



# 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

## **2018** *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 Communications Co., Ltd. Hong Kong Branch  
Bank of Shanghai (Hong Kong) Limited  
Chinese Mercantile 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

交通銀行股份有限公司香港分行  
上海銀行(香港)有限公司  
華商銀行

### 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 1301-1304, 13/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  
13樓1301至1304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 financial year ended 31 December 2018 of the Company.

2018 was a fruitful year for the Company (together with its subsidiaries, collectively referred as the “**Group**”), especially for our principal business including investment, construction and operation of photovoltaic power generation projects (the “**Photovoltaic Power Generation Business**”).

Upon successful commencement of operation of the photovoltaic power generation projects in the second half of 2016, it achieved a satisfactory result in 2017. Under the leadership of the Board in 2018, the total electricity generated from the Photovoltaic Power Generation Business hit record high. Such investment significantly increased the profit margin of the Group for the financial year ended 31 December 2018. The profit attributable to the owners of the Company for the year ended 31 December 2018 rose approximately 19.1% to approximately HK\$532.5 million from HK\$447.1 million for the year ended 31 December 2017. For the year ended 31 December 2018, the Group recorded total revenue of approximately HK\$1,106.6 million, 59.8% of which was generated from the Photovoltaic Power Generation Business. As a custodian and participant of clean energy, the Group actively responds to the national policies and joins hands with others to create a green and beautiful homeland for the new era.

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二零一八年十二月三十一日的年度報告。

二零一八年對本公司(連同其附屬公司合稱「**本集團**」)而言特別是以投資、建設及運營光伏發電項目為主的主營業務(「**光伏發電業務**」)可以說是非常豐厚的一年。

本集團的光伏發電項目於二零一六年下半年順利投產後於二零一七年取得理想的成績。二零一八年本集團在董事會的領導下，光伏發電業務發電總量再創新高，該投資顯著提升本集團於截至二零一八年十二月三十一日止財政年度(「**本年度**」)利潤。截至二零一八年十二月三十一日止年度本公司擁有人應佔之利潤較截至二零一七年十二月三十一日的447,100,000港元上升約19.1%至約532,500,000港元。截止二零一八年十二月三十一日止年度，集團獲得總收益約1,106,600,000港元，其中59.8%源自光伏發電業務。本集團作為清潔能源的守護者和參與者，積極回應國家政策，攜手創造新時代的綠色美好家園。

# CHAIRMAN'S STATEMENT

## 主席報告

### CHINA ACTIVELY DEALING WITH GLOBAL ENVIRONMENTAL CRISIS

Photovoltaic power generation is a source of green and clean energy, which aligns with the direction of energy transformation development and plays an important role in the energy reform. In recent years, with the joint efforts of various parties, the development of photovoltaic industry in the People's Republic of China (the "PRC") has attracted worldwide attention. The newly installed capacity of photovoltaic power generation ranked first in the world for the fifth consecutive year, while the cumulative installed capacity ranked first in the world for the third consecutive year. The innovation and breakthrough of the world's leading photovoltaic technology has formed a comprehensive photovoltaic industry chain with global competitiveness. With wide adoption in industry and increasing research and development efforts on technology, the costs decreased significantly, demonstrating the government subsidies for new energy is effective for bringing the industry into a new level and leading the PRC to become the country with the largest and most comprehensive industry chain. In 2018, the photovoltaic market in the PRC has a unique feature of low photovoltaic curtailment rate with high power generation. In the first half of 2018, the development of photovoltaic industry in the PRC remained a strong momentum. The cumulative photovoltaic installed and grid-connected capacity has reached 154.51GW, while newly installed and grid-connected capacity has reached 24.31GW. Throughout 2018, the cumulative photovoltaic installed and grid-connected capacity was over 170GW, while newly installed and grid-connected capacity was over 43GW. However, there are still certain issues that directly affects the healthy and orderly development of photovoltaic industry, including photovoltaic curtailments and increasing demand for subsidies. Adjustment on development concept and improvement on development policies based on the new situation and requirements are needed for the PRC to turn the tide. Hence, in 2018, a notice issued by the National Development and Reform Commission of the PRC, ministry of Finance of the PRC and the National Energy Administration in relation to photovoltaic power generation in 2018 was promulgated on 31 May 2018 to deal with the large subsidy gap and to improve the efficiency of solar energy system; however, the PRC is still facing a serious energy shortage. As such, renewable energy still has large market in the PRC. Nonetheless, such policy has not made any effects on our existing business.

### 全球環境危機，中國積極應對

光伏發電是綠色清潔的能源，符合能源轉型發展方向，在能源革命中具有重要作用。近年來，在各方共同努力下，中華人民共和國（「中國」）光伏產業的發展全球矚目。我國光伏發電新增裝機連續5年全球第一，累計裝機規模連續3年位居全球第一。光伏技術不斷創新突破、全球領先，並已形成具有國際競爭力的完整的光伏產業鏈。大規模的產業應用和不斷加強的技術研發力度促成了大幅度的成本下降，這一定程度說明政府新能源補貼卓有成效，並把該產業推上一個新潮，使中國成為規模最大，產業鏈最全的國家。二零一八年我國光伏市場呈現鮮明特點，發電量升高，棄光率則有所下降。二零一八年上半年，中國光伏產業發展仍舊保持著強勁的勢頭，中國累計光伏裝機並網容量達到154.51GW，新增光伏並網裝機容量達到24.31GW。二零一八年全年，中國累計光伏裝機並網容量已超過170GW，而光伏新增裝機並網容量超過43GW。然而，另一方面，光伏發電棄光問題以及補貼需求擴大等問題仍然存在，直接影響光伏行業健康有序發展，需要根據新形勢、新要求調整發展思路，完善發展政策。因此，二零一八年，為解決補貼缺口太大及提升太陽能系統效率，中國國家發展和改革委員會、中國財政部及國家能源局於二零一八年五月三十一日發出關於二零一八年光伏發電有關事項的通知。但事實上中國的能源短缺問題仍是非常嚴重。因此，再生能源在中國仍有很大的市場。無論如何，該政策未對本公司現有業務造成影響。



# CHAIRMAN'S STATEMENT

## 主席報告

### PHOTOVOLTAIC POWER GENERATION, OUR FUTURE WAY OUT

Over years of development, the PRC has witnessed different stages of photovoltaic power generation from starting up, industrialization to large-scale production. Currently, the focus of the development should shift from enlarging scale to enhancing quality and efficiency and promoting technology advancement. With the view of more healthy and sustainable development, more efforts have to be made on promoting technology advancement, lowering power generation costs and reducing reliance on subsidy, so as to optimize the development scale and enhance the effectiveness of operation as well as promote an orderly and high quality industry development, enabling the sector to deliver enormous attraction and profit. As such, the Group believes a stable growth will be maintained in the photovoltaic power generation industry in 2019.

### 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 2019, the Group will further optimize our systems, procedures, incentives measures to promote our vitality and economic benefits 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"), it is expected that it will be exposed to material adverse impacts resulted from potential increase of tariff from United States of America (the "United States"), intensified competition in its principal markets and rising costs of labour and raw materials. We will continue to strengthen our management and cost control, and set up corresponding strategies based on prevailing market condition.

With the collaborative efforts of all of our staff, we will continue to strengthen our market position in the photovoltaic power industry, so as to achieve a more sound and stable development of the Group. The Group will strive for a better performance in the coming year.

### 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

29 March 2019

### 光伏發電 未來前景

經過多年發展，我國光伏發電歷經成長起步、產業化發展、規模化發展等階段，當前發展的重點需要從擴大規模轉到提質增效、推進技術進步，需要從更有助於健康可持續發展的角度，著力推進技術進步、降低發電成本、減少補貼依賴，優化發展規模，提高運行品質，推動行業有序發展、高品質發展，從而使該領域具有廣闊的吸引力及利潤空間。因此，本集團認為，二零一九年光伏發電行業將繼續保持健康穩定的發展。

### 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。二零一九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，提高集團盈利水準。

在銷售照明產品（包括移動式照明產品、燈罩以及傢俱組合及其他家居飾品（「照明產品業務」）方面，預計其將受到美利堅合眾國（「美國」）關稅潛在上升、主要市場競爭加劇以及勞工和原材料成本上漲的嚴重不利影響。我們將繼續加強管理，控制成本，根據市場環境制定相應的策略。

在本集團全體員工的共同努力下，我們將繼續鞏固本集團在光伏發電產業的市場地位，從而使集團更加健康穩定的發展。集團在新的一年里會再接再厲，取得更好的成績。

### 致謝

本人謹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

二零一九年三月二十九日

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### PRINCIPAL BUSINESS

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

### INDUSTRY OVERVIEW

#### Photovoltaic Power Generation Industry

The photovoltaic power generation market in the PRC has experienced a negative impact from a notice issued by the National Development and Reform Commission of the PRC, Ministry of Finance of the PRC and the National Energy Administration (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”) on 31 May 2018 with immediate effect. Pursuant to the 2018 Notice, amongst others:

- (1) the NEA will stop granting installation quota for ordinary utility-scale solar farms in 2018;
- (2) cuts to the feed-in tariffs of newly approved ordinary utility-scale solar farms by RMB0.05 kilowatt per hour (“kWh”) to RMB0.5/0.6/0.7/kWh in Zones I, II and III, respectively;
- (3) cuts to the subsidy provided by the PRC government to newly approved distributed generation projects by RMB0.05/kWh to RMB0.32/kWh.

Notwithstanding the above, the 2018 Notice does not affect the Group’s existing Yinchuan Project (defined below), as the Yinchuan Project commenced operation prior to the publication of the 2018 Notice.

#### Portable Lighting Products Industry

The competition of the global portable lighting products industry in 2018 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 September 2018, the United States imposed additional 10% tariff on about US\$200 billion worth of goods imported from the PRC which included lighting products. The tariff rate was originally scheduled to increase to 25% starting from 1 January 2019. Nonetheless, as at the date of this annual report, the effective date for the increase is not finalised.

### 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

中國光伏發電市場受中國國家發展和改革委員會、中國財政部及國家能源局(「能源局」)於二零一八年五月三十一日發佈並即時生效的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」)的負面影響。根據二零一八年通知，其中包括：

- (1) 能源局將於二零一八年停止就普通大型太陽能發電場授出安裝配額；
- (2) 將新審批的普通大型太陽能發電場第一、二及三區的上網電價削減人民幣0.05元／千瓦時(「千瓦時」)至分別為人民幣0.5／0.6／0.7元／千瓦時；
- (3) 將中國政府向新審批分佈式發電項目提供的補貼削減人民幣0.05元／千瓦時至人民幣0.32元／千瓦時。

儘管如此，二零一八年通知並無影響本集團現有的銀川項目(定義見下文)，乃由於在刊發二零一八年通知前，銀川項目已展開營運。

#### 移動式照明產品行業

二零一八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，許多公司競相出售各種各樣的國內外照明產品。

於二零一八年九月，美國對從中國進口總值2,000億美元的商品(當中包括照明產品)徵收額外10%關稅。相關的關稅稅率原定於二零一九年一月一日起增加至25%。然而，於本年報日期，該調升的生效日期尚未落實。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

Should the increase in tariff comes into force, it is highly likely to have an adverse effect on the profitability of the Group's lighting products. It is likely that the trading environment between the United States and the PRC of the lighting products industry, and in fact other consumer products industries, will continue to be challenging. The Group will continue to observe the progress of this potential impact from time to time and make necessary arrangements to optimise the returns to the shareholders of the Company (the "**Shareholders**") as a whole and lessen any negative effect on its performance and results of operations.

### BUSINESS REVIEW

For the year ended 31 December 2018, the business of the Group has been integrated into two segments, which are Photovoltaic Power Generation Business and Lighting Products Business.

Attributable to the contribution of the Photovoltaic Power Generation Business for the year under review, the Group's operation recorded an increase in both revenue and profitability for the year ended 31 December 2018. For the year ended 31 December 2018, the Group's revenue increased by approximately 15.7% to approximately HK\$1,106.6 million while profit attributable to the owners of the Company increased by approximately 19.1% to approximately HK\$532.5 million.

#### Photovoltaic Power Generation Business

During the year under review, the Photovoltaic Power Generation Business of the Group continued to develop and brought profits to the Group. 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, the major equipment of the Yinchuan Project was provided by Yinchuan Binhe New Energy Investment Development Co., Ltd\* (銀川濱河新能源投資開發有限公司) through lease arrangement. In order to fully utilise the 390 megawatt photovoltaic power generation output capacity granted, the Group has commenced the development of its own infrastructure and purchased equipment for the Yinchuan Project since December 2017 and the development was completed in 2018. Accordingly, the photovoltaic power generation output capacity from the Yinchuan Project had been increased from 350 megawatt in 2017 to 390 megawatt by the end of 2018.

倘關稅調升生效，極可能對本集團照明產品的盈利能力產生不利影響。美國及中國照明產品行業之間以至其他消費品行業的貿易環境可能將繼續面臨挑戰。本集團將不時持續觀察該潛在影響的進展，並作出必要安排以改善本公司股東(「**股東**」)的整體回報，並減低對其表現及經營業績的任何負面影響。

### 業務回顧

截至二零一八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。

受益於光伏發電業務於回顧年度的貢獻，截至二零一八年十二月三十一日止年度，本集團的營運於收益及盈利方面均錄得增長。截至二零一八年十二月三十一日止年度，本集團的收益增加約15.7%至約1,106,600,000港元，本公司擁有人應佔溢利增加約19.1%至約532,500,000港元。

#### 光伏發電業務

於回顧年度，本集團的光伏發電業務繼續發展並為本集團帶來溢利。就本集團位於中國寧夏回族自治區(「**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，銀川濱河新能源投資開發有限公司透過租賃安排提供主要設備。為全面利用所授出的390兆瓦光伏發電產能，本集團已於二零一七年十二月起開始建設其自有基礎設施及就銀川項目購買設備，該建設已於二零一八年竣工。因此，於二零一八年年末，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。

# 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 2018, the Group has generated an aggregate of 763.8 million kWh power and the Photovoltaic Power Generation Business continued to be the main source of the revenue of the Group, accounting for approximately 59.8% (31 December 2017: 55.9%) of the Group's total revenue for the year ended 31 December 2018. In addition, the Photovoltaic Power Generation Business continued to be the key growth driver of the profit of the Group, contributing to approximately 98.7% of the Group's total segment profit for the year ended 31 December 2018 (31 December 2017: 95.1%).

The Group's revenue from the Photovoltaic Power Generation Business for the year ended 31 December 2018 was approximately HK\$661.6 million, which represents an increase of approximately 23.8% from the revenue generated for the corresponding period in 2017 (31 December 2017: HK\$534.6 million). The segment profit margin of the Photovoltaic Power Generation Business was approximately 84.5% for the year ended 31 December 2018 (31 December 2017: 87.1%), and the segment profit increased by approximately 20.2% to approximately HK\$559.3 million (31 December 2017: HK\$465.5 million).

### Lighting Products Business

The Group's revenue from the Lighting Products Business for the year ended 31 December 2018 was approximately HK\$445.0 million (31 December 2017: HK\$421.7 million), contributing to approximately 40.2% (31 December 2017: 44.1%) of the Group's total revenue, and representing an increase of 5.5% from the revenue generated in the corresponding period in 2017. The increase was due to the increased demand of our lighting products in view of the expected increase of US tariff to 25% in 2019. Nevertheless, due to the keen competition in the principal market of the lighting products of the Group and rising of operating expenses, the segment profit margin of Lighting Products Business decreased to approximately 1.6% for the year ended 31 December 2018 (31 December 2017: 5.7%) and the segment profit decreased by approximately 69.5% to approximately HK\$7.3 million (31 December 2017: HK\$24.1 million).

經中國國家電網公司確認，截至二零一八年十二月三十一日止年度，本集團共發電763,800,000千瓦時，光伏發電業務繼續成為本集團的主要收益來源，佔本集團截至二零一八年十二月三十一日止年度之總收益約59.8%（二零一七年十二月三十一日：55.9%）。此外，光伏發電業務繼續為本集團溢利的重要增長動力，貢獻本集團截至二零一八年十二月三十一日止年度分部溢利總額的約98.7%（二零一七年十二月三十一日：95.1%）。

截至二零一八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661,600,000港元，較二零一七年同期產生的收益（二零一七年十二月三十一日：534,600,000港元）增加約23.8%。截至二零一八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84.5%（二零一七年十二月三十一日：87.1%），且分部溢利增加約20.2%至約559,300,000港元（二零一七年十二月三十一日：465,500,000港元）。

### 照明產品業務

截至二零一八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445,000,000港元（二零一七年十二月三十一日：421,700,000港元），貢獻本集團收益總額約40.2%（二零一七年十二月三十一日：44.1%），較二零一七年同期產生的收益增加5.5%。增幅的原因為鑒於美國關稅預期於二零一九年上升至25%，因而導致對我們的照明產品需求增加所致。儘管如此，由於本集團照明產品的主要市場競爭激烈及經營開支增加，截至二零一八年十二月三十一日止年度，照明產品業務分部利潤率減少至約1.6%（二零一七年十二月三十一日：5.7%），分部溢利減少約69.5%至約7,300,000港元（二零一七年十二月三十一日：24,100,000港元）。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### OUTLOOK AND PROSPECTS

#### Photovoltaic Power Generation Business

The Group would apply for the Yinchuan Project to be enlisted on the upcoming batch of the Reusable Energy Tariff Subsidy Catalogues (可再生能源電價附加資金補助目錄). If the application is successful, the Board expects to receive settlements of tariff adjustment receivables from the PRC Government, which will improve the liquidity of the Group.

In 2019, the Group will continue to leverage the knowledge and experiences of its management to evaluate and seek appropriate opportunities for the further expansion of the Group's established Photovoltaic Power Generation Business and identify opportunities with reasonable returns in the photovoltaic power generation industry. The Group intends to focus on and further direct resources to develop its Photovoltaic Power Generation Business in accordance with the national policies. The Group will continue to look for opportunities to further strengthen its capabilities and expertise in this segment, including but not limited to participation in the photovoltaic poverty alleviation program and other national or regional photovoltaic programs to achieve sustainable development of its Photovoltaic Power Generation Business. The Board believes that the Photovoltaic Power Generation Business will continue to be the Group's main growth driver, and the strategic development of the Photovoltaic Power Generation Business is for the benefit of the Shareholders as a whole.

#### Lighting Products Business

In 2019, it is expected that the Lighting Products Business will be adversely affected by the potential increased US tariff, intensified competition in its principal markets, rising costs of labour and raw materials. 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.

### 前景及展望

#### 光伏發電業務

本集團將申請將銀川項目列入下一批可再生能源電價附加資金補助目錄。倘該申請成功，董事會預期將自中國政府收取電價調整應收款項，並將改善本集團流動資金狀況。

於二零一九年，本集團將憑藉其管理層的知識和經驗，繼續評估及物色適當機會進一步擴闊本集團的既有光伏發電業務，亦尋求光伏發電行業具有合理回報的契機。本集團擬遵循國家政策，專注及進一步分配資源至其光伏發電業務以發展該業務。本集團將繼續物色機會，進一步鞏固該分部的實力和專業技術，包括但不限於參與光伏扶貧項目及其他國家和地區的光伏項目，以實現光伏發電業務的可持續發展。董事會認為，光伏發電業務將繼續成為本集團的主要增長動力，而光伏發電業務的策略發展符合股東的整體利益。

#### 照明產品業務

於二零一九年，預期照明產品業務將受到美國關稅潛在上升、主要市場競爭加劇以及勞工和原材料成本上漲的不利影響。倘市場競爭持續加劇，本集團將有效調配資源，轉而專注於其他分部業務，從而為股東創造長期回報。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### FINANCIAL REVIEW

#### 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 2017 and 2018.

### 財務回顧

#### 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。截至二零一七年及二零一八年十二月三十一日止年度，本集團按分部劃分的其經營收益、分部收益及分部利潤率的分析列表如下：

	For the year ended 31 December 截至十二月三十一日止年度							
	2018 二零一八年		2017 二零一七年					
	Revenue 收益 (HK\$'000) 千港元	% of revenue 佔收益百分比	Segment profit 分部溢利 (HK\$'000) 千港元	Segment profit margin 分部利潤率 (%) (%)	Revenue 收益 (HK\$'000) 千港元	% of revenue 佔收益百分比	Segment profit 分部溢利 (HK\$'000) 千港元	Segment profit margin 分部利潤率 (%) (%)
Photovoltaic Power Generation Business 光伏發電業務	661,612	59.8	559,308	84.5	534,628	55.9	465,454	87.1
Lighting Products Business 照明產品業務	445,031	40.2	7,343	1.6	421,695	44.1	24,078	5.7
Total 總計	1,106,643	100.0	566,651	51.2	956,323	100.0	489,532	51.2

#### Revenue

During the year ended 31 December 2018, revenue of the Group was derived from the Photovoltaic Power Generation Business and Lighting Products Business amounting to approximately HK\$1,106.6 million, representing an increase of approximately 15.7% from approximately HK\$956.3 million for the year ended 31 December 2017. The increase in revenue was mainly attributable to revenue contribution from the Photovoltaic Power Generation Business.

#### 收益

截至二零一八年十二月三十一日止年度，本集團來自光伏發電業務及照明產品業務的收益約為1,106,600,000港元，較截至二零一七年十二月三十一日止年度的約956,300,000港元增加約15.7%。收益增加乃主要由於光伏發電業務的收益貢獻所致。

#### Gross profit and gross profit margin

During the year ended 31 December 2018, the gross profit of the Group increased by approximately 22.2% from approximately HK\$513.3 million for the corresponding period in 2017 to approximately HK\$627.3 million. The gross profit margin of the Group improved from approximately 53.7% for the year ended 31 December 2017 to approximately 56.7% for the corresponding period in 2018. The increase in both gross profit and gross profit margin of the Group for the year was attributable to the contribution of the Photovoltaic Power Generation Business while the gross profit margin of which was significantly higher compared with the Lighting Products Business.

#### 毛利及毛利率

截至二零一八年十二月三十一日止年度，本集團的毛利由二零一七年同期的約513,300,000港元增加約22.2%至約627,300,000港元。本集團毛利率由截至二零一七年十二月三十一日止年度的約53.7%增加至二零一八年同期的約56.7%。本年度本集團毛利及毛利率增加乃由於光伏發電業務的貢獻所致，其毛利率遠高於照明產品業務之毛利率。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### Operating costs

During the year ended 31 December 2018, the total operating cost increased to approximately HK\$106.1 million, representing an increase of approximately 12.7% from approximately HK\$94.2 million for the corresponding period in 2017. The increase in operating cost was primarily due to rising staff costs and other operating expenses.

### Finance Costs

The Group recorded finance costs amounting to approximately HK\$5.7 million for the year ended 31 December 2018 (31 December 2017: HK\$9.4 million). The decrease in finance costs was primarily due to full repayments of bank borrowings during the year.

### Profit attributable to owners of the Company

Profit attributable to owners of the Company of approximately HK\$532.5 million was recorded for the year ended 31 December 2018, as compared with a profit of approximately HK\$447.1 million attributable to owners of the Company for the corresponding period in 2017. Earnings per share was 87.13 HK cents for the year ended 31 December 2018, as compared with earnings per share of 78.76 HK cents for the corresponding period in 2017.

### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2018, cash and cash equivalents of the Group were approximately HK\$82.5 million, representing an increase of 36.0% from approximately HK\$60.7 million as at 31 December 2017. This was mainly due to release of pledged bank deposits after repayment of the corresponding bank borrowings and a decrease in bills payable.

For the year ended 31 December 2018, the Group's primary source of funding included cash generated from its operating activities, equity financing activities and bank borrowings.

As at 31 December 2018, the Group had no bank borrowing (31 December 2017: HK\$275.5 million). The Group's current ratio (current asset divided by current liabilities) was 9.5 times as at 31 December 2018, which was improved from 2.4 times as at 31 December 2017.

### FINAL DIVIDEND

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

### 經營成本

截至二零一八年十二月三十一日止年度，總經營成本增加至約106,100,000港元，較二零一七年同期約94,200,000港元增加約12.7%。經營成本增加乃主要由於員工成本及其他運營開支增加。

### 財務費用

截至二零一八年十二月三十一日止年度，本集團錄得財務費用約5,700,000港元(二零一七年十二月三十一日：9,400,000港元)。財務費用下降乃主要由於在年內悉數償還銀行借款。

### 本公司擁有人應佔溢利

截至二零一八年十二月三十一日止年度，所錄得本公司擁有人應佔溢利約為532,500,000港元，而二零一七年同期的本公司擁有人應佔溢利則約為447,100,000港元。截至二零一八年十二月三十一日止年度，每股盈利為87.13港仙，而二零一七年同期的每股盈利則為78.76港仙。

### 流動資金及財務資源

於二零一八年十二月三十一日，本集團現金及現金等值物約為82,500,000港元，較於二零一七年十二月三十一日的約60,700,000港元增加36.0%，主要由於在償還相關銀行借款後解除已抵押銀行存款以及應付票據減少。

截至二零一八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、權益融資活動產生之現金及銀行借款。

於二零一八年十二月三十一日，本集團並無銀行借款(二零一七年十二月三十一日：275,500,000港元)。本集團的流動比率(即流動資產除以流動負債)於二零一八年十二月三十一日為9.5倍，較二零一七年十二月三十一日的2.4倍有所改善。

### 末期股息

董事會並不建議派付截至二零一八年十二月三十一日止年度之任何末期股息(二零一七年：無)。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### 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 bank borrowing, bills payable and 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 2018, net gearing ratio was not presented as the Group had net cash (in excess of debt) (31 December 2017: 18.9%). This ratio is based on bank borrowings and bills payable less cash and cash equivalents and pledged bank deposit divided by total equity.

As at 31 December 2018, the Group had no interest-bearing bank borrowing (31 December 2017: HK\$275.5 million, which carried interest at the Hong Kong Interbank Offered Rate ("**HIBOR**") plus 1.7% per annum to HIBOR plus 2.95% per annum). As at 31 December 2018, bills payable amounting to RMB1.3 million (equivalent to approximately HK\$1.5 million) (31 December 2017: RMB79.5 million (equivalent to approximately HK\$95.8 million)) were secured by bank deposits of RMB1.3 million (equivalent to approximately HK\$1.5 million) (31 December 2017: RMB79.5 million (equivalent to approximately HK\$95.8 million)).

As at 31 December 2018, the Group's cash and cash equivalents were mainly held in Renminbi, US dollars and HK dollars.

### PLACING OF SHARES UNDER SPECIFIC MANDATE

On 24 May 2018, the Company and Fung Teng Enterprises Limited ("**Fung Teng**"), a company wholly-owned by Mr. Dang Yanbao, Chairman and executive Director of the Company, entered into a subscription agreement ("**Subscription Agreement**") pursuant to which Fung Teng has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 96,150,000 Shares ("**Subscription Shares**") at HK\$2.60 per Subscription Share (the "**Subscription**").

The closing price of the Shares on 24 May 2018, being the date on which the terms of the issue were fixed, was HK\$3.00 per Share as quoted on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The aggregate nominal value of the Subscription Shares was HK\$961,500 and the net issue price per Subscription Share was approximately HK\$2.59.

### 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(包括銀行借款、應付票據及現金及現金等值物以及已抵押存款)；及(ii)本集團擁有人應佔權益(包括已發行股本及儲備)。於二零一八年十二月三十一日，由於本集團擁有現金淨額(超過債務)，故並無呈列淨資本負債比率(二零一七年十二月三十一日：18.9%)。該比率乃根據銀行借款及應付票據減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。

於二零一八年十二月三十一日，本集團概無計息銀行借款(二零一七年十二月三十一日：275,500,000港元，按介乎香港銀行同業拆息(「**香港銀行同業拆息**」)加1.7厘之年利率至香港銀行同業拆息加2.95厘之年利率計息)。於二零一八年十二月三十一日，應付票據人民幣1,300,000元(相當於約1,500,000港元)(二零一七年十二月三十一日：人民幣79,500,000元(相當於約95,800,000港元))乃由銀行存款人民幣1,300,000元(相當於約1,500,000港元)(二零一七年十二月三十一日：人民幣79,500,000元(相當於約95,800,000港元))作抵押。

於二零一八年十二月三十一日，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。

### 根據特別授權配售股份

於二零一八年五月二十四日，本公司與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(「**峰騰**」)訂立認購協議(「**認購協議**」)，據此，峰騰已有條件同意認購，及本公司已有條件同意按每股認購股份2.60港元配發及發行96,150,000股股份(「**認購股份**」)(「**認購事項**」)。

於二零一八年五月二十四日(即發行條款釐定日期)，香港聯合交易所有限公司(「**聯交所**」)所報股份收市價為每股3.00港元。認購股份之總面值為961,500港元，及每股認購股份的淨發行價為約2.59港元。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

As stated in the 2017 annual report of the Company, as at 31 December 2017, the interest-bearing bank borrowings of the Group that were provided by independent financial institutions and will become due within a year was HK\$275.5 million, and the interest rate is based on HIBOR. The net gearing ratio of the Group was 18.9% as at 31 December 2017 and the interest expenses for the financial year ended 31 December 2017 amounted to approximately HK\$9.4 million. In view of the potential increasing trend of HIBOR, the directors of the Company (the “**Directors**”) considered that the Subscription would enable the Group to utilise the proceeds of the Subscription to repay the existing bank borrowings of the Group, hence reduce its finance costs, lower the net gearing ratio, increase the profitability and strengthen the financial position of the Group.

The gross proceeds of the Subscription were estimated to be HK\$249,990,000, and the net proceeds of the Subscription (after deducting all applicable costs and expenses reasonably incurred in relation to the entering of the Subscription Agreement and the related documents) were HK\$248,990,000 and all of the net proceeds were intended to be used for repayment of the existing interest-bearing loan in the principal amount of HK\$250 million. As at 31 December 2018, the loan of HK\$250.0 million was fully repaid by the Company.

On 20 July 2018, all the conditions precedent of the Subscription were fulfilled and the Subscription Shares have been allotted and issued to Fung Teng.

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.

### THE GROUP'S 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.

誠如本公司二零一七年年報所述，於二零一七年十二月三十一日，本集團由獨立財務機構所提供並將於一年內償還的計息銀行借款為275,500,000港元，並按香港銀行同業拆息計息。於二零一七年十二月三十一日，本集團之淨資本負債比率為18.9%，而截至二零一七年十二月三十一日止財政年度，利息開支約為9,400,000港元。鑑於香港銀行同業拆息的潛在增長趨勢，本公司董事（「**董事**」）認為，認購事項將使本集團能利用認購事項所得款項償還本集團現有銀行借款，從而減少其財務費用、降低淨資本負債比率、提高盈利能力及鞏固本集團的財務狀況。

認購事項所得款項總額估計為249,990,000港元及認購事項所得款項淨額（經扣除就訂立認購協議及相關文件而合理產生之所有適用成本及開支）為248,990,000港元，而所有所得款項淨額擬用於償還本金額為250,000,000港元之現有計息貸款。於二零一八年十二月三十一日，本公司已悉數償還為數250,000,000港元的貸款。

於二零一八年七月二十日，認購事項的所有先決條件已獲達成，而認購股份向峰騰配發及發行。

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。

### 本集團的薪酬政策

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。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

As at 31 December 2018, the Group has a total of nine (31 December 2017: nine) Directors and employed 214 (31 December 2017: 206) employees. Total staff costs, including Directors' emoluments, amounted to approximately HK\$63.0 million for the year ended 31 December 2018 (31 December 2017: HK\$48.6 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 on 21 June 2012, under which the Company can grant options to, among others, employees of the Group to subscribe for 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 2018, no share option has been granted under the share option scheme.

### CONTINGENT LIABILITIES

As at 31 December 2018 and 31 December 2017, the Group did not have any contingent liability.

### SIGNIFICANT INVESTMENTS

The Group has commenced the development of its own infrastructure for additional 40 megawatt output capacity of the photovoltaic power generation since December 2017 and the development had completed in 2018. For the year ended 31 December 2018, RMB77.7 million has been invested in this regard. The Group's revenue from the Photovoltaic Power Generation Business increased by approximately 23.8% to approximately HK\$661.6 million for the year ended 31 December 2018, which was partly attributable to the addition of such 40 megawatt output capacity. Save as disclosed, the Group did not have any other significant investments as at 31 December 2018.

### FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

In view of the positive development of the Photovoltaic Power Generation Business, the Group may from time to time consider appropriate opportunities for expansion of its photovoltaic power generation capacity through participation in or acquisition of new projects. Save as disclosed herein, there was no specific plan for material investments or capital assets as at 31 December 2018. 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.

於二零一八年十二月三十一日，本集團有合共九名（二零一七年十二月三十一日：九名）董事及214名（二零一七年十二月三十一日：206名）員工。截至二零一八年十二月三十一日止年度，總僱員開支（包括董事酬金）約為63,000,000港元（二零一七年十二月三十一日：48,600,000港元）。本集團的薪酬政策是按照個人表現、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，據此，本公司可授出購股權予（其中包括）本集團僱員以認購股份，以此獎勵他們對本集團所作出的貢獻，並激勵僱員日後對本集團作出更多貢獻。截至二零一八年十二月三十一日，概無根據該購股權計劃授出任何購股權。

### 或有負債

於二零一八年十二月三十一日及二零一七年十二月三十一日，本集團並無任何或有負債。

### 重大投資

本集團自二零一七年十二月起已展開自有光伏發電額外40兆瓦產能基礎設施的建設，並於二零一八年完成。截至二零一八年十二月三十一日止年度，已就此投資人民幣77,700,000元。本集團來自光伏發電業務的收益增加約23.8%至截至二零一八年十二月三十一日止年度約661,600,000港元，一部分乃由於添置該等40兆瓦產能。除上文所披露者外，於二零一八年十二月三十一日，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

鑒於光伏發電業務發展勢頭積極，本集團可不時透過參與或收購新項目，物色良機拓展其光伏發電產能。除本報告所披露者外，於二零一八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 2018, there was no material acquisition or disposal of subsidiaries, associated companies and joint ventures by the Group.

### CHARGES ON ASSETS

As at 31 December 2018, bank deposits of RMB1.3 million (equivalent to approximately HK\$1.5 million) (31 December 2017: RMB79.5 million (equivalent to approximately HK\$95.8 million)) were pledged to a bank for issue of bills payable. The Group's land and buildings with carrying value of HK\$0.7 million (31 December 2017: HK\$0.8 million) were pledged to a bank to secure banking facilities granted to the Group.

### FOREIGN EXCHANGE EXPOSURE

During the year under review, a significant part of the revenue of the Group was denominated in Renminbi while the Group has transactions invoiced in US dollars and bank loans drawn down 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 2018 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 2018. However, the management monitored foreign exchange exposure closely to keep the net exposure to an acceptable level.

### CAPITAL COMMITMENT

As at 31 December 2018, the Group's capital commitment amounted to approximately HK\$15.2 million (31 December 2017: HK\$44.8 million) in respect of property, plant and equipment contracted but not provided for.

### SUBSEQUENT EVENTS

On 23 March 2019, Ningxia Baofeng Photovoltaic Power Generation Company Limited\* (寧夏寶豐光伏發電有限公司) (a wholly-owned subsidiary of the Company) ("Baofeng Photovoltaic") as purchaser entered into a sale and purchase agreement ("Sale and Purchase Agreement") with 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"), pursuant to which Baofeng Photovoltaic has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the 350-megawatt photovoltaic power generation equipment, the ancillary facilities, the materials in stock, products and accessories of the Yinchuan Project (the "Equipment") at a consideration of RMB2,398,153,588 (tax inclusive) (equivalent to approximately HK\$2,808,142,375). The Equipment is a set of photovoltaic power generation equipment which has been 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.

### 重大收購或出售

截至二零一八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

於二零一八年十二月三十一日，銀行存款人民幣1,300,000元（相當於約1,500,000港元）（二零一七年十二月三十一日：人民幣79,500,000元（相當於約95,800,000港元））已抵押予銀行以發行應付票據。本集團賬面值為700,000港元（二零一七年十二月三十一日：800,000港元）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。

### 外匯風險

於回顧年度，本集團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提取的銀行貸款，故本集團須承受外匯風險。除本報告所披露者外，於截至二零一八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。於截至二零一八年十二月三十一日止年度，本集團並無外幣對沖政策且並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

於二零一八年十二月三十一日，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15,200,000港元（二零一七年十二月三十一日：44,800,000港元）。

### 期後事項

於二零一九年三月二十三日，寧夏寶豐光伏發電有限公司（本公司的全資附屬公司，「寶豐光伏」）（為買方）與銀川濱河新能源投資開發有限公司（「賣方」）訂立一項買賣協議（「買賣協議」），據此，寶豐光伏有條件同意購買及賣方有條件同意出售銀川項目的350兆瓦光伏發電設備、配套設施、物料存貨、產品及配件（「設備」），代價為人民幣2,398,153,588元（含稅）（相當於約2,808,142,375港元）。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。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

In addition, on 23 March 2019, Baofeng Photovoltaic as lessee entered into a finance lease agreement ("**Finance Lease Agreement**") with Huaxia Financial Leasing Co., Ltd. (華夏金融租賃有限公司) (the "**Lessor**"), pursuant to which the Lessor has conditionally agreed to pay RMB1,700,000,000 (equivalent to approximately HK\$1,990,632,319) of the consideration under the Sale and Purchase Agreement to the Vendor, upon which it will take ownership of the Equipment. The Lessor will lease back the Equipment to Baofeng Photovoltaic for a principal lease amount of RMB1,700,000,000 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 will only have to pay interests on the principal lease amount but will not have to make repayments of the principal lease amount. The indebtedness and obligations of Baofeng Photovoltaic under the Finance Lease Agreement will be 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 proposed acquisition under the Sale and Purchase Agreement, on 23 March 2019, Baofeng Photovoltaic and the Vendor also entered into an assignment agreement (the "**Assignment Agreement**"), pursuant to which the Vendor has agreed that within one (1) month after receiving the first payment of the consideration under the Sale and Purchase Agreement from the Lessor, it will pay an amount of RMB300,000,000 (equivalent to approximately HK\$351,288,056) to Baofeng Photovoltaic in cash, and in return Baofeng Photovoltaic has agreed to assign the tariff adjustment receivables in the amount of RMB300,000,000 to the Vendor effective on the date Baofeng Photovoltaic receives the aforesaid cash payment.

For details of the Sale and Purchase Agreement, the Finance Lease Agreement and the Assignment Agreement, please refer to the announcement of the Company dated 25 March 2019.

此外，於二零一九年三月二十三日，寶豐光伏(為承租人)與華夏金融租賃有限公司(「出租人」)訂立一項融資租賃協議(「**融資租賃協議**」)，據此，出租人有條件同意向賣方支付買賣協議項下之代價人民幣1,700,000,000元(相當於約1,990,632,319港元)，屆時其將取得設備的所有權。出租人將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，寶豐光伏將僅須支付融資租賃項下租賃本金的利息，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將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輔助設施的押記為抵押，以出租人為受益人。

作為買賣協議項下建議收購事項的配套安排，於二零一九年三月二十三日，寶豐光伏及賣方亦訂立一項轉讓協議(「**轉讓協議**」)，據此，賣方同意從出租人收取買賣協議項下代價的第一筆付款的一(1)個月內，以現金向寶豐光伏支付人民幣300,000,000元(相當於約351,288,056港元)。就此，寶豐光伏已同意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。

有關買賣協議、融資租賃協議及轉讓協議的進一步詳情，請參閱本公司日期為二零一九年三月二十五日之公告。

## 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 46, is currently the Chairman of the Company and the chairman of the nomination committee of the Company (the “**Nomination Committee**”). 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). 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 Business Services Ltd.\* (寧夏寶豐能源商務服務有限公司), 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 committee member of the 12th Chinese People’s Political Consultative Conference, a representative at the 11th People’s Congress of Ningxia Hui Autonomous Region, and counselor for the People’s Government of Ningxia Hui Autonomous Region. 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.

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 29, 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.

#### 執行董事

**黨彥寶先生**，46歲，現任本公司主席兼提名委員會（「**提名委員會**」）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、寧夏寶豐能源商務服務有限公司、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，包括中國人民政治協商會議第十二屆全國委員會委員，寧夏回族自治區第十一屆人民代表大會代表，及寧夏回族自治區人民政府參事。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。

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**，29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。

\* 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

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 52, 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 Shenzhen Qianhai Baofeng New Energy Development Co., Ltd\* (深圳前海寶豐新能源發展有限公司), 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 31 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 44, 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 23 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 57, 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 28 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 49, is an investment banker with over 20 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，52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深圳前海寶豐新能源發展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31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，44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23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，57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28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，49歲，為投資銀行家，擁有逾20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 63, is currently the chairman of the audit committee of the Company (the “**Audit Committee**”), and a member of each of the remuneration committee of the Company (the “**Remuneration Committee**”) and the Nomination Committee. He has nearly 42 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 Melco International Development Limited (stock code: 200) and Ourgame International Holdings Limited (stock code: 6899), both of them are 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, which is 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，63歲，現任本公司審核委員會（「**審核委員會**」）主席及本公司薪酬委員會（「**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42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，彼在一地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。

田耕熹博士現為新濠國際發展有限公司（股份代號：200）及聯眾國際控股有限公司（股份代號：6899）（均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（於聯交所上市）、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 55, 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 53, 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，55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，53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 40, 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 15 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 36, 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 11 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**，40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15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**，36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11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 2018, except for the following:

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 2018, 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 2018. 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 2018.

### COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

During the year ended 31 December 2018, 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 2018, he had fully complied with the required code of conduct and there was no event of non-compliance.

### 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 2018.

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。本公司於截至二零一八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C.2.5條，發行人應具有內部審核職能。截至二零一八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，本公司於截至二零一八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，董事會認為截至二零一八年十二月三十一日止年度本公司已遵守上市規則所載企業管治守則的守則條文。

### 遵守證券交易的標準守則

於截至二零一八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，於截至二零一八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。

### 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，於截至二零一八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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

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 18 to 22 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 2018 pursuant to the requirements of the Listing Rules.

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.

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18至22頁之「董事及高級管理層履歷詳情」披露。

本公司已收訖於截至二零一八年十二月三十一日止年度在任的各位獨立非執行董事根據上市規則之規定發出有關其獨立性之年度獨立性確認書。

各執行董事均與本公司各自訂有服務合約，為期三年。兩名非執行董事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合約／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。

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### Board meeting, Committee meeting and Annual General Meeting/Extraordinary General Meeting in 2018

The Board has held Board meetings at approximately quarterly intervals with participation by a majority of Directors.

During the year ended 31 December 2018, 9 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 2018. 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:

### 二零一八年之董事會會議、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。

於截至二零一八年十二月三十一日止年度，本公司共召開了九次董事會會議、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。截至二零一八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」）。於本財政年度內，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	8/9	-	-	1/1
Mr. Dang Zidong (chief executive officer)	黨自東先生(行政總裁)	1/1	1/1	9/9	-	-	-
Mr. Liu Yuanguan	劉元管先生	1/1	1/1	9/9	-	-	-
Mr. Gao Jianjun	高建軍先生	1/1	1/1	9/9	-	-	-
<i>Non-executive Directors</i>							
Mr. Cheng Hoo	鄭豪先生	1/1	1/1	8/9	-	-	-
Mr. Chung Kin Shun, Jimmy	鍾建舜先生	1/1	1/1	9/9	-	-	-
<i>Independent Non-executive Directors</i>							
Mr. Xia Zuoquan	夏佐全先生	1/1	0/1	8/9	3/3	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	9/9	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	9/9	3/3	1/1	1/1



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During the year ended 31 December 2018, 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 non-executive Directors (including independent non-executive Directors) without the presence of executive Directors.

截至二零一八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。

本公司已收訖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年度獨立性確認書。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。

主席已與全體非執行董事（包括獨立非執行董事）舉行並無執行董事出席之會議。

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### 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 28 June 2018 and all Directors had participated in such Directors training.

The individual training record of each Director for the year ended 31 December 2018 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公司治理和法規有關的材料進行持續專業發展。

本公司於二零一八年六月二十八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。

截至二零一八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：

Name of Directors	董事姓名	<b>Attended seminar(s)/ read relevant materials in relation to the business or directors' duties (Yes/No)</b> 參加研討會／閱讀與業務 或董事職責有關的 相關材料 (有／無)
<i>Executive Directors</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>		
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>		
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

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### 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 2018, 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 2018, 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 2018, three meetings were held by the Audit Committee, one of which was 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 2018 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。截至二零一八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。

截至二零一八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。於二零一八年，審核委員會舉行了三次會議，其中一次本公司外聘核數師亦有出席。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制度，並就續聘本公司外聘核數師向董事會提出建議。截至二零一八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。



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### 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 2018. 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 2018, 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 2018, 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 sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, 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，於截至二零一八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。

於截至二零一八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。於二零一八年，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適當合資格人士加入董事會、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的裨益；
- (b) 為達致可持續及均衡的發展，本公司視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。在設定董事會成員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（專業及其他）、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 2018, 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 2018, 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 2018, 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。於截至二零一八年十二月三十一日止年度，由於董事會認為其現時規模為最理想，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。

於截至二零一八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。

於二零一八年，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以及上市規則規定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, 24 May 2019.

### 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 1301-1304, 13/F, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong.

### 與股東的股東大會

本公司的股東週年大會將於二零一九年五月二十四日(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)將按以股東投票方式表決，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亦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13樓1301至1304室)向本公司公司秘書提出任何有關查詢。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 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.

### 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 2018.

### COMPANY SECRETARY

During the year ended 31 December 2018, 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.

### 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.

### 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二零一八年十二月三十一日止年度派發末期股息。

### 公司秘書

截至二零一八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之規定接受不少於十五個小時之相關專業培訓。

### 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。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 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 2018. 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 2018.

### 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、其他內幕消息公佈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。

董事確悉其就編製本公司截至二零一八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二零一八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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 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 2018. The remuneration paid/payable to the auditor of the Group is set out as follows:

### 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二零一八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	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Services rendered	所提供服務		
Statutory audit services	法定審計服務	1,260	1,200
Non-statutory audit services	非法定審計服務	450	670

The non-statutory audit services are mainly related to review of interim consolidated financial statements and preparation of Environmental, Social and Governance Report.

非法定審核服務主要與審閱中期綜合財務報表及編製環境、社會及管治報告有關。

### 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.

### 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。

During the year ended 31 December 2018, there had been no significant change in the Company's constitutional documents.

於截至二零一八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。

### 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.

### 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，並有責任檢討該等制度的有效性。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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

During the year ended 31 December 2018, 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 2018, 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 2018. 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.

### 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.

截至二零一八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）。

截至二零一八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，本公司於截至二零一八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。

### 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。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 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 the revenue of the Group is denominated in RMB while transactions are invoiced in US dollars and bank loans are in HK dollars, and accordingly the Group is exposed to foreign exchange risk. However, it will continue to closely monitor the risks and take measures to lower the risks if necessary.

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 Company was the Group's only customer for the year ended 31 December 2018. 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 Reusable Energy Tariff Subsidy Catalogue (可再生能源電價附加資金補助目錄) (the "Catalogue"), and has met all the relevant requirements and conditions for the registration in the Catalogue. The Directors are confident that the Group's operation solar power plant can be registered in the Catalogue in due course and 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:

### 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。

本集團大部分收益以人民幣計值，同時我們亦有以美元開具發票的交易及以港元計值的銀行貸款，因此，本集團面臨外匯風險。然而，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。

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，國家電網寧夏分公司為本集團截至二零一八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登記入可再生能源電價附加資金補助目錄（「目錄」）並滿足登記入目錄的所有有關要求及條件。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目錄內，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，而董事會及其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制度成效。該架構及所採取之措施說明如下：

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 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

#### 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.

### 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

#### 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，本集團已設計若干程序，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 2018:

下圖載列本集團於截至二零一八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
- 整體的風險管理
- 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各相關職能部門組成
- 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，報本公司風險管理小組
- 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，保證本公司健康、穩健運行，提高風險管理水平，結合本公司的實際情況，制定本制度。

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描述，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、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 2018 (the “**Reporting Period**” or “**2018 Financial Year**”) is prepared by China Baofeng (International) Limited and its subsidiaries (hereinafter referred to as the “**Group**” or “**we**”) 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 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 plant and office in Hong Kong.

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.

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，中國寶豐(國際)有限公司及其附屬公司(「**本集團**」、「**我們**」)編制了截至二零一八年十二月三十一日止年度(「**報告期間**」、「**二零一八年財政年度**」)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、社會及管治策略和彙報。管理層負責監控及管理環境、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。

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。

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>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

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.

#### *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 2018 Financial Year, the Group generated a small amount of non-hazardous waste, mainly attributed to the consumption of approximately 268.75 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.

### (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和其他環境污染物，也無需使用冷卻水。

#### *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、污水及其他有害廢棄物。於二零一八年財政年度，本集團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268.75千克。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。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### *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 22,821 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.

During the Reporting Period, we have not detected any material breach of relevant laws and regulations relating to environmental protection, including 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》).

### *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22,821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。

於本報告期間內，本集團並無發現對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)的重大違反情況。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 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.

#### *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 35,704,404 kWh, representing 3.7754 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 2,600 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.

### 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。

#### *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35,704,404千瓦時，每平方米消耗的電力為3.7754千瓦時。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2,600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。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

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.

### 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 covering all our offices and power plants. 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.

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。

### 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，建立了覆蓋本集團辦公區域和各電站的環境管理體系，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。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

In addition, we have developed a photovoltaic agriculture business, utilising the feature of zero emission of solar photovoltaic power generation to plant goji berries and alfalfas, which not only is beneficial for power generation, but also favourable for the crops' growth, while at the same time generating better economic and social benefits.

### (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 Group has not detected any material breach of relevant laws and regulations relating to human resources.

另外，我們已經開發農光互補業務，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，它既有利發電，又有利農作物生長環境，以此創造更好的經濟效益和社會效益。

### (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、侍產假等法定福利。

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。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 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 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 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, 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.

### 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職業健康安全管理體系的實施，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、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。

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。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

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.

### 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 in the PRC and laws and regulations concerning labour issues 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.

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

### 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.

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。

### 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》和香港勞工法例等法律法規，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。

### 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，履行合約協議事項，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。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

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.

### 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 a stable 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.

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。

### 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的管理體系建設，修編安全、健康、及環境管理制度。

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。



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

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.

### *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.

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

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。

### *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。

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。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 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. 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, 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。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。

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.

### 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。



# 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 2018.

### 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 34 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 7 to 17 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 2018 are set out in note 34 to the consolidated financial statements.

### RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on page 71 of this annual report. The Board does not recommend a final dividend for the year ended 31 December 2018.

### CLOSURE OF REGISTER OF MEMBERS FOR THE 2018 ANNUAL GENERAL MEETING

The annual general meeting of the Company ("AGM") is to be held on 24 May 2019. 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, 21 May 2019 to Friday, 24 May 2019
Latest time to lodge transfer documents with the Company's share registrar	Monday, 20 May 2019, 4:00 p.m.
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

董事欣然提呈截至二零一八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34。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7至17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二零一八年十二月三十一日的詳情，載於綜合財務報表附註34。

### 業績及股息

本集團截至二零一八年十二月三十一日止年度之業績載於本年報第71頁綜合損益及其他全面收益表內。董事會並不建議就截至二零一八年十二月三十一日止年度派發末期股息。

### 就二零一八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」）將於二零一九年五月二十四日舉行。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）	二零一九年五月二十一日（星期二）至二零一九年五月二十四日（星期五）
將過戶文件交回本公司股份過戶登記處的最後時間	二零一九年五月二十日（星期一）下午四時正
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

# 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 2018, the aggregate amount of turnover attributed to the Group's largest and the five largest customers were approximately 59.8% and 91.1% (2017: 55.9% and 89.4%) of the total value of the Group's turnover, respectively. The Group's purchases from the largest and the five largest suppliers accounted for approximately 44.4% and 78.1% (2017: 44.8% and 78.0%) of the total value of the Group's purchases, respectively.

At no time during the year have the Directors, their close associates or any Shareholder (which to the knowledge of the Directors owns 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 33 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, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, the Company and Fung Teng, controlling shareholder of the Company and a company wholly owned by Mr. Dang Yanbao, Chairman and executive Director of the Company entered into the Subscription which is a connected transaction of the Company. For details, please refer to set out in the section headed "Management Discussion and Analysis – Placing of Shares under Specific Mandate" in this report.

### RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group and the Company are set out in note 33 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 25 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.

### 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

於截至二零一八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59.8%及91.1%（二零一七年：55.9%及89.4%）。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44.4%及78.1%（二零一七年：44.8%及78.0%）。

於本年度任何時間內，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33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、公告及獨立股東批准規定。

此外，本公司與峰騰（本公司控股股東及由本公司主席兼執行董事黨彥寶先生全資擁有之公司）訂立認購事項（為本公司之關連交易）。詳情請參閱本報告「管理層討論及分析－根據特別授權配售股份」一節。

### 關連人士交易

本集團及本公司的關連人士交易詳情載於綜合財務報表附註33。

### 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25。

### 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。



# REPORT OF THE DIRECTORS

## 董事會報告書

### RESERVES

Movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 76 of this annual report.

### DISTRIBUTABLE RESERVES

As at 31 December 2018, the Company's reserves, calculated in accordance with the provisions of the Cayman Islands' legislation, amounted to approximately HK\$478,217,000 (2017: HK\$253,601,000).

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's shares during the year ended 31 December 2018.

### FINANCIAL SUMMARY

A summary of the results of the Group for the past five financial years is set out on page 156 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 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.

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 2018, Mr. Liu Yuanguan and Mr. Gao Jianjun, both being the executive Directors, entered into supplemental agreements to their respective service agreements to waive their emolument from 30 January 2016 to 29 January 2019.

### 儲備

本集團年內的儲備變動詳情載於本年報第76頁之綜合權益變動表內。

### 可供分派儲備

於二零一八年十二月三十一日，本公司的儲備（按照開曼群島法例條文計算）約為478,217,000港元（二零一七年：253,601,000港元）。

### 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二零一八年十二月三十一日止年度並無購買、贖回或出售本公司任何股份。

### 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156頁。本摘要並不構成本年報綜合財務報表一部分。

### 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合約，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。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合約／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。

截至二零一八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，以放棄收取彼等自二零一六年一月三十日起至二零一九年一月二十九日之酬金。



# 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 2018.

### DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Please refer to pages 18 to 22 of this annual report for the list of Directors during the financial year ended 31 December 2018 and as at the date of this report.

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

Save as disclosed in note 33 to the consolidated financial statements and the interests of Mr. Dang Yanbao in the Subscription set out in the section headed "Management Discussion and Analysis – Placing of Shares under Specific Mandate", 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 2018.

### COMPETING INTEREST

For the year ended 31 December 2018, 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

Save as the Subscription set out in the section headed "Management Discussion and Analysis – Placing of Shares under Specific Mandate", 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 2018.

### 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書面確認書。本公司認為，於截至二零一八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

截至二零一八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18頁至第22頁。

### 董事於交易、安排或合約的權益

除綜合財務報表附註33所披露者及黨彥寶先生於「管理層討論及分析—根據特別授權配售股份」一節載列的認購事項之權益外，概無董事或與董事有關連之實體直接或間接於截至二零一八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

截至二零一八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

除「管理層討論及分析—根據特別授權配售股份」一節載列之認購事項外，於二零一八年十二月三十一日，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。

# 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 2018, 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

於二零一八年十二月三十一日，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 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

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. The letter "S" denotes a short 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 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。「S」指本公司股本中的權益之淡倉。
- 根據證券及期貨條例，本公司主席及執行董事黨彥寶先生為峰騰唯一股東及董事，故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 in 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

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
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%

Note:

附註：

1. As at 31 December 2018, Fung Teng held 456,150,000 Shares and Mr. Dang Yanbao is the sole shareholder and a director of Fung Teng. As such, Mr. Dang Yanbao is deemed to be interested in all the 456,150,000 Shares in which Fung Teng is interested by virtue of the SFO.

1. 於二零一八年十二月三十一日，峰騰持有456,150,000股股份，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，黨彥寶先生被視為於峰騰擁有權益之全部456,150,000股股份中擁有權益。

Save as disclosed above, as at 31 December 2018, 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，於二零一八年十二月三十一日，概無董事或本公司主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中擁有(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 DEBENTURES OF THE COMPANY

As at 31 December 2018, 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債券的權益及淡倉

於二零一八年十二月三十一日，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. The letter "S" denotes a short position in the interest in the share capital of the Company.
- Fung Teng, a company incorporated in BVI 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 2018.

#### 附註：

- 「L」指本公司股本中的權益之好倉。「S」指本公司股本中的權益之淡倉。
- 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，於二零一八年十二月三十一日，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。

# REPORT OF THE DIRECTORS

## 董事會報告書

### SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “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 Scheme was adjusted on 27 July 2015.

Under the 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 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(「該計劃」)，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，該計劃將於二零二二年六月二十一日屆滿。該計劃已於二零一五年七月二十七日進行了調整。

根據該計劃，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。

因行使根據該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任何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 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 Scheme was adopted. As at 31 December 2018 and 2017, there were no outstanding share options issued under the 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 2018.

### CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by the Company are set out in the Corporate Governance Report section set out on pages 23 to 41 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 date 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 provisions 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 HK\$20,000.

### 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 2018.

根據該計劃之股份的行使價由董事會釐定，且不少於(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。

自該計劃獲採納以來，並無授出任何購股權。於二零一八年及二零一七年十二月三十一日，該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」一節所披露的之外，於本年度並無訂立、於截至二零一八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23頁至第41頁之企業管治報告一節。

### 足夠公眾流通量

根據本公司從公開獲取的資料及據董事所知，截至本報告日期，本公司已根據上市規則之要求維持本公司已發行股份25%的足夠公眾流通量。

### 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為20,000港元。

### 獲准許的彌償條文

為本公司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)現正生效且於截至二零一八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 2018.

### 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 2018.

### 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 2018

As at the date of this report, the Group has no material events after the year ended 31 December 2018.

### 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, 29 March 2019

### 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，本集團於截至二零一八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。

### 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，於截至二零一八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。

### 於截至二零一八年十二月三十一日止年度的期後事項

於本報告日期，本集團於截至二零一八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，二零一九年三月二十九日

# 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 71 to 155, which comprise the consolidated statement of financial position as at 31 December 2018, 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 2018, 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 ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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71頁至第155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，包括於二零一八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 貴集團於二零一八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財務綜合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

#### **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 Reusable Energy Tariff Subsidy Catalogue (可再生能源電價附加資金補助目錄) (the "Catalogue").

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。

The accounting policies in relation to revenue recognition on tariff adjustment is set out in note 3 to the consolidated financial statements. The tariff adjustment is recognised at its fair value where there is a reasonable assurance that the tariff adjustment will be received and the Group will comply with all attached conditions, if any.

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。在可合理保證將會收到電價調整且貴集團將遵從全部附加條件(如有)的前提下，電價調整按其公平值確認。

Pursuant to the New Tariff Notice issued in August 2013 by the National Development and Reform Commission of the People's Republic of China (the "PRC"), approvals for the registration in the Catalogue on a project-by-project basis are required for the settlement of the tariff adjustment.

根據中華人民共和國(「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於目錄登記的批准。

Revenue from tariff adjustment for photovoltaic power generation of RMB395,836,000 (equivalent to HK\$478,600,000) from the state grid company in the PRC is recognised for the year ended 31 December 2018 in which the operating solar power plant is still pending registration in the Catalogue. 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 Catalogue, and has met, all the relevant requirements and conditions for the registration in the Catalogue.

於截至二零一八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395,836,000元(相當於478,600,000港元)，其中貴集團營運中的太陽能發電廠仍有待於目錄登記。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目錄登記，並已滿足於目錄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，我們的審計程序包括：

- 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 Catalogue 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目錄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能力、才能及客觀性；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 Catalogue 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目錄登記。



# 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
<p><b>Impairment assessment of trade receivables</b> <b>貿易應收款項的減值評估</b></p> <p>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.</p> <p>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。</p> <p>As at 31 December 2018, the Group's net trade receivables amounting to HK\$148,996,000, and out of these trade receivables, HK\$23,792,000 were past due.</p> <p>於二零一八年十二月三十一日，貴集團的貿易應收款項淨值達148,996,000港元，而該等貿易應收款項中23,792,000港元已逾期。</p> <p>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 with the consideration of expected future credit losses.</p> <p>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。貿易應收款項減值準備金額乃按照資產賬面值與經計及逾期未來信貸虧損的估計未來現金流量現值之間的差額計量。</p> <p>As disclosed in note 27 to the consolidated financial statements, the Group's lifetime ECL on trade receivables as at 31 December 2018 amounted to HK\$823,000.</p> <p>誠如綜合財務報表附註27所述，於二零一八年十二月三十一日，貴集團貿易應收款項的全期預期信貸虧損為823,000港元。</p>	<p>Our procedures in relation to impairment assessment of trade receivables included:</p> <p>有關評估貿易應收款項減值的程序包括：</p> <ul style="list-style-type: none"><li>• 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；</li><li>• Challenging management's basis and judgement in determining credit loss allowance on trade receivables as at 1 January 2018 and 31 December 2018, 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 質疑管理層釐定二零一八年一月一日及二零一八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、就債務人應用的估計虧損率(經計及過往違約率及前瞻性資料)；及</li><li>• Evaluating the disclosures regarding the impairment assessment of trade receivables in note 27 to the consolidated financial statements. 評估綜合財務報表附註27內就貿易應收款項減值評估有關的披露。</li></ul>

# 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。其他資料包括綜合財務報表及我們的相關核數師報告並無載錄而由年報載錄的資料。

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。

### 董事及審核委員會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、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。

審核委員會負責監督 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 HKSA's 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 HKSA's, 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義務或接受任何責任。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。

我們與審核委員會進行溝通，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。

我們亦向審核委員會提供一份聲明，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.

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

29 March 2019

### 核數師對審計綜合財務報表的責任(續)

從與審核委員會溝通的事項中，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。

**德勤•關黃陳方會計師行**  
執業會計師  
香港

二零一九年三月二十九日

# 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 2018  
截至二零一八年十二月三十一日止年度

		NOTES 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	收益	5	<b>1,106,643</b>	956,323
Cost of sales	銷售成本		<b>(479,356)</b>	(442,997)
Gross profit	毛利		<b>627,287</b>	513,326
Other income, gains and losses	其他收入、收益及虧損	6	<b>26,483</b>	49,373
Selling expenses	銷售開支		<b>(26,301)</b>	(24,483)
Administrative and other expenses	行政及其他開支		<b>(79,801)</b>	(69,683)
Finance costs	財務費用	7	<b>(5,677)</b>	(9,416)
Profit before taxation	除稅前溢利	8	<b>541,991</b>	459,117
Income tax expense	所得稅開支	9	<b>(9,504)</b>	(12,015)
Profit for the year	年度溢利		<b>532,487</b>	447,102
Other comprehensive (expense) income for the year	年度其他全面(開支)收益			
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益之項目：</i>			
Exchange differences arising on translating foreign operations	換算境外業務匯兌差異		<b>(94,339)</b>	68,269
Total comprehensive income for the year	年度全面收益總額		<b>438,148</b>	515,371
Earnings per share - Basic	每股盈利－基本	12	<b>HK87.13 cents</b> <b>87.13港仙</b>	HK78.76 cents 78.76港仙



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 December 2018  
於二零一八年十二月三十一日

		NOTES 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Non-current Assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	13	322,474	253,407
Prepaid rental expenses for photovoltaic facilities	光伏設施預付租賃費用	14	–	45,181
Rental deposit	租賃押金		–	2,013
Deferred tax asset	遞延稅項資產	15	1,316	720
Intangible asset	無形資產	16	465	562
			<b>324,255</b>	<b>301,883</b>
<b>Current Assets</b>	<b>流動資產</b>			
Inventories	存貨	17	33,535	16,433
Trade and other receivables	貿易及其他應收款項	18	173,867	855,040
Contract assets	合約資產	19	1,159,209	–
Prepaid rental expenses for photovoltaic facilities	光伏設施預付租賃費用	14	41,278	107,018
Pledged bank deposits	已抵押銀行存款	20	1,533	126,747
Bank balances and cash	銀行結餘及現金	20	82,494	60,661
			<b>1,491,916</b>	<b>1,165,899</b>
<b>Current Liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	21	129,018	205,022
Provision	撥備	22	15,930	10,503
Amount due to ultimate holding company	應付最終控股公司款項	23	8,000	–
Tax payable	應付稅項		3,770	4,979
Bank borrowings	銀行借款	24	–	275,500
			<b>156,718</b>	<b>496,004</b>
<b>Net Current Assets</b>	<b>流動資產淨值</b>		<b>1,335,198</b>	<b>669,895</b>
<b>Total Assets less Current Liabilities</b>	<b>資產總值減流動負債</b>		<b>1,659,453</b>	<b>971,778</b>
<b>Non-current Liability</b>	<b>非流動負債</b>			
Deferred tax liability	遞延稅項負債	15	232	50
<b>Net assets</b>	<b>資產淨值</b>		<b>1,659,221</b>	<b>971,728</b>
<b>Capital and Reserves</b>	<b>股本及儲備</b>			
Share capital	股本	25	6,638	5,677
Reserves	儲備		1,652,583	966,051
<b>Total Equity</b>	<b>股東權益合計</b>		<b>1,659,221</b>	<b>971,728</b>

The consolidated financial statements on pages 71 to 155 were approved and authorised for issue by the Board of Directors on 29 March 2019 and are signed on its behalf by:

第71頁至155頁的綜合財務報表於二零一九年三月二十九日經由董事會批准及授權刊發：

**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 2018  
截至二零一八年十二月三十一日止年度

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元 (Note a) (附註a)	Statutory surplus reserve 法定盈餘儲備 HK\$'000 千港元 (Note b) (附註b)	Translation reserve 匯兌儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	5,677	289,547	(1)	16,949	(28,043)	172,228	456,357
Profit for the year	年度溢利	-	-	-	-	-	447,102	447,102
Exchange difference arising on translation of foreign operations and other comprehensive income for the year	年內換算境外業務及其他全面收益產生的匯兌差異	-	-	-	-	68,269	-	68,269
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	68,269	447,102	515,371
Transfer	轉撥	-	-	-	51,277	-	(51,277)	-
At 31 December 2017	於二零一七年十二月三十一日	5,677	289,547	(1)	68,226	40,226	568,053	971,728
Profit for the year	年度溢利	-	-	-	-	-	532,487	532,487
Exchange difference arising on translation of foreign operations and other comprehensive expense for the year	年內換算境外業務及其他全面開支產生的匯兌差異	-	-	-	-	(94,339)	-	(94,339)
Total comprehensive (expense) income for the year	年內全面(開支)收益總額	-	-	-	-	(94,339)	532,487	438,148
Issue of ordinary shares	發行普通股	961	249,029	-	-	-	-	249,990
Share issue expenses	股份發行費用	-	(645)	-	-	-	-	(645)
Transfer	轉撥	-	-	-	61,059	-	(61,059)	-
At 31 December 2018	於二零一八年十二月三十一日	6,638	537,931	(1)	129,285	(54,113)	1,039,481	1,659,221

Notes:

附註：

- |   |  |
|---|--|
| <p>a. Special reserve represents the reserve arising from group reorganisation in 2012.</p>   | <p>a. 特別儲備指於二零一二年進行集團重組產生之儲備。</p>  |
| <p>b. 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.</p> | <p>b. 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。</p> |

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

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

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Profit before taxation	除稅前溢利	541,991	459,117
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	31,619	—
Allowance for obsolete and slow-moving inventories	過時及滯銷存貨準備	466	25
Amortisation of intangible asset	無形資產攤銷	97	97
Depreciation of property, plant and equipment	物業、廠房及設備折舊	10,801	6,643
Finance costs	財務費用	5,677	9,416
Imputed interest income on tariff adjustment receivables	電價調整應收款項之應計利息收入	(25,188)	(12,699)
Interest income	利息收入	(1,271)	(903)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	(76)	—
Operating cash flows before movements in working capital	營運資金變動前經營現金流量	564,116	461,696
Decrease (increase) in prepaid rental expenses for photovoltaic facilities	光伏設施預付租賃費用減少(增加)	108,434	(88,418)
(Increase) decrease in inventories	存貨(增加)減少	(17,568)	5,157
Decrease (increase) in rental deposit and trade and other receivables	租賃押金及貿易及其他應收款項減少(增加)	4,457	(546,203)
Increase in contract assets	合約資產增加	(558,647)	—
Increase in trade and other payables	貿易及其他應付款項增加	10,593	33,654
Increase in provision	撥備增加	5,427	3,358
Cash generated from (used in) operations	營運產生(所用)現金	116,812	(130,756)
Income tax paid in Hong Kong	已付香港所得稅	(6,550)	(3,633)
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	(4,663)	(3,394)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	經營業務所得(所用)現金淨額	105,599	(137,783)
INVESTING ACTIVITIES	投資活動		
Purchase of property, plant and equipment	購買物業、廠房及設備	(183,189)	(70,099)
Placement of pledged bank deposits	存置已抵押銀行存款	(1,625)	(120,920)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	126,747	—
Interest received	已收利息	1,271	903
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	76	—
Repayment from a photovoltaic facilities provider	自光伏設施供應商之還款	—	45,977
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(56,720)	(144,139)



# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

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

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
FINANCING ACTIVITIES	融資活動		
Repayment of bank loans	償還銀行貸款	(275,500)	—
Interest paid	已付利息	(5,677)	(9,416)
Share issue expenses	股份發行費用	(645)	—
Proceeds from issue of shares	發行股份所得款項	249,990	—
Advance from ultimate holding company	來自最終換股公司之墊款	8,000	—
New bank loans raised	新增銀行貸款	—	25,500
NET CASH (USED IN) GENERATED FROM FINANCING ACTIVITIES	融資活動(所用)所得現金淨額	(23,832)	16,084
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值物增加(減少)淨額	25,047	(265,838)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日現金及現金等值物	60,661	316,345
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動的影響	(3,214)	10,154
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於十二月三十一日現金及現金等值物	82,494	60,661
— 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 2018  
截至二零一八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 1301-1304, 13/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 34.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is different from the functional currency of the Company, United States dollars (“US\$”), as the directors of the Company consider that HK\$ is more appropriate as the Company’s shares are listed in Hong Kong.

### 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, Cayman Islands及香港金鐘金鐘道88號太古廣場二座13樓1301至1304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34。

綜合財務報表乃以港元(「港元」)呈列，與本公司功能貨幣美元(「美元」)有別，乃由於本公司董事認為因本公司股份在香港上市故以港元呈列較為適合。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

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

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 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) - Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 “Financial Instruments” with HKFRS 4 “Insurance Contracts”
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014- 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

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. 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註釋：

香港財務報告準則第9號	財務工具
香港財務報告準則第15號	客戶合約收益及相關修訂
香港(國際財務報告詮釋委員會)－詮釋22號	外幣交易及預付代價
香港財務報告準則第2號(修訂本)	以股份為基礎的付款交易的分類及計量
香港財務報告準則第4號(修訂本)	採用香港財務報告準則第4號「保險合約」時一併應用香港財務報告準則第9號「財務工具」
香港會計準則第28號(修訂本)	作為香港財務報告準則二零一四年至二零一六年週期的年度改進之一部分
香港會計準則第40號(修訂本)	轉讓投資物業

除下文所述者外，於本年度採納新訂香港財務報告準則、其修訂本及註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。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

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

#### 2.1 HKFRS 15 “Revenue from Contracts with Customers”

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18, HKAS 11 and the related interpretations.

The Group recognises revenue from the following major sources:

- Revenue from photovoltaic power generation
- Sales of lighting products

Information about the Group’s performance obligations and the accounting policy resulting from application of HKFRS 15 in notes 5 and 3, respectively.

#### *Summary of effects arising from initial application of HKFRS 15*

Below illustrates the impacts of applying HKFRS 15 on the Group’s consolidated financial statements:

- For contracts of sales of lighting products that contain warranties, the Group accounts for the warranty in accordance with HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets” as the directors of the Company consider these are assurance-type warranties.

### 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)

#### 2.1 香港財務報告準則第15號「客戶合約收益」

於本年度，本集團首次應用香港財務報告準則第15號。香港財務報告準則第15號已取代香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋。

本集團已追溯應用香港財務報告準則第15號，而首次應用該準則的累計影響於首次應用日期二零一八年一月一日確認。首次應用日期的任何差額於期初保留溢利確認及並無重列比較資料。此外，根據香港財務報告準則第15號的過渡條文，本集團已選擇僅將該準則追溯應用於在二零一八年一月一日尚未完成的合約。因此，若干比較資料較根據香港會計準則第18號、香港會計準則第11號及其相關詮釋而編製的比較資料而言可能並無可比較性。

本集團按以下主要來源確認收益：

- 光伏發電收益
- 銷售照明產品

有關應用香港財務報告準則第15號產生有關本集團履約責任及會計政策的資料分別載於附註5及3。

#### *首次應用香港財務報告準則第15號所產生影響之概要*

下文說明應用香港財務報告準則第15號對本集團綜合財務報表的影響：

- 就具有擔保的照明產品銷售合約而言，本集團根據香港會計準則第37號「撥備、或有負債及或有資產」將擔保入賬，乃由於本公司董事認為該等擔保為保證型擔保。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

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

### 2.1 HKFRS 15 “Revenue from Contracts with Customers” (Continued)

Summary of effects arising from initial application of HKFRS 15 (Continued)

- For sales of electricity, revenue is recognised based on the electricity transmitted dates. The directors of the Company have not identified any separate performance obligations other than the transmission of electricity to the state grid company.
- For sales of electricity, contract assets are recognised for the tariff adjustment receivables from electricity transmitted but not billed at the reporting date. The contract assets would be transferred to tariff adjustment receivables when the rights to consideration become unconditional. As at 1 January 2018, tariff adjustment receivables in “Trade and other receivables” of HK\$676,829,000 was reclassified as “Contract assets”.

The directors of the Company considered the application of HKFRS 15 has no material impact on the timing and amounts of revenue recognised in the respective reporting periods.

## 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)

### 2.1 香港財務報告準則第15號「客戶合約收益」(續)

首次應用香港財務報告準則第15號所產生影響之概要(續)

- 就電力銷售而言，收益按電力傳輸日期確認。除向國家電網公司輸送電力外，本公司董事並無識別任何獨立履約責任。
- 就電力銷售而言，本公司就於報告日期傳輸電力所產生但尚未出具票據的電價調整應收款項確認合約資產。當收取代價的權利成為無條件時，合約資產將轉入電價調整應收款項。於二零一八年一月一日，於「貿易及其他應收款項」項下的電價調整應收款項676,829,000港元已重新分類為「合約資產」。

本公司董事認為，應用香港財務報告準則第15號對於相關報告期間內確認收益的時間及金額並無重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

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

#### 2.1 HKFRS 15 "Revenue from Contracts with Customers" (Continued)

Summary of effects arising from initial application of HKFRS 15 (Continued)

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2018. 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)

#### 2.1 香港財務報告準則第15號「客戶合約收益」(續)

首次應用香港財務報告準則第15號所產生影響之概要(續)

下文載列就於二零一八年一月一日綜合財務狀況表內確認金額所做的調整。各項目不會受到未計入變動的影響。

	Carrying amounts previously reported at 31 December 2017	Reclassification	Carrying amounts under HKFRS 15 at 1 January 2018*
	先前於二零一七年十二月三十一日呈報的賬面值 HK\$'000 千港元	重新分類 HK\$'000 千港元	於二零一八年一月一日香港財務報告準則第15號項下的賬面值* HK\$'000 千港元
<b>Current assets</b>			
Trade and other receivables	855,040	(676,829)	178,211
Contract assets	—	676,829	676,829
<b>流動資產</b>			
貿易及其他應收款項	855,040	(676,829)	178,211
合約資產	—	676,829	676,829

\* The amount in this column are before the adjustments from the application of HKFRS 9.

\* 該欄載列金額未經應用香港財務報告準則第9號而作出之調整。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

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

#### 2.1 HKFRS 15 "Revenue from Contracts with Customers" (Continued)

Summary of effects arising from initial application of HKFRS 15 (Continued)

The following tables summarise the impacts of applying HKFRS 15 on the Group's consolidated statement of financial position as at 31 December 2018 and consolidated statement of cash flows for the current year for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the consolidated statement of financial position

### 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)

#### 2.1 香港財務報告準則第15號「客戶合約收益」(續)

首次應用香港財務報告準則第15號所產生影響之概要(續)

下表概述應用香港財務報告準則第15號對本集團於二零一八年十二月三十一日的綜合財務狀況表以及本年度綜合現金流量表的影響，其各個項目受到影響。下表未計入不受該等變動影響的項目。

對綜合財務狀況表的影響

	As reported	Reclassification	Amounts without application of HKFRS 15
	經呈報 HK\$'000 千港元	重新分類 HK\$'000 千港元	未應用香港財務報告準則第15號的款項 HK\$'000 千港元
<b>Current assets</b>			
Trade and other receivables	173,867	1,159,209	1,333,076
Contract assets	1,159,209	(1,159,209)	-

Impact on the consolidated statement of cash flows

對綜合現金流量表的影響

	As reported	Reclassification	Amounts without application of HKFRS 15
	經呈報 HK\$'000 千港元	重新分類 HK\$'000 千港元	未應用香港財務報告準則第15號的款項 HK\$'000 千港元
(Decrease) increase in rental deposit and trade and other receivables	(4,457)	558,647	554,190
Increase in contract assets	558,647	(558,647)	-

As at 31 December 2018, an amount of HK\$1,159,209,000 in respect of tariff adjustment receivables was classified as contract assets and the amount would have been included in trade and other receivables without application of HKFRS 15.

於二零一八年十二月三十一日，電費調整應收款項1,159,209,000港元分類至合約資產，而尚未應用香港財務報告準則第15號，該款項應已計入貿易及其他應收款項。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

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

### 2.2 HKFRS 9 “Financial Instruments”

In the current year, the Group has applied HKFRS 9 “Financial Instruments” and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities; (2) expected credit losses (“ECL”) for financial assets and (3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits and other components of equity, if any, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 “Financial Instruments: Recognition and Measurement”.

Accounting policies resulting from application of HKFRS 9 are disclosed in Note 3.

#### *Summary of effects arising from initial application of HKFRS 9*

The directors of the Company considered the application of HKFRS 9 has no material impact on the measurement of financial assets at the date of initial application, 1 January 2018.

Below illustrates the assessment of impairment of financial assets subject to ECL under HKFRS 9 at the date of initial application, 1 January 2018.

## 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)

### 2.2 香港財務報告準則第9號「財務工具」

於本年度，本集團已應用香港財務報告準則第9號「財務工具」及因而對其他香港財務報告準則作出的相關修訂。香港財務報告準則第9號引入有關(1)財務資產及財務負債的分類及計量；(2)財務資產的預期信貸虧損(「預期信貸虧損」)及(3)一般對沖會計處理的新規定。

本集團已根據香港財務報告準則第9號所載的過渡條文應用香港財務報告準則第9號，即就二零一八年一月一日(首次應用日期)尚未終止確認的工具追溯應用分類及計量的規定(包括減值)，且尚未應用於二零一八年一月一日已終止確認的工具的規定。於二零一七年十二月三十一日的賬面值與於二零一八年一月一日的賬面值的差額於期初保留溢利及其他權益部份(如有)中確認，並無重列比較資料。

因此，若干比較資料較根據香港會計準則第39號「財務工具：確認及計量」編製的比較資料而言可能並無可比較性。

應用香港財務報告準則第9號採納而產生的會計政策於附註3披露。

#### *首次應用香港財務報告準則第9號所產生影響之概要*

本公司董事認為應用香港財務報告準則第9號對首次應用日期二零一八年一月一日的財務資產計量並無重大影響。

下文說明於首次應用日期(即二零一八年一月一日)根據香港財務報告準則第9號受制於預期信貸虧損的財務資產減值評估。

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## 綜合財務報表附註

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

### 2.2 HKFRS 9 “Financial Instruments” (Continued)

#### *Impairment under ECL model*

In relation to the impairment of financial assets, HKFRS 9 requires an ECL model, as opposed to an incurred credit loss model under HKAS 39. The ECL model requires an entity to account for ECL and changes in those ECL at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

In the current year, the Group has applied HKFRS 9 simplified approach to measure ECL using lifetime ECL for trade receivables and contract assets. Trade receivables and contract assets have been assessed individually.

Loss allowance for other financial assets at amortised cost mainly comprise of other receivables, pledged bank deposits and bank balances, and are measured on 12-month ECL (“12m ECL”) basis and there had been no significant increase in credit risk since initial recognition.

The directors of the Company considered the additional ECL allowance as at 1 January 2018 measured under the ECL model is insignificant.

## 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)

### 2.2 香港財務報告準則第9號「財務工具」(續)

#### *預期信貸虧損模式項下的減值*

就財務資產之減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件方確認信貸虧損。

於本年度，本集團應用香港財務報告準則第9號簡化的方法計量預期信貸虧損，貿易應收款項及合約資產的計量均採用全期預期信貸虧損模式。貿易應收款項及合約資產已予個別評估。

就按攤銷成本列賬的其他財務資產的虧損撥備主要由12個月預期信貸虧損(「12個月預期信貸虧損」)基準計量的其他應收款項、已抵押銀行存款及銀行結餘組成，而自初始確認後信貸風險並無顯著上升。

本公司董事認為根據預期信貸虧損模式計量於二零一八年一月一日的額外預期信貸虧損撥備並不重大。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2018  
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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

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

HKFRS 16	Leases <sup>1</sup>
HKFRS 17	Insurance Contracts <sup>3</sup>
HK(IFRIC) - Int 23	Uncertainty over Income Tax Treatments <sup>1</sup>
Amendments to HKFRS 3	Definition of a Business <sup>4</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to HKAS 1 and HKAS 8	Definition of Material <sup>5</sup>
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement <sup>1</sup>
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>2</sup> Effective for annual periods beginning on or after a date to be determined

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>4</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>5</sup> Effective for annual periods beginning on or after 1 January 2020

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs and the interpretation will have no material impact on the consolidated financial statements in the foreseeable future.

### 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以及註釋：

香港財務報告準則第16號	租賃 <sup>1</sup>
香港財務報告準則第17號	保險合約 <sup>3</sup>
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 <sup>1</sup>
香港財務報告準則第3號(修訂本)	業務的定義 <sup>4</sup>
香港財務報告準則第9號(修訂本)	負值補償之預付特點 <sup>1</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>2</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>5</sup>
香港會計準則第19號(修訂本)	計劃修訂、縮減或結算 <sup>1</sup>
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 <sup>1</sup>
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 <sup>1</sup>

<sup>1</sup> 於二零一九年一月一日或之後開始的年度期間生效

<sup>2</sup> 於將予釐定的日期或之後開始的年度期間生效

<sup>3</sup> 於二零二一年一月一日或之後開始的年度期間生效

<sup>4</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初或之後的業務合併及資產收購生效

<sup>5</sup> 於二零二零年一月一日或之後開始的年度期間生效

除上文所述之新訂香港財務報告準則及其修訂本外，本公司董事預測應用所有其他新訂香港財務報告準則及其修訂本以及詮釋於可見未來內對綜合財務報表概無重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2018  
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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)

##### HKFRS 16 "Leases"

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 "Leases" and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at costs and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents other operating lease payments as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group. Upfront prepaid lease payments will continue to be presented as investing cash flows.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of HK\$13,657,000 as disclosed in note 30. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

### 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)

##### 香港財務報告準則第16號「租賃」

香港財務報告準則第16號引入一個綜合模式以供識別租賃安排及出租人和承租人的會計處理。當香港財務報告準則第16號生效時，其將取代現行香港會計準則第17號「租賃」及相關的詮釋。

香港財務報告準則第16號以識別資產是否由客戶控制來區分租賃及服務合約為基準。除短期租賃及低值資產租賃外，就承租人會計處理方法，經營租賃及融資租賃的區分已被移除，並由另一種模式取代，該模式要求承租人確認所有租賃使用權資產及相應負債。

使用權資產初步按成本計量，並隨後以成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債任何重新計量而作出調整。租賃負債乃按租賃付款(非當日支付)的現值初步確認。其後，租賃負債(其中包括)經利息及租賃付款以及租賃修訂的影響所調整。就現金流量分類而言，本集團現時呈列其他經營租賃付款為經營現金流量。於應用香港財務報告準則第16號時，有關租賃負債的租賃付款將獲本集團分配為本金及利息部分，其將以融資現金流量呈列。前期預付租賃付款將繼續呈列為投資現金流量。

此外，香港財務報告準則第16號亦要求較廣泛的披露。

於二零一八年十二月三十一日，本集團不可撤銷經營租賃承擔為13,657,000港元(如附註30所披露)。初步評估表明，該等安排符合租賃定義。於應用香港財務報告準則第16號時，本集團將就所有該等租賃確認使用權資產及相應負債，除非其合資格作低價值或短期租賃。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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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)

##### HKFRS 16 “Leases” (Continued)

In addition, the Group currently considers refundable rental deposit paid of HK\$2,013,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be considered as additional lease payments included in the carrying amount of right-of-use assets.

The application of new requirements may result changes in measurement, presentation and disclosure as indicated above. The Group intends to elect 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 applying HKAS 17 and HK(IFRIC)-Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained profits without restating comparative information.

##### 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 judgements. 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)

##### 香港財務報告準則第16號「租賃」(續)

此外，本集團現時認為已付可退回的租賃押金2,013,000港元為租賃項下之權益及責任，適用於香港會計準則第17號。按香港財務報告準則第16號租賃付款的定義，該等押金並非與使用相關資產權利有關的付款，因此，該等押金的賬面值可予調整至攤銷成本，而有關調整乃被視為額外租賃付款。已付可退回租賃押金的調整將視為額外租賃付款，計入使用權資產的賬面值內。

應用新規定可能導致上文所述計量、呈列及披露變動。本集團有意選擇可行權宜的方法，對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」而識別為租賃的合約應用香港財務報告準則第16號，而不會對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號並未識別為包含租賃的合約應用該準則。因此，本集團將不會重新評估於首次應用日期前存在的為租賃或包含租賃的合約。此外，本集團（作為承租人）有意選擇經修訂追溯法應用香港財務報告準則第16號，並將確認首次應用對年初保留溢利的累計影響，而並無重列比較資料。

##### 香港會計準則第1號及香港會計準則第8號「重大的定義」(修訂本)

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。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 2018  
截至二零一八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 within the scope of HKAS 17, 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.

The principal accounting policies are set out below.

### 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、香港會計準則第17號範圍內的租賃交易、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。

主要會計政策載列如下。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### 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.

### 3. 主要會計政策(續)

#### 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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2)

Under HKFRS 15, 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.

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. 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.

### 3. 主要會計政策(續)

#### 客戶合約收益(於根據附註2過渡條文應用香港財務報告準則第15號後)

根據香港財務報告準則第15號，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。

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向客戶換取本集團已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。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2018  
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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) (Continued)

*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.

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.

#### *Warranties*

If a customer has the option to purchase a warrant separately, the Group accounts for the warranty as a separate performance obligation and allocates a portion of the transaction price to that performance obligation. If a customer does not have the option to purchase a warranty separately, the Group accounts for the warranty in accordance with HKAS 37 unless the warranty provides the customer with a service in addition to the assurance that the product complies with agreed-upon specifications (i.e. service-type warranties). The Group's warranties given to customers are considered as assurance-type.

### 3. 主要會計政策(續)

#### 客戶合約收益(於根據附註2過渡條文應用香港財務報告準則第15號後)(續)

##### 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。

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。

##### 擔保

倘客戶有權選擇單獨購買一項擔保，則本集團確認擔保為一項單獨履約責任，並分配一部分交易價至履約責任。倘客戶並無權選擇單獨購買一項擔保，則本集團按照香港會計準則第37號確定擔保，除非擔保在保證產品符合協定的規格外為客戶提供服務(即服務型擔保)。本集團向客戶作出的擔保被視為保證類擔保。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2018  
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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Revenue recognition (prior to 1 January 2018)

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, trade discounts and other similar allowances.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue arising from the photovoltaic power generation is recognised in the accounting period when electricity is generated and transmitted. Tariff adjustment represents subsidy received and receivable from the government authorities in respect of the Group's photovoltaic power generation business. Tariff adjustment is recognised at its fair value where there is a reasonable assurance that the additional tariff will be received and the Group will comply with all attached conditions, if any.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income from a financial asset is accrued on a time apportionment basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 3. 主要會計政策(續)

#### 收益確認(於二零一八年一月一日前)

收益乃按已收或應收代價的公平值計量。收益已就估計客戶退貨、貿易折扣及其他類似津貼作出扣減。

收益金額可可靠地計量；倘未來經濟利益流入本集團且當本集團各業務達成特定標準時，方會確認收益，概述如下。

光伏發電產生之收益於電力已產生並傳輸之會計期間確認。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補助。在可合理保證將會收到額外電價且本集團將遵從全部附加條件(如有)的前提下，電價調整按其公平值確認。

貨品銷售收益於貨品付運及所有權轉移時予以確認，彼時所有以下條件均獲滿足：

- 本集團已向買方轉讓貨品所有權之絕大部份風險及回報；
- 本集團既未保留通常與所有權相關一定程度持續參與管理活動，亦未對所出售貨品保留有效控制權；
- 能夠可靠計量收益金額；
- 與交易相關之經濟利益可能流入本集團；及
- 能夠可靠計量交易所產生成本或將要產生的成本。

財務資產的利息收入乃參考尚未償還本金額及適用實際利率按時間分攤基準累計，實際利率乃於初步確認時將財務資產預計年內估計日後現金收入準確貼現至資產賬面淨值的比率。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2018  
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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Property, plant and equipment

Property, plant and equipment including leasehold land (classified as finance leases) and buildings 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 costs of solar modules, permits applied, professional fees and, for qualifying assets, borrowing costs and other costs capitalised in the course of construction. Completed solar power plant, being solar power plant held for the generation of electricity income, is stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

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.

### 3. 主要會計政策(續)

#### 物業、廠房及設備

物業、廠房及設備包括持作生產或提供貨物或服務或作行政用途的租賃土地(分類為融資租賃)及樓宇(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。成本包括太陽能模塊的成本、申請許可證、專業費用及(對合格資產而言)在建造過程中資本化的借款成本及其他成本。已完工太陽能發電廠指持有用以產生電力收益的太陽能發電廠，於綜合財務狀況表以成本減其後續累計折舊及後續累計減值虧損(如有)列賬。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。

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。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### 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 tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible 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 tangible 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. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

### 3. 主要會計政策(續)

#### 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計確認。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未來適用法予以入賬。

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，並終止確認資產期間於損益確認。

#### 有形及無形資產減值虧損

於報告期末，本集團審閱其有形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。

有形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。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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Impairment losses on tangible and intangible assets (Continued)

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. 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. 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. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

### 3. 主要會計政策(續)

#### 有形及無形資產減值虧損(續)

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。於分配減值虧損時，減值虧損根據單位各資產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)與其在用價值(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。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期間如未有就該資產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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Leasing

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.

#### *The Group as lessee*

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

#### *Leasehold land and building*

When the Group makes payments for a property interest which includes leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element 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 "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the payments cannot be allocated reliably between the leasehold land and the building elements, the entire property is generally classified as if the leasehold land is under a finance lease.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated 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

倘租賃條款將擁有權絕大部分風險及回報轉嫁予承租人，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。

#### *本集團作為承租人*

經營租賃付款按直線法於租期內確認為開支。

#### *租賃土地及樓宇*

當本集團就包括租賃土地及樓宇部分的物業權益付款時，本集團會分別按照各部分擁有權相關的絕大部分風險及回報是否已轉讓予本集團，獨立評估各部分的分類(除非很顯然這兩個部分均為經營租賃，則在這種情況下，整個租賃歸類為經營租賃)。具體而言，整份代價(包括任何一筆超過支付的預付款項)會根據初步確認時土地部分與樓宇部分租賃權益的各自公平值比例，於租賃土地及樓宇部分之間分配。

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「預付租賃付款」，且按直線法於租賃期內攤銷。倘付款無法可靠於租賃土地及樓宇部分之間分配，整個物業則一般會分類為猶如融資租賃項下之租賃土地。

#### 存貨

存貨按成本與可變現淨值的較低者列賬。成本按先入先出方法計算。可變現淨值指存貨估計售價減進行銷售所需全部估計成本。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2018  
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### 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 recorded in the respective functional currency (i.e. the current of the primary economic environment in which the entity operates) 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. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

#### 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.

### 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適用匯率換算為其功能貨幣列賬(即現在實體經營的主要經濟環境)。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(港元)，收入及開支項目乃按有關年度平均匯率換算。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。

#### 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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2018  
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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### 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.

#### 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 as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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.

### 3. 主要會計政策(續)

#### 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資助且並無未來相關成本的可收回政府補助於可收回期間於損益賬確認。

#### 退休福利成本

定額供款退休福利計劃或國家管理退休福利計劃或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列為開支扣除。

#### 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，僱員應得的福利(例如工資及薪金、年假及病假)確認負債。

#### 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。由於應課稅溢利不包括於其他年度應課稅或可扣減的收入或開支項目，並進一步剔除不可課稅或不得扣稅項目，故此應課稅溢利有別於綜合損益及其他全面收益表所列「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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2018  
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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Taxation (Continued)

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 of other 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 the 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.

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. Current and deferred tax are recognised in profit or loss.

### 3. 主要會計政策(續)

#### 稅項(續)

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的其他資產及負債，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。

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。即期及遞延稅項於損益確認。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Taxation (Continued)

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 by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

#### 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.

Provisions for the expected cost of warranty obligations (i.e. defective claim) under the relevant sale of goods legislation 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, 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).

#### 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 since 1 January 2018. 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.

### 3. 主要會計政策(續)

#### 稅項(續)

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徵收的所得稅，且本集團有意按淨額基準結付其即期稅項資產及負債，則可將遞延稅項資產與負債互相抵銷。

#### 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。

相關售貨合約項下保證責任(即瑕疵索償)之預期成本於出售有關產品日期按董事對清償本集團責任所需開支之最佳估計(經計及責任有關之風險及不確定因素)確認撥備。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)。

#### 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，惟自二零一八年一月一日起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，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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2018  
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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

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 (upon application of HKFRS 9 in accordance with transitions in note 2)

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.

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 collecting contractual cash flows and selling; 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(續)

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(根據附註2過渡條文應用香港財務報告準則第9號後)

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。

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，其目的為收取合約現金流量並出售財務資產；及
- 財務資產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 2018  
截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

All other financial assets are subsequently measured at fair value through profit or loss, except that at the date of initial application/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.

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 including trade and other receivables, 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.

### 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(根據附註2過渡條文應用香港財務報告準則第9號後)(續)

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／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。

財務資產減值(根據附註2過渡條文應用香港財務報告準則第9號後)

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、已抵押銀行存款、銀行結餘及其他項目(合約資產))的預期信貸虧損確認虧損撥備。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。



# 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 (upon application HKFRS 9 with transitions in accordance with note 2)

(Continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 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 debtors.

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(根據附註2過渡條文應用香港財務報告準則第9號後)(續)

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。根據本集團過往信貸虧損經驗進行評估，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對各應收款項單獨評估。

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。

# 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 (upon application HKFRS 9 with transitions in accordance with note 2) (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(根據附註2過渡條文應用香港財務報告準則第9號後)(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、債務的信貸違約掉期價；
- 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。

# 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 (upon application HKFRS 9 with transitions in accordance with note 2)

(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;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

### 3. 主要會計政策(續)

#### 財務工具(續)

##### 財務資產(續)

財務資產減值(根據附註2過渡條文應用香港財務報告準則第9號後)(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屬更為合適則作別論。

#### (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；
- (d) 借款人將可能面臨破產或其他財務重組；或
- (e) 該財務資產因財務困難而不再活躍於市場。



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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 (upon application HKFRS 9 with transitions in accordance with note 2)

(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.

### 3. 主要會計政策(續)

#### 財務工具(續)

##### 財務資產(續)

財務資產減值(根據附註2過渡條文應用香港財務報告準則第9號後)(續)

#### (iv) 撤銷政策

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)，本集團會撤銷財務資產。經計及在適當情況下的法律意見後，已撤銷的財務資產可能仍可於本集團收回程序下被強制執行。撤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)及違約風險暴露的函數。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。

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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 (upon application HKFRS 9 with transitions in accordance with note 2)

(Continued)

- (v) Measurement and recognition of ECL (Continued)  
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.

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018)

The Group's financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. 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 marketplace.

### 3. 主要會計政策(續)

#### 財務工具(續)

##### 財務資產(續)

財務資產減值(根據附註2過渡條文應用香港財務報告準則第9號後)(續)

- (v) 預期信貸虧損的計量及確認(續)  
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。

財務資產分類及其後計量(於2018年1月1日應用香港財務報告準則第9號前)

本集團的財務資產乃分類為貸款及應收款項。分類取決於財務資產在初期確認時確定的性質和用途。所有循正常途徑購買或出售的財務資產乃按交易日期基準予以確認及終止確認。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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, pledged bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

### 3. 主要會計政策(續)

#### 財務工具(續)

##### 財務資產(續)

財務資產分類及其後計量(於2018年1月1日應用香港財務報告準則第9號前)(續)

##### 貸款及應收款項

貸款及應收款項乃並無於活躍市場報價的固定或待定金額付款的非衍生財務資產。於初步確認後，貸款及應收款項(包括貿易應收款項及其他應收款項、已抵押銀行存款及銀行結餘及現金)均以實際利息法，按攤銷成本減任何已識別減值虧損入賬(請參閱下文有關財務資產減值的會計政策)。

財務資產減值(於二零一八年一月一日應用香港財務報告準則第9號前)

於報告期末，考慮評估財務資產是否有減值跡象。當有客觀證據顯示財務資產的估計未來現金流量因於初步確認該財務資產後發生的一項或多項事件而受到影響時，則對該財務資產確認減值。

減值客觀證據包括：

- 發行人或交易對手出現重大財政困難；或
- 違約或逾期尚未償還利息及本金；或
- 借款人可能面臨破產或財務重組。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### 3. 主要會計政策(續)

#### 財務工具(續)

##### 財務資產(續)

財務資產減值(於二零一八年一月一日應用香港財務報告準則第9號前)(續)

應收款項組合的客觀減值證據可包括本集團過往收款經驗、組合內延遲還款次數增加及與應收款項逾期有關的全國或地方經濟狀況明顯改變。

就以攤銷成本列值的財務資產而言，則減值虧損按資產賬面值與按財務資產原實際利率貼現的估計未來現金流量現值的差額計量。

所有財務資產賬面值直接按減值虧損減少，惟貿易應收款項除外，其賬面值乃透過使用撥備賬而減少。撥備賬的賬面值變動於損益內確認。倘貿易應收款項被視為無法收回，則與撥備賬撇銷。其後收回過往撇銷的款項計入損益內。

就以攤銷成本計量的財務資產而言，倘隨後期間減值虧損數額減少，而該減少乃客觀地與減值虧損確認後發生的事項有關，則先前確認的減值虧損於損益撥回，惟撥回減值當日資產賬面值，不得超過倘若並無確認減值原有的攤銷成本。

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## 綜合財務報表附註

For the year ended 31 December 2018  
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### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial instruments (Continued)

##### 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 and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

##### Derecognition

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. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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及銀行借款，其後以實際利率法按攤銷成本計量。

##### 終止確認

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。倘本集團並無轉讓亦無保留擁有權的絕大部分風險及回報並繼續控制已轉讓資產，本集團則就其可能支付款項的資產及相關負債中確認其保留權益。倘本集團保留已轉讓財務資產擁有權的絕大部份風險及回報，本集團繼續確認財務資產，亦就已收取的所得款項確認有抵押借款。

於終止確認財務資產時，資產賬面值與已收及應收代價總和間差額將於損益確認。

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。

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## 綜合財務報表附註

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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 period.

#### 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. Tariff subsidy is recognised at its fair value where there is a reasonable assurance that the additional tariff will be received and the Group will comply with all attached conditions, if any.

Pursuant to the New Tariff Notice issued in August 2013 by the National Development and Reform Commission of the People's Republic of China (the "PRC"), approvals for the registration in the Reusable 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.

### 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其他因素，此被認為是相關的。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。倘可合理保證將會收到額外電價且本集團將符合其全部附加之條件(如有)，則電價補貼按公平值確認。

根據中華人民共和國(「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。



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## 綜合財務報表附註

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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 Renminbi ("RMB") 395,836,000 (equivalent to HK\$478,600,000) (2017: RMB340,890,000 (equivalent to HK\$391,083,000)) from the state grid company in the PRC is recognised in which the operating solar power plant is still pending registration in the Catalogue, which is an ongoing process as the Catalogue is opened for registrations on a batch by batch basis. These receivables are classified as contract assets upon application of HKFRS 15 since 1 January 2018. As at 31 December 2018, total contract assets amounted to HK\$1,159,209,000 (1 January 2018: HK\$676,829,000).

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 in the Catalogue and has met all the relevant requirements and conditions for the registration in the Catalogue. The directors of the Company are confident that the Group's operating solar power plant is able to be registered in the Catalogue 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.

#### 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395,836,000元(相當於478,600,000港元)(二零一七年:人民幣340,890,000元(相當於391,083,000港元)),其中營運中的太陽能發電廠仍有待於目錄登記,因目錄分批接受登記,故此登記仍尚在進行中。該等應收款項於二零一八年一月一日應用香港財務報告準則第15號後分類為合約資產。於二零一八年十二月三十一日,合約資產總額為1,159,209,000港元(二零一八年一月一日:676,829,000港元)。

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於目錄登記,並滿足登記入目錄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目錄內,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。

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### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### Critical judgements in applying accounting policies (Continued)

*Deferred tax in respect of temporary differences attributable to the undistributed profits of subsidiaries in the PRC (Continued)*

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 HK\$981,717,000 (2017: HK\$506,548,000) 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.

#### 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 (upon application of HKFRS 9 with transitions in accordance with note 2)*  
The Group calculates ECL for the trade receivables individually by considering the debtor's 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 27 and 18, respectively.

### 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)

就中國附屬公司未分派溢利應佔暫時性差額的遞延稅項(續)

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981,717,000港元(二零一七年：506,548,000港元)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。

#### 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(根據附註2過渡條文應用香港財務報告準則第9號後)  
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27及18披露。



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#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

##### Key sources of estimation uncertainty (Continued)

*Valuation of trade receivables (before application of HKFRS 9 on 1 January 2018)*

*Estimated allowance for inventories*

The management of the Group reviews an aged analysis at the end of each reporting period, and makes allowance for 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, impairment loss may arise. As at 31 December 2018, the carrying amount of inventories is HK\$33,535,000 (net of allowance for slowing moving inventories of HK\$1,329,000) (2017: HK\$16,433,000 (net of allowance for slow-moving inventories of HK\$863,000)).

*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 2018, the carrying amount of property, plant and equipment is HK\$322,474,000 (2017: HK\$253,407,000).

*Estimated provision of sales discount and defective claims*

For the provision of sales discounts and defective claims, there are no fixed terms of sales discounts and defective claims entered with customers. The amount is based on the management's estimation by reference to the historical experience on sales discounts and 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 sales discounts and defective claims. As at 31 December 2018, the carrying amount of provision of sales discounts and defective claims is HK\$15,930,000 (2017: HK\$10,503,000).

#### 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(續)

*貿易應收款項估值(於二零一八年一月一日應用香港財務報告準則第9號前)*

*估計存貨準備*

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計提準備。倘估計可變現淨值低於其賬面值則可能發生減值虧損。於二零一八年十二月三十一日，存貨賬面值為33,535,000港元(扣除滯銷存貨準備1,329,000港元)(二零一七年：16,433,000港元(扣除滯銷存貨準備863,000港元))。

*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。於二零一八年十二月三十一日，物業、廠房及設備的賬面值為322,474,000港元(二零一七年：253,407,000港元)。

*銷售折扣及次貨索償估計撥備*

關於銷售折扣及次貨索償撥備，概無與客戶訂立銷售折扣及次貨索償的固定條款。有關金額乃管理層經參考客戶銷售折扣及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，可能導致銷售折扣及次貨索償撥備有變。於二零一八年十二月三十一日，銷售折扣及次貨索償撥備賬面值為15,930,000港元(二零一七年：10,530,000港元)。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2018  
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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：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue from photovoltaic power generation (Note)	光伏發電收益(附註)		
– Sales of electricity	– 電力銷售	183,012	143,545
– Tariff adjustment (Note)	– 電價調整(附註)	478,600	391,083
Sales of lighting products	照明產品銷售	445,031	421,695
		<b>1,106,643</b>	<b>956,323</b>

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 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。

The Group's operating and reportable segments under HKFRS 8 "Operating Segments" are as follows:

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：

- Photovoltaic power generation represents sales of electricity, development, construction, management and operation of a solar power plant ("photovoltaic power generation").
- 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").

- 光伏發電業務指電力的銷售，太陽能發電廠的開發、建設、管理及營運(「光伏發電」)。
- 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」)。

No operating segments have been aggregated in arriving at the reporting segments of the Group.

於呈報本集團分部時並無匯總經營分部。

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## 綜合財務報表附註

For the year ended 31 December 2018  
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### 5. REVENUE AND SEGMENT INFORMATION

(Continued)

#### 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 2018

		Photovoltaic power generation 光伏發電 HK\$'000 千港元	Sales of lighting products 照明產品銷售 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>SEGMENT REVENUE</b>	<b>分部收益</b>			
External sales	外部銷售	661,612	445,031	1,106,643
Segment profit	分部溢利	559,308	7,343	566,651
Unallocated income	不予分配之收入			1,146
Unallocated expenses	不予分配之開支			
– Administrative and other expenses	– 行政及其他開支			(20,129)
– Finance costs	– 財務費用			(5,677)
Profit before taxation	除稅前溢利			541,991

For the year ended 31 December 2017

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		Photovoltaic power generation 光伏發電 HK\$'000 千港元	Sales of lighting products 照明產品銷售 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>SEGMENT REVENUE</b>	<b>分部收益</b>			
External sales	外部銷售	534,628	421,695	956,323
Segment profit	分部溢利	465,454	24,078	489,532
Unallocated income	不予分配之收入			1,329
Unallocated expenses	不予分配之開支			
– Administrative and other expenses	– 行政及其他開支			(22,397)
– Finance costs	– 財務費用			(9,347)
Profit before taxation	除稅前溢利			459,117

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 5. REVENUE AND SEGMENT INFORMATION

(Continued)

#### Segment revenue and results (Continued)

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, 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.

#### 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)

#### 分部收益及業績(續)

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、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。

#### 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)	
		來自外部客戶收益		非流動資產 (遞延稅項資產除外)	
		2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong	香港	—	—	3,412	4,761
PRC	中國	661,612	534,628	317,649	294,040
United States of America	美國	441,490	416,704	1,878	2,362
Canada	加拿大	3,264	4,320	—	—
Others	其他	277	671	—	—
Total revenue/ non-current assets	收益總額/ 非流動資產	1,106,643	956,323	322,939	301,163



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2018  
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### 5. REVENUE AND SEGMENT INFORMATION

(Continued)

#### Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Customer A (Note)	客戶A(附註)	661,612	534,628
Customer B (Note)	客戶B(附註)	181,693	136,853
Customer C (Note)	客戶C(附註)	111,820	138,966

Note: The revenue from Customer A was derived from photovoltaic power generation and Customers B and C were derived from sales of lighting products.

### 5. 收益及分部資料(續)

#### 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：

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。

### 6. OTHER INCOME, GAINS AND LOSSES

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Government grants (Note a)	政府補助(附註a)	30,865	31,365
Net foreign exchange gain	匯兌收益淨額	182	2,426
Bank interest income	銀行利息收入	1,271	903
Imputed interest income on tariff adjustment receivables (Note 18)	就電價調整應收款項的 累計利息收入(附註18)	25,188	12,699
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)	(31,619)	—
Sundry income	雜項收益	596	1,980
		26,483	49,373

Notes:

- (a) The government grants represent the amount received from local government by the PRC subsidiary of the Group in subsidising certain tax payments. Government grants represent 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 delayed to March 2020.

附註：

- (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延遲至二零二零年三月。

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## 綜合財務報表附註

For the year ended 31 December 2018  
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### 7. FINANCE COSTS

### 7. 財務費用

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Finance costs on bank borrowings and bills payable	銀行借款及應付票據的財務費用	5,677	9,416

### 8. PROFIT BEFORE TAXATION

### 8. 除稅前溢利

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
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	61,456	47,047
Retirement benefits schemes contributions	退休福利計劃供款	1,495	1,514
		62,951	48,561
Allowance for obsolete and slow-moving inventories	過時及滯銷存貨準備	466	25
Amortisation of intangible asset	無形資產攤銷	97	97
Auditor's remuneration	核數師酬金	1,260	1,200
Cost of inventories recognised as expenses	已確認為開支的存貨成本	357,721	333,432
Depreciation of property, plant and equipment	物業、廠房及設備折舊	10,801	6,643
Design and sampling costs, including staff costs of HK\$4,127,000 (2017: HK\$4,165,000)	設計及樣品成本，包括員工成本4,127,000港元(二零一七年：4,165,000港元)	7,438	7,412
Operating lease rentals	經營租賃租金		
– rented premises	– 租賃物業	14,378	14,938
– photovoltaic facilities	– 光伏設施	92,679	88,401
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	76	–

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 9. INCOME TAX EXPENSE

### 9. 所得稅開支

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current taxation:	即期稅項：		
– Hong Kong Profits Tax	– 香港利得稅	3,420	5,606
– PRC Enterprise Income Tax (“EIT”)	– 中國企業所得稅 (「企業所得稅」)	2,777	2,836
– Withholding tax in the PRC	– 中國預扣稅	2,045	2,116
– Overseas taxation	– 海外稅項	2	2
		8,244	10,560
(Over)underprovision in prior years:	往年(超額)不足撥備：		
– Hong Kong Profits Tax	– 香港利得稅	(30)	(41)
– EIT	– 企業所得稅	–	1,276
– Withholding tax in the PRC	– 中國預扣稅	2,201	–
– Overseas taxation	– 海外稅項	(497)	–
		1,674	1,235
Deferred taxation (credit) charge (Note 15)	遞延稅項(抵免)支出 (附註15)	(414)	220
Total	總額	9,504	12,015

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%.

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 is calculated at 16.5% of the estimated assessable profit for both years.

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港元之部分將按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。

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。香港利得稅乃按兩個年度之估計應課稅溢利之16.5%計算。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 9. INCOME TAX EXPENSE (Continued)

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 on assessable profit commencing from the respective years in which operating profit was derived. The subsidiary of the Company which was engaged in the public infrastructure project has operating profit since 2016. The EIT incurred during the current year 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 represented 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 Mainland China that requires withholding tax with tax rate of 10% 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)

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對應課稅溢利免稅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。於本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內地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10%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。

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## 綜合財務報表附註

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### 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：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit before taxation	除稅前溢利	541,991	459,117
Tax at Hong Kong Profits Tax rate at 16.5% (2017: 16.5%)	按香港利得稅稅率 16.5%計算的稅項 (二零一七年：16.5%)	89,428	75,754
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	6,743	2,003
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(4,964)	(2,378)
Tax effect of tax losses not recognised	未確認稅項虧損的 稅務影響	5,568	5,269
Effect of tax exemptions granted to PRC subsidiaries	中國附屬公司享有免稅的 稅務影響	(93,398)	(76,164)
Effect of withholding tax on distributed profits	就分派溢利的預扣稅的 影響	2,045	2,116
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	2,479	4,239
Underprovision in prior years	往年不足撥備	1,674	1,235
Others	其他	(71)	(59)
Income tax expense for the year	年內所得稅開支	9,504	12,015

### 10. DIRECTORS', CHIEF EXECUTIVES' 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：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Directors' fee	董事袍金	1,560	1,560
Other emoluments	其他薪酬		
– salaries and other benefits	– 薪金及其他福利	2,103	2,823
– retirement benefits scheme contributions	– 退休福利計劃供款	30	49
		3,693	4,432

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 10. DIRECTORS', CHIEF EXECUTIVES' 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
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
<b>For the year ended 31 December 2018</b>	<b>截至二零一八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	—	1,863	18	1,881
Mr. Dang Zidong (Chief Executive)	黨自東先生(行政總裁)	—	240	12	252
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	240	—	—	240
Mr. Chung Kin Shun, Jimmy	鍾建舜先生	360	—	—	360
Independent non-executive directors:	獨立非執行董事：				
Mr. Tyen Kan Hee, Anthony	田耕熹先生	360	—	—	360
Mr. Xia Zuoquan	夏佐全先生	240	—	—	240
Mr. Guo Xuewen	郭學文先生	360	—	—	360
		1,560	2,103	30	3,693



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2018  
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### 10. DIRECTORS', CHIEF EXECUTIVES' 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
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
<b>For the year ended 31 December 2017</b>	<b>截至二零一七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	—	1,863	37	1,900
Mr. Dang Zidong (Chief Executive)	黨自東先生(行政總裁)	—	240	12	252
Mr. Gao Jianjun	高建軍先生	—	360	—	360
Mr. Liu Yuanguan	劉元管先生	—	360	—	360
Non-executive directors:	非執行董事：				
Mr. Cheng Hoo	鄭豪先生	240	—	—	240
Mr. Chung Kin Shun, Jimmy	鍾建舜先生	360	—	—	360
Independent non-executive directors:	獨立非執行董事：				
Mr. Tyen Kan Hee, Anthony	田耕熹先生	360	—	—	360
Mr. Xia Zuoquan	夏佐全先生	240	—	—	240
Mr. Guo Xuewen	郭學文先生	360	—	—	360
		1,560	2,823	49	4,432

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 (2017: nil) directors waived emoluments of HK\$1,620,000 (2017: nil).

- (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（二零一七年：無）董事豁免收取酬金1,620,000港元（二零一七年：零）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 10. DIRECTORS', CHIEF EXECUTIVES' 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:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Employees	僱員		
– salaries and other benefits	– 薪金及其他福利	12,123	5,194
– discretionary bonus	– 酌情花紅	3,296	2,277
– retirement benefits scheme contributions	– 退休福利計劃供款	99	135
		15,518	7,606

The emoluments of these remaining four highest paid individuals in the Group for the year were within the following bands:

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：

		2018 二零一八年 No. of Employees 僱員數目	2017 二零一七年 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	2	2
HK\$2,500,001 - HK\$3,000,000	2,500,001港元至 3,000,000港元	–	2
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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 11. DIVIDEND

The Board has resolved not to recommend any final dividend for the year ended 31 December 2018 (2017: nil).

### 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 HK\$532,487,000 (2017: HK\$447,102,000) and the weighted average number of 611,161,000 ordinary shares (2017: 567,696,000 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 2018 and 2017.

### 11. 股息

董事會議決不建議派發截至二零一八年十二月三十一日止年度之任何末期股息(二零一七年：無)。

### 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 532,487,000 港元(二零一七年：447,102,000 港元)及本公司普通股加權平均股數 611,161,000 股(二零一七年：567,696,000 股普通股)計算。

截至二零一八年及二零一七年十二月三十一日止年度內概無已發行潛在普通股，故並無呈列每股攤薄盈利。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 13. PROPERTY, PLANT AND EQUIPMENT

### 13. 物業、廠房及設備

		Land and buildings 土地及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Furniture, fixtures and equipment 傢具、裝置 及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Solar power plant 太陽能發電廠 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>COST</b>	<b>成本</b>							
At 1 January 2017	於二零一七年一月一日	1,910	5,073	8,525	4,264	23,034	37,900	80,706
Exchange adjustment	匯兌調整	-	162	153	31	7,814	5,524	13,684
Additions	添置	-	96	670	341	177,121	-	178,228
Transfer	轉撥	-	-	-	-	(65,152)	65,152	-
At 31 December 2017	於二零一七年十二月三十一日	1,910	5,331	9,348	4,636	142,817	108,576	272,618
Exchange adjustment	匯兌調整	-	(125)	(179)	(72)	(63)	(19,591)	(20,030)
Additions	添置	-	-	1,162	3,291	94,592	-	99,045
Disposals	出售	-	-	-	(654)	-	-	(654)
Transfer	轉撥	-	-	-	-	(236,292)	236,292	-
At 31 December 2018	於二零一八年十二月三十一日	1,910	5,206	10,331	7,201	1,054	325,277	350,979
<b>ACCUMULATED DEPRECIATION</b>	<b>累計折舊</b>							
At 1 January 2017	於二零一七年一月一日	1,066	2,178	4,872	3,539	-	481	12,136
Exchange adjustment	匯兌調整	-	128	101	3	-	200	432
Provided for the year	年內撥備	76	1,499	1,436	188	-	3,444	6,643
At 31 December 2017	於二零一七年十二月三十一日	1,142	3,805	6,409	3,730	-	4,125	19,211
Exchange adjustment	匯兌調整	-	(119)	(102)	(10)	-	(622)	(853)
Provided for the year	年內撥備	76	1,157	1,509	420	-	7,639	10,801
Disposals	出售	-	-	-	(654)	-	-	(654)
At 31 December 2018	於二零一八年十二月三十一日	1,218	4,843	7,816	3,486	-	11,142	28,505
<b>CARRYING VALUES</b>	<b>賬面值</b>							
At 31 December 2018	於二零一八年十二月三十一日	692	363	2,515	3,715	1,054	314,135	322,474
At 31 December 2017	於二零一七年十二月三十一日	768	1,526	2,939	906	142,817	104,451	253,407

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2018  
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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：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Land and buildings situated in Hong Kong	692	768

Land and buildings situated in Hong Kong

香港土地及樓宇

As at 31 December 2018, the Group had pledged its land and buildings with carrying value of HK\$692,000 (2017: HK\$768,000) to secure a general banking facility granted to the Group.

於二零一八年十二月三十一日，本集團已抵押其賬面值為692,000港元(二零一七年：768,000港元)的土地及樓宇，作為本集團獲授予一般銀行融資的擔保。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2018  
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### 14. PREPAID RENTAL EXPENSES FOR PHOTOVOLTAIC FACILITIES

### 14. 光伏設施預付租賃費用

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Amounts of prepaid rental expenses for photovoltaic facilities analysed as:	光伏設施預付租賃費用金額分析如下：		
Current	即期	41,278	107,018
Non-current	非即期	–	45,181
		<b>41,278</b>	<b>152,199</b>

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 (equivalent to approximately HK\$105,300,000). 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 (equivalent to approximately HK\$216,867,000). The full amount was paid in advance.

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（相當於約105,300,000港元）。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（相當於約216,867,000港元），並墊付全款。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2018  
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### 15. DEFERRED TAXATION

The followings are the major deferred tax (liability) asset recognised and movements thereon during current and prior years:

### 15. 遞延稅項

以下為在今年和往年確認的主要遞延稅項(負債)資產及其變動：

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	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 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	(88)	978	890
Credit (charge) to profit or loss	計入損益(自損益扣除)	38	(258)	(220)
At 31 December 2017	於二零一七年十二月三十一日	(50)	720	670
(Charge) credit to profit or loss	(自損益扣除)計入損益	(182)	596	414
At 31 December 2018	於二零一八年十二月三十一日	(232)	1,316	1,084

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：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Deferred tax asset	遞延稅項資產	1,316	720
Deferred tax liability	遞延稅項負債	(232)	(50)
		1,084	670

At the end of the reporting period, the Group had unused tax losses of HK\$118,467,000 (2017: HK\$84,723,000) 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118,467,000港元(二零一七年：84,723,000港元)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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 15. DEFERRED TAXATION (Continued)

Included in unrecognised tax losses are losses of HK\$16,989,000 (2017: HK\$15,800,000) that will expire within 5 years and losses of HK\$28,978,000 (2017: HK\$18,374,000) 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 HK\$981,717,000 (2017: HK\$506,548,000) 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.

### 15. 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16,989,000港元(二零一七年: 15,800,000港元)和將在二十年內到期的虧損28,978,000港元(二零一七年: 18,374,000港元), 其他稅項虧損可無限期結轉。

本集團就附屬公司於中國所賺取的若干未分派保留溢利金額981,717,000港元(二零一七年: 506,548,000港元)並無確認遞延稅項, 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。

### 16. INTANGIBLE ASSET

### 16. 無形資產

		Brand name 品牌 HK\$'000 千港元
<b>COST</b>	<b>成本</b>	
At 1 January 2017, 31 December 2017 and 31 December 2018	於二零一七年一月一日、二零一七年十二月三十一日及二零一八年十二月三十一日	966
<b>AMORTISATION</b>	<b>攤銷</b>	
At 1 January 2017	於二零一七年一月一日	307
Charge for the year	年內支出	97
At 31 December 2017	於二零一七年十二月三十一日	404
Charge for the year	年內支出	97
At 31 December 2018	於二零一八年十二月三十一日	501
<b>CARRYING VALUES</b>	<b>賬面值</b>	
At 31 December 2018	於二零一八年十二月三十一日	465
At 31 December 2017	於二零一七年十二月三十一日	562

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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## 綜合財務報表附註

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### 17. INVENTORIES

### 17. 存貨

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Finished goods	製成品	33,535	16,433

During the year, there was a write-down of inventories amounting to HK\$466,000 (2017: HK\$25,000) which was recognised in cost of sales.

年內減記存貨466,000港元(二零一七年: 25,000港元), 並於銷售成本確認。

### 18. TRADE AND OTHER RECEIVABLES

### 18. 貿易及其他應收款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade receivables	貿易應收款項	149,819	155,709
Less: Allowance for doubtful debts	減: 呆壞賬準備	(823)	(823)
		148,996	154,886
Tariff adjustment receivables (Note a)	電價調整應收款項(附註a)	—	676,829
Bills receivables (Note b)	應收票據(附註b)	12,159	1,307
Other receivables and prepayment	其他應收款項及預付款項	12,712	22,018
		173,867	855,040



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2018  
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### 18. TRADE AND OTHER RECEIVABLES

(Continued)

Notes:

- (a) The Group's trade receivables and tariff adjustment receivables for the photovoltaic power generation are receivables from the state grid company. Generally, the trade receivables are due within 30 days from the date of billing, except for collection of the tariff adjustment receivables, which is subject to settlement by state grid company upon registration of the solar power plant in the Catalogue by the Group. As the collection of tariff adjustment receivables is expected in the normal operating cycle, which may be more than 1 year, they 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 in the Catalogue, and has met all the relevant requirements and conditions for the registration in the Catalogue. The directors of the Company are confident that the Group's operating solar power plant is able to be registered in the Catalogue in due course and the tariff adjustment receivables are fully recoverable upon the allocation of funds from the PRC government.

Upon application of HKFRS 15 on 1 January 2018, tariff adjustment receivables was reclassified as "Contract assets" as required by HKFRS 15 and is disclosed in note 19.

- (b) All bills received by the Group are within a maturity period of less than one year.

### 18. 貿易及其他應收款項(續)

附註：

- (a) 本集團貿易應收款項及光伏發電電價調整應收款項為應收國家電網公司款項。貿易應收款項通常於發票日期起計30日內到期，惟須待本集團於目錄登記太陽能發電廠後方能從國家電網公司收回的電價調整應收款項則除外。由於預期於正常營運週期(或會超過一年)內收回電價調整應收款項，故電價調整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於目錄登記，並滿足登記入目錄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目錄內，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。

於二零一八年一月一日應用香港財務報告準則第15號後，電費調整應收款項已按香港財務報告準則第15號之規定重新分類為「合約資產」，並於附註19予以披露。

- (b) 所有本集團應收票據均於一年內到期。

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## 綜合財務報表附註

For the year ended 31 December 2018  
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### 18. TRADE AND OTHER RECEIVABLES

(Continued)

The Group 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 doubtful debts 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.

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 to 30 days	0至30日	53,031	54,243
31 to 60 days	31至60日	32,343	31,557
61 to 90 days	61至90日	22,608	34,855
Over 90 days	超過90日	41,014	34,231
		<b>148,996</b>	<b>154,886</b>

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 2018, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$23,792,000 which are past due as at the reporting date. Out of the past due balances, HK\$1,777,000 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.

### 18. 貿易及其他應收款項(續)

本集團給予其客戶介乎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，扣除呆壞賬準備，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。

於二零一八年十二月三十一日，本集團的貿易應收款項結餘包括賬面總值為23,792,000港元的應收賬款，有關款項於報告日期逾期，於逾期的餘額中，1,777,000港元已逾期超過90天或以上，由於與客戶具有長期／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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 18. TRADE AND OTHER RECEIVABLES

(Continued)

As at 31 December 2017, included in the Group's trade receivable balance were debtors with aggregate carrying amount of HK\$34,702,000, which were past due for which the Group had not provided for impairment loss. The Group did not hold any collateral over these balances. Such receivables related to a number of customers from which substantial subsequent settlements were received. The aging analysis of these trade receivables was as follows:

		2017 二零一七年 HK\$'000 千港元
Overdue by:	已逾期：	
1 to 30 days	1至30日	23,327
31 to 60 days	31至60日	6,365
61 to 90 days	61至90日	1,875
Over 90 days	超過90日	3,135
		<u>34,702</u>

Movements in the allowance for doubtful debts of trade receivables were as follows:

### 18. 貿易及其他應收款項(續)

於二零一七年十二月三十一日，本集團的貿易應收款項結餘包括賬面總值為34,702,000港元的應收賬款，有關款項已逾期，惟本集團並無就此作出減值虧損撥備。本集團並無就該等結餘持有任何抵押品。該等應收款項與多名客戶有關，其後已收回大部分款項。該等貿易應收款項之賬齡分析如下：

貿易應收款項之呆賬準備變動如下：

		2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	990
Amounts recovered during the year	年內已收回款項	(167)
At 31 December	於十二月三十一日	<u>823</u>

As at 31 December 2017, included in the allowance for doubtful debts are individually impaired trade receivables with aggregate balance of HK\$823,000.

於二零一七年十二月三十一日，呆賬準備包括單獨減值貿易應收款項，其總結餘為823,000港元。

Details of impairment assessment of trade and other receivables for the year ended 31 December 2018 are set out in note 27.

有關截至二零一八年十二月三十一日止年度貿易及其他應收款項減值評估的詳情載於附註27。



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## 綜合財務報表附註

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### 19. CONTRACT ASSETS

As at 31 December 2018 and 1 January 2018, the contract assets represent the tariff adjustment receivables amounting to HK\$1,159,209,000 and HK\$676,829,000, respectively. 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 Catalogue pursuant to prevailing national government policies on renewable energy for solar farms. As the collection of tariff adjustment receivables is expected in the normal operating cycle, which may be delayed to March 2020, they are classified as current assets. Please refer to note 18 for details of tariff adjustment receivables.

### 20. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Bank deposits and bank balances carry interest at market rates which range from 0.01% to 2.05% per annum as at 31 December 2018 (2017: 0.01% to 0.80% 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:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
HK\$	港元	133	374
RMB	人民幣	15	12

Pledged bank deposits represent deposits pledged to banks to secure bank facilities granted to the Group. Deposits amounting to RMB1,349,000 (equivalent to HK\$1,533,000) (2017: RMB79,500,000 (equivalent to HK\$95,783,000)) have been pledged to secure the issuance of bills payable, and therefore classified as current assets. As at 31 December 2018, no deposit (2017: RMB25,700,000 (equivalent to HK\$30,964,000)) was pledged to secure short-term bank borrowings.

### 19. 合約資產

於二零一八年十二月三十一日及二零一八年一月一日，合約資產指電價調整應收款項分別為1,159,209,000港元及676,829,000港元，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目錄中登記時轉撥至貿易應收款項。由於預期於正常營運週期（或會延長至二零二零年三月）內收回電價調整應收款項，故電價調整應收款項分類為流動資產。有關電價調整應收款項的詳情請參閱附註18。

### 20. 已抵押銀行存款／銀行結餘及現金

於二零一八年十二月三十一日，銀行存款及銀行結餘以市場年利率0.01厘至2.05厘（二零一七年：年利率0.01厘至0.80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。存款人民幣1,349,000元（相當於1,533,000港元）（二零一七年：人民幣79,500,000元（相當於95,783,000港元））已抵押以取得發行應付票據，因此分類為流動資產。於二零一八年十二月三十一日，概無存款抵押以取得短期銀行借款（二零一七年：人民幣25,700,000元（相當於30,964,000港元））。

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### 21. TRADE AND OTHER PAYABLES

### 21. 貿易及其他應付款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade payables	貿易應付款項	67,261	67,282
Bills payable for purchase of property, plant and equipment	購置物業、廠房及設備之應付票據	1,533	95,783
Accrued sales commission	應計銷售佣金	701	617
Construction payables	應付工程款項	39,196	29,918
Other payables and accruals	其他應付款項及應計款項	20,327	11,422
		<b>129,018</b>	<b>205,022</b>

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:

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：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 to 30 days	0至30日	44,091	35,215
31 to 60 days	31至60日	19,602	23,772
61 to 90 days	61至90日	1,371	7,787
Over 90 days	超過90日	2,197	508
		<b>67,261</b>	<b>67,282</b>

### 22. PROVISION

The balance represents the provision of defective claims, and the movements of provision are as follow:

### 22. 撥備

結餘指次貨索償撥備，以下為撥備的變動：

		HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	7,145
Charge to profit or loss	自損益扣除	12,715
Utilisation of provision	撥備使用	(9,357)
At 31 December 2017	於二零一七年十二月三十一日	10,503
Charge to profit or loss	自損益扣除	19,087
Utilisation of provision	撥備使用	(13,660)
At 31 December 2018	於二零一八年十二月三十一日	<b>15,930</b>

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### 22. PROVISION (Continued)

There are no fixed terms of provision of sales discounts and 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.

### 23. AMOUNT DUE TO ULTIMATE HOLDING COMPANY

The amount was non-trade nature, unsecured, interest-free and repayable on demand.

### 24. BANK BORROWINGS

### 22. 撥備(續)

與客戶訂立的銷售協議內並無銷售折扣及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。

### 23. 應付最終控股公司款項

款項為非貿易性質、無抵押及須按要求償還。

### 24. 銀行借款

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
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The carrying amount of the secured bank borrowings that contains a repayment on demand clause (shown under current liabilities) but repayable:  
Within one year

應於下列期間償還之有抵押銀行借款的賬面值，具有按要求償還條款（呈列於流動負債）：  
一年之內

— 275,500

As at 31 December 2017, the bank borrowings represented bank loans denominated in HK\$ and carried interest ranging from Hong Kong Interbank Offered Rate ("HIBOR") plus 1.7% per annum to HIBOR plus 2.95% per annum. The bank loans were secured by pledge of 252,600,000 shares of the Company held by Fung Teng Enterprises Limited, which is wholly-owned by Mr. Dang Yanbao, the Chairman and executive director of the Company. During the year, the pledge of shares was fully released upon repayment of the bank loans.

於二零一七年十二月三十一日，銀行借款指以港元計值的銀行貸款按介乎香港銀行同業拆息（「香港銀行同業拆息」）加1.7厘至香港銀行同業拆息加2.95厘之年利率計息。此銀行貸款由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所持本公司252,600,000股股份抵押。於年內，抵押股份已於償還銀行貸款後悉數解除。

The Group's bank borrowing that is denominated in a currency other than the functional currency of the relevant group entity is set out below:

本集團以相關集團實體之功能貨幣以外的貨幣計值的銀行借款載列如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
HK\$	—	250,000

港元



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### 25. SHARE CAPITAL

### 25. 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 2017, 31 December 2017 and 31 December 2018	每股面值0.01港元之普通股 於二零一七年一月一日、 二零一七年十二月三十一日 及二零一八年十二月三十一日	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 2017 and 31 December 2017	每股面值0.01港元之普通股 於二零一七年一月一日及 二零一七年十二月三十一日	567,696,000	5,677
Issue of ordinary shares	發行普通股	96,150,000	961
At 31 December 2018	於二零一八年十二月三十一日	663,846,000	6,638

During the year, 96,150,000 ordinary shares with par value of HK\$0.01 per share of the Company have 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.

於年內，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。

### 26. 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 and bank borrowings disclosed in notes 23 and 24, 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.

### 26. 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23及24披露的應付最終控股公司款項及銀行借款、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。

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### 27. FINANCIAL INSTRUMENTS

#### 27a. Categories of financial instruments

### 27. 財務工具

#### 27a. 財務工具類別

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets	財務資產		
Financial assets at amortised cost	按攤銷成本計量的財務資產	250,889	—
Loans and receivables (including bank balances and cash)	貸款及應收款項(包括銀行結餘及現金)	—	1,040,765
Financial liabilities	財務負債		
Amortised cost	攤銷成本	114,096	468,483

#### 27b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, pledged bank deposits, bank balances and cash, trade and other payables, amount due to ultimate holding company and bank borrowings. 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.

#### 27b. 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、已抵押銀行存款、銀行結餘及現金、貿易及其他應付款項、應付最終控股公司款項及銀行借款。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。

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### 27. FINANCIAL INSTRUMENTS (Continued)

#### 27b. Financial risk management objectives and policies (Continued)

##### 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:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Assets</b>	<b>資產</b>		
HK\$	港元	133	699
RMB	人民幣	15	15
<b>Liabilities</b>	<b>負債</b>		
HK\$	港元	—	250,000

Assets and liabilities denominated in HK\$ mainly represented bank balances placed with banks and bank borrowing held by a group entity with US\$ as functional currency. As HK\$ is pegged to US\$, the exposure to fluctuations in exchange rate of HK\$ against US\$ is considered insignificant.

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.

### 27. 財務工具(續)

#### 27b. 財務風險管理目標及政策(續)

##### 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一家以美元為功能貨幣的集團實體存於銀行的銀行結餘及銀行借款。由於港元與美元掛鉤，港元兌美元匯率波動被視為並不重大。

本公司並無準備有關貨幣風險的敏感性分析，因為本公司董事認為有關外幣風險的影響有限。



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## 綜合財務報表附註

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### 27. FINANCIAL INSTRUMENTS (Continued)

#### 27b. Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### (ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances and variable-rate bank borrowings. The Group's cash flow interest rate risk is mainly concentrated on HIBOR arising from the Group's bank borrowings.

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 bank borrowings, the analysis is prepared assuming the amount of liabilities outstanding at the end of the reporting period was outstanding for the whole period. A 50 basis points (2017: 50) increase or decrease is used which represents management's assessment of the reasonably possible change in interest rates.

If interest rate on interest bearing bank borrowings had been 50 basis points higher/lower and all of other variables were held constant, the profit for the year ended 31 December 2017 would have decreased/increased by approximately HK\$1,150,000.

### 27. 財務工具(續)

#### 27b. 財務風險管理目標及政策(續)

##### 市場風險(續)

##### (ii) 利率風險

本集團就可變利率銀行結餘及可變利率銀行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銀行借款所涉之香港銀行同業拆息。

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。對於計息銀行借款，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50個基點(二零一七年：50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。

倘計息銀行借款利率上升／下降50個基點且所有其他變量保持不變，則截至二零一七年十二月三十一日止年度之溢利下降／上升約1,150,000港元。

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## 綜合財務報表附註

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### 27. FINANCIAL INSTRUMENTS (Continued)

#### 27b. 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 2018, 89% (2017: 83%) of the total trade receivables and contract assets/tariff adjustment receivables was due from the Group's largest customer, while 98% (2017: 97%) of the total trade receivables and contract assets/tariff adjustment receivables was due from the Group's five largest customers at 31 December 2018. 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 upon application of HKFRS 9 (2017: incurred loss model) on trade balances individually.

### 27. 財務工具(續)

#### 27b. 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金融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。於二零一八年十二月三十一日，89%(二零一七年：83%)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，而於二零一八年十二月三十一日，98%(二零一七年：97%)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金融資產信貸風險。

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。本集團應用香港財務報告準則第9號後根據預期信貸虧損模式(二零一七年：已產生虧損模式)個別對貿易結餘進行減值評估。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2018  
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### 27. FINANCIAL INSTRUMENTS (Continued)

#### 27b. Financial risk management objectives and policies (Continued)

##### Credit risk and impairment assessment (Continued)

Upon adoption of HKFRS 9 on 1 January 2018, 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 debtor's historical default rates and forward-looking information that is reasonable, supportable and available without undue costs or effort. As at 31 December 2018, 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 HK\$823,000 was provided on credit-impaired balance during the year.

### 27. 財務工具(續)

#### 27b. 財務風險管理目標及政策(續)

##### 信貸風險及減值評估(續)

於二零一八年一月一日採納香港財務報告準則第9號後，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，對其客戶進行個別評估。於二零一八年十二月三十一日，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。年內就信貸減值結餘計提預期信貸虧損823,000港元。



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## 綜合財務報表附註

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### 27. FINANCIAL INSTRUMENTS (Continued)

#### 27b. 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) HK\$'000 千港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2018 and December 2018	於二零一八年 一月一日及 二零一八年十二月	—	823

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 contract assets/tariff adjustment receivables, 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/tariff adjustment receivables are insignificant to the Group. The contract assets/tariff adjustment receivables is subject to settlement by the state grid company upon registration in the Catalogue.

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.

### 27. 財務工具(續)

#### 27b. 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)，本集團會撤銷貿易應收款項。

就合約資產／電價調整應收款項而言，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／電價調整應收款項之減值對本集團而言並不重大。合約資產／電價調整應收款項須於在目錄登記後由國家電網公司結付。

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。

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### 27. FINANCIAL INSTRUMENTS (Continued)

#### 27b. Financial risk management objectives and policies (Continued)

##### *Credit risk and impairment assessment (Continued)*

In determining the ECL for other receivables, 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.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. 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.

### 27. 財務工具(續)

#### 27b. 財務風險管理目標及政策(續)

##### *信貸風險及減值評估(續)*

於釐定其他應收款項之信貸虧損減值時，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。

下表詳列本集團非衍生財務負債基於協定還款條款的餘下合約期限。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。

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## 綜合財務報表附註

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### 27. FINANCIAL INSTRUMENTS (Continued)

#### 27b. Financial risk management objectives and policies (Continued)

##### Liquidity risk (Continued)

Liquidity tables

### 27. 財務工具(續)

#### 27b. 財務風險管理目標及政策(續)

##### 流動資金風險(續)

流動資金表

	Weighted average effective interest rate 加權實際平均利率 %	Repayable on demand 按要求償還 HK\$'000 千港元	Within 3 months 少於3個月 HK\$'000 千港元	Total undiscounted cash flows 未貼現現金流量總額 HK\$'000 千港元	Total carrying amount 賬面值總額 HK\$'000 千港元
<b>At 31 December 2018</b>					
Trade and other payables	-	-	106,096	106,096	106,096
Amount due to ultimate holding company	-	8,000	-	8,000	8,000
		8,000	106,096	114,096	114,096
<b>At 31 December 2017</b>					
Trade and other payables	-	-	192,983	192,983	192,983
Bank borrowings	3.52	275,500	-	275,500	275,500
		275,500	192,983	468,483	468,483

Note: As at 31 December 2017, the bank borrowings with a repayment on demand clause were included in the "repayable on demand" time band in the above maturity analysis. Taking into account the Group's financial position, the directors of the Company did not believe that it was probable that the banks would exercise its discretionary right to demand immediate repayment. The directors of the Company believed that such bank borrowings would be repaid within one year after the end of the reporting period in accordance with the scheduled repayment date set out in bank borrowing agreements as follows:

附註：於二零一七年十二月三十一日，具有按要求償還條款的銀行借款計入以上到期日分析中「按要求償還」的時間範圍內。經考慮本集團的財務狀況，本公司董事認為銀行將行使其酌情權要求即時還款的可能性不高。本公司董事相信，該銀行借款將根據銀行借款協議所載的計劃還款日期於報告期末後一年內償還如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Aggregate principal and interest cash outflows repayable:		
Within one year	-	277,622



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### 27. FINANCIAL INSTRUMENTS (Continued)

#### 27c. 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.

### 27. 財務工具(續)

#### 27c. 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。

### 28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities 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.

### 28. 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的變動詳情，包括現金及非現金變動。融資活動產生的負債為過往現金流量或將來現金流量分類於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 holding company 應付最終 控股公司款項 HK\$'000 千港元	Bank borrowings 銀行借款 HK\$'000 千港元	Interest payable 應付利息 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	—	250,000	—	250,000
Financing cash flows	融資現金流量	—	25,500	(9,416)	16,084
Finance costs	融資成本	—	—	9,416	9,416
At 1 December 2017	於二零一七年十二月一日	—	275,500	—	275,500
Financing cash flows	融資現金流量	8,000	(275,500)	(5,677)	(273,177)
Finance costs	融資成本	—	—	5,677	5,677
At 31 December 2018	於二零一八年十二月三十一日	8,000	—	—	8,000

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### 29. PLEDGE OF ASSETS

As at 31 December 2018, no bank deposits (2017: RMB25,700,000 (equivalent to HK\$30,964,000)) were pledged to a bank to secure bank borrowings of the Group and bank deposits of RMB1,349,000 (equivalent to HK\$1,533,000) (2017: RMB79,500,000 (equivalent to HK\$95,783,000)) were pledged to a bank for issue of bills payable. The Group's land and buildings with carrying value of HK\$692,000 (31 December 2017: HK\$768,000) were pledged to a bank to secure banking facilities granted to the Group.

### 29. 抵押資產

於二零一八年十二月三十一日，概無銀行存款（二零一七年：人民幣25,700,000元（相當於30,964,000港元））已抵押予銀行以取得本集團之銀行借款，而銀行存款人民幣1,349,000元（相當於1,533,000港元）（二零一七年：人民幣79,500,000元（相當於95,783,000元））已抵押予銀行以發行應付票據。本集團賬面值692,000港元（二零一七年十二月三十一日：768,000港元）的土地及樓宇抵押予銀行以獲得授予本集團的銀行信貸融資額。

### 30. OPERATING LEASES

The Group as lessee

### 30. 經營租賃

本集團作為承租人

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Minimum lease payments recognised under operating leases in respect of rented premises and photovoltaic facilities during the year	107,057	103,339

Minimum lease payments recognised under operating leases in respect of rented premises and photovoltaic facilities during the year

年內出租物業及光伏設施經營租賃項下已付最低租賃款項

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 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	7,367	16,378
In the second to fifth year inclusive	5,455	5,915
Over five years	835	—
	13,657	22,293

Within one year  
In the second to fifth year inclusive  
Over five years

一年內  
第二至五年  
超過五年

Operating lease payments represents rentals payable by the Group for certain of its staff quarters and office premises. Leases are negotiated and rentals are fixed for lease terms ranging from one to six years (2017: one to three years).

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（二零一七年：一至三年）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 31. 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 United States of America ("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 HK\$1,495,000 (2017: HK\$1,514,000) for the year ended 31 December 2018 represents contributions payable to these schemes. As at 31 December 2018, contributions of HK\$96,000 (2017: HK\$38,000) 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.

### 31. 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。

本集團美利堅合眾國（「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。

截至二零一八年十二月三十一日止年度，於損益確認之開支總額為1,495,000港元（二零一七年：1,514,000港元），相當於該等計劃應付供款。於二零一八年十二月三十一日，尚未對該等計劃支付而關於報告期間之到期供款為96,000港元（二零一七年：38,000港元）。該款項其後於報告期末支付。

### 32. CAPITAL COMMITMENTS

### 32. 資本承擔

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
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	15,155	44,830



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 33. RELATED PARTY DISCLOSURES

#### (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:

Name of related party 關連人士名稱	Nature of transaction 交易性質	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
寧夏寶豐生態牧場有限公司	Service income (Note) 服務收入(附註)	34	32

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 (equivalent to HK\$34,000) (2017: equivalent to HK\$32,000).

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(相等於34,000港元)(2017年：相等於32,000港元)。

#### (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.

### 33. 關連人士披露

#### (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：

#### (b) 主要管理人員薪酬

主要管理人員之酬金乃董事會經參考個人表現及市場趨勢後釐定。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 34. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

### 34. 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 2018 2017 二零一八年 二零一七年	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」)	BVI 英屬處女群島	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	BVI 英屬處女群島	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*	PRC 中國	PRC 中國	100%	100% HK\$3,000,000 registered capital 3,000,000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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2018  
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### 34. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

### 34. 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 2018 2017 二零一八年 二零一七年	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>Indirectly owned (Continued)</b> 間接擁有(續)					
Mastercraft Overseas Limited	BVI 英屬處女群島	BVI 英屬處女群島	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
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 (前稱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 (“Baofeng Photovoltaic”) (「寶豐光伏」)	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。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 35. EVENT AFTER THE REPORTING PERIOD

On 23 March 2019, Baofeng Photovoltaic entered into a sale and purchase agreement ("Sale and Purchase Agreement") with the Group's supplier of photovoltaic facilities ("Yinchuan Binhe"), an independent third party, pursuant to which Baofeng Photovoltaic has conditionally agreed to purchase and Yinchuan Binhe has conditionally agreed to sell the photovoltaic facilities (the "Equipment") at the consideration of RMB2,398,154,000 (tax inclusive) (equivalent to approximately HK\$2,808,142,000). The Equipment is solar power generation equipment which has been leased to Baofeng Photovoltaic by Yinchuan Binhe since its acquisition of the Equipment and has been used by the Group in the project for photovoltaic business operations since the commencement of the project in 2016.

In addition, on 23 March 2019, Baofeng Photovoltaic as lessee entered into a finance lease agreement ("Finance Lease Agreement") with Huaxia Financial Leasing Co., Ltd. (華夏金融租賃有限公司) (the "Lessor"), pursuant to which the Lessor has conditionally agreed to pay RMB1,700,000,000 (equivalent to approximately HK\$1,990,632,000) of the consideration under the Sale and Purchase Agreement to Yinchuan Binhe, upon which the Lessor will take ownership of the Equipment. The Lessor will lease back the Equipment to Baofeng Photovoltaic for a principal lease amount of RMB1,700,000,000 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 an ancillary arrangement to the proposed acquisition under the Sale and Purchase Agreement, on 23 March 2019, Baofeng Photovoltaic and Yinchuan Binhe also entered into an assignment agreement, pursuant to which Yinchuan Binhe has agreed that within one month after receiving the first payment of the consideration under the Sale and Purchase Agreement from the Lessor, Yinchuan Binhe will pay an amount of RMB300,000,000 (equivalent to approximately HK\$351,288,000) to Baofeng Photovoltaic in cash, and in return Baofeng Photovoltaic has agreed to assign the tariff adjustment receivables in the amount of RMB300,000,000 to Yinchuan Binhe effective on the date when Baofeng Photovoltaic receives the aforesaid cash payment.

These transactions are subject to the approval of the shareholders of the Company.

### 35. 報告期後事項

於二零一九年三月二十三日，寶豐光伏與本集團光伏設施供應商(「銀川濱河」)(一名獨立第三方)訂立一項買賣協議(「買賣協議」)，據此，寶豐光伏有條件同意購買及銀川濱河有條件同意出售光伏設施(「設備」)，代價為人民幣2,398,154,000元(含稅)(相當於約2,808,142,000港元)。設備為自銀川濱河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項目以來，於項目中用作光伏業務營運。

此外，於二零一九年三月二十三日，寶豐光伏(為承租人)與華夏金融租賃有限公司(「出租人」)訂立一項融資租賃協議(「融資租賃協議」)，據此，出租人有條件同意向銀川濱河支付買賣協議項下之代價人民幣1,700,000,000元(相當於約1,990,632,000港元)，屆時出租人將取得設備的所有權。出租人將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。

作為買賣協議項下建議收購事項的配套安排，於二零一九年三月二十三日，寶豐光伏及銀川濱河亦訂立一項轉讓協議，據此，銀川濱河同意從出租人收取買賣協議項下代價的第一筆付款的一個月內，銀川濱河將以現金向寶豐光伏支付人民幣300,000,000元(相當於約351,288,000港元)。就此，寶豐光伏已同意向銀川濱河轉讓金額為人民幣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。

該等交易須待本公司股東批准後，方可作實。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 36. FINANCIAL INFORMATION OF THE COMPANY

### 36. 本公司之財務資料

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Non-current Assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	404	1,319
Investment in a subsidiary	投資於附屬公司	462,814	463,276
Rental deposit	租賃押金	–	2,013
		<b>463,218</b>	<b>466,608</b>
<b>Current Assets</b>	<b>流動資產</b>		
Other receivables	其他應收款項	2,252	526
Amounts due from subsidiaries	應收附屬公司款項	38,371	38,716
Bank balances and cash	銀行結餘及現金	4,545	5,752
		<b>45,168</b>	<b>44,994</b>
<b>Current Liabilities</b>	<b>流動負債</b>		
Other payables	其他應付款項	1,863	2,324
Amount due to ultimate holding company	應付最終控股公司款項	8,000	–
Amount due to a subsidiary	應付一間附屬公司款項	13,668	–
Bank borrowing	銀行借款	–	250,000
		<b>23,531</b>	<b>252,324</b>
<b>Net Current Assets (Liabilities)</b>	<b>流動資產(負債)淨額</b>	<b>21,637</b>	<b>(207,330)</b>
<b>Net Assets</b>	<b>資產淨值</b>	<b>484,855</b>	<b>259,278</b>
<b>Capital and Reserves</b>	<b>股本及儲備</b>		
Share capital	股本	6,638	5,677
Reserves	儲備	478,217	253,601
<b>Total Equity</b>	<b>股東權益合計</b>	<b>484,855</b>	<b>259,278</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 36. FINANCIAL INFORMATION OF THE COMPANY (Continued)

Movement of reserves:

### 36. 本公司之財務資料(續)

儲備變動：

		Share premium 股份溢價 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元 (Note) (附註)	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	289,547	16,385	(21,667)	284,265
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	–	–	(30,664)	(30,664)
At 31 December 2017	於二零一七年 十二月三十一日	289,547	16,385	(52,331)	253,601
Loss and total comprehensive expense for the year	年內虧損及全面開支 總額	–	–	(23,768)	(23,768)
Issue of ordinary shares	發行普通股	249,029	–	–	249,029
Share issue expenses	股份發行費用	(645)	–	–	(645)
At 31 December 2018	於二零一八年 十二月三十一日	537,931	16,385	(76,099)	478,217

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：特別儲備指本公司已發行普通股之面值與透過於二零一二年根據重組交換股份收購附屬公司之股本之差額。



# FINANCIAL SUMMARY

## 財務概要

### RESULTS

### 業績

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Revenue	收益	1,106,643	956,323	611,057	389,740	373,162
Profit before taxation	除稅前溢利	541,991	459,117	145,974	19,162	30,130
Income tax expense	所得稅開支	(9,504)	(12,015)	(4,429)	(4,730)	(6,498)
Profit for the year	年度溢利	532,487	447,102	141,545	14,432	23,632

### ASSETS AND LIABILITIES

### 資產及負債

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Total assets	總資產	1,816,171	1,467,782	777,985	142,615	133,632
Total liabilities	總負債	(156,950)	(496,054)	(321,628)	(57,131)	(47,402)
Total equity	股東權益合計	1,659,221	971,728	456,357	85,484	86,230



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