grown together with the communities where our power plants and offices locate. We cooperate with local governments to actively join in poverty alleviation through photovoltaic poverty alleviation. Our solar power plants are mainly located in relatively undeveloped areas in Northwestern China. By constructing solar power plants in such areas, local residents would be provided with clean electricity. We prefer to recruit local employees under the same requirements, thereby providing a large number of job opportunities for the local region. In addition, we encourage our staff to participate in philanthropy and volunteer activities to bring warmth to the disadvantaged groups in the society. Beyond that, we are also pleased to make donations to the communities and charitable institutions in need to provide assistance to people in need in the society.

Such community investment policies were put in practice and covering the subsidiaries of the Group in Hong Kong and the PRC since January 2016 but no written policy was adopted as at the date of this report. Such practice is being reviewed from time to time by our management as and when necessary.

### B8. 社區投資

#### 參與支援社區

社區的發展與我們的運營息息相關，我們無法離開社區而長遠發展。通過招募當地人力、員工志願服務，我們與電站和辦公室所在社區同走發展之路。我們與當地政府合作，積極參與光伏扶貧。我們的太陽能電站分布在中國西北部發展相對落後的地區，太陽能電站建設為當地民衆提供清潔電力。我們在同等條件下，優先聘用當地員工，為當地帶來大量的就業機會。另外，我們鼓勵員工參加公益志願活動，通過自己的行動為社會弱勢群體帶去溫暖和關愛。除此之外，我們樂於捐助有需要社群及慈善機構，幫助社會上有需要人士。

有關社區投資政策已經實行，並自二零一六月一日起擴展至本集團於香港及中國的附屬公司，惟於本報告日期並無採用任何書面政策。管理層會於必要時不時審閱有關政策實行。

# REPORT OF THE DIRECTORS

## 董事會報告書

The Directors are pleased in presenting their annual report and the audited financial statements for the year ended 31 December 2019.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding and the activities of its subsidiaries are set out in note 37 to the consolidated financial statements. Save as discussed in this report, there were no significant changes in the nature of the Group's principal activities during the year. Discussion and analysis as required by Schedule 5 to the Companies Ordinance (Cap. 622 of the laws of Hong Kong) are set out on pages 8 to 23 of this annual report. This discussion forms part of the report of the Directors.

### PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the Company are set out in the section headed "Risk Management" in the Corporate Governance Report.

### SUBSIDIARIES

Details of the Company's subsidiaries as at 31 December 2019 are set out in note 37 to the consolidated financial statements.

### RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on page 80 of this annual report. The Board does not recommend a final dividend for the year ended 31 December 2019.

### CLOSURE OF REGISTER OF MEMBERS FOR THE 2019 ANNUAL GENERAL MEETING

The annual general meeting of the Company ("AGM") is to be held on 29 May 2020. For the purpose of ascertaining Shareholders' entitlement to attend and vote at the AGM, the details of the closure of register of member of the Company and the latest time to lodge transfer documents with the Company's share registrar is set forth as follows:

Book close dates for the 2019 AGM (both days inclusive)	Tuesday, 26 May 2020 to Friday, 29 May 2020
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Latest time to lodge transfer documents with the Company's share registrar	Monday, 25 May 2020, 4:00 p.m.
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Name and address of the Company's share registrar	Union Registrars Limited Suites 3301-4, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong
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董事欣然提呈截至二零一九年十二月三十一日止年度的年報及經審核財務報表。

### 主要業務及業務回顧

本公司的主要業務為投資控股，其附屬公司的業務詳情載於綜合財務報表附註37。除本報告所討論者外，本年度內，本集團主要業務的性質並無重大變動。香港法例第622章《公司條例》附表5規定之討論及分析載於本年報第8至23頁。此討論構成董事會報告書之一部分。

### 主要風險及不確定因素

本公司面臨的主要風險及不確定因素載於企業管治報告「風險管理」一節。

### 附屬公司

有關本公司附屬公司於二零一九年十二月三十一日的詳情，載於綜合財務報表附註37。

### 業績及股息

本集團截至二零一九年十二月三十一日止年度之業績載於本年報第80頁綜合損益及其他全面收益表內。董事會並不建議就截至二零一九年十二月三十一日止年度派發末期股息。

### 就二零一九年股東週年大會暫停辦理股份過戶登記

本公司股東週年大會（「股東週年大會」）將於二零二零年五月二十九日舉行。為確定股東符合資格出席股東週年大會並於會上投票，本公司暫停辦理股份過戶登記手續及將股份過戶文件送達本公司股份過戶登記處的最後時間詳情載列如下：

就二零一九年股東週年大會暫停辦理股份過戶登記日期（包括首尾兩日）	二零二零年五月二十六日（星期二）至二零二零年五月二十九日（星期五）
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將過戶文件交回本公司股份過戶登記處的最後時間	二零二零年五月二十五日（星期一）下午四時正
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本公司股份過戶登記處的名稱及地址	聯合證券登記有限公司 香港北角 英皇道338號 華懋交易廣場2期 33樓3301-4室
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# REPORT OF THE DIRECTORS

## 董事會報告書

### SEGMENT INFORMATION

Details of segment reporting are set out in note 5 to the consolidated financial statements.

### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2019, the aggregate amount of revenue attributed to the Group's largest and the five largest customers were approximately 60.0% and 92.4% (2018: 59.8% and 91.1%) of the total value of the Group's revenue, respectively. The Group's purchases from the largest and the five largest suppliers accounted for approximately 32.9% and 80.4% (2018: 44.4% and 78.1%) of the total value of the Group's purchases, respectively.

For the year ended 31 December 2019, none of the Directors, their close associates or any Shareholder (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) had any interest in the major customers or suppliers of the Group.

### CONNECTED TRANSACTIONS

The related party transactions set out in note 36 to the consolidated financial statements fall under the definition of continuing connected transactions in Chapter 14A of the Listing Rules and are fully exempted from annual review, independent Shareholders' approval and all disclosure requirements under Chapter 14A of the Listing Rules.

### RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group and the Company are set out in note 36 to the consolidated financial statements.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 13 to the consolidated financial statements.

### SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 28 to the consolidated financial statements.

### TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their shareholding in the Company.

### RESERVES

Movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 82 of this annual report.

### 分部資料

分部呈報之詳情載於綜合財務報表附註5。

### 主要客戶及供應商

於截至二零一九年十二月三十一日止年度，本集團最大及五大客戶應佔的收益合計佔本集團總收益分別為約60.0%及92.4%(二零一八年：59.8%及91.1%)。本集團最大及五大供應商的採購額佔本集團總採購額分別為約32.9%及80.4%(二零一八年：44.4%及78.1%)。

截至二零一九年十二月三十一日止年度，董事、彼等之緊密聯繫人士或任何股東(據董事所深知擁有本公司已發行股本逾5%者)概無於本集團主要客戶或供應商中擁有任何權益。

### 關連交易

綜合財務報表附註36所載之關連人士交易構成根據上市規則第14A章所定義之持續關連交易，並可全面獲豁免遵守上市規則第14A章之年度審閱、獨立股東批准及所有披露規定。

### 關連人士交易

本集團的關連人士交易詳情載於綜合財務報表附註36。

### 物業、廠房及設備

本集團年內物業、廠房及設備的變動詳情載於綜合財務報表附註13。

### 股本

本公司年內股本的變動詳情載於綜合財務報表附註28。

### 稅務寬免

本公司並不知悉本公司股東可因於本公司之持股而享有任何稅務寬免。

### 儲備

本集團年內的儲備變動詳情載於本年報第82頁之綜合權益變動表內。

# REPORT OF THE DIRECTORS

## 董事會報告書

### DISTRIBUTABLE RESERVES

As at 31 December 2019, the Company's reserves, calculated in accordance with the provisions of the Cayman Islands' legislation, amounted to approximately RMB488,491,000 (2018: RMB421,158,000).

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Shares during the year ended 31 December 2019.

### FINANCIAL SUMMARY

A summary of the results of the Group for the past five financial years is set out on page 164 of this annual report. This summary does not form part of the consolidated financial statements in this annual report.

### DIRECTORS AND DIRECTORS' SERVICE CONTRACT

In accordance with the articles of association of the Company, one-third of the Directors are subject to retirement at each annual general meeting by rotation or, if their number is not three or a multiple of three, then the nearest to but not less than one-third shall retire from the office and be eligible for re-election at the forthcoming annual general meeting of the Company.

Each of the executive Directors has entered into a service agreement with the Company for three years. The two non-executive Directors have signed an appointment letter with the Company for two years and 2.5 years, respectively. Each of the independent non-executive Directors has signed an appointment letter with the Company for two years. All the Directors and the Company are required to give three months' notice in writing to the other party for termination of the service agreement/appointment letter. All the Directors are appointed for a specific term and subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company.

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

During the year ended 31 December 2019, Mr. Liu Yuanguan and Mr. Gao Jianjun, both being the executive Directors, entered into supplemental agreements and renewed service agreements to their respective service agreements to waive their remuneration from 1 January 2019 to 28 January 2022.

### 可供分派儲備

於二零一九年十二月三十一日，本公司的儲備（按照開曼群島法例條文計算）約為人民幣488,491,000元（二零一八年：人民幣421,158,000元）。

### 購買、出售或贖回上市證券

本公司及其任何附屬公司於截至二零一九年十二月三十一日止年度並無購買、贖回或出售任何股份。

### 財務摘要

本集團在過去五個財政年度的業績概要載於本年報第164頁。本摘要並不構成本年報綜合財務報表的一部分。

### 董事及董事的服務合約

根據本公司之公司章程，三分之一董事須於每屆股東週年大會上輪值退任，或倘人數並非三或三之倍數，則為最接近但不低於三分之一的董事將於本公司應屆股東週年大會上輪席退任及符合資格膺選連任。

各執行董事已與本公司訂立服務協議，為期三年。兩名非執行董事已與本公司簽訂委任函，分別為期兩年及兩年半。各獨立非執行董事已與本公司簽訂委任函，為期兩年。全體董事及本公司須向另一方發出三個月之書面通知後方能終止服務協議／委任函。全體董事均有指定任期，並須按照本公司之公司章程於本公司股東週年大會上輪席退任及膺選連任。

擬於應屆股東週年大會上膺選連任的董事概無與本公司訂立本公司不可於一年內免付賠償（法定賠償除外）而終止的服務合約。

截至二零一九年十二月三十一日止年度，劉元管先生及高建軍先生均為執行董事，就彼等各自之服務協議訂立補充協議及重續服務協議，以放棄收取彼等自二零一九年一月一日起至二零二二年一月二十八日之薪酬。

# REPORT OF THE DIRECTORS

## 董事會報告書

### CONFIRMATION OF INDEPENDENCE

The Company has received written annual confirmations of independence from each of Mr. Xia Zuoquan, Dr. Tyen Kan Hee, Anthony and Mr. Guo Xuewen pursuant to the Listing Rules. The Company considers all the independent non-executive Directors to be independent pursuant to Rule 3.13 of the Listing Rules for the year ended 31 December 2019.

### DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Please refer to pages 24 to 28 of this annual report for the list of Directors during the financial year ended 31 December 2019 and as at the date of this report.

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in note 36 to the consolidated financial statements, no Director or an entity connected with a Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, or any of its subsidiaries was a party subsisting during or at the end of the year ended 31 December 2019.

### COMPETING INTEREST

For the year ended 31 December 2019, the Directors were not aware of any business or interest of the Directors, the controlling Shareholders and their respective close associates (as defined under the Listing Rules) that competes or may compete with the business of the Group and any other conflict of interest, which any such person has or may have with the Group.

### CONTRACT OF SIGNIFICANCE

There was no contract of significance between the Company or any of its subsidiaries, and a controlling Shareholder or any of its subsidiaries as at 31 December 2019.

There was no contract of significance between the Company or any of its subsidiaries on one hand, and a Director or an entity connected with a Director on the other hand, and there was no contract of significance in which a Director is or was materially interested directly or indirectly, as at 31 December 2019.

### 獨立性的確認

本公司已接獲夏佐全先生、田耕熹博士及郭學文先生各自根據上市規則發出的獨立性年度確認書。本公司認為，於截至二零一九年十二月三十一日止年度，全體獨立非執行董事均為上市規則第3.13條項下之獨立人士。

### 董事及高級管理層的履歷

截至二零一九年十二月三十一日止財政年度內以及於本報告日期的董事名單請參閱本年報第24頁至第28頁。

### 董事於交易、安排或合約的權益

除綜合財務報表附註36所披露者外，概無董事或與董事有關連之實體直接或間接於截至二零一九年十二月三十一日止年度內存續或於年結日本公司或其任何附屬公司為訂約方並且對本集團業務屬重大的任何交易、安排或合約中擁有重大權益。

### 競爭權益

截至二零一九年十二月三十一日止年度，董事並不知悉董事、控股股東及彼等各自的緊密聯繫人士（定義見上市規則）的任何業務或權益與本集團的業務競爭或可能構成競爭，亦無知悉任何該等人士與本集團具有或可能具有任何其他利益衝突。

### 重大合約

於二零一九年十二月三十一日，本公司或其任何附屬公司與控股股東或其任何附屬公司並無訂立任何重大合約。

於二零一九年十二月三十一日，本公司或其任何附屬公司，以及董事或與董事有關連之實體並無訂立任何重大合約，亦無董事直接或間接於任何重大合約中擁有重大權益。



# REPORT OF THE DIRECTORS

## 董事會報告書

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 31 December 2019, the interests and short positions in the ordinary Shares, underlying Shares or debentures of the Company or shares, underlying shares or debentures of any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) of the Directors and chief executive of the Company that: (a) was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which the Directors are taken or deemed to have under such provisions of the SFO); (b) were in the register required to be kept pursuant to section 352 of the SFO; and (c) were notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules are set out as follows:

董事及主要行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉

於二零一九年十二月三十一日，董事及本公司主要行政人員於普通股股份、相關股份或債券或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份或債券中擁有：(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所(包括根據證券及期貨條例有關條文董事擁有或被視為擁有之權益及淡倉)；(b)記錄於根據證券及期貨條例第352條須存置之登記冊；及(c)根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所的權益及淡倉載列如下：

#### Interests and short positions in the Shares, underlying Shares and debentures of the Company

於本公司股份、相關股份及債券之權益及淡倉

Name of Director 董事姓名	Capacity and nature of interest 身份及權益性質	Number of shares 股份數目 (Note 1) (附註1)	Percentage of the Company's issued share capital 佔本公司已發行股本的百分比
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Mr. Dang Yanbao (Note 2)  
黨彥寶先生(附註2)

Interest of controlled corporation  
於受控制法團的權益

456,150,000 (L)

68.71%

Notes:

附註：

- The letter "L" denotes a long position in the interest in the share capital of the Company.
- Mr. Dang Yanbao, the Chairman and an executive Director of the Company, is the sole shareholder and a director of Fung Teng Enterprises Limited ("Fung Teng"), a company incorporated in the British Virgin Islands with limited liability and an investment holding company and is therefore deemed to be interested in 456,150,000 Shares held by Fung Teng under the SFO.

- 「L」指本公司股本中的權益之好倉。
- 本公司主席及執行董事黨彥寶先生為峰騰企業有限公司(「峰騰」，一間於英屬處女群島註冊成立之公司及一間投資控股公司)之唯一股東及董事，故根據證券及期貨條例被視為於峰騰持有的456,150,000股股份中擁有權益。

# REPORT OF THE DIRECTORS

## 董事會報告書

### Interests and short positions in the Shares, underlying Shares and debentures of the associated corporations of the Company

於本公司相聯法團的股份、相關股份及債券的權益及淡倉

Name of Director 董事姓名	Name of associated corporation 相聯法團名稱	Capacity and nature of interest 身份及權益性質	Number of shares 股份數目	Percentage of the associated corporation's issued share capital 佔相聯法團已發行股本的百分比
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Mr. Dang Yanbao (Note 1) 黨彥寶先生(附註1)	Fung Teng 峰騰	Beneficial owner 實益擁有人	1	100%
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Note:

附註：

- As at 31 December 2019, Mr. Dang Yanbao is the sole shareholder and a director of Fung Teng, which is the holding company of the Company. As such, Mr. Dang Yanbao is interested in the shares of Fung Teng by virtue of the SFO.

- 於二零一九年十二月三十一日，黨彥寶先生為峰騰唯一股東及董事。因此，根據證券及期貨條例，黨彥寶先生於峰騰之股份中擁有權益。

Save as disclosed above, as at 31 December 2019, none of the Directors or the chief executive of the Company had any interest or short position in the Shares, underlying Shares or debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which the Directors are taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept pursuant to section 352 of the SFO; or (c) were notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露外，於二零一九年十二月三十一日，概無董事或本公司主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債券中擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所(包括根據證券及期貨條例有關條文董事擁有或被視為擁有之權益及淡倉)，或(b)記錄於根據證券及期貨條例第352條須存置之登記冊；或(c)根據標準守則須知會本公司及聯交所的任何權益或淡倉。

# REPORT OF THE DIRECTORS

## 董事會報告書

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2019, so far as is known to the Directors and chief executive of the Company, the persons/companies, other than a Director or chief executive of the Company, who had interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO are set out as follows:

#### Interests in the Shares and underlying Shares

### 主要股東於本公司股份及相關股份的權益及淡倉

於二零一九年十二月三十一日，就董事及本公司主要行政人員所知悉，於本公司股份及相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部的條文向本公司及聯交所披露之權益或淡倉；或記錄於根據證券及期貨條例第336條須存置之登記冊之權益或淡倉的人士／公司（除董事或本公司主要行政人員以外）載列如下：

#### 於股份及相關股份之權益

Name of Shareholder 股東名稱	Capacity and nature of interest 身份及權益性質	Number of shares 股份數目 (Note 1) (附註1)	Percentage of the Company's issued share capital 佔本公司已發行股本的百分比
Fung Teng (Note 2) 峰騰(附註2)	Beneficial owner 實益擁有人	456,150,000 (L)	68.71%

Notes:

- The letter "L" denotes a long position in the interest in the share capital of the Company.
- Fung Teng, a company incorporated in the British Virgin Islands with limited liability, is an investment holding company with the entire issued share capital held by Mr. Dang Yanbao, the Chairman and an executive Director, as at 31 December 2019.

附註：

- 「L」指本公司股本中的權益之好倉。
- 峰騰為於英屬處女群島註冊成立的有限公司，並為投資控股公司，於二零一九年十二月三十一日，其全部已發行股本由本公司主席及執行董事黨彥寶先生持有。

Save as disclosed above, so far as is known to the Directors and chief executive of the Company, as at 31 December 2019, no other person/company, other than a Director or chief executive of the Company, who had interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO.

除上文所披露者外，就董事及本公司主要行政人員所知悉，於二零一九年十二月三十一日，概無任何其他人士／公司（除董事或本公司主要行政人員以外）於本公司股份及相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部的條文向本公司披露之權益或淡倉；或記錄於根據證券及期貨條例第336條須存置之登記冊之權益或淡倉。



# REPORT OF THE DIRECTORS

## 董事會報告書

### SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme pursuant to a written resolution of the Company passed on 21 June 2012 for the primary purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations, will expire on 21 June 2022. The Share Option Scheme was adjusted on 27 July 2015.

Under the Share Option Scheme, the Board may grant options to any of the following participants:

- (a) any Director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company ("Affiliate"); or
- (b) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any Director, employee, consultant, professional, customer, supplier, sales representative, partner or adviser of or contractor to the Group or an Affiliate; or
- (c) a company beneficially owned by any Director, employee, consultant, professional, customer, supplier, sales representative, partner, adviser of or contractor to the Group or an Affiliate.

The total number of Shares which may be issued upon exercise of all options that may be granted under the Share Option Scheme is not permitted to exceed 48,000,000 Shares, being 7.23% of the Shares in issue as at the date of this report.

The total number of Shares issued and to be issued upon exercise of the options granted and that may be granted to any participant in any 12-month period must not exceed 1% of the Shares in issue, without prior approval from the Shareholders.

Any grant of options to a substantial Shareholder or an independent non-executive Director or their respective associates in any 12-month period in excess of 0.1% of the Shares in issue or with a value in excess of HK\$5,000,000 must be approved in advance by the Shareholders.

Any offer made to a participant for an option must be taken up within five business days from the date of offer, upon payment of HK\$1 (or such other nominal sum as the Board may determine). Options may be exercised at any time during a period as the Board may determine, which shall not be more than ten years from the date of grant of the options.

### 購股權計劃

本公司根據於二零一二年六月二十一日通過之書面決議案採納購股權計劃，主要旨在對為本集團的經營成就作出貢獻的合資格參與者提供鼓勵和獎賞，購股權計劃將於二零二二年六月二十一日屆滿。購股權計劃已於二零一五年七月二十七日進行了調整。

根據購股權計劃，董事會可向以下任何參與者授出購股權：

- (a) 本集團或本集團於其中擁有權益之公司或該公司之附屬公司（「**聯屬公司**」）之任何董事、僱員、諮詢顧問、專業人士、客戶、供應商、代理、夥伴或顧問或承辦商；或
- (b) 任何信託或任何酌情信託之受託人，受益人或酌情受益人包括本集團或聯屬公司之任何董事、僱員、諮詢顧問、專業人士、客戶、供應商、銷售代表、夥伴或顧問或承辦商；或
- (c) 任何本集團或聯屬公司之董事、僱員、諮詢顧問、專業人士、客戶、供應商、銷售代表、夥伴、顧問或承辦商實益擁有的公司。

因行使根據購股權計劃所可能授出之全部購股權可發行之股份總數不可超過48,000,000股股份，即本報告日期已發行股份之7.23%。

未經股東事先批准，於任何十二個月期間已經或可能向任何參與者授出之購股權涉及之已發行及將予發行之股份數目之總數不得超過已發行股份之1%。

倘向主要股東或獨立非執行董事或彼等各自之聯繫人士於任何十二個月期間授出超過已發行股份之0.1%或價值超過5,000,000港元之購股權必須事先獲得股東批准。

任何向參與者提出要約之購股權必須於要約日期起計之五個營業日內接納，並支付1港元或董事會決定之其他名義款額。購股權可於董事會決定之期間任何時間行使，但不可超過購股權授出日期起計十年。

# REPORT OF THE DIRECTORS

## 董事會報告書

The exercise price for any Share under the Share Option Scheme is determined by the Board, and will not be less than the highest of (i) the closing price of a Share on the date of grant; (ii) the average closing price of a Share for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

No share option has been granted since the Share Option Scheme was adopted. As at 31 December 2019 and 2018, there were no outstanding share options issued under the Share Option Scheme.

### EQUITY-LINKED AGREEMENT

Save as disclosed in the section headed "Share Option Scheme", no equity-linked agreement was entered into during the year or subsisted at the end of the year ended 31 December 2019.

### CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by the Company are set out in the Corporate Governance Report section set out on pages 29 to 47 of this annual report.

### PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the latest practicable date prior to the issue of this report, there is sufficient public float of 25% of the Company's issued shares as required under the Listing Rules.

### PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's articles of association and the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to its existing Shareholders.

### MANAGEMENT CONTRACTS

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

### DONATIONS

During the year, the Group made charitable and other donations amounting to approximately RMB17,600.

### PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of all the existing Directors is currently in force and was in force throughout the year ended 31 December 2019.

根據購股權計劃之股份的行使價由董事會釐定，且將不少於(i)股份於授出日期之收市價，(ii)股份於緊接授出日期前五個營業日之平均收市價；及(iii)股份面值三者中之較高者。

自購股權計劃獲採納以來，並無授出任何購股權。於二零一九年及二零一八年十二月三十一日，購股權計劃項下概無已發行但尚未行使之購股權。

### 股票掛鈎協議

除「購股權計劃」一節所披露者外，於本年度並無訂立、於截至二零一九年十二月三十一日止年度末亦無仍存續之股票掛鈎協議。

### 企業管治

有關本公司採納的主要企業管治常規，載於本年報第29頁至第47頁之企業管治報告一節。

### 足夠公眾流通股

根據本公司從公開獲取的資料及據董事所知，截至刊發本報告日期前的最後可行日期，本公司已根據上市規則之要求維持本公司已發行股份25%的足夠公眾流通股。

### 優先購買權

本公司的公司章程及開曼群島法例並無載有優先購買權的條文，規定本公司須按比例向現有股東提呈發售新股份。

### 管理合約

除與董事訂立的服務合約外，本公司於年內並無與任何個別人士、公司或法人團體訂立任何合約以管理或管轄本公司任何業務的整體部分或任何重要部分。

### 捐款

年內，本集團作出的慈善及其他捐款金額約人民幣17,600元。

### 獲准許的彌償條文

為全體現任董事利益的獲准許的彌償條文(定義見香港《公司條例》第469條)現正生效且於截至二零一九年十二月三十一日止年度內一直生效。

# REPORT OF THE DIRECTORS

## 董事會報告書

### ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long term sustainability of the environment and communities in which it operates. As a responsible corporation, to the best knowledge of the Directors, the Group has complied with all relevant laws and regulations regarding environmental protection and that have a significant impact on the Company during the year ended 31 December 2019. The discussion set out in the Environmental, Social and Governance Report forms part of the report of the Directors.

### COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with the applicable rules and regulations. To the best knowledge of the Directors, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group during the year ended 31 December 2019.

### RELATIONSHIP WITH SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands the success of the Group's business depends on the support from its key stakeholders, including employees, customers, suppliers, banks, regulators and Shareholders. The Group will continue to ensure effective communication and maintain good relationships with each of its key stakeholders.

### EVENTS AFTER THE YEAR ENDED 31 DECEMBER 2019

As at the date of this report, save as disclosed, the Group has no material events after the year ended 31 December 2019.

### AUDITOR

The consolidated financial statements have been audited by Deloitte Touche Tohmatsu who shall retire at the forthcoming annual general meeting of the Company. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board  
**China Baofeng (International) Limited**

**Dang Yanbao**  
Chairman

Hong Kong, 27 March 2020

### 環境政策及表現

本集團致力於環境和其營運所在的社區內實現長遠可持續發展。作為負責任的企業，據董事所深知，本集團於截至二零一九年十二月三十一日止年度內一直遵守所有與環保有關及對本公司有重大影響的相關法例及規例。環境、社會及管治報告所載討論構成董事會報告的一部分。

### 遵守相關法例及規例

本集團深知遵守監管規定的重要性以及違反適用規則及規例的風險。據董事所深知，於截至二零一九年十二月三十一日止年度內，本集團在各重大方面一直遵守對本集團業務和營運有重大影響的相關法例及規例。

### 與供應商、客戶和其他持份者的關係

本集團明白本集團業務的成功有賴其主要持份者，包括僱員、客戶、供應商、銀行、監管機構和股東的支持。本集團將繼續確保與各主要持份者維持有效溝通和保持良好關係。

### 於截至二零一九年十二月三十一日止年度的期後事項

於本報告日期，除披露者外，本集團於截至二零一九年十二月三十一日止年度後並無任何重大事項。

### 核數師

綜合財務報表已由德勤•關黃陳方會計師行審核，其將於本公司應屆股東週年大會上退任。本公司將於應屆股東週年大會上提呈決議案，以續聘德勤•關黃陳方會計師行為本公司核數師。

代表董事會  
**中國寶豐(國際)有限公司**

**黨彥寶**  
主席

香港，二零二零年三月二十七日



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

# Deloitte.

# 德勤

TO THE SHAREHOLDERS OF  
CHINA BAOFENG (INTERNATIONAL) LIMITED  
(Incorporated in the Cayman Islands with limited liability)

致中國寶豐(國際)有限公司股東  
(於開曼群島註冊成立的有限公司)

### OPINION

We have audited the consolidated financial statements of China Baofeng (International) Limited (the “**Company**”) and its subsidiaries (collectively referred to as “**the Group**”) set out on pages 80 to 163, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, 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.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) 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 opinion.

### KEY AUDIT MATTERS

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

### 意見

本行已審計列載於第80頁至第163頁的中國寶豐(國際)有限公司(「**貴公司**」)及其附屬公司(以下統稱「**貴集團**」)的綜合財務報表，包括於二零一九年十二月三十一日的綜合財務狀況表，及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表、綜合現金流量表及綜合財務報表附註，包括主要會計政策概述。

我們認為，綜合財務報表已根據香港會計師公會(「**香港會計師公會**」)頒佈的香港財務報告準則(「**香港財務報告準則**」)真實而公平地反映 貴集團於二零一九年十二月三十一日的綜合財務狀況，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。

### 意見基準

我們已根據香港會計師公會頒佈的香港審計準則(「**香港審計準則**」)進行審計。我們於該等準則下的責任乃於我們的報告中核數師對審計綜合財務報表的責任一節進一步闡述。根據香港會計師公會頒佈的《職業會計師道德守則》(「**守則**」)，我們乃 貴集團的獨立方，我們已根據守則履行我方的其他道德責任。我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

### 關鍵審計事項

關鍵審計事項指根據我們的專業判斷對我們審計當期綜合財務報表有重大影響的事項。該等事項乃於我們審計綜合財務報表情況下及於我們形成有關意見時作整體處理，我們不對該等事項作出單獨意見。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項(續)

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理該關鍵審計事項
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#### Revenue recognition on tariff adjustment for photovoltaic power generation

#### 光伏發電電價調整的收益確認

We identified the revenue recognition on tariff adjustment for photovoltaic power generation as a key audit matter due to the critical management judgement involved in determining whether the Group's operating solar power plant has qualified for, and has met all the requirements and conditions as required for the registration in the Renewable Energy Tariff Subsidy Catalogue (可再生能源電價附加資金補助目錄) (the "Catalogue"). The Catalogue was replaced by a list of solar power plants that are eligible for the tariff adjustment subsidy (the "Renewable Energy Power List") in January 2020, which will be announced by the state grid company on a yearly and project-by-project basis upon approval by the relevant PRC authorities. Please refer to note 4 for details.

我們認定光伏發電電價調整的收益確認為關鍵審計事項，因為釐定 貴集團營運中的太陽能發電廠是否已經符合及滿足可再生能源電價附加資金補助目錄(「目錄」)的全部登記要求及條件涉及重大管理層判斷。於二零二零年一月，目錄由合資格申請電價調整補貼的太陽能發電廠清單(「可再生能源發電項目清單」)所取代，且於取得中國相關機關的批准後，其將由國家電網公司根據按年項目基準公佈。詳情請參閱附註4。

The accounting policies in relation to revenue recognition on tariff adjustment is set out in note 3 to the consolidated financial statements.

有關電價調整收益確認的會計政策載於綜合財務報表附註3。

Revenue from tariff adjustment for photovoltaic power generation of RMB386,688,000 from the state grid company in the PRC is recognised for the year ended 31 December 2019 in which the operating solar power plant is still pending registration in the Renewable Energy Project List. Based on the management assessment as set out in note 4 to the consolidated financial statements, the Group's operating solar power plant has qualified for registration in the Renewable Energy Project List, and has met, all the relevant requirements and conditions for the registration in the Renewable Energy Project List.

於截至二零一九年十二月三十一日止年度確認中國國家電網公司光伏發電電價調整收益人民幣386,688,000元，其中 貴集團營運中的太陽能發電廠仍有待於可再生能源發電項目清單登記。根據綜合財務報表附註4所載的管理層估計， 貴集團營運中的太陽能發電廠已符合資格於可再生能源發電項目清單登記，並已滿足於可再生能源發電項目清單登記的所有有關要求及條件。

Our procedures in relation to the Group's revenue recognition on tariff adjustment for photovoltaic power generation included:

關於 貴集團對於光伏發電電價調整的收益確認，我們的程序包括：

- Obtaining an understanding of the policies and regulations set by the PRC government authorities on tariff adjustment for photovoltaic power generation;  
瞭解中國政府當局對光伏發電電價調整制定的政策法規；
- Obtaining legal opinion from the Group's PRC legal advisor in relation to the assessment that the Group's operating solar power plant currently in operation has met all the relevant requirements and conditions for the registration in the Renewable Energy Project List and the entitlement of the tariff adjustment when the electricity was delivered on grid;  
獲取 貴集團中國法律顧問就 貴集團現時營運中的太陽能發電廠向電網輸送電力是否符合於可再生能源發電項目清單登記的所有有關要求及條件以及享受電價調整資金補助的評估之法律意見；
- Evaluating the competence, capabilities and objectivity of the PRC legal advisor; and  
評估中國法律顧問之資格、能力及客觀性；及
- Discussing with management and the Group's PRC legal advisor to assess if there are any factors and changes in the government policies which would affect the registration in the Renewable Energy Project List by the Group.  
與管理層及 貴集團中國法律顧問討論，以評估是否存在任何政府政策因素及變化而可能影響 貴集團於可再生能源發電項目清單登記。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項(續)

#### Key audit matter 關鍵審計事項

#### How our audit addressed the key audit matter 我們的審計如何處理該關鍵審計事項

#### *Impairment assessment of trade receivables*

#### 貿易應收款項的減值評估

We identified impairment assessment of trade receivables as a key audit matter due to the involvement of subjective judgement and management estimates in evaluating the expected credit losses ("ECL") of the Group's trade receivables at the end of the reporting period.

我們認定貿易應收款項的減值評估為關鍵審計事項，因為於報告期末評估 貴集團貿易應收款項的預期信貸虧損（「預期信貸虧損」）時涉及主觀判斷及管理層估計。

As at 31 December 2019, the Group's net trade receivables amounting to RMB118,745,000 and out of these trade receivables, RMB17,094,000 were past due.

於二零一九年十二月三十一日，貴集團的貿易應收款項淨值達人民幣118,745,000元，而該等貿易應收款項中人民幣17,094,000元已逾期。

As disclosed in note 4 to the consolidated financial statements, the management of the Group calculates the amount of lifetime ECL of trade receivables (including non-credit impaired and credit impaired) by considering the debtors' historical default rates and forward-looking information that is reasonable, supportable and available without undue costs or effort. The loss allowance amount of the trade receivables is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

誠如綜合財務報表附註4所披露，貴集團管理層經計及債務人過往違約率及合理且有理據可支持及毋須不必要成本及努力即可獲取的前瞻性資料而計算貿易應收款項（包括非信貸減值及信貸減值）的逾期信貸虧損金額。貿易應收款項虧損準備金額乃按照資產賬面值與估計未來現金流量現值之間的差額計量。

As disclosed in note 30 to the consolidated financial statements, the Group's lifetime ECL provision on trade receivables as at 31 December 2019 amounted to RMB741,000.

誠如綜合財務報表附註30所披露，於二零一九年十二月三十一日，貴集團貿易應收款項的全期預期信貸虧損撥備為人民幣741,000元。

Our procedures in relation to impairment assessment of trade receivables included:

關於貿易應收款項的減值評估，我們程序包括：

- Understanding key controls on how the management estimates the loss allowance for trade receivables;  
瞭解管理層估計貿易應收款項虧損準備的主要控制；
- Challenging management's basis and judgement in determining credit loss allowance on trade receivables as at 31 December 2019, including their identification of credit impaired trade receivables, and the basis of estimated loss rates applied in individual debtor (with reference to historical default rates and forward-looking information); and  
質疑管理層釐定於二零一九年十二月三十一日貿易應收款項信貸虧損準備之基準及判斷，包括辨別信貸減值貿易應收款項及就個別債務人應用的估計虧損率（經參考過往違約率及前瞻性資料）；及
- Evaluating the disclosures regarding the impairment assessment of trade receivables in note 30 to the consolidated financial statements.  
評估綜合財務報表附註30內就貿易應收款項減值評估有關的披露。



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

### RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE 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 are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### 其他資料

貴公司董事對其他資料承擔責任。其他資料包括年報所載資料，惟並無載錄綜合財務報表及我們的相關核數師報告。

我們對綜合財務報表的意見不包括其他資料，且我們不對其相關結論作出任何形式的保證。

就我們對綜合財務報表的審計而言，我們的責任是閱讀其他資料，並以此考慮其他資料是否與綜合財務報表或我們於審計所知存在重大不符，或以其他方式存在重大錯誤陳述。倘若基於我們的所作工作我們得出結論，某其他資料存在重大錯誤陳述，我們必須報告該事實。我們並無此方面相關報告。

### 董事及治理層對綜合財務報表的責任

貴公司董事負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定編製並真實而公平地呈報綜合財務報表，而就董事釐定為必須的有關內部監控而言，旨在使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述。

於編製綜合財務報表時，董事負責評估 貴集團持續經營的能力、披露（倘適用）有關持續經營的事項，以及採用持續經營基準進行會計計算，除非董事有意清盤 貴集團或停止經營或現實中並無其他選擇惟有如此。

治理層負責監督 貴集團的財務報告程序。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### 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 solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, we exercise professional judgment and maintain professional skepticism 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.

### 核數師對審計綜合財務報表的責任

我們的目的是對綜合財務報表整體上是否不存在重大錯誤陳述(不論是否因欺詐或錯誤導致)獲得合理保證,並出具載錄我們意見的核數師報告。我們僅根據我們協定的委聘條款向閣下(作為整體)報告,除此之外別無其他目的。我們不會就本報告的內容對任何其他人士承擔任何責任或接受任何義務。合理保證乃高層次保證,但並不保證根據香港審計準則進行的審計總能識別重大錯誤陳述(當存在時)。錯誤陳述可能由於欺詐或錯誤而產生,倘能合理預期單獨或合共影響用戶依據該等綜合財務報表作出經濟決策則視為重大。

作為根據香港審計準則進行審計的一部分,我們在整個審計過程中行使專業判斷並保持專業質疑態度。我們亦:

- 識別及評估綜合財務報表是否因欺詐或錯誤存在重大錯誤陳述的風險,設計及履行應對有關風險的審計程序並取得足以及適合提供我們意見基準的審計證據。無法識別欺詐所導致重大錯誤陳述的風險高於錯誤所導致者,因為欺詐可能涉及串謀、偽證、故意遺漏、錯誤聲明或不受內部控制管束。
- 理解有關審計的內部控制以設計相關情況下的適當審計程序,惟並不用於對貴集團內部控制的有效性表述意見的目的。
- 評估所用會計政策的適當性及董事作出的會計估計及相關披露的合理性。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### 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.

We communicate with those charged with governance 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 those charged with governance 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.

### 核數師對審計綜合財務報表的責任(續)

- 基於獲得的審計證據，對董事按持續基準使用會計方法的合適性以及是否存在可能令貴集團持續經營能力造成重大疑問的事件或條件相關的重大不確定性作出結論。倘若我們認為存在重大不確定性，我們必須在我們的核數師報告中提請注意綜合財務報表中的相關披露，或倘相關披露不充分，則修改我們的意見。我們的結論乃基於我們的核數師報告迄今所獲得的審計證據。然而，未來事件或條件可能導致貴集團終止持續經營。
- 評估綜合財務報表的整體表述、結構及內容，包括披露以及綜合財務報表是否按公平呈述的方式呈述相關交易及事件。
- 獲得有關貴集團旗下實體或業務活動的財務資料的充足且適當的審計證據以對綜合財務報表表述意見。我們負責指導、監督及進行集團審計。我們僅對我們的審計意見負責。

我們與治理層進行溝通，涉及(其中包括)審計的計劃範圍及時間及重大審計發現，包括我們在審計過程中識別的內部控制方面的任何重大不足。

我們亦向治理層提供一份聲明，聲明我們已遵守有關獨立性的相關道德標準，並與其溝通可能被合理認為與我們獨立性有關的所有關係及其他事項，以及在適當情況下的相關保護措施。



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

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

From the matters communicated with those charged with governance, 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 the independent auditor's report is Tsang Chi Wai.

### 核數師對審計綜合財務報表的責任(續)

從與治理層溝通的事項中，我們確定對審計當期綜合財務報表有重大影響的事項，以及因此成為關鍵審計事項。除非法律法規禁止披露該等事項，或在極少情況下我們確定有關事項不應在我們的報告中述及（因為可合理預期這樣做將導致有關陳述影響公眾利益），否則我們會在我們的核數師報告中說明該等事項。

出具獨立核數師報告的審計負責合夥人為曾志偉。

**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong

27 March 2020

**德勤•關黃陳方會計師行**  
執業會計師  
香港

二零二零年三月二十七日

# 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 2019  
截至二零一九年十二月三十一日止年度

		NOTES 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Revenue	收益	5	885,407	918,514
Cost of sales	銷售成本		(409,052)	(397,865)
Gross profit	毛利		476,355	520,649
Other income, gains and losses	其他收入、收益及虧損	6	30,683	21,981
Selling expenses	銷售開支		(22,271)	(21,830)
Administrative and other expenses	行政及其他開支		(64,284)	(66,236)
Finance costs	財務費用	7	(87,399)	(4,712)
Profit before taxation	除稅前溢利	8	333,084	449,852
Income tax expense	所得稅開支	9	(36,213)	(7,888)
Profit for the year	年度溢利		296,871	441,964
Other comprehensive income (expense) for the year	年度其他全面收益(開支)			
<i>Item that will not be reclassified to profit or loss:</i>	<i>將不會重新分類至損益之項目：</i>			
Exchange differences arising on translation from functional currency to presentation currency	功能貨幣換算為呈列貨幣產生的匯兌差異		—	76,727
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益的項目：</i>			
Exchange differences arising on translating foreign operations	換算境外業務匯兌差異		1,753	(78,301)
			1,753	(1,574)
Total comprehensive income for the year	年度全面收益總額		298,624	440,390
Earnings per share — Basic	每股盈利—基本	12	44.72 cents 44.72分	72.32 cents 72.32分

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 December 2019  
於二零一九年十二月三十一日

		NOTES 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
<b>Non-current Assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	13	2,274,877	283,777
Right-of-use assets	使用權資產	14	17,482	–
Rental deposit	租賃押金		1,167	–
Deposit for other borrowing	其他借款的押金	26	20,400	–
Deferred tax asset	遞延稅項資產	16	397	1,158
Intangible asset	無形資產	17	333	409
			<b>2,314,656</b>	<b>285,344</b>
<b>Current Assets</b>	<b>流動資產</b>			
Inventories	存貨	18	16,423	29,511
Trade and other receivables	貿易及其他應收款項	19	348,555	153,003
Contract assets	合約資產	20	1,467,556	1,020,104
Prepaid rental expenses for photovoltaic facilities	光伏設施預付租賃費用	15	–	36,324
Pledged bank deposits	已抵押銀行存款	21	–	1,349
Bank balances and cash	銀行結餘及現金	21	183,767	72,595
			<b>2,016,301</b>	<b>1,312,886</b>
<b>Current Liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	22	77,572	113,536
Lease liabilities	租賃負債	23	5,441	–
Provision	撥備	24	13,998	14,018
Amount due to ultimate holding company	應付最終控股公司款項	25	–	7,040
Tax payable	應付稅項		7,594	3,318
Other borrowing	其他借款	26	31,927	–
			<b>136,532</b>	<b>137,912</b>
<b>Net Current Assets</b>	<b>流動資產淨值</b>		<b>1,879,769</b>	<b>1,174,974</b>
<b>Total Assets less Current Liabilities</b>	<b>資產總值減流動負債</b>		<b>4,194,425</b>	<b>1,460,318</b>
<b>Non-current Liabilities</b>	<b>非流動負債</b>			
Lease liabilities	租賃負債	23	13,381	–
Other borrowing	其他借款	26	1,633,581	–
Amount due to a photovoltaic facilities provider	應付光伏設施供應商款項	27	908,071	–
Deferred tax liability	遞延稅項負債	16	146	204
			<b>2,555,179</b>	<b>204</b>
<b>Net assets</b>	<b>資產淨值</b>		<b>1,639,246</b>	<b>1,460,114</b>
<b>Capital and Reserves</b>	<b>股本及儲備</b>			
Share capital	股本	28	5,515	5,515
Reserves	儲備		1,633,731	1,454,599
<b>Total Equity</b>	<b>股東權益合計</b>		<b>1,639,246</b>	<b>1,460,114</b>

The consolidated financial statements on pages 80 to 163 were approved and authorised for issue by the Board of Directors on 27 March 2020 and are signed on its behalf by:

第80頁至163頁的綜合財務報表於二零二零年三月二十七日經由董事會批准及授權刊發，並由以下人士代表簽署：

Dang Yanbao  
黨彥寶  
EXECUTIVE DIRECTOR  
執行董事

Dang Zidong  
黨自東  
EXECUTIVE DIRECTOR  
執行董事



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

		Share capital	Share premium	Special reserve	Statutory surplus reserve	Translation reserve	Retained profits	Total
		股本 RMB'000 人民幣千元	股份溢價 RMB'000 人民幣千元	特別儲備 RMB'000 人民幣千元 (Note a) (附註a)	法定盈餘 儲備 RMB'000 人民幣千元 (Note b) (附註b)	匯兌儲備 RMB'000 人民幣千元	保留溢利 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2018 (restated)	於二零一八年一月一日 (經重列)	4,693	246,527	(1)	59,119	5,493	490,703	806,534
Profit for the year	年度溢利	-	-	-	-	-	441,964	441,964
Exchange differences arising on translation from functional currency to presentation currency	功能貨幣換算為呈列貨幣產生的匯兌差異	-	-	-	-	76,727	-	76,727
Exchange difference arising on translation of foreign operations	換算境外業務匯兌差異	-	-	-	-	(78,301)	-	(78,301)
Total comprehensive (expense) income for the year	年內全面(開支)收益總額	-	-	-	-	(1,574)	441,964	440,390
Issue of ordinary shares	發行普通股	822	212,919	-	-	-	-	213,741
Share issue expenses	股份發行費用	-	(551)	-	-	-	-	(551)
Transfer	轉撥	-	-	-	50,659	-	(50,659)	-
At 31 December 2018 (restated)	於二零一八年十二月三十一日(經重列)	5,515	458,895	(1)	109,778	3,919	882,008	1,460,114
Profit for the year	年度溢利	-	-	-	-	-	296,871	296,871
Exchange difference arising on translation of foreign operations	換算境外業務匯兌差異	-	-	-	-	1,753	-	1,753
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	1,753	296,871	298,624
Dividends paid (note 11)	已付股息(附註11)	-	-	-	-	-	(119,492)	(119,492)
Transfer	轉撥	-	-	-	34,017	-	(34,017)	-
At 31 December 2019	於二零一九年十二月三十一日	5,515	458,895	(1)	143,795	5,672	1,025,370	1,639,246

Notes:

附註：

- Special reserve represents the reserve arising from group reorganisation in 2012.
- In accordance with relevant laws and regulations for foreign investment enterprises in the People's Republic of China (the "PRC"), the PRC subsidiaries are required to transfer 10% of their profit after taxation reported in their statutory financial statements prepared under relevant accounting principles and financial regulations applicable to enterprises established in the PRC to the statutory surplus reserve.

- 特別儲備指於二零一二年進行集團重組產生之儲備。
- 依據中華人民共和國(「中國」)外商投資企業相關法律法規，中國附屬公司需要將按照適用於中國設立企業的相關會計原則和財務規定編製的法定財務報表中報告的除稅後溢利之10%轉撥為法定盈餘儲備。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
<b>OPERATING ACTIVITIES</b>	<b>經營業務</b>		
Profit before taxation	除稅前溢利	333,084	449,852
Adjustments for:	就以下項目作出調整：		
Remeasurement on discounted present value of tariff adjustment receivables	重新計量電價調整應收款項之貼現現值	29,569	26,244
Remeasurement on discounted present value of amount due to a photovoltaic facilities provider	重新計量應付光伏設施供應商款項之貼現現值	(22,375)	—
Allowance for obsolete and slow-moving inventories	過時及滯銷存貨準備	859	387
Amortisation of intangible asset	無形資產攤銷	85	81
Depreciation of property, plant and equipment	物業、廠房及設備折舊	64,724	9,048
Depreciation of right-of-use assets	使用權資產折舊	3,212	—
Finance costs	財務費用	87,399	4,712
Imputed interest income on tariff adjustment receivables	電價調整應收款項之應計利息收入	(34,715)	(20,906)
Interest income	利息收入	(855)	(1,055)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	—	(63)
Operating cash flows before movements in working capital	營運資金變動前經營現金流量	460,987	468,300
Decrease in prepaid rental expenses for photovoltaic facilities	光伏設施預付租賃費用減少	36,324	90,000
Decrease (increase) in inventories	存貨減少(增加)	12,592	(14,582)
Decrease in trade and other receivables	貿易及其他應收款項減少	73,885	3,672
Increase in contract assets	合約資產增加	(442,306)	(463,674)
(Decrease) increase in trade and other payables	貿易及其他應付款項(減少)增加	(17,602)	9,224
(Decrease) increase in provision	撥備(減少)增加	(332)	4,504
Cash generated from operations	營運產生現金	123,548	97,444
Income tax paid in Hong Kong	已付香港所得稅	(1,197)	(5,437)
Income tax and withholding tax paid in other jurisdictions	已付其他司法管轄區所得稅及預扣稅	(30,052)	(3,871)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>經營業務所得現金淨額</b>	<b>92,299</b>	<b>88,136</b>
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>		
Purchase of property, plant and equipment	購買物業、廠房及設備	(26,774)	(152,055)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	1,349	105,200
Refund of rental deposit	退還租賃押金	604	—
Interest received	已收利息	855	1,055
Placement of pledged bank deposits	存置已抵押銀行存款	—	(1,349)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	—	63

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>投資活動所用現金淨額</b>	<b>(23,966)</b>	<b>(47,086)</b>
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>		
Advance from a photovoltaic facilities provider	來自光伏設施供應商的墊款	300,000	—
Dividends paid	已付股息	(119,492)	—
Interest paid	已付利息	(108,767)	(4,712)
Placement of deposit for other borrowing	存置其他借款的押金	(20,400)	—
Repayment to ultimate holding company	償還最終控股公司	(7,040)	—
Repayment of lease liabilities	償還租賃負債	(2,178)	—
Advance from ultimate holding company	來自最終換股公司之墊款	—	7,040
Repayment of bank loans	償還銀行貸款	—	(235,655)
Proceeds from issue of shares	發行股份所得款項	—	213,741
Share issue expenses	股份發行費用	—	(551)
<b>NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES</b>	<b>融資活動所得(所用)現金淨額</b>	<b>42,123</b>	<b>(20,137)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等值物增加淨額</b>	<b>110,456</b>	<b>20,913</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>於一月一日現金及現金等值物</b>	<b>72,595</b>	<b>50,349</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>匯率變動的影響</b>	<b>716</b>	<b>1,333</b>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>於十二月三十一日現金及現金等值物</b>	<b>183,767</b>	<b>72,595</b>
— represented by bank balances and cash	— 指銀行結餘及現金		



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 1. GENERAL

China Baofeng (International) Limited (the “**Company**”) was incorporated in the Cayman Islands and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The immediate and ultimate holding company of the Company is Fung Teng Enterprises Limited, which is wholly-owned by Mr. Dang Yanbao, the chairman and executive director of the Company. The addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Caymans Islands and Suites 3401, 34/F., Two Pacific Place, 88 Queensway, Admiralty, Hong Kong, respectively.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (the “**Group**”) are photovoltaic power generation and design and supply chain of lightings and home furnishing products. Particulars of the subsidiaries of the Company are set out in note 37.

Prior to 1 January 2019, United States Dollars (“**US\$**”) was regarded as the functional currency of the Company and the consolidated financial statements were presented in Hong Kong Dollars (“**HK\$**”). During the year, the directors of the Company consider that, as a result of continued focus on the photovoltaic power generation business in the People’s Republic of China (the “**PRC**”) and the significant acquisition of the 350-megawatt photovoltaic power generation equipment (the “**Equipment**”) which was financed by a source of funding in the PRC, the primary economic environment, in which the Group operates, has changed. It is more appropriate to use Renminbi (“**RMB**”) as the functional currency. The presentation currency also changed to RMB so as to in line with the change in functional currency.

The change in functional and presentation currency was accounted for in accordance with Hong Kong Accounting Standard (“**HKAS**”) 21 “The Effects of Changes in Foreign Exchange Rates”. The effects of the change in presentation currency have been accounted for retrospectively with comparative figures restated. The comparative information in these consolidated financial statements has been restated to reflect as if RMB has always been the presentation currency of the Group. The change in functional currency of the Company was applied prospectively from the date of change in accordance with HKAS 21.

### 1. 一般資料

中國寶豐(國際)有限公司(「**本公司**」)在開曼群島註冊成立，其股份於香港聯合交易所有限公司(「**聯交所**」)主板上市。本公司直接及最終控股公司為本公司主席兼執行董事黨彥寶先生全資擁有之峰騰企業有限公司。本公司的註冊辦事處地址及主要營業地點分別為 Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Caymans Islands及香港金鐘金鐘道88號太古廣場二座34樓3401室。

本公司為投資控股公司。本公司及其附屬公司(「**本集團**」)之主要業務為從事光伏發電以及照明及家居飾品設計及供應鏈業務。本公司之附屬公司詳情載於附註37。

於二零一九年一月一日前，本公司的功能貨幣為美元(「**美元**」)，而綜合財務報表乃按港元(「**港元**」)呈列。年內，本公司董事認為鑒於持續關注中華人民共和國(「**中國**」)光伏發電業務以及350兆瓦光伏發電設備(「**設備**」)的重大收購事項乃由中國資金來源撥資，本集團運營所在的主要經濟環境已變更，使用人民幣(「**人民幣**」)為功能貨幣更為合適。呈列貨幣亦與功能貨幣一致變更為人民幣。

功能及呈列貨幣變更乃根據香港會計準則(「**香港會計準則**」)第21號「外匯匯率變動的影響」予以列賬。變更呈列貨幣的影響已追溯入賬，並已重列比較數字。該等綜合財務報表的比較資料已按猶如人民幣一直以來均為本集團呈列貨幣而予以重列。本公司功能貨幣變更已自變更日期起根據香港會計準則第21號追溯應用。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs and an interpretation issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

HKFRS 16	Leases
HK(IFRIC) - Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle

Except as described below, the application of the new and amendments to HKFRSs and the interpretation in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### 2.1 HKFRS 16 “Leases”

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 “Leases” and the related interpretations.

##### *Definition of a lease*

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) - Int 4 “Determining whether an Arrangement contains a Lease” and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

### 2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本

#### 本年度強制生效的新訂香港財務報告準則及其修訂本

本集團於本年度首次應用香港會計師公會(「香港會計師公會」)頒佈下列新訂香港財務報告準則及其修訂本以及詮釋：

香港財務報告準則第16號	租賃
香港(國際財務報告詮釋委員會)－詮釋第23號	所得稅處理的不確定性
香港財務報告準則第9號(修訂本)	負債補償之預付特點
香港會計準則第19號(修訂本)	計劃修訂、縮減或結算
香港會計準則第28號(修訂本)	於聯營公司及合營企業的長期權益
香港財務報告準則(修訂本)	香港財務報告準則二零一五年至二零一七年週期的年度改進

除下文所述者外，於本年度應用新訂香港財務報告準則、其修訂本及詮釋對本集團於本年度及過往年度的財務表現及狀況及／或此等綜合財務報表所披露內容並無重大影響。

#### 2.1 香港財務報告準則第16號「租賃」

於本年度，本集團首次應用香港財務報告準則第16號。香港財務報告準則第16號已取代香港會計準則第17號「租賃」及相關詮釋。

##### *租賃的定義*

本集團已選擇可行權宜方法將香港財務報告準則第16號應用於先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號「釐定安排是否包含租賃」確定為租賃的合約，而不將該準則應用於先前並無獲確定包含租賃的合約。因此，本集團概無重新評估於初步應用日期前已存在的合約。

就於二零一九年一月一日或之後訂立或修改的合約，本集團根據香港財務報告準則第16號之規定於評估合約是否包含租賃時應用租賃之定義。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

### New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

#### 2.1 HKFRS 16 “Leases” (Continued)

##### *As a lessee*

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and
- ii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rates applied by the relevant group entities range from 4.3% to 4.9%.

## 2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

### 本年度強制生效的新訂香港財務報告準則及其修訂本(續)

#### 2.1 香港財務報告準則第16號「租賃」(續)

##### *作為承租人*

本集團已追溯應用香港財務報告準則第16號，累計影響已於初步應用日期(二零一九年一月一日)確認。

於二零一九年一月一日，本集團透過應用香港財務報告準則第16.C8(b)(ii)交易，按等於相關租賃負債的金額確認額外租賃負債及使用權資產。於初步應用日期之任何差異已於期初保留溢利確認，而比較資料未獲重列。

於過渡時採用香港財務報告準則第16號項下的經修訂追溯法時，在與各租賃合約相關的情況下，本集團就先前根據香港會計準則第17號按個別租賃基準分類為經營租賃的租賃採用以下可行權宜方法：

- i. 選擇不予確認租期自初步應用日期起12個月內結束之租賃的使用權資產及租賃負債；及
- ii. 於首次應用日期計量使用權資產時撇除初始直接成本。

於確認先前分類為經營租賃之租賃的租賃負債時，本集團已採用於初步應用日期相關集團實體之增量借款利率。相關集團實體應用的加權平均增量借款利率介乎4.3%至4.9%之間。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

New and amendments to HKFRSs that are mandatorily effective for the current year  
(Continued)

#### 2.1 HKFRS 16 "Leases" (Continued) As a lessee (Continued)

### 2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

本年度強制生效的新訂香港財務報告準則及其修訂本(續)

#### 2.1 香港財務報告準則第16號「租賃」(續) 作為承租人(續)

		At 1 January 2019 於二零一九年 一月一日 RMB'000 人民幣千元
Operating lease commitments disclosed as at 31 December 2018 (restated)	於二零一八年十二月三十一日 所披露之經營租賃承擔(經重列)	12,018
Less: Recognition exemption — short-term leases	減：確認豁免—短期租賃	(5,293)
		6,725
Lease liabilities discounted at relevant incremental borrowing rate relating to operating leases recognised upon application of HKFRS 16 as at 1 January 2019	與於二零一九年一月一日應用 香港財務報告準則第16號後確認 經營租賃有關之按相關增量借款 利率所貼現的租賃負債	5,853
Analysed as	分析為	
Current	流動	873
Non-current	非流動	4,980
		5,853
		Right-of-use assets 使用權資產 RMB'000 人民幣千元
The carrying amount of right-of-use assets, related to operating leases recognised upon application of HKFRS 16 as at 1 January 2019 comprises the following:	於二零一九年一月一日應用香港財務 報告準則第16號後確認經營租賃 有關之使用權資產賬面值包括以下 各項：	
Land and buildings	土地及樓宇	5,853

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

#### 2.1 HKFRS 16 "Leases" (Continued)

As a lessee (Continued)

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

### 2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

本年度強制生效的新訂香港財務報告準則及其修訂本(續)

#### 2.1 香港財務報告準則第16號「租賃」(續) 作為承租人(續)

就於二零一九年一月一日綜合財務狀況表確認之金額作出以下調整。未受變動影響之項目並無包括在內。

		Carrying amounts previously reported at 31 December 2018	Adjustments	Carrying amounts under HKFRS 16 at 1 January 2019
		先前於二零一八年十二月三十一日呈報之賬面值 RMB'000 人民幣千元	調整 RMB'000 人民幣千元	於二零一九年一月一日根據香港財務報告準則第16號之賬面值 RMB'000 人民幣千元
<b>Non-current Assets</b>	<b>非流動資產</b>			
Right-of-use assets	使用權資產	—	5,853	5,853
<b>Current Liabilities</b>	<b>流動負債</b>			
Lease liabilities	租賃負債	—	873	873
<b>Non-current Liabilities</b>	<b>非流動負債</b>			
Lease liabilities	租賃負債	—	4,980	4,980

Note: For the purpose of reporting cash flows from operating activities under indirect method for the year ended 31 December 2019, movements in working capital have been computed based on opening consolidated statement of financial position as at 1 January 2019 as disclosed above.

附註：就截至二零一九年十二月三十一日止年度根據間接方法呈報經營業務所得現金流量而言，營運資金變動已根據上文所披露於二零一九年一月一日的期初綜合財務狀況表計算得出。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

#### New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts <sup>1</sup>
Amendments to HKFRS 3	Definition of a Business <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 1 and HKAS 8	Definition of Material <sup>4</sup>
Amendments to HKAS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform <sup>4</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2021.
- <sup>2</sup> Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
- <sup>3</sup> Effective for annual periods beginning on or after a date to be determined.
- <sup>4</sup> Effective for annual periods beginning on or after 1 January 2020.

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, *the Amendments to References to the Conceptual Framework in HKFRS Standards*, will be effective for annual periods beginning on or after 1 January 2020.

Except for the amendments to HKFRSs and the revised Conceptual Framework mentioned below, the directors of Company anticipate that the application of above new and amendments to HKFRSs has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### 2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

#### 已頒佈惟尚未生效之新訂香港財務報告準則及其修訂本

本集團並無提前應用下列已頒佈惟尚未生效之新訂香港財務報告準則及其修訂本：

香港財務報告準則第17號	保險合約 <sup>1</sup>
香港財務報告準則第3號(修訂本)	業務的定義 <sup>2</sup>
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業間的資產銷售或注資 <sup>3</sup>
香港會計準則第1號及香港會計準則第8號(修訂本)	重大的定義 <sup>4</sup>
香港會計準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)	利率指標改革 <sup>4</sup>

- <sup>1</sup> 於二零二一年一月一日或之後開始的年度期間生效。
- <sup>2</sup> 對收購日期為於二零二零年一月一日或之後開始的首個年度期間或期初之後的業務合併及資產收購生效。
- <sup>3</sup> 於將予釐定的日期或之後開始的年度期間生效。
- <sup>4</sup> 於二零二零年一月一日或之後開始的年度期間生效。

除上文之新訂香港財務報告準則及其修訂本外，二零一八年頒佈了經修訂財務報告之概念框架。其重大修訂提述香港財務報告準則之概念框架之修訂，將於二零二零年一月一日或之後開始的年度期間生效。

除下文所述的香港財務報告準則修訂本及經修訂概念框架外，本公司董事預期，應用上述新訂香港財務報告準則及其修訂本不會對本集團本年度及過往年度的財務表現及狀況及／或於該等綜合財務報表所載的披露事宜造成重大影響。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### New and amendments to HKFRSs in issue but not yet effective (Continued)

##### Amendments to HKAS 1 and HKAS 8 “Definition of Material”

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgments. In particular, the amendments:

- include the concept of “obscuring” material information in which the effect is similar to omitting or misstating the information;
- replace threshold for materiality influencing users from “could influence” to “could reasonably be expected to influence”; and
- include the use of the phrase “primary users” rather than simply referring to “users” which was considered too broad when deciding what information to disclose in the financial statements.

The amendments also align the definition across all HKFRSs and will be mandatorily effective for the Group’s annual period beginning on 1 January 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

### 2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

#### 已頒佈惟尚未生效之新訂香港財務報告準則及其修訂本(續)

##### 香港會計準則第1號及香港會計準則第8號(修訂本)「重大的定義」

該等修訂本透過載入作出重要性判斷時的額外指引及解釋提供重大的定義的修訂。具體而言，修訂包括：

- 包含「掩蓋」重要資料的概念，其與遺漏或誤報資料有類似效果；
- 就影響使用者重要性的範圍以「可影響」取代「可合理預期影響」；及
- 包含使用用語「主要使用者」，而非僅指「使用者」，於決定於財務報表披露何等資料時，該用語被視為過於廣義。

該等修訂本亦符合所有香港財務報告準則的定義並將於本集團於二零二零年一月一日開始的年度期間強制生效。預期應用該等修訂本將不會對本集團的財務狀況及表現造成重大影響，惟可能影響綜合財務報表的呈列及披露。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
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### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKFRSs in issue but not yet effective (Continued)

Conceptual Framework for Financial Reporting 2018 (the “New Framework”) and the Amendments to References to the Conceptual Framework in HKFRS Standards

The New Framework:

- reintroduces the terms stewardship and prudence;
- introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument;
- discusses historical cost and current value measures, and provides additional guidance on how to select a measurement basis for a particular asset or liability;
- states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances other comprehensive income will be used and only for income or expenses that arise from a change in the current value of an asset or liability; and
- discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

Consequential amendments have been made so that references in certain HKFRSs have been updated to the New Framework, whilst some HKFRSs are still referred to the previous versions of the framework. These amendments are effective for annual periods beginning on or after 1 January 2020, with earlier application permitted. Other than specific standards which still refer to the previous versions of the framework, the Group will rely on the New Framework on its effective date in determining the accounting policies especially for transactions, events or conditions that are not otherwise dealt with under the accounting standards.

### 2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

已頒佈惟尚未生效之新訂香港財務報告準則及其修訂本(續)

二零一八年財務報告概念框架(「新框架」)及提述香港財務報告準則概念框架的修訂

新框架：

- 重新引入管理及審慎此等術語；
- 引入著重權利的新資產定義以及範圍可能比所取代定義更廣的新負債定義，惟不會改變負債與權益工具之間的區別；
- 討論歷史成本及現值計量，並就如何為某一資產或負債選擇計量基準提供額外指引；
- 指出財務表現主要計量標準為損益，且於特殊情況下方會使用其他全面收益，且僅用於資產或負債現值產生變動的收入或開支；及
- 討論不確定因素、終止確認、會計單位、報告實體及合併財務報表。

相應修訂已作出，致使有關若干香港財務報告準則中的提述已更新至符合新框架，惟部分香港財務報告準則仍參考該框架的先前版本。該等修訂於二零二零年一月一日或之後開始的年度期間生效，並可提早應用。除仍參考該框架先前版本的特定準則外，本集團將於其生效日期按新框架決定會計政策，尤其是會計準則未有處理的交易、事件或情況。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with the HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are accounted for in accordance with HKFRS 16 (since 1 January 2019) or HKAS 17 (before application of HKFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of Assets".

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### 3. 主要會計政策

綜合財務報表乃根據香港會計師公會所頒佈之香港財務報告準則編製。此外，綜合財務報表亦載有聯交所證券上市規則及香港《公司條例》所規定之適用披露。

綜合財務報表乃按歷史成本基準編製，歷史成本一般是基於換取貨物的代價的公平值釐定。

公平值是指市場參與者之間在計量日進行的有序交易中出售一項資產所收取的價格或轉移一項負債所支付的價格，無論該價格是直接觀察到的結果還是採用其他估值技術作出的估計。在對資產或負債的公平值作出估計時，本集團考慮了市場參與者在計量日為該資產或負債進行定價時將會考慮的那些特徵。在本綜合財務報表中計量和／或披露的公平值均在此基礎上予以確定，但香港財務報告準則第2號「以股份為基礎的支付」範圍內的以股份為基礎的支付交易、根據香港財務報告準則第16號（自二零一九年一月一日起）或香港會計準則第17號（於應用香港財務報告準則第16號前）入賬的租賃交易、以及與公平值類似但並非公平值的計量（例如，香港會計準則第2號「存貨」中的可變現淨值或香港會計準則第36號「資產減值」中的使用價值）除外。

此外，就財務報告而言，公平值計量根據公平值計量之輸入數據可觀察程度及輸入數據對公平值計量之整體重要性分類為第一級、第二級或第三級，載述如下：

- 第一級輸入數據為實體於計量日期可以取得的相同資產或負債於活躍市場之報價（未經調整）；
- 第二級輸入數據為就資產或負債直接或間接地可觀察之輸入數據（第一級內包括的報價除外）；及
- 第三級輸入數據為資產或負債的不可觀察輸入數據。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

The principal accounting policies are set out below.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

### 3. 主要會計政策(續)

主要會計政策載列如下。

#### 綜合基準

綜合財務報表包括本公司與本公司所控制實體及其附屬公司的財務報表。控制得到實現當本公司：

- 對被投資方有控制權；
- 對其因參與被投資方的可變回報之風險及權力；及
- 有能力運用其權力影響其回報。

倘事實及情況反映上文所列三項控制因素其中一項或多項改變，則本集團會重估是否仍然控制被投資方。

本集團於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止綜合入賬。具體而言，於本年度內購入或出售之附屬公司之收入及開支，按自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止，計入綜合損益及其他全面收益表內。

附屬公司之財務報表於有需要時作出調整，致使其會計政策與本集團之會計政策一致。

有關本集團成員公司之間交易之所有集團內公司間資產及負債、權益、收入、支出及現金流量於綜合賬目時全數對銷。

#### 客戶合約收益

本集團於完成履約責任時(或就此)確認收益，即於特定履約責任相關貨品或服務的「控制權」移交客戶之時。

履約責任指大致相同的明確貨品或服務(或一組貨品或服務)或一系列明確貨品或服務。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Revenue from contracts with customers (Continued)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9 "Financial Instruments". In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

#### A point in time revenue recognition

Under the transfer-of-control approach in HKFRS 15, revenue from sales of lighting product is generally recognised when customer acceptance has been obtained, which is the point of time when the customer has the ability to direct the use of the product and obtain substantially all of the remaining benefits of the product. Revenue from sales of electricity and tariff adjustment are recognised based on the electricity transmitted dates.

#### Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

### 3. 主要會計政策(續)

#### 客戶合約收益(續)

倘符合下列其中一項標準，資產的控制權在一段時間內轉移，而收益確認會按一段時間內已完成相關履約責任的進度進行：

- 客戶同時收取及耗用由本集團履約所帶來的利益；
- 本集團履約導致創建及提升於本集團履約時由客戶控制的資產；或
- 本集團履約並無產生對本集團有替代用途的資產，且本集團可享有強制執行權，以收回至今已履約部分的款項。

否則，收益於客戶獲得明確貨品或服務的控制權時確認。

合約資產指本集團就換取本集團已向客戶轉讓的貨品或服務收取代價的權利(尚未成為無條件)。其根據香港財務報告準則第9號「財務工具」評估減值。相反，應收款項指本集團收取代價的無條件權利，即代價僅隨時間推移即成為到期支付。

#### 於某一時間點確認收益

根據香港財務報告準則第15號下的控制權轉移法，來自銷售照明產品的收益一般於獲得客戶接納時(當客戶有能力指示產品的用途並獲得該產品的絕大部分剩餘利益時)確認。銷售電力及電價調整的收益乃基於電力傳輸日期確認。

#### 存在重大融資部分

於釐定交易價時，倘所協定之付款時間(不論明示或暗示)為客戶或本集團帶來向客戶轉移貨品或服務之重大融資利益，則本集團將就資金時間值的影響而調整已承諾之代價金額。在該等情況下，合約存在重大融資部分。不論融資承諾乃於合約明示或由合約訂約方協定的支付條款暗示，重大融資部分均有可能存在。

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Revenue from contracts with customers (Continued)

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

For contract assets where the Group has transmitted the electricity before payments from the state grid company in which the Group adjusts for the amount of consideration for significant financing components, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the state grid company at contract inception. The Group recognises interest income during the period between the payment from state grid company and the transmission of electricity.

#### Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purpose (other than construction in progress) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Solar power plant in the course of construction for generation of electricity income is carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

#### Ownership interests in leasehold land and building

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "right-of-use assets" (upon application of HKFRS 16) or "prepaid lease payments" (before application of HKFRS 16) in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

### 3. 主要會計政策(續)

#### 客戶合約收益(續)

就付款與轉移相關貨品或服務之間不超過一年的合約，本集團採用可行權宜的方法，不會對任何重大融資部份的交易價作出調整。

就本集團於收到國家電網公司付款前已輸送電力的合約資產(其中本集團為重大融資部分而調整代價金額)而言，本集團於合約開始時採用可以反映本集團與國家電網公司獨立融資交易的折現率。本集團於收到來自國家電網公司付款與傳輸電力之間的期間內確認利息收入。

#### 物業、廠房及設備

物業、廠房及設備為持作生產或提供貨物或服務或作行政用途的有形資產(在建工程除外)，於綜合財務狀況表以成本減其後累計折舊及累計減值虧損(如有)列賬。

為產生電力收益而在建的太陽能發電廠以成本減其任何已確認減值虧損入賬。成本包括將資產達致所需地點及狀況致使該資產可按管理層擬定方式運作直接應佔的任何成本及(對合格資產而言)根據本集團的會計政策資本化的借款成本。該等資產之折舊與其他資產基於相同的基準，於其投入作擬定用途時開始。

#### 於租賃土地及樓宇的擁有權權益

當本集團就於物業的擁有權權益(包括租賃土地及樓宇部分)付款時，全部代價於租賃土地及樓宇部分之間按初始確認時的相對公平值的比例分配。

倘相關付款可作出可靠分配，則於租賃土地之權益乃以經營租賃入賬並於綜合財務狀況表呈列為「使用權資產」(於應用香港財務報告準則第16號後)或「預付租賃付款」(於應用香港財務報告準則第16號前)。倘代價無法可靠於相關租賃土地的非租賃樓宇部分與未分割權益之間分配，整個物業則分類為物業、廠房及設備。



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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Ownership interests in leasehold land and building (Continued)

Depreciation is recognised so as to write off the cost of items of property, plant and equipment (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

#### Impairment losses on property, plant and equipment, right-of-use assets and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually, when it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### 3. 主要會計政策(續)

#### 於租賃土地及樓宇的擁有權權益(續)

物業、廠房及設備項目(在建工程除外)折舊乃按估計可使用年期，以直線法撇銷其成本減去剩餘價值確認。於各報告期末均會檢討其估計可使用年期及折舊方法，以提前反映估計任何變動的影響。

物業、廠房及設備項目將於出售時或預期繼續使用有關資產亦不會帶來任何未來經濟利益時終止確認。出售或棄用物業、廠房及設備項目所產生任何收益或虧損，按有關資產的出售所得款項與其賬面值差額計算，在損益內確認。

#### 無形資產

個別收購且具備有限可使用年期的無形資產按成本減累計攤銷及任何累計減值虧損入賬。具備有限可使用年期的無形資產攤銷於其估計可使用年期內按直線基準確認。估計可使用年期及攤銷法於各報告期末檢討，而估計之任何變動影響按提前基準入賬。

無形資產將於出售時或預期使用或出售有關資產亦不會帶來任何未來經濟利益時終止確認。終止確認無形資產所產生之收益及虧損按出售所得款項淨額與資產賬面值之差額計量，並在終止確認資產期間於損益確認。

#### 物業、廠房及設備、使用權資產及無形資產的減值虧損

於報告期末，本集團審閱其物業、廠房及設備、使用權資產及無形資產的賬面值，以釐定是否有跡象顯示該等資產出現減值虧損。倘有任何有關跡象，則估計資產的可收回金額以釐定減值虧損(如有)的範圍。

物業、廠房及設備、使用權資產及無形資產的可收回金額將個別估計，倘不可能個別估計資產的可收回金額，則本集團估計該資產所屬現金產生單位的可收回金額。

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For the year ended 31 December 2019  
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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Impairment losses on property, plant and equipment, right-of-use assets and intangible assets (Continued)

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated to the assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

### 3. 主要會計政策(續)

#### 物業、廠房及設備、使用權資產及無形資產的減值虧損(續)

此外，本集團就企業資產會否出現減值的跡象進行評估。倘有關跡象存在，當合理一致分配基準獲確認時，企業資產亦分配至個別現金產生單位，否則，其分配至合理一致分配基準獲確認的最小現金產生單位。

可收回金額為公平值減出售成本與使用價值之較高者。於評估使用價值時，會採用反映現時市場對貨幣時間價值及針對該資產(或現金產生單位)的風險(並未調整對未來現金流量的估計)評估的稅前貼現率，將估計的未來現金流量貼現至其現值。

倘一項資產(或現金產生單位)的可收回金額估計低於其賬面值，則該資產(或現金產生單位)賬面值將減至其可收回金額。就未能按合理一致基準分配至現金產生單位的企業資產或一部分企業資產而言，本集團會將一組現金產生單位的賬面值(包括分配至該現金產生單位組別的企業資產或一部分企業資產的賬面值)與該組現金產生單位的可收回款項作比較。於分配減值虧損時，減值虧損根據單位各資產或現金產生單位組合賬面值的比例基準分配至該等資產。一項資產的賬面值不會減至低於其公平值減銷售成本(如可計量)與其使用價值(如可釐定)及零之間的較高者。已獲分配至資產的減值虧損金額按比例分配至該單位的其他資產或現金產生單位組合。減值虧損會即時於損益賬確認。

倘減值虧損日後撥回，則有關資產(或現金產生單位或現金產生單位組別)的賬面值增至其可收回金額的經修訂估計值，惟所增加賬面值不得超逾以往年度如未有就該資產(或現金產生單位或現金產生單位組別)確認減值虧損所應釐定的賬面值。撥回減值虧損會即時於損益賬確認。

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Leases

*Definition of a lease (upon application of HKFRS 16 in accordance with transitions in note 2)*

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

*The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2)*

Allocation of consideration to components of a contract  
For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

#### Short-term leases

The Group applies the short-term lease recognition exemption to leases of land and buildings and photovoltaic facilities that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

### 3. 主要會計政策(續)

#### 租賃

租賃的定義(根據附註2過渡條文應用香港財務報告準則第16號後)

倘合約為換取代價而授予在一段期間內已識別資產的使用控制權，則該合約屬於租賃或包含租賃。

就於首次應用日期或之後訂立或修改或自業務合併所產生的合約而言，本集團於開始或修改日期或收購日期(倘適用)根據香港財務報告準則第16號項下的定義評估合約是否屬於租賃或包含租賃，惟倘合約條款及條件隨後有所變動，該合約將不獲重新評估。

本集團作為承租人(根據附註2過渡條文應用香港財務報告準則第16號後)

分配至合約部分的代價

就包含租賃部分及一項或多項額外租賃或非租賃部分的合約而言，本集團根據租賃部分的相對獨立價格及非租賃部分的獨立價格總額分配合約代價至各租賃部分。

#### 短期租賃

本集團對於開始日期租賃期為12個月或以下且並不包括購買權的土地及樓宇以及光伏設施租賃採用短期租賃確認豁免。短期租賃的租賃付款在租賃期內按直線法或其他系統基準確認為開支。



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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Leases (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

#### Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

#### Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

### 3. 主要會計政策(續)

#### 租賃(續)

本集團作為承租人(根據附註2過渡條文應用香港財務報告準則第16號後)(續)

使用權資產

使用權資產的成本包括：

- 租賃負債初始計量的金額；
- 於開始日期或之前作出的任何租賃付款減去所收取的任何租賃優惠；
- 本集團產生的任何初始直接成本。

使用權資產按成本減任何累計折舊及減值虧損計量，且就租賃負債的重新計量作出調整。

本集團合理確定於租賃期結束時將取得相關已租賃資產所有權的使用權資產自開始日期起至可使用年期結束止予以折舊。否則，使用權資產於其估計可使用年期及租賃期(以較短者為準)按直線法折舊。

本集團將使用權資產於綜合財務狀況表內單獨呈列。

#### 可退還租賃押金

可退還已支付租賃押金根據香港財務報告準則第9號入賬並按公平值初始計量。於初始確認時的公平值調整被視為額外租賃付款並計入使用權資產成本內。

#### 租賃負債

於租賃開始日期，本集團按當日未支付的租賃付款的現值確認及計量租賃負債。在計算租賃付款的現值時，倘租賃中隱含的利率不易釐定，則本集團使用在租賃開始日期的增量借款利率。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Leases (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

Lease liabilities (Continued)

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

*The Group as a lessee (prior to 1 January 2019)*

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined using the first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 3. 主要會計政策(續)

#### 租賃(續)

本集團作為承租人(根據附註2過渡條文應用香港財務報告準則第16號後)(續)

租賃負債(續)

租賃付款包括固定付款(包括實質固定付款)減任何應收租賃優惠。

於開始日期後，租賃負債按利息累增及租賃付款調整。

本集團將租賃負債於綜合財務狀況表內單獨呈列。

本集團通過對相關使用權資產進行相應調整，以對租賃負債進行重新計量。當經修改合約包含租賃成分以及一個或多個額外租賃或非租賃成分時，本集團根據租賃成分的相對獨立價格及非租賃成分的總獨立價格，將經修改合約中的代價分配至每個租賃成分。

本集團作為承租人(於二零一九年一月一日前)  
倘租賃條款將擁有權絕大部分風險及回報轉讓予承租人，則有關租賃分類為融資租賃。  
所有其他租賃均分類為經營租賃。

經營租賃付款於租賃期按直線法確認為開支。

#### 存貨

存貨按成本與可變現淨值的較低者列賬。存貨成本使用先入先出方法釐定。可變現淨值指存貨估計售價減進行銷售所需全部估計完成成本及費用。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Foreign currencies

In preparing the financial statements of the each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transaction are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

The change in functional currency of the Company was applied prospectively from the date of change. All items were translated into RMB at the exchange rate on that date. The cumulative currency translation differences which had arisen from the translation of foreign operations up to the date of the change in functional currency were not reclassified from equity to profit or loss until the disposal of the relevant operations.

The change in presentation currency of the Company was applied retrospectively, as if the new presentation currency had always been applied.

### 3. 主要會計政策(續)

#### 外幣

於編製各個別集團實體的財務報表時，以該實體功能貨幣以外的貨幣（外幣）進行的交易均按交易日期的當前匯率確認。於報告期末，以外幣計值的貨幣項目均按該日的適用匯率重新換算。按外幣歷史成本計算的非貨幣項目毋須重新換算。

結算及重新換算貨幣項目所產生匯兌差額均於產生期間內在損益內確認。

就呈列綜合財務報表而言，本集團業務的資產及負債乃於各報告期末的適用匯率換算為本集團呈列貨幣（人民幣），收入及開支項目乃按有關期間平均匯率換算，惟匯率期內波動顯著除外，於此情況下，使用於交易日期的匯率。所產生匯兌差額（如有）乃於其他全面收益確認及於權益（匯兌儲備）累計。

本公司功能貨幣之變更已自變更日期起應用。所有項目按該日匯率換算為人民幣。直至功能貨幣變更日期止，換算境外業務產生之累計外幣換算差額，於出售相關業務前，不會自權益重新分類至損益。

本公司呈列貨幣之變動亦已獲追溯應用，猶如一直應用該新呈列貨幣。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Borrowing costs

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

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

#### Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

#### Retirement benefits costs

Payments to defined contribution retirement benefits plans, state-managed retirement benefits scheme and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

#### Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

### 3. 主要會計政策(續)

#### 借款成本

直接歸屬於收購、建造或生產合資格資產(相關資產需經較長時期達致擬定用途或用於出售)的借款成本乃加入該資產之成本，直至相關資產實質上達致擬定用途或用於出售為止。

所有其他借款成本於產生期間於損益賬確認。

#### 政府補助

政府補助僅於可合理保證本集團符合獲得政府補助之全部條件及將收到相關補助後方予以確認。

作為已發生開支或損失的補償或為給予本集團及時財務資助且並無未來相關成本的應收政府補助於應收期間於損益賬確認。

#### 退休福利成本

定額供款退休福利計劃、國家管理退休福利計劃及強制性公積金計劃供款，於僱員提供服務後有權獲得供款時確認為開支。

#### 短期僱員福利

短期僱員福利以預計在僱員提供服務時支付的未折現福利金額確認。所有短期僱員福利確認為開支，除非另一項香港財務報告準則要求或允許將有關福利納入資產成本，則作別論。

在扣除已經支付的任何金額後，就僱員應得的福利(例如工資及薪金、年假及病假)確認負債。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

### 3. 主要會計政策(續)

#### 稅項

所得稅開支指現時應付稅項與遞延稅項總和。

現時應付稅項根據年內應課稅溢利計算。鑒於其他年度應課稅或可扣減的收入或開支以及不可課稅或不得扣稅項目，應課稅溢利有別於除稅前溢利。本集團即期稅項負債乃以報告期末前已頒佈或實際上已頒佈的稅率計算。

遞延稅項乃按於綜合財務報表所列資產及負債賬面值與計算應課稅溢利所用相關稅基兩者的暫時差額而確認。一般須就所有應課稅暫時差額確認遞延稅項負債，而於有應課稅溢利可用作對沖可扣減暫時差額時，一般就全部可扣減暫時差額確認遞延稅項資產。倘暫時差額來自最初進行對應課稅溢利或會計溢利無影響的交易時確認（除業務合併外）的資產及負債，則不會確認該等遞延稅項資產及負債。

遞延稅項負債乃就與於附屬公司投資有關的應課稅暫時差額確認，惟倘本集團能控制暫時差額的轉回，且暫時差額不大可能於可見將來轉回則除外。與該等投資及權益有關的可扣減暫時差額所產生遞延稅項資產，僅在可能有足夠應課稅溢利以動用暫時差額的利益並預期可以於可見將來轉回時確認。

於各報告期末將檢討遞延稅項資產賬面值，倘不再可能有足夠應課稅溢利可藉以轉回全部或部分遞延稅項資產，則據此削減有關賬面值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Taxation (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 "Income Taxes" requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

#### Provision for defective claims

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation (i.e. defective claim) at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of time value of money is material).

Provisions for the expected cost of assurance-type warranty obligations under the relevant contracts with customers for sales of lighting products are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

### 3. 主要會計政策(續)

#### 稅項(續)

遞延稅項資產及負債按預期清付負債或變現資產期間適用的稅率，按於報告期末已頒佈或實際上已頒佈的稅率（及稅法）計量。遞延稅項負債及資產的計量，反映本集團預計於報告期末收回或清付其資產及負債賬面值的方式而引致的稅務後果。

就其稅項扣減歸屬於租賃負債之租賃交易，本集團應用香港會計準則第12號「所得稅」之規定區分使用權資產及租賃負債。由於應用首次確認豁免，有關使用權資產及租賃負債之臨時差額並不於初始確認時及按租賃期確認。其後修訂的使用權資產賬面值與重新計量租賃負債及租賃修訂產生的租賃負債（不獲初始確認豁免）之暫時性差額於重新計量或修訂日期時確認。

當有法定可執行權利將即期稅項資產與即期稅項負債抵銷，而遞延稅項資產及負債涉及由同一稅務機關向同一稅務實體徵收的所得稅，則可將遞延稅項資產與負債互相抵銷。

即期及遞延稅項於損益確認。

#### 瑕疵索償撥備

當本集團因過往事件而承擔現有責任（法定或推定），而本集團可能須清償該項責任及可以可靠地估計該項責任之金額時，即會確認撥備。

經計及責任有關之風險及不確定因素後，確認為撥備的金額為清償於報告期末現行責任（瑕疵索償）所需代價的最佳估計。倘採用估計清償現有責任之現金流量計量撥備，其賬面值應為該等現金流量之現值（倘金錢時間值之影響屬重大）。

照明產品銷售的相關客戶合約項下的擔保保證責任之預期成本撥備於相關產品銷售日期按董事按結算本集團責任所需開支之最佳估計確認。



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## 綜合財務報表附註

For the year ended 31 December 2019  
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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### 3. 主要會計政策(續)

#### 財務工具

倘集團實體成為工具合約條文的訂約方，則確認財務資產及財務負債。所有循正常途徑購買或出售的財務資產按交易日期基準確認及終止確認。循正常途徑購買或出售乃指須於法規或市場慣例設定的時間框架內交付資產時購買或出售的財務資產。

財務資產及財務負債初步按公平值計量，惟根據香港財務報告準則第15號初始計量客戶合約產生的貿易應收款項除外。因收購或發行財務資產及財務負債的交易成本，於初步確認時加入財務資產或財務負債(如適用)的公平值或自財務資產或財務負債(如適用)的公平值中扣除。

實際利息法乃計算財務資產或財務負債的攤銷成本及於有關期間分配利息收入及利息開支的方法。實際利率乃將財務資產或財務負債的預計年期或(如適用)較短期間內估計未來收取現金及付款(包括構成實際利率完整部分之所有已付或已收費用及點數、交易成本及其他溢價或折讓)準確貼現至初步確認時的賬面淨值的利率。

#### 財務資產

財務資產的分類及其後計量

符合以下條件的財務資產隨後按攤銷成本計量：

- 財務資產以業務模式持有，其目的為收取合約現金流量；及
- 合約條款在指定日期產生現金流量，該現金流量僅為支付本金及尚未償還本金的利息。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss, except that at the date of initial application of HKFRS 9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 "Business Combinations" applies.

All the Group's financial assets are classified as financial assets at amortised cost.

##### Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

### 3. 主要會計政策(續)

#### 財務工具(續)

##### 財務資產(續)

財務資產的分類及其後計量(續)

符合以下條件的財務資產隨後按公平值計入其他全面收益計量：

- 財務資產以業務模式持有，其目的為出售及收取合約現金流量；及
- 合約條款在指定日期產生現金流量，該現金流量僅為支付本金及尚未償還本金的利息。

所有其他財務資產隨後按公平值計入損益計量，惟於首次應用香港財務報告準則第9號日期／首次確認一項財務資產除外。倘股權投資並非持作買賣，亦非於香港財務報告準則第3號「業務合併」適用的業務合併中收購方所確認的或然代價，本集團可能不可撤銷地選擇於其他全面收益呈列股權投資公平值的隨後變動。

本集團所有財務資產分類為按攤銷成本計量的財務資產。

##### 攤銷成本及利息收入

其後按攤銷成本計量的財務資產的利息收入使用實際利息法予以確認。利息收入乃對一項財務資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的財務資產除外(見下文)。就其後出現信貸減值的財務資產而言，自下一報告期起，利息收入乃對財務資產攤銷成本應用實際利率予以確認。倘信貸減值財務工具的信貸風險好轉，使財務資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對財務資產賬面總值應用實際利率予以確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets which are subject to impairment under HKFRS 9 including trade and other receivables, rental deposit, deposit for other borrowing, pledged bank deposits, bank balances and other item (contract assets). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables without significant financing component and contract assets. The ECL on these assets are assessed individually.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

- (i) Significant increase in credit risk  
In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

### 3. 主要會計政策(續)

#### 財務工具(續)

##### 財務資產(續)

##### 財務資產減值

本集團就根據香港財務報告準則第9號面臨減值的財務資產(包括貿易及其他應收款項、租賃押金、其他借款的押金、已抵押銀行存款、銀行結餘及其他項目(合約資產))根據預期信貸虧損(「預期信貸虧損」)模式進行減值評估。預期信貸虧損金額於各報告日期更新，以反映自初始確認起的信貸風險變動。

全期預期信貸虧損指於相關工具預期壽命內發生所有可能的違約事件而導致的預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)則指預期於報告日期後12個月內可能發生的違約事件而導致的部分全期預期信貸虧損。評估乃根據本集團過往信貸虧損經驗進行，並根據應收款項特定因素、一般經濟狀況及於報告日期對當前狀況及未來狀況預測的評估而作出調整。

本集團經常就並無重大融資部分的貿易應收款項及合約資產確認全期預期信貸虧損。該等資產的預期信貸虧損將進行單獨評估。

就所有其他工具而言，本集團計量與12個月預期信貸虧損等額的虧損撥備，除非信貸風險自初始確認以來已大幅增加，則本集團確認全期預期信貸虧損。評估是否應確認全期預期信貸虧損，乃基於自初始確認起出現違約的可能性或風險是否大幅增加。

- (i) 信貸風險大幅增加  
於評估信貸風險是否自初始確認以來已大幅增加時，本集團比較財務工具於報告日期出現違約的風險與該財務工具於初始確認日期出現違約的風險。作此評估時，本集團均會考慮合理及有理據的定量及定性資料，包括歷史經驗及毋須花費不必要成本或精力即可獲得的前瞻性資料。



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## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Impairment of financial assets (Continued)

- (i) Significant increase in credit risk (Continued)
- In particular, the following information is taken into account when assessing whether credit risk has increased significantly:
- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
  - significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
  - existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
  - an actual or expected significant deterioration in the operating results of the debtor;
  - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

### 3. 主要會計政策(續)

#### 財務工具(續)

##### 財務資產(續)

##### 財務資產減值(續)

- (i) 信貸風險大幅增加(續)
- 尤其是，評估信貸風險是否大幅增加時會考慮下列資料：
- 財務工具外部(如有)或內部信貸評級的實際或預期重大惡化；
  - 信貸風險的外界市場指標的重大惡化，例如信貸息差大幅增加及應收款項的信貸違約掉期價；
  - 預期將導致債務人履行其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測不利變動；
  - 債務人經營業績的實際或預期重大惡化；
  - 導致債務人履行其債務責任的能力大幅下降的債務人監管、經濟或技術環境的實際或預期重大不利變動。

儘管出現上述評估的結果，倘合約已逾期還款超過30日，除本集團有合理並可支持的資料呈示，否則本集團推定信貸風險自初始確認以來已有顯著上升。

本集團定期監察釐定信貸風險有否重大增加的準則的成效，並適時對其作出修訂，確保該準則能夠於金額到期前釐定信貸風險有否重大增加。

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## 綜合財務報表附註

For the year ended 31 December 2019  
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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Impairment of financial assets (Continued)

##### (ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### (iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

### 3. 主要會計政策(續)

#### 財務工具(續)

##### 財務資產(續)

##### 財務資產減值(續)

##### (ii) 違約定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源的資料顯示債務人不太可能悉數向其債權人(包括本集團)還款(未計及本集團所持任何抵押品)時發生。

不論上文所述，本集團認為，倘財務資產逾期超過90天則發生違約，除非本集團具合理可靠資料證明較寬鬆之違約標準更為合適則作別論。

##### (iii) 信貸減值財務資產

當一項或多項違約事件對該財務資產的預期未來現金流量構成不利影響時，則財務資產出現信貸減值。財務資產出現信貸減值的證據包括有關下列事件的可觀察數據：

- (a) 發行人或借款人出現重大財務困難；
- (b) 違反合約(如違約或逾期事件)；
- (c) 向借款人作出貸款之貸款人因與借款人出現財政困難有關的經濟或合約考慮，給予借款人在其他情況下不會作出的讓步；或
- (d) 借款人將可能面臨破產或其他財務重組。

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Impairment of financial assets (Continued)

##### (iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over three years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

##### (v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

### 3. 主要會計政策(續)

#### 財務工具(續)

##### 財務資產(續)

##### 財務資產減值(續)

##### (iv) 撇銷政策

當有資料顯示對手方陷入嚴重財政困難，且並無實際收回款項的可能時(例如對手方被清盤或已進入破產程序，或就貿易應收款項而言，當金額已逾期超過三年(以較早發生者為準))，本集團會撇銷財務資產。經計及在適當情況下的法律意見後，已撇銷的財務資產可能仍可於本集團收回程序下被強制執行。撇銷構成終止確認事項。任何其後收回的款項於損益賬確認。

##### (v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約損失率(即違約時的損失程度)及違約風險的函數。評估違約概率及違約損失率的依據是過往數據，並按前瞻性資料調整。預期信貸虧損的評估乃無偏概率加權金額，以發生違約的風險為權重確定。

一般而言，預期信貸虧損按根據合約應付本集團的所有合約現金流量與本集團預計收取的所有現金流量(按於初始確認所釐定的實際利率折現)之間的差額估算。

利息收入按財務資產的賬面總值計算，除非財務資產出現信貸減值，在這種情況下，利息收入按財務資產的攤銷成本計算。

本集團透過調整賬面值於損益賬確認所有財務工具的減值收益或虧損，惟貿易應收款項及合約資產除外，其相關調整乃透過虧損撥備賬予以確認。



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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

##### Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity according to the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

##### Financial liabilities

Financial liabilities including trade and other payables, amount due to ultimate holding company, amount due to a photovoltaic facilities provider and other borrowing are subsequently measured at amortised cost, using the effective interest method.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### 3. 主要會計政策(續)

#### 財務工具(續)

##### 財務資產(續)

##### 終止確認財務資產

本集團僅於資產收取現金流量的合約權利屆滿時，或已將財務資產以及資產擁有權之絕大部分風險及回報轉移至另一實體時終止確認財務資產。

於終止確認按攤銷成本計量的財務資產時，資產賬面值與已收及應收代價總和間差額將於損益確認。

##### 財務負債及權益工具

債務及集團實體發行的權益工具按合約安排內容以及財務負債及權益工具的定義，分類為財務負債或權益。

##### 權益工具

權益工具乃任何證明本集團經扣減一切負債後的資產剩餘權益合約。本公司發行的權益工具按已收所得款項扣除直接發行成本入賬。

##### 財務負債

財務負債包括貿易及其他應付款項、應付最終控股公司款項、應付光伏設施供應商款項及其他借款，其後以實際利率法按攤銷成本計量。

##### 終止確認財務負債

本集團財務負債乃於及僅於其責任獲解除、取消或到期時終止確認。本集團終止確認財務負債賬面值與已付及應付代價間差額，於損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumption about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

##### Critical judgements in applying accounting policies

The followings are the critical judgements, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

##### *Revenue recognition on tariff adjustment for photovoltaic power generation*

Tariff adjustment represents subsidy received and receivable from the government authorities in respect of the Group's photovoltaic power generation business.

Pursuant to the New Tariff Notice issued in August 2013 by the National Development and Reform Commission of the PRC, approvals for the registration in the Renewable Energy Tariff Subsidy Catalogue (可再生能源電價附加資金補助目錄) (the "Catalogue") on a project-by-project basis are required for the settlement of the tariff adjustment. In January 2020, the Ministry of Finance of the PRC (the "Ministry of Finance"), the National Development and Reform Commission of the People's Republic of China (the "NDRC") and the National Energy Administration (the "NEA") jointly issued the Several Opinions on Promoting the Healthy Development of Non-hydro Renewable Energy Power Generation (關於促進非水可再生能源發電健康發展的若干意見) (the "2020 Opinion"). Pursuant to the 2020 Opinion, the PRC government will no longer announce new Catalogues from time to time. The Ministry of Finance, the NDRC and the NEA also jointly issued the Administrative Measures on the Additional Subsidies on the Renewable Energy Electricity Prices (可再生能源發展電價附加資金管理辦法) in January 2020, which set out that the state grid company will regularly announce a list of solar power plants that are eligible for the tariff adjustment subsidy (the "Renewable Energy Project List") upon approval by the relevant PRC authorities on a yearly and project-by-project basis.

#### 4. 估計不明朗因素的關鍵會計判斷及主要來源

應用附註3所述本集團的會計政策時，本公司董事需為不容易從其他來源取得的資產及負債的賬面值作出判斷、估計及假設。估計及相關假設是根據歷史經驗和被認為是相關的其他因素。實際結果可能與這些估計的有所不同。

估計及相關假設按持續基準進行檢討。倘有關修訂僅影響該期間，則會計估計之修訂於修訂估計之期間內確認；倘修訂影響本期間及未來期間，則於修訂期間及未來期間確認。

##### 應用會計政策之關鍵判斷

以下為關鍵判斷，不包含董事在應用本集團會計政策時所作出的及對於綜合財務報表之確認金額有重大影響的估計(見下文)所涉及者。

##### 光伏發電電價調整之收益確認

電價調整指本集團光伏發電業務從政府當局已收及應收之電價補助。

根據中國國家發展和改革委員會於二零一三年八月頒佈的新電價補貼通知，結算電價調整須按項目基準獲得登記於可再生能源電價附加資金補助目錄(「目錄」)的批准。於二零二零年一月，中國財政部(「財政部」)、中華人民共和國國家發展和改革委員會(「發改委」)及國家能源局(「能源局」)共同發佈關於促進非水可再生能源發電健康發展的若干意見(「二零二零年意見書」)。根據二零二零年意見書，中國政府不會再頒佈新目錄。財政部、發改委及能源局亦於二零二零年一月共同發佈可再生能源發展電價附加資金管理辦法，當中載列，於獲得相關中國機關根據按年項目基準的批准後，國家電網公司將定期公佈合資格申請電價調整補貼的太陽能發電廠清單(「可再生能源發電項目清單」)。

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### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### Critical judgements in applying accounting policies (Continued)

##### Revenue recognition on tariff adjustment for photovoltaic power generation (Continued)

Revenue from tariff adjustment for photovoltaic power generation amounting to RMB386,688,000 (2018: RMB397,238,000) from the state grid company in the PRC is recognised in which the operating solar power plant is still pending registration in the Renewable Energy Project List. As at 31 December 2019, total contract assets amounted to RMB1,467,556,000 (2018: RMB1,020,104,000). In the opinion of the directors of the Company, the revenue recognition of tariff adjustment is proper based on their judgement and taking into account of the opinion from the Group's PRC legal advisor, that the Group's operating solar power plant has qualified for registration and has met all the relevant requirements and conditions for the registration in the Renewable Energy Project List. The directors of the Company are confident that the Group's operating solar power plant is able to be registered in the Renewable Energy Project List in due course and the tariff adjustment receivables are fully recoverable upon the allocation of funds from the PRC government.

##### Deferred tax in respect of temporary differences attributable to the undistributed profits of subsidiaries in the PRC

The directors of the Company have assessed the exposure on deferred tax in respect of the temporary differences attributable to the undistributed profits of subsidiaries in the PRC with reference to the Group's intention to pay dividend, cashflows of the subsidiaries in the PRC and the overall needs of operating cash of the Group.

Deferred taxation has not been recognised in respect of certain undistributed retained profits earned by the subsidiaries in the PRC starting from 1 January 2008 amounting to RMB829,741,000 (2018: RMB832,096,000) as the directors are of the opinion that the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

### 4. 估計不明朗因素的關鍵會計判斷及主要來源(續)

#### 應用會計政策之關鍵判斷(續)

##### 光伏發電電價調整之收益確認(續)

中國國家電網公司光伏發電電價調整收益確認為人民幣386,688,000元(二零一八年：人民幣397,238,000元)，其中營運中的太陽能發電廠仍有待於可再生能源發電項目清單登記。於二零一九年十二月三十一日，合約資產總額為人民幣1,467,556,000元(二零一八年：人民幣1,020,104,000元)。本公司董事認為，根據其判斷並計及本集團中國法律顧問的意見對電價調整作出之收益確認屬恰當。本集團中國法律顧問認為，本集團經營的太陽能發電廠已符合資格登記，並滿足登記入可再生能源發電項目清單的所有有關要求及條件。本公司董事堅信，本集團經營的太陽能發電廠將可於適當時候登記入可再生能源發電項目清單內，且電價調整應收款項將可於中國政府劃撥資金時悉數予以收回。

##### 就中國附屬公司未分派溢利應佔暫時性差額的遞延稅項

本公司董事已評估中國附屬公司未分派溢利應佔暫時性差額遞延稅項之風險，參考本集團就中國附屬公司股息分派的意圖及現金流量以及本集團整體需求及營運現金。

自二零零八年一月一日起，並無就中國附屬公司所賺取的若干未分派保留溢利金額人民幣829,741,000元(二零一八年：人民幣832,096,000元)確認遞延稅項，乃由於董事認為本集團可控制暫時差額的撥回時間及暫時差額不大可能於可見將來轉回。



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#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

##### Key sources of estimation uncertainty

The followings are key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### *Provision of ECL for trade receivables*

The Group calculates ECL for the trade receivables individually by considering the debtors' historical default rates and forward-looking information that is reasonable, supportable and available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in notes 30 and 19, respectively.

##### *Estimated write-down of inventories*

The management of the Group reviews an aged analysis at the end of each reporting period, and writes down obsolete and slow-moving inventory items identified that are no longer suitable for use in operation. When estimation of net realisable value is less than the carrying amount, write-down of inventories may be made. As at 31 December 2019, the carrying amount of inventories is RMB16,423,000 (net of write-down of slowing moving inventories of RMB2,111,000) (2018: RMB29,511,000 (net of write-down of slowing moving inventories of RMB1,170,000)).

##### *Useful lives and impairment assessment of property, plant and equipment*

The management determines the estimated useful lives, the residual values, and the depreciation method in determining the related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. In addition, management assesses impairment whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable. Management will increase the depreciation charge where useful lives are expected to be shorter than expected, or will write off or write-down obsolete or non-strategic assets that have been abandoned. As at 31 December 2019, the carrying amount of property, plant and equipment is RMB2,274,877,000 (2018: RMB283,777,000).

#### 4. 估計不明朗因素的關鍵會計判斷及主要來源(續)

##### 估計不明朗因素的主要來源

以下為有關未來的主要假設及於報告期末估計不明朗因素的其他主要來源，均具有導致下一財政年度資產及負債賬面值出現大幅調整的重大風險。

##### *貿易應收款項預期信貸虧損撥備*

本集團經計及債務人過往違約率及合理可作為依據且毋須付出不必要成本或努力獲得的前瞻性資料就貿易應收款項預期信貸虧損進行單獨計算。於各報告日期，重新評估過往觀察的違約率及考慮前瞻性資料的變動。預期信貸虧損撥備容易受到估計變動的影響。有關預期信貸虧損及本集團貿易應收款項的資料分別於附註30及19披露。

##### *估計存貨撇減*

本集團管理層於各報告期末檢討存貨賬齡分析，並對確定不再適合營運的過時及滯銷存貨項目進行撇減。倘估計可變現淨值低於其賬面值則可能進行存貨撇減。於二零一九年十二月三十一日，存貨賬面值為人民幣16,423,000元(扣除滯銷存貨撇減準備人民幣2,111,000元)(二零一八年：人民幣29,511,000元(扣除滯銷存貨撇減人民幣1,170,000元))。

##### *物業、廠房及設備可使用年期及減值評估*

管理層釐定其物業、廠房及設備的估計可使用年期、剩餘價值及釐定相關折舊費用的折舊方法。該估計乃根據類似性質及功能的物業、廠房及設備的實際可使用年期的過往經驗而釐定。此外，在出現任何顯示可能無法收回資產賬面值的事件或情況有變時，管理層會評估減值。倘可使用年期預計少於預期，則管理層將增加折舊費用，或會撇銷或撇減已報廢的陳舊或非策略性資產。於二零一九年十二月三十一日，物業、廠房及設備的賬面值為人民幣2,274,877,000元(二零一八年：人民幣283,777,000元)。

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### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### Key sources of estimation uncertainty (Continued)

##### *Estimated provision of defective claims*

For the provision of defective claims, there are no fixed terms of defective claims entered with customers. The amount is based on the management's estimation by reference to the historical experience on defective claims from customers. Management's estimates and assumptions are reviewed periodically and are adjusted if necessary. Should any of the estimates and assumptions change, it may lead to a change in the provision of defective claims. As at 31 December 2019, the carrying amount of provision of defective claims is RMB13,998,000 (2018: RMB14,018,000).

##### *Fair value measurement of initial recognition of financial instruments at amortised cost*

Contract assets and amount due to a photovoltaic facilities provider are measured at fair value at the initial recognition which were determined based on the present value of the estimated cash flow discounted at appropriate discount rate. Changing the assumptions and estimations, including the estimated cash flow and discount rate, could materially affect the fair value of the financial instruments at initial recognition and the imputed interest of the financial instruments that recognised in profit or loss. As at 31 December 2019, the carrying amount of contract assets and amount due to a photovoltaic facilities provider amounting to RMB1,467,556,000 (2018: RMB1,020,104,000) and RMB908,071,000 (2018: nil), respectively.

### 4. 估計不明朗因素的關鍵會計判斷及主要來源(續)

#### 估計不明朗因素的主要來源(續)

##### *次貨索償估計撥備*

關於次貨索償撥備，概無與客戶訂立次貨索償的固定條款。有關金額乃管理層經參考客戶次貨索償的過往經驗估計。管理層定期檢討估計及假設，並於有需要時調整。倘任何估計及假設出現變動，可能導致次貨索償撥備有變。於二零一九年十二月三十一日，次貨索償撥備賬面值為人民幣13,998,000元(二零一八年：人民幣14,018,000元)。

##### *初始確認按攤銷成本計量的財務工具的公平值計量*

合約資產及應付光伏設施供應商款項於初始確認時按公平值計量，計量方法乃按合適貼現率貼現的預期現金流量的現值釐定。變更假設及預期(包括預期現金流量及貼現率)可能嚴重影響財務工具於初始確認時的公平值及於損益中確認的財務工具的累計利息。於二零一九年十二月三十一日，合約資產的賬面值及應付光伏設施供應商款項分別為人民幣1,467,556,000元(二零一八年：人民幣1,020,104,000元)及人民幣908,071,000元(二零一八年：無)。

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### 5. REVENUE AND SEGMENT INFORMATION

An analysis of the Group's revenue for the year is as follows:

### 5. 收益及分部資料

以下為本集團年度收益分析：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Revenue from photovoltaic power generation (note)	光伏發電收益(附註)		
– Sales of electricity	– 電力銷售	144,699	151,900
– Tariff adjustment (note)	– 電價調整(附註)	386,688	397,238
Sales of lighting products	照明產品銷售	354,020	369,376
		885,407	918,514

Note: As stated in sales contract, revenue from photovoltaic power generation included tariff adjustment from the state grid company in the PRC based on the prevailing nationwide government policies on renewable energy for solar power plants.

附註：誠如銷售合約所述，光伏發電收益包括中國國家電網公司根據現行國家政府政策就太陽能發電廠可再生能源的電價調整。

For photovoltaic power generation, revenue for the year is recognised at a point in time when electricity is generated and transferred to customer.

就光伏發電而言，年度收益於發電並轉移至客戶的某一時間點時確認。

For sales of lighting products, revenue for the year is recognised at a point in time when the control of goods has transferred, being when the goods have been transferred to the customer's specific location.

就照明產品銷售而言，年度收益於貨品控制權轉移，即貨品已轉移至客戶指定位置時確認。

All sales contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

所有銷售合約乃於一年或以下期間內進行。按照香港財務報告準則第15號所允許，並無披露分配至該等未達成合約的交易價。

Information reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on the revenues and profits from different types of business divisions.

就資源分配及評估分部表現而向本公司執行董事(即主要營運決策人(「主要營運決策人」))報告的資料乃集中於各類業務部門的收益及溢利。



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### 5. REVENUE AND SEGMENT INFORMATION

(Continued)

The Group's operating and reportable segments under HKFRS 8 "Operating Segments" are as follows:

- (i) Photovoltaic power generation represents sales of electricity, development, construction, management and operation of a solar power plant ("photovoltaic power generation").
- (ii) Lighting product business represents the sales of lighting products including portable lighting products, shades for the lamps, furniture set and other home accessory products ("sales of lighting products").

No operating segments have been aggregated in arriving at the reporting segments of the Group.

#### Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segment.

For the year ended 31 December 2019

### 5. 收益及分部資料(續)

根據香港財務報告準則第8號「經營分部」，本集團的經營及可報告分部如下：

- (i) 光伏發電指電力的銷售，太陽能發電廠的開發、建設、管理及營運(「光伏發電」)。
- (ii) 照明產品業務指照明產品銷售，包括移動照明產品、燈罩、傢具組合及其他家居飾品(「照明產品銷售」)。

於呈報本集團分部時並無匯總經營分部。

#### 分部收益及業績

以下為按經營分部劃分的本集團收益及業績分析。

截至二零一九年十二月三十一日止年度

		Photovoltaic power generation 光伏發電 RMB'000 人民幣千元	Sales of lighting products 照明產品銷售 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>SEGMENT REVENUE</b>	<b>分部收益</b>			
External sales	外部銷售	531,387	354,020	885,407
Segment profit (loss)	分部溢利(虧損)	353,240	(1,050)	352,190
Unallocated income	不予分配之收入			780
Unallocated expenses	不予分配之開支			
– Administrative and other expenses	– 行政及其他開支			(19,526)
– Finance costs	– 財務費用			(360)
Profit before taxation	除稅前溢利			333,084

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### 5. REVENUE AND SEGMENT INFORMATION

(Continued)

Segment revenue and results (Continued)

For the year ended 31 December 2018 (restated)

### 5. 收益及分部資料(續)

分部收益及業績(續)

截至二零一八年十二月三十一日止年度(經重列)

		Photovoltaic power generation 光伏發電 RMB'000 人民幣千元	Sales of lighting products 照明產品銷售 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>SEGMENT REVENUE</b>	<b>分部收益</b>			
External sales	外部銷售	549,138	369,376	918,514
Segment profit	分部溢利	464,225	6,095	470,320
Unallocated income	不予分配之收入			951
Unallocated expenses	不予分配之開支			
– Administrative and other expenses	– 行政及其他開支			(16,707)
– Finance costs	– 財務費用			(4,712)
Profit before taxation	除稅前溢利			449,852

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment and hence is arrived at without allocation of certain income and expenses (including other income, gains and losses, administrative and other expenses and finance costs). This is the measure reported to the CODM of the Company, for the purposes of resources allocation and assessment of segment performance.

經營分部的會計政策與附註3所載的本集團會計政策相同。分部溢利指各分部賺取之溢利，因此乃按不予分配若干收入及開支(包括其他收入、收益及虧損、行政及其他開支及財務費用)計算。此乃向本公司主要營運決策人報告的方法，以供進行資源分配及評估分部表現。

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## 綜合財務報表附註

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### 5. REVENUE AND SEGMENT INFORMATION

(Continued)

#### Geographical information

The Group's operations are located in Hong Kong, the PRC (excluding Hong Kong) and North America.

Information about the Group's revenue from external customers based on the location of goods physically delivered to and location of electricity transmission and information about its non-current assets based on geographical location of the assets:

### 5. 收益及分部資料(續)

#### 地區資料

本集團業務位於香港、中國(不包括香港)及北美洲。

本集團根據向其實際交付貨物的地點及電力傳輸的地點劃分來自外部客戶的收益及按資產的地理位置劃分的非流動資產的資料：

		Revenue from external customers		Non-current assets (other than deferred tax asset, deposit for other borrowing and rental deposit)	
		來自外部客戶收益		非流動資產 (遞延稅項資產、其他借款的押金及租賃押金除外)	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Hong Kong	香港	—	—	16,827	3,002
PRC	中國	531,387	549,138	2,275,043	279,531
United States of America ("USA")	美國(「美國」)	347,819	366,437	822	1,653
Canada	加拿大	6,201	2,709	—	—
Others	其他	—	230	—	—
Total revenue/ non-current assets	收益總額/ 非流動資產	885,407	918,514	2,292,692	284,186

#### Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group are as follows:

#### 有關主要客戶之資料

於相應年度，佔本集團收益總額超過10%的客戶收益載列如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Customer A (note)	客戶A(附註)	531,387	549,138
Customer B (note)	客戶B(附註)	113,160	150,805
Customer C (note)	客戶C(附註)	88,626	92,811

Note: The revenue from Customer A was derived from photovoltaic power generation and Customers B and C were derived from sales of lighting products.

附註：從客戶A收取的收益涉及光伏發電，從客戶B和C收取的收益涉及照明產品銷售。



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## 綜合財務報表附註

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### 6. OTHER INCOME, GAINS AND LOSSES

### 6. 其他收入、收益及虧損

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Imputed interest income on tariff adjustment receivables (note 20)	就電價調整應收款項的 累計利息收入(附註20)	34,715	20,906
Remeasurement on discounted present value of amount due to a photovoltaic facilities provider	重新計量應付光伏設施供應商款項之貼現現值	22,375	—
Remeasurement on discounted present value of tariff adjustment receivables (note b)	重新計量電價調整應收款項之貼現現值(附註b)	(29,569)	(26,244)
Government grants (note a)	政府補助(附註a)	—	25,618
Net foreign exchange gain	匯兌收益淨額	1,008	151
Bank interest income	銀行利息收入	855	1,055
Sundry income	雜項收益	1,299	495
		30,683	21,981

Notes:

附註：

- (a) The government grants represented the amount received from local government by the PRC subsidiary of the Group in subsidising certain tax payments. Government grants represented unconditional incentive received in relation to activities carried out by the Group.
- (b) It represents losses recognised from remeasurement on discounted present value of tariff adjustment receivables as the management of the Group considered that the settlement of tariff adjustment receivables are expected to be further delayed to March 2021 (2018: March 2020).

- (a) 政府補助指本集團中國附屬公司從當地政府收取補貼若干稅項開支的金額。政府補助亦是就本集團經營活動所收取的無條件補助。
- (b) 其指於重新計量電價調整應收款項之貼現現值確認之虧損，乃由於本集團管理層認為，預期結付電價調整應收款項將進一步延遲至二零二一年三月(二零一八年：二零二零年三月)。

### 7. FINANCE COSTS

### 7. 財務費用

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Interest expense in other borrowing	其他借款利息開支	73,648	—
Imputed interest on amount due to a photovoltaic facilities provider	應付一間光伏設施供應商的應計利息	13,124	—
Interest on lease liabilities	租賃負債利息	627	—
Finance costs on bank borrowings and bills payable	銀行借款及應付票據的財務費用	—	4,712
		87,399	4,712

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
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### 8. PROFIT BEFORE TAXATION

### 8. 除稅前溢利

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Profit before taxation has been arrived at after charging:	除稅前溢利已扣除下列各項：		
Staff costs, including directors' remuneration (note 10)	員工成本(包括董事酬金)(附註10)		
Salaries and other benefits	薪金及其他福利	53,203	51,008
Retirement benefits schemes contributions	退休福利計劃供款	1,203	1,241
		54,406	52,249
Allowance for obsolete and slow-moving inventories	過時及滯銷存貨準備	859	387
Amortisation of intangible asset	無形資產攤銷	85	81
Auditor's remuneration	核數師酬金	1,144	1,046
Cost of inventories recognised as expenses	已確認為開支的存貨成本	241,906	296,908
Depreciation of property, plant and equipment	物業、廠房及設備折舊	64,724	9,048
Depreciation of right-of-use assets	使用權資產折舊	3,212	—
Design and sampling costs, including staff costs of RMB3,252,000 (2018: RMB3,425,000)	設計及樣品成本，包括員工成本 人民幣3,252,000元 (二零一八年： 人民幣3,425,000元)	5,977	6,174
Operating lease rentals	經營租賃租金		
– rented premises	– 租賃物業	—	11,934
– photovoltaic facilities	– 光伏設施	—	76,924
and after crediting:	及已計入：		
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	—	63

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
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### 9. INCOME TAX EXPENSE

### 9. 所得稅開支

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Current taxation:	即期稅項：		
– Hong Kong Profits Tax	– 香港利得稅	1,414	2,839
– PRC Enterprise Income Tax (“EIT”)	– 中國企業所得稅 (「企業所得稅」)	21,654	2,305
– Withholding tax in the PRC	– 中國預扣稅	13,500	1,697
– Overseas taxation	– 海外稅項	–	2
		36,568	6,843
(Over)underprovision in prior years:	往年(超額)不足撥備：		
– Hong Kong Profits Tax	– 香港利得稅	(163)	(25)
– Withholding tax in the PRC	– 中國預扣稅	(900)	1,827
– Overseas taxation	– 海外稅項	–	(413)
		(1,063)	1,389
Deferred taxation charge (credit) (note 16)	遞延稅項支出(抵免) (附註16)	708	(344)
Total	總額	36,213	7,888

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. For the year ended 31 December 2019, Hong Kong Profits Tax of the qualifying corporation in the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other corporations in the Group which are not qualified for the two-tiered profits tax rates regime will continue to be taxed at the rate of 16.5%.

於二零一八年三月二十一日，香港立法會通過二零一七年稅務(修訂)(第7號)條例草案(「該條例草案」)，引入利得稅兩級制。該條例草案於二零一八年三月二十八日經簽署生效，並於翌日刊憲。根據利得稅兩級制，合資格集團實體首2,000,000港元之溢利將按8.25%之稅率徵收稅項，溢利中超過2,000,000港元之溢利將按16.5%之稅率徵收稅項。不合資格參與利得稅兩級制之集團實體之溢利將繼續按劃一稅率16.5%徵收稅項。截至二零一九年十二月三十一日止年度，本集團合資格公司之香港利得稅乃根據利得稅兩級制計算。不合資格參與利得稅兩級制之本集團其他公司之溢利將繼續按稅率16.5%徵收稅項。



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## 綜合財務報表附註

For the year ended 31 December 2019  
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### 9. INCOME TAX EXPENSE (Continued)

For the year ended 31 December 2018, the directors of the Company considered the amount involved upon implementation of the two tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax was calculated at 16.5% of the estimated assessable profit for the year ended 31 December 2018.

A subsidiary of the Company, being an enterprise engaged in public infrastructure projects, under the PRC Tax Law and its relevant regulations, is entitled to tax holiday of 3-year full exemption followed by 3-year 50% exemption commencing from the respective year in which operating profit was derived. The subsidiary of the Company which was engaged in the public infrastructure projects has operating profit since 2016. For the year ended 31 December 2019, the subsidiary started its first year of the 3-year 50% exemption period. The EIT incurred during the year ended 31 December 2018 represents the taxation on the government grants received from local government by the PRC subsidiary of the Group in subsidising certain tax payments. The PRC subsidiary is entitled to an income tax rate of 15% as it is eligible as encouraged industries in Western China (“西部地區鼓勵類產業企業”).

The withholding tax represents taxation recognised in respect of the dividend distributed from profit earned by a subsidiary in the PRC under the Implementation Regulation of the EIT Law of the PRC that requires withholding tax with tax rate of 5% upon the distribution of such profits to the shareholders.

Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the relevant jurisdictions.

### 9. 所得稅開支(續)

截至二零一八年十二月三十一日止年度，本公司董事認為，實行利得稅兩級制後涉及之金額對綜合財務報表並不重大。香港利得稅乃按截至二零一八年十二月三十一日止年度之估計應課稅溢利之16.5%計算。

本公司一間從事公共基礎設施項目的附屬公司，根據中國稅法及其相關規定，有權享受自各獲取經營溢利所屬納稅年度起三年免稅期及其後三年免稅50%。本公司從事公共基礎設施項目的該附屬公司自二零一六年起有經營溢利。截至二零一九年十二月三十一日止年度，附屬公司開始其首年度的50%三年免稅期。截至二零一八年十二月三十一日止年度產生的企業所得稅指本集團於中國之該附屬公司就從當地政府收取補貼若干稅項付款的稅項。該中國附屬公司因其為西部地區鼓勵類產業企業而有權享有15%的所得稅稅率。

預扣稅指於中國的附屬公司根據中國企業所得稅法實施條例就其已賺取的溢利中分派股息確認的稅項，企業所得稅法實施條例規定於向股東分派溢利時須按5%的稅率繳納預扣稅。

海外溢利的稅項乃根據年內估計應課稅溢利按相關司法權區的現行稅率計算。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 9. INCOME TAX EXPENSE (Continued)

The income tax expense for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

### 9. 所得稅開支(續)

年內所得稅開支與就綜合損益及其他全面收益表的除稅前溢利對賬如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Profit before taxation	除稅前溢利	333,084	449,852
Tax at PRC EIT rate at 25% (2018: Hong Kong Profits Tax rate at 16.5%)	中國企業所得稅稅率25% (二零一八年：香港利得稅稅率16.5%)	83,271	74,226
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	15,659	5,597
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(14,477)	(4,120)
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	8,361	4,621
Utilisation of tax loss previously not recognised	動用過往未確認的稅項虧損	(367)	—
Effect of tax exemptions granted to PRC subsidiaries	中國附屬公司享有免稅的稅務影響	(67,764)	(77,520)
Effect of withholding tax on distributed profits	就分派溢利的預扣稅的影響	13,500	1,697
Tax effect of different tax rates of subsidiaries in other jurisdictions	其他司法權區附屬公司稅率不同的稅務影響	(730)	2,058
(Over)underprovision in prior years	往年(超額)不足撥備	(1,063)	1,389
Others	其他	(177)	(60)
Income tax expense for the year	年內所得稅開支	36,213	7,888

### 10. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Details of the emoluments paid/payable to the directors and the chief executive of the Company during both years are as follow:

### 10. 董事、主要行政人員及僱員酬金

兩個年度內已付／應付本公司董事及主要行政人員之酬金詳情如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Directors' fee	董事袍金	1,378	1,295
Other emoluments	其他薪酬		
– salaries and other benefits	— 薪金及其他福利	1,858	1,745
– retirement benefits scheme contributions	— 退休福利計劃供款	27	25
		3,263	3,065

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## 綜合財務報表附註

For the year ended 31 December 2019  
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### 10. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

### 10. 董事、主要行政人員及僱員酬金(續)

		Fees	Salaries and other benefits	Retirement benefits scheme contributions	Total
		袍金	薪金及其他福利	退休福利計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>For the year ended 31 December 2019</b>	<b>截至二零一九年十二月三十一日止年度</b>				
Executive directors:	執行董事：				
Mr. Dang Yanbao	黨彥寶先生	—	1,646	16	1,662
Mr. Dang Zidong (Chief Executive)	黨自東先生 (行政總裁)	—	212	11	223
Mr. Gao Jianjun	高建軍先生	—	—	—	—
Mr. Liu Yuanguan	劉元管先生	—	—	—	—
Non-executive directors:	非執行董事：				
Mr. Cheng Hoo	鄭豪先生	212	—	—	212
Mr. Chung Kin Shun, Jimmy	鍾建舜先生	318	—	—	318
Independent non-executive directors:	獨立非執行董事：				
Mr. Tyen Kan Hee, Anthony	田耕熹先生	318	—	—	318
Mr. Xia Zuoquan	夏佐全先生	212	—	—	212
Mr. Guo Xuewen	郭學文先生	318	—	—	318
		1,378	1,858	27	3,263



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
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### 10. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

### 10. 董事、主要行政人員及僱員酬金(續)

		Fees	Salaries and other benefits	Retirement benefits scheme contributions	Total
		袍金	薪金及其他福利	退休福利計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>For the year ended 31 December 2018 (restated)</b>	<b>截至二零一八年十二月三十一日止年度 (經重列)</b>				
Executive directors:	執行董事：				
Mr. Dang Yanbao	黨彥寶先生	—	1,546	15	1,561
Mr. Dang Zidong (Chief Executive)	黨自東先生 (行政總裁)	—	199	10	209
Mr. Gao Jianjun (note b)	高建軍先生(附註b)	—	—	—	—
Mr. Liu Yuanguan (note b)	劉元管先生(附註b)	—	—	—	—
Non-executive directors:	非執行董事：				
Mr. Cheng Hoo	鄭豪先生	199	—	—	199
Mr. Chung Kin Shun, Jimmy	鍾建舜先生	299	—	—	299
Independent non-executive directors:	獨立非執行董事：				
Mr. Tyen Kan Hee, Anthony	田耕熹先生	299	—	—	299
Mr. Xia Zuoquan	夏佐全先生	199	—	—	199
Mr. Guo Xuwen	郭學文先生	299	—	—	299
		1,295	1,745	25	3,065

Notes:

附註：

- (a) The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The emoluments of non-executive directors and independent non-executive directors shown above were mainly for their services as directors of the Company.
- (b) During the year ended 31 December 2018, two directors waived emoluments of RMB1,345,000.

- (a) 上文所載執行董事之酬金乃與彼等就管理本公司及本集團事務提供服務有關之酬金。上文所載非執行董事及獨立非執行董事之酬金乃與彼等以本公司董事身份提供服務有關之酬金。
- (b) 於截至二零一八年十二月三十一日止年度，兩名董事豁免收取酬金人民幣1,345,000元。

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## 綜合財務報表附註

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### 10. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

#### Five highest paid individuals

The five highest paid individuals of the Group included one director for both years. The details of the emoluments are set out above. The remunerations of the remaining four highest paid individuals are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Employees	僱員		
– salaries and other benefits	– 薪金及其他福利	11,058	10,062
– discretionary bonus	– 酌情花紅	371	2,736
– retirement benefits scheme contributions	– 退休福利計劃供款	48	82
		11,477	12,880

The emoluments of these remaining four highest paid individuals in the Group for the year were within the following bands:

### 10. 董事、主要行政人員及僱員酬金(續)

#### 五名最高薪人士

兩個年度內，本集團五名最高薪人士均包括一名董事。酬金詳情載於上文。其餘四名最高薪人士的薪酬載列如下：

其餘的四名本集團最高薪人士於年內的酬金在以下範圍內：

		2019 二零一九年 No. of Employees 僱員數目	2018 二零一八年 No. of Employees 僱員數目
HK\$1,000,001–HK\$1,500,000	1,000,001港元 至1,500,000港元	1	2
HK\$1,500,001–HK\$2,000,000	1,500,001港元 至2,000,000港元	1	–
HK\$4,500,001–HK\$5,000,000	4,500,001港元 至5,000,000港元	1	–
HK\$5,000,001–HK\$5,500,000	5,000,001港元 至5,500,000港元	1	–
HK\$6,000,001–HK\$6,500,000	6,000,001港元 至6,500,000港元	–	1
HK\$6,500,001–HK\$7,000,000	6,500,001港元 至7,000,000港元	–	1
		4	4

During both years, no emoluments were paid by the Group to the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

兩個年度內，本集團概無向五名最高薪人士(包括董事及僱員)支付任何薪酬，作為吸引彼等加入或加入本集團時的獎勵，或作為離職補償。

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## 綜合財務報表附註

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### 11. DIVIDEND

### 11. 股息

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Dividends for ordinary shareholders of the Company recognised as distribution during the year: 2019 Interim – 20 HK cents (equivalent to RMB18 cents) per share	年內確認為分派的本公司普通股股東股息： 二零一九年中期： 每股20港仙(相當於人民幣18分)	–
	<b>119,492</b>	–

The Board does not recommend any final dividend for the year ended 31 December 2019 (2018: nil).

董事會並不建議就截至二零一九年十二月三十一日止年度派發任何末期股息(二零一八年：無)。

### 12. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the year attributable to owners of the Company of RMB296,871,000 (2018: RMB441,964,000) and the weighted average number of 663,846,000 ordinary shares (2018: 611,161,000 ordinary shares) of the Company.

No diluted earnings per share is presented as there were no potential ordinary shares in issue during the years ended 31 December 2019 and 2018.

### 12. 每股盈利

每股基本盈利乃按本公司擁有人應佔年內溢利人民幣296,871,000元(二零一八年：人民幣441,964,000元)及本公司普通股加權平均股數663,846,000股(二零一八年：611,161,000股普通股)計算。

截至二零一九年及二零一八年十二月三十一日止年度內概無已發行潛在普通股，故並無呈列每股攤薄盈利。



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## 綜合財務報表附註

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### 13. PROPERTY, PLANT AND EQUIPMENT

### 13. 物業、廠房及設備

		Land and buildings 土地及樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃物業 裝修 RMB'000 人民幣千元	Furniture, fixtures and equipment 傢具、裝置 及設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Solar power plant 太陽能發電廠 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
COST	成本							
At 1 January 2018 (restated)	於二零一八年一月一日 (經重列)	1,585	4,424	7,758	3,848	118,538	90,118	226,271
Exchange adjustment	匯兌調整	96	157	367	319	-	-	939
Additions	添置	-	-	965	2,739	78,511	-	82,215
Disposals	出售	-	-	-	(542)	-	-	(542)
Transfer	轉撥	-	-	-	-	(196,122)	196,122	-
At 31 December 2018 (restated)	於二零一八年十二月三十一日 (經重列)	1,681	4,581	9,090	6,364	927	286,240	308,883
Exchange adjustment	匯兌調整	38	20	142	118	-	-	318
Additions	添置	-	1,047	97	122	1,679	2,052,821	2,055,766
Transfer	轉撥	-	-	-	-	(2,606)	2,606	-
At 31 December 2019	於二零一九年十二月三十一日	1,719	5,648	9,329	6,604	-	2,341,667	2,364,967
ACCUMULATED DEPRECIATION	累計折舊							
At 1 January 2018 (restated)	於二零一八年一月一日 (經重列)	947	3,158	5,319	3,096	-	3,423	15,943
Exchange adjustment	匯兌調整	61	98	305	193	-	-	657
Provided for the year	年內撥備	64	1,004	1,254	349	-	6,377	9,048
Disposals	出售	-	-	-	(542)	-	-	(542)
At 31 December 2018 (restated)	於二零一八年十二月三十一日 (經重列)	1,072	4,260	6,878	3,096	-	9,800	25,106
Exchange adjustment	匯兌調整	26	19	135	80	-	-	260
Provided for the year	年內撥備	67	472	1,113	775	-	62,297	64,724
At 31 December 2019	於二零一九年十二月三十一日	1,165	4,751	8,126	3,951	-	72,097	90,090
CARRYING VALUES	賬面值							
At 31 December 2019	於二零一九年十二月三十一日	554	897	1,203	2,653	-	2,269,570	2,274,877
At 31 December 2018 (restated)	於二零一八年十二月三十一日 (經重列)	609	321	2,212	3,268	927	276,440	283,777

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### 13. PROPERTY, PLANT AND EQUIPMENT

(Continued)

The above items of property, plant and equipment other than construction in progress are depreciated on a straight-line basis at the following rates per annum:

Land and buildings	4% or over the term of the lease, whichever is shorter
Leasehold improvements	20% or over the lease term of rented properties, whichever is shorter
Furniture, fixtures and equipment	20%–33%
Motor vehicles	16%–20%
Solar power plant	4%

The carrying value of land and buildings comprises:

### 13. 物業、廠房及設備(續)

上述物業、廠房及設備項目(在建工程除外)乃以直線法按下列年率折舊：

土地及樓宇	4%或按租期(以較短者為準)
租賃物業裝修	20%或按租賃物業的租期(以較短者為準)
傢具、裝置及設備	20% – 33%
汽車	16% – 20%
太陽能發電廠	4%

土地及樓宇的賬面值包括：

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (restated) (經重列)
Land and buildings situated in Hong Kong 香港土地及樓宇	554	609

As at 31 December 2019, the Group had pledged its land and buildings with carrying value of RMB554,000 (2018: RMB609,000) to secure a general banking facility granted to the Group.

於二零一九年十二月三十一日，本集團已抵押其賬面值為人民幣554,000元(二零一八年：人民幣609,000元)的土地及樓宇，作為本集團獲授予一般銀行融資的擔保。

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### 13. PROPERTY, PLANT AND EQUIPMENT

(Continued)

In May 2019, the Group has completed the acquisition of the Equipment pursuant to the sale and purchase agreement dated 23 March 2019 entered into between the Group and a photovoltaic facilities provider and the finance lease agreement dated 23 March 2019 entered into between the Group and Huaxia Financial Lease Co. Ltd. (the **"Huaxia Financial"**), which is an independent third party to the Group. The consideration of the Equipment under the sale and purchase agreement amounted to RMB2,398,154,000, which included value-added tax (**"VAT"**) in the amount of approximately RMB330,780,000. The first payment and second payment of the consideration amounting to RMB1,700,000,000 was paid by Huaxia Financial directly to the photovoltaic facilities provider. The third payment of the consideration amounting to approximately RMB698,154,000 would be settled by way of assignment of the benefit of the tariff adjustment receivables by the Group to the photovoltaic facilities provider (the **"Consideration Tariff Adjustment Receivables"**). The Group is obliged to pay the amount received to the photovoltaic facilities provider within ten business days of each receipt from the state grid company, until the entire amount is paid off. In the event that the Group fails to receive the corresponding amount of tariff adjustment receivables due to the PRC policy or other reasons beyond the control of the Group, the Group will not be obliged to pay such amount to the photovoltaic facilities provider and the photovoltaic facilities provider shall have no right to claim any damages against the Group. Since the Group has no legally enforceable right to set off the third payment of the consideration and the Consideration Tariff Adjustment Receivables, the Consideration Tariff Adjustment Receivables continued to be included in contract assets. Please refer to note 20 for details.

Pursuant to the announcement on Relevant Policies for Deepening Value-Added Tax Reform promulgated by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs of the PRC, the VAT rate has been reduced from 16% to 13% effective on 1 April 2019. Accordingly, the photovoltaic facilities provider has agreed to reduce the amount of the consideration to approximately RMB2,336,133,000, which included VAT in the amount of approximately RMB268,759,000. As a result of the aforesaid adjustment to the consideration, the amount of the third payment is reduced to approximately RMB636,133,000.

### 13. 物業、廠房及設備(續)

於二零一九年五月，本集團完成根據本集團與光伏設施供應商訂立日期為二零一九年三月二十三日的買賣協議及本集團與華夏金融租賃有限公司(「**華夏金融**」)訂立日期為二零一九年三月二十三日的融資租賃協議收購設備。華夏金融為本集團的獨立第三方。根據買賣協議，該設備的代價為人民幣2,398,154,000元，當中包括增值稅(「**增值稅**」)約人民幣330,780,000元。代價的第一筆付款及第二筆付款人民幣1,700,000,000元由華夏金融直接向光伏設施供應商支付。代價的第三筆付款約人民幣698,154,000元將由本集團透過轉讓電價調整應收款項的利益向光伏設施供應商結付(「**代價電價調整應收款項**」)。本集團須於每次自國家電網公司收到款項的十個營業日內向光伏設施供應商支付該款項，直至支付全部款項為止。倘本集團因中國政策或超出本集團控制範圍的其他理由而未能收取電價調整應收款項的相應款項，本集團將毋須向光伏設施供應商支付有關款項，而光伏設施供應商將無權向本集團索償任何損害。由於本集團並無合法執行權利抵銷代價的第三筆付款及代價電價調整應收款項，代價電價調整應收款項仍計入合約資產。詳情請參閱附註20。

根據中國財政部、國家稅務總局及海關總署頒佈的關於深化增值稅改革有關政策的公告，增值稅率已於二零一九年四月一日起由16%降至13%。因此，光伏設施供應商已同意將代價金額減至人民幣約2,336,133,000元，當中包括增值稅約人民幣268,759,000元。由於上述代價的調整，第三筆付款的金額減至約人民幣636,133,000元。



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## 綜合財務報表附註

For the year ended 31 December 2019  
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### 14. RIGHT-OF-USE ASSETS

### 14. 使用權資產

		Leasehold properties 租賃物業 RMB'000 人民幣千元
<b>As at 1 January 2019</b>	於二零一九年一月一日	
Carrying amount	賬面值	5,853
<b>As at 31 December 2019</b>	於二零一九年十二月三十一日	
Carrying amount	賬面值	17,482
<b>For the year ended 31 December 2019</b>	截至二零一九年十二月三十一日止年度	
Depreciation charge	折舊費用	3,212
Expense relating to short-term leases and other leases with lease terms end within 12 months of the date of initial application of HKFRS 16	與首次應用香港財務報告準則第16號日期12個月內屆滿的租賃期的短期租賃及其他租賃的開支	7,076
– rented premises	– 出租物業	36,324
– photovoltaic facility	– 光伏設施	
		43,400
Total cash outflow for leases	租賃現金流出總額	9,881
Additions to right-of-use assets	添置使用權資產	14,841

For both years, the Group leases various offices, warehouses, factories and staff quarter for its operations. Lease contracts are entered into for fixed term of one to six years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for showrooms. As at 31 December 2019, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

於兩個年度，本集團租賃多個辦公室、倉庫、工廠及員工宿舍用作其營運。租賃合約所訂立的固定年期為一至六年。租賃條款按個別基準磋商，且包括多項不同條款及條件。於釐定租賃期及評估不可撤銷期間的長短時，本集團會應用合約定義及釐定合約的可執行期間。

本集團定期訂立有關展廳的短期租賃。於二零一九年十二月三十一日，短期租賃組合與上述所披露短期租賃開支的短期租賃組合相近。

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## 綜合財務報表附註

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### 15. PREPAID RENTAL EXPENSES FOR PHOTOVOLTAIC FACILITIES

### 15. 光伏設施預付租賃費用

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Amounts of prepaid rental expenses for photovoltaic facilities analysed as: Current	—	36,324

光伏設施預付租賃費用  
金額分析如下：  
即期

The Group entered into lease agreements for photovoltaic facilities with an independent photovoltaic facilities provider for a rental period from 18 May 2016 to 17 May 2017, with the annual rental payment amounting to RMB90,000,000. The Group has renewed the lease agreement for photovoltaic facilities for a rental period from 18 May 2017 to 17 May 2019 with total rental payment amounting to RMB180,000,000. The full amount was paid in advance.

During the current year, the lease agreements were completed upon the completion of acquisition of the Equipment from the photovoltaic facilities provider.

本集團與一名獨立光伏設施供應商訂立一份光伏設施租賃協議，租賃期自二零一六年五月十八日至二零一七年五月十七日，年租賃金額為人民幣90,000,000元。本集團重續該光伏設施租賃協議，租賃期自二零一七年五月十八日至二零一九年五月十七日，總租金為人民幣180,000,000元，並墊付全款。

於本年度，租賃協議於完成向光伏設施供應商收購設備後終結。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
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### 16. DEFERRED TAXATION

The followings are the major deferred tax (liability) asset recognised and movements thereon during current and prior years:

### 16. 遞延稅項

以下為於本年度及過往年度確認的主要遞延稅項(負債)資產及其變動：

		Accelerated tax depreciation	Temporary difference on unrealised profits on intra-group transactions 集團內公司間交易未變現溢利的暫時差額	Total
		加速稅項折舊 RMB'000 人民幣千元	暫時差額 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2018 (restated)	於二零一八年一月一日 (經重列)	(42)	598	556
(Charge) credit to profit or loss	(自損益扣除)計入損益	(151)	495	344
Exchange adjustment	匯兌調整	(11)	65	54
At 31 December 2018 (restated)	於二零一八年 十二月三十一日(經重列)	(204)	1,158	954
Credit (charge) to profit or loss	計入損益(自損益扣除)	62	(770)	(708)
Exchange adjustment	匯兌調整	(4)	9	5
At 31 December 2019	於二零一九年 十二月三十一日	(146)	397	251

The following is the analysis of the deferred tax balances for financial reporting purposes:

以下為用於財務申報的遞延稅項結餘分析：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Deferred tax asset	遞延稅項資產	397	1,158
Deferred tax liability	遞延稅項負債	(146)	(204)
		251	954

At the end of the reporting period, the Group had unused tax losses of RMB136,225,000 (2018: RMB104,251,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profits streams of these subsidiaries.

於報告期末，本集團之未動用稅項虧損為人民幣136,225,000元(二零一八年：人民幣104,251,000元)可用作抵銷未來溢利。由於未能預測該等附屬公司的未來溢利來源，故並無就稅項虧損確認遞延稅項資產。



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## 綜合財務報表附註

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### 16. DEFERRED TAXATION (Continued)

Included in unrecognised tax losses are losses of RMB15,742,000 (2018: RMB14,950,000) that will expire within 5 years and losses of RMB39,284,000 (2018: RMB25,501,000) that will expire within 20 years, other tax losses may be carried forward indefinitely.

Deferred taxation has not been recognised in respect of certain undistributed retained profits earned by the subsidiaries in the PRC amounting of RMB829,741,000 (2018: RMB832,096,000) as the directors are of the opinion that the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

### 16. 遞延稅項(續)

未確認的稅項虧損包括將在五年內到期的虧損人民幣15,742,000元(二零一八年：人民幣14,950,000元)和將在二十年內到期的虧損人民幣39,284,000元(二零一八年：人民幣25,501,000元)，其他稅項虧損可無限期結轉。

本集團並無就附屬公司於中國所賺取的若干未分派保留溢利金額人民幣829,741,000元(二零一八年：人民幣832,096,000元)確認遞延稅項，乃由於董事認為本集團可控制暫時差額的撥回時間及暫時差額不大可能於可見將來轉回。

### 17. INTANGIBLE ASSET

### 17. 無形資產

		Brand name 品牌 RMB'000 人民幣千元
<b>COST</b>	<b>成本</b>	
At 1 January 2018 (restated)	於二零一八年一月一日(經重列)	802
Exchange adjustment	匯兌調整	48
At 31 December 2018 (restated)	於二零一八年十二月三十一日(經重列)	850
Exchange adjustment	匯兌調整	20
At 31 December 2019	於二零一九年十二月三十一日	870
<b>AMORTISATION</b>	<b>攤銷</b>	
At 1 January 2018 (restated)	於二零一八年一月一日(經重列)	335
Charge for the year	年內支出	81
Exchange adjustment	匯兌調整	25
At 31 December 2018 (restated)	於二零一八年十二月三十一日(經重列)	441
Charge for the year	年內支出	85
Exchange adjustment	匯兌調整	11
At 31 December 2019	於二零一九年十二月三十一日	537
<b>CARRYING VALUES</b>	<b>賬面值</b>	
At 31 December 2019	於二零一九年十二月三十一日	333
At 31 December 2018 (restated)	於二零一八年十二月三十一日(經重列)	409

The brand name has finite useful life and is amortised on a straight-line basis over 10 years.

品牌之可使用期有限，乃以直線法按十年攤銷。

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### 18. INVENTORIES

### 18. 存貨

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Finished goods	製成品	16,423	29,511

During the year, there was a write-down of inventories amounting to RMB859,000 (2018: RMB387,000) which was recognised in cost of sales.

年內減記存貨人民幣859,000元(二零一八年：人民幣387,000元)，並於銷售成本確認。

### 19. TRADE AND OTHER RECEIVABLES

### 19. 貿易及其他應收款項

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Trade receivables	貿易應收款項	119,486	131,841
Less: Allowance for expected credit losses	減：預期信貸虧損撥備	(741)	(724)
Bills receivables (note a)	應收票據(附註a)	118,745	131,117
Other receivables and prepayment (note b)	其他應收款項及預付款項 (附註b)	697	10,700
		229,113	11,186
		348,555	153,003

Notes:

附註：

- (a) All bills received by the Group are within a maturity period of less than one year.
- (b) Other receivables and prepayment mainly consist of payments in advance to suppliers and VAT receivable.

- (a) 所有本集團應收票據均於一年內到期。
- (b) 其他應收款項及預付款項主要包括向供應商墊款及應收增值稅。

As at 1 January 2018, trade receivables from contracts with customers amounted to RMB147,915,000.

於二零一八年一月一日，來自客戶合約的貿易應收款項為人民幣147,915,000元。

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### 19. TRADE AND OTHER RECEIVABLE (Continued)

The Group normally allows credit period with a range from 30 to 90 days to its customers. A longer credit period may be granted to large or long established customers with good payment history. The following was an aged analysis of trade receivables net of allowance for expected credit losses presented based on the invoice date for sales of goods and electricity transmitted dates at the end of the reporting period, which approximated the respective revenue recognition dates.

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
0 to 30 days	0至30日	52,326	46,667
31 to 60 days	31至60日	30,468	28,462
61 to 90 days	61至90日	20,551	19,895
Over 90 days	超過90日	15,400	36,093
		118,745	131,117

Before accepting any new customer, the Group assesses the credit quality of each potential customer and defines credit rating and limit for each customer. In addition, the Group has reviewed the repayment history of receivables by each customer with reference to the payment terms stated in contracts to determine the recoverability of a trade receivable.

As at 31 December 2019, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB17,094,000 (2018: RMB20,937,000) which are past due as at the reporting date. Out of the past due balances, RMB3,042,000 (2018: RMB1,564,000) has been past due 90 days or more and the directors of the Company considered there has no default occurred as these trade receivables are still considered fully recoverable due to long term/on-going relationship and good repayment record from these customers.

Details of impairment assessment of trade and other receivables are set out in note 30.

### 19. 貿易及其他應收款項(續)

本集團通常給予其客戶介乎30至90日的信貸期。較長的信貸期或會授予付款記錄良好的大客戶或已建立長期業務來往的客戶。下表載列於報告期末的貿易應收款項，扣除預期信貸虧損撥備，按貨品銷售發票日期及電力傳輸日期呈列的賬齡分析，該等日期與其各自收益確認日期相近。

於接受任何新客戶前，本集團會評估每名準客戶的信貸質素及界定每名客戶的信貸評級和限額。此外，本集團已審閱每名客戶過往償還應收款項的記錄，並經參考合約所列付款條款，以釐定貿易應收款項的可收回性。

於二零一九年十二月三十一日，本集團的貿易應收款項結餘包括賬面總值為人民幣17,094,000元(二零一八年：人民幣20,937,000元)的應收賬款，有關款項於報告日期逾期，於逾期的餘額中，人民幣3,042,000元(二零一八年：人民幣1,564,000元)已逾期超過90天或以上，由於與該等客戶具有長期／持續業務關係及良好還款紀錄，該等貿易應收款項仍視為可悉數收回，因此本公司董事認為該等款項概無出現違約。

有關貿易及其他應收款項減值評估的詳情載於附註30。



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## 綜合財務報表附註

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### 20. CONTRACT ASSETS

As at 31 December 2019, the contract assets represented the tariff adjustment receivables amounting to RMB1,467,556,000 (2018: RMB1,020,104,000). The amount would be received based on the prevailing national government policies on renewable energy. The contract assets are transferred to trade receivables when the Group's respective operating solar farm is registered in the Renewable Energy Project List pursuant to prevailing national government policies on renewable energy for solar farms.

The Group's contract assets for the photovoltaic power generation are receivables from the state grid company. The collection of the tariff adjustment receivables is subject to settlement by the state grid company upon registration of the solar power plant in the Renewable Energy Project List by the Group. As the collection of tariff adjustment receivables is expected in the normal operating cycle, which may be more than 1 year, the receivables are classified as current assets.

In the opinion of the directors of the Company, the revenue recognition of tariff adjustment is proper based on their judgement and taking into account the opinion from the Group's PRC legal advisor, that the Group's operating solar power plant has qualified for registration, and has met all the relevant requirements and conditions for the registration in the Renewable Energy Project List. The directors of the Company are confident that the Group's operating solar power plant is able to be registered in the Renewable Energy Project List in due course and the tariff adjustment receivables are fully recoverable upon the allocation of funds from the PRC government. The management of the Group considered that the settlement of tariff adjustment receivables are expected to be further delayed to March 2021.

The Group is obliged to pay the Consideration Tariff Adjustment Receivables (note 13) amounting of RMB636,133,000 and the assignment of tariff adjustment receivables amounting of RMB300,000,000 to the photovoltaic facilities provider within ten business days of each receipt from the state grid company, until the entire amount is paid off. In the event that the Group fails to receive the corresponding amount of tariff adjustment receivables due to the PRC policy or other reasons beyond the control of the Group, the Group will not be obliged to pay such amount to the photovoltaic facilities provider and the photovoltaic facilities provider shall have no right to claim any damages against the Group. Since the Group has no legally enforceable right to set off the third payment of the consideration and the Consideration Tariff Adjustment Receivables, the Consideration Tariff Adjustment Receivables continued to be included in contract assets. For the assignment of tariff adjustment receivables, please refer to note 27 for details.

### 20. 合約資產

於二零一九年十二月三十一日，合約資產指電價調整應收款項為人民幣1,467,556,000元（二零一八年：人民幣1,020,104,000元），並將根據有關可再生能源的現行國家政府政策收取款項。合約資產將根據有關太陽能發電場可再生能源的現行國家政府政策於本集團經營的太陽能發電場於可再生能源發電項目清單中登記時轉撥至貿易應收款項。

本集團光伏發電的合約資產為來自國家電網公司的應收款項。電價調整應收款項須待國家電網公司於本集團在可再生能源發電項目清單登記太陽能發電廠後方可收取。由於預期於正常營運週期（可能超過一年）內收回電價調整應收款項，應收款項分類為流動資產。

本公司董事認為，根據其判斷並計及本集團中國法律顧問的意見，對電價調整作出之收益確認屬恰當。本集團中國法律顧問認為，本集團經營的太陽能發電廠已符合資格登記，並符合登記入可再生能源發電項目清單的所有有關要求及條件。本公司董事堅信，本集團經營的太陽能發電廠將可於適當時候登記入可再生能源發電項目清單內，且電價調整應收款項將可於中國政府劃撥資金時悉數予以收回。本集團管理層認為，結算電價調整應收款項預期將進一步延遲至二零二一年三月。

本集團須於每次自國家電網公司收到款項的十個營業日內向光伏設施供應商支付代價電價調整應收款項（附註13）人民幣636,133,000元及轉讓電價調整應收款項人民幣300,000,000元，直至支付全部款項為止。倘本集團因中國政策或超出本集團控制範圍的其他理由而未能收取電價調整應收款項的相應款項，本集團將毋須向光伏設施供應商支付有關款項，而光伏設施供應商將無權向本集團索償任何損害。由於本集團並無合法執行權利抵銷代價的第三筆付款及代價電價調整應收款項，代價電價調整應收款項仍計入合約資產。有關轉讓電價調整應收款項的詳情，請參閱附註27。

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## 綜合財務報表附註

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### 21. PLEDGED BANK DEPOSITS/ BANK BALANCES AND CASH

Bank deposits and bank balances carry interest at market rates which range from 0.01% to 2.45% per annum as at 31 December 2019 (2018: 0.01% to 2.05% per annum).

The Group's bank balances and cash that are denominated in currencies other than the functional currency of the relevant groups entities are set out below:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
HK\$	港元	134,671	117
RMB	人民幣	189	13

Pledged bank deposits represented deposits pledged to banks to secure bank facilities granted to the Group. As at 31 December 2018, RMB1,349,000 had been pledged to secure the issuance of bills payable, and therefore classified as current assets (2019: nil).

### 21. 已抵押銀行存款／銀行結餘及現金

於二零一九年十二月三十一日，銀行存款及銀行結餘以市場年利率0.01厘至2.45厘（二零一八年：年利率0.01厘至2.05厘）計息。

本集團以相關集團實體功能貨幣以外貨幣計值的銀行結餘及現金載列如下：

已抵押銀行存款指抵押予銀行以取得授予本集團的銀行融資的存款。於二零一八年十二月三十一日，人民幣1,349,000元已抵押以取得發行應付票據，因此分類為流動資產（二零一九年：無）。

### 22. TRADE AND OTHER PAYABLES

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Trade payables	貿易應付款項	48,878	59,190
Bills payable for purchase of property, plant and equipment	購買物業、廠房及設備之應付票據	—	1,349
Accrued sales commission	應計銷售佣金	588	617
Construction payables	應付工程款項	13,793	34,492
Other payables and accruals	其他應付款項及應計款項	14,313	17,888
		77,572	113,536

### 22. 貿易及其他應付款項

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## 綜合財務報表附註

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### 22. TRADE AND OTHER PAYABLES (Continued)

The credit period granted by suppliers to the Group ranged from 30 to 60 days. The following is an aging analysis of trade payables presented based on the invoice date at the end of the reporting period:

### 22. 貿易及其他應付款項(續)

供應商給予本集團30至60日的信貸期。下表載列於報告期末的貿易應付款項按發票日期呈列的賬齡分析：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
0 to 30 days	0至30日	46,539	38,800
31 to 60 days	31至60日	431	17,250
61 to 90 days	61至90日	230	1,207
Over 90 days	超過90日	1,678	1,933
		48,878	59,190

### 23. LEASE LIABILITIES

### 23. 租賃負債

		2019 二零一九年 RMB'000 人民幣千元
Lease liabilities payable:	租賃負債須於下列期間償還：	
Within one year	一年內	5,441
Within a period of more than one year but not more than two years	一年至兩年期間	5,159
Within a period of more than two years but not more than five years	兩年至五年期間	8,222
		18,822
Less: Amount due for settlement with 12 months shown under current liabilities	減：流動負債項下所示12個月內到期償還的款項	(5,441)
Amount due for settlement after 12 months shown under non-current liabilities	非流動負債項下所示12個月後到期償還的款項	13,381
Lease obligations that are denominated in a currency other than the functional currency of the relevant group entity are set out below:	按相關集團實體功能貨幣以外貨幣計值的租賃承擔載列如下：	
		2019 二零一九年 RMB'000 人民幣千元
HK\$	港元	13,746



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## 綜合財務報表附註

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### 24. PROVISION

The balance represents the provision of defective claims, and the movements of provision are as follow:

### 24. 撥備

結餘指次貨索償撥備，以下為撥備的變動：

		RMB'000 人民幣千元
At 1 January 2018 (restated)	於二零一八年一月一日(經重列)	8,717
Charge to profit or loss	自損益扣除	15,842
Utilisation of provision	撥備使用	(11,338)
Exchange adjustment	匯兌調整	797
At 31 December 2018 (restated)	於二零一八年十二月三十一日(經重列)	14,018
Charge to profit or loss	自損益扣除	18,931
Utilisation of provision	撥備使用	(19,263)
Exchange adjustment	匯兌調整	312
At 31 December 2019	於二零一九年十二月三十一日	13,998

There are no fixed terms of provision of defective claims stated in the sales agreements entered with customers. The amount of provision is based on the management's estimation by reference to the historical experience. The Group accrued liability for potential defective claims at the time of sale to cover potential liabilities that could arise under these sales transactions.

與客戶訂立的銷售協議內並無次貨索償撥備的固定條款。撥備金額乃按管理層經參考過往經驗估計。本集團於銷售時就潛在次貨索償累算負債以應付該等銷售交易所產生潛在負債。

### 25. AMOUNT DUE TO ULTIMATE HOLDING COMPANY

The amount was non-trade nature, unsecured, interest-free and repayable on demand.

### 25. 應付最終控股公司款項

款項為非貿易性質、無抵押、免息及須按要求償還。

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## 綜合財務報表附註

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### 26. OTHER BORROWING

### 26. 其他借款

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Carrying amount repayable as follows (based on the scheduled repayment dates)	須償還的賬面值如下 (預定還款日期)		
– within one year	— 一年內	31,927	—
– between one to two years	— 一年至兩年	191,449	—
– between two to five years	— 兩年至五年	460,023	—
– between five to ten years	— 五年至十年	799,917	—
– after ten years	— 十年後	182,192	—
		<b>1,665,508</b>	—
Analysed as	分析為		
Current	流動	31,927	—
Non-current	非流動	1,633,581	—
		<b>1,665,508</b>	—

The amount represented the first payment and second payment of the consideration amounted to RMB1,700,000,000 as described in note 13 and accrued finance charges. During the current year, the Group's other borrowing carries interest at 1.22 times of benchmark interest rate of over five-year borrowing formulated by the People's Bank of China per annum. As at 31 December 2019, the other borrowing is secured by the Group's solar power plant, trade receivables from photovoltaic power generation and tariff adjustment receivables with carrying amount of RMB2,269,570,000, RMB8,804,000 and RMB564,432,000, respectively. The Group has pledged the issued share capital of 寧夏寶豐光伏發電有限公司, an indirect wholly-owned subsidiary of the Company in favour of Huaxia Financial as a security for the other borrowing. In addition, the Group has paid a deposit amounting to RMB20,400,000 to Huaxia Financial, for the pledge of the borrowing and it could be used to offset the installment repayments, subject to certain conditions.

款項指附註13所述代價的第一筆付款及第二筆付款人民幣1,700,000,000元以及應計財務費用。本年度，本集團的其他借款根據中國人民銀行制訂的五年借款基準年利率的1.22倍計息。於二零一九年十二月三十一日，其他借款由本集團賬面值分別為人民幣2,269,570,000元、人民幣8,804,000元及人民幣564,432,000元的太陽能發電廠、來自光伏發電的貿易應收款項及電價調整應收款項作抵押。本集團已以華夏金融為受益人抵押本公司間接全資附屬公司寧夏寶豐光伏發電有限公司的已發行股本，作為其他借款的抵押。此外，本集團已向華夏金融支付按金人民幣20,400,000元，以抵押借款，而其將用作抵銷分期償還款項，惟受若干條件所規限。

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### 27. AMOUNT DUE TO A PHOTOVOLTAIC FACILITIES PROVIDER

The amount represented the third payment of the consideration amounted to RMB636,133,000 payable to the photovoltaic facilities provider as described in note 13 and an assignment of tariff adjustment receivables amounting to RMB300,000,000 by the Group to the photovoltaic facilities provider. Pursuant to the sale and purchase agreement dated 23 March 2019 entered into between the Group and the photovoltaic facilities provider, the Group has assigned tariff adjustment receivables amounting to RMB300,000,000 to the photovoltaic facilities provider upon the receipt of the first and second payments from Huaxia Financial. The Group is obliged to pay the corresponding amount of tariff adjustment receivables received to the photovoltaic facilities provider within ten business days of each receipt from the state grid company, until the entire amount is paid off. In the event that the Group fails to receive the corresponding amount of tariff adjustment receivables due to the PRC policy or other reasons beyond the control of the Group, the Group will not be obliged to pay such amount to the photovoltaic facilities provider and the photovoltaic facilities provider shall have no right to claim any damages against the Group.

During the year, the fair value of the amount due to a photovoltaic facilities provider of RMB862,949,000, excluding VAT of RMB73,184,000, at initial recognition, amounting to approximately RMB844,138,000, was determined based on the present value of the estimated future cash flows discounted at 2.68% per annum.

### 27. 應付光伏設施供應商款項

款項指附註13所述應付光伏設施供應商代價的第三筆付款人民幣636,133,000元及本集團向光伏設施供應商轉讓電價調整應收款項人民幣300,000,000元。根據本集團與光伏設施供應商訂立日期為二零一九年三月二十三日的買賣協議，本集團已於收到華夏金融第一筆及第二筆付款後向光伏設施供應商轉讓電價調整應收款項人民幣300,000,000元。本集團須於每次自國家電網公司收到電價調整應收款項的相應款項的十個營業日內向光伏設施供應商支付該款項，直至支付全部款項為止。倘本集團因中國政策或超出本集團控制範圍的其他理由而未能收取電價調整應收款項的相應款項，本集團將毋須向光伏設施供應商支付有關款項，而光伏設施供應商將無權向本集團索償任何損害。

年內，應付光伏設施供應商款項人民幣862,949,000元（撇除增值稅人民幣73,184,000元），於首次確認時公平值約為人民幣844,138,000元，根據按2.68%的年利率貼現的估計未來現金流量現值釐定。



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### 28. SHARE CAPITAL

### 28. 股本

		Number of shares 股份數目	Share capital 股本 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.01 each at 1 January 2018, 31 December 2018 and 31 December 2019	每股面值0.01港元之普通股 於二零一八年一月一日、 二零一八年十二月三十一日 及二零一九年十二月三十一日	800,000,000	8,000
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.01 each at 1 January 2018	每股面值0.01港元之普通股 於二零一八年一月一日	567,696,000	5,677
Issue of ordinary shares (note)	發行普通股(附註)	96,150,000	961
At 31 December 2018 and 31 December 2019	於二零一八年十二月三十一日及 二零一九年十二月三十一日	663,846,000	6,638

During the year ended 31 December 2018, 96,150,000 ordinary shares with par value of HK\$0.01 per share of the Company had been placed to its ultimate holding company, Fung Teng Enterprises Limited, at the price of HK\$2.6 per share. The shares issued rank pari passu in all respects among themselves and with the existing issued shares.

於截至二零一八年十二月三十一日止年度，本公司每股面值0.01港元之96,150,000股普通股已以每股2.6港元之價格配售予其最終控股公司峰騰企業有限公司。該等已發行股份於各方面彼此之間及與現有已發行股份享有同等地位。

	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元 (Restated) (經重列)
Shown in the financial statements as	5,515	5,515
於財務報表所示		

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### 29. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of net debt, which includes the amount due to ultimate holding company, amount due to a photovoltaic facilities provider, lease liabilities and other borrowing disclosed in notes 25, 27, 23 and 26, respectively, net of cash and cash equivalents and equity attributable to owners of the Group, comprising issued share capital and reserves.

The management of the Group reviews the capital structure regularly, taking into account of the cost and risk associated with the capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the payment of dividends and issue of shares.

### 29. 資本風險管理

本集團管理其資本，旨在透過在債務與權益間作出最佳平衡，確保本集團可持續經營，亦為股東締造最大回報。本集團的整體策略與往年維持不變。

本集團的資本架構包括債務淨額(包括分別於附註25、27、23及26披露的應付最終控股公司款項、應付光伏設施供應商款項、租賃負債及其他借款、扣除現金及現金等值物)及本集團擁有人應佔權益(包括已發行股本及儲備)。

本集團管理層定期檢討資本結構，考慮到與資本相關的成本和風險。根據本集團管理層的建議，本集團將通過支付股息和發行股份，以平衡其整體資本結構。

### 30. FINANCIAL INSTRUMENTS

#### 30a. Categories of financial instruments

### 30. 財務工具

#### 30a. 財務工具類別

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Financial assets	財務資產		
Financial assets at amortised cost	按攤銷成本計量的財務資產	324,915	220,782
Financial liabilities	財務負債		
Amortised cost	攤銷成本	2,639,089	100,404

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### 30. FINANCIAL INSTRUMENTS (Continued)

#### 30b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, rental deposit, deposit for other borrowing, pledged bank deposits, bank balances and cash, trade and other payables, lease liabilities, amount due to ultimate holding company, amount due to a photovoltaic facilities provider and other borrowing. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### Market risk

- (i) Currency risk  
The Group has limited currency exposure as the majority of the revenue were denominated in functional currency of the relevant group entities.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting date are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
<b>Assets</b>	<b>資產</b>		
HK\$	港元	134,671	117
RMB	人民幣	189	13
<b>Liabilities</b>	<b>負債</b>		
HK\$	港元	13,747	—

Assets and liabilities denominated in HK\$ mainly represented bank balances placed with banks and lease liabilities held by relevant group entities with RMB (2018: US\$) as functional currency. Assets denominated in RMB mainly represented bank balances placed with banks held by relevant group entities with US\$ as functional currency.

### 30. 財務工具(續)

#### 30b. 財務風險管理目標及政策

本集團的主要財務工具包括貿易及其他應收款項、租賃押金、其他借款的押金、已抵押銀行存款、銀行結餘及現金、貿易及其他應付款項、租賃負債、應付最終控股公司款項、應付光伏設施供應商款項及其他借款。該等財務工具詳情於各相關附註披露。與該等財務工具相關的風險包括市場風險(包括貨幣風險及利率風險)、信貸風險及流動資金風險。如何降低該等風險的政策載於下文。管理層管理及監控該等風險，以確保及時有效地採取適當措施。

#### 市場風險

- (i) 貨幣風險  
由於本集團大部分收益以相關集團實體之功能貨幣計值，因此承受的貨幣風險有限。

於各報告期末，本集團以外幣計值的貨幣資產及負債的賬面值如下：

以港元計值的資產及負債主要指相關集團實體以人民幣(二零一八年：美元)作功能貨幣所持的存放銀行銀行結餘及租賃負債。以人民幣計值的資產主要指相關集團實體以美元作功能貨幣所持的存放銀行銀行結餘。



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## 綜合財務報表附註

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### 30. FINANCIAL INSTRUMENTS (Continued)

#### 30b. Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### (i) Currency risk (Continued)

##### Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against the relevant foreign currency HK\$. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A negative number below indicates a decrease in post-tax profit where RMB strengthen 5% against HK\$. For a 5% weakening of RMB against HK\$, there would be an equal and opposite impact on the profit and the amounts below would be positive.

### 30. 財務工具(續)

#### 30b. 財務風險管理目標及政策(續)

##### 市場風險(續)

##### (i) 貨幣風險(續)

##### 敏感度分析

下表詳述本集團對人民幣兌相關外幣港元增減5%的敏感度。5%為向主要管理人員內部匯報外幣風險時所使用的敏感度比率及為管理層對外幣匯率出現合理可能變動的評估。敏感度分析僅包括尚未結算的外幣計值貨幣項目，並就著外幣匯率的5%變動對其於報告期末的換算作出調整。以負數表示人民幣兌港元升值5%後的稅後利潤減少。人民幣兌港元貶值5%將對利潤產生同等及相反的影響，致使下列金額為正數。

	HK\$ impact 2019 港元影響 二零一九年 RMB'000 人民幣千元
Profit for the year	(6,046)
For the year ended 31 December 2019, no sensitivity analysis for the currency risk of RMB is prepared as the directors of the Company consider the impact of such foreign currency risk is insignificant.	截至二零一九年十二月三十一日止年度，由於本公司董事認為有關外匯風險並不重大，故並無編製人民幣貨幣風險的敏感度分析。
For the year ended 31 December 2018, no sensitivity analysis for the currency risk is prepared as the directors of the Company consider the impact of such foreign currency risk is insignificant.	截至二零一八年十二月三十一日止年度，由於本公司認為有關外匯風險的影響並不重大，故並無編製外幣風險的敏感度分析。

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### 30. FINANCIAL INSTRUMENTS (Continued)

#### 30b. Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### (ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to lease liabilities (see note 23 for details). The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances and variable-rate other borrowing. The Group's cash flow interest rate risk is mainly concentrated on five-year borrowing formulated by the People's Bank of China arising from the Group's other borrowing.

The directors consider the Group's exposure of the bank balances to interest rate risk is not significant as interest bearing bank balances are within short maturity period and thus it is not included in the sensitivity analysis.

##### Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For interest bearing other borrowing, the analysis is prepared assuming the amount of liabilities outstanding at the end of the reporting period was outstanding for the whole period. A 10 basis points increase or decrease is used which represents management's assessment of the reasonably possible change in interest rates.

If interest rate on interest bearing other borrowing had been 10 basis points higher/lower and all of other variables were held constant, the profit for the year ended 31 December 2019 would have decreased/increased by approximately RMB174,000.

### 30. 財務工具(續)

#### 30b. 財務風險管理目標及政策(續)

##### 市場風險(續)

##### (ii) 利率風險

本集團面臨租賃負債有關的公平值利率風險(詳情見附註23)。本集團就可變利率銀行結餘及可變利率其他借款承受現金流量利率風險。本集團之現金流量利率風險主要集中於本集團其他借款所產生中國人民銀行制定的五年借款。

由於計息銀行結餘全部均於短期內到期，故董事認為本集團銀行結餘面臨的利率風險並不重大，因此並未包含於敏感度分析之內。

##### 敏感度分析

以下敏感度分析乃於報告期末基於非衍生工具之利率風險釐定。對於計息其他借款，該分析乃假定於報告期末之未償負債金額於整個報告期內均未償還而編製。採用10個基點的上升或下降表示管理層對合理及可能利率變化之評估。

倘計息其他借款利率上升／下降10個基點且所有其他變量保持不變，則截至二零一九年十二月三十一日止年度之溢利下降／上升約人民幣174,000元。

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### 30. FINANCIAL INSTRUMENTS (Continued)

#### 30b. Financial risk management objectives and policies (Continued)

##### *Credit risk and impairment assessment*

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group has significant concentration of credit risk. At 31 December 2019, 93% (2018: 89%) of the total trade receivables and contract assets/tariff adjustment receivables was due from the Group's largest customer, while 99% (2018: 98%) of the total trade receivables and contract assets/tariff adjustment receivables was due from the Group's five largest customers at 31 December 2019. These customers have good repayment history and credit quality under internal assessment by the Group. The Group has no significant concentration of credit risk on financial assets other than trade receivable and contract assets/tariff receivables, with exposure spread over a number of counterparties.

In order to minimise the credit risk, the management of the Group has delegated the responsible personnel for determination of credit limits, credit approvals and the directors of the Company continuously monitor the level of exposure by frequent review of the credit evaluation qualities of its customers to ensure prompt actions will be taken to lower exposure. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. The Group performs impairment assessment under ECL model on trade balances individually.

### 30. 財務工具(續)

#### 30b. 財務風險管理目標及政策(續)

##### *信貸風險及減值評估*

本集團因對手方未能履行責任導致本集團產生財務虧損而承受的最高信貸風險，乃於綜合財務狀況表確認的財務資產賬面值。本集團並無持有任何抵押品或其他信貸增強措施以為其財務資產相關之信貸風險提供保障。

本集團的信貸風險高度集中。於二零一九年十二月三十一日，93%(二零一八年：89%)的貿易應收款項及合約資產／電價調整應收款項總額乃應收本集團最大客戶款項，而於二零一九年十二月三十一日，99%(二零一八年：98%)的貿易應收款項及合約資產／電價調整應收款項總額乃應收本集團五大客戶款項。根據本集團內部評估，該等客戶具備良好的還款記錄與信貸質素。由於風險乃分散於多名對手方，除貿易應收款項及合約資產／電價應收款項外，本集團並無重大集中的財務資產信貸風險。

為盡量減低信貸風險，本集團管理層任命相關人員制定有關信貸額度、信貸審批及本公司董事通過頻繁審閱其客戶的信貸質素評估持續監控所面對的風險水平以確保可及時採取措施以降低風險。就此，本公司董事認為本集團的信貸風險得以大幅降低。本集團根據預期信貸虧損模式個別對貿易結餘進行減值評估。



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### 30. FINANCIAL INSTRUMENTS (Continued)

#### 30b. Financial risk management objectives and policies (Continued)

##### Credit risk and impairment assessment (Continued)

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9, which permits the use of the lifetime ECL for trade receivables and contract assets.

Management assessed the expected loss on trade receivables individually by estimation based on historical observed default rates, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

In addition, the management is of the opinion that there has no default occurred for trade receivables past due over 90 days and the balances are still considered fully recoverable due to long term/on-going relationship and good repayment record from these customers.

As part of the Group's credit risk management, the Group assesses the impairment for its customers in relation to its operation of sales of lighting products individually by considering the debtors' historical default rates and forward-looking information that is reasonable, supportable and available without undue costs or effort. As at 31 December 2019, the expected losses rate of these non-credit impaired customers in relation to the operation of sales of lighting products is minimal, given there is no history of significant defaults from customer and insignificant impact from forward-looking estimations. The assessed ECL for non-credit impaired customers are not significant. ECL of RMB741,000 was provided on credit-impaired balance as at 31 December 2019.

### 30. 財務工具(續)

#### 30b. 財務風險管理目標及政策(續)

##### 信貸風險及減值評估(續)

本集團應用香港財務報告準則第9號所訂明的簡化方法就預期信貸虧損作出撥備。該規定允許對貿易應收款項及合約資產採用全期預期虧損撥備。

管理層透過基於過往觀察違約率、債務人經營所在行業的整體經濟狀況以及對目前及報告日期預期狀況方向的評估進行估計，從而個別評估貿易應收款項的預期虧損。

此外，管理層認為，逾期超過90日的貿易應收款項並無發生違約的情況，且由於與客戶具有長期／持續業務關係及良好還款紀錄，結餘仍被視為可悉數收回。

作為本集團信貸風險管理的一部分，本集團就其照明產品銷售的營運，經計及債務人過往違約率及合理、可支持及毋須不必要成本及努力即可獲取的前瞻性資料，對其客戶進行個別減值評估。於二零一九年十二月三十一日，鑒於概無客戶重大違約記錄以及前瞻性預測的影響並不重大，與照明產品銷售營運有關的該等非信貸減值客戶的預期虧損率並不重大。非信貸減值客戶的經評估預期信貸虧損並不重大。於二零一九年十二月三十一日，就信貸減值結餘計提預期信貸虧損人民幣741,000元。

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### 30. FINANCIAL INSTRUMENTS (Continued)

#### 30b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment  
(Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

		Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (無信貸減值) RMB'000 人民幣千元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2018 and 31 December 2018 (restated)	於二零一八年一月一日 及二零一八年 十二月三十一日 (經重列)	—	724	724
Exchange adjustment	匯兌調整	—	17	17
As at December 2019	於二零一九年 十二月三十一日	—	741	741

The Group writes off a trade receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over three years past due, whichever occurs earlier.

For trade receivables from photovoltaic power generation and contract assets, the debtor is a state grid company and the directors of the Company considered the impairment on the trade receivables generated from photovoltaic power generation and the contract assets are insignificant to the Group. The contract assets is subject to settlement by the state grid company upon registration in the Renewable Energy Project List.

### 30. 財務工具(續)

#### 30b. 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

下表列示根據簡化方法已於貿易應收款項確認的全期預期信貸虧損變動。

當有資料顯示債務人陷入嚴重財政困難，且並無實際收回款項的可能時(即債務人被清盤或已進入破產程序)或貿易應收款項已逾期超過三年(以較早發生者為準)，本集團會撇銷貿易應收款項。

就來自光伏發電的貿易應收款項及合約資產而言，由於債務人為國家電網公司，本公司董事認為光伏發電產生的貿易應收款項及合約資產之減值對本集團而言並不重大。合約資產須於在可再生能源發電項目清單登記後由國家電網公司結付。

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### 30. FINANCIAL INSTRUMENTS (Continued)

#### 30b. Financial risk management objectives and policies (Continued)

##### *Credit risk and impairment assessment (Continued)*

In respect of bills receivables, the credit risk is limited as the Group has procedures and policies in place to ensure they are from banks with high credit quality.

In determining the ECL for other receivables and rental deposit, the management of the Group has taken into account the historical default experience and forward-looking information, as appropriate, for example, the group has considered the consistently low historical default rate in connection with payments, and concluded that credit risk inherent in the Group's outstanding other receivables is insignificant.

The management of the Group considers the pledged bank deposits and bank balances are short-term in nature and the probability of default is negligible on the basis of high-crediting issuers, and accordingly, loss allowance was considered as insignificant.

##### *Liquidity risk*

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

### 30. 財務工具(續)

#### 30b. 財務風險管理目標及政策(續)

##### *信貸風險及減值評估(續)*

就應收票據而言，其信貸風險有限，因本集團已訂立程序及政策，確保應收票據由具信貸質素的銀行出具。

於釐定其他應收款項及租賃押金之預期信貸虧損時，本集團管理層已計及過往違約經驗及前瞻性資料(如適用)，例如，本集團已考慮與付款有關一直較低的過往違約率，及認定本集團尚未收回其他應收款項並不重大。

本集團管理層認為已抵押銀行存款及銀行結餘屬短期性質，而由於發行人擁有高信貸評級，違約可能性被認為不重大。因此，低撥備並不重大。

##### *流動資金風險*

在管理流動資金風險時，本集團監察並維持現金及現金等值物於管理層視作充足的水平，以為本集團業務營運提供資金及減低現金流量波動的影響。



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### 30. FINANCIAL INSTRUMENTS (Continued)

#### 30b. Financial risk management objectives and policies (Continued)

##### Liquidity risk (Continued)

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms and lease liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest dates on which the Group can be required to pay. The table includes both undiscounted cash flows and principal cash flows.

##### Liquidity tables

		Weighted average effective interest rate 加權實際 平均利率 %	On demand or less than 1 month 應要求或 少於一個月 RMB'000 人民幣千元	1-3 months 一個月至 三個月 RMB'000 人民幣千元	3 months to 1 year 三個月 至一年 RMB'000 人民幣千元	1-2 years 一至兩年 RMB'000 人民幣千元	2-5 years 二至五年 RMB'000 人民幣千元	Over 5 years 超過五年 RMB'000 人民幣千元	Total undiscounted cash flows 未貼現 現金流量總額 RMB'000 人民幣千元	Total carrying amount 賬面值總額 RMB'000 人民幣千元
<b>At 31 December 2019</b>	<b>於二零一九年十二月三十一日</b>									
Trade and other payables	貿易及其他應付款項	-	-	65,510	-	-	-	-	65,510	65,510
Other borrowing	其他借款	7.25	10,257	19,717	89,710	282,256	760,744	1,257,327	2,420,011	1,665,508
Amount due to a photovoltaic facilities provider	應付光伏設施供應商款項	2.68	-	-	-	936,132	-	-	936,132	908,071
Lease liabilities	租賃負債	4.48	524	1,043	4,621	6,024	9,751	-	21,963	18,822
			10,781	86,270	94,331	1,224,412	770,495	1,257,327	3,443,616	2,657,911
<b>At 31 December 2018 (restated)</b>	<b>於二零一八年十二月三十一日 (經重列)</b>									
Trade and other payables	貿易及其他應付款項	-	-	93,364	-	-	-	-	93,364	93,364
Amount due to ultimate holding company	應付最終控股公司款項	-	7,040	-	-	-	-	-	7,040	7,040
			7,040	93,364	-	-	-	-	100,404	100,404

#### 30c. Fair value

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis. The directors of the Company consider that the carrying amounts of all financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

### 30. 財務工具(續)

#### 30b. 財務風險管理目標及政策(續)

##### 流動資金風險(續)

下表詳列本集團非衍生財務負債基於協定還款條款及租賃負債的餘下合約期限。下表乃根據本集團可能被要求還款的最早日期計算的財務負債未貼現現金流量編製。下表包括未貼現現金流量及本金現金流量。

##### 流動資金表

#### 30c. 公平值

財務資產及財務負債的公平值乃根據公認定價模式以貼現現金流量分析釐定。本公司董事認為綜合財務報表中所有按攤銷成本列賬的財務資產及財務負債的賬面值與其公平值相若。

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### 31. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities and the related asset arising from financing activities, including both cash and non-cash changes. Liabilities and the related asset arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

### 31. 自融資活動產生負債的對賬

下表載列本集團自融資活動產生的負債及相關資產的變動詳情，包括現金及非現金變動。融資活動產生的負債及相關資產為過往現金流量或將來現金流量（分類於本集團綜合現金流量表的現金流量），作為融資活動現金流量的負債。

		Amount due to ultimate	Amount due to a photovoltaic facilities provider	Deposit for other borrowing	Other borrowing	Bank borrowings	Interest payable	Dividend payable	Total
	Lease liabilities	holding company	應付最終應付光伏設施	其他借款	其他借款	銀行借款	應付利息	應付股息	合計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018 (restated)	-	-	-	-	-	228,665	-	-	228,665
Financing cash flows	-	7,040	-	-	-	(235,655)	(4,712)	-	(233,327)
Finance costs	-	-	-	-	-	-	4,712	-	4,712
Exchange adjustments	-	-	-	-	-	6,990	-	-	6,990
At 31 December 2018 (restated)	-	7,040	-	-	-	-	-	-	7,040
Effect adoption of new standard of HKFRS 16	5,853	-	-	-	-	-	-	-	5,853
At 1 January 2019	5,853	7,040	-	-	-	-	-	-	12,893
Financing cash flows	(2,805)	(7,040)	300,000	(20,400)	(108,140)	-	-	(119,492)	42,123
Finance costs	627	-	13,124	-	73,648	-	-	-	87,399
Inception of leases	14,841	-	-	-	-	-	-	-	14,841
Purchase of solar power plant	-	-	617,322	-	1,700,000	-	-	-	2,317,322
Remeasurement on discounted present value of amount due to a photovoltaic facilities provider	-	-	(22,375)	-	-	-	-	-	(22,375)
Dividend declared	-	-	-	-	-	-	-	119,492	119,492
Exchange adjustments	306	-	-	-	-	-	-	-	306
At 31 December 2019	18,822	-	908,071	(20,400)	1,665,508	-	-	-	2,572,001

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## 綜合財務報表附註

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### 32. PLEDGE OF ASSETS

The Group's land and buildings with carrying value of RMB554,000 (31 December 2018: RMB609,000) were pledged to a bank to secure banking facilities granted to the Group. As at 31 December 2018, RMB1,349,000 were pledged to a bank for issue of bills payable.

As at 31 December 2019, the other borrowing is secured by the Group's solar power plant, trade receivables from photovoltaic power generation and tariff adjustment receivables with carrying amount of RMB2,269,570,000, RMB8,804,000 and RMB564,432,000, respectively. The Group has pledged the issued share capital of 寧夏寶豐光伏發電有限公司, an indirect wholly-owned subsidiary of the Company in favour of Huaxia Financial as a security for the other borrowing.

### 32. 抵押資產

本集團賬面值為人民幣554,000元(二零一八年十二月三十一日：人民幣609,000元)的土地及樓宇已抵押予銀行以取得授予本集團的銀行信貸融資額。於二零一八年十二月三十一日，人民幣1,349,000元已抵押予銀行以發行應付票據。

於二零一九年十二月三十一日，其他借款由本集團賬面值分別為人民幣2,269,570,000元、人民幣8,804,000元及人民幣564,432,000元的太陽能發電廠、來自光伏發電的貿易應收款項及電價調整應收款項作抵押。本集團已以華夏金融為受益人抵押本公司間接全資附屬公司寧夏寶豐光伏發電有限公司的已發行股本，作為其他借款的抵押。

### 33. OPERATING LEASES

#### The Group as lessee

### 33. 經營租賃

#### 本集團作為承租人

	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Minimum lease payments recognised under operating leases in respect of rented premises and photovoltaic facilities during the year	94,210
年內出租物業及光伏設施經營租賃項下已確認最低租賃款項	

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

於報告期末，本集團根據不可撤銷經營租賃的未來最低租賃款項承擔的到期情況如下：

	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Within one year	6,483
In the second to fifth year inclusive	4,800
Over five years	735
	12,018



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## 綜合財務報表附註

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### 33. OPERATING LEASES (Continued)

#### The Group as lessee (Continued)

At 31 December 2018, operating lease payments represented rentals payable by the Group for certain of its staff quarters and office premises. Leases were negotiated and rentals were fixed for lease terms ranging from one to six years.

### 34. RETIREMENT BENEFITS SCHEMES

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those employees of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs with the maximum monthly amount of HK\$1,500 to the scheme, which contribution is matched by employees.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefits scheme operated by the PRC government. The subsidiaries are required to contribute a specified range of payroll costs to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

The Group's subsidiaries in USA operate defined contribution schemes. Contributions to the defined contribution schemes are made at a certain percentage of the employee's payroll.

The total expense recognised in profit or loss of RMB1,203,000 (2018: RMB1,241,000) for the year ended 31 December 2019 represents contributions payable to these schemes. As at 31 December 2019, contributions of RMB45,000 (2018: RMB85,000) due in respect of the reporting period had not been paid over to these schemes. The amount were paid over subsequently to the end of the reporting period.

### 33. 經營租賃(續)

#### 本集團作為承租人(續)

於二零一八年十二月三十一日，經營租賃款項指本集團就其若干員工宿舍及辦公室物業應付之租金。租賃乃經各方磋商，租金固定，租期介乎一至六年。

### 34. 退休福利計劃

本集團為全部香港合資格僱員設立強制性公積金計劃。該計劃資產與本集團僱員之資產分開持有，存放於受託人所控制的基金內。本集團向該計劃作出有關薪金成本5%的供款，每月最高金額為1,500港元，該供款與僱員所作出者相符。

本集團中國附屬公司的僱員為中國政府營運的國家管理退休福利計劃成員。該等附屬公司須按薪金成本的特定範圍向退休福利計劃作出供款。本集團對退休福利計劃的唯一責任為作出指定供款。

本集團美國附屬公司設有定額供款計劃。定額供款計劃乃按僱員薪金的若干百分比作出供款。

截至二零一九年十二月三十一日止年度，於損益確認之開支總額為人民幣1,203,000元(二零一八年：人民幣1,241,000元)，相當於該等計劃應付供款。於二零一九年十二月三十一日，尚未對該等計劃支付而關於報告期間之到期供款為人民幣45,000元(二零一八年：人民幣85,000元)。該款項其後於報告期末支付。

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## 綜合財務報表附註

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### 35. CAPITAL COMMITMENTS

### 35. 資本承擔

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Capital expenditure in respect of the acquisition of property, plant and equipment contracted but not provided for 收購物業、廠房及設備的資本開支，已訂約但尚未撥備	2,663	13,336

### 36. RELATED PARTY DISCLOSURES

### 36. 關連人士披露

#### (a) Transaction with a related company

Save as disclosed elsewhere in the consolidated financial statements, the Group had also entered into the following transaction with a related party:

#### (a) 與關連公司訂立的交易

除綜合財務報表其他部分所披露者外，本集團與關連人士亦訂立以下交易：

Name of related party 關連人士名稱	Nature of transaction 交易性質	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
寧夏寶豐生態牧場有限公司	Service income (note) 服務收入(附註)	28	28

Note: 寧夏寶豐光伏發電有限公司, an indirectly wholly-owned subsidiary of the Company, entered into a service agreement with 寧夏寶豐生態牧場有限公司, a company established in the PRC which is controlled by Mr. Dang Yanbao, the Chairman and executive director of the Company, with an annual service income of RMB28,400 (2018: RMB28,400).

附註：本公司之間接全資附屬公司寧夏寶豐光伏發電有限公司與寧夏寶豐生態牧場有限公司(為於中國成立的公司，由本公司主席兼執行董事黨彥寶先生控制)訂立服務合約，年度服務費用為人民幣28,400元(二零一八年：人民幣28,400元)。

#### (b) Compensation of key management personnel

The remuneration of key management personnel is determined by the management of the Company having regard to the performance of individuals and market trends.

#### (b) 主要管理人員薪酬

主要管理人員之酬金乃本公司管理層經參考個人表現及市場趨勢後釐定。

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## 綜合財務報表附註

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### 37. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

### 37. 本公司之附屬公司詳情

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Principal place of operation 主要營業地點	Equity interest attributable to the Group 本集團應佔股權 As at 31 December 於十二月三十一日 2019 2018 二零一九年 二零一八年	Issued and fully paid share/ registered capital 已發行及繳足股本/ 註冊資本	Principal activities 主要業務
<b>Directly owned</b> <b>直接擁有</b>					
Mastercraft Worldwide Limited	The British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」)	HK 香港	100%	100%	US\$6 ordinary shares 6美元普通股 Investment holding 投資控股
Jing Pai Management Limited 京柏管理有限公司	BVI 英屬處女群島	HK 香港	100%	100%	US\$1 ordinary share 1美元普通股 Investment holding 投資控股
Stand Nice Limited 添立有限公司	Hong Kong ("HK") 香港(「香港」)	HK 香港	100%	100%	HK\$1 ordinary share 1港元普通股 Investment holding and provision of administrative services 投資控股及提供行政服務
<b>Indirectly owned</b> <b>間接擁有</b>					
Mastercraft International Limited 馬仕達國際有限公司	HK 香港	HK 香港	100%	100%	HK\$348,900 ordinary shares 348,900港元普通股 Design and supply chain business of lightings and home furnishing products 照明及家居飾品 設計及供應鏈業務
Mastercraft China Limited 馬仕達中國有限公司	HK 香港	HK 香港	100%	100%	HK\$2 ordinary shares 2港元普通股 Production of prototypes of lightings and home furnishing products 照明及家居飾品樣板生產
Mastercraft Home Furnishing Development (Dongguan) Limited 馬仕達家飾研發(東莞)有限公司 <sup>A</sup>	PRC 中國	PRC 中國	100%	100%	HK\$23,000,000 registered capital 23,000,000港元 註冊資本 Production of prototypes of lightings and home furnishing products 照明及家居飾品樣板生產
Mastercraft Overseas Limited	BVI 英屬處女群島	HK 香港	100%	100%	US\$1 ordinary share 1美元普通股 Investment holding 投資控股
Mastercraft Distribution USA Inc.	USA 美國	USA 美國	100%	100%	US\$1 common stock 1美元普通股 Wholesale distribution of lightings and home furnishing products 照明及家居飾品批發分銷



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### 37. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

### 37. 本公司之附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Principal place of operation 主要營業地點	Equity interest attributable to the Group 本集團應佔股權 As at 31 December 於十二月三十一日 2019 2018 二零一九年 二零一八年	Issued and fully paid share/ registered capital 已發行及繳足股本/ 註冊資本	Principal activities 主要業務
Couture Lamps, Inc.	USA 美國	USA 美國	100%	100% US\$1 common stock 1美元普通股	Wholesale distribution of lightings and home furnishing products 照明及家居飾品批發分銷
Honest Joy International Limited 誠悅國際有限公司	HK 香港	HK 香港	100%	100% HK\$1 ordinary share 1港元普通股	Investment holding and provision of administrative services 投資控股及提供行政服務
寧夏寶豐電力運營管理有限公司 (Formerly known as 深圳前海寶豐新能源發展有限公司)^	PRC 中國	PRC 中國	100%	100% RMB400,000,000 registered capital 人民幣400,000,000元 註冊資本	Investment holding 投資控股
寧夏寶豐光伏發電有限公司	PRC 中國	PRC 中國	100%	100% RMB400,000,000 registered capital 人民幣400,000,000元 註冊資本	Photovoltaic power generation 光伏發電

^ Foreign investment enterprise established in the PRC

^ 於中國成立的外資企業

None of the subsidiaries had issued any debt securities at the end of both years.

於兩個年度末，附屬公司概無任何已發行債務證券。

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### 38. MAJOR NON-CASH TRANSACTION

During the year, the Group has completed the acquisition of the Equipment. The consideration for the equipment under the sale and purchase agreement amounted to approximately RMB2,336,133,000, which included VAT in the amount of approximately RMB268,759,000. The first payment and second payment of the consideration amounting to RMB1,700,000,000 was paid by Huaxia Financial directly to the photovoltaic facilities provider. The third payment of the consideration amounting to approximately RMB636,133,000 would be settled by way of assignment of the benefit of the Consideration Tariff Adjustment Receivables.

### 39. EVENT AFTER THE REPORTING PERIOD

The outbreak of the Coronavirus Disease 2019 ("COVID-19") in early 2020 and the subsequent quarantine measures and travel restrictions imposed worldwide may have impact on the Group's operations. For the Group's photovoltaic power generation business, the photovoltaic power generation process is not labour intensive and the daily operation of the solar power plant has not been affected. The directors of the Company was not aware of any material adverse impact on the financial performance of the Group's photovoltaic power generation business as a result of the outbreak of the COVID-19.

For the Group's sales of lighting products business, the production lines of the Group's suppliers for lighting products were suspended for a short period of time after the Chinese New Year Holidays, and had gradually resumed normal production in March 2020. Since there are uncertainties about how the pandemic will evolve as at the date of the consolidated financial statements, the directors of the Company consider that the financial effects on the Group's sales of lighting products business cannot be reasonably estimated and will continue to monitor and assess the impact of COVID-19 on the Group's sales of lighting products business. The financial impact, if any, will be reflected in the Group's future financial statements.

### 38. 主要非現金交易

年內，本集團已完成收購該設備。根據買賣協議，該設備的代價約為人民幣2,336,133,000元（含增值稅約人民幣268,759,000元）。代價的第一筆付款及第二筆付款人民幣1,700,000,000元已由華夏金融直接向光伏設施供應商支付。代價的第三筆付款約人民幣636,133,000元將透過轉讓代價電價調整應收款項的利益結付。

### 39. 報告期後事項

二零二零年初爆發二零一九年冠狀病毒（「COVID-19」），世界各地其後實施隔離措施及旅遊限制，其可對本集團的營運構成影響。就本集團的光伏發電業務而言，由於光伏發電過程不會耗用大量人力，太陽能發電廠的日常營運未受影響。本公司董事並不知悉任何因爆發COVID-19而對本集團光伏發電業務的財務表現所帶來的負面影響。

就本集團照明產品業務銷售而言，本集團照明產品供應商的生產線於中國農曆新年過後短暫暫停，並於二零二零年三月逐漸回復正常生產。由於於綜合財務報表日期疫情會否升級存在不確定因素，本公司董事認為本集團照明產品業務銷售的財務影響不能作出合理預期，並將持續監察及評估COVID-19對本集團照明產品業務銷售帶來的影響。財務影響（如有）將於本集團的未來財務報表中反映。

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截至二零一九年十二月三十一日止年度

### 40. FINANCIAL INFORMATION OF THE COMPANY

### 40. 本公司之財務資料

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	875	356
Right-of-use assets	使用權資產	12,677	—
Investment in a subsidiary	投資於附屬公司	416,198	407,276
Rental deposit	租賃押金	1,167	—
		<b>430,917</b>	<b>407,632</b>
<b>Current assets</b>	<b>流動資產</b>		
Other receivables	其他應收款項	6	1,982
Dividend receivable	應收股息	70,650	—
Amounts due from subsidiaries	應收附屬公司款項	34,430	33,766
Bank balances and cash	銀行結餘及現金	3,398	4,000
		<b>108,484</b>	<b>39,748</b>
<b>Current liabilities</b>	<b>流動負債</b>		
Other payables	其他應付款項	1,639	1,639
Amount due to ultimate holding company	應付最終控股公司款項	—	7,040
Amount due to a subsidiary	應付一間附屬公司款項	30,010	12,028
Lease liabilities	租賃負債	4,236	—
		<b>35,885</b>	<b>20,707</b>
<b>Net current assets</b>	<b>流動資產淨額</b>	<b>72,599</b>	<b>19,041</b>
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>	<b>503,516</b>	<b>426,673</b>
<b>Non-current liability</b>	<b>非流動負債</b>		
Lease liabilities	租賃負債	9,510	—
<b>Net assets</b>	<b>資產淨值</b>	<b>494,006</b>	<b>426,673</b>
<b>Capital and reserves</b>	<b>股本及儲備</b>		
Share capital	股本	5,515	5,515
Reserves	儲備	488,491	421,158
<b>Total equity</b>	<b>股東權益合計</b>	<b>494,006</b>	<b>426,673</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 40. FINANCIAL INFORMATION OF THE COMPANY (Continued)

Movement of reserves:

### 40. 本公司之財務資料(續)

儲備變動：

		Share premium	Special reserve	Translation reserve	Accumulated profits (losses)	Total
		股份溢價 RMB'000 人民幣千元	特別儲備 RMB'000 人民幣千元 (note) (附註)	匯兌調整 RMB'000 人民幣千元	累計溢利/ (虧損) RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2018 (restated)	於二零一八年一月一日(經重列)	246,527	13,464	(4,185)	(45,298)	210,508
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	-	(19,727)	(19,727)
Exchange difference arising on translation from functional currency to presentation currency	功能貨幣換算為呈列貨幣 產生的匯兌差異	-	-	18,009	-	18,009
Issue of ordinary shares	發行普通股	212,919	-	-	-	212,919
Share issue expenses	股份發行費用	(551)	-	-	-	(551)
At 31 December 2018 (restated)	於二零一八年十二月三十一日 (經重列)	458,895	13,464	13,824	(65,025)	421,158
Profit and total comprehensive income for the year	年內溢利及全面開支總額	-	-	-	186,825	186,825
Dividend paid	已付股息	-	-	-	(119,492)	(119,492)
At 31 December 2019	於二零一九年十二月三十一日	458,895	13,464	13,824	2,308	488,491

Note: Special reserve represents the difference between the equity of subsidiary and the nominal amount of the Company's shares issued in exchange thereof pursuant to the group reorganisation in 2012.

附註：特別儲備指收購附屬公司之股本與本公司已發行普通股之面值透過於二零一二年根據集團重組交換股份之差額。

# FINANCIAL SUMMARY

## 財務概要

### RESULTS

### 業績

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)	2017 二零一七年 RMB'000 人民幣千元 (Restated) (經重列)	2016 二零一六年 RMB'000 人民幣千元 (Restated) (經重列)	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Revenue	收益	885,407	918,514	829,515	522,881	315,845
Profit before taxation	除稅前溢利	333,084	449,852	398,238	124,910	15,529
Income tax expense	所得稅開支	(36,213)	(7,888)	(10,422)	(3,790)	(3,833)
Profit for the year	年度溢利	296,871	441,964	387,816	121,120	11,696

### ASSETS AND LIABILITIES

### 資產及負債

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)	2017 二零一七年 RMB'000 人民幣千元 (Restated) (經重列)	2016 二零一六年 RMB'000 人民幣千元 (Restated) (經重列)	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Total assets	總資產	4,330,957	1,598,230	1,238,808	694,352	118,641
Total liabilities	總負債	(2,691,711)	(138,116)	(418,670)	(287,053)	(47,527)
Total equity	股東權益合計	1,639,246	1,460,114	820,138	407,299	71,114

Note: Financial figures for 2015 to 2018 are restated from HK dollars to RMB due to the change in functional and presentation currency of the Group in 2019.

附註：由於本集團於二零一九年的功能及呈列貨幣有所變動，故二零一五年至二零一八年的財務數字由港幣重列為人民幣。



China Baofeng (International) Limited  
中國寶豐（國際）有限公司