

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE
ATTENTION**

This document comprises an explanatory statement in relation to inter-conditional schemes of arrangement proposed by China Singyes Solar Technologies Holdings Limited pursuant to sections 670 to 674 of the Companies Ordinance (Cap. 622) of Hong Kong and pursuant to section 99 of the Companies Act 1981 of Bermuda (the “**Explanatory Statement**”). It is being sent to persons who it is believed are or may be Scheme Creditors at the date of this Explanatory Statement. If you have assigned, sold, or otherwise transferred, or assign, sell or otherwise transfer, your interests as a Scheme Creditor before the Record Time you must forward this Explanatory Statement and the accompanying documents at once to the person or persons to whom you have assigned or assign, sell or otherwise transfer, your interests as a Scheme Creditor.

WARNING - The contents of this Explanatory Statement have not been reviewed by any regulatory authority in Hong Kong, Bermuda, Singapore or any other jurisdiction. You are advised to exercise caution in relation to any offer pursuant to the schemes of arrangement set out in this Explanatory Statement. If you are in any doubt as to the contents of this Explanatory Statement or the documents that accompany it or what action you should take, you are recommended to seek advice immediately from your own independent financial, legal and/or tax adviser.

This Explanatory Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities. None of the securities referred to in this Explanatory Statement may be sold, issued or transferred in any jurisdiction in contravention of applicable law. The securities proposed to be issued pursuant to the Schemes will not be registered with the U.S. Securities and Exchange Commission (“**SEC**”) under the U.S. Securities Act of 1933, as amended (the “**US Securities Act**”), or the securities law of any state or other jurisdiction, and are being transferred and delivered in reliance upon certain exemptions from the registration requirements of the US Securities Act. The securities proposed to be issued pursuant to the Schemes will be issued and delivered only (i) in the United States to “qualified institutional buyers” (“**QIBs**”) as defined in Rule 144A under the US Securities Act (“**Rule 144A**”) and institutional “accredited investors” (“**Accredited Investors**”) as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the US Securities Act (“**Regulation D**”); and (ii) outside the United States to non-U.S. persons in offshore transactions, in reliance on Regulation S under the US Securities Act (“**Regulation S**”).

Approval in-principle has been received for the listing and quotation of the New Notes on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission of the New Notes to the Official List of the SGX-ST and quotation of the New Notes on the SGX-ST are not to be taken as an indication of the merits of the New Notes, the Company, or if any, the guarantors, or the quality of disclosure in this document. For so long as such New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such New Notes will be traded on the SGX-ST in a minimum board lot size of at least US\$300,000.

Section 309B(1) Notification—In connection with Section 309B of the Securities and Futures Act, Chapter 289 of Singapore, as modified or amended from time to time (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 (the “**CMP Regulations 2018**”), we have determined, and hereby notify all persons (including relevant persons (as

defined in Section 309A(1) of the SFA)) that the New Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

This Explanatory Statement is accompanied by the Solicitation Packet, as set out at Appendix 5 (*Solicitation Packet*), which is also available on the Scheme Website for Scheme Creditors to download. The Solicitation Packet contains (i) an Account Holder Letter (which also encloses a Designated Recipient Form and a Distribution Confirmation Deed); (ii) a Notice of Claim (which also encloses a Designated Recipient Form and a Distribution Confirmation Deed); and (iii) instructions and guidance for Scheme Creditors and any person with an interest in the Notes as to how to complete those documents.

Further important information is set out under Section 2 (*Important Notice to Scheme Creditors*) and Section 3 (*Important Securities Law Notice*).

If you have any questions relating to this Explanatory Statement or the completion of the Account Holder Letter and/or Notice of Claim, please contact the Information Agent at:

Lucid Issuer Services Limited

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1 November 2019

**EXPLANATORY STATEMENT IN RELATION TO INTER-CONDITIONAL
SCHEMES OF ARRANGEMENT**

BETWEEN

**CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS LIMITED
(A COMPANY INCORPORATED WITH LIMITED LIABILITY UNDER THE
LAWS OF BERMUDA)**

AND

**THE SCHEME CREDITORS
(AS DEFINED IN THIS EXPLANATORY STATEMENT)**

**IN THE HIGH COURT OF HONG KONG UNDER SECTIONS 670 TO 674 OF THE
COMPANIES ORDINANCE (CAP 622)**

AND

**IN THE SUPREME COURT OF BERMUDA UNDER SECTION 99 OF THE
COMPANIES ACT 1981**

The Record Time for the Schemes will be 10:00 p.m. on 21 November 2019 (Hong Kong time), the equivalent being 10:00 a.m. on 21 November 2019 (Bermuda time).

The Hong Kong Scheme Meeting and the Bermuda Scheme Meeting, at which the Scheme Creditors will consider and vote on the Hong Kong Scheme and the Bermuda Scheme respectively, will be convened as one meeting at the same time and place (the “**Scheme Meeting**”).

The Scheme Meeting will be held at the office of Kirkland & Ellis at 26th Floor, Gloucester Tower, The Landmark, 15 Queen’s Road Central, Hong Kong, with any adjournment as may be appropriate, at 7:00 p.m. on 25 November 2019 (Hong Kong time) / 7:00 a.m. on 25 November 2019 (Bermuda time). Scheme Creditors will be able to attend in person. Scheme Creditors in Bermuda will be able to dial into the Scheme Meeting via telephone conference at the office of Zuill & Co, Continental Building, 25 Church Street, Hamilton, Bermuda HM 12.

A notice convening the Scheme Meeting is set out in Appendix 4 (*Notice of Scheme Meeting*).

It is expected that the hearing before the Bermuda Court to determine whether or not the Bermuda Court will sanction the Bermuda Scheme will take place at 9:30 a.m. (Bermuda time) on 4 December 2019. It is expected that the hearing before the Hong Kong Court to determine whether or not the Hong Kong Court will sanction the Hong Kong Scheme will take place at 10:00 a.m. (Hong Kong time) on 5 December 2019. Scheme Creditors will have the right to attend and be heard at both hearings.

Instructions about actions to be taken by the Scheme Creditors before the Scheme Meeting are set out in Section 8 (*Scheme Creditors and Actions to be Taken*), along with Appendix 5 (*Solicitation Packet*).

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1 EXPECTED TIMETABLE OF PRINCIPAL EVENTS¹

Event	Expected Date	Hong Kong Time	Bermuda Time
Custody Instruction Deadline ²	20 November 2019	10:00 p.m. 20 November 2019	10:00 a.m. 20 November 2019
Record Time ³⁴	21 November 2019	10:00 p.m. 21 November 2019	10:00 a.m. 21 November 2019
Scheme Meeting ⁵	25 November 2019	7:00 p.m. 25 November 2019	7:00 a.m. 25 November 2019
Bermuda Court Sanction Hearing ⁶	4 December 2019	9:30 p.m. on 4 December 2019	9:30 a.m. on 4 December 2019
Hong Kong Court Sanction Hearing ⁶	5 December 2019	10:00 a.m. on 5 December 2019	10 p.m. on 4 December 2019
Scheme Effective Date ⁷	Day on which the Court Orders are delivered to the applicable Company Registrars		
Restructuring Effective Date ⁸	The date falling three Business Days after the date on which each of the Restructuring Conditions has been satisfied or, in the event that the Company delivers an Extension Notice, the Deferred Restructuring Effective Date.		
Longstop Date ⁹	31 December 2019	5:00 p.m. on 31 December 2019	5:00 a.m. on 31 December 2019
Bar Time ¹⁰	5:00 p.m. (Hong Kong time) on the date falling Three (3) Business Days before the Holding Period Expiry Date		
Holding Period Expiry Date ¹¹	The date falling three (3) months after the Restructuring Effective Date		

¹ The dates in this timetable and mentioned throughout this Explanatory Statement assume that none of the court hearings or the Scheme Meetings are adjourned or delayed. It is also possible that the drawing up or registration of the Court Orders may be delayed if any person appeals either order.

² The Custody Instruction Deadline is the latest date and time for delivery of Custody Instructions to the relevant Clearing System for blocking the Notes for a Noteholder to be eligible to vote at the Scheme Meeting or receive Scheme Consideration on the Restructuring Effective Date.

³ Each Noteholder will need to give its instructions to the relevant Account Holder as to voting. The Record Time is the latest date and time for delivery of a duly completed Account Holder Letter and to the extent applicable, a Notice of Claim, to vote at the Scheme Meeting and delivery of duly completed documentation necessary to receive the Scheme Consideration on the Restructuring Effective Date.

⁴ All Scheme Claims are determined as at the Record Time. The Company will be entitled to exercise discretion as to whether it recognises any assignment or transfer of Scheme Claims after the Record Time.

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- ⁵ The Scheme Meeting will commence at the time stated. Any Scheme Creditor that wishes to attend the Scheme Meeting should produce a duplicate copy of the Account Holder Letter or Notice of Claim (as applicable) that was executed and delivered on their behalf, evidence of personal identity (for example, a passport or other picture identification) and, in the case of a corporation, evidence of corporate authority (for example, a valid power of attorney and/or board minutes) at the registration desk **by no later than one hour before the scheduled time of the Scheme Meeting.**
- ⁶ The Courts will hear the petitions to sanction the Schemes. Any Scheme Creditor is entitled (but not obliged) to attend these hearings to support or oppose the sanction of the Schemes. Sanction Hearings dates are expected time and if there is any change to such time, the revised time will be announced as soon as practicable when it is known to the Company.
- ⁷ The Scheme Effective Date is the date on which the Schemes become effective in accordance with the terms of the Schemes. The Scheme Effective Date shall be the day on which the Court Orders are delivered to the applicable Company Registrars and will be announced by the Company on the same day when it happens.
- ⁸ The Restructuring Effective Date is the date on which the arrangement and compromise provided for in the Schemes (including, but not limited to, the cancellation and discharge of the Notes, the cancellation and discharge of the rights and obligations in respect of the Term Sheets, the issuance of New Notes and distribution of Cash Consideration and Consent Fee) will be implemented. The Restructuring Effective Date is an expected date.
- ⁹ The Longstop Date is the latest date by which the Schemes must be implemented. If the Schemes are not implemented before or on the Longstop Date, the Schemes will terminate. The Longstop Date is 5:00 p.m. Hong Kong time on 31 December 2019, or such later date and time as the Company may elect that in accordance with the Schemes and no later than a date that is two months from the original Longstop Date.
- ¹⁰ The Bar Time is the latest time for delivery of duly completed documentation necessary to receive the Scheme Consideration on the Holding Period Expiry Date except in limited circumstances as provided for in the Hong Kong Scheme and the Bermuda Scheme set out in Appendix 2 (Hong Kong Scheme) and Appendix 3 (Bermuda Scheme), respectively. Except in those limited circumstances, if a Scheme Creditor fails to establish its entitlement to the Trust Assets in accordance with the Holding Period Trust Deed before or on the Bar Time, that Scheme Creditor shall cease to be entitled to receive any Scheme Consideration. The Bar Time is an expected time and will occur at 5:00 p.m. (Hong Kong time) on the date falling three (3) Business Days before the Holding Period Expiry Date.
- ¹¹ The Holding Period Expiry Date is the latest date on which the Trust Assets can be distributed in accordance with the terms of the Holding Period Trust Deed. The Holding Period Expiry Date is an expected date and will occur on the date falling three (3) months after the Restructuring Effective Date.

2 IMPORTANT NOTICE TO SCHEME CREDITORS

Unless otherwise indicated, all capitalised terms used in this Explanatory Statement shall have the meanings assigned to those terms in Appendix 1 (*Definitions and Interpretation*).

2.1 Information

(a) This Explanatory Statement has been prepared in connection with Schemes under:

- (i) sections 670 to 674 of the Companies Ordinance in relation to the Hong Kong Scheme between the Company and the Scheme Creditors; and
- (ii) section 99 of the Companies Act in relation to the Bermuda Scheme between the Company and the Scheme Creditors;

and has been prepared solely for the purpose of providing information to the Scheme Creditors in relation to the Schemes.

(b) Nothing in this Explanatory Statement or any other document issued with or appended to it should be relied on for any purpose other than for the Scheme Creditors in their capacity as creditor of the Company to make a decision whether or not to approve the Schemes. In particular and without limitation, nothing in this Explanatory Statement should be relied on in connection with the purchase or acquisition of any Scheme Claim or any other financial instruments, securities, assets or liabilities of the Company or any other member of the Group.

(c) Nothing contained in this Explanatory Statement constitutes a recommendation, or the giving of advice, by the Company or any other member of the Group to take a particular course of action or to exercise any right conferred by the Notes in relation to, buying, selling, subscribing for, exchanging, redeeming, holding, underwriting, disposing of, or converting Notes or any other financial instruments, securities, assets or liabilities of the Company or any other member of the Group.

2.2 Scheme Creditors

This Explanatory Statement is to be distributed to persons who it is believed are or may be Scheme Creditors at the date of this Explanatory Statement. Information on the actions that the Scheme Creditors are required to take under the Schemes is set out in Section 8 (*Scheme Creditors and Actions to be Taken*) of this Explanatory Statement.

2.3 Notice to Scheme Creditors

(a) Without prejudice to any representations and warranties to be given by the Company in the Restructuring Documents, nothing contained in this Explanatory Statement shall constitute a warranty, undertaking, or guarantee of any kind, express or implied, nor any admission of any fact or liability on the part of the Company with respect to any asset to which it may be entitled or any claim against it. Without prejudice to the generality of the foregoing, nothing in

this Explanatory Statement or the distribution thereof evidences to any person, or constitutes any admission by the Company, that a liability is owed to any person in respect of any claim (including without limitation any Scheme Claim) or that any person is or may be a Scheme Creditor. The failure to distribute this Explanatory Statement to any Scheme Creditor shall not constitute an admission by the Company that such person is not a Scheme Creditor.

- (b) No person has been authorised by the Company to give any information or make any representations concerning the Schemes which is inconsistent with this Explanatory Statement and, if made, such representations shall not be relied upon as having been so authorised.
- (c) The information contained in this Explanatory Statement has been prepared based upon information available to the Company prior to the date of this Explanatory Statement. The delivery of this Explanatory Statement does not imply that the information herein is correct as at any time subsequent to the date hereof. To the best of the Company's knowledge, information and belief, the information contained in this Explanatory Statement is in accordance with the facts and does not omit anything likely to affect the import of such information, each in a material respect. The Company has taken all reasonable steps to ensure that this Explanatory Statement contains the information reasonably necessary and material to enable Scheme Creditors to make an informed decision about how the Restructuring affects them.
- (d) None of the Company's advisers have verified that the information contained in this Explanatory Statement and each of those persons expressly disclaims responsibility for such information.
- (e) This Explanatory Statement has not been reviewed, verified or approved by any rating agency or any regulatory authority. Without prejudice to any representations and warranties to be given by the Company in the Restructuring Documents, to the fullest extent permitted by law, the Company will have no tortious, contractual or any other liability to any person in connection with the use of this Explanatory Statement and the Company will not accept any liability whatsoever to any person, regardless of the form of action, for any lost profits or lost opportunity, or for any indirect, special, consequential, incidental or punitive damages arising from any use of this Explanatory Statement, its contents or preparation or otherwise in connection with it, even if the Company has been advised of the possibility of such damages.
- (f) The Information Agent is the agent of the Company and owes no duty to any Scheme Creditor, express or implied.

2.4 Summary Only

- (a) The summary of the principal provisions of the Schemes contained in this Explanatory Statement is qualified in its entirety by reference to the Hong Kong Scheme and the Bermuda Scheme themselves. The full text of the Hong Kong Scheme and the Bermuda Scheme is set out in Appendix 2 (*Hong Kong Scheme*) and Appendix 3 (*Bermuda Scheme*), respectively. Each Scheme Creditor is advised to read and consider carefully the text of both the Hong Kong Scheme

and the Bermuda Scheme. This Explanatory Statement has been prepared solely to assist Scheme Creditors in respect of voting on the Schemes.

- (b) **In the event of a conflict between the information and terms described in:**
 - (i) **this Explanatory Statement; and**
 - (ii) **the Schemes,****the terms of the Schemes shall prevail.**
- (c) **Subject to the terms of the RSA and the Schemes, the Company shall be at liberty to modify the Schemes, or to propose a different scheme or schemes of arrangement, at any time prior to the sanction of the Schemes and the delivery of the relevant Court Order to the relevant Company Registrar. The Company shall enjoy such liberty notwithstanding any actions in reliance on the Schemes or this Explanatory Statement by a Scheme Creditor or any other person. The Courts may also impose modifications, additions or conditions on the Schemes.**

2.5 Forward-Looking Statements

- (a) Nothing in this Explanatory Statement shall be deemed to be a forecast, projection or estimate of the future financial performance of the Company and/or any member of the Group except where otherwise specifically stated.
- (b) This Explanatory Statement contains statements, estimates, opinions, and projections with respect to the Company and the Group and certain plans and objectives of the Company and the Group. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “will”, “may”, “should”, “would”, “could” or other words of similar import. These statements are based on numerous assumptions and assessments made by the Company as appropriate in light of its experience and perception of historical trends, current conditions, expected future developments, and other factors that it believes appropriate. No assurance can be given that such expectations will prove to be correct. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. Such forward-looking statements only speak as at the date of this Explanatory Statement. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors and uncertainties set out in Section 11 (*Risk Factors*). Each Scheme Creditor is urged to make its own assessment of the validity of such forward-looking statements and their underlying assumptions and no liability is accepted by the Company in respect of the achievement or failure of such forward-looking statements and assumptions. Without limiting the above, none of the Company, any other member of the Group, any director of the Company or any other member of the Group assumes any obligation to update or correct any forward-looking statements contained in

this Explanatory Statement to reflect any change of expectations with respect thereto or any change in event, situation, or circumstances on which any such forward-looking statement was based.

2.6 Risk Factors

- (a) Scheme Creditors' attention is drawn to certain risks and uncertainties associated with the Restructuring that are set out in Section 11 (*Risk Factors*).
- (b) These important risk factors could cause the Group's actual results and future prospects to differ materially from those expressed in this Explanatory Statement (including any forward-looking statements).
- (c) Each Scheme Creditor should carefully read and analyse such risk factors and uncertainties, and fully understand their impact, which may be material and adverse, on its financial condition and prospects. The statement of risk factors is not and is not intended to be an exhaustive statement of such factors or of all possible factors that might influence the decision of Scheme Creditors with respect to the Schemes.

2.7 Recovery Analysis

- (a) D&P China (HK) Limited ("**Duff and Phelps**") is acting as an adviser to the Company in connection with the preparation of the Recovery Analysis. At the request of the Company, Duff and Phelps has prepared a high level Recovery Analysis of the potential outcome for Scheme Creditors of the Company in the event that a Debt Restructuring is not completed and the estimated returns to the Scheme Creditors under the terms of the Schemes. The Recovery Analysis is based on the Company's instructions.
- (b) The Recovery Analysis has been prepared by Duff and Phelps solely for the use of the Company and Scheme Creditors and is disclosed in this Explanatory Statement strictly on a non-reliance basis.
- (c) The Recovery Analysis is based on information and explanations provided by the Company which have not been subject to independent verification or audit. Accordingly, Duff and Phelps assumes no liability whatsoever and makes no representations or warranties, express or implied, in relation to the contents of the Recovery Analysis, including its accuracy, completeness or verification or for any other statement made or purported to be made by or on behalf of the Company or Duff and Phelps. Additionally, Duff and Phelps has identified a number of limitations to its Recovery Analysis. A list of these limitations can be found in Section 8 (*Additional Assumptions and Limitations*) of Appendix 7 (*Recovery Analysis*).

2.8 Legal, Tax, and Financial Advice

- (a) Without limiting any of the above, Scheme Creditors should not construe the contents of this Explanatory Statement as legal, tax, or financial advice. Except as otherwise expressly stated in this Explanatory Statement, none of the Company, any member of the Group, the Notes Trustee, the Advisers or the

Information Agent and their respective financial or legal advisers has expressed any opinion as to the merits of the Schemes or with respect to the effect of the Schemes.

- (b) This Explanatory Statement has been prepared without taking into account the objectives, financial situation or needs of any particular recipient of it, and consequently, the information contained in this Explanatory Statement may not be sufficient or appropriate for the purpose for which a recipient might use it. Each Scheme Creditor should conduct its own due diligence and consider the appropriateness of the information in this Explanatory Statement having regard to its own objectives, financial situations and needs. Scheme Creditors are also recommended to consult their own professional advisers as to legal, tax, financial or other aspects relevant to any action Scheme Creditors might take in relation to the Schemes and the Restructuring, or the implications/consequences of such action.

2.9 Restrictions

- (a) The distribution of this Explanatory Statement to or in certain jurisdictions may be restricted by law or regulation and persons into whose possession this Explanatory Statement comes are requested to inform themselves about, and to observe, any such restrictions. Failure to comply with any such restrictions could result in a violation of the laws of such jurisdictions.
- (b) The implications of the Restructuring for Scheme Creditors who are residents or citizens of jurisdictions other than Hong Kong and Bermuda may be affected by the laws of the relevant jurisdictions. Any person outside Hong Kong or Bermuda who is resident in, or who has a registered address in, or is a citizen of, an overseas jurisdiction should consult independent professional advisers and satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Schemes and the Restructuring, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such jurisdiction.

3 IMPORTANT SECURITIES LAW NOTICE

This Explanatory Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction in contravention of applicable law. None of the securities referred to in this Explanatory Statement shall be sold, issued or transferred in any jurisdiction in contravention of applicable law.

3.1 General

- (a) The distribution of this Explanatory Statement and the offering, sale or delivery of the Scheme Consideration are subject to restrictions and may not be made except pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom. Therefore, persons who may come into possession of this Explanatory Statement are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Explanatory Statement may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.
- (b) No action has been or will be taken in any jurisdiction by the Company that would or is intended to permit a public offering, or any other offering under circumstances not permitted by applicable law, of the Scheme Consideration. Persons into whose hands this Explanatory Statement comes are required by the Company and the Group to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Scheme Consideration or have in their possession, distribute or publish this Explanatory Statement or any other materials relating to the Scheme Consideration, in all cases at their own expense.
- (c) Each Scheme Creditor will be required to submit a duly completed Account Holder Letter and/or Notice of Claim (as applicable), Distribution Confirmation Deed and, if applicable, Designated Recipient Form in order to receive the Scheme Consideration.

3.2 U.S. Securities Law Considerations

- (a) The New Notes have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the United States.
- (b) In connection with the issue of the Scheme Consideration, the Account Holder Letter and/or the Notice of Claim (as applicable) will require each Scheme Creditor (or its Designated Recipient) who wishes to receive its Scheme Consideration to confirm, amongst other things, that it (or its Designated Recipient, as applicable) is an Eligible Person and will require any Scheme Creditor (or Designated Recipient, as applicable) who is located in the United States or who is a U.S. person (as defined in Regulation S) and intends to receive their Scheme Consideration to make certain representations and covenants in the Account Holder Letter and/or the Notice of Claim (as applicable). If the confirmations required by the Account Holder Letter and/or the Notice of Claim cannot be or are not given by a Scheme Creditor (or its Designated Recipient, as applicable), such Scheme Creditor (or its Designated Recipient, as

applicable) will not be eligible to receive the relevant Scheme Consideration and will be not be treated as an Eligible Person.

- (c) Unless otherwise approved by the Company, the Scheme Consideration will be transferred and delivered within the United States solely to QIBs and Accredited Investors and to U.S. persons who are QIBs and Accredited Investors only. Outside the United States, the Scheme Consideration will be transferred and delivered solely to non-U.S. persons in offshore transactions in reliance on Regulation S.
- (d) If you are a U.S. person, or are located in the United States, but you are not a QIB or an Accredited Investor, you are eligible to receive this Explanatory Statement and to participate in the Schemes and the meetings described herein but you will not be eligible to receive your Scheme Consideration except as described herein.
- (e) The New Notes will not be listed on any U.S. securities exchange or with any inter-dealer quotation system in the United States. The Company does not intend to take action to facilitate a market of the New Notes in the United States. Consequently, the Company believes that it is unlikely that an active trading market in the United States will develop for such Notes.

The New Notes have not been and will not be registered with the SEC or any U.S. federal, state or other securities commission or regulatory authority and neither the SEC nor any U.S. federal, state or other securities commission or regulatory authority has approved or disapproved this Explanatory Statement. Any representation to the contrary is a criminal offence in the United States.

Scheme Creditors who are citizens or residents of the United States should consult their own legal, financial and tax advisors with respect to the legal, financial and tax consequences of the Schemes in their particular circumstances.

3.3 Securities Law Considerations for Certain Other Jurisdictions

European Economic Area

- (a) The Scheme Consideration is not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (“**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Scheme Consideration or otherwise making it available to retail investors in the EEA has been prepared and therefore offering or selling the Scheme Consideration or otherwise making it available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

- (b) In addition, this Explanatory Statement has been prepared on the basis that all offers of the Scheme Consideration will be made pursuant to an exemption under the Prospectus Regulation, as directly effective in member states of the EEA (“**Member States**”), from the requirement to produce a prospectus for offers of the Scheme Consideration. Accordingly, any person making or intending to make any offer within the EEA of the Scheme Consideration should only do so in circumstances in which no obligation arises for the Company to produce a prospectus for such offer. The Company has not authorised and does not authorise the making of an offer of any of the Scheme Consideration through any financial intermediary, other than offers made by the Company, as contemplated by this Explanatory Statement.
- (c) In relation to each Member State, no offer of Scheme Consideration to the public in that Member State may be made other than to any legal entity which is a qualified investor as defined in the Prospectus Regulation or in any other circumstances falling within Article 1(3) or Article 1(4) of the Prospectus Regulation, provided that no such offer of Scheme Consideration shall require the Company to publish a prospectus pursuant to Article 3(1) or Article 3(3) of the Prospectus Regulation.
- (d) In connection with the issue of the Scheme Consideration, the Account Holder Letter and/or the Notice of Claim will require each Scheme Creditor (or its Designated Recipient) who wishes to receive its Scheme Consideration to confirm, amongst other things, that it (or its Designated Recipient, as applicable) is an Eligible Person and will require any Scheme Creditor (or Designated Recipient, as applicable) who is located in a Member State and intends to receive their Scheme Consideration to make certain representations and covenants in the Account Holder Letter and/or the Notice of Claim (as applicable), including that it is a “qualified investor” as defined in the Prospectus Regulation (a “**Qualified Investor**”). If the confirmations required by the Account Holder Letter and/or the Notice of Claim (as applicable) cannot be or are not given by a Scheme Creditor (or its Designated Recipient, as applicable), such Scheme Creditor (or its Designated Recipient, as applicable) will not be eligible to receive the relevant Scheme Consideration and will not be treated as an Eligible Person.
- (e) For the purposes of this provision, the expression an “offer to the public” in relation to the Scheme Consideration in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Scheme Consideration to be offered so as to enable an investor to decide to purchase or subscribe for the Scheme Consideration, as the same may be varied in that Member State by any measure adopted in that Member State pursuant to the Prospectus Regulation (and amendments thereto).

United Kingdom

- (f) This Explanatory Statement has not been approved by an authorised person for the purposes of section 21 of the FSMA. Accordingly, this Explanatory Statement is not being distributed to, and must not be passed on to, the general public in the United Kingdom. This Explanatory Statement is for distribution only to persons who: (i) are outside the United Kingdom; (ii) are investment

professionals, as such term is defined in Article 19(5) of the U.K. Financial Services and Markets Act 2000 (Financial Promotion) Order 2000 (as amended, the “**Financial Promotion Order**”); (iii) are persons falling within Article 49(2)(a) to (d) (high net-worth companies, unincorporated associations, etc.), of the Financial Promotion Order; or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA in connection with the issue, transfer or sale of any Scheme Consideration) may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**Relevant Persons**”). This Explanatory Statement is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this Explanatory Statement relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

Bermuda

- (g) The Scheme Consideration may not be marketed, offered or sold directly or indirectly to the public in Bermuda except in accordance with Bermuda law, and neither this Explanatory Statement, which is not subject to and has not received approval from either the Bermuda Monetary Authority or the Bermuda Registrar of Companies and no statement to the contrary, explicit or implicit, is authorised to be made in this regard, nor any offering material or information contained herein relating to the Scheme Consideration, may be supplied to the public in Bermuda or used in connection with any offer for the subscription or sale of Scheme Consideration to the public in Bermuda except in accordance with Bermuda law. The completion of the Schemes is not calculated to result, directly or indirectly, in the Scheme Consideration becoming available to persons other than persons whose ordinary business involves the acquisition, disposal or holding of shares (as defined in section 25 of the Bermuda Companies Act), whether as principal or agent.

Hong Kong

- (h) This Explanatory Statement has not been and will not be registered with the SFC or the Hong Kong Registrar of Companies. The Scheme Consideration has not been and will not be offered or sold in Hong Kong, by means of any document, other than: (a) Professional Investors; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (“**C(WUMP)O**”) or which do not constitute an offer to the public within the meaning of C(WUMP)O. No advertisement, invitation or document relating to the Scheme Consideration may be issued or may be in the possession of any person other than with respect to the Scheme Consideration which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors.

PRC

- (i) The Scheme Consideration has not been and will not be registered under the relevant laws of the PRC. Accordingly, no offer, promotion, solicitation for

sales or sale of or for, as the case may be, any Scheme Consideration in the PRC will be made, except where permitted by the China Securities Regulatory Commission or where the activity otherwise is permitted under the laws of the PRC.

Singapore

- (j) This Explanatory Statement has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Explanatory Statement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of New Notes may not be circulated or distributed, nor may New Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than:
 - (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA,
 - (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or
 - (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where New Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the New Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor, or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;

- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

British Virgin Islands

- (k) This Explanatory Statement has not been and will not be registered with the British Virgin Islands Financial Services Commission. No security is or shall be offered to the public in the British Virgin Islands for purchase or subscription for the purposes of the Securities and Investment Banking Act, 2010.

4 LETTER FROM THE BOARD TO THE SCHEME CREDITORS

1 November 2019

Dear Scheme Creditor,

Introduction

- 4.1 The Board writes to you in your capacity as a person who is, or appears to be, a Scheme Creditor.
- 4.2 This letter forms part of the Explanatory Statement for the Schemes proposed by the Company as part of the Restructuring, the details of which are explained below. Please note that the information in this letter is not intended to be exhaustive or complete. Scheme Creditors should read the Explanatory Statement as a whole, in conjunction with the documents that accompany it (including the Account Holder Letter and the Notice of Claim).
- 4.3 Defined terms used in this letter are included in Appendix 1 (*Definitions and Interpretation*).

The Purpose of the Explanatory Statement

- 4.4 The Board has been exploring various ways to improve the financial position of the Group and secure the future of its business.
- 4.5 Following extensive negotiations with its creditors, the Board has now come to a decision that the Restructuring is in the best interests of the Company and those with an economic interest in the Group (including, in particular, the Scheme Creditors). The Explanatory Statement explains why the Board believes this to be the case.
- 4.6 It is proposed that the implementation of the Restructuring will involve (among other things):
 - (a) the implementation of the Hong Kong Scheme, being a court approved scheme of arrangement in Hong Kong for the Company pursuant to sections 670 to 674 of the Companies Ordinance; and
 - (b) the implementation of the Bermuda Scheme, being a court approved scheme of arrangement in Bermuda for the Company pursuant to section 99 of the Companies Act.
- 4.7 The Explanatory Statement, which is provided to you pursuant to section 671 of the Companies Ordinance and section 100 of the Companies Act, is distributed for the purpose of providing Scheme Creditors with all the information reasonably necessary to enable them to make an informed decision on whether or not to approve the Schemes. A short explanation of the reasons for the Restructuring and the proposed Schemes is included below, as part of this letter.
- 4.8 Admiralty Harbour is acting as financial adviser and Kirkland & Ellis and Zuill & Co. (in exclusive association with Harneys) are acting as legal advisers to the Company in relation to the Schemes and the Restructuring.

Background to the Group

- 4.9 The Company was incorporated in Bermuda under the Companies Act as an exempted company with limited liability on 24 October 2003 under the name “China Singyes Holding Limited”. On 28 May 2008, it changed its name to “China Singyes Green Building Engineering Limited” and on 15 August 2008, it further changed its name to its current name. The Company was registered as a non-Hong Kong Company under the former Part XI of the former Companies Ordinance (Cap. 32) on 29 August 2008. It has been listed on the HKEx with stock code 750 since 13 January 2009.
- 4.10 The Company is the ultimate holding company of the Group and its subsidiaries operate businesses in Hong Kong, Macau and the PRC. A chart depicting the organizational and capital structure of the Group as of the date of this Explanatory Statement and a chart depicting the intended organisational and capital structure of the Group following completion of the Restructuring are set out in Appendix 6 (*Group Structure Charts*).
- 4.11 The Group is focused on the renewable energy business. It engages in the design, fabrication and installation of curtain wall, green building and solar projects such as Building Integrated Photovoltaic System (“**BIPV System**”), roof top solar system and ground mounted solar systems. The BIPV System involves (i) the integration of photovoltaic technology into the architectural design of buildings and structure; and (ii) conversion of solar energy into electricity for use. The Group also engages in the manufacturing and sale of renewable energy goods such as smart grid systems and solar thermal systems.

Overview of the Restructuring

- 4.12 From June 2018, the Group experienced a series of events which led to serious deterioration in its financial condition, including the Company defaulting on its onshore and offshore debt obligations. An overview of the indebtedness of the Group including summary of the Notes is set out in Section 10 (*Overview of the Group’s Indebtedness and Management*).
- 4.13 In an effort to enable it to satisfy certain of its offshore liabilities when they matured on or around October 2018 (including the 2018 Notes), the Company entered into discussions with DB regarding potential new financings and entered into the Term Sheets with DB in August 2018. However, the new financings anticipated by the Term Sheets were ultimately unsuccessful and as a result of this and the other events stated above, the Company was unable to redeem the 2018 Notes when they fell due for redemption on 17 October 2018, which resulted in an event of default in respect of the 2018 Notes and which, in turn, triggered cross defaults under the CB Trust Deed and the 2019 Indenture.
- 4.14 By November 2018, the Company was in discussions with the Committee for the purpose of formulating and negotiating the terms of a comprehensive restructuring of the Notes. The Company also engaged in discussions with potential white-knight investors who could inject additional funds into the Company and provide an enhanced return to its creditors.

- 4.15 As a result of discussions with the Committee and potential white-knight investors, the Company subsequently entered into:
- (a) the Subscription Agreement with the Subscriber (who is an indirect non-wholly owned subsidiary of Shuifa Energy Group Limited (水發能源集團有限公司)) and certain major shareholders of the Company as guarantors regarding the subscription for new ordinary shares in the capital of the Company; and
 - (b) the RSA with certain Scheme Creditors on 19 July 2019. The RSA Term Sheet contains detailed terms for a Restructuring of the Notes through the Schemes. The RSA further provides that Noteholders who accede to the RSA prior to the Notes Consent Fee Deadline may be eligible to receive a Consent Fee if, among other conditions, they also vote in favour of the Schemes at the Scheme Meeting.
- 4.16 On 8 August 2019, DB presented a petition for the winding up of the Company in the Hong Kong Court for an alleged debt of US\$6,269,649.25 in respect of amounts which DB alleges it is entitled to recover from the Company under the Term Sheets and accrued interest on the same. The Company disputes the allegation that it is indebted to DB (or any other person) pursuant to the Term Sheets and intends to vigorously defend the petition. However, the Company is (without prejudice to its contention that no DB Claims exist against it) prepared to treat the DB Claims as Scheme Claims and offer equivalent consideration to the DB Creditors (if any) as it is offering to the holders of Existing Debt Securities, in the event that any DB Creditor submits a Notice of Claim and its DB Claim (or part thereof) is adjudicated and admitted in accordance with the applicable process provided for in the Schemes. Details of the petition are set out in more detail in Section 10 (*Overview of the Group's Indebtedness and Management*) — *Petition presented by DB*.
- 4.17 The Restructuring therefore comprises:
- (a) **the Subscription:** pursuant to which the Company proposes to issue new Shares to the Subscriber for total consideration of approximately HK\$1,552 million in aggregate; and
 - (b) **the Debt Restructuring:** pursuant to which the obligations of the Company and, when applicable, the Subsidiary Guarantors under and in connection with the Note Documents and the Term Sheets will be subject to a compromise and arrangement effected by the Schemes.
- 4.18 The background to the Restructuring and terms of the RSA are set out in more detail in Section 5 (*Background to the Schemes and the Restructuring*).

Effect of the Restructuring (including the Schemes)

- 4.19 On the Restructuring Effective Date and conditional on the completion of each of the steps outlined in Clause 7.2 of the Schemes, by reason of the terms of the Schemes:
- (a) the Notes will be cancelled and discharged and the respective rights and obligations of the Notes Scheme Creditors (including, for the avoidance of doubt, any Person that acquires an interest in the Notes after the Record Time),

the Company, the Subsidiary Guarantors and the Notes Trustee towards one another under the Note Documents will terminate and be of no further force and effect; and

- (b) all rights and obligations of the DB Creditors (including, for the avoidance of doubt, any Person that acquires an interest in any DB Claim after the Record Time) and the Company towards one another in respect of the DB Claims will be cancelled and discharged and the Term Sheets and any other documents pursuant to which such rights and obligations were constituted will terminate and be of no further force and effect.

- 4.20 The Schemes will affect the rights of the Company, the Subsidiary Guarantors and the Scheme Creditors only. Certain other parties will also receive the benefit of certain releases given under, and in connection with the Schemes.
- 4.21 Excluded Liabilities shall not be subject to the arrangement and compromise effected by the Schemes.
- 4.22 The Board believes that, as part of the Restructuring, the successful implementation of the Schemes will reduce the debt burden of the Group, leaving it with a sustainable capital structure that will allow the Company and its subsidiaries to comply with their post-restructuring obligations and liabilities and to trade on a going concern basis.
- 4.23 An overview of the Schemes are set out in Section 6 (*Overview of the Schemes*).

Scheme Consideration

- 4.24 The Company will pay to each Noteholder who submits a duly completed Part 1 of the Account Holder Letter in respect of its Notes Claims to the Information Agent prior to the Record Time a portion of the Notes Cash Consideration that reflects the same proportion of the Notes Cash Consideration as the proportion that the amount of that Noteholder's Accepted Claim bears to the Total Notes Claims Amount.
- 4.25 In addition, each Eligible Creditor who is a Noteholder will receive a portion of the Noteholder New Notes that reflects the same proportion of the Noteholder New Notes as the proportion the amount of such Eligible Creditor's Accepted Claim bears to the Total Notes Claims Amount.
- 4.26 The Company will pay to each DB Creditor who submits a duly completed Part 1 of the Notice of Claim in respect of its DB Claims to the Information Agent prior to the Record Time a portion of the DB Cash Consideration that reflects the same proportion of the DB Cash Consideration as the proportion the amount of that DB Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all DB Creditors.
- 4.27 In addition, each Eligible Creditor who is a DB Creditor will receive a portion of the DB New Notes that reflects the same proportion of the DB New Notes as the proportion that the amount of such Eligible Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all DB Creditors at the Record Time.
- 4.28 Eligible Consenting Notes Creditors and DB Consenting Creditors will also be entitled to a Consent Fee.

- 4.29 The terms of the New Notes are summarized in paragraph 9.2 in Section 9 (*Summary Terms of the New Notes*).

Inter-conditionality of the Subscription and the Debt Restructuring

- 4.30 The Cash Consideration to be distributed to the Scheme Creditors under the terms of the Schemes is to be funded by the proceeds of the Subscription. The Company has no other source of available cash with which to pay the Cash Consideration.
- 4.31 The Subscription and the Debt Restructuring are therefore inter-conditional. Specifically, the occurrence of the Restructuring Effective Date will be conditional on the completion of Subscription and the receipt of the proceeds thereof.
- 4.32 The Subscriber has agreed to make the Subscription pursuant to Subscription Agreement. However, the Subscriber's agreement thereunder to subscribe for the Subscription Shares is subject to a number of material conditions, which must be fulfilled (or otherwise waived) before their commitment becomes unconditional and fully binding. If any of these conditions cannot be satisfied, it is highly likely that the Restructuring will fail.
- 4.33 A summary of the background to and terms of the Subscription is set out in Section 7 (*Overview of the Subscription*) to this Explanatory Statement.

What happens if the Restructuring fails?

- 4.34 The maturity date in respect of each of the Notes has already passed. As such, the principal amount of the Notes is currently due for repayment. The Board believes that, should the Restructuring not proceed, the Company will be unable to comply with its obligations under the Indentures and the CB Trust Deed, principally being the repayment of the outstanding principal amount of the Notes with accrued and unpaid interests.
- 4.35 The Board considers that, if the Restructuring were not to be successfully implemented, the possibility of successfully implementing an alternative financial restructuring would be very unlikely, given the time and cost of negotiating the Restructuring and the fact that all the Notes are currently due for repayment.
- 4.36 Accordingly, the Board believes there is a material risk that certain of the Scheme Creditors as well as onshore and offshore lenders will pursue enforcement actions against the Company and/or the Subsidiary Guarantors and/or any other subsidiaries of the Company in respect of their outstanding obligations. In that event, the Board thinks that it is likely they would be required to make, or cause the Company to make, an application to the Bermuda Court and/or the Hong Kong Court or courts in other relevant jurisdictions as applicable to place the Company and/or certain other members of the Group into liquidation or other appropriate Insolvency Proceedings to facilitate an orderly winding up and realisation of their assets for the benefit of the creditors of the Company and/or the relevant members of the Group.
- 4.37 As such, the Board believes it is appropriate to conclude that an insolvent liquidation of the Company is the most likely alternative outcome if the Restructuring does not proceed.

- 4.38 The cash and balance sheet position in such scenario is described in the Recovery Analysis at Appendix 7 (*Recovery Analysis*). Based on the Recovery Analysis, the returns to a Noteholder under the terms of the Schemes is estimated to be between approximately 98% and 100%, and as an unsecured creditor upon an insolvent liquidation of the Company, the return is approximately 17%.
- 4.39 Based on the above, the Board believes that the Schemes offer the Scheme Creditors the best prospects of allowing the Group to continue carry on its business as a going concern and of obtaining any reasonable recovery in light of the potential economic consequences of insolvency.

The Effects of the Schemes on Directors' Interests

- 4.40 The interests of the Directors as at the date of this Explanatory Statement are set out in paragraphs 10.20 and 10.21 in Section 10 (*Overview of the Group's Indebtedness and Management*).

Risk Factors

- 4.41 The Group's ability to continue to operate as a going concern and service the New Notes following implementation of the Schemes is subject to certain operating and other risks with details set out in Section 11 (*Risk Factors*).

Actions to be Taken

- 4.42 The Hong Kong Court and the Bermuda Court have granted the Company permission to convene the Scheme Meeting (as one meeting at the same time and place) for the Scheme Creditors to consider and, if thought fit, approve both Schemes.
- 4.43 Scheme Creditors should refer to Section 1 (*Expected Timetable of Principal Events*) for the timing of the Scheme Meeting and refer to Section 8 (*Scheme Creditors and Actions to be Taken*) for the information on required actions to be taken.

Support of the Schemes


- 4.44 In addition to each of the other conditions, in order for the Schemes to be effective, it will be necessary, among other things, to secure the requisite support of the Scheme Creditors at the Scheme Meeting (namely, a simple majority in number of the Scheme Creditors attending and voting at the Scheme Meeting either in person or by proxy representing at least three fourths in value of the Scheme Claims of the Scheme Creditors attending and voting at the Scheme Meeting either in person or by proxy). In this regard, the Board understands that the Scheme Creditors (who collectively have an economic or beneficial interest as principal in 98.49% in principal amount of the Notes, as of the date of the Explanatory Statement) have undertaken to support the implementation of the Schemes and vote in favour of the Schemes at the Scheme Meeting.

Recommendation

- 4.45 For the reasons set out in the Explanatory Statement, the Board considers the Restructuring and the Schemes to be in the best interests of the Company and its

shareholders and creditors as a whole. Accordingly, the Board recommends that Scheme Creditors vote in favour of the Schemes at the Scheme Meeting.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'Liu Hongwei', written over a dotted line.

Liu Hongwei

Chairman

for and on behalf of China Singyes Solar Technologies Holdings Limited

5 BACKGROUND TO THE SCHEMES AND THE RESTRUCTURING

The Group's Deteriorating Financial Condition and Mitigating Actions Taken

- 5.1 From June 2018, the Group experienced a series of events which led to serious deterioration in its financial condition, including the Company defaulting on its onshore and offshore debt obligations, including (but not limited to) the Notes. These events are summarised as follows:
- (a) the solar industry in the PRC is currently facing various problems, including the reduction in subsidies provided by the PRC government to the photovoltaic industry, which has negatively impacted the profitability of photovoltaic projects;
 - (b) the tightened lending market in Hong Kong and China hindered the Group's ability to secure new financing for working capital and to refinance the 2018 Notes when they matured on 17 October 2018; and
 - (c) pursuant to the terms and conditions of its recently executed contracts of solar engineering, procurement and construction projects, the Group will only be paid after the completion of a substantial proportion of underlying projects. However, in order to complete the projects, the Group must make payments in advance for raw materials (such as solar modules and inverters), and for sub-contracting fees in respect of the construction work of the solar farms. In other words, the Group has been spending a large amount of its cash on hand yet does not expect to receive any payment until many months later.
- 5.2 In an effort to enable it to satisfy certain of its offshore liabilities when they matured on or around October 2018 (including the 2018 Notes), the Company entered into discussions with DB regarding potential new financings and entered into the Term Sheets with DB in August 2018. However, the new financings anticipated by the Term Sheets were ultimately unsuccessful and as a result of this and the other events stated above, the Company was unable to redeem the 2018 Notes when they fell due for redemption on 17 October 2018, which resulted in an event of default in respect of the 2018 Notes, which in turn triggered cross defaults under the CB Trust Deed and the 2019 Indenture. The foregoing defaults also triggered cross-defaults under the following loans:
- (a) RMB207.9 million of loans outside the PRC; and
 - (b) RMB782.4 million of loans in the PRC.
- 5.3 The Company, together with its advisers, explored various options to refinance the indebtedness of the Company including through raising funds by issuance of new shares in the Company or new bonds to one or more investors. The Board also had extensive discussions with banks and other potential lenders seeking the extension of maturity dates of existing borrowings or advances of new banking facilities.
- 5.4 As part of these efforts, the Company had attempted the following equity fund raising activities in the twelve months prior to the date of this Explanatory Statement:

Date of initial announcement	Event	Intended use of proceeds	Result
11 October 2018	Proposed issue of HK\$230 million 12% convertible bonds due 2021 (the “ Proposed CB Issue ”)	Redemption, repayment or repurchase of part of the 2018 Notes	Lapsed
12 October 2018	Top-up placing of 17,800,000 shares of the Company under general mandate (the “ Top-up Placing ”)	General working capital purpose	Lapsed

- 5.5 As disclosed in the announcement of the Company dated 10 January 2019, since certain of the conditions precedent outlined in the agreements relating to the Proposed CB Issue were not fulfilled by the deadline specified therein (in particular, the Company had not maintained a cash amount of not less than US\$80.0 million in either of the designated accounts in the name of the Company), the Proposed CB Issue was terminated.
- 5.6 Having considered the defaults under the Notes and the termination of the Proposed CB Issue, the Board was of the view that the fund-raising efforts under the Top-up Placing would not be sufficient to solve the Group’s liquidity problems. In order to focus on the negotiations with the Subscriber and formulating the debt restructuring plan with the holders of the Notes, which the Board considered as the best option to rescue the Group, the Company decided not to proceed with the Top-up Placing.

The Appointment of Advisers

- 5.7 As disclosed in the Company’s announcement dated 18 October 2018, immediately subsequent to the default of the 2018 Notes, the Company has appointed Admiralty Harbour as its financial adviser and Kirkland & Ellis as its legal adviser to review its potential options and to assist the Company in its debt restructuring negotiations with the holders of the Notes. The Company, in the announcement, encouraged holders of the Notes to come forward and establish contact and initiate discussions.

Negotiations in respect of the Restructuring

- 5.8 Since October 2018, the Company, together with its financial and legal advisers has been involved in extensive negotiations and discussions with a wide range of holders of the Notes and their financial and legal advisers (including the Committee) in relation to the restructuring of the Company’s offshore liabilities. As a result of such negotiations, as announced by the Company, the RSA was entered into on 19 July 2018 between the Company and certain Scheme Creditors setting out the terms of the Restructuring.

The RSA

- 5.9 Under the terms of the RSA, the Company has undertaken to pay, on the Restructuring Effective Date, the Consent Fee to the Eligible Consenting Notes Creditors, being those Scheme Creditors who, amongst other things, acceded to the RSA on or before Notes Consent Fee Deadline.
- 5.10 The maximum amount of Consent Fee payable to the Notes Scheme Creditors is US\$8,600,000, being an amount equal to approximately 2% of the aggregate outstanding principal amount of the Notes (in aggregate, approximately US\$422.4 million by using the relevant exchange rates on 19 July 2019 which is the date of the RSA). Each Eligible Consenting Notes Creditor is entitled to a *pro rata* share of the Consent Fee, calculated by reference to the proportion that the aggregate principal amount of the Eligible Notes held by such Eligible Consenting Notes Creditor bear to the aggregate principal amount of the Eligible Notes held by all Eligible Consenting Notes Creditors as at the Notes Consent Fee Deadline (provided that, among other conditions, such Eligible Consenting Notes Creditor adheres to the terms of the RSA, including voting in favour of the Schemes at the Scheme Meeting).
- 5.11 The Company has received accession letters from Scheme Creditors holding Notes in aggregate principal amount of approximately US\$ 422.8 million (by using the relevant exchange rates on 19 July 2019 which is the date of the RSA) on the Notes, representing approximately 98.49% by value of the outstanding principal amount of the Notes and it is anticipated that all such persons will be eligible to receive their share of the Consent Fee, other than one Scheme Creditor holding Notes in aggregate principal amount of approximately US\$400,000 due to the fact that the accession letter was received after the Notes Consent Fee Deadline.
- 5.12 The RSA provides that, until the RSA is terminated, each Scheme Creditor who has acceded to the RSA will:
- (a) use best endeavours to facilitate the effectiveness of the Hong Kong Scheme, the Bermuda Scheme, and the full implementation of the Restructuring;
 - (b) take all actions as are necessary to:
 - (i) cause its Account Holder to submit to the Information Agent a completed Account Holder Letter in respect of its Notes;
 - (ii) attend the relevant Scheme Meeting either in person or by proxy;
 - (iii) vote (and deliver within any applicable time periods any proxies, instructions, discretions, or consents) in respect of its Notes in favour of each Scheme;
 - (c) negotiate and finalise (as applicable), in each case in good faith, any and all documents required to implement the Restructuring, provided that they are consistent in all material respects with the terms set out in the RSA Term Sheet.
- 5.13 The RSA also imposes certain restrictions on the actions of the Scheme Creditors who have acceded to the RSA. In particular, it provides that, until the RSA is terminated, such Scheme Creditor shall not:

- (a) take any enforcement action or any action or commence any Proceedings or Claims, whether directly or indirectly, to interfere with the implementation of the Restructuring and/or the Schemes;
- (b) object to any Scheme or any application to the relevant court in respect thereof or otherwise commence any Proceeding to oppose or alter any document filed by the Company in connection with the implementation of the Restructuring (except to the extent that such document is materially inconsistent with the terms set out in the RSA Term Sheet);
- (c) take any actions inconsistent with, or that would, or are intended to, or would be likely to delay approval or confirmation of the Restructuring or any related documents (except to the extent that the Restructuring and any related documents are materially inconsistent with the terms set out in the RSA Term Sheet);
- (d) formulate, encourage, procure, or otherwise support any alternative proposal or alternate offer for the implementation of the Restructuring or to otherwise engage in any such discussions or take any action that would delay or impede any approvals for the Restructuring;
- (e) sell, transfer, or otherwise dispose of any interest in its Notes to, or in favour of, any person unless that person also accedes to the RSA.

5.14 The RSA provides that, until the RSA is terminated, the Company shall:

- (a) implement (and procure that the other Subsidiary Guarantors implement) the Restructuring and the Schemes in the manner envisaged by, and on the terms and conditions set out in, the RSA and the RSA Term Sheet;
- (b) negotiate and finalise (as applicable), in each case in good faith, any and all documents required to implement the Restructuring, provided that they are consistent in all material respects with the terms set out in the RSA Term Sheet;
- (c) use best endeavours to facilitate the effectiveness of the Hong Kong Scheme, the Bermuda Scheme, and the full implementation of the Restructuring;
- (d) use best endeavours to obtain any necessary regulatory or statutory approvals required to permit or facilitate the Restructuring;
- (e) obtain (and procure that the other Subsidiary Guarantors obtain) all corporate and regulatory approvals necessary to implement the Schemes in the manner envisaged by, and on the terms and conditions set out in, the RSA and the RSA Term Sheet;
- (f) use reasonable endeavours to procure the resumption of trading in its shares on the HKEx by 31 December 2019;
- (g) prior to the Record Time, cancel (or procure the cancellation) of any Notes that it or any member of the Group has a beneficial interest in; and

- (h) keep the Scheme Creditors who have acceded to the RSA reasonably informed in relation to the status and progress of the Restructuring.
- 5.15 The RSA will terminate immediately upon the occurrence of any of the following events:
- (a) either Schemes not being approved by the requisite majorities of Scheme Creditors at the relevant Scheme Meeting (provided, however, that such automatic termination shall not occur if such Scheme Meeting is adjourned to a date falling within 60 days of the date of the initial Scheme Meeting and the Schemes are approved at such adjourned Scheme Meeting by the requisite majorities of Scheme Creditors);
 - (b) either the Hong Kong Court or the Bermuda Court declines to grant the Court Orders at the hearing of the relevant Court convened for such purpose, the Company have exhausted all avenues of appeal, and there being no reasonable prospect of the Restructuring being effected;
 - (c) the completion of the Debt Restructuring and the Subscription (being the Restructuring Effective Date); or
 - (d) the occurrence of the Longstop Date (being 31 December 2019, unless extended in accordance with the terms of the RSA).
- 5.16 The RSA may also be terminated:
- (a) by mutual agreement of the Company and the Super Majority Consenting Creditors;
 - (b) in respect of a Consenting Scheme Creditor, if that Consenting Scheme Creditor transfers or otherwise disposes of all of its interests in the Notes (in accordance with the terms of the RSA):
 - (c) at the election of the Company, in respect of a Consenting Scheme Creditor, if that Consenting Scheme Creditor does not comply with the terms of the RSA in any material respect and the Company delivers a notice of termination to such Consenting Scheme Creditor (unless the failure to comply is capable of remedy and is remedied within ten (10) Business Days of delivery of such notice of termination by the Company);
 - (d) at the election of the Super Majority Consenting Creditors by delivery of a notice of termination to the Company:
 - (i) following the commencement of an Insolvency Event (as such term is defined in the RSA) (other than the Schemes) in respect of the Company or any Subsidiary Guarantor and the Super Majority Consenting Creditors determine (acting reasonably) that there is no reasonable prospect of the Restructuring being effected;
 - (ii) if the Company proposes a Scheme that is materially inconsistent with the terms set out in the RSA Term Sheet;

- (iii) upon the relevant Court rejecting the Company's application to convening a Scheme Meeting in circumstances where there is no reasonable prospect of the Restructuring being effected and the Company has exhausted all avenues of appeal;
- (iv) if that Company does not comply with the terms of the RSA in any material respect and the Super Majority Consenting Creditors deliver a notice of termination to the Company (unless the failure to comply is capable of remedy and is remedied within ten (10) Business Days of delivery of such notice of termination by the Super Majority Consenting Creditors);
- (v) if a Change of Control (as defined in the Indentures and the CB Trust Deed) occurs other than as contemplated under the Restructuring; or
- (vi) if the Subscription Agreement is terminated.

5.17 The above is a summary only of the principal terms of the RSA made available to the Scheme Creditors.

Maturity Extension of Certain Onshore Loans

5.18 The Company was successful in negotiating with certain onshore lenders to extend the maturity of certain onshore loans, which include the loans under which a cross-default was triggered by the Company's default under the Note Documents. In summary:

- (a) an aggregate amount of approximately RMB826,719,000 of loans have been conditionally extended to 17 April 2020; and
- (b) an aggregate amount of approximately RMB718,387,000 of loans have been conditionally extended to 21 May 2021.

5.19 The above maturity extension is subject to certain conditions, which include the Subscriber becoming a guarantor of these onshore loans within 30 days from the completion of the Subscription.

Maturity Extension of Certain Offshore Loans

5.20 As to the loans outside China under which a cross-default was triggered by the default under the Note Documents, the Company is having ongoing dialogues with the relevant lenders to restructure these loans. As of the date of this Explanatory Statement, the Company has entered into agreements to extend maturity or reached repayment agreements with lenders holding an aggregate principal amount of approximately HK\$200,000,000 of loans.

6 OVERVIEW OF THE SCHEMES

What is a Scheme of Arrangement?

- 6.1 A scheme of arrangement enables a company to agree with its creditors, or one or more classes of its creditors, a compromise or arrangement in respect of its debts or obligations owed to those creditors. The Courts will consider whether it is appropriate to convene meetings of classes of creditors and, if so, the composition of the classes necessary so as to ensure that each meeting consists of creditors whose rights against the Company which are to be released are not so dissimilar as to make it impossible for them to consult together with a view to their common interest.
- 6.2 In Hong Kong a scheme of arrangement requires the following to occur in order to become legally binding:
- (a) the calling of a meeting of the Company's creditors or meetings of classes of its creditors in accordance with directions given by the Hong Kong Court;
 - (b) at each meeting of creditors, obtaining the approval of a majority in number present and voting at the meeting in person or by proxy, representing at least 75% in value of the relevant creditors of the Company present and voting at the meeting in person or by proxy;
 - (c) the approval of the Hong Kong Court by the making of an order sanctioning the scheme of arrangement; and
 - (d) the registration of an office copy of the Hong Kong Sanction Order by the Hong Kong Registrar of Companies.
- 6.3 In Bermuda, a scheme of arrangement requires the following to occur in order to become legally binding:
- (a) the calling of a meeting of the Company's creditors or meetings of classes of its creditors in accordance with directions given by the Bermuda Court;
 - (b) at each meeting of creditors, obtaining the approval of a majority in number present and voting at the meeting in person or by proxy, representing at least 75% in value of the relevant creditors of the Company present and voting at the meeting in person or by proxy;
 - (c) the approval of the Bermuda Court by the making of an order sanctioning the scheme of arrangement; and
 - (d) the delivery of an office copy of the sealed Bermuda Sanction Order to the Bermuda Registrar of Companies.
- 6.4 A scheme of arrangement will not be sanctioned by the Hong Kong Court and/or the Bermuda Court unless the relevant court is satisfied, among other things, that:
- (a) the scheme of arrangement is, in all circumstances, fair and reasonable and the classes of creditors voting in respect of the scheme of arrangement have been properly constituted,

- (b) the provisions of the applicable statute have been complied with;
- (c) each class was fairly represented by those who attended the meeting and the statutory majority are acting *bona fide* and are not coercing the minority in order to promote interests adverse to those of the class whom they purport to represent; and
- (d) the arrangement is such as an intelligent and honest man, being a member of the class concerned and acting in respect of his interest, might reasonably approve.

Structure of the Schemes

- 6.5 The Schemes are proposed in order to implement a compromise and arrangement in respect of the Note Documents and the Term Sheets.
- 6.6 The Schemes are inter-conditional *i.e.* the effectiveness of the Hong Kong Scheme is conditional on the sanctioning of the Bermuda Scheme by the Bermuda Court and delivery of the Bermuda Sanction Order to the Bermuda Registrar of Companies and the effectiveness of the Bermuda Scheme is conditional on the sanctioning of the Hong Kong Scheme by the Hong Kong Court and registration of the Hong Kong Sanction Order by the Hong Kong Registrar of Companies. A list of conditions to each of the Hong Kong Scheme and the Bermuda Scheme is set out in Part D (*Conditions to the Scheme*) of Appendix 2 (*Hong Kong Scheme*) and Appendix 3 (*Bermuda Scheme*), respectively.

The Scheme Meeting

- 6.7 The Schemes will proceed on the basis that Scheme Creditors constitute a single class of creditors of the Company. The Company has obtained orders from the Hong Kong Court and the Bermuda Court granting permission to convene a single meeting of the Scheme Creditors to consider and vote on the Schemes.
- 6.8 The Scheme Meeting will be held at the office of Kirkland & Ellis at 26th Floor, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong, with any adjournment as may be appropriate, at 7:00 p.m. on 25 November 2019 (Hong Kong time) / 7:00 a.m. on 25 November 2019 (Bermuda time). Notice of the Scheme Meeting is included at Appendix 4 (*Notice of Scheme Meeting*).
- 6.9 Scheme Creditors will be able to attend in person or, if a corporation, by authorised representative or by proxy. Scheme Creditors in Bermuda will be able to dial into the Scheme Meeting via telephone conference at the office of Zuill & Co, Continental Building, 25 Church Street, Hamilton, Bermuda HM 12.
- 6.10 The Scheme Meeting will be chaired by Ms. Wenchen Tang of Kirkland & Ellis or, failing her, Mr. Damien Coles of Kirkland & Ellis or, failing him, Mr. Alec Tracy of Admiralty Harbour (the "**Chairperson**").

Voting

- 6.11 The majority required to approve the Schemes is the approval of a simple majority in number of the Scheme Creditors attending and voting at the Scheme Meeting either in person or by proxy ("**majority in number**") representing at least three fourths in value

of the Scheme Claims of the Scheme Creditors attending and voting at the Scheme Meeting either in person or by proxy (“**majority in value**”). The Scheme Creditors attending and voting at the Scheme Meeting (in person or by proxy) will be counted for the “majority in number” requirement, and the principal amount of the Scheme Claims of the Scheme Creditors attending and voting at the Scheme Meeting (in person or by proxy) will be counted for the “majority in value” requirement.

- 6.12 To vote at the Scheme Meeting, Scheme Creditors will be required to submit an Account Holder Letter or a Notice of Claim, as applicable, which is included in Appendix 5 (*Solicitation Packet*).
- 6.13 The Scheme Creditors may cast votes attributable to their interests in the Scheme Claims either in person or by proxy at the Scheme Meeting. Every Scheme Creditor whose vote is validly cast in person or by proxy at the Scheme Meeting shall have one (1) vote for every US\$1 of its Scheme Claim (rounded down to the nearest US\$1) as calculated as follows:
- (a) votes of Noteholders will be admitted at the Scheme Meeting at a value equal to the sum of: (i) outstanding principal amount of the Notes in which each Noteholder held an economic or beneficial interest as principal at the Record Time (without double counting); and (ii) all accrued and unpaid interest relating to such Notes up to but excluding the Record Date. This is subject to the Information Agent verifying such principal amount against the information provided by the Clearing System through which that Noteholder holds its interest in the Notes at the Record Time; and
 - (b) votes of DB Creditors will be admitted at the Scheme Meeting at a value equal to the amount of their DB Claims plus accrued interest thereon (if any) at the Record Time.
- 6.14 If a Scheme Claim is unascertained, contingent or Disputed, the Chairperson may admit the Scheme Claim for voting purposes at the Scheme Meeting only at a value which the Chairperson considers is a fair and reasonable assessment of the sums owed by the Company in respect of that Scheme Claim.
- 6.15 The amount of a Scheme Claim which is accepted by the Chairperson for voting purposes is not indicative of whether that Scheme Claim will be Accepted by the Company (or if applicable, by the Adjudicator) for the purposes of determining entitlement to Scheme Consideration. The Company (or, if applicable, the Adjudicator) will determine whether to Accept a Scheme Claim and for the purposes of determining entitlement to Scheme Consideration, Scheme Claims will be assessed as at the Record Time and will include interest (if any) which may have accrued in favour of a Scheme Creditor up to but excluding the Restructuring Effective Date.
- 6.16 The Chairperson of the Scheme Meeting will collate the votes from each Scheme Creditor and will add the votes during the Scheme Meeting. The Chairperson will be responsible for counting the votes. The Chairperson shall then report to the Scheme Creditors as to whether the Schemes have been approved.
- 6.17 Subject to any inherent jurisdiction of the Courts, the decision of the Chairperson of the Scheme Meeting as to the admission of votes at that meeting shall be final and binding

to the fullest extent permitted by law for the purposes of, and in relation to the proceedings at, the Scheme Meeting.

- 6.18 The Notes Trustee has undertaken not to vote in respect of the Notes at the Scheme Meeting.

Assignments and Transfers

- 6.19 Neither the Company nor the Information Agent shall be under any obligation to recognise any sale, assignment or transfer of any Scheme Claim after the Record Time for the purposes of determining entitlement to attend and vote at the Scheme Meeting, provided that the Company and the Adjudicator, if applicable, may (in its sole discretion and subject to the production of such other evidence as it may reasonably require) recognise such sale, assignment or transfer for the purposes of determining entitlements to the Scheme Consideration. A transferee of Scheme Claims after the Record Time will, however, be bound by the terms of the Schemes in the event that they become effective.

Sanction Hearings and Registration of the Court Orders

- 6.20 If the requisite majorities of the Scheme Creditors vote to approve the Schemes at the Scheme Meeting, hearings will be required before the Hong Kong Court and the Bermuda Court to determine whether to sanction the Schemes.
- 6.21 Any Scheme Creditor is entitled (but not obliged) to attend these hearings to support or oppose the sanction of the Schemes.
- 6.22 The Hong Kong Court Sanction Hearing is expected to take place at 10:00 a.m. on 5 December 2019 (Hong Kong time) at the Hong Kong Court. The Bermuda Court Sanction Hearing is expected to take place at 9:30 a.m. on 4 December 2019 (Bermuda time) at the Bermuda Court.
- 6.23 Upon:
- (a) the registration of an office copy of the Hong Kong Sanction Order by the Hong Kong Registrar of Companies; and
 - (b) the delivery of an office copy of the sealed Bermuda Sanction Order to the Bermuda Registrar of Companies for registration,

the Scheme Effective Date will occur and the Schemes will become effective and bind all Scheme Creditors, including those creditors who voted in favour of the relevant Schemes, those creditors who voted against them, and those creditors who did not vote at all.

Effect of the Schemes

- 6.24 On the Restructuring Effective Date, all of the rights, title and interest of Scheme Creditors in respect of:
- (a) Scheme Claims; and

- (b) Claims against the Subsidiary Guarantors arising directly or indirectly out of, in relation to and/or in connection with the Note Documents;

whether before, at or after the Record Time shall be subject to each of the arrangements and compromises set out in the Schemes.

6.25 On the Restructuring Effective Date:

- (a) to the extent not already completed prior to the Restructuring Effective Date, the Company shall receive the Subscription Proceeds in exchange for the issuance of the Subscription Shares;
- (b) the Company shall pay the Consent Fee to:
 - (i) each Eligible Consenting Notes Creditor by way of transfer to the Clearing System cash account (which must be the cash account linked to the securities account in which the Notes to which that Eligible Consenting Notes Creditor was entitled at the Record Time were held) as designated in the Account Holder Letter submitted by or on behalf of that Eligible Consenting Notes Creditor; and
 - (ii) each DB Consenting Creditor by way of transfer to the Clearing System cash account linked to the Clearing System securities account designated by that DB Consenting Creditor in the Notice of Claim submitted by or on behalf of that DB Creditor as the account to which the New Notes to which it is entitled should be credited;
- (c) the Company shall pay to each Noteholder who submits a duly completed Part 1 of the Account Holder Letter in respect of its Notes Claims to the Information Agent prior to the Record Time a portion of the Notes Cash Consideration that reflects the same proportion of the Notes Cash Consideration as the proportion that the amount of that Noteholder's Accepted Claim bears to the Total Notes Claims Amount, by way of transfer to the Clearing System cash account of that Noteholder (which must be the cash account linked to the securities account to which the Notes to which that Noteholder was entitled at the Record Time were held) as designated in the Account Holder Letter submitted by or on behalf of that Noteholder;
- (d) the Company shall pay to each DB Creditor who submits a duly completed Part 1 of the Notice of Claim in respect of its DB Claims to the Information Agent prior to the Record Time a portion of the DB Cash Consideration that reflects the same proportion of the DB Cash Consideration as the proportion that the amount of that DB Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all DB Creditors at the Record Time, by way of transfer to the Clearing System cash account linked to the Clearing System securities account designated by that DB Creditor in the Notice of Claim submitted by or on behalf of that DB Creditor as the account to which the New Notes to which it is entitled should be credited;
- (e) the New Notes Indenture will be executed and delivered by the parties thereto and the Company shall:

- (i) ensure that the New Global Notes are executed and delivered to the New Depositary and interests in the New Global Notes are credited in the relevant amounts to the accounts in the Clearing Systems designated by the Eligible Creditors in their Account Holder Letters or Notices of Claim, as applicable, such that:
 - (A) each Eligible Creditor who is a Noteholder receives a portion of the Noteholder New Notes that reflects the same proportion of the Noteholder New Notes as the proportion that the amount of that Eligible Creditor's Accepted Claim bears to the Total Notes Claims Amount; and
 - (B) each Eligible Creditor who is a DB Creditor receives a portion of the DB New Notes that reflects the same proportion of the DB New Notes as the proportion that the amount of that Eligible Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all DB Creditors at the Record Time;
 but provided that:
 - (C) interests in the New Notes will be credited in minimum denominations of US\$150,000 and integral multiples of US\$1 in excess thereof;
 - (D) no fraction of New Notes will be issued;
 - (E) entitlements of Eligible Creditors to New Notes will be rounded down to the nearest US\$1 increment of New Notes (in excess of US\$150,000);
 - (F) no cash adjustment will be payable as a result of the rounding down described in the immediately preceding paragraph;
 - (G) the interests in the New Global Notes to which a Noteholder is entitled under the terms of the Schemes will be credited to the Clearing System account in which that Noteholder held its interests in the Notes at the Record Time; and
 - (H) the interests in the New Global Notes to which a DB Creditor is entitled under the terms of the Schemes will be credited to the Clearing System account designated for such purpose by that DB Creditor in its Notice of Claim; and
- (ii) give all such instructions as are required to be given by it to the New Notes Trustee and/or the New Depositary for this purpose;
- (f) all Residual New Notes and Residual Cash Consideration shall be transferred to the securities accounts designated by the Holding Period Trustee and the Holding Period Trustee shall enter into the Holding Period Trust Deed pursuant to which it will hold the Residual New Notes and Residual Cash Consideration on trust for the Ineligible Creditors who are Noteholders in accordance with the terms of the Holding Period Trust Deed; and

- (g) to the extent not already completed prior to the Restructuring Effective Date, the Company shall pay all fees, costs and expenses of all of the Advisers, the Information Agent, the Holding Period Trustee, the Notes Trustee and its counsel, the New Notes Trustee and its counsel, pursuant to the terms agreed between the Company and the relevant party that have been duly invoiced by no later than five (5) Business Days before the Restructuring Effective Date (or such later date as may be agreed by the Company with the relevant party or parties).
- 6.26 On the Restructuring Effective Date and conditional on completion of each of the steps outlined in paragraph 6.2 above:
- (a) the Company shall ensure that the Global Notes representing the Notes are cancelled by the Depositary and shall give all such instructions as are required to be given by it to the Notes Trustee and/or the Depositary for such purpose;
 - (b) the Company shall, for and on behalf of each Scheme Creditor, execute the Deeds of Release;
 - (c) the respective rights and obligations of the Notes Scheme Creditors (including, for the avoidance of doubt, any Person that acquires an interest in the Notes after the Record Time), the Company, the Subsidiary Guarantors and the Notes Trustee towards one another under the Note Documents will terminate; and
 - (d) the respective rights and obligations of the DB Creditors (including, for the avoidance of doubt, any Person that acquires an interest in the DB Claims after the Record Time) and the Company towards one another under the Term Sheets will terminate.
- 6.27 On the Holding Period Expiry Date, each Ineligible Creditor who is a Noteholder and who establishes its entitlement to its share of the Trust Assets in accordance with the terms of the Holding Period Trust Deed will receive:
- (a) to the extent such Ineligible Creditor has not previously received its portion of the Notes Cash Consideration, the same proportion of the Residual Cash Consideration as the proportion that the amount of that Ineligible Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all Ineligible Creditors who are Noteholders and have not received their portion of the Notes Cash Consideration at the Restructuring Effective Date; and
 - (b) the same proportion of the Residual New Notes as the proportion that the amount of that Ineligible Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all Ineligible Creditors who are Noteholders.
- 6.28 On the Holding Period Expiry Date, the Company will receive the Remaining Cash Consideration and the Remaining New Notes and shall hold such Remaining Cash Consideration and Remaining New Notes on trust for the benefit of all Noteholders that are Ineligible Creditors which have a Scheme Claim that is subject to adjudication pursuant to the Adjudication Procedure until such time as the relevant Scheme Claim has been extinguished in accordance with the terms hereof and all Scheme Consideration payable to the relevant Scheme Creditor has been distributed to it

- 6.29 On the Holding Period Expiry Date, the Company shall pay to each Ineligible Creditor who is a DB Creditor and who submits a duly completed Part 1 of the Notice of Claim in respect of its DB Claim prior to the Bar Time a portion of the DB Cash Consideration that reflects the same proportion of the DB Cash Consideration as the proportion that the amount of that Ineligible Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all DB Creditors by way of transfer to the Clearing System cash account designated by that Ineligible Creditor in the Notice of Claim submitted by or on behalf of that Ineligible Creditor.
- 6.30 On the Holding Period Expiry Date, the Company shall issue or transfer (as applicable) to each Ineligible Creditor who is a DB Creditor and who submits a duly completed Part 1 of the Notice of Claim in respect of its DB Claims, and a Distribution Confirmation Deed and, if applicable, Designated Recipient Form to the Information Agent to the Information Agent prior to the Bar Time a portion of the DB New Notes that reflects the same proportion of the DB New Notes as the proportion that the amount of that Ineligible Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all DB Creditors by way of transfer to the Clearing System accounts designated by that Ineligible Creditor in the Notice of Claim submitted by or on behalf of that Ineligible Creditor.
- 6.31 Subject to Clause 19.10 of Appendix 2 (*Hong Kong Scheme*) and Appendix 3 (*Bermuda Scheme*), if an Ineligible Creditor who is a:
- (a) Noteholder fails to establish its entitlement to the Trust Assets in accordance with the terms of the Holding Period Trust Deed prior to the Bar Time; or
 - (b) DB Creditor fails to submit the duly completed Notice of Claim to the Information Agent prior to the Bar Time;

that Ineligible Creditor's rights under the Schemes shall be extinguished and that Ineligible Creditor shall not be entitled to receive Scheme Consideration under the Schemes.

Scheme Creditor Undertakings and Releases

- 6.32 With immediate effect on and from the Restructuring Effective Date and in consideration for its entitlement to the Scheme Consideration, each Scheme Creditor gives the undertakings, releases and waivers in Clause 10 of Appendix 2 (*Hong Kong Scheme*) and Appendix 3 (*Bermuda Scheme*).
- 6.33 Among other things, with immediate effect on and from the Restructuring Effective Date, each Scheme Creditor irrevocably, unconditionally, fully and absolutely:
- (a) waives, discharges and releases all of its rights, title and interest in and to its Scheme Claims in consideration for its entitlement to receive the Scheme Consideration in accordance with the Schemes;
 - (b) waives, discharges and release any right or remedy it may have under the Note Documents and/or otherwise against any Released Person in relation to any breaches or defaults under the Note Documents and/or the Term Sheets

occurring on or before the Restructuring Effective Date or that may occur as a result of the implementation of the Schemes or the Restructuring;

- (c) waives, releases and discharges each and every Released Claim which it ever had, may have or hereafter can, shall or may have against any Released Person; and
- (d) waives, releases and discharges each and every Released Claim which it ever had, may have or hereafter can, shall or may have against each member of the Committee, the Advisers and their respective Personnel and Affiliates.

6.34 The releases, waivers and undertakings under the Schemes shall:

- (a) not prejudice or impair any rights of any Scheme Creditor created under the Schemes and/or which arise as a result of a failure by the Company or any party to the Schemes to comply with any terms of the Schemes;
- (b) not prejudice or impair any claims or causes of action of any Scheme Creditor arising from or relating to negligence or breach of fiduciary duty, fraud, dishonesty, wilful default or wilful misconduct; and
- (c) not extend to any Liability of any Adviser arising under a duty of care to its client.

Cross-Border Recognition

6.35 If the Schemes are sanctioned by the Courts and the Company considers appropriate following consultation with appropriate legal counsel, the Company may (on or after the Scheme Effective Date) make an application on behalf of the Company for a suitable order from the US Bankruptcy Court under Chapter 15 of the US Bankruptcy Code, the High Court of England and Wales under any applicable law, legal doctrine or Proceeding concerning Cross-Border Recognition, including, without limitation, under the Cross-Border Insolvency Regulations 2006, the Insolvency Act 1986 and/or the Foreign Judgments (Reciprocal Enforcement) Act 1933) and/or at common law; or under any other applicable law, legal doctrine or Proceeding concerning Cross-Border Recognition (including any other applicable, law, legal doctrine or Proceeding in the United States or England and Wales) and such other additional relief and/or assistance.

Deferred Restructuring Effective Date

6.36 For the avoidance of doubt, the Restructuring Effective Date will only occur following the satisfaction of all of the following conditions:

- (a) the Scheme Effective Date has occurred;
- (b) the Company has received the Subscription Proceeds in exchange for the issuance of the Subscription Shares; and
- (c) the Company has paid all fees, costs and expenses of the Advisers, the Information Agent, the Holding Period Trustee, the Notes Trustee and its legal counsel, the New Notes Trustee and its legal counsel that it is required to pay pursuant to the terms agreed between the Company and the relevant party that

have been duly invoiced no later than 5 Business Days before the Restructuring Effective Date (or such later date as may be agreed by the Company or the relevant party or parties).

6.37 In the event that:

- (a) any of the conditions above is not satisfied or waived before or on the Restructuring Effective Date;
- (b) the Company resolves to make an application for a suitable order concerning Cross-Border Recognition; or
- (c) the Company decides at its sole discretion at any time before the occurrence of the Restructuring Effective Date to postpone the Restructuring Effective Date;

the Restructuring Effective Date will be deferred to a date at the Company's sole discretion, provided always that the Deferred Restructuring Effective Date shall be no later than the Longstop Date. In the event that the Company wishes to postpone the Restructuring Effective Date, the Company will immediately deliver an Extension Notice specifying the Deferred Restructuring Effective Date to the Information Agent and the Information Agent shall promptly notify Scheme Creditors of the Deferred Restructuring Effective Date by:

- (d) sending the Extension Notice to the Notes Trustee;
- (e) circulating the Extension Notice to Scheme Creditors via the Clearing Systems;
- (f) posting the Extension Notice on the Scheme Website; and
- (g) sending the Extension Notice via electronic mail to each Person who the Company believes may be a Scheme Creditor and which is registered as a Scheme Creditor with the Information Agent or has otherwise notified the Company or Information Agent of its valid electronic mail address; and

the Company shall also promptly notify Scheme Creditors of the Deferred Restructuring Effective Date (if any) by announcement on the HKEx.

Costs and Expenses relating to the Restructuring and the Subscription

6.38 The Company shall pay all costs and expenses incurred by the Company, the Committee and the Subscriber in connection with the Schemes and the Subscription as and when they arise. These include:

- (a) costs of convening application;
- (b) costs of holding the Scheme Meeting;
- (c) costs of the petition to the Courts to sanction the Schemes;
- (d) fees, costs, expenses and disbursements of all Advisers, the Information Agent, the Holding Period Trustee, the Notes Trustee and its counsel, the New Notes

Trustee and its counsel, and other relevant professional parties pursuant to the terms agreed between the Company and the relevant party.

- 6.39 Set out below is the breakdown of the estimated costs and expenses relating to the Restructuring and the Subscription:

<i>Professional Parties</i>	<i>US\$ approximately</i>
Advisers to the Company with respect to the Debt Restructuring ¹²	6,823,000
Advisers to the Company with respect to the Subscription ¹³	557,000
<u>Total for advisers to the Company</u>	<u>7,380,000</u>
Advisers to the Board of the Company and the board of directors of China Singyes New Materials Holdings Limited ¹⁴	118,000
Advisers to the Committee ¹⁵	3,000,000
Advisers to the Subscriber ¹⁶	2,050,000
<u>Total</u>	<u>12,548,000</u>

¹² Advisers include Admiralty Harbour, D&P China (HK) Limited, Harneys, Zuill & Co., Kirkland & Ellis, Lucid, Tanner De Witt.

¹³ Altus Capital Limited, Jeffrey Mak Law Firm, Solomon Financial Press Limited and Link Group Limited.

¹⁴ Optima Capital Limited and Red Sun Capital Limited.

¹⁵ Akin Gump and Moelis & Company Asia Limited.

¹⁶ China Galaxy International Securities (Hong Kong) Co., LTD, Reed Smith LLP, Beijing (DHH) Law Firm, Shanghai Landing Law Offices and Ernst & Young (China) Advisory Limited Beijing Branch Office.

7 OVERVIEW OF THE SUBSCRIPTION

This section contains a brief description of the principal terms of the Subscription. The description is a summary only, does not purport to be complete, and should be read in conjunction with (and is qualified in its entirety by references to) to the announcement of the Company dated 5 June 2019 and the circular of the Company dated 16 October 2019 which are available on the website of the HKEx (<https://www.hkex.com.hk/>).

- 7.1 On 16 May 2019, the Company, the Major Shareholders, and the Subscriber entered into the Subscription Agreement pursuant to which the Company conditionally agreed to allot and issue to the Subscriber 1,687,008,585 shares of the Company (being the Subscription Shares) at a price of HK\$0.92 per Subscription Share.
- 7.2 The Subscription Shares would represent approximately 66.92% of the issued share capital of the Company, as enlarged by the allotment and issuance of the Subscription Shares.
- 7.3 The Subscription is conditional upon certain conditions being satisfied or waived (as applicable) including, amongst others:
- (a) the Subscriber having obtained all necessary consents and authorisations for the execution and completion of the transactions under the Subscription Agreement from all the relevant government or regulatory authorities (including the governmental authorities for the supervision and management of state-owned assets, foreign exchange controls and anti-trust, the relevant department of commerce and the relevant commission for development and reform), and such consents and authorisations remain fully effective under any relevant law and regulation of any jurisdiction;
 - (b) the obtaining of all necessary approval(s) by the shareholders of the Company at the SGM as required by the Rules Governing the Listing of Securities on the HKEx and/or the Takeovers Code, the Bye-Laws of the Company or applicable laws to approve the transactions under the Subscription Agreement, including the Subscription, the Whitewash Waiver and the Authorised Share Capital Increase;
 - (c) the Executive granting the Whitewash Waiver to the Subscriber and parties acting in concert with it (unconditionally or on such terms as the Subscriber may reasonably agree);
 - (d) the Executive having issued a written confirmation to the Subscriber and parties acting in concert with it (unconditionally or on such terms as the Subscriber may reasonably agree) that the Subscriber shall not be required to extend a general offer in respect of all the shares of China Singyes New Materials Holdings Limited (中國興業新材料控股有限公司);
 - (e) the Listing Committee of HKEx having granted the approval for the listing of and permission to deal in the Subscription Shares, and such approval has not been revoked or withdrawn prior to the allotment and issue of the Subscription Shares;

- (f) the Major Shareholders having delivered the executed Share Charge, the executed Strong Eagle Share Charge and relevant documents and Bermuda and British Virgin Islands legal opinions confirming the legal effect of the Share Charge and the Strong Eagle Share Charge on or before 31 May 2019, and the terms of the Share Charge, the Strong Eagle Share Charge and such legal opinions are to the satisfaction of the Subscriber;
- (g) the Major Shareholders (except Strong Eagle) who are of Chinese nationality having completed all registration and filing procedures stipulated by the PRC foreign exchange supervisory authorities with respect to their guarantee obligations under the Subscription Agreement;
- (h) the trading and dealing in the shares of the Company not having been suspended for more than 20 consecutive trading days on or before the date of the completion of the Subscription, and the shares of the Company remaining listed on the main board of the HKEx on the date of the completion of the Subscription (except when such suspension of trading of the shares of the Company is due to the inability of the Company to publish its annual results announcement for the year of 2018 or the publish or dispatch of any announcement or document in respect of and in accordance with the transactions contemplated under the Subscription Agreement);
- (i) on or before the completion of the Subscription, the HKEx and/or the SFC having not indicated the delisting of the shares of the Company from the HKEx or disputed the listing status of the shares of the Company; there having not been any event that would have an adverse effect on the listing status of the shares of the Company (except the suspension of trading of the shares of the Company due to the inability of Company to publish its annual results announcement for the year of 2018); the HKEx and/or the SFC having not warned about or demanded a suspension, cancellation or revocation of the listing of the shares of the Company or objected to the continuous listing of the shares of the Company;
- (j) the Board having passed a resolution (a) approving the appointment of not less than five (5) persons nominated by the Subscriber as Directors; and (b) approving the resignation of four (4) existing Directors as Directors and other positions as requested by the Subscriber, each of such appointment and resignation shall take place at the earliest time allowed under the Takeovers Code;
- (k) the Subscriber being satisfied with the results of the legal, financial and business due diligence review conducted on the Company, and the Company having delivered to the Subscriber the Non-competition Undertaking and Solar Farms Agreements within 60 days (or such later date as the Subscriber may agree in writing) after the date of the Subscription Agreement;
- (l) the Subscriber having, in its absolute discretion, approved and agreed with the plan of onshore and offshore debt restructuring and resolution of disputes between the Group and its creditor including the Debt Restructuring and such plan having been completed or become effective on or before the completion of the Subscription;

- (m) the representations and warranties of Company and the Major Shareholders under the Subscription Agreement remaining true, complete and accurate at the completion of the Subscription;
- (n) there being no breach by the Major Shareholders and members of the Group of their respective obligations and undertakings under the Subscription Agreement;
- (o) there having been no material adverse changes to the operations, assets, business, prospects and financial positions of the Major Shareholders and/or companies in the Group prior to the completion of the Subscription;
- (p) Strong Eagle remaining as the single largest shareholder of the Company holding beneficially no less than 203,802,750 shares of the Company at the completion of the Subscription and such shares not being subject to any encumbrance (except for the Share Charge); and
- (q) there having been no government action, court order or legal Proceeding at any time before the completion of the Subscription, causing the allotment and issue of the Subscription Shares or other transactions contemplated and to be performed by other parties under the Subscription Agreement illegal, restricted or prohibited.

7.4 The Subscriber may at its absolute discretion waive all or any of the conditions (save for those set out in (a) to (e) above). If any of the conditions above (other than conditions (a) to (e)) is not fully satisfied or waived (as the case may be) on or before 31 December 2019, the Company and the Subscriber shall in their respective best efforts to negotiate and reach an agreement in respect of the Subscription (and the Major Shareholders shall provide assistance as requested by the Subscriber). In case no such agreement can be reached on or before 31 December 2019, the Subscription Agreement shall be automatically terminated.

8 SCHEME CREDITORS AND ACTION TO BE TAKEN

Are you a Scheme Creditor?

8.1 Scheme Creditors include Notes Scheme Creditors and DB Creditors. Notes Scheme Creditors include (for the avoidance of doubt, but without double counting in each case):

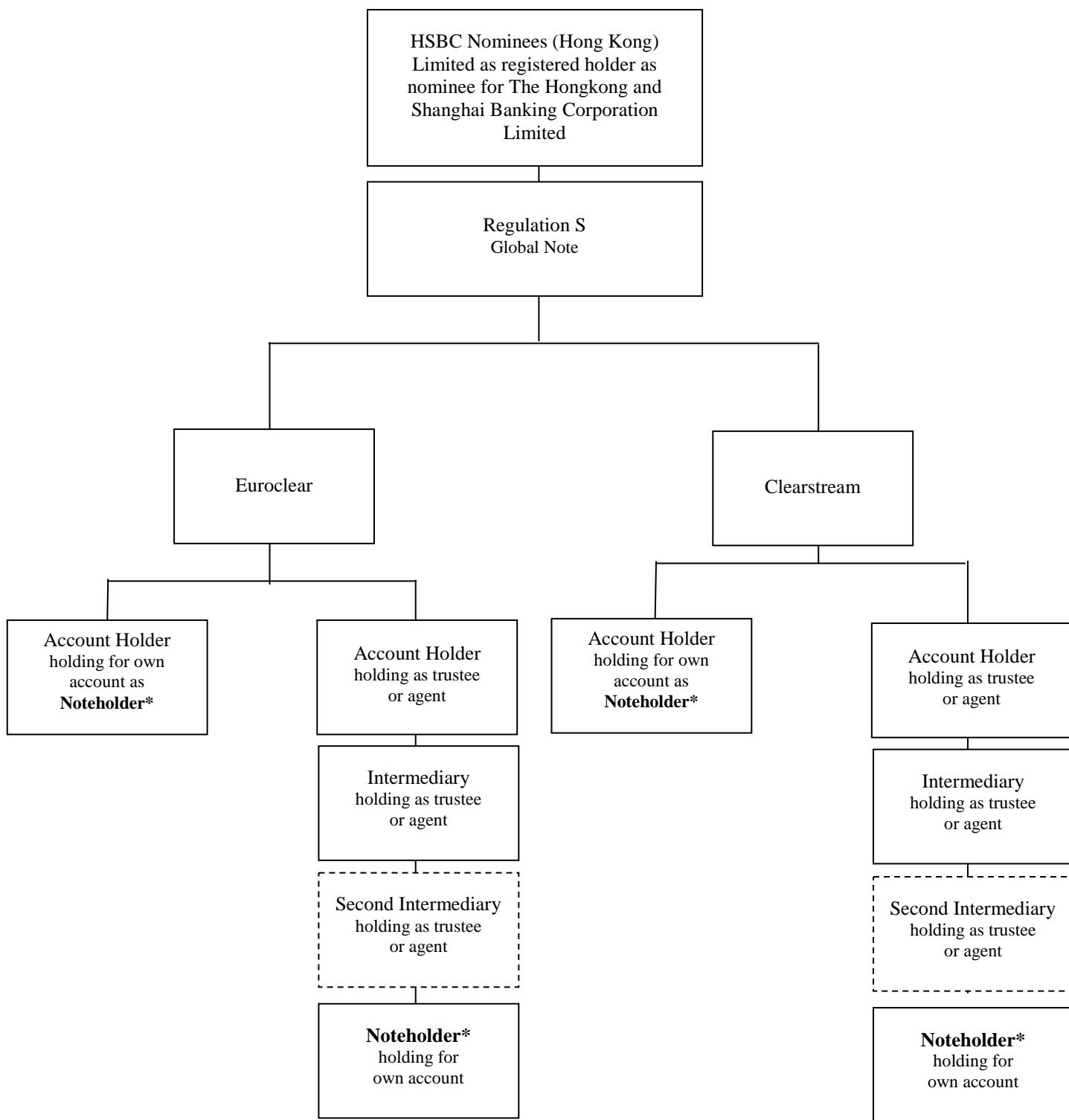
- (a) **Account Holders:** you are an Account Holder if you are recorded directly in the books or other records maintained by the Clearing Systems as holding an interest at the Record Time in the Global Notes;
- (b) **Intermediaries:** you are an Intermediary if you hold an interest at the Record Time in any Notes on behalf of another person or other persons and you do not hold that interest as an Account Holder. An Intermediary is commonly a bank or a brokerage house which does not have an account with any of the Clearing Systems;
- (c) **Noteholders:** you are a Noteholder if you have an economic or beneficial interest as principal in the Notes held in global form through the Clearing Systems at the Record Time. For the avoidance of doubt, an Account Holder may also be a Noteholder; and
- (d) The Depositary and the Notes Trustee.

A diagrammatic representation of each of these various capacities is set out on the following page to assist your understanding of the structure of the Notes and the Clearing Systems.

8.2 Noteholders will be entitled to attend and vote in person or by proxy at the Scheme Meeting. If you are a Noteholder, you should read this Explanatory Statement and its Appendix 5 (*Solicitation Packet*) carefully.

8.3 The Courts have ordered that the Notes Trustee and the Depositary shall not be entitled to vote in respect of the Notes at the Scheme Meeting and accordingly they will not vote at such meeting.

8.4 A DB Creditor is a creditor of the company, at the Record Time, in respect of a claim against the Company arising directly or indirectly out of, in relation to and/or in connection with the Term Sheets, whether before, at or after the Record Time, including DB.



* In respect of interests in the Notes held at the Record Time.

Actions to be Taken before the Record Time

- 8.5 Scheme Creditors should refer to Section 1 (*Expected Timetable of Principal Events*) for the key timing of the Schemes.
- 8.6 If you are a Noteholder who is not an Account Holder, you should contact your Account Holder (through any Intermediaries, if applicable) to ensure that your Account Holder takes the appropriate action(s).
- 8.7 If you wish to vote in respect of the Schemes at the Scheme Meeting, you shall ensure a validly completed Account Holder Letter or Notice of Claim, as applicable, be submitted to the Information Agent by the **Record Time** online at www.lucid-is.com/singyes.
- 8.8 If you wish to do any of the following, please ensure that the documents specified below are duly completed, executed, and returned in accordance with the instructions set out therein so that they are received by the Information Agent by the **Record Time** online at www.lucid-is.com/singyes:
- (a) if you wish to receive the Scheme Consideration on the Restructuring Effective Date, an Account Holder Letter or a Notice of Claim (as applicable), and a Distribution Confirmation Deed; or
 - (b) if you are not an Eligible Person and wish to nominate a Designated Recipient to receive the Scheme Consideration on the Restructuring Effective Date, the Designated Recipient Form (together with an Account Holder Letter or a Notice of Claim (as applicable), and a Distribution Confirmation Deed).
- 8.9 If you are a DB Creditor, you should also provide all supporting documentation in respect of the DB Claim to the Information Agent together with this Notice of Claim so that your Scheme Claim may be assessed by the Company.
- 8.10 Whether an Account Holder Letter, Notice of Claim, Distribution Confirmation Deed, or Designated Recipient Form has been duly completed shall be determined by the Information Agent and the Company at their discretion, provided that, if the Information Agent and the Company consider any such document not to have been duly completed, they shall promptly:
- (a) prepare a written statement of its reasons for that conclusion; and
 - (b) send that written statement by email to the party that provided the relevant document.
- 8.11 None of the Company, the Information Agent, or any other person will be responsible for any loss or liability incurred by a Scheme Creditor as a result of any determination by the Information Agent or the Company.

Eligible Creditors and Ineligible Creditors

- 8.12 Each Scheme Creditor who submits the required documents set out in paragraph 8.7 above to the Information Agent before the Record Time will be an Eligible Creditor and be entitled to receive the Scheme Consideration on the Restructuring Effective

Date. Any Scheme Creditor who fails to submit the required documents set out in paragraph 8.7 above to the Information Agent before the Record Time will be deemed to be an Ineligible Creditor. Such Scheme Creditor's allocation of Scheme Consideration would have been transferred to the Holding Period Trustee to be held in accordance with the terms of the Holding Period Trust Deed.

- 8.13 The Scheme Consideration will be distributed through Euroclear and Clearstream. If details of a Euroclear or Clearstream account are not provided, the Scheme Creditor, on whose behalf the Account Holder Letter or the Notice of Claim (as applicable) is being submitted, will be an Ineligible Creditor.

Actions to be Taken before the Bar Time

- 8.14 An Ineligible Creditor should submit, as soon as possible, a duly completed and executed Account Holder Letter or the Notice of Claim (as applicable), Distribution Confirmation Deed and the Designated Recipient Form (as applicable) to the Holding Period Trustee as soon as possible and not later than the Bar Time for receiving its relevant Scheme Consideration on the Holding Period Expiry Date.
- 8.15 If an Ineligible Creditor who is a Noteholder fails to establish its entitlement to the Trust Assets in accordance with the terms of the Holding Period Trust Deed prior to the Bar Time, or if an Ineligible Creditor who is a DB Creditor fails to submit the duly completed Notice of Claim to the Information Agent prior to the Bar Time, subject to Clause 19.10 of the Schemes, that Ineligible Creditor's rights under the Schemes shall be extinguished and that Ineligible Creditor shall not be entitled to receive any Cash Consideration or New Notes under the Schemes.
- 8.16 Any Scheme Consideration which is not allocated by the Holding Period Trustee to Ineligible Creditors who are Noteholders in accordance with the terms of the Holding Period Trust Deed shall be transferred to the Company on the Holding Period Expiry Date.

Custody Instructions and Undertaking not to Transfer

- 8.17 Custody Instructions are irrevocable instructions which prevent transfers of the Notes until the Restructuring Effective Date or unblocked in accordance with paragraph 8.21 below. These restrictions are necessary to prevent the same holding of Notes being voted more than once.
- 8.18 Any Noteholder that procures the submission of an Account Holder Letter (to vote at the Scheme Meeting and/or receive any Scheme Consideration on the Restructuring Effective Date) must block its Notes by ensuring that its Account Holder, **prior to delivering the Account Holder Letter to the Information Agent**, submits relevant Custody Instruction to block its Notes held with Euroclear or Clearstream by the **Custody Instruction Deadline** and includes in the relevant Account Holder Letter reference to the Custody Instruction Reference Number. An Account Holder Letter will not be valid for the purposes of voting at the Scheme Meeting or receiving the Scheme Consideration on the Restructuring Effective Date and the Company reserves the right to reject any Account Holder Letter that does not contain reference to a valid Custody Instruction Reference Number.

- 8.19 By completion of the Account Holder Letter with inclusion of the Custody Instruction Reference Number, the Scheme Creditor will be deemed to have given the undertaking that it will not, from the date of delivery of its Account Holder Letter, sell, transfer, assign or otherwise dispose of its interest in all or any part of its specified Notes.
- 8.20 On the Restructuring Effective Date, all of the Notes will be cancelled in the Clearing Systems in accordance with the Schemes and thereafter will not be capable of being traded in the Clearing Systems.
- 8.21 Any documentation and relevant Custody Instruction submitted by or on behalf of a Noteholder shall be irrevocable for all purposes in connection with the Schemes unless and until Company has provided an irrevocable unblock instruction to the Information Agent in accordance with paragraph 8.22 below.
- 8.22 The Company shall provide an irrevocable instruction to the Information Agent to immediately cause the Notes to be unblocked:
- (a) within two (2) Business Days after one of the circumstances below occurs:
 - (i) either of the Schemes is not approved by the requisite majorities of the Scheme Creditors at the Scheme Meeting, is withdrawn or is terminated in accordance with terms of the Schemes;
 - (ii) either of the Schemes is not sanctioned by a final and unappealable order of the Hong Kong Court or the Bermuda Court (as applicable);
 - (iii) the Restructuring does not become effective by the Longstop Date; or
 - (iv) the Company gives written notice of an intention not to proceed with the Schemes; or
 - (b) the Company at its sole discretion consents to unblock the Notes.
- 8.23 The Notice of Claim contains an undertaking that each DB Creditor will not assign, transfer or otherwise deal with its Scheme Claims from the date of submission of its Notice of Claim unless and until the Company has provided an irrevocable unblock instruction to the Information Agent in accordance with paragraph 8.24 below.
- 8.24 The Company shall provide an irrevocable instruction to the Information Agent to immediately release the DB Creditors from such undertaking:
- (a) within two (2) Business Days after one of the circumstances below occurs:
 - (i) either of the Schemes is not approved by the requisite majorities of the Scheme Creditors at the Scheme Meeting, is withdrawn or is terminated in accordance with terms of the Schemes;
 - (ii) either of the Schemes is not sanctioned by a final and unappealable order of the Hong Kong Court or the Bermuda Court (as applicable);
 - (iii) the Restructuring does not become effective by the Longstop Date; or

- (iv) the Company gives written notice of an intention not to proceed with the Schemes; or
 - (b) the Company at its sole discretion consents to release such undertaking.
- 8.25 If the Restructuring Effective Date occurs before the Longstop Date, the Scheme Claims will be irrevocably released and cancelled in full in accordance with the Schemes.

General Instructions for Noteholders

- 8.26 Please give ample time to allow your Account Holder and/or Intermediary to process your instructions and submit the required documentation on your behalf. To ensure timely submission of your Account Holder Letter, please check with your Account Holder for clarification as to the processing time required and deliver the appropriate materials well before that time.
- 8.27 Please note that the Clearing System through which your interest in the Notes is held may impose an earlier deadline for the submission of Custody Instructions and/or Account Holder Letters. To ensure timely submission of your Custody Instructions and Account Holder Letter, please ask your Account Holder to check with the relevant Clearing System as to whether any earlier deadline is applicable and ensure your Custody Instructions and Account Holder Letter are submitted well before any applicable deadlines.
- 8.28 Any Noteholder that fails to submit required documentation prior to the deadlines as set out above will not be entitled to vote at the Scheme Meeting and/or receive the Scheme Consideration. Such Noteholder will, however, be bound by the terms of the Scheme in the event that it becomes effective and any Notes held by such Noteholder will be cancelled on the Restructuring Effective Date in accordance with the terms of the Schemes.

9 SUMMARY OF THE NEW NOTES

9.1 The terms of the New Notes will be set out in the New Notes Indenture.

9.2 A summary of the terms of the New Notes Indenture are set out as follows. The following is not intended to be complete and is subject to important limitations and exceptions. Scheme Creditors are urged to refer to the form of the New Notes Indenture appended hereto at Appendix 11 (*New Notes Indenture*). Unless otherwise indicated, all capitalised terms used in the following summary shall have the meanings assigned to those terms in the New Notes Indenture.

Issuer	China Singyes Solar Technologies Holdings Limited.
New Notes	2.00% Cash-Pay and 4.00% Pay-In-Kind Guaranteed Senior Notes Due 2022.
Issue Date	On or about the Restructuring Effective Date (the “ Original Issue Date ”).
Maturity Date	The third anniversary of the Original Issue Date (the “ Maturity Date ”).
Interest Rate	Interest on the New Notes will accrue (a) in cash at the rate of 2.00% per annum prior to a Cash Coupon Election (as defined below) and thereafter at 6.00% per annum (each being “ Cash Interest ”, as applicable) and (b) by increasing the principal amount of the New Notes or by issuing Additional Notes in a principal amount equal to 4.00% of the aggregate principal amount of the New Notes then outstanding (“ PIK Interest ”), <i>provided that</i> the Company may, at its discretion at any time, elect to pay all PIK Interest due on the New Notes entirely in cash (a “ Cash Coupon Election ”) by delivering a Cash Coupon Election Certificate to the Trustee and the Paying Agent.

All interest due on the New Notes shall be payable entirely in cash from and including the Interest Payment Date immediately preceding the date of the Cash Coupon Election Certificate (the “**Cash Coupon Effective Date**”) to the Maturity Date and the New Notes shall bear interest in cash at the rate of 6.00% from the Cash Coupon Effective Date.

The Company shall pay default interest at a rate of 2.00% per annum above the applicable rate of Cash Interest on and following the date on which an Event of Default occurs pursuant to Section 6.1(a) or (b) of the New Notes Indenture up to but excluding the date on which such Event of Default ceases to be in effect or, if

applicable, is waived by the Holders in accordance with the New Notes Indenture to the extent lawful.

The New Notes will not have an interest reserve account or any interest prepayment mechanism.

Interest Payment Dates Interest will be payable semi-annually in arrear, commencing six months after the Original Issue Date.

Form and Denomination The Company will issue the New Notes in global registered form without coupons attached in minimum denominations of US\$150,000 principal amount and any multiple of US\$1 in excess thereof.

Ranking of the New Notes The New Notes will be:

- general obligations of the Company;
- Guaranteed by the Subsidiary Guarantors, if any, and the JV Subsidiary Guarantors, if any, on a senior basis, subject to certain limitations;
- senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the New Notes,
- at least *pari passu* in right of payment with all other unsecured, unsubordinated Indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated Indebtedness pursuant to applicable law);
- effectively subordinated to any secured obligations of the Company, to the extent of the value of the assets serving as security therefor; and
- effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

Guarantors As of the Restructuring Effective Date, only Singyes Green Energy Investments Ltd. will provide a Subsidiary Guarantee.

The Company will calculate the Net Asset Value and Capital for each Restricted Subsidiary (other than a PRC Restricted Subsidiary, a Subsidiary Guarantor or a JV Subsidiary Guarantor) on 30 April each year (each such date, a “**Determination Date**”) by reference to standalone audited financial statements for the fiscal year ending immediately prior to the relevant Determination Date and shall promptly deliver an Officer’s Certificate to the Trustee in which the

Company shall confirm whether any Restricted Subsidiary (other than a PRC Restricted Subsidiary, a Subsidiary Guarantor or a JV Subsidiary Guarantor) had a Net Asset Value or Capital of at least RMB25 million as of the last day of such fiscal year (each such Restricted Subsidiary, an “**Acceding Subsidiary**”). The Company will cause each Acceding Subsidiary to execute and deliver to the Trustee a supplemental indenture to the New Notes Indenture, pursuant to which such Acceding Subsidiary will guarantee the payment of the New Notes as either a Subsidiary Guarantor or a JV Subsidiary Guarantor (as applicable), as soon as practicable and in any event not later than forty five (45) days following the applicable Determination Date. Notwithstanding the foregoing, the Company may elect to have any future Restricted Subsidiary (and its Restricted Subsidiaries) organized outside the PRC not provide a Subsidiary Guarantee or JV Subsidiary Guarantee, *provided that*, after giving effect to the Consolidated Assets of such Restricted Subsidiary and its Subsidiaries (other than any Unrestricted Subsidiaries), the Consolidated Assets of all Restricted Subsidiaries organized outside the PRC that are not Subsidiary Guarantors or JV Subsidiary Guarantors do not account for more than 5% of the Total Assets of the Company.

In the case of a Restricted Subsidiary (i) that is, or is proposed by the Company or any of its Restricted Subsidiaries to be, established after the Original Issue Date, (ii) that is incorporated in any jurisdiction other than the PRC and (iii) in respect of which the Company or any of its Restricted Subsidiaries (x) is proposing to sell, whether through the sale of existing shares or the issuance of new shares, no less than 20.0% and no more than 49.9% of the Capital Stock of such Restricted Subsidiary or (y) is proposing to purchase no less than 50.1% of the Capital Stock of an Independent Third Party and designate such entity as a Restricted Subsidiary, the Company may, concurrently with the consummation of such sale, issuance or purchase, provide a JV Subsidiary Guarantee instead of a Subsidiary Guarantee for (A) such Restricted Subsidiary and (B) the Restricted Subsidiaries of such Restricted Subsidiary that are organized in any jurisdiction other than the PRC, if the following conditions, among others, in the case of both (A) and (B), are satisfied:

- as of the date of execution of the JV Subsidiary Guarantee, no document exists that is binding on the

Company or any of the Restricted Subsidiaries that would have the effect of (i) prohibiting the Company or any of the Restricted Subsidiaries from providing such JV Subsidiary Guarantee or (ii) requiring the Company or any of the Restricted Subsidiaries to deliver or keep in place a Guarantee on terms that are more favourable to the recipients of such Guarantee than the JV Subsidiary Guarantee;

- such sale or issuance of Capital Stock is made to, or such purchase of Capital Stock is purchased from, an Independent Third Party at a consideration that is not less than the appraised value of such Capital Stock by an independent appraisal firm of recognized international standing appointed by the Company; and
- all capital contributions (by way of transfer of cash or other property or any payment for property or services for the use of others or otherwise) to be made into a JV Subsidiary Guarantor from the date of the sale of existing Capital Stock or issuance of new Capital Stock as referred to above, shall be made directly or by contribution of assets or services having an equivalent Fair Market Value by (i) the Company and its Restricted Subsidiaries and (ii) such Independent Third Party that purchased or subscribed for Capital Stock in the JV Subsidiary Guarantor in proportion to their respective direct or indirect ownership percentages of the Capital Stock of such JV Subsidiary Guarantor or on a basis more favourable to the Company.

A threshold of 90% of outstanding principal of the New Notes is required to release any Subsidiary Guarantees.

Ranking of the Subsidiary Guarantees

If any is provided, the Subsidiary Guarantee of each Subsidiary Guarantor will:

- be a general obligation of such Subsidiary Guarantor;
- be effectively subordinated to the secured obligations of such Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor;
- be senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee; and

- rank at least *pari passu* in right of payment with all other unsecured, unsubordinated Indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsecured, unsubordinated Indebtedness pursuant to applicable law).

Ranking of the JV Subsidiary Guarantees If any is provided, the JV Subsidiary Guarantee of each JV Subsidiary Guarantor will:

- be a general obligation of such JV Subsidiary Guarantor;
- be enforceable only up to the JV Entitlement Amount;
- be effectively subordinated to secured obligations of such JV Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor;
- be limited to the JV Entitlement Amount, and will be senior in right of payment to all future obligations of such JV Subsidiary Guarantor expressly subordinated in right of payment to such JV Subsidiary Guarantee; and
- be limited to the JV Entitlement Amount, and will rank at least *pari passu* in right of payment with all other unsecured, unsubordinated Indebtedness of such JV Subsidiary Guarantor (subject to any priority rights of such unsecured, unsubordinated Indebtedness pursuant to applicable law).

Optional Redemption On and after the Original Issue Date, the Company may at any time, upon not less than 30 nor more than 60 days' notice to the Holders, the Trustee and the Paying Agent (each such date, an "**Optional Redemption Date**"), redeem the New Notes Outstanding on the applicable Optional Redemption Date (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the New Notes) in whole or in part at a redemption price equal to 100% of the aggregate principal amount thereof together with accrued and unpaid interest thereon (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind) to, but excluding, the applicable Optional Redemption Date.

Mandatory Redemption The Company shall redeem:

- on the date falling two and a half years from the Original Issue Date (the "**Initial Mandatory**

Redemption Date”), 40% of the New Notes Outstanding on the Initial Mandatory Redemption Date (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the New Notes) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest thereon (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind) to, but excluding, the Initial Mandatory Redemption Date;

- not later than 5 days following the date of a Delisting, the Company shall give notice to redeem all of the New Notes Outstanding (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the New Notes) on the Business Day falling 30 days following from the date on which such notice is given (the **“Delisting Mandatory Redemption Date”**) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid cash interest thereon (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind) to, but excluding, the Delisting Mandatory Redemption Date; and
- all of the New Notes Outstanding (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the New Notes) on the Maturity Date at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind), up to the Maturity Date.

Additional Amounts; Tax Redemption

All payments of principal of, and premium (if any) and interest on the New Notes or under the Subsidiary Guarantees (if any) or JV Subsidiary Guarantees (if any) will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which the Company, a Surviving Person or the applicable Subsidiary Guarantor or JV Subsidiary Guarantor is organized or resident for tax purposes (or

any political subdivision or taxing authority thereof or therein) (each, as applicable, a “**Relevant Taxing Jurisdiction**”) or any jurisdiction through which payments are made (or any political subdivision or taxing authority thereof or therein) (together with each Relevant Taxing Jurisdiction, as applicable, a “**Relevant Jurisdiction**”) unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Company, a Surviving Person or the applicable Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, will pay such additional amounts (“**Additional Amounts**”) as will result in receipt by the Holder of each New Note, the Subsidiary Guarantees or the JV Subsidiary Guarantees, as the case may be, of such amounts as would have been received by such Holder had no such withholding or deduction been required (subject to certain exceptions).

The New Notes may be redeemed, at the option of the Company or a Surviving Person with respect to the Company, as a whole but not in part, upon giving not less than 30 days’ nor more than 60 days’ notice to the Holders (which notice shall be irrevocable), the Paying Agent and the Trustee, at a redemption price equal to 100 per cent. of the principal amount thereof (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the New Notes as at the Tax Redemption Date), together with accrued and unpaid interest thereon (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind), if any, to, but excluding, the date of redemption (the “**Tax Redemption Date**”) if, as a result of:

- any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) or treaties of a Relevant Taxing Jurisdiction affecting taxation; or
- any change in the existing official position or the stating of an official position regarding the application or interpretation of such laws, regulations or rulings or treaties (including a holding, judgment, or order by a court of competent jurisdiction), which change or amendment becomes effective (A) with respect to the Company or any Initial Subsidiary Guarantor, on or after the Original

Issue Date or (B) with respect to a Future Subsidiary Guarantor, JV Subsidiary Guarantor or Surviving Person, on or after the date such Future Subsidiary Guarantor, JV Subsidiary Guarantor or Surviving Person becomes a Subsidiary Guarantor, JV Subsidiary Guarantor or Surviving Person assumes its obligations under or in respect of the New Notes, with respect to any payment due or to become due under the New Notes or the New Notes Indenture, the Company, a Surviving Person or a Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the taking of reasonable measures by the Company, a Surviving Person or a Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be; *provided that* in the case of any Additional Amounts payable in respect of taxes imposed by the PRC, such Additional Amounts must be in excess of the Additional Amounts that the Company, a Surviving Person or a Subsidiary Guarantor or a JV Subsidiary Guarantor, as the case may be, would be required to pay if payments in respect of the New Notes were subject to deduction or withholding for PRC taxes at a rate of 10%; *provided, further, that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company, a Surviving Person or a Subsidiary Guarantor or a JV Subsidiary Guarantor, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the New Notes were then due.

Open Market Purchases The Company or any of its Affiliates may purchase New Notes in the open market or by tender or by any other means at any price, so long as such acquisition does not otherwise violate the terms of the New Notes Indenture; *provided that* all New Notes redeemed or repurchased by the Company or any of its Affiliates will be cancelled and may not be reissued or resold.

Change of Control Upon the occurrence of one or more of the following events:

- the merger, amalgamation, or consolidation of the Company with or into another Person (other than one or more of Shandong Provincial State-owned Assets Supervision and Administration Commission (“**Shandong SASAC**”) and/or any of the following entities (provided that such entity is directly or indirectly controlled by Shandong SASAC): (a)

Water Development HK; (b) Shuifa Energy; and/or (c) Shuifa Group (collectively, “**Permitted Holders**”)) or the merger or amalgamation of another Person (other than one or more Permitted Holders) with or into the Company, or the sale of all or substantially all the assets of the Company to another Person (other than one or more Permitted Holders);

- the Permitted Holders are collectively the beneficial owners (as such term is used in Rule 13d-3 of the Exchange Act) of less than 50.1% of the total voting power of the Voting Stock of the Company;
- any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the “beneficial owner”, directly or indirectly, of total voting power of the Voting Stock of the Company greater than such total voting power held beneficially by the Permitted Holders;
- individuals who on the Original Issue Date constituted the Board of Directors of the Company, together with any new directors whose election by the Board of Directors was approved by a vote of at least two-thirds of the directors then still in office who were either directors on the Original Issue Date or whose election was previously so approved, cease for any reason to constitute a majority of the Board of Directors of the Company then in office; or
- the adoption of a plan relating to the liquidation or dissolution of the Company,

the Company will make an Offer to Purchase all Outstanding New Notes (a “**Change of Control Offer**”) at a purchase price equal to 101% of the principal amount thereof (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the New Notes as at the Offer to Purchase Payment Date), plus accrued and unpaid interest thereon (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind), if any, to (but not including) the Offer to Purchase Payment Date.

The Company will timely repay all Indebtedness or obtain consents as necessary under, or terminate, agreements or instruments that would otherwise prohibit

a Change of Control Offer required to be made pursuant to the New Notes Indenture.

Notwithstanding the above, the Company will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the same manner, at the same times and otherwise in compliance with the requirements set forth in the New Notes Indenture applicable to a Change of Control Offer made by the Company and purchases all New Notes validly tendered and not withdrawn under such Change of Control Offer.

Certain Covenants

The New Notes Indenture contains certain covenants that limit, among other things, the ability of the Company and its Restricted Subsidiaries to:

- incur or guarantee additional indebtedness;
- pay dividends on, or redeem, capital stock and make certain other restricted payments;
- create or incur certain liens;
- enter into sale and leaseback transactions;
- enter into restrictions affecting the ability of certain Restricted Subsidiaries to make distributions, loans or advances or transfer assets to the Company or any Restricted Subsidiary;
- sell or issue Capital Stock in Restricted Subsidiaries;
- issue guarantees by Restricted Subsidiaries;
- transfer or sell certain assets;
- enter into certain transactions with Affiliates;
- make changes to the Company's business activities;
- designate Restricted Subsidiaries as Unrestricted Subsidiaries;
- incur contractually subordinated Indebtedness; and
- merge, consolidate or transfer or sell all or substantially all of the Company's, any Subsidiary Guarantor's or any JV Subsidiary Guarantor's assets,

in each case, subject to important exceptions and qualifications.

These covenants will be substantially the same as those set out in the indentures for the 2018 Notes and the 2019 Notes, with the following material changes:

- the Company and the Restricted Subsidiaries shall not incur any indebtedness unless, after incurring such indebtedness, the Fixed Charge Coverage Ratio is not less than: (i) 1.0 to 1.0, prior to 1 January 2021; and (ii) 1.5 to 1.0, on and after 1 January 2021; and
- the Company shall not declare or pay any cash dividend in respect of its Capital Stock or repurchase any of its Capital Stock while the New Notes remain outstanding, unless: (i) the Company has made a Cash Coupon Election; and (ii) other conditions for making restricted payments are met.

The covenants in which these amendments are to be made (the Limitation on Indebtedness and Disqualified or Preferred Stock covenant and the Limitation on Restricted Payments) are set out below in their entirety.

*Limitation on Indebtedness
and Disqualified or
Preferred Stock*

- (a) The Company will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness), *provided that* (x) the Company may Incur Indebtedness (including Acquired Indebtedness) and (y) any Restricted Subsidiary may Incur Permitted Subsidiary Indebtedness if, after giving effect to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, (i) no Default has occurred and is continuing and (ii) the Fixed Charge Coverage Ratio would be not less than (A) 1.0 to 1.0 with respect to any Incurrence of Indebtedness prior to January 1, 2021 and (B) 1.5 to 1.0 on and after January 1, 2021. Notwithstanding the foregoing, the Company will not permit any Restricted Subsidiary to Incur any Disqualified Stock or Preferred Stock (other than Disqualified Stock or Preferred Stock held by the Company or a Subsidiary Guarantor, so long as it is so held).
- (b) Notwithstanding the foregoing, the Company and any Restricted Subsidiary may Incur, to the extent provided below, each and all of the following (“**Permitted Indebtedness**”):

- (i) Indebtedness under the New Notes (including the DB Additional Notes and any Additional Notes issued as PIK Interest in accordance with Sections 2.9 and 2.14 of the Indenture but excluding any other Additional Notes) and each Subsidiary Guarantee and each JV Subsidiary Guarantee;
- (ii) any *Pari Passu* Subsidiary Guarantees (if any) by any Subsidiary Guarantor or any JV Subsidiary Guarantor;
- (iii) Indebtedness of the Company or any Restricted Subsidiary outstanding on the Original Issue Date, excluding Indebtedness permitted under clause (iv) below; *provided that* such Indebtedness of Restricted Subsidiaries shall be included in the calculation of Permitted Subsidiary Indebtedness;
- (iv) Indebtedness of the Company or Indebtedness or Preferred Stock of any Restricted Subsidiary owed to or held by the Company or a Restricted Subsidiary; *provided that* (x) any event which results in any such Restricted Subsidiary to whom such Indebtedness is owed ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Company or any Restricted Subsidiary) shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (iv) and (y) if the Company is the obligor on such Indebtedness, such Indebtedness must expressly be subordinated in right of payment to the New Notes, and if a Subsidiary Guarantor or JV Subsidiary Guarantor is the obligor on such Indebtedness and the Company is not the obligee, such Indebtedness must expressly be subordinated in right of payment to the Subsidiary Guarantee of such Subsidiary Guarantor or the JV Subsidiary Guarantee of such JV Subsidiary Guarantor, and in each case such Indebtedness must be unsecured, and (z) if the Indebtedness is owed to the Company or any Subsidiary

Guarantor or any JV Subsidiary Guarantor by a Restricted Subsidiary that is not a Subsidiary Guarantor or JV Subsidiary Guarantor, such Indebtedness must be unsecured and expressly unsubordinated under applicable law;

- (v) Indebtedness (“**Permitted Refinancing Indebtedness**”) issued in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, renew, repay, redeem, defease, discharge or extend (collectively, “**refinance**” and “**refinances**” and “**refinanced**” shall have a correlative meaning), then outstanding Indebtedness Incurred under paragraph (a) above or clauses (i), (ii), (iii) and (vii) of this paragraph (b) and any refinancings thereof in an amount not to exceed the amount so refinanced or refunded (plus premiums, accrued interest, fees and expenses); *provided that* (A) Indebtedness the proceeds of which are used to refinance or refund the New Notes or Indebtedness that is *pari passu* with, or subordinated in right of payment to, the New Notes or a Subsidiary Guarantee or JV Subsidiary Guarantee shall only be permitted under this clause (v) if (x) in case the New Notes are refinanced in part or the Indebtedness to be refinanced is *pari passu* with the New Notes or a Subsidiary Guarantee or JV Subsidiary Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made *pari passu* with, or subordinate in right of payment to, the Remaining New Notes or such Subsidiary Guarantee or JV Subsidiary Guarantee, or (y) in case the Indebtedness to be refinanced is subordinated in right of payment to the New Notes or a Subsidiary Guarantee or JV Subsidiary Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the New Notes or such Subsidiary Guarantee or JV

Subsidiary Guarantee at least to the extent that the Indebtedness to be refinanced is subordinated to the New Notes or such Subsidiary Guarantee or JV Subsidiary Guarantee, (B) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the Stated Maturity of the Indebtedness to be refinanced or refunded, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced or refunded and (C) in no event may Indebtedness of the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor be refinanced pursuant to this clause (v) by means of any Indebtedness of any Restricted Subsidiary that is not a Subsidiary Guarantor or JV Subsidiary Guarantor, and (D) in no event may Indebtedness of the Company or any Subsidiary Guarantor be refinanced pursuant to this clause by means of any Indebtedness of any JV Subsidiary Guarantor (*provided that* this sub-clause (D) shall not prohibit the replacement of a Subsidiary Guarantee by a JV Subsidiary Guarantee if otherwise permitted by the Indenture);

- (vi) Indebtedness Incurred by the Company or any Restricted Subsidiaries pursuant to Hedging Obligations entered into in the ordinary course of business and designed solely to protect the Company or any of its Restricted Subsidiaries from fluctuations in interest rates, currencies or the price of commodities and not for speculation;
- (vii) Indebtedness of the Company or any Restricted Subsidiary Incurred in the ordinary course of business constituting purchase money Indebtedness incurred to finance all or any part of the purchase price or the cost of construction or development of equipment, property or assets of the Company, to be used in the ordinary course of business by the Company or a Restricted Subsidiary in the Permitted Business (including any such purchase through the

acquisition of Capital Stock of any Person that owns such assets, property or equipment which will, upon acquisition, become a Restricted Subsidiary); provided, however, that (i) such purchase money Indebtedness shall not exceed such purchase price or cost of such property or assets so acquired, constructed or developed, (ii) such Indebtedness shall be Incurred no later than 180 days after the later of the acquisition of such property or assets or completion of such construction or development or, in the case of a solar power production facility, the time at which the facility is connected to the relevant public utility electrical grid and (iii) on the date of the Incurrence of any Indebtedness permitted by this clause (vii) and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness permitted by this clause (vii) (together with refinancings thereof) does not exceed an amount equal to 20% of Total Assets;

- (viii) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting reimbursement obligations with respect to workers' compensation claims or self-insurance obligations or bid, performance or surety bonds (in each case other than for an obligation for borrowed money);
- (ix) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit or trade Guarantees issued in the ordinary course of business to the extent that such letters of credit or trade Guarantees are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than 30 days following receipt by the Company or such Restricted Subsidiary of a demand for reimbursement;
- (x) Indebtedness arising from the honouring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business provided, however, that

such Indebtedness is extinguished within ten (10) Business Days of Incurrence;

- (xi) (A) Guarantees by the Company or any Subsidiary Guarantor of Indebtedness of the Company or any Restricted Subsidiary that was permitted to be Incurred by another provision of this covenant, or (B) Guarantees by any Restricted Subsidiary of Indebtedness of another Restricted Subsidiary that was permitted to be Incurred under clause (iii), (iv) or (vii) above, other than a Guarantee by a PRC Restricted Subsidiary of the Indebtedness of a non-PRC Restricted Subsidiary;
- (xii) Indebtedness of the Company or any Restricted Subsidiary with a maturity of one year or less used by the Company or any Restricted Subsidiary for working capital; *provided that* the aggregate principal amount of Indebtedness permitted by this clause (xii) at any time outstanding does not exceed US\$30 million (or the Dollar Equivalent thereof);
- (xiii) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from Guarantees or letters of credit, surety bonds or performance bonds securing any obligation of the Company or any Restricted Subsidiary pursuant to such agreements, in any case Incurred in connection with the disposition of any business, assets or Restricted Subsidiary of the Company, other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition; *provided that* the maximum aggregate liability in respect of all such Indebtedness in the nature of such Guarantee shall at no time exceed the gross proceeds actually received from the sale of such business, assets or Restricted Subsidiary;
- (xiv) Indebtedness of the Company or any Restricted Subsidiary in an aggregate principal amount outstanding at any time

(together with refinancings thereof) not to exceed US\$15 million (or the Dollar Equivalent thereof);

- (xv) Indebtedness of the Company or any Restricted Subsidiary constituting an obligation to pay the deferred purchase price of Capital Stock of a Person pursuant to a Staged Acquisition Agreement, to the extent that such deferred purchase price is paid within 12 months after the date the Company or such Restricted Subsidiary enters into such Staged Acquisition Agreement; and
 - (xvi) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting a Guarantee of any Indebtedness of an Associate by the Company or such Restricted Subsidiary (*provided that* such Guarantee is *pro rata* to the relative percentage holding of the Company or the relevant Restricted Subsidiary in the Capital Stock of such Associate), if (A) after giving effect to the Incurrence of such Indebtedness, no Default has occurred and is continuing, (B) the Company could Incur at least US\$1.00 of Indebtedness under paragraph (a) above and (C) the aggregate of all Indebtedness Incurred under this clause (xvi) does not exceed either an amount equal to (1) 5% of Total Assets (together with refinancing thereof) or (2) 20% of Total Assets (together with refinancing thereof and the aggregate principal amount outstanding of Indebtedness that was permitted to be Incurred under clause (vii) and the refinancing thereof).
- (c) For purposes of determining compliance with this covenant, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including under the proviso in the first sentence of paragraph (a) above, the Company, in its sole discretion, shall be permitted to divide and classify, and from time to time may redivide and/or reclassify, such item of Indebtedness and only be required to include the amount of such Indebtedness as one of such types.

- (d) For purposes of determining compliance with any U.S. dollar denominated restriction on the Incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; *provided that* if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that may be Incurred pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on Restricted Payments

- (a) The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly (the payments or any other actions described in clauses (i) through (iv) below being collectively referred to as “**Restricted Payments**”):
- (i) declare or pay any dividend or make any distribution on or with respect to the Company’s or any of its Restricted Subsidiaries’ Capital Stock (other than dividends or distributions payable or paid solely in shares of the Company’s or any of its Restricted Subsidiaries’ Capital Stock (other than Disqualified Stock or Preferred Stock) or in options, warrants or other rights to acquire shares of such Capital Stock) held

by Persons other than the Company or any Wholly-Owned Restricted Subsidiary;

- (ii) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock of the Company or any Restricted Subsidiary (including options, warrants or other rights to acquire such shares of Capital Stock) or any direct or indirect parent of the Company held by any Persons other than the Company or any Wholly-Owned Restricted Subsidiary, other than the purchase of Capital Stock of a Restricted Subsidiary pursuant to a Staged Acquisition Agreement;
- (iii) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Indebtedness that is subordinated in right of payment to the New Notes or any of the Subsidiary Guarantees or any of the JV Subsidiary Guarantees (excluding any intercompany Indebtedness between or among the Company and any of its Wholly-Owned Restricted Subsidiaries); or
- (iv) make any Investment, other than a Permitted Investment;

if, at the time of, and after giving effect to, the proposed Restricted Payment:

- (A) a Default shall have occurred and is continuing or would occur as a result of such Restricted Payment;
- (B) the Company could not Incur at least US\$1.00 of Indebtedness under paragraph (a) of the covenant entitled "*Limitation on Indebtedness and Disqualified or Preferred Stock*," or
- (C) such Restricted Payment, together with the aggregate amount of all Restricted Payments made by the Company and its Restricted Subsidiaries after November 21, 2014, including, for the avoidance of doubt, any payment described in paragraphs (i) through (iv) above made

after November 21, 2014 and prior to the Original Issue Date that would have constituted a “Restricted Payment” herein had the Indenture been in effect at the time of such payment, shall exceed the sum (without duplication) of:

- (I) 50% of the aggregate amount of the Consolidated Net Income of the Company (or, if the Consolidated Net Income is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning July 1, 2014 and ending on the last day of the Company’s most recently ended semi-annual period for which consolidated financial statements of the Company (which the Company shall use commercially reasonable efforts to compile in a timely manner) are available (which may be internal consolidated financial statements) at the time of such Restricted Payment; *plus*
- (II) 100% of the aggregate Net Cash Proceeds received by the Company after November 21, 2014 as a capital contribution to its common equity or from the issuance and sale of its Capital Stock (other than Disqualified Stock) to a Person who is not a Subsidiary of the Company, including any such Net Cash Proceeds received upon (x) the conversion by a Person who is not a Subsidiary of the Company of any Indebtedness (other than Subordinated Indebtedness) of the Company into Capital Stock (other than Disqualified Stock) of the Company, or (y) the exercise by a Person who is not a Subsidiary of the Company of any options, warrants or other rights to acquire Capital Stock of the Company (other than Disqualified Stock) in

each case after deducting the amount of any such Net Cash Proceeds used to redeem, repurchase, defease or otherwise acquire or retire for value any Subordinated Indebtedness or Capital Stock of the Company; *plus*

(III) the amount by which Indebtedness of the Company or any of its Restricted Subsidiaries is reduced on the Company's consolidated balance sheet upon the conversion or exchange (other than by a Subsidiary of the Company) subsequent to November 21, 2014 of any Indebtedness of the Company or any of its Restricted Subsidiaries convertible or exchangeable into Capital Stock (other than Disqualified Stock) of the Company (less the amount of any cash, or the Fair Market Value of any other property, distributed by the Company upon such conversion or exchange); *plus*

(IV) an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) that were made after November 21, 2014 in any Person resulting from (i) payments of interest on Indebtedness, dividends or repayments of loans or advances by such Person, in each case to the Company or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income) after November 21, 2014, (ii) the unconditional release of a Guarantee provided by the Company or a Restricted Subsidiary after November 21, 2014 of an obligation of another Person, (iii) to the extent that an Investment made after November 21, 2014 is sold or otherwise

liquidated or repaid for cash, the lesser of (a) cash return of capital with respect to such Investment (less the cost of disposition, if any) and (b) the initial amount of such Investment, or (iv) from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments (other than Permitted Investments) made by the Company or a Restricted Subsidiary after November 21, 2014 in any such Person or Unrestricted Subsidiary; *plus*

(V) US\$12.5 million (or the Dollar Equivalent thereof).

(b) The foregoing provision shall not be violated by reason of:

- (i) the payment of any dividend or redemption of any Capital Stock within 60 days after the related date of declaration or call for redemption if, at said date of declaration or call for redemption, such payment or redemption would comply with Section 4.7(a);
- (ii) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any of the Subsidiary Guarantors or JV Subsidiary Guarantors with the Net Cash Proceeds of, or in exchange for, a substantially concurrent Incurrence of Permitted Refinancing Indebtedness;
- (iii) the redemption, repurchase or other acquisition of Capital Stock of the Company or any Subsidiary Guarantor (or options, warrants or other rights to acquire such Capital Stock) in exchange for, or out of the Net Cash Proceeds of a substantially concurrent capital contribution or sale (other than to a Subsidiary of the Company) of, shares of Capital Stock (other than Disqualified Stock) of the Company or any Subsidiary Guarantor (or options, warrants

or other rights to acquire such Capital Stock); provided that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (3)(B) of paragraph (a) above, provided however that any item that has been excluded pursuant to clause (3)(B) of paragraph (a) above will not be excluded again as a result of the proviso in this clause (iii);

- (iv) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any of the Subsidiary Guarantors or JV Subsidiary Guarantors in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent capital contribution or sale (other than to a Subsidiary of the Company) of, shares of the Capital Stock (other than Disqualified Stock) of the Company or any of the Subsidiary Guarantors or JV Subsidiary Guarantors (or options, warrants or other rights to acquire such Capital Stock); *provided that* the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (3)(B) of paragraph (a) above, provided however that any item that has been excluded pursuant to clause (3)(B) of paragraph (a) above will not be excluded again as a result of the proviso in this clause (iv);
- (v) the payment of any dividends or distributions declared, paid or made by a Restricted Subsidiary, payable on a pro rata basis or on a basis more favourable to the Company to all holders of any class of Capital Stock of such Restricted Subsidiary, a majority of which is held directly, or indirectly through Restricted Subsidiaries, by the Company; or
- (vi) the repurchase of Capital Stock deemed to occur upon the exercise of stock options to the extent such Capital Stock represent a portion of the exercise price of those stock options;

provided that, in the case of clause (ii), (iii) or (iv) of paragraph (b) above, no Default shall have occurred and be continuing or would occur as a consequence of the actions or payments set forth therein.

(c) Notwithstanding the foregoing and subject to paragraph (d) below, while any Notes remain Outstanding the Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly:

- (i) declare or pay any dividend in cash or make any distribution on or with respect to the Company's Capital Stock (other than dividends or distributions payable or paid solely in shares of the Company's Capital Stock (other than Disqualified Stock or Preferred Stock) or in options, warrants or other rights to acquire shares of such Capital Stock) held by Persons other than the Company or any Wholly-Owned Restricted Subsidiary; or
- (ii) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock of the Company (including options, warrants or other rights to acquire such shares of Capital Stock) or any direct or indirect parent of the Company held by any Persons other than the Company or any Wholly-Owned Restricted Subsidiary,

unless the Company has made a Cash Coupon Election in accordance with Section 2.13 of the Indenture.

(d) Following a Cash Coupon Election in accordance with Section 2.13 of the Indenture, the Company may, and may permit any Restricted Subsidiary to, directly or indirectly:

- (i) declare or pay any dividend in cash or make any distribution on or with respect to the Company's Capital Stock; or
- (ii) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock of the Company (including options, warrants or other rights to acquire such shares of Capital Stock) or

any direct or indirect parent of the Company held by any Persons other than the Company or any Wholly-Owned Restricted Subsidiary,

provided that such payment, distribution, purchase, call for redemption, retirement or other acquisition for value would comply with or be permitted under paragraph (a) or paragraph (b) above and the other provisions of the Indenture.

- (e) Each Restricted Payment permitted pursuant to clause (i) of paragraph (b) above shall be included in calculating whether the conditions of clause (3) of clause (iv) of paragraph (a) above have been met with respect to any subsequent Restricted Payments.
- (f) The amount of any Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or the Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The value of any assets or securities that are required to be valued by this covenant will be the Fair Market Value. The Board of Directors' determination of the Fair Market Value of a Restricted Payment or any such assets or securities must be based upon an opinion or appraisal issued by an appraisal or investment banking firm of recognized international standing if the Fair Market Value exceeds US\$15 million (or the Dollar Equivalent thereof).
- (g) Not later than the date of making any Restricted Payment in an amount in excess of US\$15 million (or the Dollar Equivalent thereof), the Company will deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this covenant were computed, together with a copy of any fairness opinion or appraisal required by the Indenture.

Transfer Restrictions

The New Notes and the Guarantees have not been, and will not be, registered under the US Securities Act or the securities laws of any other jurisdiction. The New Notes are subject to restrictions on transfer and may only be offered or sold in transactions that are exempt from or not subject to the registration requirements of the US

Securities Act. The New Notes will be offered and sold only (i) in the United States to “qualified institutional buyers” as defined in Rule 144A under the US Securities Act and institutional “accredited investors” as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the US Securities Act; and (ii) outside the United States to non-U.S. persons in offshore transactions, in reliance on Regulation S under the US Securities Act.

Listing

Approval in-principle has been received for the listing and quotation of the New Notes on the SGX-ST.

There can be no assurance that the New Notes will be listed or quoted on SGX-ST or that such listing will be maintained.

For so long as any New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, we will appoint and maintain a paying agent in Singapore where such New Notes may be presented or surrendered for payment or redemption in the event that a New Global Note is exchanged for definitive New Notes. In addition, in the event that a New Global Note is exchanged for definitive New Notes, an announcement of such exchange shall be made by or on behalf of us through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive New Notes, including details of the paying agent in Singapore.

For so long as such New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such New Notes will be traded on the SGX-ST in a minimum board lot size of at least US\$300,000.

Governing Law for the New Notes, the Subsidiary Guarantees (if any), the JV Subsidiary Guarantees (if any) and the New Notes Indenture

New York law.

Trustee

The Bank of New York Mellon, London Branch.

Paying Agent

The Bank of New York Mellon, London Branch.

Transfer Agent

The Bank of New York Mellon SA/NV, Luxembourg Branch.

Registrar

The Bank of New York Mellon SA/NV, Luxembourg Branch.

10 OVERVIEW OF THE GROUP'S INDEBTEDNESS AND MANAGEMENT

Financial Statements

- 10.1 Audited consolidated financial statements of the Group for the years ended 30 December 2016, 2017 and 2018, the unaudited interim results of the Group for the six months ended 30 June 2019 and the indebtedness statement of the Group as at 30 September 2019 are available on the website of the HKEx (<https://www.hkex.com.hk/>) and on the Scheme Website, and are also set out in Appendix 8 (*Financial Statements*).

Financial Indebtedness

- 10.2 As at 30 September 2019, the Group had total indebtedness of approximately RMB3,030.0 million of which RMB265.96 million was owed by the Company, details of which are set out in the indebtedness statement of the Group as at 30 September 2019 in Appendix 8 (*Financial Statements*).

Offshore Financing

The Notes

- 10.3 The Notes comprise the 2018 Notes, 2019 Notes and CBs. The Notes are represented by Global Notes, in fully registered form without interest coupons. The Notes were deposited with and registered in the name of a nominee of, a common depository for Euroclear and Clearstream. The Clearing Systems each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. So long as the Depository (or its nominee) is the registered owner of the Global Notes, it shall be considered the registered holder of the Notes. Under certain circumstances, the Company may be obliged to issue individual certificated notes in fully registered form in exchange for the Global Notes, in which case the holders of those certificates shall be considered the registered holder of the Notes.

2018 Notes and 2019 Notes

- 10.4 Each of the 2018 Notes and 2019 Notes comprise a global note issued pursuant to the 2018 Indenture and 2019 Indenture respectively. The 2018 Notes and the 2019 Notes (including their respective indentures) are governed by the laws of the State of New York.
- 10.5 The 2018 Notes were issued in the original aggregate principal amount of US\$160,000,000 in October 2017. The 2018 Notes bear interest at 6.75% per annum which is payable semi-annually in arrears on 18 April 2018 and 17 October 2018. The 2018 Notes were listed on the HKEx with stock code 5292 and automatically delisted on 17 October 2018 when they matured.
- 10.6 The 2019 Notes were issued in the original aggregate principal amount of US\$260,000,000 in February 2017. The 2019 Notes bear interest at 7.95% per annum which is payable semi-annually in arrears on 15 February and 15 August of each year. The 2019 Notes were listed on the HKEx with stock code 5372 and automatically delisted on 15 February 2019 when they matured.

- 10.7 The obligations of the Company in respect of the 2018 Notes and 2019 Notes are both guaranteed by the Subsidiary Guarantors. Pursuant to the terms of the 2018 Indenture and 2019 Indenture, each Subsidiary Guarantor has agreed (among other things) to jointly and severally guarantee to each holder of a Note and to the Notes Trustee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the 2018 Notes and the 2019 Notes.
- 10.8 The Company purchased face value US\$4,740,000 of the 2018 Notes in 2017. As at the date of this Explanatory Statement, US\$155,260,000 in principal amount of the 2018 Notes and US\$260,000,000 in principal amount of the 2019 Notes are outstanding.

CBs

- 10.9 The CBs comprise a global note issued pursuant to the CB Trust Deed. The CBs and the CB Trust Deed are governed by English law.
- 10.10 On 8 August 2014, the Company issued 930 units of 5% convertible bonds due 8 August 2019 with a nominal value of RMB930,000,000. CBs bear interest at 5% per annum which is payable semi-annually in arrears on 8 February and 8 August of each year. The CBs were listed on the HKEx with stock code 5790 and automatically delisted on 8 August 2019 when they matured.
- 10.11 The CBs are convertible into the Shares at the initial conversion price of HK\$16.11 per share, subject to adjustments.
- 10.12 The Company repurchased and/or redeemed RMB6,000,000 in principal amount of the CBs in 2015, RMB108,000,000 in 2017 and RMB720,000,000 in 2018. As at the date of this Explanatory Statement, RMB96,000,000 in principal amount of the CBs are outstanding.

Other offshore financing

- 10.13 As at 30 September 2019, the Group had total offshore loans from banks and other lenders of approximately RMB281.0 million, approximately RMB0.6 million of which was secured against certain land and buildings of the Group and approximately RMB84.9 million of which was secured against the Company's equity interest in China Singyes New Materials Holdings Limited.

Onshore Financing

- 10.14 As at 30 September 2019, the Group had total onshore loans from banks and other lenders of approximately RMB2,749.0 million, approximately RMB1,268.3 million of which was secured against certain solar photovoltaic power stations and land and buildings of the Group and approximately RMB260.7 million of which was secured against certain prepaid land lease of the Group.

Intercompany Balances

- 10.15 As at 30 September 2019, the total amount due to the Company from other members of the Group amounted to approximately RMB2,783.4 million and the total amount due to other members of the Group from the Company amounted to approximately RMB9.2 million.

Material Shareholders, Directors and Senior Management of the Company

- 10.16 As at the date of this Explanatory Statement, the Company's material shareholders are as follows:

Name	Underlying shares	Approximate % of the issued share capital of the Company
Strong Eagle (<i>Note 1</i>)	203,802,750	24.43%
Beyond Steady Limited (<i>Note 2</i>)	125,849,000	15.09%

Notes:

- (1) Strong Eagle is the beneficial owner of 203,802,750 Shares and is owned by Mr. Liu Hongwei, Mr. Sun Jinli, Mr. Xie Wen, Mr. Xiong Shi and Mr. Zhuo Jianming, as to 53%, 15%, 14%, 9% and 9%, respectively.
- (2) Beyond Steady Limited is the beneficial owner of 67,064,000 shares of the Company and is interested in 58,785,000 Shares in the capacity of a holder of security interests. Beyond Steady Limited is wholly owned by Linewear Assets Limited, which is wholly owned by Huarong International Financial Holdings Limited. 51% of the issued share capital of Huarong International Financial Holdings Limited is owned by Camellia Pacific Investment Holding Limited, which is wholly owned by China Huarong International Holdings Limited, which is owned by Huarong Real Estate Co., Ltd. (華融置業有限責任公司) as to its 88.1% of the issued share capital.
- 10.17 The Company's Bye-Laws provide that the Board must consist of not less than two Directors.

- 10.18 As at the date of this Explanatory Statement, the Directors are as follows:

Name	Position
Mr. Liu Hongwei	Chairman, Executive Director
Mr. Xie Wen	Executive Director
Mr. Xiong Shi	Executive Director
Dr. Li Hong	Non-Executive Director
Mr. Zhuo Jianming	Non-Executive Director
Dr. Wang Ching	Independent Non-Executive Director
Mr. Yick Wing Fat Simon	Independent Non-Executive Director
Dr. Tan Hongwei	Independent Non-Executive Director

- 10.19 Senior Management, which comprise the Group's executive team, responsible for the day to day management of the Group, are as follows:

Name	Position
Zhao Feng	Deputy General Manager of certain key subsidiaries
Zhang Chao	Operating General Manager of certain key subsidiaries
Luo Duo	Chief Engineer
Liang Bingqiang	Deputy General Manager of certain key subsidiaries
Yu Chon Man	Co-Chief Financial Officer and Company Secretary
Guo Yangyang	Co-Chief Financial Officer

Directors' Interests in the Group and the Restructuring

10.20 In terms of Directors of the Company who may have an interest in the Schemes, the following Directors are also shareholders of the Company as at the date of this Explanatory Statement:

Name	Capacity	Underlying shares	Approximate % of the issued share capital of the Company
Mr. Liu Hongwei	Interest of a controlled corporation (<i>Note 1</i>)	203,802,750	24.43%
Mr. Xiong Shi	Beneficial interest	185,000	0.02%
Mr. Zhuo Jianming	Beneficial interest	570,000	0.07%
Dr. Li Hong	Beneficial interest	220,000	0.03%

Note 1: These 203,802,750 Shares are held by Strong Eagle whose share capital is 53% owned by Mr. Liu Hongwei.

10.21 Pursuant to section 671(3)(b) of the Companies Ordinance and section 100 of the Companies Act, this Explanatory Statement is required to state any material interests of the Directors, whether as Directors or as members or as creditors of the Company or otherwise, under the arrangement or compromises to be effected by the Schemes. By way of summary, the Directors have no material interest (whether as Directors or as members or as creditors of the Company or otherwise) under the Schemes other than in respect of the following:

- (a) as director of the Company receiving remuneration for such role, they each have an interest in the Company avoiding liquidation;

- (b) likewise, as members of the Company, they have an interest in the Company avoiding liquidation and continuing to trade and in the resumption of trading of the shares of the Company;
- (c) Directors have guaranteed certain of the Group's bank and other loans for nil consideration as of the date of the Explanatory Statement, details of which are as follows:
 - (i) Mr. Liu Hongwei has guaranteed the Group's bank and other loans of RMB719,056,000;
 - (ii) Mr. Liu Hongwei and the Company's former director, Mr. Sun Jinli, have jointly guaranteed the Group's bank loans of RMB539,995,000;
 - (iii) Mr. Liu Hongwei and Mr. Xie Wen have jointly guaranteed the Group's bank loans of RMB300,921,000;
 - (iv) Mr. Liu Hongwei and Mr. Xie Wen and the Company's former director, Mr. Sun Jinli have jointly guaranteed the Group's bank loans of RMB364,494,000;
 - (v) Mr. Liu Hongwei has guaranteed the Group's bank loans of HK\$201,182,000 (equivalent to approximately RMB176,972,000); and
 - (vi) Mr. Liu Hongwei and the Company's former director, Mr. Sun Jinli, have jointly guaranteed the Group's bank loans of HK\$13,670,000 (equivalent to approximately RMB12,025,000).

Material Contracts

10.22 The following contracts, not being contracts entered in the ordinary course of business of the Group, have been entered into by the members of the Group within two years preceding the date of the Explanatory Statement and up to and including the date of this Explanatory Statement and which are, or may be, material:

- (a) the RSA, details of which are set out in Section 5 (*Background to the Schemes and the Restructuring*);
- (b) the Subscription Agreement, details of which are set out in Section 7 (*Overview of the Subscription*);
- (c) the loan agreement dated 27 June 2019 entered into between Shuifa Energy Group Limited* (水發能源集團有限公司) as lender, and Zhuhai Singyes Energy Saving Technology Limited* (珠海興業節能科技有限公司) as borrower, in relation to a loan in the amount of RMB 82.9 million;
- (d) the sale and purchase agreement dated 13 June 2018 entered into between 甘肅興業綠色能源科技有限公司* (Gansu Singyes Green Energy Technology Limited), an indirectly owned subsidiary of the Company (as vendor) and 陝西雲合光伏電力有限公司* (Shanxi Yunhe Guangfu Electricity Limited) (as purchaser), in relation to the 25MW solar farm (25MW 光伏電站), located at

Mingjin County, Gansu Province of the PRC at the consideration of RMB203,750,000 (equivalent to approximately HK\$250,924,000);

- (e) the term loan facility agreement dated 24 May 2019 entered into between the Company as borrower, Top Access Management Limited as chargor, Oasis Investments II Master Fund Ltd as lender and valuation agent, Mr. Liu Hong Wei as personal guarantor and Strong Eagle as corporate guarantor in relation to a loan facility in the amount of USD12,000,000;
- (f) the security over shares agreement dated 24 May 2019 entered in to between Top Access Management Limited as chargor and Oasis Investments II Master Fund Ltd. as chargee, in relation to which Top Access Management Limited has charged 324,324,325 shares of China Singyes New Materials Holdings Limited (中國興業新材料控股有限公司) in favour of Oasis Investments II Master Fund Ltd. as security for the loan under the term loan facility agreement referred to in paragraph (e) above; and
- (g) the sale and purchase agreement dated 22 December 2017 entered into between 湖南興業綠色能源股份有限公司 (Hunan Singyes Solar Green Energy Technology Co. Ltd.*), a wholly-owned subsidiary of the Company (as vendor) and 北京京運通科技股份有限公司 (Beijing Jingyuntong Technology Co., Ltd.*) (as purchaser), in relation to the acquisition of 100% of the share capital in 邢台興喬能源科技有限公司 (Xingtai Xingqiao Energy Company Limited*) at a consideration of HK\$170,084,000.

Proceedings

- 10.23 To the best of the Directors' knowledge and belief, as at the date of this Explanatory Statement, no material litigation or arbitration Proceedings have been commenced or threatened against any member of the Group except the following proceedings as described below:

Petition presented by DB

- 10.24 As announced by the Company on the HKEx, on 8 August 2019, DB presented a petition for the winding up of the Company pursuant to C(WUMP)O in the Hong Kong Court (the "**DB Petition**"). The DB Petition relates to an alleged debt of US\$6,269,649.25 (equivalent to HK\$49,270,038.63) (comprising: (a) an amount of US\$5,000,000 in respect of break fees purportedly arising under the Term Sheets; (b) certain costs and expenses which DB alleges it is entitled to recover from the Company under the Term Sheets; and (c) accrued interest on the same from 14 October 2018 to 5 August 2019 at the prejudgment rate of 8%).
- 10.25 The case number assigned to the DB Petition is HCCW 234/2019. The Company disputes the allegation that it is indebted to DB (or any other person) pursuant to the Term Sheets and intends vigorously to defend the DB Petition. The DB Petition was initially heard in the Hong Kong Court on 2 October 2019 and adjourned to 16 October 2019 due to certain requisitions raised by the Hong Kong Court which required DB to amend the DB Petition. At the subsequent hearing on 16 October 2019, the DB Petition was further adjourned by consent to 9:30 a.m. on 4 November 2019 for a hearing before the Companies Judge. As the Company is opposing the DB Petition, DB and the

Company have agreed to seek directions from the Companies Judge at the adjourned hearing for the purpose of exchanging evidence so that the DB Petition could be set down for argument at a later date.

11 RISK FACTORS

The following summarises some of the principal risks and uncertainties that may arise in connection with the Schemes. It should be read in conjunction with all of the other information contained in this Explanatory Statement. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may become material and have a material adverse effect on the business, financial condition or results of operations of the Group. This Explanatory Statement also contains forward-looking statements. Actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors and circumstances, including the risks and uncertainties described in this Explanatory Statement.

For ease of reference, the risk factors set out below have been grouped into the following four categories:

- (a) *risks relating to the implementation of the Schemes;*
- (b) *risks relating to a failure to implement or a delay in implementing the Schemes;*
- (c) *risks relating to the Scheme Consideration to be issued and distributed under the Schemes; and*
- (d) *risks following the implementation of the Schemes.*

Risks Relating to the Implementation of the Schemes

Effectiveness of the Schemes requires the Approval of Scheme Creditors

- 11.1 The Schemes must be approved by the Scheme Creditors with requisite majorities at the Scheme Meeting.
- 11.2 The majority required to approve the Schemes is the approval of a simple majority in number of the Scheme Creditors attending and voting at the Scheme Meeting either in person or by proxy (“**majority in number**”) representing at least three fourths in value of the Scheme Claims of the Scheme Creditors attending and voting at the Scheme Meeting either in person or by proxy (“**majority in value**”). The Scheme Creditors attending and voting at the Scheme Meeting (in person or by proxy) will be counted for the “majority in number” requirement, and the principal amount of the Scheme Claims of the Scheme Creditors attending and voting at the Scheme Meeting (in person or by proxy) will be counted for the “majority in value” requirement.
- 11.3 If the requisite majorities of Scheme Creditors do not vote in favour of the Schemes at the Scheme Meeting, the Restructuring will not be implemented pursuant to the Schemes or possibly at all.
- 11.4 Although a large proportion of the Scheme Creditors (by value) have undertaken to vote in favour of the Schemes pursuant to the RSA, that undertaking will cease to be binding if the RSA is terminated.

Even if the Scheme Creditors approve the Schemes, the Schemes may not be Approved by the Bermuda Court or the Hong Kong Court

- 11.5 In order for the Hong Kong Scheme to become effective under Hong Kong law, and in order for the Bermuda Scheme to become effective under Bermuda law, the Hong Kong Court must sanction the Hong Kong Scheme and the Bermuda Court must sanction the Bermuda Scheme.
- 11.6 Each of the Bermuda Court and the Hong Kong Court has discretion whether or not to sanction the relevant Scheme and will need to be satisfied that (i) the provisions of the applicable statute have been complied with; (ii) the Scheme Creditors were fairly represented by those who attended the Scheme Meeting and the statutory majority are acting *bona fide* and are not coercing the minority in order to promote interests adverse to those of the class whom they purport to represent; and (iii) the arrangement is such that an intelligent and honest man, a member of the class concerned, and acting in respect of his interest, might reasonably approve.
- 11.7 Even if the Schemes are approved at the Scheme Meeting, any Scheme Creditor who voted (or gave instructions to someone to vote on their behalf) at the Scheme Meeting may appear by counsel at the Sanction Hearings for either or both of the Schemes in order to make representations that either or both of the Schemes should not be approved and to object to the granting of any order of the Bermuda Court and/or the Hong Kong Court sanctioning the Scheme(s). The Bermuda Court and/or the Hong Kong Court may also be prepared to hear such representations and objections by counsel for any other person whom they are satisfied has a substantial economic interest in the Schemes. Therefore, it is possible that objections will be made at or before the Sanction Hearings for the Schemes and that any such objections will delay or possibly prevent the Schemes from being sanctioned and becoming effective.
- 11.8 There can be no assurance that the Bermuda Court and/or the Hong Kong Court will approve the Schemes. If the Bermuda Court and/or the Hong Kong Court do not approve the Schemes, or approve them subject to conditions or amendments which (i) the Company regards as unacceptable or (ii) would have (directly or indirectly) a material adverse effect on the interests of any Scheme Creditors and such conditions and amendments are not approved by the Scheme Creditors, the Schemes will remain ineffective.
- 11.9 Further, even if the Bermuda Court and the Hong Kong Court approve the Schemes, it is still possible for any person who opposed the sanctioning of either Schemes at a Sanction Hearing to appeal against the granting by the Bermuda Court and/or the Hong Kong Court of an order sanctioning the Scheme(s). Any such appeals and/or subsequent litigation could delay the Schemes becoming effective or possibly prevent the Schemes from becoming effective at all.

The Schemes are inter-conditional

- 11.10 The effectiveness of the Hong Kong Scheme is conditional on the sanctioning of the Bermuda Scheme by the Bermuda Court and Bermuda Scheme is conditional on the sanctioning of the Hong Kong Scheme by the Hong Kong Court.
- 11.11 Consequently, if one of the Schemes is not sanctioned by one of the Hong Kong Court or the Bermuda Court, then both Schemes will fail to become effective.

The Schemes depend on the completion of the Subscription and the Company having received the proceeds from the Subscription

- 11.12 The Cash Consideration to be distributed to the Scheme Creditors under the terms of the Schemes is to be funded by the proceeds of the Subscription. The Company has no other source of available cash with which to pay the Cash Consideration.
- 11.13 The effectiveness of the Schemes is therefore conditional on the completion of the Subscription and the Company having received the proceeds therefrom.
- 11.14 The Subscriber has committed to make the Subscription pursuant to the terms of the Subscription Agreement. However, its agreement thereunder to make the Subscription for the Subscription Shares is subject to a number of material conditions, which must be fulfilled (or otherwise waived) before its commitment becomes unconditional and fully binding. If any of these conditions cannot be satisfied, the Subscriber will not be bound to subscribe for any Subscription Shares, the Subscription will not proceed, and it is highly likely that the Restructuring will fail.

Risks Relating to a Failure to Implement or a Delay in Implementing the Schemes

The Restructuring may not be completed in accordance with the timeline envisaged by the RSA or this Explanatory Statement

- 11.15 Factors unknown to the Company as at the date of this Explanatory Statement may result in delays to the completion of the Restructuring. There is no guarantee that the Restructuring Effective Date will occur by the Longstop Date, at which time the Scheme Creditors who have acceded to the RSA will no longer be bound by their obligations under the RSA to support the Restructuring and not to take action against the Company and/or any member of the Group, and the Schemes will lapse, respectively.
- 11.16 The Longstop Date may, however, be extended in accordance with the terms of the Schemes and RSA.

Insolvency Proceedings if the Restructuring is not implemented promptly

- 11.17 The maturity date of the Notes has passed and, therefore, the Company is currently obliged to repay the principal amount under the Notes.
- 11.18 The Company currently has limited available cash and, should the Debt Restructuring not proceed, would be unable to repay its overdue indebtedness under and in connection with the Notes. Unless the Company and the Board are able to satisfy themselves that an alternative financial restructuring is likely to be successful (which the Company considers very unlikely given the time and cost of the negotiating the Restructuring) it is likely that the Company and other members of the Group will enter into liquidation or other appropriate Insolvency Proceedings.
- 11.19 If the Company and other Group companies are placed into a formal insolvency procedure, the proceeds available to Scheme Creditors will likely be reduced to a level that is considerably lower than the potential value of the consideration they would receive under the Schemes (as per the Recovery Analysis summarised in Section 5

(Background to the Schemes and the Restructuring) and set out in Appendix 7 (Recovery Analysis)).

Risks relating to the New Notes to be Issued and Distributed under the Schemes

The Company is a holding company and payments with respect to the New Notes are structurally subordinated to liabilities, contingent liabilities and obligations of the Company's subsidiaries which are not providing guarantees under the Notes.

- 11.20 The Company is a holding company with no material operations. The Company conducts its operations primarily through its PRC subsidiaries. The New Notes will not be guaranteed by any current or future PRC subsidiaries. In addition, none of the shares of the Company's subsidiaries will be pledged for the benefit of the holders of the New Notes. The Company's primary assets are ownership interests in its PRC subsidiaries. Any future subsidiary guarantors may not have material operations. Accordingly, the Company's ability to pay principal and interest on the New Notes and the ability of the subsidiary guarantors (if any) to satisfy their obligations under the subsidiary guarantees will depend upon their receipt of principal and interest payments on the intercompany loans and distributions of dividends from the Company's subsidiaries.
- 11.21 Creditors, including trade creditors of the non-guarantor subsidiaries and any holders of preferred shares in such entities, would have a claim on such subsidiaries' assets that would be prior to the claims of holders of the New Notes. As a result, the Company's payment obligations under the New Notes will be effectively subordinated to all existing and future obligations of such subsidiaries, and all claims of creditors of the non-guarantor subsidiaries will have priority as to the assets of such entities over the Company's claims and those of the Company's creditors, including holders of the New Notes. The New Notes and the New Notes Indenture permit the Company, the subsidiary guarantors (if any), the JV subsidiary guarantor (if any) and the non-guarantor subsidiaries to incur additional indebtedness and issue additional guarantees, subject to certain limitations. The New Notes and the New Notes Indenture do not restrict the ability of the Company's subsidiaries to issue certain categories of guarantee in the ordinary course of business. In addition, the Company's secured creditors or those of subsidiary guarantor (if any) or JV subsidiary guarantor (if any) would have priority as to our assets or the assets of such subsidiary guarantor (if any) or JV subsidiary guarantor (if any) securing the related obligations over claims of holders of the New Notes.
- 11.22 Under the terms of the New Notes, a subsidiary guarantee required to be provided by a subsidiary of the Company under the terms of the New Notes may be replaced by a limited-recourse guarantee, or JV subsidiary guarantee, following the sale or issuance to a third party of a 20% to 49.9% equity interest in such subsidiary by its direct or indirect majority shareholders or the purchase by the Company or any restricted subsidiary of no less than 50.1% of the capital stock of an independent third party and designate such entity as a restricted subsidiary (subject to the satisfaction of certain conditions). Recovery under the JV subsidiary guarantees provided by a JV subsidiary guarantor and its shareholders and subsidiaries is limited to an amount equal to our proportional interest in the issued share capital of such subsidiary guarantor, or JV subsidiary guarantor, multiplied by the fair market value of the total assets in such JV subsidiary guarantor and its subsidiaries, on a consolidated basis, as at the date of the last fiscal year end of the Company. As a result, the amount that may be recovered by

the New Notes Trustee pursuant to a JV subsidiary guarantee (compared to a subsidiary guarantee) is reduced, which in turn may affect your ability to recover any amounts due under the New Notes.

The Group has substantial indebtedness and may incur substantial additional indebtedness in the future, which could adversely affect the Group's financial health and the Group's ability to generate sufficient cash to satisfy its outstanding and future debt obligations.

11.23 The Group has, and will continue to have after the Schemes, a substantial amount of indebtedness. As at 30 September 2019, the Group's interest-bearing bank and other loans amounted to approximately RMB3,030.0 million. The Group's substantial indebtedness has important consequences for you. For example, it:

- (a) limits the Company's ability to satisfy its obligations under the New Notes and other debt;
- (b) increases its vulnerability to adverse general economic and industry conditions;
- (c) requires it to dedicate a substantial portion of its cash flow from operations to servicing and repaying its indebtedness, thereby reducing the availability of its cash flow to fund working capital, capital expenditures and for other general corporate purposes;
- (d) limits its flexibility in planning for or reacting to changes in its businesses and the industry in which we operate;
- (e) places it at a competitive disadvantage compared to its competitors that have less debt;
- (f) limits, along with the financial and other restrictive covenants of its indebtedness, among other things, its ability to borrow additional funds; and
- (g) increases the cost of additional financing.

11.24 The Group may from time to time incur substantial additional indebtedness and contingent liabilities. Although the New Notes Indenture restricts the Company and the Restricted Subsidiaries from incurring additional debt and contingent liabilities, these restrictions are subject to important exceptions and qualifications. If the Group incur additional debt, the risks that it faces as a result of its existing substantial indebtedness and leverage could intensify.

11.25 The Group's ability to generate sufficient cash to satisfy its outstanding and future debt obligations will depend upon its future operating performance, which will be affected by prevailing economic conditions and financial, business and other factors, many of which are beyond its control. If the Group is unable to service its indebtedness, it will be forced to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing its indebtedness or seeking equity capital. These strategies may not be instituted on satisfactory terms, if at all, including due to restrictions placed upon the Company and the Restricted Subsidiaries in the New Notes Indenture.

- 11.26 In addition, the terms of the New Notes Indenture prohibit the Company from incurring additional indebtedness unless (i) the Company is able to satisfy certain financial ratios or (ii) pursuant to any of the specific exceptions to the financial ratios requirements, and meet any other applicable restrictions. The Company's ability to meet its financial ratios may be affected by events beyond its control. Such restrictions in the New Notes and the other financing arrangements may negatively affect the Group's ability to react to changes in market conditions, take advantage of business opportunities it believes to be desirable, obtain future financing, fund required capital expenditures, or withstand a continuing or future downturn in its business. Any of these factors could materially and adversely affect its ability to satisfy its obligations under the New Notes and other debt.

Servicing the Group's indebtedness will require a significant amount of cash and its ability to generate cash depends on many factors beyond its control.

- 11.27 The Group's ability to make payments on and to refinance its indebtedness, including these New Notes, and to fund planned capital expenditures will depend on its ability to generate cash. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond the Group's control.
- 11.28 The Group's business might not generate cash flow from operations in an amount sufficient to enable it to pay its indebtedness, including the New Notes, or to fund its other liquidity needs. The Group may need to refinance all or a portion of its indebtedness (some of which matures prior to the New Notes), including the New Notes, on or before maturity. The Group might not be able to refinance any of its indebtedness on commercially reasonable terms or at all.
- 11.29 If the Company or a restricted subsidiary is unable to comply with the terms of the New Notes Indenture or any of their existing or future debt agreements, there could be a default under those agreements, which could cause repayment of such debt or the New Notes to be accelerated.
- 11.30 If the Company or a restricted subsidiary is unable to comply with the terms in the New Notes Indenture or its existing or future debt obligations and other agreements, there could be a default under those agreements. If that occurs, the holders of the debt could accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, the New Notes Indenture contains, and the Group's future debt agreements are likely to contain, cross-acceleration and cross-default provisions. As a result, the default of the Company or any of the restricted subsidiaries under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the New Notes, or result in a default under the Group's other debt agreements, including the New Notes Indenture. If any of these events occur, the Group's assets and cash flow might not be sufficient to repay in full all of its indebtedness that has been accelerated and it might not be able to find alternative financing to repay such indebtedness on commercially reasonable terms or at all.

The Company may not be able to repurchase the New Notes upon a change of control.

- 11.31 The Company must offer to purchase the New Notes upon the occurrence of a Change of Control (as defined in the New Notes Indenture) at a purchase price equal to 101%

of the principal amount plus accrued and unpaid interest. The source of funds for any such purchase would be the Company's available cash or third-party financing. However, it may not have enough available funds at the time of the occurrence of any Change of Control to make purchases of the outstanding New Notes. Its failure to make the offer to purchase or to purchase the outstanding New Notes would constitute an event of default under the New Notes. The event of default may, in turn, constitute an event of default under other indebtedness, any of which could cause the related debt to be accelerated after any applicable notice or grace periods. If its other debt were to be accelerated, the Company may not have sufficient funds to purchase the New Notes and repay the debt.

- 11.32 In addition, the definition of Change of Control for purposes of the New Notes Indenture does not necessarily afford protection for the holders of the New Notes in the event of some highly leveraged transactions, including certain acquisitions, mergers, refinancings, restructurings or other recapitalisations, although these types of transactions could increase the Group's indebtedness or otherwise affect its capital structure or credit ratings. The definition of Change of Control for purposes of the New Notes Indenture also includes a phrase relating to the sale of "all or substantially all" of its assets. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition under applicable law. Accordingly, the Company's obligation to make an offer to purchase the New Notes, and the ability of a holder of the New Notes to require the Company to purchase its New Notes pursuant to the offer as a result of a highly leveraged transaction or a sale of less than all of its assets may be uncertain.

The liquidity and price of the New Notes following the Restructuring may be volatile.

- 11.33 The price and trading volume of the New Notes may be highly volatile. Factors such as variations in the Group's revenues, earnings and cash flows and proposals for new investments, strategic alliances and acquisitions, interest rates, the general state of the securities market and fluctuations in price for comparable companies could cause the price of the New Notes to change. Any such developments may result in large and sudden changes in the trading volume and price of the New Notes. There is no assurance that that these developments will not occur in the future.

A trading market for the New Notes may not develop, and there are restrictions on the resale of some of the New Notes.

- 11.34 The New Notes are a new issue of securities for which there is currently no trading market. While the New Notes are expected to be listed on the SGX-ST, there is no assurance that the Company will be able to obtain or maintain a listing on the SGX-ST or on any recognized securities exchange and, even if listed, a liquid trading market might not develop. If no active trading market develops, a holder of the New Notes may not be able to resell its New Notes at their fair market value or at all. Future trading prices of the New Notes will depend on many factors, including prevailing interest rates, the Group's operating results and the market for similar securities, which may be beyond the Group's control. In addition, the New Notes are being offered pursuant to exemptions from registration under the US Securities Act and, as a result, a holder of the New Notes will only be able to resell its New Notes in transactions that have been registered under the US Securities Act or in transactions not subject to or exempt from registration under the US Securities Act. It cannot be predicted whether an active

trading market for the New Notes will develop or be sustained. If an active trading market for the New Notes does not develop or is not sustained, the market price and liquidity of the New Notes may be adversely affected.

The transfer of the New Notes may be restricted, which may adversely affect their liquidity and the price at which they may be sold.

- 11.35 The New Notes have not been registered under, and the Company is not obligated and does not plan to register the New Notes under the US Securities Act or the securities laws of any other jurisdiction. The New Notes, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the US Securities Act and any other applicable laws. See “Important Securities Law Notices” at Section 3 (*Important Securities Law Notice*) of this Explanatory Statement. The Group has not agreed to or otherwise undertaken to register the New Notes with the SEC or the securities regulatory authority of any other jurisdiction, and the Group has no intention of doing so.

The New Notes will initially be held in book-entry form, and therefore a holder of the New Notes must rely on the procedures of the relevant Clearing Systems to exercise any rights and remedies.

- 11.36 The New Notes will initially only be issued in global certificated form and held through Euroclear and Clearstream. Interests in one or more global New Notes representing the New Notes will trade in book-entry form only, and New Notes in definitive registered form will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners or holders of the New Notes for purposes of the New Notes Indenture. The nominee for the New Depositary will be the sole registered holder of the global New Notes. Accordingly, a holder of the New Notes must rely on the procedures of Euroclear or Clearstream, and if the holder is not a participant in Euroclear or Clearstream, on the procedures of the participant through which it owns its interest to exercise any rights and obligations of a holder of the New Notes under the New Notes Indenture. Upon the occurrence of an event of default under the New Notes Indenture, unless and until definitive registered New Notes are issued with respect to all book-entry interests, if a holder of the New Notes owns a book-entry interest, it will be restricted to acting through Euroclear or Clearstream. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the New Notes.

The Company will follow the applicable corporate disclosure standards for debt securities listed on the SGX-ST, which standards may be different from those applicable to debt securities listed in certain other countries.

- 11.37 The Company will be subject to reporting obligations in respect of the New Notes to be listed on the SGX-ST. The disclosure standards imposed by the SGX-ST may be different from those imposed by securities exchanges in other countries such as the United States. As a result, the level of information that is available may not correspond to what investors in the New Notes are accustomed to.

Disclosure standards that apply to the Group may differ from those in the United States or other jurisdictions.

- 11.38 The Group's consolidated financial information is prepared in accordance with IFRS, which differs in certain respects from U.S. GAAP. As a result, the Group's consolidated financial information and reported earnings could be significantly different if they were prepared in accordance with U.S. GAAP. No attempt has been made to quantify the impact of those differences. This Explanatory Statement does not contain reconciliation of the Group's consolidated financial information to U.S. GAAP, and there is no assurance that such reconciliation would not reveal material differences. Potential investors should consult their own professional advisers for an understanding of the differences between IFRS and U.S. GAAP, and how these differences might affect the financial information herein.

An investment in the New Notes is subject to exchange rate risks, and exchange controls may result in a holder of the New Notes receiving less interest or principal than expected.

- 11.39 The Company will pay principal and interest on the New Notes in US dollars. This presents certain risks relating to currency conversions if a holder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than US dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the US dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the US dollar would decrease (i) the Investor's Currency equivalent yield on the New Notes; (ii) the Investor's Currency equivalent value of the principal payable on the New Notes; and (iii) the Investor's Currency equivalent market value of the New Notes. Governments and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, a holder of the New Notes may receive less interest or principal than expected, or no interest or principal.

Risks following the Implementation of the Schemes

The business, operations, financial condition and prospects of the Company and other members in the Group are subject to numerous risks.

- 11.40 The business, operations, financial condition and prospects of the Company and other members in the Group are subject to numerous risks including, among other things, change in government regulations and policies including reduction, modification, delay or elimination of government subsidies and other economic incentives in the solar power industry supply and demand changes in solar products and solar energy; increase in raw material prices; failure to obtain or renew any or all of approvals, licences, and permits; change in demand for solar power and solar; reduction of government spending in public infrastructure related to curtain wall and the reduction of investment in curtain wall in respect of commercial and industrial building products; the relationship of the Company with its customers; delays in equipment delivery or delay in construction of solar power plants and solar product manufacturing facilities and interruptions in electricity supply and other key production inputs; unsuccessful expansion of business; negative publicity on the Group's public work projects; competition; credit risks of its customers; cost overruns when it undertakes projects; inflationary trends; interest rate changes; changes in currency exchange rates; environmental and safe production laws and regulations; litigation or administrative Proceedings the Group is involved;

insufficient insurance coverage; political, economic, legal and social conditions in the PRC; and economic conditions in Asia and elsewhere in the world.

The solar power industry and the market for solar products are heavily influenced by PRC government regulations and policies.

- 11.41 As almost all of the Group's operations are in the PRC and the Group's solar power plants are located in the PRC, the policies and regulations adopted by the PRC government towards the solar power industry are key to the continuing success of its solar power generation business. Various governments in the PRC have used policy initiatives to encourage or accelerate the development and adoption of solar power and other renewable energy sources in previous years. There is no assurance that favourable policies and positive government support will continue and maintain support at current levels in the future. The solar power industry in the PRC has accumulated excess production capacity primarily due to the rapid growth in the number of solar power companies in the PRC in recent years. The PRC government's attitude towards the solar power industry may change due to risk of excessive expansion of the solar industry and overcapacity. In addition, an economic downturn could impair the fiscal ability of some governments to maintain existing incentive programs or offer new incentive programs. Until the solar power industry reaches a scale to become cost-effective on non-subsidised basis, a significant reduction in the scope or discontinuation of government incentive programs, especially in the PRC, could reduce demand for the Group's products. The Group's financial condition and cash flow would be materially adversely impacted if it is not able to receive government subsidies for its projects as expected or if it is not able to promptly apply for subsidy quotas or if there are material time-lags in receiving subsidy payments.

The Company may be subject to PRC withholding taxes on interest it pays on the Notes.

- 11.42 According to relevant PRC laws and regulations, if the PRC tax authorities consider the Company (1) to be a PRC tax resident enterprise, (2) to the extent such withholding tax payments are deemed to be income sourced within the PRC, and (3) provided that there are no tax treaties between China and those countries or regions which exempt or reduce such withholding tax, the Company is obligated to withhold PRC income tax of up to 10% on interest paid and other related amounts on the New Notes to holders of the New Notes who are non PRC resident enterprises, or up to 20% on interest paid to a foreign individual who is neither domiciled nor resident in the PRC. Similarly, any gain realised by such non PRC resident enterprise or non PRC resident individual holders from the transfer of the New Notes would be regarded as being derived from sources within the PRC and would accordingly be subject to 10% or 20% PRC withholding tax.

12 TAXATION

- 12.1 Save as disclosed in paragraph 12.2 below, the Company has not analysed, and this Explanatory Statement does not discuss, the tax consequences to any Scheme Creditor of the Restructuring. Such tax consequences may be complex and each Scheme Creditor is urged to consult its own tax adviser with respect to the tax consequences of the Restructuring in light of such person's particular circumstances, including the tax consequences in any jurisdiction of the exchange of interests in the Notes for any Scheme Consideration, and the receipt, ownership and disposition of such Scheme Consideration. Scheme Creditors are liable for any taxes that may arise as a result of the Schemes and the Restructuring, and shall have no recourse to the Company, the Subsidiary Guarantors, the Notes Trustee, the Information Agent or any other person in respect of such taxes or any filing obligation with respect thereto.
- 12.2 The Company has received an assurance from the Ministry of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 granting an exemption, until 31 March 2035, from the imposition of tax under any applicable Bermuda law computed on profits or income or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, provided that such exemption shall not prevent the application of any such tax or duty to such persons as are ordinarily resident in Bermuda and shall not prevent the application of any tax payable in accordance with the provisions of the Land Tax Act 1967 or otherwise payable in relation to land in Bermuda leased to the Company. There are currently no stamp duties, income taxes, withholdings, levies, registration taxes, or other duties or similar taxes or charges now imposed, or which under the present laws of Bermuda could in the future become imposed, in connection with the enforcement or admissibility in evidence of the New Notes Indenture or on any payment to be made by the Company or any other person pursuant to the New Notes Indenture.

APPENDIX 1 DEFINITIONS AND INTERPRETATION

1.1 In this Explanatory Statement:

“2018 Indenture”	means the indenture dated 18 October 2017 (as amended, supplemented, or otherwise modified from time to time) between the Company, the Subsidiary Guarantors and the Notes Trustee pursuant to which the 2018 Notes were constituted.
“2018 Notes”	means the 6.75% senior notes due 2018 issued by the Company pursuant to the 2018 Indenture.
“2019 Indenture”	means the indenture dated 15 February 2017 (as amended, supplemented, or otherwise modified from time to time) between the Company, the Subsidiary Guarantors and the Notes Trustee pursuant to which the 2019 Notes were constituted.
“2019 Notes”	means the 7.95% senior notes due 2019 issued by the Company pursuant to the 2019 Indenture.
“Accepted”	means in relation to a Scheme Claim, the acceptance by the Company of such Scheme Claim (or part thereof) in accordance with the terms of the Schemes for the purposes of determining any entitlement to Scheme Consideration without Dispute or, where a Scheme Claim is Disputed, the acceptance or determination by the Adjudicator of a Disputed Scheme Claim (or part thereof) for such purpose in accordance with the Adjudication Procedure; and “Accept” shall be construed accordingly.
“Accepted Claim”	means a Scheme Claim against the Company which has been Accepted.
“Account Holder”	means any Person who is recorded in the books of a Clearing System as being a holder of a book-entry interest in the Notes in an account with that Clearing System or, as the context may require, is or was recorded in such books as being such a holder of Notes in such an account at the Record Time.
“Account Holder Letter”	means a letter from an Account Holder on behalf of the relevant Noteholder substantially in the form of the account holder letter set out in Appendix 5 (<i>Solicitation Packet</i>).
“Adjudication Procedure”	means the procedure for the resolution of Disputed Scheme Claims as set out in Part E of the Appendix 2

(*Hong Kong Scheme*) and Appendix 3 (*Bermuda Scheme*).

“Adjudicator”		means the Person named in Clause 18 of Appendix 2 (<i>Hong Kong Scheme</i>) and Appendix 3 (<i>Bermuda Scheme</i>) and any suitably qualified replacement the Company may, in its absolute discretion, appoint in accordance with the terms of the Schemes to act as an adjudicator in respect of any Disputed Scheme Claim in accordance with the Adjudication Procedure.
“Admiralty Harbour”		Admiralty Harbour Capital Limited.
“Adviser”		means each of Admiralty Harbour, D&P China (HK) Limited, Harneys, Zuill & Co., Kirkland & Ellis, Lucid, Akin Gump, and Moelis & Company Asia Limited; and “Advisers” shall be construed accordingly.
“Affiliates”		means in relation to any Person, its current and former direct and indirect subsidiaries, subsidiary undertakings, parent companies, holding companies, partners, related partnerships, equity holders, members and managing members, and any of their respective Affiliates.
“Akin Gump”		means Akin Gump Strauss Hauer & Feld, Akin Gump Strauss Hauer & Feld LLP and Akin Gump LLP.
“Authorised Capital Increase”	Share	means the proposed increase in the authorised share capital of the Company from US\$12,000,000 divided into 1,200,000,000 shares.
“Bar Time”		means 5:00 p.m. (Hong Kong time) on the date falling three (3) Business Days before the Holding Period Expiry Date.
“Bermuda Court”		means the Supreme Court of Bermuda.
“Bermuda Registrar of Companies”		means the Registrar of Companies appointed under section 3 of the Companies Act.
“Bermuda Court Sanction Hearing”	Court	means the hearing at the Bermuda Court of the petition in respect of the sanctioning of the Bermuda Scheme.
“Bermuda Sanction Order”	Sanction	means the order of the Bermuda Court sanctioning the Bermuda Scheme (with or without modification).
“Bermuda Scheme”		means the scheme of arrangement between the Company and the Scheme Creditors pursuant to section 99 of the Companies Act in its present form

or with or subject to any modifications, additions or conditions that the Bermuda Court may approve or impose, provided that any such modification, addition or condition does not have a material adverse effect on the rights of the Scheme Creditors, and the terms of the which are set out in Appendix 3 (*Bermuda Scheme*).

“Bermuda Meeting”	Scheme	means a meeting of the Scheme Creditors in relation to the Bermuda Scheme as convened by an order of the Bermuda Court for the purpose of considering and, if thought fit, approving the Bermuda Scheme with or without modification, and any adjournment thereof.
“Board”		means the board of directors of the Company from time to time.
“Business Day”		means any day on which banks are open for business generally in all of Luxembourg, Hong Kong, London, Bermuda, the PRC, and New York.
“Bye-Laws”		means the Bye-Laws of the Company adopted pursuant to written resolutions passed by shareholders on 19 December 2008.
“Cash Consideration”		means, together, the Notes Cash Consideration and DB Cash Consideration.
“CBs”		means the RMB-denominated 5.00% USD settled convertible bonds due 2019 issued by the Company pursuant to the CB Trust Deed.
“CB Trust Deed”		means the trust deed dated 8 August 2014 (as amended, supplemented, or otherwise modified from time to time) between, among others, the Company and the Notes Trustee pursuant to which the CBs were constituted.
“Chairperson”		means the Chairperson of the Scheme Meeting.
“Claims”		means all and any actions, causes of action, claims, counterclaims, suits, debts, sums of money, accounts, contracts, agreements, promises, damages, judgments, executions, demands or rights whatsoever or howsoever arising, whether present, future, prospective or contingent, known or unknown, whether or not for a fixed or unliquidated amount, whether or not involving the payment of money or the performance of an act or obligation or any failure to perform any obligation or any omission, whether

arising at common law, in equity or by statute in or under the laws of Hong Kong, New York, Bermuda, or under any other law or in any other jurisdiction howsoever arising; and “**Claim**” shall be construed accordingly.

“**Clearing Systems**” means each of Euroclear Bank S.A./N.V. and any successor and Clearstream Banking, S.A. and any successor; and “**Clearing System**” means either one of them.

“**Committee**” means the *ad hoc* committee of holders of the Notes (as constituted from time to time) which is represented by Akin Gump as legal adviser and Moelis & Company Asia Limited as financial adviser.

“**Companies Act**” means the Companies Act 1981 as applicable in Bermuda.

“**Companies Ordinance**” means the Companies Ordinance (Cap. 622) (as amended) as applicable in Hong Kong.

“**Company**” means China Singyes Solar Technologies Holdings Limited, a company incorporated with limited liability under the laws of Bermuda and listed on the HKEx with stock code 750.

“**Company Registrars**” means the Hong Kong Registrar of Companies and the Bermuda Registrar of Companies.

“**Conditions**” means each of the conditions precedent to the effectiveness of each of the Hong Kong Scheme and Bermuda Scheme, as set out in Clause 15 of the Appendix 2 (*Hong Kong Scheme*) and Appendix 3 (*Bermuda Scheme*).

“**Consent Fee**” means:

- (a) with respect to an Eligible Consenting Notes Creditor, an amount equal to: (i) the aggregate principal amount of its Eligible Notes; *divided by* (ii) the aggregate principal amount of the Eligible Notes held by all Eligible Consenting Notes Creditors collectively; *multiplied by* (iii) US\$8,600,000; and
- (b) with respect to a DB Consenting Creditor, an amount equal to: (i) the amount of that DB Consenting Creditor’s Accepted Claim; *divided by* (ii) the aggregate amount of the Accepted Claims of all DB Consenting

Creditors collectively; *multiplied by* (iii) the Total DB Consent Fee.

“Consenting Creditors”	means those Noteholders who became a party to the RSA as “Consenting Creditors” prior to 5:00 p.m. Hong Kong time on 9 August 2019; and “Consenting Creditor” means any one of them.
“Courts”	means, together, the Bermuda Court and Hong Kong Court; and “Court” means any one of them.
“Court Orders”	means, together, the Bermuda Sanction Order and the Hong Kong Sanction Order, and “Court Order” means any one of them.
“Cross-Border Recognition”	means in connection with any Insolvency Proceeding commenced in any one jurisdiction the recognition of that Insolvency Proceeding in another jurisdiction, whether under laws relating to bankruptcy, liquidation, insolvency, reorganisation, winding-up, or composition or adjustment of debts or similar law, international principles of judicial comity, statute, enactment or other regulation.
“Custody Instruction”	means an instruction to the relevant Clearing System to block the 2018 Notes, the 2019 Notes or the CBs from trading in the relevant Clearing System.
“Custody Instruction Deadline”	means 10:00 p.m. on 20 November 2019 (Hong Kong time) / 10:00 a.m. on 20 November 2019 (Bermuda time).
“Custody Instruction Reference Number”	means, the unique reference provided by Euroclear or Clearstream, following an instruction from an Account Holder to block the relevant Notes in accordance with the instructions contained in this Explanatory Statement.
“DB”	means Deutsche Bank AG, Hong Kong Branch.
“DB Cash Consideration”	means an amount equal to: (a) the aggregate amount of the Accepted Claims of all DB Creditors; <i>divided by</i> (b) the Total Notes Claims Amount; and <i>multiplied by</i> (c) US\$41,400,000
“DB Claim”	means a Claim against the Company arising directly or indirectly out of, in relation to and/or in connection with the Term Sheets, whether before, at or after the Record Time; and “DB Claims” shall be construed accordingly.

“DB Creditor”	Consenting	means a DB Creditor who (a) withdraws all Proceedings it has initiated against the Company and to the extent applicable, any other member of the Group in relation to the DB Claims or any claim in connection with the Term Sheets prior to the Record Time; (b) submits a duly completed Notice of Claim to the Information Agent prior to the Record Time and undertakes in its Notice of Claim to vote in favour of the Schemes at the Scheme Meeting and not to take any Enforcement Action against any member of the Group prior to the Restructuring Effective Date; and (c) votes in favour of the Schemes at the Scheme Meeting validly and effectively.
“DB Creditors”		means Deutsche Bank AG, Hong Kong Branch and any other creditor of the Company in respect of the DB Claims at the Record Time.
“DB New Notes”		means New Notes in principal amount equal to: (a) the amount of the Accepted Claims of all DB Creditors; <i>divided by</i> (b) the Total Notes Claims Amount; and <i>multiplied by</i> (c) the aggregate principal amount of the Noteholder New Notes.
“Debt Restructuring”		means the transaction pursuant to which the obligations of the Company, and where applicable, the Subsidiary Guarantors under and in connection with the Notes and the Term Sheets will be subject to a compromise and arrangement effected by the Schemes.
“Deeds of Release”		means deeds of release to be executed by the Scheme Creditors for benefit of the Company and other beneficiaries on the Restructuring Effective Date, substantially in the forms set out in Appendix 9 (<i>Deeds of Release</i>).
“Deferred Restructuring Effective Date”		means the date specified as such in any Extension Notice.
“Depositary”		means The Hongkong and Shanghai Banking Corporation Limited, acting through its nominee, HSBC Nominees (Hong Kong) Limited.
“Designated Recipient”		means, in relation to any Scheme Creditor, any single entity that is designated by that Scheme Creditor in a Designated Recipient Form as the recipient of the portion of New Notes to which that Scheme Creditor is entitled pursuant to the terms of the Schemes, provided that the Designated Recipient shall only be validly designated if it can make affirmative

Securities Law Representations by submission of a duly completed Distribution Confirmation Deed.

“Designated Recipient Form”	means the form appended to the Account Holder Letter and Notice of Claim and available on the Scheme Website by which a Scheme Creditor may appoint a Designated Recipient to be the recipient of the New Notes that would otherwise be issued to a Scheme Creditor.
“Directors”	means directors of the Company; and “Director” shall be construed accordingly.
“Dispute”	means any dispute whatsoever arising in relation to a Scheme Claim of a Scheme Creditor under or in respect of the Note Documents and/or the Term Sheets; and “Disputed” shall be construed accordingly.
“Disputed Claim Resolution Deadline”	has the meaning given to it in Clause 19.1 of Appendix 2 (<i>Hong Kong Scheme</i>) and Appendix 3 (<i>Bermuda Scheme</i>).
“Distribution Confirmation Deed”	means the form appended to the Account Holder Letter and Notice of Claim and available on the Scheme Website confirming, amongst other things, that the Scheme Creditor or its Designated Recipient may lawfully be issued the New Notes.
“Eligible Consenting Notes Creditor”	means a Consenting Creditor who votes in favour of the Schemes at the Scheme Meeting validly and effectively and who has not exercised its right to terminate the RSA and has not breached any provision of the RSA in any material respect.
“Eligible Creditor”	means a Noteholder or DB Creditor who submits a duly completed: (a) Account Holder Letter or Notice of Claim (as applicable); and (b) Distribution Confirmation Deed including affirmative Securities Law Representations and, if applicable, Designated Recipient Form; to the Information Agent prior to the Record Time, and who has an Accepted Claim.
“Eligible Notes”	means, with respect to an Eligible Consenting Notes Creditor, the lower of: (a) the aggregate principal amount of the Notes (as set out in its Account Holder Letter) in respect of which that Eligible Consenting Notes Creditor voted in favour of the Schemes; and (b) the aggregate principal amount of its Initial Restricted Notes or Restricted Notes (as applicable) as set out in its Initial Restricted Notes Notice (as

defined in the RSA) or most recent Restricted Notes Notice (as defined in the RSA) (as applicable) delivered to the Information Agent in accordance with the terms of the RSA on or prior to the Notes Consent Fee Deadline.

“Eligible Person”

means a person who can make affirmative Securities Law Representations.

“Enforcement Action”

means:

- (a) the acceleration of any sum payable or the making of any declaration that any sum payable is due and payable or payable on demand;
- (b) the making of any demand against any member of the Group under any guarantee or surety provided by that member of the Group;
- (c) the suing for, commencing, or joining of any legal or arbitration proceedings against any member of the Group to recover any sums payable or under any guarantee or surety provided by any member of the Group;
- (d) the taking of any steps to enforce or require the enforcement of any security granted by any member of the Group;
- (e) the levying of any attachment, garnishment, sequestration or other legal process over or in respect of any assets of the Group;
- (f) the petitioning, applying, or voting for any Insolvency Proceedings in relation to any member of the Group;
- (g) the commencing or continuation of any legal action or other proceedings against any member of the Group (or any director or officer thereof) or any of their respective assets;
- (h) joining any other entity or person in the exercise of any of the foregoing rights;
- (i) exercising any right, power, privilege or remedy in connection with the foregoing; or
- (j) directing any trustee or agent to do any of the foregoing;

other than as contemplated by the Restructuring.

“Excluded Liabilities”	means any liability of the Company that is not subject to the arrangement and compromise to be effected by the Schemes, including (without limitation) the Scheme Costs.
“Executive”	means the Executive Director of the Corporate Finance Division of the SFC of Hong Kong, or any delegate of the Executive Director.
“Explanatory Statement”	means the composite document dated 1 November 2019 of the Company addressed to Scheme Creditors containing, among other things, the explanatory statement of the Company in compliance with the Companies Act and the Companies Ordinance and the terms of the Schemes (including all appendices, schedules and annexures thereto).
“Extension Notice”	means a notice issued by the Company for extending the Restructuring Effective Date in accordance with Clause 6.6 of Appendix 2 (<i>Hong Kong Scheme</i>) and Appendix 3 (<i>Bermuda Scheme</i>).
“Global Notes”	means the global notes by which each of the Notes were offered and sold in offshore transactions in reliance on Regulation S under the US Securities Act, which are registered in the name of HSBC Nominees (Hong Kong) Limited (as nominee of the Depositary).
“Group”	means the Company and its subsidiaries.
“Harneys”	means Harney Westwood & Riegels.
“HKEx”	means The Stock Exchange of Hong Kong Limited.
“Holding Period”	means the period from the Restructuring Effective Date up to the date falling 3 months after the Restructuring Effective Date (or if such date is not a Business Day, the next Business Day after that date).
“Holding Period Expiry Date”	means the last day of the Holding Period.
“Holding Period Trustee”	means Lucid, as bare trustee of the Trust Assets for and on behalf of the Scheme Creditors, pursuant to the terms of the Holding Period Trust Deed.
“Holding Period Trust Deed”	means the trust deed to be executed on or before the Restructuring Effective Date by the Holding Period Trustee for the benefit of the Ineligible Creditors who

are Noteholders, substantially in the form set out at Appendix 10 (*Holding Period Trust Deed*).

“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC.
“Hong Kong Court”	means the High Court of the Hong Kong Special Administrative Region and any court capable of hearing appeals therefrom.
“Hong Kong Court Sanction Hearing”	means the hearing at the Hong Kong Court of the petition in respect of the sanctioning of the Hong Kong Scheme.
“Hong Kong Sanction Order”	means the order of the Hong Kong Court sanctioning the Hong Kong Scheme (with or without modification).
“Hong Kong Registrar of Companies”	means the Registrar of Companies in Hong Kong appointed under the Companies Ordinance.
“Hong Kong Scheme”	means the scheme of arrangement between the Company and the Scheme Creditors pursuant to sections 673 and 674 of the Companies Ordinance in its present form or with or subject to any modifications, additions or conditions that the Hong Kong Court may approve or impose, provided that any such modification, addition or condition does not have a material adverse effect on the rights of the Scheme Creditors.
“Hong Kong Scheme Meeting”	means a meeting of the Scheme Creditors in relation to the Hong Kong Scheme as convened by order of the Hong Kong Court for the purpose of considering and, if thought fit, approving the Hong Kong Scheme with or without modification, and any adjournments thereof.
“IFRS”	means the International Financial Reporting Standards.
“Indentures”	means, together, the 2018 Indenture and the 2019 Indenture; and “Indenture” shall be construed accordingly.
“Ineligible Creditor”	means a Scheme Creditor who is not an Eligible Creditor.
“Information Agent”	means Lucid.
“Initial Restricted Notes”	means, in relation to a Consenting Creditor, the outstanding principal amount of the Notes as set out

in the first Restricted Notes Notice delivered by it under the terms of the RSA.

“Insolvency Proceeding”		means any proceeding, process, appointment or application under any law relating to insolvency, reorganisation, winding-up, or composition or adjustment of debts, including, without limitation, winding-up, liquidation, bankruptcy, provisional liquidation, receivership, administration, provisional supervision, company voluntary arrangement, scheme of arrangement, suspension of payment under court supervision or any other analogous proceedings in any jurisdiction (including any of the foregoing brought for the purpose of obtaining Cross-Border Recognition).
“Intermediary”		means a Person (other than an Account Holder) who holds an interest in the Notes on behalf of another Person or other Persons.
“JV Guarantee”	Subsidiary	has the meaning given to that term under the New Notes Indenture.
“JV Guarantor”	Subsidiary	has the meaning given to that term under the New Notes Indenture.
“Kirkland & Ellis”		means Kirkland & Ellis LLP and its Affiliates.
“Liability”		means any debt, liability or obligation whatsoever, whether it is present, future, prospective or contingent, whether or not its amount is fixed or undetermined, whether or not it involves the payment of money or the performance of an act or obligation, and whether arising at common law, in equity or by statute in or under the laws of Hong Kong, New York, Bermuda, or under any other law or in any other jurisdiction howsoever arising; and “Liabilities” shall be construed accordingly.
“Longstop Date”		means 5:00 p.m. Hong Kong time on 31 December 2019 (the “Original Longstop Date”), or such later date and time as the Company may elect in accordance with Clause 6.8 of Appendix 2 (<i>Hong Kong Scheme</i>) and Appendix 3 (<i>Bermuda Scheme</i>).
“Lucid”		means Lucid Issuer Services Limited.
“Macau”		means the Macau Special Administrative Region of the PRC.

“Major Shareholders”	means Mr. Liu Hongwei, Mr. Sun Jinli, Mr. Xie Wen, Mr. Xiong Shi, Mr. Zhuo Jianming, each of their spouses (as applicable) and Strong Eagle.
“New Depository”	means The Bank of New York Mellon, London Branch as common depository for Clearing Systems, acting through its nominee, The Bank of New York Depository (Nominees) Limited.
“New Global Notes”	means the global note evidencing the New Notes offered and sold in offshore transactions in reliance on Regulation S under the US Securities Act, and (if applicable) the restricted global note evidencing the New Notes offered and sold to institutional accredited investors or qualified institutional buyers in the United States of America, each in the form attached as Appendix A to the New Notes Indenture, and registered in the name of The Bank of New York Depository (Nominees) Limited (as nominee of the New Depository).
“New Notes”	means the 2.00% cash-pay and 4.00% pay-in-kind guaranteed senior notes due 2022 to be issued by the Company pursuant to the New Notes Indenture.
“New Notes Indenture”	means the indenture relating to the New Notes, substantially in the form of the document in Appendix 11 (<i>New Notes Indenture</i>), to be entered into between, amongst others, the Company and the New Notes Trustee.
“New Notes Trustee”	means The Bank of New York Mellon, London Branch.
“Note Documents”	means, collectively, the Notes, the Indentures and the CB Trust Deed.
“Noteholders”	means those Persons with an economic or beneficial interest as principal in the Notes held through the Clearing Systems at the Record Time.
“Noteholder New Notes”	means New Notes in principal amount equal to the Total Notes Claims Amount minus US\$50,000,000.
“Notes”	means, collectively, the 2018 Notes, the 2019 Notes, and the CBs.
“Notes Cash Consideration”	means an amount equal to US\$41,400,000.
“Notes Claim”	means a Claim against the Company arising directly or indirectly out of, in relation to and/or in connection

with the Note Documents, whether before, at or after the Record Time; and “**Notes Claims**” shall be construed accordingly.

“Notes Consent Fee Deadline”	means 5:00 p.m. (Hong Kong time) on 9 August 2019.
“Notes Scheme Creditors”	means the creditors of the Company in respect of the Notes Claims at the Record Time, including (but without double counting in each case), the Depository, the Notes Trustee, each of the Noteholders, the Account Holders and Intermediaries.
“Notes Trustee”	means The Hongkong and Shanghai Banking Corporation Limited, in its capacity as trustee under each of the Indentures and the CB Trust Deed.
“Notice of Claim”	means a notice from a DB Creditor in the form of the notice of claim set out in Appendix 5 (<i>Solicitation Packet</i>).
“Original Longstop Date”	has the meaning given to it in the definition of “Longstop Date”.
“Person”	means any natural person, corporation, limited or unlimited liability company, trust, joint venture, association, corporation, partnership, Governmental Entity or other entity whatsoever.
“Personnel”	means, in relation to any Person, its current and former officers, partners, directors, employees, staff, agents, counsel and other representatives.
“PRC”	means the People’s Republic of China, and for purpose of this Explanatory Statement does not include Hong Kong, Macau, or Taiwan.
“Proceeding”	means any process, suit, action, legal or other legal proceeding including without limitation any arbitration, mediation, alternative dispute resolution, judicial review, adjudication, demand, statutory demand, execution, distraint, forfeiture, re-entry, seizure, lien, enforcement of judgment, enforcement of any security or Insolvency Proceedings in any jurisdiction.
“Record Date”	means 21 November 2019.

“Record Time”		means 10:00 p.m. on 21 November 2019 (Hong Kong time) / 10:00 a.m. on 21 November 2019 (Bermuda time).
“Recovery Analysis”		means the liquidation analysis prepared by D&P China (HK) Limited as set out in Appendix 7 (<i>Recovery Analysis</i>).
“Released Claim”		means any Scheme Claim or any past, present and/or future Claim arising out of, relating to or in respect of: (a) the Scheme Claims and any of the facts and matters giving rise to the Scheme Claims; (b) the preparation, negotiation, sanction or implementation of the Schemes and/or the Restructuring and/or the Restructuring Documents; and/or (c) the execution of the Restructuring Documents and the carrying out of the steps and transactions contemplated therein in accordance with their terms;.
“Released Person”		means the Company and its Affiliates and its and their Personnel.
“Remaining Consideration”	Cash	means an amount of cash equal to: (a) the amount of the Residual Cash Consideration; less (b) the aggregate amount of Cash Consideration distributed to all Ineligible Creditors who are Noteholders and who establish, prior to the Bar Time, their entitlement to Residual Cash Consideration in accordance with the Holding Period Trust Deed.
“Remaining New Notes”		means New Notes with a principal amount equal to: (a) the principal amount of the Residual New Notes; less (b) the aggregate principal amount of New Notes distributed to all Ineligible Creditors who are Noteholders and who establish, prior to the Bar Time, their entitlement to Residual New Notes in accordance with the Holding Period Trust Deed.
“Residual Cash Consideration”		means the portion of the Notes Cash Consideration which remains after distribution in accordance with Clause 7.2(c) of Appendix 2 (<i>Hong Kong Scheme</i>) and Appendix 3 (<i>Bermuda Scheme</i>);
“Residual New Notes”		means the portion of the Noteholder New Notes which remains after distribution in accordance with Clause 7.2(e) of Appendix 2 (<i>Hong Kong Scheme</i>) and Appendix 3 (<i>Bermuda Scheme</i>).
“Restricted Notes”		means, in relation to a Consenting Creditor, the outstanding principal amount of the Notes as set out

in the Restricted Notes Notice most recently delivered by it under the terms of the RSA.

“Restricted Notes Notice”	means a notice substantially in the form set out in Schedule 4 to the RSA.
“Restricted Subsidiaries”	has the meaning given to that term under the New Notes Indenture.
“Restructuring”	means the proposed restructuring in accordance with the terms of the RSA.
“Restructuring Conditions”	means each of the conditions precedent to the occurrence of the Restructuring Effective Date as set out in Clause 16 of Appendix 2 (<i>Hong Kong Scheme</i>) and Appendix 3 (<i>Bermuda Scheme</i>).
“Restructuring Documents”	means the New Notes, the New Global Notes, the New Notes Indenture, the Deeds of Release and the Holding Period Trust Deed.
“Restructuring Effective Date”	means the date falling three Business Days after the date on which each of the Restructuring Conditions has been satisfied or, in the event that the Company delivers an Extension Notice, the Deferred Restructuring Effective Date.
“RSA”	means the restructuring support agreement, dated 19 July 2019, between the Company and certain Noteholders.
“RSA Term Sheet”	means the term sheet appended to the RSA.
“Sanction Hearings”	means, together, the Bermuda Court Sanction Hearing and the Hong Kong Court Sanction Hearing.
“Schemes”	means, together, the Bermuda Scheme and the Hong Kong Scheme; and “Scheme” means either one of them (as applicable).
“Scheme Claims”	means, together, the Notes Claims and the DB Claims, but excluding the Excluded Liabilities.
“Scheme Consideration”	means, together, the Cash Consideration and the New Notes.
“Scheme Costs”	means the liability of the Company in respect of the fees, costs and expenses of the Advisers.

“Scheme Creditors”	means, together, the Notes Scheme Creditors and the DB Creditors; and “Scheme Creditor” means any one of them.
“Scheme Effective Date”	means the first date at which all of the Conditions have been satisfied, as specified in the Scheme Effective Notice.
“Scheme Effective Notice”	means the notice to be issued by the Company and delivered to the Information Agent in accordance with Clause 6.4 of Appendix 2 (<i>Hong Kong Scheme</i>) and Appendix 3 (<i>Bermuda Scheme</i>) confirming satisfaction of the Conditions and specifying the Scheme Effective Date.
“Scheme Meeting”	means the meeting convened at the direction of the Hong Kong Court and Bermuda Court at which the Hong Kong Scheme and Bermuda Scheme will be considered and voted upon by the Scheme Creditors and any adjournment thereof.
“Scheme Website”	means www.lucid-is.com/singyes .
“Schemes”	means, together, the Bermuda Scheme and the Hong Kong Scheme; and “Scheme” means either one of them (as applicable).
“SEC”	means the US Securities and Exchange Commission.
“Securities Representations”	Law means the securities law securities law confirmations and undertakings set out in Annex B to the Distribution Confirmation Deed.
“SFC”	means the Securities and Futures Commission of Hong Kong
“SGM”	means the special general meeting of the Company to be held to approve, among other things, the Subscription, the Whitewash Waiver, and the Authorised Share Capital Increase.
“SGX-ST”	means Singapore Exchange Securities Trading Limited.
“Shares”	means ordinary shares in the Company.
“Solicitation Packet”	means the packet of materials, including the Account Holder Letter, Notice of Claim and accompanying instructions, the Designated Recipient Form and the Distribution Confirmation Deed, all of which are

available to Scheme Creditors on the Scheme Website and Appendix 5 (*Solicitation Packet*).

“Strong Eagle”	means Strong Eagle Holdings Ltd, a company incorporated in the British Virgin Islands with limited liability.
“Strong Eagle Share Charge”	means the charge by Major Shareholders (as chargors) of all their shares in Strong Eagle owned by them in favour of the Subscriber (as chargee) for a term of at least three years, in order to guarantee the obligations of the Company and the Major Shareholders under the Subscription Agreement and related agreement(s).
“Subscriber”	means Water Development (HK) Holding Co., Limited.
“Subscription”	means the subscription by the Subscriber for the Subscription Shares at the subscription price of HK\$0.92 per share pursuant to the Subscription Agreement.
“Subscription Agreement”	means the subscription agreement dated 16 May 2019, entered into between, among others, the Company, the Major Shareholders, and the Subscriber (as may be amended from time to time).
“Subscription Proceeds”	means the proceeds from the Subscription which are expected to amount to approximately HK\$1,552,047,898 .
“Subscription Shares”	means 1,687,008,585 newly issued Shares.
“Subsidiary Guarantors”	means each of Singyes Engineering (H.K.) Company Limited, Singyes Green Investment (HK) Company Limited, Singyes Green Energy Technologies (HK) Limited, Singyes Green Energy Investments Limited, Top Access Management Limited, Basic Force Group Limited, SunTreasure Group Corp. Singyes Green Energy Holdings Limited, Singyes Engineering (M) Sdn. Bhd., Singyes Green Building Technology Pte. Ltd. and Macao Singyes Renewable Energy Technology Co., Ltd.; and “Subsidiary Guarantor” means any one of them.
“Super Majority Consenting Creditors”	has the meaning given to that term in the RSA.
“Takeovers Code”	means the Codes on Takeovers and Mergers and Share Buy-backs in Hong Kong.

“Term Sheets”	means: (a) the term sheet with respect to a proposed one year senior secured loan facility dated 28 August 2018; and (b) the term sheet with respect to a proposed two year senior secured loan facility dated 28 August 2018; in each case between DB and the Company.
“Total DB Consent Fee”	means an amount equal to: (a) the aggregate amount of the Accepted Claims of all DB Creditors; <i>divided by</i> (b) the Total Notes Claims Amount; <i>multiplied by</i> (c) US\$8,600,000.
“Total Notes Claims Amount”	means an amount equal to the sum of: (a) the outstanding principal amount of Notes held by all Noteholders as at the Record Time; and (b) all accrued and unpaid interest on such Notes up to but excluding the Restructuring Effective Date.
“Trust Assets”	means the Residual New Notes and the Residual Cash Consideration
“United States”	means the United States of America.
“US Bankruptcy Code”	means Title 11 of the United States Code.
“US Bankruptcy Court”	means the United States Bankruptcy Court for the Southern District of New York.
“U.S. GAAP”	means the Generally Accepted Accounting Principles in the United States.
“US Securities Act”	means the U.S. Securities Act of 1933, as amended, including the rules and regulations promulgated by the SEC thereunder.
“Whitewash Waiver”	means a waiver from the Executive pursuant to Note 1 on Dispensation from Rule 26 of the Takeover Code in respect of the obligations of the Subscriber to make a mandatory general offer for all of the Shares not already owned or agreed to be acquired by the Subscriber or parties acting in concert with it which would, if the Subscription proceeds, otherwise arise as a result of the allotment and issuance of the Subscription Shares to the Subscriber.
“Zuill & Co.”	means Zuill & Co., a Bermuda law firm in exclusive association with Harneys.

1.2 In this Explanatory Statement:

- (a) words denoting the singular number only shall include the plural number also and vice versa;

- (b) words denoting one gender only shall include the other genders;
- (c) words denoting persons only shall include firms and corporations and vice versa;
- (d) a reference to any statutory provision shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under any such re-enactment;
- (e) unless expressed otherwise:
 - (i) a reference to U.S. dollars or US\$ is a reference to the currency of the United States of America;
 - (ii) a reference to Hong Kong dollars or HK\$ is a reference to the currency of Hong Kong; and
 - (iii) a reference to RMB is a reference to the currency of the People's Republic of China;
- (f) a reference in this Appendix 1 (*Definitions and Interpretation*) to any document whose meaning is stated to be the meaning given to a document as defined in the Explanatory Statement shall be construed as a reference to that document as amended, varied, novated, restated, modified, supplemented or re-enacted or replaced prior to the date of this Explanatory Statement;
- (g) clause, paragraph and schedule headings are for ease of reference only;
- (h) unless otherwise stated, reference to a time of day shall be construed as a reference to Hong Kong time;
- (i) unless otherwise expressly provided, references to Sections, paragraphs and sub-paragraphs are references to the sections, paragraphs and sub-paragraphs respectively of this Explanatory Statement;
- (j) unless otherwise expressly provided, references to Appendices are references to the appendices to this Explanatory Statement;
- (k) a reference to this Explanatory Statement includes a reference to the preliminary sections and appendices of this Explanatory Statement; and
- (l) a reference to any person shall include:
 - (i) any natural person, corporation, limited or unlimited liability company, trust, joint venture, association, corporation, partnership;
 - (ii) any federal, national or local government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal or judicial body of Hong Kong, the United States of America or any other relevant jurisdiction; or
 - (iii) other entity whatsoever.

APPENDIX 2 HONG KONG SCHEME

THE HONG KONG SCHEME

HCMP 1882 of 2019

**IN THE HIGH COURT OF THE HONG KONG SPECIAL ADMINISTRATIVE
REGION**

**IN THE MATTER OF CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS
LIMITED**

and

**IN THE MATTER OF SECTIONS 670 TO 674 OF THE COMPANIES ORDINANCE
(CAP. 622)**

SCHEME OF ARRANGEMENT

(under sections 670 to 674 of the Companies Ordinance (Cap. 622) of Hong Kong)

between

CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS LIMITED
(a company incorporated with limited liability under the laws of Bermuda)

and

THE SCHEME CREDITORS
(as hereinafter defined)

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1 DEFINITIONS AND INTERPRETATION

1.1 In this Hong Kong Scheme:

“2018 Indenture”	means the indenture dated 18 October 2017 (as amended, supplemented, or otherwise modified from time to time) between the Company, the Subsidiary Guarantors and the Notes Trustee pursuant to which the 2018 Notes were constituted.
“2018 Notes”	means the 6.75% senior notes due 2018 issued by the Company pursuant to the 2018 Indenture.
“2019 Indenture”	means the indenture dated 15 February 2017 (as amended, supplemented, or otherwise modified from time to time) between the Company, the Subsidiary Guarantors and the Notes Trustee pursuant to which the 2019 Notes were constituted.
“2019 Notes”	means the 7.95% senior notes due 2019 issued by the Company pursuant to the 2019 Indenture.
“Accepted”	means, in relation to a Scheme Claim, the acceptance by the Company of such Scheme Claim (or part thereof) in accordance with Clause 11 hereof for the purposes of determining any entitlement to Scheme Consideration without Dispute or, where a Scheme Claim is Disputed, the acceptance or determination by the Adjudicator of a Disputed Scheme Claim (or part thereof) for such purpose in accordance with the Adjudication Procedure; and “Accept” shall be construed accordingly.
“Accepted Claim”	means a Scheme Claim against the Company which has been Accepted.
“Account Holder”	means any Person who is recorded in the books of a Clearing System as being a holder of a book-entry interest in the Notes in an account with that Clearing System or, as the context may require, is or was recorded in such books as being such a holder of Notes in such an account at the Record Time.
“Account Holder Letter”	means a letter from an Account Holder on behalf of the relevant Noteholder substantially in the form of the account holder letter set out in Appendix 5 (<i>Solicitation Packet</i>) to the Explanatory Statement.
“Adjudication Procedure”	means the procedure for the resolution of Disputed Scheme Claims as set out in Part E of this Hong Kong Scheme.

“Adjudicator”	means the Person named in Clause 18 and any suitably qualified replacement the Company may, in its absolute discretion, appoint in accordance with Clause 18 to act as an adjudicator in respect of any Disputed Scheme Claim in accordance with the Adjudication Procedure.
“Admiralty Harbour”	Admiralty Harbour Capital Limited.
“Adviser”	means each of Admiralty Harbour, D&P China (HK) Limited, Harneys, Zuill & Co., Kirkland & Ellis, Lucid, Akin Gump, and Moelis & Company Asia Limited; and “Advisers” shall be construed accordingly.
“Affiliates”	means in relation to any Person, its current and former direct and indirect subsidiaries, subsidiary undertakings, parent companies, holding companies, partners, related partnerships, equity holders, members and managing members, and any of their respective Affiliates.
“Akin Gump”	means Akin Gump Strauss Hauer & Feld, Akin Gump Strauss Hauer & Feld LLP and Akin Gump LLP.
“Allowed Proceeding”	means any Proceeding by a Scheme Creditor to enforce its rights under all or any of the Schemes and/or to compel the Company or any other Person or entity to comply with its obligations under the Schemes and any Proceeding by a Scheme Creditor pursuant to or in connection with the Scheme Consideration and/or the Consent Fee.
“Bar Time”	means 5:00 p.m. (Hong Kong time) on the date falling 3 Business Days before the Holding Period Expiry Date.
“Bermuda Court”	means the Supreme Court of Bermuda.
“Bermuda Registrar of Companies”	means the Registrar of Companies appointed under section 3 of the Companies Act.
“Bermuda Sanction Order”	means the order of the Bermuda Court sanctioning the Bermuda Scheme (with or without modification).
“Bermuda Scheme”	means the scheme of arrangement between the Company and the Scheme Creditors pursuant to section 99 of the Companies Act in its present form or with or subject to any modifications, additions or conditions that the Bermuda Court may approve or impose, provided that any such modification, addition

or condition does not have a material adverse effect on the rights of the Scheme Creditors.

“Book Entry Interest”	means in relation to the Notes, a beneficial interest as principal in the Global Notes held through and shown on, and transferred only through, records maintained in book entry form by the Clearing Systems.
“Business Day”	means any day on which banks are open for business generally in all of Luxembourg, Hong Kong, London, Bermuda, the People’s Republic of China and New York.
“Cash Consideration”	means, together, the Notes Cash Consideration and DB Cash Consideration.
“CBs”	means the RMB-denominated 5.00% USD settled convertible bonds due 2019 issued by the Company pursuant to the CB Trust Deed.
“CB Trust Deed”	means the trust deed dated 8 August 2014 (as amended, supplemented, or otherwise modified from time to time) between, among others, the Company and the Notes Trustee pursuant to which the CBs were constituted.
“Chairperson”	means the Chairperson of the Scheme Meeting.
“Claims”	means all and any actions, causes of action, claims, counterclaims, suits, debts, sums of money, accounts, contracts, agreements, promises, damages, judgments, executions, demands or rights whatsoever or howsoever arising, whether present, future, prospective or contingent, known or unknown, whether or not for a fixed or unliquidated amount, whether or not involving the payment of money or the performance of an act or obligation or any failure to perform any obligation or any omission, whether arising at common law, in equity or by statute in or under the laws of Hong Kong, New York, Bermuda, or under any other law or in any other jurisdiction howsoever arising; and “Claim” shall be construed accordingly.
“Clearing Systems”	means each of Euroclear Bank S.A./N.V. and any successor and Clearstream Banking, S.A. and any successor; and “Clearing System” means either one of them.
“Committee”	means the <i>ad hoc</i> committee of holders of the Notes (as constituted from time to time) which is represented

by Akin Gump as legal adviser and Moelis & Company Asia Limited as financial adviser.

“Companies Act”	means the Companies Act 1981 as applicable in Bermuda.
“Companies Ordinance”	means the Companies Ordinance (Cap. 622) (as amended) as applicable in Hong Kong.
“Company”	means China Singyes Solar Technologies Holdings Limited, a company incorporated with limited liability under the laws of Bermuda and listed on the HKEx with stock code 750.
“Completion Notice”	means the notice to be issued by the Company and delivered to the Information Agent in accordance with Clause 6.4 confirming satisfaction of the Restructuring Conditions and the Restructuring Effective Date.
“Conditions”	means each of the conditions precedent to the effectiveness of this Hong Kong Scheme, as set out in Clause 15 of this Hong Kong Scheme.
“Consent Fee”	<p>means:</p> <ul style="list-style-type: none">(a) with respect to an Eligible Consenting Notes Creditor, an amount equal to: (i) the aggregate principal amount of its Eligible Notes; <i>divided by</i> (ii) the aggregate principal amount of the Eligible Notes held by all Eligible Consenting Notes Creditors collectively; <i>multiplied by</i> (iii) US\$8,600,000; and(b) with respect to a DB Consenting Creditor, an amount equal to: (i) the amount of that DB Consenting Creditor’s Accepted Claim; <i>divided by</i> (ii) the aggregate amount of the Accepted Claims of all DB Consenting Creditors collectively; <i>multiplied by</i> (iii) the Total DB Consent Fee.
“Consenting Creditors”	means those Noteholders who became a party to the RSA as “Consenting Creditors” prior to 5:00 p.m. Hong Kong time on 9 August 2019; and “Consenting Creditor” means any one of them.
“Courts”	means, together, the Bermuda Court and the Hong Kong Court; and “Court” means any one of them.
“Cross-Border Recognition”	means in connection with any Insolvency Proceeding commenced in any one jurisdiction the recognition of that Insolvency Proceeding in another jurisdiction,

whether under laws relating to bankruptcy, liquidation, insolvency, reorganisation, winding-up, or composition or adjustment of debts or similar law, international principles of judicial comity, statute, enactment or other regulation.

“DB”	means Deutsche Bank AG, Hong Kong Branch.
“DB Cash Consideration”	means an amount equal to: (a) the aggregate amount of the Accepted Claims of all DB Creditors; <i>divided by</i> (b) the Total Notes Claims Amount; and <i>multiplied by</i> (c) US\$41,400,000.
“DB Claim”	means a Claim against the Company arising directly or indirectly out of, in relation to and/or in connection with the Term Sheets, whether before, at or after the Record Time; and “DB Claims” shall be construed accordingly.
“DB Consenting Creditor”	means a DB Creditor who: (a) withdraws all Proceedings it has initiated against the Company and, to the extent applicable, any other member of the Group in relation to the DB Claims or any Claim in connection with the Term Sheets prior to the Record Time; (b) submits a duly completed Notice of Claim to the Information Agent prior to the Record Time and undertakes in its Notice of Claim to vote in favour of the Schemes at the Scheme Meeting and not to take any Enforcement Action against any member of the Group prior to the Restructuring Effective Date; and (c) votes in favour of the Schemes at the Scheme Meeting validly and effectively.
“DB Creditors”	means Deutsche Bank AG, Hong Kong Branch and any other creditor of the Company in respect of the DB Claims at the Record Time.
“DB New Notes”	means New Notes in principal amount equal to: (a) the amount of the Accepted Claims of all DB Creditors; <i>divided by</i> (b) the Total Notes Claims Amount; and <i>multiplied by</i> (c) the aggregate principal amount of the Noteholder New Notes.
“Deeds of Release”	means deeds of release to be executed by the Scheme Creditors for benefit of the Company and other beneficiaries on the Restructuring Effective Date, substantially in the forms set out in Appendix 9 (<i>Deeds of Release</i>) to the Explanatory Statement.

“Deferred Restructuring Effective Date”	means the date specified as such in any Extension Notice.
“Depositary”	means The Hongkong and Shanghai Banking Corporation Limited, acting through its nominee, HSBC Nominees (Hong Kong) Limited.
“Designated Recipient”	means, in relation to any Scheme Creditor, any single entity that is designated by that Scheme Creditor in a Designated Recipient Form as the recipient of the portion of New Notes to which that Scheme Creditor is entitled pursuant to the terms of the Schemes, provided that the Designated Recipient shall only be validly designated if it can make affirmative Securities Law Representations by submission of a duly completed Distribution Confirmation Deed.
“Designated Recipient Form”	means the form appended to the Account Holder Letter and Notice of Claim and available on the Scheme Website by which a Scheme Creditor may appoint a Designated Recipient to be the recipient of the New Notes that would otherwise be issued to a Scheme Creditor.
“Dispute”	means any dispute whatsoever arising in relation to a Scheme Claim of a Scheme Creditor under or in respect of the Note Documents and/or the Term Sheets; and “Disputed” shall be construed accordingly.
“Disputed Claim Resolution Deadline”	has the meaning given to it in Clause 19.1.
“Distribution Confirmation Deed”	means the form appended to the Account Holder Letter and the Notice of Claim and available on the Scheme Website confirming, amongst other things, that the Scheme Creditor or its Designated Recipient may lawfully be issued the New Notes.
“Eligible Consenting Notes Creditor”	means a Consenting Creditor who votes in favour of the Schemes at the Scheme Meeting validly and effectively and who has not exercised its right to terminate the RSA and has not breached any provision of the RSA in any material respect.
“Eligible Creditor”	means a Noteholder or DB Creditor who submits a duly completed: (a) Account Holder Letter or Notice of Claim (as applicable); and (b) Distribution Confirmation Deed including affirmative Securities Law Representations and, if applicable, Designated

Recipient Form; to the Information Agent prior to the Record Time, and who has an Accepted Claim.

“Eligible Notes”

means, with respect to an Eligible Consenting Notes Creditor, the lower of: (a) the aggregate principal amount of the Notes (as set out in its Account Holder Letter) in respect of which that Eligible Consenting Notes Creditor voted in favour of the Schemes; and (b) the aggregate principal amount of its Initial Restricted Notes or Restricted Notes (as applicable) as set out in its Initial Restricted Notes Notice (as defined in the RSA) or most recent Restricted Notes Notice (as defined in the RSA) (as applicable) delivered to the Information Agent in accordance with the terms of the RSA on or prior to 5:00 p.m. (Hong Kong time) on 9 August 2019.

“Enforcement Action”

means:

- (a) the acceleration of any sum payable or the making of any declaration that any sum payable is due and payable or payable on demand;
- (b) the making of any demand against any member of the Group under any guarantee or surety provided by that member of the Group;
- (c) the suing for, commencing, or joining of any legal or arbitration proceedings against any member of the Group to recover any sums payable or under any guarantee or surety provided by any member of the Group;
- (d) the taking of any steps to enforce or require the enforcement of any security granted by any member of the Group;
- (e) the levying of any attachment, garnishment, sequestration or other legal process over or in respect of any assets of the Group;
- (f) the petitioning, applying, or voting for any Insolvency Proceedings in relation to any member of the Group;
- (g) the commencing or continuation of any legal action or other proceedings against any member of the Group (or any director or officer thereof) or any of their respective assets;

- (h) joining any other entity or person in the exercise of any of the foregoing rights;
- (i) exercising any right, power, privilege or remedy in connection with the foregoing; or
- (j) directing any trustee or agent to do any of the foregoing;

other than as contemplated by the Restructuring.

“Excluded Liabilities”	means any liability of the Company that is not subject to the arrangement and compromise to be effected by this Hong Kong Scheme, including (without limitation) the Scheme Costs.
“Explanatory Statement”	means the composite document dated 1 November 2019 of the Company addressed to Scheme Creditors containing, among other things, the explanatory statement of the Company in compliance with the Companies Act and the Companies Ordinance and the terms of the Schemes (including all appendices, schedules and annexures thereto).
“Extension Notice”	means a notice issued by the Company in accordance with Clause 6.6.
“Force Majeure”	means any act of god, government act, war, fire, flood, earthquake, and other natural disasters, strikes, changes to effective legislation, explosion, civil commotion or act of terrorism, which prevents the fulfilment of obligations under this Scheme, and the occurrence of which is not the direct or indirect result of action or inaction of any Scheme Creditor or the Company.
“Foreign Representative”	means a person appointed as foreign representative pursuant to Clause 3.3.
“Global Notes”	means the global notes by which each of the Notes were offered and sold in offshore transactions in reliance on Regulation S under the US Securities Act, which are registered in the name of HSBC Nominees (Hong Kong) Limited (as nominee of the Depositary).
“Governmental Entity”	means any federal, national or local government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal or judicial body of Hong Kong, the United States of America or any other relevant jurisdiction.

“Group”	means the Company and its subsidiaries.
“Harneys”	means Harney Westwood & Riegels.
“HKEx”	means The Stock Exchange of Hong Kong Limited.
“Holding Period”	means the period from the Restructuring Effective Date up to the date falling 3 months after the Restructuring Effective Date (or if such date is not a Business Day, the next Business Day after that date).
“Holding Period Expiry Date”	means the last day of the Holding Period.
“Holding Period Trustee”	means Lucid, as bare trustee of the Trust Assets for and on behalf of the Scheme Creditors, pursuant to the terms of the Holding Period Trust Deed.
“Holding Period Trust Deed”	means the trust deed to be executed on or before the Restructuring Effective Date by the Holding Period Trustee for the benefit of the Ineligible Creditors who are Noteholders, substantially in the form set out at Appendix 10 (<i>Holding Period Trust Deed</i>) to the Explanatory Statement.
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC.
“Hong Kong Court”	means the High Court of the Hong Kong Special Administrative Region and any court capable of hearing appeals therefrom.
“Hong Kong Registrar of Companies”	means the Registrar of Companies in Hong Kong appointed under the Companies Ordinance.
“Hong Kong Sanction Order”	means the order of the Hong Kong Court sanctioning the Hong Kong Scheme (with or without modification).
“Hong Kong Scheme”	means this scheme of arrangement between the Company and the Scheme Creditors pursuant to sections 673 and 674 of the Companies Ordinance in its present form or with or subject to any modifications, additions or conditions that the Hong Kong Court may approve or impose, provided that any such modification, addition or condition does not have a material adverse effect on the rights of the Scheme Creditors.

“Indentures”	means, together, the 2018 Indenture and the 2019 Indenture; and “Indenture” shall be construed accordingly.
“Ineligible Creditor”	means a Scheme Creditor who is not an Eligible Creditor.
“Information Agent”	means Lucid.
“Initial Restricted Notes”	means, in relation to a Consenting Creditor, the outstanding principal amount of the Notes as set out in the first Restricted Notes Notice delivered by it under the terms of the RSA.
“Insolvency Proceeding”	means any proceeding, process, appointment or application under any law relating to insolvency, reorganisation, winding-up, or composition or adjustment of debts, including, without limitation, winding-up, liquidation, bankruptcy, provisional liquidation, receivership, administration, provisional supervision, company voluntary arrangement, scheme of arrangement, suspension of payment under court supervision or any other analogous proceedings in any jurisdiction (including any of the foregoing brought for the purpose of obtaining Cross-Border Recognition).
“Intermediary”	means a Person (other than an Account Holder) who holds an interest in the Notes on behalf of another Person or other Persons.
“Kirkland & Ellis”	means Kirkland & Ellis and its Affiliates.
“Liability”	means any debt, liability or obligation whatsoever, whether it is present, future, prospective or contingent, whether or not its amount is fixed or undetermined, whether or not it involves the payment of money or the performance of an act or obligation, and whether arising at common law, in equity or by statute in or under the laws of Hong Kong, New York, Bermuda, or under any other law or in any other jurisdiction howsoever arising; and “Liabilities” shall be construed accordingly.
“Longstop Date”	means 5:00 p.m. Hong Kong time on 31 December 2019 (the “Original Longstop Date”), or such later date and time as the Company may elect in accordance with Clause 6.8.
“Longstop Extension”	Date has the meaning provided in Clause 6.8.

“Longstop Date Extension Notice”	means a notice issued by the Company in accordance with Clause 6.8.
“Lucid”	means Lucid Issuer Services Limited.
“New Depositary”	means The Bank of New York Mellon, London Branch as common depositary for the Clearing Systems, acting through its nominee, The Bank of New York Depositary (Nominees) Limited.
“New Global Notes”	means the global note evidencing the New Notes offered and sold in offshore transactions in reliance on Regulation S under the US Securities Act, and (if applicable) the restricted global note evidencing the New Notes offered and sold to institutional accredited investors or qualified institutional buyers in the United States of America, each in the form attached as Appendix A to the New Notes Indenture, and registered in the name of The Bank of New York Depositary (Nominees) Limited (as nominee of the New Depositary).
“New Notes”	means the 2.00% cash-pay and 4.00% pay-in-kind guaranteed senior notes due 2022 to be issued by the Company pursuant to the New Notes Indenture.
“New Notes Indenture”	means the indenture relating to the New Notes, substantially in the form of the document in Appendix 11 (<i>New Notes Indenture</i>) to the Explanatory Statement, to be entered into between, amongst others, the Company and the New Notes Trustee.
“New Notes Trustee”	means The Bank of New York Mellon, London Branch.
“Note Documents”	means, collectively, the Notes, the Indentures and the CB Trust Deed.
“Noteholders”	means those Persons with an economic or beneficial interest as principal in the Notes held through the Clearing Systems at the Record Time.
“Noteholder New Notes”	means New Notes in principal amount equal to the Total Notes Claims Amount minus US\$50,000,000.
“Notes”	means, collectively, the 2018 Notes, the 2019 Notes and the CBs.
“Notes Cash Consideration”	means an amount equal to US\$41,400,000.

“Notes Claim”	means a Claim against the Company arising directly or indirectly out of, in relation to and/or in connection with the Note Documents, whether before, at or after the Record Time; and “Note Claims” shall be construed accordingly.
“Notes Scheme Creditors”	means the creditors of the Company in respect of the Notes Claims at the Record Time, including (but without double counting in each case), the Depository, the Notes Trustee, each of the Noteholders, the Account Holders and Intermediaries
“Notes Trustee”	means The Hongkong and Shanghai Banking Corporation Limited, in its capacity as trustee under each of the Indentures and the CB Trust Deed.
“Notice of Claim”	means a notice from a DB Creditor in the form of the notice of claim set out in Appendix 5 (<i>Solicitation Packet</i>) to the Explanatory Statement.
“Original Longstop Date”	has the meaning given to it in the definition of “Longstop Date”.
“Person”	means any natural person, corporation, limited or unlimited liability company, trust, joint venture, association, corporation, partnership, Governmental Entity or other entity whatsoever.
“Personnel”	means, in relation to any Person, its current and former officers, partners, directors, employees, staff, agents, counsel and other representatives.
“Post”	means delivery by pre-paid first class post or air mail or generally recognized commercial courier service; and “Posted” shall be construed accordingly.
“PRC”	means the People’s Republic of China, and for purpose of this Hong Kong Scheme does not include Hong Kong, Macau, or Taiwan.
“Proceeding”	means any process, suit, action, legal or other legal proceeding including without limitation any arbitration, mediation, alternative dispute resolution, judicial review, adjudication, demand, statutory demand, execution, distraint, forfeiture, re-entry, seizure, lien, enforcement of judgment, enforcement of any security or Insolvency Proceedings in any jurisdiction.
“Record Date”	means 21 November 2019.

“Record Time”	means 10:00 p.m. on 21 November 2019 (Hong Kong time) / 10:00 a.m. on 21 November 2019 (Bermuda time).
“Released Claim”	means any Scheme Claim or any past, present and/or future Claim arising out of, relating to or in respect of: (a) the Scheme Claims and any of the facts and matters giving rise to the Scheme Claims; (b) the preparation, negotiation, sanction or implementation of the Schemes and/or the Restructuring and/or the Restructuring Documents; and/or (c) the execution of the Restructuring Documents and the carrying out of the steps and transactions contemplated therein in accordance with their terms.
“Released Person”	means the Company and its Affiliates and its and their Personnel.
“Remaining Cash Consideration”	means an amount of cash equal to: (a) the amount of the Residual Cash Consideration; less (b) the aggregate amount of Cash Consideration distributed to all Ineligible Creditors who are Noteholders and who establish, prior to the Bar Time, their entitlement to Residual Cash Consideration in accordance with the Holding Period Trust Deed.
“Remaining New Notes”	means New Notes with a principal amount equal to: (a) the principal amount of the Residual New Notes; less (b) the aggregate principal amount of New Notes distributed to all Ineligible Creditors who are Noteholders and who establish, prior to the Bar Time, their entitlement to Residual New Notes in accordance with the Holding Period Trust Deed.
“Residual Cash Consideration”	means the portion of the Notes Cash Consideration which remains after distribution in accordance with clause 7.2(c);
“Residual New Notes”	means the portion of the Noteholder New Notes which remains after distribution in accordance with Clause 7.2(e).
“Restricted Notes”	means, in relation to a Consenting Creditor, the outstanding principal amount of the Notes as set out in the Restricted Notes Notice most recently delivered by it under the terms of the RSA.
“Restricted Notes Notice”	means a notice substantially in the form set out in Schedule 4 to the RSA.

“Restructuring”	means the proposed restructuring in accordance with the terms of the RSA.
“Restructuring Conditions”	means each of the conditions precedent to the occurrence of the Restructuring Effective Date as set out in Clause 16 of this Hong Kong Scheme.
“Restructuring Documents”	means the New Notes, the New Global Notes, the New Notes Indenture, the Deeds of Release and the Holding Period Trust Deed.
“Restructuring Effective Date”	means the date falling three Business Days after the date on which each of the Restructuring Conditions has been satisfied or, in the event that the Company delivers an Extension Notice, the Deferred Restructuring Effective Date.
“RSA”	means the restructuring support agreement dated 19 July 2019 between the Company and certain Noteholders.
“Schemes”	means, together, the Bermuda Scheme and this Hong Kong Scheme; and “Scheme” means either one of them (as applicable).
“Scheme Claims”	means, together, the Notes Claims and the DB Claims, but excluding the Excluded Liabilities.
“Scheme Claims Determination Notice”	has the meaning given to it in Clause 11.6.
“Scheme Consideration”	means, together, the Cash Consideration and the New Notes.
“Scheme Costs”	means the liability of the Company in respect of the fees, costs and expenses of the Advisers.
“Scheme Creditors”	means, together, the Notes Scheme Creditors and the DB Creditors; and “Scheme Creditor” means any one of them.
“Scheme Creditor Parties”	means, in respect of a Scheme Creditor, its predecessors, successors, assigns, Designated Recipients, Affiliates and Personnel.
“Scheme Effective Date”	means the first date at which all of the Conditions have been satisfied, as specified in the Scheme Effective Notice.
“Scheme Effective Notice”	means the notice to be issued by the Company and delivered to the Information Agent in accordance with

Clause 6.4 confirming satisfaction of the Conditions and specifying the Scheme Effective Date.

“Scheme Meeting”		means the meeting convened at the direction of the Hong Kong Court and Bermuda Court at which this Hong Kong Scheme and the Bermuda Scheme will be considered and voted upon by the Scheme Creditors and any adjournment thereof.
“Scheme Website”		means www.lucid-is.com/singyes .
“SEC”		means the US Securities and Exchange Commission.
“Securities Representations”	Law	means the securities law securities law confirmations and undertakings set out in Annex B to the Distribution Confirmation Deed.
“Subscriber”		means Water Development (HK) Holding Co., Limited.
“Subscription”		means the subscription by the Subscriber for the Subscription Shares at the subscription price of HK\$0.92 per share pursuant to the Subscription Agreement.
“Subscription Agreement”		means the subscription agreement dated 16 May 2019, entered into between, among others, the Company, the Mr. Liu Hongwei, Mr. Sun Jinlin, Mr. Xie Wen, Mr. Xiong Shi, Mr. Zhuo Jianming, Strong Eagle Holdings Limited and the Subscriber (as may be amended from time to time).
“Subscription Proceeds”		means the proceeds from the Subscription which are expected to amount to approximately HK\$1,552,047,898 .
“Subscription Shares”		means 1,687,008,585 newly issued ordinary shares in the Company.
“Subsidiary Guarantors”		means each of Singyes Engineering (H.K.) Company Limited, Singyes Green Investment (HK) Company Limited, Singyes Green Energy Technologies (HK) Limited, Singyes Green Energy Investments Limited, Top Access Management Limited, Basic Force Group Limited, SunTreasure Group Corp. Singyes Green Energy Holdings Limited, Singyes Engineering (M) Sdn. Bhd., Singyes Green Building Technology Pte. Ltd. and Macao Singyes Renewable Energy Technology Co., Ltd.; and “Subsidiary Guarantor” means any one of them.

“Term Sheets”	means: (a) the term sheet with respect to a proposed one year senior secured loan facility dated 28 August 2018; and (b) the term sheet with respect to a proposed two year senior secured loan facility dated 28 August 2018; in each case between DB and the Company.
“Total DB Consent Fee”	means an amount equal to: (a) the aggregate amount of the Accepted Claims of all DB Creditors; <i>divided by</i> (b) the Total Notes Claims Amount; <i>multiplied by</i> (c) US\$8,600,000.
“Total Notes Claims Amount”	means an amount equal to the sum of: (a) the outstanding principal amount of Notes held by all Noteholders as at the Record Time; and (b) all accrued and unpaid interest on such Notes up to but excluding the Restructuring Effective Date.
“Trust Assets”	means the Residual New Notes and the Residual Cash Consideration.
“US Bankruptcy Code”	means Title 11 of the United States Code.
“US Bankruptcy Court”	means the United States Bankruptcy Court for the Southern District of New York.
“US Securities Act”	means U.S. Securities Act of 1933, as amended, including the rules and regulations promulgated by the SEC thereunder.
“Zuill & Co.”	means Zuill & Co., a Bermuda law firm in exclusive association with Harneys.

1.2 In this Hong Kong Scheme, unless the context otherwise requires or otherwise expressly provided:

- (a) references to **“the Schemes”** are references to both this Hong Kong Scheme and the Bermuda Scheme together;
- (b) references to Recitals, Parts, Clauses, Sub-Clauses, Schedules and Appendices are references to the recitals, parts, clauses, sub-clauses, schedules and appendices respectively of or to this Hong Kong Scheme;
- (c) references to a statute or a statutory provision include the same as subsequently modified, amended or re-enacted from time to time;
- (d) references to an agreement, deed or document shall be deemed also to refer to such agreement, deed or document as amended, supplemented, restated, verified, replaced and/or novated (in whole or in part) from time to time and to any agreement, deed or document executed pursuant thereto;
- (e) the singular includes the plural and vice versa and words importing one gender shall include all genders;

- (f) headings to Recitals, Parts, Clauses and Sub-Clauses are for ease of reference only and shall not affect the interpretation of this Hong Kong Scheme;
- (g) references to “**US\$**”, “**HKD**” and “**RMB**” are references to the lawful currency of the United States of America, Hong Kong and the People’s Republic of China, respectively;
- (h) the words “**include**” and “**including**” are to be construed without limitation, general words introduced by the word “**other**” are not to be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words are not to be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words;
- (i) a company is a “**subsidiary**” of another company, its “**holding company**”, if that other company: (a) holds a majority of the voting rights in it; (b) is a member of it and has the right to appoint or remove a majority of its board of directors; or (c) is a member of it and controls alone, pursuant to an agreement with other members, a majority of the voting rights in it, or, if it is a subsidiary of a company that is itself a subsidiary of that other company; and
- (j) an “**undertaking**” means a body corporate or partnership; or an unincorporated association carrying on a trade or business, with or without a view to profit; and an undertaking is a parent undertaking in relation to another undertaking, a “**subsidiary undertaking**”, if: (a) it holds the majority of voting rights in the undertaking; (b) it is a member of the undertaking and has the right to appoint or remove a majority of its board of directors; (c) it has the right to exercise a dominant influence over the undertaking: (i) by virtue of provisions contained in the undertaking’s articles; or (ii) by virtue of a control contract; or (d) it is a member of the undertaking and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in the undertaking.

PART A BACKGROUND

2 THE COMPANY

- 2.1 The Company was incorporated in Bermuda under the Companies Act as an exempted company with limited liability on 24 October 2003 under the name “China Singyes Holding Limited”. On 28 May 2008, it changed its name to “China Singyes Green Building Engineering Limited” and, on 15 August 2008, it further changed its name to “China Singyes Solar Technologies Holdings Limited”.
- 2.2 The Company’s registered office is at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda.
- 2.3 As at the date hereof:
- (a) the authorised share capital of the Company is USD\$12,000,000 consisting of 1,200,000,000 ordinary shares of US\$0.01 each; and
 - (b) the issued and fully paid up share capital of the Company is US\$8,340,731.95 consisting of 834,073,195 ordinary shares of US\$0.01 each.

3 THE PURPOSE OF THE HONG KONG SCHEME

- 3.1 The principal object and purpose of this Hong Kong Scheme is to effect a compromise and arrangement between the Company and the Scheme Creditors in respect of the Scheme Claims. The arrangement and compromise effected pursuant to this Hong Kong Scheme will enable the Group to continue to carry on business as a going concern and is an alternative to the commencement of insolvency proceedings in respect of the Company and the Subsidiary Guarantors.
- 3.2 On the Restructuring Effective Date and conditional on completion of each of the steps outlined in paragraphs (a) to (g) (inclusive) of Clause 7.2, by reason of the terms of this Hong Kong Scheme:
- (a) the Notes will be cancelled and discharged and the respective rights and obligations of the Notes Scheme Creditors (including, for the avoidance of doubt, any Person that acquires an interest in the Notes after the Record Time), the Company, the Subsidiary Guarantors and the Notes Trustee towards one another under the Note Documents will terminate and be of no further force and effect; and
 - (b) all rights and obligations of the DB Creditors (including, for the avoidance of doubt, any Person that acquires an interest in any DB Claim after the Record Time) and the Company towards one another in respect of the DB Claims will be cancelled and discharged and the Term Sheets and any other documents pursuant to which such rights and obligations were constituted will terminate and be of no further force and effect.

3.3 On the Scheme Effective Date, Mr. Jimmy Chon Man Yu (holder of Hong Kong identity card number P275941(5)) or Ms. Chang Xu (holder of PRC passport E12350646) shall be:

- (a) appointed as the Company's foreign representative (whoever is so appointed, the "**Foreign Representative**") in respect of any future application for Cross-Border Recognition of this Hong Kong Scheme; and
- (b) authorised to make an application on behalf of the Company for a suitable order:
 - (i) from the US Bankruptcy Court under Chapter 15 of the US Bankruptcy Code;
 - (ii) from the High Court of England and Wales under any applicable law, legal doctrine or Proceeding concerning Cross-Border Recognition, including, without limitation, under the Cross-Border Insolvency Regulations 2006, the Insolvency Act 1986 and/or the Foreign Judgments (Reciprocal Enforcement) Act 1933 and/or at common law; or
 - (iii) under any other applicable law, legal doctrine or Proceeding concerning Cross-Border Recognition (including any other applicable law, legal doctrine or Proceeding in the United States or England and Wales) and such other additional relief and/or assistance,

as the Foreign Representative may be required by the Company to obtain.

4 THE NOTES

The Notes are held under customary arrangements whereby:

- (a) the 2018 Notes, 2019 Notes and CBs were constituted by the 2018 Indenture, 2019 Indenture and CB Trust Deed, respectively;
- (b) the Notes were issued in global registered form, with the Global Notes being held by HSBC Nominees (Hong Kong) Limited as nominee of the Depositary;
- (c) interests in the Global Notes are held by Account Holders (whose identities are recorded directly in the books or other records maintained by the Clearing Systems) through the Clearing Systems, under electronic systems designed to facilitate paperless transactions in respect of dematerialised securities; and
- (d) each Account Holder may be holding its recorded interest in the Global Notes on behalf of one or more Noteholders.

5 THE NOTES TRUSTEE AND THE HONG KONG SCHEME

5.1 The Notes Trustee has undertaken not to vote in respect of the Notes at the Scheme Meeting.

- 5.2 Each Noteholder will be entitled to vote at the Scheme Meeting in respect of all of the Notes in respect of which it owns an economic or beneficial interest as principal at the Record Time.

PART B
THE HONG KONG SCHEME

6 APPLICATION AND EFFECTIVENESS OF THE HONG KONG SCHEME

- 6.1 The compromise and arrangement effected by this Hong Kong Scheme shall apply to all Scheme Claims and shall be binding on the Company and all Scheme Creditors and their respective successors, assigns and transferees.
- 6.2 Excluded Liabilities shall not be subject to the arrangement and compromise effected by this Hong Kong Scheme.
- 6.3 The terms of this Scheme shall become effective on and from the Scheme Effective Date.
- 6.4 The Company shall promptly notify the Information Agent of:

- (a) the satisfaction of the Conditions and the occurrence of the Scheme Effective Date; and
- (b) the satisfaction of the Restructuring Conditions and the occurrence of the Restructuring Effective Date;

by sending a Scheme Effective Notice or Completion Notice (as applicable) to the Information Agent and the Information Agent shall promptly notify Scheme Creditors of the Scheme Effective Date or Restructuring Effective Date, (as applicable), by:

- (a) sending the Scheme Effective Notice or Completion Notice (as applicable) to the Notes Trustee;
 - (b) circulating the Scheme Effective Notice or Completion Notice (as applicable) to Scheme Creditors via the Clearing Systems;
 - (c) posting the Scheme Effective Notice or Completion Notice (as applicable) on the Scheme Website; and
 - (d) sending the Scheme Effective Notice or Completion Notice (as applicable) via electronic mail to each Person who the Company believes may be a Scheme Creditor and which is registered as a Scheme Creditor with the Information Agent or has otherwise notified the Company or Information Agent of its valid electronic mail address.
- 6.5 The Company shall also promptly notify Scheme Creditors of the occurrence of the Scheme Effective Date or the Restructuring Effective Date (as applicable) by announcement on the HKEx.
- 6.6 The Company may, at its sole discretion, at any time before the occurrence of the Restructuring Effective Date, postpone the Restructuring Effective Date to a later date, provided always that the Deferred Restructuring Effective Date shall be no later than the Longstop Date. In the event that the Company wishes to postpone the Restructuring Effective Date in accordance with this Clause 6.6, it shall immediately deliver an Extension Notice specifying the Deferred Restructuring Effective Date to the

Information Agent and the Information Agent shall promptly notify Scheme Creditors of the Deferred Restructuring Effective Date by:

- (a) sending the Extension Notice to the Notes Trustee;
- (b) circulating the Extension Notice to Scheme Creditors via the Clearing Systems;
- (c) posting the Extension Notice on the Scheme Website; and
- (d) sending the Extension Notice via electronic mail to each Person who the Company believes may be a Scheme Creditor and which is registered as a Scheme Creditor with the Information Agent or has otherwise notified the Company or Information Agent of its valid electronic mail address.

6.7 The Company shall also promptly notify Scheme Creditors of the Deferred Restructuring Effective Date (if any) by announcement on the HKEx.

6.8 The Company may, at its sole discretion, at any time before the occurrence of the Original Longstop Date, elect to extend the Longstop Date to a date no later than two months from the Original Longstop Date (“**Longstop Date Extension**”). The Company shall promptly notify the Information Agent of the Longstop Date Extension by delivering a Longstop Date Extension Notice to the Information Agent and the Information Agent shall promptly notify Scheme Creditors of the Longstop Date Extension by:

- (a) sending the Longstop Date Extension Notice to the Notes Trustee;
- (b) circulating the Longstop Date Extension Notice to Scheme Creditors via the Clearing Systems;
- (c) posting the Longstop Date Extension Notice on the Scheme Website; and
- (d) sending the Longstop Date Extension Notice via electronic mail to each Person who the Company believes may be a Scheme Creditor and which is registered as a Scheme Creditor with the Information Agent or has otherwise notified the Company or Information Agent of its valid electronic mail address.

6.9 The Company shall also promptly notify Scheme Creditors of any Longstop Date Extension by announcement on the HKEx.

7 EFFECT OF THE HONG KONG SCHEME

7.1 On the Restructuring Effective Date, all of the rights, title and interest of Scheme Creditors in respect of:

- (a) Scheme Claims; and
- (b) Claims against the Subsidiary Guarantors arising directly or indirectly out of, in relation to and/or in connection with the Note Documents;

whether before, at or after the Record Time shall be subject to each of the arrangements and compromises set out in this Hong Kong Scheme.

7.2 On the Restructuring Effective Date:

- (a) to the extent not already completed prior to the Restructuring Effective Date, the Company shall receive the Subscription Proceeds in exchange for the issuance of the Subscription Shares;
- (b) the Company shall pay the Consent Fee to:
 - (i) each Eligible Consenting Notes Creditor by way of transfer to the Clearing System cash account (which must be the cash account linked to the securities account in which the Notes to which that Eligible Consenting Notes Creditor was entitled at the Record Time were held) as designated in the Account Holder Letter submitted by or on behalf of that Eligible Consenting Notes Creditor; and
 - (ii) each DB Consenting Creditor by way of transfer to the Clearing System cash account linked to the Clearing System securities account designated by that DB Consenting Creditor in the Notice of Claim submitted by or on behalf of that DB Creditor as the account to which the New Notes to which it is entitled should be credited;
- (c) the Company shall pay to each Noteholder who submits a duly completed Part 1 of the Account Holder Letter in respect of its Notes Claims to the Information Agent prior to the Record Time a portion of the Notes Cash Consideration that reflects the same proportion of the Notes Cash Consideration as the proportion that the amount of that Noteholder's Accepted Claim bears to the Total Notes Claims Amount, by way of transfer to the Clearing System cash account of that Noteholder (which must be the cash account linked to the securities account to which the Notes to which that Noteholder was entitled at the Record Time were held) as designated in the Account Holder Letter submitted by or on behalf of that Noteholder;
- (d) the Company shall pay to each DB Creditor who submits a duly completed Part 1 of the Notice of Claim in respect of its DB Claims to the Information Agent prior to the Record Time a portion of the DB Cash Consideration that reflects the same proportion of the DB Cash Consideration as the proportion that the amount of that DB Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all DB Creditors at the Record Time, by way of transfer to the Clearing System cash account linked to the Clearing System securities account designated by that DB Creditor in the Notice of Claim submitted by or on behalf of that DB Creditor as the account to which the New Notes to which it is entitled should be credited;
- (e) the New Notes Indenture will be executed and delivered by the parties thereto and the Company shall:
 - (i) ensure that the New Global Notes are executed and delivered to the New Depositary and interests in the New Global Notes are credited in the relevant amounts to the accounts in the Clearing Systems designated by the Eligible Creditors in their Account Holder Letters or Notices of Claim, as applicable, such that:

- (A) each Eligible Creditor who is a Noteholder receives a portion of the Noteholder New Notes that reflects the same proportion of the Noteholder New Notes as the proportion that the amount of that Eligible Creditor's Accepted Claim bears to the Total Notes Claims Amount; and
- (B) each Eligible Creditor who is a DB Creditor receives a portion of the DB New Notes that reflects the same proportion of the DB New Notes as the proportion that the amount of that Eligible Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all DB Creditors at the Record Time;

but provided that:

- (C) interests in the New Notes will be credited in minimum denominations of US\$150,000 and integral multiples of US\$1 in excess thereof;
 - (D) no fraction of New Notes will be issued;
 - (E) entitlements of Eligible Creditors to New Notes will be rounded down to the nearest US\$1 increment of New Notes (in excess of US\$150,000);
 - (F) no cash adjustment will be payable as a result of the rounding down described in the immediately preceding paragraph;
 - (G) the interests in the New Global Notes to which a Noteholder is entitled under the terms of this Hong Kong Scheme will be credited to the Clearing System account in which that Noteholder held its interests in the Notes at the Record Time; and
 - (H) the interests in the New Global Notes to which a DB Creditor is entitled under the terms of this Hong Kong Scheme will be credited to the Clearing System account designated for such purpose by that DB Creditor in its Notice of Claim; and
- (ii) give all such instructions as are required to be given by it to the New Notes Trustee and/or the New Depositary for this purpose;
- (f) all Residual New Notes and Residual Cash Consideration shall be transferred to the securities accounts designated by the Holding Period Trustee and the Holding Period Trustee shall enter into the Holding Period Trust Deed pursuant to which it will hold the Residual New Notes and Residual Cash Consideration on trust for the Ineligible Creditors who are Noteholders in accordance with the terms of the Holding Period Trust Deed; and
 - (g) to the extent not already completed prior to the Restructuring Effective Date, the Company shall pay all fees, costs and expenses of all of the Advisers, the Information Agent, the Holding Period Trustee, the Notes Trustee and its counsel, the New Notes Trustee and its counsel, pursuant to the terms agreed

between the Company and the relevant party that have been duly invoiced by no later than five (5) Business Days before the Restructuring Effective Date (or such later date as may be agreed by the Company with the relevant party or parties).

- 7.3 On the Restructuring Effective Date and conditional on completion of each of the steps outlined in paragraphs (a) to (g) of Clause 7.2:
- (a) the Company shall ensure that the Global Notes representing the Notes are cancelled by the Depositary and shall give all such instructions as are required to be given by it to the Notes Trustee and/or the Depositary for such purpose;
 - (b) the Company shall, for and on behalf of each Scheme Creditor, execute the Deeds of Release;
 - (c) the respective rights and obligations of the Notes Scheme Creditors (including, for the avoidance of doubt, any Person that acquires an interest in the Notes after the Record Time), the Company, the Subsidiary Guarantors and the Notes Trustee towards one another under the Note Documents will terminate; and
 - (d) the respective rights and obligations of the DB Creditors (including, for the avoidance of doubt, any Person that acquires an interest in the DB Claims after the Record Time) and the Company towards one another under the Term Sheets will terminate.
- 7.4 On the Holding Period Expiry Date, each Ineligible Creditor who is a Noteholder and who establishes its entitlement to its share of the Trust Assets in accordance with the terms of the Holding Period Trust Deed will receive:
- (a) to the extent such Ineligible Creditor has not previously received its portion of the Notes Cash Consideration, the same proportion of the Residual Cash Consideration as the proportion that the amount of that Ineligible Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all Ineligible Creditors who are Noteholders and have not received their portion of the Notes Cash Consideration at the Restructuring Effective Date; and
 - (b) the same proportion of the Residual New Notes as the proportion that the amount of that Ineligible Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all Ineligible Creditors who are Noteholders.
- 7.5 On the Holding Period Expiry Date, the Company will receive the Remaining Cash Consideration and the Remaining New Notes and shall hold such Remaining Cash Consideration and Remaining New Notes on trust for the benefit of all Noteholders that are Ineligible Creditors which have a Scheme Claim that is subject to adjudication under Clause 19 until such time as the relevant Scheme Claim has been extinguished in accordance with the terms hereof and all Scheme Consideration payable to the relevant Scheme Creditor has been distributed to it.
- 7.6 On the Holding Period Expiry Date, the Company shall pay to each Ineligible Creditor who is a DB Creditor and who submits a duly completed Part 1 of the Notice of Claim in respect of its DB Claim prior to the Bar Time a portion of the DB Cash Consideration

that reflects the same proportion of the DB Cash Consideration as the proportion that the amount of that Ineligible Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all DB Creditors by way of transfer to the Clearing System cash account designated by that Ineligible Creditor in the Notice of Claim submitted by or on behalf of that Ineligible Creditor.

7.7 On the Holding Period Expiry Date, the Company shall issue or transfer (as applicable) to each Ineligible Creditor who is a DB Creditor and who submits a duly completed Part 1 of the Notice of Claim in respect of its DB Claims, and a Distribution Confirmation Deed and, if applicable, Designated Recipient Form to the Information Agent to the Information Agent prior to the Bar Time a portion of the DB New Notes that reflects the same proportion of the DB New Notes as the proportion that the amount of that Ineligible Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all DB Creditors by way of transfer to the Clearing System accounts designated by that Ineligible Creditor in the Notice of Claim submitted by or on behalf of that Ineligible Creditor.

7.8 Subject to Clause 19.10, if an Ineligible Creditor who is a:

- (a) Noteholder fails to establish its entitlement to the Trust Assets in accordance with the terms of the Holding Period Trust Deed prior to the Bar Time; or
- (b) DB Creditor fails to submit the duly completed Notice of Claim to the Information Agent prior to the Bar Time;

that Ineligible Creditor's rights under this Hong Kong Scheme shall be extinguished and that Ineligible Creditor shall not be entitled to receive Scheme Consideration under this Hong Kong Scheme.

8 NO RIGHT TO COMMENCE PROCEEDINGS

8.1 From and after the Scheme Effective Date, no Scheme Creditor shall be entitled to commence, continue or procure the commencement or continuation of any Proceeding, whether directly or indirectly, against any of the Released Persons or in respect of any property of any of the Released Persons in respect of any Scheme Claim or any Released Claim, save that the Notes Trustee and the Depositary will be entitled to commence or continue Proceedings in respect of any accrued and unpaid fees and expenses due to them or their respective legal and professional advisers under the terms of the Note Documents in respect of the period ending on the Restructuring Effective Date, provided that, for the avoidance of doubt, nothing contained herein shall prevent or prohibit any Scheme Creditor from commencing and continuing an Allowed Proceeding.

8.2 Each Released Person shall be fully entitled to enforce Clause 8.1, in its own name, (whether by way of a Proceeding or by way of defence or estoppel (or similar) in any jurisdiction whatsoever) as if it were a party hereto, pursuant to the provisions of the Contracts (Rights of Third Parties) Ordinance (Cap 623 of the Laws of Hong Kong) and/or any other applicable law which so permits.

8.3 Each Scheme Creditor is deemed to acknowledge that if it, or any Person claiming through it, takes any Proceedings against the Released Persons in breach of Clause 8.1

and the Deeds of Release, the Released Person shall be entitled to obtain an order as of right staying those Proceedings and providing for payment, by the Scheme Creditor concerned and any Person claiming through it, of any reasonable costs, charges or other expenses incurred by such Released Person as a result of taking such Proceedings.

9 INSTRUCTIONS, AUTHORISATIONS AND DIRECTIONS

9.1 Each Scheme Creditor hereby authorizes and instructs the Depositary and the Notes Trustee to, on or after the Scheme Effective Date, take whatever action is necessary or reasonably appropriate to give effect to the terms of this Hong Kong Scheme.

9.2 On and from the Scheme Effective Date, in consideration of the rights provided to the Scheme Creditors under this Hong Kong Scheme and solely for the purposes of giving effect to the terms of this Hong Kong Scheme, each Scheme Creditor hereby appoints the Company as its attorney and agent and irrevocably authorises, directs, instructs and empowers the Company (represented by any authorised representative) to:

- (a) enter into, execute and deliver (whether as a deed or otherwise) for and on behalf of each Scheme Creditor the Deeds of Release (substantially in the form appended to the Explanatory Statement but subject to any modifications approved or imposed by the Courts in accordance with the terms hereof or as otherwise permitted under the terms of this Scheme) and any other document referred to, contemplated by or ancillary to any of the foregoing; and
- (b) take whatever action is necessary to ensure that the books and records of the Clearing Systems are updated to reflect the terms of this Hong Kong Scheme, including without limitation to:
 - (i) instruct the Clearing Systems to debit the Book Entry Interests relating to the Notes from the custody account of each Scheme Creditor (or its Account Holder, as applicable);
 - (ii) authorise the cancellation of the Book Entry Interests in respect of the Notes; and
 - (iii) take or carry out any other step or procedure reasonably required to effect the settlement of this Hong Kong Scheme.

9.3 Each Scheme Creditor hereby, for itself and its successors, assigns, releases, discharges and exonerates each of the Notes Trustee and its officers, agents, affiliates, attorneys and advisers from any and all Liability to the Scheme Creditors:

- (a) by reason of any of them acting in accordance with the above authorisation and instruction;
- (b) for the manner of performance of all acts carried out on such instructions; and
- (c) in the case of a Notes Scheme Creditor, under the Note Documents with effect from the Restructuring Effective Date and conditional on completion of each of the steps outlined in paragraphs (a) to (g) of Clause 7.2 (without prejudice to any rights, privileges, immunities, indemnities and limitations of Liability of the Notes Trustee under the Indentures and/or the CB Trust Deed);

in each case: (i) save to the extent of the Notes Trustee's and/or its officers, agents, affiliates, attorneys and advisers own gross negligence, wilful misconduct or fraud; (ii) whether or not the Company obtains a suitable order from: (A) the US Bankruptcy Court under Chapter 15 of the US Bankruptcy Code; (B) the High Court of England and Wales under any applicable law, legal doctrine or Proceeding concerning Cross-Border Recognition, including, without limitation, under the Cross-Border Insolvency Regulations 2006, the Insolvency Act 1986 and/or the Foreign Judgments (Reciprocal Enforcement) Act 1933 and/or at common law; or (iii) pursuant to any other applicable law, legal doctrine or Proceeding concerning Cross-Border Recognition.

- 9.4 Each Scheme Creditor hereby acknowledges and agrees that any action taken by the Company in accordance with this Hong Kong Scheme or the Restructuring Documents will not constitute a breach of the Note Documents, Term Sheets or any other agreement or document governing the terms of any Scheme Claim.
- 9.5 The directions, instructions and authorisations granted under this Clause 9 shall be treated, for all purposes whatsoever and without limitation, as having been granted by deed and the Company shall be entitled to delegate the authority granted and conferred by this Clause 9 to any duly authorised officer or agent of the Company as necessary.

10 SCHEME CREDITOR UNDERTAKINGS AND RELEASES

- 10.1 In consideration for its entitlement to the Scheme Consideration each Scheme Creditor hereby gives the undertakings, releases and waivers in this Clause 10.
- 10.2 With immediate effect on and from the Restructuring Effective Date and conditional on completion of each of the steps outlined in paragraphs (a) to (g) (inclusive) of Clause 7.2, each Scheme Creditor irrevocably, unconditionally, fully and absolutely:
- (a) waives, discharges and releases all of its rights, title and interest in and to its Scheme Claims in consideration for its entitlement to receive the Scheme Consideration in accordance with this Hong Kong Scheme;
 - (b) waives, discharges and release any right or remedy it may have under the Note Documents and/or otherwise against any Released Person in relation to any breaches or defaults under the Note Documents and/or the Term Sheets occurring on or before the Restructuring Effective Date or that may occur as a result of the implementation of the Schemes and/or the Restructuring;
 - (c) ratifies and confirms everything which any Released Person may lawfully do or cause to be done in accordance with any authority conferred by this Hong Kong Scheme and agrees not to challenge:
 - (i) the validity of any act done or omitted to be done; or
 - (ii) the exercise or omission to exercise of any power conferred in accordance with the provisions of this Hong Kong Scheme;in each case in good faith by any Released Person;
 - (d) waives, releases and discharges each and every Released Claim which it ever had, may have or hereafter can, shall or may have against any Released Person;

- (e) waives, releases and discharges each and every Released Claim which it ever had, may have or hereafter can, shall or may have against each member of the Committee, the Advisers and their respective Personnel and Affiliates; and
 - (f) undertakes to the Released Persons that it will not, and shall use all reasonable endeavours to procure that its Scheme Creditor Parties will not, commence or continue, or instruct, direct or authorise any other Person to commence or continue, any Proceedings in respect of or arising from any Released Claim.
- 10.3 Each Scheme Creditor acknowledges and agrees that, and shall use all reasonable endeavours to procure that each of its Scheme Creditor Parties acknowledges and agrees, that:
- (a) it may later discover facts in addition to or different from those which it presently knows or believes to be true with respect to the subject matter of this Hong Kong Scheme;
 - (b) it is its intention to fully, and finally forever settle and release any and all matters, disputes and differences, whether known or unknown, suspected or unsuspected, which present exist, may later exist or may previously have existed between it and the Released Persons in respect of the Released Claims on the terms set out in this Hong Kong Scheme; and
 - (c) in furtherance of this intention, the waivers, releases and discharges given in this Hong Kong Scheme shall be and shall remain in effect as full and complete general waivers, releases and discharges notwithstanding the discovery or existence of any such additional or different facts.
- 10.4 The releases, waivers and undertakings under this Clause 10 shall:
- (a) not prejudice or impair any rights of any Scheme Creditor created under this Hong Kong Scheme and/or which arise as a result of a failure by the Company or any party to this Hong Kong Scheme to comply with any terms of this Hong Kong Scheme;
 - (b) not prejudice or impair any claims or causes of action of any Scheme Creditor arising from or relating to negligence or breach of fiduciary duty, fraud, dishonesty, wilful default or wilful misconduct; and
 - (c) not extend to any Liability of any Adviser arising under a duty of care to its client.

PART C
IDENTIFICATION OF ACCEPTED CLAIMS

11 DETERMINATION OF ACCEPTED CLAIMS

- 11.1 All Persons claiming to be Scheme Creditors must provide the Information Agent with a duly completed Account Holder Letter (in the case of a Noteholder) or Notice of Claim (in the case of a DB Creditor) in respect of their Scheme Claims:
- (a) prior to the Record Time should they wish to vote at the Scheme Meeting;
 - (b) prior to the Record Time should they wish to receive Scheme Consideration on the Restructuring Effective Date; or
 - (c) prior to the Bar Time if they wish to receive Scheme Consideration before the expiry of their right to receive the same.
- 11.2 Voting instructions given in Account Holder Letters or Notices of Claim (as the case may be) delivered after the Record Time will be disregarded for voting purposes at the Scheme Meeting.
- 11.3 All Accepted Claims shall be determined as at the Record Time by the Company. The Company shall assess Accepted Claims for the purposes of determining entitlements to Scheme Consideration by reference to the following:
- (a) in respect of the Notes Claim of a Noteholder arising out of, in relation to and/or in connection with the 2018 Notes, the 2019 Notes, the 2018 Indenture and the 2019 Indenture, by reference to the principal amount outstanding and owed to that Noteholder as at the Record Time and all accrued and unpaid interest relating to such Notes Claim up to but excluding the Restructuring Effective Date;
 - (b) in respect of the Notes Claim of a Noteholder arising out of, in relation to and/or in connection with the CBs and the CB Trust Deed, by reference to the principal amount outstanding and owed to that Noteholder as at the Record Time and all accrued and unpaid interest relating to such Notes Claim up to but excluding the Restructuring Effective Date, as converted into US\$ by applying the RMB/US\$ official fixing rate which appears on the Bloomberg Screen “NDFF” Page opposite the symbol “CNY” in the column “Last Price” on the Record Date or, should this not be available, another suitable source as may be selected by the Company (acting reasonably); and
 - (c) in respect of the DB Claim of a DB Creditor, by reference to the amount which the Company considers to be owing to that DB Creditor as at the Record Time and all accrued and unpaid interest (if any) relating to such DB Claim up to but excluding the Restructuring Effective Date.
- 11.4 For purposes of any calculation of the amount of Scheme Claims, voting entitlement and entitlements to Scheme Consideration and/or the Consent Fee or as otherwise required under this Hong Kong Scheme, the Notes Claim(s) arising in respect of the CBs and/or under the CB Trust Deed shall be converted into US\$ by applying the RMB/US\$ official fixing rate which appears on the Bloomberg Screen “NDFF” Page

opposite the symbol “CNY” in the column “Last Price” on the Record Date or, should this not be available, another suitable source, another suitable source as may be selected by the Company (acting reasonably).

11.5 The Company shall comply with the following procedures in determining whether to Accept a Scheme Claim:

- (a) in relation to a Notes Claim, the Company (or its Information Agent) will verify such claim set out in the Account Holder Letter submitted by or on behalf of a Noteholder against the relevant information provided by the Clearing System through which that Noteholder holds its interest in the Notes at the Record Time; and
- (b) in relation to a DB Claim, the Company will review the Notice of Claim and any documents submitted by that DB Creditor in support of such claim and based on the evidence available to the Company and such other evidence as the Company may request and receive from that DB Creditor, the Company will determine (having consulted with its Advisers where necessary) on the balance of probabilities, whether all or a part of that DB Claim would be admissible as a proof in the Company’s winding up in Hong Kong.

11.6 If the Company refuses to Accept an alleged Claim received from an alleged Scheme Creditor or other Person, it shall prepare a statement in writing or electronic mail of its reasons for doing so (a “**Scheme Claims Determination Notice**”) and send such statement to the Person alleging such Claim against the Company:

- (a) if such alleged Claim is received by the Record Time, within three (3) Business Days after the Record Time; or
- (b) if such alleged Claim is received after the Record Time but prior to the Bar Time, within three (3) Business Days after it determines to refuse to accept the alleged Claim.

11.7 In the event that there is any Dispute between the Company and any Person as to the existence or the amount of the Liability or Claim asserted by an alleged Scheme Creditor (other than disputes that arise in connection with the casting of votes at the Scheme Meeting, which shall be resolved by the Chairperson in accordance with Part E), the Company or such alleged Scheme Creditor shall refer the matter to the Adjudicator in accordance with the Adjudication Procedure as set out in Part E.

12 SALES, ASSIGNMENTS OR TRANSFERS

Neither the Company nor the Information Agent shall be under any obligation to recognise any sale, assignment or transfer of any Scheme Claim after the Record Time for the purposes of determining entitlement to attend and vote at the Scheme Meeting, provided that the Company and the Adjudicator, if applicable, may (in its sole discretion and subject to the production of such other evidence as it may reasonably require) recognise such sale, assignment or transfer for the purposes of determining entitlements to the Scheme Consideration. A transferee of Scheme Claims after the Record Time will, however, be bound by the terms of this Hong Kong Scheme in the event that it becomes effective.

13 PROVISION OF INFORMATION

- 13.1 Account Holder Letters or Notices of Claim (as applicable) shall provide the Information Agent with all information requested in, and be submitted in accordance with the instructions set out in, the form of Account Holder Letter or Notices of Claim (as applicable).
- 13.2 If the Information Agent refuses to accept an Account Holder Letter or Notice of Claim (as applicable) it shall promptly prepare a written statement or electronic mail of its reasons for doing so and send such statement to the party that provided such Account Holder Letter or Notice of Claim (as applicable).

14 THE INFORMATION AGENT

The Information Agent shall not be liable for any Claim or Liability arising in respect of the performance of its duties as Information Agent under this Hong Kong Scheme except where such claim or Liability arises as a result of its own fraud, dishonesty, gross negligence, wilful deceit or wilful misconduct.

PART D
CONDITIONS TO THE SCHEME AND RESTRUCTURING

15 CONDITIONS TO THE EFFECTIVENESS OF THE SCHEME

15.1 This Hong Kong Scheme shall only become effective following the satisfaction of all of the following Conditions:

- (a) the approval of the Schemes (with or without modifications) by a simple majority in number of the Scheme Creditors attending and voting at the Scheme Meeting either in person or by proxy representing at least three fourths in value of the aggregate Scheme Claims of the Scheme Creditors attending and voting at the Scheme Meeting either in person or by proxy;
- (b) the sanction of this Hong Kong Scheme (with or without modification) by the Hong Kong Court;
- (c) the registration of an office copy of the Hong Kong Sanction Order by the Hong Kong Registrar of Companies;
- (d) the sanction of the Bermuda Scheme (with or without modification) by the Bermuda Court; and
- (e) the delivery of an office copy of the Bermuda Sanction Order to the Bermuda Registrar of Companies for registration.

16 CONDITIONS TO THE EFFECTIVENESS OF THE RESTRUCTURING

16.1 The Restructuring Effective Date shall only occur following the satisfaction of all of the following conditions:

- (a) each of the Conditions has been satisfied and the Scheme Effective Date has occurred;
- (b) the Company has received the Subscription Proceeds in exchange for the issuance of the Subscription Shares; and
- (c) the Company has paid all fees, costs and expenses of the Advisers, the Information Agent, the Holding Period Trustee, the Notes Trustee and its legal counsel, the New Notes Trustee and its legal counsel that it is required to pay pursuant to the terms agreed between the Company and the relevant party that have been duly invoiced no later than 5 Business Days before the Restructuring Effective Date (or such later date as may be agreed by the Company or the relevant party or parties).

PART E
GENERAL SCHEME PROVISIONS

17 SECURITIES LAW CONSIDERATIONS

- 17.1 The New Notes will not be registered under the US Securities Act or any state or other securities laws of the United States of America or any other jurisdiction.
- 17.2 Accordingly, the New Notes will be available only: (a) in the United States to “qualified institutional buyers” as defined in Rule 144A under the US Securities Act and institutional “accredited investors” as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the US Securities Act; and (b) outside the United States to non-U.S. persons in offshore transactions, in reliance on Regulation S under the US Securities Act.

18 THE ADJUDICATOR

- 18.1 There shall be one Adjudicator whose duty it will be to act as an expert, and not as an arbitrator, with respect to all matters referred to him under the terms of the Schemes. The Adjudicator will be responsible for the determination of Scheme Claims referred to him under the Schemes and will have the powers, rights, duties and functions conferred upon him by the Schemes. Except in the case of fraud, gross negligence or wilful misconduct, the Adjudicator will not be liable to the Company or any Scheme Creditor for any act or omission by the Adjudicator in the performance or purported performance of his powers, rights, duties and functions under the Schemes.
- 18.2 Upon the Scheme Effective Date, the Company shall appoint an individual who meets the criteria specified in Clause 18.6 as the Adjudicator under the Schemes.
- 18.3 The office of Adjudicator shall be vacated if the holder of such office:
- (a) dies; or
 - (b) is convicted of an indictable offence; or
 - (c) resigns his office (which shall be permissible and effective only if he gives at least two (2) weeks’ notice to the Company prior to such resignation); or
 - (d) becomes bankrupt; or
 - (e) is disqualified from membership of a professional body of which he is a member; or
 - (f) is disqualified for acting as a company director by any court of competent jurisdiction;
 - (g) becomes mentally disordered; or
 - (h) has a conflict of interest.
- 18.4 In the event of a vacancy in the office of the Adjudicator, the Company shall appoint a suitably qualified replacement who also meets the criteria specified in Clause 18.6.

- 18.5 The Adjudicator shall have the powers, duties and functions, and the rights, conferred upon him by the Schemes. In exercising his powers and carrying out his duties and functions under the Schemes, the Adjudicator shall act in good faith and with due care and diligence in the interests of the Scheme Creditors as a whole, and shall exercise his powers under the Schemes for the purpose of ensuring that the Schemes are implemented in compliance with their terms.
- 18.6 Each Adjudicator shall be a Hong Kong Senior Counsel or United Kingdom Queen's Counsel with not less than 10 years' experience in restructuring and insolvency matters, who shall be independent and impartial from the Company and have no conflict of interest in respect of the Disputed Claim, but who the Company may, in its absolute discretion, select to act as Adjudicator.

19 DISPUTE RESOLUTION PROCEDURES

- 19.1 If a Scheme Creditor disputes the Company's determination of its Scheme Claim and no agreement in respect of that dispute can be reached between the Company and the Scheme Creditor by the date falling five (5) Business Days from the date on which the Scheme Claims Determination Notice is deemed to be received (in accordance with Clause 27) by that Scheme Creditor (the "**Disputed Claim Resolution Deadline**"), the Scheme Creditor shall be entitled within twenty-one (21) calendar days of the Disputed Claim Resolution Deadline to apply in writing to the Adjudicator to review its Disputed Scheme Claim.
- 19.2 No application to the Adjudicator shall be considered or determined unless the relevant Scheme Creditor or Person who purports to be a Scheme Creditor confirms in its application to the Adjudicator that: (a) the determination by the Company is being disputed by the Scheme Creditor or such Person in good faith; and (b) it shall deliver such documents and perform such acts promptly and without undue delay as may reasonably be requested by the Adjudicator for the purpose of enabling him to make a determination of the Scheme Creditor's application made in accordance with Clause 19.1 and this Clause 19.2.
- 19.3 Failure to apply to the Adjudicator within the timeframe set out in Clause 19.1 and/or make the confirmation set out in Clause 19.2 shall be deemed to be an irrevocable acceptance by the Scheme Creditor of the Company's decision in respect of its Scheme Claim and any right to further challenge the finding of the Company in respect of such Scheme Claim shall be waived.
- 19.4 The Adjudicator shall review the Scheme Creditor's application made in accordance with Clauses 19.1 and 19.2 including its Disputed Scheme Claim and relevant evidence before him (and any additional evidence as he may request and receive from the relevant Scheme Creditor, the Company and any factual and/or expert witnesses) in relation to the Disputed Scheme Claim and determine, on the balance of probabilities, whether all or part of that Disputed Scheme Claim would be admissible as a proof in the Company's winding up in Hong Kong and the quantum of such admissible proof and therefore should be Accepted. The Adjudicator shall in accordance with Clause 19.6 notify the Company and the relevant Scheme Creditor in writing of his decision and such decision will be final and binding on the Company and the relevant Scheme Creditor, insofar as the law allows. The Company and the relevant Scheme Creditor shall honor the Adjudicator's decision which may be enforced by the Courts.

- 19.5 The Adjudicator shall have discretion to extend such timeframes and/or adopt procedures (including, without limitation, requesting written submissions and further evidence from the parties, requesting oral hearings and/or the provision of expert evidence) relevant to the nature of the Disputed Scheme Claim being considered so as to provide a fair, efficient and expeditious means for the final resolution of the Disputed Scheme Claim. Specifically, the Adjudicator may, in his sole discretion and as the Adjudicator considers appropriate:
- (a) provide additional directions to the relevant Scheme Creditor and/or the Company to submit written submissions and further evidence;
 - (b) establish the conduct of any oral hearing provided each of the relevant Scheme Creditor and the Company is given reasonable notice in writing of any such event;
 - (c) appoint one or more experts (who shall be and remain impartial and independent of the Company and the relevant Scheme Creditor) to report in writing to him on specific issues relating to the Disputed Scheme Claim, as identified by the Adjudicator;
 - (d) extend the timetable set out in Clause 19.6.
- 19.6 Without prejudice to clause 19.5, if a Disputed Scheme Claim is referred to the Adjudicator by a Scheme Creditor in accordance with Clauses 19.1 and 19.2, the following timetable shall apply:
- (a) within fourteen (14) calendar days of receiving a Scheme Creditor's application made in accordance with Clauses 19.1 and 19.2, the Adjudicator may call upon the Company and/or the relevant Scheme Creditor to produce any further documents or other information which he deems necessary;
 - (b) if such documentation or other information is not received within fourteen (14) calendar days of the date upon which the Adjudicator makes the request, the Adjudicator shall, subject to paragraph (c) below, make his determination on the basis of the documents received from the Company and/or the relevant Scheme Creditor, as applicable, by such time;
 - (c) within fourteen (14) calendar days of: (i) such documentation being provided by the Company and/or the Scheme Creditor, as applicable; or (ii) the expiry of the period provided for in paragraph (b) above; the Adjudicator shall provide the Company and the Scheme Creditor with a copy of his written decision and thereafter the amount Accepted by the Adjudicator in respect of the Disputed Scheme Claim shall be binding on the Company and the Scheme Creditor, and (to the fullest extent permitted by applicable law) there shall be no right of challenge or appeal from the decision of the Adjudicator; and
 - (d) if the Adjudicator does not require further information he shall, within fourteen (14) calendar days of receiving notification of the Disputed Scheme Claim, provide the Company and the Scheme Creditor with a copy of his written decision and thereafter the amount Accepted by the Adjudicator in respect of the Disputed Scheme Claim shall be binding on the Company and the Scheme

Creditor and (to the fullest extent permitted by applicable law) there shall be no right of challenge or appeal from the decision of the Adjudicator.

- 19.7 On the making of a decision by the Adjudicator, the Scheme Creditor's Account Holder Letter or Notice of Claim (as applicable) shall be deemed to have been varied in accordance with the Adjudicator's decision and as fully, correctly and irreversibly setting out that Scheme Creditor's Scheme Claim.
- 19.8 Communication between the Adjudicator, the Company and the relevant Scheme Creditors shall be conducted by electronic mail (other than in circumstances where the Adjudicator determines that oral submissions are necessary).
- 19.9 If a Scheme Claim is:
- (a) Accepted by the Adjudicator in its entirety, the Company shall bear all of the costs of the adjudication (including the legal and other expenses incurred by the relevant Scheme Creditor and the costs and expenses incurred by the Adjudicator);
 - (b) rejected by the Adjudicator in its entirety, the Scheme Creditor shall bear all of the costs of the adjudication (including the legal and other expenses incurred by the Company and the costs and expenses incurred by the Adjudicator); or
 - (c) Accepted or rejected by the Adjudicator in part, the question of who shall bear the costs of the adjudication (including the legal and other expenses incurred by the Company and the relevant Scheme Creditor and the costs and expenses incurred by the Adjudicator) shall be determined by the Adjudicator.
- 19.10 Notwithstanding any other provision of this Scheme, in the event that any Disputed Scheme Claim has not been resolved by the Adjudicator prior to the Bar Time, no Scheme Consideration shall be distributed in respect of such Disputed Scheme Claim unless the Adjudicator subsequently determines that such Disputed Scheme Claim should be Accepted (in part or in whole) by the Company. In the event of such determination:
- (a) if the creditor in respect of such Disputed Scheme Claim is a Notes Scheme Creditor:
 - (i) such creditor shall be entitled to receive a portion of the Notes Cash Consideration that reflects the same proportion of the Notes Cash Consideration as the proportion that the amount of that Noteholder's Accepted Claim bears to the Total Notes Claims Amount;
 - (ii) and submitted a duly completed Distribution Confirmation Deed and, if applicable, Designated Recipient Form, prior to the Bar Time, such creditor or, if applicable, its Designated Recipient, shall be entitled to receive a portion of the Noteholder New Notes that reflects the same proportion of the Noteholder New Notes as the proportion that the amount of that Noteholder's Accepted Claim bears to the Total Notes Claims Amount;

- (iii) and is an Eligible Consenting Notes Creditor, such creditor shall be entitled to receive the Consent Fee to which it is entitled in accordance with the terms of this Hong Kong Scheme; and
 - (iv) the Consent Fee (if any), Cash Consideration and New Notes (if any) to which that Scheme Creditor is entitled shall be distributed to such creditor within one (1) calendar month of such determination by way of transfer to the Clearing System account in which such creditor held its interest in the Notes (as indicated in its Account Holder Letter); and
- (b) if the creditor in respect of such Disputed Scheme Claim is a DB Creditor:
- (i) such creditor shall be entitled to receive a portion of the DB Cash Consideration that reflects the same proportion of the DB Cash Consideration as the proportion that the amount of that DB Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all DB Creditors at the Record Time;
 - (ii) and submitted a duly completed Distribution Confirmation Deed and, if applicable, Designated Recipient Form, prior to the Bar Time, such creditor or, if applicable, its Designated Recipient, shall be entitled to receive a portion of the DB New Notes that reflects the same proportion of the DB New Notes as the proportion that the amount of that DB Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all DB Creditors at the Record Time;
 - (iii) and is a DB Consenting Creditor, such creditor shall be entitled to receive the Consent Fee to which it is entitled in accordance with the terms of this Hong Kong Scheme; and
 - (iv) the Consent Fee (if any), Cash Consideration and New Notes (if any) to which that Scheme Creditor is entitled shall be distributed to such creditor within one (1) calendar month of such determination by way of transfer to the Clearing System account designated in the Notice of Claim by such creditor; and
- (c) if the creditor in respect of such Disputed Scheme Claim fails to submit a duly completed Distribution Confirmation Deed and, if applicable, Designated Recipient Form prior to the Bar Time, any right that such creditor may have in the New Notes shall be extinguished irrevocably at and from the Bar Time.

19.11 Notwithstanding any other provision of this Scheme, for the avoidance of doubt, the Company is not required to postpone the Restructuring Effective Date in the event that any Disputed Scheme Claim has not been determined by the Adjudicator prior to that time or the Scheme Effective Date.

19.12 The Company shall promptly distribute any residual Consent Fee with respect to Eligible Consenting Notes Creditors that remains after all Scheme Claims of Eligible Consenting Notes Creditors have been adjudicated or otherwise determined under the Scheme to all Eligible Consenting Notes Creditors that are eligible to receive the

Consent Fee in respect of Eligible Consenting Notes Creditors pursuant to the terms of the Scheme.

20 GENERAL PROVISIONS IN RELATION TO VOTING AT THE SCHEME MEETING

- 20.1 Every Scheme Creditor whose vote is validly cast in person or by its authorized representative (if a corporation) or by proxy at the Scheme Meeting shall have one (1) vote for every US\$1 of its Scheme Claim (rounded down to the nearest US\$1) as calculated for voting purposes in accordance with Clauses 11.4 and 20.2.
- 20.2 Subject to Clause 20.3, the amount of the Scheme Claims of each Scheme Creditor who submits a valid Account Holder Letter or Notice of Claim (as applicable) in respect of Scheme Claims, will be calculated for voting purposes as at the Record Time. Specifically,
- (a) votes of Noteholders will be admitted at the Scheme Meeting at a value equal to the sum of: (i) outstanding principal amount of the Notes in which each Noteholder held an economic or beneficial interest as principal at the Record Time (without double counting); and (ii) all accrued and unpaid interest relating to such Notes up to but excluding the Record Date. This is subject to the Information Agent verifying such principal amount against the information provided by the Clearing System through which that Noteholder holds its interest in the Notes at the Record Time; and
 - (b) votes of DB Creditors will be admitted at the Scheme Meeting at a value equal to the amount of their DB Claims plus accrued interest thereon (if any) at the Record Time.
- 20.3 If a Scheme Claim is unascertained, contingent or Disputed, the Chairperson may admit the Scheme Claim for voting purposes at the Scheme Meeting only at a value which the Chairperson considers is a fair and reasonable assessment of the sums owed by the Company in respect of that Scheme Claim.
- 20.4 The amount of a Scheme Claim which is accepted by the Chairperson for voting purposes is not indicative of whether that Scheme Claim will be Accepted by the Company (or if applicable, by the Adjudicator) for the purposes of determining entitlement to Scheme Consideration. The Company (or, if applicable, the Adjudicator) will determine whether to Accept a Scheme Claim and for the purposes of determining entitlement to Scheme Consideration, Scheme Claims will be assessed as at the Record Time and will include interest (if any) which may have accrued in favour of a Scheme Creditor up to but excluding the Restructuring Effective Date.
- 20.5 The Chairperson of the Scheme Meeting will collate the votes from each Scheme Creditor and will add the votes during the Scheme Meeting. The Chairperson will be responsible for counting the votes. The Chairperson shall then report to the Scheme Creditors as to whether the Schemes have been approved.
- 20.6 For purposes of voting at the Scheme Meeting, any vote need only indicate whether the Scheme Creditor casting such vote approves or does not approve the Schemes.

- 20.7 Subject to any inherent jurisdiction of the Courts, the decision of the Chairperson of the Scheme Meeting as to the admission of votes at that meeting shall be final and binding to the fullest extent permitted by law for the purposes of, and in relation to the proceedings at, the Scheme Meeting.

21 QUORUM REQUIRED FOR SCHEME MEETING

- 21.1 The Scheme Meeting shall require a quorum of two (2) Scheme Creditors present in person or by proxy.
- 21.2 No business shall be transacted at the Scheme Meeting unless a quorum is present when the meeting proceeds to business.

22 CHAIRPERSON OF THE SCHEME MEETING

The Chairperson of the Scheme Meeting shall be Ms. Jacqueline Tang of Kirkland & Ellis or, failing her, Mr. Damien Coles of Kirkland & Ellis or, failing him, Mr. Alec Tracy of Admiralty Harbour.

23 SCHEME COSTS

The Company shall pay all costs incurred by the Company and the Committee in connection with the negotiation, preparation and implementation of the Schemes as and when they arise, including the costs of holding the Scheme Meeting and the costs of the petitions to the Courts to sanction the Schemes, the costs, charges, expenses and disbursements of all Advisers in accordance with the terms agreed between the Company and the relevant Adviser and (if applicable) the remuneration, costs and expenses of the Adjudicator in accordance with Clause 19.9.

24 MODIFICATIONS OF THE HONG KONG SCHEME

- 24.1 The Company may, at any hearing to sanction this Hong Kong Scheme, consent on behalf of all Scheme Creditors and each Subsidiary Guarantor to any modification of this Hong Kong Scheme or any terms or conditions which the Hong Kong Court may think fit to approve or impose and which would not directly or indirectly have a material adverse effect on the interests of any Scheme Creditor under this Hong Kong Scheme.
- 24.2 In addition, and with effect from the Scheme Effective Date the terms and conditions of this Hong Kong Scheme may be modified by agreement between the Company and Scheme Creditors representing a majority in number of the Scheme Creditors and holding three-fourths by value of the Scheme Claims at the Record Time, provided that any such modification would not directly or indirectly have a material adverse effect on the interests of any Scheme Creditor under this Scheme and provided always that the Company may postpone the Restructuring Effective Date in accordance with Clause 6.6 and the Longstop Date in accordance with Clause 6.8. Any modification of the terms and conditions of this Hong Kong Scheme made in accordance with the terms of the RSA and this Clause 24.2 will be binding on the Company, the Subsidiary Guarantors and each Scheme Creditor.

25 MODIFICATIONS OF THE NEW NOTES AND THE HOLDING PERIOD TRUST DEED FOLLOWING THE RESTRUCTURING EFFECTIVE DATE

- 25.1 Nothing in this Scheme shall prevent any modification of: (a) the terms and conditions of the New Notes in accordance with the terms of the New Notes Indenture; and (b) the Holding Period Trust Deed in accordance with its terms; in each case following the Restructuring Effective Date.
- 25.2 The parties to the New Notes and New Notes Indenture may, prior to its execution on the Restructuring Effective Date, consent to any modification of such documents which is of a formal, minor or technical nature or to correct a manifest or proven error or to comply with mandatory provisions of law. The Company and the Holding Period Trustee may, without the consent of the beneficiaries of the Holding Period Trust Deed, make any modification to the form of the Holding Period Trust Deed which is of a formal, minor or technical nature or to correct a manifest or proven error or to comply with mandatory provisions of law.

26 TERMINATION OF THE HONG KONG SCHEME

- 26.1 This Hong Kong Scheme shall terminate automatically, and be of no further force and effect in the event that the Restructuring Effective Date and completion of the steps outlined in paragraphs (a) to (g) inclusive of Clause 7.2 have not occurred by the Longstop Date.
- 26.2 In the event that this Hong Kong Scheme is terminated pursuant to Clause 26.1, each Scheme Creditor shall be entitled to exercise any and all of its rights, powers and remedies against the Company and/or the Subsidiary Guarantors under the terms and conditions of the Note Documents and the Term Sheets as though this Hong Kong Scheme had never been contemplated or implemented.

27 NOTICES

- 27.1 Without prejudice to any other provision of this Hong Kong Scheme specifying another method of notice, any notice or other written communication to be given under or in relation to this Hong Kong Scheme shall be given in writing and shall be deemed to have been duly given if it is delivered by hand or sent by Post, and by air mail where it is addressed to a different country from that in which it is posted, to:
- (a) in the case of the Company, Unit 3108, 31/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong, marked for the attention of Jimmy Chon Man Yu; or
 - (b) in the case of a Scheme Creditor, its last known address known to the Company, provided that all deliveries of notices required to be made by this Scheme shall be effective by posting the same in pre-paid envelopes addressed to the Scheme Creditors or, if so directed by the Scheme Creditors, to the relevant Account Holder for the Persons respectively entitled thereto at the addresses appearing in the relevant Account Holder Letter or to such other addresses (if any) as such Persons may respectively direct in writing; and

- (c) in the case of any other Person, any address set forth for that Person in any agreement entered into in connection with this Hong Kong Scheme.

27.2 In addition:

- (a) any notice or other written communication to be given to the Note Creditors under or in relation to this Hong Kong Scheme may also be given and shall be deemed to have been duly given if sent by electronic means through the Clearing Systems; and
- (b) any Account Holder Letter or Notice of Claim delivered to the Information Agent by a Scheme Creditor shall be deemed to have been duly delivered if submitted online at the Scheme Website.

27.3 Any notice or other written communication to be given under this Hong Kong Scheme shall be deemed to have been served:

- (a) if delivered by hand, on the first Business Day following delivery;
- (b) if sent by Post, on the second Business Day after posting if the recipient is in the country of despatch, otherwise on the fifth Business Day after posting; and
- (c) if distributed electronically through the Clearing Systems, on the fifth Business Day after such distribution.

27.4 In proving service, it shall be sufficient proof, in the case of a notice sent by Post, that the envelope was properly stamped, addressed and placed in the Post.

27.5 The accidental omission to send any notice, written communication or other document in accordance with this Clause 27 or the non-receipt of any such notice by any Scheme Creditor, shall not affect any of the provisions of this Hong Kong Scheme or the effectiveness thereof.

28 FORCE MAJEURE

None of the Scheme Creditors, the Subsidiary Guarantors, the Company or the Information Agent shall be in breach of its obligations under this Hong Kong Scheme as a result of any delay or non-performance of its obligations under this Hong Kong Scheme arising from any Force Majeure.

29 CONFLICT AND INCONSISTENCY

In the case of a conflict or inconsistency between the terms of this Hong Kong Scheme and the terms of the Explanatory Statement, the terms of this Hong Kong Scheme will prevail.

30 GOVERNING LAW AND JURISDICTION

30.1 This Hong Kong Scheme shall be governed by, and construed in accordance with, the laws of Hong Kong. The Company, each Subsidiary Guarantor, the Information Agent and each of the Scheme Creditors agree that, to the fullest extent permitted by

applicable law, any Disputed Scheme Claim or other Dispute shall be determined in accordance with the Adjudication Procedure provided by this Scheme.

- 30.2 Without prejudice to the application of the Adjudication Procedure, the Scheme Creditors agree that the Hong Kong Court shall have exclusive jurisdiction to hear and determine any dispute or Proceedings arising out of or in connection with the Hong Kong Scheme and/or implementation of the Hong Kong Scheme and the Scheme Creditors hereby submit to the exclusive jurisdiction of the Hong Kong Court for those purposes.

APPENDIX 3 BERMUDA SCHEME

THE BERMUDA SCHEME
IN THE SUPREME COURT OF BERMUDA
COMMERCIAL COURT
CIVIL JURISDICTION
2019: No. 391

**IN THE MATTER OF CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS
LIMITED**

IN THE MATTER OF SECTION 99 OF THE COMPANIES ACT 1981

SCHEME OF ARRANGEMENT
(under section 99 of the Companies Act 1981 of Bermuda)

between

CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS LIMITED
(a company incorporated with limited liability under the laws of Bermuda)

and

THE SCHEME CREDITORS
(as hereinafter defined)

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1 DEFINITIONS AND INTERPRETATION

1.1 In this Bermuda Scheme:

“2018 Indenture”	means the indenture dated 18 October 2017 (as amended, supplemented, or otherwise modified from time to time) between the Company, the Subsidiary Guarantors and the Notes Trustee pursuant to which the 2018 Notes were constituted.
“2018 Notes”	means the 6.75% senior notes due 2018 issued by the Company pursuant to the 2018 Indenture.
“2019 Indenture”	means the indenture dated 15 February 2017 (as amended, supplemented, or otherwise modified from time to time) between the Company, the Subsidiary Guarantors and the Notes Trustee pursuant to which the 2019 Notes were constituted.
“2019 Notes”	means the 7.95% senior notes due 2019 issued by the Company pursuant to the 2019 Indenture.
“Accepted”	means, in relation to a Scheme Claim, the acceptance by the Company of such Scheme Claim (or part thereof) in accordance with Clause 11 hereof for the purposes of determining any entitlement to Scheme Consideration without Dispute or, where a Scheme Claim is Disputed, the acceptance or determination by the Adjudicator of a Disputed Scheme Claim (or part thereof) for such purpose in accordance with the Adjudication Procedure; and “Accept” shall be construed accordingly.
“Accepted Claim”	means a Scheme Claim against the Company which has been Accepted.
“Account Holder”	means any Person who is recorded in the books of a Clearing System as being a holder of a book-entry interest in the Notes in an account with that Clearing System or, as the context may require, is or was recorded in such books as being such a holder of Notes in such an account at the Record Time.
“Account Holder Letter”	means a letter from an Account Holder on behalf of the relevant Noteholder substantially in the form of the account holder letter set out in Appendix 5 (<i>Solicitation Packet</i>) to the Explanatory Statement.
“Adjudication Procedure”	means the procedure for the resolution of Disputed Scheme Claims as set out in Part E of this Bermuda Scheme.

“Adjudicator”	means the Person named in Clause 18 and any suitably qualified replacement the Company may, in its absolute discretion, appoint in accordance with Clause 18 to act as an adjudicator in respect of any Disputed Scheme Claim in accordance with the Adjudication Procedure.
“Admiralty Harbour”	Admiralty Harbour Capital Limited.
“Adviser”	means each of Admiralty Harbour, D&P China (HK) Limited, Harneys, Zuill & Co., Kirkland & Ellis, Lucid, Akin Gump, and Moelis & Company Asia Limited; and “Advisers” shall be construed accordingly.
“Affiliates”	means in relation to any Person, its current and former direct and indirect subsidiaries, subsidiary undertakings, parent companies, holding companies, partners, related partnerships, equity holders, members and managing members, and any of their respective Affiliates.
“Akin Gump”	means Akin Gump Strauss Hauer & Feld, Akin Gump Strauss Hauer & Feld LLP and Akin Gump LLP.
“Allowed Proceeding”	means any Proceeding by a Scheme Creditor to enforce its rights under all or any of the Schemes and/or to compel the Company or any other Person or entity to comply with its obligations under the Schemes and any Proceeding by a Scheme Creditor pursuant to or in connection with the Scheme Consideration and/or the Consent Fee.
“Bar Time”	means 5:00 a.m. (Bermuda time) on the date falling 3 Business Days before the Holding Period Expiry Date.
“Bermuda Court”	means the Supreme Court of Bermuda.
“Bermuda Registrar of Companies”	means the Registrar of Companies appointed under section 3 of the Companies Act.
“Bermuda Sanction Order”	means the order of the Bermuda Court sanctioning the Bermuda Scheme (with or without modification).
“Bermuda Scheme”	means the scheme of arrangement between the Company and the Scheme Creditors pursuant to section 99 of the Companies Act in its present form or with or subject to any modifications, additions or conditions that the Bermuda Court may approve or impose, provided that any such modification, addition

or condition does not have a material adverse effect on the rights of the Scheme Creditors.

“Book Entry Interest”	means in relation to the Notes, a beneficial interest as principal in the Global Notes held through and shown on, and transferred only through, records maintained in book entry form by the Clearing Systems.
“Business Day”	means any day on which banks are open for business generally in all of Luxembourg, Hong Kong, London, Bermuda, the People’s Republic of China and New York.
“Cash Consideration”	means, together, the Notes Cash Consideration and DB Cash Consideration.
“CBs”	means the RMB-denominated 5.00% USD settled convertible bonds due 2019 issued by the Company pursuant to the CB Trust Deed.
“CB Trust Deed”	means the trust deed dated 8 August 2014 (as amended, supplemented, or otherwise modified from time to time) between, among others, the Company and the Notes Trustee pursuant to which the CBs were constituted.
“Chairperson”	means the Chairperson of the Scheme Meeting.
“Claims”	means all and any actions, causes of action, claims, counterclaims, suits, debts, sums of money, accounts, contracts, agreements, promises, damages, judgments, executions, demands or rights whatsoever or howsoever arising, whether present, future, prospective or contingent, known or unknown, whether or not for a fixed or unliquidated amount, whether or not involving the payment of money or the performance of an act or obligation or any failure to perform any obligation or any omission, whether arising at common law, in equity or by statute in or under the laws of Hong Kong, New York, Bermuda, or under any other law or in any other jurisdiction howsoever arising; and “Claim” shall be construed accordingly.
“Clearing Systems”	means each of Euroclear Bank S.A./N.V. and any successor and Clearstream Banking, S.A. and any successor; and “Clearing System” means either one of them.
“Committee”	means the <i>ad hoc</i> committee of holders of the Notes (as constituted from time to time) which is

	represented by Akin Gump as legal adviser and Moelis & Company Asia Limited as financial adviser.
“Companies Act”	means the Companies Act 1981 as applicable in Bermuda.
“Companies Ordinance”	means the Companies Ordinance (Cap. 622) (as amended) as applicable in Hong Kong.
“Company”	means China Singyes Solar Technologies Holdings Limited, a company incorporated with limited liability under the laws of Bermuda and listed on the HKEx with stock code 750.
“Completion Notice”	means the notice to be issued by the Company and delivered to the Information Agent in accordance with Clause 6.4 confirming satisfaction of the Restructuring Conditions and the Restructuring Effective Date.
“Conditions”	means each of the conditions precedent to the effectiveness of this Bermuda Scheme, as set out in Clause 15 of this Bermuda Scheme.
“Consent Fee”	means: <ul style="list-style-type: none"> (a) with respect to an Eligible Consenting Notes Creditor, an amount equal to: (i) the aggregate principal amount of its Eligible Notes; <i>divided by</i> (ii) the aggregate principal amount of the Eligible Notes held by all Eligible Consenting Notes Creditors collectively; <i>multiplied by</i> (iii) US\$8,600,000; and (b) with respect to a DB Consenting Creditor, an amount equal to: (i) the amount of that DB Consenting Creditor’s Accepted Claim; <i>divided by</i> (ii) the aggregate amount of the Accepted Claims of all DB Consenting Creditors collectively; <i>multiplied by</i> (iii) the Total DB Consent Fee.
“Consenting Creditors”	means those Noteholders who became a party to the RSA as “Consenting Creditors” prior to 5:00 p.m. Hong Kong time on 9 August 2019; and “Consenting Creditor” means any one of them.
“Courts”	means, together, the Bermuda Court and the Hong Kong Court; and “Court” means any one of them.
“Cross-Border	means in connection with any Insolvency Proceeding commenced in any one jurisdiction the recognition of

Recognition	that Insolvency Proceeding in another jurisdiction, whether under laws relating to bankruptcy, liquidation, insolvency, reorganisation, winding-up, or composition or adjustment of debts or similar law, international principles of judicial comity, statute, enactment or other regulation.
“DB”	means Deutsche Bank AG, Hong Kong Branch.
“DB Cash Consideration”	means an amount equal to: (a) the aggregate amount of the Accepted Claims of all DB Creditors; <i>divided by</i> (b) the Total Notes Claims Amount; and <i>multiplied by</i> (c) US\$41,400,000
“DB Claim”	means a Claim against the Company arising directly or indirectly out of, in relation to and/or in connection with the Term Sheets, whether before, at or after the Record Time; and “DB Claims” shall be construed accordingly.
“DB Consenting Creditor”	means a DB Creditor who: (a) withdraws all Proceedings it has initiated against the Company and, to the extent applicable, any other member of the Group in relation to the DB Claims or any Claim in connection with the Term Sheets prior to the Record Time; (b) submits a duly completed Notice of Claim to the Information Agent prior to the Record Time and undertakes in its Notice of Claim to vote in favour of the Schemes at the Scheme Meeting and not to take any Enforcement Action against any member of the Group prior to the Restructuring Effective Date; and (c) votes in favour of the Schemes at the Scheme Meeting validly and effectively.
“DB Creditors”	means Deutsche Bank AG, Hong Kong Branch and any other creditor of the Company in respect of the DB Claims at the Record Time.
“DB New Notes”	means New Notes in principal amount equal to: (a) the amount of the Accepted Claims of all DB Creditors; <i>divided by</i> (b) the Total Notes Claims Amount; and <i>multiplied by</i> (c) the aggregate principal amount of the Noteholder New Notes.
“Deeds of Release”	means deeds of release to be executed by the Scheme Creditors for benefit of the Company and other beneficiaries on the Restructuring Effective Date, substantially in the forms set out in Appendix 9 (<i>Deeds of Release</i>) to the Explanatory Statement.
“Deferred Restructuring	means the date specified as such in any Extension

Effective Date	Notice.
“Depositary”	means The Hongkong and Shanghai Banking Corporation Limited, acting through its nominee, HSBC Nominees (Hong Kong) Limited.
“Designated Recipient”	means, in relation to any Scheme Creditor, any single entity that is designated by that Scheme Creditor in a Designated Recipient Form as the recipient of the portion of New Notes to which that Scheme Creditor is entitled pursuant to the terms of the Schemes, provided that the Designated Recipient shall only be validly designated if it can make affirmative Securities Law Representations by submission of a duly completed Distribution Confirmation Deed.
“Designated Recipient Form”	means the form appended to the Account Holder Letter and Notice of Claim and available on the Scheme Website by which a Scheme Creditor may appoint a Designated Recipient to be the recipient of the New Notes that would otherwise be issued to a Scheme Creditor.
“Dispute”	means any dispute whatsoever arising in relation to a Scheme Claim of a Scheme Creditor under or in respect of the Note Documents and/or the Term Sheets; and “Disputed” shall be construed accordingly.
“Disputed Claim Resolution Deadline”	has the meaning given to it in Clause 19.1.
“Distribution Confirmation Deed”	means the form appended to the Account Holder Letter and the Notice of Claim and available on the Scheme Website confirming, amongst other things, that the Scheme Creditor or its Designated Recipient may lawfully be issued the New Notes.
“Eligible Consenting Notes Creditor”	means a Consenting Creditor who votes in favour of the Schemes at the Scheme Meeting validly and effectively and who has not exercised its right to terminate the RSA and has not breached any provision of the RSA in any material respect.
“Eligible Creditor”	means a Noteholder or DB Creditor who submits a duly completed (a) Account Holder Letter or Notice of Claim (as applicable); and (b) Distribution Confirmation Deed including affirmative Securities Law Representations and, if applicable, Designated Recipient Form; to the Information Agent prior to the

Record Time, and who has an Accepted Claim.

“Eligible Notes”

means, with respect to an Eligible Consenting Notes Creditor, the lower of: (a) the aggregate principal amount of the Notes (as set out in its Account Holder Letter) in respect of which that Eligible Consenting Notes Creditor voted in favour of the Schemes; and (b) the aggregate principal amount of its Initial Restricted Notes or Restricted Notes (as applicable) as set out in its Initial Restricted Notes Notice (as defined in the RSA) or most recent Restricted Notes Notice (as defined in the RSA) (as applicable) delivered to the Information Agent in accordance with the terms of the RSA on or prior to 5:00 p.m. (Hong Kong time) on 9 August 2019.

“Enforcement Action”

means:

- (a) the acceleration of any sum payable or the making of any declaration that any sum payable is due and payable or payable on demand;
- (b) the making of any demand against any member of the Group under any guarantee or surety provided by that member of the Group;
- (c) the suing for, commencing, or joining of any legal or arbitration proceedings against any member of the Group to recover any sums payable or under any guarantee or surety provided by any member of the Group;
- (d) the taking of any steps to enforce or require the enforcement of any security granted by any member of the Group;
- (e) the levying of any attachment, garnishment, sequestration or other legal process over or in respect of any assets of the Group;
- (f) the petitioning, applying, or voting for any Insolvency Proceedings in relation to any member of the Group;
- (g) the commencing or continuation of any legal action or other proceedings against any member of the Group (or any director or officer thereof) or any of their respective assets;
- (h) joining any other entity or person in the exercise of any of the foregoing rights;

- (i) exercising any right, power, privilege or remedy in connection with the foregoing; or
- (j) directing any trustee or agent to do any of the foregoing;

other than as contemplated by the Restructuring.

“Excluded Liabilities” means any liability of the Company that is not subject to the arrangement and compromise to be effected by this Bermuda Scheme, including (without limitation) the Scheme Costs.

“Explanatory Statement” means the composite document dated 1 November 2019 of the Company addressed to Scheme Creditors containing, among other things, the explanatory statement of the Company in compliance with the Companies Act and the Companies Ordinance and the terms of the Schemes (including all appendices, schedules and annexures thereto).

“Extension Notice” means a notice issued by the Company in accordance with Clause 6.6.

“Force Majeure” means any act of god, government act, war, fire, flood, earthquake, and other natural disasters, strikes, changes to effective legislation, explosion, civil commotion or act of terrorism, which prevents the fulfilment of obligations under this Scheme, and the occurrence of which is not the direct or indirect result of action or inaction of any Scheme Creditor or the Company.

“Foreign Representative” means a person appointed as foreign representative pursuant to Clause 3.3.

“Global Notes” means the global notes by which each of the Notes were offered and sold in offshore transactions in reliance on Regulation S under the US Securities Act, which are registered in the name of HSBC Nominees (Hong Kong) Limited (as nominee of the Depositary).

“Governmental Entity” means any federal, national or local government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal or judicial body of Hong Kong, the United States of America or any other relevant jurisdiction.

“Group” means the Company and its subsidiaries.

“Harneys” means Harney Westwood & Riegels.

“HKEx”	means The Stock Exchange of Hong Kong Limited.
“Holding Period”	means the period from the Restructuring Effective Date up to the date falling 3 months after the Restructuring Effective Date (or if such date is not a Business Day, the next Business Day after that date).
“Holding Period Expiry Date”	means the last day of the Holding Period.
“Holding Period Trustee”	means Lucid, as bare trustee of the Trust Assets for and on behalf of the Scheme Creditors, pursuant to the terms of the Holding Period Trust Deed.
“Holding Period Trust Deed”	means the trust deed to be executed on or before the Restructuring Effective Date by the Holding Period Trustee for the benefit of the Ineligible Creditors who are Noteholders, substantially in the form set out at Appendix 10 (<i>Holding Period Trust Deed</i>) to the Explanatory Statement.
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC.
“Hong Kong Court”	means the High Court of the Hong Kong Special Administrative Region and any court capable of hearing appeals therefrom.
“Hong Kong Registrar of Companies”	means the Registrar of Companies in Hong Kong appointed under the Companies Ordinance.
“Hong Kong Sanction Order”	means the order of the Hong Kong Court sanctioning the Hong Kong Scheme (with or without modification).
“Hong Kong Scheme”	means this scheme of arrangement between the Company and the Scheme Creditors pursuant to sections 673 and 674 of the Companies Ordinance in its present form or with or subject to any modifications, additions or conditions that the Hong Kong Court may approve or impose, provided that any such modification, addition or condition does not have a material adverse effect on the rights of the Scheme Creditors.
“Indentures”	means, together, the 2018 Indenture and the 2019 Indenture; and “Indenture” shall be construed accordingly.
“Ineligible Creditor”	means a Scheme Creditor who is not an Eligible Creditor.

“Information Agent”	means Lucid.
“Initial Restricted Notes”	means, in relation to a Consenting Creditor, the outstanding principal amount of the Notes as set out in the first Restricted Notes Notice delivered by it under the terms of the RSA.
“Insolvency Proceeding”	means any proceeding, process, appointment or application under any law relating to insolvency, reorganisation, winding-up, or composition or adjustment of debts, including, without limitation, winding-up, liquidation, bankruptcy, provisional liquidation, receivership, administration, provisional supervision, company voluntary arrangement, scheme of arrangement, suspension of payment under court supervision or any other analogous proceedings in any jurisdiction (including any of the foregoing brought for the purpose of obtaining Cross-Border Recognition).
“Intermediary”	means a Person (other than an Account Holder) who holds an interest in the Notes on behalf of another Person or other Persons.
“Kirkland & Ellis”	means Kirkland & Ellis and its Affiliates.
“Liability”	means any debt, liability or obligation whatsoever, whether it is present, future, prospective or contingent, whether or not its amount is fixed or undetermined, whether or not it involves the payment of money or the performance of an act or obligation, and whether arising at common law, in equity or by statute in or under the laws of Hong Kong, New York, Bermuda, or under any other law or in any other jurisdiction howsoever arising; and “Liabilities” shall be construed accordingly.
“Longstop Date”	means 5:00 a.m. Bermuda time on 31 December 2019 (the “Original Longstop Date”), or such later date and time as the Company may elect in accordance with Clause 6.8.
“Longstop Extension”	Date has the meaning provided in Clause 6.8.
“Longstop Extension Notice”	Date means a notice issued by the Company in accordance with Clause 6.8.
“Lucid”	means Lucid Issuer Services Limited.
“New Depositary”	means The Bank of New York Mellon, London

Branch as common depository for the Clearing Systems, acting through its nominee, The Bank of New York Depository (Nominees) Limited.

“New Global Notes”	means the global note evidencing the New Notes offered and sold in offshore transactions in reliance on Regulation S under the US Securities Act, and (if applicable) the restricted global note evidencing the New Notes offered and sold to institutional accredited investors or qualified institutional buyers in the United States of America, each in the form attached as Appendix A to the New Notes Indenture, and registered in the name of The Bank of New York Depository (Nominees) Limited (as nominee of the New Depository).
“New Notes”	means the 2.00% cash-pay and 4.00% pay-in-kind guaranteed senior notes due 2022 to be issued by the Company pursuant to the New Notes Indenture.
“New Notes Indenture”	means the indenture relating to the New Notes, substantially in the form of the document in Appendix 11 (<i>New Notes Indenture</i>) to the Explanatory Statement, to be entered into between, amongst others, the Company and the New Notes Trustee.
“New Notes Trustee”	means The Bank of New York Mellon, London Branch.
“Note Documents”	means, collectively, the Notes, the Indentures and the CB Trust Deed.
“Noteholders”	means those Persons with an economic or beneficial interest as principal in the Notes held through the Clearing Systems at the Record Time.
“Noteholder New Notes”	means New Notes in principal amount equal to the Total Notes Claims Amount minus US\$50,000,000.
“Notes”	means, collectively, the 2018 Notes, the 2019 Notes and the CBs.
“Notes Cash Consideration”	means an amount equal to US\$41,400,000.
“Notes Claim”	means a Claim against the Company arising directly or indirectly out of, in relation to and/or in connection with the Note Documents, whether before, at or after the Record Time; and “Note Claims” shall be construed accordingly.

“Notes Creditors”	Scheme	means the creditors of the Company in respect of the Notes Claims at the Record Time, including (but without double counting in each case), the Depository, the Notes Trustee, each of the Noteholders, the Account Holders and Intermediaries
“Notes Trustee”		means The Hongkong and Shanghai Banking Corporation Limited, in its capacity as trustee under each of the Indentures and the CB Trust Deed.
“Notice of Claim”		means a notice from a DB Creditor in the form of the notice of claim set out in Appendix 5 (<i>Solicitation Packet</i>) to the Explanatory Statement.
“Original Longstop Date”		has the meaning given to it in the definition of “Longstop Date”.
“Person”		means any natural person, corporation, limited or unlimited liability company, trust, joint venture, association, corporation, partnership, Governmental Entity or other entity whatsoever.
“Personnel”		means, in relation to any Person, its current and former officers, partners, directors, employees, staff, agents, counsel and other representatives.
“Post”		means delivery by pre-paid first class post or air mail or generally recognized commercial courier service; and “Posted” shall be construed accordingly.
“PRC”		means the People’s Republic of China, and for the purpose of this Bermuda Scheme does not include Hong Kong, Macau, or Taiwan.
“Proceeding”		means any process, suit, action, legal or other legal proceeding including without limitation any arbitration, mediation, alternative dispute resolution, judicial review, adjudication, demand, statutory demand, execution, distraint, forfeiture, re-entry, seizure, lien, enforcement of judgment, enforcement of any security or Insolvency Proceedings in any jurisdiction.
“Record Date”		means 21 November 2019.
“Record Time”		means 10:00 p.m. on 21 November 2019 (Hong Kong time) / 10:00 a.m. on 21 November 2019 (Bermuda time).
“Released Claim”		means any Scheme Claim or any past, present and/or future Claim arising out of, relating to or in respect of: (a) the Scheme Claims and any of the facts and

	<p>matters giving rise to the Scheme Claims; (b) the preparation, negotiation, sanction or implementation of the Schemes and/or the Restructuring and/or the Restructuring Documents; and/or (c) the execution of the Restructuring Documents and the carrying out of the steps and transactions contemplated therein in accordance with their terms.</p>
“Released Person”	means the Company and its Affiliates and its and their Personnel.
“Remaining Cash Consideration”	means an amount of cash equal to: (a) the amount of the Residual Cash Consideration; less (b) the aggregate amount of Cash Consideration distributed to all Ineligible Creditors who are Noteholders and who establish, prior to the Bar Time, their entitlement to Residual Cash Consideration in accordance with the Holding Period Trust Deed.
“Remaining New Notes”	means New Notes with a principal amount equal to: (a) the principal amount of the Residual New Notes; less (b) the aggregate principal amount of New Notes distributed to all Ineligible Creditors who are Noteholders and who establish, prior to the Bar Time, their entitlement to Residual New Notes in accordance with the Holding Period Trust Deed.
“Residual Cash Consideration”	means the portion of the Notes Cash Consideration which remains after distribution in accordance with clause 7.2 (c);
“Residual New Notes”	means the portion of the Noteholder New Notes which remains after distribution in accordance with Clause 7.2 (e).
“Restricted Notes”	means, in relation to a Consenting Creditor, the outstanding principal amount of the Notes as set out in the Restricted Notes Notice most recently delivered by it under the terms of the RSA.
“Restricted Notes Notice”	means a notice substantially in the form set out in Schedule 4 to the RSA.
“Restructuring”	means the proposed restructuring in accordance with the terms of the RSA.
“Restructuring Conditions”	means each of the conditions precedent to the occurrence of the Restructuring Effective Date as set out in Clause 16 of this Bermuda Scheme.
“Restructuring	means the New Notes, the New Global Notes, the

Documents”	New Notes Indenture, the Deeds of Release and the Holding Period Trust Deed.
“Restructuring Effective Date”	means the date falling three Business Days after the date on which each of the Restructuring Conditions has been satisfied or, in the event that the Company delivers an Extension Notice, the Deferred Restructuring Effective Date.
“RSA”	means the restructuring support agreement, dated 19 July 2019 between the Company and certain Noteholders.
“Schemes”	means, together, the Hong Kong Scheme and this Bermuda Scheme; and “Scheme” means either one of them (as applicable).
“Scheme Claims”	means, together, the Notes Claims and the DB Claims, but excluding the Excluded Liabilities.
“Scheme Claims Determination Notice”	has the meaning given to it in Clause 11.6.
“Scheme Consideration”	means, together, the Cash Consideration and the New Notes.
“Scheme Costs”	means the liability of the Company in respect of the fees, costs and expenses of the Advisers.
“Scheme Creditors”	means, together, the Notes Scheme Creditors and the DB Creditors; and “Scheme Creditor” means any one of them.
“Scheme Creditor Parties”	means, in respect of a Scheme Creditor, its predecessors, successors, assigns, Designated Recipients, Affiliates and Personnel.
“Scheme Effective Date”	means the first date at which all of the Conditions have been satisfied, as specified in the Scheme Effective Notice.
“Scheme Effective Notice”	means the notice to be issued by the Company and delivered to the Information Agent in accordance with Clause 6.4 confirming satisfaction of the Conditions and specifying the Scheme Effective Date.
“Scheme Meeting”	means the meeting convened at the direction of the Bermuda Court and the Hong Kong Court at which this Bermuda Scheme and the Hong Kong Scheme will be considered and voted upon by the Scheme Creditors and any adjournment thereof.

“Scheme Website”	means www.lucid-is.com/singyes .
“SEC”	means the US Securities and Exchange Commission.
“Securities Representations”	Law means the securities law securities law confirmations and undertakings set out in Annex B to the Distribution Confirmation Deed.
“Subscriber”	means Water Development (HK) Holding Co., Limited.
“Subscription”	means the subscription by the Subscriber for the Subscription Shares at the subscription price of HK\$0.92 per share pursuant to the Subscription Agreement.
“Subscription Agreement”	means the subscription agreement dated 16 May 2019, entered into between, among others, the Company, Mr. Liu Hongwei, Mr. Sun Jinlin, Mr. Xie Wen, Mr. Xiong Shi, Mr. Zhuo Jianming, Strong Eagle Holdings Limited and the Subscriber (as may be amended from time to time).
“Subscription Proceeds”	means the proceeds from the Subscription which are expected to amount to approximately HK\$1,552,047,898 .
“Subscription Shares”	means 1,687,008,585 newly issued ordinary shares in the Company.
“Subsidiary Guarantors”	means each of Singyes Engineering (H.K.) Company Limited, Singyes Green Investment (HK) Company Limited, Singyes Green Energy Technologies (HK) Limited, Singyes Green Energy Investments Limited, Top Access Management Limited, Basic Force Group Limited, SunTreasure Group Corp. Singyes Green Energy Holdings Limited, Singyes Engineering (M) Sdn. Bhd., Singyes Green Building Technology Pte. Ltd. and Macao Singyes Renewable Energy Technology Co., Ltd.; and “Subsidiary Guarantor” means any one of them.
“Term Sheets”	means: (a) the term sheet with respect to a proposed one year senior secured loan facility dated 28 August 2018; and (b) the term sheet with respect to a proposed two year senior secured loan facility dated 28 August 2018; in each case between DB and the Company.
“Total DB Consent Fee”	means an amount equal to: (a) the aggregate amount of the Accepted Claims of all DB Creditors; <i>divided</i>

by (b) the Total Notes Claims Amount; *multiplied by*
(c) US\$8,600,000.

“Total Notes Claims Amount” means an amount equal to the sum of: (a) the outstanding principal amount of Notes held by all Noteholders as at the Record Time; and (b) all accrued and unpaid interest on such Notes up to but excluding the Restructuring Effective Date.

“Trust Assets” means the Residual New Notes and the Residual Cash Consideration.

“US Bankruptcy Code” means Title 11 of the United States Code.

“US Bankruptcy Court” means the United States Bankruptcy Court for the Southern District of New York.

“US Securities Act” means U.S. Securities Act of 1933, as amended, including the rules and regulations promulgated by the SEC thereunder.

“Zuill & Co.” means Zuill & Co., a Bermuda law firm in exclusive association with Harneys.

1.2 In this Bermuda Scheme, unless the context otherwise requires or otherwise expressly provided:

- (a) references to **“the Schemes”** are references to both this Bermuda Scheme and the Hong Kong Scheme together;
- (b) references to Recitals, Parts, Clauses, Sub-Clauses, Schedules and Appendices are references to the recitals, parts, clauses, sub-clauses, schedules and appendices respectively of or to this Bermuda Scheme;
- (c) references to a statute or a statutory provision include the same as subsequently modified, amended or re-enacted from time to time;
- (d) references to an agreement, deed or document shall be deemed also to refer to such agreement, deed or document as amended, supplemented, restated, verified, replaced and/or novated (in whole or in part) from time to time and to any agreement, deed or document executed pursuant thereto;
- (e) the singular includes the plural and vice versa and words importing one gender shall include all genders;
- (f) headings to Recitals, Parts, Clauses and Sub-Clauses are for ease of reference only and shall not affect the interpretation of this Bermuda Scheme;
- (g) references to **“US\$”**, **“HKD”** and **“RMB”** are references to the lawful currency of the United States of America, Hong Kong and the People’s Republic of China, respectively;

- (h) the words “**include**” and “**including**” are to be construed without limitation, general words introduced by the word “**other**” are not to be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words are not to be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words;
- (i) a company is a “**subsidiary**” of another company, its “**holding company**”, if that other company: (a) holds a majority of the voting rights in it; (b) is a member of it and has the right to appoint or remove a majority of its board of directors; or (c) is a member of it and controls alone, pursuant to an agreement with other members, a majority of the voting rights in it, or, if it is a subsidiary of a company that is itself a subsidiary of that other company; and
- (j) an “**undertaking**” means a body corporate or partnership; or an unincorporated association carrying on a trade or business, with or without a view to profit; and an undertaking is a parent undertaking in relation to another undertaking, a “**subsidiary undertaking**”, if: (a) it holds the majority of voting rights in the undertaking; (b) it is a member of the undertaking and has the right to appoint or remove a majority of its board of directors; (c) it has the right to exercise a dominant influence over the undertaking: (i) by virtue of provisions contained in the undertaking’s articles; or (ii) by virtue of a control contract; or (d) it is a member of the undertaking and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in the undertaking.

PART A BACKGROUND

2 THE COMPANY

- 2.1 The Company was incorporated in Bermuda under the Companies Act as an exempted company with limited liability on 24 October 2003 under the name “China Singyes Holding Limited”. On 28 May 2008, it changed its name to “China Singyes Green Building Engineering Limited” and, on 15 August 2008, it further changed its name to “China Singyes Solar Technologies Holdings Limited”.
- 2.2 The Company’s registered office is at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda.
- 2.3 As at the date hereof:
- (a) the authorised share capital of the Company is USD\$12,000,000 consisting of 1,200,000,000 ordinary shares of US\$0.01 each; and
 - (b) the issued and fully paid up share capital of the Company is US\$8,340,731.95 consisting of 834,073,195 ordinary shares of US\$0.01 each.

3 THE PURPOSE OF THE BERMUDA SCHEME

- 3.1 The principal object and purpose of this Bermuda Scheme is to effect a compromise and arrangement between the Company and the Scheme Creditors in respect of the Scheme Claims. The arrangement and compromise effected pursuant to this Bermuda Scheme will enable the Group to continue to carry on business as a going concern and is an alternative to the commencement of insolvency proceedings in respect of the Company and the Subsidiary Guarantors.
- 3.2 On the Restructuring Effective Date and conditional on completion of each of the steps outlined in paragraphs (a) to (g) (inclusive) of Clause 7.2, by reason of the terms of this Bermuda Scheme:
- (a) the Notes will be cancelled and discharged and the respective rights and obligations of the Notes Scheme Creditors (including, for the avoidance of doubt, any Person that acquires an interest in the Notes after the Record Time), the Company, the Subsidiary Guarantors and the Notes Trustee towards one another under the Note Documents will terminate and be of no further force and effect; and
 - (b) all rights and obligations of the DB Creditors (including, for the avoidance of doubt, any Person that acquires an interest in any DB Claim after the Record Time) and the Company towards one another in respect of the DB Claims will be cancelled and discharged and the Term Sheets and any other documents pursuant to which such rights and obligations were constituted will terminate and be of no further force and effect.
- 3.3 On the Scheme Effective Date, Mr. Jimmy Chon Man Yu (holder of Hong Kong identity card number P275941(5)) or Ms. Chang Xu (holder of PRC passport E12350646) shall be:

- (a) appointed as the Company's foreign representative (whoever is so appointed, the "**Foreign Representative**") in respect of any future application for Cross-Border Recognition of this Bermuda Scheme; and
- (b) authorised to make an application on behalf of the Company for a suitable order:
 - (i) from the US Bankruptcy Court under Chapter 15 of the US Bankruptcy Code;
 - (ii) from the High Court of England and Wales under any applicable law, legal doctrine or Proceeding concerning Cross-Border Recognition, including, without limitation, under the Cross-Border Insolvency Regulations 2006, the Insolvency Act 1986 and/or the Foreign Judgments (Reciprocal Enforcement) Act 1933 and/or at common law; or
 - (iii) under any other applicable law, legal doctrine or Proceeding concerning Cross-Border Recognition (including any other applicable law, legal doctrine or Proceeding in the United States or England and Wales) and such other additional relief and/or assistance,

as the Foreign Representative may be required by the Company to obtain.

4 THE NOTES

The Notes are held under customary arrangements whereby:

- (a) the 2018 Notes, 2019 Notes and CBs were constituted by the 2018 Indenture, 2019 Indenture and CB Trust Deed, respectively;
- (b) the Notes were issued in global registered form, with the Global Notes being held by HSBC Nominees (Hong Kong) Limited as nominee of the Depositary;
- (c) interests in the Global Notes are held by Account Holders (whose identities are recorded directly in the books or other records maintained by the Clearing Systems) through the Clearing Systems, under electronic systems designed to facilitate paperless transactions in respect of dematerialised securities; and
- (d) each Account Holder may be holding its recorded interest in the Global Notes on behalf of one or more Noteholders.

5 THE NOTES TRUSTEE AND THE BERMUDA SCHEME

- 5.1 The Notes Trustee has undertaken not to vote in respect of the Notes at the Scheme Meeting.
- 5.2 Each Noteholder will be entitled to vote at the Scheme Meeting in respect of all of the Notes in respect of which it owns an economic or beneficial interest as principal at the Record Time.

PART B
THE BERMUDA SCHEME

6 APPLICATION AND EFFECTIVENESS OF THE BERMUDA SCHEME

- 6.1 The compromise and arrangement effected by this Bermuda Scheme shall apply to all Scheme Claims and shall be binding on the Company and all Scheme Creditors and their respective successors, assigns and transferees.
- 6.2 Excluded Liabilities shall not be subject to the arrangement and compromise effected by this Bermuda Scheme.
- 6.3 The terms of this Scheme shall become effective on and from the Scheme Effective Date.
- 6.4 The Company shall promptly notify the Information Agent of:

- (a) the satisfaction of the Conditions and the occurrence of the Scheme Effective Date; and
- (b) the satisfaction of the Restructuring Conditions and the occurrence of the Restructuring Effective Date;

by sending a Scheme Effective Notice or Completion Notice (as applicable) to the Information Agent and the Information Agent shall promptly notify Scheme Creditors of the Scheme Effective Date or Restructuring Effective Date, (as applicable), by:

- (c) sending the Scheme Effective Notice or Completion Notice (as applicable) to the Notes Trustee;
 - (d) circulating the Scheme Effective Notice or Completion Notice (as applicable) to Scheme Creditors via the Clearing Systems;
 - (e) posting the Scheme Effective Notice or Completion Notice (as applicable) on the Scheme Website; and
 - (f) sending the Scheme Effective Notice or Completion Notice (as applicable) via electronic mail to each Person who the Company believes may be a Scheme Creditor and which is registered as a Scheme Creditor with the Information Agent or has otherwise notified the Company or Information Agent of its valid electronic mail address.
- 6.5 The Company shall also promptly notify Scheme Creditors of the occurrence of the Scheme Effective Date or the Restructuring Effective Date (as applicable) by announcement on the HKEx.
- 6.6 The Company may, at its sole discretion, at any time before the occurrence of the Restructuring Effective Date, postpone the Restructuring Effective Date to a later date, provided always that the Deferred Restructuring Effective Date shall be no later than the Longstop Date. In the event that the Company wishes to postpone the Restructuring Effective Date in accordance with this Clause 6.6, it shall immediately deliver an Extension Notice specifying the Deferred Restructuring Effective Date to

the Information Agent and the Information Agent shall promptly notify Scheme Creditors of the Deferred Restructuring Effective Date by:

- (a) sending the Extension Notice to the Notes Trustee;
- (b) circulating the Extension Notice to Scheme Creditors via the Clearing Systems;
- (c) posting the Extension Notice on the Scheme Website; and
- (d) sending the Extension Notice via electronic mail to each Person who the Company believes may be a Scheme Creditor and which is registered as a Scheme Creditor with the Information Agent or has otherwise notified the Company or Information Agent of its valid electronic mail address.

6.7 The Company shall also promptly notify Scheme Creditors of the Deferred Restructuring Effective Date (if any) by announcement on the HKEx.

6.8 The Company may, at its sole discretion, at any time before the occurrence of the Original Longstop Date, elect to extend the Longstop Date to a date no later than two months from the Original Longstop Date (“**Longstop Date Extension**”). The Company shall promptly notify the Information Agent of the Longstop Date Extension by delivering a Longstop Date Extension Notice to the Information Agent and the Information Agent shall promptly notify Scheme Creditors of the Longstop Date Extension by:

- (a) sending the Longstop Date Extension Notice to the Notes Trustee;
- (b) circulating the Longstop Date Extension Notice to Scheme Creditors via the Clearing Systems;
- (c) posting the Longstop Date Extension Notice on the Scheme Website; and
- (d) sending the Longstop Date Extension Notice via electronic mail to each Person who the Company believes may be a Scheme Creditor and which is registered as a Scheme Creditor with the Information Agent or has otherwise notified the Company or Information Agent of its valid electronic mail address.

6.9 The Company shall also promptly notify Scheme Creditors of any Longstop Date Extension by announcement on the HKEx.

7 EFFECT OF THE BERMUDA SCHEME

7.1 On the Restructuring Effective Date, all of the rights, title and interest of Scheme Creditors in respect of:

- (a) Scheme Claims; and
- (b) Claims against the Subsidiary Guarantors arising directly or indirectly out of, in relation to and/or in connection with the Note Documents;

whether before, at or after the Record Time shall be subject to each of the arrangements and compromises set out in this Bermuda Scheme.

7.2 On the Restructuring Effective Date:

- (a) to the extent not already completed prior to the Restructuring Effective Date, the Company shall receive the Subscription Proceeds in exchange for the issuance of the Subscription Shares;
- (b) the Company shall pay the Consent Fee to:
 - (i) each Eligible Consenting Notes Creditor by way of transfer to the Clearing System cash account (which must be the cash account linked to the securities account in which the Notes to which that Eligible Consenting Notes Creditor was entitled at the Record Time were held), as designated in the Account Holder Letter submitted by or on behalf of that Eligible Consenting Notes Creditor; and
 - (ii) each DB Consenting Creditor by way of transfer to the Clearing System cash account linked to the Clearing System securities account designated by that DB Consenting Creditor in the Notice of Claim submitted by or on behalf of that DB Creditor as the account to which the New Notes to which it is entitled should be credited;
- (c) the Company shall pay to each Noteholder who submits a duly completed Part 1 of the Account Holder Letter in respect of its Notes Claims to the Information Agent prior to the Record Time a portion of the Notes Cash Consideration that reflects the same proportion of the Notes Cash Consideration as the proportion that the amount of that Noteholder's Accepted Claim bears to the Total Notes Claims Amount, by way of transfer to the Clearing System cash account of that Noteholder (which must be the cash account linked to the securities account to which the Notes to which that Noteholder was entitled at the Record Time were held) as designated in the Account Holder Letter submitted by or on behalf of that Noteholder;
- (d) the Company shall pay to each DB Creditor who submits a duly completed Part 1 of the Notice of Claim in respect of its DB Claims to the Information Agent prior to the Record Time a portion of the DB Cash Consideration that reflects the same proportion of the DB Cash Consideration as the proportion that the amount of that DB Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all DB Creditors at the Record Time, by way of transfer to the Clearing System cash account linked to the Clearing System securities account designated by that DB Creditor in the Notice of Claim submitted by or on behalf of that DB Creditor as the account to which the New Notes to which it is entitled should be credited;
- (e) the New Notes Indenture will be executed and delivered by the parties thereto and the Company shall:
 - (i) ensure that the New Global Notes are executed and delivered to the New Depositary and interests in the New Global Notes are credited in

the relevant amounts to the accounts in the Clearing Systems designated by the Eligible Creditors in their Account Holder Letters or Notices of Claim, as applicable, such that:

- (A) each Eligible Creditor who is a Noteholder receives a portion of the Noteholder New Notes that reflects the same proportion of the Noteholder New Notes as the proportion that the amount of that Eligible Creditor's Accepted Claim bears to the Total Notes Claims Amount; and
- (B) each Eligible Creditor who is a DB Creditor receives a portion of the DB New Notes that reflects the same proportion of the DB New Notes as the proportion that the amount of that Eligible Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all DB Creditors at the Record Time;

but provided that:

- (C) interests in the New Notes will be credited in minimum denominations of US\$150,000 and integral multiples of US\$1 in excess thereof;
 - (D) no fraction of New Notes will be issued;
 - (E) entitlements of Eligible Creditors to New Notes will be rounded down to the nearest US\$1 increment of New Notes (in excess of US\$150,000);
 - (F) no cash adjustment will be payable as a result of the rounding down described in the immediately preceding paragraph;
 - (G) the interests in the New Global Notes to which a Noteholder is entitled under the terms of this Bermuda Scheme will be credited to the Clearing System account in which that Noteholder held its interests in the Notes at the Record Time; and
 - (H) the interests in the New Global Notes to which a DB Creditor is entitled under the terms of this Bermuda Scheme will be credited to the Clearing System account designated for such purpose by that DB Creditor in its Notice of Claim; and
- (ii) give all such instructions as are required to be given by it to the New Notes Trustee and/or the New Depositary for this purpose;
- (f) all Residual New Notes and Residual Cash Consideration shall be transferred to the securities accounts designated by the Holding Period Trustee and the Holding Period Trustee shall enter into the Holding Period Trust Deed pursuant to which it will hold the Residual New Notes and Residual Cash Consideration on trust for the Ineligible Creditors who are Noteholders in accordance with the terms of the Holding Period Trust Deed; and

- (g) to the extent not already completed prior to the Restructuring Effective Date, the Company shall pay all fees, costs and expenses of all of the Advisers, the Information Agent, the Holding Period Trustee, the Notes Trustee and its counsel, the New Notes Trustee and its counsel, pursuant to the terms agreed between the Company and the relevant party that have been duly invoiced by no later than five (5) Business Days before the Restructuring Effective Date (or such later date as may be agreed by the Company with the relevant party or parties).

7.3 On the Restructuring Effective Date and conditional on completion of each of the steps outlined in paragraphs (a) to (g) of Clause 7.2:

- (a) the Company shall ensure that the Global Notes representing the Notes are cancelled by the Depositary and shall give all such instructions as are required to be given by it to the Notes Trustee and/or the Depositary for such purpose;
- (b) the Company shall, for and on behalf of each Scheme Creditor, execute the Deeds of Release;
- (c) the respective rights and obligations of the Notes Scheme Creditors (including, for the avoidance of doubt, any Person that acquires an interest in the Notes after the Record Time), the Company, the Subsidiary Guarantors and the Notes Trustee towards one another under the Note Documents will terminate; and
- (d) the respective rights and obligations of the DB Creditors (including, for the avoidance of doubt, any Person that acquires an interest in the DB Claims after the Record Time) and the Company towards one another under the Term Sheets will terminate.

7.4 On the Holding Period Expiry Date, each Ineligible Creditor who is a Noteholder and who establishes its entitlement to its share of the Trust Assets in accordance with the terms of the Holding Period Trust Deed will receive:

- (a) to the extent such Ineligible Creditor has not previously received its portion of the Notes Cash Consideration, the same proportion of the Residual Cash Consideration as the proportion that the amount of that Ineligible Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all Ineligible Creditors who are Noteholders and have not received their portion of the Notes Cash Consideration at the Restructuring Effective Date; and
- (b) the same proportion of the Residual New Notes as the proportion that the amount of that Ineligible Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all Ineligible Creditors who are Noteholders.

7.5 On the Holding Period Expiry Date, the Company will receive the Remaining Cash Consideration and the Remaining New Notes and shall hold such Remaining Cash Consideration and Remaining New Notes on trust for the benefit of all Noteholders that are Ineligible Creditors which have a Scheme Claim that is subject to adjudication under Clause 19 until such time as the relevant Scheme Claim has been

extinguished in accordance with the terms hereof and all Scheme Consideration payable to the relevant Scheme Creditor has been distributed to it.

- 7.6 On the Holding Period Expiry Date, the Company shall pay to each Ineligible Creditor who is a DB Creditor and who submits a duly completed Part 1 of the Notice of Claim in respect of its DB Claim prior to the Bar Time a portion of the DB Cash Consideration that reflects the same proportion of the DB Cash Consideration as the proportion that the amount of that Ineligible Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all DB Creditors by way of transfer to the Clearing System cash account designated by that Ineligible Creditor in the Notice of Claim submitted by or on behalf of that Ineligible Creditor.
- 7.7 On the Holding Period Expiry Date, the Company shall issue or transfer (as applicable) to each Ineligible Creditor who is a DB Creditor and who submits a duly completed Part 1 of the Notice of Claim in respect of its DB Claims, and a Distribution Confirmation Deed and, if applicable, Designated Recipient Form to the Information Agent to the Information Agent prior to the Bar Time a portion of the DB New Notes that reflects the same proportion of the DB New Notes as the proportion that the amount of that Ineligible Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all DB Creditors by way of transfer to the Clearing System accounts designated by that Ineligible Creditor in the Notice of Claim submitted by or on behalf of that Ineligible Creditor.
- 7.8 Subject to Clause 19.10, if an Ineligible Creditor who is a:
- (a) Noteholder fails to establish its entitlement to the Trust Assets in accordance with the terms of the Holding Period Trust Deed prior to the Bar Time; or
 - (b) DB Creditor fails to submit the duly completed Notice of Claim to the Information Agent prior to the Bar Time;

that Ineligible Creditor's rights under this Bermuda Scheme shall be extinguished and that Ineligible Creditor shall not be entitled to receive Scheme Consideration under this Bermuda Scheme.

8 NO RIGHT TO COMMENCE PROCEEDINGS

- 8.1 From and after the Scheme Effective Date, no Scheme Creditor shall be entitled to commence, continue or procure the commencement or continuation of any Proceeding, whether directly or indirectly, against any of the Released Persons or in respect of any property of any of the Released Persons in respect of any Scheme Claim or any Released Claim, save that the Notes Trustee and the Depositary will be entitled to commence or continue Proceedings in respect of any accrued and unpaid fees and expenses due to them or their respective legal and professional advisers under the terms of the Note Documents in respect of the period ending on the Restructuring Effective Date, provided that, for the avoidance of doubt, nothing contained herein shall prevent or prohibit any Scheme Creditor from commencing and continuing an Allowed Proceeding.
- 8.2 Each Released Person shall be fully entitled to enforce Clause 8.1, in its own name, (whether by way of a Proceeding or by way of defence or estoppel (or similar) in any

jurisdiction whatsoever) as if it were a party hereto, pursuant to the provisions of the Contracts (Rights of Third Parties) Ordinance (Cap 623 of the Laws of Hong Kong) and/or any other applicable law which so permits.

- 8.3 Each Scheme Creditor is deemed to acknowledge that if it, or any Person claiming through it, takes any Proceedings against the Released Persons in breach of Clause 8.1 and the Deeds of Release, the Released Person shall be entitled to obtain an order as of right staying those Proceedings and providing for payment, by the Scheme Creditor concerned and any Person claiming through it, of any reasonable costs, charges or other expenses incurred by such Released Person as a result of taking such Proceedings.

9 INSTRUCTIONS, AUTHORISATIONS AND DIRECTIONS

- 9.1 Each Scheme Creditor hereby authorizes and instructs the Depositary and the Notes Trustee to, on or after the Scheme Effective Date, take whatever action is necessary or reasonably appropriate to give effect to the terms of this Bermuda Scheme.

- 9.2 On and from the Scheme Effective Date, in consideration of the rights provided to the Scheme Creditors under this Bermuda Scheme and solely for the purposes of giving effect to the terms of this Bermuda Scheme, each Scheme Creditor hereby appoints the Company as its attorney and agent and irrevocably authorises, directs, instructs and empowers the Company (represented by any authorised representative) to:

- (a) enter into, execute and deliver (whether as a deed or otherwise) for and on behalf of each Scheme Creditor the Deeds of Release (substantially in the form appended to the Explanatory Statement but subject to any modifications approved or imposed by the Courts in accordance with the terms hereof or as otherwise permitted under the terms of this Scheme) and any other document referred to, contemplated by or ancillary to any of the foregoing; and
- (b) take whatever action is necessary to ensure that the books and records of the Clearing Systems are updated to reflect the terms of this Bermuda Scheme, including without limitation to:
 - (i) instruct the Clearing Systems to debit the Book Entry Interests relating to the Notes from the custody account of each Scheme Creditor (or its Account Holder, as applicable);
 - (ii) authorise the cancellation of the Book Entry Interests in respect of the Notes; and
 - (iii) take or carry out any other step or procedure reasonably required to effect the settlement of this Bermuda Scheme.

- 9.3 Each Scheme Creditor hereby, for itself and its successors, assigns, releases, discharges and exonerates each of the Notes Trustee and its officers, agents, affiliates, attorneys and advisers from any and all Liability to the Scheme Creditors:

- (a) by reason of any of them acting in accordance with the above authorisation and instruction;

- (b) for the manner of performance of all acts carried out on such instructions; and
- (c) in the case of a Notes Scheme Creditor, under the Note Documents with effect from the Restructuring Effective Date and conditional on completion of each of the steps outlined in paragraphs (a) to (g) of Clause 7.2 (without prejudice to any rights, privileges, immunities, indemnities and limitations of Liability of the Notes Trustee under the Indentures and/or the CB Trust Deed);

in each case: (i) save to the extent of the Notes Trustee's and/or its officers, agents, affiliates, attorneys and advisers own gross negligence, willful misconduct or fraud; (ii) whether or not the Company obtains a suitable order from: (A) the US Bankruptcy Court under Chapter 15 of the US Bankruptcy Code; (B) the High Court of England and Wales under any applicable law, legal doctrine or Proceeding concerning Cross-Border Recognition, including, without limitation, under the Cross-Border Insolvency Regulations 2006, the Insolvency Act 1986 and/or the Foreign Judgments (Reciprocal Enforcement) Act 1933 and/or at common law; or (iii) pursuant to any other applicable law, legal doctrine or Proceeding concerning Cross-Border Recognition.

- 9.4 Each Scheme Creditor hereby acknowledges and agrees that any action taken by the Company in accordance with this Bermuda Scheme or the Restructuring Documents will not constitute a breach of the Note Documents, Term Sheets or any other agreement or document governing the terms of any Scheme Claim.
- 9.5 The directions, instructions and authorisations granted under this Clause 9 shall be treated, for all purposes whatsoever and without limitation, as having been granted by deed and the Company shall be entitled to delegate the authority granted and conferred by this Clause 9 to any duly authorised officer or agent of the Company as necessary.

10 SCHEME CREDITOR UNDERTAKINGS AND RELEASES

- 10.1 In consideration for its entitlement to the Scheme Consideration each Scheme Creditor hereby gives the undertakings, releases and waivers in this Clause 10.
- 10.2 With immediate effect on and from the Restructuring Effective Date and conditional on completion of each of the steps outlined in paragraphs (a) to (g) (inclusive) of Clause 7.2, each Scheme Creditor irrevocably, unconditionally, fully and absolutely:
 - (a) waives, discharges and releases all of its rights, title and interest in and to its Scheme Claims in consideration for its entitlement to receive the Scheme Consideration in accordance with this Bermuda Scheme;
 - (b) waives, discharges and release any right or remedy it may have under the Note Documents and/or otherwise against any Released Person in relation to any breaches or defaults under the Note Documents and/or the Term Sheets occurring on or before the Restructuring Effective Date or that may occur as a result of the implementation of the Schemes and/or the Restructuring;
 - (c) ratifies and confirms everything which any Released Person may lawfully do or cause to be done in accordance with any authority conferred by this Bermuda Scheme and agrees not to challenge:

- (i) the validity of any act done or omitted to be done; or
- (ii) the exercise or omission to exercise of any power conferred in accordance with the provisions of this Bermuda Scheme;

in each case in good faith by any Released Person;

- (d) waives, releases and discharges each and every Released Claim which it ever had, may have or hereafter can, shall or may have against any Released Person;
- (e) waives, releases and discharges each and every Released Claim which it ever had, may have or hereafter can, shall or may have against each member of the Committee, the Advisers and their respective Personnel and Affiliates; and
- (f) undertakes to the Released Persons that it will not, and shall use all reasonable endeavours to procure that its Scheme Creditor Parties will not, commence or continue, or instruct, direct or authorise any other Person to commence or continue, any Proceedings in respect of or arising from any Released Claim.

10.3 Each Scheme Creditor acknowledges and agrees that, and shall use all reasonable endeavours to procure that each of its Scheme Creditor Parties acknowledges and agrees that:

- (a) it may later discover facts in addition to or different from those which it presently knows or believes to be true with respect to the subject matter of this Bermuda Scheme;
- (b) it is its intention to fully, and finally forever settle and release any and all matters, disputes and differences, whether known or unknown, suspected or unsuspected, which present exist, may later exist or may previously have existed between it and the Released Persons in respect of the Released Claims on the terms set out in this Bermuda Scheme; and
- (c) in furtherance of this intention, the waivers, releases and discharges given in this Bermuda Scheme shall be and shall remain in effect as full and complete general waivers, releases and discharges notwithstanding the discovery or existence of any such additional or different facts.

10.4 The releases, waivers and undertakings under this Clause 10 shall:

- (a) not prejudice or impair any rights of any Scheme Creditor created under this Bermuda Scheme and/or which arise as a result of a failure by the Company or any party to this Bermuda Scheme to comply with any terms of this Bermuda Scheme;
- (b) not prejudice or impair any claims or causes of action of any Scheme Creditor arising from or relating to negligence or breach of fiduciary duty, fraud, dishonesty, wilful default or wilful misconduct; and
- (c) not extend to any Liability of any Adviser arising under a duty of care to its client.

PART C
IDENTIFICATION OF ACCEPTED CLAIMS

11 DETERMINATION OF ACCEPTED CLAIMS

- 11.1 All Persons claiming to be Scheme Creditors must provide the Information Agent with a duly completed Account Holder Letter (in the case of a Noteholder) or Notice of Claim (in the case of a DB Creditor) in respect of their Scheme Claims:
- (a) prior to the Record Time should they wish to vote at the Scheme Meeting;
 - (b) prior to the Record Time should they wish to receive Scheme Consideration on the Restructuring Effective Date; or
 - (c) prior to the Bar Time if they wish to receive Scheme Consideration before the expiry of their right to receive the same.
- 11.2 Voting instructions given in Account Holder Letters or Notices of Claim (as the case may be) delivered after the Record Time will be disregarded for voting purposes at the Scheme Meeting.
- 11.3 All Accepted Claims shall be determined as at the Record Time by the Company. The Company shall assess Accepted Claims for the purposes of determining entitlements to Scheme Consideration by reference to the following:
- (a) in respect of the Notes Claim of a Noteholder arising out of, in relation to and/or in connection with the 2018 Notes, the 2019 Notes, the 2018 Indenture and the 2019 Indenture, by reference to the principal amount outstanding and owed to that Noteholder as at the Record Time and all accrued and unpaid interest relating to such Notes Claim up to but excluding the Restructuring Effective Date;
 - (b) in respect of the Notes Claim of a Noteholder arising out of, in relation to and/or in connection with the CBs and the CB Trust Deed, by reference to the principal amount outstanding and owed to that Noteholder as at the Record Time and all accrued and unpaid interest relating to such Notes Claim up to but excluding the Restructuring Effective Date, as converted into US\$ by applying the RMB/US\$ official fixing rate which appears on the Bloomberg Screen “NDFF” Page opposite the symbol “CNY” in the column “Last Price” on the Record Date or, should this not be available, another suitable source as may be selected by the Company (acting reasonably); and
 - (c) in respect of the DB Claim of a DB Creditor, by reference to the amount which the Company considers to be owing to that DB Creditor as at the Record Time and all accrued and unpaid interest (if any) relating to such DB Claim up to but excluding the Restructuring Effective Date.
- 11.4 For purposes of any calculation of the amount of Scheme Claims, voting entitlement and entitlements to Scheme Consideration and/or the Consent Fee or as otherwise required under this Bermuda Scheme, the Notes Claim(s) arising in respect of the CBs and/or under the CB Trust Deed shall be converted into US\$ by applying the RMB/US\$ official fixing rate which appears on the Bloomberg Screen “NDFF” Page

opposite the symbol “CNY” in the column “Last Price” on the Record Date or, should this not be available, another suitable source as may be selected by the Company (acting reasonably).

11.5 The Company shall comply with the following procedures in determining whether to Accept a Scheme Claim:

- (a) in relation to a Notes Claim, the Company (or its Information Agent) will verify such claim set out in the Account Holder Letter submitted by or on behalf of a Noteholder against the relevant information provided by the Clearing System through which that Noteholder holds its interest in the Notes at the Record Time; and
- (b) in relation to a DB Claim, the Company will review the Notice of Claim and any documents submitted by that DB Creditor in support of such claim and based on the evidence available to the Company and such other evidence as the Company may request and receive from that DB Creditor, the Company will determine (having consulted with its Advisers where necessary) on the balance of probabilities, whether all or a part of that DB Claim would be admissible as a proof in the Company’s winding up in Bermuda.

11.6 If the Company refuses to Accept an alleged Claim received from an alleged Scheme Creditor or other Person, it shall prepare a statement in writing or electronic mail of its reasons for doing so (a “**Scheme Claims Determination Notice**”) and send such statement to the Person alleging such Claim against the Company:

- (a) if such alleged Claim is received by the Record Time, within three (3) Business Days after the Record Time; or
- (b) if such alleged Claim is received after the Record Time but prior to the Bar Time, within three (3) Business Days after it determines to refuse to accept the alleged Claim.

11.7 In the event that there is any Dispute between the Company and any Person as to the existence or the amount of the Liability or Claim asserted by an alleged Scheme Creditor (other than disputes that arise in connection with the casting of votes at the Scheme Meeting, which shall be resolved by the Chairperson in accordance with Part E), the Company or such alleged Scheme Creditor shall refer the matter to the Adjudicator in accordance with the Adjudication Procedure as set out in Part E.

12 SALES, ASSIGNMENTS OR TRANSFERS

Neither the Company nor the Information Agent shall be under any obligation to recognise any sale, assignment or transfer of any Scheme Claim after the Record Time for the purposes of determining entitlement to attend and vote at the Scheme Meeting, provided that the Company and the Adjudicator, if applicable, may (in its sole discretion and subject to the production of such other evidence as it may reasonably require) recognise such sale, assignment or transfer for the purposes of determining entitlements to the Scheme Consideration. A transferee of Scheme Claims after the Record Time will, however, be bound by the terms of this Bermuda Scheme in the event that it becomes effective.

13 PROVISION OF INFORMATION

- 13.1 Account Holder Letters or Notices of Claim (as applicable) shall provide the Information Agent with all information requested in, and be submitted in accordance with the instructions set out in, the form of Account Holder Letter or Notices of Claim (as applicable).
- 13.2 If the Information Agent refuses to accept an Account Holder Letter or Notice of Claim (as applicable) it shall promptly prepare a written statement or electronic mail of its reasons for doing so and send such statement to the party that provided such Account Holder Letter or Notice of Claim (as applicable)

14 THE INFORMATION AGENT

The Information Agent shall not be liable for any Claim or Liability arising in respect of the performance of its duties as Information Agent under this Bermuda Scheme except where such claim or Liability arises as a result of its own fraud, dishonesty, gross negligence, wilful deceit or wilful misconduct.

PART D
CONDITIONS TO THE SCHEME AND RESTRUCTURING

15 CONDITIONS TO THE EFFECTIVENESS OF THE SCHEME

This Bermuda Scheme shall only become effective following the satisfaction of all of the following Conditions:

- (a) the approval of the Schemes (with or without modifications) by a simple majority in number of the Scheme Creditors attending and voting at the Scheme Meeting either in person or by proxy representing at least three fourths in value of the aggregate Scheme Claims of the Scheme Creditors attending and voting at the Scheme Meeting either in person or by proxy;
- (b) the sanction of this Bermuda Scheme (with or without modification) by the Bermuda Court;
- (c) the delivery of an office copy of the Bermuda Sanction Order to the Bermuda Registrar of Companies for registration;
- (d) the sanction of the Hong Kong Scheme (with or without modification) by the Hong Kong Court; and
- (e) the registration of an office copy of the Hong Kong Sanction Order to the Hong Kong Registrar of Companies.

16 CONDITIONS TO THE EFFECTIVENESS OF THE RESTRUCTURING

The Restructuring Effective Date shall only occur following the satisfaction of all of the following conditions:

- (a) each of the Conditions has been satisfied and the Scheme Effective Date has occurred;
- (b) the Company has received the Subscription Proceeds in exchange for the issuance of the Subscription Shares; and
- (c) the Company has paid all fees, costs and expenses of the Advisers, the Information Agent, the Holding Period Trustee, the Notes Trustee and its legal counsel, the New Notes Trustee and its legal counsel that it is required to pay pursuant to the terms agreed between the Company and the relevant party that have been duly invoiced no later than 5 Business Days before the Restructuring Effective Date (or such later date as may be agreed by the Company or the relevant party or parties).

PART E
GENERAL SCHEME PROVISIONS

17 SECURITIES LAW CONSIDERATIONS

- 17.1 The New Notes will not be registered under the US Securities Act or any state or other securities laws of the United States of America or any other jurisdiction.
- 17.2 Accordingly, the New Notes will be available only: (a) in the United States to “qualified institutional buyers” as defined in Rule 144A under the US Securities Act and institutional “accredited investors” as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the US Securities Act; and (b) outside the United States to non-U.S. persons in offshore transactions, in reliance on Regulation S under the US Securities Act.

18 THE ADJUDICATOR

- 18.1 There shall be one Adjudicator whose duty it will be to act as an expert, and not as an arbitrator, with respect to all matters referred to him under the terms of the Schemes. The Adjudicator will be responsible for the determination of Scheme Claims referred to him under the Schemes and will have the powers, rights, duties and functions conferred upon him by the Schemes. Except in the case of fraud, gross negligence or wilful misconduct, the Adjudicator will not be liable to the Company or any Scheme Creditor for any act or omission by the Adjudicator in the performance or purported performance of his powers, rights, duties and functions under the Schemes.
- 18.2 Upon the Scheme Effective Date, the Company shall appoint an individual who meets the criteria specified in Clause 18.6 as the Adjudicator under the Schemes.
- 18.3 The office of Adjudicator shall be vacated if the holder of such office:
- (a) dies; or
 - (b) is convicted of an indictable offence; or
 - (c) resigns his office (which shall be permissible and effective only if he gives at least two (2) weeks’ notice to the Company prior to such resignation); or
 - (d) becomes bankrupt; or
 - (e) is disqualified from membership of a professional body of which he is a member; or
 - (f) is disqualified for acting as a company director by any court of competent jurisdiction;
 - (g) becomes mentally disordered; or
 - (h) has a conflict of interest.
- 18.4 In the event of a vacancy in the office of the Adjudicator, the Company shall appoint a suitably qualified replacement who also meets the criteria specified in Clause 18.6.

- 18.5 The Adjudicator shall have the powers, duties and functions, and the rights, conferred upon him by the Schemes. In exercising his powers and carrying out his duties and functions under the Schemes, the Adjudicator shall act in good faith and with due care and diligence in the interests of the Scheme Creditors as a whole, and shall exercise his powers under the Schemes for the purpose of ensuring that the Schemes are implemented in compliance with their terms.
- 18.6 Each Adjudicator shall be a Hong Kong Senior Counsel or United Kingdom Queen's Counsel with not less than 10 years' experience in restructuring and insolvency matters, who shall be independent and impartial from the Company and have no conflict of interest in respect of the Disputed Claim but who the Company may, in its absolute discretion, select to act as Adjudicator.

19 DISPUTE RESOLUTION PROCEDURES

- 19.1 If a Scheme Creditor disputes the Company's determination of its Scheme Claim and no agreement in respect of that dispute can be reached between the Company and the Scheme Creditor by the date falling five (5) Business Days from the date on which the Scheme Claims Determination Notice is deemed to be received (in accordance with Clause 27) by that Scheme Creditor (the "**Disputed Claim Resolution Deadline**"), the Scheme Creditor shall be entitled within twenty-one (21) calendar days of the Disputed Claim Resolution Deadline to apply in writing to the Adjudicator to review its Disputed Scheme Claim.
- 19.2 No application to the Adjudicator shall be considered or determined unless the relevant Scheme Creditor or Person who purports to be a Scheme Creditor confirms in its application to the Adjudicator that: (a) the determination by the Company is being disputed by the Scheme Creditor or such Person in good faith; and (b) it shall deliver such documents and perform such acts promptly and without undue delay as may reasonably be requested by the Adjudicator for the purpose of enabling him to make a determination of the Scheme Creditor's application made in accordance with Clause 19.1 and this Clause 19.2.
- 19.3 Failure to apply to the Adjudicator within the timeframe set out in Clause 19.1 and/or make the confirmation set out in Clause 19.2 shall be deemed to be an irrevocable acceptance by the Scheme Creditor of the Company's decision in respect of its Scheme Claim and any right to further challenge the finding of the Company in respect of such Scheme Claim shall be waived.
- 19.4 The Adjudicator shall review the Scheme Creditor's application made in accordance with Clauses 19.1 and 19.2 including its Disputed Scheme Claim and relevant evidence before him (and any additional evidence as he may request and receive from the relevant Scheme Creditor, the Company and any factual and/or expert witnesses) in relation to the Disputed Scheme Claim and determine, on the balance of probabilities, whether all or part of that Disputed Scheme Claim would be admissible as a proof in the Company's winding up in Bermuda and the quantum of such admissible proof and therefore should be Accepted. The Adjudicator shall in accordance with Clause 19.6 notify the Company and the relevant Scheme Creditor in writing of his decision and such decision will be final and binding on the Company and the relevant Scheme Creditor, insofar as the law allows. The Company and the

relevant Scheme Creditor shall honor the Adjudicator's decision which may be enforced by the Courts.

19.5 The Adjudicator shall have discretion to extend such timeframes and/or adopt procedures (including, without limitation, requesting written submissions and further evidence from the parties, requesting oral hearings and/or the provision of expert evidence) relevant to the nature of the Disputed Scheme Claim being considered so as to provide a fair, efficient and expeditious means for the final resolution of the Disputed Scheme Claim. Specifically, the Adjudicator may, in his sole discretion and as the Adjudicator considers appropriate:

- (a) provide additional directions to the relevant Scheme Creditor and/or the Company to submit written submissions and further evidence;
- (b) establish the conduct of any oral hearing provided each of the relevant Scheme Creditor and the Company is given reasonable notice in writing of any such event;
- (c) appoint one or more experts (who shall be and remain impartial and independent of the Company and the relevant Scheme Creditor) to report in writing to him on specific issues relating to the Disputed Scheme Claim, as identified by the Adjudicator;
- (d) extend the timetable set out in Clause 19.6.

19.6 Without prejudice to clause 19.5, if a Disputed Scheme Claim is referred to the Adjudicator by a Scheme Creditor in accordance with Clauses 19.1 and 19.2, the following timetable shall apply:

- (a) within fourteen (14) calendar days of receiving a Scheme Creditor's application made in accordance with Clauses 19.1 and 19.2, the Adjudicator may call upon the Company and/or the relevant Scheme Creditor to produce any further documents or other information which he deems necessary;
- (b) if such documentation or other information is not received within fourteen (14) calendar days of the date upon which the Adjudicator makes the request, the Adjudicator shall, subject to paragraph (c) below, make his determination on the basis of the documents received from the Company and/or the relevant Scheme Creditor, as applicable, by such time;
- (c) within fourteen (14) calendar days of: (i) such documentation being provided by the Company and/or the Scheme Creditor, as applicable; or (ii) the expiry of the period provided for in paragraph (b) above; the Adjudicator shall provide the Company and the Scheme Creditor with a copy of his written decision and thereafter the amount Accepted by the Adjudicator in respect of the Disputed Scheme Claim shall be binding on the Company and the Scheme Creditor, and (to the fullest extent permitted by applicable law) there shall be no right of challenge or appeal from the decision of the Adjudicator; and
- (d) if the Adjudicator does not require further information he shall, within fourteen (14) calendar days of receiving notification of the Disputed Scheme

Claim, provide the Company and the Scheme Creditor with a copy of his written decision and thereafter the amount Accepted by the Adjudicator in respect of the Disputed Scheme Claim shall be binding on the Company and the Scheme Creditor and (to the fullest extent permitted by applicable law) there shall be no right of challenge or appeal from the decision of the Adjudicator.

19.7 On the making of a decision by the Adjudicator, the Scheme Creditor's Account Holder Letter or Notice of Claim (as applicable) shall be deemed to have been varied in accordance with the Adjudicator's decision and as fully, correctly and irreversibly setting out that Scheme Creditor's Scheme Claim.

19.8 Communication between the Adjudicator, the Company and the relevant Scheme Creditors shall be conducted by electronic mail (other than in circumstances where the Adjudicator determines that oral submissions are necessary).

19.9 If a Scheme Claim is:

- (a) Accepted by the Adjudicator in its entirety, the Company shall bear all of the costs of the adjudication (including the legal and other expenses incurred by the relevant Scheme Creditor and the costs and expenses incurred by the Adjudicator);
- (b) rejected by the Adjudicator in its entirety, the Scheme Creditor shall bear all of the costs of the adjudication (including the legal and other expenses incurred by the Company and the costs and expenses incurred by the Adjudicator); or
- (c) Accepted or rejected by the Adjudicator in part, the question of who shall bear the costs of the adjudication (including the legal and other expenses incurred by the Company and the relevant Scheme Creditor and the costs and expenses incurred by the Adjudicator) shall be determined by the Adjudicator.

19.10 Notwithstanding any other provision of this Scheme, in the event that any Disputed Scheme Claim has not been resolved by the Adjudicator prior to the Bar Time, no Scheme Consideration shall be distributed in respect of such Disputed Scheme Claim unless the Adjudicator subsequently determines that such Disputed Scheme Claim should be Accepted (in part or in whole) by the Company. In the event of such determination:

- (a) if the creditor in respect of such Disputed Scheme Claim is a Notes Scheme Creditor:
 - (i) such creditor shall be entitled to receive a portion of the Notes Cash Consideration that reflects the same proportion of the Notes Cash Consideration as the proportion that the amount of that Noteholder's Accepted Claim bears to the Total Notes Claims Amount;
 - (ii) and submitted a duly completed Distribution Confirmation Deed and, if applicable, Designated Recipient Form, prior to the Bar Time, such creditor or, if applicable, its Designated Recipient, shall be entitled to receive a portion of the Noteholder New Notes that reflects the same

proportion of the Noteholder New Notes as the proportion that the amount of that Noteholder's Accepted Claim bears to the Total Notes Claims Amount;

- (iii) and is an Eligible Consenting Notes Creditor, such creditor shall be entitled to receive the Consent Fee to which it is entitled in accordance with the terms of this Bermuda Scheme; and
 - (iv) the Consent Fee (if any), Cash Consideration and New Notes (if any) to which that Scheme Creditor is entitled shall be distributed to such creditor within one (1) calendar month of such determination by way of transfer to the Clearing System account in which such creditor held its interest in the Notes (as indicated in its Account Holder Letter); and
- (b) if the creditor in respect of such Disputed Scheme Claim is a DB Creditor;
- (i) such creditor shall be entitled to receive a portion of the DB Cash Consideration that reflects the same proportion of the DB Cash Consideration as the proportion that the amount of that DB Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all DB Creditors at the Record Time;
 - (ii) and submitted a duly completed Distribution Confirmation Deed and, if applicable, Designated Recipient Form, prior to the Bar Time, such creditor or, if applicable, its Designated Recipient shall be entitled to receive a portion of the DB New Notes that reflects the same proportion of the DB New Notes as the proportion that the amount of that DB Creditor's Accepted Claim bears to the aggregate amount of the Accepted Claims of all DB Creditors at the Record Time;
 - (iii) and is a DB Consenting Creditor, such creditor shall be entitled to receive the Consent Fee to which it is entitled in accordance with the terms of this Bermuda Scheme; and
 - (iv) the Consent Fee (if any), Cash Consideration and New Notes (if any) to which that Scheme Creditor is entitled shall be distributed to such creditor within one (1) calendar month of such determination by way of transfer to the Clearing System account designated in the Notice of Claim by such creditor; and
- (c) if the creditor in respect of such Disputed Scheme Claim fails to submit a duly completed Distribution Confirmation Deed and, if applicable, Designated Recipient Form prior to the Bar Time, any right that such creditor may have in the New Notes shall be extinguished irrevocably at and from the Bar Time.

19.11 Notwithstanding any other provision of this Scheme, for the avoidance of doubt, the Company is not required to postpone the Restructuring Effective Date in the event that any Disputed Scheme Claim has not been determined by the Adjudicator prior to that time or the Scheme Effective Date.

- 19.12 The Company shall promptly distribute any residual Consent Fee with respect to Eligible Consenting Notes Creditors that remains after all Scheme Claims of Eligible Consenting Notes Creditors have been adjudicated or otherwise determined under the Scheme to all Eligible Consenting Notes Creditors that are eligible to receive the Consent Fee in respect of Eligible Consenting Notes Creditors pursuant to the terms of the Scheme.

20 GENERAL PROVISIONS IN RELATION TO VOTING AT THE SCHEME MEETING

- 20.1 Every Scheme Creditor whose vote is validly cast in person or by its authorized representative (if a corporation) or by proxy at the Scheme Meeting shall have one (1) vote for every US\$1 of its Scheme Claim (rounded down to the nearest US\$1) as calculated for voting purposes in accordance with Clauses 11.4 and 20.2.
- 20.2 Subject to Clause 20.3, the amount of the Scheme Claims of each Scheme Creditor who submits a valid Account Holder Letter or Notice of Claim (as applicable) in respect of Scheme Claims, will be calculated for voting purposes as at the Record Time. Specifically,
- (a) votes of Noteholders will be admitted at the Scheme Meeting at a value equal to the sum of: (i) outstanding principal amount of the Notes in which each Noteholder held an economic or beneficial interest as principal at the Record Time (without double counting); and (ii) all accrued and unpaid interest relating to such Notes up to but excluding the Record Date. This is subject to the Information Agent verifying such principal amount against the information provided by the Clearing System through which that Noteholder holds its interest in the Notes at the Record Time; and
 - (b) votes of DB Creditors will be admitted at the Scheme Meeting at a value equal to the amount of their DB Claims plus accrued interest thereon (if any) at the Record Time.
- 20.3 If a Scheme Claim is unascertained, contingent or Disputed the Chairperson may admit the Scheme Claim for voting purposes at the Scheme Meeting only at a value which the Chairperson considers is a fair and reasonable assessment of the sums owed by the Company in respect of that Scheme Claim.
- 20.4 The amount of a Scheme Claim which is accepted by the Chairperson for voting purposes is not indicative of whether that Scheme Claim will be Accepted by the Company (or if applicable, by the Adjudicator) for the purposes of determining entitlement to Scheme Consideration. The Company (or, if applicable, the Adjudicator) will determine whether to Accept a Scheme Claim and for the purposes of determining entitlement to Scheme Consideration, Scheme Claims will be assessed as at the Record Time and will include interest (if any) which may have accrued in favour of a Scheme Creditor up to but excluding the Restructuring Effective Date.
- 20.5 The Chairperson of the Scheme Meeting will collate the votes from each Scheme Creditor and will add the votes during the Scheme Meeting. The Chairperson will be responsible for counting the votes. The Chairperson shall then report to the Scheme Creditors as to whether the Schemes have been approved.

20.6 For purposes of voting at the Scheme Meeting, any vote need only indicate whether the Scheme Creditor casting such vote approves or does not approve the Schemes.

20.7 Subject to any inherent jurisdiction of the Courts, the decision of the Chairperson of the Scheme Meeting as to the admission of votes at that meeting shall be final and binding to the fullest extent permitted by law for the purposes of, and in relation to the proceedings at, the Scheme Meeting.

21 QUORUM REQUIRED FOR SCHEME MEETING

21.1 The Scheme Meeting shall require a quorum of two (2) Scheme Creditors present in person or by proxy.

21.2 No business shall be transacted at the Scheme Meeting unless a quorum is present when the meeting proceeds to business.

22 CHAIRPERSON OF THE SCHEME MEETING

The Chairperson of the Scheme Meeting shall be Ms. Jacqueline Tang of Kirkland & Ellis or, failing her, Mr. Damien Coles of Kirkland & Ellis or, failing him, Mr. Alec Tracy of Admiralty Harbour.

23 SCHEME COSTS

The Company shall pay all costs incurred by the Company and the Committee in connection with the negotiation, preparation and implementation of the Schemes as and when they arise, including the costs of holding the Scheme Meeting and the costs of the petitions to the Courts to sanction the Schemes, the costs, charges, expenses and disbursements of all Advisers in accordance with the terms agreed between the Company and the relevant Adviser and (if applicable) the remuneration, costs and expenses of the Adjudicator in accordance with Clause 19.9.

24 MODIFICATIONS OF THE BERMUDA SCHEME

24.1 The Company may, at any hearing to sanction this Bermuda Scheme, consent on behalf of all Scheme Creditors and each Subsidiary Guarantor to any modification of this Bermuda Scheme or any terms or conditions which the Bermuda Court may think fit to approve or impose and which would not directly or indirectly have a material adverse effect on the interests of any Scheme Creditor under this Bermuda Scheme.

24.2 In addition, and with effect from the Scheme Effective Date the terms and conditions of this Bermuda Scheme may be modified by agreement between the Company and Scheme Creditors representing a majority in number of the Scheme Creditors and holding three-fourths by value of the Scheme Claims at the Record Time, provided that any such modification would not directly or indirectly have a material adverse effect on the interests of any Scheme Creditor under this Scheme and provided always that the Company may postpone the Restructuring Effective Date in accordance with Clause 6.6 and the Longstop Date in accordance with Clause 6.8. Any modification of the terms and conditions of this Bermuda Scheme made in accordance with the terms of the RSA and this Clause 24.2 will be binding on the Company, the Subsidiary Guarantors and each Scheme Creditor.

25 MODIFICATIONS OF THE NEW NOTES AND THE HOLDING PERIOD TRUST DEED FOLLOWING THE RESTRUCTURING EFFECTIVE DATE

- 25.1 Nothing in this Scheme shall prevent any modification of: (a) the terms and conditions of the New Notes in accordance with the terms of the New Notes Indenture; and (b) the Holding Period Trust Deed in accordance with its terms; in each case following the Restructuring Effective Date.
- 25.2 The parties to the New Notes and New Notes Indenture may, prior to its execution on the Restructuring Effective Date, consent to any modification of such documents which is of a formal, minor or technical nature or to correct a manifest or proven error or to comply with mandatory provisions of law. The Company and the Holding Period Trustee may, without the consent of the beneficiaries of the Holding Period Trust Deed, make any modification to the form of the Holding Period Trust Deed which is of a formal, minor or technical nature or to correct a manifest or proven error or to comply with mandatory provisions of law.

26 TERMINATION OF THE BERMUDA SCHEME

- 26.1 This Bermuda Scheme shall terminate automatically, and be of no further force and effect in the event that the Restructuring Effective Date and completion of the steps outlined in paragraphs (a) to (g) inclusive of Clause 7.2 have not occurred by the Longstop Date.
- 26.2 In the event that this Bermuda Scheme is terminated pursuant to Clause 26.1, each Scheme Creditor shall be entitled to exercise any and all of its rights, powers and remedies against the Company and/or the Subsidiary Guarantors under the terms and conditions of the Note Documents and the Term Sheets as though this Bermuda Scheme had never been contemplated or implemented.

27 NOTICES

- 27.1 Without prejudice to any other provision of this Bermuda Scheme specifying another method of notice, any notice or other written communication to be given under or in relation to this Bermuda Scheme shall be given in writing and shall be deemed to have been duly given if it is delivered by hand or sent by Post, and by air mail where it is addressed to a different country from that in which it is posted, to:
- (a) in the case of the Company, Unit 3108, 31/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong, marked for the attention of Jimmy Chon Man Yu; or
 - (b) in the case of a Scheme Creditor, its last known address known to the Company, provided that all deliveries of notices required to be made by this Scheme shall be effective by posting the same in pre-paid envelopes addressed to the Scheme Creditors or, if so directed by the Scheme Creditors, to the relevant Account Holder for the Persons respectively entitled thereto at the addresses appearing in the relevant Account Holder Letter or to such other addresses (if any) as such Persons may respectively direct in writing; and

- (c) in the case of any other Person, any address set forth for that Person in any agreement entered into in connection with this Bermuda Scheme.

27.2 In addition:

- (a) any notice or other written communication to be given to the Note Creditors under or in relation to this Bermuda Scheme may also be given and shall be deemed to have been duly given if sent by electronic means through the Clearing Systems; and
- (b) any Account Holder Letter or Notice of Claim delivered to the Information Agent by a Scheme Creditor shall be deemed to have been duly delivered if submitted online at the Scheme Website.

27.3 Any notice or other written communication to be given under this Bermuda Scheme shall be deemed to have been served:

- (a) if delivered by hand, on the first Business Day following delivery;
- (b) if sent by Post, on the second Business Day after posting if the recipient is in the country of despatch, otherwise on the fifth Business Day after posting; and
- (c) if distributed electronically through the Clearing Systems, on the fifth Business Day after such distribution.

27.4 In proving service, it shall be sufficient proof, in the case of a notice sent by Post, that the envelope was properly stamped, addressed and placed in the Post.

27.5 The accidental omission to send any notice, written communication or other document in accordance with this Clause 27 or the non-receipt of any such notice by any Scheme Creditor, shall not affect any of the provisions of this Bermuda Scheme or the effectiveness thereof.

28 FORCE MAJEURE

None of the Scheme Creditors, the Subsidiary Guarantors, the Company or the Information Agent shall be in breach of its obligations under this Bermuda Scheme as a result of any delay or non-performance of its obligations under this Bermuda Scheme arising from any Force Majeure.

29 CONFLICT AND INCONSISTENCY

In the case of a conflict or inconsistency between the terms of this Bermuda Scheme and the terms of the Explanatory Statement, the terms of this Bermuda Scheme will prevail.

30 GOVERNING LAW AND JURISDICTION

30.1 This Bermuda Scheme shall be governed by, and construed in accordance with, the laws of Bermuda. The Company, each Subsidiary Guarantor, the Information Agent and each of the Scheme Creditors agree that, to the fullest extent permitted by

applicable law, any Disputed Scheme Claim or other Dispute shall be determined in accordance with the Adjudication Procedure provided by this Scheme.

- 30.2 Without prejudice to the application of the Adjudication Procedure, the Scheme Creditors agree that the Bermuda Court shall have exclusive jurisdiction to hear and determine any dispute or Proceedings arising out of or in connection with the Bermuda Scheme and/or implementation of the Bermuda Scheme and the Scheme Creditors hereby submit to the exclusive jurisdiction of the Bermuda Court for those purposes.

APPENDIX 4 NOTICE OF SCHEME MEETING

NOTICE OF SCHEME MEETING

IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO. 1882 of 2019
IN THE MATTER OF
CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS LIMITED
AND IN THE MATTER OF SECTION 670 OF THE COMPANIES
ORDINANCE, CHAPTER 622 OF THE LAWS OF HONG KONG

AND

IN THE SUPREME COURT OF BERMUDA
COMMERCIAL COURT
CIVIL JURISDICTION
2019: NO. 391
IN THE MATTER OF
CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS LIMITED
AND IN THE MATTER OF SECTION 99 OF THE COMPANIES ACT 1981

Terms used in this Notice have the same meaning as in the explanatory statement dated 1 November 2019 (the “**Explanatory Statement**”) relating to the proposed scheme of arrangement under sections 670 to 674 of the Companies Ordinance (Cap. 622) of Hong Kong between China Singyes Solar Technologies Holdings Limited (the “**Company**”) and the Scheme Creditors (the “**Hong Kong Scheme**”) and the proposed scheme of arrangement under section 99 of the Companies Act 1981 of Bermuda between the Company and the Scheme Creditors (the “**Bermuda Scheme**”).

NOTICE IS HEREBY GIVEN that, by orders dated 31 October 2019 and 30 October 2019 (the “**Orders**”), the High Court of Hong Kong and the Supreme Court of Bermuda (the

“**Courts**”) have directed respectively that a meeting of Scheme Creditors (the “**Scheme Meeting**”) of the Company be convened for the purpose of considering and, if thought fit, approving (with or without modification) the Hong Kong Scheme and the Bermuda Scheme (together the “**Schemes**”).

The Scheme Meeting will be held at the offices of Kirkland & Ellis at 26th Floor, Gloucester Tower, the Landmark, 15 Queen’s Road Central, Hong Kong at 7:00 p.m. on 25 November 2019 (Hong Kong time) / 7:00 a.m. on 25 November 2019 (Bermuda time). Scheme Creditors in Bermuda will be able to dial into the Scheme Meeting via telephone conference at the office of Zuill & Co, Continental Building, 25 Church Street, Hamilton, Bermuda HM 12. All Scheme Creditors are requested to attend the Scheme Meeting at such place and time either in person (or, if a corporation, by a duly authorised representative) or by proxy.

Scheme Creditors may vote in person (or, if a corporation, appoint a duly authorised representative) or proxy to vote in their place. Notes Scheme Creditors may appoint proxies to vote at the Scheme Meeting by completing Part 2 of the Account Holder Letter and DB Creditors may appoint proxies to vote at the Scheme Meeting by completing Part 2 of the Notice of Claim.

The Notes Trustee has undertaken not to vote in respect of the Notes at the Scheme Meeting.

Each Scheme Creditor (or, if a corporation, its duly authorised representative) or proxy will be required to register its attendance at the Scheme Meeting prior to the commencement of the Scheme Meeting. Registration in respect of the Scheme Meeting will commence no later than one hour before the scheduled start time of 7:00 p.m. (Hong Kong time) on the date of the Scheme Meeting and each Scheme Creditor (or, if a corporation, its duly authorised representative) or proxy must be registered prior to the commencement of the meeting.

In order to vote on the Schemes and attend the Scheme Meeting (in person (or, if a corporation, by a duly authorised representative) or by proxy), a Scheme Creditor must ensure that an Account Holder Letter or Notice of Claim (in the case of a DB Creditor) is completed and lodged with the Information Agent in accordance with the instructions set out in the Solicitation

Packet by no later than 10:00 p.m. on 21 November 2019 (Hong Kong time) / 10:00 a.m. on 21 November 2019 (Bermuda time).

The Record Time for the Schemes is 10:00 p.m. on 21 November 2019 (Hong Kong time) / 10:00 a.m. on 21 November 2019 (Bermuda time).

Copies of the Hong Kong Scheme, the Bermuda Scheme, the Explanatory Statement and the Solicitation Packet (this will include the Account Holder Letter and Notice of Claim) are available to download from the Scheme Website (www.lucid-is.com/singyes) subject to entering a valid password. Passwords may be obtained by contacting the Information Agent (Attention: Oliver Slyfield / Victor Parzyjagla at singyes@lucid-is.com).

Printed copies of the Hong Kong Scheme, the Bermuda Scheme, the Explanatory Statement and the Solicitation Packet (this will include the Account Holder Letter and Notice of Claim) can be obtained free of charge by Scheme Creditors from 9:00 a.m. to 5:00 p.m. (Hong Kong time) on any day (other than Saturdays, Sundays or statutory holidays in Hong Kong) prior to the day appointed for the Scheme Meeting, from Kirkland & Ellis at 26th Floor, Gloucester Tower, the Landmark, 15 Queen's Road Central, Hong Kong and from 9:00 a.m. to 5:00 p.m. (Bermuda time) on any day (other than Saturdays, Sundays or statutory holidays in Bermuda) prior to the day appointed for the Scheme Meeting, from Zuill & Co. at Continental Building, 25 Church Street, Hamilton, Bermuda HM 12.

By the Orders, the Courts appointed Ms. Wenchen Tang of Kirkland & Ellis or, failing her, Mr. Damien Coles of Kirkland & Ellis or, failing either of them, Mr. Alec Tracy of Admiralty Harbour Capital Limited to act as Chairperson of the Scheme Meeting and directed the Chairperson to report the results of the Scheme Meeting to the Courts.

The Schemes will be subject to the subsequent approval of the Courts and to the fulfilment or waiver (as applicable) of the conditions of the Schemes as set out in the Explanatory Statement.

The petition seeking sanction of the Hong Kong Scheme shall be heard at 10:00 a.m. (Hong Kong time) on 5 December 2019 / 10:00 p.m. (Bermuda time) on 4 December 2019. The petition seeking sanction of the Bermuda Scheme shall be heard at 9:30 p.m. (Hong Kong time)

on 4 December 2019 / 9:30 a.m. (Bermuda time) on 4 December 2019. All Scheme Creditors are entitled to attend that sanction hearing in Hong Kong and Bermuda in person or through counsel to support or oppose the sanctioning of either of the Schemes.

For further information please contact:

(1) the Information Agent on +44 20 7704 0880 or by email to singyes@lucid-is.com; or

(2) the Chairperson by email to singyes_enquiries@kirkland.com.

Date: 1 November 2019

China Singyes Solar Technologies Holdings Limited

安排會議通知

香港特別行政區

高等法院

原訟法庭

雜項案件二零一九年第1882號

關於

中國興業太陽能技術控股有限公司

及關於香港法例第622章公司條例第670條

及

百慕達最高法院

商事法庭

民事管轄權

二零一九年第391號

關於

中國興業太陽能技術控股有限公司

及關於一九八一年公司法第99條

本通知所用詞匯與日期為二零一九年十一月一日的解釋性聲明（「**解釋性聲明**」）具有相同涵義，解釋性聲明乃有關中國興業太陽能技術控股有限公司（「**本公司**」）與安排債權人之間根據香港公司條例（第622章）第670至674條提出的協議安排（「**香港安排**」），以及本公司與安排債權人之間根據百慕達一九八一年公司法第99條提出的協議安排（「**百慕達安排**」）。

謹此通告，香港高等法院與百慕達最高法院（「**法院**」）分別於二零一九年十月三十一日與二零一九年十月三十日發佈命令（「**該等命令**」），分別指示召開本公司的安

排債權人會議（「**安排會議**」），以審議並酌情批准（經或不經修改）香港安排與百慕達安排（統稱「**該等協議安排**」）。

安排會議將於二零一九年十一月二十五日下午7:00（香港時間）／二零一九年十一月二十五日上午7:00（百慕達時間）在凱易律師事務所的辦事處舉行，地址為香港皇后大道中15號置地廣場告羅士打大廈26樓。百慕達的安排債權人將能夠透過在Zuill & Co的辦事處舉行的電話會議參加安排會議，地址為Continental Building, 25 Church Street, Hamilton, Bermuda HM 12。所有安排債權人均應在相關地點和時間參加安排會議，可親身（如果是公司，則由正式授權代表）或由代理人出席。

安排債權人可親身（如果是公司，則可委任正式授權代表）投票或代理人代其投票。票據安排債權人可透過填妥賬戶持有人函件的第二部分委任代理人在安排會議上投票，DB 債權人可通過填妥索賠通知書的第二部分委任代理人在安排會議上投票。

票據受託人已承諾在安排會議上不對票據行使任何投票權。

每名安排債權人（或（如果是公司）其正式授權代表）或代理人均須在安排會議開始之前登記其出席安排會議。安排會議的相關登記將在安排會議日期於預定開始時間下午 7:00（香港時間）之前至少一個小時開始，而每名安排債權人（或（如果是公司）其正式授權代表）或代理人須在會議開始之前已完成登記。

為對該等協議安排投票並出席（親身（如果是公司，則由正式授權代表）或透過代理人）安排會議，安排債權人須確保賬戶持有人函件或索賠通知書（如果是 DB 債權人）已按照征詢函中規定的指示填妥並於二零一九年十一月二十一日下午 10:00（香港時間）／二零一九年十一月二十一日上午 10:00（百慕達時間）前提交給資訊代理。

該等協議安排的記錄時間為二零一九年十一月二十一日下午 10:00（香港時間）／二零一九年十一月二十一日上午 10:00（百慕達時間）。

香港安排、百慕達安排、解釋性聲明及征詢函（這將包括賬戶持有人函件與索賠通知書）的副本，可從安排網站(www.lucid-is.com/singyes)下載（需輸入有效密碼）。安排債權人可聯繫資訊代理獲取密碼（收件人：Oliver Slyfield / Victor Parzyjagla，郵箱 singyes@lucid-is.com）。

安排債權人可於指定舉行安排會議日期之前的任何一天（星期六、星期日或香港法定假日除外）上午 9:00 至下午 5:00（香港時間），前往凱易律師事務所（地址為香港皇后大道中 15 號置地廣場告羅士打大廈 26 樓）及於指定舉行安排會議日期之前的任何一天（星期六、星期日或百慕達法定假日除外）上午 9:00 至下午 5:00（百慕達時間），前往 Zuill & Co（地址為 Continental Building, 25 Church Street, Hamilton, Bermuda HM 12）免費領取香港安排、百慕達安排、解釋性聲明及征詢函（將包括賬戶持有人函件與索賠通知書）的列印本。

根據該等命令，法院委任凱易律師事務所的唐聞晨女士，或（如果她不便）凱易律師事務所的 Damien Coles 先生，或（如果兩人均不便）鐘港資本有限公司的 Alec Tracy 先生，擔任安排會議的主席，並指示該主席向法院報告安排會議的結果。

該等協議安排須待法院事後批准，並須符合或豁免（如適用）解釋性聲明所載該等協議安排的條件后方可生效。

對香港安排實施批准的呈請書的聆訊時間為二零一九年十二月五日上午 10:00（香港時間）／二零一九年十二月四日下午 10:00（百慕達時間）。對百慕達安排實施批准的呈請書的聆訊時間為二零一九年十二月四日下午 9:30（香港時間）／二零一九年十二月四日上午 9:30（百慕達時間）。所有安排債權人均有權親身或通過律師出席在香港與百慕達舉行的批准聆訊，以支持或反對任何該等協議安排的批准。

更多資訊，請聯繫：

(1) 資訊代理：致電 +44 20 7704 0880 或發送郵件至 singyes@lucid-is.com；或

(2) 主席：發送郵件至 singyes_enquiries@kirkland.com。

日期：二零一九年十一月一日

中國興業太陽能技術控股有限公司

APPENDIX 5 SOLICITATION PACKET

SOLICITATION PACKET

THIS SOLICITATION PACKET IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Scheme Creditors

Scheme Creditors include Notes Scheme Creditors and DB Creditors. Notes Scheme Creditors include (for the avoidance of doubt, but without double counting in each case):

- (a) Noteholders;
- (b) the Notes Trustee;
- (c) the Depositary; and
- (d) Account Holder and Intermediaries.

Account Holders are those persons who are direct participants in the Clearing Systems with their interests in the Notes being recorded directly in the books or other records maintained by the Clearing System.

For the purpose of the Schemes, you will be a Noteholder if you hold, or as the case may be, held an economic or beneficial interest as principal in the Notes held in global form through the Clearing Systems at the Record Time.

A DB Creditor refers to a creditor of the company, at the Record Time, in respect of a claim against the Company arising directly or indirectly out of, in relation to and/or in connection with the Term Sheets, including DB.

Purpose and Content of this Solicitation Packet

This Solicitation Packet performs the following important functions:

- first, the Company is soliciting votes from the Noteholders and DB Creditors in respect of the Hong Kong Scheme and the Bermuda Scheme. This Solicitation Packet sets out instructions and guidance for voting at the Scheme Meeting; and
- second, in order to receive any Scheme Consideration if the Schemes become effective in accordance with their terms, Noteholders and DB Creditors are required to ensure that a duly completed Account Holder Letter and/or Notice of Claim (as applicable) with applicable appendices are submitted to the Information Agent. This Solicitation Packet includes the forms of those documents, as well as instructions and guidance for how to complete them.

Please read the Explanatory Statement and the Schemes and follow the instructions contained herein before completing your Account Holder Letter and/or Notice of Claim (as applicable).

Unless otherwise defined herein, defined words shall have the meaning given to them in the Explanatory Statement.

Key Dates

The key dates in respect of the Schemes are:

- **Custody Instruction Deadline:** being 10:00 p.m. on 20 November 2019 (Hong Kong time) / 10:00 a.m. on 20 November 2019 (Bermuda time)
- **Record Time:** being 10:00 p.m. on 21 November 2019 (Hong Kong time) / 10:00 a.m. on 21 November 2019 (Bermuda time)

- **Scheme Meeting:** being 7:00 p.m. on 25 November 2019 (Hong Kong time) / 7:00 a.m. on 25 November 2019 (Bermuda time)
- **Restructuring Effective Date:** being the date falling three Business Days after the date on which each of the Restructuring Conditions has been satisfied or, in the event that the Company delivers an Extension Notice, the Deferred Restructuring Effective Date. The occurrence of the Restructuring Effective Date will be notified by the Company in accordance with the Schemes
- **Bar Time:** being 5:00 p.m. (Hong Kong time) on the date falling three (3) business days before the Holding Period Expiry Date
- **Holding Period Expiry Date:** being the date falling three months after the Restructuring Effective Date (or if such date is not a Business Day, the next Business Day after that date)

Voting at the Scheme Meeting

In order to be entitled to vote at the Scheme Meeting:

- please ensure that the Account Holder Letter and/or Notice of Claim (as applicable) is duly completed, executed and returned in accordance with the instructions set out therein so that it is received by the Information Agent online at www.lucid-is.com/singyes by the Record Time;
- please note that each Scheme Creditor needs only to submit one Account Holder Letter and/or Notice of Claim (as applicable) in respect of both Schemes. It is not necessary to submit a separate Account Holder Letter for each of the Hong Kong Scheme and the Bermuda Scheme; and
- in the case of Noteholders, please allow sufficient time for your Account Holder to give instructions to the Clearing Systems in accordance with the procedures established between them to ensure that a duly completed Account Holder Letter is submitted to the Information Agent by the Record Time and the Notes are blocked in the relevant Clearing System prior to the **Custody Instruction Deadline** and the submission of the Account Holder Letter.

Entitlement to receive Scheme Consideration

If you wish to receive the Scheme Consideration on the Restructuring Effective Date, please ensure that the Account Holder Letter and/or Notice of Claim (as applicable) and, for receiving New Notes, Distribution Confirmation Deed are duly completed, executed and returned online at www.lucid-is.com/singyes in accordance with the instructions set forth therein so that they are received by the Information Agent by the **Record Time**.

If you are an Ineligible Person (i.e. a person who cannot make affirmative securities law confirmations set out in Annex B to Distribution Confirmation Deed), you may designate a Designated Recipient who is an Eligible Person in order to receive your New Notes by submission of a Designated Recipient Form in accordance with the terms of the Schemes and the instructions set forth contained herein.

A Scheme Creditor who fails to submit the required documents by the Record Time will not receive the Scheme Consideration on the Restructuring Effective Date and will be regarded as an Ineligible Creditor. **Ineligible Creditor who is a Noteholder should read and follow instructions set out in the Holding Period Trust Deed and Ineligible Creditor who is a DB Creditor should read and follow instructions set out in this Solicitation Packet for submission of the required documentation by the Bar Time.**

FOR ASSISTANCE CONTACT

Lucid Issuer Services Limited

Attention: Oliver Slyfield/Victor Parzyjagla

Address: Tankerton Works, 12 Argyle Walk, London, WC1H 8HA

Telephone: + 44 20 7704 0880
Email: singyes@lucid-is.com
Website: www.lucid-is.com/singyes

ACTIONS TO BE TAKEN – DOCUMENTS AND DEADLINES

Summary Table for Notes Scheme Creditor

Action	Documents / Custody Instructions to submit	Deadline
To vote at the Scheme Meeting	<ul style="list-style-type: none"> Custody Instruction 	<ul style="list-style-type: none"> <u>Custody Instruction Deadline and prior to submission of the Account Holder Letter</u> (Check relevant deadlines with your custodian and/or Clearing System)
	<ul style="list-style-type: none"> Part 1 and Part 2 of the Account Holder Letter (to include Custody Instruction Reference Number) 	<ul style="list-style-type: none"> <u>Record Time</u>
To receive the Cash Consideration and New Notes on the <u>Restructuring Effective Date</u>	<ul style="list-style-type: none"> Custody Instruction 	<ul style="list-style-type: none"> <u>Custody Instruction Deadline and Prior to submission of the Account Holder Letter</u> (Check relevant deadlines with custodian and Clearing System)
If only Part 1 of the Account Holder Letter has been submitted, the Noteholder will only be entitled to receive the relevant portion of Cash Consideration on the Restructuring Effective Date	<ul style="list-style-type: none"> Part 1 of the Account Holder Letter Distribution Confirmation Deed Designated Recipient Form (for Noteholder who is an Ineligible Person and who wishes to appoint a Designated Recipient to receive the New Notes) 	<ul style="list-style-type: none"> <u>Record Time</u>
To receive the Cash Consideration and New Notes on the <u>Holding Period Expiry Date</u>	<ul style="list-style-type: none"> See documents required in the Holding Period Trust Deed for establishing entitlements to the Trust Assets 	<ul style="list-style-type: none"> <u>Bar Time</u>

Summary Table for DB Creditor

Action	Documents	Deadline
To vote at the Scheme Meeting	<ul style="list-style-type: none"> Part 1 and Part 2 of the Notice of Claim 	<ul style="list-style-type: none"> <u>Record Time</u>
<p>To receive the Cash Consideration and New Notes on the <u>Restructuring Effective Date</u></p> <p>If only Part 1 of the Account Holder Letter has been duly completed and submitted, the DB Creditor will only be entitled to receive the DB Cash Consideration on the Restructuring Effective Date in accordance with the terms of Schemes.</p>	<ul style="list-style-type: none"> Part 1 of the Notice of Claim Distribution Confirmation Deed Designated Recipient Form (for DB Creditor who is an Ineligible Person and who wishes to appoint a Designated Recipient to receive the New Notes) 	<ul style="list-style-type: none"> <u>Record Time</u>
<p>To receive the Cash Consideration and New Notes on the <u>Holding Period Expiry Date</u></p> <p>If only Part 1 of the Notice of Claim has been duly completed and submitted, the DB Creditor will only be entitled to receive the DB Cash Consideration on the Holding Period Expiry Date in accordance with the terms of Schemes.</p>	<ul style="list-style-type: none"> Part 1 of the Notice of Claim Distribution Confirmation Deed Designated Recipient Form (for DB Creditor who is an Ineligible Person and who wishes to appoint a Designated Recipient to receive the New Notes) 	<ul style="list-style-type: none"> <u>Bar Time</u>

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1 GENERAL GUIDANCE

1.1 Introduction

- (a) These instructions have been prepared to assist the Noteholders and Account Holders in completing the Account Holder Letter located at Schedule 1 and the documents enclosed therewith and the DB Creditors in completing the Notice of Claim located at Schedule 2 and documents enclosed therewith.
- (b) Each of the Account Holder Letter and the Notice of Claim encloses the following documents:
 - (i) The Designated Recipient Form, being a form that a Scheme Creditor may complete in order to appoint a Designated Recipient to be the recipient of the New Notes that would otherwise be issued to such Scheme Creditor. The Designated Recipient Form is located at Appendix 1 to the Account Holder Letter and to the Notice of Claim.
 - (ii) The Distribution Confirmation Deed, being a deed that a Scheme Creditor (or its Designated Recipient) must complete in order to confirm (amongst other things) that such Scheme Creditor (or its Designated Recipient) may lawfully be issued with the New Notes. The Distribution Confirmation Deed is located at Appendix 2 to the Account Holder Letter and to the Notice of Claim.
- (c) The Hongkong and Shanghai Banking Corporation Limited, in its capacity as Notes Trustee, has undertaken not to vote in respect of the Notes at the Scheme Meeting.
- (d) The Information Agent has been appointed to facilitate communications with Scheme Creditors concerning the Schemes. The Information Agent's remuneration and expenses, and all costs incurred by it on behalf of the Company, shall be met by the Company.

1.2 Voting at the Scheme Meeting

- (a) Before the Schemes can become effective and binding on the Company and the Scheme Creditors, a simple majority in number of the Scheme Creditors attending and voting at the Scheme Meeting either in person or by proxy representing at least three fourths in value of the aggregate Scheme Claims of the Scheme Creditors attending and voting at the Scheme Meeting either in person or by proxy at each of the Hong Kong Scheme Meeting and the Bermuda Scheme Meeting must vote to approve the respective Schemes. The **Hong Kong Scheme Meeting** and the **Bermuda Scheme Meeting** will be convened as one meeting at the same time and place (the "**Scheme Meeting**").
- (b) A Noteholder and/or a DB Creditor will be entitled to vote at the Scheme Meeting provided it has submitted (or it has had submitted on its behalf) a validly completed Account Holder Letter and/or Notice of Claim (as applicable) in accordance with the instructions herein and by the Record Time. In the case of a Noteholder, a Custody Instruction must also have been submitted in respect of the Noteholders' Notes by the Custody Instruction Deadline (see section 4.2 hereof for further details).
- (c) The Scheme Meeting has been ordered by the Hong Kong Court and the Bermuda Court to be summoned to take place, with any adjournment as may be appropriate, at the offices of Kirkland & Ellis at 26th Floor, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong, with any adjournment as may be appropriate, at **7:00 p.m. on 25 November 2019 (Hong Kong time) / 7:00 a.m. on 25 November 2019 (Bermuda time)**. Scheme Creditors in Bermuda will be able to dial into the Scheme Meeting via telephone conference at the office of Zuill & Co, Continental Building, 25 Church Street, Hamilton, Bermuda HM 12. Formal notices of the Scheme Meeting are set out in Appendix 4 of the Explanatory Statement.

- (d) The dates referred to in paragraph (b) above assume that the Scheme Meeting will not be adjourned or delayed.

1.3 Process and deadline for voting at the Scheme Meeting

- (a) Voting on the Schemes will take place at the Scheme Meeting by Noteholders or DB Creditors appearing in person, by a duly authorised representative or by proxy as explained in more detail in paragraph 2 below.
- (b) For voting purposes, a Noteholder and/or a DB Creditor must ensure that its Account Holder Letter and/or Notice of Claim (as applicable) is submitted to the Information Agent before the **Record Time**. Each Noteholder must submit its voting instructions to its Account Holder sufficiently in advance of the Record Time to enable its Account Holder to complete and return the Account Holder Letter to the Information Agent by the Record Time.
- (c) The Company reserves the right to terminate or amend this solicitation packet at any time prior to the Record Time. The Company also reserves the right to change the Record Time to a later time or date. Any such extension will be followed as promptly as practicable by notice thereof. If the Company extends the Record Time, it also reserves the right to establish a later Record Time.
- (d) Subject to paragraph (e) below, the failure of a Noteholder or a DB Creditor to:
 - (i) submit (or if applicable, procure that its Account Holder submits) a validly completed Account Holder Letter and/or Notice of Claim (as applicable) by the Record Time;
 - (ii) in the case of a Noteholder, block (or procure that its Account Holder blocks) its Notes in the relevant Clearing System before the Custody Instruction Deadline;

will mean that the voting instructions, votes and elections contained in any Account Holder Letter and/or Notice of Claim (as applicable) subsequently received by the Information Agent from or on behalf of that Scheme Creditor will, subject to the Chairperson's discretion, be disregarded for the purposes of voting at the Scheme Meeting and the relevant Noteholder will not be entitled to vote on the Schemes at the Scheme Meeting.

- (e) Notwithstanding any other provisions of the Explanatory Statement, the Chairperson of the Scheme Meeting will be entitled, at the sole discretion of the Chairperson, to permit a Scheme Creditor in respect of which a completed Account Holder Letter and/or Notice of Claim (as applicable) has not been delivered prior to the Record Time to vote at the Scheme Meeting if the Chairperson considers that the relevant Scheme Creditor has produced sufficient proof that it is a Noteholder or a DB Creditor.

1.4 Assessment of Scheme Claims for voting purposes

- (a) The principal amount of the Scheme Claims of each Scheme Creditor who submits a valid Account Holder Letter and/or Notice of Claim (as applicable) will be calculated for voting purposes as at the **Record Time**, confidentially provided to the Company by the Information Agent, which shall include any documents or information provided by each Scheme Creditor in support of its Scheme Claim. This information will be used by the Chairperson to determine whether each resolution is validly passed at the Scheme Meeting. Specifically:
 - (i) votes of Noteholders will be admitted at the Scheme Meeting at a value equal to the sum of: (i) outstanding principal amount of the Notes in which each Noteholder held an economic or beneficial interest as principal at the Record Time (without double counting); and (ii) all accrued and unpaid interest relating to such Notes up to but

excluding the Record Date. This is subject to the Information Agent reconciling the Custody Instruction Reference Number specified in the Account Holder Letter submitted by or on behalf of a Noteholder with the blocking instructions recorded by Euroclear and Clearstream; and

- (ii) votes of DB Creditors will be admitted at the Scheme Meeting at a value equal to the amount which the Chairperson considers is a fair and reasonable assessment of the sums owed by the Company to that DB Creditor.
- (b) Only those persons who are Noteholders or DB Creditors as at the Record Time are entitled to attend and vote, either in person or, if a corporation, by a duly authorised representative or, by proxy at the Scheme Meeting.
- (c) The Chairperson may, for voting purposes only, reject a Scheme Claim in whole or in part if the Chairperson considers that the relevant Noteholder has not complied with the voting procedures described in this Solicitation Packet. If a Scheme Claim is unascertained, contingent or Disputed, the Chairperson may admit the Scheme Claim for voting purposes at the Scheme Meeting only at a value which the Chairperson considers is a fair and reasonable assessment of the sums owed by the Company in respect of that Scheme Claim.
- (d) The Chairperson will report to the Hong Kong Court and the Bermuda Court at the hearings to sanction the Schemes with his or her decision to reject the Scheme Claims (if any), with details of those Scheme Claims and the reasons for rejection.
- (e) The admission and valuation of any Scheme Claim for voting purposes does not (in itself) constitute an admission of the existence or value of the Scheme Claim and will not bind the Company for any purpose other than voting at the Scheme Meeting.

1.5 Transfers / assignments after the Record Time

The Company is under no obligation to recognise any assignment or transfer of any Scheme Claim after the Record Time for the purposes of determining entitlements under the Schemes, save that where the Company has received from the relevant parties written notice of an assignment or transfer of the Scheme Claim, the Company may, in its absolute discretion and subject to such evidence as it may reasonably require and any other terms and conditions which the Company may consider necessary or desirable, agree to recognise such assignment or transfer for the purposes of determining entitlements under the Schemes. It shall be a term of such recognition that the assignee or transferee of a Scheme Claim so recognised by the Company shall be bound by the terms of the Schemes and for the purposes of the Schemes shall be a Scheme Creditor.

2 VOTING INSTRUCTIONS

2.1 General

- (a) Each Scheme Creditor must (and, in the case of a Noteholder, procure that its Account Holder does):
 - (i) validly complete and submit the relevant parts of the Account Holder Letter and/or Notice of Claim (as applicable) in accordance with these instructions and the instructions contained therein;
 - (ii) indicate its decision to either vote for or against each of the Schemes; and

- (iii) sign and return the Account Holder Letter and/or Notice of Claim (as applicable) to the Information Agent in accordance with the instructions contained in this Solicitation Packet and the relevant Account Holder Letter or Notice of Claim (as applicable).
- (b) Each Noteholder who is not an Account Holder shall submit its voting instructions through its Account Holder. Each Noteholder who is not an Account Holder should procure that its Account Holder submits an Account Holder Letter to the Information Agent allowing sufficient time for the Account Holder to receive the Account Holder Letter, complete the relevant parts of the Account Holder Letter, and transmit the Account Holder Letter to the Information Agent so that it is actually received by the Record Time.
- (c) It will be the responsibility of Account Holders, who is not a Noteholder, to obtain from the Noteholder (through any Intermediaries, if applicable) on whose behalf they are acting, in accordance with the procedures established between them, whatever information or instructions they may require to identify in an Account Holder Letter the relevant Noteholder and to provide the information, instructions and confirmations required by the Account Holder Letter. None of the Company, the Information Agent or any other person will be responsible for any loss or liability incurred by a Noteholder as a result of any determination by the Information Agent that an Account Holder Letter contains an error or is incomplete, even if this is subsequently shown not to have been the case.
- (d) If a person is in any doubt as to whether or not it is a Noteholder or an Account Holder, such person should contact the Information Agent using the contact details set out in the Account Holder Letter in this Solicitation Packet.

2.2 Completion of an Account Holder Letter by a Noteholder and/or Notice of Claim (as applicable)

Elections relating to Scheme Meeting

- (a) In summary, each Scheme Creditor may decide, among other things:
 - (i) to attend and vote at the Scheme Meeting in person or, if a corporation, by a duly authorised representative; or
 - (ii) to instruct the Chairperson as its proxy to cast its vote and to instruct him to cast a vote on behalf of such Scheme Creditor and whether to instruct him to vote in accordance with the wishes of such Scheme Creditor; or
 - (iii) to appoint someone else as its proxy to attend and whether to instruct it to cast a vote in accordance with the wishes of such Scheme Creditor.

in each case, by ensuring that such election is recorded in the Account Holder Letter or Notice of Claim (as applicable) submitted by it or on its behalf and that Part 2 (*Voting and Appointment of Proxy*) of the Account Holder Letter or Notice of Claim (as applicable) is completed.

- (b) Each Scheme Creditor is recommended to appoint a proxy (either the Chairperson or someone of its choice who would be willing to attend the Scheme Meeting) in any event, even if that Scheme Creditor intends to attend and vote in person or, if a corporation, by a duly authorised representative, in case such Scheme Creditor is unable to do so for some reason. A Scheme Creditor who appoints a proxy will still be entitled to attend and vote at the Scheme Meeting in person or, if a corporation, by a duly authorised representative, but the proxy previously appointed will no longer be entitled to vote under that appointment.

Instructions to be included

- (c) Each Scheme Creditor should ensure that the following is included in the Account Holder Letter or Notice of Claim (as applicable) submitted:
- (i) its identity and other information in Section 1 of Part 1;
 - (ii) in the case of the Notes, the Account Holder's information and details of the Notes which are the subject of the Account Holder Letter, including the ISIN code, the principal amount of the Notes held, the Clearing System account number of the Account Holder and, in respect of the relevant Custody Instruction the relevant Custody Instruction Reference Number in Sections 2 and 3 of Part 1 of Account Holder Letter;
 - (iii) in the case of a DB Claim, the details of its DB Claim, in Section 2 of Part 1 of Notice of Claim;
 - (iv) its voting instructions with respect to the Schemes in Part 2;
 - (v) if applicable, the appointment of a Designated Recipient in Appendix 1;
 - (vi) a completed and signed (by the Scheme Creditor and its Designated Recipient (if applicable)) Distribution Confirmation Deed in Appendix 2; and
 - (vii) if a holder of a DB Claim against the Company, all supporting documentation in respect of such DB Claim should be attached to the Notice of Claim.
- (d) Each Scheme Creditor that submits, delivers or procures the delivery of an Account Holder Letter or Notice of Claim (as applicable) shall be deemed to make the representations, warranties and undertakings to the Company and the Information Agent set forth in the Account Holder Letter or Notice of Claim (as applicable).

2.3 Submission of an Account Holder Letter and/or Notice of Claim (as applicable)

- (a) The Solicitation Packet (including the Account Holder Letter and the Notice of Claim), the Explanatory Statement, the Schemes and related materials are available for inspection on the Scheme Website (www.lucid-is.com/singyes) by Scheme Creditors.
- (b) The Account Holders shall also forward the Solicitation Packet, the Explanatory Statement, the Schemes and any related materials (or, if this is impracticable for technical reasons, directions to the Scheme Website where all such documents may be accessed) to the relevant Noteholders for voting. After the Noteholders return their voting instructions, votes and elections to the Account Holder, the Account Holder must ensure the Account Holder Letter is fully completed and then return the Account Holder Letter to the Information Agent.
- (c) All Account Holder Letters or Notices of Claim should be delivered by Account Holders and/or the DB Creditors (as applicable) as soon as possible to the Information Agent by the Record Time. Any Account Holder Letter or Notice of Claim (as applicable) received by the Information Agent after the Record Time will be disregarded for voting purposes and the applicable Scheme Creditor shall not be entitled to vote at the Scheme Meeting, except as may be permitted by the Chairperson in their sole discretion.

2.4 Attending the Scheme Meeting

- (a) The Scheme Meeting will take place at the time and place described in paragraph 1.2(c) above.
- (b) Any Scheme Creditor or its proxy attending the Scheme Meeting in person must produce a duplicate copy of the Account Holder Letter and/or Notice of Claim (as applicable) validly

completed and submitted by or on behalf of that Scheme Creditor together with evidence of corporate authority (in the case of a corporation) (for example, a valid power of attorney and/or board resolutions) and evidence of personal identity (being a valid original passport or other original government-issued photographic identification) at the registration desk by no later than one hour before the scheduled time of the Scheme Meeting. If appropriate personal identification or evidence of authority is not produced, that person shall only be permitted to attend and vote at the Scheme Meeting at the discretion of the Chairperson.

- (c) If a Noteholder appoints the Chairperson as its proxy, there is no need for the Chairperson to take the Account Holder Letter to the Scheme Meeting.

3 INSTRUCTIONS RELATING TO SCHEME CONSIDERATION

3.1 General

- (a) The Scheme Consideration under the terms of the Schemes comprises the following:
 - (i) Cash Consideration comprising the Notes Cash Consideration and DB Cash Consideration; and
 - (ii) New Notes to be issued by the Company pursuant to the New Notes Indenture, comprising Noteholder New Notes and DB New Notes;
- (b) The Scheme Consideration will be distributed on **two separate dates** under the terms of the Schemes:
 - (i) on the **Restructuring Effective Date**, a proportion of the Scheme Consideration will be distributed among those Scheme Creditors that have submitted to the Information Agent, the duly completed and signed copies of the Account Holder Letter and/or Notice of Claim (as applicable) and, for receiving the New Notes, the Distribution Confirmation Deed and, if applicable, a Designated Recipient Form by the Record Time and whose Scheme Claims have become Accepted Claims (the “**Eligible Creditors**”); and
 - (ii) on the **Holding Period Expiry Date**, to settle the Scheme Consideration in respect of the Scheme Creditors whose Scheme Claims are not Accepted until after the Restructuring Effective Date and/or who participate after the Record Time (the “**Ineligible Creditors**”), provided such Ineligible Creditors who are Noteholders have submitted the documentation in accordance with the terms of the Holding Period Trust Deed by the Bar Time, and/or such Ineligible Creditors who are DB Creditors have submitted duly completed and signed copies of the Notice of Claim (as applicable) and, for receiving the New Notes, the Distribution Confirmation Deed and, if applicable, a Designated Recipient Form by the Bar Time.
- (c) The Scheme Consideration will be eligible for distribution, clearing and settlement only through Euroclear and Clearstream. It will not be possible to receive the Scheme Consideration without providing relevant Euroclear or Clearstream account details. DB Creditors will be required to set up an account (to the extent that they do not have one already) with Euroclear or Clearstream in order to receive Scheme Consideration.

3.2 Restructuring Effective Date

- (a) In order to comprise an Eligible Creditor (and, therefore, to receive both Cash Consideration and New Notes on the Restructuring Effective Date), a Scheme Creditor must ensure that duly completed and signed copies of Part 1 of the Account Holder Letter and/or Notice of Claim (as

applicable), the Distribution Confirmation Deed and, if applicable, a Designated Recipient Form are delivered so that they are received by the Information Agent by the Record Time, or in the event that the Scheme Meeting is adjourned, being such later time and date as may be set by the Company and notified to Scheme Creditors in the same manner in which the notice of the Scheme Meeting was notified to them.

- (b) A Scheme Creditor may be an Eligible Creditor even if it votes against, or does not submit a vote in respect of, the Schemes.
- (c) Any Scheme Creditor who fails to submit duly completed Part 1 of the Account Holder Letter and/or Notice of Claim (as applicable) shall receive no Cash Consideration or New Notes on the Restructuring Effective Date. Any Scheme Creditor that who only submits Part 1 of the Account Holder Letter and/or Notice of Claim (as applicable) shall receive no New Notes on the Restructuring Effective Date. Subject to compliance with the instructions in paragraph 3.3(a) below, Ineligible Creditors who are Noteholders shall receive its entitlement to the Scheme Consideration on the Holding Period Expiry Date.

3.3 Bar Time and Holding Period Expiry Date

- (a) The **Bar Time**, is the final deadline for a Scheme Creditor to submit the documentation required to receive any Scheme Consideration under the terms of the Schemes.
- (b) **Holding Period Expiry Date**, being a date to be specified on the date falling three months after the Restructuring Effective Date (or if such date is not a Business Day, the next Business Day after that date) as notified by the Company to Scheme Creditors pursuant to the provisions of the Schemes.
- (c) If a Scheme Creditor has not already done so on or before the Record Time, it must ensure that duly completed and signed copies of the required documents so that they are received by the Information Agent and/or the Holding Period Trustee (as applicable) by the Bar Time in accordance with the terms of this Solicitation Packet and/or the Holding Period Trust Deed (as applicable) for receiving the Scheme Consideration on the Holding Period Expiry Date (but note that Scheme Claims will be determined as at the Record Time with interest (if any) accrued up to but excluding the Restructuring Effective Date).
- (d) Any remaining amount of the Scheme Consideration after the distribution set out in paragraph 3.3(c) above shall be transferred to the Company by the Holding Period Trustee in accordance with the terms of the Holding Period Trust Deed on the Holding Period Expiry Date.

All Scheme Claims will be released on the Restructuring Effective Date in accordance with the terms of the Schemes. If a Scheme Creditor fails to do the above, it will cease to be entitled to receive any Scheme Consideration but shall have its Scheme Claims compromised irrevocably and shall be bound by the releases under the Schemes.

4 BLOCKING NOTES AND UNDERTAKING NOT TO TRANSFER

4.1 General

- (a) Subject to paragraph 4.1(f) below, a Noteholder who procures the submission of an Account Holder Letter (to vote at the Scheme Meeting and/or receive any Scheme Consideration) **must before the Custody Instruction Deadline and prior to delivering the Account Holder Letter to the Information Agent block its Notes by ensuring that its Account Holder follows the instructions set out in paragraphs 4.2.**

- (b) An Account Holder Letter will not be valid for the purposes of voting at the Scheme Meeting or receiving Scheme Consideration on the Restructuring Effective Date and the Company and the Information Agent reserve the right to reject any Account Holder Letter that does not contain reference to a valid Custody Instruction Reference Number in accordance with paragraphs 4.2.
- (c) Please note that the Clearing System in which you (or your custodian) hold your Notes may impose an earlier deadline for the submission of the Custody Instruction and/or Account Holder Letter. To ensure timely submission of your Custody Instruction and Account Holder Letter, please ask your custodian to check with the Clearing System as to whether any earlier deadline is applicable and ensure that your Custody Instruction and/or Account Holder Letter are received before any applicable deadline. This is particularly important if you wish to submit an Account Holder Letter by the Record Time in order to vote at the Scheme Meeting and/or to receive Scheme Consideration on the Restructuring Effective Date.
- (d) The Notes should be blocked in accordance with the standard practices and procedures of Euroclear or Clearstream (as applicable) and the deadlines required by Euroclear or Clearstream, their Account Holders and any Intermediary. Euroclear or Clearstream, as applicable, will automatically assign a Custody Instruction Reference Number in respect of each Custody Instruction and, as noted above, the Custody Instruction Reference Number must be cross referenced in the Account Holder Letter relating to the Notes in respect of which the Custody Instruction Reference Number has been obtained. It is the responsibility of Account Holders (and Noteholders to ensure that their Account Holders) to comply with any particular deadlines required by such persons or the Information Agent in order to meet the Custody Instruction Deadline and the Record Time. As such, Account Holders should ensure that Euroclear or Clearstream has received Custody Instructions regarding the subject of each Account Holder Letter and each Noteholder procuring the submission of an Account Holder Letter by its Account Holder should instruct its Account Holder to confirm that (and the Account Holder should ensure that) the Account Holder Letter cross references the Custody Instruction Reference Number.
- (e) If the Restructuring Effective Date occurs before the Longstop Date, all of the Notes will be cancelled in the Clearing Systems and will be irrevocably released and cancelled in full in accordance with the terms of the Schemes as at the Restructuring Effective Date and thereafter will not be capable of being traded in the Clearing Systems.
- (f) Any documentation and relevant Custody Instruction submitted by or on behalf of a Noteholder shall be irrevocable for all purposes in connection with the Schemes unless and until the Company has provided an irrevocable instruction to the Information Agent in accordance with paragraph (g) below.
- (g) The Company shall provide an irrevocable instruction to the Information Agent to immediately cause the Notes to be unblocked:
 - (i) within two (2) Business Days after one of the circumstances below occurs:
 - (A) either of the Schemes is not approved by the requisite majorities of the Scheme Creditors at the Scheme Meeting, is withdrawn or is terminated in accordance with terms of the Schemes;
 - (B) either of the Schemes is not sanctioned by a final and unappealable order of the Hong Kong Court or the Bermuda Court (as applicable);
 - (C) the Restructuring does not become effective by the Longstop Date; or

- (D) the Company gives written notice of an intention not to proceed with the Schemes; or
- (ii) the Company at its sole discretion consents to unblock the Notes.

4.2 Procedure for blocking Notes

- (a) Subject to paragraph 4.1(f) above, a Noteholder that procures submission of an Account Holder Letter (to vote at the Scheme Meeting and/or receive any Scheme Consideration) **must ensure that its Account Holder, prior to delivering the Account Holder Letter to the Information Agent:**
 - (i) submits relevant custody instruction to block its Notes in Euroclear or Clearstream (“**Custody Instruction**”) in accordance with the standard practices and procedures required by Euroclear or Clearstream prior to the Custody Instruction Deadline; and
 - (ii) includes in the relevant Account Holder Letter reference to the custody instruction reference number (“**Custody Instruction Reference Number**”).
- (b) The relevant Clearing System will provide the Information Agent with confirmation that the Notes that are the subject of the relevant Account Holder Letter have been blocked with effect from or before the date of the relevant Account Holder Letter. In the event that the Clearing System has not received Custody Instruction prior to its relevant deadline the Company may reject the Account Holder Letter of the purposes of voting at the Scheme Meeting or receiving Scheme Consideration on the Restructuring Effective Date.

4.3 Undertaking not to transfer

- (a) Once a Custody Instruction Reference Number has been received, the Notes held by that Account Holder will be “blocked” from trading. By completion of the Account Holder Letter with inclusion of the Custody Instruction Reference Number, the Noteholders will be deemed to have given the undertaking that it will not, from the date of submission of its Account Holder Letter, sell, transfer, assign or otherwise dispose of its interest in all or any part of its specified Notes. Such undertaking will terminate immediately upon the Notes being cancelled at the Restructuring Effective Date or unblocked.
- (b) The Notice of Claim contains in Part 1 an undertaking that each DB Creditor will not assign, transfer or otherwise deal with its Scheme Claims from the date of submission of its Notice of Claim unless and until the Company has provided an irrevocable instruction to the Information Agent in accordance with paragraph (c) below.
- (c) The Company shall provide an irrevocable instruction to the Information Agent to immediately release the DB Creditors from such undertaking:
 - (i) within two (2) Business Days after one of the circumstances below occurs:
 - (A) either of the Schemes is not approved by the requisite majorities of the Scheme Creditors at the Scheme Meeting, is withdrawn or is terminated in accordance with terms of the Schemes;
 - (B) either of the Schemes is not sanctioned by a final and unappealable order of the Hong Kong Court or the Bermuda Court (as applicable);
 - (C) the Restructuring does not become effective by the Longstop Date; or

- (D) the Company gives written notice of an intention not to proceed with the Schemes; or
 - (ii) the Company at its sole discretion consents to release such undertaking.
- (d) If the Restructuring Effective Date occurs before the Longstop Date, all of the DB Claims will be irrevocably released and cancelled in full in accordance with the terms of the Schemes.

SCHEDULE 1 ACCOUNT HOLDER LETTER

ACCOUNT HOLDER LETTER

For use by Account Holders in respect of

US\$160,000,000 6.75% senior notes due 2018 (ISIN: XS1700800417, Common Code: 170080041; Regulation S Global Note);

US\$260,000,000 7.95% senior notes due 2019 (ISIN: XS1565411250, Common Code: 156541125; Regulation S Global Note); and

RMB930,000,000 USD settled 5.00% convertible bonds due 2019 (ISIN: XS1089786195, Common Code: 108978619; Regulation S Global Note);

(together, the “Notes”)

issued by

China Singyes Solar Technologies Holdings Limited (the “Company”)

in relation to the Company’s scheme of arrangement under sections 673 and 674 of the Companies Ordinance as applicable in Hong Kong and Section 99 of the Companies Act 1981 as applicable in Bermuda (the “Schemes”).

Capitalised terms used but not defined in this Account Holder Letter have the meaning given to them in the explanatory statement relating to the Schemes issued by the Company on 1 November 2019 (the “**Explanatory Statement**”), subject to any amendments or modifications made by the Courts.

The Schemes will, if implemented, materially affect the Noteholders of the Company. Noteholders must use this Account Holder Letter (by instructing their Account Holder if the Noteholder is not an Account Holder) to (a) register details of their interest in the Notes, (b) if they wish, make certain elections in relation to the voting at the Scheme Meeting, and (c) allow them to receive Scheme Consideration. The summary of the Account Holder Letter is set out below.

Key Dates

The key dates in respect of the Schemes are:

- **Custody Instruction Deadline:** being 10:00 p.m. on 20 November 2019 (Hong Kong time) / 10:00 a.m. on 20 November 2019 (Bermuda time)
- **Record Time:** being 10:00 p.m. on 21 November 2019 (Hong Kong time) / 10:00 a.m. on 21 November 2019 (Bermuda time)
- **Scheme Meeting:** being 7:00 p.m. on 25 November 2019 (Hong Kong time) / 7:00 a.m. on 25 November 2019 (Bermuda time)
- **Restructuring Effective Date:** being the date falling three Business Days after the date on which each of the Restructuring Conditions has been satisfied or, in the event that the Company delivers an Extension Notice, the Deferred Restructuring Effective Date. The occurrence of the Restructuring Effective Date will be notified by the Company in accordance with the Schemes
- **Bar Time:** being 5:00 p.m. (Hong Kong time) on the date falling 3 business days before the Holding Period Expiry Date
- **Holding Period Expiry Date:** being the date falling three months after the Restructuring

Effective Date (or if such date is not a Business Day, the next Business Day after that date)

The validly completed Account Holder Letter together with any accompanying documents must be submitted to Lucid Issuer Services Limited (as the “**Information Agent**”) online at www.lucid-is.com/singyes by the Record Time in order for a Noteholder to vote at the Scheme Meeting and be eligible to receive the Scheme Consideration on the Restructuring Effective Date.

If a Noteholder is an Ineligible Person (i.e. a person who cannot make affirmative securities law confirmations and undertakings set out in Annex B to the Distribution Confirmation Deed), it may designate a Designated Recipient who is an Eligible Person (i.e. a person who can make affirmative securities law confirmations and undertakings set out in Annex B to the Distribution Confirmation Deed) in order to receive its New Notes by submission of a Designated Recipient Form in accordance with the terms of the Schemes. Any Designated Recipient appointed by a Noteholder must hold its account with the same Account Holder as that Noteholder.

Each Ineligible Creditor who are Noteholders should establish its entitlement to the Trust Assets in accordance with the terms of the Holding Period Trust Deed. If an Ineligible Creditor fails to establish its entitlement to the Trust Assets in accordance with the terms of the Holding Period Trust Deed prior to the Bar Time, that Ineligible Creditor’s rights under the Schemes shall be extinguished and that Ineligible Creditor shall not be entitled to receive any Cash Consideration or New Notes under the Schemes.

On the Holding Period Expiry Date, the Company will receive the Remaining Cash Consideration and the Remaining New Notes.

Blocking Notes

Any Noteholder that procures the submission of an Account Holder Letter (to vote at the Scheme Meeting and/or receive any Scheme Consideration on the Restructuring Effective Date) must block its Notes by ensuring that its Account Holder, **prior to delivering the Account Holder Letter to the Information Agent** submits relevant custody instruction to block its Notes held with Euroclear or Clearstream (“**Custody Instruction**”) by the Custody Instruction Deadline and includes in the relevant Account Holder Letter reference to the custody instruction reference number (“**Custody Instruction Reference Number**”). An Account Holder Letter will not be valid for the purpose of voting at the Scheme Meeting or receiving Scheme Consideration on the Restructuring Effective Date and the Company reserves the right to reject any Account Holder Letter that does not contain reference to a valid Custody Instruction Reference Number.

The Notes will be cancelled in the Clearing Systems as at the Restructuring Effective Date and thereafter will not be capable of being traded in the Clearing Systems.

Online Account Holder Letter Form

It is highly recommended that the completed Account Holder Letter is printed or saved as a PDF document after submission. You will receive acknowledgment of the transmission of your submission together with the final PDF. Original paper copies of the Account Holder Letter are not required and should not be sent to the Information Agent.

A separate Account Holder Letter, Distribution Confirmation Deed and, if applicable, Designated Recipient Form must be completed in respect of each separate beneficial holding of interest in the Notes.

You are strongly advised to read the Explanatory Statement, the Schemes and, in particular, the Solicitation Packet at Appendix 5 to the Explanatory Statement before you complete the Account Holder Letter. The Solicitation Packet contains detailed information on the various options contained in this Account Holder Letter.

This Account Holder Letter and any non-contractual obligations arising out of or in relation to this Account Holder Letter shall be governed by, and interpreted in accordance with, the laws of Hong Kong. The courts of Hong Kong and Bermuda have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Account Holder Letter. By submission of the Account Holder Letter to the Information Agent, the Scheme Creditor irrevocably submits to the jurisdiction of such courts and waives any objections to proceedings in such courts on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum.

FOR ASSISTANCE CONTACT

Lucid Issuer Services Limited

Attention: Oliver Slyfield/Victor Parzyjagla

Address: Tankerton Works, 12 Argyle Walk, London, WC1H 8HA

Telephone: + 44 20 7704 0880

Email: singyes@lucid-is.com

Website: www.lucid-is.com/singyes

SUMMARY OF THIS ACCOUNT HOLDER LETTER

The Account Holder Letter must be validly completed and submitted to the Information Agent.

<u>PART 1</u>	NOTEHOLDER, ACCOUNT HOLDER AND HOLDINGS DETAILS	<i>This Part 1 must be completed in all cases by the Account Holder for and on behalf of the Noteholder and signed by the Account Holder</i>
Section 1	Details of the Noteholder	
Section 2	Account Holder Details	
Section 3	Details of Holdings	
<u>PART 2</u>	VOTING AND APPOINTMENT OF PROXY	<i>This Part 2 must be completed by the Account Holder for and on behalf of the Noteholder if the Noteholder would like to vote on the Schemes</i>
Section 1	Account Holder Confirmations	
Section 2	Voting Instructions relating to the Schemes and Appointment of Proxy	
<u>APPENDIX 1</u>	DESIGNATED RECIPIENT FORM	<i>This Appendix 1 must be completed by an Account Holder for and on behalf of the Noteholder if the Noteholder would like a Designated Recipient to receive its New Notes</i>
<u>APPENDIX 2</u>	DISTRIBUTION CONFIRMATION DEED	<i>This Appendix 2 must be completed in all cases by the Account Holder for and on behalf of the Noteholder in order for the Noteholder (or its Designated Recipient) to receive any New Notes</i> <i>For the avoidance of doubt, a Noteholder does not have to complete a Distribution Confirmation Deed in order to vote on the Schemes</i>
Annex A	General confirmations, acknowledgements, warranties and undertakings	
Annex B	Securities Law confirmations and undertakings	
Annex C	Details of Noteholder / Designated Recipient	
Annex D	New Notes Form	

PART 1
NOTEHOLDER, ACCOUNT HOLDER AND HOLDINGS DETAILS

Irrespective of any elections made under any other Part of this Account Holder Letter, an Account Holder Letter received by the Information Agent that does not include all information requested in this Part 1 will not constitute a validly completed Account Holder Letter and the relevant Noteholder will not be entitled to cast a vote at the Scheme Meeting or receive any amount of the Scheme Consideration if the Schemes become effective in accordance with their terms.

Section 1 Details of the Noteholder

Please identify the Noteholder (that is, the person that is the beneficial owner of and/or the holder of the ultimate economic interest in the Notes, held in global form and/or the restricted global form, as the case may be, through the Clearing System) on whose behalf you are submitting this Account Holder Letter.

To be completed for all Noteholders:

Full name of Noteholder: _____

Is the Noteholder an Eligible Person? (circle one) YES / NO

Contact name: _____

Country of residence/headquarters: _____

E-mail address: _____

Telephone number (with country code): _____

To be completed if the Noteholder is an institution/corporation:

Jurisdiction of incorporation of Noteholder: _____

Section 2 **Account Holder Details***

Full name of Account Holder: _____

Clearing System (circle one): EUROCLEAR / CLEARSTREAM

Clearing System account number: _____

Authorised employee of Account Holder (print name): _____

Telephone number of authorised employee (with country code): _____

E-mail of authorised employee: _____

Section 3 **Details of Holdings**

The Account Holder holds the following Notes to which this Account Holder Letter relates which have been “blocked” at the Record Time. Such Notes must have been “blocked” through delivery of Custody Instruction to the relevant Clearing System by the Custody Instruction Deadline, the reference number in relation to which is identified below.

ISIN	Amount blocked at Clearing System (indicate whether USD or RMB)¹	Clearing System	Clearing System account number	Custody Instruction Reference Number²

¹ The amount entered should be the entire principal amount of Notes in respect of which the Account Holder is giving instructions on behalf of the relevant Noteholder pursuant to this Account Holder Letter. If the Account Holder holds Notes in respect of which it is not giving instructions pursuant to this Account Holder Letter, this amount should not be stated and is not required to be notified.

² Corresponding to the Custody Instruction in Euroclear / Clearstream submitted by the Account Holder on behalf of the Noteholder.

By signing this Part 1, the Account Holder is hereby instructed by the Noteholder in respect of which this Account Holder Letter is being submitted to certify that such Noteholder (i) holds the Notes detailed in Part 1, Section 3 as at the Record Time; (ii) will not trade such Notes unless otherwise agreed by the Company or the Information Agent; and (iii) in respect of any distribution of Scheme Consideration, acknowledges and agrees that the Company shall be entitled to treat such Noteholder (or, if applicable, its Designated Recipient) as the party entitled to receive the Scheme Consideration in respect of such holding of Notes.

Before returning this Account Holder Letter, please make certain that you have provided all the information requested.

For the purposes of a Noteholder voting or receiving any Scheme Consideration under the Schemes:

- relevant Custody Instruction (as applicable) must have been delivered in respect of the Notes identified in Part 1, Section 3 as being held in the Clearing System;
- the Information Agent will accept this Account Holder Letter only if (as applicable) a valid Custody Instruction Reference Number is included in Part 1, Section 3 in respect of the Notes which are the subject of this Account Holder Letter;
- information in this Account Holder Letter must be consistent with the Custody Instruction; and
- in respect of any distribution of New Notes, the Distribution Confirmation Deed and, if applicable, the Designated Recipient Form must be validly completed.

SIGNING:

Account Holder's authorised employee /
representative name:

Executed by authorised employee /
representative for and on behalf of Account
Holder:

Date:

PART 2
VOTING AND APPOINTMENT OF PROXY

This Part 2 is required to be completed only if a Noteholder intends to vote at the Scheme Meeting.

Section 1 **Account Holder Confirmations**

The Account Holder named below for itself hereby confirms to the Company and the Information Agent as follows (select “yes” or “no” as appropriate for each item):

1. That all authority conferred or agreed to be conferred pursuant to this Account Holder Letter and every obligation of the Account Holder under this Account Holder Letter shall, to the best of its knowledge and the extent permitted by law, be binding upon the successors and assigns of the Account Holder (in the case of a corporation or institution) or the successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of the Account Holder (in the case of a natural person) and shall not be affected by, and shall survive, the insolvency, bankruptcy, dissolution, death or incapacity (as the case may be) of the Account Holder and that all of the information in this Account Holder Letter is complete and accurate.

☐ Yes

☐ No

2. That, in relation to the Notes identified in Part 1, Section 3 (*Details of Holdings*) of Part 1 (*Noteholder, Account Holder and Holdings Details*) of this Account Holder Letter, the Account Holder has authority to give the voting instructions set out in Part 2, Section 2 (*Voting Instructions relating to the Schemes*) of this Part 2 (*Voting and Appointment of Proxy*) of this Account Holder Letter, indicate the elections set forth herein (if applicable) and, if applicable, to nominate the person named in Part 2, Section 2 (*Voting Instructions relating to the Schemes*) of this Part 2 (*Voting and Appointment of Proxy*) of this Account Holder Letter to attend and vote at the Scheme Meeting.

☐ Yes

☐ No

In order for a Noteholder to be eligible to vote (either in person or by proxy), an Account Holder must respond “yes” in respect of each of paragraphs (1) and (2) above.

By delivering this Account Holder Letter to the Information Agent, the Account Holder confirms that the Noteholder agrees that the Noteholder shall be deemed to have made the representations, warranties and undertakings set forth below in favour of the Company and the Information Agent as at the date on which this Account Holder Letter is delivered to the Information Agent.

1. Each Noteholder who submits, delivers or procures the delivery of an Account Holder Letter represents, warrants and undertakes to the Company and the Information Agent that:
- (a) it has received the Schemes and the Explanatory Statement and has had sufficient opportunity to review all documents contained therein;
 - (b) to the best of its knowledge, it is lawful to seek voting instructions from that Noteholder in respect of the Schemes;
 - (c) it is assuming all of the risks inherent in that Noteholder participating in the Schemes

and has undertaken all the appropriate analysis of the implications of participating in the Schemes for that Noteholder;

- (d) the Notes which are the subject of the Account Holder Letter are, at the time of delivery of such Account Holder Letter, held by it (directly or indirectly) or on its behalf at the relevant Clearing System;
- (e) it has not given voting instructions or submitted an Account Holder Letter with respect to Notes other than those that are the subject of this Account Holder Letter;
- (f) it authorises the Clearing Systems to provide details concerning its identity, the Notes which are the subject of the Account Holder Letter and delivered on its behalf and its applicable account details to the Company and the Information Agent and their respective legal and financial advisers at the time the Account Holder Letter is submitted;
- (g) saved as expressly provided in the Explanatory Statement, neither the Company, Information Agent nor any of their respective Affiliates, directors, officers or employees has made any recommendation to that Noteholder as to whether, or how, to vote in relation to the Schemes, and that it has made its own decision with regard to voting based on any legal, tax or financial advice that it has deemed necessary to seek;
- (h) all authority conferred or agreed to be conferred pursuant to these representations, warranties and undertakings shall, to the best of its knowledge and to the extent permitted by law, be binding on the successors and assigns of that Noteholder (in the case of a corporation or institution) or the successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives of that Noteholder (in the case of a natural person) and shall not be affected by, and shall survive, the insolvency, bankruptcy, dissolution, death or incapacity (as the case may be) of that Noteholder; and
- (i) it is solely liable for any taxes or similar payments imposed on it under the laws of any applicable jurisdiction as a result of voting in favour of the Schemes, and that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Company, the Information Agent or any of their Affiliates, directors, officers, advisers or employees in respect of such taxes or similar payments.

2. Any Noteholder that is unable to give any of the representations in paragraph 1 above should contact the Information Agent directly as soon as possible.

Section 2

Voting Instructions relating to the Schemes and Appointment of Proxy

The Noteholder wishes to vote (or to instruct its proxy to vote) at the Scheme Meeting as follows (please check **only one box**):

- ☐ **FOR** the Schemes; or
- ☐ **AGAINST** the Schemes.

The Noteholder wishes (please check **only one box**):

- ☐ to appoint the Chairperson as its proxy to attend and vote on the Schemes on its behalf at the Scheme Meeting in accordance with the instructions set forth above;
- ☐ to appoint the proxy (other than the Chairperson) identified below to attend and vote on the Schemes on its behalf at the Scheme Meeting in accordance with the instructions set forth above:

Name:
Passport country and number:

- ☐ to attend and vote on the Schemes at the Scheme Meeting in person or by a duly authorised representative, if a corporation, in such manner as the Noteholder thinks fit.

Name:
Passport country and number:

Notes:

1. Unless a Noteholder is an individual attending in person or a corporation attending by a duly authorized representative, it must appoint a proxy to vote on its behalf at the Scheme Meeting. It is recommended that the Chairperson is appointed as the proxy, as there would in such circumstances be no need for any additional documents or identification to be taken to the Scheme Meeting by or on behalf of the Noteholder.
2. Any Noteholder or its proxy attending the Scheme Meeting in person must produce a duplicate copy of the Account Holder Letter validly completed and submitted on behalf of that Noteholder together with evidence of corporate authority (in the case of a corporation) (for example, a valid power of attorney and/or board resolutions) and evidence of personal identity (being a valid original passport or other original government-issued photographic identification) at the registration desk by no later than one hour before the scheduled time of the Scheme Meeting.
3. For the avoidance of doubt, the Account Holder Letter should be completed and submitted to the Information Agent by the Record Time.

APPENDIX 1 TO THE ACCOUNT HOLDER LETTER
DESIGNATED RECIPIENT FORM

To be eligible to receive the New Notes, the Noteholder must be an Eligible Person or the Noteholder must appoint a Designated Recipient who is an Eligible Person to receive all of the New Notes otherwise attributable to the Noteholder.

Eligible Person means a person who can make affirmative securities law confirmations and undertakings set out in Annex B to the Appendix 2 (*Distribution Confirmation Deed*) to this Account Holder Letter.

IMPORTANT NOTE: The Designated Recipient must hold an account with the same Account Holder in either Euroclear or Clearstream as the Scheme Creditor.

Full name of Noteholder: _____

The Noteholder hereby irrevocably and unconditionally nominates:

Name of Designated Recipient _____

Contact name: _____

Country of residence/headquarters: _____

E-mail address: _____

Telephone number (with country code): _____

to be its Designated Recipient for the purposes of the Schemes in respect of all of the New Notes otherwise attributable to it.

Euroclear or Clearstream account details of the Designated Recipient's Account Holder:

Name of the Account Holder: _____

Clearing System (circle one): **EUROCLEAR / CLEARSTREAM**

Clearing System account number: _____

Authorised employee name: _____

Telephone number (with country code): _____

E-mail address: _____

A Noteholder may not appoint more than one Designated Recipient.

The **Noteholder** and any **Account Holder** (each a “**Relevant Person**”) named below for itself hereby confirms to the Company and the Information Agent that, in relation to the Scheme Claim that is the subject of the Account Holder Letter, the Relevant Person has authority to identify the Designated Recipient(s) in this Appendix 1 (*Appointment of Designated Recipient*) (if any) and to give on its behalf the instruction given in the applicable Account Holder Letter:

☐ Yes

☐ No

SIGNING:

Account Holder’s authorised
employee / representative name:

Executed by authorised employee
/ representative for and on behalf
of Account Holder:

Date:

APPENDIX 2 TO THE ACCOUNT HOLDER LETTER
DISTRIBUTION CONFIRMATION DEED

Any Noteholder that wishes to receive a proportion of the New Notes on the Restructuring Effective Date must ensure that this Distribution Confirmation Deed is duly completed in the affirmative and returned by its Account Holder, together with a duly completed Account Holder Letter (and, if applicable, a Designated Recipient Form), to the Information Agent by the Record Time.

Distribution Confirmation Deed

This Deed is made by way of deed poll by the person whose details are set out in Annex C on the date stated in the execution page.

For the benefit of the Company, and with the intention and effect that it may be directly relied upon and enforced separately by each Released Person and each Adviser, even though they are not party to this Deed.

1. Definitions and interpretation

- (a) Unless otherwise defined herein, defined terms in this Deed shall have the meanings given to them in the Explanatory Statement and the Schemes.
- (b) In this Deed unless the context otherwise requires:
 - (i) words in the singular include the plural and in the plural include the singular;
 - (ii) the words “including” and “include” shall not be construed as or take effect as limiting the generality of the foregoing;
 - (iii) the headings shall not be construed as part of this Deed nor affect its interpretation;
 - (iv) references to any clause, without further designation, shall be construed as a reference to the clause of this Deed so numbered;
 - (v) reference to any act, statute or statutory provision shall include a reference to that provision as amended, re-enacted or replaced from time to time whether before or after the date of this Deed and any former statutory provision replaced (with or without modification) by the provision referred to;
 - (vi) reference to a person includes a reference to any body corporate, unincorporated association or partnership and to that person’s legal personal representatives or successors; and
 - (vii) the principles of construction set out in the Schemes apply to this Deed except that references to the Scheme shall instead be construed as referenced to this Deed.

2. Confirmations, warranties and undertakings

- (a) The Noteholder or, if the Noteholder has appointed a Designated Recipient, its Designated Recipient, gives the confirmations, acknowledgements, warranties and undertakings set out in:
 - (i) Annex A (*General confirmations, acknowledgements, warranties and undertakings*);

- (ii) Annex B (*Securities Law confirmations and undertakings*); and
 - (iii) Annex D (*New Notes Form*).
- (b) Without prejudice to the provisions in Annex A, Annex B and Annex D, the Noteholder and, if the Noteholder has appointed a Designated Recipient, its Designated Recipient, hereby irrevocably warrants, undertakes and represents to the Company that with effect from the Restructuring Effective Date:
- (i) it will not seek to dispute, set aside, challenge, compromise or question in any jurisdiction the validity and efficacy of the cancellation and/or write-down of its Scheme Claims, including the Notes, provided that such cancellation and/or write-down was done in accordance with the terms of the Schemes;
 - (ii) it will not seek to dispute, challenge, set aside or question the validity, authority or efficacy of the Schemes in any jurisdiction or before any court, regulatory authority, tribunal or otherwise and, without prejudice to the generality of the foregoing, notwithstanding that the Company (which is the issuer of the Notes) is incorporated in Bermuda, that certain subsidiaries of the Company are incorporated in Hong Kong, Macao, the PRC, Malaysia, Samoa, British Virgin Islands or that the 2018 Indenture and the 2019 Indenture are governed by New York law or the CB Trust Deed is governed by English law; and
 - (iii) it has obtained all necessary consents, authorisations, approvals and/or permissions required to be obtained by it under the laws and regulations applicable to it in any jurisdiction in order to sign this Deed and its signatory represents that it is duly authorised to sign this Confirmation on that party's behalf.

3. Grant of authority to the Company to execute certain documents on behalf of the Noteholders

- (a) Subject only to the Scheme Effective Date occurring, the Noteholder and, if the Noteholder has appointed a Designated Recipient, its Designated Recipient, hereby irrevocably and unconditionally authorise the Company, and appoint the Company as their true and lawful attorney (acting by its directors or other duly appointed representative) to enter into, execute and deliver (as applicable) the Restructuring Documents and such other documents that the Company reasonably considers necessary to give effect to the terms of the Schemes on behalf of each of them and agree to be bound by their terms.

4. Distribution of the New Notes

- (a) The Noteholder or, if the Noteholder has appointed a Designated Recipient, the Designated Recipient, confirms in relation to the claim that is the subject of the applicable Account Holder Letter that it intends to receive the New Notes to which it is entitled in accordance with the terms of the Schemes.
- (b) To the extent that a Noteholder (or its Designated Recipient) is entitled to receive any of the New Notes under the terms of the Schemes, it irrevocably directs the Company and/or the Information Agent to issue such New Notes to it by crediting its account, held with Euroclear or Clearstream, as applicable, and identified in its Account Holder Letter with a beneficial interest in the New Notes.

Annex A to the Distribution Confirmation Deed

General confirmations, acknowledgements, warranties and undertakings

1. The Noteholder or, if the Noteholder has appointed a Designated Recipient, the Designated Recipient, confirms to the Company and the Information Agent that:
 - (a) to the best of its knowledge, it has complied with all laws and regulations applicable to it in any jurisdiction with respect to the Schemes, the Account Holder Letter and this Deed;
 - (b) it is (i) an Eligible Person; or (ii) if the Noteholder has appointed a Designated Recipient, the Noteholder will retain no beneficial interest in any New Notes nominated to be held by any Designated Recipient(s) if the Noteholder is itself not an Eligible Person;
 - (c) it has received and reviewed the Schemes and the Explanatory Statement and assumes all of the risks inherent in participating in the Schemes and has undertaken all the appropriate analysis of the implications of participating in the Schemes;
 - (d) it has submitted instructions to block its Notes held with Euroclear or Clearstream, as applicable, and accordingly from the date on which it delivers its Account Holder Letter it will not sell, transfer, assign or otherwise dispose of its interest in all or any part of its specified Notes until the earliest of the following circumstances: (i) the Restructuring Effective Date (at which time the Notes will be cancelled); (ii) the Scheme not being approved by the requisite majorities of the Noteholders at the Scheme Meeting; (iii) the Scheme not being sanctioned by a final and unappealable order of the Hong Kong Court or the Bermuda Court; (iv) the Longstop Date; and (v) the Company giving Noteholders written notice of an intention not to proceed with the Scheme;
 - (e) it authorises the Clearing Systems to provide details concerning its identity, the Notes which are the subject of the Account Holder Letter and its applicable account details to the Company and the Information Agent and their respective legal and financial advisers at the time the Account Holder Letter is submitted;
 - (f) it acknowledges that no information has been provided to it by the Company, any other member of the Group, the Notes Trustee, the Advisers or the Information Agent with regard to the tax consequences arising from the receipt of any of the New Notes or the participation in the Schemes and acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its participation in the Schemes and agrees that it will not and does not have any right of recourse (whether by way of reimbursements, indemnity or otherwise) against Company, any other member of the Group, the Notes Trustee, the Advisers or the Information Agent or any other person in respect of such taxes and payments;
 - (g) it consents to, and agrees to be bound by the terms of the Schemes and the other matters contained herein, upon the Schemes becoming effective;
 - (h) it acknowledges that all authority conferred or agreed to be conferred pursuant to the Account Holder Letter and this Deed and each obligation and the authorisations, instructions and agreements given by it shall, to the best of its knowledge and to the extent permitted by law, be binding upon its successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives and shall not be

affected by, and shall survive, its death or incapacity and that all of the information in the Account Holder Letter and this Deed is true, complete and accurate as at the date of this Deed;

- (i) it authorises the execution and the taking of all steps as are required to give effect to this Deed and its terms;
 - (j) it authorises the execution and the taking of all such steps by any party as are required to give effect to: (i) the cancellation and discharge of the Notes, (ii) the release of the Guarantees provided by the Subsidiary Guarantors pursuant to the terms of the Note Documents, and (iii) the release or cancellation of the Note Documents in accordance with the terms of the Schemes;
 - (k) it acknowledges and agrees that the Company may, between the date on which the Explanatory Statement is issued and the Scheme Effective Date, make any modifications of, or additions to, the Scheme and/or the Restructuring Documents which would not directly or indirectly have an adverse effect on the interests of the Noteholders, the Notes Trustee, the Depositary or the Holding Period Trustee under the Schemes and are necessary for the purpose of implementing the Restructuring, and provided that the Company draws all such modifications or additions to the attention of the Hong Kong Court and the Bermuda Court at the respective Sanction Hearings;
 - (l) it acknowledges that neither the Schemes nor the transactions contemplated by the Explanatory Statement shall be deemed to be investment advice or a recommendation as to a course of conduct by the Company, any other member of the Group, any member of the Committee, the Advisers, the Notes Trustee or any of their respective officers, directors, employees or agents; and
 - (m) it represents that, in directing the execution and delivery of this Deed, it has made an independent decision in consultation with its advisers and professionals to the extent that it considers it necessary.
2. The Noteholder or, if the Noteholder has appointed a Designated Recipient, the Designated Recipient hereby acknowledges and agrees that the confirmations, authorisations, acknowledgements and waivers made by it in this Annex A are also given in favour of each relevant Released Person and Adviser, who, in each case, are entitled to enforce and enjoy the benefit of any terms contained therein.

Annex B to the Distribution Confirmation Deed

Securities Law confirmations and undertakings

1. The Noteholder or, if the Noteholder has appointed a Designated Recipient, the Designated Recipient, confirms to the Company and the Information Agent that:
 - (a) it understands that the offer to it of the New Notes has not been registered under the US Securities Act and that such offer is being made to it in reliance on an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act and that consequently the New Notes have not been and will not be registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States;
 - (b) it understands that the New Notes are “**restricted securities**” as defined in Rule 144(a)(3) under the US Securities Act, and it agrees on its own behalf and on behalf of any investor for which it is acquiring the New Notes, and each subsequent holder of the New Notes by its acceptance thereof will be deemed to agree, to transfer such New Notes only, prior to the date that is: (i) in the case of New Notes issued in reliance on Regulation S under the US Securities Act (“**Regulation S**”), 40 days; and (ii) otherwise, one year after the original issue date or such later date, if any, as may be required by applicable law only:
 - (i) to the Company or one of its subsidiaries;
 - (ii) pursuant to a registration statement which has been declared effective under the US Securities Act;
 - (iii) for so long as the New Notes are eligible for resale pursuant to Rule 144A under the US Securities Act (“**Rule 144A**”), to a person it reasonably believes is a “qualified institutional buyer” (a “**QIB**”) as defined in Rule 144A that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A;
 - (iv) to an institutional “**accredited investor**” (“**Accredited Investor**”) within the meaning of Rule 501(A)(1), (2), (3) or (7) under the US Securities Act that, before such transfer, delivers to the New Notes Transfer Agent a duly completed and signed certificate (the form of which may be obtained from the New Notes Transfer Agent) relating to the restrictions on transfer of the New Notes;
 - (v) outside the United States to non-U.S. persons in accordance with Regulation S; or
 - (vi) pursuant to any other available exemption from the registration requirements of the US Securities Act;
 - (c) it understands that unless the Company determines otherwise in accordance with applicable law, the New Notes will, to the extent they are issued in certificated form, bear a legend substantially in the following form:

“THIS NOTE AND THE SUBSIDIARY GUARANTEES (IF ANY) AND THE JV SUBSIDIARY GUARANTEES (IF ANY) RELATED TO THIS NOTE (COLLECTIVELY, THE “SECURITIES”) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF

1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NONE OF THE SECURITIES NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, [in the case of Rule 144A Global Notes: REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT)] [in the case of Regulation S Global Notes: REPRESENTS THAT IT IS ACQUIRING THIS NOTE IN AN “OFFSHORE TRANSACTION” PURSUANT TO REGULATION S UNDER THE SECURITIES ACT] [in the case of IAI Global Notes: REPRESENTS THAT IT IS AN INSTITUTIONAL “ACCREDITED INVESTOR” (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT)] AND AGREES, ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, [in the case of the Rule 144A Global Note and the IAI Global Note: BEFORE THE RESALE RESTRICTION TERMINATION DATE, WHICH IS ONE YEAR AFTER THE LATER OF THE ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY)] [in the case of the Regulation S Global Notes: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE DATE ON WHICH THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S) IN RELIANCE ON REGULATION S], ONLY (A) TO THE COMPANY OR ONE OF ITS SUBSIDIARIES, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”), TO A PERSON IT REASONABLY BELIEVES IS A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) TO AN INSTITUTIONAL “ACCREDITED INVESTOR” WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT, BEFORE SUCH TRANSFER, DELIVERS TO THE TRANSFER AGENT A DULY COMPLETED AND SIGNED CERTIFICATE (THE FORM OF WHICH MAY BE OBTAINED FROM THE TRANSFER AGENT) RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS SECURITY, (E) OUTSIDE THE UNITED STATES TO NON U.S. PERSONS IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, OR (F) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSAL OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND

REGULATIONS, AND FURTHER SUBJECT TO THE COMPANY'S AND THE TRANSFER AGENT'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES THAT IT SHALL NOT TRANSFER THE SECURITIES IN AN AMOUNT LESS THAN US\$150,000.

EACH PURCHASER OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER"

- (d) it and any subsequent holder of the New Notes will notify any person to whom it subsequently re-offers, resells, pledges, transfers or otherwise disposes of the New Notes of the foregoing restrictions on transfer;
- (e) it understands and acknowledges that the Company shall not be obliged to recognise any resale or other transfer of the New Notes made other than in compliance with the restrictions set forth in this Distribution Confirmation Deed and the terms of the New Notes;
- (f) it confirms that it will acquire an interest in the New Notes for its own account as principal, or for the account of one or more other persons who are able to and who shall be deemed to make all of the representations and agreements in this Distribution Confirmation Deed and for whom it exercises sole investment discretion;
- (g) the receipt of New Notes by such person is not part of a plan or scheme to evade the registration requirements of the US Securities Act;
- (h) it has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of investing in the New Notes, and is experienced in investing in capital markets and is able to bear the economic risk of investing in its New Notes (which it may be required to bear for an indefinite period of time and it is able to bear such risk for an indefinite period), and has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to its investment in its New Notes, and is able to sustain a complete loss of its investment in its New Notes;
- (i) it has or has access to all information that it believes is necessary, sufficient or appropriate in connection with its acquisition of its New Notes and has made an independent decision to acquire its New Notes based on the information concerning the business and financial condition of the Company and other information available to it which it has determined is adequate for that purpose;
- (j) it will comply with all securities laws of any state or territory of the United States or any other applicable jurisdiction, including without limitation "blue sky" laws, and acceptance of its New Notes will not violate any applicable law;
- (k) it understands that neither the Securities and Exchange Commission, nor any other United States state or other securities commission or regulatory authority has approved

or disapproved of the New Notes or passed comment upon the accuracy or adequacy of the Solicitation Packet or the Explanatory Statement, and that any representation to the contrary is a criminal offence in the United States;

- (l) it has consulted and will continue to consult, in each case as required, its own legal, financial and tax advisers with respect to the legal, financial and tax consequences of the Schemes, the New Notes and the Restructuring in its particular circumstances;
- (m) it understands that the New Notes will not be listed on a U.S. securities exchange or any inter-dealer quotation system in the United States and that the Company does not intend to take action to facilitate a market in any of the New Notes in the United States. Consequently, it understands that that it is unlikely that an active trading market in the United States will develop for any such securities;
- (n) it understands that the foregoing representations, warranties and agreements are required in connection with United States securities laws and that the Company and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. It agrees that, if any of the acknowledgements, representations and warranties made in connection with its receipt of the New Notes are no longer accurate, it will promptly, and in any event prior to the issuance of its New Notes, notify the Company in writing;
- (o) it is either (i) a “**qualified investor**” within the meaning of Regulation (EU) 2017/1129; or (ii) is not incorporated or situated in any member state of the European Economic Area;
- (p) it is not located or resident in the United Kingdom or, if it is a resident of or located in the United Kingdom, it is: (i) a person who has professional experience in matters relating to investments and qualifies as an Investment Professional in accordance with Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); (ii) a high net worth company, unincorporated association, partnership, trustee or any person to whom communication may otherwise lawfully be made in accordance within Article 49(2) of the Order; or (iii) person falling within Article 43(2) of the Order;
- (q) it understands that the arrangements for the issue of the New Notes have not been authorised by Hong Kong’s Securities and Futures Commission (“**SFC**”), nor has the Explanatory Statement (for this purposes including the Solicitation Packet) been approved by the SFC pursuant to section 105(1) of Hong Kong’s Securities and Futures Ordinance (“**SFO**”) or section 342C(5) of Hong Kong’s Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (“**C(WUMP)O**”) or registered by Hong Kong’s Registrar of Companies pursuant to section 342C(7) of C(WUMP)O;
- (r) it is not located or resident in Hong Kong or, if it is resident or located in Hong Kong, it is (i) a person whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or (ii) a professional investor as defined in the SFO;
- (s) it understands that the New Notes have not been and will not be registered under the relevant laws of the PRC;
- (t) it is not located or resident in Singapore or, if it is located or resident in Singapore, it is (i) an “**institutional investor**” as defined in the Securities and Futures Act, Chapter 289; or (ii) a person to whom the New Notes may otherwise be offered pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA;

- (u) it understands that the New Notes have not been and will not be registered under the securities laws of Taiwan and, upon delivery, may not be offered, sold or otherwise transferred except (i) pursuant to an effective registration statement under Taiwan's Securities and Exchange Act; or (ii) in accordance with another exemption from registration under, or transaction not subject to Taiwan's Securities and Exchange Act;
- (v) it will comply with all securities laws relating to the New Notes that apply to it in any place in which it accepts, holds or sells any of its New Notes. It has obtained all consents or approvals that it needs in order to receive its New Notes, and the Company is not responsible for compliance with these legal requirements; and
- (w) it will not offer or resell any of its New Notes, or cause any offer for the resale of its New Notes, in any state or jurisdiction in which such offer, a solicitation for the purchase of, or resale of its New Notes would be unlawful under, or cause the Company to be in breach of, the securities laws of such state or jurisdiction and it has complied and will comply with all applicable laws and regulations with respect to anything done by it in relation to the New Notes.

Annex C to the Distribution Confirmation Deed

Details of Noteholder / Designated Recipient

Noteholder (if applicable)

Name of Noteholder: _____

Email address _____

Registered or principal address: _____

Place of organisation or incorporation: _____

Telephone number: _____

Designated Recipient (if applicable)

Name of Designated Recipient: _____

Email address _____

Registered or principal address: _____

Place of organisation or incorporation: _____

Telephone number: _____

Annex D to the Distribution Confirmation Deed

New Notes Form

By ticking one of the boxes below, the Noteholder expressly acknowledges and confirms that the Noteholder intends to receive and is eligible to receive, or if a Designated Recipient is appointed, the Designated Recipient acknowledges and confirms that it is eligible to receive New Notes in the form as follows:

- ☐ Rule 144A New Notes
- ☐ IAI New Notes
- ☐ Regulation S New Notes

By ticking one of the three boxes above, the Noteholder or its Account Holder on its behalf (or its Designated Recipient, as applicable), expressly confirms, represents and warrants that:

- (a) in the case of ticking the Rule 144A New Notes box, the Noteholder (or its Designated Recipient) is a “qualified institutional buyer” as defined in Rule 144A under the US Securities Act or in the case of ticking the IAI New Notes box, the Noteholder (or its Designated Recipient) is an institutional “accredited investor” as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the US Securities Act;

the Noteholder (or its Designated Recipient) is aware that the sale of the Rule 144A New Notes and the IAI New Notes, as applicable, to it is being made in reliance on one or more exemptions from registration under the US Securities Act, including Section 4(a)(2) thereunder; and

the Noteholder (or its Designated Recipient) is acquiring the Rule 144A New Notes or the IAI New Notes, as applicable, for its own account or for one or more managed accounts, each of which is a “qualified institutional buyer” or an institutional “accredited investor” and as to each of which it exercises sole investment discretion; or

- (b) in the case of ticking the Regulation S New Notes box, the Noteholder (or its Designated Recipient) is located outside the United States and is a person that is not a “U.S. Person” as defined in Regulation S under the US Securities Act, acquiring the Regulation S Notes in reliance on Regulation S under the US Securities Act, and acquiring the Regulation S Notes for its own account or for one or more managed accounts, each of which is a non-U.S. Person and as to each of which it exercises sole investment discretion.

Any Noteholder that does not make the relevant confirmations by **checking the “Yes” box below and complete Annex C and Annex D** to this Distribution Confirmation Deed shall not be entitled to receive a distribution of New Notes and should contact the Information Agent without delay.

The Noteholder and if applicable the Designated Recipient, acknowledges and agrees to the terms, confirmations, acknowledgements, warranties and undertakings set out in this Distribution Confirmation Deed, including without limitation those set out at Annex A (*General confirmations, acknowledgements, warranties and undertakings*) and Annex B (*Securities Law confirmations and undertakings*) and Annex D (*New Notes Form*):

- ☐ Yes

In witness whereof this Deed has been executed as a deed and delivered on _____
by the parties hereto.

Individual Noteholders

EXECUTED and **DELIVERED** as a **DEED** by

Noteholder,

(print name)

(sign)

In the presence of:

Witness signature:

Witness name:

Witness address:

Non-individual Noteholders

EXECUTED and **DELIVERED** as a **DEED**

for and on behalf of

Noteholder,

(print name)

(sign)

acting by:

Name:

Title:

(sign)

Name:

Title:

Individual Designated Recipients

EXECUTED and **DELIVERED** as a **DEED** by

Designated Recipient,

(print name)

(sign)

In the presence of:

Witness signature:

Witness name:

Witness address:

Non-individual Designated Recipients

EXECUTED and **DELIVERED** as a **DEED**

for and on behalf of

Designated Recipient,

(print name)

(sign)

acting by:

Name:
Title:

(sign)

Name:
Title:

SCHEDULE 2 NOTICE OF CLAIM

NOTICE OF CLAIM

For use by DB Creditors of

China Singyes Solar Technologies Holdings Limited (the “**Company**”)

in relation to

a claim against the Company arising directly or indirectly out of, in relation to and/or in connection with the Term Sheets, whether before, at or after the Record Time, but excluding the Excluded Liabilities (“**DB Claim**”)

in relation to the Company’s scheme of arrangement under sections 673 and 674 of the Companies Ordinance as applicable in Hong Kong and Section 99 of the Companies Act 1981 as applicable in Bermuda (the “**Schemes**”).

Capitalised terms used but not defined in this Notice of Claim have the meaning given to them in the explanatory statement relating to the Schemes issued by the Company on 1 November 2019 (the “**Explanatory Statement**”), subject to any amendments or modifications made by the Courts.

The Schemes will, if implemented, materially affect the Scheme Creditors of the Company. A DB Creditor must use this Notice of Claim to (a) register details of its interest in the DB Claim, (b) if they wish, make certain elections in relation to the voting at the Scheme Meeting, and (c) allow them to be eligible to receive Scheme Consideration. The summary of the Notice of Claim is set out below.

Key Dates

The key dates in respect of the Schemes are:

- **Record Time:** being 10:00 p.m. on 21 November 2019 (Hong Kong time) / 10:00 a.m. on 21 November 2019 (Bermuda time)
- **Scheme Meeting:** being 7:00 p.m. on 25 November 2019 (Hong Kong time) / 7:00 a.m. on 25 November 2019 (Bermuda time)
- **Restructuring Effective Date:** being the date falling three Business Days after the date on which each of the Restructuring Conditions has been satisfied or, in the event that the Company delivers an Extension Notice, the Deferred Restructuring Effective Date. The occurrence of the Restructuring Effective Date will be notified by the Company in accordance with the Schemes
- **Bar Time:** being 5:00 p.m. (Hong Kong time) on the date falling 3 business days before the Holding Period Expiry Date
- **Holding Period Expiry Date:** being the date falling three months after the Restructuring Effective Date (or if such date is not a Business Day, the next Business Day after that date)

The validly completed Notice of Claim together with any accompanying documents must be submitted to Lucid Issuer Services Limited (as the “**Information Agent**”) online at www.lucid-is.com/singyes (i) by the **Record Time** in order for a DB Creditor to vote at the Scheme Meeting and receive the Scheme Consideration on the Restructuring Effective Date; and (ii) by the **Bar Time** in order for a DB Creditor to receive any Scheme Consideration on the Holding Period Expiry Date.

If a DB Creditor is an Ineligible Person (i.e. a person who cannot make affirmative securities law confirmations and undertakings set out in Annex B to the Distribution Confirmation Deed), it may designate a Designated Recipient who is an Eligible Person (i.e. a person who can make affirmative

securities law confirmations and undertakings set out in Annex B to the Distribution Confirmation Deed) in order to receive its New Notes by submission of a Designated Recipient Form in accordance with the terms of the Schemes.

Online Notice of Claim Form

It is highly recommended that the completed Notice of Claim is printed or saved as a PDF document after submission. You will receive acknowledgment of the transmission of your submission together with the final PDF. Original paper copies of the Notice of Claim are not required and should not be sent to the Information Agent.

You are strongly advised to read the Explanatory Statement, the Schemes and, in particular, the Solicitation Packet at Appendix 5 to the Explanatory Statement before you complete the Notice of Claim. The Solicitation Packet contains detailed information on the various options contained in this Notice of Claim.

This Notice of Claim and any non-contractual obligations arising out of or in relation to this Notice of Claim shall be governed by, and interpreted in accordance with, the laws of Hong Kong. The courts of Hong Kong and Bermuda have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Notice of Claim. By submission of the Notice of Claim to the Information Agent, the Scheme Creditor irrevocably submits to the jurisdiction of such courts and waives any objections to proceedings in such courts on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum.

FOR ASSISTANCE CONTACT

Lucid Issuer Services Limited

Attention: Oliver Slyfield/Victor Parzyjagla

Address: Tankerton Works, 12 Argyle Walk, London, WC1H 8HA

Telephone: + 44 20 7704 0880

Email: singyes@lucid-is.com

Website: www.lucid-is.com/singyes

SUMMARY OF THIS NOTICE OF CLAIM

The Notice of Claim must be validly completed and submitted to the Information Agent.

<u>PART 1</u>	DB CREDITOR AND DB CLAIM DETAILS	<i>This Part 1 must be completed and signed in all cases by the DB Creditor</i>
Section 1	Details of DB Creditor	
Section 2	Details of DB Claim	
<u>PART 2</u>	VOTING AND APPOINTMENT OF PROXY	<i>This Part 2 must be completed and signed by the DB Creditor if the DB Creditor would like to vote on the Schemes</i>
Section 1	DB Creditor Confirmations	
Section 2	Voting Instructions relating to the Schemes and Appointment of Proxy	
<u>APPENDIX 1</u>	DESIGNATED RECIPIENT FORM	<i>This Appendix 1 must be completed and signed by the DB Creditor if the DB Creditor would like a Designated Recipient to receive its New Notes</i>
<u>APPENDIX 2</u>	DISTRIBUTION CONFIRMATION DEED	<i>This Appendix 2 must be completed in all cases by the DB Creditor (or if applicable, its Designated Recipient) in order for the DB Creditor (or its Designated Recipient) to receive any New Notes</i> <i>For the avoidance of doubt, a DB Creditor does not have to complete a Distribution Confirmation Deed in order to vote on the Schemes</i>
Annex A	General confirmations, acknowledgements, warranties and undertakings	
Annex B	Securities Law confirmations and undertakings	
Annex C	Details of DB Creditor / Designated Recipient	
Annex D	New Notes Form	

PART 1
DB CREDITOR AND DB CLAIM DETAILS

A Notice of Claim received by the Information Agent that does not include all information requested in this Part 1 will not constitute a validly completed Notice of Claim and the relevant DB Creditor will not be entitled to cast a vote at the Scheme Meeting or receive any amount of the Scheme Consideration if the Schemes become effective in accordance with their terms.

Section 1 **Details of DB Creditor**

Full name of DB Creditor: _____

Is the DB Creditor an Eligible Person? (circle YES / NO
one) _____

Country of residence / jurisdiction of
incorporation: _____

E-mail address: _____

Telephone number (with country code): _____

Authorised employee / representative name: _____

Section 2 **Details of DB Claim***

Aggregate principal amount owed to DB Creditor
in respect of a DB Claim _____

If you claim interests, please provide the total
amount of interests you claimed under the DB
Claim and details of calculation _____

* If you claim to hold a DB Claim against the Company, please provide all supporting documentation in respect of such DB Claim to the Information Agent together with this Notice of Claim so that your DB Claim may be assessed by the Company.

Section 3 **Details of Clearing System Account**

A DB Creditor must indicate an Account Holder in Euroclear or Clearstream for receipt of the Cash Consideration and/or New Notes.

Name of the Account Holder: _____

Clearing System (circle one): EUROCLEAR / CLEARSTREAM

Clearing System account number: _____

Contact name at Account Holder: _____

Telephone number (with country code): _____

E-mail address of Account Holder: _____

By signing this Notice of Claim, the DB Creditor undertakes to the Company and the Information Agent that it will not assign, transfer or otherwise deal with its DB Claim from the date of submission of this Notice of Claim unless and until the Company has provided an irrevocable instruction to the Information Agent to release the DB Creditors from such undertaking in accordance with the Solicitation Packet.

If the Restructuring Effective Date occurs before the Longstop Date, all of the DB Claims will be irrevocably released and cancelled in full in accordance with the Schemes.

Before returning this Notice of Claim, please make certain that you have provided all the information requested.

SIGNING:

DB Creditor's authorised employee /
representative name: _____

Executed by authorised employee /
representative for and on behalf of DB
Creditor's: _____

Date: _____

PART 2
VOTING AND APPOINTMENT OF PROXY

This Part 2 is required to be completed only if a DB Creditor intends to vote at the Scheme Meeting and/or obtain Consent Fee.

Section 1 **DB Creditor Confirmations**

The DB Creditor named below for itself hereby confirms to the Company and the Information Agent as follows (select “yes” or “no” as appropriate for each item):

1. That all authority conferred or agreed to be conferred pursuant to this Notice of Claim and every obligation of the DB Creditor under this Notice of Claim shall, to the best of its knowledge and the extent permitted by law, be binding upon the successors and assigns of the DB Creditor (in the case of a corporation or institution) or the successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of the DB Creditor (in the case of a natural person) and shall not be affected by, and shall survive, the insolvency, bankruptcy, dissolution, death or incapacity (as the case may be) of the DB Creditor and that all of the information in this Notice of Claim is complete and accurate.

☐ Yes

☐ No

2. That, in relation to the Notes identified in Part 1, Section 2 (*Details of Holdings*) of Part 1 (*DB Creditor and DB Claim Details*) of this Notice of Claim, the DB Creditor has authority to give the voting instructions set out in Part 2, Section 2 (*Voting Instructions relating to the Schemes*) of this Part 2 (*Voting and Appointment of Proxy*) of this Notice of Claim, indicate the elections set forth herein (if applicable) and, if applicable, to nominate the person named in Part 2, Section 2 (*Voting Instructions relating to the Schemes*) of this Part 2 (*Voting and Appointment of Proxy*) of this Notice of Claim to attend and vote at the Scheme Meeting.

☐ Yes

☐ No

In order for a DB Creditor to be eligible to vote (either in person or by proxy), a DB Creditor must respond “yes” in respect of each of paragraphs (1) and (2) above.

The DB Creditor who intends to receive a Consent Fee and hereby undertakes to the Company to: (i) if applicable, withdraw all Proceedings it has initiated against the Company and, to the extent applicable, any other member of the Group in relation to the DB Claims or any Claim in connection with the Term Sheets prior to the Record Time; (ii) refrain from taking any Enforcement Action against any member of the Group prior to the Restructuring Effective Date; and (iii) vote all of the DB Claims which have been admitted for voting purposes in which it holds an interest at the Record Time in favour of the Schemes at the Scheme Meeting.

☐ Yes

☐ No

By delivering this Notice of Claim to the Information Agent, the DB Creditor confirms and agrees that the DB Creditor shall be deemed to have made the representations, warranties and undertakings set forth below in favour of the Company and the Information Agent as at the date on which this Notice of Claim is delivered to the Information Agent.

1. Each DB Creditor who submits, delivers or procures the delivery of a Notice of Claim represents, warrants and undertakes to the Company and the Information Agent that:
 - (a) it has received the Schemes and the Explanatory Statement and has had sufficient opportunity to review all documents contained therein;
 - (b) the DB Claim which are the subject of the Notice of Claim is, at the time of delivery of such Notice of Claim, held by it;
 - (c) it has not given voting instructions or submitted a Notice of Claim with respect to the DB Claim other than those that are the subject of this Notice of Claim;
 - (d) saved as expressly provided in the Explanatory Statement, neither the Company, Information Agent nor any of their respective Affiliates, directors, officers or employees has made any recommendation to that DB Creditor as to whether, or how, to vote in relation to the Schemes, and that it has made its own decision with regard to voting based on any legal, tax or financial advice that it has deemed necessary to seek;
 - (e) all authority conferred or agreed to be conferred pursuant to these representations, warranties and undertakings shall, to the best of its knowledge and to the extent permitted by law, be binding on the successors and assigns of that DB Creditor (in the case of a corporation or institution) or the successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives of that DB Creditor (in the case of a natural person) and shall not be affected by, and shall survive, the insolvency, bankruptcy, dissolution, death or incapacity (as the case may be) of that DB Creditor; and
 - (f) it is solely liable for any taxes or similar payments imposed on it under the laws of any applicable jurisdiction as a result of voting in favour of the Schemes, and that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Company, the Information Agent or any of their Affiliates, directors, officers, advisers or employees in respect of such taxes or similar payments.
2. Any DB Creditor that is unable to give any of the representations in paragraph 1 above should contact the Information Agent directly as soon as possible.

Section 2

Voting Instructions relating to the Schemes and Appointment of Proxy

The DB Creditor wishes to vote (or to instruct its proxy to vote) at the Scheme Meeting as follows (please check **only one box**):

- ☐ **FOR** the Schemes; or
- ☐ **AGAINST** the Schemes.

The DB Creditor wishes (please check **only one box**):

- ☐ to appoint the Chairperson as its proxy to attend and vote on the Schemes on its behalf at the Scheme Meeting in accordance with the instructions set forth above;
- ☐ to appoint the proxy (other than the Chairperson) identified below to attend and vote on the Schemes on its behalf at the Scheme Meeting in accordance with the instructions set forth above:

Name:

Passport country and number:

- ☐ to attend and vote on the Schemes at the Scheme Meeting in person or by a duly authorised representative, if a corporation, in such manner as the DB Creditor thinks fit.

Name:

Passport country and number:

Notes:

1. Unless a DB Creditor is an individual attending in person or a corporation attending by a duly authorized representative, it must appoint a proxy to vote on its behalf at the Scheme Meeting. It is recommended that the Chairperson is appointed as the proxy, as there is no need for any additional documents or identification to be taken to the Scheme Meeting by or on behalf of the DB Creditor.
2. Any DB Creditor or its proxy attending the Scheme Meeting in person must produce a duplicate copy of the Notice of Claim validly completed and submitted on behalf of that DB Creditor together with evidence of corporate authority (in the case of a corporation) (for example, a valid power of attorney and/or board resolutions) and evidence of personal identity (being a valid original passport or other original government-issued photographic identification) at the registration desk by no later than one hour before the scheduled time of the Scheme Meeting.
3. For the avoidance of doubt, the Notice of Claim should be completed and submitted to the Information Agent by the Record Time.

APPENDIX 1 TO THE NOTICE OF CLAIM
DESIGNATED RECIPIENT FORM

To be eligible to receive the New Notes, the DB Creditor must be an Eligible Person or the DB Creditor must appoint a Designated Recipient who is an Eligible Person to receive all of the New Notes otherwise attributable to the DB Creditor.

Eligible Person means a person who can make affirmative securities law confirmations and undertakings set out in Annex B to the Appendix 2 (*Distribution Confirmation Deed*) to this Notice of Claim.

Full name of DB Creditor: _____

The DB Creditor hereby irrevocably and unconditionally nominates:

Name of Designated Recipient _____

Contact name: _____

Country of residence/headquarters: _____

E-mail address: _____

Telephone number (with country code): _____

to be its Designated Recipient for the purposes of the Schemes in respect of all of the New Notes otherwise attributable to it.

Euroclear or Clearstream account details of the Designated Recipient's Account Holder:

Name of the Account Holder: _____

Clearing System (circle one): **EUROCLEAR / CLEARSTREAM**

Clearing System account number: _____

Authorised employee name: _____

Telephone number (with country code): _____

E-mail address: _____

A DB Creditor may not appoint more than one Designated Recipient.

The **DB Creditor** named below for itself hereby confirms to the Company and the Information Agent that, in relation to the Scheme Claim that is the subject of the Notice of Claim, the **DB Creditor** has authority to identify the Designated Recipient(s) in this Appendix 1 (*Appointment of Designated Recipient*) (if any) and to give on its behalf the instruction given in the applicable Notice of Claim:

☐ Yes

☐ No

SIGNING:

DB Creditor's authorised
employee / representative name: _____

Executed by authorised employee
/ representative for and on behalf
of DB Creditor: _____

Date: _____

APPENDIX 2 TO THE NOTICE OF CLAIM
DISTRIBUTION CONFIRMATION DEED

Any DB Creditor that wishes to receive a proportion of the New Notes on the Restructuring Effective Date or the Holding Period Expiry Date must ensure that this Distribution Confirmation Deed is duly completed in the affirmative and returned, together with a duly completed Notice of Claim (and, if applicable, a Designated Recipient Form), to the Information Agent by the Record Time or the Bar Time, respectively.

Distribution Confirmation Deed

This Deed is made by way of deed poll by the person whose details are set out in Annex C on the date stated in the execution page.

For the benefit of the Company, and with the intention and effect that it may be directly relied upon and enforced separately by each Released Person and each Adviser, even though they are not party to this Deed.

1. Definitions and interpretation

- (a) Unless otherwise defined herein, defined terms in this Deed shall have the meanings given to them in the Explanatory Statement and the Schemes.
- (b) In this Deed unless the context otherwise requires:
 - (i) words in the singular include the plural and in the plural include the singular;
 - (ii) the words “including” and “include” shall not be construed as or take effect as limiting the generality of the foregoing;

- (iii) the headings shall not be construed as part of this Deed nor affect its interpretation;
- (iv) references to any clause, without further designation, shall be construed as a reference to the clause of this Deed so numbered;
- (v) reference to any act, statute or statutory provision shall include a reference to that provision as amended, re-enacted or replaced from time to time whether before or after the date of this Deed and any former statutory provision replaced (with or without modification) by the provision referred to;
- (vi) reference to a person includes a reference to any body corporate, unincorporated association or partnership and to that person's legal personal representatives or successors; and
- (vii) the principles of construction set out in the Schemes apply to this Deed except that references to the Scheme shall instead be construed as referenced to this Deed.

2. Confirmations, warranties and undertakings

- (a) The DB Creditor or, if the DB Creditor has appointed a Designated Recipient, its Designated Recipient, gives the confirmations, acknowledgements, warranties and undertakings set out in:
 - (i) Annex A (*General confirmations, acknowledgements, warranties and undertakings*);
 - (ii) Annex B (*Securities Law confirmations and undertakings*); and
 - (iii) Annex D (*New Notes Form*).
- (b) Without prejudice to the provisions in Annex A, Annex B and Annex D, the DB Creditor and, if the DB Creditor has appointed a Designated Recipient, its Designated Recipient, hereby irrevocably warrants, undertakes and represents to the Company that with effect from the Restructuring Effective Date:
 - (i) it will not seek to dispute, set aside, challenge, compromise or question in any jurisdiction the validity and efficacy of the cancellation and/or write-down of its Scheme Claims, including the Notes, provided that such cancellation and/or write-down was done in accordance with the terms of the Schemes;
 - (ii) it will not seek to dispute, challenge, set aside or question the validity, authority or efficacy of the Schemes in any jurisdiction or before any court, regulatory authority, tribunal or otherwise and, without prejudice to the generality of the foregoing, notwithstanding that the Company (which is the issuer of the Notes) is incorporated in Bermuda, that certain subsidiaries of the Company are incorporated in Hong Kong, Macao, the PRC, Malaysia, Samoa, British Virgin Islands or that the Term Sheet is governed by Hong Kong law; and
 - (iii) it has obtained all necessary consents, authorisations, approvals and/or permissions required to be obtained by it under the laws and regulations applicable to it in any jurisdiction in order to sign this Deed and its signatory represents that it is duly authorised to sign this Confirmation on that party's behalf.

3. Grant of authority to the Company to execute certain documents on behalf of the DB Creditors

- (a) Subject only to the Scheme Effective Date occurring, the DB Creditor and, if the DB Creditor has appointed a Designated Recipient, its Designated Recipient, hereby irrevocably and unconditionally authorise the Company, and appoint the Company as their true and lawful attorney (acting by its directors or other duly appointed representative) to enter into, execute and deliver (as applicable) the Restructuring Documents and such other documents that the Company reasonably considers necessary to give effect to the terms of the Schemes on behalf of each of them and agree to be bound by their terms.

4. Distribution of the New Notes

- (a) The DB Creditor or, if the DB Creditor has appointed a Designated Recipient, the Designated Recipient, confirms in relation to the claim that is the subject of the applicable Notice of Claim that it intends to receive the New Notes to which it is entitled in accordance with the terms of the Schemes.
- (b) To the extent that a DB Creditor (or its Designated Recipient) is entitled to receive any of the New Notes under the terms of the Schemes, it irrevocably directs the Company and/or the Information Agent to issue such New Notes to it by crediting its account, held with Euroclear or Clearstream, as applicable, and identified in its Notice of Claim with a beneficial interest in the New Notes and with its entitlement to the Cash Consideration.

Annex A to the Distribution Confirmation Deed

General confirmations, acknowledgements, warranties and undertakings

1. The DB Creditor or, if the DB Creditor has appointed a Designated Recipient, the Designated Recipient, confirms to the Company and the Information Agent that:
 - (a) to the best of its knowledge, it has complied with all laws and regulations applicable to it in any jurisdiction with respect to the Schemes, the Notice of Claim and this Deed;
 - (b) it is (i) an Eligible Person; or (ii) if the DB Creditor has appointed a Designated Recipient, the DB Creditor will retain no beneficial interest in any New Notes nominated to be held by any Designated Recipient(s) if the DB Creditor is itself not an Eligible Person;
 - (c) it has received and reviewed the Schemes and the Explanatory Statement and assumes all of the risks inherent in participating in the Schemes and has undertaken all the appropriate analysis of the implications of participating in the Schemes;
 - (d) from the date on which it delivers its Notice of Claim it will not sell, transfer, assign or otherwise dispose of its interest in all or any part of its Scheme Claims until the earliest of the following circumstances: (i) the Restructuring Effective Date (at which time the Notes will be cancelled); (ii) the Scheme not being approved by the requisite majorities of the DB Creditors at the Scheme Meeting; (iii) the Scheme not being sanctioned by a final and unappealable order of the Hong Kong Court or the Bermuda Court; (iv) the Longstop Date; and (v) the Company giving DB Creditors written notice of an intention not to proceed with the Scheme;
 - (e) it acknowledges that no information has been provided to it by the Company, any other member of the Group, the New Notes Trustee, the Advisers, or the Information Agent with regard to the tax consequences arising from the receipt of any of the New Notes or the participation in the Schemes and acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its participation in the Schemes and agrees that it will not and does not have any right of recourse (whether by way of reimbursements, indemnity or otherwise) against the Company, any other member of the Group, the New Notes Trustee, the Advisers or the Information Agent or any other person in respect of such taxes and payments;
 - (f) it consents to, and agrees to be bound by the terms of the Schemes and the other matters contained herein, upon the Schemes becoming effective;
 - (g) it acknowledges that all authority conferred or agreed to be conferred pursuant to the Notice of Claim and this Deed and each obligation and the authorisations, instructions and agreements given by it shall, to the best of its knowledge and to the extent permitted by law, be binding upon its successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives and shall not be affected by, and shall survive, its death or incapacity and that all of the information in the Notice of Claim and this Deed is true, complete and accurate as at the date of this Deed;
 - (h) it authorises the execution and the taking of all steps as are required to give effect to this Deed and its terms;
 - (i) it authorises the execution and the taking of all such steps by any party as are required to give effect to: (i) the cancellation and discharge of the DB Claims, and (ii) the release

or cancellation of the Term Sheet in accordance with the terms of the Schemes;

- (j) it acknowledges and agrees that the Company may, between the date on which the Explanatory Statement is issued and the Scheme Effective Date, make any modifications of, or additions to, the Scheme and/or the Restructuring Documents which would not directly or indirectly have an adverse effect on the interests of the DB Creditors under the Schemes and are necessary for the purpose of implementing the Restructuring, and provided that the Company draws all such modifications or additions to the attention of the Hong Kong Court and the Bermuda Court at the respective Sanction Hearings;
 - (k) it acknowledges that neither the Schemes nor the transactions contemplated by the Explanatory Statement shall be deemed to be investment advice or a recommendation as to a course of conduct by the Company, any other member of the Group, any member of the Committee, the Advisers or any of their respective officers, directors, employees or agents; and
 - (l) it represents that, in directing the execution and delivery of this Deed, it has made an independent decision in consultation with its advisers and professionals to the extent that it considers it necessary.
2. The DB Creditor or, if the DB Creditor has appointed a Designated Recipient, the Designated Recipient hereby acknowledges and agrees that the confirmations, authorisations, acknowledgements and waivers made by it in this Annex A are also given in favour of each relevant Released Person and Adviser, who, in each case, are entitled to enforce and enjoy the benefit of any terms contained therein.

Annex B to the Distribution Confirmation Deed

Securities Law confirmations and undertakings

1. The DB Creditor or, if the DB Creditor has appointed a Designated Recipient, the Designated Recipient, confirms to the Company and the Information Agent that:
 - (a) it understands that the offer to it of the New Notes has not been registered under the US Securities Act and that such offer is being made to it in reliance on an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act and that consequently the New Notes have not been and will not be registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States;
 - (b) it understands that the New Notes are “**restricted securities**” as defined in Rule 144(a)(3) under the US Securities Act, and it agrees on its own behalf and on behalf of any investor for which it is acquiring the New Notes, and each subsequent holder of the New Notes by its acceptance thereof will be deemed to agree, to transfer such New Notes only, prior to the date that is: (i) in the case of New Notes issued in reliance on Regulation S under the US Securities Act (“**Regulation S**”), 40 days; and (ii) otherwise, one year after the original issue date or such later date, if any, as may be required by applicable law only:
 - (i) to the Company or one of its subsidiaries;
 - (ii) pursuant to a registration statement which has been declared effective under the US Securities Act;
 - (iii) for so long as the New Notes are eligible for resale pursuant to Rule 144A under the US Securities Act (“**Rule 144A**”), to a person it reasonably believes is a “qualified institutional buyer” (a “**QIB**”) as defined in Rule 144A that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A;
 - (iv) to an institutional “**accredited investor**” (“**Accredited Investor**”) within the meaning of Rule 501(A)(1), (2), (3) or (7) under the US Securities Act that, before such transfer, delivers to the New Notes Transfer Agent a duly completed and signed certificate (the form of which may be obtained from the New Notes Transfer Agent) relating to the restrictions on transfer of the New Notes;
 - (v) outside the United States to non-U.S. persons in accordance with Regulation S; or
 - (vi) pursuant to any other available exemption from the registration requirements of the US Securities Act;
 - (c) it understands that unless the Company determines otherwise in accordance with applicable law, the New Notes will, to the extent they are issued in certificated form, bear a legend substantially in the following form:

“THIS NOTE AND THE SUBSIDIARY GUARANTEES (IF ANY) AND THE JV SUBSIDIARY GUARANTEES (IF ANY) RELATED TO THIS NOTE (COLLECTIVELY, THE “SECURITIES”) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF

1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NONE OF THE SECURITIES NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, [in the case of Rule 144A Global Notes: REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT)] [in the case of Regulation S Global Notes: REPRESENTS THAT IT IS ACQUIRING THIS NOTE IN AN “OFFSHORE TRANSACTION” PURSUANT TO REGULATION S UNDER THE SECURITIES ACT] [in the case of IAI Global Notes: REPRESENTS THAT IT IS AN INSTITUTIONAL “ACCREDITED INVESTOR” (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT)] AND AGREES, ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, [in the case of the Rule 144A Global Note and the IAI Global Note: BEFORE THE RESALE RESTRICTION TERMINATION DATE, WHICH IS ONE YEAR AFTER THE LATER OF THE ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY)] [in the case of the Regulation S Global Notes: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE DATE ON WHICH THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S) IN RELIANCE ON REGULATION S], ONLY (A) TO THE COMPANY OR ONE OF ITS SUBSIDIARIES, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”), TO A PERSON IT REASONABLY BELIEVES IS A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) TO AN INSTITUTIONAL “ACCREDITED INVESTOR” WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT, BEFORE SUCH TRANSFER, DELIVERS TO THE TRANSFER AGENT A DULY COMPLETED AND SIGNED CERTIFICATE (THE FORM OF WHICH MAY BE OBTAINED FROM THE TRANSFER AGENT) RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS SECURITY, (E) OUTSIDE THE UNITED STATES TO NON U.S. PERSONS IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, OR (F) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSAL OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND

REGULATIONS, AND FURTHER SUBJECT TO THE COMPANY'S AND THE TRANSFER AGENT'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES THAT IT SHALL NOT TRANSFER THE SECURITIES IN AN AMOUNT LESS THAN US\$150,000.

EACH PURCHASER OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER"

- (d) it and any subsequent holder of the New Notes will notify any person to whom it subsequently re-offers, resells, pledges, transfers or otherwise disposes of the New Notes of the foregoing restrictions on transfer;
- (e) it understands and acknowledges that the Company shall not be obliged to recognise any resale or other transfer of the New Notes made other than in compliance with the restrictions set forth in this Distribution Confirmation Deed and the terms of the New Notes;
- (f) it confirms that it will acquire an interest in the New Notes for its own account as principal, or for the account of one or more other persons who are able to and who shall be deemed to make all of the representations and agreements in this Distribution Confirmation Deed and for whom it exercises sole investment discretion;
- (g) the receipt of New Notes by such person is not part of a plan or scheme to evade the registration requirements of the US Securities Act;
- (h) it has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of investing in the New Notes, and is experienced in investing in capital markets and is able to bear the economic risk of investing in its New Notes (which it may be required to bear for an indefinite period of time and it is able to bear such risk for an indefinite period), and has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to its investment in its New Notes, and is able to sustain a complete loss of its investment in its New Notes;
- (i) it has or has access to all information that it believes is necessary, sufficient or appropriate in connection with its acquisition of its New Notes and has made an independent decision to acquire its New Notes based on the information concerning the business and financial condition of the Company and other information available to it which it has determined is adequate for that purpose;
- (j) it will comply with all securities laws of any state or territory of the United States or any other applicable jurisdiction, including without limitation "blue sky" laws, and acceptance of its New Notes will not violate any applicable law;
- (k) it understands that neither the Securities and Exchange Commission, nor any other United States state or other securities commission or regulatory authority has approved

or disapproved of the New Notes or passed comment upon the accuracy or adequacy of the Solicitation Packet or the Explanatory Statement, and that any representation to the contrary is a criminal offence in the United States;

- (l) it has consulted and will continue to consult, in each case as required, its own legal, financial and tax advisers with respect to the legal, financial and tax consequences of the Schemes, the New Notes and the Restructuring in its particular circumstances;
- (m) it understands that the New Notes will not be listed on a U.S. securities exchange or any inter-dealer quotation system in the United States and that the Company does not intend to take action to facilitate a market in any of the New Notes in the United States. Consequently, it understands that it is unlikely that an active trading market in the United States will develop for any such securities;
- (n) it understands that the foregoing representations, warranties and agreements are required in connection with United States securities laws and that the Company and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. It agrees that, if any of the acknowledgements, representations and warranties made in connection with its receipt of the New Notes are no longer accurate, it will promptly, and in any event prior to the issuance of its New Notes, notify the Company in writing;
- (o) it is either (i) a “**qualified investor**” within the meaning of Regulation (EU) 2017/1129; or (ii) is not incorporated or situated in any member state of the European Economic Area;
- (p) it is not located or resident in the United Kingdom or, if it is a resident of or located in the United Kingdom, it is: (i) a person who has professional experience in matters relating to investments and qualifies as an Investment Professional in accordance with Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); (ii) a high net worth company, unincorporated association, partnership, trustee or any person to whom communication may otherwise lawfully be made in accordance within Article 49(2) of the Order; or (iii) person falling within Article 43(2) of the Order;
- (q) it understands that the arrangements for the issue of the New Notes have not been authorised by Hong Kong’s Securities and Futures Commission (“**SFC**”), nor has the Explanatory Statement (for this purposes including the Solicitation Packet) been approved by the SFC pursuant to section 105(1) of Hong Kong’s Securities and Futures Ordinance (“**SFO**”) or section 342C(5) of Hong Kong’s Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (“**C(WUMP)O**”) or registered by Hong Kong’s Registrar of Companies pursuant to section 342C(7) of C(WUMP)O;
- (r) it is not located or resident in Hong Kong or, if it is resident or located in Hong Kong, it is (i) a person whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or (ii) a professional investor as defined in the SFO;
- (s) it understands that the New Notes has not been and will not be registered under the relevant laws of the PRC;
- (t) it is not located or resident in Singapore or, if it is located or resident in Singapore, it is (i) an “**institutional investor**” as defined in the Securities and Futures Act, Chapter 289; or (ii) a person to whom the New Notes may otherwise be offered pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA;

- (u) it understands that the New Notes has not been and will not be registered under the securities laws of Taiwan and, upon delivery, may not be offered, sold or otherwise transferred except (i) pursuant to an effective registration statement under Taiwan's Securities and Exchange Act; or (ii) in accordance with another exemption from registration under, or transaction not subject to Taiwan's Securities and Exchange Act;
- (v) it will comply with all securities laws relating to the New Notes that apply to it in any place in which it accepts, holds or sells any of its New Notes. It has obtained all consents or approvals that it needs in order to receive its New Notes, and the Company is not responsible for compliance with these legal requirements; and
- (w) it will not offer or resell any of its New Notes, or cause any offer for the resale of its New Notes, in any state or jurisdiction in which such offer, a solicitation for the purchase of, or resale of its New Notes would be unlawful under, or cause the Company to be in breach of, the securities laws of such state or jurisdiction and it has complied and will comply with all applicable laws and regulations with respect to anything done by it in relation to the New Notes.

Annex C to the Distribution Confirmation Deed

Details of DB Creditor / Designated Recipient

DB Creditor (if applicable)

Name of DB Creditor: _____

Email address _____

Registered or principal address: _____

Place of organisation or incorporation: _____

Telephone number: _____

Designated Recipient (if applicable)

Name of Designated Recipient: _____

Email address: _____

Registered or principal address: _____

Place of organisation or incorporation: _____

Telephone number: _____

Annex D to the Distribution Confirmation Deed

New Notes Form

By ticking one of the boxes below, the DB Creditor expressly acknowledges and confirms that the DB Creditor intends to receive and is eligible to receive or, where applicable, the Designated Recipient acknowledges and confirms that it is eligible to receive New Notes in the form as follows:

- ☐ Rule 144A New Notes
- ☐ IAI New Notes
- ☐ Regulation S New Notes

By ticking one of the three boxes above, the DB Creditor (or its Designated Recipient, as applicable), expressly confirms, represents and warrants that:

- (a) in the case of ticking the Rule 144A New Notes box, the DB Creditor (or its Designated Recipient) is a “qualified institutional buyer” as defined in Rule 144A under the US Securities Act or in the case of ticking the IAI New Notes box, the DB Creditor (or its Designated Recipient) is an institutional “accredited investor” as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the US Securities Act;

the DB Creditor (or its Designated Recipient) is aware that the sale of the Rule 144A New Notes and the IAI New Notes, as applicable, to it is being made in reliance on one or more exemptions from registration under the US Securities Act, including Section 4(a)(2) thereunder; and

the DB Creditor (or its Designated Recipient) is acquiring the Rule 144A New Notes or the IAI New Notes, as applicable, for its own account or for one or more managed accounts, each of which is a “qualified institutional buyer” or an institutional “accredited investor” and as to each of which it exercises sole investment discretion; or

- (b) in the case of ticking the Regulation S New Notes box, the DB Creditor (or its Designated Recipient) is located outside the United States and is a person that is not a “U.S. Person” as defined in Regulation S under the US Securities Act, acquiring the Regulation S Notes in reliance on Regulation S under the US Securities Act, and acquiring the Regulation S Notes for its own account or for one or more managed accounts, each of which is a non-U.S. Person and as to each of which it exercises sole investment discretion.

Any DB Creditor that does not make the relevant confirmations by **checking the “Yes” box below and complete Annex C and Annex D** to this Distribution Confirmation Deed shall not be entitled to receive a distribution of New Notes and should contact the Information Agent without delay.

The DB Creditor and if applicable the Designated Recipient, acknowledges and agrees to the terms, confirmations, acknowledgements, warranties and undertakings set out in this Distribution Confirmation Deed, including without limitation those set out at Annex A (*General confirmations, acknowledgements, warranties and undertakings*) and Annex B (*Securities Law confirmations and undertakings*) and Annex D (*New Notes Form*):

- ☐ Yes

In witness whereof this Deed has been executed as a deed and delivered on _____
by the parties hereto.

Individual DB Creditors

EXECUTED and **DELIVERED** as a **DEED** by

DB Creditor,

(print name)

(sign)

In the presence of:

Witness signature:

Witness name:

Witness address:

Non-individual DB Creditors

EXECUTED and **DELIVERED** as a **DEED**

for and on behalf of

DB Creditor,

(print name)

(sign)

acting by:

Name:

Title:

(sign)

Name:

Title:

Individual Designated Recipients

EXECUTED and **DELIVERED** as a **DEED** by

Designated Recipient,

(print name)

(sign)

In the presence of:

Witness signature:

Witness name:

Witness address:

Non-individual Designated Recipients

EXECUTED and **DELIVERED** as a **DEED**

for and on behalf of

Designated Recipient,

(print name)

(sign)

acting by:

Name:

Title:

(sign)

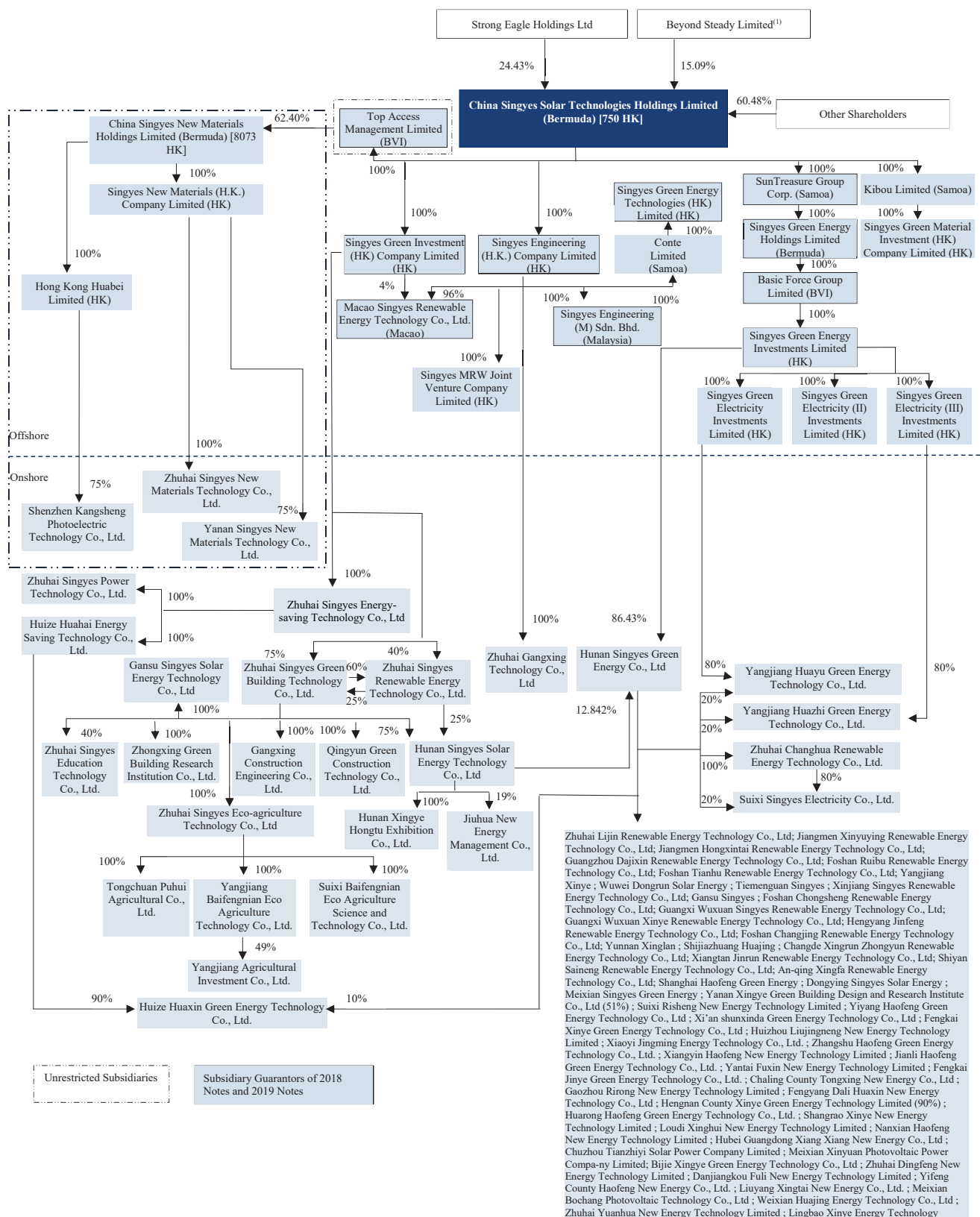
Name:

Title:

APPENDIX 6 GROUP STRUCTURE CHARTS

Annex A

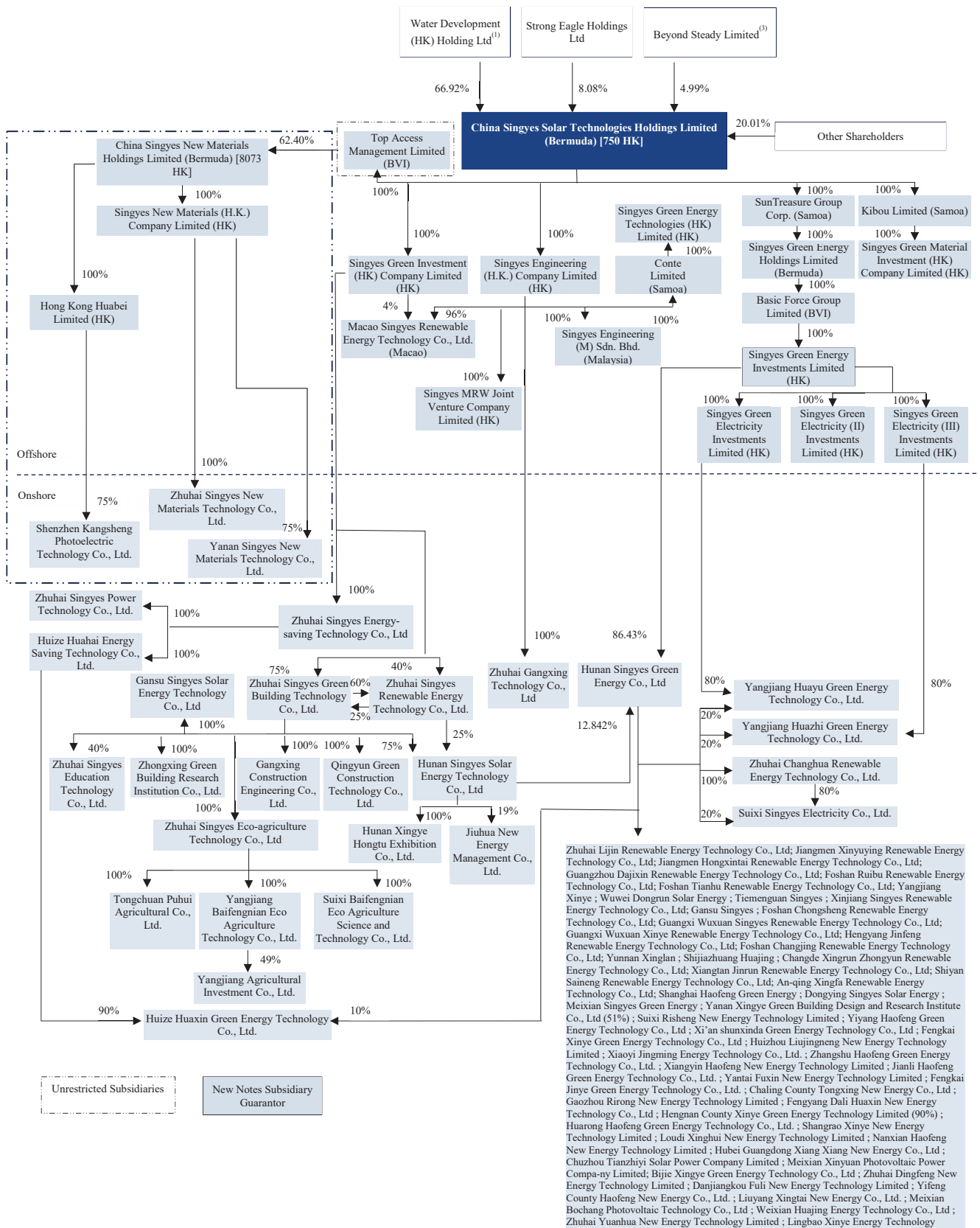
Group Structure Chart - As at the Date of this Explanatory Statement



(1) Beyond Steady Limited is the beneficial owner of 67,064,000 Shares and is interested in 58,785,000 Shares in the capacity of a holder of security interests.

Annex B

Group Structure Chart - Immediately after Completion of the Subscription



- (1) Water Development (HK) Holding Co., Limited (水發集團 (香港) 控股有限公司), a company incorporated in Hong Kong with limited liability, is a wholly owned subsidiary of Shuifa Energy Group Limited (水發能源集團有限公司), which in turn is a wholly owned subsidiary of Shuifa Group Co., Ltd. (水發集團有限公司);
- (2) Assume no other changes in the issued share capital of China Singyes Solar Technologies Holdings Limited other than the issuance of the Subscription Shares;
- (3) Beyond Steady Limited is the beneficial owner of 67,064,000 Shares and is interested in 58,785,000 Shares in the capacity of a holder of security interests.

APPENDIX 7 RECOVERY ANALYSIS

China Singyes Solar Technologies Holdings Limited

Recovery Analysis

Dated 31 October 2019

Contents

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Appendices

Number	Title
1	The estimated return to creditors from the liquidation of the Onshore Entities
2	The estimated return to creditors from the liquidation of the Offshore Entities
3	Summary of amount due to the Existing Notes

Definitions

8073	China Singyes New Materials Holdings Limited
BVI	British Virgin Islands
Company	China Singyes Solar Technologies Holdings Limited
Consent Fee Deadline	5:00 p.m. (Hong Kong time) on 9 August 2019
Deutsche Bank	Deutsche Bank AG (Hong Kong Branch)
Deutsche Bank Claim	The alleged claim of Deutsche Bank recorded as a contingent liability in the 30 June 2019 unaudited financial statements of the Company in the sum of RMB36,375,000 equivalent to approximately USD6,025,139
Duff and Phelps	D&P China (HK) Limited
ERV	Estimated Realisable Value
Existing Notes	The CBs together with the 2018 Notes and the 2019 Notes
Group	China Singyes Solar Technologies Holdings Limited and its subsidiaries
Guarantors	Entities that have provided guarantees in respect of the Existing Notes, namely Singyes Green Investment (HK) Company Limited, Singyes Green Energy Technologies (HK) Limited, Basic Force Group Limited, Top Access Management Limited, Singyes Engineering (M) Sdn. Bhd., Macao Singyes Renewable Energy Technology Co., Ltd. SunTreasure Group Corp. Singyes Green Energy Holdings Limited, Singyes Green Energy Investments Limited, Singyes Green Building Technology Pte. Ltd. and Singyes Engineering (H.K.) Company Limited
HKD	Hong Kong Dollars
Recovery Analysis	The high-level analysis of the estimated return to Scheme Creditors in a liquidation of the Group (being the most likely alternative scenario in the event that the proposed Schemes are not successful)
Management	The senior management team of the Company

NBV	Net Book Value
New Notes	New notes to be issued by the Company to the Scheme Creditors in an aggregate principal amount equal to the amount of their accepted claims in the Schemes less any additional cash payments received under the terms of the Schemes
Oasis Investments	Oasis Investments II Master Fund Ltd
Offshore Entities	Entities of the Group that are incorporated in jurisdictions other than the PRC
Onshore Entities	Entities of the Group that are incorporated in the PRC
PRC	The People's Republic of China (excluding for the purpose of this Recovery Analysis, Hong Kong, Macau, and Taiwan)
Priority Creditors	Represent unsecured creditors entitled to priority payment in a liquidation, namely outstanding employee entitlements and/or payments due to tax authorities
Onshore Creditors	PRC creditors of the Onshore Entities
Offshore Creditors	Creditors of the Offshore Entities
Record Time	10:00 p.m. on 21 November 2019 (Hong Kong time) / 10:00 a.m. on 21 November 2019 (Bermuda time)
Restructuring Effective Date	The date falling three Business Days after the date on which each of the conditions precedent to the occurrence of the Restructuring Effective Date set out in the Schemes have been satisfied or in the event that the Company delivers an extension notice in accordance with the terms of the Schemes, the date specified in such extension notice
RMB	Chinese Yuan Renminbi
RSA	The restructuring support agreement, dated 19 July 2019, between the Company and certain Scheme Creditors
Secured Onshore Lenders	Financial institutions, namely PRC Banks that have advanced funds to the Onshore Entities and have been granted security over assets of the Onshore Entities
Secured Offshore Lenders	Financial institutions, namely banks that have advanced funds to the Offshore Entities and have been granted security over assets of the Offshore Entities

Schemes	Together, the schemes of arrangement to be proposed by the Company to Scheme Creditors pursuant to Sections 670 to 674 of the Companies Ordinance (Cap. 622) of Hong Kong and Section 99 of the Companies Act 1981 of Bermuda
Scheme Creditors	<ol style="list-style-type: none"> Those persons with claims against the Company arising under the: (i) US\$160,000,000 6.75%, New York law governed senior notes due 2018 (the “2018 Notes”); (ii) US\$260,000,000 7.95%, New York law governed senior notes due 2019 (the “2019 Notes”); and (iii) RMB930,000,000 5%, USD settled convertible bonds due 2019 (the “CBs”); issued by the Company with (i) and (ii) guaranteed by certain subsidiaries of the Company Deutsche Bank in respect of the Deutsche Bank Claim (if admitted in the Schemes)
USD	United States Dollar

Sources of information

In preparing the Recovery Analysis we have utilised the following sources of information:

- The Group's audited financial statements as at 31 December 2018.
- The Group's unaudited financial statements as at 30 June 2019.
- Additional information and supporting schedules in respect of various asset and liability balances provided by Management.
- Discussions with Management.
- Third party valuations of certain assets, predominantly land and buildings, provided by Management.

1.0 Executive Summary

- 1.1 Duff and Phelps have been retained to perform a high-level analysis of the estimated return to Scheme Creditors under the proposed Schemes and under a liquidation (being the likely alternative scenario in the event the proposed Schemes are unsuccessful).
- 1.2 Our analysis suggests that in a liquidation scenario there will be insufficient realisations to settle the claims of the Group's creditors in full. It is further estimated that in the event of liquidation, there will be a return of approximately 17% to Scheme Creditors. On the other hand, under the proposed Schemes, the estimated return to Scheme Creditors is in the range of 98% to 100%.
- 1.3 The Recovery Analysis is to be read in conjunction with the disclaimer that appears at the end of this report. The Recovery Analysis provides an estimate of the potential outcome to creditors at a particular point in time using certain assumptions and subject to certain limitations.

2.0 Recovery Analysis Overview

- 2.1 The following table provides an overview of the estimated return to Scheme Creditors in a liquidation scenario following the realisation of all assets of the Group.

RMB '000	NBV	%	ERV
Total asset realisations	3,032,886		686,817
Liquidation costs (2% of realisations)			(13,737)
Net assets available for distribution			673,080
Distributions to Offshore Creditors			
Secured Offshore Lenders (Recoverable amount)	86,896	100%	(86,896)
Priority Creditors	721	100%	(721)
Unsecured Offshore Creditors			
- Secured Offshore Lenders (Remaining balance)	172,571	17%	(29,391)
- Unsecured offshore lenders	36,157	17%	(6,158)
- Claims of holders of the Existing Notes	2,950,788	17%	(502,550)
- General unsecured creditors including Deutsche Bank	278,103	17%	(47,364)
Total distributions			(673,080)

3.0 Methodology

- 3.1 The Recovery Analysis is based on the consolidated unaudited financial statements for the Company as at 30 June 2019 and entails an assessment of the realisable value of the assets and liabilities of the Group in the event of the liquidation of the Group.
- 3.2 There are 110 entities that are either wholly owned or in which the Group has a controlling interest. Of these entities, 89 are Onshore Entities. The remaining entities, namely 21, are Offshore Entities. The majority of the Group's tangible assets and/or operations are held by the Onshore Entities and located in the PRC.

- 3.3 Whilst holders of the Existing Notes do not hold any security over the assets of the Group, they (excluding the CBs) benefit from the guarantees provided by the Guarantors. In short, holders of the Existing Notes rank as unsecured creditors of the Company and the Guarantors. The Company and the Guarantors all comprise Offshore Entities, some of which ultimately hold interests in various Onshore Entities via shareholdings or intercompany loans. The majority of the assets of the Group are held by the Onshore Entities.
- 3.4 Accordingly, in conducting our analysis we have sought to separately assess the financial position and likely return to creditors in a liquidation scenario of both the Onshore Entities and the Offshore Entities. Our analysis indicates that recoveries from the liquidation of the Onshore Entities will be insufficient to settle the claims of Onshore Creditors and hence there would be minimal distribution from the Onshore Entities in settlement of the claims of the Offshore Entities.

4.0 Estimated recovery from the Onshore Entities

- 4.1 We have sought to calculate the estimated return to creditors in the event of the liquidation of the Onshore Entities.
- 4.2 Included at **Appendix 1** is a table summarising the estimated return to creditors from the liquidation of the Onshore Entities.
- 4.3 Our calculations indicate that the estimated recoverable value of the assets of the Onshore Entities totals approximately RMB3.84 billion before liquidation costs.
- 4.4 Property, plant and equipment, primarily solar power plants located in the PRC, account for the majority of realisations. Estimated realisations from the Group's main operating assets in a liquidation scenario are expected to be significantly lower than current book values.
- 4.5 The PRC Enterprise Bankruptcy Law provides for creditor claims to be treated on a pari-passu basis. For the purpose of our analysis we have assumed that PRC creditors of an individual group company are unable to seek redress for debts owed to them via claims against another/related group company. If this is not the case, recoveries for the Offshore Entities could be lower.
- 4.6 There are insufficient realisations from the liquidation of the Onshore Entities to settle the claims of the Onshore Creditors and Offshore Creditors in full.

Application of insolvency priorities

- 4.7 As at 30 June 2019, the Secured Onshore Lenders, largely comprising PRC banks, were owed approximately RMB1.9 billion by the Group, comprising secured and unsecured debt. The Secured Onshore Lenders benefit from security across various classes of assets including fixed assets, prepaid land lease payments, trade and bills receivables and prepayments, deposits and other receivables.

4.8 For the purpose of the Recovery Analysis we have assumed that the Secured Onshore Lenders hold security that has been validly granted and effective. The Secured Onshore Lenders also obtain recoveries from their ability to claim as unsecured creditors in those situations where there is a shortfall in realisations from security held.

4.9 Preferential claims comprise amounts owing to employees for outstanding salary and other entitlements including estimated redundancy costs. As at 30 June 2019, the Group had approximately 1,900 employees, the majority located in the PRC, with estimated preferential claims for employees based in the PRC of RMB62,700,000.

5.0 Estimated recovery from the Offshore Entities including the Guarantors

5.1 The major assets held by the Offshore Entities essentially comprise cash, accounts receivables, contract assets (located in the PRC), fixed assets, and their interest in the Onshore Entities, either by way of shareholdings or intercompany loans. We have assumed that these intercompany loans will rank as unsecured claims in the liquidation of the Onshore Entities.

5.2 As indicated in Section 4, our analysis demonstrates that there are insufficient recoveries in the liquidation of the Onshore Entities to settle all creditor claims. However, the Offshore Entities receive a distribution from the liquidation of the Onshore Entities in their capacity as creditors of the Onshore Entities via intercompany loans.

5.3 Included at **Appendix 2** is a table summarizing the estimated return to creditors from the liquidation of the Offshore Entities.

5.4 Our assessment of the Offshore Entities suggests that in a liquidation scenario, the recoverable value of assets of the Offshore Entities would be minimal, giving rise to an approximate 17% return on the claims of unsecured creditors, including the Scheme Creditors.

5.5 One of the most significant assets held by the Offshore Entities comprises an interest in another publicly listed entity, namely 8073. The Company has a wholly owned BVI subsidiary, namely Top Access Management Limited, which holds a 62.4% interest in 8073, a company listed on the Growth Enterprise Market Board of the Hong Kong Stock Exchange under stock code "8073". As at 21 October 2019, the closing share price of 8073 was HKD0.64 per share, giving rise to a market capitalisation of approximately HKD332.8 million, which would suggest the value of the Company's 62.4% interest in 8073 was HKD207.7 million (or RMB 187.1 million) (i.e. HKD332.8 million x 62.4%). We note that shares of 8073 are thinly traded on the Hong Kong Stock Exchange, and in a liquidation scenario the ability to realise the equivalent value may be difficult. A distressed sale of the 8073 shares would also likely result in a reduced recovery. However, for the purpose of our analysis we have assumed a recoverable value of RMB187 million.

5.6 We have been advised that the Company's interest in 8073 has been pledged as security for a US\$12 million (or RMB84,801,600) loan facility provided by Oasis Investments. For the purpose of our analysis in **Appendix 2**, we have assumed that the debt due to Oasis Investments would

be settled in priority against the recoverable value of 8073 shares leading to a reduced return to unsecured creditors.

- 5.7 For the purpose of the Recovery Analysis, we have not attributed any value to the Company's listing status on the Hong Kong Stock Exchange. The value, if any, attributable to the Hong Kong listing in the event of a winding up would be dependent on the liquidator being able to satisfy a number of significant regulatory requirements and practical issues. The ability of a liquidator, to satisfy these regulatory and practical requirements is uncertain. Accordingly, we have not ascribed a value to the Company's listing status in the liquidation scenario.

6.0 Return to holders of the Existing Notes - liquidation versus Schemes

- 6.1 Under the proposed Schemes holders of the Existing Notes stand to receive the following:

- A Consent Fee of USD8.6 million. The Consent Fee is payable to holders of the Existing Notes who acceded to the RSA by the Consent Fee Deadline, subject to the terms of the RSA. We have been advised that holders of 98.4% of the amounts outstanding under the Existing Notes acceded to the RSA by the Consent Fee Deadline.
- A total Cash Consideration of USD41.4 million.
- New Notes to be issued by the Company equivalent to the claims of holders of the Existing Notes (including outstanding principal amount of the Existing Notes at the Record Time, and all accrued and unpaid interest on such Existing Notes up to but excluding the Restructuring Effective Date), less the Consent Fee of USD8.6 million and Cash Consideration of USD41.4 million.

- 6.2 The amount due to holders of the Existing Notes incorporating accrued interest calculated up to 31 December 2019 totals USD465.91 million (see **Appendix 3**). Accordingly, under the proposed Schemes, holders of the Existing Notes stand to receive an immediate return of between approximately 98% to 100%, calculated as follows:

	Signed¹	Not signed²	Total
Percent of total Existing Notes	98.40%	1.60%	100%
	USD	USD	USD
Total claim	458,466,660	7,442,699	465,909,360
Restructuring of the Existing Notes	Signed¹	Not signed²	Total
Consent Fee	8,600,000	-	8,600,000
Cash Consideration	40,738,653	661,347	41,400,000
Total cash receipt by holders of the Existing Notes	49,338,653	661,347	50,000,000
New notes issued	409,265,389	6,643,971	415,909,360
Total consideration (USD)	458,604,042	7,305,318	465,909,360
<i>Estimated return</i>	<i>100.03%</i>	<i>98.15%</i>	

1 Represents holders of the Existing Notes that acceded to the RSA by the Consent Fee Deadline

2 Represents holders of the Existing Notes that did not accede to the RSA by the Consent Fee Deadline

6.3 The above calculation ignores any adjustment for the time value of money. Hence no discount has been applied to the principal value of the New Notes payable in either 2.5 or 3 years time. Furthermore, we have ignored any additional return that holders of the Existing Notes may derive via interest payable on the New Notes.

6.4 On the other hand, our analysis, based on the assumptions and limitations adopted, indicates that in a liquidation scenario, the holders of the Existing Notes (being unsecured creditors) will receive a return of approximately 17% on their combined debt of approximately RMB2.95 billion as recorded in the 30 June 2019 financial statements. However the timing of this return is uncertain.

7.0 Return to Deutsche Bank – liquidation versus Schemes

7.1 Under the proposed Schemes it is intended that the alleged Deutsche Bank Claim, subject to adjudication and admission in accordance with the terms of the Schemes, will be treated in a similar manner to the claims of holders of the Existing Notes. In summary the Company proposes to contribute additional funds and additional New Notes to ensure that the return to Deutsche Bank under the proposed Schemes equates to that enjoyed by holders of the Existing Notes under the proposed Schemes.

7.2 The Deutsche Bank Claim is currently contested by the Company and treated as a contingent liability in the 30 June 2019 unaudited financial statements of the Company in the sum of RMB36,375,000 (equivalent to approximately USD6,025,139).

7.3 Accordingly, assuming the Deutsche Bank Claim is accepted in full following adjudication under the terms of the Schemes, under the proposed Schemes, Deutsche Bank will stand to receive an immediate return of 100.00%, comprising a consent fee, a cash consideration, and New Notes with a principal amount that is calculated as the accepted Deutsche Bank Claim minus its consent fee and cash consideration.

7.4 In the event that the Deutsche Bank Claim is accepted in part only, Deutsche Bank will still receive a 100% recovery on the amount of its accepted claim.

7.5 The above calculation ignores any adjustment for the time value of money. Hence no discount has been applied to the principal value of the New Notes payable in either 2.5 or 3 years time. Furthermore, we have ignored any additional return that the Deutsche Bank Claim may derive via interest payable on the New Notes.

7.6 On the other hand, our analysis based on the assumptions and limitations adopted indicates that in a liquidation scenario, the Deutsche Bank Claim, being an unsecured claim, will receive a return of approximately 17%. However, the timing of this return is uncertain.

8.0 Additional assumptions and limitations

8.1 For the purpose of determining the ultimate return to Scheme Creditors in a liquidation scenario we have:

- conducted the Recovery Analysis on a consolidated basis rather than an entity by entity analysis by effectively separating the Offshore and Onshore Entities into two distinct groups and with the view to identifying what recoveries, if any, flow through from the liquidation of the Onshore Entities to the Offshore Entities.
- assessed the assets and liabilities of each entity against which the Scheme Creditors could establish a claim, namely the Company and the Guarantors and any Onshore Entities in which the Company/Guarantors have an interest.
- in consultation with Management, adopted assumptions as to the recoverable value of the assets held by the Group. These assumptions are summarized in Appendices 1 and 2.
- assessed the claims against the Group that may arise upon insolvency, being the existing liabilities appearing in the financial statements, in addition to any additional claims that may crystallise upon insolvency, such as employee entitlements that rank for statutory priority.
- sought to reconcile the claims of creditors holding security over particular assets of the Group in order to establish what surplus, if any, from realisation of the secured assets is ultimately available for distribution to unsecured creditors.
- assumed that the claims of intercompany creditors located outside of the PRC, will be treated in a similar manner as Onshore Creditors in the Liquidation of the PRC Entities.
- assumed that there is no material litigation arising during the liquidation process which would otherwise delay the realisation of assets/distribution to creditors and add to the costs of the liquidation.
- assumed that the Group will cease operation upon liquidation and hence asset realisations will be at steep discounts to what may be expected to be achieved in a going concern sale transaction.
- estimated the likely costs associated with realising the assets and dealing with the general liquidation, ie the liquidation costs. Liquidation costs have been assessed as a percentage of realisations and are deemed to include the liquidators' costs in addition to other third-party advisers including legal advisors, sales agents and court costs.

9.0 Disclaimer

- 9.1 This report was prepared by Duff and Phelps at the request and on the instructions of the Company pursuant to the terms of engagement as recorded in an engagement letter and accompanying Terms and Conditions of Business dated 11 September 2019 (Engagement Letter).
- 9.2 The report remains subject to the scope and exclusions as agreed with the Company as set out in the Engagement Letter.
- 9.3 This report has been prepared by Duff and Phelps solely for the use of the Company and Scheme Creditors, for the purpose of providing an estimate of the recoveries available to Scheme Creditors under the proposed Schemes and considers the alternative liquidation scenario. This report will be disclosed as an appendix to the explanatory statement of the Company's proposed Schemes strictly on a non-reliance basis, for information only.
- 9.4 The Recovery Analysis is based on information and explanations provided by the Company which have not been subject to independent verification or audit. Accordingly, Duff and Phelps assumes no liability whatsoever and makes no representations or warranties, express or implied, in relation to the contents of this report, including its accuracy, completeness or verification insofar as this is reliant on information or explanations provided by the Company or for any other statement made or purported to be made by or on behalf of the Company.

China Singyes Solar Technologies Holdings Limited

Overview of estimated return to creditors from liquidation of the Onshore Entities

RMB '000	NBV	%	ERV
Property, plant and equipment	4,449,712	41%	1,803,922
Investment properties	73,549	14%	9,954
Right-of-use assets	217,145	100%	217,145
Intangible assets	1,719	0%	-
Payments in advance	13,952	0%	-
Investments in subsidiaries	1,497,692	0%	-
Investments in associates	39,130	0%	-
Deferred tax assets	1,610	55%	878
Equity investments designated at fair value through other comprehensive income	2,070	20%	414
Financial assets at fair value through profit or loss	-	0%	-
Goodwill	-	0%	-
Inventories	74,523	10%	7,452
Contract assets	1,766,298	19%	337,585
Trade and bills receivables	3,185,932	32%	1,033,321
Prepayments, deposits and other receivables	955,163	32%	306,439
Pledged deposits	73,308	0%	-
Cash and cash equivalents	121,354	100%	121,354
Total asset realisations	12,473,156		3,838,464
Liquidation costs (2% of realisations)			(76,769)
Net assets available for distribution			3,761,695
Distributions to Onshore Creditors			
Secured Onshore Lenders (Recoverable amount)	1,219,627	¹ 100%	(1,219,627)
Priority Creditors	183,901	² 100%	(183,901)
Unsecured Onshore Creditors			
- Secured Onshore Lenders (Remaining balance)	686,139	³ 69%	(473,146)
- Unsecured onshore lenders	853,474	⁴ 69%	(588,537)
- Intercompany claims of Offshore Entities	630,339	⁵ 69%	(434,668)
- General unsecured creditors	1,249,773	⁶ 69%	(861,816)
Total distributions			(3,761,695)

1. Debt due to the Secured Onshore Lenders and secured against assets held by the Onshore Entities.

2. Employee entitlements and amounts due to PRC tax authorities estimated to rank for priority in a liquidation.

3. Represents unsecured portion of the Secured Onshore Lenders including shortfalls arising from disposal of secured assets.

4. Represents unsecured Onshore Lenders

5. Represents unsecured amounts due to the Offshore Entities via intercompany loans.

6. Represents amounts due to non-Group creditors, excludes intercompany loans.

China Singyes Solar Technologies Holdings Limited

Overview of estimated return to creditors from liquidation of the Offshore Entities

RMB '000	NBV	%	ERV
Property, plant and equipment	21,075	41%	8,544
Investment properties	-	14%	-
Right-of-use assets	555	100%	555
Intangible assets	84	0%	-
Payments in advance	-	0%	-
Investments in subsidiaries	2,209,798	8%	187,141
Investments in associates	-	0%	-
Deferred tax assets	-	0%	-
Equity investments designated at fair value through other comprehensive income	5,298	20%	1,060
Financial assets at fair value through profit or loss	24,885	0%	-
Goodwill	-	0%	-
Inventories	233	10%	23
Contract assets	35,784	19%	6,839
Trade and bills receivables	74,361	32%	24,118
Prepayments, deposits and other receivables	9,625	32%	3,088
Pledged deposits	69	0%	-
Intercompany receivables due from Onshore Entities	630,339	69%	434,668
Cash and cash equivalents	17,705	100%	17,705
Tax Refund	3,077	100%	3,077
Total asset realisations	3,032,886		686,817
Liquidation costs (2% of realisations)			(13,737)
Net assets available for distribution			673,080
Distributions to Offshore Creditors			
Secured Offshore Lenders (Recoverable amount)	86,896	¹ 100%	(86,896)
Priority Creditors	721	² 100%	(721)
Unsecured Offshore Creditors			
- Secured Offshore Lenders (Remaining balance)	172,571	³ 17%	(29,391)
- Unsecured offshore lenders	36,157	⁴ 17%	(6,158)
- Claims of holders of the Existing Notes	2,950,788	17%	(502,550)
- General unsecured creditors including Deutsche Bank	278,103	⁵ 17%	(47,364)
Total distributions			(673,080)

1. Debt due to Offshore Lenders and secured against assets held by the Offshore Entities.

2. Represents offshore employee entitlements that may rank for priority in a liquidation.

3. Represents unsecured portion of amounts due to the Offshore Lenders including shortfall arising from disposal of secured assets.

4. Represents amounts due to the unsecured Offshore Lenders.

5. Represents amounts due to non-Group creditors.

China Singyes Solar Technologies Holdings Limited

Analysis of amount due to the Existing Notes incorporating accrued interest calculated up to 31 December 2019

	Outstanding Principal		Interest		Total Principal and Interest	
	USD	RMB	USD	RMB	USD equivalent	RMB equivalent
2018 due 6.75% senior notes	155,260,000		17,845,196		173,105,196	1,223,299,801
2019 due 7.95% senior notes	260,000,000		18,143,667		278,143,667	1,965,585,664
2019 due 5% CB		96,000,000		7,602,800	14,660,497	103,602,800
Total					465,909,360	3,292,488,264
Restructuring Consideration						
	USD	RMB equivalent				
Cash Consideration	41,400,000	292,565,520				
New notes	415,909,360	2,939,148,264				
Consent Fee	8,600,000	60,774,480				
	USD equivalent	RMB equivalent				
Total cash payment through scheme	50,000,000	353,340,000				

Exchange rate:

USD1 = RMB7.0668 as at 22 October 2019

APPENDIX 8 FINANCIAL STATEMENTS

INDEBTEDNESS STATEMENT OF THE GROUP

Indebtedness

As at 30 September 2019, the carrying amount of the Group's outstanding consolidated total bank and other loans was approximately RMB3,030.0 million, details of which are as follows:

	<i>RMB'000</i>
Current	
Revolving loans-secured	—
Bank loans-secured	2,344,545
Bank loans-unsecured	91,374
Other loans-secured	508,978
Other loans-unsecured	<u>85,115</u>
Total interest-bearing bank and other loans	<u><u>3,030,012</u></u>

Besides, the Group had the following outstanding Convertible Bonds and Senior Notes:

	<i>RMB'000</i>
2019 CBs	96,000
2018 Notes	1,098,138
2019 Notes	<u>1,838,954</u>
	<u><u>3,033,092</u></u>

As announced by the Company on 19 July 2019, a restructuring support agreement (“**RSA**”) which the Company intends to enter into with the holders of the 2019 CBs, 2018 Notes and 2019 Notes (collectively, the “**Offshore Notes**”) support the implementation of the Proposed Restructuring.

And as announced by the Company on 14 August 2019, approximately 98.4% of the aggregate outstanding principal amount of the Offshore Notes had acceded to the RSA by the Consent Fee Deadline (i.e. 5:00 p.m. Hong Kong time on 9 August 2019). The Company also encourages the remaining bondholders to accede to the RSA which would remain open for accessions until immediately before the Record Time.

Certain of the Group's bank and other loans are secured by:

- (a) mortgages over the Group's buildings with an aggregate carrying amount at the end of the reporting period of approximately RMB973,828,000;

- (b) mortgages over the Group's solar photovoltaic power stations and their respective rights on the annual return thereof, which had an aggregate carrying amount at the end of the reporting period of approximately RMB1,355,096,000;
- (c) the right on the annual return generated from the solar photovoltaic power station with a net carrying amount of approximately RMB26,894,000 at the end of the reporting period;
- (d) mortgages over the right on the annual return of the Group's solar photovoltaic power stations with an aggregate carrying amount at the end of the reporting period of approximately RMB531,707,000;
- (e) mortgages over the Group's prepaid land lease payments, which had a carrying amount at the end of the reporting period of approximately RMB79,628,000;
- (f) the pledge of certain of the Group's trade receivables of approximately RMB2,165,552,000;
- (g) the pledge of certain of the Group's tariff adjustment receivables of approximately RMB269,489,000; and
- (h) the pledge of equity interests in the following subsidiaries of the Group:
 - i. 99.27% equity interests in Xinjiang Singyes;
 - ii. 99.27% equity interests in Wuwei Dongrun;
 - iii. 99.27% equity interests in Suixi Xinye;
 - iv. 99.85% equity interests in Yangjiang Huayu;
 - v. 99.85% equity interests in Yangjiang Huazhi;
 - vi. 99.27% equity interests in Yangjiang Singyes; and
 - vii. 62.37% equity interests in Singyes New Materials.

In addition, the Company's directors have guaranteed certain of the Group's bank and other loans for nil consideration, details of which are as follows:

- (I) the Company's director, Mr. Liu Hongwei, has guaranteed the Group's bank and other loans of RMB720,548,000;
- (II) the Company's director, Mr. Liu Hongwei and the Company's former director, Mr. Sun Jinli, have jointly guaranteed the Group's bank loans of RMB539,414,000;
- (III) the Company's directors, Messrs. Liu Hongwei and Xie Wen, have jointly guaranteed the Group's bank and other loans of RMB311,005,000;
- (IV) the Company's directors, Messrs. Liu Hongwei and Xie Wen and the Company's former director, Mr. Sun Jinli have jointly guaranteed the Group's bank loans of RMB364,494,000; and

(V) the Company's director, Mr. Liu Hongwei has guaranteed the Group's bank loans of HK\$200,648,000 (equivalent to approximately RMB180,986,000); and

(VI) the Company's director, Mr. Liu Hongwei has guaranteed the Group's other loans of HK\$120,000,000 (equivalent to approximately RMB84,875,000).

Contingent liabilities

The Group has assessed and has made provisions for any probable outflow of economic benefits in relation to contingent liabilities at the reporting date in accordance with its accounting policies. As at 30 September 2019, based on the opinion of internal and external legal counsels, the Group has made provisions for compensation of RMB81,432,000 for the nine months ended 30 September 2019. The contingencies will not have material impact on financial position and operations of the Group.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, the Group did not have any other loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorized or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding as at 30 September 2019.

Save as disclosed above, the Directors have confirmed that there have been no material changes in the indebtedness and contingent liabilities of the Group from 30 September 2019 up to the Latest Practicable Date.

Save as aforesaid and apart from intra-group liabilities and normal trade payables, at the close of business on the Latest Practicable Date, the Group did not have any loan capital issued and outstanding or agreed to be issued, material mortgages, charges, debentures, loan capital, other debt securities, term loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade payables) or acceptance credits, guarantees or other material contingent liabilities.

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China Singyes Solar Technologies Holdings Limited

中國興業太陽能技術控股有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 750)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

The board of directors (the “Directors”, collectively referred to as the “Board”) of China Singyes Solar Technologies Holdings Limited (the “Company”) is pleased to announce the interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2019 (the “Period”).

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue	1,148,380	3,019,787
Profit/(loss) before tax	(460,927)	321,493
Income tax expense	4,069	90,247
Profits/(loss) attributable to owners of the Company	(468,024)	228,484
Earnings/(loss) per share attributable to ordinary equity holders		
– Basic	RMB(0.581)	RMB0.274
– Diluted	RMB(0.581)	RMB0.274

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the six months ended 30 June	
		2019	2018
	Notes	RMB'000 (unaudited)	RMB'000 (unaudited)
Revenue	3	1,148,380	3,019,787
Cost of sales		(1,209,524)	(2,282,826)
Gross profit/(loss)		(61,144)	736,961
Tariff adjustment	3	80,232	86,568
Other income and gains		25,044	38,810
Selling and distribution expenses		(61,499)	(62,716)
Administrative expenses		(141,260)	(179,010)
Impairment losses on financial and contract assets, net		(99,647)	(41,199)
Other expenses		(6,723)	(39,208)
Finance costs		(197,110)	(212,896)
Share of profits/(losses) of associates		1,180	(5,817)
Profit/(loss) before tax	4	(460,927)	321,493
Income tax expense	5	(4,069)	(90,247)
Profit/(loss) for the period		(464,996)	231,246
Other comprehensive loss for the period:			
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:			
Changes in fair value of equity instruments at fair value through other comprehensive income		—	(6,559)
Exchange differences on translation of financial statements		(12,051)	(24,462)
Other comprehensive loss for the period		(12,051)	(31,021)
Total comprehensive income/(loss) for the period		(477,047)	200,225
Profit/(loss) attributable to:			
Owners of the Company		(468,024)	228,484
Non-controlling interests		3,028	2,762
		(464,996)	231,246
Total comprehensive income/(loss) attributable to:			
Owners of the Company		(480,133)	197,301
Non-controlling interests		3,086	2,924
		(477,047)	200,225
Earnings/(loss) per share attributable to ordinary equity holders of the Company			
– Basic	6	RMB(0.581)	RMB0.274
– Diluted	6	RMB(0.581)	RMB0.274

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment		4,400,161	4,475,179
Investment properties		73,549	74,344
Right-of-use assets		217,699	—
Prepaid land lease payments		—	211,413
Intangible assets		1,803	2,058
Payments in advance		13,952	13,513
Investments in associates		5,609	4,429
Investment in a joint venture		—	6,370
Deferred tax assets		1,610	1,557
Financial assets at fair value through profit or loss		24,885	24,265
Equity investments designated at fair value through other comprehensive income		5,678	5,657
Goodwill		6,448	6,448
Total non-current assets		4,751,394	4,825,233
CURRENT ASSETS			
Inventories		74,330	69,592
Contract assets		2,003,513	2,119,517
Trade and bills receivables	8	3,022,975	3,389,476
Prepayments, deposits and other receivables	8	965,450	596,568
Pledged deposits		73,377	180,590
Cash and cash equivalents		140,249	216,151
Total current assets		6,279,894	6,571,894
CURRENT LIABILITIES			
Trade and bills payables	9	899,953	901,520
Other payables and accruals		486,111	449,257
Contract liabilities		76,317	105,067
Bank advances for discounted bills		40,115	—
Interest-bearing bank and other loans		3,014,750	2,956,804
Tax payable		16,049	20,317
Convertible bonds	10	96,000	96,000
Senior notes	11	2,854,788	2,850,012
Lease liabilities		2,634	—
Provision		81,432	81,289
Total current liabilities		7,568,149	7,460,266
NET CURRENT LIABILITIES		(1,288,255)	(888,372)
TOTAL ASSETS LESS CURRENT LIABILITIES		3,463,139	3,936,861

		30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000
	<i>Notes</i>		
NON-CURRENT LIABILITIES			
Deferred tax liabilities		87,592	87,680
Lease liabilities		7,259	—
Deferred income		152,316	157,449
		<hr/>	<hr/>
Total non-current liabilities		247,167	245,129
		<hr/>	<hr/>
Net assets		3,215,972	3,691,732
		<hr/>	<hr/>
EQUITY			
Equity attributable to owners of the Company			
Issued capital	12	55,785	55,785
Reserves		3,056,997	3,535,106
		<hr/>	<hr/>
		3,112,782	3,590,891
		<hr/>	<hr/>
Non-controlling interests		103,190	100,841
		<hr/>	<hr/>
Total equity		3,215,972	3,691,732
		<hr/>	<hr/>

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2019

1. CORPORATE INFORMATION

China Singyes Solar Technologies Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in Bermuda on 24 October 2003. The registered office of the Company is located at 4th Floor, North Cedar House, 41 Cedar Avenue, Hamilton, HM12, Bermuda. The principal place of business of the Company is located at Unit 3108, 31st Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.

During the six months ended 30 June 2019 (the “Period”), the Company and its subsidiaries (collectively referred to as the “Group”) were principally engaged in the design, manufacture, supply and installation of conventional curtain walls and building integrated solar photovoltaic system, as well as the manufacture and sale of solar power products. There were no significant changes in the nature of the Group’s principal activities during the Period.

In the opinion of the directors, the parent and the ultimate holding company of the Company is Strong Eagle Holdings Limited, which was incorporated in the British Virgin Islands.

2.1 BASIS OF PREPARATION

The unaudited interim condensed financial information for the Period has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”).

The unaudited interim condensed financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2018.

Going concern basis

As at 30 June 2019, the Group had net current liabilities of RMB1,288,255,000 (31 December 2018: net current liabilities of RMB888,372,000) and incurred a loss of RMB464,996,000 (six months ended 30 June 2018: net profit of RMB231,246,000) for the Period.

As disclosed in the Company’s announcements dated 18 October 2018 and 10 January 2019, the Company has defaulted on its US\$160 million 6.75% senior notes due 2018 (the “2018 USD Senior Notes”), which resulted in the occurrence of events of default of RMB930 million 5% convertible bonds due 8 August 2019 (the “2019 Convertible Bonds”) and US\$260 million 7.95% senior notes due on 15 February 2019 (the “2019 Senior Notes”) (collectively the “Debt Securities”). The aforesaid defaults (the “Default”) also resulted in cross-defaults of certain of the Group’s bank and other loans which became payable on demand in accordance with their terms.

These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the directors have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. In order to improve the Group's liquidity and cash flows to sustain the Group as a going concern, the Group has implemented or is in the process of implementing the following measures:

The Subscription

On 16 May 2019, the Company has entered into a subscription agreement with Water Development (HK) Holding Co., Limited (the "Subscriber", which is a subsidiary of Shuifa Energy Group Limited (水發能源集團有限公司), a state-owned enterprise). Pursuant to the subscription agreement, the Company has conditionally agreed to allot and issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for, at completion, 1,687,008,585 subscription shares at the subscription price of HK\$0.92 per subscription share (the "Subscription"). The Subscription is subject to certain conditions, including but not limited to:

- (1) the Subscriber having obtained all necessary consents and authorisations for the execution and completion of the transactions under the subscription agreement from all the relevant government or regulatory authorities (including the governmental authorities for the supervision and management of state-owned assets, foreign exchange controls and anti-trust, the relevant department of commerce and the relevant commission for development and reform), and such consents and authorisations remain fully effective under any relevant law and regulation of any jurisdiction;
- (2) the obtaining of all necessary approval(s) by the Company's shareholders at the Company's special general meeting as required by the listing rules and/or the takeovers code, the articles of associations of the Company or applicable laws to approve the transactions under the subscription agreement, including the Subscription, the Whitewash Waiver (a waiver from the Securities and Futures Commission of Hong Kong, the "SFC", pursuant to Note 1 on Dispensations from Rule 26 of the takeovers code in respect of the obligations of the Subscriber to make a mandatory general offer for all of the Company's shares not already owned or agreed to be acquired by the Subscriber or parties acting in concert with it which would, if the Subscription proceeds, otherwise arise as a result of the allotment and issuance of the subscription shares to the Subscriber) and the authorisation of share capital increase;
- (3) the SFC granting the Whitewash Waiver to the Subscriber and parties acting in concert with it (unconditionally or on such terms as the Subscriber may reasonably agree);
- (4) the SFC having issued a written confirmation to the Subscriber and parties acting in concert with it (unconditionally or on such terms as the Subscriber may reasonably agree) that the Subscriber shall not be required to extend a general offer in respect of all the shares of China Singyes New Materials Holdings. Co., Ltd. ("Singyes New Materials"); and

- (5) the Subscriber having, in its absolute discretion, approved and agreed with the plan of onshore and offshore debt restructuring and resolution of disputes between the Group and its creditors, and such onshore and offshore debt restructuring having been completed or becoming effective on or before the completion of the Subscription.

Particulars of the Subscription were set out in the Company's announcement dated 5 June 2019. The Company had received a confirmation from the SFC on 28 August 2019 that no general offer will be required to be made for Singyes New Materials.

The net proceeds, after taking into account the estimated expenses in relation to the Subscription, would be approximately HK\$1,529,048,000 (equivalent to approximately RMB1,339,751,000), which is intended to be used for (i) restructuring of existing debts of the Group; (ii) paying fees and expenses related to the overall restructuring exercise; and (iii) providing general working capital and normalised funding levels for the Group's ongoing operations, enabling the completion of existing projects and prudent growth of the Group.

Extension of due dates of bank and other loans

As at 30 June 2019, the Group has entered into extension agreements with eight banks. Pursuant to the extension agreements, the due date of bank loans aggregating to RMB864,494,000 (the "extended loans") and RMB689,365,000 as at 30 June 2019, have been conditionally extended to 17 April 2020 and 21 May 2021, respectively. The extension is subject to certain conditions, including but not limited to that the Subscriber should become guarantor of the extended loans within 30 days from the completion of the Subscription.

Letter of intent for new banking facilities

On July 2019, the Group has obtained letters of intent for new banking facilities aggregating to RMB1.5 billion from two banks in Mainland China.

Restructuring of the Debt Securities

As disclosed in the Company's announcement dated 18 October 2018, immediately subsequent to the default of the Debt Securities, the Company has appointed external advisers to assist the Company in debt restructuring (the "Debt Restructuring") negotiations with bondholders and obtaining support from them. As at 9 August 2019, approximately 98.39% of the bondholders entered into restructuring support agreements (the "RSAs"), pursuant to which they have undertaken to work in good faith with the Company to implement the Debt Restructuring as soon as possible. The Company is going to file applications with the Bermuda Court and the High Court of Hong Kong (the "Hong Kong Court") in relation to seeking orders (the "Convening Orders") to convene meetings of the bondholders for the purpose of approving the schemes of arrangement in Bermuda and in Hong Kong (the "Bermuda Scheme" and "Hong Kong Scheme", respectively).

The Directors have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from 30 June 2019. Although there is a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern, the directors, after taking into account the above-mentioned plans and measures, are of the opinion that, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2019. Accordingly, the directors are satisfied that it is appropriate to prepare the interim condensed financial information on a going concern basis.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the interim condensed financial information.

The Audit Committee of the Board has confirmed that it has objectively and critically reviewed the measures mentioned above. The Audit Committee of the Board and the Board have confidence in the Group's management and concurred with management's view that the Group's business plan for the next twelve months is feasible and achievable.

The Group has actively implemented, or is actively implementing, all the improvement targets outlined above for the purposes of increasing profits and improving the cash flow position of the Group, in order to remove material uncertainties relating to the going concern of the Group for the next twelve months.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this interim condensed financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of following new standards, interpretation and amendments to a number of International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board for the first time for financial year beginning 1 January 2019:

Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</i>
IFRS 16	<i>Leases</i>
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i>
<i>Annual Improvements</i> <i>2015-2017 Cycle</i>	<i>Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23</i>

Other than as explained below regarding the impact of IFRS 16 Leases, the adoption of these amendments to IFRSs has had no significant financial effect on the financial position or performance of the Group. The nature and impact of IFRS 16 are described below:

App 8 - 12

IFRS 16 replaces IAS 17 Leases, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC 15 *Operating Leases – Incentives* and SIC 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019, and comparative information for 2018 was not restated and continues to be reported under IAS 17.

New definition of a lease

Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their standard-alone prices. A practical expedient is available to a lessee, which the Group has adopted, not to separate non-lease components and to account for the lease and the associated non-lease components as a single lease component.

As a lessee – Leases previously classified as operating leases

Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of plant, office premises, and land use rights. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under IFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low value assets (elected on a lease by lease basis) and short-term leases (elected by class of underlying asset). The Group has elected not to recognise right-of-use assets and lease liabilities for (i) leases of low-value assets; and (ii) leases, that at the commencement date, have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

Impacts on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019. The Group elected to present the lease liabilities separately in the consolidated statement of financial position.

The right-of-use assets for most leases were measured at the amount of the lease liability, adjusted by the amount of any prepaid lease payments relating to the lease recognised in the consolidated statement of financial position immediately before 1 January 2019. All these assets were assessed for any impairment based on IAS 36 on that date. The Group elected to present the right-of-use assets separately in the consolidated statement of financial position.

The Group has used the following elective practical expedients when applying IFRS 16 at 1 January 2019:

- Applied the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics

The impacts arising from the adoption of IFRS 16 as at 1 January 2019 are as follows:

	Increase/(decrease) <i>RMB'000</i> <i>(unaudited)</i>
Assets	
Increase in right-of-use assets	222,135
Decrease in prepaid land lease payments	(211,413)
	<hr/>
Increase in total assets	10,722
	<hr/> <hr/>
Liabilities	
Increase in total liabilities	10,722
	<hr/> <hr/>

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 is as follows:

	<i>RMB'000</i> <i>(unaudited)</i>
Operating lease commitments as at 31 December 2018	11,636
Weighted average incremental borrowing rate as at 1 January 2019	4.85%
	<hr/>
Discounted operating lease commitments as at 1 January 2019	8,311
Less: Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 December 2019	86
Add: Payments for optional extension periods not recognised as at 31 December 2018	2,497
	<hr/>
Lease liabilities as at 1 January 2019	10,722
	<hr/> <hr/>

Summary of new accounting policies

The accounting policy for leases as disclosed in the annual financial statements for the year ended 31 December 2018 is replaced with the following new accounting policies upon adoption of IFRS 16 from 1 January 2019:

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases, to lease plant and office premises for additional years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. It considers all relevant factors that create an economic incentive for it to exercise the renewal. After the lease commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within the control of the Group and affects its ability to exercise the option to renew.

Amounts recognised in the interim consolidated statement of financial position and profit or loss

The carrying amounts of the Group's right-of-use assets and lease liabilities, and the movement during the Period are as follow:

	Right-of-use assets			Lease liabilities
	Plant and office premises	Prepaid land lease payments	Subtotal	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2019	6,706	215,429	222,135	10,722
Additions	—	931	931	—
Depreciation charge	(1,016)	(4,351)	(5,367)	—
Interest expense	—	—	—	255
Payments	—	—	—	(1,084)
As at 30 June 2019	<u>5,690</u>	<u>212,009</u>	<u>217,699</u>	<u>9,893</u>

The Group recognised rental expenses from short-term leases of RMB2,882,000 for the six months ended 30 June 2019.

3. OPERATING SEGMENT INFORMATION AND REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue represents an appropriate proportion of contract revenue from construction contracts, net of government surcharges; and the invoiced value of goods and electricity sold, and net of value-added tax and government surcharges.

The Group's revenue and contribution to profit for the Period were mainly derived from the construction and installation of curtain walls (including solar power products), and operation and management of solar photovoltaic power stations, which are regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for the purpose of resource allocation and performance assessment. In addition, the principal assets employed by the Group are located in Mainland China. Accordingly, no segment analysis is presented other than entity-wide disclosures.

(a) **Revenue from contracts with customers**

(i) *Disaggregated revenue information*

The following table sets forth the disaggregation of the Group's revenue from contracts with customers and the percentage of total revenue during the Period:

	For the six months ended 30 June			
	2019		2018	
	<i>RMB'000</i> <i>(unaudited)</i>	<i>%</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>%</i>
Revenue from contracts with customers				
Construction contracts	886,027	77.2	2,587,077	85.7
Sale of goods	200,843	17.5	359,127	11.9
Rendering of design services	5,157	0.4	4,161	0.1
Rendering of operation and maintenance services	—	—	10,053	0.3
Sale of electricity	56,353	4.9	59,369	2.0
Revenue	<u>1,148,380</u>	<u>100.0</u>	<u>3,019,787</u>	<u>100.0</u>
Tariff adjustment*	<u>80,232</u>		<u>86,568</u>	

* Tariff adjustment represents subsidies receivable from the government authorities in respect of the Group's solar photovoltaic power station operation business.

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June			
	2019		2018	
	<i>RMB'000</i> (<i>unaudited</i>)	%	<i>RMB'000</i> (<i>unaudited</i>)	%
Domestic – Mainland China*	1,043,781	90.8	2,937,763	97.3
Malaysia	6,372	0.6	1,176	0.0
Macau	1,831	0.2	5,517	0.2
Hong Kong	8,360	0.7	16,959	0.6
Oceania	88,036	7.7	58,372	1.9
	1,148,380	100.0	3,019,787	100.0

* The place of domicile of the Group's principal operating subsidiaries is Mainland China. The principal revenues of the Group are generated in Mainland China.

	For the six months ended 30 June	
	2019	2018
	<i>RMB'000</i> (<i>unaudited</i>)	<i>RMB'000</i> (<i>unaudited</i>)
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	257,196	418,496
Services transferred over time	891,184	2,601,291
Total revenue from contracts with customers	1,148,380	3,019,787

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	For the six months ended
	30 June 2019
	RMB'000
	(unaudited)
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	
Construction contracts	38,158
Sale of goods	44,551
	<hr/>
	82,709
	<hr/> <hr/>

(ii) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 90 to 180 days from delivery, except for small and new customers, where payment is normally expected to be settled shortly after delivery of goods. No credit period is set by the Group for small and new customers.

Sale of electricity

The performance obligation is satisfied at the point in time upon transmission of electricity to purchasing companies or grid companies. The payment is generally due within 30 days from delivery.

Rendering of services

The performance obligation is satisfied over time as services are rendered and payment is generally due upon completion.

Construction services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 180 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

As at 30 June 2019, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts was approximately RMB1,250,833,000(31 December 2018: RMB1,284,231,000). This amount represents revenue expected to be recognised in the future from construction services and sale of goods entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the construction work and sale of goods are completed, which is expected to occur within 2 years.

(b) Non-current assets

	30 June 2019		31 December 2018	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>			
Mainland China	4,675,575	99.2	4,744,979	99.2
Oceania	16,324	0.3	15,840	0.3
Hong Kong	18,125	0.4	18,567	0.4
Others	3,588	0.1	3,569	0.1
	4,713,612	100.0	4,782,955	100.0

The non-current asset information above is based on the locations of the assets and excludes investments in associates, deferred tax assets, financial assets at fair value through profit or loss and equity investment designated at fair value through other comprehensive income.

Information about major customers

Revenue from each of the major customers, including sales to a group of entities which are known to be under common control, which amounted to 10% or more of the total revenue, is set out below:

	For the six months ended 30 June	
	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Customer A	*	1,165,515
Customer B	115,025	*
Customer C	253,290	*

* Less than 10%

4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Cost of construction contracts and design services	981,611	1,943,575
Cost of inventories sold	164,514	283,451
Cost of electricity sold	63,399	47,208
Cost of operation and maintenance service	—	8,592
Depreciation of property, plant and equipment	94,349	87,950
Depreciation of investment properties	795	794
Depreciation of right-of-use assets	5,367	—
Amortisation of prepaid land lease payments	—	1,958
Amortisation of intangible assets	501	499
	<hr/>	<hr/>
Total depreciation and amortisation	101,012	91,201
	<hr/>	<hr/>
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries and relevant benefits	80,224	133,656
Pension scheme contributions	2,505	3,742
Equity-settled share option expense	3,312	5,745
	<hr/>	<hr/>
	86,041	143,143
	<hr/>	<hr/>
Minimum lease payments under operating leases	2,882	4,166
Research costs	6,614	7,104
Auditors' remuneration	2,100	2,450
Provision for impairment of financial and contract assets	99,647	41,199
Losses on settlement of derivative financial instruments	—	13,921
Fair value loss on derivative financial instruments	—	2,446
Interest income from financial assets		
at fair value through profit or loss	—	(2,442)
Gains on disposal of items of property, plant and equipment	—	(45)
Gain on financial assets at fair value through profit or loss	(342)	—
Operating lease rental income	(1,098)	(545)
Exchange losses/(gain), net	(6,979)	19,954
	<hr/> <hr/>	<hr/> <hr/>

5. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the respective countries or jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of Bermuda, Samoa and the British Virgin Islands, the Group is not subject to any income tax in Bermuda, Samoa and the British Virgin Islands.

No provision for profits tax in Hong Kong, Macau, Malaysia, Singapore and Nigeria has been made as the Group had no assessable profits derived from or earned in Hong Kong, Macau, Malaysia, Singapore and Nigeria during the Period.

Mainland China profits tax has been provided at the respective corporate income tax (“CIT”) rates applicable to the subsidiaries located in Mainland China as determined in accordance with the relevant income tax rules and regulations of the People’s Republic of China (the “PRC”) for the Period.

The major components of income tax expense for the Period are as follows:

	For the six months ended 30 June	
	2019	2018
	RMB’000	RMB’000
	(unaudited)	(unaudited)
Current – Charge for the Period		
– Mainland China	4,210	98,591
Deferred	(141)	(8,344)
Total tax charge for the Period	4,069	90,247

6. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss (six months ended 30 June 2018: earnings) per share amount is based on the loss for the Period (six months ended 30 June 2018: earnings) attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 834,073,195 (six months ended 30 June 2018: 834,073,195) in issue during the Period.

The calculation of the diluted earnings/loss per share amount is based on the profit/loss for the Period attributable to ordinary equity holders of the Company as used in the basic earnings/loss per share calculation, adjusted to reflect the impact of a subsidiary’s earnings due to its share options, the interest on the convertible bonds and fair value changes on the conversion rights of the convertible bonds, where applicable (see below). The weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue during the Period, as used in the basic earnings/loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the Company used in the basic earnings per share calculation	(468,024)	228,484
Impact of share options granted by a subsidiary	—	(40)
Interest on convertible bonds (<i>note 10</i>)*	—	—
Less: fair value gains on the conversion rights of the convertible bonds (<i>note 10</i>)*	—	—
	<hr/>	<hr/>
Profits/(loss) attributable to ordinary equity holders of the Company before impact of share options granted by a subsidiary	(468,024)	228,444
	<hr/> <hr/>	<hr/> <hr/>
	For the six months ended 30 June	
	Number of shares	
	2019	2018
	(unaudited)	(unaudited)
		<i>Restated</i>
Shares		
Weighted average number of ordinary shares in issue during the Period used in the basic earnings per share calculation	834,073,195	834,073,195
Effect of dilution – weighted average number of ordinary shares:		
Share options*	—	588,515
Convertible bonds*	—	—
	<hr/>	<hr/>
	834,073,195	834,661,710
	<hr/> <hr/>	<hr/> <hr/>

* The computation of diluted earnings per share for the six months ended 30 June 2019 did not assume the exercises of share options and convertible bonds for the Period since assuming such exercises would result in a decrease in loss per share.

7. DIVIDENDS

No interim dividend was proposed by the directors of the Company in respect of the Period (six months ended 30 June 2018: Nil).

8. TRADE AND BILLS RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000
Trade and bills receivables		
Trade receivables	3,277,126	3,590,244
Bills receivables	65,032	26,925
Less: impairment	(319,183)	(227,693)
	3,022,975	3,389,476

The Group's trade receivables include net carrying amounts due from the Group's associates of RMB291,351,000 (31 December 2018: RMB272,054,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

The Group has pledged trade receivables of approximately RMB2,165,552,000 (31 December 2018: RMB19,588,000) to secure bank and other loans granted to the Group.

Credit terms granted to the Group's major customers are as follows:

Sale of goods

For the sale of goods, the Group normally grants credit periods ranging from three to six months to major customers. Trade receivables from small and new customers are normally expected to be settled shortly after delivery of goods. No credit period is set by the Group for small and new customers.

Sale of electricity

The Group's trade receivables from the sale of electricity are mainly receivables from the State Grid Corporation of China ("State Grid"). Generally, trade receivables are usually settled within one month from the date of billing.

Construction service

The Group does not have a standardised and universal credit period granted to its construction contract customers. The credit periods for individual construction contract customers are considered on a case-by-case basis and set out in the construction contracts, as appropriate. In the event that a project contract does not specify the credit period, the usual practice of the Group is to allow a credit period of 30 to 180 days.

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on billing date and net of impairment, is as follows:

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000
Within 3 months	502,997	426,591
3 to 6 months	185,147	445,343
6 to 12 months	529,209	1,052,722
1 to 2 years	1,645,087	1,374,077
2 to 3 years	103,967	90,154
Over 3 years	56,568	589
	3,022,975	3,389,476
	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000
Prepayments, deposits and other receivables		
Prepayments to subcontractors and suppliers	142,868	69,133
Deposits	49,664	58,601
Tariff adjustment receivables*	284,907	194,844
Other receivables	505,757	293,720
	983,196	616,298
Less: impairment	(17,746)	(19,730)
	965,450	596,568

The Group's prepayments, deposits and other receivables include amounts due from the Group's associates of RMB39,976,000 (31 December 2018: nil).

The Group has pledged tariff adjustment receivables of approximately RMB269,489,000 (31 December 2018: RMB182,340,000) to secure bank loans granted to the Group

* The Group's tariff adjustment receivables from the sale of electricity are mainly receivables from the State Grid. Tariff adjustment receivables represented the government subsidies on renewable energy for ground projects to be received from the State Grid based on the prevailing government policies.

9. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date or issuance date, where appropriate, is as follows:

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000
Within 3 months	432,044	414,373
3 to 6 months	157,189	259,914
6 to 12 months	159,306	137,542
1 to 2 years	91,267	43,808
2 to 3 years	33,471	22,021
Over 3 years	26,676	23,862
	899,953	901,520

The trade and bills payables are non-interest-bearing and are normally settled within one to six months.

As at 30 June 2019, certain machineries with a net carrying amount of approximately RMB9,147,000 (31 December 2018: RMB10,886,000) and frozen deposits of RMB54,086,000 (31 December 2018: RMB19,993,000) were restricted by courts according to the civil ruling to secure the Group's trade payables of RMB48,424,000 (31 December 2018: RMB16,956,000) to certain suppliers.

As at 30 June 2019, the Group's bills payable were secured by the pledged deposits amounting to RMB11,811,000 (31 December 2018: RMB49,663,000).

10. CONVERTIBLE BONDS

		30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000
	<i>Notes</i>		
Convertible bonds, liability component	(a)	96,000	96,000
Fair value of embedded derivatives	(b)	—	—
		96,000	96,000

On 8 August 2014, the Company issued 930 units of 5% convertible bonds in the denomination of RMB1,000,000 each due 8 August 2019 with a nominal value of RMB930,000,000. The Company has repurchased 114 units and redeemed 720 units of these convertible bonds. As at 30 June 2019, 96 units of those convertible bonds remained.

As at 30 June 2019, the conversion price of the 2019 Convertible Bonds was HK\$15.26.

As mentioned in note 2.1, the 2019 Convertible Bonds became immediately repayable and classified as current liabilities as at 30 June 2019 due to the Default. As at the date of approval of the interim condensed financial information, the Debt Restructuring was in progress.

The fair value of the 2019 Convertible Bonds was determined by an independent qualified valuer based on the binomial option pricing model. The carrying amount of the liability component on initial recognition was measured at the proceeds of the 2019 Convertible Bonds (net of transaction costs) minus the fair value of the conversion rights of the 2019 Convertible Bonds.

(a) Liability component

	For the six months ended 30 June	
	2019 RMB'000 (unaudited)	2018 RMB'000 (unaudited)
Liability component at 1 January	96,000	80,819
Effective interest recognised for the Period	2,380	6,669
Interest payable during the Period	(2,380)	(2,380)
Liability component at 30 June	96,000	85,108

(b) Conversion rights

The fair value of conversion rights as at 30 June 2019 was nil (31 December 2018: nil). No fair value change of conversion right was recognised during the Period (six months ended 30 June 2018: nil)

The related interest expense of the liability component of the 2019 Convertible Bonds for the Period amounted to RMB2,380,000 (six months ended 30 June 2018: RMB6,669,000).

11. SENIOR NOTES

		30 June 2019	31 December 2018
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
		<i>(unaudited)</i>	
2018 USD Senior Notes	(a)	1,067,368	1,065,583
2019 Senior Notes	(b)	1,787,420	1,784,429
		2,854,788	2,850,012

(a) 2018 USD Senior Notes

On 11 October 2017, the Company issued 6.75% senior notes with an aggregate nominal value of US\$160,000,000 (equivalent to approximately RMB1,053,070,000) at face value, which matured in October 2018. The 2018 USD Senior Notes are only offered outside the United States in compliance with Regulation S under the United States Securities Act of 1933, as amended (“Regulation S”). The 2018 USD Senior Notes initially were sold to a small number of financial institutions, none of which was offered to the public in Hong Kong or to any connected persons of the Company, and they have been listed on The Stock Exchange of Hong Kong Limited (“HKSE”) (stock code:5292). The net proceeds, after deducting the issuance costs, amounted to approximately RMB1,039,118,000.

As mentioned in note 2.1, the Company has defaulted on 2018 USD Senior Notes. As at the date of approval of the interim condensed financial information, the Debt Restructuring was in progress.

The 2018 USD Senior Notes recognised in the consolidated statement of financial position were calculated as follows:

	For the six months ended 30 June	
	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Carrying amount at 1 January	1,065,583	1,030,807
Effective interest recognised for the Period	36,616	40,818
Interest payable during the Period	(36,616)	(35,531)
Exchange realignment	1,785	16,450
	<hr/>	<hr/>
Carrying amount at 30 June 2019	1,067,368	1,052,544
	<hr/>	<hr/>
Fair value of the 2019 USD Senior Notes*	N/A	964,700
	<hr/>	<hr/>

* The fair values of the 2018 USD Senior Notes are determined based on the price quoted on the HKSE on 30 June 2018.

(b) 2019 Senior Notes

On 15 February 2017, the Company issued 7.95% senior notes with an aggregate nominal value of US\$260,000,000 (equivalent to approximately RMB1,785,350,000) at face value, which matured in February 2019. The 2019 Senior Notes are only offered outside the United States in compliance with Regulation S. The 2019 Senior Notes initially were sold to a small number of financial institutions, none of which was offered to the public in Hong Kong or to any connected persons of the Company, and they have been listed on the HKSE (stock code: 5372). The net proceeds, after deducting the issuance costs, amounted to approximately RMB1,749,691,000.

As mentioned in note 2.1, the 2019 Senior Notes became immediately repayable and classified as current liabilities as at 30 June 2019 due to the Default. The Group has received a demand notice from the holder with principal amount of US\$20,000,000 of the 2019 Senior Notes. As at the date of approval of the interim condensed financial information, the Debt Restructuring was in progress.

The 2019 Senior Notes recognised in the consolidated statement of financial position are calculated as follows:

	For the six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Carrying amount at 1 January/ fair value at date of issuance	1,784,429	1,677,498
Effective interest recognised for the Period	70,080	73,380
Interest payable during the Period	(70,080)	(67,243)
Exchange realignment	2,991	24,125
	<hr/>	<hr/>
Carrying amount at 30 June	1,787,420	1,707,760
	<hr/>	<hr/>
Fair value of the 2019 Senior Notes*	N/A	1,391,736
	<hr/>	<hr/>

* The fair values of the 2019 Senior Notes were determined based on the price quoted on the HKSE on 30 June 2018.

12. SHARE CAPITAL

Shares

	30 June	31 December
	2019	2018
	US\$'000	US\$'000
	(unaudited)	
Authorised:		
1,200,000,000 ordinary shares of US\$0.01 each	12,000	12,000
	<hr/>	<hr/>
Issued and fully paid:		
834,073,195 (31 December 2017: 834,073,195) ordinary shares of US\$0.01 each	8,341	8,341
	<hr/>	<hr/>
Equivalent to RMB'000	55,785	55,785
	<hr/>	<hr/>

There was no movement in the Company's issued share capital during the Period.

13. CONTINGENT LIABILITIES

The Group has assessed and has made provisions for any probable outflow of economic benefits in relation to contingent liabilities at the reporting date in accordance with its accounting policies. As at 30 June 2019, based on the opinion of internal and external legal counsels, the Group has made provisions for compensation of RMB81,432,000 for the period ended 30 June 2019 (31 December 2018: RMB81,289,000). The contingencies will not have material impact on financial position and operations of the Group.

14. OPERATING LEASE ARRANGEMENTS

As lessor

The Group leases its investment properties under operating lease arrangements, with leases negotiated for terms ranging from one to two years.

At 30 June 2019, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000
Within one year	1,178	2,019
In the second to fifth years, inclusive	—	400
	1,178	2,419

15. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000
Contracted, but not provided for:		
Construction of buildings and solar photovoltaic power stations	125,378	134,257
Purchase of office property	12,792	12,792
Purchase of machinery	—	1,045
Purchase of patent	14,400	14,400
Capital contributions to be injected into associates	12,000	12,000
	164,570	174,494

16. EVENTS AFTER THE REPORTING PERIOD

(1) Restructuring of the Debt Securities

As set out in note 2.1, that approximately 98.39% of the bondholders supported the Company and entered into the RSAs on 9 August 2019.

(2) Winding up petition

On 8 August 2019, the Company received a winding up petition filed by a bank with the Hong Kong High Court against the Company. A hearing was held on 2 October 2019 at the Hong Kong High Court, an order was made by the High Court to adjourn the hearing for the Petition against the Company 16 October 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

Business overview

We are a professional renewable energy solution provider and building contractor. Our main businesses are design, fabrication and installation of curtain wall, green building and solar projects. Solar projects included Building Integrated Photovoltaic System (“BIPV”) system, roof top solar system and ground mounted solar system (collectively “Solar EPC”); we also engaged in the manufacturing and sale of renewable energy goods. Our BIPV system involves (i) the integration of photovoltaic technology into the architectural design of buildings and structures and (ii) conversion of solar energy into electricity for use. Our system allows the electricity generated from solar panels to be connected to the power grid of a building and the electricity generated from sun power will be consumed simultaneously. No extra electricity storage cost is required. In addition, we also engage in the production and sale of renewable energy goods, including smart grid system and solar thermal system. In 2011, we also started a new business called Indium Tin Oxide (“ITO”) business or “New Material” business. Leveraging on our track record and extensive experience in our curtain wall business, we will further strengthen and develop our renewable energy business in respect of BIPV systems and renewable energy goods. Apart from the above, we also provide engineering design services and engage in the sale of curtain wall materials. Our Group will endeavour to continue our focus on solar business. In the long run, we will aspire and strive to grow into an enterprise with a focus on renewable energy business.

Curtain wall and green building business

In the first half of year 2019, our curtain wall and green building construction business dropped by RMB399.0 million or 50.7% as compared to RMB786.6 million in the same period of year 2018. The Group’s business both inside or outside Mainland China had significantly been affected after the Default.

Solar EPC business

Due to the tightening of the lending environment inside Mainland China, and also because of the Default, the Group’s ability in getting new financing had been impacted significantly. Since the initial working capital requirement for Solar EPC is high, majority of the Group’s Solar EPC projects has been suspended or delayed. Therefore, our solar EPC revenue dropped by RMB1,302.1 million or 72.3%.

Development of renewable energy goods

Apart from Solar EPC, we also produce different kind of renewable energy goods. Renewable energy goods include solar photovoltaic materials and solar thermal products. Solar thermal products include air-source heat pump, solar heat collectors and solar heating system.

Self-develop solar projects

At 30 June 2019, the Group had around 427.9 MW of grid connected solar projects and 42.4 MW projects awaiting for grid connection.

BUSINESS AND FINANCIAL REVIEW

Revenue

The following table set out the breakdown of revenue:

	For the six months ended 30 June	
	2019	2018
	<i>RMB million</i>	<i>RMB million</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Curtain wall and green building		
– Public work	59.6	189.4
– Commercial and industrial buildings	216.1	392.5
– High-end residential buildings	111.9	204.7
	387.6	786.6
Solar EPC		
– Public work	367.9	865.7
– Commercial and industrial buildings	130.5	934.8
	498.4	1,800.5
Construction contracts total	886.0	2,587.1
Sale of goods		
– conventional materials	98.4	74.3
– renewable energy goods	38.5	224.3
– new materials	64.0	60.5
	200.9	359.1
Rendering of design and other services	5.1	4.2
Rendering of operation and maintenance service	–	10.1
Sale of electricity, including tariff adjustment	136.6	145.9
	1,228.6	3,106.4
Tariff adjustment	(80.2)	(86.6)
Revenue	1,148.4	3,019.8

Gross profit/(loss) and gross profit/(loss) margin	For the six months ended 30 June			
	2019		2018	
	<i>RMB million</i> <i>(unaudited)</i>	<i>%</i>	<i>RMB million</i> <i>(unaudited)</i>	<i>%</i>
Construction contracts				
– Curtain wall and green building	(22.1)	(5.7)	97.8	12.4
– Solar EPC	(70.7)	(14.2)	546.4	30.3
	(92.8)	(10.5)	644.2	24.9
Sale of goods				
– conventional materials	20.0	20.3	22.0	29.6
– renewable energy goods	(7.3)	(19.0)	27.7	12.3
– new materials	23.6	36.9	26.0	43.0
	36.3	18.1	75.7	21.1
Rendering of design and other services	2.4	46.1	3.4	81.0
Rendering of operation and maintenance services	–	–	1.5	14.9
Sale of electricity, including tariff adjustment	73.2	53.6	98.7	67.6
Total gross profit and gross profit margin, including tariff adjustment	19.1	1.6	823.5	26.5

The Group's revenue and tariff adjustment decreased by RMB1,877.8 million or 60.4%, from RMB3,106.4 million in first half 2018 to RMB1,228.6 million in first half 2019. Gross profit (including tariff adjustment) decreased by RMB804.4 million or 97.7%, from RMB823.5 million in first half 2018 to RMB19.1 million in first half 2019.

1) *Curtain wall and green building*

Revenue from curtain wall and green building business in first half 2019 amounted to approximately RMB387.6 million, representing a decrease of RMB399.0 million or 50.7% compared with first half 2018. The drop was mainly because of the decrease in onshore and offshore curtain wall EPC business due to the lack of liquidity resources after the Defaults. While gross profit of 12.4% was recorded in first half 2018, gross loss of 5.7% was recorded in first half 2019.

In 2019, because of the Defaults, the Group lack of liquid cash to finance the material procurement costs as well as labour cost for its curtain wall projects, as a results, the Group sometime failed to meet the original scheduled construction deadline, in order to maintain customer relationship, we had to accept unfavorable contract prices, at the same time, extra costs were usually be incurred because of the increase in project execution time.

2) *Solar EPC*

Revenue from solar EPC amounted to RMB498.4 million, representing a decrease of RMB1,302.1 million or 72.3% from RMB1,800.5 million in first half 2018. Since second half of 2018, because of the tightening in lending market in Mainland China and Hong Kong and also because of the default of various senior notes, the liquidity position of the Group had significantly be affected and hence the Group's ability to continue its existing projects in a normal way and obtaining new projects also been deteriorated. Majority of the Group's solar EPC projects cannot be delivered in accordance with the original schedule and the Group had to re-negotiate with various customers to adjust the unit price of its EPC projects, gross margin in vast majority of the Group's projects were therefore negatively affected.

3) *Sale of goods*

- (i) Sale of conventional materials accounted to RMB98.4 million, increased by RMB24.1 million or 32.4% compared to first half 2018, it was mainly because of increase in material sale in some oversea areas, gross profit margin went down to 20.3%.
- (ii) Sale of renewable energy goods recorded a decrease of RMB185.8 million or 82.8%, gross loss margin of 19.0% was recorded during the period.
- (ii) New Material business represented sale of Indium Tin Oxide ("ITO") film and its products. ITO film can be processed into touch-screen ITO film and switchable ITO film, while the switchable ITO film can further be processed into smart light-adjusting glass and smart light-adjusting projection system. ITO film and smart light-adjusting products are relatively new to the consumers in China and therefore, the market penetration is currently quite low. Riding on the increasing sales volume generated by our Group's successful marketing strategies, revenue in first half of 2019 increased by RMB3.5 million or 5.8% while gross profit margin decreased to 36.9% (first half of 2018: 43.0%).

The following table sets out the Group's self-invested solar power stations as at 30 June 2019.

Location	Completed		In-progress	Total
	On-grid	Pending grid connection		
	MW	MW	MW	MW
Guangdong province	178.6	13.9	67.5	260.0
North-west China	113.0	28.5	–	141.5
Golden Sun/ Distributed Power	134.3	–	–	134.3
Overseas	2.0	–	–	2.0
	<u>427.9</u>	<u>42.4</u>	<u>67.5</u>	<u>537.8</u>

The Group's accumulated on-grid capacity was 537.8 megawatts ("MW") at 31 December 2018 and 30 June 2019, which comprised of 134.3 MW Golden Sun or distributed power stations, and 401.5 MW ground-mounted solar farms inside Mainland China and a 2 MW solar farm overseas. The sale of electricity, including tariff adjustment amounted to RMB136.6 million in first half 2019 (RMB145.9 million in first half 2018).

Revenue contribution from different business sectors:

Revenue split (including tariff adjustment)

	For the six months ended 30 June			
	2019		2018	
	RMB million	%	RMB million	%
Conventional business ¹	491.1	40.0	865.1	27.9
Renewable energy business ²	673.5	54.8	2,180.8	70.2
New materials	64.0	5.2	60.5	1.9
	<u>1,228.6</u>	<u>100.0</u>	<u>3,106.4</u>	<u>100.0</u>

^{1.} Included curtain wall and green building construction contracts, sale of conventional materials and rendering of design and other services.

^{2.} Included Solar EPC construction contracts, sale of renewable energy goods, rendering of operation and maintenance service and sale of electricity and tariff adjustment.

Other income and gains

Other income and gains in current period mainly represented government grants, exchange gains and deferred income released to the profit and loss.

Selling and distribution expenses

Selling and distribution expenses decreased slightly by RMB1.2 million or 2.0%.

Administrative expenses

Administrative expenses dropped by RMB37.8 million or 21.1% mainly because of the drop in wages and salaries, and other general operating expenses of the Group.

Finance costs

The Group's finance costs decreased by RMB15.8 million or 7.4%, the breakdown of the finance costs is as follows:

	For the six months ended 30 June	
	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest on bank and other loans	87,152	87,707
Interest on discounted bills receivable	552	9,053
Interest on convertible bonds	2,380	6,669
Interest on lease liabilities	255	—
Interest on senior notes	106,696	116,422
Other	75	343
	<hr/>	<hr/>
Total interest expense	197,110	220,194
Less: interest capitalised	—	(7,298)
	<hr/>	<hr/>
	197,110	212,896
	<hr/> <hr/>	<hr/> <hr/>

Income tax expense

Income tax expense during the Period included RMB4.2 million of taxation charge and RMB0.1 million of deferred tax credit. For the period ended 30 June 2018, it included RMB98.6 million of taxation charge and RMB8.3 million of deferred tax charge.

The taxation charges represented the income tax provision for subsidiaries in Mainland China.

No deferred tax charges on dividend withholding tax based on 5% of the net profits in the operating subsidiaries located inside Mainland China were provided for both periods.

Current ratio

A net current liabilities of RMB1,288.3 million was noted at 30 June 2019 (31 Dec 2018: RMB888.4 million), this was mainly because of the Group was unable to re-finance its senior notes in 2018 which resulted in defaults and cross defaults of certain bank and other loans, and which would become immediately repayable if requested by the lenders.

Trade receivables/trade and bills payables turnover days

	30 June 2019 <i>(unaudited)</i>	31 December 2018
Turnover days	Days	Days
Trade receivables	541	288
Trade and bills payables	135	106

Trade receivables turnover days is calculated based on the average of the beginning and ending balance of trade receivables for the year divided by the revenue during the six months ended 30 June 2019 and multiplied by the number of days during the period. Trade receivables turnover days at 30 June 2019 was 541 days. Trade and bills payables turnover days is calculated based on the average of the beginning and ending balance of trade and bills payables for the year divided by the cost of sales during the year. Trade and bills payables turnover days at 30 June 2019 was 135 days.

Liquidity and financial resources

The Group's primary source of funding included receivables from construction contracts and material sale, as well as income from electricity sale. Apart from that, in previous years, the Group also use bank and loans and offshore senior unsecured notes as a alternative source of financing for its capital expenditure and working capital. During the year, the Group was unable to re-finance certain of its debts and the facts were summarized as below:

The Company's offshore senior notes include the 2018 USD Senior Notes, the 2019 Senior Notes and the 2019 Convertible Bonds. As of 31 December 2018, the total outstanding principal amounts of the 2018 USD Senior Notes, the 2019 Senior Notes and the 2019 Convertible Bonds are US\$155.26 million, US\$260 million and RMB96 million, respectively. The Company announced on the HKSE on 18 October 2018 that it had defaulted on its 2018 USD Senior Notes and Admiralty Harbour Capital Limited and Kirkland & Ellis were appointed as the Company's financial and legal advisers to assist it with a potential offshore debt restructuring. The 2019 Senior Notes and the 2019 Convertible Bonds subsequently payment-defaulted in February 2019.

On 5 June 2019, the Company announced the share subscription agreement with Shuifa Energy Group. Pursuant to the subscription agreement, the Company conditionally agreed to allot and issue to the subscriber 1,687,008,585 ordinary shares at the price of HK\$0.92 per share. The subscription shares would represent approximately 66.92% of the issued share capital of the Company. The gross proceeds from the subscription are expected to be approximately HK\$1.552 billion. It is intended that the proceeds from the subscription will be used for restructuring of existing debts, fees and expenses related to the overall restructuring exercise and providing general working capital and normalised funding levels for the Company's ongoing operations. The Subscription and the offshore debt structuring are said to be inter-conditional on one another.

On 19 July 2019, the Company announced its Restructuring Support Agreement (RSA) following its signing of such with certain bondholders. The RSA contained proposed restructuring terms to be implemented through schemes of arrangements in the required jurisdictions, which will need to be approved by the requisite majority of scheme creditors, and sanctioned by the relevant courts at a later stage.

On 14 August 2019, the Company announced that holders holding approximately 98.39% of the aggregate outstanding principal amount of the Offshore Notes had acceded to the RSA.

Capital Expenditures

Capital expenditures of the Group amounted to RMB20.0 million for the Period (six months ended 30 June 2018: RMB190.4 million) and were mainly for the alteration works of the existing self-invested solar farms.

Borrowings and bank facilities

The outstanding borrowings comprised bank and other loans of RMB2,956.8 million with effective interest rates ranging from Hong Kong Inter Bank Offered Rate (“HIBOR”) + 0.95% to HIBOR + 4% for property mortgage loan and revolving loans in Hong Kong and London Inter Bank Offered Rate (“LIBOR”) + 1.5% for term loans in Hong Kong. Interest rates for domestic loans inside Mainland China were ranging from 4.35% to 7.2% and for other domestic loans were ranging from 4.75% to 24.0%.

Dividend

The Directors of the Company do not recommend any payment of interim dividend (six months ended 30 June 2018: nil).

HUMAN RESOURCES

As at 30 June 2019, the Group had about 1,550 employees. Employee salary and other benefit expenses decreased to approximately RMB86.0 million in the first half year of 2019 from approximately RMB143.1 million in the first half of 2018, which represented a decrease of 39.9%. The drop was because of the drop in bonus and average wages, as well as the drop in average number of employee. The Group’s remuneration policies are formulated on the performance of individual employees, which will be reviewed regularly every year. Apart from the provident fund scheme (according to the provisions of the Mandatory Provident Fund Schemes for Hong Kong employees) or the state-managed retirement pension scheme (for Mainland China employees) and medical insurance, discretionary bonus are also awarded to employees according to the assessment of individual performance.

CORPORATE GOVERNANCE

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. This announcement outlines the principles and the code provisions of the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 of the Rules Governing

the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The Directors consider that the Company has applied the principles and complied with all the applicable code provisions set out in the Code since the Listing Date, except for the deviation from paragraph A.2 of the Code as described below.

Mr. Liu Hongwei, the Chairman of the Group, is responsible for the leadership and effective running of the Board, ensuring that all material issues are decided by the Board in a conducive manner. Mr. Liu Hongwei is also responsible for running the Group’s business and effective implementation of the strategies of the Group. The Company is aware of the requirement under paragraph A.2 of the Code that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Nevertheless, the Board considers that the combination of the roles of Chairman and Chief Executive Officer will not impair the balance of power and authority between the Board and the management of the Company as the Board will meet regularly to consider major matters affecting the operations of the Group. The Board is of the view that this structure provides the Group with strong and consistent leadership, which can facilitate the formulation and implementation of its strategies and decisions and enable it to grasp business opportunities and react to changes efficiently. As such, the Board believes that it is beneficial to the business prospects of the Group with Mr. Liu Hongwei performing both the roles of Chairman and Chief Executive Officer.

Model Code for Directors’ Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as the standard for securities transactions by Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding directors’ securities transactions throughout the Period.

Audit Committee

The Company established the Audit Committee in compliance with Rules 3.21 to 3.23 of the Listing Rules and paragraph C.3 of the Code. The primary duties of the Audit Committee are to oversee the financial reporting process and internal control procedure of the Group, to review the financial information of the Group and to consider issues relating to the external auditor. The Audit Committee consists of the three independent non-executive Directors, and Mr. Yick Wing Fat, Simon is the Chairman of the Audit Committee. The Audit Committee has reviewed the Group’s interim results announcement for the Period.

Purchase, sale and redemption of Company's listed securities

The Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the Period.

Publication of Results Announcement

This interim results announcement is available for viewing on the websites of The Stock Exchange of Hong Kong Limited at <http://www.hkexnews.hk> and the Company's website at <http://www.singyessolar.com> and the 2019 interim report of the Company containing all the information required under the Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Company and The Stock Exchange of Hong Kong Limited in due course.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended from 9:00 a.m. on 2 September 2019 because of the delay in publication of the 2019 interim results announcement. As the interim results announcement has been published, the Company has made an application to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 11 October 2019.

By order of the Board
China Singyes Solar Technologies Holdings Limited
Liu Hongwei
Chairman

Hong Kong, 10 October 2019

As at the date of this announcement, the executive Directors are Mr. Liu Hongwei (Chairman), Mr. Xie Wen and Mr. Xiong Shi, the non-executive Directors are Dr. Li Hong and Mr. Zhuo Jianming, and the independent nonexecutive Directors are Dr. Wang Ching, Mr. Yick Wing Fat, Simon and Dr. Tan Hongwei.



中國興業太陽能技術控股有限公司
China Singyes Solar Technologies Holdings Limited

Stock Code 港股代碼：750

2018

Annual Report
年度報告

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Hongwei (*Chairman*)
Mr. Xie Wen
Mr. Xiong Shi

Non-executive Directors

Mr. Zhuo Jianming (appointed on 1 October 2018)
Mr. Cao Zhirong (resigned on 1 October 2018)
Dr. Li Hong

Independent Non-executive Directors

Dr. Wang Ching
Mr. Yick Wing Fat, Simon
Dr. Zhong Jishou (resigned on 18 April 2018)
Dr. Tan Hongwei (appointed on 18 April 2018)

COMPANY SECRETARY

Mr. Yu Chon Man (*CPA, FCCA*)

AUTHORIZED REPRESENTATIVES

Mr. Liu Hongwei
Mr. Yu Chon Man (*CPA, FCCA*)

AUDIT COMMITTEE

Mr. Yick Wing Fat, Simon (*Chairman*)
Dr. Wang Ching
Dr. Tang Hongwei

REMUNERATION COMMITTEE

Dr. Tan Hongwei (*Chairman*)
Mr. Xiong Shi
Mr. Liu Hongwei
Dr. Wang Ching
Mr. Yick Wing Fat, Simon

NOMINATION COMMITTEE

Mr. Liu Hongwei (*Chairman*)
Mr. Xie Wen
Dr. Wang Ching
Mr. Yick Wing Fat, Simon
Dr. Tan Hongwei

LEGAL ADVISOR

Jeffrey Mak Law Firm
1309-10, 13/F., Prince's Building,
10 Chater Road, Central,
Hong Kong

董事會

執行董事

劉紅維先生(*主席*)
謝文先生
熊湜先生

非執行董事

卓建明先生(於二零一八年十月一日獲委任)
曹志榮先生(於二零一八年十月一日辭任)
李宏博士

獨立非執行董事

王京博士
易永發先生
仲繼壽博士(於二零一八年四月十八日辭任)
譚洪衛博士(於二零一八年四月十八日獲委任)

公司秘書

余俊敏先生(*CPA, FCCA*)

授權代表

劉紅維先生
余俊敏先生(*CPA, FCCA*)

審核委員會

易永發先生(*主席*)
王京博士
譚洪衛博士

薪酬委員會

譚洪衛博士(*主席*)
熊湜先生
劉紅維先生
王京博士
易永發先生

提名委員會

劉紅維先生(*主席*)
謝文先生
王京博士
易永發先生
譚洪衛博士

法律顧問

麥振興律師事務所
香港
中環遮打道10號
太子大廈13樓1309-10室

CORPORATE INFORMATION

公司資料

AUDITOR

Ernst & Young
22nd Floor, CITIC Tower
1 Tim Mei Avenue, Central
Hong Kong

PRINCIPAL BANKERS

Agricultural Bank of China, Zhuhai Branch
Industrial and Commercial Bank of China Limited,
Zhuhai Branch
Ping An Bank Co., Ltd, Zhuhai Branch
Bank of Communications Co., Ltd, Zhuhai Branch
The Hong Kong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China (Asia) Limited
Hang Seng Bank Limited

REGISTERED OFFICE

4th Floor North Cedar House
41 Cedar Avenue
Hamilton HM12
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL SHARE REGISTRAR

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
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Pembroke, HM08
Bermuda

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
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Hong Kong

CORPORATE WEBSITE

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STOCK CODE

750

核數師

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香港
中環添美道1號
中信大廈22樓

主要往來銀行

中國農業銀行珠海分行
中國工商銀行股份有限公司
珠海分行
平安銀行股份有限公司珠海分行
交通銀行股份有限公司珠海分行
香港上海滙豐銀行有限公司
中國工商銀行(亞洲)有限公司
恒生銀行有限公司

註冊辦事處

4th Floor North Cedar House
41 Cedar Avenue
Hamilton HM12
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股份過戶登記處香港分處

卓佳證券登記有限公司
香港
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合和中心54樓

企業網站

www.singyessolar.com

股份代號

750

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

(For the year ended 31 December) (截至十二月三十一日止年度)

FIVE-YEAR FINANCIAL SUMMARY

RMB'000

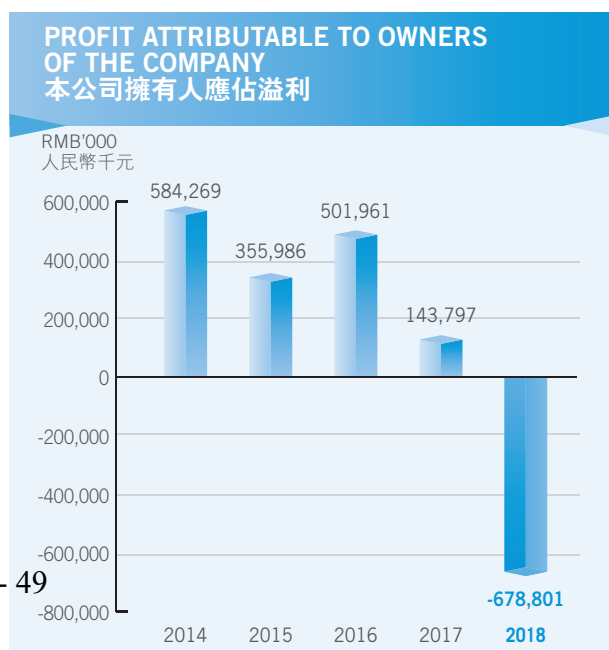
五年財務摘要

人民幣千元

		2014 二零一四年	2015 二零一五年	2016 二零一六年	2017 二零一七年	2018 二零一八年
Revenue	收入	5,011,426	4,182,049	5,239,564	5,675,386	4,416,563
Gross profit	毛利	1,049,024	884,383	1,134,710	1,138,857	620,901
Profit (loss) before tax	除稅前溢利／(虧損)	698,913	447,370	626,922	270,378	(562,959)
Profit attributable to owners of the Company	本公司擁有人應佔溢利	584,269	355,986	501,961	143,797	(678,801)
Basic earnings (loss) per share (RMB)*	每股基本盈利(人民幣)*	0.838	0.509	0.661	0.172	(0.814)
Diluted earnings (loss) per share (RMB)*	每股攤薄盈利／(虧損)(人民幣)*	0.684	0.374	0.659	0.172	(0.814)
Non-current assets	非流動資產	3,792,168	4,045,360	4,788,195	4,699,411	4,825,233
Current assets	流動資產	4,416,582	5,606,612	6,206,336	7,675,517	6,571,894
Non-current liabilities	非流動負債	2,276,903	3,610,834	3,064,308	3,448,327	245,129
Current liabilities	流動負債	2,791,255	2,540,015	3,725,973	4,436,268	7,460,266
Net assets	資產淨值	3,140,592	3,501,123	4,204,250	4,490,333	3,691,732

* The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share for the years 2014 to 2015 have been adjusted and restated for the rights issue on the basis of one rights share for every five existing shares held by shareholders of the Company at the price of HK\$2.60 per share.

* 二零一四至二零一五年每股基本及攤薄盈利的普通股加權平均數已因本公司股東以每股2.60港元之價格按每持有五股現有股份可獲發一股供股股份之基準供股而進行調整及重列。



CHAIRMAN'S STATEMENT

主席報告

On behalf of the Board of directors, I am pleased to present the annual results of the Group for the year ended 31 December 2018.

As at 31 December, 2018, the Group's revenue was RMB4,416,563,000, representing a year-on-year decrease of 22.2%, and a net profit loss was RMB672,227,000.

After the debt default event occurred in the second half of 2018, various business segments of the Group were affected to a different degree.

RENEWABLE ENERGY BUSINESS

Green energy business revenue was RMB2,720,500,000, accounting for 59.4% of total revenue, of which EPC revenue from public works increased significantly by 77.5% to RMB1,070,278,000, and revenue from power station operation and maintenance business increased by 42.6% to RMB13,118,000.

As of 31 December 2018, the Group completed the construction of 352MW photovoltaic EPC projects in Yunnan, Guangdong, Guangxi, Guizhou, etc, and invested and owned 537.8MW photovoltaic power station, representing an increase of 68.1%, including 427.9MW grid-connected power station and 42.4MW pending-to-connecting project.

CURTAIN WALLS AND GREEN BUILDINGS

Curtain walls and Green building business revenue was RMB1,734,121,000, accounting for 39% of total revenue, of which revenue from high-end residential curtain wall projects increased by 31.4% to RMB420,907,000.

In 2018, Singyes Solar completed the curtain wall works of various sizable projects, such as passenger inspection buildings of the Hong Kong-Zhuhai-Macao Bridge at the ports, Beijing New Airport Terminal Building, National Exhibition and Convention Center (Shanghai), Qingdao Cosmopolitan Exposition Convention Center, and continued to undertake large-size commercial real estate projects, such as Poly, Huafa, Kaisa and China Resources.

本人謹代表董事會，欣然提呈本集團截至二零一八年十二月三十一日止之全年業績。

截至二零一八年十二月三十一日止，本集團收入人民幣4,416,563,000元，同比減少22.2%，淨利潤虧損人民幣672,227,000元。

二零一八年度下半年發生債務違約事件後，本集團各個業務分部均受到不同程度影響。

可再生能源業務

綠色能源業務收入人民幣2,720,500,000元，在總收入中佔比59.4%。其中公共工程EPC收入大幅增長77.5%達到人民幣1,070,278,000元，電站運維業務收入增長42.6%達到人民幣13,118,000元。

截至二零一八年十二月三十一日，本集團在雲南、廣東、廣西、貴州等地建設完成352MW光伏EPC工程，投資擁有537.8MW光伏電站，同比增長68.1%，包括427.9MW已併網電站及42.4MW待併網項目。

幕牆及綠色建築

幕牆及綠色建築業務收入人民幣1,734,121,000元，在總收入中佔比39%。其中高檔住宅幕牆工程收入增長31.4%達到人民幣420,907,000元。

二零一八年，興業太陽能完成了港珠澳大橋香港和澳門口岸的旅檢大樓、北京新機場航站樓、上海國家會展中心、青島世界博覽城會議中心等大型項目的幕牆工程，繼續承接了如保利、華髮、佳兆業、華潤等大型商業地產項目。

CHAIRMAN'S STATEMENT

主席報告

NEW MATERIAL BUSINESS

New materials business revenue increased by 8.8% to RMB125,990,000, representing an increase of 8.8% year-on-year and 3% of total revenue. Benefiting from technology upgrades and smart light-adjusting projection business expansion, the overall gross profit margin for the year 2018 increased to 44.4%.

FUTURE PLAN

In order to ensure healthy development of the Group's business, the Group actively introduced Shandong Shuifa Energy Group as a strategic investor. While maintaining a sound and prudent business strategy, the Group will incorporate the advantages of Shuifa Energy Group to develop distributed energy resources and natural gas in the green energy field, relying on the full-cycle service experience of photovoltaic power station development, construction and operation and maintenance; green building sector will develop towards high-end curtain wall, general contracting, green building design and construction; continue to maintain its advantages in overseas markets and develop into the world's largest curtain wall product processing and manufacturing enterprise.

"Storms Make Oaks Deeper Roots, Distress Resurrects a Nation", experiencing debt trouble is the baptism and sublime of the Group's consistent concept of "Learning, Innovation and Development". The Group will continue to self-improve and strive for developing green energy conservation and environmental protection.

新材料業務

新材料業務收入增長8.8%至人民幣125,990,000元，同比增長8.8%，在總收入中佔比3%。得益於技術升級和智能調光投影業務拓展，二零一八年度整體毛利率提升至44.4%。

未來規劃

為確保集團業務繼續健康發展，本集團積極引入山東水發能源集團作為戰略投資者。在保持經營策略穩健審慎的同時，本集團將結合水發能源集團的優勢資源，在綠色能源領域，依託光伏電站開發、建設及運維的全週期服務經驗，有計劃地開展分布式能源、天然氣業務；綠色建築板塊將向高端幕牆、工程總承包、綠色建築設計施工方向發展；繼續保持海外市場優勢，發展成為全球最大的幕牆產品加工製造企業。

「殷憂啟聖，多難興邦」，經歷債務波折是對集團一貫「學習、創新、發展」理念的洗禮昇華，本集團將繼續在發展綠色節能環保事業的道路上自強不息、奮鬥不止。

CORPORATE GOVERNANCE REPORT

企業管治報告

OVERVIEW

The directors of the Company (the “Directors”) recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Company and its subsidiaries (the “Group”) so as to achieve effective accountability. This report outlines the principles and the code provisions of the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The Directors consider that, for the year ended 31 December 2018, the Company has applied the principles and complied with all the applicable code provisions set out in the Code, except for the deviation from paragraph A.2.1 of the Code as described below in the section “Chairman and Chief Executive Officer” on page 13.

In accordance with the requirements of the Listing Rules, the Company has established an audit committee in compliance with paragraph C.3 of the Code to oversee the financial reporting system and internal control procedures of the Group so as to ensure compliance with the Listing Rules. It has also established a nomination committee and a remuneration committee with defined terms of reference.

The Directors are committed to upholding the corporate governance practices of the Company to ensure formal and transparent procedures are in place to protect and maximize the interests of the shareholders of the Company (the “Shareholders”).

Set out below is a detailed discussion of the corporate governance practices adopted and observed by the Company from the listing date up to the date of this report (the “Review Period”).

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as the standard for securities transactions by Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding directors’ securities transactions throughout the year.

概覽

本公司董事(「董事」)明白到在本公司及其附屬公司(「本集團」)管理架構及內部監控程序內引入良好企業管治元素的重要性，藉以達致有效的問責性。本報告概述了香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載之企業管治常規守則(「守則」)之原則及守則條文。董事認為，截至二零一八年十二月三十一日止年度，本公司已採用該等準則並遵守守則所載所有適用守則條文，惟於下文第13頁的「主席與行政總裁」部份中所述就守則第A.2.1條有所偏離的情況除外。

根據上市規則的規定，本公司已根據守則第C.3條成立審核委員會，負責監督本集團的財務報告系統及內部監控程序，確保遵守上市規則。本公司亦成立了提名委員會及薪酬委員會，該等委員會均具有界定的職權範圍。

董事致力維持本公司之企業管治常規，確保具有正式及具透明度的程序保障及盡量提升本公司股東(「股東」)的權益。

下文載列本公司由上市日期至本報告日期(「回顧期間」)所採納及遵守的企業管治常規之詳細討論。

遵守董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則(「標準守則」)，作為董事進行證券交易的準則。本公司已向全體董事作出具體查詢，全體董事確認，於年度內，彼等均已符合標準守則及其有關董事進行證券交易操守守則規定的準則。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD OF DIRECTORS

The board of Directors (the “Board”) takes responsibility to oversee all major matters of the Company, including the formulation and approval of overall business strategies, internal control and risk management systems, and supervising and monitoring the performance of the senior management who are delegated with the authority and responsibility for day-to-day management and operation of the Company. The Directors have the responsibility to act objectively in the interests of the Company.

Currently, the Board comprises eight Directors, including three executive Directors, namely, Mr. LIU Hongwei, who is also the Chairman of the Company, Mr. XIE Wen and Mr. Xiong Shi, two non-executive Directors, namely, Mr. Zhuo Jianming and Dr. Li Hong and three independent non-executive Directors, namely, Mr. YICK Wing Fat, Simon, Dr. WANG Ching, and Dr. Tan Hongwei.

The Board has a strong independent element in its composition with over half of the board members are non-executive Directors and independent non-executive Directors to ensure that all decisions of the Board are made in the best interest of the Group’s long-term development.

The Board has delegated various responsibilities to the Board committees including the audit committee (the “Audit Committee”), the remuneration committee (the “Remuneration Committee”) and the nomination committee (the “Nomination Committee”) (collectively, the “Board Committees”). Further details of these committees are set out below on pages 15 to 17.

The composition of the Board is well balanced with each Director having sound board level experience and expertise relevant to the business operations and development of the Group. The Board is comprised of members with extensive business, government, regulatory and policy experience from a variety of backgrounds. There is diversity of nationality, ethnicity, educational background, functional expertise and experience. A Board Diversity Policy was adopted by the Board in 2013.

董事會

董事會（「董事會」）負責監督本公司所有重要事宜，包括制定及批准整體業務策略、內部監控及風險管理系統、監督及監察獲授權負責本公司日常管理及運營的高級管理層的表現。董事有責任以本公司利益為前提按客觀標準行事。

目前，董事會由八名董事組成，包括三名執行董事劉紅維先生（彼亦為本公司主席）、謝文先生及熊澍先生，兩名非執行董事卓建明先生及李宏博士，以及三名獨立非執行董事易永發先生，王京博士及譚洪衛博士。

董事會的組成有高度獨立性元素，過半數董事會成員為非執行董事及獨立非執行董事，這確保董事會所作出的所有決定都能符合本集團長遠發展的最佳利益。

董事會已分別委派審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）及提名委員會（「提名委員會」）各董事委員會（統稱「董事委員會」）各司特定的職責。有關該等委員會的進一步詳情，載於下文第15頁至第17頁。

董事會的組成結構平衡得宜。每名董事對於本集團的業務運作及發展具備豐富的董事會層面經驗及專門技術。董事會成員來自不同的背景並在業務、政府、監管及政策方面具備廣泛的經驗。董事會不論在國籍、族裔、教育背景、職業專長及經驗上均呈現多元化。董事會於二零一三年採納董事會多元化政策。

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BOARD MEETINGS

The Company will adopt the practice of holding board meetings regularly for at least four times a year at approximately quarterly intervals. Ad-hoc meetings will also be convened if necessary to discuss the overall strategy as well as the operation and financial performance of the Group. Notice of board meeting will be sent to all Directors at least 14 days prior to a regular board meeting. Reasonable notices will also be given to the Directors for ad-hoc board meetings.

Directors may participate either in person or through electronic means of communications.

The Company will adopt the practice to provide relevant materials to all the Directors relating to the matters brought before the meetings. All the Directors will be provided with sufficient resources to discharge their duties, and, upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company's expenses. All Directors will have the opportunity to include matters in the agenda for Board meetings.

Prior notice convening the Board meeting was dispatched to the Directors setting out the matters to be discussed. At the meeting, the Directors were provided with relevant documents to be discussed and approved. The company secretary of the Company is responsible for keeping minutes of the Board meetings.

Should a potential conflict of interest involving a substantial shareholder of the Company or a Director arise, the matter will be discussed in a physical Board meeting, as opposed to being dealt with by a written resolution. Independent non-executive Directors with no conflict of interest will be present at meetings dealing with such conflict issues.

An updated list of the Directors identifying the independent non-executive directors and the roles and functions of the Directors is maintained on the website of the Company and the website of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

During the reporting period, the Board held a total of 4 Board meetings. The attendance of individual Directors at the board meetings and annual general meeting are set out below:

董事會會議

本公司的董事會會議每年最少定期舉行四次，大約每季度舉行一次。需要時亦會召開臨時會議，商討整體策略以及本集團的營運和財務表現。全體董事將於舉行定期董事會會議前最少14天獲發董事會會議通告。而臨時董事會會議通告則亦於合理時間內事先派發予董事。

董事可選擇親身或以電子通訊的方式出席會議。

本公司會慣常於會議前向所有董事提供有關會上討論事項的資料。所有董事將獲得充分的資源以履行其職責，並在合理的要求下，可視乎情況合適而尋求獨立專業意見，費用由本公司承擔。所有董事均有機會將其關注的事情加入董事會會議的議程內。

召開董事會會議的通知將會事前寄發予董事，當中載列將予討論的事宜。會上，董事將獲提供將予討論及批准的相關文件。本公司的公司秘書負責保管董事會會議的會議記錄。

倘本公司主要股東涉及或董事產生潛在利益衝突，有關事宜將於實際董事會會議上討論，並非透過書面決議案處理。並無涉及利益衝突的獨立非執行董事將會出席會議，以處理衝突事宜。

本公司於其網站及香港聯合交易所有限公司（「聯交所」）網站上設存及提供識別獨立非執行董事之最新董事名單，並列明其角色和職能。

於報告期間，董事會共舉行4次董事會會議。個別董事出席董事會會議及股東週年大會的情況載列如下：

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Board Meetings

董事會會議

Name of Directors 董事姓名		Attendance 出席情況	
		Annual General Meeting 股東週年大會	Board Meeting 董事會會議
Executive Directors		執行董事	
Mr. LIU Hongwei	劉紅維先生	1/1	4/4
Mr. XIE Wen	謝文先生	0/1	4/4
Mr. Xiong Shi	熊澍先生	1/1	4/4
Non-executive Directors		非執行董事	
Mr. Zhuo Jianming (appointed on 1 October 2018)	卓建明先生 (於二零一八年十月一日獲委任)	N/A 不適用	2/4
Mr. CAO Zhirong (resigned on 1 October 2018)	曹志榮先生 (於二零一八年十月一日辭任)	0/1	2/4
Dr. Li Hong	李宏博士	0/1	4/4
Independent Non-executive Directors		獨立非執行董事	
Dr. WANG Ching	王京博士	1/1	4/4
Mr. YICK Wing Fat, Simon	易永發先生	0/1	4/4
Dr. Zhong Jishou (resigned on 18 April 2018)	仲繼壽博士 (於二零一八年四月十八日辭任)	N/A 不適用	N/A 不適用
Dr. Tan Hongwei (appointed on 18 April 2018)	譚洪衛博士 (於二零一八年四月十八日獲委任)	0/1	4/4

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企業管治報告

SKILLS, KNOWLEDGE, EXPERIENCE AND ATTRIBUTES OF DIRECTORS

All Directors of the Board had served in office during the period under review. Every Director commits to give sufficient time and attention to the affairs of the Company. The Directors also demonstrate their understanding and commit to high standards of corporate governance. The executive Director brings his perspectives to the Board through his deep understanding of the Group's business. The non-executive Directors and the independent non-executive Directors contribute their own skills and experience, understanding of local and global economies, and knowledge of capital markets to the Group's business. The Company is responsible for arranging and funding suitable continuous professional development programmes for all Directors to hone and refresh their knowledge and skills.

INDUCTION AND TRAINING

Each newly appointed Director, executive or non-executive, is required to undertake an induction program to ensure that he has a proper understanding of his duties and responsibilities. The induction program includes an overview of the Group's business operation and governance policies, the Board meetings' procedures, matters reserved to the Board, an introduction of the Board committees, the Directors' responsibilities and duties, relevant regulatory requirements, review(s) of minutes of the Board and Board committees in the past 12 months, and briefings with senior officers of the Group and site visits (if necessary).

Pursuant to the Code Provision A.6.5 of the Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure their contribution to the Board remains informed and relevant. During the Year, all Directors had participated in appropriate continuous professional development activities by ways of attending training and/or reading materials relevant to the Company's business or to the Directors' duties and responsibilities.

董事知識、技能、經驗及特性

所有董事會成員均於回顧期間內任職。各董事承諾有足夠時間及注意力在本公司的事務上。董事們亦表明彼等理解及承諾維持高水平的管治。執行董事透過對本集團業務的深入了解並將其觀點帶入董事會。非執行董事及獨立非執行董事則因應彼等的技能及經驗、對本地及全球經濟的認識、及資本市場對本集團業務的知識而作出貢獻。本公司有責任安排及資助所有董事的持續專業進修課程，以發展及更新其知識及技能。

就職及培訓

各新任執行或非執行董事須參與就職課程計劃，以確保其對工作及職責有正確認識。就職課程包括本集團業務營運及監管政策的概況、董事會會議程序、保留予董事會決策的事項、董事委員會簡介、董事的責任及職務、有關法規的要求、過去十二個月董事會及董事會委員會的會議記錄審閱及本集團高級職員的簡要和實地考察（如需要）。

根據守則條文第A.6.5條，全體董事應參與持續專業培訓，以發展及更新彼等之知識及技能。此乃確保彼等繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。年內，全體董事均有參與合適之持續專業發展活動，包括出席有關本公司業務及董事職能及職責的培訓課程及／或閱覽相關資料。

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The company secretary of the Company maintains records of training attended by the Directors. The training attended by each Director during the Year is tabulated as follows:

本公司之公司秘書保存董事出席培訓之記錄。於年內，各董事出席培訓之情況載列如下：

Training Records

培訓記錄

Name 姓名	Type of trainings 培訓類型 (Note 1) (附註1)	Training matters 培訓事項 (Note 2) (附註2)
Executive Directors		
執行董事		
Mr. LIU Hongwei (Chairman)	劉紅維先生(主席)	a, b
Mr. XIE Wen	謝文先生	a, b
Mr. Xiong Shi	熊澁先生	a, b
Non-Executive Directors		
非執行董事		
Mr. CAO Zhirong (resigned on 1 October 2018)	曹志榮先生 (於二零一八年十月一日辭任)	a, b
Dr. Li Hong	李宏博士	a, b
Mr. Zhuo Jianming (appointed on 1 October 2018)	卓建明先生 (於二零一八年十月一日獲委任)	a, b
Independent Non-Executive Directors		
獨立非執行董事		
Dr. WANG Ching	王京博士	a, b
Mr. YICK Wing Fat, Simon	易永發先生	a, b
Dr. Zhong Jishou (resigned on 18 April 2018)	仲繼壽博士 (於二零一八年四月十八日辭任)	N/A 不適用
Dr. Tan Hongwei (appointed on 18 April 2018)	譚洪衛博士 (於二零一八年四月十八日獲委任)	a, b

Note 1:

- a attending seminar or training session
- b self-development and updates relating to general economy, business development, director's duties and responsibilities, etc.

附註1：

- a 出席研討會或培訓會議
- b 進修及更新有關整體經濟、業務發展、董事的職責和責任等。

Note 2:

- i corporate governance
- ii regulatory compliance
- iii finance
- iv management and operation

附註2：

- i 企業管治
- ii 法規遵守
- iii 財務
- iv 管理及營運

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CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Liu Hongwei, the Chairman of the Group, is responsible for the leadership and effective running of the Board, ensuring that all material issues are decided by the Board in a conducive manner. Mr. Liu Hongwei is also responsible for running the Group's business and effective implementation of the strategies of the Group. The Company is aware of the requirement under paragraph A.2.1 of the Code that the roles of chairman and Chief Executive Officer should be separated and should not be performed by the same individual. Nevertheless, the Board considers that the combination of the roles of Chairman and Chief Executive Officer will not impair the balance of power and authority between the Board and the management of the Company as the Board will meet regularly to consider major matters affecting the operations of the Group. The Board is of the view that this structure provides the Group with strong and consistent leadership, which can facilitate the formulation and implementation of its strategies and decisions and enable it to grasp business opportunities and react to changes efficiently. Moreover, the Board considers that the sufficient measures have been taken and it will not impair the balance of power and authority between the Board and the management. As such, it is beneficial to the business prospects of the Group. Therefore Mr. Liu Hongwei is performing the roles of both Chairman and Chief Executive Officer.

INDEPENDENT NON-EXECUTIVE DIRECTORS

All independent non-executive Directors of the Company possess a wealth of professional and industry expertise and management experience and have provided their professional advices to the Board. They have played a significant role in the Board by virtue of their independent judgment and their views carry significant weight in the Board's decision. In particular, they bring an impartial view on issues of the Company's strategy, performance and control. The Board also considers that independent non-executive Directors provide independent advice on the Company's business strategy, results and management so that all interests of Shareholders are taken into consideration, and the interests of the Company and its shareholders are taken into account in all business decisions. The Company has received the annual confirmation signed by each independent non-executive Director to acknowledge their respective independence. After prudent enquiry, the Board is of the view that each of Mr. YICK Wing Fat, Simon, Dr. WANG Ching, and Dr. Tan Hongwei maintains the independence as required by Rule 3.13 of the Listing Rules.

主席與行政總裁

劉紅維先生，本集團主席，負責領導董事會和董事會的有效運作，確保所有重大事項由董事會以有建設性的方式討論作出決策。劉紅維先生亦負責本集團業務的運作以及本集團策略的有效實施。本公司注意到，根據守則第A.2.1條之規定，主席與行政總裁的角色應分立，不應由同一人士擔任。然而，由於董事會會定期開會商討影響本集團運作的主要事宜，故董事會認為將主席與行政總裁的職務合而為一不會影響董事會與本公司管理層兩者之間權力與職權的平衡。董事會認為此架構為本集團提供了強大而一致的領導，有助其決策的制訂及實施，並使本集團得以把握商機和高效率地回應各種變化，此外，董事會認為已採取足夠措施，且其將不會削弱董事會與管理層間權力與職權之平衡。因此有利本集團的業務前景。因此，劉紅維先生擔任主席兼行政總裁。

獨立非執行董事

本公司所有獨立非執行董事均具備豐富的業界專業知識及管理經驗，能為董事會提供專業的意見。彼等透過提供獨立的判斷，在董事會中擔當重要的角色，在董事會的決策上舉足輕重。特別是在本公司策略、業績及監控上，彼等都能提出公正意見。董事會亦認為，獨立非執行董事就本公司的業務策略、業績及管理提供獨立意見，因此，股東的所有利益已獲考慮，所有業務決策中亦已顧及本公司及其股東的利益。本公司已收到各獨立非執行董事就聲明彼等各自的獨立性的年度確認。經審慎查詢後，董事會認為，易永發先生、王京博士及譚洪衛博士維持上市規則第3.13條規定的獨立性。

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All independent non-executive Directors of the Company will review, on an annual basis, any decisions in relation to new business opportunities referred to the Company. As at the date of this report, there is no new business opportunity introduced to the Group.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE AND INDEMNITY

The Company has arranged appropriate liability insurance to indemnify its Directors and officers in respect of legal actions against the Directors. Throughout 2018, no claim had been made against the Directors and the officers of the Company.

APPOINTMENTS, RE-ELECTION AND REMOVAL OF DIRECTORS

Mr. Liu Hongwei and Mr. Xie Wen, the executive Directors of the Company has entered into a service contract with the Company for a specific term of three years commencing 13 January 2012, and will be automatically renewed for another three years upon expiry. Mr. Xiong Shi was appointed as the executive director of the Company for three years from 1 December 2017.

Dr. Li Hong and Mr. Zhuo Jianming, the non-executive Directors of the Company, had entered into service contracts with the Company for a specific term of three years from 5 June 2017 and 1 October 2018, respectively. Their service contracts will be automatically renewed for another three years upon expiry.

Mr. Yick Wing Fat, Simon and Dr. Wang Ching, the independent non-executive Directors were appointed for a term of three years from 19 December 2008. Dr. Tan Hongwei, the independent non-executive director was appointed for a term of three years from 18 April 2018. Their service contracts will be automatically renewed for another three years upon expiry.

All Directors are subject to retirement by rotation at least once every three years and in accordance with the Bye-laws of the Company.

本公司的所有獨立非執行董事將每年審閱就任何推薦予本公司的新商機而作出的決定。於本報告日期，本集團尚未有新的商機。

董事及高級職員之責任保險及賠償

本公司已就其董事可能會面對之法律行動向其董事及高級職員作適當之責任保險安排。於二零一八年，並無對本公司董事及高級職員提出任何申索。

委任、重選及罷免董事

本公司各執行董事劉紅維先生及謝文先生已與本公司訂立服務合約，年期自二零一二年一月十三日起固定為三年，並將於屆滿時自動另外續期三年。本公司執行董事熊湜先生的任期由二零一七年十二月一日起，為期三年。

本公司非執行董事李宏博士及卓建明先生已與本公司訂立服務合約，任期分別從二零一七年六月五日及二零一八年十月一日起，為期三年。彼等的服務合約將於屆滿時自動另外續期三年。

各獨立非執行董事易永發先生及王京博士的任期由二零零八年十二月十九日起，為期三年。獨立非執行董事譚洪衛博士的任期由二零一八年四月十八日起，為期三年。彼等的服務合約將於屆滿時自動另外續期三年。

所有董事須根據本公司的細則至少每三年輪席告退一次。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES

Audit Committee

The Company established the Audit Committee pursuant to a resolution of the Directors passed on 19 December 2008 in compliance with Rules 3.21 to 3.23 of the Listing Rules and paragraph C.3 of the Code. The primary duties of the Audit Committee are to oversee the financial reporting process and internal control procedure of the Group, to review the financial information of the Group and to consider issues relating to the external auditor. The Audit Committee consists of the three independent non-executive Directors, namely, Dr. Wang Ching, Mr. Yick Wing Fat, Simon and Dr. Tan Hongwei, Mr. Yick Wing Fat, Simon is the Chairman of the Audit Committee. The Audit Committee has reviewed the Group's consolidated financial statements for the six months ended 30 June 2018 and for the year ended 31 December 2018, the accounting principles and practices adopted by the Group and the system of internal control.

During the year ended 31 December 2018, the Audit Committee held 2 meetings.

The following table shows the attendance of members of the Audit Committee's meetings:

Directors:

董事：

		No. of Audit Committee meetings attended/held: 出席／舉行審核委員會會議的次數：
YICK Wing Fat, Simon (<i>Chairman</i>)	易永發 (主席)	2/2
WANG Ching	王 京	2/2
Dr. Tan Hongwei	譚洪衛博士	2/2

The Audit Committee is provided with sufficient resources to perform its duties. Latest terms of reference of the Audit Committee can be viewed on the website of the Company and the website of the Stock Exchange.

董事委員會

審核委員會

本公司遵守上市規則第3.21至3.23條及守則第C.3條的規定，根據董事於二零零八年十二月十九日通過的決議案成立審核委員會。審核委員會的主要職責為監督本集團的財務報告過程及內部監控程序、審閱本集團的財務資料，以及考慮有關外聘核數師的事宜。審核委員會由三名獨立非執行董事（即王京博士、易永發先生及譚洪衛博士組成，審核委員會的主席為易永發先生。審核委員會已審閱本集團截至二零一八年六月三十日止六個月及截至二零一八年十二月三十一日止年度的綜合財務報表，本集團採納會計原則及常規及一套內部監控系統。

截至二零一八年十二月三十一日止年度，審核委員會舉行兩次會議。

下表載列審核委員會成員出席會議的情況：

		No. of Audit Committee meetings attended/held: 出席／舉行審核委員會會議的次數：
YICK Wing Fat, Simon (<i>Chairman</i>)	易永發 (主席)	2/2
WANG Ching	王 京	2/2
Dr. Tan Hongwei	譚洪衛博士	2/2

審核委員會獲提供充足資源履行其職責。審核委員會之最新職權範圍可於本公司網站及聯交所網站上審閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

Remuneration Committee

The Company established the Remuneration Committee pursuant to a resolution of the Directors passed on 19 December 2008 in compliance with paragraph B.1 of the Code. The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy for remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration and for fixing the remuneration packages for all Directors. The Remuneration Committee consists of four members, including three independent non-executive Directors and the Chairman of the Board, namely, Dr. Zhong Jishou (resigned on 18 April 2018) and Dr. Tan Hongwei (appointed on 18 April 2018), Mr. Yick Wing Fat, Simon, Dr. Wang Ching, Mr. Liu Hongwei and Mr. Xiong Shi (appointed on 1 October 2018). The Remuneration Committee is Dr. Tan Hongwei (appointed on 18 April 2018)

During the year ended 31 December 2017, the Remuneration Committee held 1 meeting to assess individual performance of the Directors and review the remuneration packages and overall benefit of the Directors.

The following table shows the attendance and members of the Remuneration Committee during the year ended 31 December 2017:

Directors: 董事：

Zhong Jishou (<i>Chairman</i>) (resigned on 18 April 2018)	仲繼壽 (<i>主席</i>) (二零一八年四月十八日辭任)	0/1
Tan Hongwei (<i>Chairman</i>) (appointed on 18 April 2018)	譚洪衛博士 (<i>主席</i>) (於二零一八年四月十八日獲委任)	1/1
YICK Wing Fat, Simon	易永發	1/1
WANG Ching	王 京	1/1
LIU Hongwei	劉紅維	1/1
Xiong Shi (appointed on 1 October 2018)	熊湜 (於二零一八年十月一日獲委任)	1/1

The Remuneration Committee is provided with sufficient resources to perform its duties. The current duties and responsibilities of the Remuneration Committee are more specifically set out in its latest terms of reference, details of which can be viewed on the website of the Company and the website of the Stock Exchange.

薪酬委員會

本公司遵守守則第B.1條的規定，根據董事於二零零八年十二月十九日通過的決議案成立薪酬委員會。薪酬委員會的主要職責是就本公司董事及高級管理人員的薪酬政策，以及就制定該等薪酬政策設立正式和高透明度的程序及釐定所有董事的薪酬福利，向董事會作出推薦意見。薪酬委員會由四位成員（包括三位獨立非執行董事及董事會主席）組成，即仲繼壽博士（於二零一八年四月十八日辭任）、譚洪衛博士（於二零一八年四月十八日獲委任）、易永發先生、王京博士、劉紅維先生及熊湜先生。薪酬委員會由譚洪衛博士（於二零一八年四月十八日獲委任）擔任主席。

截至二零一七年十二月三十一日止年度，薪酬委員會舉行一次會議，以評估董事之個人表現及審閱董事薪酬方案及整體福利。

下表載列截至二零一七年十二月三十一日止年度薪酬委員會成員出席會議的情況：

No. of Remuneration Committee meetings attended/held: 出席／舉行薪酬委員會 會議的次數：

薪酬委員會獲提供充足資源履行其職責。薪酬委員會之目前職責詳情載於其最新職權範圍內，有關詳情可於本公司網站及聯交所網站上審閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

Nomination Committee

The Company established a Nomination Committee pursuant to a resolution of the Directors passed on 19 December 2008 in compliance with Recommended Best Practices of paragraph A.5 of the Code. The primary duties of the Nomination committee include reviewing the structure, size and composition of the Board on a regular basis and making recommendations to the Board regarding any proposed changes. The Nomination Committee consists of five members, including three independent non-executive Directors and two executive Directors, namely Mr. Liu Hongwei, Mr. Xie Wen, Dr. Wang Ching, Mr. Yick Wing Fat, Simon, Dr. Zhong Jishou (resigned on 18 April 2018) and Dr. Tan Hongwei (appointed on 18 April 2018). The Nomination Committee is chaired by Mr. Liu Hongwei.

Nomination procedures include identification and acknowledgement of qualified individuals by the Nomination Committee and review and approval of such nomination by the Board. The Nomination Committee will evaluate potential candidates by considering factors such as professional expertise, relevant experience, personal ethics and integrity.

During the year ended 31 December 2018, the Nomination Committee held 1 meeting. The following table shows the attendance and members of the Nomination Committee during the year ended 31 December 2018:

Directors: 董事：

LIU Hongwei (<i>Chairman</i>)	劉紅維 (主席)	
XIE Wen	謝文	
WANG Ching	王京	
YICK Wing Fat, Simon	易永發	
ZHONG Jishou	仲繼壽	
(resigned 18 April 2018)	(於二零一八年四月十八日辭任)	
Tan Hongwei	譚洪衛	
(appointed on 18 April 2018)	(於二零一八年四月十八日獲委任)	

The Nomination Committee is provided with sufficient resources to perform its duties. The current duties and responsibilities of the Nomination Committee are more specifically set out in its latest terms of reference, details of which can be viewed on the website of the Company and the website of the Stock Exchange.

提名委員會

本公司遵守守則第A.5條的建議最佳常規的規定，根據董事於二零零八年十二月十九日通過的決議案成立提名委員會。提名委員會的主要職責包括定期檢討董事會的架構、規模及組成，以及就任何擬作出的變動向董事會提出建議。提名委員會由五位成員（包括三位獨立非執行董事及兩位執行董事）組成，即劉紅維先生、謝文先生、王京博士、易永發先生、仲繼壽博士（於二零一八年四月十八日辭任）及譚洪衛博士（於二零一八年四月十八日獲委任）。提名委員會由劉紅維先生擔任主席。

提名程序包括由提名委員會識別和確認個別人士的資格，並由董事會檢討及通過此項提名。提名委員會將考慮如專業技術、相關經驗、個人道德標準及誠信等因素對候選人進行評估。

截至二零一八年十二月三十一日止年度，提名委員會舉行1次會議。下表載列截至二零一八年十二月三十一日止年度提名委員會成員出席會議的情況：

No. of Nomination Committee meetings attended/held: 出席／舉行提名委員會 會議的次數：

1/1
1/1
1/1
1/1
N/A
不適用
1/1

提名委員會獲提供充足資源履行其職責。提名委員會之目前職責詳情載於其最新職權範圍內，有關詳情可於本公司網站及聯交所網站上審閱。

CORPORATE GOVERNANCE REPORT

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COMPANY SECRETARY

The company secretary of the Company (the “Company Secretary”) is responsible for keeping detailed minutes of each meeting of the Board or the Board committees including any dissenting views expressed by the Directors, which should be available to all Directors for inspection. He is also responsible for ensuring that the Board procedures comply with all applicable laws, rules and regulations and advising the Board on corporate governance matters. All agenda, relevant materials and document are required to be sent out at least 3 days prior to the intended dates of the Board meetings or meetings of the Board committees. It is the responsibility of the Company Secretary to send the draft minutes of the meetings of the Board or the Board committees to all Directors for comments within a reasonable time after the aforesaid meetings. Final versions of minutes of meetings of the Board or the Board committees are also required to be sent to all Directors for record. All Directors have access to the advice and services of the Company Secretary to ensure that the Board procedures and all applicable laws are followed.

Moreover, the Company Secretary is responsible for keeping all Directors updated on the Listing Rules, regulatory requirements, as well as internal codes of conduct of the Company.

During the Year, the Company Secretary had confirmed that he had taken no less than 15 hours of relevant professional training.

FINANCIAL REPORTING AND INTERNAL CONTROL

Financial Reporting

The Board, supported by the Finance Department, is responsible for the preparation of the financial statements of the Company and the Group. In the preparation of financial statements, International Financial Reporting Standards have been adopted and the appropriate accounting policies, disclosure requirements under Hong Kong Companies Ordinance and the Listing Rules have been consistently used and applied. The Board aims to present a clear and balanced assessment of the Group's performance in the annual and interim reports to the Shareholders, and make appropriate disclosure and announcements in a timely manner.

公司秘書

本公司之公司秘書(「公司秘書」)負責保存各董事會或董事會委員會會議之記錄詳情，包括董事所表達的反對意見，以供全體董事審查。彼亦負責確保董事會程序遵守適用法律、法規及規例，並對企業管治事宜向董事會提供意見。所有議程、相關材料及文件須於董事會會議或董事會委員會會議之擬定舉行日期前最少三日發出。公司秘書負責於上述會議後之合理時間內向全體董事寄發董事會或董事會委員會會議之草擬會議記錄，以供董事批註。全體董事均可向公司秘書諮詢意見及要求提供服務，以確保董事會遵守董事會的程序和所有適用的法例。

此外，本公司秘書有責任盡快向所有董事提供最新上市規則、監管要求以及本公司內部工作管理守則。

於年內，公司秘書已確認，彼已參加不少於15小時之相關專業培訓。

財務報告及內部監控

財務報告

董事會在財務部門的支援下，負責編製本公司及本集團的財務報表。本公司在編製財務報表時，已採納國際財務報告準則，並貫徹使用及應用適當的會計政策以及香港公司條例及上市規則的披露規定。董事會的目的是在致股東的年報及中期報告中，對本集團的業績作出清晰平衡的評估，並適時作出適當的披露和公佈。

CORPORATE GOVERNANCE REPORT

企業管治報告

Auditor's Remuneration

The audit committee of the Board is responsible for making recommendation to the Board on the appointment, re-appointment and removal of the authorized external auditors and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of the external auditors. The Company engaged Ernst & Young as its external auditors, and also engaged Ernst & Young in connection with the comfort letters and other assistance in respect of the issue of senior notes. Details of the fees paid/payable to Ernst & Young during the year ended 31 December 2018 are as follows:

核數師酬金

董事會審核委員會負責就委聘、續聘及解聘法定外部核數師，批准外部核數師之酬金及聘用條款，以及與外部核數師辭任或解聘有關的任何問題，向董事會作出推薦。本公司已委聘安永會計師事務所為外部核數師，並就有關發行優先票據的告慰函及其他協助委聘安永會計師事務所。截至二零一八年十二月三十一日止年度已付／應付安永會計師事務所的費用如下：

Audit service	核數服務	
– Interim review and annual audit	– 中期審閱和年度審計	RMB8,050,000 人民幣 8,050,000 元
– Interim review and annual audit of China Singyes New Materials Holdings Limited (“Singyes New Materials”)	– 中國興業新材料控股有限公司 中期審閱和年度審計 (「興業新材料」)	RMB1,500,000 人民幣 1,500,000 元
Non-audit services	非核數服務	HK\$122,800
– Tax service	– 稅務服務	122,800 港元

CORPORATE GOVERNANCE REPORT

企業管治報告

Internal control and risk management

The Group appointed Shinewing Risk Services Limited to review the effectiveness of the Group's internal control system for the year ended 31 December 2018. The Group is also in the process of improving and establishing the internal control manual to further enhance its internal control and risk management system.

The Board acknowledges that it is the responsibility of the Board for the Group's system of internal control and risk management as well reviewing its effectiveness on an on-going basis, and, in particular, considering the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, training programmes and budget. The Board will conduct periodic review, at least annually, which cover all material aspects, including financial, operational, risk management functions and is in compliance with all relevant regulations and endeavor to enhance the internal control and risk management measures of the Group. Such systems are designed to manage the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

DIRECTORS' RESPONSIBILITY ON THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company and its subsidiaries for the year ended 31 December 2018, which were prepared in accordance with applicable accounting standards.

The reporting responsibility of the external auditor of the Company on the consolidated financial statements of the Group are set out in the independent auditor's report on pages 125 to 133.

內部監控及風險管理

本集團已委任信永方略風險管理有限公司，以審閱本集團截至二零一八年十二月三十一日止年度的內部監控系統的效益。本集團亦正在改善及成立內部監控指引，以進一步加強其內部監控及風險管理系統。

董事會確認其持續對本集團內部監控及風險管理系統以及檢討其效益的責任，尤其是考慮本集團於會計及財務匯報職能、培訓課程及預算方面的資源、員工資歷及經驗是否足夠，董事會將最少每年進行定期檢討，涵蓋所有重大方面，包括財務、經營、風險管理職能，並符合所有相關規定，致力加強本集團內部監控及風險管理措施。該等系統旨在管理未能達成業務目標的風險，並僅可提供合理但不絕對的保證以防止重大錯誤或損失。

董事對財務報表的責任

董事清楚明白本身須按照適用的會計準則編製本公司及其附屬公司截至二零一八年十二月三十一日止年度的財務報表的責任。

本公司外聘核數師對本集團綜合財務報表的報告責任，載於第125頁至第133頁的獨立核數師報告。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS

Communication with Shareholders

The Board recognises the importance of effective and on-going communications with Shareholders and continues to act in the best interests of the Company and its shareholders. The Company keeps Shareholders and investors informed of its business performance and strategies by adopting a transparent and timely disclosure policy which complies with the Listing Rules and provides all Shareholders equal access to such information. The Company also publishes all documents on the Company's website.

The annual general meeting of the Company (the "AGM") also provides a forum for the Board to dialogue and interact with the Shareholders directly. The Directors and the committee members are available to answer questions during the AGM. Notice of AGM, annual report, financial statements and related papers were posted to Shareholders for their consideration at least 20 clear business days prior to the AGM.

At each general meeting, the chairman of the meeting proposes individual resolutions in respect of each substantially separate matter. All matters at the Company's general meetings are resolved by poll and the procedures for conducting a poll will be explained at the meeting. Independent scrutineer will be engaged to ensure all votes at general meeting are properly counted. Poll vote results will be posted on the websites of the Company and HKEX in a timely manner.

AGM proceedings and policies regarding Shareholders' communication of the Company are continually reviewed in the light of corporate governance best practices.

股權的權利

與股東之溝通

董事會確認與股東持續有效溝通之重要性，並繼續以本公司及其股東之最佳利益行事。通過採納符合上市規則之透明及時之披露政策，本公司持續向股東及投資者知會其業務表現及策略之最新情況，並為讓全體股東平等獲得有關資料。本公司亦於本公司網站上刊發所有有關文件。

本公司之股東週年大會（「股東週年大會」）亦為董事會提供與股東直接對話及互動之平臺。董事及各委員會成員可於股東週年大會上回答提問。股東週年大會通告、年報、財務報表及相關文件均於股東週年大會日期前至少足20個營業日寄發予股東，供其考慮。

於各股東大會上，會議主席就各項重大個別事項提出個別決議案。本公司股東大會的所有事項均以投票方式表決，並於會上解釋投票程序。獨立監票人將獲委聘，以確保股東大會的所有票數均得到適當計算。投票結果將及時在本公司及香港聯交所網站公佈。

本公司之股東週年大會程序及有關股東溝通的政策按企業管治最佳守則持續檢討。

CORPORATE GOVERNANCE REPORT

企業管治報告

Shareholders' Rights

Set out below is a summary of certain rights of the shareholders of the Company as required to be disclosed pursuant to the mandatory disclosure requirements under Paragraph O of the Code which is effective from 1 April 2012.

(a) *Convening of general meeting on requisition by shareholders*

Members 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 shall at all times have the right, by written requisition to the Company's registered office in Bermuda at 4th Floor North Cedar House, 41 Cedar Avenue, Hamilton HM12, Bermuda and its principal office in Hong Kong at Unit 3108, 31/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong for the attention of the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within three (3) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act 1981 of Bermuda.

股權的權利

以下載列本公司股東根據守則(自二零一二年四月一日起生效)第O段項下強制性披露規定須予披露的若干權利概要。

(a) *按股東要求召開股東大會*

任何於遞呈要求日期持有不少於本公司繳入股本(附有於本公司股東大會表決權利)十分之一之股東，有權於任何時間透過本公司於百慕達註冊辦事處(地址為4th Floor North Cedar House, 41 Cedar Avenue, Hamilton HM12, Bermuda)及其香港主要辦事處(地址為香港干諾道中168至200號信德中心招商局大廈31樓3108室)向董事會或本公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後的三(3)個月內舉行。倘遞呈該要求後的二十一(21)日內，董事會未有召開該大會，則遞呈要求人士可自行根據百慕達一九八一年公司法第74(3)條以同樣方式作出此舉。

CORPORATE GOVERNANCE REPORT

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(b) Procedures for putting forward proposals at a Shareholders' meeting

Pursuant to the Companies Act 1981 of Bermuda, either any number of the shareholders holding not less than one-twentieth (5%) of the total voting rights of all the shareholders of the Company, or not less than one hundred of such shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to have notice of any general meeting any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. The requisition signed by all the requisitionists must be deposited at the Company's registered office in Bermuda at 4th Floor North Cedar House, 41 Cedar Avenue, Hamilton HM12, Bermuda and its principal office in Hong Kong at Unit 3108, 31/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong for the attention of the Board on the secretary of the Company, with a sum reasonably sufficient to meet the Company's relevant expenses and not less than six weeks before the meeting in case of a requisition requiring notice of a resolution and not less than one week before the meeting in the case of any other requisition. Provided that if an annual general meeting is called for a date six weeks or less after the requisition has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

(c) Enquiries to the Board

Shareholders may put forward enquiries to the Board in writing to the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the enquiries.

(b) 於股東大會上提呈建議的程序

根據百慕達一九八一年公司法，股東持有任何股份數目不低於本公司全體股東總投票權之二十分之一(5%)，或該等股東不低於一百名人士可書面要求本公司(a)向有權收取下屆股東大會通告的股東發出關於在該會議上可能妥善提出或計劃提出的任何決議的通告；及(b)將不超過一千字的有關將在會議上提出的決議涉及的事項或將在會上處理的事務說明書，提交給有權收取任何股東大會通告的股東傳閱。由所有呈請人簽署之呈請，須在不遲於(倘為要求決議案通知之呈請)大會舉行前六週或(倘為任何其他呈請)大會舉行前一週透過本公司於百慕達註冊辦事處(地址為4th Floor North Cedar House, 41 Cedar Avenue, Hamilton HM12, Bermuda)及其香港主要辦事處(地址為香港干諾道中168至200號信德中心招商局大廈31樓3108室)送交本公司董事會及／或公司秘書，並須支付足以彌補本公司相關開支之款項。惟倘在遞交呈請後六週或較短期間內之某一日期召開股東週年大會，則該呈請雖未有在規定時間內遞交，就此而言亦將被視為已妥為遞交。

(c) 向董事會查詢

股東可向董事會按本公司於香港的主要辦事處提交書面查詢。或倘本公司終止不再為相關主要辦事處，註冊辦事處須載明查詢日的。

CORPORATE GOVERNANCE REPORT

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INVESTOR RELATION

During the period under review, there had been no significant change in the Company's constitutional documents.

CORPORATE GOVERNANCE ENHANCEMENT

The Company has been introducing, and continues to introduce, measures to comply with the former and revised Corporate Governance Code. Enhancing corporate governance is not simply a matter of applying and complying with the Corporate Governance Code of the Stock Exchange but about promoting and developing an ethical and healthy corporate culture. During the period under review, the Board considered the following corporate governance matters:

- (i) review of the compliance with the Code; and
- (ii) review of the effectiveness of the internal controls and risk management systems of the Group through the Audit Committee.

The Board considered the Company's risk management and internal control systems for the year ended 31 December 2018 are effective and adequate. We will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and developments. Any views and suggestions from our shareholders to promote and improve our transparency are also welcome.

投資者關係

回顧年度，本公司組織章程文件並無發生任何變動。

提升企業管治水平

本公司已經並將繼續引進措施，以遵守舊及經修訂企業管治守則。提升企業管治水平並非僅為應用及遵守聯交所之企業管治守則，乃為推動及發展具道德與健全之企業文化。於回顧期間，董事會考慮以下企業管治事項：

- (i) 審閱是否遵守守則；及
- (ii) 憑藉審核委員會審閱本集團於核數委員會下內部控權及風險因素。

董事會認為，截至二零一八年十二月三十一日止年度，本公司的風險管理及內部監控制度為有效及充足。吾等將按經驗、監管條例之變動及發展，不斷檢討並於適當時改善本公司之現行常規。本公司歡迎股東提供任何意見及建議以提高及增加公司之透明度。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

INTRODUCTION AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

This Environmental, Social and Governance Report (the “ESG Report”) summarizes the environmental, social and governance (“ESG”) initiatives, plans and performance of China Singyes Solar Technologies Holdings Limited (the “Company”, together with its subsidiaries, “the Group” or “we”), and demonstrates its commitments to sustainable development.

The Group is a company that attaches great importance to environmental protection and sustainable development and committed to balancing the development and interests of all parties. While building a corporate culture that cares for both employees and society, we continue to develop products that are environmentally friendly, energy-saving and sustainable. We strictly comply with laws and regulations, safeguard intellectual property rights, abide by the management philosophy of honesty and integrity, and work with employees and all parties in society to create a harmonious and civilized society with sustainable development.

The Group strives to provide high and new technologies for energy conservation, environmental protection, new energy and new materials, and has been listed on the Main Board of the Stock Exchange since 2009. The businesses of the Group comprise five scopes: (i) design, manufacture and installation of conventional curtain walls and green building construction; (ii) design, installation and operation of solar projects; (iii) manufacture, sale, research and development of renewable energy goods; (iv) manufacture, sale and installation of new materials; and (v) provision of construction design services. We have two production plants in Mainland China and have offices in Hong Kong, Macao, Singapore, Malaysia, etc.

序言和環境、社會及管治方針

本環境、社會及管治報告(「本報告」)總結中國興業太陽能技術控股有限公司(「本公司」, 連同其附屬公司, 「本集團」或「我們」)在環境、社會及管治(「環境、社會及管治」)上的倡議、計劃及績效, 並展示其在可持續發展方面的承諾。

本集團更是一家重視環境保護與可持續發展的企業, 致力平衡各方面的發展和利益, 在營造關愛員工、關懷社會的企業風氣同時, 不斷研發具備環保節能及可持續發展特質的產品。我們嚴格遵守法規, 維護知識產權, 恪守廉潔奉公的經營理念, 與員工和社會各方共同創造和諧、文明及可持續發展的社會。財產權, 恪守廉潔奉公的經營理念, 與員工和社會各方共同創造和諧、文明及可持續發展的社會。

本集團致力提供有關節能環保、新能源和新材料的高新技術, 並在二零零九年於香港聯交所主板上市。本集團業務覆蓋五大範疇: (一) 傳統幕牆及綠色建築工程設計、製造及安裝; (二) 太陽能項目設計、安裝及運營; (三) 可再生能源貨品的生產、銷售及研發; (四) 新材料貨品的生產、銷售及安裝; 和(五) 提供工程設計服務。我們在中國內地共有兩個生產基地, 在香港、澳門、新加坡、馬來西亞等地設有辦事處。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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We have shown our dedication to the goal of transforming every building into mini power plant, with a will to become a global leading provider of clean energy application system. By utilising the advantage of our existing building curtain wall business and technology, we continuously conduct research and development on enhancing the synergy between the clean-energy technology and energy-saving building knowledge, which support the future development of ecological construction and low-carbon economy. “People oriented, Growth with Technology” is the foundation and motto of the Group. The Group is committed to creating a favorable circumstance for caring for the environment, caring for the community and caring for our employees. With the foundation of scientific and technological capabilities, the Group has continuously upgraded the service qualities of new energy, energy saving and environmental protection to achieving satisfaction among customers. “Harmonious Growth, Joint Development” is the principle and belief of the Group. We are dedicated to achieve harmonious and joint development of our nature, society, human and business and established the concept for the development of integrity management, law compliance and scientific management. We will keep paying back to society with our pioneering and aggressive spirit, and our effort in industrial development as always. We will also protect the natural environment, share fruitful enterprise growth with employees, and build a more harmonious, civilised and progressive society.

The ESG Governance Structure

The Group has established the ESG Taskforce (the “Taskforce”). The Taskforce comprises core members from different departments of the Group and is responsible for collecting relevant information on our ESG aspects for the preparation of the ESG Report. The Taskforce reports to the Board, assists in identifying and evaluating the Group's ESG risks and the effectiveness of the internal control mechanisms. The Taskforce also examines and evaluates our performances in different aspects such as environment, safety production, labour standards and product responsibilities in the ESG aspects. The Board sets up a main direction for the Group's ESG strategies, ensuring the effectiveness in the control of ESG risks and internal control mechanisms.

我們致力把每一棟建築變成微型發電廠，並期望成為世界領先的清潔能源應用系統方案提供者。我們利用已有的建築幕牆業務和技術優勢，持續研發清潔能源技術與建築節能的集成運用，支持未來的生態建築及低碳經濟的發展。「以人為本、科技興業」是本集團的立身之本、發展之源。本集團致力營造關注環境、關懷社會、關愛員工的良好氛圍，以科技實力為根本，不斷提升本集團在新能源、節能環保等產業領域的服務質量，實現顧客滿意的目標。「和諧興業、共同發展」是本集團的凝心之根、聚力之魂。我們致力實現自然、社會、人、企業的和諧及共同發展，構建誠信經營、遵規守法、科學管理的發展環境。我們將一如以往不斷開拓進取、用產業發展回報社會，讓自然環境受到保護，讓員工共享企業成長碩果，讓社會更加和諧、文明、進步。

環境、社會及管治治理結構

本集團已成立了環境、社會及管治工作小組（簡稱「工作小組」）。工作小組由本集團不同部門的核心成員組成，負責搜集我們在環境、社會及管治方面的相關資料及資料以編制本報告。工作小組會定期向董事會彙報，協助辨識和評估本集團的環境、社會及管治風險以及評估本集團環境、社會及管治內部控制機制的有效性。工作小組亦會檢查和評估我們在環境、社會及管治範疇內環境、安全生產、勞工標準、產品責任等不同方面的表現。董事會則會設定本集團環境、社會及管治戰略上的大方向，並確保環境、社會及管治風險控制及內部控制機制的有效性。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Reporting Scope

This ESG Report covers the core business of the Group in Mainland China. This ESG Report shows the overall environmental and social policies of the Group, including the subsidiaries in Zhuhai, being Zhuhai Singyes Green Building Technology Co., Ltd., Zhuhai Singyes Renewable Energy Co., Ltd. and Zhuhai Singyes Energy-saving Technology Co., Ltd. (collectively the “Zhuhai Base”). The Group will continue to review our environmental and social performance in the coming year and consider incorporating more businesses in this ESG Report.

The ESG Report mainly covers the environmental and social policies of the Group's principal businesses in Mainland China and its environmental and social performance. The key performance indicators (“KPI”) disclosed focus on the Group's production headquarters in Zhuhai. The Group will gradually incorporate other subsidiaries into the disclosure of environmental information. For details of corporate governance, please refer to the Corporate Governance Report in Annual Report 2018 on pages 7 to 24.

Reporting Framework

The ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) under Appendix 27 of the Main Board Listing Rules of the Stock Exchange of Hong Kong Limited.

Report Period

This ESG Report describes the ESG activities, challenges and measures taken by the Group during the year ended 31 December 2018 (the “Reporting Period”).

報告範圍

本報告涵蓋本集團在中國內地的核心業務。本報告闡述本集團整體的環境及社會政策，包括位於珠海的主要附屬公司 – 珠海興業綠色建築科技有限公司、珠海興業新能源有限公司及珠海興業節能科技有限公司（統稱「珠海基地」）。本集團來年將繼續審視我們在環境及社會表現，並考慮將更多業務涵蓋於本報告中。

環境、社會及管治報告的內容主要闡述本集團於中國內地主要業務的環境及社會政策，以及在環境及社會層面的表現。披露的關鍵績效指標（「關鍵績效指標」）以本集團位處珠海的生產總部為主，本集團將逐步把環境數據的披露推進至其他附屬公司。有關企業管治的詳情，請參閱2018年度報告第7至24頁的企業管治報告。

報告框架

環境、社會及管治報告依照香港聯合交易所有限公司主板上市規則附錄27環境、社會及管治報告指引（「環境、社會及管治報告指引」或「報告指引」）所編製編寫。

報告期間

本報告詳述本集團於截至二零一八年十二月三十一日止年度（「報告期間」）取得的環境、社會及管治方面的活動、挑戰和採取的措施。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Stakeholder Engagement

The Group attaches great importance to its stakeholders and their views on the business and environmental, social and governance issues of the Group. In order to understand and respond to stakeholders' concerns, the Group communicates with its major stakeholders (including investors and shareholders, employees, customers, suppliers, government and regulatory authorities, communities, non-governmental organizations ("NGOs") and the media) through different channels. The channels of communication between the Group and its major stakeholders are as follows:

持份者參與

本集團重視持份者及其對本集團業務及環境、社會及管治事宜的意見。為瞭解及響應持份者關注事項，本集團與主要持份者（包括投資者及股東、員工、客戶、供貨商、政府和監管機構、社群、非政府機構（「非政府機構」）及媒體等）以不同管道溝通。本集團與主要持份者之聯繫管道如下：

Major Stakeholders 主要持份者	Communication Channels 聯繫管道
Investors and Shareholders 投資者及股東	Annual General Meeting 股東周年大會 Annual Report and Interim Report 年報及中期報告 Announcement and Circular 公告及通函 Investor Conferences 投資者會議
Staff 員工	Employee Opinion Survey 員工意見調查 Channels for Employees Feedback (forms, suggestion box, etc.) 員工表達意見的管道（表格、意見箱等） Employee Newsletter and Broadcasting 員工通訊和廣播 Intranet 內部網路
Customers 客戶	Customer Satisfaction Survey and Feedback Form 客戶滿意度調查和意見表 Customer Service Center 客戶服務中心 Customer Service Manager 客戶經理
Suppliers 供應商	Supplier Management Conferences and Events 供應商管理會議及活動 Supplier On-site Audit Management System 供應商現場審計管理制度
Government and Regulatory Authorities 政府和監管機構	Regular Conference 定期工作會議 Regular Performance Report 定期彙報表現 On-site Inspections 實地考察
Communities, NGOs, and the Media 社群、非政府機構及媒體	ESG Report 環境、社會及管治報告 Public or Community Activities and Partner Programs for Different Topics 針對不同議題的公眾或社區活動和夥伴計劃

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

In formulating operation strategies and ESG measures, the Group takes into account the stakeholders' expectations and strives to improve its performance through mutual cooperation with the stakeholders, resulting in creating greater value for the community.

在制訂營運策略及環境、社會及管治措施時，本集團會考慮持份者的期望，透過彼此合作使本集團不斷改善其表現，為社會締造更大價值。

MATERIALITY ASSESSMENT

We value the opinions of our stakeholders and identify and determine important issues that will be included in this ESG Report through feedback from relevant stakeholders. The following table will show the important issues identified and their relation to the ESG Reporting Guide:

重要範疇評估

我們重視持份者的意見，並通過相關持份者的回饋來識別和厘定會在包含在本報告內的重要議題。就已經識別的重要議題及其與環境、社會及管治報告指引的關係，詳見下表：

The ESG Reporting Guide 環境、社會及管治報告指引		The ESG material aspects of the Group 本集團環境、社會及管治重要範疇	
A. Environmental 環境			
A1. Emissions 排放物	Exhaust Gas Emissions	P.31	
	廢氣排放		
	Greenhouse Gas ("GHG") Emissions	P.34	
	溫室氣體(「溫室氣體」)排放		
	Sewage Discharge	P.36	
	污水排放		
A2. Use of Resources 資源使用	Waste Treatment	P.37	
	廢棄物處理		
	Electricity and Energy Management	P.41	
	用電及能源管理		
A3. The Environment and Natural Resources 環境及天然資源	Water Management	P.42	
	用水管理		
	Use of Packaging Materials	P.43	
	包裝材料使用		
	Noise Management	P.44	
	噪音管理		
	Green Industry	P.45	
	綠色產業		
	Green Building	P.47	
	綠色建築		
	Green Products	P.49	
	綠色產品		

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The ESG Reporting Guide 環境、社會及管治報告指引

The ESG material aspects of the Group 本集團環境、社會及管治重要範疇

B. Social 社會

B1. Employment 僱傭	Recruitment and Promotion 招聘及晉升	P.52
	Remuneration and Welfares 薪酬與福利	P.53
	Equal Opportunity 平等機會	P.55
	Communication with Employees 員工溝通	P.55
B2. Health and Safety 健康與安全	Safety Management 安全管理	P.57
	Safety Education and Publicity 安全教育及宣傳	P.58
B3. Development and Training 發展及培訓	Development and Training 發展及培訓	P.59
B4. Labour Standards 勞工準則	Labour Standards 勞工準則	P.60
B5. Supply Chain Management 供應鏈管理	Management of Supplier Environments and Social Risks 供應商環境及社會風險管理	P.61
B6. Product Responsibility 產品責任	Quality Control 品質管制	P.63
	Customer Services 客戶服務	P.64
	Privacy Protection 隱私保護	P.64
	Protection for Intellectual Property Rights 智慧財產權維護	P.65
	Advertising and Labelling 廣告及標籤	P.65
B7. Anti-corruption 反貪污	Anti-corruption 反貪污	P.66
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The Group confirmed that it has established appropriate and effective management policies and control systems for ESG issues and confirmed that the disclosed contents are in compliance with the requirements of the ESG Reporting Guide during the Reporting Period.

CONTACT US

For more detailed information about the environment and corporate governance of the Group, please refer to our official website (<http://www.singyessolar.com>) and annual report. If you have any opinions or suggestions, please feel free to contact us by:

Tel: (86) 756-691 6666

Email: ir_sye@zhsye.com

A. ENVIRONMENTAL

A1. Emissions

General Disclosure and KPIs

As an environmentally friendly enterprise, the Group has shown our dedication to the goal of transforming every building into mini power plant, promoting emission reduction from source and enhancing energy efficiency to improve the environment, cherish the blue sky and lead the low-carbon economic development. Over the years, we have constantly promoted and improved solar technology, as well as growing with the photovoltaic industry, motivating the development of the photovoltaic industry.

於報告期間，本集團確認已就環境、社會及管治事宜設立合適及有效的管理政策及監控系統，並確認所披露內容符合環境、社會及管治報告指引的要求。

與我們聯絡

有關本集團環境及企業管治的詳細資訊，請參閱我們的官方網站 (<http://www.singyessolar.com>) 及年報。若閣下對此份報告有任何意見或建議，歡迎通過以下方式與我們聯絡：

電話：(86) 756-691 6666

電郵：ir_sye@zhsye.com

A. 環境

A1. 排放物

一般披露和關鍵績效指標

作為環保企業，本集團致力把每一棟建築變成微型發電廠，促進源頭減排和能效提升，以改善環境、呵護藍天、引領低碳經濟的發展。多年來，我們一直推廣太陽能技術，與光伏行業共同成長，並不斷完善技術，促進光伏行業發展。

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The Group regularly follows the latest national and regional environmental protection laws and regulations, thereby focusing on strengthening environmental protection measures in order to comply with relevant local government laws and regulations and fully implement environmental policies. We strictly comply with relevant laws and regulations, including “Law of the People’s Republic of China on Prevention and Control of Pollution From Environmental Noise”, “Law of the People’s Republic of China on the Prevention and Control of Atmosphere Pollution”, “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes”, “Environmental Protection Law of the People’s Republic of China” and “Water Pollution Prevention and Control Law of the People’s Republic of China”. During the Reporting Period, the Group did not have any material violations of relevant local environmental laws and regulations in relation to exhaust gas and GHG, emissions, water and land discharge, and the generation of hazardous and non-hazardous waste that have a significant impact on the Group.

The Group’s offices have taken related measures for the environmental impacts in the daily operation process, and formulated relevant environmental management systems and procedures such as “Control Procedures on Environmental and Safety Operation”, “Environmental and Safety Monitoring Control Procedures” and “Waste Management Regulations” to regulate small amount of exhaust emissions and non-hazardous waste generated during operations. All departments strictly carry out safety and environmental management work according to the requirements of the above procedures and standards, and make corresponding records. Any non-conformity will be handled with reference to the “Control Procedures on Rectification and Preventive Measures”, and the Quality and Safety Department is responsible for reviewing the implementation of each department at any time.

本集團定期追蹤最新國家和地區環境保護法律法規，以此為依據專注於加強環境保護的措施，以遵守當地政府相關的法律法規和貫徹落實環境政策。我們嚴格遵守《中華人民共和國環境噪聲污染防治法》、《中華人民共和國大氣污染防治法》、《中華人民共和國固體廢物污染環境防治法》、《中華人民共和國環境保護法》及《中華人民共和國水污染防治法》等相關法律法規。於報告期間，本集團並無任何就空氣及溫室氣體、排放物、水及土地的排污以及有害及無害廢棄物產生、對本集團有重大影響的當地相關環境法律法規之違規事件。

本集團位於各地辦公室在日常營運過程中對環境的影響及相關措施，並制定了如《環安運行控制程序》、《環安監測控制程序》和《廢棄物管理規範》等相關環保管理制度和規程，規範運營中產生之少量廢氣排放和無害廢棄物等。各部門嚴格依據以上程式和標準的要求，開展安全環境管理工作，並做好相應記錄。當出現不符合情況時，參照《糾正和預防措施控制程序》處理，質安部負責隨時檢查各部門的執行情況。

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Exhaust Gas Emissions

The Research and Development Building of Singyes Solar uses solar energy to generate electricity. The green electricity generated can replace traditional thermal power generation, reduce emissions of sulfur dioxide, nitrogen oxides, and GHG from the thermal power generation process to achieve low-carbon emission reductions and improve air quality, mitigating climate change.

The exhaust emissions generated by the Group during its operation are mainly automobile exhausts, we therefore have adopted the following emission reduction measures:

- All vehicles must meet the vehicle emissions standard for the exhaust emissions implemented by the Zhuhai Municipal Environmental Protection Bureau;
- Prohibit the idling of the engine so as to reduce the energy wasted on wasting vehicles;
- Rent electric commuter vehicles to indirectly reduce air pollution caused by fuel vehicles; and
- Regularly repair and maintain the fleet.

廢氣排放

興業太陽能研發樓利用太陽能進行發電，所產生的綠色電力可替代傳統的火力發電，減少火力發電過程產生的二氧化硫、氮氧化物以及溫室氣體，達到低碳減排的目的，並改善空氣質素，緩和氣候變化。

本集團在營運過程中所產生的廢氣排放主要為汽車尾氣，因此我們採取下列減排措施：

- 所有車輛必須達到珠海市環保局判定的尾氣排放制定的管理標準；
- 禁止汽車引擎空轉，以減少浪費車輛耗用的能源；
- 租用電動通勤車從而間接減少燃油車引致的空氣污染；及
- 對所屬車隊進行定期檢修和進行保養。

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During the Reporting Period, the performance of exhaust gas emissions is summarized as follows:

於報告期間，廢氣排放表現概述如下：

Exhaust Gas Type	廢氣種類	Unit 單位	2018 2018年度	2017 2017年度
Nitrogen Oxides	氮氧化物	kg 千克	445.33	460.00
Sulphur Oxides	硫氧化物	kg 千克	0.89	1.00
Particulate Matter	顆粒物	kg 千克	37.96	35.00

GHG Emissions

The Group's GHG emissions mainly derive from direct GHG emissions generated from stationary combustion equipment (such as cooking stoves) and gasoline and diesel consumed by the Group's fleet (Scope 1) and energy indirect GHG emissions from purchased electricity (Scope 2). The Group actively adopts electricity saving and energy conservation measures to reduce GHG emissions, including:

- Encourage employees to replace unnecessary overseas business trips with video conferences;
- If the business travel is unavoidable, we encourage employees to use direct flights to reduce the carbon emissions from each flight;
- Plant trees in our office areas to increase our ability to absorb carbon dioxide and reduce the net increase in GHG;

溫室氣體排放

本集團的主要溫室氣體排放來源於固定燃燒設備(如煮食爐)及本集團車隊所消耗的汽油和柴油造成的直接溫室氣體排放(範圍一)及外購電力造成的能源間接溫室氣體排放(範圍二)。本集團積極採取節電和節能措施，以減少溫室氣體排放，包括：

- 鼓勵員工以視頻會議代替非必要的海外公幹；
- 若商務旅行不可避免，我們鼓勵員工使用直航航班以減少每次飛行引致的碳排放；
- 在辦公區域內種植樹木，增加吸收二氧化碳的能力，並減緩溫室氣體的淨增加；

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- Reduce the carbon emissions caused by vehicle exhaust, details of which are set out in the section headed “Exhaust Gas Emissions” above; and
- In terms of the offices, actively take environmental protection measures, which are set out in the section headed “Electricity and Energy Management” in Section A2.
- 減少汽車尾氣導致的碳排放，詳細措施已經在上面「廢氣排放」一節說明；及
- 在辦公室層面，積極採取環保節能措施，相關措施將在A2部分中「用電及能源管理」一節中說明。

During the Reporting Period, the performance of GHG emissions is summarized as follows:

於報告期間，溫室氣體排放表現概述如下：

Indicator ¹	指標 ¹	Unit 單位	2018 2018年度
Direct GHG emission (Scope 1)	直接溫室氣體排放(範圍1)	tCO ₂ e 噸二氧化碳當量	207.27
Indirect GHG emission (Scope 2)	間接溫室氣體排放(範圍2)	tCO ₂ e 噸二氧化碳當量	3,153.16
Total GHG emissions (Scope 1 and 2)	溫室氣體總排放量(範圍1及2)	tCO ₂ e 噸二氧化碳當量	3,360.43
Total GHG emissions intensity ²	溫室氣體排放密度 ²	tCO ₂ e/m ² 噸二氧化碳當量/ 平方米	0.03
Avoided total GHG emissions through generating electricity by solar power	透過太陽能發電避免溫室氣體排放總量	tCO ₂ e 噸二氧化碳當量	35.83

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Notes:

1. The GHG emissions data are presented in terms of carbon dioxide equivalent and are based on, including but not limited to "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, the latest released emission factors of China's regional power grid basis, the Global Warming Potential Values from the IPCC Fifth Assessment Report, 2014 (AR5), and "How to Prepare an ESG Report? – Appendix II: Reporting Guidance on Environmental Key Performance Indicators issued by the Hong Kong Stock Exchange.
2. As of 31 December 2018, the Group had a total gross floor area of 107,604.82 m². This data is also used to calculate other intensity data.

Sewage Discharge

The Zhuhai Base did not generate wastewater during the production process, and the domestic sewage was directly discharged into the municipal pipe network. We conduct regular water testing to ensure that wastewater discharge meets local standards. The Group advocates water conservation and reduces the generation and waste of domestic wastewater; requires that various chemical and oil contaminants shall not be placed and dumped around the mouth of the domestic waste pipe. In addition, we strictly forbid to place pollution sources such as chemicals, oils, solid wastes, etc. at the rainwater pipe network port and separate the rainwater pipes from other sewage ones so that the rainwater can be directly discharged.

In order to save water, the Research and Development Building of Singyes Solar uses a standard water-saving sanitary appliance to reduce its water consumption to meet the normal use of functions to save water resources. The Research and Development Building of Singyes Solar also employs a wet pond method to store rainwater. It normally plays a normal landscape and leisure function, and plays a function of regulating and storing in the event of heavy rain.

備註：

1. 溫室氣體排放數據乃按二氧化碳當量呈列，並參照包括但不限於世界資源研究所及世界可持續發展工商理事會刊發的《溫室氣體盤查議定書：企業會計與報告標準》、最新發布的中國區域電網基準線排放因子、2014年度政府間氣候變化專門委員會第五次評估報告(AR5)《全球暖化潛能值》，以及香港交易所發佈的《如何準備環境、社會及管治報告？－附錄二：環境關鍵績效指標匯報指引》。
2. 截至二零一八年十二月三十一日，本集團總樓面面積總數為107,604.82平方米。此數據亦會用作計算其他密度數據。

污水排放

珠海基地於生產過程中並無產生廢水，而生活污水將直接排入市政管網。我們會定期進行水質測試以確保污水排放符合地方標準。本集團提倡節約用水及減少生活廢水的產生和浪費；規定於生活廢水管口周圍不可放置及傾倒各類化學品、油品污染物。此外，我們嚴禁於雨水管網口放置化學品、油品、固體廢氣物等污染源及將雨水管與其它污水管分開使用，使雨水可直接外排。

為了節約用水，興業太陽能研發樓採用一級標準的節水型衛生器具，在滿足正常使用功能的情況下減少其用水量，以節約水資源。興業太陽能研發樓亦採用濕塘方式調蓄雨水，在平時發揮正常的景觀及休閒功能，在暴雨發生時發揮調蓄功能。

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Waste Treatment

The Group identifies and classifies wastes, and designates personnel to handle the wastes in a timely manner and maintain the sanitation around the collection bins. Information about the management of solid and hazardous wastes is included in “Control Procedures on Environmental and Safety Operation” and “Waste Management Regulations”. For the following types of solid wastes, we adopt specific treatment measures:

Hazardous Waste

During the production process, we will endeavor to minimize or avoid use of hazardous substances or production techniques that may generate hazardous substances. The Group manages dangerous chemicals in accordance with the “Management and Control Procedures on Dangerous Chemicals”, and ensures the safety and reliability during their usage and storage to prevent the occurrence of safety and environmental incidents caused by the leakage and fire of dangerous chemicals. Various kinds of containers contaminated with toxic and hazardous substances (such as: various plastic bottles, plastic barrels, dangerous chemicals tanks, waste oil, etc.) shall be collected by the processing factory and the site project department, without mixture or leakage. The special production solid waste at each operation site shall not leak or be mixed with general solid waste to cause impacts on the environment, and shall be delivered to the designated collection point as required. The Zhuhai Base did not produce any hazardous waste during the Reporting Period.

廢棄物處理

本集團對廢棄物進行識別分類，指定管理責任人適時處理廢棄物，並保持收集箱周圍的環境衛生。《環安運行控制程序》及《危險廢棄物管理規範》中亦有提及與固體廢棄物、危險物的管理相關內容。對以下類別的固體廢棄物，我們採取有針對性的處理措施：

有害廢棄物

在生產過程中，我們儘量減少或避免使用危險物或會產生有害廢棄物的生產方法。本集團會按《化學危險品管理控制程序》管理化學危險品，並保證化學危險品在使用及貯存中的安全及可靠，以預防因化學危險品洩漏和起火而引起安全及環境事件的發生。對盛裝有毒及有害品的各類容器（如：各類膠瓶、膠桶、化學危險品罐體、廢油等），均需由加工廠、現場專案部負責收集，不得有混雜、洩漏的現象。各操作點的特殊生產固體廢棄物不得洩漏或與一般固體廢棄物混雜造成對環境的影響，及需按規定送達指定回收點。珠海基地在報告期間沒有產生危險廢棄物。

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Non-hazardous Waste

The Group will deliver the recyclable waste to recyclers by types, and the non-recyclable waste will be processed by a qualified waste disposal company. The Group's operations tend to be paperless. We encourage employees to use email for internal and external communication, and we use office automation system for notifications, transfer applications, holiday applications and other administrative procedures in order to be a paperless office. We also promote double-side printed internal documents to fully utilize paper. We also require employees to collect recyclable and non-recyclable wastes.

During the Reporting Period, weight and intensity of waste generated by the Group are as follows:

無害廢棄物

本集團按類將可回收廢棄物交由回收商處理，不可回收廢棄物交由合資格的垃圾處理公司處理。本集團的營運趨向無紙化，我們鼓勵員工使用電子郵件進行內部和外部溝通，並使用辦公自動化系統進行通知、調動申請、假期申請等行政程序，以達到無紙化辦公的目標。我們亦提倡內部文件使用雙面打印，以提高紙張利用率。我們亦要求員工對可回收利用及不可回收利用的廢棄物進行分類收集。

於報告期間，本集團產生的廢棄物重量與密度如下：

Indicator	指標	Unit 單位	2018 2018年度	2017 2017年度
Recycled waste	回收廢料	tonnes 噸	386.47	423.00
Recycled waste intensity	回收廢料密度	kg/m ² 千克／平方米	3.59	3.98
Non-hazardous waste processed by qualified company	交由合資格公司處理的 無害廢棄物	tonnes 噸	386.42	83.00
Non-hazardous waste processed by qualified company intensity	交由合資格公司處理的 無害廢棄物密度	kg/m ² 千克／平方米	3.59	0.77

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A2. Use of Resources

General Disclosure and KPIs

We do not only contribute to improving the environment in our business, but also proactively step towards a low-carbon lifestyle in our operation. The Group has formulated the “Management and Control Procedures on Energy and Resource Conservation” to manage the use of energy and resources including water, electricity and paper. The Logistics Department of the Administrative Center is responsible for the compilation and archiving of inspection records for water, electricity and paper. If the “Recommendations and Treatment Form for Rectification and Preventive Measures” for the inspection was failed, the responsible department shall carry out the rectification according to the “Control Procedures on Rectification and Preventive Measures”. In addition, in order to achieve sustainable development, the Group regularly provides environmental protection information and practical advice related to a environmentally friendly living style to staff for circulation.

A2. 資源使用

一般披露和關鍵績效指標

我們不但在業務上為環境出一分力，更在營運中全面體現我們積極邁向低碳生活的目標。本集團制訂了《能源、資源節約管理控制程序》，對水、電及紙張等能源和資源使用進行管理，由行政中心後勤服務部負責對水、電和紙張的檢查記錄進行匯總歸檔。若檢查不符合《糾正和預防措施建議及處理表》，便會由責任部門按《糾正和預防措施控制程序》執行整改。此外，為達成可持續發展，本集團定期向員工傳閱環保訊息及有關環保生活方式的實用建議。

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In addition, the Group has incorporated numerous environmental-friendly elements into our property design. One of our office buildings – Research and Development Building of Singyes Solar has fully considered the application environment of passive technique, and combined active technique to enhance the applicability of the building. The Research and Development Building of Singyes Solar adopts human-induced lighting, air conditioning, and fresh air triple control technology, taking information technology as carrier, positioning through microwave technology, and integrates building intelligent control system, to integrate the control of lighting, air conditioning, and fresh air with people's indoor activity, achieving the situation of “Turn on when people are present, turn off if absent”, avoiding unnecessary energy consumption and achieving interactions between people and internals of buildings. Apart from using photovoltaic power generation to reduce GHG emissions, the Research and Development Building of Singyes Solar also adopts an evaporative condensing total heat recovery fresh air unit to recover the cooling capacity of exhaust air to save resources. Our Zhuhai Singyes Renewable Energy Industrial Park adopts photovoltaic power generation technology and energy comprehensive management technology, and has become a demonstration project for distributed power plants and smart micro grids. In addition, the staff quarters in Zhuhai Base utilise the building integrated solar thermal technology by combining the solar and thermal system with building construction to provide employees with hot water, heating and air conditioning, etc., in order to reduce our demand for thermal power and lessen the environmental pollution.

另外，本集團在我們的物業設計中揉合多項環保要素。我們其中一個辦公樓 – 興業太陽能研發樓充分考慮被動技術的應用環境，結合主動技術提高建築的適用性。興業太陽能研發樓採用基於人體感應的照明、空調、新風三聯控技術，以信息化技術為載體，通過微波等技術進行定位，結合樓宇智能控制系統的集成技術，將照明、空調、新風三者的控制與人在建築內部的活動關聯起來，實現「人來開，人走關」，避免不必要的能源消耗，實現建築與人的互動。興業太陽能研發樓除了利用光伏發電以減少溫室氣體排放，亦採用蒸發式冷凝全熱回收新風機組，回收排風的冷量以節約資源。我們旗下的珠海興業新能源產業園全面採用光伏發電技術及能量綜合管理技術，並已成為分布式電站及智能微電網的示範項目。另外，珠海基地的員工宿舍運用光熱建築一體化技術，將光熱系統與建築有機結合，為員工提供熱水、暖氣及空調等，減少我們對火力發電的需求，以減少對環境的污染。

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Electricity and Energy Management

The major energy consumption of the Group during its daily operation is electricity consumption in our operation. In addition to the abovementioned electricity management from the aspect of property design, the Group has formulated the “Management and Control Procedures on Energy and Resource Conservation” to achieve the goal of saving and using electricity effectively. The relevant specific measures are as follows:

- The Logistics Department of the Administrative Center is responsible for the management of power supply lines and equipment in the plant;
- No person or department shall install or disassemble the power supply equipment without authorisation. Any breakdown of the power supply line and equipment shall be notified to the Logistics Department of the Administrative Center to troubleshoot the power failure and resume the power;
- At rest, turn off the lighting and electrical equipment used in production and offices and after work, practicing the principle of turning off if absent; and
- During off-peak electricity time, high-power consuming equipment shall be suspended or operated less. The canteen terminates cooking by electricity, and air conditioners in the offices shall operate less or in turns; adopt accrual basis for the office equipment such as air conditioners and computers, and the Logistics Department of the Administrative Center implements the punishment system, and penalizes those who have not turned off the air conditioner and computer after work.

用電及能源管理

在日常運營中，本集團的主要能源消耗為營運耗電。除上述從物業設計方面進行用電管理以外，本集團制定《能源、資源節約管理控制程序》以達到節約用電及有效使用電力的目標，相關具體措施如下：

- 行政中心後勤服務部負責廠房供電線路和設備的管理；
- 任何人和部門不得私自安裝和拆卸供電設備，如發現供電線路及設備出現故障及時通知行政中心後勤服務部排除故障恢復用電；
- 休息時，下班後關掉照明燈和生產辦公設備等用電設備，做到人走燈滅；及
- 在非高峰用電時間，高耗電設備應停開或少開。食堂中止使用電燒飯，辦公室空調少開或輪流開；對辦公設備如空調、電腦實行負責制，行政中心後勤服務部落實處罰制度，對下班後未關空調、電腦的人員進行處罰。

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In addition, the Group permeates the awareness of energy conservation and environmental protection into the work and life of each employee by posting slogans of electricity conservation in offices. Through these energy-saving measures, our employees' awareness of energy conservation has increased.

During the Reporting Period, the energy consumed by the Group and intensity are as follows:

Indicator	指標	Unit 單位	2018 2018年度	2017 2017年度
Consumption of non-renewable resources	不可再生燃料耗量	MWh 兆瓦時	798.66	857.00
Energy consumption for generating electricity	能源作消耗的電力	MWh 兆瓦時	5,816.04	5,304.00
Energy consumption for self-generated electricity	自行發電的能源耗量	MWh 兆瓦時	66.08	71.00
Total energy consumption	能源總耗量	MWh 兆瓦時	6,680.78	6,232.00
Energy consumption intensity	能源總耗量密度	MWh/m ² 兆瓦時/平方米	0.062	0.058

另外，本集團通過張貼節電標語等，將節能環保意識滲透到每位員工的工作和生活中。透過該等節約能源措施，員工對節約能源的意識得以提高。

於報告期間，本集團產生的能源使用量與密度如下：

Water Management

The water consumption of the Group contains mainly of domestic water. In order to improve the water consumption efficiency of the Group, we also adopt various measures in its operation. The relevant specific measures are as follows:

- All employees must save water and develop good habits to save every drop of water;
- For domestic water, turn off the faucet when people are absent to prevent the water leakage;
- If the faucet or water pipe is found any leakage, contact the Logistics Department of the Administrative Center for repair; and
- Prohibit using drinking water to wash cups or other items.

用水管理

本集團的用水主要是生活用水。為提升本集團的用水效益，我們在營運上也實行多種措施，相關具體措施如下：

- 全體員工必須做到節約用水及養成節約每一滴水的良好習慣；
- 生活用水，人走關閉水龍頭，杜絕常漏水現象；
- 如發現水龍頭或水管漏水，要及時與行政中心後勤服務部聯繫修理；及
- 禁止使用飲用水清洗水杯或其它物品。

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With continuous commitments to water-saving publicity, the Group posts water-saving reminders in toilets, to remind employees to tighten the faucets after water consumption and cherish water. Through the above water conservation measures, employees' awareness of water conservation has been increased. Based on our production model and the location of our plants and offices, we do not experience any difficulties in seeking for applicable water source.

本集團亦一直加強節水宣傳，在各衛生間張貼節約用水提醒標貼，提醒員工在用水後關緊水龍頭及珍惜用水。透過上述節約用水措施，員工對節約用水的意識得以提高。基於我們的生產模式及廠房與辦公室的地理位置，我們沒有任何求取適用水源上的問題。

The total water consumption of the Group during the Reporting Period and the emission intensity are as follows:

本集團於報告期間之水資源運用及排放密度如下：

Indicator	指標	Unit 單位	2018 2018 年度	2017 2017 年度
Water Consumption	耗水量	m ³ 立方米	142,752.77	186,110.00
Water consumption intensity	耗水量密度	m ³ /m ² 立方米/平方米	1.33	1.75
Rainwater recycled	雨水回收量	m ³ 立方米	3,853.00	1,645.00

Use of Packaging Materials

包裝材料使用

In respect of the usage on packaging materials, the Group conducts evaluations on material usage to avoid overstock. The Group also strives to streamline the packaging of its products and actively reduces the use of packaging materials, in particular paper, under the principle of simplification. During the Reporting Period, the quantity of packaging materials used by the Group are as follows:

在包裝材料使用方面，本集團通過進行物料用量評估，避免存貨過多。本集團也致力精簡產品的包裝，尤其紙質類，我們都以最簡化為原則，積極減少包裝物料的使用。報告期間，本集團所使用的包裝物料數量如下：

Type of packaging materials	包裝材料種類	Unit 單位	2018 2018 年度	2017 2017 年度
Cardboards	紙皮	tonnes 噸	N/A 不適用	30.00
Paper and paper packaging materials	紙及紙質品包裝材料	tonnes 噸	15.34	3.00
Plastic products	塑料制品	tonnes 噸	2.84	N/A 不適用

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A3. The Environment and Natural Resources

General Disclosure and KPIs

The Group pursues best practices for the environment and focuses on the impact of the Group's business on the environment and natural resources. In addition to complying with environmental laws and international standards and appropriate protection of the natural environment, the Group also integrates the concept of environmental protection into its internal management and daily operation activities to achieve the goal of environmental sustainability.

Noise Management

The Group recognizes that it may create noise during the operation. The environmental noises are mainly from air compressors, production equipment and vehicles. Therefore, our "Control Procedures on Environmental and Safety Operation" has a section headed "Noise Management", and the measures for noise control are as follows:

- Air compressors are equipped with air compressor soundproof rooms to solve noise problems;
- All vehicle mufflers and horns used must comply with national regulations;
- The Logistics Department of the administrative Center shall strengthen the management and maintenance of vehicles to maintain good technical performance and prevent environmental noise pollution; and
- The Group's internal vehicles, when travelling within the urban area, shall use sound devices as required.

A3. 環境及天然資源

一般披露和關鍵績效指標

本集團追求與環境的最佳實務，著重本集團業務對環境及天然資源的影響。除了遵循環境相關法規及國際準則，適切地保護自然環境外，本集團亦將環境保護的概念融入內部管理及日常營運活動當中，致力達成環境永續之目標。

噪音管理

本集團意識到在營運過程中有機會製造噪音，主要環境噪音源為空壓機、生產設備和車輛。因此我們的《環安運行控制程序》設有「噪音管理」章節，而對噪音管制的措施如下：

- 空壓機修建空壓機隔音房解決噪音問題；
- 所有使用的車輛消聲器和喇叭必須符合國家規定；
- 行政中心後勤服務部應加強對車輛的管理和保養，保持技術性能良好，防止環境的雜訊污染；及
- 本集團內部車輛在城市區範圍內行駛時，必須按照規定使用聲響裝置。

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Green Industry

The Group attaches great importance to the industry's contribution to sustainable development and actively participates in industry conferences or forums to promote development of the industry. During the Reporting Period, the industry conferences and forums the Group had attended include but not limited to:

- Workshop on research and application of construction Direct Current ("DC") microgrid technology;
- Symposium on the key points of DC building technology and the review meeting of China-US Center DC design and construction drawings;
- The first working meeting of the 2018 Household-used Photovoltaic Standards Working Group and the Household-used Photovoltaic Standards Symposium;
- Zhuhai High-tech Zone Energy Conservation and Emission Reduction Work Conference;
- The 3rd Silk Road International Expo and Investment and Trade Forum for Cooperation between East and West China (Exhibition);
- Review Meeting on the outline of national standard "Microgrid Relay Protection Technical Regulations";
- Acceptance Meeting on Guangdong Provincial Science and Technology Funding Programme "Corporate Specialist Work Station of Zhuhai Singyes Green Building Technology Co., Ltd.";
- Shanghai Jiaotong University Experimental Seminar on national standard "General Technical Requirements for Recycling of Photovoltaic Modules";

綠色產業

本集團十分重視行業對可持續發展的貢獻，並積極參與行業會議或論壇以推動行業發展。於報告期間，本集團所參與的行業會議及論壇包括但不限於：

- 建築直流微電網技術研究與應用研討會；
- 直流建築技術要點研討暨中美中心直流設計施工圖審查會；
- 2018年度家庭戶用光伏標準工作組第一次工作會議暨家庭戶用光伏標準討論會；
- 珠海市高新區節能減排工作會議；
- 第三屆絲綢之路國際博覽會暨中國東西部合作與投資貿易洽談會(參展)；
- 國家標準《微電網繼電保護技術規定》大綱審查會；
- 廣東省科技計劃項目《珠海興業綠色建築科技有限公司企業特派員工作站》驗收會；
- 國家標準《光伏組件回收再利用通用技術要求》上海交通大學實驗研討會；

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- Acceptance Meeting on 863 Project “Household-used Photovoltaic Power Generation Intelligent Control Module Integration Technology and Demonstration”;
- Working conference on the revision of the “Design Standards for Energy Efficiency of Public Construction in Guangdong Province”;
- Evaluation Project Acceptance Report Meeting on the Promotion of the Completion of Economic Development Special Funds Technical Transformation Project by Guangdong Economic and Information Technology Commission in 2018;
- China-US (Guangzhou) Urban Energy and Environmental Cooperation Seminar;
- 2018 Solar Decathlon China South China University of Technology – Politecnico di Torino Joint Project Summary and Sponsor Appreciation Meeting;
- Symposium on the Promotion of Standardization Work Reform by Quality and Technology Supervision Bureau of Zuhai;
- The 3rd International New Energy Industry Innovation Academician (Expert) Forum;
- 2018 Annual Meeting of the Intelligent Building Committee and the Seminar on “Green Intelligent Building Research”;
- National “13th Five-Year Plan” Key R&D Project – Yangtze River Basin Building Heating and Air Conditioning Solution and Corresponding System (Project No. 2016YFC0700300) 2018 Annual Meeting and Discussion Meeting on the Implementation Plan of Demonstration Project; and
- 863課題「戶用光伏發電智能控制模塊集成技術及示範」項目驗收會議；
- 《廣東省公共建築節能設計標準》修訂編制工作會議；
- 2018年廣東省經濟和信息化委促進經濟發展專項資金技術改造項目完工評價申報項目驗收匯報會議；
- 中美（廣州）城市能源與環保合作研討會；
- 2018中國國際太陽能十項全能競賽華南 – 都靈理工大學聯隊項目總結及贊助商答謝會；
- 珠海市質監局推進標準化工作改革座談會；
- 第三屆國際新能源產業創新院士（專家）論壇；
- 2018智慧建築專委會年會暨「綠色智能建築研究」課題研討會；
- 國家「十三五」重點研發計劃項目 – 長江流域建築供暖空調解決方案和相應系統（項目編號 2016YFC0700300）2018年度會暨示範工程實施方案論證會；及

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- National “13th Five-Year Plan” Key R&D Plan “Nearly Zero Energy Consumption Building Technology System and Key Technology Development” 2018 Year-end Work Conference.

In addition, the Group is also actively involved in the revision of international, national, industry, local and group (union) standards. During the Reporting Period, the published standards we participated or were responsible for preparation were as follows:

- “Technical Guidelines for Building Photovoltaic Systems”
- “Technical Specifications for Application of Solar Water Heating Systems for Civil Buildings”
- “Laminated electron photoresist switchable glass”; and
- “Guidelines for the Acceptance of Green Building Projects in Zhuhai”.

Green Building

Besides promoting the use of solar technology, we proactively regulate green buildings to ensure a higher specification for the sustainability of the buildings. We expect that from the aspects of material supply and environmental protection, together with the establishment of standard measures, to achieve our final objectives of avoiding squandering resources, reducing the production of raw materials of photovoltaic components, and reducing secondary environmental pollution.

- 「十三五」國家重點研發計劃「近零能耗建築技術體系及關鍵技術開發」2018年終工作會議。

另外，本集團亦積極參與製修訂國際、國家、行業、地方、團體（聯盟）標準。於報告期間，我們參與或負責主編的已發表標準如下：

- 《建築光伏系統技術導則》；
- 《民用建築太陽能熱水系統應用技術規範》；
- 《電致液晶貼膜調光玻璃》；及
- 《珠海市綠色建築工程驗收導則》。

綠色建築

除了宣揚太陽能技術的使用，我們亦積極規管綠色建築，以確保對於建築物的可持續性有更高的規格。我們希望從材料和環境等方面出發，通過標準的編制，實現避免資源浪費、減少光伏組件原材料生產、減少對環境產生二次污染的最終目的。

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Coal, oil and other fossil fuels not only are non-renewable resources, but also generate carbon dioxide and other greenhouse gases and waste during combustion. On the contrary, solar energy is a renewable and inexhaustible resource. Solar energy is also a clean energy form, and its utilization will not emit GHG which intensify greenhouse effect. Therefore, we vigorously promote the development of solar technology. With the concerns that solar energy may cause visual pollution in city, we proactively develop Building Integrated Photovoltaic (“BIPV”) Technology, by using photovoltaic components as building materials. BIPV application has to be incorporated into the overall design of building, rather than only a simple combination of solar photovoltaic components and buildings. It is necessary to consider various functions and utilizations of building and is an attempt to form new architectural design ideas and energy saving building methods. BIPV is not only for the effect of beautifying the building, but also for the realizations of shading insulation, heat preservation, energy saving and the reduction of energy consumption inside the building.

In addition, we also advocate green definition of building, i.e. the conservation of land, water, energy and material. Pursuant to the principle of “Passive Priority, Active Optimization”, with the goal of “Ultra-low Energy Consumption”, we aim to create low-carbon energy saving building with rational planning and design at early stage and effective control and management at later stage, on the basis of high performance maintenance structures (high visible light transmittance, low shading coefficient), and supplemented by applying various types of ventilation technology, considering external shade and ventilation of photovoltaic power generation technology, and combining with building intelligent control system, etc. Zhuhai Singyes Green Building Technology Co., Ltd., a subsidiary of the Group, is the chairman of the Chinese Enterprise Committee of US-China Clean Energy Research Center – Building Energy Efficiency (CERC-BEE) consortium. The Group actively participates in the activities of the consortium and adheres to active and productive joint technology development, application and promotion with its members on the platform of the consortium.

煤炭、石油等化石燃料不但不可再生，更會在燃燒發電過程中產生二氧化碳等溫室氣體和廢料。相反，太陽能是可再生能源，取之不盡、用之不竭。太陽能更是一種清潔能源，使用太陽能不會產生導致溫室效應加劇的溫室氣體。故此，我們大力推動太陽能技術的發展。我們明白在城市中，太陽能可能造成目視污染，因此我們積極發展光伏建築一體化技術（「BIPV」），將光伏元件作為建築材料。BIPV的應用必須納入到建築的整體設計中，並不是光伏元件與建築的簡單迭加，還需要綜合考慮建築的各種功能和作用，形成全新的建築設計理念和建築節能的方法。BIPV不但有美化建築的作用，還可以達到遮陽保溫、節能環保的效果，減少建築物內部的能源消耗。

除此之外，我們亦提倡對於建築賦予綠色的定義，即節地、節水、節能、節材。在「被動優先，主動優化」原則上，以「超低能耗」為目標，我們旨在通過前期的合理規劃設計以及後期有效控制管理，形成以高性能維護結構（高可見光透射比、低遮陽係數）為基礎，輔以各種形式的通風技術、考慮外遮陽與通風的光伏發電技術、建築智能控制系統等打造出低碳節能建築。我們旗下珠海興業綠色建築科技有限公司是中美清潔能源聯合研究中心建築節能聯盟（CERC-BEE）中方企業委員會主席單位。本集團一貫積極參與聯盟組織的各項活動，並堅持在聯盟的平台上與成員開展積極的、富有成效的聯合技術研發、應用和推廣工作。

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Green Products

In recent years, amidst the advancement of urbanisation and industrialisation in Mainland China, the conflict between rapid economic development and energy shortage and environmental deterioration has become increasingly prominent. We believe that the importance of green building development is to integrate new energy into building, through technological innovation, to reduce the cost of green building so that it is accessible to ordinary people. Therefore, we promote the development of energy-saving and environmental industry in green building, distributed energy resources and other aspects to make greater contributions to clean energy. The Group's exploration and development in photovoltaic industry have gained supports and recognition from authoritative bodies and professional platforms within the industry. During the Reporting Period, the Zhuhai Base has obtained the following qualifications and awards:

綠色產品

近年來，隨著中國內地城鎮化與工業化的推進，高速發展的經濟與能源緊缺、環境惡化的矛盾日益凸顯。我們認為將新能源融入建築，通過技術創新降低綠色建築的成本，使其能夠進入尋常百姓家，這是綠色建築發展的重要目的。故此，我們從綠色建築、分布式能源等方面出發，推動節能環保產業發展，為清潔能源作更大貢獻。本集團於光伏行業領域的探索與發展，亦獲得了行業內權威機構及專業平臺的支持與認可。於報告期間，珠海基地所取得的資格及嘉獎列舉如下：

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Awards 所獲獎項	Presenters 頒獎單位	Date of award 獲獎時間
2017 Guangdong Livable Environment Sample Award 2017年度廣東省宜居環境範例獎	Department of Housing and Urban-rural Development of Guangdong Province 廣東省住房和城鄉建設廳	January 2018 2018年1月
Demonstration Project of Key Technology Research of Net Zero Energy Building and Demonstration Project 淨零能耗建築關鍵技術研究與示範項目示範 工程	Center of Science and Technology Industrial Development, Ministry of Housing and Urban- Rural Development 住房和城鄉建設部科技與產業化發展中心	March 2018 2018年3月
Best Practices for Energy Efficiency in Public Buildings 公共建築節能最佳實踐案例	Tsinghua University Building Energy Conservation Research Center 清華大學建築節能研究中心	March 2018 2018年3月
2018 International "Green Solution Award" – Low Carbon Building Solutions International Finalist Award 2018年度國際「綠色解決方案獎」– 低碳建 築解決方案國際入圍獎	China Academy of Building Research 中國建築科學研究院	March 2018 2018年3月
Best Energy Saving Practice Cases in China's "Double Top Ten" Construction Sector in 2018 2018年度中國「雙十佳」建築領域最佳節能 實踐案例	Resource Conservation and Environmental Protection Division of National Development and Reform Commission 中國國家發展和改革委員會、資源節約和環 境保護司	June 2018 2018年6月
2018 "China Excellent Green Building" Best Practices for Energy Efficiency and Indoor Environmental Quality Improvement 2018年度「中國好綠建」節能與室內環境品 質提升最佳實踐案例	Green Building and Energy Saving Professional Committee of the Chinese Society for Urban Studies, Key Laboratory of Ecological Planning and Green Building Ministry of Education 中國城市科學研究會綠色建築與節能專業委 員會、生態規劃與綠色建築教育部重點實驗 室	August 2018 2018年8月

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Awards 所獲獎項	Presenters 頒獎單位	Date of award 獲獎時間
Nomination Award for the Most Innovative Door and Window Curtain Wall System 最具創新力門窗幕牆系統提名獎	National Building Curtain Wall Door and Window Standardization Technical Committee, Zhonglian Muni (Beijing) International Exhibition Co., Ltd. 全國建築幕牆門窗標準化技術委員會、中聯慕尼(北京)國際會展有限公司	October 2018 2018年10月
2018 Zhuhai Building Energy Saving and Green Building Demonstration Project 2018年度珠海市建築節能和綠色建築示範工程	Zhuhai City Housing and Urban Planning and Construction Bureau, Zhuhai City Wall Materials Reform and Building Energy Efficiency Office 珠海市住房和城鄉規劃建設局、珠海市牆體材料改革和建築節能辦公室	October 2018 2018年10月

B. SOCIAL

B1. Employment

General Disclosure

Talent is the core of the Group's operations. Recruiting the most suitable talent for each position is one of the Group's important tasks. The Group adheres to the people-oriented principle and standardizes labour employment management, based on which, it respects and protects the legal interests of every employee. It is committed to safeguarding employees' occupational health and safety, safeguarding their vital interests, and gives full respect and attention to their enthusiasm, initiative and creativity in order to build a harmonious labour relationship.

B. 社會

B1. 僱傭

一般披露

人才是本集團營運的核心，為每個崗位聘請最適合的人才本集團其中一項重要的工作。本集團堅持以人為本的原則，規範勞動僱傭管理，並以此為基礎，尊重及保障每一位員工的合法權益，致力於保障員工職業健康安全，維護員工切身利益，充分尊重和重視激發員工積極性、主動性和創造力，以構建和諧的勞動關係。

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The Group strictly complies with relevant laws and regulations, such as “Labour Law of the People’s Republic of China”, “Labour Contract Law of the People’s Republic of China”, and establishes a human resources management system to protect the legitimate rights and interests of all employees. The Group has established relevant personnel management policies such as “Human Resources Control Procedures”, “Remuneration and Benefits Management Regulations” and “Employee Handbook” to provide employees with a healthy, sunny and positive working atmosphere, and guide employees to actively integrate their personal pursuits into the long-term development of the Group.

During the Reporting Period, the Group was not aware of any material non-compliance of laws and regulations in respect of human resources.

Recruitment and Promotion

The Group actively implements the strategy of thriving on talents, and plans the human resources and recruitment plan for the next year according to the work needs at the end of each year. The Human Resources Department will recruit through the recruitment website, professional media or other employment agencies according to the schedule. The Human Resources Department will interview the applicants who have passed the initial screening, and conduct interviews and evaluations according to the requirements of the “Job Description”. Applicants will also be arranged to have interviews with the department manager and can be qualified for the employment after being approved by the relevant person in charge or the general manager after the interview. For financial, procurement and medium-to-high level recruitment, we will ensure that the relevant personnel possess good professional ethics.

本集團嚴格遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》等相關法律法規，設立人力資源管理制度，保障所有員工的合法權益。本集團制定了《人力資源控制程序》、《薪酬福利管理規範》和《員工手冊》等相關人事管理政策，為員工提供健康、陽光和向上的工作氛圍，引導員工積極將個人追求融入到本集團長遠發展之中。

於報告期間，本集團並未發現任何違反有關人力資源的法例和法規的重大事宜。

招聘及晉升

本集團積極實施人才強企戰略，並在每年年末根據工作需要規劃下一年度的人力資源與招聘計劃表，人力資源部會按照計劃表通過招聘網站、專業媒體或其他職業介紹機構等渠道進行招聘。人力資源部會對初步篩選入圍的應聘者進行面試，並根據《崗位說明書》的要求對應聘者進行面試考核。應聘者亦會被安排與部門經理進行面試，面試合格後獲相關負責人或總經理批准後方可錄用。針對財務、採購和中高層以上的招聘，我們會確保相關人員擁有良好的職業操守。

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Pursuant to different professions, the Group provides three career development and promotion channels for employees, being technical channel, management channel and operation channel. Each channel is divided into 5 hierarchies. Each hierarchy is further subdivided into different levels so that all employees are provided with equal opportunities for gradual promotion. Employees, who are at the same level will enjoy the corresponding rights, including wage income, welfare and benefits, spiritual honors regardless of technical, management or operation channels. The promotion decision for each employee is fair and open without any discrimination. When there is a job vacancy, we will consider promoting competent employees internally based on the results of the annual performance appraisal of the employees to affirm their efforts and contributions.

Remuneration and Welfares

The Group has established a relatively reasonable, competitive remuneration system of fairness and integrity to provide remuneration for employees. In order to retain talents and strengthen the initiatives of employees, the Group has established a complete “Regulations on Compensation and Welfare Management” and “Employee Salary Level Management Plan”. In order to further standardize the Group's salary and welfare system, the senior management of the Group took the lead in setting up a management team. With reference to the salary levels of the same industry and other regions, the Group has formulated a competitive and incentive compensation and welfare plan based on the Group's leadership management strategy and objectives. The salaries of employees will also be adjusted with factors such as social inflation and promotion.

根據不同的專業，本集團為員工提供三條職業發展及晉升通道，分別為技術通道、管理通道和作業通道。每條通道都分為五個層級，每層再細分不同級別，讓所有員工都能平等地得到逐步晉升的機會。無論是技術、管理或作業通道，只要在同一階層，員工都會享受相應的權益，包括工資收入、福利待遇、精神榮譽等。員工的晉升決定是公平公開，當中不帶任何歧視成份。當出現職位空缺時，我們會根據員工年度績效考核結果考慮從內部提拔能幹員工，以肯定員工的努力及貢獻。

薪酬與福利

本集團建立了一套相對公平、公正、合理且有競爭力的薪酬體系，為員工發放薪酬。為了挽留人才及強化員工工作的積極性，本集團建立了完善的《薪酬福利管理規範》及《員工工資級別管理方案》。為更加規範本集團薪酬福利制度，本集團高層牽頭成立管理小組，根據本集團領導經營管理戰略及目標，結合同行業等地區的薪酬水平，擬定出符合本集團具競爭性和激勵性的薪酬福利方案。員工的薪金亦會隨著社會通貨膨脹及級別的晉升等因素而調整。

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The Group has also established a relevant management system for performance evaluation, which links employees' salaries and positions with their performances, forming an internal talent competition mechanism based on abilities. For employees at different levels, we have developed corresponding assessment content, mainly including task completion indicators, quality of completed work, professional skills, innovative skills, collaboration, responsibility and discipline. Based on the scores from leaders, colleagues and subordinates, the Assessment Department will calculate the appraisal coefficient for each employee. Additional bonuses are given to those who perform outstandingly at work as a boost in morale.

With commitment to providing thoughtful and comprehensive employee benefits, the Group treats its employees under the concept of "harmonious Singyes and common development" and provides various benefits that are either statutory or non-statutory to them while safeguarding their basic benefits with a view to boost their sense of belonging, strengthen corporate cohesion and encourage them to provide long-term services.

The Group implements a five-day work week regime with 8 hours of work per day. For overtime work, the Group pays wages in strict accordance with relevant laws. We provide statutory holidays according to national regulations. Employees may also be entitled to paid leaves such as marriage leave, maternity leave, care leave, bereavement leave, sick leave, work-related injury leave and annual leave. The Group also provides "five insurances and housing provident fund" to employees in accordance with the "Social Security Law of the People's Republic of China". In addition to statutory benefits, employees can also enjoy a number of additional benefits such as working meals, wedding cash gift, holiday relief payments, free medical examinations and trainings. We also provide employees with transportation, housing and seniority subsidies. In order to encourage employees to work hard and engage more in research and development, the Group also provides performance bonuses and rewards for patent and paper completion. Rewards are given to those who perform outstandingly at work and have successfully assisted the Group in obtaining invention patents and publishing papers in provincial publications.

本集團亦制定了績效考核的相關管理制度，實現員工績效與薪酬及職位掛鉤，形成能上能下的內部人才競爭機制。針對不同層級的員工，我們定立了相應的考核內容，當中主要包括任務完成指標、工作品質、專業職務技能、創新技能、協作配合性、工作責任心及勞動紀律。根據領導、同事及下屬的評分，考核部門會計算出各員工的考核系數，表現優秀者可獲發額外獎金，提升工作的激勵性。

本集團一直致力於提供周到全面的員工福利，本著「和諧興業、共同發展」的理念對待員工，在保障員工基本待遇的同時提供多項法定內外的福利，旨在加強員工歸屬感，增加企業凝聚力，鼓勵員工長期為企業服務。

本集團實行一週五天工作制，每天工作8小時。對於加班情況，本集團嚴格按照相關法例計算工資。我們根據國家規定執行法定假期，員工亦同時享有帶薪假期如婚假、產假、看護假、喪假、病假、工傷假和年假。本集團亦依照《中華人民共和國社會保障法》為員工提供「五險一金」。除法定福利，員工亦可享有多項額外福利如工作餐、喜嫁禮金、節日慰問金、免費體檢及培訓等。我們也為員工提供交通、住房及工齡補貼等多種補貼。為鼓勵員工努力工作及多作創新研發，本集團亦設有績效獎金及專利論文獎勵，為工作表現傑出、成功協助本集團取得發明專利和在省級刊物上發表論文的員工發放獎金。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Equal Opportunity

The Group strictly complies with national and local government regulations by adopting a fair, equitable and open recruitment process and developing relevant system files to eliminate discrimination in the recruitment process. Employees face no discrimination regardless of race, gender, colour, age, family background, ethnic tradition, religion, physical fitness and nationality and thus allowing them to enjoy fair treatment in every aspect including recruitment, salary, training and promotion. The Group endeavors to attract professionals with diverse backgrounds to join us.

Communication with Employees

The Group has established appropriate channels for employees and senior management to communicate; the Human Resources Department will collect employees' opinion and suggestion, and tackle the problem together with other department heads, improving the relationship between employees. In a bid to improve the Group's operation, we will arrange a face-to-face meeting with the employees who have resigned in order to know the reason behind their departure; we will also pay the remaining wages to them on time.

平等機會

本集團嚴格遵守國家及地方政府各項法規，採取公平、公正、公開的招聘流程，制定了相關制度文件以杜絕招聘過程中的歧視現象，不因種族、性別、膚色、年齡、家庭背景、民族傳統、宗教、身體素質和國籍等因素歧視任何一位員工，讓員工在招聘、薪酬、培訓和晉升等各個階段享受公平待遇，以盡力羅致不同背景的專才加入本集團。

員工溝通

本集團設有適當之渠道讓僱員與管理層保持良好溝通，人力資源部會收集員工的意見及建議，與各部門負責人共同解決存在的問題，不斷改善員工關係。為改善本集團的運作，我們會為離職員工安排面談以瞭解其離開的原因，我們亦會依時發放餘下的工資。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

B2. Health and Safety

General Disclosure

The Group highly recognizes the importance of health and safety of our employees with a commitment to providing employees with a healthy, safe and comfortable working environment. We have jointly established an atmosphere of “life paramount and safety-first” with our employees. We strictly comply with the “Occupational Health and Safety Management System Requirements” (GB/T 28001-2001) in Mainland China and strictly implement relevant national laws and regulations, such as the “Labor Law of the People’s Republic of China”, “Production Safety Law of the People’s Republic of China”, “Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases” and the “Fire Prevention Law of the People’s Republic of China”, and provide employees with workplaces that meet the national labour hygiene standards to effectively protect employees’ health and safety at work.

During the Reporting Period, the Group did not record any accidents that resulted in death or serious physical injury and no claims or compensation was paid to its employees due to such accident. No material non-compliance of laws and regulations relevant to health and safety of employees were found.

B2. 健康與安全

一般披露

本集團高度重視員工的健康與安全，致力於為員工提供健康、安全和舒適的工作環境。我們與員工共同樹立「生命至上、安全第一」的風氣。我們嚴格遵照中國內地《職業健康安全管理体系要求》(GB/T 28001-2001) 並嚴格執行《中華人民共和國勞動法》、《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》和《中華人民共和國消防法》等相關法律法規為員工提供符合國家勞動衛生標準的勞動作業場所，切實保障員工在工作中的健康與安全。

於報告期間，本集團並無錄得任何導致死亡或嚴重肢體受傷的意外事件，並無因該等事件而向本集團的僱員支付索償或補償以及並未發現任何違反僱員健康與安全相關的法律法規的重大事宜。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Safety Management

We identify, evaluate and control the hazards in various production activities and the occupational health and safety deficiencies of the Group that may lead to accidents to improve the production condition and working environment. We regularly monitor employees' exposure to occupational hazards to ensure that they work in a safe environment. In response to the possibility of accidents, we have formulated relevant emergency plans for different accidents, such as the "Fire Emergency Response Plan", "Construction Emergency Plan" and "Canteen Poisoning Emergency Plan". In order to improve the ability of emergency personnel to properly handle accidents in emergencies and emergency plans, we conduct regular exercises and review relevant results.

We understand that equipment safety is closely related to employees' safety. As such, we have developed safety instructions for different equipment to provide relevant operating procedures and safety instructions for different production equipment. In addition, we also provide occupational protective equipment and protective equipment, and remind employees to take safety measures when using the equipment. Moreover, we also clearly point out occupational health and safety control methods, such as requiring employees to check the equipment daily before operation to ensure that the equipment is well maintained at normal working conditions and stable operation capacity.

安全管理

我們對本集團內各類生產活動中的危險源和有可能引致事故發生的職業健康安全缺陷進行識別、評估和控制，以改善生產條件及工作環境。我們定期檢測員工接觸職業病危害因素的情況，以確保員工在安全環境工作。針對事故發生的可能性，我們制定了不同事故的相關應急預案，例如《消防火警應急處理方案》、《施工應急方案》及《食堂中毒應急方案》等。為提高應急人員在緊急情況下妥善處置事故的能力，並完善應急方案，我們進行定期演習，並審視演練結果。

我們明白設備的安全與員工的安全有緊密的關係。為此，我們制定了不同設備的安全操作指導書，為不同生產設備提供相關的操作規程及安全指導。另外，我們亦提供職業防護設施及防護用品，並提醒員工使用設備時需要採取安全措施。除此之外，我們同時明確指出職業健康安全控制方法，如要求員工每天需在操作前對設備進行檢查，以確保設備得到良好維護，保持正常的工作狀態和穩定的運作能力。

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環境、社會及管治報告

The Group also established the Quality and Safety Department and conducted on-site safety inspections, if conditions permit, covering equipment or facilities, electrical equipment, chemical warehouses, safety signs, safety education, personal protection, on-site protection, fire equipment, dust noise, canteens and drinking water, disaster measures, etc. The Quality and Safety Department will supervise and inspect the safety, environmental objectives, indicators, management plans, the compliance with laws and regulations in each quarter. Where the above mentioned are found not implemented pursuant to the requirements under the “Control Procedures on Rectification and Preventive Measures” during the inspection, the results and related corrective and preventive actions will be submitted to the management for review.

Safety Education and Publicity

The Group actively carries out publicity and safety training for employees to enhance their awareness and ability of self-protection. We set up bulletin boards in the plant to publish the rules and regulations on occupational disease prevention and control, the operation procedures, the emergency rescue measures for occupational hazards and the results of detection of occupational hazards. We make sure that all equipment operation and maintenance personnel are well trained, while project managers, construction quality and safety inspectors, special operators, chemical management, etc. also are required to report duties with licenses in accordance with the requirements of national laws and regulations. In order to enhance the safety awareness of employees, we provide trainings for special positions and provide safety tertiary education for new employees and regular trainings on occupational safety education for all employees. During the Reporting period, the Zhuhai Base held trainings for workshop staff in relation to safe operation, occupational health knowledge, hazards and environmental factors identification and evaluation. We conduct questionnaire surveys to employees who participated in trainings to continuously improve our training effectiveness. We will continue to analyse and improve the safety management of the Group's employees.

本集團亦設立質安部，並在條件允許的情況下對施工現場進行安全檢查，檢查內容包括設備或設施、電氣設備、化學品倉庫、安全標誌、安全教育、個人防護、現場防護、消防器材、粉塵雜訊、食堂及飲用水、災害措施等。質安部會在每一季度對安全、環境目標、指標、各項管理方案、法律法規遵守情況進行監督檢查，當上述檢查發現不符合情況時按《糾正和預防措施控制程式》執行；環安監測結果及相關的糾正預防措施將提交管理評審。

安全教育及宣傳

本集團積極對員工進行宣傳及安全培訓，以提高員工的自我保護意識和能力。我們在廠房內設有公告欄，公佈有關職業病危害防治的規章制度、操作規程、職業病危害事故應急救援措施以及職業病危害因素檢測結果。我們確保所有設備的操作和維護人員均得到充分的培訓，並要求項目經理、施工質量、安全檢查人員、特種作業人員、化學品使用管理人員等按照國家法律法規的規定持證上班。為了增強員工的安全意識，我們不但提供針對特殊崗位的培訓，亦會對新員工提供安全三級教育，並定期對全體員工提供職業安全教育培訓。珠海基地於報告期間舉辦了有關車間人員安全操作、職業健康知識、危險源和環境因素識別與評價的培訓。我們向參與培訓的員工進行問卷調查，以不斷提升我們的培訓效果。我們會持續對本集團員工的安全管理進行分析及改進。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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B3. Development and Training

General Disclosure

Development and Training

The Group attaches great emphasis on establishment of internal management training and development system and adopts a diversified training model such as induction training and pre-work training to meet the different needs of employees at all levels, so as to enhance their skills, help the sustainable development of the Group and personal growth and development of employees.

Considering that we have to build an outstanding team and stretch their potential in line with the long-term development of the Group, we provide different training opportunities for our employees. We will develop an annual training plan based on training needs of employees. The Group has established an internal lecturer team to provide internal training for employees. It also hires professionals to train employees and makes arrangement for employees to participate in training organized by relevant training institutions. We are committed to enhancing production techniques, design methods, management capabilities, equipment maintenance capabilities of our employees, so that employees can perform better in their professional areas and further enhance the Group's professional status. Examples of training programs we held during the Reporting Period are as follows:

- Training on curtain wall construction specifications and common problems
- Construction safety and material control training
- Staff skill training
- Training on communication skills and business etiquette knowledge

B3. 發展及培訓

一般披露

發展及培訓

本集團注重企業內部管理培訓與發展體系的建立，通過入職培訓及崗位培訓等多元化培訓模式來滿足各級各類員工的不同需求，提升員工技能，助力本集團可持續發展，同時助力員工個人成長及發展。

為了建立一支優秀的員工隊伍，並挖掘員工的潛能以配合本集團的長遠發展，我們為員工提供不同培訓機會。我們會根據員工培訓需求制定年度培訓計劃。本集團建立了內部講師團隊為員工提供內部培訓，亦會聘請專業人員培訓員工，也會安排員工參加相關培訓機構舉辦的培訓。我們致力提升員工的生產技術、設計方法、管理能力、設備保養能力等，讓員工能在其專業範疇中表現的更出色，進一步提升本集團的專業地位。我們於報告期間所舉辦的培訓項目舉例如下：

- 幕牆施工規範及常見問題培訓
- 施工安全及材料控制培訓
- 員工技能培訓
- 溝通能力，商務禮儀知識培訓

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The Human Resources Department of the Group will assess and evaluate the training effect on trainees according to the training needs and training plans. According to the actual situation, the issuance of qualification certificate or work license to some trainees is subject to passing the training examination to ensure that they understand the training content. We will continue to improve the quality of our staff's trainings through an assessment of the effectiveness of their trainings.

本集團的人力資源部會根據培訓需求和培訓計劃對培訓對象進行培訓效果的考核和評估。根據實際情況需要，部份培訓人員須經過培訓考核合格後才發放資格證書或上崗證，以確保員工知悉培訓內容。我們會持續透過員工對培訓效果的評估，改進員工的培訓質素。

B4. Labour Standards

General Disclosure

Labour Standards

In strict compliance with relevant laws and regulations including the “Provision on the Prohibition of Using Child Labor” and “Labor Law of the People's Republic of China”, the Group prohibits the use of any child and forced labour by its mainland China operations and clearly stipulates that only employees over the age of 16 will be recruited. Before new employees' enrollment, we will review their identity documents to prevent the employment of child labor. Labor contracts of employees clearly specify the work time, place, tasks, and main responsibilities, ensuring that they are not required to execute work that is not within their terms of reference. If employees need to work overtime, overtime work is consensual and compensated by overtime pay or time-off in lieu according to relevant laws and regulations to prevent forced overtime.

The Group also prohibits any punishments, management methods and behaviors involving verbal abuse, physical punishment, physical abuse, oppression, sexual harassment (including inappropriate languages, postures and physical contact), etc. against its employees for any reason. During the Reporting Period, the Group was not aware of any material non-compliance with any laws and regulations in relation to the prevention of child or forced labour.

B4. 勞工準則

一般披露

勞工準則

本集團嚴格遵守《禁止使用童工規定》、《中華人民共和國勞動法》等相關法律法規，本集團禁止其中國大陸業務僱用任何童工及強制勞工，並明確規定只招收16歲以上的員工。在員工入職前，我們會審核員工的身份證明檔，防止聘請童工。而每位員工的勞動合同上都清楚列明其工作時間、地點、任務和主要職責，保障員工免被安排執行不在其職責範圍內的工作。倘員工需要逾時工作，加班工作須經協商一致，並按相關法例法規以加班費或補假作補償，以防止強制加班。

本集團亦禁止以任何理由對員工進行辱罵、體罰、暴力、精神壓迫、性騷擾(包括不恰當語言、姿勢和身體的接觸)等懲罰性措施、管理方法和行為。於報告期間，本集團並無發現曾出現嚴重違反任何相關童工及強制勞工法例及法規的情況。

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B5. Supply Chain Management

General Disclosure

Management of Supplier Environmental and Social Risks

The Group expects to have long-term cooperation with suppliers to joint sustainable development and take initiative of innovation. The Group has been conducting public bidding procurement in an open, fair and honest manner as competitive principle. During the selection process of suppliers, we will give priority to suppliers who have obtained certifications such as “ISO9001 Quality Management System Certification”, “ISO14001 Environmental Management System Certification”, and “OHSAS18001 Occupational Health and Safety Management System Certification” to ensure that the suppliers have sufficient support for product quality, environmental protection, energy saving, emission reduction, and occupational safety and health.

The Group will also conduct site visits to some suppliers' factories and conduct field sampling inspections to ensure that its production equipment is qualified, personnel and facilities are adequate, and the production process and products meet the national quality standards. For qualified suppliers, we will continue to supervise and inspect their products and services. We also regularly update our list of major suppliers, and we will periodically evaluate suppliers' performance of agreed terms, and take them as a basis for selecting suppliers and improving supplier management.

B5. 供應鏈管理

一般披露

供應商環境及社會風險管理

本集團期望與供應商長期合作，共同持續發展，攜手踏出創新的每一步。本集團一直以公開、公平、公正、競爭擇優原則進行招標採購。在選擇供應商時，我們會優先考慮取得《ISO9001 質量管理體系認證》、《ISO14001 環境管理體系認證》、《OHSAS18001 職業健康與安全管理體系認證》等認證證書的供應商，以確認供應商於產品質量、環境保護、節能減排、職業安全及健康等範疇有足夠投入。

本集團亦會到部份供應商廠房進行實地考察，並進行實地抽樣檢驗，確保其生產設備合格、人員配備齊全、生產過程及產品符合國家質量標準。對於合格的供應商，我們會持續對其產品及服務進行監督檢查。我們亦有定期更新我們主要供應商清單，並會定期就供應商履行約定的情況進行評價，以此評價作為選出供應商及改善供應商管理的依據。

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B6. Product Responsibility

General Disclosure

The Group attaches great importance to the quality of its products and its corporate reputation, and actively monitors the quality of its products and services through internal controls with a commitment to producing quality products that meet international industry standards. We also maintain communication with our customers to ensure that we understand and meet their needs and expectations so as to understand their satisfaction and continuously improve the quality of our services. We zealously comply with laws and regulations, such as the “Law of the People’s Republic of China on Protection of Consumer Rights”, the “Advertising Law of the People’s Republic of China” and the “Patent Law of the People’s Republic of China”.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations that have a significant impact on the Group in respect of health and safety, advertising, labelling and privacy matter relating to the provision of products and services and methods of redress.

B6. 產品責任

一般披露

本集團十分重視產量質素及企業信譽，積極透過內部監控確保產品及服務質素，致力生產符合國際行業標準的優質產品。我們亦一直保持與顧客的溝通，確保理解和滿足顧客的需求和期望，並希望瞭解客戶的滿意情況，以對我們的服務品質不斷作出改進。我們積極遵守《中華人民共和國消費者權益保護法》、《中華人民共和國廣告法》及《中華人民共和國專利法》等相關法律法規的規定。

於報告期間，在健康及安全、廣告、標籤及提供產品與服務相關隱私事宜以及賠償方法方面，本集團並無知悉任何對本集團有重大影響的不遵守相關法律法規的任何嚴重不合規事宜。

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Quality Control

As the Group places considerable value on the quality of its products, we have formulated the “Product Monitoring, Measurement and Control Procedures” to inspect the quality of raw materials, processed semi-finished products, finished products, on-site construction and engineering completion to ensure that the quality of products and constructions meet the specified requirements. We have also designed incoming quality control, processing inspection and construction site inspection procedures, and employed third-party accredited testing centers to test the physical properties of some products to ensure that the products meet the quality requirements. We also have designed thorough incoming inspection, production process inspection and finished product inspection, and specifically defined the responsibilities of different departments and related personnel throughout the process to ensure that all procedures are accurately implemented. Unqualified raw materials or products will be dealt with by relevant personnel according to the “Non-conforming Product Control Procedures”.

During the construction process, we inspect the key processes according to the requirements of the construction drawings, and inspect the construction of the project regularly, and conduct regular quality inspections every quarter. We will also conduct inspection after the construction is completed. If the owner discovers any quality problems after using, we will take related measures based on the extent of the substandard impact or the potential impact. We also identify the resources, raw materials, equipment, spare parts, semi-finished products, finished products and engineering inspection status for the project to trace the quality of the project and the safety quality of the products.

品質管制

本集團重視產品的質量，因此我們制定《產品監視和測量控制程序》，對原材料、加工半成品、成品、現場施工及工程竣工的質量進行檢驗，確保產品及工程質量滿足規定要求。我們亦設計了仔細的進料檢驗、加工過程檢驗及施工現場過程檢驗流程，並聘請第三方合資格的檢測試驗中心試驗部份產品的物理性能，確保產品符合質量要求。我們亦清楚劃分不同部門與相關人員在整個流程上的各項職責，確保所有程式得以準確執行。對於不合格的原料或產品，相關人員會按《不合格品控制程序》進行處理。

在工程施工過程中，我們按施工圖紙要求檢驗關鍵工序，定期巡查項目施工情況，每季定期進行質量大檢查。我們在施工完成後亦會進行檢驗。如業主在使用後發現質量問題，我們會根據不合格的影響或潛在影響的程度採取相關措施。我們亦對工程期間所用的物資、材料、設備、零配件、半成品、成品以及工程檢驗狀態進行標識，以便於對工程質量、產品的安全質素進行追溯。

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Customer Service

The Group attaches great importance to the importance of customer service, and believes that customer satisfaction plays a critical factor in the production and business sustainability of the Group. Therefore, the Group has established the “Customer Satisfaction Control Procedure” to ensure that customers’ complaints are handled in a timely manner through customer satisfaction investigation, evaluation and analysis to their satisfaction. The Group has established the Project Dispatching Center which is mainly responsible for the investigation of customer satisfaction, statistical analysis of survey results, receipt, transmitting and summarization of complaints and information from customers and feedback on the results of processing customers’ complaints. The Project Dispatch Center will conduct a survey on customer satisfaction for each year, and submit the “Customer Satisfaction Survey Form” based on the customer’s significance by tranches to investigate the customer’s satisfaction with the quality of project and service.

Privacy Protection

The Group has always respected personal privacy and intellectual property rights and strictly protects personal data of our customers and our intellectual property rights. To safeguard the Group’s interests, the Group has established and requires all employees to strictly abide by the “Confidential Policy”. We will sign confidentiality agreement and non-competition agreement with our employees, and provide monthly confidential subsidies to some employees to ensure that the information of customers will not be leaked out. In addition to irregularly conducting information security education and training, we also set up a mechanism for information management authority auditing and information security management to ensure data security. We signed confidentiality agreements with suppliers and customers to strengthen the protection of business secrets and safeguard the legal rights of both parties.

客戶服務

本集團極為重視客戶服務的重要性，深信客戶的滿意是本集團生產及業務可持續發展的關鍵因素之一。因此，本集團制定了《顧客滿意度控制程序》，通過對顧客的滿意度的調查，評價和分析，及時妥善處理顧客投訴，確保顧客滿意。本集團成立了工程調度中心，其主要職責為負責對顧客滿意度進行調查，對其調查結果進行統計分析，對顧客反饋的信息及投訴進行接收、傳遞、匯總，以及將顧客投訴信息處理結果進行反饋。工程調度中心會於每年對顧客滿意情況進行一次調查，按照客戶的重點程度分批發信《顧客滿意度調查表》，調查顧客對工程及服務質量等滿意情況。

隱私保護

本集團一直非常尊重個人私隱權及知識產權，嚴格保護客戶的個人資料及我們的知識產權。為了維護本集團利益，本集團制定了《保密制度》，並要求全體員工嚴格遵守。我們要會與員工簽訂保密、競業限制協議，並每月為部份員工提供保密補貼，確保客戶的資料不會被洩露。除了不定期進行信息安全教育培訓，我們亦制定有關信息管理用戶權限審核及信息安全管理的機制，以確保數據的安全性。我們與供應商及客戶簽署保密協議，加強對企業商業秘密的保護及維護雙方合法權益。

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Protection for Intellectual Property Rights

As the Group has made frequent breakthroughs in the research and development of new products, product patents and intellectual property rights have become the core market competitiveness of the Group. The comprehensive system ensures that our intellectual property rights are not violated, and avoids infringing upon other patents and intellectual property rights. The Group had a total of 25 newly authorised patents during the Reporting Period, including but not limited to:

- Opening controllable photovoltaic ventilation shading system;
- Multi-angular adjusting curtain wall panel assembly structure;
- Self-resetting tension and pressure damper with variable stiffness;
- Vehicle-used light-adjusting film; and
- Self-adhesive dimming glass for metro screen doors multimedia systems.

Advertising and Labelling

For the promotion and sales work, the Group complies with relevant laws and regulations such as the “Advertising Law of the People’s Republic of China”, strives to provide accurate information on our marketing material and forbids employees to make any false, misleading or inaccurate statement in any form of marketing activities. The Group strictly complies with relevant laws and regulations such as the “Patent Law of the People’s Republic of China” and the “Trademark Law of the People’s Republic of China”.

智慧財產權維護

本集團在新產品研發上屢有突破，因此產品專利和智慧財產權已成為本集團市場競爭力的核心要素。我們以最完善的系統，確保本集團智慧財產權不受侵犯，亦避免侵犯他人之專利與智慧財產權。本集團在報告期間總共有25個新授權的專利，包括但不限於：

- 開啟可控型光伏通風遮陽系統；
- 可多角度調節的幕牆板塊裝配結構；
- 變剛度的自複位拉壓阻尼器；
- 汽車專用調光膜；及
- 多媒體系統用的自粘式調光膜地鐵屏蔽門。

廣告及標籤

在宣傳和銷售工作時，本集團遵守《中華人民共和國廣告法》等相關法律法規，努力於宣傳物品上提供準確資料，並禁止於僱員在任何形式的營銷活動中作出任何虛假、誤導或不準確的陳述。本集團嚴格遵守《中華人民共和國專利法》和《中華人民共和國商標法》等相關法律法規。

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B7. Anti-corruption

General Disclosure

Anti-corruption

The Group is committed to building a clean and healthy corporate system and vigorously combating corruption and other improper business practices. We strictly implement laws and regulations such as the “Criminal Law of the People’s Republic of China”, “Company Law of the People’s Republic of China” and “Anti-unfair Competition Law of the People’s Republic of China”, and specifically stipulate that employees must discharge their duties with loyalty and integrity and shall not abuse their positions to seek any improper interests.

We have adopted a clear avoidance system, prohibiting direct leadership relationships among employees who have husband and wife relationship, immediate family relationship, close family relationships and three generation collateral relatives. Moreover, we clearly stipulate that employees should be honest, loyal to their duties, and shall not abuse their official powers to seek any improper benefits. We sign an “Integrity Agreement” with our customers to enhance their mutual legal awareness of business operations and integrity, improve self-discipline and self-supervision mechanisms, and create a law-abiding, honest, efficient and clean working environment to prevent the occurrence of violations of law and discipline. We strictly abide by laws and regulations concerning the prevention of bribery, extortion, fraud and money laundering.

During the Reporting Period, the Group did not find any major violations of laws and regulations related to the prevention of bribery, extortion, fraud and money laundering.

B7. 反貪污

一般披露

反貪污

本集團致力建設廉潔健康的企業體系，大力打擊貪污和其他不正當的經營手法。我們嚴格執行《中華人民共和國刑法》、《中華人民共和國公司法》及《中華人民共和國反不正當競爭法》等法律法規，明確規定員工必須忠於職守，廉潔奉公，不得利用職權謀取任何不當利益。

我們制定明確的迴避制度，禁止員工與親屬建立直接的上下級領導關係，親屬關係包括夫妻關係、直系血親關係、近姻親關係以及三代以內旁系血親等。另外，我們亦明確規定員工需廉潔奉公，忠於職守，不得利用職權謀取任何不當利益。我們與客戶簽訂《廉潔協議書》，以增強雙方依法經營、廉潔從業意識，完善自我約束、自我監督機制，營造守法誠信、廉潔高效的工作環境，防止發生違法違紀行為。我們嚴格遵守有關防止賄賂、勒索、欺詐及洗黑錢的法律法規。

於報告期間，本集團並未發現任何違反有關防止賄賂、勒索、欺詐及洗黑錢的法律法規的重大事宜。

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B8. Community Investment

General Disclosure

Harmonious Singyes

While pursuing business development, the Group has spared no effort in contributing to the community and the industry. As an enterprise with social responsibility, the Group actively utilizes our scientific and technological achievements to promote public welfare development and help people in need with technology. During the Reporting Period, the Group organised strong typhoon “Shanzhu” disaster relief and rehabilitation volunteer service, supported the post-disaster reconstruction work in Zhuhai, and devoted to the post-disaster reconstruction work in the spirit of “Be ready” to give full play to the role of the youth commando, help the people in the disaster areas to pull through and resume normal production and life as soon as possible.

In the past, the Group had organized donations for Yushu, Wenchuan, and Ya'an earthquakes, donated solar water heating systems in Daofu County, Ganzi Prefecture, Gansu Province, donated a solar streetlight to Mengcun, Lantian County, Shaanxi, and also donated books to the Wenta Primary School in Yangjiang City, and donated to the mentally handicapped students of Zhuhai Qianshan Middle School, and participated in Zhuhai Carnations single-parent families social welfare activities. The Group is courageous to take on social responsibility and tirelessly give back to the society through industrial development.

B8. 社區投資

一般披露

和諧興業

在追求業務發展的同時，本集團不遺餘力地貢獻社區及本行業。作為肩負社會責任的企業，本集團積極運用我們的科技成果推動公益事業的發展，技有需要援助的人。於報告期間，本集團舉辦了強颱風「山竹」救災複產志願服務，配合做好珠海市災後重建工作，以「時刻準備著」的精神狀態投入到災後重建工作中去，充分發揮青年突擊隊作用，幫助災區群眾渡過難關、儘快恢復正常的生產生活。

在過去，本集團曾組織過玉樹、汶川、雅安地震捐贈、四川甘孜州道孚縣太陽能熱水系統捐贈、陝西藍田縣孟村太陽能路燈捐贈、陽江市文塔小學書籍捐贈、珠海前山中學幫扶智障學生捐贈、珠海康乃馨特困單親家庭幫扶等社會公益活動，勇擔社會責任，孜孜不倦地用產業發展回報社會。

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香港聯合交易所有限公司的《環境、社會及管治報告指引》內容索引表

Aspects, General Disclosures and KPIs			
層面、一般披露及關鍵績效指標	Description 描述	Section/Declaration 章節／聲明	Page 頁數
Aspect A1: Emissions 層面 A1：排放物			
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to exhaust gas and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的：(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Emissions 排放物	P.31
KPI A1.1 ("comply or explain") 關鍵績效指標 A1.1 ("不遵守就解釋")	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	Emissions – Exhaust Gas Emissions, GHG Emissions 排放物 – 廢氣排放，溫室氣體排放	P.31
KPI A1.2 ("comply or explain") 關鍵績效指標 A1.2 ("不遵守就解釋")	Total GHG emissions (in tonnes) and intensity. 溫室氣體總排放量（以噸計算）及密度。	Emissions – GHG Emissions 排放物 – 溫室氣體排放	P.34
KPI A1.3 ("comply or explain") 關鍵績效指標 A1.3 ("不遵守就解釋")	Total hazardous waste produced (in tonnes) and intensity. 所產生有害廢棄物總量（以噸計算）及密度。	Emissions – Waste Treatment 排放物 – 廢棄物處理 (Not Applicable- Explained) (不適用，已解釋)	P.37

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KPI A1.4 ("comply or explain") 關鍵績效指標 A1.4 ("不遵守就解釋")	Total non-hazardous waste produced (in tonnes) and intensity. 所產生無害廢棄物總量(以噸計算)及密度。	Emissions – Waste Treatment 排放物 – 廢棄物處理	P.37
KPI A1.5 ("comply or explain") 關鍵績效指標 A1.5 ("不遵守就解釋")	Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果。	Emissions – Exhaust Gas Emissions, GHG Emissions and Sewage Discharge 排放物 – 廢氣排放、溫室氣體排放、污水排放	P.31
KPI A1.6 ("comply or explain") 關鍵績效指標 A1.6 ("不遵守就解釋")	Description of how hazardous and non-hazardous wastes are handled, measures to mitigate emissions and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	Emissions – Waste Treatment 排放物 – 廢棄物處理	P.37

Aspect A2: Use of Resources

層面 A2：資源使用

General Disclosure 一般披露	Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策。	Use of Resources 資源使用	P.39
KPI A2.1 ("comply or explain") 關鍵績效指標 A2.1 ("不遵守就解釋")	Direct and/or indirect energy consumption by type in total and intensity. 按類型劃分的直接及／或間接能源總耗量及密度。	Use of Resources – Electricity and Energy Management 資源使用 – 用電及能源管理	P.41

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KPI A2.2 ("comply or explain") 關鍵績效指標 A2.2 (「不遵守就解釋」)	Water consumption in total and intensity. 總耗水量及密度。	Use of Resources – Water Management 資源使用 – 用水管理	P.42
KPI A2.3 ("comply or explain") 關鍵績效指標 A2.3 (「不遵守就解釋」)	Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。	Use of Resources –Electricity and Energy Management 資源使用 – 用電及能源管理	P.41
KPI A2.4 ("comply or explain") 關鍵績效指標 A2.4 (「不遵守就解釋」)	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題，以 及提升用水效益計劃及所得成果。	Use of Resources – Water Management 資源使用 – 用水管理	P.42
KPI A2.5 ("comply or explain") 關鍵績效指標 A2.5 (「不遵守就解釋」)	Total packaging material used for finished products (in tonnes) and with reference to per unit produced. 製成品所用包裝材料的總量(以噸計算) 及每生產單位佔量。	Use of Resources – Use of Packaging Materials 資源使用 – 包裝材料使用	P.43

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Aspect A3: The Environment and Natural Resources

層面 A3：環境及天然資源

General Disclosure 一般披露	Policies on minimizing the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	The Environment and Natural Resources 環境及天然資源	P.44
KPI A3.1 ("comply or explain") 關鍵績效指標 A3.1 ("不遵守就解釋")	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	The Environment and Natural Resources 環境及天然資源	P.44

Aspect B1: Employment

層面 B1：僱傭

General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare. 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的：(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Employment 僱傭	P.51
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Aspect B2: Health and Safety

層面 B2：健康與安全

General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 有關提供安全工作環境及保障僱員避免職業性危害的：(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Health and Safety 健康與安全	P.56
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Aspect B3: Development and Training

層面 B3：發展及培訓

General Disclosure 一般披露	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	Development and Training 發展與培訓	P.59
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Aspect B4: Labour Standards

層面 B4：勞工準則

General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor. 有關防止童工或強制勞工的：(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Labour Standards 勞工準則	P.60
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Aspect B5: Supply Chain Management

層面 B5：供應鏈管理

General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	Supply Chain Management 供應鏈管理	P.61
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Aspect B6: Product Responsibility

層面 B6：產品責任

General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Product Responsibility 產品責任	P.62
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Aspect B7: Anti-corruption

層面 B7：反貪污

General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 有關防止賄賂、勒索、欺詐及洗黑錢的：(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Anti-corruption 反貪污	P.66
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Aspect B8: Community Investment

層面 B8：社區投資

General Disclosure 一般披露	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來瞭解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	Community Investment 社區投資	P.67
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MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

Business overview

We are a professional renewable energy solution provider and building contractor. Our main businesses are design, fabrication and installation of curtain wall, green building and solar projects. Solar projects included Building Integrated Photovoltaic System (“BIPV”) system, roof top solar system and ground mounted solar system (collectively “Solar EPC”); we also engaged in the manufacturing and sale of renewable energy goods. Our BIPV system involves (i) the integration of photovoltaic technology into the architectural design of buildings and structures and (ii) conversion of solar energy into electricity for use. Our system allows the electricity generated from solar panels to be connected to the power grid of a building and the electricity generated from sun power will be consumed simultaneously. No extra electricity storage cost is required. In addition, we also engage in the production and sale of renewable energy goods, including smart grid system and solar thermal system. In 2011, we also started a new business called Indium Tin Oxide (“ITO”) business or “New Material” business. Leveraging on our track record and extensive experience in our curtain wall business, we will further strengthen and develop our renewable energy business in respect of BIPV systems and renewable energy goods. Apart from the above, we also provide engineering design services and engage in the sale of curtain wall materials. Our Group will endeavour to continue our focus on solar business. In the long run, we will aspire and strive to grow into an enterprise with a focus on renewable energy business.

管理層討論及分析

業務回顧

本集團是專業的可再生能源解決方案供應商及建築承包商。本集團主要從事設計、製造及安裝幕牆、綠色建築及太陽能項目。太陽能項目包括光伏建築一體化（「光伏建築一體化」）系統、屋頂太陽能系統和地面太陽能系統（統稱「太陽能EPC」）；本公司亦從事生產及銷售可再生能源產品。本公司的光伏建築一體化系統涉及(i)樓宇及建築物光電技術與建築設計的一體化及(ii)將太陽能轉化為可用電能。本公司的系統可實現將自太陽能電池板產生的電能連接至大樓的電網中，太陽能所產生的電能會同步消耗，故不會產生額外的儲電成本。此外，本公司亦從事可再生能源產品的生產及銷售，包括智能電網系統及太陽能熱力系統。於二零一一年，本集團亦開展了一項名為銦錫氧化物（「ITO」）或「新材料」業務。憑藉本公司的往績記錄及豐富的幕牆業務經驗，本公司將進一步鞏固及發展與光伏建築一體化系統及可再生能源產品有關的可再生能源業務。除上述外，本公司亦提供工程設計服務並從事幕牆材料銷售。本集團將繼續主力發展太陽能業務。長遠而言，我們將銳意及致力發展為一間專注於可再生能源業務的企業。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Curtain wall and green building business

Curtain wall and green building business dropped by RMB173.4 million or 10.4% compared with year 2017. Majority of the Group's curtain wall and green building in Hong Kong has already been completed in 2017 and no sizable new projects obtained during the year which brought negative impact to the Group's overseas curtain wall and green building business. While the Group's business inside Mainland China was relatively stable during the year.

Solar EPC business

Due to the tightening of the lending environment inside Mainland China, and also because of the default in various senior notes issued by the Company, the Group's ability in getting new financing had significantly be impacted. Since the initial working capital requirement for Solar EPC is high, majority of the Group's Solar EPC projects has been suspended.

Solar EPC revenue dropped by RMB486.3 million or 18.8%.

Development of renewable energy goods

Apart from solar EPC, we also produce different kinds of renewable energy goods. Renewable energy goods include solar photovoltaic materials and solar thermal products. Solar thermal products include air-source heat pump, solar heat collectors and solar heating system. Our long-term strategy is, through our innovative research and development team, to diversify the application of solar, and to widen the solar application in different area, like rural application and irrigation.

Self-developed solar projects

At 31 December 2018, the Group had 427.9 MW grid-connected power stations and 42.4 MW projects awaiting for grid-connection.

幕牆及綠色建築業務

幕牆及綠色建築業務較二零一七年下降人民幣173,400,000元或10.4%。本集團於香港的大部分幕牆及綠色建築已於二零一七年完成，年內並無獲得新大型項目，這對本集團的海外幕牆及綠色建築業務造成負面影響。於本年度，本集團在中國內地的業務相對穩定。

太陽能EPC業務

由於中國內地信貸環境收緊，以及本公司發行的各種優先票據違約，本集團在獲得新融資方面的能力受到重大影響。由於太陽能EPC需要較高初始營運資金，本集團的大部分太陽能EPC項目已暫停。

太陽能EPC收入減少人民幣486,300,000元或18.8%。

發展可再生能源產品

除太陽能EPC外，我們亦生產各種可再生能源產品。可再生能源產品包括太陽能光伏材料和太陽能供熱產品。太陽能供熱產品包括空氣源熱泵、太陽能熱力接收器及太陽能供熱系統。我們的長期策略乃透過我們的創新研究及開發團隊，實現太陽能的多元化應用及擴大太陽能在不同領域的應用，如農村應用及灌溉。

自建太陽能項目

於二零一八年十二月三十一日，本集團有約427.9兆瓦併網電站及42.4兆瓦項目等待併網。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS AND FINANCIAL REVIEW

Revenue

The following table set out the breakdown of revenue:

業務及財務回顧

收入

下表列示收入分類：

		2018 二零一八年 RMB million 人民幣百萬元	2017 二零一七年 RMB million 人民幣百萬元
Curtain walls and green buildings	幕牆及綠色建築		
– Public work	– 公共工程	384.9	499.7
– Commercial and industrial	– 工商	696.5	855.8
– High-end residential	– 高檔住宅	420.9	320.3
		1,502.3	1,675.8
Solar EPC	太陽能EPC		
– Public work	– 公共工程	1,070.3	603.0
– Commercial and industrial	– 工商	1,031.6	1,985.2
		2,101.9	2,588.2
Total construction contracts	建築合約總計	3,604.2	4,264.0
Sale of goods	貨品銷售		
– Conventional materials	– 傳統材料	217.8	412.2
– Renewable energy goods	– 可再生能源產品	321.9	745.6
– New materials	– 新材料	126.0	115.8
Total sale of goods	貨品銷售總計	665.7	1,273.6
Sale of electricity, including tariff adjustment	電力銷售，包括電價補貼	283.6	282.0
Rendering of design and other services	提供設計及其他服務	14.0	13.3
Rendering of operation and maintenance service	提供運行及維護服務	13.1	9.2
		4,580.6	5,842.1
Tariff adjustment	電價補貼	(164.0)	(166.7)
Total revenue	總收入	4,416.6	5,675.4

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Gross profit and gross profit margin

毛利及毛利率

		2018 二零一八年		2017 二零一七年	
		RMB million 人民幣百萬元	%	RMB million 人民幣百萬元	%
Construction contracts	建築合約				
– Curtain walls and green buildings	– 幕牆及綠色建築	113.7	7.6	234.3	14.0
– Solar EPC	– 太陽能 EPC	365.9	17.4	649.5	25.1
		479.6	13.3	883.8	20.7
Sale of goods	貨品銷售				
– Conventional materials	– 傳統材料	37.8	17.3	98.9	24.0
– Renewable energy goods	– 可再生能源產品	27.2	8.4	87.4	11.7
– New materials	– 新材料	55.9	44.4	45.1	39.0
		120.9	18.2	231.4	18.2
Sale of electricity, including tariff adjustment	電力銷售，包括電價補貼	166.3	58.7	182.1	64.6
Rendering of design and other services	提供設計及其他服務	11.2	80.4	3.0	22.6
Rendering of operation and maintenance service	提供運行及維護服務	6.9	52.3	5.2	56.5
Total gross profit and gross profit margin including tariff adjustment	總毛利及毛利率，包括電價補貼	784.9	17.1	1,305.5	22.3

The Group's revenue (including electricity tariff adjustment) decreased by RMB1,261.5 million or 21.6%, from RMB5,842.1 million in the year 2017 to RMB4,580.6 million in the year 2018. Gross profit (including electricity tariff adjustment) decreased by RMB520.6 million or 39.9%, from RMB1,305.5 million in the year 2017 to RMB784.9 million in the year 2018.

本集團的收入(包括電價補貼)由二零一七年的人民幣5,842,100,000元減少人民幣1,261,500,000元或21.6%至二零一八年的人民幣4,580,600,000元。毛利(包括電價補貼)由二零一七年的人民幣1,305,500,000元減少人民幣520,600,000元或39.9%至二零一八年的人民幣784,900,000元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

1) Curtain wall and green building

Revenue from curtain wall and green building business amounted to RMB1,502.3 million, representing a decrease of RMB173.4 million or 10.4% compared with the year 2017. As mentioned earlier, the drop was mainly because of the decrease in offshore curtain wall EPC business while the domestic business maintained. Gross profit margin dropped from 14.0% to 7.6%, the drop in gross profit margin ratio was because loss has been incurred in some overseas projects, gross margin in domestic projects remain stable.

2) Solar EPC

Revenue from solar EPC amounted to RMB2,101.9 million, representing a decrease of RMB486.3 million or 18.8% from RMB2,588.2 million reported in the year 2017. As disclosed in the 2018 interim report, solar EPC revenue grew by RMB258.9 million or 16.8% in the first half of 2018 compared to the same period in 2017. However, in second half of 2018, because of the tightening in lending market in Mainland China and Hong Kong and also because of the default of various senior notes, the solar EPC revenue in second half of 2018 was RMB301.4 million (second half of 2017: RMB1,046.6 million), the drop was because the Group had insufficient working capital to finance the material procurement cost and construction cost of its solar EPC projects. Majority of the projects on hand were therefore suspended, gross profit margin dropped to 17.4% (2017: 25.1%).

1) 幕牆及綠色建築

幕牆及綠色建築業務的收入達人民幣1,502,300,000元，相比二零一七年減少人民幣173,400,000元或10.4%。如上所述，下降主要是因為海外幕牆EPC業務減少而國內業務維持不變。毛利率從14.0%下降至7.6%，毛利率下降是因為部分海外項目產生虧損，而國內項目的毛利率保持穩定。

2) 太陽能EPC

太陽能EPC的收入為人民幣2,101,900,000元，較二零一七年所報的人民幣2,588,200,000元減少人民幣486,300,000元或18.8%。如二零一八年中期報告所披露，二零一八年上半年太陽能EPC收入較二零一七年同期增長了人民幣258,900,000元或16.8%。然而，在二零一八年下半年，由於中國內地和香港的信貸市場收緊，以及各種優先票據的違約，二零一八年下半年的太陽能EPC收入為人民幣301,400,000元（二零一七年下半年：人民幣1,046,600,000元），下降是因為本集團沒有足夠的營運資金撥付其太陽能EPC項目的材料採購成本與建設費用，因此暫停了手頭上的大部分項目，毛利率下降至17.4%（二零一七年：25.1%）。

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3) Sale of goods

- (i) Sale of conventional materials accounted to RMB217.8 million, dropped by RMB194.4 million or 47.2%, it was mainly because of the drop in material sale in overseas business, gross profit margin went down to 17.3%.
- (ii) Sale of renewable energy goods recorded a decrease of RMB423.7 million from RMB745.6 million in the year 2017 to RMB321.9 million in 2018, gross profit margin also dropped to 8.5% during the year.
- (iii) New Material business represented sale of Indium Tin Oxide (“ITO”) film and its products. ITO film can be processed into touch-screen ITO film and switchable ITO film, while the switchable ITO film can further be processed into smart light-adjusting glass and smart light-adjusting projection system. ITO film and smart light-adjusting products are relatively new to the consumers in China and therefore, the market penetration is currently quite low. Riding on the increasing sales volume generated by our Group’s successful marketing strategies, revenue increased by RMB10.2 million or 8.8% and gross profit margin went up to 44.4% (2017: 39.0%).

3) 貨品銷售

- (i) 傳統材料銷售額為人民幣217,800,000元，下降人民幣194,400,000元或47.2%，主要是因為海外業務的材料銷售減少，毛利率下降至17.3%。
- (ii) 可再生能源產品銷售錄得自二零一七年的人民幣745,600,000元減少人民幣423,700,000元至二零一八年的人民幣321,900,000元，本年度毛利率亦下降至8.5%。
- (iii) 新材料業務指銷售銻錫氧化物 (ITO) 導電膜及其產品。ITO導電膜可加工成觸摸屏ITO導電膜及可調節ITO導電膜，而可調節ITO導電膜可進一步加工成智能調光玻璃及智能調光投影系統。ITO導電膜及智能調光產品對中國客戶相對新穎，因此，市場滲透率現時相很低。憑藉本集團成功營銷策略產生銷量不斷增加，收入增加人民幣10,200,000元或8.8%及毛利率上升至44.4%（二零一七年：39.0%）。

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(iv) The following table sets out the Group's self-invested solar power stations as at 31 December 2018.

(iv) 下表載列本集團於二零一八年十二月三十一日自行投資的太陽能電站。

Location 地點		Pending grid			Total 總計
		On-grid	connection	In-progress	
		併網	待連接併網	在建中	
		MW 兆瓦	MW 兆瓦	MW 兆瓦	
Guangdong province	廣東省	178.6	13.9	67.5	260
Northwest China	中國西北部	113	28.5	—	141.5
Golden Sun/Distributed Power	金太陽／分佈式電站	134.3	—	—	134.3
Overseas	海外	2	—	—	2
		427.9	42.4	67.5	537.8

The Group's accumulated on-grid capacity increased from 320.0 megawatts ("MW") at 31 December 2017 to 537.8 MW at 31 December 2018, which comprised of 134.3 MW Golden Sun or distributed power stations, and 401.5 MW ground-mounted solar farms inside Mainland China and a 2 MW solar farm overseas. The sale of electricity, including tariff adjustment, amounted to RMB283.6 million in the year 2018 (2017: RMB282.0 million).

本集團的累計併網容量由二零一七年十二月三十一日的320.0兆瓦(「兆瓦」)增至二零一八年十二月三十一日的537.8兆瓦，包括在中國大陸的134.3兆瓦金太陽或分佈式電站及401.5兆瓦地面太陽能電站及一個在海外的2兆瓦太陽能電站。二零一八年電力銷售(包括電價補貼)金額為人民幣283,600,000元(二零一七年：人民幣282,000,000元)。

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Revenue and gross profit contribution from different business sectors:

來自不同業務領域的收入及毛利：

Revenue split (including tariff adjustment)

收入拆分(包括電價補貼)

		2018 二零一八年		2017 二零一七年	
		RMB million 人民幣百萬元	%	RMB million 人民幣百萬元	%
Conventional business ¹	傳統業務 ¹	1,734.1	37.9	2,101.3	36.0
Renewable energy business ²	可再生能源業務 ²	2,720.5	59.4	3,625.0	62.1
New material business	新材料業務	126.0	2.7	115.8	1.9
		4,580.6	100.0	5,842.1	100.0

Gross profit split (including tariff adjustment)

毛利拆分(包括電價補貼)

		2018 二零一八年		2017 二零一七年	
		RMB million 人民幣百萬元	%	RMB million 人民幣百萬元	%
Conventional business ¹	傳統業務 ¹	162.7	20.7	336.2	25.8
Renewable energy business ²	可再生能源業務 ²	566.3	72.2	924.2	70.8
New material business	新材料業務	55.9	7.1	45.1	3.4
		784.9	100.0	1,305.5	100.0

^{1.} Included curtain wall and green building construction contracts, sale of conventional materials and rendering of design and other services.

^{1.} 包括幕牆及綠色建築合約、銷售傳統材料及提供設計及其他服務。

^{2.} Included solar EPC construction contracts, sale of renewable energy goods, rendering of operation and maintenance service and sale of electricity and tariff adjustment.

^{2.} 包括太陽能EPC建築合約、銷售新能源產品、提供運行及維護服務及銷售電力及電價補貼。

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Other income and gains

Other income and gains mainly represented deferred income released, gain on disposal of property, plant and equipment, government grants and compensation income.

An analysis of major items of other income and gains is as follows:

其他收入及收益

其他收入及收益主要為撥回遞延收益、出售物業、廠房及設備的收益、政府補助及補償收入。

對其他收入及收益的主要項目的分析如下：

		2018 二零一八年 RMB million 人民幣百萬元	2017 二零一七年 RMB million 人民幣百萬元
Deferred income released to profit or loss over the expected useful lives of the related assets	按相關資產預期使用年限撥回至損益的遞延收入	10,118	14,346
Bank interest income	銀行利息收入	5,479	16,599
Government grants	政府補助	10,615	12,230
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備的收益	11,927	59,309
Gain on settlement of derivative financial instruments	結算衍生金融工具的收益	4,916	—
Compensation income	補償收入	7,342	—
Interest on retention money	質保金利息	—	10,997
Gain on disposal of a subsidiary	出售一間附屬公司的收益	—	16,007
Foreign exchange gains, net	匯兌收益，淨額	—	24,110
Others	其他	8,177	25,289
		58,574	178,887

Selling and distribution expenses

Selling and distribution expenses dropped by RMB53.5 million or 34.5%, the co-relation between revenue and selling and distribution expenses is high and the drop is consistent with the drop in business volume.

銷售及分銷開支

銷售及分銷開支減少人民幣53,500,000元或34.5%，收入與銷售及分銷開支之間的相關關係較高，且下降與業務量下降相一致。

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Administrative expenses

Administrative expenses remained stable as compared with the year 2017.

Other expenses

Other expenses in 2018 mainly represented exchange loss, loss on disposal of subsidiaries and provision for compensation.

Finance costs

The Group's finance costs decreased by RMB144.1 million or 23.2% mainly because of the drop in interest expense in convertible bonds since majority of the convertible bond holders had exercised their put options in 2017.

Income tax expense

Income tax expense during the year included RMB63.8 million of taxation charge (2017: RMB135.6 million) and RMB45.5 million of deferred tax charge (2017: RMB16.8 million of deferred tax credit).

The taxation charges mainly represented the income tax provision for subsidiaries inside Mainland China. No deferred tax charges on dividend withholding tax based on 5% of the net profits in the operating subsidiaries located inside Mainland China were provided for both years.

Current ratio

The current ratio being, current assets over current liabilities at 31 December 2017 was 1.73; and a net current liabilities of RMB888.4 million was noted at 31 December 2018, this was mainly because of the Group was unable to re-finance its senior notes in 2018 which resulted in defaults and cross defaults of certain bank and other loans, and which would become immediately repayable if requested by the lenders.

行政開支

與二零一七年度相比，行政開支保持穩定。

其他開支

二零一八年其他開支主要指匯兌損失、出售附屬公司虧損及賠償撥備。

融資成本

本集團的融資成本減少人民幣144,100,000元或23.2%，主要是由於可換股債券的利息開支減少，因為大部分可換股債券持有人已於二零一七年行使其認沽期權。

所得稅支出

於本年度，所得稅支出包括稅項支出人民幣63,800,000元（二零一七年：人民幣135,600,000元）及遞延稅項支出人民幣45,500,000元（二零一七年：遞延稅項抵免人民幣16,800,000元）。

稅項支出主要指中國大陸附屬公司的所得稅撥備。本集團於兩個年度均未有就按位於中國大陸的營運附屬公司純利5%計算的股息預扣稅計提遞延稅項開支。

流動比率

於二零一七年十二月三十一日的流動比率（即流動資產比流動負債）為1.73；於二零一八年十二月三十一日入賬流動負債淨額人民幣888,400,000元，主要是由於本集團於二零一八年無法為其優先票據再融資，這將導致若干銀行及其他貸款違約及連帶違約，而倘貸款人要求，其將成為應立即償還。

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Trade receivables/trade and bills payables turnover days

應收貿易款項／應付貿易款項及應付票據周轉日

		At 31 December 2018 於二零一八年 十二月三十一日 Days 日	At 31 December 2017 於二零一七年 十二月三十一日 Days 日
Turnover days 周轉日			
Trade receivables	應收貿易款項	288	218
Trade and bills payables	應付貿易款項及應付票據	106	106

Trade receivables turnover days is calculated based on the average of the beginning and ending balance of trade receivables for the year divided by the revenue during the year and multiplied by the number of days during the year. Trade receivables turnover days at 31 December 2018 was 288 days. Trade and bills payables turnover days is calculated based on the average of the beginning and ending balance of trade and bills payables for the year divided by the cost of sales during the year. Trade and bills payables turnover days at 31 December 2018 was 106 days.

應收貿易款項周轉日乃根據年內應收貿易款項的年初及年末結餘的平均值，除以年內收入，再乘以年內日數計算。應收貿易款項周轉日於二零一八年十二月三十一日為288日。應付貿易款項及應付票據周轉日乃根據年內應付貿易款項及應付票據的年初及年末結餘的平均值，除以年內銷售成本計算。應付貿易款項及應付票據周轉日於二零一八年十二月三十一日為106日。

Liquidity and financial resources

The Group's primary source of funding included receivables from construction contracts and material sale, as well as income from electricity sale. Apart from that, in previous years, the Group also use bank and loans and offshore senior unsecured notes as a alternative source of financing for its capital expenditure and working capital. During the year, the Group was unable to re-finance certain of its debts and the facts were summarized as below:

流動資金及財務資源

本集團資金的主要來源包括來自建築合約及材料銷售的應收款項，以及來自電力銷售的收入。除此之外，在過往年度，本集團亦使用銀行及其他貸款及離岸無抵押優先票據作為其資本開支與營運資金的備用融資來源。年內，本集團無法為其若干債務再融資，事實概述如下：

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The Company's offshore senior notes include the 2018 USD Senior Notes, the 2019 Senior Notes and the 2019 Convertible Bonds. As of 31 December 2018, the total outstanding principal amounts of the 2018 USD Senior Notes, the 2019 Senior Notes and the 2019 Convertible Bonds are US\$155.26 million, US\$260 million and RMB96 million, respectively. The Company announced on the HKSE on 18 October 2018 that it had defaulted on its 2018 USD Senior Notes and Admiralty Harbour Capital Limited and Kirkland & Ellis were appointed as the Company's financial and legal advisers to assist it with a potential offshore debt restructuring. The 2019 Senior Notes and the 2019 Convertible Bonds subsequently payment-defaulted in February 2019.

On 5 June 2019, the Company announced the share subscription agreement with Shuifa Energy Group. Pursuant to the subscription agreement, the Company conditionally agreed to allot and issue to the subscriber 1,687,008,585 ordinary shares at the price of HK\$0.92 per share. The subscription shares would represent approximately 66.92% of the issued share capital of the Company. The gross proceeds from the subscription are expected to be approximately HK\$1.552 billion. It is intended that the proceeds from the subscription will be used for restructuring of existing debts, fees and expenses related to the overall restructuring exercise and providing general working capital and normalised funding levels for the Company's ongoing operations. The Subscription and the offshore debt structuring are said to be inter-conditional on one another.

On 19 July 2019, the Company announced its Restructuring Support Agreement (RSA) following its signing of such with certain bondholders. The RSA contained proposed restructuring terms to be implemented through schemes of arrangements in the required jurisdictions, which will need to be approved by the requisite majority of scheme creditors, and sanctioned by the relevant courts at a later stage.

本公司的離岸優先票據包括二零一八年美元優先票據、二零一九年優先票據及二零一九年可換股債券。截至二零一八年十二月三十一日，二零一八年美元優先票據、二零一九年優先票據及二零一九年可換股債券的未償還本金總額分別為155,260,000美元、260,000,000美元及人民幣96,000,000元。本公司於二零一八年十月十八日在聯交所公佈，其拖欠支付二零一八年美元優先票據，鐘港資本有限公司及美國凱易律師事務所已獲委任為本公司的財務及法律顧問，以協助其進行潛在的離岸債務重組。二零一九年優先票據和二零一九年可換股債券隨後於二零一九年二月拖欠付款。

於二零一九年六月五日，本公司宣佈與水發能源集團的股份認購協議。根據認購協議，本公司有條件同意按每股0.92港元的價格向認購人配發及發行1,687,008,585股普通股。認購股份將佔本公司已發行股本的約66.92%。認購事項所得款項總額預計約為15.52億港元。認購事項所得款項擬將用於重組現有債務，與整體重組相關的費用及開支，並為本公司的持續經營提供一般營運資金及正常融資水平。認購事項和離岸債務重組彼此互為條件。

於二零一九年七月十九日，本公司於與若干債券持有人簽訂重組支持協議後公佈其重組支持協議。重組支持協議包含通過所規定司法權區內協議安排實施所提議重組條款，這些條款將需要得到必要多數安排債權人的批准，並在較後的階段由相關法院批准。

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Capital expenditures

Capital expenditures of the Group amounted to RMB578.2 million for the year (2017: RMB359.6 million) and were mainly for the acquisition and construction of self-invested solar power stations.

Borrowings and bank facilities

The outstanding borrowings comprised bank and other loans of RMB2,956.8 million with effective interest rates ranging from Hong Kong Inter Bank Offered Rate ("HIBOR") + 0.95% to HIBOR + 4% for property mortgage loan and revolving loans in Hong Kong and London Inter Bank Offered Rate ("LIBOR") + 1.5% to LIBOR + 3.75% for term loans in Hong Kong. Interest rates for domestic loans inside Mainland China were ranging from 4.35%-7.2% and for other domestic loans were ranging from 3.92% to 24.0%.

Foreign currency risk

The Group's principal businesses are located in Mainland China and most of the transactions are conducted in RMB. Most of the Group's assets and liabilities are denominated in RMB, except for those of the overseas subsidiaries which functional currencies are currencies other than RMB and certain items of cash and cash equivalents that are denominated in HK\$, US\$ and other currencies.

If RMB strengthens/weakens against HK\$ as a reasonable possible change of 5%, the loss before tax of the Group will increase/decrease by approximately RMB13,697,000 (2017: the profit before tax of the Group will increase/decrease by approximately RMB65,034,000), due to changes in fair values of monetary assets and liabilities. The Group does not consider that it has any significant exposure to the risk of fluctuation in the exchange rate between US\$ and RMB as a reasonable possible change of 5% in RMB against US\$ would have no significant financial impact on the Group's loss.

資本支出

於本年度，本集團的資本支出為人民幣578,200,000元（二零一七年：人民幣359,600,000元），主要用作收購與建造自行投資的太陽能電站。

借貸及銀行信貸

未償還借貸包括銀行及其他貸款人民幣2,956,800,000元，就香港物業按揭貸款及循環貸款而言，實際利率介乎香港銀行同業拆息率（「香港銀行同業拆息率」）加0.95%至香港銀行同業拆息率加4%，就香港有期貸款而言，實際利率為倫敦銀行同業拆息率（「倫敦銀行同業拆息率」）加1.5%至倫敦銀行同業拆息率加3.75%。中國大陸的國內貸款利率介乎4.35%至7.2%，其他國內貸款利率介乎3.92%至24.0%。

外幣風險

本集團主要業務位於中國大陸及大部分交易以人民幣進行。本集團大部分資產及負債以人民幣列值，惟海外附屬公司除外，其功能貨幣為人民幣以外的貨幣以及若干現金及現金等價物以港元、美元及其他貨幣列值。

如果人民幣兌港元在5%的合理可能波動內升值／貶值，則本集團的稅前虧損將增加／減少約人民幣13,697,000元（二零一七年：本集團的稅前利潤將增加／減少約人民幣65,034,000元），此乃由於貨幣資產和負債的公平值變動。本集團認為其並無面臨美元兌人民幣匯率波動的重大風險，因為人民幣兌美元的5%的合理可能波動對本集團的虧損並無重大財務影響。

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Credit risk

The Group trades only with recognised and creditworthy third parties and its associates. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g. trade receivables) and projected cash flows from operations.

The liquidity of the Group is primarily dependent on its ability to maintain a balance between continuity of funding and flexibility through the settlement from customers and the payment to vendors.

However, for interest-bearing bank and other loans containing a repayment on demand clauses, if the lenders were to invoke their unconditional rights to call the loans with immediate effect, RMB2,810,335,000 of which will be on demand for repayment immediately, excluding interest payment.

For the 2019 Senior Notes of RMB1,647,168,000 and the 2019 Convertible Bonds of RMB96,000,000, if the holders were to invoke their unconditional rights to call them with immediate effect, they will be on demand for repayment immediately, excluding interest payment.

信貸風險

本集團僅與認可及有信譽的第三方人士及其聯營企業交易。本集團的政策是所有擬按信用條款交易的客戶須經過信用驗證程序。此外，應收款項餘額均持續監控，而本集團所承受的壞賬風險並不重大。

由於本集團僅與信譽良好的認可第三方進行交易，因此不需要抵押品。信用風險分客戶管理。由於本集團應收貿易款項的客戶群廣泛分散於各行各業，故本集團並無重大信貸集中風險。

流動資金風險

本集團運用循環流動資金計劃工具監察其資金短缺的風險。該工具計及其金融工具及金融資產（例如應收貿易款項）的到期日以及預計經營業務現金流量等因素。

本集團的流動資金主要取決於在資金持續性及其透過客戶付款與付款予供應商兩者的靈活性之間取得平衡的能力。

但是，對於計息銀行和其他貸款（包含按要求償還條款），如果出借人行使其無條件權利，催促貸款即時生效，其中人民幣2,810,335,000元需立即按要求償還，不包括利息支付。

對於人民幣1,647,168,000元的二零一九年優先票據和人民幣96,000,000元的二零一九年可換股債券，如果持有人行使其無條件權利催促其還款，則其需立即按要求償還，不包括利息支付。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Dividend

The Directors of the Company did not recommend payment of a final dividend (2017: HK\$0.03 per share). The actual dividend payout ratio in each year will depend on the actual performance of the Group, the general industry and economic environment.

HUMAN RESOURCES

As at 31 December 2018, the Group had about 1,900 employees. Employee salary and other benefit expenses dropped to RMB211.4 million in the year 2018 compared with RMB267.4 million in the year 2017. It was generally because of the drop in average salary and bonus. The Group's remuneration policies are formulated on the performance of individual employees, which will be reviewed regularly every year. Apart from provident fund scheme (according to the provisions of Mandatory Provident Fund Schemes for Hong Kong employees) or the state-managed retirement pension scheme (for Mainland China employees) and medical insurance, discretionary bonus are also awarded to employees according to the assessment of individual performance.

股息

本公司董事並不建議宣派末期股息(二零一七年：每股0.03港元)。各年度實際派息比率將視乎本集團的實際表現催促其整體行業及經濟環境而定。

人力資源

於二零一八年十二月三十一日，本集團約有1,900名僱員。僱員工資及其他福利開支減少至二零一八年的人民幣211,400,000元，而二零一七年為人民幣267,400,000元，主要原因是平均薪酬及花紅下降。本集團的薪酬政策乃按個別僱員表現制定，將每年定期予以檢閱。除公積金計劃（根據適用於香港僱員的強制性公積金條例的條款）或國家管理退休金計劃（適用於中國大陸僱員）及醫療保險外，亦會根據個別僱員表現的評估而向僱員授出酌情花紅。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

The table below sets forth information regarding our Directors:

Name	Age	Position
Liu Hongwei	55	Chairman and executive Director
Xie Wen	53	Executive Director
Xiong Shi	55	Executive Director
Zhuo Jianming	57	Non-executive Director
Li Hong	54	Non-executive Director
Wang Ching	64	Independent non-executive Director
Yick Wing Fat, Simon	61	Independent non-executive Director
Tang Hongwei	59	Independent non-executive Director

下表載列有關董事的資料：

姓名	年齡	職務
劉紅維	55歲	主席及執行董事
謝文	53歲	執行董事
熊澍	55歲	執行董事
卓建明	57歲	非執行董事
李宏	54歲	非執行董事
王京	64歲	獨立非執行董事
易永發	61歲	獨立非執行董事
譚洪衛	59歲	獨立非執行董事

EXECUTIVE DIRECTORS

Liu Hongwei aged 55, is the Chairman and an executive Director of our Company.

He joined our Group since August 1995. He is responsible for the formulation and execution of our Group's overall business strategies and policies as well as the overall management of our Group. Mr. Liu has more than 12 years' experience in the glass manufacturing sector and more than 16 years' experience in the curtain wall engineering sector. After obtaining a bachelor's degree in engineering in July 1986 from Wuhan Industrial University, now known as Wuhan University of Technology, majoring in inorganic materials engineering, Mr. Liu worked at a state-owned glass manufacturing enterprise, Shaanxi Glass Factory, as a technician until 1989. From 1989 to 1991, Mr. Liu was the director of production department at another glass manufacturing enterprise, Zhuhai Glass Factory. From 1991 to 1995, Mr. Liu Hongwei was the manager of the operation department of Zhuhai Singyes Safety Glass. In 1995, Zhuhai Singyes Safety Glass jointly established Zhuhai Singyes Green Building Technology Co., Ltd. ("Zhuhai Singyes", formerly known as Zhuhai Singyes Curtain Wall Engineering Co., Ltd) with Zhuhai City Township Enterprise. Since November 2003, Mr. Liu has been an executive Director of our Company. From August 1995 to October 2007, Mr. Liu was appointed as Zhuhai Singyes's general manager, taking charge of general supervising and controlling on technologies. In December 2000, Mr. Liu was certified as a Level 1 Project Manager by the Guangdong Province Construction Bureau. In January 2001, Mr. Liu was certified as a Senior Engineer in respect of construction materials by the Guangdong Province Personnel Bureau.

執行董事

劉紅維，55歲，為本公司主席及執行董事。

彼自一九九五年八月起加盟本集團。彼主要負責本集團整體業務策略及政策的制定及執行，以及本集團整體管理。劉先生於玻璃製造領域擁有逾12年經驗，並於幕牆工程領域擁有逾16年經驗。劉先生一九八六年七月獲武漢工業大學（現時稱為武漢理工大學）頒發無機材料工程專業學士學位後，於陝西玻璃廠（一家玻璃製造國有企業）擔任技術員至一九八九年。自一九八九年至一九九一年，劉先生於珠海玻璃廠（一家玻璃製造企業）擔任生產部部長。自一九九一年至一九九五年，劉紅維先生擔任珠海興業安全玻璃經營部經理。於一九九五年，珠海興業安全玻璃與珠海市鄉鎮企業聯合成立了珠海興業綠色建築科技有限公司（「珠海興業」），前稱珠海興業幕牆工程有限公司。自二零零三年十一月起，劉先生擔任本公司執行董事。自一九九五年八月至二零零七年十月，劉先生獲委任為珠海興業總經理，負責整體技術監督及控制事宜。於二零零零年十二月，劉先生獲廣東省建設廳特許為一級項目經理。於二零零一年一月，劉先生獲廣東省人事廳特許為高級建築材料工程師。於二零零

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

In 2003, Mr. Liu became an adjunct professor of Wuhan University of Technology. In August 2004, Mr. Liu was appointed as one of the experts to the Standardisation Technical Committee of the PRC Ministry of Construction for Curtain Walls, Doors and Windows. Mr. Liu is currently a member of the Standing Committee of the Zhuhai Municipal People's Congress of the PRC. Mr. Liu is also a director of Strong Eagle Holdings Ltd. which is the controlling shareholder of the Company.

Xie Wen aged 53, is our executive Director.

He joined our Group in August 1995. He is responsible for supervision at our work-sites and research and development of BIPV technologies. Mr. Xie has more than 16 years' experience in curtain wall engineering sector. Mr. Xie graduated from Zhengzhou Textile Engineering College majoring in mechanical engineering (textile machinery) in 1987. From 1987 to 1994, Mr. Xie worked at the Equipment Energy Team in Hunan Shaoyang No. 2 Textile Machinery Factory. Mr. Xie joined Zhuhai Singyes in August 1995 as a project manager, responsible for the development and management of business projects of Zhuhai Singyes. From January 2003 to September 2007, Mr. Xie was the deputy general manager of Zhuhai Singyes, in charge of technical guidance and supervision at various worksites. In October 2007, Mr. Xie became the general manager of Zhuhai Singyes. In December 2002, Mr. Xie was certified as a Level 1 Project Manager by the PRC Ministry of Construction. In June 2004, Mr. Xie was certified as a senior engineer in respect of machinery by the Guangdong Province Personnel Bureau. In February 2008, Mr. Xie was registered as a constructor by the PRC Ministry of Construction. Mr. Xie is also a director of Strong Eagle Holdings Ltd. which is the controlling shareholder of the Company.

三年，劉先生擔任武漢理工大學兼任教授。於二零零四年八月，劉先生獲委任為中國建設部幕牆門窗標準化技術委員會專家之一。劉先生目前為中國珠海市人民代表大會常委會成員。劉先生亦為本公司控股股東Strong Eagle Holdings Ltd.之董事。

謝文，53歲，為本公司執行董事。

彼於一九九五年八月加盟本集團，負責工地監查以及光伏建築一體化技術研發。謝先生於幕牆工程領域擁有逾16年經驗。謝先生於一九八七年畢業於鄭州紡織工學院，紡織機械專業。自一九八七年至一九九四年，謝先生就職於湖南邵陽第二紡織機械廠設備能源組。謝先生於一九九五年八月加入珠海興業擔任項目經理，負責珠海興業業務項目的開發及管理。自二零零三年一月至二零零七年九月，謝先生擔任珠海興業副總經理，負責技術指導及各處工地監查。於二零零七年十月，謝先生擔任珠海興業總經理。於二零零二年十二月，謝先生獲中國建設部特許為一級項目經理。於二零零四年六月，謝先生獲廣東省人事廳特許為高級機械工程師。於二零零八年二月，謝先生獲中國建設部註冊為一級建築師。謝先生亦為本公司控股股東Strong Eagle Holdings Ltd.之董事。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Xiong Shi, aged 55, is our executive Director and also a member of the Remuneration Committee. He joined the Group in August 1995, and has been responsible for the research and development of technology and construction of enterprise culture. He has more than 13 years' experience in the solar photovoltaic application sector and more than 16 years' experience in the curtain wall engineering sector. From November 2001, Mr. Xiong assumed the position of Chief Engineer of Zhuhai Singyes until August 2007. Prior to joining our Group, Mr. Xiong was the manager of the safety glass quality testing department at Zhuhai Singyes from 1988 to 1995. He also worked as a technical officer at a state-owned glass manufacturing enterprise, Xiangfan City Glass Factory, from 1986 to 1988. Mr. Xiong was certified as a Level 1 Project Manager by the PRC Ministry of Construction in December 2000. He was further certified as a senior engineer in respect of construction materials by the Guangdong Province Personnel Bureau in December 2001. In December 2007, Mr. Xiong was also registered as a Level 1 Constructor by the PRC Ministry of Construction. Mr. Xiong obtained a bachelor's degree in engineering from Wuhan Industrial University, now known as Wuhan University of Technology, majoring in inorganic materials engineering in July 1986 and further obtained a EMBA degree from Sun Yat-sen University in 2003. Mr. Xiong is currently the president of Zhuhai Building Energy Conservation Association, the council member of Zhuhai New Energy Smart Grid Industry Alliance Association, and the expert of Zhuhai Construction Bid Evaluation Database.

NON-EXECUTIVE DIRECTORS

Li Hong, aged 54, is our non-executive Director. She is a professor at the State Key Laboratory of Silicate Materials for Architectures at Wuhan University of Technology and a doctoral supervisor. She is currently a council member of the Special Glass Committee of the Chinese Ceramic Society, a council member of Hubei Ceramic Society and a member of the Home and Industrial Glass Technology Sub-committee of the National Technical Committee on Industrial Glass and Special Glass of Standardization Administration of China. Dr. Li graduated from the School of Materials Science and Engineering of Wuhan University of Technology (formerly known as the Silicate Materials Engineering Department of Wuhan Industrial University) with a bachelor's degree, a master's degree and a doctoral degree. Dr. Li has over 30 years of experience in the teaching and research in respect of special glass materials, optoelectronic materials and their application and thin film materials and technology.

熊澍，55歲，為本公司執行董事兼薪酬委員會成員。彼於一九九五年八月加盟本集團，主要負責本集團技術研發及企業文化建設。彼於太陽能光伏應用領域擁有逾13年經驗，並於幕牆工程領域擁有逾16年經驗。自二零零一年十一月起，熊先生擔任珠海興業綠色建築科技有限公司（「珠海興業」）首席工程師，直至二零零七年八月。加入本集團前，熊先生自一九八八年至一九九五年擔任珠海興業安全玻璃質檢部經理。彼於一九八六年至一九八八年擔任襄樊市玻璃廠（一家玻璃製造的國有企業）的技術主管。熊先生於二零零零年十二月獲中國建設部特許為一級項目經理。彼亦於二零零一年十二月獲廣東省人事廳特許為高級建築材料工程師。於二零零七年十二月，熊先生亦獲中國建設部註冊為一級建築師。熊先生於一九八六年七月獲武漢工業大學（現稱為武漢理工大學）頒發無機材料工程專業學士學位，並於二零零三年獲得中山大學EMBA學位。熊先生現任珠海市建築節能協會會長、珠海市新能源智慧電網產業聯盟協會理事及珠海市建設工程評標庫專家。

非執行董事

李宏，54歲，為本公司非執行董事。彼為武漢理工大學矽酸鹽建築材料國家重點實驗室教授、博士生導師。現任中國矽酸鹽學會特種玻璃專業委員會理事、湖北矽酸鹽學會理事、全國工業玻璃和特種玻璃標準化技術委員會家居工業玻璃分技術委員會委員。李博士於武漢理工大學材料科學與工程學院（前為武漢工業大學矽酸鹽材料工程系）取得學士、碩士及博士學位。李博士於特種玻璃材料、光電子材料及應用、薄膜材料與技術的教學與科研工作擁有逾30年經驗。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Zhuo Jianming, aged 58, is the deputy general manager of Zhuhai Singyes Green Building Technology Co., Ltd. (“Zhuhai Singyes”, a subsidiary of the Group). He has approximately 14 years’ experience in the curtain wall engineering sector. He joined our Group as project manager in February 2000. From January 2001, Mr. Zhuo assumed the position of deputy general manager of production of Zhuhai Singyes. Prior to joining our Group, Mr. Zhuo was certified as a Level 1 Project Manager by the PRC Ministry of Construction in March 2002. Mr. Zhuo obtained a bachelor’s degree in engineering and construction from Xi’an Jiaotong University in 1983. Mr. Zhuo has entered into an appointment agreement with the Company for a term of three years commencing on 1 October 2018, which may be terminated by either party giving one month’s written notice to the other party. He is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the bye-laws of the Company and as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”). Pursuant to the terms of the appointment agreement, Mr. Zhuo is entitled to a director’s fee of RMB120,000 per annum. The remuneration of Mr. Zhuo is determined by the Board and the Remuneration Committee of the Company with reference to his duties and responsibilities with the Company and the prevailing market conditions.

卓建明，58歲，為本集團一間附屬公司珠海興業綠色建築科技有限公司（「珠海興業」）副總經理。彼於幕牆工程領域擁有約14年經驗。彼於二零零零年二月加入本集團擔任項目經理。自二零零一年一月起，卓先生擔任珠海興業生產副總經理。加入本集團前，卓先生於二零零二年三月獲中國建設部特許為一級項目經理。卓先生於一九八三年獲西安交通大學頒發工學及建築學學士學位。卓先生已與本公司訂立委任協議，任期自二零一八年十月一日起為三年，有關委任協議可由其中一方向另一方發出一個月之書面通知予以終止。彼須根據本公司之公司細則及香港聯合交易所有限公司證券上市規則（「上市規則」）於本公司股東週年大會上輪值退任及重選連任。根據委任協議之條款，卓先生有權收取董事袍金每年人民幣120,000元。卓先生之薪酬乃參考彼於本公司之職務及職責以及現行市場狀況後由董事會及本公司薪酬委員會釐定。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Wang Ching, aged 64, was appointed as an independent non-executive director of our Company in December 2008. Dr. Wang has near 20 years’ managerial experience in investment banking, securities, treasury and asset management in the United States, Hong Kong, Taiwan and the PRC. He was the president of Investment and Proprietary Trading Group for Jih Sun Financial Holding Co. Ltd. in Taiwan, the managing director of JS Cresvale Securities International Limited, the managing director of SinoPac Securities Asia Ltd. in Hong Kong, SEVP of SinoPac Securities Co. Ltd. in Taiwan, the director of Investment Banking Department at Standard Chartered Bank Hong Kong and the associate director of Bear Stearns & Co. Inc., New York and Hong Kong. Dr. Wang currently is the managing director of Shanghai International Asset Management (HK) Co. Ltd., a licensed corporation registered with Honk Kong Securities and Futures Commission. He is also the executive director of Shanghai International Shanghai Growth Investment Limited, an investment fund company listed on the Stock Exchange (stock code: 770). Dr. Wang obtained his master degree in business administration from the University of Houston and Ph.D. in finance from Columbia University in the city of New York.

獨立非執行董事

王京，64歲，於二零零八年十二月獲委任為本公司獨立非執行董事。王博士在美國、香港、台灣及中國從事投資銀行、證券、財務以及基金管理業務近二十年，具有豐富經驗。彼曾任台灣日盛金融控股有限公司投資及自營交易部門總經理，香港日盛嘉富國際證券有限公司董事總經理，香港建華證券（亞洲）有限公司董事總經理，台灣建華證券股份有限公司執行副總經理，香港渣打銀行投資銀行部董事，紐約及香港 Bear Stearns & Co. Inc. 副董事。王博士目前為香港滬光國際投資管理有限公司董事總經理，該公司在香港證券監察委員會註冊為持牌公司。彼同時擔任滬光國際上海發展投資有限公司（一家於聯交所上市的公司，股份代號：770）的執行董事。王博士獲美國休斯敦大學工商管理碩士學位及紐約哥倫比亞大學財務金融學博士學位。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Yick Wing Fat, Simon, aged 61, is our independent non-executive director and chairman of the audit committee. Mr. Yick holds a Bachelor's degree in Business Administration from the Chinese University of Hong Kong, majoring in Accounting. He is a fellow of the Hong Kong Institute of Certified Public Accountants and the Chartered Association of Certified Accountants in England. Mr. Yick has over 30 years of experience in audit, direct investment, investment banking and corporate advisory services.

Mr. Yick also serves as an independent non-executive director and chairman of the audit committee of Shenzhen Neptunus Interlong Bio-technique Co., Ltd. and Shanghai International Shanghai Growth Investment Limited (both are listed on the Stock Exchange). Since August 2015, Mr. Yick has been appointed as independent non-executive director, convener of the nomination committee and member of the strategy committee and the audit committee of Chengdu Xingrong Environment Co., Ltd., a company listed on the Shenzhen Stock Exchange.

Tan Hongwei, aged 59, is our non-executive Director and also a member of the Audit Committee and the Nomination Committee and the chairman of the Remuneration Committee. He is a professor and a doctoral supervisor at the School of Mechanical and Energy Engineering of Tongji University, a doctoral supervisor at the School of Architecture and Urban Planning of Tongji University and the interdisciplinary double-engaged responsible professor at the United Nations Environment Programme-School of Environmental Sustainability of Tongji University. He is also the key researcher of Climate Change Key Laboratory, the core member of the first class academic peak team (building technology) of Tongji University, the deputy director of the Tongji University Green Building and New Energy Research Center, and the director of the Tongji International Green Industry Innovation Center. Dr. Tan graduated from the Department of Architecture of Tokyo University with a doctoral degree in 1995. Dr. Tan has over 18 years of experience in the teaching and research in respect of energy-saving building technologies, application technology of renewable energy in buildings, building energy efficiency supervision platform technology, urban low-carbon energy planning technology, urban construction environment technology and other fields.

易永發，61歲，為本公司獨立非執行董事，同時擔任本公司審核委員會主席。易先生畢業於香港中文大學，主修會計，並取得工商管理學士學位，現為香港會計師公會和英國特許會計師公會資深會員。易先生從事審計、直接投資、投資銀行及企業顧問的工作已超過30年。

此外，易先生也在深圳市海王英特龍生物技術股份有限公司及滬光國際上海發展投資有限公司（兩家均於聯交所上市之公司）擔任獨立非執行董事及審核委員會主席。自二零一五年八月起，易先生擔任在深圳證券交易所上市之成都市興蓉環境股份有限公司之獨立非執行董事，提名委員會召集人，戰略委員會及審計委員會會員。

譚洪衛，59歲，為本公司非執行董事兼審核委員會、提名委員會成員，並薪酬委員會主席。彼為同濟大學機械與能源工程學院教授及博士生導師，同濟大學建築與城市規劃學院跨學科博導，聯合國環境署-同濟大學環境可持續發展學院跨學科雙聘責任教授。彼亦擔任同濟大學氣候變化重點實驗室研究骨幹，同濟大學創一流學科高峰團隊（建築技術）核心成員，同濟大學綠色建築及新能源研究中心常務副主任及同濟國際綠色產業創新中心主任。譚博士於1995年於東京大學建築學系取得工學博士學位。譚博士從事建築節能技術，可再生能源在建築中的應用技術，建築能效監管平臺技術，城市低碳能源規劃技術，城市建築環境技術等多領域的教學及研究逾18年，具有豐富經驗。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

SENIOR MANAGEMENT

Zhao Feng, aged 53, is the deputy general manager of Zhuhai Singyes since August 2007. He is also a director of Zhuhai Singyes. He joined our Group as a sales and marketing manager in December 2002. He has approximately 12 years of experience in the construction sector and approximately 11 years' experience in the curtain wall engineering sector. Prior to joining our Group, Mr. Zhao worked as an engineer of Hubei Province Shashi Construction Materials Scientific Research Institute from 1987 to 1995. Mr. Zhao was certified as a Senior Engineer in respect of construction materials by the Guangdong Province Personnel Bureau in December 2004. Mr. Zhao obtained a bachelor's degree in Engineering from Wuhan Industrial University, now known as Wuhan University of Technology, majoring in materials science in July 1987. Mr. Zhao became the general manager of Zhuhai Singyes Renewable Energy Co., Ltd, and responsible for managing its daily operation.

Zhang Chao, aged 46, is the operating general manager of Zhuhai Singyes. Mr. Zhang joined our Group in December 2002 as the manager of the business department of Zhuhai Singyes. He has approximately 12 years of experience in the construction sector and approximately 11 years' experience in the curtain wall engineering sector. Mr. Zhang graduated from Qiqihaer Railway Transportation Employee University majoring in industry and civil construction in July 1995. Prior to joining our Group, Mr. Zhang worked as a construction budgeteer at Heilongjiang Province Hei He City Railway (Group) Company from 1995 to 2002. In January 2006, Mr. Zhang was certified as a constructor by the Guangdong Province Personnel Bureau. Mr. Zhang was also certified as a National Construction Appraiser by the Construction Department in 2003 and construction engineer by Zhuhai Personnel Bureau in 2005. In December 2007, Mr. Zhong was registered as a constructor by the PRC Ministry of Construction.

高級管理人員

趙峰，53歲，自二零零七年八月起擔任珠海興業行政副總經理。彼亦為珠海興業的董事。彼於二零零二年十二月加入本集團擔任銷售及市場推廣經理。彼於建築業擁有約12年經驗，並於幕牆工程領域擁有約11年經驗。加入本集團前，趙先生於一九八七年至一九九五年於湖北省沙市建材研究所擔任工程師。趙先生於二零零四年十二月獲廣東省人事廳特許為高級建築材料工程師。趙先生於一九八七年七月獲武漢工業大學（現時稱為武漢理工大學）頒授材料學工程學士學位。趙先生為珠海興業新能源總經理，負責日常營運。

張超，46歲，為珠海興業經營總經理。張先生於二零零二年十二月加入本集團擔任珠海興業業務部經理。彼於建築業擁有約12年經驗，並於幕牆工程領域擁有約11年經驗。張先生於一九九五年七月畢業於齊齊哈爾鐵路運輸職工大學工業與民用建築專業。加入本集團前，張先生自一九九五年至二零零二年於黑龍江省黑河鐵路集團有限責任公司擔任土建預算員。於二零零六年一月，張先生獲廣東省人事廳特許為一級建築師。張先生亦分別於二零零三年獲建設部特許為國家造價師，於二零零五年獲珠海市人事局特許為建築工程師。於二零零七年十二月，張先生獲中國建設部註冊為一級建築師。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Luo Duo, aged 40, is the chief engineer of Zhuhai Singyes. She joined our Group as a designer in July 2001. She has approximately 12 years of experience in the curtain wall engineering sector. Ms. Luo worked as the vice-director of design institute of Zhuhai Singyes from November 2004 to December 2006 and the director of design institute from January 2007 to January 2008. In February 2008 she was appointed as the chief engineer of Zhuhai Singyes. Ms. Luo was certified as a Class 2 Registered Structural Engineer by the PRC Ministry of Construction in January 2005. Ms. Luo was certified as a Plan-Design Engineer by the Zhuhai Personnel Bureau in February 2008. Ms. Luo obtained a bachelor's degree in Construction Engineering from Qingdao Construction Engineering College in July 2001.

Liang Bingqiang, aged 41, is the deputy general manager of Zhuhai Singyes and responsible for the development of the overseas market. He has more than 13 years of experience in the curtain wall engineering sector. He joined our Group as a designer in April 2002. Mr. Liang worked as the director of design department of Zhuhai Singyes Beijing representative office from July 2004 to July 2006 and he worked for Zhongshan Shengxing Curtain Wall Company Ltd from August 2000 to March 2002. In August 2006, he was appointed as the manager of the photo-electricity business department of Zhuhai Singyes. In April 2008, he was appointed as the deputy general manager of Singyes Renewable Energy. Mr. Liang was certified as an Assistant Engineer by the Zhongshan Personnel Bureau in October 2001. Mr. Liang was certified as a Construction Design Engineer by the Zhuhai Personnel Bureau in January 2006. Mr. Liang obtained a bachelor's degree in construction engineering from Tianjin Institute of Urban Construction in July 2000.

羅多，40歲，為珠海興業總工程師。彼於二零零一年七月加入本集團擔任設計師。彼於幕牆工程領域擁有約12年經驗。羅女士自二零零四年十一月至二零零六年十二月擔任珠海興業設計機構副主管，自二零零七年一月至二零零八年一月擔任珠海興業設計機構主管。於二零零八年二月，彼獲委任為珠海興業總工程師。羅女士於二零零五年一月獲中國建設部特許為二級註冊結構工程師。羅女士於二零零八年二月獲珠海市人事局特許為計劃一設計工程師。於二零零一年七月，羅女士獲青島建築工程學院建築工程學士學位。

梁炳強，41歲，為珠海興業副總經理，負責發展海外市場。彼於幕牆工程領域擁有逾13年經驗。彼於二零零二年四月加入本集團擔任設計師。梁先生自二零零四年七月至二零零六年七月擔任珠海興業北京代表辦事處設計部經理，於二零零零年八月至二零零二年三月於中山盛興幕牆有限公司工作。於二零零六年八月，彼獲委任為珠海興業光電業務部經理。於二零零八年四月，彼獲委任為興業新能源副總經理。梁先生於二零零一年十月獲中山市人事局特許為助理工程師。於二零零六年一月，梁先生獲珠海市人事局特許為建築設計工程師。於二零零零年七月梁先生獲天津城市建設學院授予建築工程學士學位。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

YU Chon Man, aged 41, was appointed as the co-chief financial officer of the Group in October 2016, he has been the qualified accountant and company secretary of our Company since 2008. He is responsible for financial reporting and general investor affairs of our Company. He has approximately 18 years of experience in financial accounting. Mr. Yu is a member of the Hong Kong Institute of Certified Public Accountants and the fellow member of the Association of Chartered Certified Accountants. Prior to joining us, he had approximately seven years of working experience with international audit firms and was mainly responsible for financial auditing, internal control reporting and compliance advisory. He graduated from the Hong Kong Polytechnic University with a bachelor's degree (Hons) in accountancy in 2001.

Mr. Yu also serves as an independent non-executive director and chairman of audit committee of Time2U International Holding Limited (stock code: 1327).

Mr. Guo Yangyang, aged 35, was appointed as the co-chief financial officer of the Group in October 2016. He graduated from the accounting discipline of the China University of Mining and Technology in June 2005, and is an intermediate accountant. Since joining the Group in July 2006, he has worked as a manager in the Company's financial planning department and accounting and auditing department. He was appointed as the chief accountant and deputy financial controller of the Company in January 2011. He has over 10 years of financial and accounting experience.

COMPANY SECRETARY

YU Chon Man, is our company secretary. For further details regarding Mr. Yu, please see the paragraph headed "Senior Management" above.

余俊敏，41歲，於二零一六年十月獲委任為本集團聯席首席財務官。彼自二零零八年起亦為本公司合資格會計師兼公司秘書。彼負責本公司財務申報及一般投資者事宜。彼於財務會計方面擁有約18年經驗。余先生為香港會計師公會會員及特許公認會計師公會資深會員。於加入本集團前，彼已有約7年國際審計事務所工作經驗，主要負責財務審核、內部監控報告及合規諮詢。彼於二零零一年畢業於香港理工大學，持有會計學榮譽學士學位。

余先生亦擔任時間由你國際控股有限公司（股份代號：1327）獨立非執行董事及審核委員會主席。

郭揚陽先生，35歲，於二零一六年十月獲委任為本集團之聯席首席財務官。彼於二零零五年六月畢業於中國礦業大學會計學專業，為中級會計師。自二零零六年七月加入本集團以來，歷任本公司計劃財務部及會計核算部經理。彼於二零一一年一月獲委任為本公司總會計師及財務副總監，於財務會計方面擁有逾十年經驗。

公司秘書

余俊敏先生為本公司公司秘書。有關余先生的進一步詳情，請參閱上文「高級管理人員」一段。

REPORT OF THE DIRECTORS

董事會報告書

The directors (the “Directors”) of China Singyes Solar Technologies Holdings Limited (the “Company”) have pleasure to present the annual report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2018.

PRINCIPAL PLACE OF BUSINESS

The Company was incorporated in Bermuda on 24 October 2003 as an exempted company with limited liability. The registered office of the Company is located at 4th Floor, North Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda. The Company has established a principal place of business in Hong Kong at Unit 3108, 31st Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong, and was registered with the Registrar of Companies in Hong Kong as an overseas company under Part XI of the Companies Ordinance on 29 August 2008. Mr. Yu Chon Man has been appointed as the authorised representative of the Company for the acceptance of service of process and notices on behalf of the Company in Hong Kong.

As the Company is incorporated in the Bermuda, the operation of the Company is subject to the Companies Law and to its constitution comprising a memorandum of association and the bye-laws.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The Group is a professional renewable energy system integrator and building contractor, it is principally engaged in the design, fabrication and installation of conventional curtain walls and solar projects. Solar projects included building integrated photovoltaic (“BIPV”) system, roof top solar system and ground mounted solar system (collectively “Solar EPC”). The BIPV system involves (i) the integration of photovoltaic technology into the architectural design of buildings and structures and (ii) conversion of solar energy into electricity for use. In addition, the Group also engages in the production and sale of renewable energy goods, including smart grid system, and solar thermal system. The Group's principal operating market is in Mainland China.

Details of the principal activities of the principal subsidiaries are set out in note 1 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

中國興業太陽能技術控股有限公司(「本公司」)董事(「董事」)欣然提呈本公司及其附屬公司(統稱「本集團」)之年報連同截至二零一八年十二月三十一日止年度的經審核綜合財務報表。

主要營業地點

本公司於二零零三年十月二十四日於百慕達註冊成立為獲豁免有限責任公司。本公司註冊辦事處為4th Floor, North Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda。本公司於香港干諾道中168至200號信德中心招商局大廈31樓3108室設立香港主要營業地點，並於二零零八年八月二十九日根據公司條例第XI部向香港公司註冊處處長登記為海外公司。余俊敏先生已獲委任為本公司授權代表，代表本公司在香港接收傳票及通告。

由於本公司在百慕達註冊成立，因此其營運須受公司法及其組織章程(包括組織章程大綱及細則)所規限。

主營業務

本公司為投資控股公司。本集團是專業的可再生能源系統集成商及建築承包商，主要從事設計、製造及安裝傳統幕牆及太陽能項目。太陽能項目包括光伏建築一體化(「光伏建築一體化」)系統、屋頂太陽能系統及地面太陽能電站(統稱為「太陽能EPC」)。光伏建築一體化系統涉及(i)樓宇及建築物光電技術與建築設計的一體化及(ii)將太陽能轉化為可用電能。此外，本集團亦從事可再生能源產品生產及銷售，包括智能電網系統及太陽能光熱系統。本集團的主要運營市場在中國大陸。

主要附屬公司的主要業務詳情載於財務報表附註1。本集團的主要業務性質於年內並無重大變動。

REPORT OF THE DIRECTORS

董事會報告書

MAJOR CUSTOMERS AND SUPPLIERS

The Group's top five customers are the main contractors of various public or commercial BIPV or curtain wall or solar form investors. In aggregate, the largest and top five customers contributed approximately 8.06% and 26.33% of the Group's total revenue in 2018 respectively.

The Group currently outsources part of the construction works for various sub-contractors in the PRC, as well as sourcing PV panel, aluminium and glass from suppliers inside the PRC. In 2018, the top five suppliers include material suppliers and sub-contractors, sub-contracting fees paid or material purchase to its largest and five largest suppliers were about 10.16% and 19.11% of the Group's total cost of sale in 2018 respectively.

At no time during the year have the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had any interest in these major suppliers and/or customers.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries which principally affect the results as at 31 December 2018 are set out in note 1 to the financial statements.

FINANCIAL STATEMENTS AND DIVIDENDS

The profits of the Group for the year ended 31 December 2018 and the Company's and the Group's financial positions as at the same date are set out in the financial statements on pages 134 to 352. The Directors do not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: HK\$0.03 per share).

There was no arrangement under which a shareholder of the Company has waived or agreed to waive any dividends.

RESERVES

Details of movements in the reserve of the Group and the Company during the year are set out in the consolidated statement of changes in equity on pages 138 to 139 of the annual report and in note 52 to the financial statements respectively.

主要客戶及供應商

本集團五大客戶為各公共或商業光伏建築一體化或幕牆項目之承建商或太陽能電站投資者。於二零一八年，最大及五大客戶分別佔本集團總收入約8.06%及26.33%。

本集團目前將部分建築工程外判給中國多家分包商，並向中國境內供應商採購光伏板、鋁以及玻璃。於二零一八年，五大供應商包括物料供應商及分包商，支付予最大及五大供應商的分包費用或物料採購分別約為本集團於二零一八年銷售成本總額的10.16%及19.11%。

本公司董事、彼等的聯繫人士或就董事所知擁有本公司股本5%以上之任何股東，概無於本年度內任何時間，在本集團主要供應商和／或客戶中擁有任何權益。

附屬公司

本公司於二零一八年十二月三十一日足以影響其業績的主要附屬公司之詳情，載於財務報表附註1。

財務報表及股息

本集團截至二零一八年十二月三十一日止年度的溢利，以及本公司及本集團於該日的財務狀況，載於財務報表第134至第352頁。董事不建議派付截至二零一八年十二月三十一日止年度之末期股息（二零一七年：每股3港仙）。

本公司股東並無放棄或同意放棄任何股息之安排。

儲備

本集團及本公司於年內的儲備變動詳情分別載於年報第138至第139頁綜合權益變動表及財務報表附註52。

REPORT OF THE DIRECTORS

董事會報告書

DISTRIBUTABLE RESERVES

As at 31 December 2018, the Company's reserves available for distribution calculated in accordance with the provisions of the applicable law of Bermuda, amounting to RMB11,997,000.

INTEREST BEARING BANK LOANS

Particulars of interest bearing bank loans of the Group as at 31 December 2018 are set out in note 31 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of acquisitions and other movements in property, plant and equipment are set out in note 13 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 37 to the financial statements. The Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last 5 financial years is set out on page 4 of the annual report.

可供分派儲備

於二零一八年十二月三十一日，根據百慕達適用法律條款計算，本公司可供分派儲備為人民幣11,997,000元。

附息銀行貸款

本集團於二零一八年十二月三十一日的附息銀行貸款詳情，載於財務報表附註31。

物業、廠房及設備

收購物業、廠房及設備以及其他變動的詳情，載於財務報表附註13。

股本

本公司年內股本變動的詳情，載於財務報表附註37。本公司及其附屬公司概無購買、出售或贖回本公司任何上市證券。

五年財務摘要

本集團過去五個財政年度的業績以及資產與負債的概要，載於本年報第4頁。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive Directors

Mr. LIU Hongwei

Mr. XIE Wen

Mr. Xiong Shi

Non-Executive Directors

Mr. CAO Zhirong (resigned on 1 October 2018)

Dr. Li Hong

Mr. Zhuo Jianming (appointed on 1 October 2018)

Independent Non-Executive Directors

Dr. WANG Ching

Mr. YICK Wing Fat, Simon

Dr. Zhong Jishou (resigned on 18 April 2018)

Dr. Tan Hongwei (appointed on 18 April 2018)

Dr. Zhong Jishou and Mr. Cao Zhirong has resigned as an independent non-executive director and as a non-executive director on 18 April 2018 and 1 October 2018 respectively in order to devote more time for their own business and other commitment.

In accordance with Bye-law 87 of the Bye-laws of the Company, Mr. Liu Hongwei, Mr. Xie Wen, Dr. Li Hong, Dr. Tan Hongwei and Mr. Zhuo Jianming are required to retire by rotation at the forthcoming annual general meeting. Each of the above Directors will offer themselves for re-election at the forthcoming annual general meeting.

董事及董事服務合約

本財政年度及直至本報告日期止的董事如下：

執行董事

劉紅維先生

謝文先生

熊澍先生

非執行董事

曹志榮先生

(於二零一八年十月一日辭任)

李宏博士

卓建明先生(於二零一八年十月一日獲委任)

獨立非執行董事

王京博士

易永發先生

仲繼壽先生(於二零一八年四月十八日辭任)

譚洪衛博士(於二零一八年四月十八日獲委任)

仲繼壽博士及曹志榮先生分別於二零一八年四月十八日及二零一八年十月一日辭任獨立非執行董事及非執行董事職務，以便將更多時間用於自身業務及其他承擔。

根據本公司之細則第87條，劉紅維先生、謝文先生、李宏博士、譚洪衛博士及卓建明先生於應屆股東週年大會上須輪席辭任。上述各董事將於應屆股東週年大會上膺選連任。

REPORT OF THE DIRECTORS

董事會報告書

REMUNERATION POLICY

The remuneration policy for the Directors and senior management members of the Group was based on their individual performance as well as market trends and practices. Details of the remuneration of the Directors are set out in note 8 to the consolidated financial statements.

The emoluments paid to the senior management (excluding the Directors) during the year ended 31 December 2018 were within the following bands:

薪酬政策

本集團之董事及高級管理層成員之薪酬政策乃根據其個體表現以及市場趨勢及慣例予以釐訂。董事之薪酬詳情載於綜合財務報表附註8內。

於截至二零一八年十二月三十一日止年度，支付高級管理層（不包括董事）之薪酬介乎於以下範圍：

Bands	範圍	Number of Senior Management 高級管理層數目
RMB100,001 to RMB1,000,000	人民幣 100,001 元至人民幣 1,000,000 元	7
RMB1,000,001 to RMB2,000,000	人民幣 1,000,001 元至人民幣 2,000,000 元	2
RMB2,000,001 to RMB3,000,000	人民幣 2,000,001 元至人民幣 3,000,000 元	1
Total:	合計：	10

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for a term of 3 years, which is renewable automatically for successive terms of 3 years each commencing from the day immediately after the expiry of the then current term of the appointment unless terminated by not less than 3 months' notice in writing served by either party. Each of the non-executive Directors were appointed for a term of three years, which is renewable automatically for successive terms of 1 year each commencing from the day next after the expiry of the then current term of the appointment unless terminated by not less than 2 months' notice in writing served by either party. Each of the independent non-executive Directors were appointed for a term of three years which is terminable by either party by giving the other party not less than 2 months' prior notice in writing. None of the Directors has a service agreement with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

The remuneration of directors are determined by the remuneration committee of the Company and by reference to the remuneration policies of other companies in similar capacity and the experience of the directors.

董事服務合約

各執行董事與本公司已訂立為期三年之服務合約，除非其中一方另向另一方發出不少於三個月書面通知終止協議，否則於緊隨當時委任期限屆滿後的日期起各自自動續期三年。各非執行董事之委任為期三年，除非其中一方另向另一方發出不少於兩個月書面通知終止協議，否則由當時委任期限屆滿後翌日起各自自動續期一年。各獨立非執行董事之委任為期三年且可由其中一方另向另一方發出不少於兩個月書面提前通知而終止。董事與本公司概無訂立任何不可於一年內免付賠償（法定賠償除外）予以終止的服務協議。

董事之薪酬乃由本公司薪酬委員會釐定，並參考其他上市公司類似職位之薪酬政策及董事之經驗。

REPORT OF THE DIRECTORS

董事會報告書

SHARE OPTION SCHEME

On 19 December 2008, the Company adopted a share option scheme (the “Share Option Scheme”). Under the Share Option Scheme, the board of Directors (the “Board”) may at its discretion, offer eligible persons (being any Director or employee (whether full-time or part-time), consultant or advisors of the Group who in the sole discretion of the Board has contributed or will contribute to the Group) (the “Eligible Persons”) who the Board may in its absolute discretion select to subscribe for such number of Shares as the Board may determine at a subscription price determined in accordance with the Share Option Scheme.

Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to provide incentive or reward to Eligible Persons for their contribution to, and continuing efforts to promote the interests of, the Group and for such other purposes as the Board may approve from time to time.

Total number of Shares available under the Share Option Scheme

The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme is 21,257,931 shares, representing 2.55% of the Company's issued share capital as at the date of this report. Pursuant to the terms of the Share Option Scheme, the exercise price of and/or the number of Shares subject to the outstanding Share Options are required to be adjusted as a result of a rights issue in July 2016. In accordance with the terms of the Share Option Scheme and the supplementary guidance issued by the Stock Exchange on 5 September 2005 regarding adjustment of share options under Rule 17.03(13) of the Listing Rules, the exercise price of and the number of Shares subject to the outstanding Share Options granted on 23 July 2009, 10 October 2011 and 22 May 2015 have been adjusted with effect from 20 July 2016:

購股權計劃

於二零零八年十二月十九日，本公司採納一項購股權計劃（「購股權計劃」）。根據購股權計劃，董事會（「董事會」）可酌情決定向合資格人士（董事會全權酌情認為曾經或將會對本集團有貢獻的任何董事或僱員（無論全職或兼職）、顧問或專業顧問）（「合資格人士」）授出購股權，以按購股權計劃釐定的認購價認購董事會所釐定的該等股份數目。

購股權計劃之目的

購股權計劃旨在獎勵或酬謝為本集團作出貢獻及努力不懈地促進本集團利益的合資格人士，以及用於董事會不時批准的其他目的。

購股權計劃下的股份數目總數

於行使根據購股權計劃將予授出的所有購股權而可能發行的股份數目最多為21,257,931股，相當於本公司於本報告日期已發行股本2.55%。根據購股權計劃之條款，尚未行使購股權之行使價及／或股份數目因二零一六年七月供股而需作出調整。根據購股權計劃之條款及聯交所於二零零五年九月五日發佈有關上市規則第17.03(13)條項下購股權調整之補充指引，於二零零九年七月二十三日、二零一一年十月十日及二零一五年五月二十二日授予之尚未行使購股權之行使價及股份數目已按下列方式作出調整，由二零一六年七月二十日起生效：

REPORT OF THE DIRECTORS

董事會報告書

Date of grant 授出日期		Before Adjustments 調整前		After Adjustments 調整後	
		Exercise price per Share 每股 行使價 HK\$ 港元	Number of Shares subject to the outstanding	Exercise price per Share 每股 行使價 HK\$ 港元	Number of Shares subject to the outstanding
			Share Options 涉及尚未 行使購股權之 股份數目		Share Options 涉及尚未 行使購股權之 股份數目
23 July 2009*	二零零九年七月二十三日 *	3.58	11,242,404	3.56	11,242,404
10 October 2011	二零一一年十月十日	2.68	7,231,599	2.67	7,231,599
22 May 2015	二零一五年五月二十二日	11.70	6,026,332	11.65	6,026,332
5 April 2017	二零一七年四月五日	3.55	12,000,000	N/A 不適用	N/A 不適用

* expired on 22 July 2019

* 於二零一九年七月二十二日屆滿

Maximum entitlement of each Eligible Participant

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding options) to each Eligible Person in any 12-month period up to the date of grant shall not exceed 1.0% of the shares in issue as at the date of grant. Any further grant of options in excess of this 1.0% limit shall be subject to the issue of a circular by the Company and the approval of our Shareholders in general meeting with such Eligible Persons and his associate (as defined in the Listing Rules) abstaining from voting and the number and terms (including the subscription price) of such options being fixed before such general meeting and other requirements prescribed under the Listing Rules from time to time.

各合資格參與者有權得到的最高股份數目

在截至授出日期的任何十二個月期間，因行使根據購股權計劃及本公司任何其他購股權計劃向每名合資格人士授出的購股權（包括已行使、已註銷及尚未行使的購股權）而發行及可發行的股份總數，不得超過於授出日期已發行股份的1.0%。倘進一步授出超過上述1.0%上限的購股權，本公司須發出通函，並須獲本公司股東在股東大會上批准，而該等合資格人士及其聯繫人士（定義見上市規則）不得投票，該等購股權的數目及條款（包括認購價）須於相關股東大會舉行前釐定，並須遵照上市規則不時規定的其他規定。

REPORT OF THE DIRECTORS

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Time of exercise of option

There is no general requirement that an option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular option. The Board is currently unable to determine such minimum period. The date of grant of any particular option is the date on which the offer relating to such option is duly accepted by the grantee in accordance with the Share Option Scheme. An option may be exercised according to the terms of the Share Option Scheme and the offer in whole or in part by the grantee (or his personal representatives) before its expiry by giving notice in writing to our Company stating that the option is to be exercised and the number of Shares in respect of which it is exercised provided that the number of Shares shall be equal to the size of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. Such notice must be accompanied by a remittance for the full amount of the subscription price for the Shares in respect of which the notice is given. The period during which an option may be exercised will be determined by the Board at its absolute discretion, save that no option may be exercised more than 10 years from the date of grant. No option may be granted more than 10 years after the date of approval of the Share Option Scheme. Subject to earlier termination by the Company in general meeting, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of adoption of the Share Option Scheme by Shareholders by resolution at a general meeting.

Price of Shares

The subscription price for a share in respect of any particular option granted under the Share Option Scheme (which shall be payable upon exercise of the option) shall be such price as the Board shall determine, save that such price must not be less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of offer to grant option, which must be a business day; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of offer to grant option (provided that the new issue price shall be used as the closing price for any business day falling within the period before the listing of the shares where our Company has been listed for less than five business days as at the date of offer to grant option); and (iii) the nominal value of a Share. A consideration of RMB1.00 is payable on acceptance of an offer of the grant of an option.

購股權的行使時間

一般並無規定有關購股權在行使前必須持有的最短時間，惟董事會可於授出任何特定購股權時酌情釐定有關最短持有時間。董事會現時無法釐定該最短持有時間。任何特定購股權的授出日期為承授人根據購股權計劃正式接納獲授該等購股權的日期。承授人（或個人代表）可於購股權到期前根據購股權計劃及要約的條款，透過向本公司發出書面通知書，列明即將全部或部分行使購股權及行使購股權所涉股份數目，以行使購股權，惟有關股份數目須為股份在聯交所的每手買賣單位或其完整倍數。該通知須附有通知所述股份的認購價總額的股款。購股權行使期由董事會全權酌情釐定，惟不得超過授出日期起計十年。購股權計劃獲批准當日起計十年屆滿後不得再授出購股權。除非本公司於股東大會提前終止購股權計劃，否則購股權計劃獲股東在股東大會通過決議案採納當日起計十年內有效。

股份價格

根據購股權計劃授出任何特定購股權所發行的股份的認購價（須於行使購股權時支付）由董事會釐定，惟該價格不得低於下列各項的最高者：(i) 於購股權授出日期（必須為營業日）聯交所每日報價表所列的股份收市價；(ii) 緊接購股權授出日期前五個營業日聯交所每日報價表所列股份的平均收市價（惟倘本公司於購股權授出日期已上市不足五個營業日，則以新發行價作為本公司上市前任何營業日的股份收市價）；及(iii) 股份面值。接納一份購股權的要約的應付代價為人民幣1.00元。

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Remaining life of the Share Option Scheme

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further option will be offered but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect and options granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

There was no exercise of any conversion or subscription rights under any convertible securities, options, warrants or similar rights issued or granted at any time by the Company or any of its subsidiaries during the year ended 31 December 2018.

The share options granted on 23 July 2009 has been expired on 22 July 2019.

CONVERTIBLE BONDS

On 8 August 2014, the Company issued 930 units of 5% convertible bonds due 8 August 2019 with a nominal value of RMB930,000,000. The Company repurchased face value of RMB6,000,000 of CB for a consideration of USD837,000 in 2015, face value of RMB108,000,000 of the CB for a consideration of USD16,135,000 and redeemed face value of RMB720,000,000 of CB for a consideration of USD107,251,000. As at 31 December 2018, 96 units of the convertible bonds with face value of RMB96,000,000 were outstanding;

The salient terms and conditions of the CB are as follows:

(i) Interest rate

The Company shall pay an interest on the CB at 5.0% per annum.

購股權計劃的餘下年期

本公司可於股東大會通過決議案或由董事會隨時終止購股權計劃的運作，其後不會再授出購股權，惟購股權計劃所有其他規定仍然全面有效及生效。購股權計劃終止前授出的購股權仍繼續有效並且可以根據購股權計劃予以行使。

至二零一八年十二月三十一日止年度，本公司或其任何附屬公司並未根據任何可換股證券、購股權、認股權證或任何時間已發行或已授出之類似權利行使任何轉換或認購權。

於二零零九年七月二十三日授出的購股權已於二零一九年七月二十二日屆滿。

可換股債券

於二零一四年八月八日，本公司發行於二零一九年八月八日到期面值為人民幣930,000,000元的930份5%可換股債券。二零一五年內，本公司以代價837,000美元購回面值為人民幣6,000,000元的可換股債券以代價16,135,000美元購回面值人民幣108,000,000元的可換股債券及以代價107,251,000美元贖回面值人民幣720,000,000元的可換股債券。於二零一八年十二月三十一日，面值為人民幣96,000,000元的96份可換股債尚未償還。

可換股債券的主要條款及條件如下：

(i) 利率

本公司須按每年5.0%的利率就可換股債券支付利息。

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(ii) Conversion price

The CB will be convertible into the Company's ordinary shares at the initial conversion price of HK\$16.11 per share, subject to adjustments. Amongst others, consolidation, subdivision or reclassification of shares, capitalisation of profits or reserves, capital distribution, rights issues of shares or options over shares, rights issues of other securities, issues at less than the current market price, other issues at less than the current market price, modification of rights of conversion etc., other offers to shareholders, change of control and other usual adjustment events. The conversion price may not be reduced so that the conversion shares would fall to be issued at a discount to their par value. The conversion was adjusted from HK\$15.72 to HK\$15.41 during the year due to cash dividends paid.

(iii) Redemption at the option of the Company

The Company may:

- (1) Upon giving not less than 30 nor more than 60 days' notice to the bondholders, at any time after 8 August 2017 but not less than 14 days prior to the maturity date redeem the bonds in whole but not in part at a redemption price at the US Dollar equivalent of the RMB principal amount plus accrued and unpaid interest to such date; provided that no such redemption may be made unless the closing price of the shares (translated into RMB at the RMB: HK\$ fixed rate as set out in the terms and conditions of the CB) for 20 out of 30 consecutive trading days ending on a date which is no more than three stock exchange business immediately prior to the date upon which notice of such redemption is given, was at least 130% of the conversion price then in effect (translated into RMB at the RMB: HK\$ fixed rate as set out in the terms and conditions of the CB); or

(ii) 轉換價

可換股債券將可按初始轉換價每股16.11港元(可予調整)轉換為本公司普通股。轉換價須於(其中包括)股份合併、拆細或重新分類、溢利或儲備資本化、資本分派、供股或就股份創設購股權、發行其他證券、按低於當前市價發行、低於當前市價的其他發行、修訂轉換權、向股東進行其他發售、控制權變動及其他慣常調整事件時進行調整。轉換價不得削減至低令轉換股份以較面值折讓的價格發行。本年度內，因支付現金股息轉換價已由15.41港元調整至15.26港元。

(iii) 本公司選擇贖回

本公司可：

- (1) 於二零一七年八月八日後但不遲於到期日前14日任何時間，向債券持有人發出不少於30日但不超過60日的通知，按人民幣本金額的等值美元加上截至該日應計未付利息的贖回價，贖回全部但非部分債券；惟除非截至屬發出贖回通知當日前三個聯交所營業日之日止連續30個交易日中20日的股份收市價(按可換股債券條款及條件所載人民幣兌港元的固定匯率換算為人民幣)至少為當時實際轉換價(按可換股債券條款及條件所載固定人民幣兌港元的匯率換算為人民幣)的130%，否則不得進行贖回；或

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- (2) Upon giving not less than 30 nor more than 90 days' notice to the bondholders and the Trustee (which notice will be irrevocable), the Company may at any time redeem all, but not some only, of the bonds for the time being outstanding at the US Dollar equivalent of the RMB principal amount plus accrued and unpaid interest to such date provided that prior to the date of such notice at least 90% in RMB principal amount of the bonds originally issued have already been converted, redeemed or purchased and cancelled.

(iv) Maturity

As announced by the Company on 2 August 2019, due to the default in payment of the US\$160 million 6.75% senior notes due 2018 issued by the Company, an event of default has also occurred concerning the CBs. The Company has announced the restructuring support agreement ("RSA") which it intends to enter into with the outstanding holders of the CBs to support the implementation of the proposed restructuring of the offshore debt securities of the Bonds Issuer. In view of the RSA, while the CBs has already been fell due for redemption on 8 August 2019 (the "Maturity Date"), the Company did not make payment of the principal or interest due in respect of the CBs on the Maturity Date. The CBs (Code: 5791) has already been automatically delisted upon maturity and has automatically been delisted on 8 August 2019.

(vi) Redemption at the option of the holders

The Company will, at the option of the holder of any CB, redeem all or some only of such holder's CB on 8 August 2017 at the US Dollar equivalent of the RMB principal amount. Face value of RMB720,000,000 was redeemed at the option of the holder during the year.

- (2) 向債券持有人及受託人發出不少於30日但不超過90日的通知(該通知不得撤回)後，本公司可按人民幣本金的等值美元加上截至該日應計未付的利息，隨時贖回全部(但非僅部分)當時未償還債券，惟於該通知日期前原發行債券的人民幣本金至少90%須已轉換、贖回或購買及註銷。

(iv) 屆滿

如本公司於二零一九年八月二日所公佈，由於本公司發行的160,000,000美元二零一八年到期票息6.75%的優先票據拖欠支付，因此發生有關可換股債券的違約事件。本公司已宣佈重組支持協議(「重組支持協議」)，乃其擬與未償還可換股債券的持有人訂立，以支持債券發行人離岸債務證券的擬議重組實施。鑒於重組支持協議，雖然可換股債券已於二零一九年八月八日(「到期日」)到期贖回，但本公司並無於到期日支付有關可換股債券的本金或利息。可換股債券(代碼：5791)已於到期時自動退市，並已於二零一九年八月八日自動退市。

(vi) 持有人選擇贖回

本公司將按任何可換股債券持有人的選擇，於二零一七年八月八日按人民幣本金的等值美元贖回該持有人的全部或僅部分可換股債券。年內，持有人選擇贖回人民幣面值720,000,000。

REPORT OF THE DIRECTORS

董事會報告書

(v) Redemption of delisting or change of control

Following the occurrence of a change of control (means when Mr. Liu Hongwei cease for any reason to be the majority shareholder of the Company or any other events lead to the significant change of the ownership structure of that the Company, "Change of Control") or delisting of the Company (including suspension of trading of the Shares on the stock exchange for a period equal to or more than 20 consecutive trading days) (the "Relevant Event"), the holder will have the right to require the Company to redeem all, or but not some only, of such holder's CB at the US Dollar equivalent of the RMB principal amount plus accrued and unpaid interest to the date fixed for redemption.

(v) 除牌或控制權變動時贖回

本公司發生控制權變動（指劉紅維先生因任何原因不再為本公司主要股東或導致本公司擁有權架構出現重大變動的任何其他事件）（「控制權變動」）或除牌（包括股份於證券交易所暫停買賣達等於或超過連續20個交易日）（「相關事件」）後，持有人將有權要求本公司按人民幣本金額的等值美元加上截至指定贖回日期的應計未付利息，贖回該持有人的全部（但非部分）可換股債券。

REPORT OF THE DIRECTORS

董事會報告書

MOVEMENT OF SHARE OPTIONS

As at 31 December 2018, there were a total of 3,159,993 outstanding share options granted to 5 directors of the Company, movements of which are as follows:

購股權變動

於二零一八年十二月三十一日，合共3,159,993份尚未行使購股權授予本公司5名董事，其變動如下：

Director 董事	Date of grant 授出日期	Exercisable period 行使期	Exercise price per share 每股行使價 (HK\$) (港元)	At 1 January 2018 於二零一八年一月一日	Granted during the year 年內已授出	Number of share options 購股權數量			Lapsed during the year 年內已失效	At 31 December 2018 於二零一八年十二月三十一日
						Exercised during the year 年內已行使	Cancelled during the year 年內已註銷			
Liu Hongwei 劉紅維	23/07/2009	23/01/2010-22/07/2019	3.56	455,082	-	-	-	-	-	455,082
		23/07/2010-22/07/2019	3.56	462,019	-	-	-	-	-	462,019
		23/07/2011-22/07/2019	3.56	462,019	-	-	-	-	-	462,019
			Sub-total 小計	1,379,120	-	-	-	-	-	1,379,120
Xie Wen 謝文	23/07/2009	23/01/2010-22/07/2019	3.56	455,081	-	-	-	-	-	455,081
		23/07/2010-22/07/2019	3.56	462,019	-	-	-	-	-	462,019
		23/07/2011-22/07/2019	3.56	462,019	-	-	-	-	-	462,019
			Sub-total 小計	1,379,119	-	-	-	-	-	1,379,119

REPORT OF THE DIRECTORS

董事會報告書

Director	Date of grant	Exercisable period	Exercise price per share	At 1 January 2018	Granted during the year	Number of share options		Lapsed during the year	At 31 December 2018
						購股權數量			
董事	授出日期	行使期	每股行使價 (HK\$) (港元)	於二零一八年一月一日	年內已授出	年內已行使	年內已註銷	年內已失效	於二零一八年十二月三十一日
Xiong Shi 熊澐	23/07/2009	23/07/2010-22/07/2019	3.56	40,175	–	–	–	–	40,175
Zhuo Jianming 卓建明	–	–	–	–	–	–	–	–	–
Li Hong 李宏	–	–	–	–	–	–	–	–	–
Wang Ching 王京	23/07/2009	23/07/2010-22/07/2019	3.56	40,175	–	–	–	–	40,175
		23/07/2011-22/07/2019	3.56	80,351	–	–	–	–	80,351
			Sub-total 小計	120,526	–	–	–	–	120,526
Yick Wing Fat 易永發	23/07/2009	23/01/2010-22/07/2019	3.56	80,351	–	–	–	–	80,351
		23/07/2010-22/07/2019	3.56	80,351	–	–	–	–	80,351
		23/07/2011-22/07/2019	3.56	80,351	–	–	–	–	80,351
			Sub-total 小計	241,053	–	–	–	–	241,053
Tan Hongwei 譚洪衛	–	–	–	–	–	–	–	–	–
			Total 總計	3,159,993	–	–	–	–	3,159,993

REPORT OF THE DIRECTORS

董事會報告書

The movements of share options granted to employees of the Group (apart from the Directors) during the year ended 31 December 2018 are as follows:

截至二零一八年十二月三十一日止年度，授予本集團僱員（董事除外）的購股權變動如下：

Date of grant	Exercisable period	Exercise price per share	At 1 January 2018	Granted during the year	Number of share options			At 31 December 2018
					Exercised during the year	Cancelled during the year	Lapsed during the year	
授出日期	行使期	每股行使價 (HK\$)	於二零一八年一月一日	年內已授出	年內已行使	年內已註銷	年內已失效	於二零一八年十二月三十一日
		(港元)						
23/07/2019	23/01/2010-22/07/2019	3.56	1,772,486	-	-	-	-	1,772,486
	23/07/2010-22/07/2019	3.56	2,251,261	-	-	-	-	2,251,261
	23/07/2011-22/07/2019	3.56	4,058,664	-	-	-	-	4,058,664
10/10/2011	11/10/2012-10/10/2021	2.67	1,446,320	-	-	-	-	1,446,320
	11/10/2013-10/10/2021	2.67	1,446,320	-	-	-	-	1,446,320
	11/10/2014-10/10/2021	2.67	1,446,320	-	-	-	-	1,446,320
	11/10/2015-10/10/2021	2.67	1,446,320	-	-	-	-	1,446,320
	11/10/2016-10/10/2021	2.67	1,446,319	-	-	-	-	1,446,319
22/05/2015	22/05/2016-21/05/2025	11.65	2,008,778	-	-	-	-	2,008,778
	22/05/2017-21/05/2025	11.65	2,008,777	-	-	-	-	2,008,777
	22/05/2016-21/05/2025	11.65	2,008,777	-	-	-	-	2,008,777
05/04/2017	05/04/2018-21/05/2027	3.55	4,000,000	-	-	-	-	4,000,000
	05/04/2019-21/05/2027	3.55	4,000,000	-	-	-	-	4,000,000
	05/04/2020-21/05/2027	3.55	4,000,000	-	-	-	-	4,000,000
Total			33,340,342	-	-	-	-	33,340,342
總計								

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董事會報告書

The movements of share options granted to employees of the Group under the share option scheme adopted by China Singyes New Materials Holdings Limited, a subsidiary of the Group, during the year ended 31 December 2018 are as follows:

截至二零一八年十二月三十一日止年度，根據本集團附屬公司中國興業新材料控股有限公司採納的購股權計劃授予本集團僱員的購股權變動如下：

Date of grant	Exercisable period	Exercise price per share	At 1 January 2018	Granted during the year	Number of share options 購股權數量			At 31 December 2018
					Exercised during the year	Cancelled during the year	Lapsed during the year	
授出日期	行使期	每股 行使價 (HK\$) (港元)	於二零一八年 一月一日	年內已授出	年內已行使	年內已註銷	年內已失效	於二零一八年 十二月三十一日
31/01/2018	31/01/2021-30/01/2028	1.16	-	7,000,000	-	-	-	7,000,000
	31/01/2022-30/01/2028	1.16	-	7,000,000	-	-	-	7,000,000
	31/01/2023-30/01/2028	1.16	-	7,000,000	-	-	-	7,000,000
Total 總計			-	21,000,000	-	-	-	21,000,000

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

None of the Directors or their respective associate (as defined under the Listing Rules) was granted by the Company, or any of its subsidiaries, any rights or options to acquire Shares or debentures during the year ended 31 December 2018.

董事認購股份或債券的權利

截至二零一八年十二月三十一日止年度，概無董事或彼等各自聯繫人士（定義見上市規則）獲本公司或其任何附屬公司授予任何權利或購股權以認購股份或債券。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Save for the Rights Issue disclosed above, the Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the year.

購買、出售或贖回本公司上市證券

除上文披露之供股外，於本公司及其附屬公司於本年度概無購買、出售或贖回本公司任何上市證券。

REPORT OF THE DIRECTORS

董事會報告書

INTEREST AND SHORT POSITIONS OF THE DIRECTORS AND THE CHIEF EXECUTIVES OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2018, so far as the Directors are aware, the Directors and chief executives of the Company and their associates had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (“SFO”)) which (i) 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 interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) to be notified to the Company and the Stock Exchange:

董事及本公司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短倉

於二零一八年十二月三十一日，據董事所悉，董事及本公司主要行政人員及彼等的聯繫人士於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」））的股份、相關股份及債券中擁有(i)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益（包括根據證券及期貨條例該等條文彼等被當作或視為擁有的權益及淡倉）；或(ii)根據證券及期貨條例第352條須記錄於該條所指的登記冊的權益；或(iii)根據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如下：

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董事會報告書

Name 姓名	Company/name of associated corporation 本公司／相聯 法團名稱	Capacity 身份	Type of interest 權益類別	Number of shares 股份數目	Approximate % of shareholding 股權概約百分比
Mr. Liu Hongwei 劉紅維先生	Company 本公司	Interest of a controlled corporation ¹ 受控法團權益 ¹	Long 長倉	306,485,750	36.75%
	Company 本公司	Beneficial interest ² 實益權益 ²	Long 長倉	1,379,120	0.16%
		Sub-total: 小計：	Long 長倉	307,862,870	36.91%
Mr. Xie Wen 謝文先生	Company 本公司	Beneficial interest ² 實益權益 ²	Long 長倉	1,379,119	0.16%
Mr. Xiong Shi 熊澍先生	Company 本公司	Beneficial interest 實益權益	Long 長倉	225,175	0.03%
Mr. Zhuo Jianming 卓建明先生	Company 本公司	Beneficial interest 實益權益	Long 長倉	570,000	0.07%
Ms. Li Hong 李宏博士	Company 本公司	Beneficial interest 實益權益	Long 長倉	220,000	0.03%
Dr. Wang Ching 王京博士	Company 本公司	Beneficial interest ² 實益權益 ²	Long 長倉	120,526	0.01%
Mr. Yick Wing Fat, Simon 易永發先生	Company 本公司	Beneficial interest ² 實益權益 ²	Long 長倉	241,053	0.03%

Notes:

附註：

1. These 306,483,750 Shares are held by Strong Eagle Holdings Ltd. whose share capital is 53% owned by Mr. Liu Hongwei. Mr. Liu Hongwei is deemed to be interested in these Shares by virtue of the SFO.

1. 該306,483,750股股份由Strong Eagle Holdings Ltd.持有，而劉紅維先生擁有Strong Eagle Holdings Ltd.股本之53%，根據證券及期貨條例，劉紅維先生被視為於該等股份中擁有權益。

2. Such interests represent the options of the Company held by the relevant director.

2. 該等權益為有關董事所持有的本公司購股權。

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董事會報告書

INTEREST AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2018, so far as the Directors are aware, save as disclosed above, the persons or corporations (not being a Director or a chief executive of the Company) who have interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO or have otherwise notified to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group and the amount of each of such persons' interest in such securities, together with any options in respect of such capital, were as follows:

主要股東於股份、相關股份及債券中的權益及短倉

於二零一八年十二月三十一日，據董事所悉，除上文披露者外，以下人士或法團（並非本公司董事或主要行政人員）於本公司股份及相關股份中，擁有已記錄於根據證券及期貨條例第336條須存置的登記冊的權益或短倉，或根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露之權益或淡倉，或直接或間接擁有附帶權利可於任何情況下在本集團任何其他成員公司之股東大會上投票之任何類別股本面值10%或以上權益，以及該等人士各自於該等證券擁有之權益數量，連同擁有該等股本涉及之任何購股權如下：

Shareholder 股東	Long/short position 長／短倉	Capacity/nature of interest 身份／ 權益性質	Number of shares 股份數目	Approximate % of shareholding 股權概約 百分比
Strong Eagle Holdings Ltd. ¹	Long position 長倉	Beneficial owner 實益擁有人	306,483,750	36.75%
Beyond Steady Limited ("Beyond Steady") ¹ 堅越有限公司("堅越") ¹	Long position 長倉	Beneficial owner 實益擁有人	67,064,000	8.04%
		Person having a security interest in shares 持有股份抵押 權益之人士	58,785,000	7.05%
Huarong International Financial Holdings Limited ("Huarong International") ² 華融國際金融控股有限公司 ("華融國際") ²	Long position 長倉	Interest in controlled corporation 受控法團權益	125,849,000	15.09%
中國華融資產管理 股份有限公司 (China Huarong Assets Management Company Limited*) ("China Huarong") ² ("中國華融") ¹	Long position 長倉	Interest in controlled corporation 受控法團權益	125,849,000	15.09%

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1. Strong Eagle Holdings Ltd. is owned by Mr. Liu Hongwei, Mr. Sun Jinli, Mr. Xie Wen, Mr. Xiong Shi and Mr. Zhuo Jianming as to 53%, 15%, 13%, 10%, and 9% respectively.
2. Huarong International indirectly holds 100% equity interest in Beyond Steady through Linewear Assets Limited. Huarong International is therefore deemed to be interested in 125,849,000 Shares in which Beyond Steady is interested. China Huarong holds 100% equity interest in 華融置業有限責任公司 (Huarong Real Estate Co., Ltd.*) and Huarong Zhiyuan Investment & Management Co., Ltd. which together holds 100% equity interest in China Huarong International Holdings Limited. China Huarong International Holdings Limited holds 100% equity interest in Camellia Pacific Investment Holding Limited which holds 51% equity interest in Huarong International. China Huarong is therefore deemed to be interested in 125,849,000 Shares in which Beyond Steady is interested. According to the annual report of Huarong International for the year ended 31 December 2018, Beyond Steady should have a put option over the shares of the Company owned by it as at 31 December 2018. No notice under the SFO has been received by the Company for Beyond Steady, Huarong International and China Huarong's short position as at 31 December 2018 in relation to the put option.
3. The percentage is calculated on the basis of 834,073,195 Shares in issue as at 31 December 2018.

NON-COMPETITION

The Directors confirm that they have no interest in any business (apart from the Group's business) which competes or is likely to compete, either directly or indirectly, with the Group's business.

The interested Director shall abstain from the meeting where there is actual or potential conflict in interest.

1. Strong Eagle Holdings Ltd. 分別由劉紅維先生、孫金禮先生、謝文先生、熊澍先生及卓建明先生擁有 53%、15%、13%、10% 及 9% 的股本。
2. 華融國際透過 Linewear Assets Limited 間接持有堅越之 100% 股權。因此，華融國際被視作於堅越擁有權益之 125,849,000 股股份中擁有權益。中國華融持有華融置業有限責任公司及華融致遠投資管理有限責任公司之 100% 股權，而華融置業有限責任公司及華融致遠投資管理有限責任公司合共持有中國華融國際控股有限公司之 100% 股權。中國華融國際控股有限公司持有 Camellia Pacific Investment Holding Limited 之 100% 股權，而 Camellia Pacific Investment Holding Limited 持有華融國際之 51% 股權。因此，中國華融被視作於堅越擁有權益之 125,849,000 股股份中擁有權益。根據華融國際截至二零一八年十二月三十一日止年度之年度報告，堅越對其於二零一八年十二月三十一日擁有之本公司股份應具有認沽期權。本公司並無就堅越、華融國際及中國華融於二零一八年十二月三十一日有關該認沽期權之淡倉接獲證券及期貨條例項下之通知。
3. 該百分比乃根據於二零一八年十二月三十一日已發行 834,073,195 股股份計算。

不競爭

董事確認，除本集團的業務外，彼等概無擁有與本集團業務直接或間接存在競爭或極可能存有競爭的任何業務的權益。

倘存在實際或潛在利益衝突，涉及利益的有關董事須放棄出席有關會議。

REPORT OF THE DIRECTORS

董事會報告書

CONTRACTS OF SIGNIFICANCE

No contract of significance to which the Company, its holding company, or any of its fellow subsidiaries or subsidiaries was a party subsisted at the end of the year or at any time during the year ended 31 December 2018.

No contract of significance in which a Director is or was materially interested, either directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2018.

No contract of significance for the provision of services to the Company or any of its subsidiaries by our controlling shareholder or any of its subsidiaries subsisted at the end of the year or at any time during the year ended 31 December 2018.

CONNECTED TRANSACTIONS

No transactions as set out in the “Related party transactions” in note 45 to the financial statements are subject to the reporting, announcement and/or independent shareholders’ approval under Chapter 14A of the Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company’s Byelaws, or the law of Bermuda, being the jurisdiction in which the Company is incorporated.

重大合約

本公司、其控股公司或其任何同系附屬公司或附屬公司概無參與訂立任何於年終或截至二零一八年十二月三十一日止年度年內任何時間仍然有效的重大合約。

於年終或截至二零一八年十二月三十一日止年度內任何時間，概無訂立董事於或曾經於其中（不論直接或是間接）擁有重大權益的任何重大合約。

於年終或截至二零一八年十二月三十一日止年度任何時間，概無本公司控股股東或其任何附屬公司向本公司或其任何附屬公司提供服務的重要合約仍然有效。

關連交易

財務報表附註45「關連方交易」所載之交易並無需要按照上市規則第14A章受報告、公告及／或獨立股東批准之限制。

優先購買權

本公司細則或百慕達（即本公司註冊成立的司法權區）法例均無有關優先購買權的條文。

REPORT OF THE DIRECTORS

董事會報告書

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listing Issuer as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Upon the enquiry made by the Company all Directors confirmed that they had complied with the Model Code for the year ended 31 December 2018.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report contained in this annual report.

AUDIT COMMITTEE

The Company established an audit committee on 19 December 2008 with terms of references adopted on 19 December 2008 in compliance with the Code set out in Appendix 14 of the Listing Rules. The members of the audit committee are the three independent non-executive Directors, Mr. Yick Wing Fat, Simon, an independent non-executive Director, is the Chairman of the audit committee. The audit committee is to serve as a focal point for communication between other directors, the external auditor and the internal auditor (where an internal audit function exists) of the Company as regards their duties relating to financial and other reporting, internal controls, external and internal audits and such other financial and accounting matters as the Board determines from time to time. The audit committee is to assist the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time. The audit committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2018, including the accounting principles and practices adopted by the Group. For further details of the audit committee and other committees of the Board, please refer to the section headed "Corporate Governance Report" from pages 7 to 24.

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則，作為其董事進行證券交易的操守守則。經本公司就此作出具體查詢後，全體董事確認彼等等於截至二零一八年十二月三十一日止年度已遵守標準守則。

企業管治

本公司採納的主要企業管治常規，載於本年報企業管治報告。

審核委員會

本公司於二零零八年十二月十九日成立審核委員會，並於二零零八年十二月十九日採納按照上市規則附錄十四所載守則制定的職權範圍。審核委員會由三名獨立非執行董事組成，獨立非執行董事易永發先生為審核委員會主席。審核委員會就關乎彼等職責中有關財務及其他報告、內部監控、外部及內部審核以及董事會不時決定的其他財務及會計事宜，作為其他董事、外聘核數師與內部核數師（倘存在內部審核職能）之間的溝通橋樑。審核委員會負責協助董事會對本集團財務報告過程、內部監控及風險管理制度的效用作出獨立檢討，監管審核過程，以及履行董事會不時指派的其他職責和責任。審核委員會已審閱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，包括本集團採納的會計原則及常規。有關審核委員會及董事會其他委員會的詳情，請參考第7頁至第24頁的「企業管治報告」一節。

REPORT OF THE DIRECTORS

董事會報告書

KEY FINANCIAL AND BUSINESS PERFORMANCE INDICATORS

The key financial and business performance indicators comprise profitability trend and gearing ratio. Details of profitability analysis are shown in “Management Discussion and Analysis” section of this annual report. Details of gearing ratio analysis are shown in Note 50 (Financial Risk Management Objectives and Policies) to the Financial Statements in this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is committed to contributing to the sustainability of the environment and maintaining a high standard of corporate social governance essential for creating a framework for motivating staff, and contributes to the community in which we conduct our businesses and creating a sustainable return to the Group.

ENVIRONMENTAL PROTECTION

The Group has implemented energy saving practices in its offices and premises where applicable. The Group also plans to upgrade its air-conditioning and electricity systems to achieve the energy saving and provision of clear air to workplace where possible.

RELATIONSHIPS WITH CUSTOMERS AND SUPPLIERS

The Group also understands that it is important to maintain good relationship with its suppliers and customers to fulfil its long-term goals and development. To maintain its brand competitiveness and market status, the Group aims at delivering consistently high standards of quality in the service to its customers. During the year ended 31 December 2018, there was no material and significant dispute between the Group and its suppliers and/or customers.

主要財務及業務表現指標

主要財務及業務表現指標包括盈利能力趨勢及槓桿比率。盈利能力分析的詳情載於本年報「管理層討論及分析」一節。槓桿比率分析的詳情載於本年報財務報表附註50（財務風險管理目的及政策）。

環境、社會和管治

本集團致力促進環境的可持續性及維持高標準企業社會管治，其對於建立激勵員工的框架是必需的，本集團亦為我們開展業務所在及為本集團創造可持續回報的社區作出貢獻。

環境保護

本集團已於其辦公室及物業實行適用的節能常規。本集團亦計劃升級其空調及電力系統，在可行的工作場所實行節能及提供清新空氣。

與客戶及供應商的關係

本集團亦明白，與其供應商及客戶保持良好關係，對實現其長期目標及發展至關重要。為保持其品牌的競爭力及市場地位，本集團旨在為客戶提供一貫高水準質素的服務。截至二零一八年十二月三十一日止年度，本集團與其供應商及／或客戶之間並無重大及顯著糾紛。

REPORT OF THE DIRECTORS

董事會報告書

DISCLOSURES PURSUANT TO RULE 13.21 OF THE LISTING RULES

RMB930 million 5 per cent and USD settled convertible bonds due 2019

On 16 July 2014, the Company entered into a subscription agreement with BOCI Asia Limited and HSBC as joint bookrunners for the RMB930 million 5 per cent and USD settled convertible bonds due 2019. If (i) one or more persons (other than Mr. Liu Hongwei, Strong Eagle and their respective affiliates) acting together acquires Control over the Company if such person or persons does not or does not have, and would not be deemed to have, Control of the Company on the Closing Date; or (ii) Mr. Liu Hongwei (whether directly or indirectly, or as the beneficiary of a trust, acting individually or together) ceases to (a) hold at least 30 per cent. of the issued share capital of the Company, or (b) be the largest single Shareholder, the bondholders shall have the right to require the Company to redeem all but not some of such bonds of their principal amount together with interest.

USD160,000,000 6.75% senior notes due 2018

On 11 October 2017, the Company, the subsidiaries of the Company which provide a guarantee for the payment of the notes and BOCI Asia Limited, The Hongkong and Shanghai Banking Corporation Limited and Guotai Junan Securities (Hong Kong) Limited have entered into a purchase agreement in connection with the issue by the Company of the USD160,000,000 6.75% senior notes due 2018. Pursuant to the terms of the notes, no later than 30 days following a change of control, the Company will make an offer to repurchase all outstanding Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to (but not including) the offer to purchase payment day.

根據上市規則第 13.21 條的規定披露

於二零一九年到期的人民幣 9.3 億元年息 5% 的美元結算可換股債券

於二零一四年七月十六日，本公司與中銀國際亞洲有限公司及匯豐銀行訂立認購協議，作為於二零一九年到期的人民幣 9.3 億元年息 5% 的美元結算可換股債券的聯席賬簿管理人。如果 (i) 一名或多名一致行動人士（劉紅維先生、Strong Eagle 及其各自聯屬公司除外）（於交割日期該名或多名人士並沒有或不具備及不會被視為擁有本公司之控制權）獲得本公司的控制權；或 (ii) 劉紅維先生（直接或間接或作為信託的受益人，單獨或共同行事）(a) 不再持有本公司已發行股本至少 30%，或 (b) 不再為最大單一股東，則債券持有人有權要求本公司將其全部而非部分本金的相關債券連同利息一併贖回。

於二零一八年到期的 160,000,000 美元年息 6.75% 的優先票據

於二零一七年十月十一日，本公司、本公司附屬公司（為票據付款提供擔保）、中銀國際亞洲有限公司、香港上海匯豐銀行有限公司及國泰君安證券（香港）有限公司訂立一份購買協議，內容有關本公司發行於二零一八年到期的 160,000,000 美元年息 6.75% 的優先票據。根據票據的條款，不遲於控制權變更後 30 日內，本公司將提出購回所有未償還票據的要約，購買價等於其本金額的 101% 外加至（但不包括）收購要約付款日的應計及未支付利息（如有）。

REPORT OF THE DIRECTORS

董事會報告書

USD 260,000,000 7.95% senior notes due 2019

On 8 February 2017, the Company, the subsidiaries of the Company which provide a guarantee for the payment of the notes and BOCI Asia Limited, The Hongkong and Shanghai Banking Corporation Limited, Guotai Junan Securities (Hong Kong) Limited, SBI China Capital Financial Services Limited, China Everbright Securities (HK) Limited and Sun Hung Kai Investment Services Limited have entered into the Purchase Agreement in connection with the issue by the Company of the USD 260,000,000 7.95% senior notes due 2019. Pursuant to the terms of the notes, no later than 30 days following a change of control, the Company will make an offer to repurchase all outstanding Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to (but not including) the offer to purchase payment day.

For details of the current status of the above loan and debt securities of the Company, please refer to the announcements of the Company dated 18 October 2018 and 10 January 2019.

For details of the restructuring of the debt securities of the Company, please refer to the announcements of the Company dated 19 July 2019 and 14 August 2019.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group has compliance and risk management policies and procedures, and members of the senior management are delegated with the continuing responsibility to monitor adherence and compliance with all significant legal and regulatory requirements. These policies and procedures are reviewed regularly. As far as the Company is aware, it has complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Company and its subsidiaries.

於二零一九年到期的260,000,000美元年息7.95%的優先票據

於二零一七年二月八日，本公司、本公司附屬公司（為票據付款提供擔保）、中銀國際亞洲有限公司、香港上海匯豐銀行有限公司、國泰君安證券（香港）有限公司、軟庫中華金融服務有限公司、中國光大證券（香港）有限公司及新鴻基投資服務有限公司訂立一份購買協議，內容有關本公司發行於二零一九年到期的260,000,000美元年息7.95%的優先票據。根據票據的條款，不遲於控制權變更後30日內，本公司將提出購回所有未償還票據的要約，購買價等於其本金額的101%外加至（但不包括）收購要約付款日的應計及未支付利息（如有）。

有關本公司上述貸款及債務證券的現況詳情，請參閱本公司日期為二零一八年十月十八日及二零一九年一月十日的公告。

有關本公司債務證券重組的詳情，請參閱本公司日期為二零一九年七月十九日及二零一九年八月十四日的公告。

遵守法律及法規

本集團已遵守風險管理政策及程序，以及高級管理層成員獲授權持續負責監察所有重大法律及監管要求的履行及遵守情況。該等政策及程序會定期檢討。據本公司所知，其在重大方面遵守對本公司及其附屬公司業務及經營有顯著影響的相關法律及法規。

REPORT OF THE DIRECTORS

董事會報告書

RELATIONSHIPS WITH KEY STAKEHOLDERS

The Group's success also depends on the support from key stakeholders which comprises employees, customers and shareholders.

Employees

Employees are regarded as the most important and valuable assets of the Group. The objective of the Groups' human resource management is to reward and recognize performing staff by providing a competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression by appropriate training and providing opportunities within the Group for career advancement.

Customers

The Group has the mission to provide excellent and creative customer service whilst maintain our long-term profitability, business and asset growth. Various means have been established to strength the communication between the customers and the Group in the provision of quality customer service towards market penetration and expansion.

Shareholders

One of our corporate goals of the Group is to enhance corporate value to shareholders. The Group is poised to foster business developments for achieving the sustainability of earnings growth and rewarding shareholders by stable dividend payouts taking into account capital adequacy levels, liquidity positions and business expansion needs of the Group.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, the Company has maintained the prescribed public float of not less than 25% of the issued share capital of the Company pursuant to the Listing Rules and as agreed with the Stock Exchange, based on the information that is publicly available to the Company and within the knowledge of the Directors.

與主要利益相關者之關係

本集團的成功亦取決於主要利益相關者，包括僱員、客戶及股東的支持。

僱員

僱員被視為本集團最重要及最有價值的資產。本集團的人力資源管理目標為獎勵及表彰優秀員工，提供具競爭力的薪酬待遇及實行完善績效評價制度與適當激勵，並透過適當培訓及提供本集團內職業進展的機會，促進職業發展及晉升。

客戶

本集團的使命為提供優良及創新的客戶服務，同時保持我們的長期盈利能力、業務及資產增長。本集團已建立各種方式，強化客戶與本集團之間的溝通，朝著市場滲透及擴展提供優質客戶服務。

股東

本集團其中一個企業目標乃為股東提升企業價值。考慮到本集團的資本充足水平，流動性狀況及業務擴張需求，本集團已為推動業務發展作好準備，通過穩定派息實現盈利增長及獎勵股東的可持續性。

足夠公眾持股量

根據本公司可從公開途徑取得的資料及據董事所知悉，於本報告刊發日期，本公司一直維持上市規則所訂明並經與聯交所協定本公司已發行股本不少於25%的公眾持股量。

REPORT OF THE DIRECTORS

董事會報告書

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the Independent Non-Executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the Independent Non-Executive Directors to be independent.

AUDITOR

The financial statements of the Company for the year have been audited by Ernst & Young which will retire, and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

A resolution for the re-appointment of Ernst & Young as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

LIU Hongwei

Chairman

Hong Kong, 16 August 2019

獨立性的確認

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的年度獨立性確認書，並認為全體獨立非執行董事均具獨立性。

核數師

本公司本年度的財務報表已經安永會計師事務所審核。安永會計師事務所將任滿告退，惟彼等符合資格於應屆股東週年大會上膺選連任。

有關重聘安永會計師事務所為本公司核數師的決議案將於應屆股東週年大會上提呈。

承董事會命

主席

劉紅維

香港，二零一九年八月十六日

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



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To the shareholders of China Singyes Solar Technologies Holdings Limited
(Incorporated in Bermuda with limited liability)

致中國興業太陽能技術控股有限公司全體股東
(於百慕達註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of China Singyes Solar Technologies Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 134 to 352, 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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, 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 International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (the “IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OUR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the Hong Kong Institute of Certified Public Accountants (“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.

意見

我們已審核載於第134頁至352頁的中國興業太陽能技術控股有限公司(「貴公司」)及其附屬公司(「貴集團」)之綜合財務報表，此等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與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則(「國際財務報告準則」)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截至該日止年度的綜合財務表現和綜合現金流量，並已遵照香港公司條例之披露規定妥為編製。

意見基準

我們已根據香港會計師公會(「香港會計師公會」)頒佈的香港審核準則(「香港審核準則」)的規定執行審核。我們於該等準則項下的責任於本報告「核數師就審核綜合財務報表承擔的責任」一節中詳述。根據香港會計師公會頒佈之職業會計師道德守則(「守則」)，我們獨立於貴集團，並且我們已根據守則履行其他職業道德責任。我們相信，我們所獲得的審核證據充足且適當地為我們的意見提供基礎。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.1 to the consolidated financial statements, which indicates that the Group had net current liabilities of approximately RMB888,372,000 as at 31 December 2018 and incurred a loss of RMB672,227,000 for the year then ended. These conditions, along with other matters as set forth in note 2.1, indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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

有關持續經營的重大不確定性

我們提請閣下注意綜合財務報表附註2.1，當中顯示貴集團於二零一八年十二月三十一日的流動負債淨額約為人民幣888,372,000元，截至當日止年度已產生虧損人民幣672,227,000元。該等條件連同附註2.1所載的其他事項顯示存在重大不明朗因素，可能對貴集團持續經營能力構成重大疑問。吾等的意見尚未就此事項進行修訂。

關鍵審核事項

關鍵審核事項是根據我們的專業判斷，認為對本期綜合財務報表之審核最為重要之事項。這些事項是在對綜合財務報表整體進行審核並形成意見的背景下來進行處理的，我們不對這些事項提供單獨的意見。我們對下述每一事項在審核中是如何處理的描述也以此為背景。

除有關持續經營的重大不確定性一節所述事項外，我們已釐定下述事項為須於我們報告中描述的關鍵審核事項。

我們已履行本報告「核數師就審核綜合財務報表承擔的責任」一節所述的責任，包括有關該等事項的責任。因此，我們的審核包括執行為應對綜合財務報表重大錯誤陳述風險的評估而設的程序。我們審核程序的結果包括處理以下事項的程序，為我們就隨附的綜合財務報表的審核意見提供基礎。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



Key audit matter How our audit addressed the key audit matter

Key audit matter

關鍵審核事項

Revenue recognition for construction services

建築服務的收入確認

The Group derived a significant portion of its revenues from construction-type contracts that were accounted for by applying an input method to measure the progress towards complete satisfaction of performance obligation in the construction services. The input method involved the use of significant management's judgement and estimates including estimates of the progress towards completion, the scope of deliveries and services required, total contract costs, remaining costs to completion and total contract revenues. In addition, revenue, cost and gross profit realised on such contracts can vary from the Group's original estimates because of changes in conditions.

貴集團的大部分收入來自建築類型合同的收入，建築類型合同應用輸入法入賬，以衡量完全履行建築服務履約義務的進度。輸入法涉及管理層運用重大判斷及估計，包括估計完工進度、交付的範圍及所需服務、總合同成本、完工所需餘下成本及合同收入總額。此外，有關合同之收入、成本及可實現的毛利亦可能由於狀況變動而與貴集團原有估計不同。

The disclosures about revenue recognition for construction service are included in notes 2.4, 3 and 4 to the financial statements.

有關建築服務收入確認的披露載列於財務報表附註2.4、3及4。

How our audit addressed the key audit matter

關鍵審核事項在審核中是如何處理的

Our audit procedures included:

我們的審核程序包括：

- assessing the controls over construction service revenue recognition, cost forecast and progress billing process; 評估建築合同收入確認、成本預測及進度結算款項程序的控制；
- reviewing the individually significant construction contracts and the progress billings accepted by related customers; 審閱個別重大建築合同以及有關客戶接收的進度結算單；
- checking significant costs incurred to the delivery and acceptance notes signed by the customers; 核查交付產生的重大成本以及客戶簽署的接受票據；
- comparing the forecast results of each significant contract to its actual results and assessing the historical accuracy of forecast prepared by management; 將各重大合約的預測業績與其實際業績作比較以及評估管理層編製的預測的歷史準確性；
- discussing the progress of construction services with project-in-charges; 與工程負責人討論建築合同的進度；
- recalculating the percentage of completion of the significant construction services; 重新計算重大建築服務的完工百分比；
- performing physical inspection of the significant constructions; and 對重大合同執行實地視察；及

App 8- 172 assessing the disclosures regarding the revenue recognition of construction services in the consolidated financial statements.
評估綜合財務報表內有關建築服務收入確認的披露。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



Key audit matter

關鍵審核事項

Impairment assessment of trade receivables and contract assets
應收貿易款項及合同資產的減值評估

As at 31 December 2018, the Group had trade receivables and contract assets before impairment of RMB3,590,244,000 and RMB2,255,001,000, respectively, which were material to the Group's consolidated financial statements.

於二零一八年十二月三十一日，減值前應收貿易款項及合同資產金額人民幣3,590,244,000元及人民幣2,255,001,000元對貴集團之綜合財務報表而言屬重大。

Assessing expected credit losses of such assets is a judgmental area which involved significant management's judgement and estimation on forecasting future economic conditions.

評估該等資產之預期信貸虧損屬判斷領域，涉及重大管理層的判斷及評估預期未來經濟狀況。

The disclosures about the impairment assessment of trade receivables and contract assets are included in notes 2.4, 3, 24, 25 and 50 to the financial statements.

有關應收貿易款項及合同資產的減值評估的披露載列於財務報表附註2.4、3、24、25及50。

How our audit addressed the key audit matter

關鍵審核事項在審核中是如何處理的

Our audit procedures included:

我們的審核程序包括：

- assessing the controls over the Group's estimation of loss allowance for impairment;
評估對本集團估計減值虧損撥備的控制；
- checking the ageing analysis by customer;
核查客戶應收賬款的賬齡分析；
- checking the debtors' historical payment patterns and the bank receipts for the payments received subsequent to year end;
核查債務人的過往付款模式以及年結後已收到付款的銀行收據；
- evaluating information such as actual or expected significant changes in the operating results of customers, actual or expected significant adverse changes in market conditions that may affect the business and customers' financial position by reading public news and releases and discussing with management for the estimated impact thereon; and
透過閱讀公共新聞和披露來評估諸如客戶經營業績的實際或預期重大變動，可能影響業務和客戶財務狀況的實際或預期重大不利變動等信息，並與管理層討論估計其面對的影響；及
- assessing the disclosures about the Group's exposure to credit risk in the consolidated financial statements.
評估綜合財務報表內有關本集團面臨的信貸風險的披露。

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OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB 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.

年報所載的其他資料

貴公司董事須對其他資料負責。其他資料包括年報所載資料（綜合財務報表及吾等就此發出的核數師報告除外）。

吾等對綜合財務報表的意見並不涵蓋其他資料，吾等亦不會就其發表任何形式的鑒證結論。

就審核綜合財務報表而言，吾等的責任是閱讀其他資料，及在此過程中，考慮其他資料是否與綜合財務報表或吾等在審核過程中所瞭解的情況有重大不符，或者似乎有重大錯誤陳述。基於吾等已執行的工作，如果吾等認為其他資料有重大錯誤陳述，吾等需要報告有關事實。就此而言，吾等無需報告任何事項。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈的國際財務報告準則和香港公司條例的披露規定，編製及真實公平呈列綜合財務報表，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

INDEPENDENT AUDITORS' REPORT

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In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

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

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

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

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.

在編製綜合財務報表時，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會協助貴公司董事履行監督貴集團財務報告過程的責任。

核數師就審核綜合財務報表承擔的責任

吾等的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括吾等意見的核數師報告。我們的報告依據一九八一年百慕達公司法第90條僅為全體股東編製，而並不可作其他目的。我們概不就本報告的內容對其他任何人士負責或承擔責任。

合理保證是高水平的保證，但不能保證按香港審計準則進行的審核於重大錯誤陳述出現時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果按合理預期該等錯誤陳述個別或匯總起來可能影響該等綜合財務報表使用者所作出的經濟決定，則有關的錯誤陳述可被視作重大。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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.

吾等根據香港審計準則進行審計的工作之一，是運用專業判斷，在整個審計過程中保持職業懷疑態度。吾等亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及取得充足和適當的審計憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及所作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性及根據所得的審核憑證，可能對貴集團持續經營的能力構成重大疑慮的相關事件或情況是否存在重大不確定性作出結論。倘吾等認為存在重大不確定性，則吾等須在核數師報告中提請使用者對綜合財務報表中的相關披露資料的關注，倘有關披露資料不足，則修訂吾等的意見。吾等的結論乃基於截至核數師報告日期止所取得的審計憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。

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- 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.
- 評價綜合財務報表(包括披露資料)的整體列報方式、結構及內容，以及綜合財務報表是否公允反映有關交易和事項。
- 就貴集團中實體或業務活動的財務資料獲取充分及適當的審核憑證，以對綜合財務報表發表意見。吾等負責指導、監督及執行集團審核。吾等僅對吾等之審核意見承擔責任。

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

吾等與審核委員會溝通了計劃的審核範圍、時間安排、重大審核發現等事項，包括吾等在審核中識別出內部控制的任何重大缺陷。

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

吾等亦向審核委員會提交聲明，說明吾等已符合有關獨立性的相關職業道德要求，並與彼等溝通所有可能合理地被認為會影響吾等獨立性的關係及其他事項，以及相關防範措施(倘適用)。

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

從與審核委員會溝通的事項中，吾等決定哪些事項對本期間綜合財務報表的審計最為重要，因而構成關鍵審計事項。吾等會在核數師報告中描述這些事項，惟法律法規不允許對某件事項作出公開披露，或在極端罕見的情況下，若有合理預期在吾等的報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，吾等將不會在此等情況下在報告中溝通該事項。

INDEPENDENT AUDITORS' REPORT

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The engagement partner on the audit resulting in this independent auditor's report is Leung Wai Lap, Philip.

出具本獨立核數師報告的審計項目合夥人是梁偉立。

Certified Public Accountants
Hong Kong

執業會計師
香港

16 August 2019

二零一九年八月十六日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue	收入	4	4,416,563	5,675,386
Cost of sales	銷售成本		(3,795,662)	(4,536,529)
Gross profit	毛利		620,901	1,138,857
Tariff adjustment	電價補貼	4	164,021	166,682
Other income and gains	其他收入及收益	5	58,574	178,887
Selling and distribution expenses	銷售及分銷開支		(101,774)	(155,265)
Administrative expenses	行政開支		(358,076)	(358,039)
Impairment losses on financial and contract assets, net	金融及合約資產的減值虧損淨額		(325,561)	(5,151)
Other expenses	其他開支		(149,673)	(76,428)
Finance costs	融資成本	6	(477,243)	(621,333)
Share of profits/(losses) of associates	分佔聯營公司溢利／(虧損)		5,872	(13,059)
Fair value gains on conversion rights of convertible bonds	可換股債券轉換權的公平值收益	32(b)	—	15,227
PROFIT/(LOSS) BEFORE TAX	除稅前溢利／(虧損)	7	(562,959)	270,378
Income tax expense	所得稅支出	10	(109,268)	(119,972)
PROFIT/(LOSS) FOR THE YEAR	本年度溢利／(虧損)		(672,227)	150,406
OTHER COMPREHENSIVE INCOME/(LOSS):	其他全面收益／(虧損)：			
Other comprehensive income that may be reclassified to profit or loss in subsequent years:	可於隨後年度重新分類至損益的其他全面			
Available-for-sale investments:	可供出售投資：			
Changes in fair value	公平值變動		—	2,882

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

	Notes	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent years:			
Change in fair value of equity instruments at fair value through other comprehensive income	20	(7,915)	—
Exchange differences on translation of financial statements		(112,339)	110,479
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	本年度其他全面收益／(虧損)	(120,254)	113,361
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	本年度全面收益／(虧損)總額	(792,481)	263,767
Profit/(loss) attributable to:	以下人士應佔溢利／(虧損)：		
Owners of the Company	本公司擁有人	(678,801)	143,797
Non-controlling interests	非控股權益	6,574	6,609
		(672,227)	150,406
Total comprehensive income/(loss) attributable to:	以下人士應佔全面收益／(虧損)總額：		
Owners of the Company	本公司擁有人	(800,117)	257,902
Non-controlling interests	非控股權益	7,636	5,865
		(792,481)	263,767
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	本公司普通股權益持有人應佔每股盈利／(虧損)		
Basic	— 基本	12 人民幣0.814元	人民幣0.172元
Diluted	— 攤薄	12 人民幣0.814元	人民幣0.172元

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2018 二零一八年十二月三十一日

			2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	Notes 附註			
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment	13	物業、廠房及設備	4,475,179	4,283,977
Investment properties	14	投資物業	74,344	75,183
Prepaid land lease payments	15	預付土地租賃款項	211,413	198,964
Intangible assets	16	無形資產	2,058	2,815
Payments in advance	17	預付款項	13,513	18,645
Investments in associates	18	於聯營公司投資	4,429	(1,443)
Investment in a joint venture	19	於合營企業投資	6,370	–
Deferred tax assets	35	遞延稅項資產	1,557	49,051
Available-for-sale investments	2.2	可供出售投資	–	57,569
Equity investments designated at fair value through other comprehensive income		指定為按公平值計量且其變動計入其他全面收益的權益投資	5,657	–
Financial assets at fair value through profit or loss	21	按公平值計量且其變動計入損益的金融資產	24,265	–
Goodwill	41	商譽	6,448	–
Pledged deposits	27	抵押存款	–	14,650
Total non-current assets		非流動資產總值	4,825,233	4,699,411
CURRENT ASSETS		流動資產		
Inventories	22	存貨	69,592	111,803
Construction contracts	23	建築合同	–	976,179
Contract assets	24	合約資產	2,119,517	–
Trade and bills receivables	25	應收貿易款項及應收票據	3,389,476	3,751,855
Prepayments, deposits and other receivables	26	預付款項、按金及其他應收款項	596,568	952,651
Available-for-sale investments	2.2	可供出售投資	–	208,234
Pledged deposits	27	抵押存款	180,590	472,372
Cash and cash equivalents	27	現金及現金等價物	216,151	1,202,423
Total current assets		流動資產總值	6,571,894	7,675,517
CURRENT LIABILITIES		流動負債		
Trade and bills payables	28	應付貿易款項及應付票據	901,520	1,294,073
Other payables and accruals	29	其他應付款項及應計款項	449,257	549,511
Contract liabilities	30	合約負債	105,067	–
Bank advances for discounted bills	46	貼現票據之銀行貸款	–	13,722
Interest-bearing bank and other loans	31	付息銀行及其他貸款	2,956,804	1,265,188
Tax payable		應付所得稅	20,317	40,741
Derivative financial instruments		衍生金融工具	–	34,005
Convertible bonds	32	可換股債券	96,000	–
Senior notes	33	優先票據	2,850,012	1,239,028
Provision	34	撥備	81,289	–
Total current liabilities		流動負債總額	7,460,266	4,436,268

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2018 二零一八年十二月三十一日

	Notes	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
NET CURRENT ASSETS/(LIABILITIES)		(888,372)	3,239,249
TOTAL ASSETS LESS CURRENT LIABILITIES		3,936,861	7,938,660
NON-CURRENT LIABILITIES			
Convertible bonds	32	—	80,819
Senior notes	33	—	1,677,498
Interest-bearing bank and other loans	31	—	1,438,922
Deferred tax liabilities	35	87,680	86,860
Deferred income	36	157,449	164,228
Total non-current liabilities		245,129	3,448,327
Net assets		3,691,732	4,490,333
EQUITY			
Equity attributable to owners of the Company			
Issued capital	37	55,785	55,785
Reserves	39	3,535,106	4,345,753
		3,590,891	4,401,538
Non-controlling interests		100,841	88,795
Total equity		3,691,732	4,490,333

Mr. Liu Hongwei
劉紅維先生
Director
董事

Mr. Xie Wen
謝文先生
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔													
		Issued capital	Share premium account*	Contributed surplus*	Available-for-sale investment revaluation reserve*	Statutory reserve fund*	Enterprise expansion fund*	option reserve*	Safety fund surplus reserve*	Exchange fluctuation reserve*	Retained profits*	Difference arising from change of non-controlling interests*	Non-controlling interests	Total equity	
		已發行股本	溢價賬*	繳入盈餘*	可供出售投資重估儲備*	儲備基金*	擴展基金*	儲備*	盈餘儲備*	流動儲備*	保留溢利*	非控股權益變動產生之差異*	總計	權益總額	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
		(note 37)				(note 39(a))	(note 39(b))	(note 39(c))	(note 39(d))						
		(附註 37)				(附註 39(a))	(附註 39(b))	(附註 39(c))	(附註 39(d))						
At 1 January 2017	於二零一七年一月一日	55,785	876,818	3,588	(5,228)	218,790	93,151	45,828	-	(136,509)	2,962,559	27,040	4,141,822	62,428	4,204,250
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	-	143,797	-	143,797	6,609	150,406
Other comprehensive income/(loss) for the year:	本年度其他全面收益／(虧損)：														
Changes in fair value of available-for-sale investments, net of tax	可供出售投資的公平值變動，扣除稅項	-	-	-	2,823	-	-	-	-	-	-	-	2,823	59	2,882
Exchange differences on translation of financial statements	換算財務報表的匯兌差額	-	-	-	-	-	-	-	-	111,282	-	-	111,282	(803)	110,479
Total comprehensive income for the year	本年度全面收益總額	-	-	-	2,823	-	-	-	-	111,282	143,797	-	257,902	5,865	263,767
Acquisition of non-controlling interests of a subsidiary	收購附屬公司的非控股權益	-	-	-	-	-	-	-	-	-	-	(9,162)	(9,162)	(28,170)	(37,332)
Transfer from retained profits	轉移自保留溢利	-	-	-	-	54,114	16,430	-	-	-	(70,544)	-	-	-	-
Equity-settled share option arrangements (note 38)	股本結算購股權安排(附註 38)	-	-	-	-	-	-	14,140	-	-	-	-	14,140	-	14,140
Deemed partial disposal of interest in a subsidiary	視作部分出售一間附屬公司的權益	-	-	-	-	-	-	-	-	-	-	47,511	47,511	48,422	95,933
Capital contribution from a non-controlling shareholder of a subsidiary	附屬公司非控股股東的出資	-	-	-	-	-	-	-	-	-	-	-	-	250	250
Transfer to contributed surplus**	轉移至繳入盈餘**	-	(80,000)	80,000	-	-	-	-	-	-	-	-	-	-	-
Establishment for safety fund surplus reserve	設立安全基金盈餘儲備	-	-	-	-	-	-	-	71,956	-	(71,956)	-	-	-	-
Utilisation of safety fund surplus reserve	動用安全基金盈餘儲備	-	-	-	-	-	-	-	(71,956)	-	71,956	-	-	-	-
Final 2016 dividend declared	已宣派二零一六年末期股息	-	-	(50,675)	-	-	-	-	-	-	-	-	(50,675)	-	(50,675)
At 31 December 2017	於二零一七年十二月三十一日	55,785	796,818	32,913	(2,405)	272,904	109,581	59,968	-	(25,227)	3,035,812	65,389	4,401,538	88,795	4,490,333

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔															
		Issued capital 已發行股本 人民幣千元 (附註 37)	Share premium account* 股份溢價賬* 人民幣千元	Contributed surplus* 繳入盈餘* 人民幣千元	Available-for-sale investment revaluation reserve* 可供出售投資重估儲備* 人民幣千元 (附註 39(a))	Statutory reserve fund* 法定儲備基金* 人民幣千元 (note 39(a)) (附註 39(a))	Enterprise expansion fund* 企業擴展基金* 人民幣千元 (note 39(b)) (附註 39(b))	Share option reserve* 購股權儲備* 人民幣千元 (note 39(c)) (附註 39(c))	Safety fund surplus reserve* 安全基金盈餘儲備* 人民幣千元 (note 39(d)) (附註 39(d))	Exchange fluctuation reserve* 匯兌波動儲備* 人民幣千元	Retained profits* 保留溢利* 人民幣千元	非控股權益變動產生之金額*	Total 總計 人民幣千元	Non-controlling interests 非控股權益 人民幣千元	Total equity 權益總額 人民幣千元		
At 31 December 2017	於二零一七一月一日	55,785	796,818	32,913	(2,405)	272,904	109,581	59,968	-	(25,227)	3,035,812	65,389	4,401,538	88,795	4,490,333		
Effect of adoption of IFRS 9 (note 2.2)	採納國際財務報告準則第9號的影響(附註2.2)	-	-	-	2,405	-	-	-	-	-	(2,405)	-	-	-	-		
Effect of adoption of IFRS 15 (note 2.2)	採納國際財務報告準則第15號的影響(附註2.2)	-	-	-	-	-	-	-	-	-	11,027	-	11,027	-	11,027		
Restated balance at 1 January 2018	於二零一八一月一日重列	55,785	796,818	32,913	-	272,904	109,581	59,968	-	(25,227)	3,044,434	65,389	4,412,565	88,795	4,501,360		
Loss for the year	本年度虧損	-	-	-	-	-	-	-	-	-	(678,801)	-	(678,801)	6,574	(672,227)		
Other comprehensive income/(loss) for the year:	本年度其他全面收益/(虧損)：																
Changes in fair value of equity instruments at fair value through other comprehensive income, net of tax	按公平值計量且其變動計入其他全面收益的權益工具的公平值變動	-	-	-	(7,915)	-	-	-	-	-	-	-	(7,915)	-	(7,915)		
Exchange differences on translation of financial statements	換算財務報表的匯兌差額	-	-	-	-	-	-	-	-	(113,401)	-	-	(113,401)	1,062	(112,339)		
Total comprehensive income/(loss) for the year	本年度其他全面收益/(虧損)	-	-	-	(7,915)	-	-	-	-	(113,401)	(678,801)	-	(800,117)	7,636	(792,481)		
Acquisition of non-controlling interests of a subsidiary	收購附屬公司的非控股權益	-	-	-	-	-	-	-	-	-	-	(11,958)	(11,958)	(20,677)	(32,635)		
Transfer from retained profits	轉移自保留溢利	-	-	-	-	13,343	5,328	-	-	-	(18,671)	-	-	-	-		
Disposal of subsidiaries (note 40)	出售附屬公司(附註40)	-	-	-	-	(1,695)	-	-	-	-	1,695	-	-	(250)	(250)		
Acquisition of subsidiaries (note 41)	收購附屬公司(附註41)	-	-	-	-	-	-	-	-	-	-	2,919	2,919	23,964	26,883		
Equity-settled share option arrangements (note 38)	股本結算購股權安排(附註38)	-	-	-	-	-	-	8,398	-	-	-	-	8,398	2,384	10,782		
Dividend paid to non-controlling shareholder by a subsidiary	支付給附屬公司非控股股東的股息	-	-	-	-	-	-	-	-	-	-	-	-	(1,011)	(1,011)		
Establishment for safety fund surplus reserve	設立安全基金盈餘儲備	-	-	-	-	-	-	-	27,917	-	(27,917)	-	-	-	-		
Utilisation of safety fund surplus reserve	動用安全基金盈餘儲備	-	-	-	-	-	-	-	(27,917)	-	27,917	-	-	-	-		
Final 2017 dividend declared	已宣派二零一七年末期股息	-	-	(20,916)	-	-	-	-	-	-	-	-	(20,916)	-	(20,916)		
At 31 December 2018	於二零一八年十二月三十一日	55,785	796,818	11,997	(7,915)	284,552	114,909	68,366	-	(138,628)	2,348,657	56,350	3,590,891	100,841	3,691,732		

* These reserve accounts comprise the consolidated reserves of RMB3,535,106,000 (2017: RMB4,345,753,000) in the consolidated statement of financial position.

** Pursuant to a resolution passed at the general meeting held on 5 June 2017, an amount of RMB80,000,000 was transferred from the share premium account to the contributed surplus. Under the Companies Act 1981 of Bermuda, a company may make distributions to its shareholders out of the contributed surplus under certain circumstances.

* 於綜合財務狀況表內，該等儲備賬包括綜合儲備人民幣3,535,106,000元(二零一七年：人民幣4,345,753,000元)。

** 根據於二零一七年六月五日舉行之股東大會上通過之決議案，一筆人民幣80,000,000元之款項已由股份溢價賬轉撥至實繳盈餘。根據百慕達一九八一年公司法，本公司可在若干情況下以繳入盈餘向其股東作出分派。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動產生的現金流量		
Profit/(loss) before tax	除稅前溢利/(虧損)	(562,959)	270,378
Adjustments for:	就以下項目作出調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13 184,248	177,677
Depreciation of investment properties	投資物業折舊	14 1,589	1,494
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	15 8,744	3,896
Amortisation of intangible assets	無形資產攤銷	16 984	964
Impairment loss on financial and contract assets, net	金融及合約資產減值虧損淨額		
Share of profits/(losses) of associates	分佔聯營公司溢利/(虧損)	325,561	5,151
Losses/(gains) on settlement of derivative financial instruments	結算衍生金融工具的虧損/(收益)	18 (5,872)	13,059
Fair value losses/(gains) on derivative financial instruments	衍生金融工具的公平值虧損/(收益)	7 (4,916)	12,036
Fair value gains on conversion rights of convertible bonds	可換股債券轉換權的公平值收益	—	56,966
Fair value gains on financial assets through profit or loss	計入損益的金融資產公平值收益	32(b) —	(15,227)
Equity-settled share option expense	股本結算之購股權開支	5 (776)	—
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的收益	38 10,782	14,140
Unrealised foreign exchange losses/(gains), net	未變現外匯虧損/(收益)淨額	5 (11,927)	(59,309)
Losses/(gains) on disposal of subsidiaries	出售附屬公司之虧損/(收益)	63,315	(48,427)
Interest income from available-for-sale debt instruments	可供出售債務工具的利息收入	40 15,367	(16,007)
Interest income from financial assets at fair value through profit or loss	按公平值計量且其變動計入損益的金融資產的利息收入	5 —	(3,471)
Interest income	利息收入	5 (2,602)	—
Deferred income released to profit or loss	撥至損益的遞延收入	5 (6,755)	(41,881)
Provision for compensation for breach of contracts	違約賠償撥備	5 (10,118)	(14,346)
Finance costs	融資成本	34 81,289	—
		6 477,243	621,333
		563,197	978,426
Decrease in inventories	存貨減少	47,012	70,797
Increase in construction contracts	建築合同增加	—	(265,636)
Increase in contract assets	合約資產增加	(815,028)	—
Increase in trade and bills receivables	應收貿易款項及應收票據增加	(275,728)	(372,944)
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、訂金及其他應收款項增加	232,664	(231,238)
Decrease in trade and bills payables	應付貿易款項及應付票據減少	(396,324)	(37,524)
Increase/(decrease) in other payables and accruals	其他應付款項及應計款項增加	(2,087)	152,512
Decrease in contract liabilities	合約負債減少	(13,442)	—
Income tax paid	已付所得稅	(103,532)	(117,933)
Net cash flows from/(used in) operating activities	經營活動產生/(所用)的現金流量	(763,268)	176,460

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動產生的現金流量		
Purchase of items of property, plant and equipment	購買物業、廠房及設備項目	(524,252)	(415,895)
Purchase of intangible assets	購買無形資產	(426)	(682)
Payment for prepaid land lease payments	就預付土地租賃款項之付款	(24,357)	(6,131)
Disposal of subsidiaries	出售附屬公司	(1,245)	107
Acquisition of subsidiaries	收購附屬公司	2,361	—
Investment in a joint venture	收購附屬公司	(6,370)	—
Disposal of equity investment designed at fair value through other comprehensive income	出售指定按公平值計量且其變動計入其他全面收益之權益投資	17,100	—
Purchase of available-for-sale investments	購買可供出售投資	—	(184,757)
Redemption of financial assets at fair value through profit or loss	贖回按公平值計量且其變動計入其他全面收益之金融資產	213,355	—
Purchase of equity interest in an associate	購買一間聯營公司的股本權益	—	(490)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目之所得款項	174,921	180,399
Settlement of derivative financial instruments	結算衍生金融工具	(29,089)	(12,036)
Repayment of advance from third parties	第三方償還墊款	110,276	83,588
Receipt from maturity of pledged deposits	抵押存款到期所得款項	952,711	813,553
Placement of pledged deposits	存入抵押存款	(746,935)	(920,141)
Deposits received for disposal of subsidiaries	出售附屬公司所得按金	12,040	4,500
Interest received	已收利息	9,011	23,385
Receipt of government grants for property, plant and equipment	收取物業、廠房及設備的政府補助	3,339	—
Interest received from available-for-sale debt instruments	可供出售債務工具的利息收入	—	3,471
Interest income from financial assets at fair value through profit or loss	按公平值計量且其變動計入損益之金融資產的利息收入	2,602	—
Net cash flows from/(used in) investing activities	投資活動產生/(所用)的現金流量淨額	165,042	(431,129)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動產生的現金流量		
Payment of transaction costs related to share issuance of a subsidiary	有關附屬公司股份上市的交易成本之付款	(100)	—
Proceeds from listing shares of a subsidiary	附屬公司股份上市的所得款項	—	103,580
Payment of transaction costs related to listing shares of a subsidiary	有關附屬公司股份上市的交易成本之付款	—	(7,647)
Net proceeds from issue of senior notes	發行優先票據所得款項淨額	—	2,788,809
Payment for acquisition of non-controlling interests of a subsidiary	就收購一間附屬公司非控股權益之付款	(32,635)	(37,332)
Payment for repurchase of convertible bonds	購回可換股債券之付款	—	(108,000)
Payment for redemption of convertible bonds	購回可換股債券之付款	—	(720,000)
Repayment of senior notes	優先票據之償還	(210,775)	(560,000)
Repurchase of senior notes	購回優先票據	(31,367)	—
Capital contribution from a non-controlling shareholder of a subsidiary	附屬公司非控股股東的出資	—	250
Dividend paid to non-controlling shareholders by a subsidiary	支付給附屬公司非控股股東的股息	(1,011)	—
Proceeds from bank and other loans	銀行及其他貸款所得款項	1,644,251	1,445,661
Repayment of bank and other loans	償還銀行及其他貸款	(1,484,022)	(1,653,541)
Proceeds from bank advances for discounted bills	貼現票據銀行貸款所得款項	—	13,722
Repayment of bank advances for discounted bills	貼現票據銀行貸款之償還	(13,722)	(144,949)
Payment of other financing costs	支付其他融資成本	(2,551)	(8,073)
Dividends paid	已付股息	(20,816)	(50,675)
Interest paid	已付利息	(338,874)	(283,043)
Net cash flows from/(used in) financing activities	融資活動產生/(所用)的現金流量淨額	(491,622)	778,762

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物 增加／(減少)淨額		
Cash and cash equivalents at beginning of year	年初之現金及現金等價物	(1,089,848)	524,093
Effect of foreign exchange rate changes, net	匯率變動的影響，淨額	1,342,487	823,065
		2,920	(4,671)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末之現金及現金等價物	255,559	1,342,487
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結存	27	216,151
Non-pledged time deposits with original maturity of less than three months when acquired	取得時原到期日期少於三個月之無抵押定期存款	—	1,075,016
			127,407
Cash and cash equivalents as stated in the statement of financial position	於財務狀況表內呈列之現金及現金等價物	27	216,151
Time deposits with original maturity of less than three months when acquired, pledged as security for bills payable	取得時原到期日期少於三個月之定期存款(作為應付票據之抵押)	39,408	140,064
Cash and cash equivalents as stated in the statement of cash flows	於現金流量表內呈列之現金及現金等價物	255,559	1,342,487

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

China Singyes Solar Technologies Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in Bermuda on 24 October 2003. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company is located at Unit 3108, 31st Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the “Group”) were principally engaged in the design, manufacture, supply and installation of conventional curtain walls and building integrated solar photovoltaic systems, as well as the manufacture and sale of solar power products. There were no significant changes in the nature of the Group’s principal activities during the year.

In the opinion of the directors, the parent and the ultimate holding company of the Company is Strong Eagle Holdings Limited (“Strong Eagle”), which is incorporated in the British Virgin Islands.

1. 公司及集團資料

中國興業太陽能技術控股有限公司(「本公司」)於二零零三年十月二十四日於百慕達註冊成立為獲豁免有限責任公司。本公司的註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。本公司主要營業地址位於香港干諾道中168-200號信德中心招商局大廈31樓3108室。

年內，本公司及其附屬公司(統稱為「本集團」)主要從事傳統幕牆及太陽能光伏建築一體化系統設計、製造、供應及安裝，以及太陽能產品製造及銷售。年內，本集團主要業務的性質並無重大轉變。

董事認為，本公司的母公司及最終控股公司為於英屬處女群島註冊成立的Strong Eagle Holdings Limited(「Strong Eagle」)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION
(Continued)

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name 名稱	Place of incorporation/ registration and business 註冊成立／ 登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔 權益百分比 %	Principal activities 主要業務
Directly held:				
直接持有：				
Singyes Engineering (H.K.) Co., Ltd. ("Singyes Engineering") 香港興業工程有限公司 (「興業工程」)	Hong Kong 香港	HK\$1 1 港元	100%	Design, supply and installation of curtain walls 設計、供應 及安裝幕牆
Indirectly held:				
間接持有：				
Singyes MRW Joint Venture Co., Ltd. ("MRW")	Hong Kong 香港	HK\$10,000 10,000 港元	100%	Design, supply and installation of curtain walls 設計、供應 及安裝幕牆
Macao Singyes Renewable Energy Technology Co., Ltd. ("Macao Singyes") 澳門興業新能源科技有限公司 (「澳門興業」)	Macao 澳門	—	100%	Design, supply and installation of curtain walls 設計、供應 及安裝幕牆

1. 公司及集團資料 (續)

有關附屬公司之資料

本公司主要附屬公司之詳情如下：

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION
(Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows:
(Continued)

1. 公司及集團資料 (續)

有關附屬公司之資料 (續)

本公司主要附屬公司之詳情如下：(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔 權益百分比 %	Principal activities 主要業務
Indirectly held: (Continued) 間接持有：(續)				
China Singyes New Materials Holdings Co., Ltd. ^(e) ("Singyes New Materials") 中國興業新材料控股有限公司 ^(e) ("興業新材料")	Bermuda 百慕達	US\$5,200,000 5,200,000 美元	62.4%	Investment holding 投資控股
Zhuhai Singyes Green Building Technology Co., Ltd. ^(a) ("Zhuhai Singyes") 珠海興業綠色建築科技有限公司 ^(a) ("珠海興業")	Mainland China 中國大陸	US\$49,000,000 49,000,000 美元	100%	Design, manufacture, supply and installation of curtain walls and solar photovoltaic power stations 設計、製造、供應 及安裝幕牆及太陽 能光伏電站
Zhuhai Singyes Renewable Energy Co., Ltd. ^(a) ("Singyes Renewable Energy") 珠海興業新能源有限公司 ^(a) ("興業新能源")	Mainland China 中國大陸	US\$47,868,500 47,868,500 美元	100%	Design, manufacture, supply and installation of solar photovoltaic power stations 設計、製造、供應 及安裝太陽能 光伏電站

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows:
(Continued)

1. 公司及集團資料 (續)

有關附屬公司之資料 (續)

本公司主要附屬公司之詳情如下：(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立／ 登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔 權益百分比 %	Principal activities 主要業務
Indirectly held: (Continued) 間接持有：(續)				
Zhuhai Singyes Xinye Electricity Technology Co., Ltd. ^(b) ("Singyes Xinye") 珠海鑫業電力科技有限公司 ^(b) (「鑫業電力」)	Mainland China 中國大陸	RMB20,000,000 人民幣 20,000,000 元	100%	Development of new energy materials, and development of marine biology technology 開發新能源材料及 開發海洋生物 技術
Zhuhai Singyes New Materials Co., Ltd. ^{(b) (e)} ("Zhuhai Singyes New Materials") 珠海興業新材料科技有限公司 ^{(b)(e)} (「珠海興業新材料」)	Mainland China 中國大陸	RMB62,500,000 人民幣 62,500,000 元	62.4%	Research, manufacture and sale of photovoltaic film 研究、製造及銷 售光伏薄膜
Yan'an Singyes New Materials Co., Ltd. ^{(a) (e) (f)} ("Yan'an New Materials") 延安興業新材料科技有限公司 ^{(a) (e)} (「延安新材料」)	Mainland China 中國大陸	RMB10,000,000 人民幣 10,000,000 元	46.8%	Research, manufacture and sale of new materials 研究、製造及銷售 原材料
Hunan Singyes Solar Technology Co., Ltd. ("Hunan Singyes") 湖南興業太陽能科技有限公司 (「湖南興業」)	Mainland China 中國大陸	RMB410,143,000 人民幣 410,143,000 元	100%	Research, development, manufacture and sale of solar products 研究、開發、製造及 銷售太陽能產品

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION
(Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows:
(Continued)

1. 公司及集團資料 (續)

有關附屬公司之資料 (續)

本公司主要附屬公司之詳情如下：(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔 權益百分比 %	Principal activities 主要業務
Indirectly held: (Continued) 間接持有：(續)				
Singyes Energy-saving Technologies Co., Ltd. ^(b) ("Singyes Energy-saving") 珠海興業節能科技有限公司 ^(b) (「興業節能」)	Mainland China 中國大陸	US\$65,000,000 65,000,000 美元	100%	Research and development of energy-saving products 研究及開發節能產品
Xinjiang Singyes Renewable Energy Technology Co., Ltd. ^{(c)(d)} ("Xinjiang Singyes") 新疆興業新能源有限公司 ^{(c)(d)} (「新疆興業」)	Mainland China 中國大陸	RMB438,270,000 人民幣 438,270,000 元	99.27%	Research and design of and investment in solar power projects 研究、設計及投資 太陽能項目
Hunan Singyes Green Energy Co., Ltd. ^(a) ("Hunan Green Energy") 湖南興業綠色能源股份有限公司 ^(a) (「湖南綠色能源」)	Mainland China 中國大陸	RMB912,000,000 人民幣 912,000,000 元	99.27%	Research and development of electricity and new energy 研究及開發電力及 新能源
Gansu Singyes Green Energy Technology Co., Ltd. ("Gansu Singyes") 甘肅興業綠色能源科技有限公司 (「甘肅興業」)	Mainland China 中國大陸	RMB74,000,000 人民幣 74,000,000 元	99.27%	Research, construction and operation of solar power stations 研究、建設及經營 太陽能電站
Wuwei Dongrun Solar Energy Development Co., Ltd. ^{(c)(d)} ("Wuwei Dongrun") 武威東潤太陽能開發有限公司 ^{(c)(d)} (「武威東潤」)	Mainland China 中國大陸	RMB5,000,000 人民幣 5,000,000 元	99.27%	Research, construction and operation of solar power stations 研究、建設及經營 太陽能電站

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows:
(Continued)

1. 公司及集團資料 (續)

有關附屬公司之資料 (續)

本公司主要附屬公司之詳情如下：(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立／ 登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔 權益百分比 %	Principal activities 主要業務
Indirectly held: (Continued) 間接持有：(續)				
Gansu Singyes Solar Technologies Co., Ltd. ("Gansu Technologies") 甘肅興業太陽能科技有限公司 (「甘肅科技」)	Mainland China 中國大陸	RMB20,000,000 人民幣 20,000,000 元	100%	Research, development, manufacture and sale of solar products 研究、開發、製造 及銷售太陽能產品
Yangjiang Singyes Green Energy Technology Co., Ltd. ^(c) ("Yangjiang Singyes") 陽江鑫業綠色能源科技有限公司 ^(c) (「陽江鑫業」)	Mainland China 中國大陸	RMB184,080,000 人民幣 184,080,000 元	99.27%	Research and design of and investment in solar power projects 研究、設計及投資 太陽能產品
Yangjiang Huazhi Green Energy Technology Co., Ltd. ^{(a)(c)} ("Yangjiang Huazhi") 陽江華智綠色能源科技有限公司 ^{(a)(c)} (「陽江華智」)	Mainland China 中國大陸	RMB184,829,619 人民幣 184,829,619 元	99.85%	Research and design of and investment in solar power projects 研究、設計及投資 太陽能產品
Yangjiang Huayu Green Energy Technology Co., Ltd. ^{(a)(c)} ("Yangjiang Huayu") 陽江華宇綠色能源科技有限公司 ^{(a)(c)} (「陽江華宇」)	Mainland China 中國大陸	RMB66,581,500 人民幣 66,581,500 元	99.85%	Research and design of and investment in solar power projects 研究、設計及投資 太陽能項目

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION
(Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows:
(Continued)

1. 公司及集團資料 (續)

有關附屬公司之資料 (續)

本公司主要附屬公司之詳情如下：(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔 權益百分比 %	Principal activities 主要業務
Indirectly held: (Continued) 間接持有：(續)				
Suixi Xinye Photovoltaic Electricity Co., Ltd. ^(c) ("Suixi Xinye") 遂溪縣欣業光伏電力有限公司 ^(c) (「遂溪欣業」)	Mainland China 中國大陸	—	99.27%	Research and design of and investment in solar power projects 研究、設計及投資 太陽能項目
Zhuhai Gangxing Technology Co., Ltd. ^(b) ("Zhuhai Gangxing") 珠海港興科技有限公司 (「珠海港興」)	Mainland China 中國大陸	—	100%	Research and development of energy-saving raw material 研究及開發 節能原材料
Huabei Limited ^(e) ("Huabei") 華貝有限公司 (「華貝」)	Hong Kong 香港	HK\$10,000 10,000港元	62.4%	Investment holding 投資控股
Shenzhen Kangsheng Photoelectric Technology Co., Ltd. ^{(e) (f)} ("Shenzhen Kangsheng") 深圳市康盛光電科技有限公司 (「深圳康盛」)	Mainland China 中國大陸	RMB12,008,062 人民幣 12,008,062 元	46.8%	Research, manufacture and sale of solar products 研究、製造 及銷售太陽能產品

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows:
(Continued)

Notes:

- (a) These subsidiaries were registered as Sino-foreign equity joint venture enterprises under PRC law.
- (b) These subsidiaries were registered as wholly-foreign-owned enterprises under PRC law.
- (c) As at 31 December 2018, the Group's equity interests in these companies were pledged as collateral for the Group's bank loans of RMB1,664,430,000.
- (d) The Group entered into a sale and purchase agreement in 2016 and a supplemental agreement in 2017 and 2018 respectively (together as the "Agreements") with Excel Deal Investment Limited (the "Purchaser") to sell 81% equity interests in Xinjiang Singyes and Wuwei Dongrun (together as the "Target Subsidiaries"). As at 31 December 2018, the Group has received deposits in relation to the sale of equity interests in the Target Subsidiaries aggregated to RMB38,974,000 while the transaction has not been fulfilled.

Subsequent to 31 December 2018, a written agreement was signed between the Company and the Purchaser to extend long stop date of the transaction to 31 December 2019.

1. 公司及集團資料(續)

有關附屬公司之資料(續)

本公司主要附屬公司之詳情如下：(續)

附註：

- (a) 該等附屬公司根據中國法律註冊為中外合資企業。
- (b) 該等附屬公司根據中國法律註冊為外商獨資企業。
- (c) 於二零一八年十二月三十一日，本集團於該等公司的股本權益已抵押，作為本集團人民幣1,664,430,000元的銀行貸款的抵押品。
- (d) 本集團與佳意投資有限公司(「買方」)於二零一六年訂立買賣協議及於二零一七年及二零一八年訂立補充協議(統稱「該等協議」)以出售新疆興業及武威東潤(統稱「目標附屬公司」)的81%股權。於二零一八年十二月三十一日，本集團就出售目標附屬公司之股權收到按金共計人民幣38,974,000元，交易尚未達成。

於二零一八年十二月三十一日之後，本集團與買方簽署書面協議，將交易最終截止日期延後至二零一九年十二月三十一日。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows:
(Continued)

Notes: (Continued)

- (e) On 24 December 2018, Singyes New Materials completed the acquisition of 100% equity interest in Huabei, which hold 75% equity interests in Shenzhen Kangsheng (Huabei and Shenzhen Kangsheng are collectively referred to as "Huabei Group"). Upon completion of the acquisition, Singyes New Materials directly owned 75% effective equity interests in Shenzhen Kangsheng. The purchase consideration was satisfied by allotment and issue of 40,000,000 ordinary shares of Singyes New Materials at the market price of HK\$0.62 per share (equivalent to approximately RMB21,848,000, in aggregate), which led the Group's equity interest in Singyes New Materials from 67.6% to the dilution of 62.4%. The details are set out in note 41 to the financial statements.
- (f) 75% equity interests in Yan'an New Materials and Shenzhen Kangsheng were indirectly hold by Singyes New Materials, a subsidiary of the Company.

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

None of the subsidiaries has material non-controlling interests.

1. 公司及集團資料 (續)

有關附屬公司之資料 (續)

本公司主要附屬公司之詳情如下：(續)

附註：(續)

- (e) 於二零一八年十二月二十四日，興業新材料完成收購華貝100%股權，華貝持有深圳康盛75%股權（華貝及深圳康盛統稱「華貝集團」）。完成後，興業新材料直接擁有深圳康盛75%的實際股權。收購代價乃興業新材料透過按市場價每股0.62港元配發及發行40,000,000股普通股（相當於合計約人民幣21,848,000元）的方式結付，並導致本集團於興業新材料的股權由67.6%攤薄至至62.4%。詳情載於財務報表附註41。
- (f) 延安新材料及深圳康盛75%的股權由本公司附屬公司興業新材料間接持有。

上表列示董事所認為主要影響本集團年度業績及構成本集團資產淨值重大部分的本公司附屬公司。董事認為，提供其他附屬公司之詳情將導致詳情過於冗長。

概無附屬公司擁有重大非控股權益。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise standards and interpretations approved by the International Accounting Standards Board (the “IASB”) and International Accounting Standards (“IASs”) and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect and the disclosure requirements of the Hong Kong companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments, conversion rights of convertible bonds, and certain financial assets and equity investments which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern basis

As at 31 December 2018, the Group had net current liabilities of RMB888,372,000 (31 December 2017: net current assets of RMB3,239,249,000) and incurred a loss of RMB672,227,000 (2017: net profit of RMB150,406,000) for the year then ended.

As disclosed in the Company’s announcements dated 18 October 2018 and 10 January 2019, the Company has defaulted on its US\$160 million 6.75% senior notes due 2018 (the “2018 USD Senior Notes”), which resulted in the occurrence of events of default of RMB930 million 5% convertible bonds due 8 August 2019 (the “2019 Convertible Bonds”) and US\$260 million 7.95% senior notes due on 15 February 2019 (the “2019 Senior Notes”) (collectively the “Debt Securities”). The aforesaid defaults (the “Default”) also resulted in cross-defaults of certain of the Group’s bank and other loans which became payable on demand in accordance with their terms.

2.1 編製基準

本財務報表根據國際財務報告準則(「國際財務報告準則」)編製，其包括國際會計準則理事會(「國際會計準則理事會」)批准的準則及詮釋、國際會計準則(「國際會計準則」)與國際會計準則委員會批准且仍然有效的常設詮釋委員會之詮釋，以及香港《公司條例》之披露規定。該等報表根據歷史成本慣例編製，惟衍生金融工具、可換股債券的轉換權及若干金融資產及權益投資按公平值計量。除另有指明外，該等財務報表以人民幣元(「人民幣」)呈列且所有數值已四捨五入至最近之千位。

持續經營基準

於二零一八年十二月三十一日，本集團的流動負債淨額為人民幣888,372,000元(二零一七年十二月三十一日：流動資產淨額人民幣3,239,249,000元)，並於截至該日止年度產生虧損人民幣672,227,000元(二零一七年：淨利潤人民幣150,406,000元)。

如本公司日期為二零一八年十月十八日及二零一九年一月十日的公告所披露，本公司已拖欠支付160,000,000美元二零一八年到期票息6.75%的優先票據(「二零一八年美元優先票據」)，導致人民幣930,000,000元二零一九年八月八日到期票息5%的可換股債券(「二零一九年可換股債券」)及260,000,000美元二零一九年二月十五日到期票息7.95%的優先票據(「二零一九年優先票據」)(統稱「債務證券」)發生違約事件。上述違約(「該違約」)亦導致本集團若干銀行及其他貸款之交叉違約，根據條款其需於要求時償還。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.1 BASIS OF PREPARATION (Continued)

Going concern basis (Continued)

These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the directors have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. In order to improve the Group's liquidity and cash flows to sustain the Group as a going concern, the Group has implemented or is in the process of implementing the following measures:

The Subscription

On 16 May 2019, the Company has entered into a subscription agreement with Water Development (HK) Holding Co., Limited (the "Subscriber", which is a subsidiary of Shuifa Energy Group Limited (水發能源集團有限公司), a state-owned enterprise). Pursuant to the subscription agreement, the Company has conditionally agreed to allot and issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for, at completion, 1,687,008,585 subscription shares at the subscription price of HK\$0.92 per subscription share (the "Subscription"). The Subscription is subject to certain conditions, including but not limited to:

- (1) the Subscriber having obtained all necessary consents and authorisations for the execution and completion of the transactions under the subscription agreement from all the relevant government or regulatory authorities (including the governmental authorities for the supervision and management of state-owned assets, foreign exchange controls and anti-trust, the relevant department of commerce and the relevant commission for development and reform), and such consents and authorisations remain fully effective under any relevant law and regulation of any jurisdiction;

2.1 編製基準 (續)

持續經營基準 (續)

該等情況顯示存在可能對本集團持續經營能力構成重大質疑的重大不明朗因素。

鑒於該等情況，董事在評估本集團是否將有足夠財務資源持續經營方面已考慮本集團未來的流動資金及表現以及其可用資金來源。為了改善本集團的流動資金及現金流量，從而維持本集團的持續經營，本集團已實施或正在實施以下措施：

認購事項

於二零一九年五月十六日，本公司已與水發集團（香港）控股有限公司（「認購人」，國有企業水發能源集團有限公司的附屬公司）訂立認購協議。根據認購協議，本公司已有條件同意按認購價每股認購股份0.92港元配發及發行1,687,008,585股認購股份予認購人，而認購人已有條件同意於完成時認購上述股份（「認購事項」）。認購事項須待達成若干條件，包括但不限於：

- (1) 認購人已就執行及完成認購協議項下之交易自所有相關政府或監管機構（包括政府國有資產監督管理機構、外匯管制和反壟斷、有關商務部及有關發改委）獲得一切必要同意及授權，且有關同意及授權於任何司法權區之任何相關法律及法規下仍具十足效力；

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.1 BASIS OF PREPARATION (Continued)

Going concern basis (Continued)

The Subscription (Continued)

- (2) the obtaining of all necessary approval(s) by the Company's shareholders at the Company's special general meeting as required by the listing rules and/or the takeovers code, the articles of associations of the Company or applicable laws to approve the transactions under the subscription agreement, including the Subscription, the Whitewash Waiver (a waiver from the Securities and Futures Commission of Hong Kong, the "SFC", pursuant to Note 1 on Dispensations from Rule 26 of the takeovers code in respect of the obligations of the Subscriber to make a mandatory general offer for all of the Company's shares not already owned or agreed to be acquired by the Subscriber or parties acting in concert with it which would, if the Subscription proceeds, otherwise arise as a result of the allotment and issuance of the subscription shares to the Subscriber) and the authorisation of share capital increase;
- (3) the SFC granting the Whitewash Waiver to the Subscriber and parties acting in concert with it (unconditionally or on such terms as the Subscriber may reasonably agree);
- (4) the SFC having issued a written confirmation to the Subscriber and parties acting in concert with it (unconditionally or on such terms as the Subscriber may reasonably agree) that the Subscriber shall not be required to extend a general offer in respect of all the shares of Singyes New Materials; and
- (5) the Subscriber having, in its absolute discretion, approved and agreed with the plan of onshore and offshore debt restructuring and resolution of disputes between the Group and its creditors, and such onshore and offshore debt restructuring having been completed or becoming effective on or before the completion of the Subscription.

Particulars of the Subscription were set out in the Company's announcement dated 5 June 2019.

2.1 編製基準 (續)

持續經營基準 (續)

認購事項 (續)

- (2) 已根據上市規則及／或收購守則、本公司組織章程細則或適用法律之規定於本公司股東特別大會上取得本公司股東一切必要批准，以批准認購協議項下之交易，包括認購事項、清洗豁免（香港證券及期貨事務監察委員會「證監會」根據收購守則規則26條豁免注釋之注釋1豁免認購人就認購人或其一致行動人士尚未擁有或同意收購之所有本公司股份作出強制性全面要約的責任，如果認購事項進行，會因配發及發行認購股份予認購人而產生該責任）及增加法定股本；
- (3) 證監會向認購人及其一致行動人士授出清洗豁免（無條件或按認購人可能合理同意之有關條款）；
- (4) 證監會已向認購人及其一致行動人士發出書面確認（無條件或按認購人可能合理同意之有關條款），認購人毋須就所有興業新材料股份提出全面要約；及
- (5) 認購人（可行使其絕對酌情權）已批准並同意在岸及離岸債務重組計劃及解決本集團與其債權人之間的糾紛，且該在岸及離岸債務重組已於認購事項完成當日或之前完成或生效。

認購事項的詳情載於本公司於二零一九年六月五日的公告。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.1 BASIS OF PREPARATION (Continued)

Going concern basis (Continued)

The Subscription (Continued)

The net proceeds, after taking into account the estimated expenses in relation to the Subscription, would be approximately HK\$1,529,048,000 (equivalent to approximately RMB1,339,751,000), which is intended to be used for (i) restructuring of existing debts of the Group; (ii) paying fees and expenses related to the overall restructuring exercise; and (iii) providing general working capital and normalised funding levels for the Group's ongoing operations, enabling the completion of existing projects and prudent growth of the Group.

Extension of due dates of bank and other loans

The Group currently is also negotiating with banks and lenders to seek for extension of due dates of bank and other loans. Subsequent to the balance sheet date, the Group has entered into extension agreements with eight banks. Pursuant to the extension agreements, the due date of bank loans aggregating to RMB826,719,000 (the "extended loans") and RMB718,387,000 as at 31 December 2018, have been conditionally extended to 17 April 2020 and 21 May 2021, respectively. The extension is subject to certain conditions, including but not limited to that the Subscriber should become guarantor of the extended loans within 30 days from the completion of the Subscription.

Letter of intent for new banking facilities

Upon the approval date of the consolidated financial statements, the Group has obtained letters of intent for new banking facilities aggregating to RMB1.5 billion from two banks in Mainland China.

2.1 編製基準 (續)

持續經營基準 (續)

認購事項 (續)

經計及有關認購事項的估計開支後，所得款項淨額將約為1,529,048,000港元（相當於約人民幣1,339,751,000元），擬用於(i)重組本集團現有債務；(ii)支付與整體重組事宜有關的費用及開支；及(iii)為本集團的持續經營提供一般營運資金及正常資金水平，令本集團完成現有項目及實現穩健增長。

延長銀行及其他貸款的到期日

本集團目前亦正與銀行及出借人磋商，尋求延長銀行及其他貸款的到期日。於資產負債表日後，本集團已與8家銀行訂立延期協議。根據延期協議，截止到二零一八年十二月三十一日，合計人民幣826,719,000元（「延期貸款」）及人民幣718,387,000元的銀行貸款到期日已分別有條件延長至二零二零年四月十七日及二零二一年五月二十一日。延期須待達成若干條件，包括但不限於認購人應於認購事項完成當日起計30日內成為延期貸款的擔保人。

新銀行融資意向書

於綜合財務報表批准日期後，本集團已接獲中國內地兩家銀行合計人民幣15億元的新銀行融資意向書。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.1 BASIS OF PREPARATION (Continued)

Going concern basis (Continued)

Restructuring of the Debt Securities

As disclosed in the Company's announcement dated 18 October 2018, immediately subsequent to the default of the Debt Securities, the Company has appointed external advisers to assist the Company in debt restructuring (the "Debt Restructuring") negotiations with bondholders and obtaining support from them. As at 9 August 2019, approximately 98.39% of the bondholders entered into restructuring support agreements (the "RSAs"), pursuant to which they have undertaken to work in good faith with the Company to implement the Debt Restructuring as soon as possible. The Company is going to file applications with the Bermuda Court and the High Court of Hong Kong (the "Hong Kong Court") in relation to seeking orders (the "Convening Orders") to convene meetings of the bondholders for the purpose of approving the schemes of arrangement in Bermuda and in Hong Kong (the "Bermuda Scheme" and "Hong Kong Scheme", respectively).

The directors have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from 31 December 2018. Although there is a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern, the directors, after taking into account the above-mentioned plans and measures, are of the opinion that, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2018. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

2.1 編製基準 (續)

持續經營基準 (續)

債務證券重組

如本公司日期為二零一八年十月十八日的公告所披露，緊接債務證券違約後，本公司已委聘外部顧問協助本公司與債券持有人進行債務重組（「債務重組」）磋商並獲得其支持。於二零一九年八月九日，約98.39%的債券持有人簽署重組支持協議（「重組支持協議」），據此，彼等承諾與本公司真誠合作，盡快實施債務重組。本公司將向百慕達法院及香港高等法院（「香港法院」）提出申請，以尋求其批准召開債券持有人會議的頒令（「召開頒令」），旨在批准百慕達及香港的協議安排（分別為「百慕達安排」及「香港安排」）。

董事已審閱管理層編製的本集團現金流量預測。現金流量預測涵蓋自二零一八年十二月三十一日起不少於十二個月的期間。雖然存在可能對本集團持續經營能力構成重大質疑的重大不確定因素，但董事在考慮上述計劃及措施後認為，本集團將有充足營運資金為其營運提供資金及於二零一八年十二月三十一日起十二個月內到期時履行其財務責任。因此，董事信納其適合按持續經營基準編製綜合財務報表。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.1 BASIS OF PREPARATION (Continued)

Going concern basis (Continued)

Restructuring of the Debt Securities (Continued)

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

The Audit Committee of the board of Directors (the “Board”) has confirmed that it has objectively and critically reviewed the measures mentioned above. The Audit Committee of the Board and the Board have confidence in the Group’s management and concurred with management’s view that the Group’s business plan for the next twelve months is feasible and achievable.

The Group has actively implemented, or is actively implementing, all the improvement targets outlined above for the purposes of increasing profits and improving the cash flow position of the Group, in order to remove material uncertainties relating to the going concern of the Group for the next twelve months.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2018. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

2.1 編製基準 (續)

持續經營基準 (續)

債務證券重組 (續)

倘若持續經營假設不合適，則可能需要進行調整以將資產價值撇減至其可收回金額，以計提可能產生的任何進一步負債，並分別將非流動資產及非流動負債重新分類為流動資產及流動負債。該等調整的影響尚未反映在綜合財務報表中。

董事會（「董事會」）轄下審核委員會已確認其已客觀及苛刻地對上述措施進行了審查。董事會審核委員會及董事會對本集團管理層充滿信心，並認同管理層的觀點：本集團未來十二個月的業務計劃可行及可實現。

本集團已積極實施或正積極實施上述所有改善目標，旨在增加利潤及改善本集團的現金流量狀況，以消除與本集團未來十二個月持續經營有關的重大不明朗因素。

綜合基準

綜合財務報表包括本公司及其附屬公司於截至二零一八年十二月三十一日止年度的財務報表。附屬公司為本公司直接或間接控制的實體。當本集團對參與投資對象業務的浮動回報承擔風險或享有權利以及能透過對投資對象的權力（如本集團獲賦予現有能力以主導投資對象相關活動的既存權利）影響該等回報時，即取得控制權。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.1 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

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

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

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

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

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

2.1 編製基準 (續)

綜合基準 (續)

倘本公司直接或間接擁有少於投資對象大多數投票或類似權利的權利，則本集團於評估其是否擁有對投資對象的權力時會考慮一切相關事實及情況，包括：

- (a) 與投資對象其他投票持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司的財務報表已按與本公司相同的報告期採用一致會計政策編製。附屬公司業績自本集團取得控制權之日起綜合入賬，並將繼續綜合入賬直至終止該項控制權之日為止。

損益及其他全面收益的各項目歸本集團母公司擁有人及非控股權益，即使該結果會導致非控股權益結餘出現虧絀。與本集團成員公司間的交易相關的所有集團內資產及負債、股權、收益、開支及現金流量於綜合入賬時全部抵銷。

倘有事實及情況顯示上文所述三項控制因素中有一項或多項出現變化，則本集團會重新評估其是否對投資對象擁有控制權。如附屬公司擁有權權益出現變化，但未有喪失控制權，則會入賬列作權益交易。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.1 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i>
IFRS 9	<i>Financial Instruments</i>
IFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i>
Amendments to IAS 40	<i>Transfers of Investment Property</i>
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration</i>
Annual Improvements 2014-2016 Cycle	Amendments to IFRS 1 and IAS 28

2.1 編製基準 (續)

綜合基準 (續)

倘本集團失去對一間附屬公司的控制權，則其終止確認(i)該附屬公司的資產(包括商譽)及負債、(ii)任何非控股權益的賬面值及(iii)於權益內記錄的累計匯兌差額；並確認(i)所收代價的公平值、(ii)任何投資所保留的公平值及(iii)損益賬中任何因此產生的盈餘或虧絀。本集團應佔先前於其他全面收益確認的部分會根據就猶如本集團直接出售相關資產或負債規定的相同基準，按適用情況重新分類至損益或保留溢利。

2.2 會計政策變動及披露

本集團於本年度財務報表首次採納以下新訂及經修訂國際財務報告準則。

國際財務報告準則第2號修訂本	以股份為基礎付款交易的分類及計量
國際財務報告準則第4號修訂本	與國際財務報告準則第4號保險合約一併應用國際財務報告準則第9號金融工具
國際財務報告準則第9號	金融工具
國際財務報告準則第15號	來自與客戶合約的收入
國際財務報告準則第15號修訂本	對國際財務報告準則第15號來自客戶合約的收入作出的澄清
國際會計準則第40號修訂本	轉移投資物業
國際財務報告解釋公告第22號	外幣交易和預付對價
二零一四年至二零一六年周期的年度改進	國際財務報告準則第1號及國際會計準則第28號修訂

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財務報表附註

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

Other than as explained below regarding the impact of IFRS 9, IFRS 15 and the amendments to IFRS 15, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

Further information about IFRS 9 and IFRS 15 applied by the Group is described below:

- (a) IFRS 9 *Financial Instruments replaces* IAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

The Group has recognised the transition adjustments against the applicable opening balances in equity at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under IAS 39.

Classification and measurement

The following information sets out the impacts of adopting IFRS 9 on the consolidated statement of financial position, including the effect of replacing IAS 39's incurred credit loss calculations with IFRS 9's expected credit losses ("ECLs").

A reconciliation between the carrying amounts under IAS 39 and the balances reported under IFRS 9 as at 1 January 2018 is as follows:

2.2 會計政策變動及披露(續)

除下文解釋的國際財務報告準則第9號、國際財務報告準則第15號及國際財務報告準則第15號修訂的影響外，採納上述新訂及經修訂準則對該等財務報表並無重大財務影響。

關於本集團所採用國際財務報告準則第9號及國際財務報告準則第15號的進一步資料闡述如下：

- (a) 國際財務報告準則第9號金融工具於二零一八年一月一日或之後開始的年度期間取代國際會計準則第39號金融工具：分類及計量，連同金融工具會計處理的所有三個方面：分類及計量、減值及對沖會計處理。

本集團已確認於二零一八年一月一日的期初權益結餘的過渡調整。因此，並無重列比較資料，並繼續根據國際會計準則第39號進行報告。

分類及計量

下列資料載列採納國際財務報告準則第9號對綜合財務狀況表的影響，包括以國際財務報告準則第9號的預期信貸虧損（「預期信貸虧損」）取代國際會計準則第39號導致的已產生信貸虧損計算的影響。

於二零一八年一月一日國際會計準則第39號項下的賬面值與國際財務報告準則第9號呈報的結餘對賬如下：

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(a) (continued)

Classification and measurement (Continued)

Notes 附註	Category 類別	Amount 金額 RMB'000 人民幣千元	Re- classification 重新分類 RMB'000 人民幣千元	Amount 金額 RMB'000 人民幣千元	Category 類別
Financial assets	金融資產				
Trade receivables	應收貿易款項 (i)	2,891,205	-	2,891,205	AC ²
Bills receivable	應收票據 (ii)	420,902	-	420,902	FVOCI ⁵ (debt) (債權)
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產	709,620	-	709,620	AC
Available-for-sale investments	可供出售投資 (iii),(iv)	265,803	(265,803)	-	N/A 不適用
To: Financial assets at fair value through profit or loss	至：按公平值計量且其變動計入損益之金融資產 (iii)	-	(235,737)	-	
To: Equity investments designated at fair value through other comprehensive income	至：指定按公平值計量且其變動計入其他全面收益之權益投資 (iv)	-	(30,066)	-	
Financial assets at fair value through profit or loss	按公平值計量且其變動計入損益之金融資產 (iii)	-	235,737	235,737	FVPL ⁴
From: Available-for-sale investments	自：可供出售投資 (iii)	-	235,737	-	
Equity investments designated at fair value through other comprehensive income	指定按公平值計量且其變動計入其他全面收益之權益投資 (iv)	-	30,066	30,066	FVOCI ⁵ (equity) (權益)

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31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(a) (continued)

Classification and measurement (Continued)

Notes 附註	Category 類別	IAS 39 measurement 國際會計準則 第39號計量	Re- classification 重新分類	IFRS 9 measurement 國際財務報告準則 第9號計量	Category 類別
		Amount 金額 RMB'000 人民幣千元		Amount 金額 RMB'000 人民幣千元	
From: Available-for-sale investments	自：可供出售投資 (iv)	–	30,066	–	
Pledged deposits	抵押存款	487,022	–	487,022	AC
Cash and cash equivalents	現金及現金等價物	1,202,423	–	1,202,423	AC
		5,976,975	–	5,976,975	
Other assets	其他資產				
Contract assets	合約資產 (i)	1,428,900	–	1,428,900	
Deferred tax assets	遞延稅項資產 (i)	47,105	–	47,105	
Total assets	總資產	12,385,955	–	12,385,955	

- ¹ L&R: Loans and receivables
- ² AC: Financial assets or financial liabilities at amortised cost
- ³ AFS: Available-for-sale investments
- ⁴ FVPL: Financial assets at fair value through profit or loss
- ⁵ FVOCI: Financial assets at fair value through other comprehensive income

2.2 會計政策變動及披露 (續)

(a) (續)

分類及計量 (續)

- ¹ L&R：貸款及應收款項
- ² AC：按攤餘成本列賬的金融資產或金融負債
- ³ AFS：可供出售投資
- ⁴ FVPL：按公平值計量且其變動計入損益之金融資產
- ⁵ FVOCI：指定按公平值計量且其變動計入其他全面收益之金融資產

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財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(a) (continued)

Classification and measurement (Continued)

Notes:

- (i) The gross carrying amounts of the trade receivables, contract assets and deferred tax assets under IAS 39 represent the amounts after adjustments for the adoption of IFRS 15 but before the measurement of ECLs. Further details of the adjustments for the adoption of IFRS 15 are included in note 2.2(b) to the consolidated financial statements.
- (ii) As part of the Group's cash flow management, the Group has the practice of endorsing and discounting substantial part of the bills received from its customers before the bills are due for payment. Accordingly, the Group's bills receivable were considered as within the business model to hold to collect contractual cash flows and to sell and reclassified to receivables at fair value through other comprehensive income.
- (iii) The Group has elected the option to irrevocably designate certain of its previous available-for-sale debt investments as financial assets at fair value through profit or loss.
- (iv) The Group has elected the option to irrevocably designate certain of its previous available-for-sale equity investments as equity investments designated at fair value through other comprehensive income.

There are no changes in classification and measurement for the Group's financial liabilities.

2.2 會計政策變動及披露 (續)

(a) (續)

分類及計量 (續)

附註:

- (i) 國際會計準則第39號項下的應收貿易款項、合約資產及遞延稅項資產的賬面值總額，指就採納國際財務報告準則第15號作出調整後但在計量預期信貸虧損前的金額。有關就採納國際財務報告準則第15號作出調整的更多詳情載於附註2.2(b)。
- (ii) 作為本集團現金流量管理之部分，本集團的慣例為與票據到期前背書或貼現部分自本集團客戶處收到的票據。因此，本集團的應收票據被視為屬於持有以收取合約現金流量及出售業務模式的業務模式內，並重新分類為按公平值計量且其變動計入其他全面收益之應收款項。
- (iii) 本集團已選擇不可撤銷地指定先前持有的若干可供出售債務投資為按公平值計量且其變動計入損益的金融資產。
- (iv) 本集團已選擇不可撤銷地指定先前持有的若干可供出售權益投資為指定按公平值計量且其變動計入其他全面收益的權益投資。

本集團的金融負債的分類及計量並無變動。

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財務報表附註

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(a) (continued)

Impairment

The adoption of the ECL model under IFRS 9 resulted in no material financial impact in opening impairment allowances of the Group's debt instruments recorded at amortised cost or at fair value through other comprehensive income. Further details are disclosed in notes 24, 25 and 26.

Impact on reserves and retained profits

The impact of transition to IFRS 9 on reserves and retained profits is as follows:

Fair value reserve under IFRS 9 (available-for-sale investment revaluation reserve under IAS 39)

Available-for-sale investment revaluation reserve
可供出售投資重估儲備

Balance as at 31 December 2017 於二零一七年十二月三十一日的結餘
under IAS 39 (根據國際會計準則第39號)
Reclassification of 可供出售投資重新分類為按公平值
available-for-sale investments 計量且其變動計入損益的金融資產
to financial assets
at fair value through profit or loss

Balance as at 1 January 2018 於二零一八年一月一日的結餘
under IFRS 9 (根據國際財務報告準則第9號)

2.2 會計政策變動及披露 (續)

(a) (續)

減值

國際財務報告準則第9號項下預期信貸虧損模型的採納並無導致對本集團按攤餘成本入賬或透過其他全面收益按公平值列賬的債務工具的期初減值撥備的重大財務影響。更多詳情披露於年報的財務報表附註24、25及26。

對儲備及保留溢利的影響

過渡到國際財務報告準則第9號對儲備和保留溢利的影響如下：

公平值儲備(根據國際財務報告準則第9號)(可供出售投資重估儲備(根據國際會計準則第39號))

RMB'000
人民幣千元

(2,405)

2,405

—

NOTES TO FINANCIAL STATEMENTS

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31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

2.2 會計政策變動及披露 (續)

(a) (continued)

(a) (續)

Impact on reserves and retained profits (continued)

減值 (續)

Retained profits	RMB'000
保留溢利	人民幣千元
Balance as at 31 December 2017 於二零一七年十二月三十一日的結餘 under IAS 39 (根據國際會計準則第39號)	3,035,812
Reclassification of available-for-sale 可供出售投資重新分類為透過 investments to financial assets 損益按公平值列賬的金融資產 at fair value through profit or loss	(2,405)
Balance as at 1 January 2018 於二零一八年一月一日的結餘 under IFRS 9 (根據國際財務報告準則第9號)	3,033,407

Upon adoption of IFRS 9, available-for-sale investment revaluation reserve under IAS 39 related to life insurance contracts and asset management plans, which amounted to RMB3,701,000 of loss and RMB1,296,000 of gain respectively. These amounts were reclassified to retained profits as at 1 January 2018.

於採納國際財務報告準則第9號後，根據國際會計準則第39號，與人壽保險合約及資產管理計劃有關的可供出售投資重估儲備分別為人民幣3,701,000元虧損及人民幣1,296,000元收益。該等金額於二零一八年一月一日已重新分類至保留溢利。

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財務報表附註

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- (b) IFRS 15 and its amendments replace IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The disclosures are included in notes 3 and 4 to the financial statements. As a result of the application of IFRS 15, the Group has changed the accounting policy with respect to revenue recognition in note 2.4 to the financial statements.

The Group has adopted IFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at 1 January 2018.

The cumulative effect of the initial application of IFRS 15 was recognised as an adjustment to the opening balance of retained profits as at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under IAS 11, IAS 18 and related interpretations.

2.2 會計政策變動及披露 (續)

- (b) 國際財務報告準則第15號及其修訂取代國際會計準則第11號建造合約、國際會計準則第18號收益及有關詮釋，除少數例外情況外，其適用於客戶合約產生的所有收益。國際財務報告準則第15號建立新的五步模式，以將自客戶合約產生的收益入賬。根據國際財務報告準則第15號，收益按反映實體預期就向客戶轉讓貨品或服務而有權獲得的交換代價金額確認。國際財務報告準則第15號的原則為計量及確認收益提供更加結構化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收益總額、關於履行責任的資料、不同期間之間合約資產及負債賬目結餘的變動以及主要判斷及估計。

本集團採用經修訂追溯採納的方式採納國際財務報告準則第15號。根據該方式，該準則可應用於初始應用日期的所有合約或僅應用於在該日尚未完成的合約。本集團已選擇將該準則應用於在二零一八年一月一日尚未完成的合約。

初步採納國際財務報告準則第15號的累計影響確認為對二零一八年一月一日保留溢利期初結餘的調整。因此，並無重列比較資料，且繼續按國際會計準則第11號、國際會計準則第18號及相關詮釋呈報。

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財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(b) (continued)

Set out below are the amounts by which each financial statement line item was affected as at 1 January 2018 as a result of the adoption of IFRS 15:

2.2 會計政策變動及披露 (續)

(b) (續)

下文列出了採用國際財務報告準則第15號後，於二零一八年一月一日之各財務報表項目受影響的金額：

		Notes 附註	Increase/(decrease) 增加/(減少) RMB'000 人民幣千元
Assets	資產		
Construction contracts	建築合約	(i)	(976,179)
Trade receivables	應收貿易款項		(439,748)
Deferred tax assets	遞延稅項資產		(1,946)
Contract assets	合約資產		1,428,900
Total assets	總資產		11,027
Liabilities	負債		
Other payables and accruals	其他應付款項及應計費用	(ii)	117,066
Contract liabilities	合約負債		(117,066)
Total liabilities	總負債		—
Equity	權益		
Retained profits	保留溢利	(i)	(11,027)

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(b) (continued)

Set out below are the amounts by which each financial statement line item was affected as at 31 December 2018 and for the year ended 31 December 2018 as a result of the adoption of IFRS 15. The adoption of IFRS 15 has had no impact on other comprehensive income or on the Group's operating, investing and financing cash flows. The first column shows the amounts recorded under IFRS 15 and the second column shows what the amounts would have been had IFRS 15 not been adopted:

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018:

2.2 會計政策變動及披露 (續)

(b) (續)

下文列出了採用國際財務報告準則第15號後，於二零一八年十二月三十一日和截至二零一八年十二月三十一日止年度之各財務報表項目受影響的金額。採用國際財務報告準則第15號對其他全面收益或對本集團的經營、投資和融資現金流量沒有影響。第一欄顯示根據國際財務報告準則第15號入賬的金額，第二欄顯示在未採用國際財務報告準則第15號情況下的金額：

截至二零一八年十二月三十一日止年度的綜合損益及其他全面收益表：

			Amount prepared under 根據以下準則編製的金額		
		Notes 附註	IFRS 15 國際財務 報告準則 第15號 RMB'000 人民幣千元	Previous IFRS 過往 國際財務 報告準則 RMB'000 人民幣千元	Increase/ (decrease) 增加／(減少) RMB'000 人民幣千元
Revenue	收入	(i)	4,416,563	4,411,138	5,425
Gross profit	毛利		620,901	615,476	5,425
Other income and gains	其他收入及收益	(i)	58,574	62,719	(4,145)
Income tax	所得稅	(i)	–	192	(192)
Loss before tax	稅前虧損		(562,959)	(564,047)	1,088
Loss for the year	年度虧損		(672,227)	(673,315)	1,088
Loss per share attributable to ordinary equity holders of the company	本公司普通股 權益持有人 應佔每股虧損				
Basic	基本		(0.814)	(0.815)	0.001
Diluted	攤薄		(0.814)	(0.815)	0.001

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

2.2 會計政策變動及披露 (續)

(b) (continued)

(b) (續)

Consolidated statement of financial position as at 31 December 2018:

於二零一八年十二月三十一日的
綜合財務狀況表：

			Amounts prepared under 根據以下準則編製的金額		
			IFRS 15 國際財務 報告準則 第15號 RMB'000 人民幣千元	Previous IFRS 過往 國際財務 報告準則 RMB'000 人民幣千元	Increase/ (decrease) 增加／(減少) RMB'000 人民幣千元
Notes 附註					
Trade and bills receivables	應收貿易款項 及應收票據	(i)	3,389,476	3,777,165	(387,689)
Construction contracts	建築合約	(i)	–	1,717,575	(1,717,575)
Deferred tax asset	遞延稅項資產	(i)	1,557	3,695	(2,138)
Contract assets	合約資產	(i)	2,119,517	–	2,119,517
Total assets			11,397,127	11,385,012	12,115
Other payables and accruals	其他應付款項 及應計費用	(ii)	449,155	554,222	(105,067)
Contract liabilities	合約負債	(ii)	105,067	–	105,067
Total liabilities			7,705,395	7,705,395	–
Net assets			3,691,732	3,679,617	12,115
Retained profits	保留溢利	(ii)	2,348,657	2,360,772	(12,115)

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31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(b) (continued)

The nature of the adjustments as at 1 January 2018 and the reasons for the significant changes in the consolidated statement of financial position as at 31 December 2018 and the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018 are described below:

- (i) The Group provides construction services of conventional curtain walls and integrated solar photovoltaic systems. Before the adoption of IFRS 15, contract costs were recognised as an asset provided it was probable that they would be recovered. Such costs represented an amount due from the customers and were recorded as construction contracts in the consolidated statement of financial position before the construction services were billed to customers. Upon the adoption of IFRS 15, a contract asset is recognised when the Group performs by transferring goods or services to customers and the Group's right to consideration is conditional. Accordingly, the Group reclassified RMB976,179,000 from "construction contracts" to "contract assets" as at 1 January 2018.

2.2 會計政策變動及披露 (續)

(b) (續)

於二零一八年一月一日的調整性質及於二零一八年十二月三十一日的綜合財務狀況表和截至二零一八年十二月三十一日止年度的綜合損益及其他全面收益表的重重大變動原因如下所述：

- (i) 本集團提供傳統幕牆及集成太陽能光伏系統的建築服務。在採用國際財務報告準則第15號之前，合約成本被確認為資產，前提是其可能會被收回。該等成本作為應收客戶款項於向客戶報賬建築服務前於綜合財務狀況表內入賬為建築合約。於採納國際財務報告準則第15號後，合約資產於本集團通過向客戶轉讓貨品或服務且本集團有權有條件收取對價時確認。因此，於二零一八年一月一日，本集團將人民幣976,179,000元從「建築合約」重新分類為「合約資產」。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(b) (continued)

(i) (continued)

Before the adoption of IFRS 15, retention receivables arising from construction contracts, that were conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts, were included in trade receivables and discounted for time effect. Upon the adoption of IFRS 15, retention receivables are reclassified to contract assets, no time effect is recognised in assurance-type warranty as no significant financing component contained in contracts. Accordingly, as at 1 January 2018, the Group reclassified RMB439,748,000 from “trade and bills receivables” to “contract assets” and increased “contract assets” by RMB12,973,000 from “retained profits”, which was the effect of time value of the service quality retention as at 31 December 2017. The “deferred tax assets” were decreased by RMB1,946,000 due to reversal of discount in retention receivables.

As at 31 December 2018, the adoption of IFRS 15 resulted in an increase in “contract assets” of RMB1,428,900,000 and decreases in “trade and bills receivables”, “construction contracts” and “deferred tax assets” of RMB439,748,000, RMB976,179,000 and RMB2,138,000, respectively, which resulted in a decrease in “retained profits” of RMB11,027,000. “Revenue”, “other income and gains” and “income tax expense” for the year ended 31 December 2018 were also decreased by RMB5,425,000, RMB4,145,000 and RMB192,000, respectively.

2.2 會計政策變動及披露 (續)

(b) (續)

(i) (續)

在採用國際財務報告準則第15號之前，建築合約產生的應收質保金（以合約所規定的若干期間客戶滿意服務質量為條件）已計入應收貿易款項及就時間影響作出貼現。在採用國際財務報告準則第15號後，應收質保金重新分類為合約資產，由於合約中並無重大融資成分，保證類質保金不予確認任何時間影響。因此，於二零一八年一月一日，本集團將人民幣439,748,000元從「應收貿易款項及應收票據」重新分類至「合約資產」，並將人民幣12,973,000元從「保留溢利」增加至「合約資產」，此乃於二零一七年十二月三十一日服務質量質保金的時間價值影響。由於應收質保金的貼現回撥，「遞延稅項資產」減少人民幣1,946,000元。

於二零一八年十二月三十一日，採納國際財務報告準則第15號導致「合約資產」增加人民幣1,428,900,000元及「應收貿易款項及應收票據」、「建築合約」及「遞延稅項資產」分別減少人民幣439,748,000元、人民幣976,179,000元及人民幣2,138,000元，導致「保留溢利」減少人民幣11,027,000元。截至二零一八年十二月三十一日止年度的「收入」、「其他收入及收益」及「所得稅支出」亦分別減少人民幣5,425,000元、人民幣4,145,000元及人民幣192,000元。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(b) (continued)

- (ii) Before the adoption of IFRS 15, the Group recognised revenue-related contract liabilities for the unsatisfied performance obligation which were previously recognised as “advances from customers” under “other payables and accruals (current)”. Accordingly, upon adoption of IFRS 15, “contract liabilities” were increased by RMB117,066,000 and “other payables and accruals (current)” were decreased by RMB117,066,000, respectively, as at 1 January 2018.

As at 31 December 2018, under IFRS 15, RMB105,067,000 was reclassified to “contract liabilities” from “other payables and accruals” in relation to the consideration received from customers in advance for the sale of goods and the provision of construction services.

2.2 會計政策變動及披露 (續)

(b) (續)

- (ii) 於採納國際財務報告準則第15號前，本集團就未達成的履約責任確認收益相關的合約負債於「其他應付款項及應計費用(流動)」項下「預收款項」。於採納國際財務報告準則第15號後，於二零一八年一月一日，「合約負債」增加人民幣117,066,000元及「其他應付款項及應計費用(流動)」減少人民幣117,066,000元。

於二零一八年十二月三十一日，根據國際財務報告準則第15號，關於就銷售貨品及提供建築服務而向客戶預先收取的代價，人民幣105,067,000元已從「其他應付款項及應計費用」重新分類為「合約負債」。

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2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

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

Amendments to IFRS 3	<i>Definition of a Business²</i>
Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation¹</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i>
IFRS 16	<i>Leases¹</i>
IFRS 17	<i>Insurance Contracts³</i>
Amendments to IAS 1 and IAS 8	<i>Definition of Material²</i>
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement¹</i>
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures¹</i>
IFRIC 23	<i>Uncertainty over Income Tax Treatments¹</i>
Annual Improvements 2015-2017 Cycle	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 ¹

- ¹ Effective for annual periods beginning on or after 1 January 2019
- ² Effective for annual periods beginning on or after 1 January 2020
- ³ Effective for annual periods beginning on or after 1 January 2021
- ⁴ No mandatory effective date yet determined but available for adoption

2.3 已頒佈但尚未生效的國際財務報告準則

本集團並未於本財務報表中應用下列已頒佈但尚未生效的新訂及經修訂國際財務報告準則。

國際財務報告準則第3號修訂	業務的定義 ²
國際財務報告準則第9號修訂	具有負補償之提前還款特性 ¹
國際財務報告準則第10號及國際會計準則第28號修訂	投資者與其聯營公司或合營企業之間的資產出售或注資 ⁴
國際財務報告準則第16號	租賃 ¹
國際財務報告準則第17號	保險合約 ³
國際會計準則第1號及國際會計準則第8號修訂	重大的定義 ²
國際會計準則第19號修訂	計劃修訂、縮減或結算 ²
國際會計準則第28號修訂	於聯營公司及合營企業的長期權益 ¹
國際財務報告解釋公告第23號	所得稅處理的不確定性 ¹
二零一五年至二零一七年周期的年度改進	國際財務報告準則第3號、國際財務報告準則第11號、國際會計準則第12號及國際會計準則第23號修訂 ¹

- ¹ 於二零一九年一月一日或之後開始的年度期間生效
- ² 於二零二零年一月一日或之後開始的年度期間生效
- ³ 於二零二一年一月一日或之後開始的年度期間生效
- ⁴ 尚未釐定法定生效日期但可供採納

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2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

Further information about those IFRSs that are expected to be applicable to the Group is described below.

Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020.

IFRS 16, replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC 15 *Operating Leases – Incentives* and SIC 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

2.3 已頒佈但尚未生效的國際財務報告準則(續)

預期適用於本集團之國際財務報告準則詳情描述如下。

國際財務報告準則第3號之修訂澄清並提供有關業務定義的額外指引。修訂澄清，對於一系列被視為業務的綜合活動及資產，其必須至少包括一項投入及實質性過程，共同對創造產出的能力作出重大貢獻。業務可以在不包含創建輸出所需的所有投入及過程的情況下存在。修訂取消了對市場參與者是否有能力獲得業務並繼續產出產出的評估。相反，重點乃獲得的投入及獲得的實質性過程是否共同對創造產出的能力作出重大貢獻。修訂亦還縮小產出的定義，重點關注向客戶提供的商品或服務、投資收入或日常業務過程中的其他收入。此外，修訂提供了指導，以評估獲得的過程是否具有實質性，並引入可選的公平值集中測試，以便簡化評估所獲得的一系列活動及資產是否並非為一項業務。本集團預期自二零二零年一月一日起採納該等修訂。

國際財務報告準則第16號取代國際會計準則第17號「租賃」、國際財務報告詮釋委員會詮釋第4號「釐定一項安排是否包括租賃」、常設詮釋委員會詮釋第15號「經營租賃—獎勵」及常設詮釋委員會詮釋第27號「按租賃的法律形式評估交易的實質內容」。準則載列確認、計量、呈列及披露租賃之原則，並規定承租人須就大部分租賃確認資產及負債。準則包括對於承租人的兩項確認豁免—低價值資產的租賃及短期租賃。於租賃起始日，承租人將確認一項將作出租賃付款的負債(即租賃負債)以及確認一項表示有權在租賃期內使用相關資產的資產(即使用權資產)。

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2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt IFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in IFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained profits at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying IAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. During 2018, the Group has performed a detailed assessment on the impact of adoption of IFRS 16. The Group has estimated that right-of-use assets of RMB219,638,000 and lease liabilities of RMB8,225,000 will be recognised at 1 January 2019.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

除非有使用權資產符合國際會計準則第40號投資物業的定義，或在應用重估模式下與某類別物業、廠房及設備相關，則有使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及有使用權資產的折舊開支。承租人將亦須於若干事件發生時重新計量租賃負債，例如由於租賃期變更及用於釐定該等付款的一項指數或比率變更而引致未來租賃付款變更。承租人一般將重新計量租賃負債的數額確認為有使用權資產的調整。國際財務報告準則第16號大致沿用國際會計準則第17號內出租人的會計處理方式。出租人將繼續使用與國際會計準則第17號相同的分類原則對所有租賃進行分類，並將之分為經營租賃及融資租賃。國際財務報告準則第16號要求承租人和出租人較根據國際會計準則第17號作出更廣泛的披露。承租人可以選擇使用全面追溯或修訂後追溯方法應用該準則。本集團將自二零一九年一月一日起採用國際財務報告準則第16號。本集團計劃採納國際財務報告準則第16號的過渡規定，將首次採納的累計影響確認為對於二零一九年一月一日保留盈利期初結餘的調整，以及不會重列比較數字。此外，本集團計劃將新規定應用於先前已應用國際會計準則第17號而識別為租賃的合約，並按剩餘租賃付款的現值計量租賃負債，以及使用本集團於首次應用日期的增量借貸利率貼現。使用權資產將按租賃負債金額計量，並按緊接首次應用日期前在財務狀況表中確認與租賃相關的任何預付或應計租賃付款金額進行調整。本集團計劃在租賃合約中使用該準則所允許的豁免，其租賃期限自首次申請日期起計十二個月內終止。於二零一八年，本集團已就採用國際財務報告準則第16號的影響進行詳細評估。本集團估計人民幣219,638,000元的使用權資產及人民幣8,225,000元的租賃負債將於二零一九年一月一日予以確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際財務報告準則第10號及國際會計準則第28號之修訂本解決國際財務報告準則第10號及國際會計準則第28號之間對於處理投資者與其聯營公司或合營企業之間的資產出售或投入的規定的不一致性。該等修訂本要求於投資者與其聯營公司或合營企業之間的資產出售或投入構成一項業務時，確認全部收益或虧損。對於不構成業務的資產交易，交易所產生的收益或虧損僅以無關連的投資者於該聯營公司或合營企業的權益為限，於投資者的損益中確認。該等修訂本將於未來期間應用。國際會計準則理事會已於二零一五年十二月剔除了國際財務報告準則第10號及國際會計準則第28號之修訂本的以往強制生效日期，而新的強制生效日期將於對聯營公司或合營企業的會計處理完成更廣泛的檢討後釐定。然而，該等修訂本可於現時採納。

國際會計準則第1號及國際會計準則第8號之修訂提供了重大的新定義。新定義指出，若省略、錯誤陳述或模糊資料，可合理預期其將影響一般用途財務報表的主要使用者根據該等財務報表作出的決定。修訂澄清重大將取決於資料的性質或程度。若可合理預期資料的錯誤陳述會影響主要用戶做出的決定，則錯誤陳述資料屬重大。本集團預期自二零二零年一月一日起採納該等修訂。該等修訂預計不會對本集團的財務報表產生任何重大影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

IFRIC 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is not expected to have any significant impact on the Group's financial statements.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and a joint venture

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require the unanimous consent of all parties having joint control.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際財務報告詮釋委員會詮釋第23號有關當會計處理涉及會影響國際會計準則第12號應用的不確定性因素(常稱為「不確定課稅情況」)時，如何將所得稅(即期及遞延)入賬。該詮釋並不適用於國際會計準則第12號範疇以外的稅項或徵費，亦無載列與不確定稅務處理有關的利息及罰款之特定要求。詮釋具體處理(i)實體有否單獨考慮不確定稅務處理；(ii)稅務當局調查稅務處理時，實體作出的假設；(iii)實體如何釐定應課稅溢利或稅務虧損、稅基、未動用稅務虧損、未動用稅務抵免及稅率；以及(iv)實體如何考慮事實及情況變動。該詮釋即將在不利用後見之明的情況下全面追溯應用，或按應用的累積影響追溯應用(作為初始採納當日期初權益的調整，且並不會重列比較資料)。本集團預期自二零一九年一月一日起採納該詮釋。該等詮釋預期不會對本集團的財務報表產生任何重大影響。

2.4 主要會計政策概要

於聯營公司投資

聯營公司為本集團於其一般不少於20%股本投票權中擁有長期權益的實體，且可對其發揮重大影響力。重大影響力指的是參與投資對象的財務和經營決策的權力，但不是控制或共同控制這些決策的權力。

合營企業為一項共同安排，據此，擁有該安排共同控制權的各方有權享有該合營企業的資產淨值。共同控制是指按照合約約定對某項安排所共有的控制，共同控制僅在當相關活動要求共同享有控制權的各方作出一致同意之決定時存在。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates and a joint venture (Continued)

The Group's investments in associates and a joint venture are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates and a joint venture is included in profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint venture are eliminated to the extent of the Group's investments in the associates or joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint venture is included as part of the Group's investments in associates or joint venture.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.4 主要會計政策概要

於聯營公司投資 (續)

本集團於聯營公司及合營企業的投資乃按本集團根據權益會計法應佔資產淨值減任何減值虧損於綜合財務狀況表列賬。

本集團應佔聯營公司及合營企業收購後業績及其他全面收益分別計入損益及綜合其他全面收益表。此外，倘於聯營公司及合營企業的權益直接確認變動，則本集團會於綜合權益變動表確認其應佔任何變動(倘適用)。本集團與其聯營公司及合營企業間交易的未變現收益及虧損將以本集團於聯營公司的投資為限抵消，惟倘未變現虧損證明所轉讓資產減值則除外。收購聯營公司及合營企業所產生的商譽已計入作本集團於聯營公司及合營企業投資的一部份。

倘於聯營公司之投資變成於合營企業之投資或出現相反情況，則不會重新計量保留權益。反之，該投資繼續根據權益法入賬。在所有其他情況下，失去對聯營公司之重大影響力或對合資公司之共同控制權後，本集團按其公平值計量及確認任何剩餘投資。聯營公司及合營企業於失去重大影響力時的賬面值與剩餘投資及出售所得款項的公平值之間的任何差額乃於損益賬內確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations and goodwill

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

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

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

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

2.4 主要會計政策概要

業務合併及商譽

業務合併乃以收購法列賬。轉讓對價乃以收購日期的公平值計量，該公平值為本集團轉讓的資產於收購日期的公平值、本集團向被收購方前擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和。於各業務合併中，本集團選擇是否以公平值或被收購方可識別淨資產的應佔比例，計量於被收購方的非控股權益，即於被收購方中賦予持有人在清盤時按比例分佔淨資產的現有所有權權益。非控股權益的所有其他組成部分均按公平值計量。收購相關成本於產生時列為開支。

當本集團收購一項業務時，會根據合同條款、於收購日期的經濟環境及相關條件，評估須承擔的金融資產及負債，以作出適合的分類及標示，其中包括分離被收購方主合同中的嵌入式衍生工具。

如業務合併分階段進行，先前持有的股本權益按其於收購日期的公平值重新計量，所產生的任何損益在損益賬中確認。

收購方將轉讓的任何或然對價按收購日期的公平值確認。分類為資產或負債的或然對價按公平值計量，其公平值變動於損益賬內。分類為權益的或然對價不重新計量，其之後的結算在權益中入賬。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations and goodwill (Continued)

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

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

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

2.4 主要會計政策概要

業務合併及商譽(續)

商譽起初按成本計量，即已轉讓對價、非控股權益的確認金額及本集團先前持有的被收購方股本權益的任何公平值總額，與所收購可識別淨資產及所承擔負債之間的差額。如對價與其他項目的總額低於所收購淨資產的公平值，於重新評估後該差額將於損益賬內確認為議價收購收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面價值有可能減值時，則會更頻密地進行測試。本集團於十二月三十一日進行商譽的年度減值測試。為進行減值測試，因業務合併而購入的商譽自收購日期起被分配至預期可從合併產生的協同效益中獲益的本集團各現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配至該等單位或單位組別。

減值乃通過評估與商譽有關的現金產生單位(或現金產生單位組別)的可收回金額釐定。當現金產生單位(或現金產生單位組別)的可收回金額低於賬面金額時，減值虧損便予以確認。已就商譽確認的減值虧損不得於隨後期間撥回。

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財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations and goodwill (Continued)

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

Merger accounting for business combinations under common control
The acquisition of subsidiaries under common control has been accounted for using merger accounting principles. The merger method of accounting involves incorporating the financial statement items of the combining entities or businesses in which the common control combination occurs as if they had been consolidated from the date when the combining entities or businesses first came under the control of the controlling party.

Fair value measurement

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

2.4 主要會計政策概要

業務合併及商譽(續)

如商譽分配至現金產生單位(或現金產生單位組別)而該單位的部分業務已出售,則在釐定出售損益時,與所出售業務相關的商譽會計入該業務的賬面金額。在該等情況下出售的商譽乃根據所出售業務的相對價值及現金產生單位的保留份額進行計量。

共同控制業務合併的合併會計處理受共同控制附屬公司的收購乃採用合併會計原則入賬。合併會計法涉及納入發生共同控制合併的合併實體或業務的財務報表項目,猶如有關項目已自合併實體或業務首次受控制方控制之日起綜合入賬。

公平值計量

本集團按各報告期末的公平值計量其衍生金融工具、按公平值計量且其變動計入損益的金融資產、指定為按公平值計量且其變動計入其他全面收益的權益投資及可換股債券的轉換權。公平值指於計量日期之市場參與者之間之有序交易中,就出售資產所收取之價格或轉讓負債所支付之價格。公平值計量乃基於假設出售資產或轉讓負債之交易於資產或負債之主要市場,或在未有主要市場之情況下,則於資產或負債之最有利市場進行。主要或最有利市場須位於本集團能到達之地方。資產或負債之公平值乃使用市場參與者為資產或負債定價所用之假設計量(假設市場參與者依照彼等之最佳經濟利益行事)。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurement (Continued)

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

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

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

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

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

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

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

2.4 主要會計政策概要

公平值計量(續)

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

本集團使用適用於不同情況之估值技術，而其有足夠數據計量公平值，以盡量利用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

於財務報表計量或披露公平值之所有資產及負債，均根據對公平值計量整體而言屬重要之最低層輸入數據在下列公平值等級架構內進行分類：

第一層 – 按同等資產或負債於活躍市場之報價(未經調整)計算

第二層 – 按估值技巧計算(藉此直接或間接可觀察對公平值計量而言屬重要之最低層輸入數據)

第三層 – 按估值技巧計算(藉此觀察不到對公平值計量而言屬重要之最低層輸入數據)

就按經常性基準於財務報表確認之資產及負債而言，本集團於每個報告期末通過重新評估分類(基於對公平值計量整體而言屬重大之最低層輸入數據)以決定等級架構內各層之間是否有轉移。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets

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

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

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

2.4 主要會計政策概要

非金融資產的減值

倘出現減值跡象或須對資產（不包括存貨、合同資產、金融資產、投資物業及非流動資產）進行年度減值測試，則會估計資產的可收回金額。資產的可收回金額乃資產或現金產生單位使用價值與其公平值減出售成本兩者中的較高者，並且就個別資產釐定，如果資產並不產生大部分獨立於其他資產及資產組合的現金流入，在該情況下，可收回金額則按資產所屬的現金產生單位釐定。

只有資產的賬面金額超過其可收回金額時，減值虧損方予確認。評估使用價值時，估計未來現金流量採用反映當前市場對貨幣時間價值及該項資產的特有風險的稅前折現率貼現為現值。減值虧損乃於產生期間計入損益賬中與減值資產相應的費用類別。

於每個報告期末評估是否有跡象顯示過往已確認的減值虧損可能已不再存在或可能減少。倘出現該等跡象，則會估計資產的可收回金額。只有在用以釐定資產（商譽除外）的可收回金額的估計方法出現變動時，方會撥回該資產過往已確認的減值虧損，但撥回的金額不可超過假設過往年度並無就該項資產確認減值虧損而釐定的賬面值（扣除任何折舊／攤銷）。撥回的減值虧損乃於其產生期間計入損益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties

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

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

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

2.4 主要會計政策概要

關連方

在以下情況下，一方將被視為本集團的關連方：

- (a) 有關方為一名人士或該人士之關係密切家庭成員，而該人士控制或共同控制本集團：
 - (i) 對本集團有重大影響；或
 - (ii) 為本集團或本集團母公司的主要管理人員的其中一名成員；

或

- (b) 該方為實體而符合下列任何一項條件：
 - (i) 該實體與本集團屬同一集團之成員公司；
 - (ii) 該實體為另一家實體的聯營公司或合營企業（或另一家實體的母公司、附屬公司或同系附屬公司）；
 - (iii) 該實體與本集團均為同一第三方的合營企業；
 - (iv) 該實體為第三方實體的合營企業，而另一家實體則為該第三方實體的聯營公司；
 - (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃；

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財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

- (b) the party is an entity where any of the following conditions applies: (Continued)
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

2.4 主要會計政策概要

關連方 (續)

- (b) 該方為實體而符合下列任何一項條件：(續)
- (vi) 該實體受(a)項所界定人士控制或受共同控制；
 - (vii) 於(a)(i)項所識別人士對該實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員；及
 - (viii) 該實體或本集團任何之成員，向本集團或本集團之母公司提供主要管理人員服務。

物業、廠房及設備與折舊

除在建工程以外，物業、廠房及設備按成本減累計折舊及任何減值虧損列賬。一項物業、廠房及設備項目的成本包括其購買價及將資產達至運作狀況及位置，以作其預定用途所產生的任何直接應計成本。

物業、廠房及設備項目開始運作後所產生的開支，如維修保養，一般於產生期間在損益中扣除。若滿足確認標準，則重大檢查的開支會於資產賬面值中資本化作為替換。若須定期替換大部份物業、廠房及設備，則本集團會按特定可使用年期確認該部份為個別資產，並據此作出折舊。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value (nil to 5% of cost) over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Land and buildings	50 years
Plant and machinery	5-10 years
Motor vehicles	5 years
Office equipment and furniture	3-5 years
Solar photovoltaic power stations	25 years

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

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

2.4 主要會計政策概要

物業、廠房及設備與折舊(續)

各項物業、廠房及設備折舊乃以直線法按其估計可使用年期撇銷其成本至其剩餘價值，即零至5%的成本。物業、廠房及設備的估計可使用年期如下：

土地及樓宇	50年
機器設備	5-10年
汽車	5年
辦公室設備及傢具	3-5年
太陽能光伏電站	25年

當一項物業、廠房及設備的各部分有不同可使用年期時，該項目的成本乃按合理基準在各部分之間分配，而各部分乃個別地折舊。剩餘價值、可使用年期及折舊方法至少應於各財政年結日復核，並作出調整(如適當)。

物業、廠房及設備項目包括任何初始確認的主要部分於出售或預期其使用或出售不會帶來未來經濟利益時終止確認。因出售或報廢而於該資產終止確認年度的損益賬內確認的任何盈虧乃有關資產出售所得款項淨額與賬面值的差額。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation (Continued)

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

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at historical cost less accumulated depreciation and provision for any impairment in value. Depreciation is calculated on the straight-line basis to write off the cost of investment property to its residual value over its estimated useful life of 50 years.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the costs of the item can be measured reliably; otherwise, the expenditures are recognised in profit or loss in the year in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its carrying amount at the date of reclassification becomes its cost for accounting purposes. If an item of property, plant and equipment becomes an investment property because its use has changed, the transfer does not change the carrying amount of the property transferred, nor does it change the cost of that property for measurement or disclosure purposes.

2.4 主要會計政策概要 (續)

物業、廠房及設備與折舊 (續)

在建工程指正在建築中的物業、廠房及設備，乃以成本值減任何減值虧損列賬，且並無計提折舊。成本包括建築期間的直接建築成本及建築期間有關借款的資本化借貸成本。在建工程於完工及可作使用時，將重新分類至物業、廠房及設備之適當類別。

投資物業

投資物業乃指持作賺取租金收入及／或資本升值，而非為生產或供應貨物或服務的用途；或為行政目的；或為於日常業務過程中出售而持有的土地及樓宇中的權益。該等物業首次按成本計量，當中包括交易成本。首次確認後，投資物業採用歷史成本減去累計折舊和任何減值準備的金額計量。折舊乃使用直線基準，將投資物業之成本按其50年估計可使用年期撇銷至其剩餘價值計算。

後續支出僅在未來與該項相關的經濟利益很可能流入本集團，並且該項目的成本能可靠計量時計入資產的賬面金額；否則，支出在其發生當年於損益內確認。

倘投資物業成為業主自用，則重新分類為物業、廠房及設備，而就會計目的而言，於重新分類當日的賬面金額為其成本。倘物業、廠房及設備的某個項目因其用途改變而成為投資物業，就計量或披露而言，該轉撥並無改變所轉撥物業的賬面值，亦無改變該物業的成本。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-current assets and disposal groups held for sale

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

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

Intangible assets (other than goodwill)

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

Software purchased is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of five years.

2.4 主要會計政策概要 (續)

持作出售之非流動資產及出售組別

倘非流動資產及出售組別的賬面值主要透過銷售交易而非持續使用收回，則歸類為持作出售。在此情況下，資產或出售組別必須可按現狀即時出售，惟須符合出售該等資產或出售組別的慣常條款及出售須具十分把握。歸類為出售組別的附屬公司所有資產及負債重新分類為持作出售，而不論出售後本集團有否保留所持前附屬公司的非控股權益。

歸類為持作出售的非流動資產及出售組別（投資物業及金融資產除外）按其賬面金額與公平值減銷售成本之較低者計量。歸類為持作出售的物業、廠房及設備以及無形資產不予折舊或攤銷。

無形資產（商譽除外）

單獨取得的無形資產於初始確認時按成本計量。無形資產的可使用年期分為有限期或無限期。有限期的無形資產隨後按可使用經濟年期攤銷，並於有跡象顯示無形資產可能出現減值時評估減值。有限可使用年期的無形資產的攤銷期及攤銷方法至少於每個財政年度末檢討一次。

購買的軟件按成本減任何減值虧損列賬，並以直線法按五年的估計可使用年期內攤銷。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets (other than goodwill) (Continued)

Research and development costs

All research costs are charged to profit or loss as incurred.

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

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

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

2.4 主要會計政策概要 (續)

無形資產(商譽除外)(續)

研究及開發成本

所有研究成本於產生時計入損益。

開發新產品項目產生的開支，僅在本集團能夠證明以下各項時，方予以資本化及遞延，即：完成無形資產以供使用或出售的技術可行性；本集團完成資產的意圖及其使用或出售該資產的能力；資產日後如何產生經濟利益；能否獲得完成該項目的資源，以及在開發過程中可靠計量開支的能力。不符合這些標準的產品開發開支將於產生時確認為費用。

經營租約

凡資產擁有權的絕大部分回報及風險仍歸出租人所有的租約，均列作經營租約。倘本集團為出租人，本集團根據經營租賃出租之資產計入非流動資產，而根據經營租賃應收之租金按租賃期以直線法計入損益表。倘本集團為承租人，根據經營租約的應付租金在扣除自出租人收取的任何租金優惠後，按直線法於租賃期內於損益內扣除。

經營租約項下的預付土地租賃款項首先以成本列值，其後以直線法於租賃期內確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating leases (Continued)

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

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition (applicable from 1 January 2018)" below.

2.4 主要會計政策概要(續)

經營租約(續)

當租賃款項未能於土地及樓宇之間可靠分配時，整份租賃款項乃作為物業、廠房及設備之融資租約，計入土地及樓宇之成本。

投資及其他金融資產(根據國際財務報告準則第9號自二零一八年一月一日起適用的政策)

初步確認及計量

金融資產於初步確認時分類，其後按攤銷成本、按公平值計入其他全面收益及按公平值計入損益計量。

初步確認時的金融資產分類取決於金融資產的合約現金流量特徵以及本集團管理彼等的業務模式。除了並不包含重大融資成分或本集團已就此應用不調整重大融資成分影響的可行權宜方法的貿易應收款項外，本集團初始按公平值加上(倘金融資產並非按公平值計入損益)交易成本計量金融資產。根據下文「收入確認(自二零一八年一月一日起應用)」所載的政策，並不包含重大融資成分或本集團已就此應用可行權宜方法的貿易應收款項，乃根據《國際財務報告準則》第15號釐定的交易價格計量。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2.4 主要會計政策概要 (續)

投資及其他金融資產(根據國際財務報告準則第9號自二零一八年一月一日起適用的政策)(續)

為使金融資產按攤銷成本或按公平價值計入其他全面收益進行分類及計量，需就未償還本金產生純粹支付本金及利息「純粹支付本金及利息」現金流量。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收集合約現金流量、出售金融資產，或兩者兼有。

金融資產之所有一般買賣都在交易日確認，即本集團承諾購買或出售資產之日期。一般買賣指在一般市場規則或慣例指定的期限內交付金融資產之購買或銷售。

後續計量

金融資產後續計量取決於其以下分類：

按攤銷成本計量的金融資產(債務工具)

倘滿足以下兩個條件，本集團將按攤銷成本計量金融資產：

- 於旨在持有金融資產以收取合約現金流量的業務模式中持有的金融資產。
- 金融資產的合約條款於特定日期產生的現金流量純粹為未償還本金支付本金及利息。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

Financial assets at amortised cost (debt instruments) (Continued)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

The Group measures debt investments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (根據國際財務報告準則第9號自二零一八年一月一日起適用的政策) (續)

按攤銷成本計量的金融資產 (債務工具) (續)

按攤銷成本計量的金融資產其後使用實際利率法計量，並可能受減值影響。當資產終止確認、修訂或減值時，收益及虧損於損益表內確認。

按公平值計量且其變動計入其他全面收益的金融資產 (債務工具)

若同時符合下列兩項條件，本集團會將債務投資按公平值計量且其變動計入其他全面收益：

- 該金融資產乃根據兼具持有以收取合約現金流量及出售兩種目的之業務模式持有。
- 該金融資產的合約條款會於指定日期產生純屬本金還款及未償還本金利息付款的現金流量。

對於按公平值計量且其變動計入其他全面收益的債務投資，利息收入、匯兌重估及減值虧損或撥回均於損益賬確認，並按照與按攤銷成本計量的金融資產相同的方式計算。其餘的公平值變動於其他全面收益表確認。於終止確認時，於其他全面收益表確認的累計公平值變動將撥回損益賬。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2.4 主要會計政策概要 (續)

投資及其他金融資產(根據國際財務報告準則第9號自二零一八年一月一日起適用的政策)(續)

指定按公平值計量且其變動計入其他全面收益的金融資產(股本工具)

於初步確認時，本集團可選擇於股本投資符合國際會計準則第32號金融工具：呈報項下的股本定義且並非持作買賣時，將其股本投資不可撤回地分類為指定按公平值計入其他全面收益的股本投資。分類乃按個別工具基準釐定。

該等金融資產的收益及虧損概不會被重新計入損益表。在支付權確立，與股利相關的經濟利益很可能流入本集團，且股利的金額能夠可靠計量時，股息於損益表內確認為其他收入，惟當本集團於作為收回金融資產一部分成本的所得款項中獲益時則除外，於此等情況下，該等收益於其他全面收益入賬。指定按公平值計入其他全面收益的股本投資不受減值評估影響。

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31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (根據國際財務報告準則第9號自二零一八年一月一日起適用的政策) (續)

按公平值計量且其變動計入損益的金融資產

按公平值計量且其變動計入損益的金融資產包括持作買賣的金融資產，於初步確認時指定按公平值計量且其變動計入損益的金融資產，或強制要求按公平值計量的金融資產。倘為於近期出售或購回而收購金融資產，則該等金融資產分類為持作買賣。衍生工具（包括獨立嵌入式衍生工具）亦分類為持作買賣，惟該等衍生工具被指定為有效對沖工具則除外。現金流量並非純粹支付本金及利息的金融資產，不論其業務模式如何，均按公平值計入損益分類及計量。儘管如上文所述債務工具可按攤銷成本或按公平值計入其他全面收益分類，但於初步確認時，倘能夠消除或顯著減少會計錯配，則債務工具可指定為按公平值計入損益。

按公平值計入損益的金融資產按公平值於財務狀況表列賬，而公平值變動淨額於損益表內確認。

該類別包括本集團並無不可撤回地選擇按公平值計入其他全面收益進行分類的股本投資。在支付權確立，與股利相關的經濟利益很可能流入本集團，且股利的金額能夠可靠計量時，股本投資的股息亦於損益表內確認為其他收入。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

Financial assets at fair value through profit or loss (Continued)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018)

Initial recognition and measurement

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

2.4 主要會計政策概要 (續)

投資及其他金融資產 (根據國際財務報告準則第9號自二零一八年一月一日起適用的政策) (續)

按公平值計量且其變動計入損益的金融資產 (續)

當嵌入混合合約 (包含金融負債及非金融主體) 之衍生工具具備與主體不緊密相關之經濟特徵及風險; 具備與嵌入式衍生工具相同條款之單獨工具符合衍生工具之定義; 且混合合約並非透過損益反映公平值計量, 則該衍生工具與主體分開並作為單獨衍生工具列賬。嵌入式衍生工具按公平值計量, 且公平值變動於損益確認。僅當合約條款出現變動, 以致顯著修訂其他情況所須現金流量時或當原分類至透過損益反映公平值之金融資產獲重新分類時, 方進行重新評估。

嵌入混合合約 (包含金融資產主體) 之衍生工具不作單獨列賬。金融資產主體連同嵌入式衍生工具須整體分類為透過損益反映公平值之金融資產。

投資及其他金融資產 (根據國際會計準則第39號於二零一八年一月一日前適用的政策)

初始確認及計量

金融資產於初始確認時分類為按公平值計入損益之金融資產、貸款及應收款項及可供出售金融投資 (如適當)。金融資產初始確認時, 乃按公平值加上收購金融資產應佔的交易成本計量, 惟按公平值計入損益之金融資產除外。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

Initial recognition and measurement (Continued)

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

Subsequent measurement

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

Loans and receivables

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

2.4 主要會計政策概要 (續)

投資及其他金融資產值(根據國際會計準則第39號於二零一八年一月一日前適用的政策)(續)

初始確認及計量

金融資產之所有一般買賣都在交易日確認，即本集團承諾購買或出售資產之日期。一般買賣指在一般市場規則或慣例指定的期限內交付金融資產之購買或銷售。

後續計量

金融資產後續計量取決於其以下分類：

透過損益按公平值列賬之金融資產

透過損益按公平值列賬之金融資產包括持作買賣之金融資產。倘收購金融資產的目的旨在近期出售，則其分類為持作買賣。衍生金融工具，包括分離嵌入式衍生工具，除非其指定為國際會計準則第39號所界定的有效對沖工具，否則亦分類為持作買賣。

貸款及應收款項

貸款及應收款項是屬於非衍生性質的金融資產，以固定或可斟酌釐定的方式付款(並非在活躍市場上提供報價)。於初始計量後，該等資產其後以實際利息法按攤銷成本減任何減值撥備計量。攤銷成本乃於計及收購之任何折讓或溢價而計算，並包括構成實際利率不可分開部分之費用或成本。實際利率攤銷列入損益的「其他收入及收益」。減值虧損於損益的貸款「融資成本」及應收款項「其他開支」內確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in unlisted equity investments and other financial investments. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Other financial investments in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to profit or loss in other expenses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in profit or loss as other income in accordance with the policies set out for “Revenue recognition (applicable before 1 January 2018)” below.

2.4 主要會計政策概要 (續)

投資及其他金融資產值 (根據國際會計準則第39號於二零一八年一月一日前適用的政策) (續)

可供出售金融投資

可供出售金融投資乃非上市股本證券及其他金融投資中被指定的非衍生金融資產。分類為可供銷售之股本投資為既非持作銷售亦非按公平值計入損益的股本投資。無固定持有期限且可因流動資金需求或市況改變而出售的其他金融投資歸類至該類別。

於初始確認後，可供出售金融投資其後以公平值計量，未變現盈虧於可供出售投資重估儲備確認為其他全面收益，直至投資被終止確認（屆時累計損益於損益的「其他收益」確認），或直至投資被釐定為減值（屆時累計損益從可供出售投資重估儲備重新分類至損益的「其他開支」）。持有可供出售金融投資時所賺取的利息及股息分別呈列為利息收入及股息收入，並根據下列「收入確認」所載的政策於損益內確認為「其他收益」。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

Available-for-sale financial investments (Continued)

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss.

2.4 主要會計政策概要 (續)

投資及其他金融資產值(根據國際會計準則第39號於二零一八年一月一日前適用的政策)(續)

可供出售金融投資(續)

如非上市股本投資基於下列原因而不能可靠地計量公平值就該投資的合理公平值估計範圍幅度過大；或範圍內的若干估計可能性無法合理評估及用以估計其公平值，則該等投資乃以成本減任何減值虧損列賬。

本集團評估在短期內出售其可供出售金融資產的能力及意圖是否依然適合。當本集團由於市場不活躍而無法買賣金融資產，本集團可能在極少數情況下選擇重新分類該等金融資產(倘管理層有能力及意圖在可見將來持有該等資產或持有至到期)。

就從可供出售類別重新分類出來的金融資產而言，於重新分類日期之公平值賬面值變為金融資產之新攤銷成本，而該資產先前於權益中確認的任何盈虧乃使用實際利率於投資的餘下年期內攤銷至損益。新攤銷成本與到期金額之間的任何差額亦將使用實際利率於資產的餘下年期內攤銷。若資產其後被釐定為減值，則記錄於權益的款額會重新分類至損益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial assets (policies under IFRS 9 applicable from 1 January 2018 and policies under IAS 39 applicable before 1 January 2018)

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

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 主要會計政策概要 (續)

終止確認金融資產(根據國際財務報告準則第9號自二零一八年一月一日起適用的政策及根據國際會計準則第39號於二零一八年一月一日前適用的政策)

在下列情況下，一項金融資產(可適用於某項金融資產的一部分，或一組同類金融資產的一部分)需要終止確認(即自本集團綜合財務狀況表移除)：

- 從資產獲取現金流量的權利已經屆滿；或
- 本集團已轉讓獲取資產產生的現金流的權利，或已根據一項「過手」安排承擔責任，在無重大延誤的情況下，將有關現金流量全數付予第三方；及本集團(a)轉讓了與此項資產相關的大部分風險與回報，或(b)並無轉讓或保留該項資產絕大部分風險和回報，但已轉讓該項資產的控制權。

倘本集團已轉讓從資產收取現金流量的權利或訂立轉手安排，則評估有否保留資產所有權的風險及回報及保留的程度。倘本集團並無轉讓或保留資產的絕大部分風險及回報，亦無轉讓資產控制權，則該等資產基於本集團的持續參與程度確認。在該情況下，本集團亦確認相關負債。已轉讓資產及相關負債基於本集團所保留權利及責任的基準計量。

所轉讓資產擔保形式的持續參與，以資產原賬面值與本集團可能被要求償還的最高代價金額中的較低者計量。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (policies under IFRS 9 applicable from 1 January 2018)

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

2.4 主要會計政策概要 (續)

金融資產減值(根據國際財務報告準則第9號自二零一八年一月一日起適用的政策)

本集團就並非按公平值計入損益持有的所有債務工具確認預期信貸虧損撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取並按原始實際利率的概若利率折現的所有現金流量之間的差額釐定。預期現金流量將包括出售所持抵押品或合約條款所包含的其他信貸升級措施所得的現金流量。

一般方法

預期信貸虧損分兩個階段確認。就初步確認以來信貸風險並無大幅增加的信貸敞口而言，會為未來十二個月(十二個月預期信貸虧損)可能發生的違約事件所產生的信貸虧損計提預期信貸虧損撥備。就初步確認以來信貸風險大幅增加的信貸敞口而言，須就預期於敞口的餘下年期產生的信貸虧損計提減值撥備，不論違約的時間(全期預期信貸虧損)。

於各報告日期，本集團評估金融工具的信貸風險自初步確認起是否已顯著增加。於評估時，本集團將於報告日期金融工具發生的違約風險與初步確認日起金融工具發生的違約風險進行比較，並考慮在無需付出過多成本或努力下即可獲得的資料，包括過往經驗及前瞻性資料。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

General approach (Continued)

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2.4 主要會計政策概要 (續)

金融資產減值 (根據國際財務報告準則第9號自二零一八年一月一日起適用的政策) (續)

一般方法 (續)

當合約付款已逾期180日時，本集團會將金融資產視為違約。然而，在若干情況，在計及本集團所持的任何信貸增強前，當內部或外部資料指出本集團不大可能悉數收回尚未償還合約金額，則本集團亦可能將金融資產視為違約。倘無法合理預期收回合約現金流量，則撇銷金融資產。

按公平值計量且其變動計入其他全面收益的金融資產根據一般方法可能會發生減值，並且除了採用簡化方法之貿易應收款項(於下文詳述)外，其在以下階段分類用於預期信貸虧損計量。

第一階段 – 金融工具之信貸風險自首次確認以來並未顯著增加，其虧損撥備按相等於十二個月預期信貸虧損之金額計量

第二階段 – 金融工具之信貸風險自首次確認以來顯著增加，但並非信貸減值金融資產，其虧損撥備按相等於全期預期信貸虧損之金額計量

第三階段 – 於報告日期信貸減值之金融資產(但不是購買或原始信貸減值)，其虧損撥備按相等於全期預期信貸虧損之金額計量

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018)

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2.4 主要會計政策概要 (續)

金融資產減值(根據國際財務報告準則第9號自二零一八年一月一日起適用的政策)(續)

簡化方法

就並無重大融資成分或本集團已應用不調整重大融資成分影響的可行權宜方法的貿易應收款項及合同資產，本集團於計算預期信貸虧損時應用簡化方法。根據簡化方法，本集團並無追溯信貸風險變動，而是根據各報告日期的全期預期信貸虧損確認虧損撥備。本集團已設立根據其過往信貸虧損經驗計算之撥備矩陣，並按債務人之特定前瞻性因素及經濟環境作出調整。

就具有重大融資成分的貿易應收款項及合同資產，本集團選擇採用簡化方法按上述政策計算預期信貸虧損。

金融資產減值產(根據國際會計準則第39號於二零一八年一月一日前適用的政策)

在每個報告期末時，本集團評估是否有客觀證據證明金融資產或一組金融資產減值。當資產初始確認後發生的一件或多件事件對能可靠估量的金融資產或一組金融資產的估計未來現金流量產生影響，則金融資產或一組金融資產被視為減值。減值證據將會包括有跡象表明債務人或一組債務人正在經歷重大財政困難、違約或拖欠利息或本金、將進入破產或其他財務重組之可能性，及顯示估計未來現金流量之可衡量下降的可觀察數據，如與違約相關的拖欠和經濟狀況的變化。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

2.4 主要會計政策概要 (續)

金融資產減值(根據國際會計準則第39號於二零一八年一月一日前適用的政策)(續)

以攤銷成本列賬的金融資產

對於以攤銷成本列賬的金融資產而言，本集團首先個別評估個別重大金融資產，或集體評估非個別重大金融資產是否存在減值。若本集團決定個別評估金融資產，無論重大與否，不存在任何減值的客觀證據，本集團便將這些資產包括在具有類似信用風險特徵的金融資產組並集體評估減值與否。已作個別減值評估且資產減值損失被確認或將繼續被確認之資產不包括在集體評估減值內。

識別出的任何減值虧損金額按資產的賬面金額與估計未來現金流量現值的差額(不包括尚未發生的未來信貸虧損)計算。估計未來現金流量的現值按金融資產的原實際利率(即初始確認時之實際利率)貼現。

該資產的賬面值可通過使用撥備賬沖減，而有關的虧損則在損益中確認。利息收入繼續以減少後賬面金額及採取就計量減值虧損用以貼現未來現金流量的利率累計。未來收回不現實之情況下，貸款及應收款項連同任何相關撥備則被註銷，所有抵押品已變現或轉讓予本集團。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

Financial assets carried at amortised cost (Continued)

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is removed from other comprehensive income and recognised in profit or loss.

2.4 主要會計政策概要 (續)

金融資產減值 (根據國際會計準則第39號於二零一八年一月一日前適用的政策) (續)

以攤銷成本列賬的金融資產 (續)

倘於隨後期間，由於減值確認後某一事件之發生，估計減值虧損金額增加或減少，則先前確認之減值虧損通過調整撥備賬增加或減少。倘註銷於其後收回，該收回計入損益的「其他開支」。

按成本列賬的資產

如有客觀證據表明因公平值無法可靠計量而並非按公平值列賬的無報價股本投資或與該無報價股本投資掛鉤且必須透過交付該無報價股本投資而結算的衍生資產已出現減值虧損，則虧損金額按該資產賬面值與按類似金融資產現行市場回報率貼現的估計未來現金流量的現值之間的差額計量。該等資產的減值虧損不可撥回。

可供出售金融投資

就可供出售金融投資而言，本集團會於各報告期末評估有否客觀證據顯示一項投資或一組投資出現減值。

當可供出售資產減值時，其成本(扣除任何本金付款和攤銷)和其現有公平值，扣減之前曾被確認在損益之任何減值虧損之差額，將自其他全面收益移除，並在損益中確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

Available-for-sale financial investments (Continued)

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss – is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

Financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018)

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2.4 主要會計政策概要(續)

金融資產減值(根據國際會計準則第39號於二零一八年一月一日前適用的政策)(續)

可供出售金融投資(續)

倘股權投資被列作可出售類別，則證據將包括該項投資之公平值大幅或長期跌至低於其成本值。「大幅」是相對於投資之原始成本評估，而「長期」則相對於公平值低於原始成本之時期而評估。倘出現減值證據，則累計虧損(按收購成本與現時公平值之差額減該項投資先前在損益內確認之任何減值虧損計量)將從其他全面收益中移除，並於損益內確認。分類為可供出售股本投資的減值虧損不會透過損益撥回。公平值於減值後的增加直接於其他全面收益確認。

確定是否屬「顯著」或「持續」時須作出判斷。在作出判斷時，本集團會評估(其中包括)一項投資的公平值少於其成本的持續時間或程度。

金融負債(根據國際財務報告準則第9號自二零一八年一月一日起適用的政策及根據國際會計準則第39號於二零一八年一月一日前適用的政策)

初始確認及計量

金融負債於初始確認時分類為按公平值計入損益之金融負債、貸款及借款(如適用)。

所有金融負債初始按公平值確認，如屬貸款、借貸及應付款項，則扣除直接應佔交易成本。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018) (Continued)

Initial recognition and measurement (Continued)

The Group's financial liabilities include trade and bills payables, other payables, derivative financial instruments, bank advances for discounted bills, convertible bonds, senior notes and interest-bearing bank and other loans.

Subsequent measurement

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

Loans and borrowings (including senior notes)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

2.4 主要會計政策概要 (續)

金融負債 (根據國際財務報告準則第9號自二零一八年一月一日起適用的政策及根據國際會計準則第39號於二零一八年一月一日前適用的政策) (續)

初始確認及計量 (續)

本集團的金融負債包括應付貿易款項及應付票據、其他應付款項、衍生金融工具、貼現票據銀行貸款、可換股債券、優先票據以及付息銀行及其他貸款。

後續計量

金融負債的後續計量取決於其如下歸類：

貸款及借款 (包括優先票據)

經初始確認後，付息貸款及借款其後以攤銷成本計量，除非折現影響並不重大，否則採用實際利率法，反之，則按成本入賬。負債終止確認時，或通過實際利率攤銷時，收益及虧損於損益中確認。

攤銷成本將任何收購折價或溢價和構成實際利率不可或缺的費用或成本計算在內。實際利率攤銷計入損益之融資成本。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018) (Continued)

Convertible bonds

Convertible bonds issued by the Company that contain both a liability and embedded derivatives are classified separately into these respective items on initial recognition. Conversion rights that will be settled other than by the exchange of a fixed amount of cash or other financial assets for a fixed number of the Company's shares are derivative financial liabilities, which are bifurcated from the host contract and are accounted for separately. Redemption rights, conditional call options and put options which are closely related to the host contract are accounted for together with the host contract as a liability component.

At the date of issue of the convertible bonds, the derivative component of the convertible bonds is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs are apportioned between the liability and derivative components of the convertible bonds based on the allocation of proceeds to the liability and derivative components when the instruments are initially recognised. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. Conversion options accounted for as derivative financial liabilities are measured at fair value with changes in fair value recognised in profit or loss.

2.4 主要會計政策概要 (續)

金融負債(根據國際財務報告準則第9號自二零一八年一月一日起適用的政策及根據國際會計準則第39號於二零一八年一月一日前適用的政策)(續)

可換股債券

本公司發行的同時包括負債及嵌入式衍生工具的可換股債券於初始確認時分別分類為各項目。將透過以一定數量現金或其他金融資產交換一定數量本公司股份以外的方式結算的轉換權為衍生金融負債，從主合約分開及單獨列賬。與主合約密切相關的贖回權、有條件認購期權及認沽期權連同主合約作為負債部分列賬。

於可換股債券發行日期，可換股債券的衍生部分按公平值計量，呈列為衍生金融工具。所得款項超出初始確認為衍生部分的金額之部分作為負債部分確認。交易成本根據工具初始確認時負債及衍生部分的所得款項分配方式，在負債與衍生部分之間分攤。交易成本中與負債部分有關的部分初始確認為負債的一部分。與衍生部分相關的部分即時於損益確認。

於隨後期間，可換股債券的負債部分使用實際利率法按攤銷成本列賬。作為衍生金融負債列賬的轉換權按公平值計量，公平值變動於損益確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018) (Continued)

Convertible bonds (Continued)

The liability component and the related embedded derivative of the convertible bonds are presented as a separate line item on the face of the statement of financial position under non-current liabilities, unless the convertible bonds become mature or redeemable by the holder in the next twelve months.

If the bonds are converted, the respective conversion options accounted for as derivative financial liabilities, together with the carrying value of the liability component at the time of conversion, are transferred to share capital and share premium as consideration for the shares issued.

Derecognition of financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018)

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

2.4 主要會計政策概要 (續)

金融負債 (根據國際財務報告準則第9號自二零一八年一月一日起適用的政策及根據國際會計準則第39號於二零一八年一月一日前適用的政策) (續)

可換股債券 (續)

除非可換股債券將於未來十二個月到期或可由持有人贖回，否則可換股債券的負債部分及相關嵌入式衍生工具在財務狀況表中非流動負債下分開呈列。

如債券獲轉換，作為衍生金融負債列賬的各轉換權連同負債部分於轉換時的賬面值作為已發行股份的代價轉入股本及股份溢價。

終止確認金融負債 (根據國際財務報告準則第9號自二零一八年一月一日起適用的政策及根據國際會計準則第39號於二零一八年一月一日前適用的政策)

當金融負債項下的義務被解除、取消或期滿，則終止確認金融負債。

如一項現有金融負債被來自同一貸款方且大部分條款均有差別的另一項金融負債所取代，或現有負債的條款被大幅修改，此種置換或修改視作終止確認原有負債並確認新負債處理，而兩者的賬面值差額於損益中確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Offsetting of financial instruments (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018)

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018)

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as interest rate swaps and cross-currency interest rate swap, to hedge its interest rate risk and foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.4 主要會計政策概要 (續)

抵銷金融工具 (根據國際財務報告準則第9號自二零一八年一月一日起適用的政策及根據國際會計準則第39號於二零一八年一月一日前適用的政策)

倘於現時存在可強制執行的合法權利以抵銷已確認款額及有意向按淨額基準進行結算，或同時變現資產及結算負債，則金融資產及金融負債會予以抵銷，而淨額會於財務狀況表中記錄。

衍生金融工具 (根據國際財務報告準則第9號自二零一八年一月一日起適用的政策及根據國際會計準則第39號於二零一八年一月一日前適用的政策)

初始確認及後續計量

本集團使用衍生金融工具，如利率掉期及交叉貨幣利率掉期以對沖其利率風險及外幣風險。該等衍生金融工具於衍生合約訂立之日初始按公平值確認，隨後按公平值重新計量。衍生工具在公平值為正數時作為資產列賬，在公平值為負數時作為負債列賬。

存貨

存貨按成本或可變現淨值兩者較低者列賬。成本以加權平均基準釐定，就在製品和製成品而言，成本包括直接材料、直接勞工及適當分攤的經常性費用。可變現淨值按估計售價減任何尚需投入的完成生產及出售的估計成本計算。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

2.4 主要會計政策概要(續)

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金、活期存款，以及期限短、流動性強、易於轉換為已知金額現金、價值變動風險小且一般於收購後三個月內的較短期限到期的投資，減須按要求償還並構成本集團現金管理一部分的銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金和銀行存款，而銀行存款包括無限制用途的定期存款。

撥備

如因過往事件產生現時債務(法定或推定)及未來可能需要有資源流出以償還債務，而該債務金額能可靠估計，則確認撥備。

如貼現的影響重大，則就撥備確認的金額為償還債務預期所需未來支出於報告期末的現值。貼現現值因時間流逝而產生的增幅計入損益之「融資成本」。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill on an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 主要會計政策概要 (續)

所得稅

所得稅包括即期和遞延稅項。有關損益外確認項目的所得稅於損益外確認，於其他全面收益確認或直接在權益確認。

即期稅項資產和負債按預期自稅務局退回或支付予稅務局的金額計算，基於報告期末已訂立或大致訂立的稅率（及稅法），並計及本集團經營所在國家現行之詮釋及慣例。

遞延稅項採用負債法就於報告期末資產和負債的稅基與兩者用作財務報告的賬面值之間的各項暫時差異計提撥備。

所有應課稅暫時差異均被確認為遞延稅項負債，但：

- 於一項交易（該交易並非為業務合併）進行時初始確認的資產或負債商譽產生的遞延稅項負債既不對會計溢利也不對應課稅溢利或虧損構成影響的情況除外；及
- 關於附屬公司及聯營公司投資的應課稅暫時差異，如撥回這些暫時差異的時間可受控制且暫時差異於可預見將來可能不會撥回的情況除外。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

2.4 主要會計政策概要 (續)

所得稅 (續)

所有可扣減暫時性差額及未動用稅項抵免與任何未動用稅務虧損結轉，均被確認為遞延稅項資產。倘可能具有應課稅利潤抵銷可扣減暫時性差額，以及可動用結轉之未動用稅項抵免及稅務虧損，則會確認遞延稅項資產，惟下述情況除外：

- 由於一項交易（該交易並非為業務合併）進行時與初始確認的資產或負債產生的可扣減暫時差異有關的遞延稅項資產，既不對會計溢利也不對應課稅溢利或虧損構成影響的情況除外；及
- 關於附屬公司及聯營公司的投資產生的可扣減暫時差異，遞延稅項資產只限於暫時差異將於可預見將來撥回及應課稅溢利可用以抵扣暫時差異時確認的情況除外。

遞延稅項資產的賬面值於每個報告期末審閱，並扣減至不再可能有足夠應課稅溢利以動用所有或部分遞延稅項資產為止。相反地，於每個報告期末會重新評估過往未被確認的遞延稅項資產，並在可能有足夠應課稅溢利以動用所有或部分遞延稅項資產時予以確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.4 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產和負債以資產被變現或負債被清償的期間預期適用的稅率衡量，並根據於報告期末已制訂或實際上已制訂的稅率（及稅法）計算。

僅當本集團有可合法執行權利可將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產與遞延稅項負債與同一稅務機關對同一應稅實體或於各未來期間預期有大額遞延稅項負債或資產需要結算或清償時，擬按淨額基準結算即期稅務負債及資產或同時變現資產及結算負債之不同稅務實體徵收之所得稅相關，則遞延稅項資產與遞延稅項負債可予抵銷。

政府補助

倘有合理保證可獲取政府補助，而所有附帶條件均可予以遵從，則按公平值確認政府補助。倘補助與支出項目有關，則以有系統基準於該項補助所補貼成本列支之期間確認為收入。

倘補助涉及一項資產，則其公平值記入遞延收益賬目及於相關資產的預期可使用年限期間按等同年度金額撥回至損益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (applicable from 1 January 2018)

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

2.4 主要會計政策概要 (續)

收入確認 (自二零一八年一月一日起適用)

客戶合約收入

客戶合約收入於商品或服務的控制權轉移至客戶時確認，有關金額反映本集團預期就交換該等貨品或服務有權獲得的對價。

當合約中的對價包括可變金額時，估計對價金額將為本集團有權以換取將貨品或服務轉移至客戶的金額。可變對價在合約開始時估計並受到限制，直至與可變對價的不確定性其後得以解決時，很有可能所確認累計收益金額中不會出現重大收益轉撥。

倘合約載有向客戶提供超過一年的商品或服務轉讓的重大融資利益的融資組成部份，則收入按應收金額的現值計量，並使用反映本集團與客戶在合約開始時之間的獨立融資交易的貼現率進行貼現。倘合約載有向本集團提供超過一年的重大融資利益的融資組成部份，則根據該合約確認的收入包括根據實際利率法合約責任附有的利息開支。就客戶付款與轉讓承諾商品或服務之間的期限為一年或更短的合約而言，交易價不會使用國際財務報告準則第15號的實際權宜法就重大融資部分作出調整。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (applicable from 1 January 2018) (Continued)

Revenue from contracts with customers (Continued)

(a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

(b) Sale of electricity

Revenue from the sale of electricity is recognised in the accounting period when electricity is generated and transmitted.

(c) Tariff adjustment

Revenue from the tariff adjustment which represents subsidies received and receivable from the government authorities in respect of the Group's solar power plant 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.

(d) Rendering of services

Revenue from the rendering of services, when the services are rendered.

2.4 主要會計政策概要 (續)

收入確認 (自二零一八年一月一日起適用) (續)

客戶合約收入 (續)

(a) 銷售貨品

來自銷售貨品的收入乃於資產控制權轉移至客戶的時點 (一般為交貨時) 確認。

(b) 銷售電力

來自銷售電力的收入乃於發電及輸電的會計期間確認。

(c) 電價調整

來自電價調整的收入指就本集團太陽能發電廠業務已收或應收政府部門的補貼。電價調整乃於可合理保證將收到額外電價且本集團將滿足全部附帶條件 (如有) 時按公平值確認。

(d) 提供服務

來自提供服務的收入乃於提供服務時確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (applicable from 1 January 2018) (Continued)

Revenue from contracts with customers (Continued)

(e) Construction services

Revenue from the provision of construction services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

Claims to customers are amounts that the Group seeks to collect from the customers as reimbursement of costs and margins for scope of works not included in the original construction contract. Claims are accounted for as variable consideration and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group uses the expected value method to estimate the amounts of claims because this method best predicts the amount of variable consideration to which the Group will be entitled.

2.4 主要會計政策概要 (續)

收入確認 (自二零一八年一月一日起適用) (續)

客戶合約收入 (續)

(e) 建築服務

提供建築服務的收益隨時間確認收益，使用輸出法計量完整履行服務的進度，因為本集團執行合約將產生或增強由客戶控制的資產（如產生或增強資產）。輸出法通過參考完成特定交易確認收益，根據截至報告期末的已認證工作評估為各合約總合約價值之百分比。

向客戶申索的金額指本集團尋求自客戶收取的金額，作為原定合約中未包括的工程範圍的成本及利潤的補償。申索作為可變代價並受約束，直至可變代價的相關不確定因素其後解決，而確認的累計收益金額不大可能出現重大收益撥回。本集團使用預期價值法估計申索金額，由於該方法可最佳地預測本集團將有權獲得的可變代價金額。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (applicable from 1 January 2018) (Continued)

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Revenue recognition (applicable before 1 January 2018)

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from construction contracts, on the percentage of completion basis, as further explained in the accounting policy for "Construction contracts (applicable before 1 January 2018)" below;

2.4 主要會計政策概要 (續)

收入確認 (自二零一八年一月一日起適用) (續)

其他收入

利息收入按應計基準及以實際利率法，透過採用將金融工具在預期可使用年期（或較短期間）（倘適用）的估計未來現金收入準確貼現至金融資產的賬面淨值的比率予以確認。

股息收入於股東收取款項的權利確立時確認，很可能與股息相關的經濟利益將流入本集團，而股息金額能可靠計量。

收入確認 (於二零一八年一月一日前適用)

收入於本集團將很有可能獲得經濟利益並能夠可靠地計算時按以下基準確認：

- (a) 銷售商品於商品擁有權的重大風險和回報已轉讓予買方後確認入賬，惟本集團須不再參與通常與所售出商品擁有權或實際控制權有關的管理；
- (b) 建築合同收入根據已完成部分的比例確認入賬，進一步詳情載於下文有關「建築合同（於二零一八年一月一日前適用）」的會計政策內；

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31 December 2018 二零一八年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (applicable before 1 January 2018) (Continued)

- (c) from sales of electricity, is recognised in the accounting period when electricity is generated and transmitted;
- (d) from tariff adjustment, which represents subsidies received and receivable from the government authorities in respect of the Group's solar power plant business, 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;
- (e) from the rendering of services, when the services are rendered;
- (f) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset; and
- (g) dividend income, when the shareholders' right to receive payment has been established.

Contract assets (applicable from 1 January 2018)

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

2.4 主要會計政策概要 (續)

收入確認 (於二零一八年一月一日前適用) (續)

- (c) 銷售電力產生的收入於產生及輸送電力的會計期間內確認。
- (d) 電價補貼產生的收入，電價補貼指就本集團之太陽能光伏發電站業務自政府機構已收及應收之補貼，已在本集團對其可回收性取得合理保證及滿足有關條款後（如有）按公平值確認。
- (e) 於提供服務時來自提供服務的收入。
- (f) 利息收入按應計基準，採用將金融工具預計年內估計未來收取的現金折現至金融資產賬面淨值的貼現率以實際利息法確認；及
- (g) 股息收入於股東收取付款的權利確立時確認。

合約資產 (自二零一八年一月一日起適用)

合約資產為交換轉移至客戶的商品或服務的代價權利。倘本集團的履約方式為於客戶支付代價前或於付款到期前將貨品或服務轉移至客戶，則合約資產將就有條件的獲取代價而確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contract liabilities (applicable from 1 January 2018)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Construction contracts (applicable before 1 January 2018)

Contract revenue comprises the agreed contract amount and appropriate amounts from variation orders, claims and incentive payments. Contract costs incurred comprise direct materials, the costs of subcontracting, direct labour and an appropriate proportion of variable and fixed construction overheads.

Revenue from fixed price construction contracts is recognised using the percentage of completion method, measured by reference to the proportion of costs incurred to date to the estimated total cost of the relevant contract.

Provision is made for foreseeable losses as soon as they are anticipated by management. Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

2.4 主要會計政策概要 (續)

合約負債(自二零一八年一月一日起適用)

合約負債是指向本集團已收到客戶代價(或應付代價金額)之客戶轉移貨品或服務之責任。倘若客戶在本集團向客戶轉移貨品或服務之前支付代價,則在付款或付款到期時(以較早者為準)確認合約負債。合約負債於本集團根據合約履行時確認為收益。

建築合同(於二零一八年一月一日前適用)

合同收入包括協議合同金額以及因指令變更、索賠及獎勵付款所產生的適當金額。所產生的合同成本包括直接材料、分包成本、直接勞工及適當比例的變動和固定的建築經常性開支。

固定價格建築合同的收入使用完成方法的百分比予以確認,百分比經參考截至有關日期所產生成本相對於相關合同估計總成本的比例計算。

當管理層預見可預見虧損時將立即作出撥備。當截至有關日期的合同成本加已確認溢利減已確認虧損超過按進度結算款項時,盈餘被視作應收合同客戶款項。當按進度結算款項超過截至有關日期的合同成本加已確認溢利減已確認虧損時,盈餘被視作應付合同客戶款項。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

2.4 主要會計政策概要(續)

以股份為基礎的支付

本公司設立一項購股權計劃，旨在對為本集團成功運營作出貢獻之合資格參與者提供鼓勵及獎勵。本集團僱員（包括董事）收取以股份為基礎支付的報酬，而僱員則提供服務作為股權工具的代價（「股權結算交易」）。

僱員的股權結算交易成本，自授予之日起參照公平值計量。公平值由外部估值師採用二項式模型決定。

表現及／或服務條件達成期間，股權結算交易的成本和相應增加權益於僱員福利開支獲得確認。於每個報告期末直至歸屬日期的股權結算交易所確認的累計開支，反映歸屬期間到期的程度及本集團對最終將歸屬股權工具數目的最佳估計。某一期間的損益扣除或計入為期初或期末確認累計開支的變動。

釐定獎勵獲授當日之公平值時，並不計及服務及非市場績效條件，惟在有可能符合條件的情況下，則評估為本集團對最終將會賦予股本工具數目最佳估計之一部分。市場績效條件反映於獎勵獲授當日之公平值。獎勵之任何其他附帶條件（但不帶有服務要求）視作非賦予條件。非賦予條件反映於獎勵之公平值，除非同時具服務及／或績效條件，否則獎勵即時支銷。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payments (Continued)

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings/losses per share.

2.4 主要會計政策概要 (續)

以股份為基礎的支付 (續)

因非市場績效及／或服務條件未能達成而最終無賦予之獎勵並不確認為支出。凡獎勵包含市場或非賦予條件，無論市場條件或非賦予條件獲履行與否，而所有其他績效及／或服務條件均獲履行，則交易仍被視為一項賦予。

股權結算獎勵的條款獲修改的情況下，倘獎勵的原有條款獲滿足，最低開支將獲確認，猶如條款並無修改。此外，就增加股份為基礎的支付公平值的任何修改或於截至修訂日期計算有利於僱員的其他任何修改而言，開支需獲得確認。

股權結算獎勵倘被取消，將被視為猶如已在取消日期前歸屬，而未就獎勵確認之開支即時確認。這包括集團或僱員控制之非歸屬條件未達成情況下之獎勵。但是，如前一段所述，倘新獎勵被註銷獎勵取代，並在授予日期獲指定為替代獎勵，則註銷及新獎勵將被視為原獎勵的修改。

未行使購股權之攤薄影響反映為計算每股收益之額外股份攤薄。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other employee benefits

Pension schemes

The employees of the Group's subsidiaries in Mainland China are required to participate in a central pension scheme operated by the local government. These subsidiaries and their employees are required to make monthly contributions calculated as a percentage of the employees' wages and salaries, subject to certain ceilings and local practices set by the relevant local governments, to the central pension scheme. Other than the central pension scheme, the Group's subsidiaries in Mainland China have no legal obligation for retirement benefits beyond the contributions made. Contributions to these plans are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

In addition to the above, the Group also participates in a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

Contributions to an accommodation fund administered by the Public Accumulation Funds Administration Centre are charged to profit or loss as incurred.

2.4 主要會計政策概要 (續)

其他僱員福利

退休金計劃

本集團在中國大陸營運的附屬公司的僱員均須參予由當地政府運作的中央退休計劃。該等附屬公司及其僱員須每月按僱員工資及薪水的某個比例向中央退休計劃供款，惟須遵守相關地方政府制定的若干上限及當地實情。除中央退休計劃外，本集團在中國大陸的附屬公司除作出供款外，對退休福利再無其他法律責任。該等計劃的供款根據中央退休計劃的規則於到期應付時自損益扣除。

除以上所述外，本集團亦為其在香港的僱員參與根據強制性公積金計劃條例設立的定額供款強制性公積金計劃（「強積金計劃」）。供款數目乃按僱員基本薪金若干百分比而作出，並根據強積金計劃的規則於到期應付時自損益扣除。強積金計劃的資產與本集團資產分開，由獨立管理的基金保管。

有關對由公積金管理中心管理的住房公積金的供款，乃於產生時自損益扣除。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. No final dividend was proposed during the year (note 11).

Foreign currencies

The financial statements are presented in RMB. The functional currency of the Company is HK\$. The Company's presentation currency is RMB because the Group's principal operations are carried out in Mainland China. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

2.4 主要會計政策概要 (續)

借貸成本

收購、建設或生產合資格資產(即需要較長時間準備作擬定用途或銷售的資產)直接應佔的借貸成本將予以資本化,作為該等資產部分成本。該等借貸成本的資本化於該等資產實質上達到擬定用途或銷售狀態時將終止。擬用作合資格資產的開支的特定借貸的暫時投資所得投資收益自予以資本化的借貸成本中扣除。所有其他借貸成本於產生期間確認為開支。借貸成本由利息及實體發生的與該項融資借貸相關的其他成本組成。

股息

末期股息於股東在股東大會上批准後確認為一項負債。年內並無建議末期股息(附註11)。

外幣

財務報表以人民幣呈列。本公司的功能貨幣為港元。本公司的呈列貨幣為人民幣,原因是本集團主要業務於中國大陸進行。本集團各實體決定其自身的功能貨幣,列入各實體財務報表的項目使用該呈列貨幣計量。本集團內實體錄得的外幣交易初步使用交易日期的通行功能貨幣匯率入賬。以外幣計值的貨幣資產及負債按報告期末的通行外幣匯率換算。結算或換算貨幣項目時產生的差額於損益確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain companies within the Group are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their profits or losses are translated into RMB at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.4 主要會計政策概要 (續)

外幣 (續)

按歷史成本及外幣計量的非貨幣項目使用初步交易日期的匯率換算。按外幣公平值計量的非貨幣項目採用釐定公平值當日的匯率換算。換算按公平值計量的非貨幣項目產生之收益或虧損的處理方式，與有關項目公平值變動之收益或虧損的確認方式相符（即公平值收益或虧損於其他全面收益或損益中確認之項目的換算差額，亦會分別於其他全面收益或損益中確認）。

在確定非貨幣資產或負債終止確認時產生的開支或收入或於同時產生相關資產的初步確認時，關於預付或預收對價的匯率，初步交易日期為本集團初步確認由預付或預收對價產生的非貨幣資產或負債的日期。倘存在多個預付或預收款項，則本集團釐定每次支付或收到預付對價的交易日期。

組成本集團的若干公司的功能貨幣並非人民幣。於報告期末，該等實體的資產及負債按報告期末的現行匯率換算為人民幣，其損益按該年內加權平均匯率換算為人民幣。交易產生的匯兌差額於其他全面收益確認並於外匯波動儲備內累計。出售國外業務時，其他全面收益中與特定國外業務相關的部分於損益確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Going concern consideration

In the process of applying the Group's accounting policies, apart from those involving estimations, management has prepared the consolidated financial statements on the assumption that the Group will be able to operate as a going concern in the coming year, which is a critical judgement that has the most significant effect on the amounts recognised in the consolidated financial statements. The assessment of the going concern assumption involves making a judgement by the directors, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The directors consider that the Group has the capability to continue as a going concern and the major events or conditions, which may give rise to business risks, that may individually or collectively cast a significant doubt upon the going concern assumption are set out in note 2.1 to the financial statements.

3. 主要會計判斷及估計

本集團財務報表之編製，需要管理層作出判斷、估計及假設，有關估計及假設會影響所呈報收入、費用、資產及負債之金額及其相關披露以及或然負債之披露。然而，由於有關該等假設及估計之不確定因素，可能導致管理層須就日後受影響之資產或負債之賬面值作出重大調整。

判斷

於應用本集團之會計政策的過程中，管理層作出以下對於財務報表中已確認的金額構成最重大影響的判斷（涉及估計者除外）：

持續經營基準

於應用本集團之會計政策過程中，除涉及估計之項目外，管理層編製綜合財務報表時乃假設本集團於來年將可按持續經營基準繼續營運，此乃對綜合財務報表內已確認金額構成最重大影響之主要判斷。評估持續經營假設時，董事需於特定時間就本質 – 不確定之事件及情況之未來結果作出判斷。董事認為，本集團有能力持續經營，而可能個別或共同對持續經營假設構成重大疑問，且或會引致業務風險之重大事件或情況載於綜合財務報表附註2.1。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Judgements (Continued)

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. 主要會計判斷及估計 (續)

判斷 (續)

經營租賃承擔 – 本集團作為出租人

本集團已訂立商業物業租賃。本集團認為，根據對有關安排的條款及條件的評估，本集團保留了透過經營租賃出租的該等物業的所有權的所有重大風險及回報。

投資物業與自用物業的分類

本集團判斷物業是否符合投資物業的條件，並已制訂出作此類判斷的標準。投資物業指為賺取租金或資本升值或同時為這兩個目的而持有的物業。因此，本集團考慮一項物業產生的現金流是否大部分獨立於本集團持有的其他資產。若干物業的一部分是為賺取租金或資本升值而持有，而另一部分是為用於生產或提供商品或服務或行政用途而持有。如果該等部分可以分開出售或按融資租賃分開出租，則本集團對該等部分分開進行會計處理。如果該等部分不能分開出售，則只有在為用於生產或提供商品或服務或行政用途而持有的部分並不重大的情況下，該物業方是投資物業。判斷是對各個別物業而作出，以釐定配套服務是否如此重要而使物業不符合投資物業。

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財務報表附註

31 December 2018 二零一八年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Construction service

The Group's revenue from the provision of construction services is recognised over time, using an input method to measure progress towards complete satisfaction of the services, which requires estimation to be made by management. The stage of completion is estimated by reference to the actual costs incurred over the total budgeted costs, and the corresponding contract revenue is also estimated by management. Due to the nature of the activity undertaken in construction service, the date at which the activity is entered into and the date at which the activity is completed usually fall into different accounting periods. Hence, the Group reviews and revises the estimates of both contract revenue and contract costs in the budget prepared for each contract as the contract progresses. Where the actual contract revenue is less than expected or actual contract costs are more than expected, an expected loss may arise. No expected loss was recognised during the year ended 31 December 2018 (2017: nil).

3. 主要會計判斷及估計 (續)

估計不確定因素

下文討論於報告期末就未來和其他估計不確定因素的主要來源所作出的主要假設，該等假設對下一個財政年度的資產和負債賬面值造成重大調整的重大風險。

建築服務

本集團提供建築服務的收入隨著時間的推移而確認，採用輸入法計量完成滿足服務的進度，而該確認需要管理層作出估計。竣工階段經參考實際發生成本佔總預算成本後進行估計，而相應的合同收入也由管理層估計。鑒於建築合同所進行活動的性質使然，活動開始日期和活動竣工日期一般屬於不同會計期間。因此，在合同執行過程中，本集團對為各合同所編製預算內的合同收入和合同成本的估計進行審閱和修訂。如實際合同收入較預期為少或實際合同成本較預期為高，則可能產生預期虧損。截至二零一八年十二月三十一日止年度並無確認預期虧損(二零一七年：無)。

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財務報表附註

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2018 was RMB6,448,000 (2017: nil). Further details are given in note 41 to the financial statements.

Provision for expected credit losses on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and coverage by other forms of insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

3. 主要會計判斷及估計 (續)

估計不確定因素 (續)

商譽減值

本集團至少每年確定商譽是否減值。這需要估計獲分配商譽的現金產生單位的使用價值。本集團估計使用價值時，須估計現金產生單位的預計未來現金流量，並選用適合的貼現率計算該等現金流量的現值。於二零一八年十二月三十一日，商譽的賬面值為人民幣6,448,000元（2017年：無）。進一步詳情載於財務報表附註41。

貿易應收款項及合同資產的預期信貸虧損撥備

本集團使用撥備矩陣計算貿易應收款項及合同資產的預期信貸虧損。撥備率乃根據具有類似模式的多個客戶分部組別的逾期天數釐定（即按客戶類型及其他形式的保險範圍）。

撥備矩陣最初基於本集團的歷史觀察違約率。本集團將通過調整矩陣以調整歷史信貸虧損經驗與前瞻性資料。例如，如果預測經濟狀況將在未來一年內惡化，這可能導致製造業違約數量增加，歷史違約率將得到調整。於各報告日期，歷史觀察到的違約率都會被更新，並分析未來其可能發生的變化。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Provision for expected credit losses on trade receivables and contract assets (Continued)

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in note 25 and note 24 to the financial statements, respectively.

Corporate income tax ("CIT")

The Group's subsidiaries operating in Mainland China are subject to the People's Republic of China (the "PRC") CIT. As a result of the fact that certain matters relating to PRC CIT have not been confirmed by the relevant local tax authorities, objective estimates based on currently enacted tax laws, regulations and other related policies are required in determining the provision for PRC CIT to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact the income tax and tax provision in the period in which the final outcome is determined. The carrying amount of PRC CIT payable at 31 December 2018 was RMB18,864,000 (2017: RMB38,579,000).

3. 主要會計判斷及估計 (續)

估計不確定因素 (續)

貿易應收款項及合同資產的預期信貸虧損撥備 (續)

對歷史觀察到的違約率、預測經濟狀況及預期信貸虧損之間的相關性的評估乃重大估計。預期信貸虧損風險的金額對環境變化及預測的經濟狀況較敏感。本集團的歷史信貸虧損經驗及對經濟狀況的預測也可能無法代表未來客戶的實際違約。有關貿易應收款項及其他應收款項預期信貸虧損的資料於財務報表附註25及24披露。

企業所得稅 (「企業所得稅」)

本集團的附屬公司在中國大陸營運須繳納中華人民共和國(「中國」)企業所得稅。由於有關中國企業所得稅的若干事宜未被當地相關稅務機構確認，故需要基於目前制定的稅務法律、法規及其他相關政策作出客觀估計，釐定中國企業所得稅撥備。倘該等事宜的最後稅款不同於最初記錄的金額，差額將影響所得稅及於釐定最後稅款期間的稅款撥備。於二零一八年十二月三十一日，應付中國企業所得稅的賬面值為人民幣18,864,000元(二零一七年：人民幣38,579,000元)。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Useful lives and residual values of property, plant, equipment and investment properties

In determining the useful lives and residual values of items of property, plant, equipment and investment properties, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. The depreciation amount will be adjusted if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from the previous estimation. Useful lives and residual values are reviewed at each financial year end date taking into account changes in circumstances.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets with definite lives are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of sell and its value in use. The calculation of the fair value less costs of sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. 主要會計判斷及估計 (續)

估計不確定因素 (續)

物業、廠房、設備及投資物業的使用年期和剩餘價值

於釐定物業、廠房、設備及投資物業項目的使用年期和剩餘價值時，本集團須考慮多項因素，如改變或改良生產程序或因產品或資產所產生的服務的市場需求、資產的預定用途、預期實際損耗、資產維護及保養，以及資產用途的法律或類似限制有變將導致的技術或商業性陳舊。資產可使用年期乃根據本集團對用途相似的類似資產的經驗估計。倘物業、廠房及設備項目的估計可使用年期及／或剩餘價值與過往估計不同，則折舊金額將予以調整。可使用年期及剩餘價值乃於各財政年結日因應情況變化作出評估。

非金融資產的減值 (商譽除外)

本集團於各報告期末評估所有非金融資產是否出現任何減值跡象。確定年期的非金融資產於有跡象顯示賬面值可能無法收回時測試減值。資產或現金產生單位賬面值超逾其可回收金額時，即高出其公平值減出售成本及使用價值，則存在減值。計量公平值減出售成本時，按以公平基準就類似資產進行具有約束力的銷售交易可得數據，或可觀察市價減出售資產的已增加成本得出。當計算使用價值時，管理層必須估計來自資產或現金產生單位的預期未來現金流量，並選擇合適之貼現率，以計算該等現金流量之現值。

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財務報表附註

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs to be incurred to completion and disposal. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. It could change significantly as a result of changes in customers' interests or competitor actions. Management reassesses these estimates at the end of each reporting period. There was no impairment provision for inventories as at 31 December 2018 (2017: nil).

Deferred tax assets

Deferred tax assets should be recognised when it is probable that taxable profits will be available against which the deferred tax assets can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets at 31 December 2018 was RMB1,557,000 (2017: RMB49,051,000). Further details are given in note 35 to the financial statements.

3. 主要會計判斷及估計 (續)

估計不確定因素 (續)

存貨之可變現淨值

存貨之可變現淨值乃其於日常業務過程中之估計售價，扣除完成及出售所產生之估計成本。該等估計乃根據現行市況及銷售類似性質產品之過往經驗。其將因客戶權益或競爭者行動變動大幅變動。管理層於各報告期末重新評估該等估計。於二零一八年十二月三十一日，並無存貨減值撥備(二零一七年：無)。

遞延稅項資產

倘將來可能錄得應課稅溢利以扣減遞延稅項資產，應確認遞延稅項資產。董事須根據未來應課稅溢利的可能時間及數額以及未來稅項規劃策略作出重大判斷，以釐定可予確認的遞延稅項資產金額。於二零一八年十二月三十一日，遞延稅項資產的賬面值為人民幣1,557,000元(二零一七年：人民幣49,051,000元)。有關的進一步詳情載述於財務報表附註35。

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財務報表附註

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Deferred tax liabilities

Deferred tax liabilities should be recognised for all taxable differences associated with investments in subsidiaries and associates except when the Company is able to control the timing of the reversal of such temporary differences and it is probable that such temporary differences will not reverse in the foreseeable future. Significant management estimation is required to determine the amount of deferred tax liabilities associated with the Company's investments in subsidiaries, based upon the likely timing of the reversal of such temporary differences. The carrying value of deferred tax liabilities associated with investments in subsidiaries at 31 December 2018 was RMB87,680,000 (2017: RMB86,860,000). Further details are given in note 35 to the financial statements.

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on a market-based valuation technique as detailed in note 49 to the financial statements. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3.

4. OPERATING SEGMENT INFORMATION AND REVENUE

Revenue represents an appropriate proportion of contract revenue from construction contracts, net of government surcharges; and the invoiced value of goods and electricity sold, and net of value-added tax and government surcharges.

3. 主要會計判斷及估計 (續)

估計不確定因素 (續)

遞延稅項負債

遞延稅項負債應就與於附屬公司及聯營公司的投資相關的所有應課稅差異確認，除非本公司能夠控制該暫時差異的撥回時間，且該暫時差異於可預見的將來很可能不會撥回。管理層需要根據該暫時差異的可能撥回時間，就釐定與本公司於附屬公司的投資相關的遞延稅項負債金額作出重大估計。與於附屬公司的投資相關的遞延稅項負債於二零一八年十二月三十一日的賬面值為人民幣87,680,000元(二零一七年：人民幣86,860,000元)。有關的進一步詳情載述於財務報表附註35。

非上市股本投資之公平值

非上市股本投資已根據市場估值技術估值，詳情載於財務報表附註49。估值需要本集團確定可資比較公眾公司(同業)並選擇價格倍數。此外，本集團估計非流動性和規模差異的折讓。本集團將該等投資的公平值分類為第3層級。

4. 經營分部資料及收入

收入指建築合同適當比例的合同收入，扣除政府附加稅；及已售貨品及電力的發票價值，並已扣除增值稅及政府附加稅。

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4. OPERATING SEGMENT INFORMATION AND REVENUE (Continued)

The Group's revenue and contribution to profit for the year were mainly derived from the construction and installation of curtain walls (including solar power products), and operation and management of solar photovoltaic power stations, which are regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for the purpose of resource allocation and performance assessment. In addition, the principal assets employed by the Group are located in Mainland China. Accordingly, no segment analysis is presented other than entity-wide disclosures.

(a) Revenue from contracts with customers

(i) Disaggregated revenue information

		2018 二零一八年		2017 二零一七年	
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
Revenue from contracts with customers	來自與客戶合約的收入				
Construction contracts	建築合約	3,604,165	81.6	4,263,938	75.1
Sale of goods	貨品銷售	665,678	15.1	1,273,592	22.4
Rendering of design and consultation services	提供設計及諮詢服務	13,983	0.3	13,268	0.2
Rendering of operation and maintenance service	提供營運及維護服務	13,119	0.3	9,202	0.2
Sale of electricity	電力銷售	119,618	2.7	115,386	2.1
Revenue	收入	4,416,563	100.0	5,675,386	100.0
Tariff adjustment*	電價補貼*	164,021		166,682	

* Tariff adjustment represents subsidies receivable from the government authorities in respect of the Group's solar photovoltaic power station operation business.

4. 經營分部資料及收入 (續)

本集團的收入及年內溢利貢獻主要來自幕牆(包括太陽能產品)建設及安裝,以及太陽能光伏電站運營及管理,其被視為單一可呈報分部,與向本集團高級管理層就分配資源及業績評估的內部呈報資料的方式一致。此外,本集團使用的主要資產位於中國大陸。因此,除以整間公司的方式披露外,概無呈報分部分析。

(a) 來自與客戶合約的收入

(i) 分類收入資料

* 電價補貼指就本集團之太陽能光伏發電站業務自政府機構應收之補貼。

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4. OPERATING SEGMENT INFORMATION AND REVENUE (Continued)

(a) Revenue from contracts with customers (Continued)

(i) Disaggregated revenue informations (Continued)

Geographical markets

		2018 二零一八年		2017 二零一七年	
		RMB'000		RMB'000	
		人民幣千元	%	人民幣千元	%
Domestic – Mainland China*	國內 – 中國大陸 *	4,210,093	95.3	5,132,397	90.4
Oceania	大洋洲	162,338	3.7	178,844	3.2
Macau	澳門	17,462	0.4	20,033	0.4
Malaysia	馬來西亞	13,987	0.3	12,205	0.2
Hong Kong	香港	9,380	0.2	302,890	5.3
Africa	非洲	–	–	21,987	0.4
Others	其他	3,303	0.1	7,030	0.1
		4,416,563	100.0	5,675,386	100.0

* The place of domicile of the Group's principal operating subsidiaries is Mainland China. The principal revenues of the Group are generated in Mainland China.

4. 經營分部資料及收入 (續)

(a) 來自與客戶合約的收入 (續)

(i) 分類收入資料 (續)

地區資料

* 本集團主要營運附屬公司的所在地為中國大陸。本集團的主要收入產生自中國大陸。

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4. OPERATING SEGMENT INFORMATION AND REVENUE (Continued)

(a) Revenue from contracts with customers (Continued)

(i) Disaggregated revenue informations (Continued)

Geographical markets (Continued)

4. 經營分部資料及收入 (續)

(a) 來自與客戶合約的收入 (續)

(i) 分類收入資料 (續)

地區資料 (續)

2018
二零一八年
RMB'000
人民幣千元

Timing of revenue recognition	收入確認時間	
Goods transferred at a point in time	貨品於某個時點轉移	785,296
Services transferred over time	服務隨時間推移	3,631,267
Total revenue from contracts with customers	來自與客戶合約的收入總額	4,416,563

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

下表顯示於本報告期間確認的收入金額，其已於報告期初計入合約負債，並自於過往期間達成的履約責任確認：

2018
二零一八年
RMB'000
人民幣千元

Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	於報告期初計入合約負債的已確認收入：	
Construction contracts	建築合約	57,240
Sale of goods	貨品銷售	47,975
		105,215

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4. OPERATING SEGMENT INFORMATION AND REVENUE (Continued)

(a) Revenue from contracts with customers (Continued)

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 90 to 180 days from delivery, except for small and new customers, where payment is normally expected to be settled shortly after delivery of goods. No credit period is set by the Group for small and new customers.

Sale of electricity

The performance obligation is satisfied at the point in time upon transmission of electricity to purchasing companies or grid companies. The payment is generally due within 30 days from delivery.

Rendering of services

The performance obligation is satisfied over time as services are rendered and payment is generally due upon completion.

4. 經營分部資料及收入 (續)

(a) 來自與客戶合約的收入 (續)

(ii) 履約責任

有關本集團履約義務的資料概述如下：

貨品銷售

履約義務在交付貨品時得到履行，付款通常在交貨後90至180日內到期，惟小客戶和新客戶除外，其付款通常預計在貨物交付後立即結算。本集團並無為小客戶和新客戶設定信貸期。

電力銷售

履約義務於傳輸電力予電力採購公司或電網公司傳輸時履行。付款通常在傳輸後30日內到期。

提供服務

履約義務隨著服務的提供而隨時間推移履行，並且通常在完成時付款。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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4. OPERATING SEGMENT INFORMATION AND REVENUE (Continued)

(a) Revenue from contracts with customers (Continued)

(ii) Performance obligations (Continued)

Construction services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 180 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

As at 31 December 2018, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts was approximately RMB1,284,231,000. This amount represents revenue expected to be recognised in the future from construction services and sale of goods entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the construction work and sale of goods are completed, which is expected to occur within 2 years.

4. 經營分部資料及收入 (續)

(a) 來自與客戶合約的收入 (續)

(ii) 履約責任 (續)

建築服務

履約義務隨著服務的提供而隨時間推移履行，並且付款通常在結算日期後30至180日內到期。客戶保留一定比例的付款直至保留期結束，因為本集團獲得最終付款取決於客戶在合約規定的一定期間內對服務質量的滿意。

截至二零一八年十二月三十一日，分配至本集團現有合約項下剩餘履約責任的交易價格總額約為人民幣1,284,231,000元。該金額表示預期未來將自客戶與本集團所簽署建築服務和貨品銷售確認的收入。本集團將於未來或當建築工程和貨品銷售（預計將於兩年內完成）完成時確認預期收入。

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4. OPERATING SEGMENT INFORMATION AND REVENUE (Continued)

4. 經營分部資料及收入 (續)

(b) Non-current assets

(b) 非流動資產

		2018 二零一八年		2017 二零一七年	
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
Mainland China	中國大陸	4,744,979	99.2	4,573,938	99.6
Hong Kong	香港	18,567	0.4	20,118	0.4
Oceania	大洋洲	15,840	0.3	—	—
Others	其他	3,569	0.1	178	0.0
		4,782,955	100.0	4,594,234	100.0

The non-current asset information above is based on the locations of the assets and excludes investments in associates, investment in a joint venture, deferred tax assets, financial assets at fair value through profit or loss/available-for-sale debt investments and equity investments designated at fair value through other comprehensive income/available-for-sale equity investments.

上述非流動資產資料乃按資產所在地區劃分，且並不包括於聯營公司投資、於合營公司投資、遞延稅項資產、按公平值計量且其變動計入損益／可供出售債務投資的金融資產，及指定按公平值計量且其變動計入其他全面收益／可供出售股權投資的股權投資。

Information about major customers

有關主要客戶的資料

Revenue derived from sales to a single customer including sales to a group of entities which are known to be under common control of that customer, which amounted to 10% or more of the total revenue, is set out below:

來自向單一客戶的銷售（包括對所悉處於該客戶共同控制下之一組實體之銷售）的收入（佔總收入的10%或以上）載列如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Customer A	客戶 A	*	684,061
Customer B	客戶 B	1,331,272	*

* Less than 10%

* 少於 10%

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5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

5. 其他收入及收益

其他收入及收益分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Deferred income released to profit or loss over the expected useful lives of the related assets (note 36)	按相關資產預期可使用年期撥至損益的遞延收益(附註36)	10,118	14,346
Bank interest income	銀行利息收入	5,479	16,599
Interest income on retention money	質保金利息收入	—	10,997
Interest income on other receivables	其他應收款項利息收入	1,276	14,285
Government grants*	政府補助*	10,615	12,230
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的收益	11,927	59,309
Gain on disposal of a subsidiary	出售一間附屬公司之收益	—	16,007
Fair value gains on financial assets at fair value through profit or loss (note 21)	按公平值計量且其變動計入損益的金融資產的公平值收益(附註21)	776	—
Interest income from available-for-sale debt instruments	可供出售債務工具的利息收入	—	3,471
Interest income from financial assets at fair value through profit or loss	按公平值計量且其變動計入損益的金融資產的利息收入	2,602	—
Foreign exchange gains, net	外匯收益淨額	—	24,110
Rental income	租金收入	2,491	2,558
Gain on settlement of derivative financial instruments	結算衍生金融工具的收益	4,916	—
Compensation income	補償收入	7,342	—
Others	其他	1,032	4,975
		58,574	178,887

* There were no unfulfilled conditions or contingencies relating to these grants.

* 概無有關該等補助的未達成條件或然事件。

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6. FINANCE COSTS

An analysis of finance costs is as follows:

6. 融資成本

融資成本分析如下：

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Interest on bank and other loans	銀行及其他貸款利息	47	186,329	162,185
Interest on discounted bills receivable	貼現應收票據利息	46	15,580	13,667
Interest on convertible bonds	可換股債券利息	32	13,815	73,197
Loss on repurchase of convertible bonds	購回可換股債券之虧損	32	—	22,460
Interest on senior notes	優先票據利息	33	238,889	221,572
Loss on redemption of convertible bonds	贖回可換股債券之虧損	32	—	137,920
Acceleration of unwinding interest	加速撥回利息	32, 33, 27	34,127	—
Others	其他		2,551	8,073
Total interest expense	利息開支總額		491,291	639,074
Less: interest capitalised	減：資本化利息	47	(14,048)	(17,741)
			477,243	621,333

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7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

7. 除税前溢利

本集團除税前溢利乃經扣除／(計入)以下各項：

	Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Cost of construction services and design services	建築服務及設計服務成本	3,127,337	3,390,423
Cost of inventories sold	已售存貨成本	544,800	1,042,159
Cost of electricity sold	已售電力成本	117,270	99,920
Cost of operation and maintenance service	營運及維護服務成本	6,255	4,027
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13	177,677
Depreciation of investment properties	投資物業折舊	14	1,494
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	15	3,896
Amortisation of intangible assets	無形資產攤銷	16	964
Total depreciation and amortisation	折舊及攤銷總額	195,565	184,031
Employee benefit expense (including directors' and chief executive's remuneration (note 8):	僱員福利開支(包括董事及行政總裁薪酬)(附註8)：		
Wages and salaries and relevant benefits	工資及薪金及有關福利	203,078	256,662
Pension scheme contributions	退休金計劃供款	8,334	10,777
Equity-settled share option expense	股權結算購股權開支	38	14,140
		222,194	281,579
Minimum lease payments under operating leases	經營租賃下的最低租賃付款	7,632	12,786
Research costs	研究成本	21,765	15,271
Auditors' remuneration	核數師酬金	9,550	10,410
Transaction costs related to listing shares of a subsidiary	有關附屬公司股份上市的交易成本	—	5,523
Impairment of financial and contract assets, net:	金融及合同資產減值淨額：		
Impairment of trade receivables	貿易應收款項之減值	25	5,151
Impairment of contract assets	合同資產之減值	24	—
Impairment of financial assets included in prepayments, other receivables and other assets	金融資產(包括預付款項、其他應收款項及其他資產)之減值	26	—
		325,561	5,151

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7. PROFIT BEFORE TAX (Continued)

The Group's profit before tax is arrived at after charging/(crediting):

7. 除稅前溢利(續)

本集團除稅前溢利乃經扣除/(計入)以下各項:(續)

			2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	Notes 附註			
Losses/(gains) on settlement of derivative financial instruments		結算衍生金融工具的虧損/(收益)	(4,916)	12,036
Fair value losses/(gains) on derivative financial instruments		衍生金融工具的公平值虧損/(收益)	—	56,966
Interest income from available-for-sale debt instruments		可供出售債務工具的利息收入	—	(3,471)
Interest income from financial assets at fair value through profit or loss		按公平值計量且其變動計入損益的金融資產的利息收入	(2,602)	—
Gain on financial assets at fair value through profit or loss		按公平值計量且其變動計入損益的金融資產收益	(776)	—
Gain on disposal of items of property, plant and equipment	21	出售物業、廠房及設備項目的收益	(11,927)	(59,309)
Losses/(gains) on disposal of subsidiaries	40	出售附屬公司的虧損/(收益)	15,367	(16,007)
Operating lease rental income		經營租賃租金	(2,491)	(2,558)
Exchange losses/(gains), net		匯兌虧損/(收益), 淨額	40,871	(24,110)

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

8. 董事及行政總裁酬金

根據香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露的年內董事及行政總裁酬金如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Fees	袍金	3,871	4,297
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	3,506	3,374
Pension scheme contributions	退休金計劃供款	112	76
		7,489	7,747

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

8. 董事及行政總裁酬金 (續)

		Fees 袍金 RMB'000 人民幣千元	Salaries, allowances and benefits in kind 薪金、津貼 及實物福利 RMB'000 人民幣千元	Pension scheme contributions 退休計劃 供款 RMB'000 人民幣千元	Total remuneration 薪酬總計 RMB'000 人民幣千元
2018	二零一八年				
Executive directors:	執行董事：				
Mr. Liu Hongwei ^(a)	劉紅維先生 ^(a)	1,577	1,120	28	2,725
Mr. Xiong Shi	熊湜先生	131	680	28	839
Mr. Xie Wen	謝文先生	1,314	1,046	28	2,388
		3,022	2,846	84	5,952
Non-executive directors:	非執行董事：				
Mr. Cao Zhirong ^(b)	曹志榮先生 ^(b)	89	—	—	89
Mr. Zhuo Jianming ^(c)	卓建明先生 ^(c)	33	660	28	721
Mr. Li Hong	李宏先生	131	—	—	131
		253	660	28	941
Independent non-executive directors:	獨立非執行董事：				
Mr. Wang Ching	王京先生	175	—	—	175
Mr. Yick Wing Fat, Simon	易永發先生	263	—	—	263
Mr. Zhong Jishou ^(b)	仲繼壽先生 ^(b)	47	—	—	47
Mr. Tan Hongwei ^(c)	譚洪衛先生 ^(c)	111	—	—	111
		596	—	—	596
		3,871	3,506	112	7,489

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

8. 董事及行政總裁酬金 (續)

		Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
		袍金	薪金、津貼及實物福利	退休計劃供款	薪酬總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
2017	二零一七年				
Executive directors:	執行董事：				
Mr. Liu Hongwei	劉紅維先生	1,505	1,064	19	2,588
Mr. Sun Jinli	孫金禮先生	697	760	19	1,476
Mr. Xiong Shi	熊澍先生	8	617	19	644
Mr. Xie Wen	謝文先生	1,254	933	19	2,206
		3,464	3,374	76	6,914
Non-executive directors:	非執行董事：				
Mr. Cao Zhirong	曹志榮先生	113	—	—	113
Mr. Li Hong	李宏先生	86	—	—	86
Mr. Li Huizhong	李會忠先生	49	—	—	49
		248	—	—	248
Independent non-executive directors:	獨立非執行董事：				
Mr. Wang Ching	王京先生	167	—	—	167
Mr. Yick Wing Fat, Simon	易永發先生	251	—	—	251
Mr. Zhong Jishou	仲繼壽先生	86	—	—	86
Mr. Cheng Jinshu	程金樹先生	81	—	—	81
		585	—	—	585
		4,297	3,374	76	7,747

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

- (a) Mr. Liu Hongwei who acts as an executive director of the Company is also the chief executive officer of the Company.
- (b) Mr. Cao Zhirong resigned as the Company's non-executive director on 1 October 2018, and Mr. Zhong Jishou resigned as the Company's independent non-executive director on 18 April 2018.
- (c) Mr. Zhuo Jianming was appointed as the Company's non-executive director on 1 October 2018, and Mr. Tan Hongwei was appointed as the Company's independent non-executive director on 18 April 2018.

There was no arrangement under which a director or the chief executive officer waived or agreed to waive any remuneration during the year (2017: nil).

8. 董事及行政總裁酬金 (續)

- (a) 劉紅維先生擔任本公司執行董事，亦為本公司行政總裁。
- (b) 曹志榮先生於二零一八年十月一日辭任本公司非執行董事，仲繼壽先生於二零一八年四月十八日辭任本公司獨立非執行董事。
- (c) 卓建明先生於二零一八年十月一日獲委任為本公司非執行董事，譚洪衛先生於二零一八年四月十八日獲委任為本公司獨立非執行董事。

年內並無任何董事或行政總裁放棄或同意放棄任何薪酬之安排(二零一七年：無)。

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9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one director and the chief executive officer (2017: one director and the chief executive officer), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2017: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	5,214	5,497
Pension scheme contributions	退休金計劃供款	45	49
		5,259	5,546

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員數目	
		2018 二零一八年	2017 二零一七年
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1	1
HK\$1,500,001 to HK\$2,500,000	1,500,001 港元至 2,500,000 港元	1	1
HK\$2,500,001 to HK\$3,500,000	2,500,001 港元至 3,500,000 港元	1	1
		3	3

9. 五位最高薪僱員

年內，五位最高薪僱員中包括一位董事及行政總裁（二零一七年：一位董事及行政總裁），彼等的薪酬詳情載於上文附註8。餘下三位（二零一七年：三位）非本公司董事及非行政總裁最高薪僱員年內的薪酬詳情如下：

下列薪酬範圍內非董事及非行政總裁最高薪僱員的數目如下：

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10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the respective countries or jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of Bermuda, Samoa and the British Virgin Islands, the Group is not subject to any income tax in Bermuda, Samoa and the British Virgin Islands.

No provision for Macau, Hongkong, Malaysia, Singapore and Nigeria profits tax has been made as the Group had no assessable profits derived from or earned in Macau, Hongkong, Malaysia, Singapore and Nigeria during the year.

Mainland China profits tax has been provided at the respective corporate income tax ("CIT") rates applicable to the subsidiaries located in Mainland China as determined in accordance with the relevant income tax rules and regulations of the PRC for the year.

The major components of income tax expense for the year are as follows:

10. 所得稅

本集團須就其成員公司所處及運營的各自國家或司法權區所產生或賺取的溢利，按實體基準交納所得稅。

根據百慕達、薩摩亞及英屬處女群島法律法規，本集團無須繳納百慕達、薩摩亞及英屬處女群島的任何所得稅。

於年內本集團並無於澳門、香港、馬來西亞、新加坡及尼日利亞產生或賺取任何應課稅溢利，故並無就澳門、香港、馬來西亞、新加坡及尼日利亞利得稅計提撥備。

中國大陸所得稅乃基於中國大陸附屬公司適用的有關企業所得稅（「企業所得稅」）率，按年內中國之有關所得稅法規及規例作出撥備。

本年度所得稅開支主要部分如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current – Charge for the year	當期所得稅 – 年內開支		
– Mainland China	– 中國大陸	63,720	135,617
– Hong Kong	– 香港	–	1,118
Deferred (note 35)	遞延（附註35）	45,548	(16,763)
Total tax charge for the year	年內稅項開支總額	109,268	119,972

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10. INCOME TAX (Continued)

A reconciliation of the tax expense applicable to profit/loss before tax at the applicable tax rates for the countries or jurisdictions in which companies within the Group are domiciled to the tax expense at the Group's effective tax rate is as follows:

10. 所得稅 (續)

以集團的除稅前溢利，按集團內各公司所在之國家或司法管轄區的適用稅率計算的稅項開支，及按集團實際稅率計算的稅項開支，兩者對賬如下：

		Notes	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit/(loss) before tax	除稅前溢利		(562,959)	270,378
At the applicable tax rates	按適用稅率計算	(a)	(86,753)	31,574
Effect of tax holiday	稅務優惠期影響	(a)	(6,857)	(18,521)
Income not subject to tax	毋須課稅收入	(b)	(8,194)	(3,345)
Expenses not deductible for tax	不可扣減稅項開支	(c)	82,122	115,655
Tax effect of additional tax deduction for research costs incurred	因已產生研究費用獲得額外稅項減免的稅項影響		(621)	—
Derecognition of previously recognised deferred tax assets	終止確認先前已確認的遞延稅項資產		46,228	—
Deductible temporary differences not recognised in current year	本年度未確認的可抵扣暫時性差異		51,643	—
Effect on deferred tax of change in tax rate	稅率變動對遞延稅項之影響		—	(11,545)
Tax losses utilised from previous years which were not recognised before	先前年度未獲確認的稅項虧損的使用		(35)	(4,389)
Tax losses not recognised	未獲確認的稅項虧損		31,735	10,543
Tax charge at the Group's effective tax rate	本集團實際稅率的稅項開支		109,268	119,972

NOTES TO FINANCIAL STATEMENTS

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10. INCOME TAX (Continued)

- (a) The applicable CIT rate for Mainland China subsidiaries is 25% except for certain subsidiaries that would be entitled to preferential tax rates as discussed below:

For Mainland China subsidiaries which are qualified as High and New Technology Enterprises, they are entitled to a preferential tax rate of 15%. For subsidiaries engaging in encouraged industries in Western China, they are entitled to a preferential tax rate of 15% for the period from 1 January 2011 to 31 December 2020. For subsidiaries engaging in the approved projects of solar power station construction, they will be exempted from CIT for the first three years and are entitled to a 50% tax reduction for the subsequent three years (“三免三減半”) since their respective first revenue-generating years. Thereafter, they will be subject to CIT at a rate of 25% or 15%.

- (b) Income not subject to tax mainly consists of unrealised foreign exchange gains and the fair value gains on conversion rights of convertible bonds, and the fair value gains on derivative financial instruments (if any).
- (c) Expenses not deductible for tax mainly consist of equity-settled share option expenses, finance costs incurred in offshore companies and the fair value losses on derivative financial instruments (if any).

The share of tax attributable to associates amounting to RMB734,000 (2017: RMB1,633,000) is included in “share of losses of associates” in profit or loss.

11. DIVIDENDS

At a meeting of the Directors held on 16 August 2019, the Directors did not recommend a final dividend for the year ended 31 December 2018 (2017 final dividend: RMB20,916,000).

10. 所得稅(續)

- (a) 中國大陸附屬公司之適用企業所得稅稅率為25%，享受下列優惠稅率之附屬公司除外：

獲高新技術企業資格之中國大陸附屬公司能夠享受15%之優惠稅率。於中國西部從事獲鼓勵行業的附屬公司，自二零一一年一月一日至二零二零年十二月三十一日期間能夠享受15%之優惠稅率。從事獲批太陽能電站建築項目的附屬公司，自項目取得第一筆生產經營收入所屬納稅年度起，第一年至第三年免徵中國企業所得稅，其後三年減半徵收企業所得稅(「三免三減半」)。此後，彼等將須按25%或15%之稅率繳納企業所得稅。

- (b) 毋須課稅收入主要包括未變現外匯收益以及可換股債券轉換權的公平值收益，以及衍生金融工具的公平值收益(如有)。
- (c) 不可扣減稅項開支主要包括股本結算購股權開支、離岸公司產生之融資成本以及衍生金融工具之公平值虧損(如有)。

分佔聯營公司稅項人民幣734,000元(二零一七年：人民幣1,633,000元)計入損益表之「分佔聯營公司虧損」。

11. 股息

於二零一九年八月十六日舉行的董事會會議上，董事並未建議派發截至二零一八年十二月三十一日止年度的末期股息(二零一七年末期股息：人民幣20,916,000元)。

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12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss (2017: earnings) per share amount is based on the loss (2017: profit) for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 834,073,195 (2017: 834,073,195) in issue during the year.

The calculation of the diluted earnings/loss per share amount is based on the profit/loss for the year attributable to ordinary equity holders of the Company as used in the basic earnings/loss per share calculation, adjusted to reflect the interest on the convertible bonds and fair value changes on the conversion rights of the convertible bonds, where applicable (see below). The weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue during the year, as used in the basic earnings/loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

12. 本公司普通股權益持有人應佔每股盈利／（虧損）

每股基本虧損（二零一七年：盈利）乃根據本公司普通股權益持有人應佔年內虧損（二零一七年：盈利）及年內已發行普通股的加權平均數843,073,195股（二零一七年：843,073,195股）計算。

每股攤薄盈利／虧損乃根據計算每股基本盈利／虧損時採用的本公司普通股權益持有人應佔年內溢利／虧損計算，並作出調整，以反映可換股債券的利息及可換股債券轉換權的公平值變動（如適用）（見下文）。計算時採用的普通股加權平均數為於年內發行的普通股加權平均數目（用於計算每股基本盈利／虧損），以及假設於所有攤薄潛在普通股被視為行使或轉換為普通股後無償發行的普通股加權平均數。

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12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (Continued)

The calculations of basic and diluted earnings/loss per share are based on:

12. 本公司普通股權益持有人應佔每股盈利／(虧損)(續)

每股基本及攤薄盈利／虧損的計算乃根據：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Earnings/(loss)	盈利／(虧損)		
Profit/(loss) attributable to ordinary equity holders of the Company used in the basic earnings/loss per share calculation	計算每股基本盈利／(虧損)的本公司普通股權益持有人應佔溢利／(虧損)：	(678,801)	143,797
Interest on convertible bonds*	可換股債券利息*	—	—
Less: fair value gains on the conversion rights of the convertible bonds*	減：可換股債券轉換權的公平值收益*	—	—
Profit/(loss) attributable to ordinary equity holders of the Company before interest on convertible bonds and fair value gains on the conversion rights of the convertible bonds	扣除可換股債券利息及可換股債券轉換權的公平值收益前本公司的普通股權益持有人應佔溢利／(虧損)	(678,801)	143,797

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12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (Continued)

12. 本公司普通股權益持有人應佔每股盈利／(虧損)(續)

		Number of shares 股份數目	
		2018 二零一八年	2017 二零一七年
Shares	股份		
Weighted average number of ordinary shares in issue during the year used in the basic earnings/loss per share calculation	用於計算每股基本盈利／虧損的年內已發行普通股的加權平均數	834,073,195	834,073,195
Effect of dilution – weighted average number of ordinary shares:	攤薄影響 – 普通股加權平均數：		
Share options*	購股權*	–	1,167,298
Convertible bonds*	可換股債券*	–	–
		834,073,195	835,240,493

* The computation of diluted loss per share for the year ended 31 December 2018 does not assume the exercises of share options and convertible bonds for the year ended 31 December 2018 since assuming such exercises would result in an decrease in loss per share.

* 計算截至二零一八年十二月三十一日止年度的每股攤薄盈利／虧損並無假設行使截至二零一八年十二月三十一日止年度的購股權及可換股債券，因假設該行使將導致每股虧損減少。

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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Land and buildings 土地及樓宇	Plant and machinery 機器設備	Motor vehicles 汽車	Office equipment and furniture 辦公室 設備及傢具	Solar photovoltaic power stations 太陽能 光伏電站	Construction in progress 在建工程	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
31 December 2018	二零一八年十二月三十一日							
Cost:	成本：							
At 1 January 2018	於二零一八年 一月一日	1,528,079	348,850	17,584	46,198	2,877,364	140,763	4,958,838
Additions	添置	25,141	2,482	26	3,522	315,521	209,165	555,857
Transfers	轉移	52	-	-	-	153,386	(153,438)	-
Disposal of subsidiaries (note 40)	出售附屬公司 (附註40)	-	(716)	-	(765)	-	(3,315)	(4,796)
Disposals	出售	(79)	(1,468)	(50)	(187)	(188,964)	-	(190,748)
Acquisition of subsidiaries (note 41)	收購附屬公司 (附註41)	-	22,214	140	43	-	-	22,397
Other transfer out	其他轉出	-	-	-	-	(27,143)	-	(27,143)
Exchange realignment	匯兌調整	888	-	60	414	(311)	-	1,051
At 31 December 2018	於二零一八年 十二月三十一日	1,554,081	371,362	17,760	49,225	3,129,853	193,175	5,315,456
Accumulated depreciation and impairment:	累計折舊及減值：							
At 1 January 2018	於二零一八年一月一日	144,270	198,321	14,704	27,156	290,410	-	674,861
Depreciation provided for the year (note 7)	本年度折舊撥備 (附註7)	31,388	30,442	1,185	5,040	116,193	-	184,248
Disposal of subsidiaries (note 40)	出售附屬公司 (附註40)	-	(43)	-	(49)	-	-	(92)
Disposals	出售	(27)	(1,143)	(35)	(19)	(28,383)	-	(29,607)
Acquisition of subsidiaries (note 41)	收購附屬公司 (附註41)	-	10,307	96	28	-	-	10,431
Exchange realignment	匯兌調整	194	-	25	234	(17)	-	436
At 31 December 2018	於二零一八年 十二月三十一日	175,825	237,884	15,975	32,390	378,203	-	840,277
Net carrying amount:	賬面淨值：							
At 1 January 2018	於二零一八年一月一日	1,383,809	150,529	2,880	19,042	2,586,954	140,763	4,283,977
At 31 December 2018	於二零一八年 十二月三十一日	1,378,256	133,478	1,785	16,835	2,751,650	193,175	4,475,179

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13. PROPERTY, PLANT AND EQUIPMENT
(Continued)

13. 物業、廠房及設備 (續)

		Land and buildings 土地及樓宇	Plant and machinery 機器設備	Motor vehicles 汽車	Office equipment and furniture 辦公室 設備及傢具	Solar photovoltaic power stations 太陽能 光伏電站	Construction in progress 在建工程	Total 總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
31 December 2017								
二零一七年十二月三十一日								
Cost:	成本：							
At 1 January 2017	於二零一七年 一月一日	1,210,663	343,164	16,772	42,125	2,692,236	583,789	4,888,749
Additions	添置	4,993	4,541	1,504	2,298	-	331,402	344,738
Transfers	轉移	313,710	1,662	-	2,494	456,562	(774,428)	-
Disposal of a subsidiary	出售一間附屬公司	-	-	-	-	(111,982)	-	(111,982)
Disposals	出售	-	(517)	(623)	(150)	(159,452)	-	(160,742)
Exchange realignment	匯兌調整	(1,287)	-	(69)	(569)	-	-	(1,925)
At 31 December 2017	於二零一七年 十二月三十一日	1,528,079	348,850	17,584	46,198	2,877,364	140,763	4,958,838
Accumulated depreciation and impairment:	累計折舊及減值：							
At 1 January 2017	於二零一七年一月一日	114,884	163,825	13,564	25,760	207,169	-	525,202
Depreciation provided for the year (note 7)	本年度折舊撥備 (附註7)	29,619	34,529	1,158	1,578	110,793	-	177,677
Disposal of a subsidiary	出售一間附屬公司	-	-	-	-	(4,781)	-	(4,781)
Disposals	出售	-	(33)	-	(18)	(22,771)	-	(22,822)
Exchange realignment	匯兌調整	(233)	-	(18)	(164)	-	-	(415)
At 31 December 2017	於二零一七年 十二月三十一日	144,270	198,321	14,704	27,156	290,410	-	674,861
Net carrying amount:	賬面淨值：							
At 1 January 2017	於二零一七年一月一日	1,095,779	179,339	3,208	16,365	2,485,067	583,789	4,363,547
At 31 December 2017	於二零一七年 十二月三十一日	1,383,809	150,529	3,880	19,042	2,586,954	140,763	4,283,977

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13. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

- (a) At 31 December 2018, certain of the Group's buildings with a net carrying amount of approximately RMB982,056,000 (2017: RMB564,376,000) were pledged to secure bank and other loans granted to the Group (note 31(a)).
- (b) As at 31 December 2018, certain of the Group's solar photovoltaic power stations with a net carrying amount of approximately RMB1,378,740,000 (31 December 2017: RMB1,388,492,000) were pledged to secure bank and other loans granted to the Group (note 31(b)).
- (c) As at 31 December 2018, the application for the property ownership certificates of certain buildings with a net carrying amount of approximately RMB259,254,000 (2017: RMB543,760,000) was in progress. Those buildings can only be sold, transferred or mortgaged when their relevant ownership certificates have been obtained. In the opinion of directors of the Company, there is no major barrier for the Group to obtain these building ownership certificates.
- (d) As at 31 December 2018, the right on the annual return generated from the solar photovoltaic power station (the "Relevant Asset") with a net carrying amount of approximately RMB27,307,000 (2017: RMB28,605,000) was assigned to an independent third party for twenty years for a loan obtained by the Group (note 31(c)).
- (e) As at 31 December 2018, the right on the annual return generated from the solar photovoltaic power station with a net carrying amount of approximately RMB541,882,000 (31 December 2017: nil) was pledged to secure other loans granted to the Group (note 31(d)).
- (f) As at 31 December 2018, certain machineries with a net carrying amount of approximately RMB10,886,000 were sealed up by a court according to the civil ruling as guarantee for the Group's payable of RMB4,872,000 to a supplier (note 28).

13. 物業、廠房及設備 (續)

附註：

- (a) 於二零一八年十二月三十一日，本集團賬面淨值約為人民幣982,056,000元(二零一七年：人民幣564,376,000元)之樓宇已抵押作為授予本集團的銀行及其他貸款之擔保(附註31(a))。
- (b) 於二零一八年十二月三十一日，賬面淨值約人民幣1,378,740,000元(二零一七年十二月三十一日：人民幣1,388,492,000)之本集團若干太陽能光伏電站已抵押作為授予本集團的銀行及其他貸款之擔保(附註31(b))。
- (c) 於二零一八年十二月三十一日，賬面淨值約為人民幣259,254,000元(二零一七年：人民幣543,760,000元)之若干樓宇之物業產權證書正在申請過程當中。該等樓宇僅於取得其相關的產權證書時方可出售、轉讓或按揭。本公司董事認為，本集團取得該等樓宇所有權證書並無重大障礙。
- (d) 於二零一八年十二月三十一日，太陽能光伏電站(「相關資產」)賬面淨值約人民幣27,307,000元(二零一七年：人民幣28,605,000元)之年度回報權利已就本集團取得之年期為二十年的貸款轉讓予獨立第三方(附註31(c))。
- (e) 於二零一八年十二月三十一日，太陽能光伏電站賬面淨值約人民幣541,882,000元(二零一七年：無)之年度回報權利已就本集團獲授其他貸款被抵押(附註31(d))。
- (f) 於二零一八年十二月三十一日，賬面淨值約人民幣10,886,000元的若干機器已根據民事裁定而被法院查封，作為本集團向供應商支付人民幣4,872,000元的擔保(附註28)。

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14. INVESTMENT PROPERTIES

14. 投資物業

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日之賬面值	75,183	68,150
Additions	添置	750	8,527
Depreciation provided for the year (note 7)	本年度折舊撥備(附註7)	(1,589)	(1,494)
Carrying amount at 31 December	於十二月三十一日之賬面值	74,344	75,183

As at 31 December 2018, the fair values of the investment properties were estimated to be approximately RMB78,659,000 (2017: RMB78,089,000). The valuation was performed by Zhuhai Dewei Real Estate and Land Appraisal Company Limited, an independent professionally qualified valuer. Selection criteria of the external valuer include market knowledge, reputation, independence and whether professional standards are maintained. The valuation was estimated using discounted cash flow projections based on reliable estimates of future rental income or market rents for similar properties in the same location and condition, where appropriate. The fair value measurement hierarchy of the investment properties requires certain significant unobservable inputs (Level 3).

The investment properties are leased to the third parties under operating leases.

As at 31 December 2018, the application for the property ownership certificates of certain buildings with a net carrying amount of approximately RMB64,246,000 (2017: RMB64,798,000) was in progress. Those buildings can only be sold, transferred or mortgaged when their relevant ownership certificates have been obtained. In the opinion of directors of the Company, there is no major barrier for the Group to obtain these building ownership certificates.

於二零一八年十二月三十一日，投資物業的公平值估計為約人民幣78,659,000元(二零一七年：人民幣78,089,000元)。估值由獨立專業合資格估值師珠海德威房地產評估有限公司執行。外聘估值師的甄選準則包括市場知識、聲譽、獨立性及是否可以保持專業標準。估值乃根據未來租金收入的可靠估計或相同地點及狀況的同類物業的市場租金(倘適用)，採用已貼現現金流量預測估計。投資物業的公平值計量層級需要若干重大不可觀察輸入數據(第三層)。

投資物業根據經營租賃租予第三方。

於二零一八年十二月三十一日，賬面淨值約為人民幣64,246,000元(二零一七年：人民幣64,798,000元)之若干樓宇之物業產權證書正在申請過程當中。該等樓宇僅於取得其相關的產權證書時方可出售、轉讓或按揭。本公司董事認為，本集團取得該等樓宇所有權證書並無重大障礙。

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15. PREPAID LAND LEASE PAYMENTS

15. 預付土地租賃款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日之賬面值	198,964	203,001
Additions	添置	21,193	5,632
Disposal of subsidiaries	出售附屬公司	—	(5,773)
Amortisation charged for the year (note 7)	本年度攤銷(附註7)	(8,744)	(3,896)
Carrying amount at 31 December	於十二月三十一日之賬面值	211,413	198,964

At 31 December 2018, certain of the Group's prepaid land lease payments with a net carrying amount of approximately RMB80,344,000 (2017: RMB58,441,000) were pledged to secure bank and other loans granted to the Group (note 31(e)).

於二零一八年十二月三十一日，本集團賬面淨值約人民幣80,344,000元(二零一七年：人民幣58,441,000元)的預付土地租賃款項已抵押作為授予本集團的銀行貸款之擔保(附註31(e))。

At 31 December 2018, certain of the Group's prepaid land lease payments with a net carrying amount of approximately RMB108,317,000 (2017: RMB108,857,000) were sub-leased from certain grantees of the land use rights and therefore, the relevant land use rights were not registered under the name of the Group which cannot be sold, transferred or mortgaged.

於二零一八年十二月三十一日，本集團賬面淨值為約人民幣108,317,000元(二零一七年：人民幣108,857,000元)之若干預付土地租賃付款源於向若干土地使用權承授人分租土地使用權，因此，有關土地使用權並非以本集團名義登記，不可進行出售、轉讓或按揭。

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16. INTANGIBLE ASSETS

16. 無形資產

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<i>Software</i>	<i>軟件</i>		
Cost:	成本：		
At 1 January	於一月一日	6,394	5,722
Additions	添置	426	682
Disposal of subsidiaries (note 40)	出售附屬公司(附註40)	(201)	—
Exchange realignment	匯兌調整	7	(10)
At 31 December	於十二月三十一日	6,626	6,394
Accumulated amortisation:	累計攤銷：		
At 1 January	於一月一日	3,579	2,617
Amortisation provided during the year (note 7)	年內攤銷撥備(附註7)	984	964
Exchange realignment	匯兌調整	5	(2)
At 31 December	於十二月三十一日	4,568	3,579
Net carrying amount:	賬面淨值：		
At 31 December	於十二月三十一日	2,058	2,815

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17. PAYMENTS IN ADVANCE

17. 預付款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<i>Advance payments in respect of:</i>	<i>以下項目的預付款項：</i>		
Prepayments for patent	專利之預付款項	3,600	3,510
Purchase of machinery	購買機器設備	5,580	3,703
Purchase of office property	購買辦公室物業	3,036	10,360
Others	其他	1,297	1,072
		13,513	18,645

18. INVESTMENTS IN ASSOCIATES

18. 於聯營公司投資

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Unlisted investments, at cost	非上市投資，按成本	40,820	40,820
Share of losses of associates	分佔聯營公司虧損	(36,391)	(42,263)
Aggregate carrying amount of the Group's investments in the associates	本集團於聯營公司投資之賬面總值	4,429	(1,443)

The Group's trade receivable and other receivable balances with the associates are disclosed in note 45 to the financial statements.

本集團與聯營公司之應收貿易款項及其他應收款項結餘乃於財務報表附註45披露。

In the opinion of the directors, there were no material associates of the Group during the year.

董事認為，年內本集團並無重大聯營公司。

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18. INVESTMENTS IN ASSOCIATES (Continued)

The Group's shareholdings in the associates are held through subsidiaries of the Company.

Further losses of RMB15,790,000 (2017: RMB20,721,000) were not recognised in profit or loss during the year due to the share of losses of an associate exceeded the Group's capital contribution, for which the Group has no obligation.

18. 於聯營公司投資 (續)

本公司於聯營公司的股權透過本公司附屬公司持有。

由於本集團對分佔聯營公司虧損超過本集團的注資責任的虧損並無義務，進一步虧損人民幣15,790,000元(二零一七年：人民幣20,721,000元)並無於本年度之損益內確認。

19. INVESTMENT IN A JOINT VENTURE

19. 於合營公司之投資

2018
二零一八年
RMB'000
人民幣千元

Share of net assets	應佔資產淨值	6,370
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Particulars of the Group's joint venture are as follows:

本集團的合營公司的詳情如下：

Name 名稱	Place of incorporation/ registration and business 註冊成立 ／登記及 營業地點	Percentage of ownership interest 所有權權益 百分比	Percentage of vote interest 投票權權益 百分比	Principal activities 主要業務
Yijun Tianxing New Energy Co., Ltd. ("Yijun Tianxing") 宜君縣天興新能源有限公司 (「宜君天興」)	Mainland China 中國內地	49% (through a subsidiary) (透過一間 附屬公司)	49% (through a subsidiary) (透過一間 附屬公司)	Research and design of and investment in solar power projects 太陽能項目 研究與設計 以及投資

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19. INVESTMENT IN A JOINT VENTURE (Continued)

During the year ended 31 December 2018, Shanxi Singyes New electronic technologies Limited ("Shangxi Singyes"), an indirect subsidiary of the Company, established Yijun Tianxing with an independent third party, the capital of which of RMB6,370,000 has been paid by Shangxi Singyes in cash.

The Group sold its equity interests in Yijun Tianxing on 10 January 2019 as the investment no longer coincided with the Group's investment strategy.

19. 於合營公司之投資 (續)

於截至二零一八年十二月三十一日止年度，本公司的間接附屬公司Shanxi Singyes New Electronic Technologies Limited (「Shangxi Singyes」) 與一名獨立第三方成立宜君天興，其資本人民幣6,370,000元已由Shangxi Singyes以現金支付。

由於該投資不再與本集團的投資策略相符，故本集團於二零一九年一月十日出售其在宜君天興的股權。

20. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

20. 指定為按公平值計量且其變動計入其他全面收益表的股本投資

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Equity investments designated at fair value through other comprehensive income	指定為按公平值計量且其變動計入其他全面收益表的股本投資		
Unlisted equity investments, at fair value:	非上市股本投資，按公平值：		
Weihai China Glass Solar Co., Ltd.	威海中玻光電有限公司	5,272	—
Jiuhua New Energy Management Co., Ltd.	九華新能源管理有限公司	380	—
Others	其他	5	—
		5,657	—

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20. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

During the year ended 31 December 2018, the Group disposed of its equity interests in Shanxi Singyes Solar Technology Co., Ltd. and Zhuhai Xinye Green Energy Technology Co., Ltd. for considerations of RMB7,600,000 and RMB9,500,000 to two independent third parties (the "Acquirers"), respectively, as these investments no longer coincided with the Group's investment strategy. The fair value of these investments on the date of sale was RMB17,100,000.

During the year ended 31 December 2018, a fair value loss of RMB7,915,000 regarding the equity investment in Weihai China Glass Solar Co., Ltd. was recognised in other comprehensive loss. The fair value measurement of the equity investments at fair value through other comprehensive income is categorised within level 3 of the fair value hierarchy.

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The life insurance contracts at fair value at 31 December 2018 represented the cash surrender value ("CSV") of two life insurance contracts (the "Insurance Contracts") entered into between the Company and an international insurance company in July 2015. The Company is the policyholder and beneficiary of the Insurance Contracts.

20. 指定為按公平值計量且其變動計入其他全面收益表的股本投資 (續)

由於本集團認為該等投資屬策略性質，故上述股本投資不可撤銷地指定為按公平值計量且其變動計入其他全面收益表。

截至二零一八年十二月三十一日止年度，本集團分別向兩名獨立第三方（「收購方」）出售其於陝西興業太陽能科技有限公司及珠海欣業綠色能源科技有限公司的股權，作價分別為人民幣7,600,000元及人民幣9,500,000元，原因是該等投資不再與本集團的投資策略相符。該等投資於出售日期的公平值為人民幣17,100,000元。

截至二零一八年十二月三十一日，關於在威海中玻光電有限公司的股本投資的公平值虧損人民幣7,915,000元於其他全面虧損內確認。按公平值計量且其變動計入其他全面收益表的股本投資的公平值計量分類在公平值層級第3層級內。

21. 按公平值計量且其變動計入損益的金融資產

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Life insurance contracts 人壽保險合同	24,265	—

於二零一八年十二月三十一日按公平值列賬人壽保險合約指本公司與一間國際保險公司於二零一五年七月訂立兩項人壽保險合約（「保險合約」）的解約金（「解約金」）。本公司為保險合約的投保人及受益人。

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21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

The salient terms of the Insurance Contracts are disclosed as follows:

		Contract 1 合約1	Contract 2 合約2
Life insured	人壽保險	Liu Hongwei* 劉紅維*	A senior management member 一名高級管理層成員
Sum insured (US\$'000)	保險金額(千美元)	10,000	5,000
Premium mode	保險費交付方式	Single premium 單期保費	Single premium 單期保費
Single premium (US\$'000)	單期保費(千美元)	3,077	946
Effective date	生效日期	20 August 2015 二零一五年八月二十日	14 August 2015 二零一五年八月十四日

In accordance with the Insurance Contracts, upon giving a written notice, at any time, the Company has a right to surrender the Insurance Contracts and receive a CSV for each insurance contract as quoted by the insurance company.

* Mr. Liu Hongwei is the chairman and chief executive officer of the Company.

Upon adoption of IFRS 9, available-for-sale investment revaluation reserve gain related to the Insurance Contracts under IAS 39, which amounted to RMB3,701,000, was reclassified to retained profits as at 1 January 2018.

Total single premium sum of approximately US\$4,023,000 (equivalent to approximately RMB26,129,000) has been fully paid by the Company at the inception of each of the Insurance Contracts. During the year, a gross gain in respect of the Insurance Contracts recognised in profit and loss amounted to RMB776,000, representing the difference between the CSV at 31 December 2018 and that at 31 December 2017.

As at 31 December 2018, the Insurance Contracts were pledged to secure bank loans granted to the Group (note 31(h)).

21. 按公平值計量且其變動計入損益的金融資產(續)

保險合約的主要條款披露如下：

根據保險合約，於任何時候發出書面通知，本公司有權退保及按保險公司承保金額就各份保險合約收取解約金。

* 劉紅維先生為本公司主席兼行政總裁。

採納國際財務報告準則第9號後，根據國際會計準則第39號與保險合同有關的可供出售投資重估儲備收益為人民幣3,701,000元，已重新分類為於二零一八年一月一日的保留溢利。

單期保費總金額約4,023,000美元(相當於約人民幣26,129,000元)已由本公司按各份保險合約起期悉數支付。本年度內，就保險合約於其他全面損益內確認收益總額人民幣776,000元，乃因為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解約金之差額。

於二零一八年十二月三十一日，保險合約已抵押作為授予本集團的銀行貸款之擔保(附註31(h))。

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22. INVENTORIES

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Raw materials	原材料	41,384	71,641
Finished goods	產成品	28,208	40,162
		69,592	111,803

23. CONSTRUCTION CONTRACTS

21. 建築合同

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Contract costs incurred plus recognised profits less recognised and expected losses to date	已發生合同成本加上已確認溢利 減迄今已確認及預期虧損	—	6,558,127
Less: progress billings	減：按進度結算款項	—	(5,581,948)
		—	976,179
Gross amount due from contract customers	應收合同客戶的款項總額	—	976,179
Gross amount due to contract customers	應付合同客戶的款項總額	—	—
		—	976,179

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24. CONTRACT ASSETS

24. 合同資產

		December 31 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	January 1 2018 二零一八年 一月一日 RMB'000 人民幣千元	December 31 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Contract assets arising from	因建築服務產生之			
Construction services ⁽¹⁾	合同資產 ⁽¹⁾	1,801,000	976,179	—
Retention money receivables ⁽²⁾	應收質保金 ⁽²⁾	454,001	463,794	—
		2,255,001	1,439,973	—
Impairment	減值	(135,484)	(11,073)	—
		2,119,517	1,428,900	—

- (1) Contract assets are initially recognised for revenue earned from construction services as the receipt of consideration is conditional on successful completion of construction. Upon completion of construction and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

- (2) At 31 December 2018 and 1 January 2018, the retention money receivables from the contract customers amounted to RMB454,001,000 and RMB463,794,000, respectively. Retention money receivables are normally collected within two to five years after the completion of the relevant construction work.

The Group's retention money receivables included net carrying amounts due from the Group's associates of RMB19,356,000, which are repayable on credit terms similar to those offered to the major customers of the Group.

- (1) 合同資產初步按建築服務收入確認，因為代價的收取以建築成功完成為條件。在客戶完成建築和驗收後，確認作合同資產的金額重新分類至應收貿易款項。

- (2) 於二零一八年十二月三十一日及二零一八年一月一日，來自合同客戶的應收質保金分別為人民幣454,001,000元及人民幣463,794,000元。應收質保金正常情況下在相關建築工程完工後的二至五年內收取。

本集團的應收質保金包括應收本集團聯營公司的賬面淨值人民幣19,356,000元，須按類似於向本集團主要客戶提供的信貸條款償還。

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24. CONTRACT ASSETS (Continued)

(2) (Continued)

Management expects that the majority of the above disclosed contract assets as at 31 December 2018 will be recovered or settled in two to five years.

During the year ended 31 December 2018, RMB124,411,000 was recognised as an allowance for expected credit losses on contract assets. The Group's trading terms and credit policy with customers are disclosed in note 4 to the consolidated financial statements.

The movements in the loss allowance for impairment of contract assets are as follows:

24. 合同資產 (續)

(2) (續)

管理層預計，上述披露的於二零一八年十二月三十一日的大部分合同資產將於二至五年內收回或結算。

截至二零一八年十二月三十一日止年度，人民幣124,411,000元確認為合同資產預期信貸虧損的撥備。本集團與客戶的交易條款及信貸政策披露於綜合財務報表附註4。

合同資產減值虧損撥備的變動如下：

		2018 二零一八年 RMB'000 人民幣千元
At beginning of year	於年初	—
Effect of adoption of IFRS 15	關於採納國際財務報告準則第15號的影響	11,073
At beginning of year (restated)	於年初(重列)	11,073
Impairment losses during the year (note 7)	年內減值虧損(附註7)	124,411
At end of year	於年末	135,484

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31 December 2018 二零一八年十二月三十一日

24. CONTRACT ASSETS (Continued)

(2) (Continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables for groupings of various customer segments with similar loss patterns (i.e., by customer type and coverage by other forms of insurance). The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

24. 合同資產(續)

(2) (續)

每個報告日期使用撥備矩陣進行減值分析，以計量預期信用損失。計量合同資產的預期信貸虧損的撥備率乃根據應收貿易款項計提，因為合同資產及應收貿易款項來自同一客戶基礎。合同資產的撥備率乃根據具有類似虧損模式的各類客戶分組（即按客戶類型及其他形式保險的範圍）的應收貿易款項的逾期天數計算。該計算反映了概率加權結果，貨幣時間價值以及報告日期可獲得的關於過去事件，當前狀況和未來經濟狀況預測的合理和可支持信息。

下文載列有關使用撥備矩陣對本集團合同資產的信貸風險的資料：

As at 31 December 2018
於二零一八年十二月三十一日

Expected credit loss rate	預期信貸虧損率	6.01%
		RMB'000 人民幣千元
Gross carrying amount	總賬面值	2,255,001
Expected credit losses	預期信貸虧損	(135,484)
		2,119,517

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25. TRADE AND BILLS RECEIVABLES

25. 應收貿易款項及應收票據

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade receivables	應收貿易款項	3,590,244	3,384,921
Bills receivable	應收票據	26,925	420,902
Less: impairment	減：減值	(227,693)	(53,968)
		3,389,476	3,751,855

The Group's trade receivables include net carrying amounts due from the Group's associates of RMB272,054,000 (2017: RMB354,398,000), which are repayable on credit terms similar to those offered to the major customers of the Group (note 45).

The Group has pledged trade receivables of approximately RMB19,588,000 (2017: RMB12,551,000) to secure bank and other loans granted to the Group (note 31(f)).

Credit terms granted to the Group's major customers are as follows:

Sale of goods

For the sale of goods, the Group normally grants credit periods ranging from three to six months to major customers. Trade receivables from small and new customers are normally expected to be settled shortly after delivery of goods. No credit period is set by the Group for small and new customers.

本集團的應收貿易款項包括應收本集團聯營公司款項賬面淨值人民幣272,054,000元(二零一七年：人民幣354,398,000元)，此為類似本集團主要客戶信貸條款之應收款項(附註45)。

本集團已抵押應收貿易款項約人民幣19,588,000元(二零一七年：人民幣12,551,000元)作為授予本集團的銀行及其他貸款之擔保(附註31(f))。

授予本集團主要客戶的信貸期如下：

貨品銷售

就貨品銷售而言，本集團一般授予主要客戶介乎三至六個月的信貸期。來自小型及新增客戶的應收貿易款項通常預期在緊隨交付貨品之後立即結算。本集團未就小型及新增客戶設定信貸期。

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31 December 2018 二零一八年十二月三十一日

25. TRADE AND BILLS RECEIVABLES (Continued)

Sale of electricity

The Group's trade receivables from the sale of electricity are mainly receivables from the State Grid Corporation of China ("State Grid"). Generally, trade receivables are usually settled within one month from the date of billing.

Construction service

The Group does not have a standardised and universal credit period granted to its construction contract customers. The credit periods for individual construction contract customers are considered on a case-by-case basis and set out in the construction contracts, as appropriate. In the event that a project contract does not specify the credit period, the usual practice of the Group is to allow a credit period of 30 to 180 days.

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the billing date and net of loss allowance, is as follows:

25. 應收貿易款項及應收票據 (續)

電力銷售

本集團來自電力銷售的應收貿易款項主要為應收自國家電網公司(「國家電網」)款項。一般而言，應收貿易款項一般自結算日期起計一個月內到期。

建築服務

本集團並無授予其建築工程客戶標準及統一的信貸期。個別建築工程客戶的信貸期視項目而定，並列明於建築合約中(如適當)。倘一份項目合約未訂明信貸期，則本集團的慣例為允許介乎30日至180日的信貸期。

於報告期末，按照結算日期及扣除減值基準計算的應收貿易款項及應收票據賬齡分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 3 months	三個月內	426,591	2,016,727
3 to 6 months	三至六個月	445,343	789,072
6 to 12 months	六至十二個月	1,052,722	591,733
1 to 2 years	一至兩年	1,374,077	293,350
2 to 3 years	兩至三年	90,154	24,515
Over 3 years	三年以上	589	36,458
		3,389,476	3,751,855

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25. TRADE AND BILLS RECEIVABLES (Continued)

Construction service (Continued)

The movements in the loss allowance for impairment of trade receivables are as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At 1 January	於一月一日	53,968	48,817
Effect of adoption of IFRS 15 (note 24)	採納國際財務報告準則第15號 的影響(附註24)	(11,073)	—
At 1 January (restated)	於一月一日(重列)	42,895	48,817
Impairment losses, net (note 7)	減值虧損淨額(附註7)	185,998	5,151
Amount written off as uncollectible	撇銷為無法收回款項	(1,200)	—
At end of year	年末	227,693	53,968

Impairment under IFRS 9 for the year ended 31 December 2018

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and by other forms of insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

25. 應收貿易款項及應收票據
(續)

建築服務

應收貿易款項減值虧損撥備的變動如下：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At 1 January	53,968	48,817
Effect of adoption of IFRS 15 (note 24)	(11,073)	—
At 1 January (restated)	42,895	48,817
Impairment losses, net (note 7)	185,998	5,151
Amount written off as uncollectible	(1,200)	—
At end of year	227,693	53,968

截至二零一八年十二月三十一日止年度
根據國際財務報告準則第9號減值

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式（即客戶類別及其他保險形式）的多個客戶分部組別的逾期日數釐定。該計算反映或然率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前狀況及未來經濟條件預測的合理及可靠資料。

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25. TRADE AND BILLS RECEIVABLES (Continued)

Construction service (Continued)

Impairment under IFRS 9 for the year ended 31 December 2018
(Continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2018:

		Past due 逾期				Total 總計
		Current 即期	Less than 6 months 少於六個月	Less than 12 months 少於十二個月	Over 12 months 超過十二個月	
Expected credit loss rate	預期信貸虧損率	2.05%	4.55%	9.16%	13.93%	6.34%
Gross carrying amount (RMB'000)	總賬面值 (人民幣千元)	864,278	1,101,228	1,393,456	231,282	3,590,244
Expected credit losses (RMB'000)	預期信貸虧損 (人民幣千元)	17,719	50,056	127,702	32,216	227,693

Impairment under IAS 39 for the year ended 31 December 2017

Included in the above provision for impairment of trade receivables, which was measured based on incurred credit losses under IAS 39, as at 31 December 2017 was a provision for individually impaired trade receivables of RMB53,968,000 with a carrying amount before provision of RMB462,957,000.

The individually impaired trade receivables as at 31 December 2017 relate to customers that were in financial difficulties or were in default interest or principal payment or both and only a portion of the receivables was expected to be recovered. The Group does not hold any collateral or other credit enhancements over these balances.

25. 應收貿易款項及應收票據 (續)

建築服務 (續)

截至二零一八年十二月三十一日止年度
根據國際財務報告準則第9號減值 (續)

下表載列本集團使用撥備矩陣計算的應收貿易款項的信貨風險資料：

於二零一八年十二月三十一日：

截至二零一七年十二月三十一日止年度
根據國際會計準則第39號減值

上述應收貿易款項減值撥備乃按照截至二零一七年十二月三十一日止年度根據國際會計準則第39號的已產生信貸虧損計量，包括賬面金額 (扣除撥備之前) 人民幣462,957,000元的個別已減值應收貿易款項撥備人民幣53,968,000元。

於二零一七年十二月三十一日的個別減值的應收貿易款項乃與有財務困難或拖欠利息或本金付款或兩者兼具的客戶有關，且預期僅可收回部份該等應收貿易款項。本集團並無就該等結餘持有任何抵押品或其他信貸加強措施。

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25. TRADE AND BILLS RECEIVABLES (Continued)

Construction service (Continued)

Impairment under IAS 39 for the year ended 31 December 2017 (Continued)

The ageing analysis of the Group's trade and bills receivables as at 31 December 2017 that were not considered to be impaired under IAS 39 is as follows:

		2017 二零一七年 RMB'000 人民幣千元
Neither past due nor impaired	未逾期亦未減值	2,831,337
Past due but not impaired:	已逾期但未減值：	
Less than 6 months past due	逾期少於六個月	370,202
6 to 12 months past due	逾期六至十二個月	89,121
Over 12 months past due	逾期十二個月	52,206
		3,342,866

Receivables that were neither past due nor impaired related to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of independent customers. The directors of the Company are of the opinion that no further provision for impairment under IAS 39 was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable. The Group did not hold any collateral or other credit enhancements over these balances.

25. 應收貿易款項及應收票據 (續)

建築服務 (續)

截至二零一七年十二月三十一日止年度
根據國際會計準則第39號減值 (續)

於二零一七年十二月三十一日，本集團根據國際會計準則第39號未被視為減值的應收貿易款項及應收票據的賬齡分析如下：

2017 二零一七年 RMB'000 人民幣千元
2,831,337
370,202
89,121
52,206
3,342,866

未逾期亦未減值的應收款項與若干最近並無拖欠款項歷史的多名分散客戶有關。

已逾期但未減值之應收款項與若干過往於本集團記錄良好的獨立客戶有關。由於信貸質素並無重大變動，而該等結餘仍被視為可全數收回，故根據過往經驗，本公司董事認為毋須就該等結餘根據國際會計準則第39號作出減值撥備。本集團並未就該等結餘持有任何抵押品或其他信貸加強措施。

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26. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

26. 預付款項、訂金及其他應收款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Prepayments to subcontractors and suppliers	預付分包商及供應商款項	69,133	243,031
Deposits	訂金	58,601	182,320
Tariff adjustment receivables*	應收電價補貼*	194,844	137,271
Other receivables	其他應收款項	293,720	394,607
		616,298	957,229
Impairment allowance	減值撥備	(19,730)	(4,578)
		596,568	952,651

The Group has pledged tariff adjustment receivables of approximately RMB182,340,000 (2017: RMB108,633,000) to secure bank loans granted to the Group (note 31(g)).

本集團已抵押約人民幣182,340,000元（二零一七年：人民幣108,633,000元）的電價補貼應收款項作為授予本集團的銀行貸款之擔保（附註31(g)）。

* The Group's tariff adjustment receivables from the sale of electricity are mainly receivables from the State Grid. Tariff adjustment receivables represented the government subsidies on renewable energy for ground projects to be received from the State Grid based on the prevailing government policies.

* 本集團來自電力銷售的應收電價補貼主要為自國家電網的應收款項。應收電價補貼指根據現行政府政策將向國家電網收取之可再生能源地面項目政府補貼。

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26. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

The movements in the loss allowance for impairment of financial assets in prepayments, deposits and other receivables are as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At beginning of year	於年初	4,578	4,578
Impairment losses (note 7)	減值虧損(附註7)	15,152	—
At end of year	於年末	19,730	4,578

An impairment analysis is performed at each reporting date by considering expected credit losses, which are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

In determining the expected credit loss for other receivables and other current assets, the directors of the Company have taken into account the historical default experience and the future prospects of the industries and/or considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of the other receivables and other current assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

26. 預付款項、訂金及其他應收款項(續)

預付款項、按金及其他應收款項的金融資產減值虧損撥備變動如下：

本集團經參考過往虧損記錄及透過使用虧損率法對各報告日期的估計預期信貸虧損作出減值分析。虧損率將於適當時候作出調整以反映現時情況及預測未來經濟情況。

在釐定其他應收款項及其他流動資產的預期信貸虧損時，本公司董事已酌情考慮行業的歷史違約情況及行業未來前景，且董事會在評估每項其他應收款項和其他流動資產在其各自的損失評估時間範圍內的違約概率以及每種情況下的損失大小時，考慮實際及預測經濟信息的各種外部來源的適當性。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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27. CASH AND CASH EQUIVALENTS AND
PLEDGED DEPOSITS27. 現金及現金等價物以及抵押
存款

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結存	216,151	1,075,016
Time deposits	定期存款	180,590	614,429
		396,741	1,689,445
Less: pledged time deposits for:	減：就以下項目之抵押定期存款：		
Bidding guarantee	投標擔保	1,553	11,742
Long term performance guarantee	長期履約擔保	—	14,650
Short term performance guarantee	短期履約擔保	12,669	9,824
Bills payable (note 28)	應付票據(附註28)	49,663	345,774
Letter of credit (note 31(2))	信用證(附註31(2))	12,615	37,500
Frozen deposits*	已凍結存款*	19,993	—
Guarantee for litigation**	訴訟保證金**	13,136	—
2019 Senior Notes	二零一九年優先票據	70,961	67,532
		180,590	487,022
Cash and cash equivalents	現金及現金等價物	216,151	1,202,423

* As at 31 December 2018, deposits amounting to RMB19,993,000 were frozen by courts as guarantee for the Group's payables to two suppliers (note 28).

* 於二零一八年十二月三十一日，人民幣19,993,000元存款被法院凍結，以之作為本集團應付兩名供應商款項的擔保(附註28)。

** As at 31 December 2018, deposits amounting to RMB13,136,000 were held at bank as guarantee for a closed litigation which is still in the customary procedure to release.

** 於二零一八年十二月三十一日，人民幣13,136,000元存款被扣押在銀行，作為非公開訴訟的保證金，該訴訟仍在常規程序中，有待公佈。

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財務報表附註

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27. CASH AND CASH EQUIVALENTS AND
PLEDGED DEPOSITS (Continued)

The Group's cash and bank balances and time deposits were denominated in the following currencies:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
RMB equivalent amount:	人民幣等值金額：		
RMB	人民幣	304,456	1,499,192
US\$	美元	74,134	138,882
HK\$	港元	13,602	31,421
MOP	澳門元	1,504	4,301
EUR	歐元	1,178	—
TOP	湯加潘加	1,142	537
MYR	林吉特	722	2,224
NZD	新西蘭元	2	—
SG\$	新元	1	189
AUD	澳元	—	12,663
UZS	烏茲別克索姆	—	36
		396,741	1,689,445

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

27. 現金及現金等價物以及抵押
存款(續)

本集團現金及銀行結餘以及定期存款以下列貨幣列值：

人民幣不可自由地兌換為其他貨幣。然而，根據中國大陸的外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准通過獲授權經營外匯業務的銀行將人民幣兌換為其他貨幣。

銀行現金按每日銀行存款利率之浮動利率計息。定期存款之存款期介乎一日至三個月，視本集團之即時現金需求而定，並按相關短期定期存款利率計息。銀行結餘和抵押存款已存入近期沒有不良拖欠記錄、信譽良好的銀行中。

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28. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date or issuance date, where appropriate, is as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 3 months	三個月內	414,373	503,275
3 to 6 months	三至六個月	259,914	643,064
6 to 12 months	六至十二個月	137,542	65,534
1 to 2 years	一至兩年	43,808	52,066
2 to 3 years	兩至三年	22,021	10,707
Over 3 years	三年以上	23,862	19,427
		901,520	1,294,073

The trade and bills payables are non-interest-bearing and are normally settled within one to six months.

As at 31 December 2018, certain machineries with a net carrying amount of approximately RMB10,886,000 (note 13(f)) and frozen deposits of RMB19,993,000 (note 27) were restricted by courts according to the civil ruling to secure the Group's trade payables of RMB16,956,000 to certain suppliers.

As at 31 December 2018, the Group's bills payable were secured by the pledged deposits amounting to RMB49,663,000 (2017: RMB345,774,000) (note 27).

28. 應付貿易款項及應付票據

於報告期末，基於發票日期或發行日期（視乎情況而定）計算應付貿易款項及應付票據的賬齡分析如下：

2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
503,275	503,275
643,064	643,064
65,534	65,534
52,066	52,066
10,707	10,707
19,427	19,427
901,520	1,294,073

應付貿易款項及應付票據為免息並通常按一至六個月期限結算。

於二零一八年十二月三十一日，賬面淨值約人民幣10,886,000元（附註13(f)）的若干機器及人民幣19,993,000元（附註27）的凍結按金由法院根據司法裁定作出限制，以作為本集團人民幣16,956,000元的應付貿易款項之擔保。

於二零一八年十二月三十一日，本集團的應付票據乃以金額人民幣49,663,000元（二零一七年：人民幣345,774,000元）的抵押存款作擔保（附註27）。

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31 December 2018 二零一八年十二月三十一日

29. OTHER PAYABLES AND ACCRUALS

29. 其他應付款項及應計款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Advances from customers	預收客戶款項	—	131,857
Tax and surcharge payables	應付稅項及附加費	149,323	180,743
Accrued expenses	應計開支	30,668	23,181
Interest payables (note 47)	應付利息(附註47)	116,433	82,986
Other payables	其他應付款項	152,833	130,744
		449,257	549,511

Other payables and accruals are unsecured, non-interest-bearing and have no fixed terms of repayment.

As at 31 December 2018, the Group has received deposits in relation to the sale of equity interests in the Target Subsidiaries aggregated to RMB38,974,000 (2017: RMB26,934,000) while the transaction has not yet been fulfilled. Subsequent to 31 December 2018, a written agreement was signed between the Company and the Purchaser to extend long stop date of the transaction to 31 December 2019.

其他應付款項及應計款項為無抵押、免息及無固定償還期。

於二零一八年十二月三十一日，本集團就出售目標附屬公司之股權收到按金共計人民幣38,974,000元(二零一七年：人民幣26,934,000元)，而該交易尚未達成。於二零一八年十二月三十一日後，本公司與買方簽訂書面協議，將交易的最後期限延長至二零一九年十二月三十一日。

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31 December 2018 二零一八年十二月三十一日

30. CONTRACT LIABILITIES

30. 合同負債

		December 31 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	January 1 2018 二零一八年 一月一日 RMB'000 人民幣千元	December 31 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Advances received from Customers	已收客戶墊款			
Construction services	建築服務	60,040	65,683	—
Sale of goods	銷售貨品	45,027	51,383	—
		105,067	117,066	—

Contract liabilities consisted of short-term advances received from customers in relation to sale of goods and construction services. Changes in contract liabilities during the year are as follows:

合同負債包括已收客戶有關銷售貨品及建築服務的短期墊款。年內合同負債的變動如下：

		RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	117,066
Revenue recognised that was included in the contract liabilities at the beginning of the year (note 4)	計入年初合同負債的已確認收入(附註4)	(105,215)
Addition from acquisition of subsidiaries (note 41)	來自收購附屬公司的增加(附註41)	1,443
Net increase due to cash received, excluding amounts recognised as revenue during the year	因已收現金產生的淨增加，不包括年內確認作收入的金額	91,773
At 31 December 2018	於二零一八年十二月三十一日	105,067

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31 December 2018 二零一八年十二月三十一日

31. INTEREST-BEARING BANK AND OTHER LOANS

31. 附息銀行及其他貸款

		31 December 2018 二零一八年十二月三十一日			31 December 2017 二零一七年十二月三十一日		
		Effective interest rate (%) 實際利率(%)	Maturity 到期時間	RMB'000 人民幣千元	Effective interest rate (%) 實際利率(%)	Maturity 到期時間	RMB'000 人民幣千元
Current	流動						
Revolving loans	循環貸款						
– secured ⁽⁶⁾	– 有抵押 ⁽⁶⁾						
		Hong Kong Interbank Offered Rate ("HIBOR") 香港 銀行同業 拆息	2018 二零一八年	11,978	HIBOR 香港銀行 同業拆息	On demand 按要求	37,682
		+3~3.5			+3~3.5		
– unsecured	– 無抵押						
					London Interbank Offered Rate ("LIBOR") 倫敦 銀行同業 拆息	On demand 按要求	3,239
		–	–	–	+3.25		

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31 December 2018 二零一八年十二月三十一日

31. INTEREST-BEARING BANK AND OTHER LOANS (Continued)

31. 附息銀行及其他貸款 (續)

		31 December 2018 二零一八年十二月三十一日			31 December 2017 二零一七年十二月三十一日		
		Effective interest rate (%) 實際利率 (%)	Maturity 到期時間	RMB'000 人民幣千元	Effective interest rate (%) 實際利率 (%)	Maturity 到期時間	RMB'000 人民幣千元
Bank loans	銀行貸款						
– secured	– 有抵押	LIBOR 倫敦銀行 同業拆息 +1.5~3.75	2019-2022	10,428	LIBOR 倫敦銀行 同業拆息 +1.5~3.75	2018	222,918
– secured	– 有抵押	HIBOR 香港銀行 同業拆息 +0.95~3	2019-2020	176,645	HIBOR 香港銀行 同業拆息 +0.95~4	2018	209,795
– secured	– 有抵押	4.35~7.2	2019-2029	2,127,688	4.35~6.9	2018	486,109
Bank loans	銀行貸款						
– unsecured ⁽⁶⁾	– 無抵押 ⁽⁶⁾	HIBOR 香港銀行 同業拆息 +4	On demand 按要求	93,491	2.60	2018	46,393
Other loans	其他貸款						
– secured	– 有抵押	3.92	2019	15,000	3.92	2018	30,000
– secured ⁽¹⁾	– 有抵押 ⁽¹⁾	7.61	2019-2025	252,912	–	–	–
– secured ⁽⁵⁾	– 有抵押 ⁽⁵⁾	7.48	2019-2023	148,631	7.48	2018	48,152
– secured ⁽²⁾	– 有抵押 ⁽²⁾	5.65~6	2019	61,718	3.69~3.74	2018	180,335
– secured ⁽⁴⁾	– 有抵押 ⁽⁴⁾	24.00	2019	41,000			–
Other loans	其他貸款						
– unsecured ⁽³⁾	– 無抵押 ⁽³⁾	9.07	2019-2034	17,313	9.07	2018	565
				2,956,804			1,265,188

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31 December 2018 二零一八年十二月三十一日

31. INTEREST-BEARING BANK AND OTHER LOANS (Continued)

31. 附息銀行及其他貸款 (續)

		31 December 2018 二零一八年十二月三十一日			31 December 2017 二零一七年十二月三十一日		
		Effective interest rate (%) 實際利率(%)	Maturity 到期時間	RMB'000 人民幣千元	Effective interest rate (%) 實際利率(%)	Maturity 到期時間	RMB'000 人民幣千元
Non-current	非流動						
Bank loans	銀行貸款						
– secured	– 有抵押				LIBOR 倫敦銀行 同業拆息 +1.5~3.75	2019-2022	9,888
		-	-	-	HIBOR 香港銀行 同業拆息 +0.95~3	2019-2020	84,930
– secured	– 有抵押	-	-	-	5.15~6.47	2019-2029	1,166,511
Other loans	其他貸款						
– secured	– 有抵押	-	-	-	3.92	2019	15,000
– secured	– 有抵押	-	-	-	7.48	2019-2023	145,365
Other loans	其他貸款						
– unsecured	– 無抵押	-	-	-	9.07	2019-2034	17,228
				-			1,438,922
				2,956,804			2,704,110

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31 December 2018 二零一八年十二月三十一日

31. INTEREST-BEARING BANK AND OTHER LOANS (Continued)

- (1) It represented the other loan borrowed from an independent third party leasing company by Yangjiang Singyes, a subsidiary of the Group, by way of photovoltaic equipment sale-leaseback arrangement, with the principal of RMB273,000,000 in 2018, which bears interest at an effective rate of 7.61% per annum with quarterly instalment payments up to the maturity date on 15 December 2025. Yangjiang Singyes sets the right on the annual return of its solar photovoltaic power station and the equity interests of itself as the security to the other loan in substance.
- (2) It represented the other loan borrowed from the Bank by Hunan Singyes, a subsidiary of the Group, by way of forfeiting the letter of credit which was secured by pledged deposits of RMB12,615,000 (note 27). The aggregate carrying amount of the bank loans recognised due to the factored letter of credit was RMB61,718,000.
- (3) On 7 November 2014, Singyes Green Investment (HK) Company Limited ("Singyes Green Investment") entered into a revenue distribution agreement regarding the Relevant Asset, which is one of the assets held by Hunan Singyes, a subsidiary of the Group, with a counterparty, whereby the counterparty prepaid RMB19,000,000 to the Group for the exchange of the right on annual return of the Relevant Asset for each fiscal year (the "Annual Return") for twenty years. The Annual Return is the annual electricity revenue on the Relevant Asset net of related PRC tax. If in any fiscal year the Annual Return is less than RMB2,000,000 (the "Minimum Return"), the Group shall pay the counterparty the Minimum Return. During the year, RMB2,000,000 was paid to the counterparty.

31. 附息銀行及其他貸款 (續)

- (1) 其指本集團附屬公司陽江華宇向獨立第三方租賃公司以光伏設備售後租回安排之方式借貸之其他貸款，於二零一八年之本金為人民幣273,000,000元，實際利率按年利率7.61%計息，該貸款等分每季度分期付款，於二零二五年十二月十五日到期。陽江鑫業實質以其太陽能光伏電站之年度回報及其股權擔保其他貸款。
- (2) 其指本集團附屬公司湖南興業向銀行以沒收信用證(以抵押存款人民幣12,615,000元(附註27)作抵押之方式借貸之其他貸款。因保理信用證確認銀行貸款之賬面值總額為人民幣61,718,000元。
- (3) 於二零一四年十一月七日，興業綠色投資(香港)有限公司(「興業綠色投資」)與一名對手方就5兆瓦太陽能光伏電站(「相關資產」，為本集團附屬公司湖南興業持有的資產)訂立一份收入分配協議，據此，該對手方向本集團預付人民幣19,000,000元，以交換相關資產於二十年期間每個財政年度的年度回報(「年度回報」)之權利。年度回報為相關資產的年度電力收入減去相關中國稅項。如任何財政年度的年度回報低於人民幣2,000,000元(「最低回報」)，則本集團須向對手方支付最低回報。年內，人民幣2,000,000元已支付予對手方。

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31. INTEREST-BEARING BANK AND OTHER LOANS (Continued)

- (4) It represented the other loan of RMB41,000,000 borrowed from an independent third party. Hunan Singyes sets the prepaid land lease payment with a carrying amount at the end of the reporting period of approximately RMB23,253,000 as the security to the other loan. During the year, Hunan Singyes paid RMB1,500,000 to an independent third party financing guarantee company appointed by the creditor, as performance guarantee.
- (5) It represented the other loan borrowed from an independent third party leasing company by Yangjiang Huayu, a subsidiary of the Group, by way of photovoltaic equipment sale-leaseback arrangement, with the principal of RMB200,000,000 in 2017, which bears interest at an effective rate of 7.48% per annum with quarterly instalment payments up to the maturity date on 15 Apr 2023 ("sale-leaseback arrangement"). Yangjiang Huayu sets the right on the annual return of its solar photovoltaic power station and the equity interests of itself as the security to the other loan in substance.
- (6) As at 31 December 2018, the revolving loan and the bank loan amounting to RMB11,978,000 and RMB93,491,000, respectively, were over due.
- (7) As mentioned in note 2.1, the Default and the financial position of the Group have resulted in defaults and cross-defaults of certain bank and other loans of RMB2,810,335,000(excluding the bank and other loans mention in (4) and (6)), which would become immediately repayable if requested by the lenders.

31. 附息銀行及其他貸款 (續)

- (4) 其指從獨立第三方借入的人民幣41,000,000元其他貸款。湖南興業設定預付土地租賃款項(於報告期末賬面值約人民幣23,253,000元)，作為其他貸款的抵押。年內，湖南興業向債權人委聘的獨立第三方融資擔保公司支付人民幣1,500,000元作為履約擔保。
- (5) 其指本集團附屬公司陽江華宇於二零一七年通過光伏設備售後回租安排的方式向獨立第三方租賃公司借入的其他貸款，本金人民幣200,000,000元，截至二零二三年四月十五日的到期日按季度分期付款，實際年利率為7.48%（「售後回租安排」）。陽江華宇基本上將其太陽能光伏電站的年回報權和其自身的股權作為其他貸款的抵押。
- (6) 於二零一八年十二月三十一日，循環貸款及銀行貸款分別為人民幣11,978,000元及人民幣93,491,000元，已過期。
- (7) 如附註2.1所述，本集團違約及財務狀況導致人民幣2,810,335,000元的若干銀行及其他貸款的違約及交叉違約(不包括第(4)及(6)項所述的銀行及其他貸款)，如果出借人要求，該等貸款須立即償還。

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財務報表附註

31 December 2018 二零一八年十二月三十一日

31. INTEREST-BEARING BANK AND OTHER LOANS (Continued)

31. 附息銀行及其他貸款 (續)

		31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Analysed into:	分析為：		
Bank loans	銀行貸款		
– repayable with a repayment on demand clause:	– 須按要求條款償還：		
Within one year or on demand	一年內或按要求	1,151,899	1,006,136
In the second year	第二年	236,537	202,617
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	424,090	380,651
Beyond five years	五年以上	607,705	678,061
		2,420,231	2,267,465
Other loans	其他貸款		
– repayable within one year*	– 須於一年內償還*	41,000	–
– repayable with a repayment on demand clause:	– 須按要求條款償還：		
Within one year	一年內	145,982	259,052
In the second year	第二年	50,980	42,128
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	132,663	94,224
Beyond five years	五年以上	165,948	41,241
		536,573	436,645
		2,956,804	2,704,110

* The due date of the other loan is 11 September 2019.

* 另一筆貸款的到期日為二零一九年九月十一日。

As at 31 December 2018, except for those bank loans with interest rates linked with the HIBOR and LIBOR which were denominated in HK\$ and US\$, amounting to RMB282,114,000 and RMB10,428,000, respectively, all bank and other loans were denominated in RMB.

於二零一八年十二月三十一日，除利率與香港銀行同業拆息及倫敦銀行同業拆息掛鈎的銀行貸款（分別合共人民幣282,114,000元及人民幣10,428,000元）以港元及美元計值外，所有銀行及其他貸款均以人民幣計值。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

31. INTEREST-BEARING BANK AND OTHER LOANS (Continued)

Certain of the Group's bank and other loans are secured by:

- (a) mortgages over the Group's buildings with an aggregate carrying amount at the end of the reporting period of approximately RMB982,056,000 (31 December 2017: RMB564,376,000) (note 13(a));
- (b) mortgages over the Group's solar photovoltaic power stations and their respective rights on the annual return thereof, which had an aggregate carrying amount at the end of the reporting period of approximately RMB1,378,740,000 (31 December 2017: RMB1,388,492,000) (note 13(b));
- (c) the right on the annual return of the Relevant Asset with a net carrying amount of approximately RMB27,307,000 at the end of the reporting period (31 December 2017: RMB28,605,000) (note 13(d));
- (d) mortgages over the right on the annual return of the Group's solar photovoltaic power stations with an aggregate carrying amount at the end of the reporting period of approximately RMB541,882,000 (31 December 2017: nil) (note 13(e));
- (e) mortgages over the Group's prepaid land lease payments, which had a carrying amount at the end of the reporting period of approximately RMB80,344,000 (31 December 2017: RMB58,441,000) (note 15);

31. 附息銀行及其他貸款 (續)

本集團若干銀行及其他貸款由以下各項抵押：

- (a) 本集團樓宇的按揭，於報告期末賬面值合計約人民幣982,056,000元(二零一七年十二月三十一日：人民幣564,376,000元)(附註13(a))；
- (b) 本集團太陽能光伏電站及彼等各自之年度回報權利之按揭，於報告期末賬面值合計約人民幣1,378,740,000元(二零一七年十二月三十一日：人民幣1,388,492,000元)(附註13(b))；
- (c) 於報告期末賬面值約人民幣27,307,000元的相關資產年度回報權(二零一七年十二月三十一日：人民幣28,605,000元)(附註13(d))；
- (d) 本集團太陽能光伏電站年度回報權利抵押，於報告期末總賬面值約為人民幣541,882,000元(二零一七年十二月三十一日：無)(附註13(e))；
- (e) 本集團預付土地租賃款項的按揭，於報告期末賬面值約人民幣80,344,000元(二零一七年十二月三十一日：人民幣58,441,000元)(附註15))；

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

31. INTEREST-BEARING BANK AND OTHER LOANS (Continued)

Certain of the Group's bank and other loans are secured by: (continued)

- (f) the pledge of certain of the Group's trade receivables of approximately RMB19,588,000 (31 December 2017: RMB12,551,000) (note 25);
- (g) the pledge of certain of the Group's tariff adjustment receivables of approximately RMB182,340,000 (31 December 2017: RMB108,633,000) (note 26);
- (h) the pledge of the Insurance Contracts with fair value of approximately RMB24,265,000 (31 December 2017: RMB22,382,000) (note 21); and
- (i) the pledge of equity interests in the following subsidiaries of the Group:
 - i. 99.27% equity interests in Xinjiang Singyes;
 - ii. 99.27% equity interests in Wuwei Dongrun;
 - iii. 99.27% equity interests in Suixi Xinye;
 - iv. 99.85% equity interests in Yangjiang Huayu;
 - v. 99.85% equity interests in Yangjiang Huazhi; and
 - vi. 99.27% equity interests in Yangjiang Singyes.

31. 附息銀行及其他貸款(續)

本集團若干銀行及其他貸款由以下各項抵押：

- (f) 本集團質押的應收貿易款項約人民幣19,588,000元(二零一七年十二月三十一日：人民幣12,551,000元)(附註25)；
- (g) 本集團質押的電價補貼應收款項約人民幣182,340,000元(二零一七年十二月三十一日：人民幣108,633,000元)(附註26)；
- (h) 抵押公平值約人民幣24,265,000元(二零一七年十二月三十一日：人民幣22,382,000元)的保險合約(附註21)；及
- (i) 本集團內以下附屬公司的股權質押：
 - i. 新疆興業的99.27%股權；
 - ii. 武威東潤的99.27%股權；
 - iii. 遂溪欣業的99.27%股權；
 - iv. 陽江華宇的99.85%股權；
 - v. 陽江華智的99.85%股權；及
 - vi. 陽江鑫業的99.27%股權。

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財務報表附註

31 December 2018 二零一八年十二月三十一日

31. INTEREST-BEARING BANK AND OTHER LOANS (Continued)

In addition, the Company's directors have guaranteed certain of the Group's bank and other loans for nil consideration (note 45(b)), details of which are as follows:

- (I) the Company's director, Mr. Liu Hongwei, has guaranteed the Group's bank and other loans of RMB765,330,000 (31 December 2017: RMB530,965,000);
- (II) the Company's director, Mr. Liu Hongwei and the Company's former director, Mr. Sun Jinli, have jointly guaranteed the Group's bank loans of RMB615,969,000 (31 December 2017: RMB286,972,000);
- (III) the Company's directors, Messrs. Liu Hongwei and Xie Wen, have jointly guaranteed the Group's bank and other loans of RMB368,631,000 (31 December 2017: RMB323,517,000);
- (IV) the Company's directors, Messrs. Liu Hongwei and Xie Wen and the Company's former director, Mr. Sun Jinli have jointly guaranteed the Group's bank loans of RMB232,050,000 (31 December 2017: RMB50,000,000);
- (V) the Company's director, Mr. Liu Hongwei has guaranteed the Group's bank loans of HK\$201,604,000 (equivalent to approximately RMB176,645,000) (31 December 2017: nil); and
- (VI) the Company's director, Mr. Liu Hongwei and the Company's former director, Mr. Sun Jinli, have jointly guaranteed the Group's bank loans of HK\$13,670,000 (equivalent to approximately RMB11,978,000) (31 December 2017: HK\$377,579,000, equivalent to approximately RMB315,622,000).

31. 附息銀行及其他貸款 (續)

此外，本公司董事就本集團若干銀行及其他貸款無償提供擔保，詳情如下(附註45(b))：

- (I) 本公司董事劉紅維先生擔保本集團銀行及其他貸款人民幣765,330,000元(二零一七年十二月三十一日：人民幣530,965,000元)；
- (II) 本公司董事劉紅維先生及本公司前董事孫金禮先生共同擔保本集團銀行貸款人民幣615,969,000元(二零一七年十二月三十一日：人民幣286,972,000元)；
- (III) 本公司董事劉紅維先生及謝文先生共同擔保本集團銀行貸款人民幣368,631,000元(二零一七年十二月三十一日：人民幣323,517,000元)；
- (IV) 本公司董事劉紅維先生、謝文先生及生本公司前董事孫金禮先生共同擔保本集團銀行貸款人民幣232,050,000元(二零一七年十二月三十一日：人民幣50,000,000元)；
- (V) 本公司董事劉紅維先生已擔保本集團銀行貸款201,604,000港元(相當於約人民幣176,645,000元)(二零一七年十二月三十一日：無)；及
- (VI) 本公司董事劉紅維先生及本公司前董事孫金禮先生同擔保本集團銀行貸款13,670,000港元(相當於約人民幣11,978,000元)(二零一七年十二月三十一日：377,579,000港元(相當於約人民幣315,622,000元))。

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財務報表附註

31 December 2018 二零一八年十二月三十一日

32. CONVERTIBLE BONDS

32. 可換股債券

	Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Convertible bonds, liability component:	(a)	96,000	80,819
Fair value of embedded derivatives	(b)	—	—
		96,000	80,819

On 8 August 2014, the Company issued 930 units of 5% convertible bonds in the denomination of RMB1,000,000 each due 8 August 2019 with a nominal value of RMB930,000,000. The Company has repurchased 114 units and redeemed 720 units of these convertible bonds in previous years. As at 31 December 2018, 96 units of those convertible bonds remained.

Pursuant to the terms and conditions of the subscription agreement dated 8 August 2014, the conversion price of the 2019 Convertible Bonds was adjusted from HK\$15.41 to HK\$15.26 during the year due to the cash dividends paid.

As mentioned in note 2.1, the 2019 Convertible Bonds became immediately repayable and classified as current liabilities as at 31 December 2018 due to the Default. The 2019 Convertible Bonds have been suspended for trading since 15 October 2018. As at the date of approval of the financial statements, the Debt Restructuring was in progress.

The fair value of the 2019 Convertible Bonds was determined by an independent qualified valuer based on the binomial option pricing model. The carrying amount of the liability component on initial recognition was measured at the proceeds of the 2019 Convertible Bonds (net of transaction cost) minus the fair value of the conversion rights of the 2019 Convertible Bonds.

於二零一四年八月八日，本公司發行於二零一九年八月八日到期面值為人民幣930,000,000元的930份每份面值人民幣1,000,000元5%可換股債券。本公司於先前年度已購回114份及贖回720份該等可換股債券。於二零一八年十二月三十一日，該等可換股債券剩餘96份。

根據日期為二零一四年八月八日的認購協議之條款及條件，由於已派付現金股息，二零一九年可換股債券的轉換價於本年度由15.41港元調整至15.26港元。

如附註2.1所述，二零一九年可換股債券因違約而成為需立即償還，並於二零一八年十二月三十一日分類為流動負債。二零一九年可換股債券自二零一八年十月十五日起暫停交易。於財務報表批准日，債務重組正在進行中。

二零一九年可換股債券的公平值乃由獨立合資格估值師根據二項式期權定價模型釐定。初始確認時負債部分的賬面值乃按二零一九年可換股債券的所得款項（扣除交易成本）減去二零一九年可換股債券轉換權的公平值計量。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

32. CONVERTIBLE BONDS (Continued)

32. 可換股債券 (續)

(a) Liability component

(a) 負債部分

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Liability component at 1 January	於一月一日的負債部分	80,819	703,989
Effective interest recognised for the year (note 6)	本期間確認的實際利息 (附註6)	13,815	73,197
Loss on repurchase of bonds (note 6)	購回債券虧損 (附註6)	—	22,460
Loss on redemption of bonds (note 6)	贖回債券虧損 (附註6)	—	137,920
Acceleration of unwinding interest (note 6)	加速撥回利息 (附註6)	6,166	—
Interest payable during the year	本年度應付利息	(4,800)	(28,747)
Repurchase of convertible bonds	購回可換股債券	—	(108,000)
Redemption of convertible bonds	贖回可換股債券	—	(720,000)
As at 31 December	於十二月三十一日	96,000	80,819

(b) Conversion rights

(b) 轉換權

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Fair value of conversion rights at 1 January	轉換權於一月一日的公平值	—	15,227
Less: fair value changes of conversion rights	減：轉換權公平值變動	—	(15,227)
Fair value of conversion rights at 31 December	轉換權於十二月三十一日的公平值	—	—

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財務報表附註

31 December 2018 二零一八年十二月三十一日

32. CONVERTIBLE BONDS (Continued)

The related interest expense of the liability component of the 2019 Convertible Bonds for the year amounted to RMB19,981,000 (2017: RMB233,577,000), including accelerated amortisation of transaction cost and effective interest recognised which is calculated by using the effective interest method with an effective interest rate of 17.79% per annum.

32. 可換股債券(續)

本年度二零一九年可換股債券負債部分的相關利息開支為人民幣19,981,000元(二零一七年: 人民幣233,577,000元), 包括交易成本的加速攤銷和確認的實際利息, 該金額乃使用實際利率法以實際年利率17.79%計算。

33. SENIOR NOTES

33. 優先票據

			2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
		Notes 附註		
2018 HKD Senior Notes	二零一八年港元優先票據	(a)	—	208,221
2018 USD Senior Notes	二零一八年美元優先票據	(b)	1,065,583	1,030,807
2019 Senior Notes	二零一九年優先票據	(c)	1,784,429	1,677,498
			2,850,012	2,916,526

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

33. SENIOR NOTES (Continued)

(a) 2018 HKD Senior Notes

On 9 February 2015, the Company issued 7.75% senior notes with an aggregate nominal value of HK\$250,000,000 (equivalent to approximately RMB197,150,000) at face value (the “2018 HKD Senior Notes”). The net proceeds, after deducting the issuance costs, amounted to approximately RMB182,492,000. The effective interest rate is approximately 11.06% per annum after the adjustment for transaction costs. The 2018 HKD Senior Notes matured on 9 February 2018.

The 2018 HKD Senior Notes recognised in the consolidated statement of financial position are calculated as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	208,221	216,792
Effective interest recognised during the year (note 6)	本年度確認的實際利息(附註6)	2,224	22,623
Interest payable during the year	本年度應付利息	(1,544)	(16,787)
Exchange realignment	匯兌調整	1,874	(14,407)
Principal repaid during the year	本年度已付本金	(210,775)	—
Carrying amount at 31 December	於十二月三十一日的賬面值	—	208,221
Fair value of the 2018 HKD Senior Notes*	二零一八年港元優先票據的公平值*	—	213,656

* The fair value of the 2018 HKD Senior Notes as at 31 December 2017 was calculated by discounting the contractual cash flows over the remaining contractual term of the 2018 HKD Senior Notes at the risk-free interest rate plus credit spread and liquidity spread.

33. 優先票據(續)

(a) 二零一八年港元優先票據

於二零一五年二月九日，本公司按面值發行本金總額為250,000,000港元(相當於約人民幣197,150,000元)的7.75%優先票據(「二零一八年港元優先票據」)。扣除相關發行成本後，所得款項淨額為約人民幣182,492,000元。經就交易成本作出調整後，實際年利率約為11.06%。二零一八年港元優先票據已於二零一八年二月九日到期。

於綜合財務狀況表確認的二零一八年港元優先票據計算如下：

* 於二零一七年十二月三十一日，二零一八年港元優先票據的公平值通過將合約現金流量按無風險利率加信貨息差及流動性息差於二零一八年港元優先票據的剩餘合約期限內折現計算。

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財務報表附註

31 December 2018 二零一八年十二月三十一日

33. SENIOR NOTES (Continued)

(b) 2018 USD Senior Notes

On 11 October 2017, the Company issued 6.75% senior notes with an aggregate nominal value of US\$160,000,000 (equivalent to approximately RMB1,053,070,000) at face value, which matured in October 2018. The 2018 USD Senior Notes are only offered outside the United States in compliance with Regulation S under the United States Securities Act of 1933, as amended ("Regulation S"). The 2018 USD Senior Notes initially were sold to a small number of financial institutions, none of which was offered to the public in Hong Kong or to any connected persons of the Company, and they have been listed on the Hong Kong Stock Exchange ("HKSE", stock code: 5292). The net proceeds, after deducting the issuance costs, amounted to approximately RMB1,039,118,000.

The effective interest rate is approximately 8.32% per annum after the adjustment for transaction costs.

As mentioned in note 2.1, the Company has defaulted on 2018 USD Senior Notes. As at the date of approval of the financial statements, the Debt Restructuring was in progress.

33. 優先票據 (續)

(b) 二零一八年美元優先票據

於二零一七年十月十一日，本公司發行面值總額160,000,000美元（相當於約人民幣1,053,070,000元）二零一八年十月到期年息6.75%的優先票據。二零一八年美元優先票據遵照一九三三年美國證券法下S規例（經修訂）（「S規例」）僅於美國境外發售。二零一八年美元優先票據最初出售予少數金融機構，當中並無向香港公眾或本公司任何關連人士出售，並已在香港聯合交易所有限公司（「香港聯交所」）上市（股份代號：5292）。扣除發行費用後的所得款項淨額約為人民幣1,039,118,000元。

經就交易成本作出調整後，實際年利率約為8.32%。

如附註2.1所述，本公司二零一八年美元優先票據違約。於財務報表批准日，債務重組正在進行中。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

33. SENIOR NOTES (Continued)

(b) 2018 USD Senior Notes (Continued)

The 2018 USD Senior Notes recognised in the consolidated statement of financial position are calculated as follows:

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Carrying amount at 1 January/ (fair value at date of issuance)	1,030,807	1,039,118
Effective interest recognised for the year (note 6)	83,033	17,657
Interest payable during the year	(74,123)	(14,702)
Repurchase of senior notes*	(31,367)	—
Exchange realignment	57,233	(11,266)
Carrying amount at 31 December	1,065,583	1,030,807
Fair value of the USD Senior Notes**	N/A 不適用	1,041,029

* The Company repurchased US\$4,740,000 of face value of 2018 USD Senior Notes on 2 October 2018.

** The fair values of the 2018 USD Senior Notes are determined based on the price quoted on the HKSE on 31 December 2017.

33. 優先票據 (續)

(b) 二零一八年美元優先票據 (續)

於綜合財務狀況表中確認的二零一八年美元優先票據的賬面值按以下方式計算：

* 本公司於二零一八年十月二日回購面值4,740,000美元的二零一八年美元優先票據。

** 二零一八年美元優先票據的公平值乃基於香港聯交所於二零一七年十二月三十一日的報價釐定。

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31 December 2018 二零一八年十二月三十一日

33. SENIOR NOTES (Continued)

(c) 2019 Senior Notes

On 15 February 2017, the Company issued 7.95% senior notes with an aggregate nominal value of US\$260,000,000 (equivalent to approximately RMB1,785,350,000) at face value, which matured in February 2019. The 2019 Senior Notes are only offered outside the United States in compliance with Regulation S under the United States Securities Act of 1933, as amended ("Regulation S"). The 2019 Senior Notes initially were sold to a small number of financial institutions, none of which was offered to the public in Hong Kong or to any connected persons of the Company, and they have been listed on the HKSE (stock code: 5372). The net proceeds, after deducting the issuance costs, amounted to approximately RMB1,749,691,000.

The effective interest rate is approximately 9.27% per annum after the adjustment for transaction costs.

As mentioned in note 2.1, the 2019 Senior Notes became immediately repayable and classified as current liabilities as at 31 December 2018 due to the Default. The Group has received a demand notice from the holder with principal amount of US\$20,000,000 of the 2019 Senior Notes. The 2019 Senior Notes were suspended in trading effective from 15 October 2018 and have not been paid at the date of suspension. As at the date of approval of the financial statements, the Debt Restructuring was in progress.

33. 優先票據 (續)

(c) 二零一九年優先票據

於二零一七年二月十五日，本公司發行面值總額260,000,000美元（相當於約人民幣1,785,350,000元）二零一九年二月到期年息7.95%的優先票據。二零一九年優先票據遵照一九三三年美國證券法下S規例（經修訂）（「S規例」）僅於美國境外發售。二零一九年優先票據最初出售予少數金融機構，當中並無向香港公眾或本公司任何關連人士出售，並已在香港聯交所上市（股份代號：5372）。扣除發行費用後的所得款項淨額約為人民幣1,749,691,000元。

經就交易成本作出調整後，實際年利率約為9.27%。

如附註2.1所述，二零一九年優先票據因違約而成為需立即償還，並於二零一八年十二月三十一日分類為的流動負債。本集團已收到本金為20,000,000美元的二零一九年優先票據持有人的償還要求。二零一九年優先票據自二零一八年十月十五日起暫停交易，且於暫停交易日期尚未支付。於財務報表批准日，債務重組正在進行中。

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33. SENIOR NOTES (Continued)

(c) 2019 Senior Notes (Continued)

The 2019 Senior Notes recognised in the consolidated statement of financial position are calculated as follows:

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Carrying amount at 1 January (fair value at date of issuance) 於一月一日的賬面值／ (發行日期的面值)	1,677,498	1,749,691
Effective interest recognised for the year (note 6) 本年度確認的實際利息(附註6)	153,632	136,236
Interest payable during the year 本年度應付利息	(141,862)	(119,305)
Acceleration of unwinding interest 加速撥回利息	3,918	—
Exchange realignment 匯兌調整	91,243	(89,124)
Carrying amount at 31 December 於十二月三十一日的賬面值	1,784,429	1,677,498
Fair value of the Senior Notes* 二零一九年優先票據的公平值*	990,360	1,693,608

* The fair values of the 2019 Senior Notes are determined based on the price quoted on over-the-counter market on 31 December 2018, which were determined based on the price quoted on the HKSE on 31 December 2017.

33. 優先票據(續)

(c) 二零一九年優先票據(續)

於綜合財務狀況表中確認的二零一九年優先票據的賬面值按以下方式計算：

* 二零一九年優先票據的公平值乃基於二零一八年十二月三十一日場外市場報價及香港聯交所於二零一七年十二月三十一日的報價分別釐定。

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34. PROVISION

34. 撥備

		Compensation 賠償 RMB'000 人民幣千元
at 1 January	於一月一日	—
Additions	增加	81,289
Payment	支付	—
at 31 December	於十二月三十一日	81,289

The balances at 31 December 2018 mainly represented provisions of compensation for termination of banking facilities and default clauses of an other loan, which have been recognised in profit or loss.

於二零一八年十二月三十一日的結餘主要指關於終止銀行融資及其他貸款違約條款的賠償撥備，已在損益中確認。

(1) Compensation for breach of banking facility agreements

On 28 August 2018, the Company went into two facility agreements with a bank and on 14 October 2018, the Company terminated these facility agreements. On 1 February 2019, the Company received a written demand letter from the bank in respect of compensation of US\$6,025,139 (equivalent to approximately RMB36,232,000) as the Company's termination of these facility agreements constituted an event of default. On 8 August 2019, the Company received a winding up petition filed by the bank with the Hong Kong Court against the Company for the compensation.

The directors of the Company reviewed all documents and the agreements and considered the possible outcome as well as the possible timing and cash outflows for the dispute. In view of the fact there is no further evidence that the Company shall assume more responsibilities, the directors of the Company have made a provision of RMB36,232,000 in the consolidated financial statements.

(1) 關於違反銀行融資協議的賠償

於二零一八年八月二十八日，本公司與一家銀行訂立兩份融資協議，而於二零一八年十月十四日，本公司終止該等融資協議。於二零一九年二月一日，由於本公司終止該等融資協議構成違約事件，本公司收到銀行關於6,025,139美元（相當於約人民幣36,232,000元）賠償的書面要求信。於二零一九年八月八日，本公司收到銀行就賠償事宜向香港法院提出的清盤呈請。

本公司董事審閱了所有文件及協議，並考慮可能的結果以及爭議的可能時間及現金流出。鑒於並無進一步證據顯示本公司將承擔更多責任，本公司董事已於綜合財務報表中計提人民幣36,232,000元撥備。

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31 December 2018 二零一八年十二月三十一日

34. PROVISION (Continued)

(2) Compensation for breach of the other loan contract

Yangjiang Huayu obtained the other loan amounting to RMB200,000,000 from an independent third party leasing company by way of photovoltaic equipment sale-leaseback arrangement, in which the Company was set as guarantor by a guarantee contract.

As at 31 December 2018, the leasing company has right to require a compensation of RMB45,057,000 from the Group according to the default clauses in the sale-leaseback agreement.

The directors of the Company reviewed all documents and the agreement and considered the possible outcome as well as the possible timing and cash outflows. In view of the fact there is no further evidence that the Company shall assume more responsibilities, the directors of the Company have made a provision of RMB45,057,000 in the consolidated financial statements.

34. 撥備 (續)

(2) 關於違反其他貸款合同的賠償

陽江華宇通過光伏設備售後回租安排的方式向獨立第三方租賃公司取得人民幣200,000,000元其他貸款，其中本公司被擔保合同設為擔保人。

於二零一八年十二月三十一日，租賃公司有權根據售後回租協議的違約條款要求本集團賠償人民幣45,057,000元。

本公司董事審閱了所有文件及協議，並考慮可能的結果以及可能的時間及現金流出。鑒於並無進一步證據顯示本公司將承擔更多責任，本公司董事已於綜合財務報表中計提人民幣45,057,000元撥備。

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35. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

		Tax losses	Government grants	Discount in retention receivables	Others	Total
		稅項虧損	政府補助	應收質保金折現	其他	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2017	於二零一七年一月一日	145	21,347	1,785	9,011	32,288
Deferred tax credited/ (charged) to profit or loss during the year (note 10)	於二零一七年一月一日 年內計入／(扣除自) 損益的遞延稅項 (附註 10)	(145)	10,424	161	6,323	16,763
At 31 December 2017	於二零一七年十二月三十一日	–	31,771	1,946	15,334	49,051
Effect of adoption of IFRS 15	採納國際財務報告準則 第 15 號的影響	–	–	(1,946)	–	(1,946)
At 1 January 2018	於二零一八年一月一日	–	31,771	–	15,334	47,105
Deferred tax charged to profit or loss during the year (note 10)	年內扣除自損益的遞延稅項 (附註 10)	–	(31,546)	–	(14,002)	(45,548)
At 31 December 2018	於二零一八年十二月三十一日	–	225	–	1,332	1,557

The Group has total tax losses arising in Malaysia, Singapore, Macau and Hong Kong of RMB86,741,000 (2017: RMB22,217,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in Mainland China of RMB220,253,000 (2017: RMB91,044,000) that will expire in one to five years for offsetting against future taxable profits of the companies in which the losses arose.

35. 遞延稅項

遞延稅項資產與負債於年內的變動如下：

遞延稅項資產

本集團有在馬來西亞、新加坡、澳門及香港產生的稅項虧損總額人民幣86,741,000元(二零一七年：人民幣22,217,000元)可用於無限期抵銷產生虧損之公司的未來應課稅溢利。本集團亦有在中國大陸產生的稅項虧損人民幣220,253,000元(二零一七年：人民幣91,044,000元)可用於抵銷產生虧損之公司的未來應課稅溢利，將於一至五年後到期。

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35. DEFERRED TAX (Continued)

Deferred tax assets (Continued)

The Group recognised deferred tax assets to the extent that it is probable that future taxable profits will be available for the utilisation of other deductible temporary differences. The recognition is impacted by the uncertainties such as the amount and timing of future taxable profits which are estimated by the management based upon their business plans and market forecasts.

Deferred tax liabilities

35. 遞延稅項 (續)

遞延稅項資產 (續)

本集團在有可能未來應課稅溢利就其他可抵扣暫時性差異的利用而可用的情況下確認遞延稅項資產。該確認受到不確定因素的影響，例如管理層根據其業務計劃和市場預測估計的未來應課稅溢利的金額和時間。

遞延稅項負債

		Accelerated depreciation for tax purpose 稅項用途 途加速折舊 RMB'000 人民幣千元	Withholding taxes 預扣稅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	–	86,860	86,860
Acquisition of subsidiaries (note 41)	收購附屬公司(附註41)	820	–	820
At 31 December 2018	於二零一八年 十二月三十一日	820	86,860	87,680

Under the CIT Law of the PRC, a 10% withholding tax is levied on dividends declared to foreign investors from foreign investment enterprises established in Mainland China effective from 1 January 2008. Under the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the withholding tax rate for dividends paid by a Mainland resident enterprise to a Hong Kong resident enterprise is 5% if the Hong Kong enterprise owns at least 25% of the Mainland enterprise.

根據中國企業所得稅法，由二零零八年一月一日起，在中國大陸成立之外資企業凡向外國投資者宣派股息，須徵收10%預提稅。根據中國大陸與香港特別行政區關於對避免雙重徵稅和防止偷漏稅的安排，倘香港企業最少擁有大陸企業25%的股本權益，由大陸居民企業付予香港居民企業的股息的預扣稅率為5%。

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35. DEFERRED TAX (Continued)

Deferred tax liabilities (Continued)

Deferred taxation has not been provided for in the consolidated statement of financial position in respect of temporary differences attributable to the profits of the PRC subsidiaries during the year, as 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. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB1,894,799,000 as at 31 December 2018 (2017: RMB2,033,306,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

35. 遞延稅項(續)

遞延稅項負債(續)

由於本集團可控制撥回暫時差額的時機，且暫時差額可能在短期內不會撥回，故並無就年內產生自中國附屬公司溢利的暫時差額在綜合財務狀況表內計提遞延稅項。於二零一八年十二月三十一日，與投資位於中國的附屬公司有關的暫時差額合共約為人民幣1,894,799,000元並無就此確認遞延稅項負債(二零一七年：人民幣2,033,306,000元)。

本公司向其股東派付股息時不會附帶任何所得稅影響。

36. DEFERRED INCOME

36. 遞延收益

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<i>Government grants</i>	<i>政府補助</i>		
At 1 January	於一月一日	164,228	271,470
Government grants related to assets received during the year	年內收取與資產相關的政府補助	3,339	—
Released to profit or loss (note 5):	轉至損益(附註5)：		
Over the expected useful lives of the related assets	按相關資產預期可使用年期	(10,118)	(14,346)
Upon disposal of the related assets	出售相關資產時	—	(92,896)
At 31 December	於十二月三十一日	157,449	164,228

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36. DEFERRED INCOME (Continued)

Deferred income represented government grants received by the Group in respect of the construction of roof top solar power stations under the “Golden Sun Demonstration Project”, and other items of property, plant and equipment.

The deferred income is released to profit or loss by equal annual instalments to match with the expected useful lives of the relevant assets.

36. 遞延收益 (續)

遞延收益指本集團年內有關「金太陽示範工程」下建設的屋頂太陽能電站，以及其他物業、廠房及設備項目而收到的政府補助。

遞延收益按年平均分期撥回至損益，以配合相關資產的預期可使用年期。

37. SHARE CAPITAL

Shares

		2018 二零一八年 US\$'000 千美元	2017 二零一七年 US\$'000 千美元
Authorised:	法定：		
1,200,000,000 ordinary shares of US\$0.01 each	1,200,000,000 股每股面值 0.01 美元的普通股	12,000	12,000
Issued and fully paid:	已發行及已繳足：		
834,073,195 (2017: 834,073,195) ordinary shares of US\$0.01 each	834,073,195 股 (二零一六年： 834,073,195 股) 每股面值 0.01 美元的普通股	8,341	8,341
Equivalent to RMB'000	折合人民幣千元	55,785	55,785

There was no movement in the Company's issued share capital during the year.

年內，本公司的已發行股本並無變動。

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38. SHARE OPTION SCHEME

The company adopted a new share option scheme (the “New Scheme”) to replace the former share option scheme (the “Former Scheme”) which terminated on 19 December 2018 for the purpose of providing incentives and rewards to eligible persons who contribute to the success of the Group’s operations. Eligible persons of the New Scheme include directors, employees, consultants and suppliers of the Group. The New Scheme was approved by the Company’s shareholders on 4 June 2018 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option schemes of the Company, must not, in aggregate, exceed 30% of the total number of shares in issue from time to time. No options may be granted under the New Scheme and any other share option schemes of the Company if this will result in such limit being exceeded.

The maximum number of shares issued and to be issued upon the exercise of the share options granted under the New Scheme and any other share option schemes of the Company to any eligible person(s) (including cancelled, exercised and outstanding share options), in any 12-month period up to the date of grant shall not exceed 1% of the number of Shares in issue, unless (i) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by ordinary resolution of the Shareholders in general meeting, at which the relevant Eligible Person and his/her close associates (or his/her associate if the grantee is a Listco Connected Person) abstained from voting; (ii) a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and (iii) the number and terms (including the subscription price) of such options are fixed before the general meeting of the Company at which the same are approved.

38. 購股權計劃

公司採用了新的購股權計劃(「新計劃」)，以之取代於二零一八年十二月十九日終止的舊購股權計劃(「舊計劃」)，目的是向對本集團營運的成功作出貢獻的合資格人士提供激勵和獎勵。新計劃的合資格人士包括本集團的董事、僱員、顧問及供應商。新計劃於二零一八年六月四日獲得本公司股東批准，除非另行取消或修訂，否則將自該日起10年生效。

行使根據新計劃及本公司任何其他購股權計劃授出但有待行使的所有未行使購股權時發行的股份總數不得超過不時已發行股份總數的30%。根據新計劃及本公司任何其他購股權計劃，如果超出該限額，則不得授出任何購股權。

行使根據新計劃及本公司任何其他購股權計劃授予任何合資格人士的購股權時已發行及將予發行之股份最高數目(包括已注銷、已行使及尚未行使購股權)，在截至授出日期的任何十二個月期間內，不得超過已發行股份數目的1%，除非(i)是項授出已按上市規則第17章有關條文所訂明的方式以股東於股東大會上通過普通決議案正式批准，會上有關合資格人士及其緊密聯繫人(或如承授人為上市公司關連人士，則為其聯繫人)放棄投票；(ii)有關授出的通函已以符合上市規則第17章相關條文並載列其所指明資料的方式寄發予股東；及(iii)該等購股權的數目及條款(包括認購價)於本公司股東大會批准前確定。

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38. SHARE OPTION SCHEME (Continued)

At the time of adoption by the Company of the New Scheme or any new share option scheme, the aggregate number of shares which may be issued upon exercise of all options to be granted under scheme, the New Scheme and all schemes existing at such time of the Company must not in aggregate exceed 10% of the total number of shares in issue as at the date of scheme adoption, which is expected to be 83,407,319 shares for the scheme.

Where an option is to be granted to a substantial shareholder or an independent non-executive director (or any of their respective associates), and the grant will, in the 12-month period up to and including the offer date, result in the number and value of the relevant shares exceeding the following: 0.1% of the total number of shares in issue at the relevant time of grant; and an aggregate value (based on the closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange on the date of each grant) in excess of HK\$5 million, such grant shall not be valid unless: (a) a circular containing the details of the grant has been dispatched to the shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules (including in particular, a recommendation from the independent non-executive directors (excluding the independent non-executive director who is the prospective grantee) to the independent shareholders as to voting); and (b) the grant has been approved by the shareholders in general meeting (taken on a poll), at which such grantee, his/her associates and all core connected persons of the Company have abstained from voting in favour at such meeting.

The offer of a grant of share options must be accepted within 28 days inclusive of the day on which such offer was made. The amount payable by the Grantee of a share option to the Company on acceptance of the offer for the grant of a share option is HK\$1.00.

38. 購股權計劃 (續)

於本公司採納新計劃或任何新購股權計劃時，行使根據計劃、新計劃及本公司該時的所有計劃授出的所有購股權時發行的股份總數，不得超過計劃採納日期已發行股份總數的10%，預計該計劃的股份為83,407,319股。

如果向主要股東或獨立非執行董事(或其各自任何聯繫人)授出購股權，且是項授出將在截至授出要約日期(包括該日期)的十二個月內導致相關股份數目及價值超過以下數額：於授出的相關時間已發行股份總數的0.1%；及總值(根據聯交所於各授出日期發佈的每日報價表的股份收市價)超過5,000,000港元，則是項授出屬無效，除非：(a)載列授出詳情的通函已以符合上市規則第17章有關條文並載列其所訂明事宜的方式寄發予股東(特別包括獨立非執行董事(不包括屬於潛在承授人的獨立非執行董事)致獨立股東有關投票的推薦意見)；及(b)是項授出已獲股東於股東大會上批准(以投票方式)，而該等承授人、其聯繫人及本公司所有核心關連人士已於該會議上放棄投贊成票。

授出購股權的要約必須在提出要約之日起28天(含)內接納。關於接納授出購股權要約，承授人應付本公司的購股權金額為1.00港元。

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38. SHARE OPTION SCHEME (Continued)

The subscription price of the New Scheme shall be a price solely determined by the Board and notified to an eligible person and shall be at least the highest of (i) the HKSE closing price of the Company's shares on the date of offer of the share options; (ii) the average HKSE closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

No options have been granted under the Scheme since it was adopted during the year.

(a) The following share options were outstanding under the Former Scheme during the year:

38. 購股權計劃(續)

新計劃的認購價為由董事會獨自釐定並通知合資格人士的價格，並須至少是以下各項的最高者：(i)於購股權要約日期本公司股份於香港聯交所的收市價；(ii)緊接要約日期前五個交易日本公司股份於香港聯交所的平均收市價；及(iii)股份面值。

購股權並不賦予持有人享有股息或在股東大會上投票的權利。

自該計劃於年內採納以來，該計劃並無授出任何購股權。

(a) 年內前計劃下尚未行使之購股權如下：

		2018 二零一七年		2017 二零一六年	
		Weighted average exercise price 加權平均 行使價 HK\$ 每股港元	Number of options 股權購數目 '000 千份	Weighted average exercise price 加權平均 行使價 HK\$ 每股港元	Number of options 購股權數目 '000 千份
At 1 January	於一月一日	4.72	36,500	5.29	24,521
Granted during the year	年內授出	—	—	3.55	12,000
Forfeited during the year	年內失效	—	—	3.56	(21)
At 31 December	於十二月三十一日	4.72	36,500	4.72	36,500

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38. SHARE OPTION SCHEME (Continued)

- (a) The following share options were outstanding under the Former Scheme during the year: (continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

Number of share 股份數目		Exercise price 行使價	Exercise period 行使期
2018 二零一八年 '000 千份	2017 二零一七年 '000 千份	HK\$ per share 每股港元	
2,763	2,763	3.56	23/01/10-22/07/19
3,336	3,336	3.56	23/07/10-22/07/19
5,143	5,143	3.56	23/07/11-22/07/19
1,447	1,447	2.67	11/10/12-10/10/21
1,447	1,447	2.67	11/10/13-10/10/21
1,446	1,446	2.67	11/10/14-10/10/21
1,446	1,446	2.67	11/10/15-10/10/21
1,446	1,446	2.67	11/10/16-10/10/21
2,008	2,008	11.65	22/5/16-21/5/25
2,009	2,009	11.65	22/5/17-21/5/25
2,009	2,009	11.65	22/5/18-21/5/25
4,000	4,000	3.55	05/4/18-21/5/27
4,000	4,000	3.55	05/4/19-21/5/27
4,000	4,000	3.55	05/4/20-21/5/27
36,500	36,500		

The Group recognised a share option expense of HK\$9,946,000 (equivalent to approximately RMB8,398,000) during the year (2017: HK\$16,320,000, equivalent to approximately RMB14,140,000).

38. 購股權計劃 (續)

- (a) 年內前計劃下尚未行使之購股權如下：(續)

於報告期末尚未行使購股權之行使價及行使期如下：

本集團於本年度確認購股權開支 9,946,000 港元 (相當於約人民幣 8,398,000 元) (二零一七年：16,320,000 港元 (相當於約人民幣 14,140,000 元))。

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38. SHARE OPTION SCHEME (Continued)

- (a) The following share options were outstanding under the Former Scheme during the year: (continued)

At the end of the reporting period, the Company had 36,500,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 36,500,000 additional ordinary shares of the Company and additional share capital of US\$365,000 (equivalent to approximately HK\$2,859,040) and share premium of approximately HK\$169,267,000 (before issue expenses and after the amount to be transferred from share option reserve to share premium upon the exercise of the related share options).

As at the date of approval of the financial statements, the Company had 36,500,000 share options outstanding under the Scheme, which represented approximately 4.38% of the Company's shares in issue as at that date.

38. 購股權計劃(續)

- (a) 年內前計劃下尚未行使之購股權如下：(續)

於報告期末，本公司根據該計劃有36,500,000份尚未行使購股權。該等尚未行使購股權倘全數獲行使，在本公司之現有資本架構下，將會導致額外發行36,500,000股本公司普通股及產生額外股本365,000美元（相等於約2,853,184港元）及股份溢價約169,272,000港元（於扣除發行開支前及於扣除將於相關購股權獲行使時由購股權儲備轉移至股份溢價的金額後）。

於本財務報表批准日，本公司根據該計劃有36,500,000份尚未行使購股權，相當於本公司於該日已發行股份約4.38%。

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38. SHARE OPTION SCHEME (Continued)

(b) Singyes New Materials' share option scheme

A subsidiary of the Company, Singyes New Materials, operates a share option scheme (the "Singyes New Materials' Scheme"). The Singyes New Materials' Scheme was adopted for the primary purposes of providing incentives and rewards to eligible persons for their contribution or potential contribution to the growth and development of Singyes New Materials and its subsidiaries ("Eligible Persons"). Eligible Persons of the Scheme include:

- (i) (a) any director or proposed director (whether executive or non-executive, including any independent non-executive director), employee or proposed employee (whether full time or part time) of, or
- (b) any individual for the time being seconded to work for, any member of the Group or any substantial shareholder or any company controlled by a substantial shareholder;
- (ii) any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member of the Group; and
- (iii) for the purposes of the Singyes New Materials' Scheme, shall include any company controlled by one or more persons belonging to any of the above classes of participants.

The Singyes New Materials' Scheme was approved by its shareholders on 17 October 2017 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

38. 購股權計劃 (續)

(b) 興業新材料的購股權計劃

本公司之附屬公司興業新材料運營一項購股權計劃(「興業新材料計劃」)。興業新材料計劃旨在向為興業新材料之增長及發展作出貢獻或潛在貢獻之合資格人士(「合資格人士」)提供獎勵及薪酬。計劃之合資格人士包括：

- (i) (a) 本集團任何成員公司或任何主要股東或主要股東控制的任何公司的任何董事或擬任董事(不論為執行董事或非執行董事，包括任何獨立非執行董事)、僱員或擬任僱員(不論為全職或兼職)，或
- (b) 當時借調為其工作的任何個人；
- (ii) 向本集團任何成員公司提供研究、開發或其他技術支持或任何顧問、諮詢、專業或其他服務的任何人士或實體；及
- (iii) 就興業新材料計劃而言，包括屬於上述任何一類參與者的一名或多名人士控制的任何公司。

興業新材料計劃已於二零一七年十月十七日獲其股東批准，除非另行註銷或修訂，否則從該日起保持十年的效力。

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38. SHARE OPTION SCHEME (Continued)

(b) Singyes New Materials' share option scheme (continued)

The total number of shares which may be issued upon the exercise of all share options to be granted under the Singyes New Materials' Scheme and any other share option schemes of the Singyes New Materials must not in aggregate exceed 10% of the total issued share capital of the Singyes New Materials as at the date on which the Singyes New Materials' Scheme is adopted unless the Singyes New Materials obtains a fresh approval from shareholders to refresh the 10% limit on the basis that the maximum number of shares in respect of which share options may be granted under the Singyes New Materials' Scheme together with any share options outstanding and yet to be exercised under the Singyes New Materials' Scheme and any other share option schemes shall not exceed 30% of the issued share capital of the Singyes New Materials from time to time.

The maximum number of shares issued and to be issued upon the exercise of the share options granted under the Singyes New Materials' Scheme and any other share option schemes of the Singyes New Materials to any Eligible Persons (including cancelled, exercised and outstanding share options), in any 12-month period up to the date of grant shall not exceed 1% of the number of shares in issue, unless (i) a circular is dispatched to the shareholders; (ii) the shareholders approve the grant of the share options in excess of the 1% limit referred to in this paragraph; and (iii) the relevant Eligible Persons and his associates shall abstain from voting. The number and terms (including the exercise price) of share options to be granted to such Eligible Persons must be fixed before shareholders' approval.

Any grant of a share option to a director, chief executive of the Singyes New Materials or substantial shareholder (or any of their respective associates) must be approved by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the share options).

38. 購股權計劃(續)

(b) 興業新材料的購股權計劃(續)

根據興業新材料計劃及興業新材料的任何其他購股權計劃，行使將予授出的所有購股權時發行的股份總數不得超過興業新材料於興業新材料計劃採納日期已發行股本總額的10%，除非興業新材料獲得股東重新批准以更新10%限額（基於與根據興業新材料計劃可能授出的購股權連同根據興業新材料計劃及任何其他購股權計劃授出而待行使的未行使購股權有關的最高股份數目不得超過興業新材料不時已發行股本的30%）。

根據興業新材料計劃及興業新材料任何其他購股權計劃授予任何合資格人士之購股權（包括已註銷、已行使及尚未行使之購股權）獲行使時已發行及將予發行之股份總數，於截至授出當日止任何十二個月期間，不得超過已發行股份數目之1%，除非(i)一份通函已寄發予股東；(ii)股東批准授出超過本段所述之1%上限之購股權；及(iii)有關合資格人士及其聯繫人須放棄投票。將授予合資格人士之購股權之數目及條款（包括行使價）必須於股東批准前釐定。

向興業新材料董事、行政總裁或主要股東（或其各自任何聯繫人）授出任何購股權一事必須獲獨立非執行董事（不包括屬於購股權承授人的任何獨立非執行董事）批准。

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38. SHARE OPTION SCHEME (Continued)

(b) Singyes New Materials' share option scheme (continued)

Where any grant of share options to a substantial shareholder or an independent non-executive director (or any of their respective associates) will result in the total number of shares issued and to be issued upon the exercise of the share options already granted and to be granted to such person under the Singyes New Materials' Scheme and any other share option schemes of the Singyes New Materials (including share options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant: (i) representing in aggregate over 0.1% of the shares in issue; and (ii) having an aggregate value, based on the closing price of the shares at each date of grant, in excess of HK\$5 million, such further grant of share options is required to be approved by shareholders in general meeting in accordance with the rules governing the listing of securities on Growth Enterprise Market of the HKSE. Any change in the terms of a share option granted to a substantial shareholder or an independent non-executive director or any of their respective associates is also required to be approved by shareholders.

The offer of a grant of share options may be accepted within 30 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee.

The exercise price of share options is determinable by the directors, but may not be less than the higher of (i) the HKSE closing price of the Singyes New Materials' shares on the date of offer of the share options; (ii) the average HKSE closing price of the Singyes New Materials's shares for the five trading days immediately preceding the date of offer.

38. 購股權計劃 (續)

(b) 興業新材料的購股權計劃 (續)

倘於截至授出日期 (含) 的任何十二個月期間向主要股東或獨立非執行董事 (或彼等各自的任何聯繫人) 授出任何購股權一事導致行使根據興業新材料計劃及興業新材料的任何其他購股權計劃已授予及將予授予有關人士的購股權 (包括已行使、已註銷及未行使的購股權) 時已發行及將予發行的股份總數: (i) 合計佔已發行股份的0.1%以上; 及(ii)根據各授出日期股份收市價計算的總值超過5,000,000港元, 根據香港聯交所GEM證券上市規則, 進一步授出購股權須獲得股東於股東大會上批准。授予主要股東或獨立非執行董事或其各自任何聯繫人的購股權的條款有任何更改亦須獲股東批准。

授予購股權的要約可於要約日期起計30日內接納, 並經承授人合計支付名義代價1港元作實。

購股權的行使價可由各董事釐定, 但不得低於以下較高者: (i) 購股權要約當日興業新材料股份於香港聯交所的收市價; (ii) 緊接要約日期前五個交易日興業新材料股份於香港聯交所的平均收市價。

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38. SHARE OPTION SCHEME (Continued)

(b) Singyes New Materials' share option scheme (continued)

The following share options were outstanding under the Singyes New Materials' Scheme during the year:

		Exercise price HK\$ 行使價 港元 per share 每股	Number of options 購股權數目 '000 千份
At 1 January 2018	於二零一八年一月一日	—	—
Granted during the year*	本年度已授出*	1.16	21,000
At 31 December 2018	於二零一八年十二月三十一日	1.16	21,000

* On 31 January 2018, options to subscribe for a total of 21,000,000 shares with a nominal amount of US\$0.01 each in the share capital of Singyes New Materials were granted under the Scheme at the exercise price of HK\$1.16 per share.

* 於二零一八年一月三十一日，根據計劃授出的購股權可認購興業新材料股本中每股面值0.01美元的共計21,000,000股股份，行使價為每股1.16港元。

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

於報告期末尚未行使購股權之行使價及行使期如下：

31 December 2018 二零一八年 十二月三十一日 '000 千份	Exercise price 行使價 HK\$ per share 每股港元	Exercise period 行使期
7,000	1.16	31/1/2021-30/1/2028
7,000	1.16	31/1/2022-30/1/2028
7,000	1.16	31/1/2023-30/1/2028
21,000		

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38. SHARE OPTION SCHEME (Continued)

(b) Singyes New Materials' share option scheme (continued)

The fair value of the share options granted during the year was HK\$12,382,055 (equivalent to approximately RMB10,028,597) or HK\$0.5896 each (equivalent to approximately RMB0.4776 each), of which a share option expense of HK\$2,823,000 (equivalent to approximately RMB2,384,000) was recognised during the year.

The fair value of equity-settled share options granted during the Period as at the date of grant, using the binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Expected volatility (%)	50.58
Risk-free interest rate (%)	2.50
Weighted average share price (HK\$ per share)	1.16

At the end of the reporting period, Singyes New Materials had 21,000,000 share options outstanding under the Singyes New Materials' Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Singyes New Materials, result in the issue of 21,000,000 additional ordinary shares of Singyes New Materials and additional share capital of HK\$1,645,000 (before issue expenses).

As at the date of approval of these financial statements, Singyes New Materials had 21,000,000 share options outstanding under the Singyes New Materials' Scheme, which represented approximately 4.038% of the shares of Singyes New Materials in issue as at that date.

38. 購股權計劃 (續)

(b) 興業新材料的購股權計劃 (續)

本年度已授出的購股權的公平值為12,382,055港元(相當於約人民幣10,028,597元)或每份0.5896港元(相當於約每份人民幣0.4776元),其中購股權開支為2,823,000港元(相當於約人民幣2,384,000元),於年內確認。

於本期間內於授出日期授出的股本結算購股權的公平值,使用二項式模型,並考慮所授予購股權的條款和條件。下表列出了所用模型的輸入值:

預期波幅(%)	50.58
無風險利率(%)	2.50
加權平均股價(每股港元)	1.16

於報告期末,興業新材料在興業新材料計劃下有21,000,000份未行使購股權。根據興業新材料目前的資本架構,全數行使未行使購股權將導致發行21,000,000股興業新材料的額外普通股及額外股本1,645,000港元(扣除發行開支前)。

於該等財務報表批准日期,興業新材料在興業新材料計劃下有21,000,000份尚未行使購股權,相當於該日期已發行興業新材料股份的約4.038%。

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39. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 12 to 13 of the financial statements.

(a) Statutory reserves of the PRC subsidiaries

In accordance with the "Law of the PRC on Joint Ventures Using Chinese and Foreign Investment" and the respective articles of association of the Group's subsidiaries in Mainland China, appropriations from net profit, as determined in accordance with PRC generally accepted accounting principles ("PRC GAAP") and after offsetting accumulated losses from prior years, should be made to the statutory reserve fund and the enterprise expansion fund, and before profit distributions to the investors. The reserve fund can be used to offset accumulated losses or to increase capital.

(b) Enterprise expansion fund

The enterprise expansion fund can be used for business development or to increase capital. The percentages to be appropriated to the reserve fund and the enterprise expansion fund in the foreign investment subsidiaries are determined by the board of directors. In addition, the wholly-foreign-owned subsidiaries are not required to appropriate the enterprise expansion fund, and the percentages to be appropriated to the reserve fund shall be no less than 10%. When the cumulative reserve fund reaches one-half of the registered capital, the appropriation is no longer mandatory.

39. 儲備(續)

本集團本年度及過往年度之儲備金額及相關變動載於年度報告第12頁至第13頁之綜合權益變動表內。

(a) 中國附屬公司的法定儲備

根據《中華人民共和國中外合資經營企業法》及本集團在中國大陸附屬公司的公司章程，須從按照中國公認會計準則（「中國公認會計準則」）釐定的純利（經抵銷往年累計虧損後，及向投資者分派溢利前）撥付法定儲備基金及企業擴展基金。該儲備基金可用來抵銷累計虧損或增加資本。

(b) 企業擴展基金

企業擴展基金可用於業務發展或增加資本。外商投資附屬公司撥付至儲備基金及企業擴展基金的百分比由董事會釐定。此外，外商獨資企業毋須將純利撥付至企業擴展基金，而撥付至儲備基金的百分比須不少於10%。於儲備基金累計至達到註冊資本一半時，不再強制撥付。

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39. RESERVES (Continued)

(c) Share option reserve

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

(d) Safety fund surplus reserve

Pursuant to Notice regarding Safety Production Expenditure jointly issued by the Ministry of Finance and the State Administration of Work Safety of the PRC in February 2012, the Group is required to establish a safety fund surplus reserve. The safety fund can only be transferred to retained profits to offset safety related expenses as and when they are incurred, including expenses related to safety protection facilities and equipment improvement and maintenance as well as safety production inspection, appraisal, consultation and training.

39. 儲備 (續)

(c) 購股權儲備

購股權儲備包括已授出但尚未行使的購股權的公平值，進一步闡述見財務報表附註2.4有關以股份為基礎的支付的會計政策。該款項將於相關期權獲行使時轉撥至股份溢價賬，或倘相關購股權屆滿或被沒收，則轉撥至保留溢利。

(d) 安全基金盈餘儲備

根據中國財政部及國家安全生產監督管理總局於二零一二年二月聯合頒佈的一則關於安全生產費的通知，本集團須設立安全基金盈餘儲備。安全基金只可於產生時轉撥至保留溢利以抵銷安全相關開支，包括與安保設施及設備提升及維護以及安全生產檢查、評估、諮詢及培訓有關的開支。

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40. DISPOSAL OF SUBSIDIARIES

40. 出售附屬公司

2018
二零一八年
RMB'000
人民幣千元

Net assets disposed of:	已出售資產淨值：	
Trade receivables	應收貿易款項	34,591
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	30,067
Property, plant and equipment (note 13)	物業、廠房及設備 (附註 13)	4,704
Cash and bank balances	現金及銀行結存	1,245
Intangible assets (note 16)	無形資產 (附註 16)	201
Inventories	存貨	19
Tax payables	應付所得稅	(702)
Trade payables	應付貿易款項	(2,796)
Other payables and accruals	其他應付款項及應計款項	(21,712)
		45,617
Non-controlling interests	非控股權益	(250)
Equity attributable to owner of the parent	母公司擁有人應佔權益	45,367
Loss on disposal of subsidiaries (note 7)	出售附屬公司虧損 (附註 7)	(15,367)
		30,000
Satisfied by offsetting of debts	透過債務抵銷償還	30,000

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

就出售附屬公司的現金及現金等價物的淨流出分析如下：

2018
二零一八年
RMB'000
人民幣千元

Cash and bank balances disposed of	已出售現金及銀行結存	1,245
Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries	就出售附屬公司的現金及現金等價物淨流出	1,245

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31 December 2018 二零一八年十二月三十一日

40. DISPOSAL OF SUBSIDIARIES (Continued)

On 26 October 2018, the Group sold its shares in Hunan Singyes Green Electricity Technology Co., Ltd. ("Hunan Electricity") for a total consideration of RMB30,000,000 to Zhuhai Huaxin Labour Co., Ltd. and Hunan Yunxin Renewable Energy Co., Ltd. (together as the "Purchasers"). The consideration was satisfied by offsetting the debts the Group owed to the Purchasers.

41. BUSINESS COMBINATION

On 24 December 2018, Singyes New Materials completed the acquisition of 100% equity interests in Huabei Group. Upon completion, Singyes New Materials directly owned 75% effective equity interests in Shenzhen Kangsheng, which is engaged in the manufacture and sale of ITO film products. The purchase consideration was satisfied by allotment and issue of 40,000,000 ordinary shares of Singyes New Materials at the market price of HK\$0.62 per share (equivalent to approximately RMB21,848,000, in aggregate, before deducting transaction expenses). The acquisition has been accounted for using the acquisition method.

The Singyes New Materials has acquired Huabei to further expand its market share of ITO film products in Southern China. Particulars of the acquisition of the 100% equity interests in Huabei were set out in Singyes New Materials's announcements dated 12 September 2018 and 19 October 2018, respectively.

The Group has elected to measure the non-controlling interests in Huabei at the non-controlling interests proportionate share of Huabei's identifiable net assets.

40. 出售附屬公司 (續)

於二零一八年十月二十六日，本集團向珠海華鑫勞務服務有限公司及湖南允興新能源有限公司(統稱「買方」)出售其於湖南興業綠色電力科技有限公司(「湖南電力」)的股份，總代價人民幣30,000,000元。通過抵銷本集團欠付買方的債務方式結付該代價。

41. 業務合併

於二零一八年十二月二十四日，中國興業新材料控股有限公司(「興業新材料」)完成收購華貝有限公司(「華貝」)100%股權，華貝持有深圳市康盛光電科技有限公司75%股權(「深圳康盛」，華貝及深圳康盛統稱「華貝集團」)。完成後，興業新材料直接擁有深圳康盛75%的實際股權，深圳康盛從事ITO導電膜產品的製造及銷售。收購代價乃興業新材料透過按市場價每股0.62港元配發及發行40,000,000股普通股(相當於合計約人民幣21,848,000元，扣除交易開支前)的方式結付。該收購已使用收購法入賬。

興業新材料已收購華貝，以進一步擴大其在華南地區的ITO導電膜產品的市場份額。關於收購華貝100%股權的詳情分別載於興業新材料二零一八年九月十二日及二零一八年十月十九日的公告。

本集團已選擇以非控股權益於華貝可識別淨資產方面的比例計量華貝的非控股權益。

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財務報表附註

31 December 2018 二零一八年十二月三十一日

41. BUSINESS COMBINATION (Continued)

The following table summarises the consideration paid for the acquisition and the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date:

41. 業務合併

下表總結了於收購日期所付的收購對價、所收購可識別資產的公平值及所承擔的負債：

		Fair value recognised on acquisition 就收購確認 的公平值 RMB'000 人民幣千元
Trade and bills receivables	應收貿易款項及應收票據	22,230
Property, plant and equipment (note 13)	物業、廠房及設備(附註13)	11,966
Inventories	存貨	4,820
Prepayments, deposits and other receivables	預付款項、按金及其他 應收款項	4,238
Cash and cash equivalents	現金及現金等價物	2,361
Trade payables	應付貿易款項	(11,567)
Contract liabilities (note 30)	合約負債(附註30)	(1,443)
Other payables and accruals	其他應付款項及應計款項	(11,003)
Tax payable	應付稅項	(247)
Deferred tax liabilities (note 35)	遞延稅項負債(附註35)	(820)
Total identifiable net assets at fair value	按公平值列賬的可識別 淨資產總額	20,535
Non-controlling interests	非控股權益	(5,135)
		15,400
Goodwill on acquisition	關於收購的商譽	6,448
		21,848
Satisfied by issue of ordinary shares	通過發行普通股的方式結付	

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31 December 2018 二零一八年十二月三十一日

41. BUSINESS COMBINATION (Continued)

An analysis of the cash flow in respect of the acquisition of above subsidiaries is as follows:

		RMB'000 人民幣千元
Cash and cash equivalents acquired	所收購的現金及現金等價物	2,361
Net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries	關於附屬公司收購的現金及現金等價物流出淨額	2,361

As the acquisition taken place on 24 December 2018, the contributions from Huabei Group to the Group's revenue and the consolidated profit for the year ended 31 December 2018 were minimal.

Had the combination taken place at the beginning of the year, the revenue of the Group and the loss of the Group for the year would have been RMB4,474,836,000 and RMB668,373,000, respectively.

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the Shenzhen Kangsheng cash-generating unit ("Shenzhen Kangsheng CGU") for impairment testing:

The recoverable amount of the Shenzhen Kangsheng CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections is 23.35%. The growth rate used to extrapolate the cash flows of the industrial products unit beyond the five-year period is 3%.

41. 業務合併

關於上述附屬公司收購的現金流量的分析如下：

		RMB'000 人民幣千元
Cash and cash equivalents acquired	所收購的現金及現金等價物	2,361
Net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries	關於附屬公司收購的現金及現金等價物流出淨額	2,361

由於收購於二零一八年十二月二十四日進行，華貝集團對本集團截至二零一八年十二月三十一日止年度收入及綜合溢利的貢獻很小。

倘合併於年初進行，則本年度本集團收入及本集團虧損分別為人民幣4,474,836,000元及人民幣668,373,000元。

商譽減值測試

通過業務合併獲得的商譽分配至深圳康盛現金產生單位（「深圳康盛現金產生單位」）作減值測試：

深圳康盛現金產生單位的可收回金額乃根據使用價值計算（根據高級管理層批准的五年期財務預算使用現金流量預測）釐定。適用於現金流量預測的稅前貼現率為23.35%。用於推斷工業產品單位五年期外現金流量的增長率為3%。

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41. BUSINESS COMBINATION (Continued)

Impairment testing of goodwill (Continued)

Assumptions were used in the value in use calculation of the Shenzhen Kangsheng CGU for 31 December 2018. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted revenue – The budgeted revenue is based on the historical data and management's expectation on the future market.

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Pre-tax discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

The values assigned to the key assumptions on market development of the cash-generating units and discount rates are consistent with external information sources.

The Directors had estimated the reasonably possible changes in those factors and acknowledged that, even if the most unfavourable possible values were assigned to those factors, the recoverable amount then calculated, after incorporating any consequential effects of such assignments on the other variables used to measure the recoverable amount of the Shenzhen Kangsheng CGU, would still exceed its carrying amount.

41. 業務合併 (續)

商譽減值測試 (續)

在二零一八年十二月三十一日深圳康盛現金產生單位使用價值計算中使用了假設。下文描述了管理層根據現金流量預測對商譽進行減值測試的各個關鍵假設：

預算收入 – 預算收入基於歷史數據和管理層對未來市場的預期。

預算毛利率 – 以預算年度前一年所得的平均毛利率為基礎，來釐定預算毛利率的價值。預算毛利率按預期效率改善及預期市場發展而增加。

稅前貼現率 – 所使用的貼現率為除稅前數值並反映與相關單位有關的特定風險。

分配予現金產生單位市場發展和貼現率的關鍵假設的價值與外部信息來源一致。

董事已估計這些因素的合理可能變動，並確認，即使將最不利的可能數值分配予這些因素，在用於衡量深圳康盛現金產生單位的可收回金額的其他變量方面納入這些分配的任何隨之產生的影響後，計算的可收回金額仍將超過其賬面值。

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41. BUSINESS COMBINATION (Continued)

Deemed partial disposal of interest in a subsidiary

Immediately following the completion of the Singyes New Materials Offering, the Group's equity interest in Singyes New Materials was diluted from 67.6% to 62.4% and thus the business combination is considered as a deemed partial disposal of Singyes New Materials by the Group. Since the deemed partial disposal of Singyes New Materials did not result in any loss of control, such transaction was accounted for as an equity transaction and the difference between the proceeds from the Singyes New Materials Offering and the 5.2% carrying value of the Singyes New Materials and its subsidiaries amounting to RMB2,919,000 was recognised in reserve of the Group.

42. CONTINGENT LIABILITIES

The Group has assessed and has made provisions for any probable outflow of economic benefits in relation to contingent liabilities at the reporting date in accordance with its accounting policies.

As at 31 December 2018, based on the opinion of internal and external legal counsels, the Group has made provisions for compensation of RMB81,289,000 for the year ended 31 December 2018 (31 December 2017: nil) (note 34). The contingencies will not have material impact on financial position and operations of the Group.

41. 業務合併 (續)

視作部分出售於一間附屬公司之權益

緊隨完成興業新材料發售後，本集團於興業新材料的股權由67.6%攤薄至62.4%，因此業務合併被視為本集團部分出售興業新材料。由於視作部分出售興業新材料並未導致失去任何控制權，因此該交易作為權益交易列賬，以及興業新材料發售之所得款項與興業新材料及其附屬公司之5.2%賬面值之間的差額人民幣2,919,000元已於本集團儲備內確認。

42. 或然負債

本集團已根據其會計政策評估報告日期或然負債的任何可能經濟利益流出並已就此計提撥備。

於二零一八年十二月三十一日，根據內部及外部法律顧問的意見，本集團已就截至二零一八年十二月三十一日止年度的人民幣81,289,000元賠償計提撥備（二零一七年十二月三十一日：無）（附註34）。或有事項將不會對本集團的財務狀況及營運構成重大影響。

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43. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 14) under operating lease arrangements, with leases negotiated for terms ranging from one to two years.

At 31 December 2018, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年內	2,019	2,483
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	400	2,397
		2,419	4,880

(b) As lessee

The Group leases certain of its office premises and land from certain grantees of the land use rights under operating lease arrangements. Leases for properties are negotiated for terms of one to twenty-five years. At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年內	3,447	2,488
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	2,416	2,038
After five years	五年後	5,773	6,175
		11,636	10,701

43. 經營租賃安排

(a) 作為出租人

本集團根據經營租賃安排出租其投資物業(附註14)，該等租賃協定期期為一至兩年。

於二零一八年十二月三十一日，本集團根據於下列年期到期的不可撤銷經營租賃的未來最低應收租金總額如下：

(b) 作為承租人

本集團根據經營租賃安排租用若干辦公室物業及土地。該等物業租賃協定期期為一至二十五年。於報告期末，本集團根據於下列年期到期的不可撤銷經營租約的未來最低應付租金總額如下：

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44. COMMITMENTS

In addition to the operating lease commitments detailed in note 43 above, the Group had the following capital commitments at the end of the reporting period:

44. 承擔

除以上附註43詳細描述之經營租賃承擔外，於報告期末，本集團有下列資本承擔：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未撥備：		
Construction of buildings and solar photovoltaic power stations	建設樓宇及太陽能 光伏電站	134,257	345,898
Purchase of office property	購買辦公物業	12,792	20,759
Purchase of machinery	購買機器	1,045	325
Purchase of patent	購買專利	14,400	14,400
Capital contributions to be injected into associates	向聯營公司注資	12,000	12,000
		174,494	393,382

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45. RELATED PARTY TRANSACTIONS AND BALANCES

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

45. 關連方交易及結餘

- (a) 除該等財務報表其他地方詳述交易外，年內本集團擁有下列與關連方的交易：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Associates:	聯營公司：		
Sales of products	銷售產品	344,230	281,306
Rendering operation and maintenance service	提供營運及維護服務	7,500	5,658
Construction services	建築合同	83,991	71,176
		435,721	358,140
Interest-free advances	免息墊款	—	25,177
Interest from loans	貸款利息	1,276	3,235

The sales and construction services provided to associates were made according to the published prices and conditions offered to the major customers of the Group.

向聯營公司提供之銷售及建築服務，乃以提供予本集團主要客戶之已公佈價格及條件為依據。

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45. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(b) Other transactions with related parties

Details of bank and other loans guarantees provided at 31 December 2018 by related parties of the Group for nil consideration are as follows:

- (i) the Group's bank and other loans of RMB765,330,000 were guaranteed by Mr. Liu Hongwei;
- (ii) the Group's bank loans of RMB615,969,000 were guaranteed jointly by Messrs. Liu Hongwei and Sun Jinli;
- (iii) the Group's bank and other loans of RMB368,631,000 were guaranteed jointly by Messrs. Liu Hongwei and Xie Wen;
- (iv) the Group's bank loans of RMB232,050,000 were guaranteed jointly by Messrs. Liu Hongwei, Sun Jinli and Xie Wen;
- (v) the Group's bank loans with a principal of HK\$201,604,000 (equivalent to approximately RMB176,645,000) were guaranteed by Mr. Liu Hongwei; and
- (vi) the Group's bank loans with a principal of HK\$13,670,000 (equivalent to approximately RMB11,978,000) were guaranteed jointly by Messrs. Liu Hongwei and Sun Jinli.

45. 關連方交易及結餘 (續)

(b) 與關連方的其他交易

於二零一八年十二月三十一日，本集團關連方無償提供之銀行及其他貸款擔保如下：

- (i) 本集團之銀行及其他貸款人民幣765,330,000元由劉紅維先生擔保；
- (ii) 本集團之銀行貸款人民幣615,969,000元由劉紅維先生及孫金禮先生共同擔保；
- (iii) 本集團之銀行貸款人民幣368,631,000元由劉紅維先生及謝文先生共同擔保；
- (iv) 本集團之銀行貸款人民幣232,050,000元由劉紅維先生、孫金禮先生及謝文先生共同擔保；
- (v) 本集團之銀行貸款本金額201,604,000港元(相當於約人民幣176,645,000元)由劉紅維先生擔保；及
- (vi) 本集團之銀行貸款本金額13,670,000港元(相當於約人民幣11,978,000元)由劉紅維先生及孫金禮先生共同擔保。

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45. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(c) Outstanding balances with related parties

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Due from associates:	應收聯營公司：		
Trade receivables (note 25)	應收貿易款項(附註25)	272,054	354,398
Contract assets (note 24)	合同資產(附註24)	19,356	—
Other receivables (note 26)	其他應收款項(附註26)	—	126,392
		291,410	480,790

(d) Compensation of key management personnel of the Group

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	10,006	9,774
Pension scheme contributions	退休金計劃供款	200	169
		10,206	9,943

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

45. 關連方交易及結餘(續)

(c) 關連方未償還結餘

(d) 本集團主要管理人員的薪酬

有關董事及行政總裁酬金的進一步詳情載於財務報表附註8。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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46. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

46. 金融資產轉讓

未完全終止確認的已轉讓金融資產

			2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	Note 附註			
Gross amounts of assets that continued to be recognised:		繼續確認的資產賬面值：		
Discounted Bills		貼現票據	—	13,749
Endorsed Bills	(a)	背書票據	8,293	4,662
			8,293	18,411

(a) Endorsed Bills

At 31 December 2018, the Group endorsed certain bills receivable accepted by certain local banks in the PRC (the "Endorsed Bills") with a total carrying amount of RMB8,293,000 (2017: RMB4,662,000) to certain of its suppliers in order to settle the trade payables due to those suppliers. The Endorsed Bills had a maturity of one to six months at 31 December 2018. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Endorsed Bills have a right of recourse against the Group if the PRC banks default. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to the Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amount of the trade and other payables settled by the Endorsed Bills during the year to which the suppliers have recourse was RMB8,293,000 as at 31 December 2018 (2017: RMB4,662,000).

(a) 背書票據

於二零一八年十二月三十一日，本集團將中國若干當地銀行接受的總賬面值人民幣8,293,000元（二零一七年：人民幣4,662,000元）的若干應收票據（「背書票據」）背書予若干供應商，以結算應付該等供應商的應付貿易款項。於二零一八年十二月三十一日，背書票據的到期時間為一至六個月。根據中國票據法，如中國銀行違約，背書票據持有人有權向本集團追索。董事認為，本集團已保留大部分風險及回報（包括背書票據違約風險），因此繼續確認背書票據及相關已結算應付貿易款項的全部賬面值。背書後，本集團並無保留使用背書票據的任何權利，包括向任何其他第三方出售、轉讓或抵押背書票據。年內以供應商有追索權的背書票據結算的貿易及其他應付款項於二零一八年十二月三十一日的總賬面值為人民幣8,293,000元（二零一七年：人民幣4,662,000元）。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

46. TRANSFERS OF FINANCIAL ASSETS (Continued)

Transferred financial assets that are derecognised in their entirety

As at 31 December 2018, the Group discounted certain bills receivable accepted by certain reputable banks in the PRC (the “Discounted Bills”), with a carrying amount in aggregate of RMB208,223,000 (referred to as the “Derecognised Bills”, 2017: RMB136,771,000). The Derecognised Bills had a maturity from one to nine months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the “Continuing Involvement”). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amount of the Derecognised Bills. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the year, the Group has recognised interest expense of RMB15,580,000 (2017: RMB13,667,000) (note 6) on discounted bills receivable. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively.

47. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(1) Major non-cash transactions

During 2018, the consideration of RMB30,000,000 for disposal of subsidiaries was satisfied by offsetting the debts the Group owed to the Purchasers. Further details please refer to note 40.

During 2018, the consideration of RMB16,000,000 for acquisition of property, plant and equipment was satisfied by offsetting the debts the Group owed to the third party.

46. 金融資產轉讓(續)

已完全終止確認的已轉讓金融資產

於二零一八年十二月三十一日，本集團終止中國若干知名銀行接受的賬面值共人民幣208,223,000元的應收票據(「終止確認票據」，二零一七年：人民幣136,771,000元)。於報告期末，終止確認票據的到期時間為一至九個月。根據中國票據法，如中國銀行違約，終止確認票據持有人有權向本集團追索(「持續參與」)。董事認為，本集團已轉讓與終止確認票據有關的絕大部分風險及回報。因此，本集團已終止確認終止確認票據的全部賬面值。本集團持續參與終止確認票據及購回該等終止確認票據的未貼現現金流量面臨的最高損失風險等於其賬面值。董事認為，本集團持續參與終止確認票據的公平值並不重大。

年內，本集團確認應收貼現票據的利息開支人民幣15,580,000元(二零一七年：人民幣13,667,000元)(附註6)。並無因持續參與而於年內或累計確認任何收益或虧損。

47. 綜合現金流量表附註

(1) 主要非現金交易

於二零一八年，關於附屬公司出售的作價人民幣30,000,000元，已通過抵銷本集團欠付買方的債務的方式結付。更多詳情請參閱附註40。

於二零一八年，關於物業、廠房及設備的購買對價人民幣16,000,000元已通過抵銷本集團欠付第三方的債務的方式結付。

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財務報表附註

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47. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

47. 綜合現金流量表附註

(2) Changes in liabilities arising from financing activities

(2) 融資活動產生之負債之變動

		Bank and other loans 銀行及其他貸款 RMB'000 人民幣千元	Bank advances for discounted bills 貼現票據 銀行貸款 RMB'000 人民幣千元	Convertible bonds 可換股債券 RMB'000 人民幣千元	Senior notes 優先票據 RMB'000 人民幣千元	Interest payables 應付利息 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	2,704,110	13,722	80,819	2,916,526	82,986	5,798,163
Changes from financing cash flows	融資現金流變動	160,229	(13,722)	–	(242,142)	(338,874)	(434,509)
Interest payables	應付利息	(134,412)	(15,580)	(4,800)	(217,529)	372,321	–
Interest expense (note 6)	利息開支 (附註6)	172,281	15,580	13,815	238,889	–	440,565
Acceleration of unwinding interest (note 6)	加速撥回利息 (附註6)	24,043	–	6,166	3,918	–	34,127
Foreign exchange loss, net	匯兌虧損淨額	17,777	–	–	–	–	17,777
Exchange realignment	匯兌調整	12,776	–	–	150,350	–	163,126
At 31 December 2018	於二零一八年十二月三十一日	2,956,804	–	96,000	2,850,012	116,433	6,019,249
At 1 January 2017	於二零一七年一月一日	2,918,270	144,949	719,216	771,003	36,173	4,589,611
Changes from financing cash flows	融資現金流變動	(207,880)	(131,227)	(828,000)	2,228,809	(283,043)	778,659
Interest payable	應付利息	(98,596)	(13,667)	(28,747)	(190,061)	331,071	–
Interest expense (note 6)	利息開支 (附註6)	144,444	13,667	233,577	221,572	–	613,260
Fair value change of conversion right (note 32)	轉換權公平值變動 (附註32)	–	–	(15,227)	–	–	(15,227)
Disposal of a subsidiary	出售附屬公司	–	–	–	–	(1,215)	(1,215)
Foreign exchange loss, net	匯兌虧損淨額	3,287	–	–	–	–	3,287
Exchange realignment	匯兌調整	(55,415)	–	–	(114,797)	–	(170,212)
At 31 December 2017	於二零一七年十二月三十一日	2,704,110	13,722	80,819	2,916,526	82,986	5,798,163

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

48. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2018

Financial assets

48. 按類別劃分的金融工具

各類金融工具於報告期末的賬面值如下：

二零一八年

金融資產

		Financial assets at fair value through profit or loss 按公平值計量 且其變動計入 損益的金融資產 RMB'000 人民幣千元	Financial assets at fair value through other comprehensive income 按公平值計量 且其變動計入 其他全面收益 的金融資產 RMB'000 人民幣千元	Financial assets at amortised cost 按攤銷成本 計量的 金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Equity investments designated at fair value through other comprehensive income	指定按公平值計量 且其變動計入 其他全面收益 的權益投資	—	5,657	—	5,657
Trade and bills receivables	應收貿易款項 及應收票據	—	26,925	3,362,551	3,389,476
Financial assets included in prepayments, deposits and other receivables	計入預付款項、 按金及其他 應收款項 之金融資產	—	—	527,435	527,435
Financial assets at fair value through profit or loss	按公平值計量 且其變動計入 其他全面收益 的金融資產	24,265	—	—	24,265
Pledged deposits	抵押存款	—	—	180,590	180,590
Cash and cash equivalents	現金及現金等價物	—	—	216,151	216,151
		24,265	32,582	4,286,727	4,343,574

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

48. FINANCIAL INSTRUMENTS BY CATEGORY
(Continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

2018 (Continued)

Financial liabilities

48. 按類別劃分的金融工具 (續)

各類金融工具於報告期末的賬面值如下：(續)

二零一八年 (續)

金融負債

		Financial liabilities at fair value through profit or loss upon initial recognition 初始確認時 按公平值 計入損益的 金融負債 RMB'000 人民幣千元	Financial liabilities at amortised cost 按攤銷成 本列賬的 金融負債 成本： RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills payables	應付貿易款項及應付票據	—	901,520	901,520
Financial liabilities included in other payables and accruals (note 29)	計入其他應付款項及 應計款項的金融負債 (附註29)	—	269,266	269,266
Convertible bonds (note 32)	可換股債券(附註32)	—	96,000	96,000
Senior notes (note 33)	優先票據(附註33)	—	2,850,012	2,850,012
Interest-bearing bank and other loans	附息銀行貸款 其他貸款	—	2,956,804	2,956,804
		—	7,073,602	7,073,602

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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48. FINANCIAL INSTRUMENTS BY CATEGORY
(Continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

2017

Financial assets

		Loans and receivables 貸款及應收款項 RMB'000 人民幣千元	Available-for-sale financial assets 可供出售金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Available-for-sale investments	可供出售投資	—	265,803	265,803
Trade and bills receivables	應收貿易款項及應收票據	3,751,855	—	3,751,855
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項之金融資產	709,620	—	709,620
Pledged deposits	抵押存款	487,022	—	487,022
Cash and cash equivalents	現金及現金等價物	1,202,423	—	1,202,423
		6,150,920	265,803	6,416,723

Financial liabilities

		Financial liabilities at fair value through profit or loss upon initial recognition 初始確認時按公平值計入損益的金融負債 RMB'000 人民幣千元	Financial liabilities at amortised cost 按攤銷成本列賬的金融負債 成本： RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills payables	應付貿易款項及應付票據	—	1,294,073	1,294,073
Financial liabilities included in other payables and accruals	計入其他應付款項及應計款項的金融負債	—	213,730	213,730
Convertible bonds	可換股債券	—	80,819	80,819
Senior notes	優先票據	—	2,916,526	2,916,526
Bank advances for discounted bills	貼現票據銀行貸款	—	13,722	13,722
Derivative financial instruments	衍生金融工具	34,005	—	34,005
Interest-bearing bank and other loans	附息銀行貸款及其他貸款	—	2,704,110	2,704,110
		34,005	7,222,980	7,256,985

48. 按類別劃分的金融工具 (續)

各類金融工具於報告期末的賬面值如下：

二零一七年

金融資產

金融負債

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31 December 2018 二零一八年十二月三十一日

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values due to short term to maturity, are as follows:

49. 金融工具的公平值及公平值等級

本集團金融工具(由於到期時間較短，賬面值與公平值合理相若者除外)的賬面值及公平值如下：

		Carrying amounts 賬面淨值		Fair values 公平值	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Financial assets	金融資產				
Pledged deposits, non-current portion	抵押存款 非流動部份	—	14,650	—	12,473
Equity investments designated at fair value, through other comprehensive income	指定按公平值計量 且其變動計入 其他全面收益 的權益投資	5,657	—	5,657	—
Financial assets at fair value through profit or loss	按公平值計量 且其變動計入損益 的金融資產	24,265	—	24,265	—
Available-for-sale debt investments	可供出售債務投資	—	235,737	—	235,737
		29,922	250,387	29,922	248,210
Financial liabilities	金融負債				
Convertible bonds	可換股債券	96,000	80,819	95,488	95,700
2018 HKD Senior Notes	二零一八年港元優先 票據	—	208,221	—	213,656
2018 USD Senior Notes	二零一八年美元優先 票據	1,065,583	1,030,807	N/A	1,041,029
2019 Senior Notes	二零一九年優先票據	1,784,429	1,677,498	990,360	1,693,608
Derivative financial instruments	衍生金融工具	—	34,005	—	34,005
Non-current portion of interest-bearing bank and other loans:	附息銀行貸款及 其他貸款 非流動部份：				
Bank loans	銀行貸款	—	1,261,329	—	1,238,987
Other loans	其他貸款	—	177,593	—	167,643
		2,946,012	4,470,272	1,085,848	4,484,628

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財務報表附註

31 December 2018 二零一八年十二月三十一日

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Management has assessed that the fair values of cash and cash equivalents, short term pledged deposits, trade and bills receivables, trade and bills payables, financial assets included in prepayments, deposits and other receivables, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The Group had entered into derivative financial instruments, such as interest rate swaps and cross-currency interest rate swaps, with the banks. The fair values of the interest rate swaps and cross-currency interest rate swaps were estimated by the independent professional valuer using the discounted cash flow method and the estimation included some assumptions not supported by observable market rates such as credit risk, discount rate and expected future cash flows. The carrying amounts of interest rate swaps and cross-currency interest rate swaps are the same as their fair values.

The fair value of the 2019 Convertible Bonds was valued by estimating the value of the whole bonds with and without the embedded derivatives using the binomial option pricing model. The model incorporates inputs including market price, discount rates and share price volatility. The value used for significant unobservable input is volatility of 36.17%.

The fair value of 2019 Senior Notes at 31 December 2018 was based on quoted market price (unadjusted) in over-the-counter market.

49. 金融工具的公平值及公平值等級 (續)

經管理層評估，現金及現金等價物、短期抵押存款、應收貿易款項及應收票據、應付貿易款項及應付票據、計入預付款項、訂金及其他應收款項的金融資產以及計入其他應付款項及應計款項的金融負債與其賬面值相若，主要是由於有關工具的到期時間較短。

金融資產及負債的公平值按自願各方之間當前交易（強制或清盤出售除外）中該工具可交換的價格列賬。

下列方法及假設用於估計公平值：

本集團已與銀行訂立衍生金融工具，如利率掉期及交叉貨幣利率掉期。利率掉期及交叉貨幣利率掉期的公平值由獨立專業估值師使用貼現現金流法估計，估計包括並無可觀察市場價格或費率支持的部分假設（如信貸風險、貼現率及預期未來現金流量），因此存在不確定性。利率掉期及交叉貨幣利率掉期的賬面值與彼等的公平值相同。

二零一九年可換股債券的公平值透過使用二項式期權定價模型估計整份債券附帶及不附帶嵌入式衍生工具時的價值而評估。該模型計入市價、貼現率及股價波幅等輸入數據。就重大不可觀察輸入數據使用的數值：波幅 36.17%。

二零一九年優先票據於二零一八年十二月三十一日的公平值乃根據場外市場的市場報價（未經調整）。

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49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The fair value of the financial assets at fair value through profit and loss relating to the life insurance contracts is based on the quoted price in a non-active market obtained from HSBC Life at the end of each reporting period.

The fair values of unlisted equity investments designated at fair value through other comprehensive income, which were previously classified as available-for-sale equity investments, have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and calculates an appropriate price-to-book ("P/B") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

For the fair value of the unlisted equity investments at fair value through other comprehensive income, which were previously classified as available-for-sale equity investments, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model and has quantified this as a reduction in fair value of approximately RMB447,000, using less favourable assumptions, and an increase in fair value of approximately RMB447,000, using more favourable assumptions.

49. 金融工具的公平值及公平值等級(續)

有關人壽保險合同的按公平值計量且其變動計入損益的金融資產的公平值乃根據於各報告期末自滙豐人壽取得的非活躍市場報價計算。

指定按公平值計量且其變動計入其他全面收益表的非上市股本投資的公平值(先前分類為可供出售股本投資)採用市場估值技術估算,該估值技術基於可觀察市場價格或比率不支持的假設。估值要求董事根據行業、規模、槓桿和策略確定可比較的上市公司(同業),並為每個可識別的可資比較公司計算適當的市淨率(「市淨率」)。通過將可資比較公司的企業價值除以盈利計量計算倍數。然後根據公司特定的事實和情況,考慮諸如非流動性和可資比較公司之間的規模差異等因素對交易倍數進行貼現。貼現倍數適用於非上市股本投資的相應盈利計量以計量公平值。董事認為,估值技術產生的估計公平值(記錄於綜合財務狀況表內)及公平值相關變動(記錄於其他全面收益表)屬合理,且其於報告期末的價值最為適當。

對於按公平值計量且其變動計入其他全面收益表的非上市股本投資的公平值(先前分類為可供出售股本投資),管理層已估計使用合理可能的替代數值作為估值模型的輸入值的潛在影響,使用較不利的假設量化其公平值減少約人民幣447,000元,及使用較有利的假設量化其公平值增加約人民幣447,000元。

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49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

49. 金融工具的公平值及公平值等級 (續)

公平值等級

下表說明本集團金融工具的公平值計量等級：

按公平值計量的資產：

		Fair value measurement using 使用以下各項計量公平值			Total 總計
		Quoted prices in active markets (Level 1) 活躍 市場報價 (第一層) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二層) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三層) RMB'000 人民幣千元	
As at 31 December 2018	於二零一八年 十二月三十一日				
Financial assets at fair value through profit and loss	按公平值計量且其 變動計入損益 的金融資產	—	24,265	—	24,265
Bills receivable	應收票據	—	26,925	—	26,925
Equity investments designated at fair value through other comprehensive income	指定按公平值計量 且其變動計入 其他全面收益的 權益投資	—	—	5,657	5,657
		—	51,190	5,657	56,847
As at 31 December 2017	於二零一七年 十二月三十一日				
Available-for-sale investments:	可供出售投資：				
Life insurance contracts	人壽保險合約	—	22,382	—	22,382
Wealth management products	理財產品	—	—	180,000	180,000
Asset management plan	資產管理計劃	—	—	33,355	33,355
		—	22,382	213,355	235,737

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49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

The movements in fair value measurements within Level 3 during the year are as follows:

		2018 二零一八年 RMB'000 人民幣千元
Equity investments at fair value through other comprehensive income: At 1 January	按公平值計量且其變動計入其他全面收益表的股本投資： 於一月一日	—
Effect of adoption of IFRS 9	關於採納國際財務報告準則第9號的影響	12,966
At 1 January (restated)	於一月一日(重列)	12,966
Total losses recognised in other comprehensive income	於其他全面收益表確認的虧損總額	(7,915)
Exchange realignment	匯兌調整	606
At 31 December	於十二月三十一日	5,657

Liabilities measured at fair value:

按公平值計量的負債：

		Fair value measurement using 使用以下各項計量公平值			Total 總計 RMB'000 人民幣千元
		Quoted prices in active markets (Level 1) 活躍 市場報價 (第一層) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二層) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三層) RMB'000 人民幣千元	
As at 31 December 2018	於二零一八年 十二月三十一日				
Derivative financial instruments	衍生金融工具	—	—	—	—
As at 31 December 2017	於二零一七年 十二月三十一日				
Derivative financial instruments	衍生金融工具	—	34,005	—	34,005

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49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

During the year ended 31 December 2018, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

Assets for which fair values are disclosed:

49. 金融工具的公平值及公平值等級 (續)

公平值等級 (續)

截至二零一八年十二月三十一日止年度，金融資產及金融負債的第一層與第二層之間並無公平值計量轉移，亦並無轉入或轉出第三層。

披露公平值的負債：

		Fair value measurement using 使用以下各項計量公平值			Total 總計
		Quoted prices in active markets (Level 1) 活躍 市場報價 (第一層) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二層) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三層) RMB'000 人民幣千元	
As at 31 December 2018	於二零一八年 十二月三十一日				
Pledged deposits, non-current portion	抵押存款，非流動部份	—	—	—	—
As at 31 December 2017	於二零一七年 十二月三十一日				
Pledged deposits, non-current portion	抵押存款，非流動部份	—	—	12,473	12,473

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49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Liabilities for which fair values are disclosed:

49. 金融工具的公平值及公平值等級 (續)

公平值等級 (續)

披露公平值的負債：

		Fair value measurement using 使用以下各項計量公平值			Total 總計
		Quoted prices in active markets (Level 1) 活躍 市場報價 (第一層) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二層) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三層) RMB'000 人民幣千元	
As at 31 December 2018	於二零一八年 十二月三十一日				
Convertible bonds	可換股債券				
– Liability component (note 32)	– 負債部份 (附註 32)	–	–	95,488	95,488
2019 Senior Notes (note 33)	二零一九年優先票據 (附註 33)	990,360	–	–	990,360
		990,360	–	95,488	1,085,848
As at 31 December 2017	於二零一七年 十二月三十一日				
Convertible bonds	可換股債券				
– Liability component (note 32)	– 負債部份 (附註 32)	–	–	95,700	95,700
2018 HKD Senior Notes (note 33)	二零一八年港元優 先票據 (附註 33)	–	–	213,656	213,656
2018 USD Senior Notes (note 33)	二零一八年美元優 先票據 (附註 33)	1,041,029	–	–	1,041,029
2019 Senior Notes (note 33)	二零一九年優先 票據 (附註 33)	1,693,608	–	–	1,693,608
Interest-bearing bank and other loans, non-current portion	付息銀行及其他貸 款，非流動部分	–	–	1,406,630	1,406,630
		App 8 - 384 2,734,637	–	1,715,986	4,450,623

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31 December 2018 二零一八年十二月三十一日

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other loans, derivative financial instruments, convertible bonds, senior notes and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, prepayments, deposits and other receivables, trade and bills payables, other payables and accruals, and bank advances for discounted bills, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The interest rates and terms of repayment of interest-bearing bank and other loans are disclosed in note 31.

The Group's exposure to the risk of changes in the market interest rates relates primarily to the Group's long term debt obligations with floating interest rates.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. At 31 December 2018, approximately 75.9% (2017: 79.0%) of the Group's interest-bearing bank and other loans bore interest at fixed rates.

50. 財務風險管理目的及政策

本集團的主要金融工具包括附息銀行及其他貸款、衍生金融工具、可換股債券、優先票據以及現金及現金等價物。該等金融工具的主要用途是為本集團的經營籌集資金。本集團還有各種其他金融資產及負債，例如營運過程中直接產生的應收貿易款項及應收票據、預付款項、訂金及其他應收款項、應付貿易款項及應付票據、其他應付款項及應計款項以及貼現票據銀行貸款。

本集團金融工具所產生之主要風險為利率風險、外幣風險、信貸風險及流動資金風險。董事會復核及商議管理各類風險的政策，有關政策概述如下。

利率風險

附息銀行及其他貸款的利率及償還期限於附註31披露。

本集團面臨主要與本集團浮息利率長期債務的市場利率變動風險。

本集團的政策是採用固定及浮息利率債務組合管理其利息成本。於二零一八年十二月三十一日，本集團計息銀行及其他貸款的約75.9%（二零一七年：79.0%）按固定利率計息。

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31 December 2018 二零一八年十二月三十一日

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest rate risk (Continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit/loss before tax (through the impact on floating rate loans).

50. 財務風險管理目的及政策 (續)

利率風險 (續)

下表顯示在所有其他變量保持不變情況下，本集團除稅前溢利（因浮息貸款的影響）的利率可能合理變動敏感度。

		Increase/ (decrease) in basis points 基點 增加／(減少)	Increase/ (decrease) in profit/loss before tax 除稅前溢利 增加／(減少) RMB'000 人民幣千元
2018	二零一八年		
Hong Kong dollar	港元	100	2,821
Hong Kong dollar	港元	(100)	(2,821)
United States dollar	美元	100	104
United States dollar	美元	(100)	(104)
2017	二零一七年		
Hong Kong dollar	港元	100	(3,324)
Hong Kong dollar	港元	(100)	3,324
United States dollar	美元	100	(2,360)
United States dollar	美元	(100)	2,360

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50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk

The Group's principal businesses are located in Mainland China and most of the transactions are conducted in RMB. Most of the Group's assets and liabilities are denominated in RMB, except for those of the overseas subsidiaries which functional currencies are currencies other than RMB and certain items of cash and cash equivalents that are denominated in HK\$, US\$ and other currencies.

If RMB strengthens/weakens against HK\$ as a reasonable possible change of 5%, the loss before tax of the Group will increase/decrease by approximately RMB13,697,000 (2017: the profit before tax of the Group will increase/decrease by approximately RMB65,034,000), due to changes in fair values of monetary assets and liabilities. The Group does not consider that it has any significant exposure to the risk of fluctuation in the exchange rate between US\$ and RMB as a reasonable possible change of 5% in RMB against US\$ would have no significant financial impact on the Group's loss.

Credit risk

The Group trades only with recognised and creditworthy third parties and its associates. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

50. 財務風險管理目的及政策 (續)

外幣風險

本集團主要業務位於中國大陸，大部分交易以人民幣進行。本集團大部分資產及負債以人民幣計值，惟境外附屬公司的功能貨幣並非人民幣及若干現金及現金等價物以港元、美元及其他貨幣計值。

倘人民幣兌港元按可能合理變動5%升值／貶值，則本集團的除稅前溢利將因貨幣資產及負債的公平值變動增加／減少約人民幣13,697,000元(二零一七年：增加／減少65,034,000元)。由於人民幣兌美元的匯率的可能合理變動5%不會對本集團溢利造成重大財務影響，故本集團認為其並無因美元及人民幣之間的匯率波動而面臨任何重大風險。

信貸風險

本集團僅與獲認可及享有信譽的第三方人士及其聯繫人交易。本集團的政策是，所有擬按信用條款交易的客戶須經過信用驗證程序。此外，應收款項餘額均持續監控，而本集團所承受的壞賬風險並不重大。

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31 December 2018 二零一八年十二月三十一日

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Maximum exposure and year-end staging as at 31 December 2018

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2018. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk.

		12-month ECLs 十二個月預期 信貸虧損		Lifetime ECLs 全期預期信貸虧損		Simplified approach 簡化法	Total 總計
		Stage 1 第1階段 RMB'000 人民幣千元	Stage 2 第2階段 RMB'000 人民幣千元	Stage 3 第3階段 RMB'000 人民幣千元		RMB'000 人民幣千元	RMB'000 人民幣千元
Contract assets*	合同資產*	–	–	–	2,119,517	2,119,517	
Trade receivables*	應收貿易款項*	–	–	–	3,362,551	3,362,551	
Bills receivable	應收票據	26,925	–	–	–	26,925	
Financial assets included in prepayments, other receivables and other assets	計入預付款項、 其他應收款項及 其他資產的金融資產						
– Normal**	– 正常**	439,892	–	–	–	439,892	
– Doubtful**	– 可疑**	–	87,543	–	–	87,543	
Pledged deposits	抵押存款						
– Not yet past due	– 未逾期	180,590	–	–	–	180,590	
Cash and cash equivalents	現金及現金等價物						
– Not yet past due	– 未逾期	216,151	–	–	–	216,151	
		863,558	87,543	–	5,482,068	6,433,169	

* For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 25 and 24 to the financial statements, respectively.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

50. 財務風險管理目的及政策 (續)

於二零一八年十二月三十一日的最大敞口及年末階段

下表顯示了於二零一八年十二月三十一日基於本集團信貸政策（主要基於逾期資料，除非其他資料在無需過度費用或努力情況下可用）的信貸質素和信貸風險最大敞口，以及年末階段分類。所列金額為金融資產的賬面值總額及信貸風險敞口。

* 關於本集團就減值採用簡化法的應收貿易款項及合同資產，基於撥備矩陣的資料分別披露於財務報表附註25及24。

** 計入預付款項、其他應收款項及其他資產的金融資產的信貸質素在未逾期且沒有信息表明金融資產自初始確認以來信貸風險顯著上升時被視為「正常」。否則，金融資產的信貸質素被認為「可疑」。

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31 December 2018 二零一八年十二月三十一日

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Maximum exposure as at 31 December 2017

The carrying amounts of cash and cash equivalents, pledged deposits, trade and other receivables, and other financial assets represent the Group's maximum exposure to credit risk in relation to financial assets. Substantially all of the Group's cash and cash equivalents are held in major financial institutions located in Mainland China, which management believes are of high credit quality.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The liquidity of the Group is primarily dependent on its ability to maintain a balance between continuity of funding and flexibility through the settlement from customers and the payment to vendors.

50. 財務風險管理目的及政策 (續)

於二零一七年十二月三十一日的最大敞口

現金及現金等價物、抵押存款、貿易及其他應收款項以及其他金融資產的賬面值代表本集團所承受與金融資產有關的最高信貸風險。本集團絕大多數現金及現金等價物由管理層認為具有高信貸質素的中國大陸大型金融機構持有。

由於本集團僅與信譽良好的認可第三方進行交易，因此不需要抵押品。信用風險分客戶管理。由於本集團應收貿易款項的客戶群廣泛分散於各行各業，故本集團並無重大信貸集中風險。

流動資金風險

本集團運用循環流動資金計劃工具監察其資金短缺的風險。該工具計及其金融工具及金融資產(例如應收貿易款項)的到期日以及預計經營業務現金流量等因素。

本集團的流動資金主要取決於在資金持續性及其透過客戶付款與付款予供應商兩者的靈活性之間取得平衡的能力。

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50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

		On demand 按要求 RMB'000	Less than 3 months 少於三個月 RMB'000	3 to less than 12 months 三至少於 十二個月 RMB'000	1 to 5 years 一至五年 RMB'000	Beyond 5 years 五年以上 RMB'000	Total 總計 RMB'000
2018	二零一八年						
Convertible bonds *	可換股債券 *	–	513	98,380	–	–	98,893
Senior notes	優先票據	1,207,028	1,658,262	–	–	–	2,865,290
Interest-bearing bank and other loans	附息銀行及其他貸款	106,567	220,344	1,128,725	1,172,192	851,205	3,479,033
Trade and bills payables	應付貿易款項及 應付票據	227,233	113,835	560,452	–	–	901,520
Financial liabilities included in other payables and accruals	計入其他應付款項 及應計費用的 金融負債	269,266	–	–	–	–	269,266
		1,810,094	1,992,954	1,787,557	1,172,192	851,205	7,614,002
		On demand RMB'000	Less than 3 months RMB'000	3 to less than 12 months RMB'000	1 to 5 years RMB'000	Beyond 5 years RMB'000	Total RMB'000
2017	二零一七年						
Convertible bonds *	可換股債券 *	–	2,400	2,400	100,800	–	105,600
Senior notes	優先票據	–	278,217	102,816	2,847,180	–	3,228,213
Interest-bearing bank and other loans	附息銀行及其他貸款	40,921	326,305	1,015,954	995,794	859,585	3,238,559
Trade and bills payables	應付貿易款項及 應付票據	147,734	364,544	781,795	–	–	1,294,073
Financial liabilities included in other payables and accruals	計入其他應付款項 及應計費用的 金融負債	229,106	–	–	–	–	229,106
		417,761	971,466	1,902,965	3,943,774	859,585	8,095,551

* Conversion rights of the convertible bonds are not included in the table above as they will be settled through issuance of own shares.

50. 財務風險管理目的及政策 (續)

流動資金風險 (續)

於報告期末，基於已訂約但未貼現的付款，本集團之金融負債到期情況如下：

* 可換股債券的轉換權並無計入上表，原因是其將透過發行自身股份而結算。

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50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

However, for interest-bearing bank and other loans containing a repayment on demand clauses, if the lenders were to invoke their unconditional rights to call the loans with immediate effect, RMB2,810,335,000 of which will be on demand for repayment immediately, excluding interest payment.

For 2019 Senior Notes of RMB1,647,168,000 and convertible bonds of RMB96,000,000, if the holders were to invoke their unconditional rights to call them with immediate effect, they will be on demand for repayment immediately, excluding interest payment.

Capital management

The Group's objectives of its capital management are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for the shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing services and products commensurately with the level of risk.

The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises trade and bills payables, bank advances for discounted bills, interest-bearing bank and other loans, other payables and accruals, senior notes and tax payable, less cash and cash equivalents and pledged deposits. Adjusted capital includes the liability component of convertible bonds and equity attributable to owners of the Company.

50. 財務風險管理目的及政策 (續)

流動資金風險(續)

但是，對於計息銀行和其他貸款（包含按要償還條款），如果出借人行使其無條件權利，催促貸款即時生效，其中人民幣2,810,335,000元需立即按要償還，不包括利息支付。

對於人民幣1,647,168,000元的二零一九年優先票據和人民幣96,000,000元的二零一九年可換股債券，如果持有人行使其無條件權利催促其還款，則其需立即按要償還，不包括利息支付。

資本管理

本集團的資本管理目標是保全本集團持續經營的能力，以致其可繼續為股東提供回報並為其他利益相關者提供福利，並通過與風險水平相當的服務及產品的定價向股東提供足夠回報。

本集團按風險比例制訂資本金額。本集團管理其資本結構並根據經濟狀況變動及相關資產的風險特點加以調整。為了維持或調整資本結構，本集團可調整已付股東的股息金額，向股東退還資本，發行新股或出售資產以減債。

本集團以槓桿比率監控資本，該比率為淨債務除以總權益加淨債務。淨債務包括應付貿易款項及應付票據、貼現票據、銀行貸款、附息銀行及其他貸款、其他應付款項及應計款項、優先票據及應付稅項，減去現金及現金等價物及抵押存款。經調整資本包括可換股債券負債部分及本公司擁有人應佔權益。

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財務報表附註

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50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management (Continued)

The Group's strategy is to maintain the gearing ratio at a healthy capital level in order to support its businesses. The principal strategies adopted by the Group include, but are not limited to, reviewing future cash flow requirements and the ability to meet debt repayment schedules when they fall due, maintaining a reasonable level of available banking facilities and adjusting investment plans and financing plans, if necessary, to ensure that the Group has a reasonable level of capital to support its business. The gearing ratios as at the end of the reporting periods were as follows:

50. 財務風險管理目的及政策 (續)

資本管理 (續)

本集團的策略是保持槓桿比率在穩健的資本水平，以支持其業務。本集團採取的主要策略包括但不限於審閱未來現金流量要求和支付到期債務的能力，保持可用銀行融資在合理水平及調整投資計劃和融資計劃(如需要)，以確保本集團擁有合理水平的資本支持其業務。於報告期末的槓桿比率如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade and bills payables	應付貿易款項及應付票據	901,520	1,294,073
Bank advances for discounted bills	貼現票據之銀行貸款	—	13,722
Interest-bearing bank and other loans	付息銀行及其他貸款	2,956,804	2,704,110
Other payables and accruals	其他應付款項及應計款項	449,257	549,511
Senior notes	優先票據	2,850,012	2,916,526
Tax payable	應付所得稅	20,317	40,741
Less: cash and cash equivalents	減：現金及現金等價物	(216,151)	(1,202,423)
Less: pledged deposits	減：抵押存款	(180,590)	(487,022)
Net debt (A)	淨債務 (A)	6,781,169	5,829,238
Convertible bonds, the liability component	可換股債券，負債部分	96,000	80,819
Equity attributable to owners of the Company	本公司擁有人應佔權益	3,590,891	4,401,538
Adjusted capital	經調整資本	3,686,891	4,482,357
Capital and net debt (B)	資本及淨債務 (B)	10,468,060	10,311,595
Gearing ratio (A/B)	槓桿比率 (A/B)	65%	57%

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51. EVENTS AFTER THE REPORTING PERIOD

(1) The Subscription

As set out in note 2.1, the Company has entered into a subscription agreement with the Subscriber. Pursuant to the subscription agreement, the Company has conditionally agreed to allot and issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for, at completion, 1,687,008,585 subscription shares at the subscription price of HK\$0.92 per subscription share. The net proceeds, after taking into account the estimated expenses in relation to the Subscription, would be approximately HK\$1,529,048,000 (equivalent to approximately RMB1,339,751,000).

The 1,687,008,585 subscription shares represent (i) approximately 202.26% of the issued share capital of the Company as at the date of the joint announcement issued by the Group on 5 June 2019; (ii) approximately 66.92% of the issued share capital of the Company as enlarged by the allotment and issuance of the subscription shares; (iii) and approximately 65.86% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares and the exercise in full of all the outstanding share options and conversion rights under the 2019 Convertible Bonds. For more details, please refer to the announcement made by the Company published on 5 June 2019.

(2) Restructuring of the Debt Securities

As set out in note 2.1, that approximately 98.39% of the bondholders supported the Company and entered into the RSAs on 9 August 2019.

51. 報告期後事項

(1) 認購事項

如附註2.1所述，本公司已與認購人訂立認購協議。根據認購協議，本公司已有條件同意向認購人配發及發行，而認購方已有條件同意按認購價每股認購股份0.92港元認購1,687,008,585股認購股份。經計及有關認購事項的估計開支後，所得款項淨額將約為1,529,048,000港元（相當於約人民幣1,339,751,000元）。

1,687,008,585股認購股份佔(i)於本集團在二零一九年六月五日發出的聯合公告日期本公司已發行股本約202.26%；(ii)經配發及發行認購股份擴大後本公司已發行股本約66.92%；(iii)經配發及發行認購股份及悉數行使二零一九年可換股債券項下所有尚未行使購股權及轉換權擴大後本公司已發行股本約65.86%有關詳情，請參閱本公司於二零一九年六月五日刊發的公告。

(2) 債務證券重組

如附註2.1所述，約98.39%債券持有人支持本公司並於二零一九年八月九日訂立重組支持協議。

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51. EVENTS AFTER THE REPORTING PERIOD (Continued)

(3) Pledge shares of Singyes New Materials

On 24 May 2019, the Group pledged 324,324,325 shares of Singyes New Materials, representing approximately 62.4% of the total issued share capital of Singyes New Materials and 100% of the shares of which held by the Group, to a independent third party, to obtain a loan amounting to US\$12,000,000 (equivalent to approximately RMB82,914,000) at interest rate of 15% per annum. The loan was due in 12 months, in which Mr. Liu Hongwei and Strong Eagle act as the guarantor.

(4) Winding up petition

On 8 August 2019, the Company received a winding up petition filed by a bank with the Hong Kong Court against the Company for the compensation of breach of banking facility agreements (note 34 (1)).

51. 報告期後事項 (續)

(3) 質押興業新材料的股份

於二零一九年五月二十四日，本集團質押324,324,325股興業新材料股份（約佔興業新材料已發行股本總額的62.4%及為本集團持有其之全部股份）予一名獨立第三方，以取得12,000,000美元（相當於約人民幣82,914,000元）貸款，年利率為15%。貸款期限為十二個月，其中劉紅維先生和Strong Eagle為擔保人。

(4) 清盤呈請

於二零一九年八月八日，本公司收到銀行向香港法院提出的清盤呈請，要求本公司就違反銀行融資協議作出賠償（附註34（1））。

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財務報表附註

31 December 2018 二零一八年十二月三十一日

52. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

52. 本公司的財務狀況表

於報告期末，有關本公司的財務狀況表資料如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	17,027	17,819
Amounts due from subsidiaries	應收附屬公司款項	2,836,360	3,464,241
Investments in subsidiaries	於附屬公司投資	41,818	34,898
Financial assets at fair value through profit or loss	按公平值計量且其變動計入損益的金融資產	24,265	—
Equity investment designed at fair value through other comprehensive income	指定按公平值計量且其變動計入其他全面收益的權益投資	5,272	—
Available-for-sale investments	可供出售投資	—	34,968
Total non-current assets	非流動資產總值	2,924,742	3,551,926
CURRENT ASSETS	流動資產		
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項	—	650
Pledged deposits	已抵押存款	70,961	67,532
Cash and cash equivalents	現金及現金等價物	5,550	86,644
Total current assets	流動資產總值	76,511	154,826
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計款項	114,395	82,207
Provision	撥備	79,512	—
Interest-bearing bank loans	付息銀行貸款	187,073	390,918
Amounts due to subsidiaries	應付附屬公司款項	9,420	44,325
Derivative financial instruments	衍生金融工具	—	34,005
Convertible bonds	可換股債券	96,000	—
Senior notes	優先票據	2,850,012	1,239,028
Total current liabilities	流動負債總額	3,336,412	1,790,483
NET CURRENT LIABILITIES	流動負債淨額	(3,259,901)	(1,635,657)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債	(335,159)	1,916,269
NON-CURRENT LIABILITIES	非流動負債		
Convertible bonds	可換股債券	—	80,819
Interest-bearing bank loans	付息銀行貸款	—	94,817
Senior notes	優先票據	—	1,677,498
Total non-current liabilities	非流動負債總額	—	1,853,134
Net assets/(liabilities)	資產淨值	(335,159)	63,135
EQUITY	權益		
Issued capital	已發行股本	55,785	55,785
Reserves (note)	儲備(附註)	(390,944)	7,350
Total equity/(deficit)	權益/(赤字)總額	(335,159)	63,135

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52. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

52. 本公司的財務狀況表 (續)

Note:

附註：

A summary of the Company's reserves is as follows:

本公司的儲備概要如下：

		Share Premium account 股份 溢價賬 RMB'000 人民幣千元	Available- for-sale investment revaluation/ fair value reserve 出售投資 重估儲備 RMB'000 人民幣千元	Contributed surplus 繳入盈餘 RMB'000 人民幣千元	Share option reserve 購股權儲備 RMB'000 人民幣千元	Exchange fluctuation reserve 匯兌 波動儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年 一月一日	876,818	(5,228)	3,588	45,828	46,791	(256,971)	710,826
Loss for the year	本年度虧損	—	—	—	—	—	(643,370)	(643,370)
Change in fair value of available-for-sale investments, net of tax	供出售投資公 平值變動， 扣除稅項	—	1,527	—	—	—	—	1,527
Other comprehensive income	其他全面收益	—	—	—	—	(25,098)	—	(25,098)
Total comprehensive income for the year	本年度全面 收益總額	—	1,527	—	—	(25,098)	(643,370)	(666,941)
Transfer to contributed surplus	轉移至繳入 盈餘	(80,000)	—	80,000	—	—	—	—
Equity-settled share option arrangements	股本結算購 股權安排	—	—	—	14,140	—	—	14,140
2016 final dividend declared	已宣派二零一六年 末期股息	—	—	(50,675)	—	—	—	(50,675)
At 31 December 2017	於二零一七年 十二月三十一日	796,818	(3,701)	32,913	59,968	21,693	(900,341)	7,350

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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52. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note: (Continued)

A summary of the Company's reserves is as follows: (Continued)

		Share Premium account 股份 溢價賬 RMB'000 人民幣千元	Available- for-sale investment revaluation/ fair value reserve 出售投資 重估儲備 RMB'000 人民幣千元	Contributed surplus 繳入盈餘 RMB'000 人民幣千元	Share option reserve 購股權儲備 RMB'000 人民幣千元	Exchange fluctuation reserve 匯兌 波動儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年 一月一日	796,818	(3,701)	32,913	59,968	21,693	(900,341)	7,350
Effect of adoption of IFRS 9	採納國際財務報告 準則第9號的影響	-	3,701	-	-	-	(3,701)	-
Restated balance at 1 January 2018	於二零一八年 一月一日重列結餘	796,818	-	32,913	59,968	21,693	(904,042)	7,350
Loss for the year	本年度虧損	-	-	-	-	-	(364,746)	(364,746)
Change in fair value of equity instruments at fair value through other comprehensive income, net of tax	按公平值計量 且其變動計入其他 全面收益的權益工具 的公平值變動， 扣除稅項	-	(7,915)	-	-	-	-	(7,915)
Other comprehensive income	其他全面收益	-	-	-	-	(13,115)	-	(13,115)
Total comprehensive income for the year	本年度全面 收益總額	-	(7,915)	-	-	(13,115)	(364,746)	(385,776)
Equity-settled share option arrangements	股本結算購 股權安排	-	-	-	8,398	-	-	8,398
2017 final dividend declared	已宣派二零一七年 末期股息	-	-	(20,916)	-	-	-	(20,916)
At 31 December 2018	於二零一八年 十二月三十一日	796,818	(7,915)	11,997	68,366	8,578	(1,268,788)	(390,944)

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

52. 本公司的財務狀況表 (續)

附註：(續)

本公司的儲備概要如下：(續)

購股權儲備包括已授出但尚未行使的購股權的公平值，進一步闡述見財務報表附註2.4有關以股份為基礎的支付的會計政策。該款項將於相關期權獲行使時轉撥至股份溢價賬，或倘相關購股權屆滿或被沒收，則轉撥至保留溢利。

53. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 16 August 2019.

53. 批准財務報表

財務報表於二零一九年八月十六日獲董事會批准及授權刊發。

興業太陽能 引領低碳經濟

<http://www.singyessolar.com>



中國興業太陽能技術控股有限公司
China Singyes Solar Technologies Holdings Limited

Stock Code 港股代碼：750



2017 年度報告

ANNUAL REPORT

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Hongwei (*Chairman*)
 Mr. Sun Jinli (resigned on 20 July 2017)
 Mr. Xie Wen
 Mr. Xiong Shi (appointed on 1 December 2017)

Non-executive Directors

Mr. Li Huizhong (resigned on 5 June 2017)
 Mr. Cao Zhirong
 Dr. Li Hong (appointed on 5 June 2017)

Independent Non-executive Directors

Dr. Wang Ching
 Mr. Yick Wing Fat, Simon
 Mr. Cheng Jinshu (resigned on 5 June 2017)
 Dr. Zhong Jishou (appointed on 5 June 2017
 and resigned on 18 April 2018)
 Dr. Tan Hongwei (appointed on 18 April 2018)

COMPANY SECRETARY

Mr. Yu Chon Man (*CPA, FCCA*)

AUTHORIZED REPRESENTATIVES

Mr. Liu Hongwei
 Mr. Yu Chon Man (*CPA, FCCA*)

AUDIT COMMITTEE

Mr. Yick Wing Fat, Simon (*Chairman*)
 Dr. Wang Ching
 Mr. Cheng Jinshu

REMUNERATION COMMITTEE

Dr. Tan Hongwei (*Chairman*)
 Mr. Xiong Shi
 Mr. Liu Hongwei
 Dr. Wang Ching
 Mr. Yick Wing Fat, Simon

NOMINATION COMMITTEE

Mr. Liu Hongwei (*Chairman*)
 Mr. Xie Wen
 Dr. Wang Ching
 Mr. Yick Wing Fat, Simon
 Dr. Tan Hongwei

LEGAL ADVISOR

Jeffrey Mak Law Firm
 1309-10, 13/F., Prince's Building,
 10 Chater Road, Central,
 Hong Kong

董事會

執行董事

劉紅維先生(*主席*)
 孫金禮先生(於二零一七年七月二十日辭任)
 謝文先生
 熊湜先生(於二零一七年十二月一日獲委任)

非執行董事

李會忠先生(於二零一七年六月五日辭任)
 曹志榮先生
 李宏博士(於二零一七年六月五日獲委任)

獨立非執行董事

王京博士
 易永發先生
 程金樹先生(於二零一七年六月五日辭任)
 仲繼壽博士(於二零一七年六月五日獲委任
 並於二零一八年四月十八日辭任)
 譚洪衛博士(於二零一八年四月十八日獲委任)

公司秘書

余俊敏先生(*CPA, FCCA*)

授權代表

劉紅維先生
 余俊敏先生(*CPA, FCCA*)

審核委員會

易永發先生(*主席*)
 王京博士
 程金樹先生

薪酬委員會

譚洪衛博士(*主席*)
 熊湜先生
 劉紅維先生
 王京博士
 易永發先生

提名委員會

劉紅維先生(*主席*)
 謝文先生
 王京博士
 易永發先生
 譚洪衛博士

法律顧問

麥振興律師事務所
 香港
 中環遮打道10號
 太子大廈13樓1309-10室

CORPORATE INFORMATION

公司資料

AUDITOR

Ernst & Young
22nd Floor, CITIC Tower
1 Tim Mei Avenue, Central
Hong Kong

PRINCIPAL BANKERS

Agricultural Bank of China, Zhuhai Branch
Industrial and Commercial Bank of China Limited,
Zhuhai Branch
Ping An Bank Co., Ltd, Zhuhai Branch
Bank of Communications Co., Ltd, Zhuhai Branch
The Hong Kong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China (Asia) Limited
Hang Seng Bank Limited
Fubon Bank (Hong Kong) Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3108, 31/F
China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke, HM08
Bermuda

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

CORPORATE WEBSITE

www.singyessolar.com

STOCK CODE

750

核數師

安永會計師事務所
香港
中環添美道1號
中信大廈22樓

主要往來銀行

中國農業銀行珠海分行
中國工商銀行股份有限公司
珠海分行
平安銀行股份有限公司珠海分行
交通銀行股份有限公司珠海分行
香港上海滙豐銀行有限公司
中國工商銀行(亞洲)有限公司
恒生銀行有限公司
富邦銀行(香港)有限公司

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

香港總辦事處及主要經營地點

香港
干諾道中168-200號
信德中心
招商局大廈
31樓3108室

股份過戶登記總處

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke, HM08
Bermuda

股份過戶登記處香港分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

企業網站

www.singyessolar.com

股份代號

750

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

(For the year ended 31 December) (截至十二月三十一日止年度)

FIVE-YEAR FINANCIAL SUMMARY

RMB'000

五年財務摘要

人民幣千元

		2013 二零一三年	2014 二零一四年	2015 二零一五年	2016 二零一六年	2017 二零一七年
Revenue	收入	4,150,509	5,011,426	4,182,049	5,239,564	5,675,386
Gross profit	毛利	988,400	1,049,024	884,383	1,134,710	1,138,857
Profit before tax	除稅前溢利	626,506	698,913	447,370	626,922	270,378
Profit attributable to owners of the Company	本公司擁有人 應佔溢利	490,587	584,269	355,986	501,961	143,797
Basic earnings per share (RMB)*	每股基本盈利(人民幣)*	0.748	0.838	0.509	0.661	0.172
Diluted earnings per share (RMB)*	每股攤薄盈利(人民幣)*	0.733	0.684	0.374	0.659	0.172
Non-current assets	非流動資產	2,834,179	3,792,168	4,045,360	4,788,195	4,699,411
Current assets	流動資產	3,466,554	4,416,582	5,606,612	6,206,336	7,675,517
Non-current liabilities	非流動負債	1,323,185	2,276,903	3,610,834	3,064,308	3,448,327
Current liabilities	流動負債	2,378,436	2,791,255	2,540,015	3,725,973	4,436,268
Net assets	資產淨值	2,599,112	3,140,592	3,501,123	4,204,250	4,490,333

* The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share for the years 2013 to 2015 have been adjusted and restated for the rights issue on the basis of one rights share for every five existing shares held by shareholders of the Company at the price of HK\$2.60 per share.

* 二零一三至二零一五年每股基本及攤薄盈利的普通股加權平均數已因本公司股東以每股2.60港元之價格按每持有五股現有股份可獲發一股供股股份之基準供股而進行調整及重列。

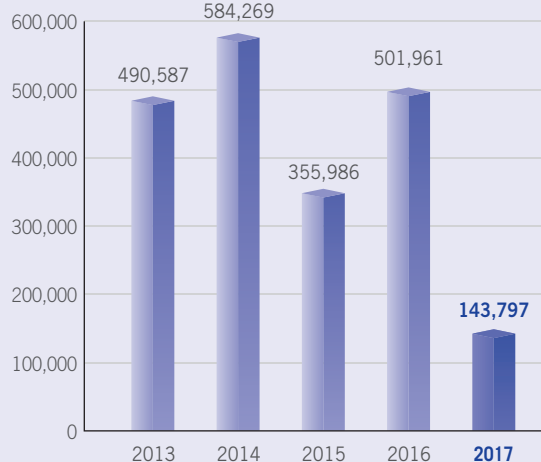
REVENUE 收入

RMB'000
人民幣千元



PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY 本公司擁有人應佔溢利

RMB'000
人民幣千元



CHAIRMAN'S STATEMENT

主席報告

On behalf of the Board, I am pleased to present China Singyes Solar Technologies Holdings Limited annual results for the year ended 31 December 2017.

For the year ended 31 December 2017, the overall business of the Group continued to grow. The revenue (included tariff adjustment) was RMB 5,675,386,000, representing a year-on-year increase of 8.3%. The Board recommended the distribution of a final dividend of HK\$0.03 per share.

RENEWABLE ENERGY BUSINESS

As a major business of the Group, the revenue of renewable energy business increased by 10.9 %, accounting for 62.1% of the total revenue of the Group, of which EPC revenue increased significantly by 16.3% to RMB2,588,200,000. In the year 2017, the Group has participated in the photovoltaic poverty alleviation project in Shanxi, Hubei and Zhejiang.

As at 31 December 2017, the Group owned 463 MW photovoltaic power station projects. The sale of electricity, including tariff adjustment, increased by 74.6% to RMB 282,068,000.

CURTAIN WALL AND GREEN BUILDING BUSINESS

The revenue of curtain wall and green building business increased by 6.5% to RMB2,101,300,000. In 2017, the Group participated in a series of influential public construction, including Beijing New Airport, Hong Kong Xiqu Center, Hong Kong-Zhuhai-Macao Bridge, Hong Kong and Macao Frontier Port. With the help of the professional platform of US-China Clean Energy Research Center, the Group was widely recognized in the green building industry, and participated in formulating numerous international and domestic industrial standards.

本人謹代表董事會，欣然提呈本集團截至二零一七年十二月三十一日止之全年業績。

截至二零一七年十二月三十一日止，本集團整體業務繼續保持增長。收入（包括電價補貼）為人民幣5,675,386,000元，同比增長8.3%。董事會建議派發末期股息為每股0.03港元。

可再生能源業務

作為本集團的重點業務，可再生能源業務收入增長10.9%，在總收入中佔比62.1%，其中EPC收入大幅上升16.3%達到人民幣2,588,200,000元。二零一七年度，集團在陝西、湖北、浙江等地參與光伏扶貧項目。

截至二零一七年十二月三十一日，本集團擁有463MW光伏電站項目，電力銷售（含電費補貼）增長74.6%至人民幣282,068,000元。

幕牆及綠色建築業務

幕牆及綠色建築業務收入上升6.5%至人民幣2,101,300,000元。2017年度本集團承建了北京新機場、香港戲曲中心、港珠澳大橋香港及澳門邊檢大樓等一批具影響力的公共工程。借助中美清潔能源聯合研究中心的專業平台，本集團在國內外綠色建築領域獲得廣泛認可，參與制定了多項國際、國內行業標準。

CHAIRMAN'S STATEMENT

主席報告

OVERSEAS MARKET

The Group's overseas revenue continued to grow, which increased 8.3% to RMB 542,989,000, and its proportion in total revenue raised to 9.6%. The overseas market development throughout the years has gained great effect; with newly added regions such as Oceania, Africa and the United States contributed the overseas annual revenue apart from Hong Kong, Macao and Malaysia. The export volume of curtain wall products has reached the industry-leading level, and obtained higher market share in the Oceania region. The promotion of intellectual micro-grid has become a proactive demonstration in South Pacific.

In addition, the Group has successfully applied spin-off and listing of new materials business on the GEM of the Stock Exchange, dedicating to become the leading position in the industry of intellectual light-adjusting product service provider.

FUTURE PLANS

The Group will focus on increasing the advantage in the technology of green building industry, striving to be the leader in green building industry. We will keep our advantages on photovoltaic system integration, and proactively develop operation and maintenance of power station business, in order to provide full range of services, that is development, construction, and operation and maintenance of power station, to our customers. We will also consolidate the overseas market, and do our utmost to become the largest curtain wall processed products manufacturer in the world. Standing at the starting point of the new era, the Group will uphold the business development strategy of "Light Assets" and enterprise development philosophy of "Learning, Innovating and Developing", in a bid to contribute to the "building of comprehensive green and low carbon economic system", providing services with quality and professionalism to customers worldwide.

海外市場

本集團海外收入持續增長8.3%至人民幣542,989,000元，在總收入的比重上升至9.6%。多年的海外市場拓展已取得成效，本年度的海外收入貢獻除來自香港、澳門、馬來西亞等區域外，增加了大洋洲、非洲和美國等地區。幕牆產品出口量已達到行業領先，並在大洋洲地區獲得了較高的市場份額。智能微電網在南太平洋的推廣將起到積極的示範作用。

此外，本集團成功分拆新材料業務於香港GEM上市，致力打造行業領先的智能調光產品方案提供商。

未來規劃

本集團將專注提升綠色建築領域技術優勢，努力做綠色建築領域的領航者；保持在光伏系統集成領域的特長，積極開拓電站運維業務，為客戶提供電站開發、建設及運維的全週期服務；鞏固海外市場，力爭成為全球最大的幕牆產品加工製造企業。站在新時代新起點上，本集團將繼續堅持「輕資產」的業務發展策略和「學習、創新、發展」的企業發展理念，為「建立健全綠色低碳循環發展的經濟體系」做出貢獻，為全球客戶提供優質專業服務。

CORPORATE GOVERNANCE REPORT

企業管治報告

OVERVIEW

The directors of the Company (the “Directors”) recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Company and its subsidiaries (the “Group”) so as to achieve effective accountability. This report outlines the principles and the code provisions of the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The Directors consider that, for the year ended 31 December 2017, the Company has applied the principles and complied with all the applicable code provisions set out in the Code, except for the deviation from paragraph A.2.1 of the Code as described below in the section “Chairman and Chief Executive Officer” on page 13.

In accordance with the requirements of the Listing Rules, the Company has established an audit committee in compliance with paragraph C.3 of the Code to oversee the financial reporting system and internal control procedures of the Group so as to ensure compliance with the Listing Rules. It has also established a nomination committee and a remuneration committee with defined terms of reference.

The Directors are committed to upholding the corporate governance practices of the Company to ensure formal and transparent procedures are in place to protect and maximize the interests of the shareholders of the Company (the “Shareholders”).

Set out below is a detailed discussion of the corporate governance practices adopted and observed by the Company from the listing date up to the date of this report (the “Review Period”).

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as the standard for securities transactions by Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding directors’ securities transactions throughout the year.

概覽

本公司董事(「董事」)明白到在本公司及其附屬公司(「本集團」)管理架構及內部監控程序內引入良好企業管治元素的重要性，藉以達致有效的問責性。本報告概述了香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載之企業管治常規守則(「守則」)之原則及守則條文。董事認為，截至二零一七年十二月三十一日止年度，本公司已採用該等準則並遵守守則所載所有適用守則條文，惟於下文第13頁的「主席與行政總裁」部份中所述就守則第A.2.1條有所偏離的情況除外。

根據上市規則的規定，本公司已根據守則第C.3條成立審核委員會，負責監督本集團的財務報告系統及內部監控程序，確保遵守上市規則。本公司亦成立了提名委員會及薪酬委員會，該等委員會均具有界定的職權範圍。

董事致力維持本公司之企業管治常規，確保具有正式及具透明度的程序保障及盡量提升本公司股東(「股東」)的權益。

下文載列本公司由上市日期至本報告日期(「回顧期間」)所採納及遵守的企業管治常規之詳細討論。

遵守董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則(「標準守則」)，作為董事進行證券交易的準則。本公司已向全體董事作出具體查詢，全體董事確認，於年度內，彼等均已符合標準守則及其有關董事進行證券交易操守守則規定的準則。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD OF DIRECTORS

The board of Directors (the “Board”) takes responsibility to oversee all major matters of the Company, including the formulation and approval of overall business strategies, internal control and risk management systems, and supervising and monitoring the performance of the senior management who are delegated with the authority and responsibility for day-to-day management and operation of the Company. The Directors have the responsibility to act objectively in the interests of the Company.

Currently, the Board comprises eight Directors, including three executive Directors, namely, Mr. LIU Hongwei, who is also the Chairman of the Company, Mr. XIE Wen and Mr. Xiong Shi, two non-executive Directors, namely, Mr. CAO Zhirong and Dr. Li Hong and three independent non-executive Directors, namely, Mr. YICK Wing Fat, Simon, Dr. WANG Ching, and Dr. Tan Hongwei.

The Board has a strong independent element in its composition with over half of the board members are non-executive Directors and independent non-executive Directors to ensure that all decisions of the Board are made in the best interest of the Group’s long-term development.

The Board has delegated various responsibilities to the Board committees including the audit committee (the “Audit Committee”), the remuneration committee (the “Remuneration Committee”) and the nomination committee (the “Nomination Committee”) (collectively, the “Board Committees”). Further details of these committees are set out below on pages 15 to 17.

The composition of the Board is well balanced with each Director having sound board level experience and expertise relevant to the business operations and development of the Group. The Board is comprised of members with extensive business, government, regulatory and policy experience from a variety of backgrounds. There is diversity of nationality, ethnicity, educational background, functional expertise and experience. A Board Diversity Policy was adopted by the Board in 2013.

董事會

董事會（「董事會」）負責監督本公司所有重要事宜，包括制定及批准整體業務策略、內部監控及風險管理系統、監督及監察獲授權負責本公司日常管理及運營的高級管理層的表現。董事有責任以本公司利益為前提按客觀標準行事。

目前，董事會由八名董事組成，包括三名執行董事劉紅維先生（彼亦為本公司主席）、謝文先生及熊澍先生，兩名非執行董事曹志榮先生及李宏博士，以及三名獨立非執行董事易永發先生，王京博士及譚洪衛博士。

董事會的組成有高度獨立性元素，過半數董事會成員為非執行董事及獨立非執行董事，這確保董事會所作出的所有決定都能符合本集團長遠發展的最佳利益。

董事會已分別委派審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）及提名委員會（「提名委員會」）各董事委員會（統稱「董事委員會」）各司特定的職責。有關該等委員會的進一步詳情，載於下文第15頁至第17頁。

董事會的組成結構平衡得宜。每名董事對於本集團的業務運作及發展具備豐富的董事會層面經驗及專門技術。董事會成員來自不同的背景並在業務、政府、監管及政策方面具備廣泛的經驗。董事會不論在國籍、族裔、教育背景、職業專長及經驗上均呈現多元化。董事會於二零一三年採納董事會多元化政策。

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BOARD MEETINGS

The Company will adopt the practice of holding board meetings regularly for at least four times a year at approximately quarterly intervals. Ad-hoc meetings will also be convened if necessary to discuss the overall strategy as well as the operation and financial performance of the Group. Notice of board meeting will be sent to all Directors at least 14 days prior to a regular board meeting. Reasonable notices will also be given to the Directors for ad-hoc board meetings.

Directors may participate either in person or through electronic means of communications.

The Company will adopt the practice to provide relevant materials to all the Directors relating to the matters brought before the meetings. All the Directors will be provided with sufficient resources to discharge their duties, and, upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company's expenses. All Directors will have the opportunity to include matters in the agenda for Board meetings.

Prior notice convening the Board meeting was dispatched to the Directors setting out the matters to be discussed. At the meeting, the Directors were provided with relevant documents to be discussed and approved. The company secretary of the Company is responsible for keeping minutes of the Board meetings.

Should a potential conflict of interest involving a substantial shareholder of the Company or a Director arise, the matter will be discussed in a physical Board meeting, as opposed to being dealt with by a written resolution. Independent non-executive Directors with no conflict of interest will be present at meetings dealing with such conflict issues.

An updated list of the Directors identifying the independent non-executive directors and the roles and functions of the Directors is maintained on the website of the Company and the website of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

During the reporting period, the Board held a total of 4 Board meetings. The attendance of individual Directors at the board meetings and annual general meeting are set out below:

董事會會議

本公司的董事會會議每年最少定期舉行四次，大約每季度舉行一次。需要時亦會召開臨時會議，商討整體策略以及本集團的營運和財務表現。全體董事將於舉行定期董事會會議前最少14天獲發董事會會議通告。而臨時董事會會議通告則亦於合理時間內事先派發予董事。

董事可選擇親身或以電子通訊的方式出席會議。

本公司會慣常於會議前向所有董事提供有關會上討論事項的資料。所有董事將獲得充分的資源以履行其職責，並在合理的要求下，可視乎情況合適而尋求獨立專業意見，費用由本公司承擔。所有董事均有機會將其關注的事情加入董事會會議的議程內。

召開董事會會議的通知將會事前寄發予董事，當中載列將予討論的事宜。會上，董事將獲提供將予討論及批准的相關文件。本公司的公司秘書負責保管董事會會議的會議記錄。

倘本公司主要股東涉及或董事產生潛在利益衝突，有關事宜將於實際董事會會議上討論，並非透過書面決議案處理。並無涉及利益衝突的獨立非執行董事將會出席會議，以處理衝突事宜。

本公司於其網站及香港聯合交易所有限公司（「聯交所」）網站上設存及提供識別獨立非執行董事之最新董事名單，並列明其角色和職能。

於報告期間，董事會共舉行4次董事會會議。個別董事出席董事會會議及股東週年大會的情況載列如下：

CORPORATE GOVERNANCE REPORT

企業管治報告

Board Meetings

董事會會議

Name of Directors 董事姓名	Attendance 出席情況		
	Annual General Meeting 股東週年大會	Board Meeting 董事會會議	
Executive Directors			
Mr. LIU Hongwei	劉紅維先生	1/1	4/4
Mr. SUN Jinli (resigned on 20 July 2017)	孫金禮先生 (於二零一七年七月二十日辭任)	0/1	2/4
Mr. XIE Wen	謝文先生	0/1	3/4
Mr. Xiong Shi (appointed on 1 December 2017)	熊湜先生 (於二零一七年十二月一日獲委任)	N/A	N/A
Non-executive Directors			
Mr. LI Huizhong (resigned on 5 June 2017)	李會忠先生 (於二零一七年六月五日辭任)	0/1	1/4
Mr. CAO Zhirong	曹志榮先生	0/1	4/4
Dr. Li Hong (appointed on 5 June 2017)	李宏博士 (於二零一七年六月五日獲委任)	N/A	3/4
Independent Non-executive Directors			
Dr. WANG Ching	王京博士	1/1	4/4
Mr. YICK Wing Fat, Simon	易永發先生	1/1	4/4
Mr. CHENG Jinshu (resigned on 5 June 2017)	程金樹先生 (於二零一七年六月五日辭任)	0/1	1/4
Dr. Zhong Jishou (appointed on 5 June 2017 and resigned on 18 April 2018)	仲繼壽博士 (於二零一七年六月五日獲委任 並於二零一八年四月十八日辭任)	N/A	2/4
Dr. Tan Hongwei (appointed on 18 April 2018)	譚洪衛博士 (於二零一八年四月十八日獲委任)	N/A	N/A

CORPORATE GOVERNANCE REPORT

企業管治報告

SKILLS, KNOWLEDGE, EXPERIENCE AND ATTRIBUTES OF DIRECTORS

All Directors of the Board had served in office during the period under review. Every Director commits to give sufficient time and attention to the affairs of the Company. The Directors also demonstrate their understanding and commit to high standards of corporate governance. The executive Director brings his perspectives to the Board through his deep understanding of the Group's business. The non-executive Directors and the independent non-executive Directors contribute their own skills and experience, understanding of local and global economies, and knowledge of capital markets to the Group's business. The Company is responsible for arranging and funding suitable continuous professional development programmes for all Directors to hone and refresh their knowledge and skills.

INDUCTION AND TRAINING

Each newly appointed Director, executive or non-executive, is required to undertake an induction program to ensure that he has a proper understanding of his duties and responsibilities. The induction program includes an overview of the Group's business operation and governance policies, the Board meetings' procedures, matters reserved to the Board, an introduction of the Board committees, the Directors' responsibilities and duties, relevant regulatory requirements, review(s) of minutes of the Board and Board committees in the past 12 months, and briefings with senior officers of the Group and site visits (if necessary).

Pursuant to the Code Provision A.6.5 of the Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure their contribution to the Board remains informed and relevant. During the Year, all Directors had participated in appropriate continuous professional development activities by ways of attending training and/or reading materials relevant to the Company's business or to the Directors' duties and responsibilities.

董事知識、技能、經驗及特性

所有董事會成員均於回顧期間內任職。各董事承諾有足夠時間及注意力在本公司的事務上。董事們亦表明彼等理解及承諾維持高水平的管治。執行董事透過對本集團業務的深入了解並將其觀點帶入董事會。非執行董事及獨立非執行董事則因應彼等的技能及經驗、對本地及全球經濟的認識、及資本市場對本集團業務的知識而作出貢獻。本公司有責任安排及資助所有董事的持續專業進修課程，以發展及更新其知識及技能。

就職及培訓

各新任執行或非執行董事須參與就職課程計劃，以確保其對工作及職責有正確認識。就職課程包括本集團業務營運及監管政策的概況、董事會會議程序、保留予董事會決策的事項、董事委員會簡介、董事的責任及職務、有關法規的要求、過去十二個月董事會及董事會委員會的會議記錄審閱及本集團高級職員的簡要和實地考察（如需要）。

根據守則條文第A.6.5條，全體董事應參與持續專業培訓，以發展及更新彼等之知識及技能。此乃確保彼等繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。年內，全體董事均有參與合適之持續專業發展活動，包括出席有關本公司業務及董事職能及職責的培訓課程及／或閱覽相關資料。

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The company secretary of the Company maintains records of training attended by the Directors. The training attended by each Director during the Year is tabulated as follows:

本公司之公司秘書保存董事出席培訓之記錄。於年內，各董事出席培訓之情況載列如下：

Training Records

培訓記錄

Name 姓名	Type of trainings 培訓類型 (Note 1) (附註1)	Training matters 培訓事項 (Note 2) (附註2)
Executive Directors		
Mr. LIU Hongwei (Chairman)	劉紅維先生(主席)	a, b
Mr. SUN Jinli (resigned on 20 July 2017)	孫金禮先生 (於二零一七年七月二十日辭任)	i, ii, iii, iv
Mr. XIE Wen	謝文先生	a, b
Mr. Xiong Shi (appointed on 1 December 2017)	熊湜先生 (於二零一七年十二月一日獲委任)	i, ii, iii, iv
Non-Executive Directors		
Mr. LI Huizhong (resigned on 5 June 2017)	李會忠先生 (於二零一七年六月五日辭任)	a, b
Mr. CAO Zhirong	曹志榮先生	a, b
Dr. Li Hong (appointed on 5 June 2017)	李宏博士 (於二零一七年六月五日獲委任)	i, ii, iii, iv
Independent Non-Executive Directors		
Dr. WANG Ching	王京博士	a, b
Mr. YICK Wing Fat, Simon	易永發先生	a, b
Mr. Cheng Jinshu (resigned on 5 June 2017)	程金樹先生 (於二零一七年六月五日辭任)	a, b
Dr. Zhong Jishou (appointed on 5 June 2017 and resigned on 18 April 2018)	仲繼壽博士 (於二零一七年六月五日獲委任 並於二零一八年四月十八日辭任)	a, b
Dr. Tan Hongwei (appointed on 18 April 2018)	譚洪衛博士 (於二零一八年四月十八日獲委任)	N/A

Note 1:

- a attending seminar or training session
- b self-development and updates relating to general economy, business development, director's duties and responsibilities, etc.

Note 2:

- i corporate governance
- ii regulatory compliance
- iii finance
- iv management and operation

附註1：

- a 出席研討會或培訓會議
- b 進修及更新有關整體經濟、業務發展、董事的職責和責任等。

附註2：

- i 企業管治
- ii 法規遵守
- iii 財務
- iv 管理及營運

CORPORATE GOVERNANCE REPORT

企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Liu Hongwei, the Chairman of the Group, is responsible for the leadership and effective running of the Board, ensuring that all material issues are decided by the Board in a conducive manner. Mr. Liu Hongwei is also responsible for running the Group's business and effective implementation of the strategies of the Group. The Company is aware of the requirement under paragraph A.2.1 of the Code that the roles of chairman and Chief Executive Officer should be separated and should not be performed by the same individual. Nevertheless, the Board considers that the combination of the roles of Chairman and Chief Executive Officer will not impair the balance of power and authority between the Board and the management of the Company as the Board will meet regularly to consider major matters affecting the operations of the Group. The Board is of the view that this structure provides the Group with strong and consistent leadership, which can facilitate the formulation and implementation of its strategies and decisions and enable it to grasp business opportunities and react to changes efficiently. Moreover, the Board considers that the sufficient measures have been taken and it will not impair the balance of power and authority between the Board and the management. As such, it is beneficial to the business prospects of the Group. Therefore Mr. Liu Hongwei is performing the roles of both Chairman and Chief Executive Officer.

INDEPENDENT NON-EXECUTIVE DIRECTORS

All independent non-executive Directors of the Company possess a wealth of professional and industry expertise and management experience and have provided their professional advices to the Board. They have played a significant role in the Board by virtue of their independent judgment and their views carry significant weight in the Board's decision. In particular, they bring an impartial view on issues of the Company's strategy, performance and control. The Board also considers that independent non-executive Directors provide independent advice on the Company's business strategy, results and management so that all interests of Shareholders are taken into consideration, and the interests of the Company and its shareholders are taken into account in all business decisions. The Company has received the annual confirmation signed by each independent non-executive Director to acknowledge their respective independence. After prudent enquiry, the Board is of the view that each of Mr. YICK Wing Fat, Simon, Dr. WANG Ching, and Dr. Tan Hongwei maintains the independence as required by Rule 3.13 of the Listing Rules.

主席與行政總裁

劉紅維先生，本集團主席，負責領導董事會和董事會的有效運作，確保所有重大事項由董事會以有建設性的方式討論作出決策。劉紅維先生亦負責本集團業務的運作以及本集團策略的有效實施。本公司注意到，根據守則第A.2.1條之規定，主席與行政總裁的角色應分立，不應由同一人士擔任。然而，由於董事會會定期開會商討影響本集團運作的主要事宜，故董事會認為將主席與行政總裁的職務合而為一不會影響董事會與本公司管理層兩者之間權力與職權的平衡。董事會認為此架構為本集團提供了強大而一致的領導，有助其決策的制訂及實施，並使本集團得以把握商機和高效率地回應各種變化，此外，董事會認為已採取足夠措施，且其將不會削弱董事會與管理層間權力與職權之平衡。因此有利本集團的業務前景。因此，劉紅維先生擔任主席兼行政總裁。

獨立非執行董事

本公司所有獨立非執行董事均具備豐富的業界專業知識及管理經驗，能為董事會提供專業的意見。彼等透過提供獨立的判斷，在董事會中擔當重要的角色，在董事會的決策上舉足輕重。特別是在本公司策略、業績及監控上，彼等都能提出公正意見。董事會亦認為，獨立非執行董事就本公司的業務策略、業績及管理提供獨立意見，因此，股東的所有利益已獲考慮，所有業務決策中亦已顧及本公司及其股東的利益。本公司已收到各獨立非執行董事就聲明彼等各自的獨立性的年度確認。經審慎查詢後，董事會認為，易永發先生、王京博士及譚洪衛博士維持上市規則第3.13條規定的獨立性。

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All independent non-executive Directors of the Company will review, on an annual basis, any decisions in relation to new business opportunities referred to the Company. As at the date of this report, there is no new business opportunity introduced to the Group.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE AND INDEMNITY

The Company has arranged appropriate liability insurance to indemnify its Directors and officers in respect of legal actions against the Directors. Throughout 2017, no claim had been made against the Directors and the officers of the Company.

APPOINTMENTS, RE-ELECTION AND REMOVAL OF DIRECTORS

Mr. Liu Hongwei and Mr. Xie Wen, the executive Directors of the Company has entered into a service contract with the Company for a specific term of three years commencing 13 January 2012, and will be automatically renewed for another three years upon expiry. Mr. Xiong Shi was appointed as the executive director of the Company for three years from 1 December 2017.

Mr. Cao Zhirong and Dr. Li Hong, the non-executive Directors of the Company, had entered into service contracts with the Company for a specific term of three years from 1 September 2012 and 5 June 2017, respectively. Their service contracts will be automatically renewed for another three years upon expiry.

Mr. Yick Wing Fat, Simon and Dr. Wang Ching, the independent non-executive Directors were appointed for a term of three years from 19 December 2008. Dr. Tan Hongwei, the independent non-executive director was appointed for a term of three years from 18 April 2018. Their service contracts will be automatically renewed for another three years upon expiry.

All Directors are subject to retirement by rotation at least once every three years and in accordance with the Bye-laws of the Company.

本公司的所有獨立非執行董事將每年審閱就任何推薦予本公司的新商機而作出的決定。於本報告日期，本集團尚未有新的商機。

董事及高級職員之責任保險及賠償

本公司已就其董事可能會面對之法律行動向其董事及高級職員作適當之責任保險安排。於二零一七年，並無對本公司董事及高級職員提出任何申索。

委任、重選及罷免董事

本公司各執行董事劉紅維先生及謝文先生已與本公司訂立服務合約，年期自二零一二年一月十三日起固定為三年，並將於屆滿時自動另外續期三年。本公司執行董事熊湜先生的任期由二零一七年十二月一日起，為期三年。

本公司非執行董事曹志榮先生及李宏博士已與本公司訂立服務合約，任期分別從二零一二年九月一日及二零一七年六月五日起，為期三年。彼等的服務合約將於屆滿時自動另外續期三年。

各獨立非執行董事易永發先生及王京博士的任期由二零零八年十二月十九日起，為期三年。獨立非執行董事譚洪衛博士的任期由二零一八年四月十八日起，為期三年。彼等的服務合約將於屆滿時自動另外續期三年。

所有董事須根據本公司的細則至少每三年輪席告退一次。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES

Audit Committee

The Company established the Audit Committee pursuant to a resolution of the Directors passed on 19 December 2008 in compliance with Rules 3.21 to 3.23 of the Listing Rules and paragraph C.3 of the Code. The primary duties of the Audit Committee are to oversee the financial reporting process and internal control procedure of the Group, to review the financial information of the Group and to consider issues relating to the external auditor. The Audit Committee consists of the three independent non-executive Directors, namely, Dr. Wang Ching, Mr. Yick Wing Fat, Simon, Mr. Cheng Jinshu (resigned on 5 June 2017) and Dr. Zhong Jishou (appointed on 5 June 2017 and resigned on 18 April 2018), Mr. Yick Wing Fat, Simon is the Chairman of the Audit Committee. The Audit Committee has reviewed the Group's consolidated financial statements for the six months ended 30 June 2017 and for the year ended 31 December 2017, the accounting principles and practices adopted by the Group and the system of internal control.

During the year ended 31 December 2017, the Audit Committee held 2 meetings.

The following table shows the attendance of members of the Audit Committee's meetings:

Directors: 董事：		No. of Audit Committee meetings attended/held: 出席／舉行審核委員會 會議的次數：
YICK Wing Fat, Simon (<i>Chairman</i>)	易永發 (主席)	2/2
WANG Ching	王 京	2/2
CHENG Jinshu (from 1 January 2017 to 5 June 2017)	程金樹 (由二零一七年一月一日至 二零一七年六月五日)	1/2
Zhong Jishou (from 5 June 2017 to 18 April 2018)	仲繼壽 (由二零一七年六月五日起 至二零一八年四月十八日)	1/2

The Audit Committee is provided with sufficient resources to perform its duties. Latest terms of reference of the Audit Committee can be viewed on the website of the Company and the website of the Stock Exchange.

董事委員會

審核委員會

本公司遵守上市規則第3.21至3.23條及守則第C.3條的規定，根據董事於二零零八年十二月十九日通過的決議案成立審核委員會。審核委員會的主要職責為監督本集團的財務報告過程及內部監控程序、審閱本集團的財務資料，以及考慮有關外聘核數師的事宜。審核委員會由三名獨立非執行董事（即王京博士、易永發先生及程金樹先生（於二零一七年六月五日辭任）及仲繼壽博士（於二零一七年六月五日獲委任並於二零一八年四月十八日辭任）組成，審核委員會的主席為易永發先生。審核委員會已審閱本集團截至二零一七年六月三十日止六個月及截至二零一七年十二月三十一日止年度的綜合財務報表，本集團採納會計原則及常規及一套內部監控系統。

截至二零一七年十二月三十一日止年度，審核委員會舉行兩次會議。

下表載列審核委員會成員出席會議的情況：

審核委員會獲提供充足資源履行其職責。審核委員會之最新職權範圍可於本公司網站及聯交所網站上審閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

Remuneration Committee

The Company established the Remuneration Committee pursuant to a resolution of the Directors passed on 19 December 2008 in compliance with paragraph B.1 of the Code. The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy for remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration and for fixing the remuneration packages for all Directors. The Remuneration Committee consists of four members, including three independent non-executive Directors and the Chairman of the Board, namely, Mr. Cheng Jinshu (resigned on 5 June 2017) and Dr. Zhong Jishou (appointed on 5 June 2017 and resigned on 18 April 2018), Mr. Yick Wing Fat, Simon, Dr. Wang Ching and Mr. Liu Hongwei. The Remuneration Committee is chaired by Mr. Cheng Jinshu (resigned on 5 June 2017) and Dr. Zhong Jishou (appointed on 5 June 2017 and resigned on 18 April 2018).

During the year ended 31 December 2017, the Remuneration Committee held 1 meeting to assess individual performance of the Directors and review the remuneration packages and overall benefit of the Directors.

The following table shows the attendance and members of the Remuneration Committee during the year ended 31 December 2017:

Directors: 董事：

Cheng Jinshu (*Chairman*)
(from 1 January 2017
to 5 June 2017)

Zhong Jishou (*Chairman*)
(from 5 June 2017 to 18 April 2018)

YICK Wing Fat, Simon
WANG Ching
LIU Hongwei

程金樹(*主席*)
(由二零一七年一月一日至
二零一七年六月五日)

仲繼壽(*主席*)
(由二零一七年六月五日
至二零一八年四月十八日)

易永發
王 京
劉紅維

No. of Remuneration Committee meetings attended/held: 出席／舉行薪酬委員會 會議的次數：

1/1

N/A

1/1

1/1

1/1

The Remuneration Committee is provided with sufficient resources to perform its duties. The current duties and responsibilities of the Remuneration Committee are more specifically set out in its latest terms of reference, details of which can be viewed on the website of the Company and the website of the Stock Exchange.

薪酬委員會

本公司遵守守則第B.1條的規定，根據董事於二零零八年十二月十九日通過的決議案成立薪酬委員會。薪酬委員會的主要職責是就本公司董事及高級管理人員的薪酬政策，以及就制定該等薪酬政策設立正式和高透明度的程序及釐定所有董事的薪酬福利，向董事會作出推薦意見。薪酬委員會由四位成員（包括三位獨立非執行董事及董事會主席）組成，即程金樹先生（於二零一七年六月五日辭任）、仲繼壽博士（於二零一七年六月五日獲委任並於二零一八年四月十八日辭任）、易永發先生、王京博士及劉紅維先生。薪酬委員會由程金樹先生（於二零一七年六月五日辭任）及仲繼壽博士（於二零一七年六月五日獲委任並於二零一八年四月十八日辭任）擔任主席。

截至二零一七年十二月三十一日止年度，薪酬委員會舉行一次會議，以評估董事之個人表現及審閱董事薪酬方案及整體福利。

下表載列截至二零一七年十二月三十一日止年度薪酬委員會成員出席會議的情況：

薪酬委員會獲提供充足資源履行其職責。薪酬委員會之目前職責詳情載於其最新職權範圍內，有關詳情可於本公司網站及聯交所網站上審閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

Nomination Committee

The Company established a Nomination Committee pursuant to a resolution of the Directors passed on 19 December 2008 in compliance with Recommended Best Practices of paragraph A.5 of the Code. The primary duties of the Nomination committee include reviewing the structure, size and composition of the Board on a regular basis and making recommendations to the Board regarding any proposed changes. The Nomination Committee consists of five members, including three independent non-executive Directors and two executive Directors, namely Mr. Liu Hongwei, Mr. Xie Wen, Dr. Wang Ching, Mr. Yick Wing Fat, Simon, Mr. Cheng Jinshu (resigned on to 5 June 2017) and Dr. Zhong Jishou (appointed on 5 June 2017 and resigned on 18 April 2018). The Nomination Committee is chaired by Mr. Liu Hongwei.

Nomination procedures include identification and acknowledgement of qualified individuals by the Nomination Committee and review and approval of such nomination by the Board. The Nomination Committee will evaluate potential candidates by considering factors such as professional expertise, relevant experience, personal ethics and integrity.

During the year ended 31 December 2017, the Nomination Committee held 1 meeting. The following table shows the attendance and members of the Nomination Committee during the year ended 31 December 2017:

Directors: 董事：

LIU Hongwei (<i>Chairman</i>)	劉紅維 (主席)
XIE Wen	謝文
WANG Ching	王京
YICK Wing Fat, Simon	易永發
CHENG Jinshu	程金樹
(from 1 January 2017 to 5 June 2017)	(由二零一七年一月一日至二零一七年六月五日)
ZHONG Jishou	仲繼壽
(from 5 June 2017 to 18 April 2018)	(由二零一七年六月五日至二零一八年四月十八日)

The Nomination Committee is provided with sufficient resources to perform its duties. The current duties and responsibilities of the Nomination Committee are more specifically set out in its latest terms of reference, details of which can be viewed on the website of the Company and the website of the Stock Exchange.

提名委員會

本公司遵守守則第A.5條的建議最佳常規的規定，根據董事於二零零八年十二月十九日通過的決議案成立提名委員會。提名委員會的主要職責包括定期檢討董事會的架構、規模及組成，以及就任何擬作出的變動向董事會提出建議。提名委員會由五位成員（包括三位獨立非執行董事及兩位執行董事）組成，即劉紅維先生、謝文先生、王京博士、易永發先生、程金樹先生（於二零一七年六月五日辭任）及仲繼壽博士（於二零一七年六月五日獲委任並於二零一八年四月十八日辭任）。提名委員會由劉紅維先生擔任主席。

提名程序包括由提名委員會識別和確認個別人士的資格，並由董事會檢討及通過此項提名。提名委員會將考慮如專業技術、相關經驗、個人道德標準及誠信等因素對候選人進行評估。

截至二零一七年十二月三十一日止年度，提名委員會舉行1次會議。下表載列截至二零一七年十二月三十一日止年度提名委員會成員出席會議的情況：

No. of Nomination Committee meetings attended/held: 出席／舉行提名委員會會議的次數：

1/1
1/1
1/1
1/1
1/1
N/A

提名委員會獲提供充足資源履行其職責。提名委員會之目前職責詳情載於其最新職權範圍內，有關詳情可於本公司網站及聯交所網站上審閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMPANY SECRETARY

The company secretary of the Company (the “Company Secretary”) is responsible for keeping detailed minutes of each meeting of the Board or the Board committees including any dissenting views expressed by the Directors, which should be available to all Directors for inspection. He is also responsible for ensuring that the Board procedures comply with all applicable laws, rules and regulations and advising the Board on corporate governance matters. All agenda, relevant materials and document are required to be sent out at least 3 days prior to the intended dates of the Board meetings or meetings of the Board committees. It is the responsibility of the Company Secretary to send the draft minutes of the meetings of the Board or the Board committees to all Directors for comments within a reasonable time after the aforesaid meetings. Final versions of minutes of meetings of the Board or the Board committees are also required to be sent to all Directors for record. All Directors have access to the advice and services of the Company Secretary to ensure that the Board procedures and all applicable laws are followed.

Moreover, the Company Secretary is responsible for keeping all Directors updated on the Listing Rules, regulatory requirements, as well as internal codes of conduct of the Company.

During the Year, the Company Secretary had confirmed that he had taken no less than 15 hours of relevant professional training.

FINANCIAL REPORTING AND INTERNAL CONTROL

Financial Reporting

The Board, supported by the Finance Department, is responsible for the preparation of the financial statements of the Company and the Group. In the preparation of financial statements, International Financial Reporting Standards have been adopted and the appropriate accounting policies, disclosure requirements under Hong Kong Companies Ordinance and the Listing Rules have been consistently used and applied. The Board aims to present a clear and balanced assessment of the Group's performance in the annual and interim reports to the Shareholders, and make appropriate disclosure and announcements in a timely manner.

公司秘書

本公司之公司秘書(「公司秘書」)負責保存各董事會或董事會委員會會議之記錄詳情，包括董事所表達的反對意見，以供全體董事審查。彼亦負責確保董事會程序遵守適用法律、法規及規例，並對企業管治事宜向董事會提供意見。所有議程、相關材料及文件須於董事會會議或董事會委員會會議之擬定舉行日期前最少三日發出。公司秘書負責於上述會議後之合理時間內向全體董事寄發董事會或董事會委員會會議之草擬會議記錄，以供董事批註。全體董事均可向公司秘書諮詢意見及要求提供服務，以確保董事會遵守董事會的程序和所有適用的法例。

此外，本公司秘書有責任盡快向所有董事提供最新上市規則、監管要求以及本公司內部工作管理守則。

於年內，公司秘書已確認，彼已參加不少於15小時之相關專業培訓。

財務報告及內部監控

財務報告

董事會在財務部門的支援下，負責編製本公司及本集團的財務報表。本公司在編製財務報表時，已採納國際財務報告準則，並貫徹使用及應用適當的會計政策以及香港公司條例及上市規則的披露規定。董事會的目的是在致股東的年報及中期報告中，對本集團的業績作出清晰平衡的評估，並適時作出適當的披露和公佈。

CORPORATE GOVERNANCE REPORT

企業管治報告

Auditor's Remuneration

The audit committee of the Board is responsible for making recommendation to the Board on the appointment, re-appointment and removal of the authorized external auditors and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of the external auditors. The Company engaged Ernst & Young as its external auditors, and also engaged Ernst & Young in connection with the comfort letters and other assistance in respect of the issue of senior notes. Details of the fees paid/payable to Ernst & Young during the year ended 31 December 2017 are as follows:

核數師酬金

董事會審核委員會負責就委聘、續聘及解聘法定外部核數師，批准外部核數師之酬金及聘用條款，以及與外部核數師辭任或解聘有關的任何問題，向董事會作出推薦。本公司已委聘安永會計師事務所為外部核數師，並就有關發行優先票據的告慰函及其他協助委聘安永會計師事務所。截至二零一七年十二月三十一日止年度已付／應付安永會計師事務所的費用如下：

Audit service	核數服務	
– Interim review and annual audit	– 中期審閱和年度審計	RMB8,730,000 人民幣 8,730,000 元
– Interim review and annual audit of China Singyes New Materials Holdings Limited (“Singyes New Materials”)	– 中國興業新材料控股有限公司 中期審閱和年度審計 (「興業新材料」)	RMB1,680,000 人民幣 1,680,000 元
Non-audit services	非核數服務	
– Tax service	– 稅務服務	HK\$195,500 195,500 港元
– Professional services fee in relation to the spin-off of Singyes New Materials	– 有關分拆興業新材料之專業服務費用	RMB400,000 人民幣 400,000 元
– Agreed upon procedures on offshore bonds issuance	– 境外發行債券的協定程序	RMB200,000 人民幣 200,000 元
– Review on financial impact on adoption of new accounting standards	– 審查採用新會計準則對財務的影響	RMB380,000 人民幣 380,000 元

CORPORATE GOVERNANCE REPORT

企業管治報告

Internal control and risk management

The Group appointed Shinewing Risk Services Limited to review the effectiveness of the Group's internal control system for the year ended 31 December 2017. The Group is also in the process of improving and establishing the internal control manual to further enhance its internal control and risk management system.

The Board acknowledges that it is the responsibility of the Board for the Group's system of internal control and risk management as well reviewing its effectiveness on an on-going basis, and, in particular, considering the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, training programmes and budget. The Board will conduct periodic review, at least annually, which cover all material aspects, including financial, operational, risk management functions and is in compliance with all relevant regulations and endeavor to enhance the internal control and risk management measures of the Group. Such systems are designed to manage the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

DIRECTORS' RESPONSIBILITY ON THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company and its subsidiaries for the year ended 31 December 2017, which were prepared in accordance with applicable accounting standards.

The reporting responsibility of the external auditor of the Company on the consolidated financial statements of the Group are set out in the independent auditor's report on pages 87 to 95.

內部監控及風險管理

本集團已委任信永方略風險管理有限公司，以審閱本集團截至二零一七年十二月三十一日止年度的內部監控系統的效益。本集團亦正在改善及成立內部監控指引，以進一步加強其內部監控及風險管理系統。

董事會確認其持續對本集團內部監控及風險管理系統以及檢討其效益的責任，尤其是考慮本集團於會計及財務匯報職能、培訓課程及預算方面的資源、員工資歷及經驗是否足夠，董事會將最少每年進行定期檢討，涵蓋所有重大方面，包括財務、經營、風險管理職能，並符合所有相關規定，致力加強本集團內部監控及風險管理措施。該等系統旨在管理未能達成業務目標的風險，並僅可提供合理但不絕對的保證以防止重大錯誤或損失。

董事對財務報表的責任

董事清楚明白本身須按照適用的會計準則編製本公司及其附屬公司截至二零一七年十二月三十一日止年度的財務報表的責任。

本公司外聘核數師對本集團綜合財務報表的報告責任，載於第87頁至第95頁的獨立核數師報告。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS

Communication with Shareholders

The Board recognises the importance of effective and on-going communications with Shareholders and continues to act in the best interests of the Company and its shareholders. The Company keeps Shareholders and investors informed of its business performance and strategies by adopting a transparent and timely disclosure policy which complies with the Listing Rules and provides all Shareholders equal access to such information. The Company also publishes all documents on the Company's website.

The annual general meeting of the Company (the "AGM") also provides a forum for the Board to dialogue and interact with the Shareholders directly. The Directors and the committee members are available to answer questions during the AGM. Notice of AGM, annual report, financial statements and related papers were posted to Shareholders for their consideration at least 20 clear business days prior to the AGM.

At each general meeting, the chairman of the meeting proposes individual resolutions in respect of each substantially separate matter. All matters at the Company's general meetings are resolved by poll and the procedures for conducting a poll will be explained at the meeting. Independent scrutineer will be engaged to ensure all votes at general meeting are properly counted. Poll vote results will be posted on the websites of the Company and HKEX in a timely manner.

AGM proceedings and policies regarding Shareholders' communication of the Company are continually reviewed in the light of corporate governance best practices.

股權的權利

與股東之溝通

董事會確認與股東持續有效溝通之重要性，並繼續以本公司及其股東之最佳利益行事。通過採納符合上市規則之透明及時之披露政策，本公司持續向股東及投資者知會其業務表現及策略之最新情況，並為讓全體股東平等獲得有關資料。本公司亦於本公司網站上刊發所有有關文件。

本公司之股東週年大會（「股東週年大會」）亦為董事會提供與股東直接對話及互動之平臺。董事及各委員會成員可於股東週年大會上回答提問。股東週年大會通告、年報、財務報表及相關文件均於股東週年大會日期前至少足20個營業日寄發予股東，供其考慮。

於各股東大會上，會議主席就各項重大個別事項提出個別決議案。本公司股東大會的所有事項均以投票方式表決，並於會上解釋投票程序。獨立監票人將獲委聘，以確保股東大會的所有票數均得到適當計算。投票結果將及時在本公司及香港聯交所網站公佈。

本公司之股東週年大會程序及有關股東溝通的政策按企業管治最佳守則持續檢討。

CORPORATE GOVERNANCE REPORT

企業管治報告

Shareholders' Rights

Set out below is a summary of certain rights of the shareholders of the Company as required to be disclosed pursuant to the mandatory disclosure requirements under Paragraph O of the Code which is effective from 1 April 2012.

(a) Convening of general meeting on requisition by shareholders

Members 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 shall at all times have the right, by written requisition to the Company's registered office in Bermuda at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda and its principal office in Hong Kong at Unit 3108, 31/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong for the attention of the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within three (3) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act 1981 of Bermuda.

股權的權利

以下載列本公司股東根據守則(自二零一二年四月一日起生效)第O段項下強制性披露規定須予披露的若干權利概要。

(a) 按股東要求召開股東大會

任何於遞呈要求日期持有不少於本公司繳入股本(附有於本公司股東大會表決權利)十分之一之股東，有權於任何時間透過本公司於百慕達註冊辦事處(地址為Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda)及其香港主要辦事處(地址為香港干諾道中168至200號信德中心招商局大廈31樓3108室)向董事會或本公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後的三(3)個月內舉行。倘遞呈該要求後的二十一(21)日內，董事會未有召開該大會，則遞呈要求人士可自行根據百慕達一九八一年公司法第74(3)條以同樣方式作出此舉。

CORPORATE GOVERNANCE REPORT

企業管治報告

(b) Procedures for putting forward proposals at a Shareholders' meeting

Pursuant to the Companies Act 1981 of Bermuda, either any number of the shareholders holding not less than one-twentieth (5%) of the total voting rights of all the shareholders of the Company, or not less than one hundred of such shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to have notice of any general meeting any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. The requisition signed by all the requisitionists must be deposited at the Company's registered office in Bermuda at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda and its principal office in Hong Kong at Unit 3108, 31/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong for the attention of the Board on the secretary of the Company, with a sum reasonably sufficient to meet the Company's relevant expenses and not less than six weeks before the meeting in case of a requisition requiring notice of a resolution and not less than one week before the meeting in the case of any other requisition. Provided that if an annual general meeting is called for a date six weeks or less after the requisition has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

(c) Enquiries to the Board

Shareholders may put forward enquiries to the Board in writing to the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the enquiries.

(b) 於股東大會上提呈建議的程序

根據百慕達一九八一年公司法，股東持有任何股份數目不低於本公司全體股東總投票權之二十分之一(5%)，或該等股東不低於一百名人士可書面要求本公司(a)向有權收取下屆股東大會通告的股東發出關於在該會議上可能妥善提出或計劃提出的任何決議的通告；及(b)將不超過一千字的有關將在會議上提出的決議涉及的事項或將在會上處理的事務說明書，提交給有權收取任何股東大會通告的股東傳閱。由所有呈請人簽署之呈請，須在不遲於(倘為要求決議案通知之呈請)大會舉行前六週或(倘為任何其他呈請)大會舉行前一週透過本公司於百慕達註冊辦事處(地址為Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda)及其香港主要辦事處(地址為香港干諾道中168至200號信德中心招商局大廈31樓3108室)送交本公司董事會及／或公司秘書，並須支付足以彌補本公司相關開支之款項。惟倘在遞交呈請後六週或較短期間內之某一日召開股東週年大會，則該呈請雖未有在規定時間內遞交，就此而言亦將被視為已妥為遞交。

(c) 向董事會查詢

股東可向董事會按本公司於香港的主要辦事處提交書面查詢。或倘本公司終止不再為相關主要辦事處，註冊辦事處須載明查詢日的。

CORPORATE GOVERNANCE REPORT

企業管治報告

INVESTOR RELATION

During the period under review, there had been no significant change in the Company's constitutional documents.

GOING CONCERN

There are no material uncertainties relating to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern.

CORPORATE GOVERNANCE ENHANCEMENT

The Company has been introducing, and continues to introduce, measures to comply with the former and revised Corporate Governance Code. Enhancing corporate governance is not simply a matter of applying and complying with the Corporate Governance Code of the Stock Exchange but about promoting and developing an ethical and healthy corporate culture. During the period under review, the Board considered the following corporate governance matters:

- (i) review of the compliance with the Code; and
- (ii) review of the effectiveness of the internal controls and risk management systems of the Group through the Audit Committee.

The Board considered the Company's risk management and internal control systems for the year ended 31 December 2017 are effective and adequate. We will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and developments. Any views and suggestions from our shareholders to promote and improve our transparency are also welcome.

投資者關係

回顧年度，本公司組織章程文件並無發生任何變動。

持續經營

概無任何涉及可對本公司持續經營能力構成重大疑慮的事件或情況的重大不明朗因素。

提升企業管治水平

本公司已經並將會繼續引進措施，以遵守舊及經修訂企業管治守則。提升企業管治水平並非僅為應用及遵守聯交所之企業管治守則，乃為推動及發展具道德與健全之企業文化。於回顧期間，董事會考慮以下企業管治事項：

- (i) 審閱是否遵守守則；及
- (ii) 憑藉審核委員會審閱本集團於核數委員會下內部控權及風險因素。

董事會認為，截至二零一七年十二月三十一日止年度，本公司的風險管理及內部監控制度為有效及充足。吾等將按經驗、監管條例之變動及發展，不斷檢討並於適當時改善本公司之現行常規。本公司歡迎股東提供任何意見及建議以提高及增加公司之透明度。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT ESG REPORT

Introduction

The Environmental, Social and Governance Report (the “ESG Report”) of China Singyes Solar Technologies Holdings Limited (the “Company”) illustrates the principles and implementation of corporate citizenship in renewable energy field of the Company and its subsidiaries (collectively, the “Group”, “we” or “us”). The ESG report elaborates various works of the Group supporting the principles of sustainable development in 2017 and its performance of social governance. For the information of corporate governance, please refer to the Corporate Governance Report on pages 7 to 24.

Scopes of Report

The ESG report covers the Group's principal businesses in Mainland China. The ESG report illustrates the overall environmental and social policies of the Group, including the environmental performance key indicators of principal subsidiaries located in Zhuhai-Zhuhai Singyes Green Building Technology Co., Ltd., Zhuhai Singyes Renewable Energy Co., Ltd., and Singyes Energy-saving Technologies Co., Ltd. (collectively the “Zhuhai Base”). The Group will continue to review its performance on environmental and social aspects, and consider covering more businesses in the ESG report in the following year.

The period covered by the ESG report is consistent with the financial statements of the Group, from 1 January 2017 to 31 December 2017.

Reporting Guide

The ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the China Electricity Industry Development Report (2017) of China Electricity Council, as well as the Calculating Method for Greenhouse Gases Emission and Reporting Guide published by the National Development and Reform Commission.

關於 ESG 報告

報告簡介

中國興業太陽能技術控股有限公司(「本公司」)環境、社會及管治報告(「ESG 報告」)闡述本公司及其附屬公司(統稱「本集團」或「我們」)於可再生能源領域履行企業公民責任所秉持的原則及推行的工作。ESG 報告詳述本集團在二零一七年內支援可持續發展原則的各項工作，及在社會管治方面的表現。有關企業管治的內容，請參閱於第7至24頁的《企業管治報告》。

報告範疇

ESG 報告涵蓋本集團在中國內地的核心業務。ESG 報告闡述本集團整體的環境及社會政策，包括位於珠海的主要附屬公司—珠海興業綠色建築科技有限公司、珠海興業新能源有限公司、珠海興業節能科技有限公司(統稱「珠海基地」)的環境關鍵績效指標。本集團來年將繼續審視我們在環境及社會表現，並考慮將更多業務涵蓋於 ESG 報告中。

ESG 報告涵蓋的期間與本集團的財務報告一致。涵蓋範圍由二零一七年一月一日至二零一七年十二月三十一日。

報告準則

ESG 報告依照香港聯合交易所有限公司(「聯交所」)《證券上市規則》附錄二十七《環境、社會及管治報告指引》所編寫，並參考中國電力企業聯合會編寫的《中國電力行業發展報告(2017)》及國家發改委公佈的《溫室氣體排放核算方法與報告指南》計算關鍵績效指標。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Participation of Stakeholders

The ESG Report was prepared with the participation of colleagues in various departments, giving us a clearer picture of the current development level on environmental and social aspects. The information collected is the summary of the works of the Group related to environmental and social aspects in 2017 and the basis for our short and long term sustainable development strategy.

Information and Feedback

For more detailed information about the environment and corporate governance of the Company, please refer to our official website (<http://www.singyessolar.com>) and annual report. We highly value your opinions for this report. If you have any opinions or suggestions, please feel free to contact us by:

Tel: (86) 756-691 6666

Email: ir_sye@zhssye.com

ABOUT OUR PHILOSOPHY ON ENVIRONMENTAL AND SOCIAL

The Group strives to provide high and new technologies for energy conservation, environmental protection, and new materials, and has been listed on the Main Board of the Stock Exchange since 2009. The businesses of the Group comprise five scopes: (i) design, manufacture and installation of conventional curtain walls and green building construction; (ii) design, installation and operation of solar projects; (iii) manufacture, sale, research and development of renewable energy goods; (iv) manufacture, sale and installation of new materials; and (v) provision of construction design services. We have two production plants in Mainland China and have offices in Hong Kong, Macao, Singapore, Malaysia, etc.

持份者的參與

ESG 報告的編寫，得到各部門同事共同參與，促使我們更清晰目前在環境和社會層面的發展水準。我們收集的資料，既是本集團在二零一七年開展環境和社會相關工作的總結，也是我們制定短期和長期可持續發展策略的基礎。

資訊及回饋

有關本公司環境及企業管治的詳細資訊，請參閱我們的官方網站及年報(<http://www.singyessolar.com>)。本公司重視您對此份報告的看法，若閣下有任何意見或建議，歡迎通過以下方式與我們聯絡：

電話：(86) 756-691 6666

電郵：ir_sye@zhssye.com

關於我們對環境及社會的理念

本集團致力提供有關節能環保、新能源和新材料的高新技術，並在二零零九年於香港聯交所主板上市。本集團業務覆蓋五大範疇：(一)傳統幕牆及綠色建築工程設計、製造及安裝，(二)太陽能項目設計、安裝及運營，(三)可再生能源貨品的生產、銷售及研發，(四)新材料貨品的生產、銷售及安裝，和(五)提供工程設計服務。我們在中國內地共有兩個生產基地，在香港、澳門、新加坡、馬來西亞等地設有辦事處。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

We have shown our dedication to the goal of transforming every building into mini power plant, with a will to become a global leading provider of clean energy application system. By utilising the advantage of our existing building curtain wall business and technology, we continuously conduct research and development on enhancing the synergy between the clean-energy technology and energy-saving building knowledge, which support the future development of ecological construction and low-carbon economy. “People oriented, Growth with Technology” is the foundation and motto of the Group. The Group is committed to creating a favorable circumstance for caring for the environment, caring for the community and caring for our employees. With the foundation of scientific and technological capabilities, the Group has continuously upgraded the service qualities of new energy, energy saving, environmental protection and new materials to achieve satisfaction among customers. “Harmonious Growth, Joint Development” is the principle and belief of the Group. We are dedicated to achieve harmonious and joint development of our nature, society, human and business and established the concept for the development of integrity management, law compliance and scientific management. We will keep paying back to the society with our pioneering and aggressive spirit, and our effort in industrial development as always. We will also protect the natural environment, share fruitful enterprise growth with employees, and build more harmonious, civilised and progressive society.

ENVIRONMENTAL CARE

Green Industry

The Group witnesses the worsening problems of global warming, and the threat of climate to human beings. As an environmental friendly enterprise, the Group has shown our dedication to the goal of transforming every building into mini power plant, promoting emission reduction from source and enhancing energy efficiency to improve environment, cherish the blue sky and lead the low-carbon economic development. Over the years, we have constantly promoted and improved solar technology, as well as growing with the photovoltaic industry, motivating the photovoltaic industry to develop. The Zhuhai Base has proactively participated in the following industrial conference or forum in order to motivate the industrial development:

我們致力把每一棟建築變成微型發電廠，並期望成為世界領先的清潔能源應用系統方案提供者。我們利用已有的建築幕牆業務和技術優勢，持續研發清潔能源技術與建築節能的集成運用，支持未來的生態建築及低碳經濟的發展。「以人為本、科技興業」是本集團的立身之本、發展之源。本集團致力營造關注環境、關懷社會、關愛員工的良好氛圍，以科技實力為根本，不斷提升本集團在新能源、節能環保和新材料等產業領域的服務質量，以實現顧客滿意的目標。「和諧興業、共同發展」是本集團的凝心之根、聚力之魂。我們致力實現自然、社會、人、企業的和諧及共同發展，構建誠信經營、遵規守法、科學管理的發展環境。我們將一如以往不斷開拓進取、用產業發展回報社會，讓自然環境受到保護，讓員工共享企業成長碩果，讓社會更加和諧、文明、進步。

關懷環境

綠色產業

目睹全球暖化日益嚴重，以及氣候對於人類造成的威脅，作為環保企業，本集團致力把每一棟建築變成微型發電廠，促進源頭減排和能效提升，以改善環境、呵護藍天、引領低碳經濟的發展。多年來，我們一直推廣太陽能技術，與光伏行業共同成長，並不斷完善技術，促進光伏行業發展。珠海基地在本年度積極參與下列行業會議或論壇以推動行業發展：

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

- The 13th Five-Year National Major Research and Development Program “Heating Air-Conditioning Solution and Corresponding System for Yangtze River Basin Constructions” Annual Progress Meeting and Demonstration Meeting for the First Demonstration Project Implementation Plan
- The 13th Five-Year National Major Research and Development Program “Heating Air-Conditioning Solution and Corresponding System for Yangtze River Basin Constructions” Project Technical Seminar
- “Sino-European Ecological City Exchange Camp” Forum
- “One Belt and One Road” Photovoltaic Industry Development Summit
- Zhuhai City Prefabricated Building Design Technical Guide Kick-off Meeting
- Renewable Energy Industry International Cooperation Seminar 2017
- Solar Power Expo Distributed Optoelectronic Building Application Development Forum 2017
- Optoelectronic Building Committee Technical Experts Seminar
- Guangdong Social Science Academic Annual Meeting 2017 “Enhancing Quality and Savings, and Improving Supply Quality” Theme Exchange Meeting
- The 8th China-US Energy Efficiency Forum
- International Electro Technical Commission Photovoltaic Energy System Standards Committee (IEC/TC82) 2017 Conference and Working Group Meetings
- International Organization for Standardization Building Glass Technical Committee (ISO/TC160) 2017 Annual Meeting
- 「十三五」國家重點研發計劃「長江流域建築供暖空調解決方案和相應系統」項目年度進展會暨第一批示範工程實施方案論證會
- 「十三五」國家重點研發計劃「長江流域建築供暖空調解決方案和相應系統」項目專題技術研討會
- 「中歐生態城市交流營」論壇
- 「一帶一路」光伏產業發展高峰論壇
- 珠海市裝配式建築設計技術導則啟動會
- 2017可再生能源產業國際合作研討會
- 2017四新展分布式光電建築應用發展論壇
- 光電建築委員會技術專家討論會
- 廣東省社會科學學術年會(2017)「質量強省與供給質量提升」主題交流會
- 第八屆中美能效論壇
- 國際電工委員會太陽能光伏能源系統標準委會(IEC/TC82)2017年大會及各工作組會議
- 國際標準化組織建築用玻璃技術委員會(ISO/TC160)2017年年會

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Besides promoting the use of solar technology, we proactively regulate green buildings to ensure a higher specification for the sustainability of the buildings. We expect that from the aspects of material supply and environmental protection, together with the establishment of standard measures, to achieve our final objectives of avoiding squandering resources, reducing the production of raw materials of photovoltaic components, and reducing the secondary environmental pollution. Apart from being the lead author of “Key of Preparation and Review on Zhuhai Green Building Construction Drawing Design Document” 2017, which published by Zhuhai City Housing and Urban Planning and Construction Bureau, the Zhuhai Base has also participated in editing and writing the following standards in this year which published by the national or local institutions:

- National Standard – GB/T 33295-2016 Technical requirements of domestic solar water heating systems with collectors on the facade or balcony of building
- National Standard – GB/T 34327-2017 Terminology for curtain wall
- National Standard – GB/T 34337-2017 Photovoltaic vacuum glass
- National Standard – GB/T 33766-2017 Technical requirements for independent energy of solar photovoltaic system
- Guangdong Province Standard – Guangdong 16J/140 Solar Energy Building Integrated Photovoltaic
- 國家標準 –GB/T 33295-2016《牆體、陽台壁掛型家用太陽能熱水系統技術要求》
- 國家標準 –GB/T 34327-2017《建築幕牆術語》
- 國家標準 –GB/T 34337-2017《光伏真空玻璃》
- 國家標準 –GB/T 33766-2017《獨立太陽能光伏電源系統技術要求》
- 廣東省標準 –粵 16J/140《太陽能光伏一體化建築構造》

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Green Products

Coal, oil and other fossil fuels not only are non-renewable resources, but also generate carbon dioxide and other greenhouse gases and waste during combustion. On the contrary, solar energy is a renewable and inexhaustible resource. Solar energy is also a clean energy, and its utilisation will not emit greenhouse gases which intensify greenhouse effect. Therefore, we vigorously promote the development of solar technology. With the concerns that solar energy may cause visual pollution in city, we proactively develop Building Integrated Photovoltaic ("BIPV") Technology, by using photovoltaic components as building materials. BIPV application has to be incorporated into the overall design of building, rather than only a simple combination of solar photovoltaic components and buildings. It is necessary to consider various functions and utilizations of building and is an attempt to form new architectural design ideas and energy-saving building methods. BIPV is not only for the effect of beautifying the building, but also for the realizations of shading insulation, heat preservation, energy saving and the reduction of energy consumption inside the building.

In addition, we also advocate green definition of building, i.e. the conservation of land, water, energy and material. Pursuant to the principle of "Passive Priority, Active Optimization", with the goal of "Ultra-low Energy Consumption", we aim to create low-carbon energy-saving building with rational planning and design at early stage and effective control and management at later stage, on the basis of high performance maintenance structures (high visible light transmittance, low shading coefficient), and supplemented by applying various types of ventilation technology, considering external shade and ventilation of photovoltaic power generation technology, and combining with building intelligent control system, etc. Zhuhai Singyes Green Building Technology Co., Ltd., a subsidiary of the Group, is the chairman of the Chinese Enterprise Committee of US-China Clean Energy Research Center- Building Energy Efficiency (CERC-BEE) consortium. The Group actively participates in the activities of the consortium and adheres to active and productive joint technology development, application and promotion with its members on the platform of the consortium. In this year, the Zhuhai Base has participated the following conferences which were held by CERC-BEE:

綠色產品

煤炭、石油等化石燃料不但不可再生，更會在燃燒發電過程中產生二氧化碳等溫室氣體和廢渣。相反，太陽能是可再生能源，取之不盡、用之不竭。太陽能更是一種清潔能源，使用太陽能不會產生導致溫室效應加劇的溫室氣體。故此，本集團大力推動太陽能技術的發展。我們明白在城市中，太陽能可能造成目視污染，因此我們積極發展光伏建築一體化技術(BIPV)，將光伏元件作為建築材料。BIPV的應用必須納入到建築的整體設計中，並不是光伏元件與建築的簡單迭加，還需要綜合考慮建築的各種功能和作用，形成全新的建築設計理念和建築節能的方法。BIPV不但有美化建築的作用，還可以達到遮陽保溫、節能環保的效果，減少建築物內部的能源消耗。

除此之外，我們亦提倡對於建築賦予綠色的定義，即節地、節水、節能、節材，在「被動優先，主動優化」原則上，以「超低能耗」為目標，旨在通過前期的合理規劃設計以及後期有效控制管理，形成以高性能維護結構(高可見光透射比、低遮陽係數)為基礎，輔以各種形式的通風技術、考慮外遮陽與通風的光伏發電技術、建築智能控制系統等打造出低碳節能建築。我們旗下珠海興業綠色建築科技有限公司是中美清潔能源聯合研究中心建築節能聯盟(CERC-BEE)中方企業委員會主席單位，本集團一貫積極參與聯盟組織的各項活動，並堅持在聯盟的平台上與成員開展積極的、富有成效的聯合技術研發、應用和推廣工作。本年度，珠海基地參與以下由CERC-BEE舉辦的會議：

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- China-US Clean Energy Research Center Saving-Energy Buildings 2nd Phase Project “Clean Zero Energy Consumption Key Technology Research and Demonstration” and Mission 4 “Research on Key Technologies of On-line Adjustment and Data Mining in Building Energy System” Kick-off Meeting
- China-US Clean Energy Research Center Clean Zero Energy Consumption Building Demonstration Technological Sharing Meeting
- 中美清潔能源聯合研究中心建築節能二期項目「淨零能耗建築關鍵技術研究與示範」任務四「建築能源系統在線調適與數據挖掘關鍵技術研究」啟動會
- 中美清潔能源聯合研究中心淨零能耗建築示範工程技術分享會

In recent years, amidst the advancement of urbanisation and industrialisation in Mainland China, the conflict between rapid economic development and energy shortage and environmental deterioration has become increasingly prominent. We believe that the important purpose of green building development is to integrate new energy into building, through technological innovation, to reduce the cost of green building so that it is accessible to ordinary people. Therefore, we promote the development of energy-saving and environmental industry in green building, distributed energy resources and other aspects to make greater contributions to clean energy. The Group's exploration and development in photovoltaic industry have gained supports and recognition from authoritative bodies and professional platforms within the industry. In this year, the Zhuhai Base has obtained the following qualifications and awards:

近年來，隨著中國內地城鎮化與工業化的推進，高速發展的經濟與能源緊缺、環境惡化的矛盾日益凸顯，我們認為將新能源融入建築，通過技術創新降低綠色建築的成本，使其能夠進入尋常百姓家，這是綠色建築發展的重要目的。故此，我們從綠色建築、分布式能源等方面出發，推動節能環保產業發展，為清潔能源作更大貢獻。本集團於光伏行業領域的探索與發展，亦獲得了行業內權威機構及專業平台的支持與認可。本年度，珠海基地所取得的資格及嘉獎列舉如下：

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Awards 所獲獎項	Presenters 頒獎單位	Date of award 獲獎時間
Top Ten Famous Brand Award 2017 in China Green Building Materials and Equipment Industry 2017中國綠色建材設備行業十大著名品牌獎	China Green Building and Energy-Saving Professional Council, China Green Ecological Intellectual City Industrial Network, Guangdong Building Energy Conservation Association, Green Building Materials and Engineering Professional Council 中國綠色建築與節能專業委員會、中國綠色生態智慧城市產業網、廣東省建築節能協會綠色建材與工程專業委員會	10 September 2017 2017年9月10日
Most Popular Brand Award 2017 in China Green Building Materials and Equipment Industry 2017中國綠色建材設備行業最佳人氣品牌獎	China Green Building and Energy-Saving Professional Council, China Green Ecological Intellectual City Industrial Network, Guangdong Building Energy Conservation Association, Green Building Materials and Engineering Professional Council 中國綠色建築與節能專業委員會、中國綠色生態智慧城市產業網、廣東省建築節能協會綠色建材與工程專業委員會	10 September 2017 2017年9月10日
2017 Zhuhai City “Building Party and Encouraging Innovation” Techonology Competition (Innovation Group) 2017年珠海市「黨建引領創新驅動」科技大賽(創新組)	Chinese Communist Party Zhuhai City Committee Member Organization Department, Chinese Communist Party Zhuhai City Non-public Economic Organization and Social Organization Committee 中共珠海市委員組織部、中共珠海市非公有制經濟組織和社會組織工作委員會	28 September 2017 2017年9月28日
Creative Innovation Festival “Architecture and Urban Development” Best Popularity Award in Guangdong-Hong Kong-Macao Bay Area 大灣區創意創新盛典「建築與城市發展」最佳人氣獎	Delta-Bridges Media, Sino-Singapore Guangzhou Knowledge City, Sino-Singapore Guangzhou Knowledge City International Innovation and Venture Base 三角鈴、中新廣州知識城、中新廣州知識城國際創新創業基地	10 November 2017 2017年11月10日

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Treasure the Resources

We not only put effort on environment in our business, but also proactively step towards low-carbon lifestyle in our operation. The Group has put numerous environmental-friendly elements in our property design. One of our office buildings - Research and Development Building of Singyes Solar has fully considered the application environment of passive technique, and combined active technique to enhance the applicability of the building, adopting 36 green building energy-saving techniques in total, and has passed the evaluation, being awarded the highest level certificate in China green building-Certificate of Green Building Design Label with Three-star Rating. Research and Development Building of Singyes Solar adopts human-induced lighting, air conditioning, and fresh air triple control technology, taking information technology as carrier, positioning through microwave technology, and integrates building intelligent control system, to integrate the control of lighting, air conditioning, and fresh air with people's indoor activity, achieving the situation of "Turn on when people are present, turn off if absent", avoiding unnecessary energy consumption and achieving interactions between people and internals of buildings. Apart from utilising photovoltaic to generate electricity in order to reduce greenhouse gases emission, Research and Development Building of Singyes Solar has also adopted evaporative condensation heat recovery fresh air unit. Apart from using photovoltaic power generation to reduce greenhouse gas emissions, Research and Development Building of Singyes Solar also adopts an evaporative condensing total heat recovery fresh air unit to recover the cooling capacity of exhaust air to save resources. Our Zhuhai Singyes Renewable Energy Industrial Park adopts photovoltaic power generation technology and energy comprehensive management technology, and has become a demonstration project for distributed power plants and smart micro grids. In addition, the staff quarters in Zhuhai Base also use the building integrated solar thermal technology, by combining the solar and thermal system with building construction to provide employee with hot water, heating and air conditioning, etc., in order to reduce our demand for thermal power and lessen environmental pollution.

珍惜資源

本集團不但在業務上為環境出一分力，更在營運中全面體現我們積極邁向低碳生活的目標。本集團在我們的物業設計中揉合多項環保要素。我們其中一個辦公樓 – 興業太陽能研發樓充分考慮被動技術的應用環境，結合主動技術提高建築的適用性，共採用了36項綠色建築節能技術，並已通過評審被授予中國內地綠色建築方面的最高級別證書 – 《三星級綠色建築設計標識證書》。興業太陽能研發樓採用基於人體感應的照明、空調、新風三聯控技術，以信息化技術為載體，通過微波等技術進行定位，結合樓宇智能控制系統的集成技術，將照明、空調、新風三者的控制與人在建築內部的活動關聯起來，實現「人來開，人走關」，避免人為操作帶來的不必要的能源消耗，實現建築與人的互動。興業太陽能研發樓除了利用光伏發電以減少溫室氣體排放，亦採用蒸發式冷凝全熱回收新風機組，回收排風的冷量以節約資源。我們旗下的珠海興業新能源產業園全面採用光伏發電技術、能量綜合管理技術，成為分布式電站及智能微電網的示範項目。另外，珠海基地的員工宿舍運用光熱建築一體化技術，將光熱系統與建築有機結合，為員工提供熱水、暖氣及空調等，減少我們對火力發電的需求，以減少對環境的污染。

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The Zhuhai Base did not generate waste water during the production process, and the domestic sewage was directly discharged into the municipal pipe network. In the test in July of this year, the water pollutants of the domestic sewage in the Zhuhai Base reached the discharge requirements of the DB4426-2001 Guangdong Provincial Local Standard “Water Pollutant Emission Limit”. In order to save water, Research and Development Building of Singyes Solar uses a standard water-saving sanitary appliance to reduce its water consumption to meet the normal use of functions to save water resources. The Research and Development Building of Singyes Solar also employs a wet pond method to store rainwater. It normally plays a normal landscape and leisure function, and plays a function of regulating and storing in the event of heavy rain.

We regularly carry out employee education for the promotion of energy saving, requiring employees to save resources, and following the “Say No to Waste” system to minimize unnecessary energy usage. We implement responsibility and penalty policies in respect of office equipment, such as air conditioning, and computer, specifically for employees who do not switch off air conditioning or computer after work. In order to avoid the additional resource consumption caused by the facility failure, we will carry out repairs immediately after discovering any failures. To encourage employees to actively propose measures that have a positive impact on the environment, we recognize and reward employees who have made reasonable suggestions to achieve resource conservation goals. In response of material use, the Group avoids excess inventory by conducting material usage assessment.

珠海基地於生產過程中並無產生廢水，而生活污水將直接排入市政管網。於本年度7月的檢測中，珠海基地的生活污水的水污染物已達到DB4426-2001廣東省地方標準《水污染物排放限值》二級標準的排放要求。為了節約用水，興業太陽能研發樓採用一級標準的節水型衛生器具，在滿足正常使用功能的情況下減少其用水量，以節約水資源。興業太陽能研發樓亦採用濕塘方式調蓄雨水，在平時發揮正常的景觀及休閒功能，在暴雨發生時發揮調蓄功能。

另外，我們定期對員工進行節約資源的宣傳教育，要求員工節約資源，杜絕浪費，做到「人走水斷，人走燈滅」。我們對辦公設備如空調、電腦實行負責制，落實處罰制度，對下班後未關空調或電腦的員工進行處罰。為避免設施故障導致的額外資源耗用，我們在發現故障後，立即進行維修。為鼓勵員工積極提出對環境有正面影響的措施，我們表揚和獎勵提出合理建議以達到節約資源目標的員工。針對物料使用方面，本集團通過進行物料用量評估，避免存貨過多。

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In the year, the energy consumption of Zhuhai Base is as follows:

本年度，珠海基地資源耗量如下：

	Indicator 指標	2017 2017
Direct and indirect energy consumption(MWh)	直接及間接能源總耗量(兆瓦時)	6,232
Total energy consumption per square meter of floor area (kWh/ m ²)	每平方米樓面面積能源消耗總耗量(千瓦時/平方米)	58.04
Consumption of non-renewable resources(MWh)	不可再生燃料耗量(兆瓦時)	857
Energy consumption for generating electricity(MWh)	能源作消耗的電力(兆瓦時)	5,304
Energy consumption of self-generated electricity(MWh)	自行發電的能源耗量(兆瓦時)	71
Total water consumption(m ³)	總耗水量(立方米)	186,110
Recycling amount of rainwater(m ³)	雨水回收量(立方米)	1,645
Water consumption per square meter of floor area(m ³ /m ²)	每平方米樓面面積耗水量(立方米/平方米)	1.75
Consumption of cardboards(tons) ¹	紙皮使用量(噸) ¹	30
Consumption of paper and paper packaging materials(tons)	紙及紙質品包裝材料使用量(噸)	3

Emission Management

The Research and Development Building of Singyes Solar uses solar energy to generate electricity. The green electricity generated can replace traditional thermal power generation, reduce emissions of sulfur dioxide, nitrogen oxides, and greenhouse gases from the thermal power generation process to achieve low-carbon emission reductions and improve air quality, mitigating climate change. As of December 31, 2017, the total capacity of the Research and Development Building of Singyes Solar was approximately 71 MWh. Compared with domestic coal-fired power plants, this is equivalent to a reduction of approximately 59 tons of carbon dioxide, 28 kg of sulfur dioxide, 26 kg of nitrogen oxides and 6 kg of soot emissions.

排放物管理

興業太陽能研發樓利用太陽能進行發電，所產生的綠色電力可替代傳統的火力發電，減少火力發電過程產生的二氧化硫、氮氧化物等廢氣以及溫室氣體，達到低碳減排的目的，改善空氣質素，緩和氣候變化。截至2017年12月31日止，興業太陽能研發樓的總發電量約為71兆瓦時。與國內燃煤電廠比較，相當於減少約59噸二氧化碳、28千克二氧化硫、26千克氮氧化物和6千克煙塵排放。

¹ Due to the variety of packaged products, it is not possible to calculate the amount of packaging materials per unit products.

¹ 因所包裝產品有多種，故無法統計單位產品包裝材料用量。

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In addition to saving energy and water, we have taken different measures to reduce the greenhouse gas emissions generated by the Group during its operation. In transportation, we encourage employees to replace unnecessary overseas business trips with video conferences. If the business travel is unavoidable, we encourage employees to use direct flights to reduce the carbon emissions from each flight. We also manage the carbon emissions from our fleet. We will regularly maintain the fleet and prohibit the idling of the engine so as to reduce the energy wasted on wasting vehicles. By renting electric commuter vehicles, we also indirectly reduce air pollution caused by fuel vehicles and reduce greenhouse gas emissions. Due to the use of the Group's fleet, the Zhuhai Base discharged 460 kg of nitrogen oxides, 1 kg of sulfur dioxide and 35 kg of suspended particulates during the year. Furthermore, we have planted trees in our office areas to increase our ability to absorb carbon dioxide and reduce the net increase in greenhouse gases. During this year, the greenhouse gas emissions and emission reductions at the Zhuhai Base are listed below:

除了節約能源及用水，我們亦採取不同的措施減少本集團在營運期間所產生的溫室氣體。在交通上，我們鼓勵員工以視頻會議代替非必要的海外公幹。若商務旅行不可避免，我們鼓勵員工使用直航航班以減少每次飛行引致的碳排放。我們亦有管理車隊的碳排放，我們會定期為車隊進行保養，並禁止汽車引擎空轉，以減少浪費車輛耗用的能源。透過租用電動通勤車，我們亦間接減少燃油車引致的空氣污染，並降低溫室氣體排放量。因使用本集團旗下車隊，珠海基地在本年度排放了460千克氮氧化物，1千克二氧化硫及35千克顆粒物。另外，我們在辦公區域內種植樹木，增加吸收二氧化碳的能力，並減緩溫室氣體的淨增加。本年度，珠海基地的溫室氣體排放量及減排量載列如下：

	Indicator 指標	2017 2017
Total emission of greenhouse gases(tons)	溫室氣體總排放量(噸)	50,325
Total greenhouse gases emission per square of floor area (tons/m ²)	每平方米樓面面積的溫室氣體排放總量(噸/平方米)	0.47
Direct emission(Aspect 1)	直接排放(範圍一)	47,338
Indirect emission(Aspect 2)	間接排放(範圍二)	2,796
Indirect emission(Aspect 3)	間接排放(範圍三)	191
Avoided total greenhouse gases emission through generating electricity by solar power(tons)	透過太陽能發電避免溫室氣體排放總量(噸)	59
Avoided total greenhouse gases emission through using rainwater recycling system(kilogram)	透過使用雨水回收系統避免溫室氣體排放總量(千克)	605
Avoided total greenhouse gases emission through planting trees(kilogram)	透過種植樹木避免溫室氣體排放總量(千克)	1,472

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Waste Management

The Group's operations tend to be paperless. We encourage employees to use email for internal and external communication. We use office automation (OA) system for notifications, transfer applications, holiday applications and other administrative procedures as paperless office we encourage employees to use e-mail for internal or external communication, and promote double-side printed internal documents to fully utilize paper. We also require employees to collect recyclable and non-recyclable wastes. The Group will transfer the recyclable waste to recyclers, and non-recyclable waste will be processed by a qualified waste disposal company. Zhuhai Base did not produce hazardous waste during the year. During this year, the amount of non-hazardous waste generated at the Zhuhai Base is as follows:

廢棄物管理

本集團的營運趨向無紙化，我們鼓勵員工使用電子郵件進行內部和外部溝通，並使用辦公自動化（Office Automation，縮寫OA）系統進行通知、調動申請、假期申請等行政程序，以達到無紙化辦公的目標。我們提倡內部文件使用雙面打印，提高紙張利用率。我們亦要求員工對可回收利用及不可回收利用的廢棄物進行分類收集。本集團將可回收廢棄物會交由回收商處理，不可回收廢棄物交由合資格的垃圾處理公司處理。珠海基地在本年度沒有產生危險廢棄物。本年度，珠海基地產生之無害廢物量如下：

	Indicators 指標	2017 2017
Total amount of non-hazardous waste handled by accredited company (tons)	交由合資格公司處理的無害廢棄物總量(噸)	83
Total amount of non-hazardous waste handled in an accredited manner per square meter of floor area(kilogram/m ²)	每平方米樓面面積交由合資格處理的無害廢棄物總量(千克/平方米)	0.77
Total amount of recycled waste(tons)	回收的廢料總量(噸)	423

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PEOPLE ORIENTED

Attracting Talents

We believe that employees are the foundation of scientific management as well as the core competence of the Group. We recognise the importance of nurturing talents, and we are dedicated to building a love and caring environment for our employees. Our business philosophy fully exemplifies our respect for employees and our exploration of employee's potentials. According to our annual recruitment plan, we adopt ways such as On-site job fairs, online recruitment, internal recommendation, and campus recruitment to absorb talents. All applicants shall attend interviews conducted by department of human resources and department head. During recruitment, the Group offers equal opportunity for all applicants, regardless of their gender, nationality, family role. The Group strictly abides with Provisions on the Prohibition of Using Child Labor; we avoid hiring child labor by checking identity certificate and confirming the age of applicant. Before employment, employee must sign labor contract, in which the job description, insurance and benefits, working and holiday hour are stated, in order to avoid forced labor of any form. If there work overtime, the overtime work must be opened to negotiation, and if employees need to work overtime, overtime work must be agreed upon and compensation should be made in overtime paid or compensatory time, and relevant laws and regulations should be complied with, with a view to preventing forced overtime work.

Employee Benefits

The Group strictly abides with laws and regulations related to employees' right and benefits, for instance, Employment Ordinance of Hong Kong, and Labor Law of the People's Republic of China. We regularly formulate a remuneration system which is competitive in market according to the remuneration level of the same industry in the same region and the Group's business performance. We will also adjust employees' performance bonus and annual bonus in accordance with the results of employees' regular performance assessment. The Group adopts a 5-day 8-hours working condition, and offers various holidays to our employees, such as annual leave, marriage leave and paternity leave. Apart from fixed remuneration, monthly performance bonus and annual bonus, we also provide our employees with different benefits. Besides statutory benefits and insurance, we will also offer body examination,

以人為本

廣納人才

員工是科學管理的基石，亦是本集團的核心競爭力。我們著重人才的經營，亦致力營造關愛員工的良好氛圍。我們的經營理念充份體現對員工的尊重和對員工潛能的挖掘。我們根據年度招聘計劃，採用現場招聘會、網絡招聘、內部推薦、校園招聘等方式廣納人才。所有應徵者均須經過人事部及部門負責人面試。招聘員工時，本集團給予所有應徵者同等受聘機會，不會因性別、種族、家庭崗位等而區別對待。本集團嚴格遵守《禁止使用童工規定》，通過檢查身份證明文件，核實申請者的年齡以避免僱用童工。開始受僱之前，僱員必須簽訂勞動合同，其中明確載有工作描述、保險與福利、工作和休假時間，以防止任何形式的強制勞工。倘員工需要逾時工作，加班工作須經協商一致，並按相關法例法規以加班費或補假作補償，以防止強制加班。

員工福利

本集團嚴格遵守員工權益相關的法律法規，如香港《僱傭條例》、《中華人民共和國勞動法》等。我們定期根據對同行業同地區的薪酬水平調查結果和本集團的業務情況，制定具市場競爭力的薪酬結構。我們亦根據員工定期的績效考核結果調整員工的績效獎金及年度獎金。本集團實行五天八小時工作制，並給予員工不同類型的假期，如年假、婚假、產假等假期。除了固定薪酬、月度績效獎金及年度獎金以外，我們亦為員工提供不同福利。除為全體員工提供法定福利保障外，我們亦為員工提供體檢、喜嫁禮金、節日禮金、子女教育金等。針對員工不同工作情況，本集團安排發放各類

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marriage gift, festival gift, and children education gift to our employees. In respect of personal situation, the Group arranges various subsidies to our employees, including technical subsidy, transportation subsidy, and accommodation subsidy. In order to encourage employees to work long term in the Group, we provide annual service allowance for employees who have joined the Group over one year. Apart from monetary support, we pay more attention to their spiritual satisfaction. The Group believes that mutual communication is the most crucial factor to increase sense of belongings, and also beneficial to increase employee's satisfaction on work and efficiency, so as to decrease the turnover rate. The Group has established appropriate channels for employees and senior management to communicate; the department of human resources will collect employees' opinion and suggestion, and tackle the problem together with other department heads, improving the relationship between employees. In a bid to improve the Group's operation, we will arrange a face-to-face meeting with the employees who have resigned, in order to know the reason behind their departure; moreover, we will pay the remaining wages to them on time.

Health and Safety

The Group sets up the idea of "Life First, Safety First" and strictly abides by the requirements of the Occupational Health and Safety Management System (GB/T 28001-2001) of Mainland China to protect the safety of employees as the core belief. We also provide annual medical examinations for employees. We care employees' safety and health, and identify, evaluate and control the hazards in various production activities and the occupational health and safety deficiencies of the Group that may lead to accidents, improve production condition and working environment. We regularly inspect employees' exposure to occupational hazards to ensure that employees work in a safe environment. In response to the possibility of an accident, we have developed an emergency plan. In order to improve the emergency personnel's ability to properly handle accidents in an emergency and to improve the emergency plan; we have also conducted regular drills and review the drill results. We understand that there is a close relationship between the safety of equipment and the safety of employees. To this end, we not only provide occupational protection facilities and protective equipment, but also remind employees of the safety measures that need to be taken when using the equipment. At the same time, we also clearly state methods for occupational health and safety control. For example, employees are required to check the equipment daily before operation to ensure the equipment is well maintained and kept in a normal working conditions, and being capable to operate stably.

型津貼，包括技術職稱補貼、交通補貼、住房補貼等。為了鼓勵員工長期於本集團工作，我們為凡入職本集團滿一年以上的員工每年提供工齡津貼。除了以金錢支援員工，我們更重視員工的心靈滿足。本集團相信雙向溝通對增強僱員凝聚力至為重要，有助提高僱員的工作滿足感、增加生產力和降低離職率。本集團設有適當之渠道讓僱員與管理層保持良好溝通，人力資源部會收集員工的意見及建議，與各部門負責人共同解決存在的問題，不斷改善員工關係。為改善本集團的運作，我們為離職員工安排面談以瞭解其離開的原因，亦會依時發放餘下的工資。

健康與安全

本集團樹立「生命至上、安全第一」的思想，嚴格遵照中國內地《職業健康安全管理體系要求》(GB/T 28001-2001)，以保障員工生命安全為核心。我們關注員工的安全與健康，每年為員工提供體檢。我們對本集團內各類生產活動中的危險源和有可能引致事故發生的職業健康安全缺陷進行識別、評估和控制，以改善生產條件及工作環境。我們定期檢測員工接觸職業病危害因素的情況，以確保員工在安全環境工作。針對事故發生的可能性，我們制定了事故應急方案。為提高應急人員在緊急情況下妥善處置事故的能力，並完善應急方案，我們定期演習，並審視演練結果。我們明白設備的安全與員工的安全有緊密的關係。為此，我們不但提供職業防護設施及防護用品，亦提醒員工設備使用時需要採取的安全措施，同時亦明確指出職業健康安全控制方法，如要求員工每天需在操作前對設備進行檢查，以確保設備得到良好維護，保持正常的工作狀態和穩定的運作能力。

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In addition to being equipped with safety protection facilities, the Group actively carries out publicity and safety training for its employees in order to enhance employees' self-protection awareness and capabilities. Bulletin boards are set up inside the factory building, which announces the rules and regulations, operating procedures, emergency rescue measures for occupational hazards, and detection results of occupational hazards related to occupational hazards prevention and control. We also make sure that all equipment operation and maintenance personnel are well trained, while project managers, construction quality and safety inspectors, special operators, chemical management, etc. also are required to report duties with licenses in accordance with the requirements of national laws and regulations. In order to enhance the safety awareness of employees, we provide trainings for special positions and provide safety tertiary education for new employees and regular trainings on occupational safety education for all employees. We conduct questionnaire survey for the participants to continuously improve our training effectiveness. We will continue to analyse and improve the safety management of our employees.

Employee Development and Training

Considering that we have to build an outstanding team and stretch their potential in line with the long-term development of the Group, we provide clear promotion path as well as training for our employees. Employees can be promoted through three career development paths, including technical path, management path and operating path, each of development career can be subdivided into more professional development. No matter it is technical, management or operating path, employees shall enjoy the corresponding benefits as long as the same level, including salary income, benefit, spiritual honor, etc. The decision of promoting employees is fair and open, among which no discrimination against employees is practiced. Whenever there is a job vacancy, we will consider promoting internal excellent employee according to his/her annual performance assessments results, granting recognition to our employee's effort and contribution.

除了配備安全防護設施，本集團積極對員工進行宣傳及安全培訓，以提高員工的自我保護意識和能力。廠房內設有公告欄，公佈有關職業病危害防治的規章制度、操作規程、職業病危害事故應急救援措施以及職業病危害因素檢測結果。我們確保所有設備的操作和維護人員均得到充分的培訓，並要求項目經理、施工質量、安全檢查人員、特種作業人員、化學品使用管理人員等按照國家法律法規的規定持證上班。為了增強員工的安全意識，我們不但提供針對特殊崗位的培訓，亦會對新員工提供安全三級教育，並定期對全體員工提供職業安全教育培訓。珠海基地在本年度舉辦了有關車間人員安全操作、職業健康知識、危險源和環境因素識別與評價的培訓。我們向參與培訓的員工進行問卷調查，以不斷提升我們的培訓效果。我們持續對本集團員工的安全管理進行分析及改進。

員工發展及培訓

為了建立一支優秀的員工隊伍，並挖掘員工的潛能以配合本集團的長遠發展，我們除了為員工訂立清晰的晉升通道，亦為員工提供培訓。員工可循三條職業發展的通道晉升，包括技術通道、管理通道和作業通道，而每一條通道可以再細分為更專業的發展。無論是技術、管理或作業通道，只要在同一階層，員工都會享受相應的權益，包括：工資收入、福利待遇、精神榮譽等。員工的晉升決定是公平公開，當中不帶任何歧視成份。當出現職位空缺時，我們會根據員工年度績效考核結果考慮從內部提拔能幹員工，以肯定員工的努力及貢獻。

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With a view to growing together with our employees, we provide our employees with various training besides induction training. We have established an internal lecturer team to provide internal training for our employees, and also hired professionals to train our employees. We are committed to improve the production techniques, design method, management ability, and equipment maintenance ability of our employees, offering chances to employees to let them perform better in his/her professional field, thus raising the professional status of the Group. We have organized the following training program this year:

- Technical training for workers
- Design principal for calculation of curtain wall structure and steel structure
- Abnormal curtain wall design and precautions
- Related knowledge training of engineering adjustment center
- Case studies of construction
- Construction, contract, labor service, industry and commerce and other related laws and regulations training

Some of the trainers shall pass the training assessment before receiving the qualification and working permit, in order to ensure that employees understand the content of training. We will continue to improve the training quality of employees by assessing the training results. In order to improve employees' operational techniques and offer technique show to employees, we have organized a "Singyes Solar (Zhuhai Base) 2nd Labor Technique Competition for Workers" this year.

為了與員工共同成長，我們除了提供入職培訓，亦為員工提供不同的培訓。我們每年根據員工培訓需求制定年度培訓計劃。我們建立內部講師團隊為員工提供內部培訓，亦會聘請專業人員培訓員工。我們致力提升員工的生產技術、設計方法、管理能力、設備保養能力等，讓員工能在其專業範疇中表現的更出色，進一步提升本集團的專業地位。我們在本年度所舉辦的培訓項目舉例如下：

- 工人技能培訓
- 幕牆結構計算及鋼結構設計原理
- 異形幕牆設計及注意事項
- 工程調度中心相關知識培訓
- 工程案例分析
- 建築、合同、勞務、工商等相關法律法規培訓

部份培訓人員須經過培訓考核合格後才發放資格證書或上崗證，以確保員工知悉培訓內容。我們會持續透過員工對培訓效果的評估，改進員工的培訓質素。為了提高員工的崗位操作技能，並為員工提供展示自身崗位精湛技藝的舞台，我們在本年度舉辦了「興業太陽能（珠海基地）第二屆職工勞動技能大賽」。

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MUTUAL DEVELOPMENT WITH CUSTOMERS AND SUPPLIERS

Cooperation with Suppliers

The Group expects to have long-term cooperation with suppliers to joint sustainable development and take initiative of innovation. The Group has been conducting public bidding procurement in an open, fair and honest manner as competitive principle. During the selection process of suppliers, we will give priority to suppliers who have obtained certifications such as “ISO9001 Quality Management System Certification”, “ISO14001 Environmental Management System Certification”, and “OHSAS18001 Occupational Health and Safety Management System Certification” to ensure that the suppliers have sufficient support for product quality, environmental protection, energy saving, emission reduction, and occupational safety and health. The Group will also conduct site visits to some suppliers’ factories and conduct field sampling inspections to ensure that its production equipment is qualified, personnel and facilities are adequate, and the production process and products meet the national quality standards. For qualified suppliers, we will continue to supervise and inspect their products and services. We also regularly update our list of major suppliers, and we will periodically evaluate suppliers’ performance of agreed terms, and take them as a basis for selecting suppliers and improving supplier management.

Products and Services

The Group places considerable value on the quality of products, we have established a system for product inspection and project acceptance. We have achieved a comprehensive quality control in the production process. We have carefully designed the process of import processing inspection, production process inspection and finished product inspection, and employed third-party accredited testing centers to test the physical properties of some products to ensure that the products meet the quality requirements. During the construction process, we inspect the key processes according to the requirements of the construction drawings, and inspect the construction of the project regularly, and conduct regular quality inspections every quarter. We will also conduct inspection after the construction is completed. If the

與客戶及供應商共同發展

與供應商合作

本集團期望與供應商長期合作，共同持續發展，攜手踏出創新的每一步。本集團一直以公開、公平、公正、競爭擇優原則進行招標採購。在選擇供應商時，我們會優先考慮取得《ISO9001 質量管理體系認證》、《ISO14001 環境管理體系認證》、《OHSAS18001 職業健康與安全管理體系認證》等認證證書的供應商，以確認供應商於產品質量、環境保護、節能減排、職業安全及健康等範疇有足夠投入。本集團亦會到部份供應商廠房進行實地考察，並進行實地抽樣檢驗，確保其生產設備合格、人員配備齊全、生產過程及產品符合國家質量標準。對於合格的供應商，我們會持續對其產品及服務進行監督檢查。我們亦有定期更新我們主要供應商清單，並會定期就供應商履行約定的情況進行評價，以此評價作為選出供應商及改善供應商管理的依據。

產品與服務

本集團重視產品的質量，我們制定有關產品檢驗及工程驗收的制度。生產過程實現全程品質控制。我們設計了仔細的進料檢驗、生產制程檢驗和成品檢驗的流程，並聘請第三方合資格的檢測試驗中心試驗部份產品的物理性能，確保產品符合質量要求。在工程施工過程中，我們按施工圖紙要求檢驗關鍵工序，定期巡查項目施工情況，每季定期進行質量大檢查。我們在施工完成後亦會進行檢驗。如業主在使用後發現質量問題，我們根據不合格的影響或潛在

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owner discovers any quality problems after using, we take related measures based on the extent of the substandard impact or the potential impact. We also identify the resources, raw materials, equipment, spare parts, semi-finished products, finished products and engineering inspection status for the project to trace the quality of the project and the safety quality of the products.

Maintain Business Ethics

The Group has always respected the privacy and intellectual property rights entrusted to individuals by the law, and strictly protected the personal data of customers and our intellectual property rights. We enter into confidential agreements with employees and provide monthly confidential subsidies to employees to ensure that the information of customers will not be leaked out. In addition to irregularly conducting information security education and training, we also set up a mechanism for information management authority auditing and information security management to ensure data security. We signed confidentiality agreements with suppliers and customers to strengthen the protection of business secrets and safeguard the legal rights of both parties. During promotion and sales, the Group complies with the Advertising Law of the PRC and other relevant laws and regulations, and strives to provide accurate information on publicity materials and prohibit employees from making any false, misleading or inaccurate statements in any form of marketing activities. The Group strictly abides by the relevant laws and regulations such as the Patent Law of the PRC and the Trademark Law of the PRC to protect intellectual property rights. New patents authorized by the Zhuhai Base in this year are listed as follows:

- Solar forced cooling wave fin heat pump
- Adjustable water curtains across the aquifer
- Dimming glass fixed doors for metro screen doors multimedia systems
- Adjustable flat tube heat transfer module soldering fixture device

影響的程度採取相關措施。我們亦對工程期間所用的物資、材料、設備、零配件、半成品、成品以及工程檢驗狀態進行標識，以便於對工程質量、產品的安全質素進行追溯。

保持商業道德

本集團一直非常尊重法例賦予個人的私隱權及知識產權，嚴格保護客戶的個人資料及我們的知識產權。我們與員工簽訂保密協議，並每月為部份員工提供保密補貼，確保客戶的資料不會被洩露。我們除了不定期進行信息安全教培訓，亦制定有關信息管理用戶權限審核及信息安全管理機制，以確保數據的安全性。我們與供應商及客戶簽署保密協議，加強對企業商業秘密的保護，維護雙方合法權益。在宣傳和銷售工作時，本集團遵守《中華人民共和國廣告法》等相關法律法規，努力於宣傳物品上提供準確資料，並禁止於僱員在任何形式的營銷活動中作出任何虛假、誤導或不準確的陳述。本集團嚴格遵守《中華人民共和國專利法》和《中華人民共和國商標法》等相關法律法規，以保護知識產權。珠海基地在本年度新授權的專利舉例如下：

- 太陽能強制冷卻式波浪翅片熱泵
- 可調節通隔含水層的隔水帷幕
- 地鐵屏蔽門多媒體系統的調光玻璃固定門
- 可調式扁平管傳熱模塊錫焊工裝夾具裝置

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Anti-corruption

The Group is committed to preventing the occurrence of corruption. We have adopted a clear avoidance system, prohibiting direct leadership relationships among employees who have husband and wife relationship, immediate family relationship, three generation collateral relatives and other close family relationships. Moreover, we clearly stipulate that employees should be honest, loyal to their duties, and shall not abuse their official powers to seek any improper benefits. We sign an Integrity Agreement with our customers to enhance their mutual legal awareness of business operations and integrity, improve self-discipline and self-supervision mechanisms, and create a law-abiding, honest, efficient and clean working environment to prevent the occurrence of violations of law and discipline. We strictly abide by laws and regulations concerning the prevention of bribery, extortion, fraud and money laundering.

HARMONIOUS SINGYES

While pursuing business development, the Group has spared no effort to contribute to the community and the industry. Apart from participating in different industry conferences and involving in the formulation of industry standards, we also cooperated with different agencies to promote the development of the industry and share the results of our research and development. This year, we cooperated with Sun Yat-sen University to research the topic of “Key Technology and Product Development of New Flexible Liquid Crystal Dimming PET Functional Films” and jointly studied projects of the 13th Five-Year national key research and development projects with different organizations. To promote the extensive exchange of green building technologies, we invited different external agencies to visit. During the year, we received more than 50 external agencies, for example:

- Huanggang Huaya Zhongzhou Furnace Co., Ltd.
- Beijing Normal University- Hong Kong Baptist University United International College
- Zhuhai City Women Federation

反貪污

本集團致力防止貪污事件的發生。我們建立明確的回避制度，員工不得與親屬建立直接的上下級領導關係，親屬關係包括夫妻關係、直系血親關係、三代以內旁系血親以及近姻親關係等。另外，我們亦明確規定員工需廉潔奉公，忠於職守，不得利用職權謀取任何不當利益。我們與客戶簽訂《廉潔協議書》，以增強雙方依法經營、廉潔從業意識，完善自我約束、自我監督機制，營造守法誠信、廉潔高效的工作環境，防止發生違法違紀行為。我們嚴格遵守有關防止賄賂、勒索、欺詐及洗黑錢的法律法規。

和諧興業

在追求業務發展的同時，本集團不遺餘力地貢獻社區及本行業。我們除了參與不同的行業會議及參與制定行業標準，亦與不同機構合作，以推動行業發展，分享我們研發的成果。本年度，我們與中山大學合作研究「新型柔性液晶調光PET功能薄膜關鍵技術及產品開發」的課題，並與不同機構共同研究「十三五」國家重點研發計劃的項目。為促進綠色建築技術的廣泛交流，我們邀請不同外部機構到訪。本年度，我們接待了超過50間外部機構，如：

- 黃岡市華窯中洲窯爐有限公司
- 北京師範大學、香港浸會大學聯合國際學院
- 珠海市婦聯

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- Beijing Institute of Technology, Zhuhai Department of Energy and Power Engineering
- The Chinese People's Political Consultative Conference of Henan Province
- 北京理工大學珠海學院能源與動力工程專業
- 河南省政協

As an enterprise with social responsibility, the Group actively supports young students, helps those in distress, utilizes our technological achievements to promote public welfare development, and brings solar technology to people in remote areas. During this year, the Group jointly established a 10MW photovoltaic project in Nanhe Village with Zhuhai Provincial Special Fund for Poverty Alleviation and Zhuhai Municipal People's Congress Standing Committee, and actively implemented accurate poverty alleviation strategies. The project adopts a complementary agriculture and light industry model, which solves local employment problems, drives local economic development, and promotes the poverty-stricken households with labor in Nanhe Village to get out of poverty. In this year, the Group held a public welfare event for poor children in Sichuan Ganzi and sent a batch of caring materials and holiday greetings to poor students in Litang County and Daocheng County in Ganzi Prefecture.

In the past, the Group had organized donations for Yushu, Wenchuan, and Ya'an earthquakes, donated solar water heating systems in Daofu County, Ganzi Prefecture, Gansu Province, donated a solar streetlight to Mengcun, Lantian County, Shaanxi, and also donated books to the Wenta Primary School in Yangjiang City, and donated to the mentally handicapped students of Zhuhai Qianshan Middle School, and participated in Zhuhai Carnations single-parent families social welfare activities. The Group is courageous to take on social responsibility and tirelessly give back to the society through industry development.

作為肩負社會責任的企業，本集團積極扶幼助學，扶危濟困，運用我們的科技成果推動公益事業的發展，利用太陽能技術援助偏遠地區的人們。本集團在本年度與珠海省市扶貧專項資金、珠海市人大常委會機關自籌資金合資建設南河村 10MW 光伏專案，積極貫徹精準扶貧方略。項目採用農光互補的產業模式，解決了當地就業問題，帶動地方經濟發展，推動南河村有勞動力的貧困戶全面脫貧。本集團在本年度舉辦四川甘孜貧困兒童幫扶公益活動，為甘孜州理塘縣、稻城縣的貧困學生們送去文具、書包和食品等一批愛心物資和節日問候。

在過去，本集團曾組織過玉樹、汶川、雅安地震捐贈、四川甘孜州道孚縣太陽能熱水系統捐贈、陝西藍田縣孟村太陽能路燈捐贈、陽江市文塔小學書籍捐贈、珠海前山中學幫扶智障學生捐贈、珠海康乃馨特困單親家庭幫扶等社會公益活動，勇擔社會責任，孜孜不倦地用產業發展回報社會。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS OVERVIEW

We are a professional renewable energy solution provider and building contractor. Our main businesses are design, fabrication and installation of curtain wall, green building and solar projects. Solar projects included Building Integrated Photovoltaic System (“BIPV”) system, roof top solar system and ground mounted solar system (collectively “Solar EPC”); we also engaged in the manufacturing and sale of renewable energy goods. Our BIPV system involves (i) the integration of photovoltaic technology into the architectural design of buildings and structures and (ii) conversion of solar energy into electricity for use. Our system allows the electricity generated from solar panels to be connected to the power grid of a building and the electricity generated from sun power will be consumed simultaneously. No extra electricity storage cost is required. In addition, we also engage in the production and sale of renewable energy goods, including smart grid system and solar thermal system. In 2011, we also started a new business called Indium Tin Oxide (“ITO”) business or “New Material” business. Leveraging on our track record and extensive experience in our curtain wall business, we will further strengthen and develop our renewable energy business in respect of BIPV systems and renewable energy goods. Apart from the above, we also provide engineering design services and engage in the sale of curtain wall materials. Our Group will endeavour to continue our focus on solar business. In the long run, we will aspire and strive to grow into an enterprise with a focus on renewable energy business.

業務回顧

本集團是專業的可再生能源解決方案供應商及建築承包商。本集團主要從事設計、製造及安裝幕牆、綠色建築及太陽能項目。太陽能項目包括光伏建築一體化（「光伏建築一體化」）系統、屋頂太陽能系統和地面太陽能系統（統稱「太陽能EPC」）；本公司亦從事生產及銷售可再生能源貨品。本公司的光伏建築一體化系統涉及(i)樓宇及建築物光電技術與建築設計的一體化及(ii)將太陽能轉化為可用電能。本公司的系統可實現將自太陽能電池板產生的電能連接至大樓的電網中，太陽能所產生的電能會同步消耗，故不會產生額外的儲電成本。此外，本公司亦從事可再生能源貨品的生產及銷售，包括智能電網系統及太陽能熱力系統。於二零一一年，本集團亦開展了一項名為銦錫氧化物（「ITO」）或「新材料」業務。憑藉本公司的往績記錄及豐富的幕牆業務經驗，本公司將進一步鞏固及發展與光伏建築一體化系統及可再生能源貨品有關的可再生能源業務。除上述外，本公司亦提供工程設計服務並從事幕牆材料銷售。本集團將繼續主力發展太陽能業務。長遠而言，我們將銳意及致力發展為一間專注於可再生能源業務的企業。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Curtain wall and green building business

A stable grow has been noted in curtain wall and green building business. Revenue (including curtain walls and green building and sale of conventional goods) grew by RMB128.8 million or 6.5%. Business inside Mainland China remains steady while business in the overseas market maintained a strong grow.

Solar EPC business

We are a one-stop solution provider in Solar EPC, the year-to-year solar EPC revenue recorded a stable growth, revenue grew by RMB362.6 million or 16.3% compared with the year 2016.

The Group has firstly entered into the Solar EPC market in China in 2007, because of the strong support by the Golden Sun Demonstration Project (“Golden Sun”), our Solar EPC business recorded a significant growth over the past few years. Looking ahead into 2018, China’s solar industry is transforming from utility-scale development to distributed solar and poverty alleviation. As one of the leaders in solar EPC area, we are also shifting in these areas. Currently, we have already secured certain sizable poverty alleviation projects in provinces in the central part of China. Apart from solar EPC, we also hold solar farm projects in Guangdong and Northwest China. Solar farms in Guangdong are able to bring stable cashflow to the Group. The grid curtailment for solar farms in Northwest China became less significant compared with previous years, in addition, most of our grid-connected solar farms in these areas have already been included in the 6th batch of government subsidy program. The long receivable problem has significantly be improved.

幕牆和綠色建築業務

幕牆和綠色建築業務錄得穩定增長。收入(包括幕牆和綠色建築以及銷售傳統商品)增長人民幣128,800,000元或6.5%。中國內地業務維持穩定，而海外市場業務保持強勁增長。

太陽能EPC業務

我們是太陽能EPC一站式解決方案供應商，太陽能EPC收入同比錄得穩定增長，相比二零一六年收入增長人民幣362,600,000元或16.3%。

本集團於二零零七年首次進入中國太陽能EPC市場，得益於金太陽示範工程(「金太陽」)的大力支持，我們的太陽能EPC業務於過去數年實現大幅增長。展望二零一八年，中國的太陽能產業由電站級規模發展向分佈式太陽能及扶貧方向轉型。作為太陽能EPC領域領導者之一，我們亦轉移專注於該等領域。目前，我們已在中國中部省份獲得若干大的扶貧項目。除太陽能EPC之外，我們亦於廣東省及中國西北地區擁有太陽能電站項目。廣東的太陽能電站能為本集團帶來穩定現金流。相比往年，中國西北部的太陽能電站的限電並不嚴重，此外，我們於該等區域的大多數併網太陽能電站已列入第六批政府補助項目。應收款期長問題已大幅改善。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Development of renewable energy goods

Apart from solar EPC, we also produce different kinds of renewable energy goods. Renewable energy goods include solar photovoltaic materials and solar thermal products. Solar thermal products include air-source heat pump, solar heat collectors and solar heating system. Our long-term strategy is, through our innovative research and development team, to diversify the application of solar, and to widen the solar application in different area, like rural application and irrigation.

Self-developed solar projects

At 31 December 2017, the Group had 320 MW grid-connected power stations and 67.4 MW projects awaiting for grid-connection. In the future, the Group will consider investment opportunities in solar power stations in provinces with high electricity demand, for example Guangdong province, given that the solar farms there have not encountered any curtailment in electricity generation.

Overseas business opportunities

Overseas revenue grew by RMB143.7 million or 36.0%, it contributed approximately 9.6% of the Group's total revenue (2016: 7.6%). Apart from Hong Kong, Macao and Malaysia, the Group also expanded its business in the Oceania, Africa and United States.

發展可再生能源貨品

除太陽能EPC外，我們亦生產各種可再生能源貨品。可再生能源貨品包括太陽能光伏材料和太陽能供熱產品。太陽能供熱產品包括空氣源熱泵、太陽能熱力接收器及太陽能供熱系統。我們的長期策略乃透過我們的創新研究及開發團隊，實現太陽能的多元化應用及擴大太陽能在不同領域的應用，如農村應用及灌溉。

自建太陽能項目

於二零一七年十二月三十一日，本集團有約320兆瓦併網電站及67.4兆瓦項目等待併網。未來，鑒於太陽能公司並無經歷任何限電，本集團將考慮在具較高電力需求的省份（如廣東省）太陽能電站的投資機遇。

海外業務機遇

海外收入增長人民幣143,700,000元或36.0%，其貢獻本集團總收入的約9.6%（二零一六年：7.6%）。除香港、澳門及馬來西亞外，本集團亦已在大洋洲、非洲及美國拓展其業務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS AND FINANCIAL REVIEW

Revenue

The following table set out the breakdown of revenue:

業務及財務回顧

收入

下表列示收入分類：

		2017 二零一七年 RMB million 人民幣百萬元	2016 二零一六年 RMB million 人民幣百萬元
Curtain walls and green buildings	幕牆及綠色建築		
– Public work	– 公共工程	499.7	237.3
– Commercial and industrial	– 工商	855.8	1,173.0
– High-end residential	– 高檔住宅	320.3	213.6
		1,675.8	1,623.9
Solar EPC	太陽能EPC		
– Public work	– 公共工程	603.0	16.2
– Commercial and industrial	– 工商	1,985.2	2,209.4
		2,588.2	2,225.6
Total construction contracts	建築合同總計	4,264.0	3,849.5
Sale of goods	貨品銷售		
– Conventional materials	– 傳統材料	412.2	335.3
– Renewable energy goods	– 可再生能源產品	745.6	882.3
– New materials	– 新材料	115.8	90.9
Total sale of goods	貨品銷售總計	1,273.6	1,308.5
Sale of electricity, including tariff adjustment	電力銷售，包括電價補貼	282.0	161.6
Rendering of design and other services	提供設計及其他服務	13.3	13.2
Rendering of operation and maintenance service	提供運行及維護服務	9.2	—
		5,842.1	5,332.8
Tariff adjustment	電價補貼	(166.7)	(93.2)
Total revenue	總收入	5,675.4	5,239.6

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Gross profit and gross profit margin

毛利及毛利率

		2017 二零一七年		2016 二零一六年	
		RMB million 人民幣百萬元	%	RMB million 人民幣百萬元	%
Construction contracts	建築合同				
– Curtain walls and green buildings	– 幕牆及綠色建築	234.3	14.0	260.6	16.0
– Solar EPC	– 太陽能 EPC	649.5	25.1	579.2	26.0
		883.8	20.7	839.8	21.8
Sale of goods	貨品銷售				
– Conventional materials	– 傳統材料	98.9	24.0	55.9	16.7
– Renewable energy goods	– 可再生能源產品	87.4	11.7	196.8	22.3
– New materials	– 新材料	45.1	38.9	35.6	39.2
		231.4	18.2	288.3	22.0
Sale of electricity, including tariff adjustment	電力銷售，包括電價補貼	182.1	64.6	92.6	57.3
Rendering of design and other services	提供設計及其他服務	3.0	22.6	7.2	54.5
Rendering of operation and maintenance service	提供運行及維護服務	5.2	56.5	—	—
Total gross profit and gross profit margin including tariff adjustment	總毛利及毛利率，包括電價補貼	1,305.5	22.3	1,227.9	23.0

The Group's revenue (including electricity tariff adjustment) increased by RMB509.3 million or 9.6%, from RMB5,332.8 million in the year 2016 to RMB5,842.1 million in the year 2017. Gross profit (including electricity tariff adjustment) increased by RMB77.6 million or 6.3%, from RMB1,227.9 million in the year 2016 to RMB1,305.5 million in the year 2017.

本集團的收入(包括電價補貼)由二零一六年的人民幣5,332,800,000元增加人民幣509,300,000元或9.6%至二零一七年的人民幣5,842,100,000元。毛利(包括電價補貼)由二零一六年的人民幣1,227,900,000元增加人民幣77,600,000元或6.3%至二零一七年的人民幣1,305,500,000元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

1) Curtain wall and green building

Revenue from curtain wall and green building business reached RMB1,675.8 million, representing an increase of RMB51.9 million or 3.2% compared with the year 2016.

The increase in revenue was because of the recovery of construction industry domestically inside Mainland China.

2) Solar EPC

Revenue from solar EPC amounted to RMB2,588.2 million, representing a strong growth of RMB362.6 million or 16.3% from RMB2,225.6 million reported in the year 2016, while gross margin for the sector remained strong at 25.1% (2016: 26.0%).

3) Sale of goods

- (i) Sale of conventional materials accounted to RMB412.2 million, up RMB76.9 million or 22.9% driven by the strong growth in the overseas market.
- (ii) Sale of renewable energy goods recorded a decrease of RMB136.7 million from RMB882.3 million in the year 2016 because the Group has spent relatively more resources in solar EPC projects and solar farm operations.

1) 幕牆及綠色建築

幕牆及綠色建築業務的收入達人民幣1,675,800,000元，相比二零一六年增加人民幣51,900,000元或3.2%。

收入增加乃由於中國大陸國內建築行業復蘇。

2) 太陽能EPC

太陽能EPC的收入為人民幣2,588,200,000元，較二零一六年錄得的人民幣2,225,600,000元強勁增長人民幣362,600,000元或16.3%，太陽能EPC的毛利率維持強勁，為25.1%（二零一六年：26.0%）。

3) 貨品銷售

- (i) 傳統材料銷售額為人民幣412,200,000元，受海外市場強勁增長所推動，增加人民幣76,900,000元或22.9%。
- (ii) 由於本集團於太陽能EPC項目及太陽能電站營運投入相對較多資源，可再生能源貨品銷售錄得自二零一六年的人民幣882,300,000元減少人民幣136,700,000元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(iii) New Material business represented sale of Indium Tin Oxide (“ITO”) film and its products. ITO film can be processed into touch-screen ITO film and switchable ITO film, while the switchable ITO film can further be processed into smart light-adjusting glass and smart light-adjusting projection system. ITO film and smart light-adjusting products are relatively new to the consumers in China and therefore, the market penetration is currently quite low. Riding on the increasing sales volume generated by our Group’s successful marketing strategies, revenue surged by RMB24.9 million or 27.4% and gross margin remained high at 38.9% (2016: 39.2%).

(iv) The following table sets out the Group’s self-invested solar power stations as at 31 December 2017.

(iii) 新材料業務指銷售銻錫氧化物 (ITO) 導電膜及其產品。ITO 導電膜可加工成觸摸屏 ITO 導電膜及可調節 ITO 導電膜，而可調節 ITO 導電膜可進一步加工成智能調光玻璃及智能調光投影系統。ITO 導電膜及智能調光產品對中國客戶相對新穎，因此，市場滲透率現時相很低。憑藉本集團成功營銷策略產生銷量不斷增加，收入飆升人民幣 24,900,000 元或 27.4% 及毛利率維持 38.9% 高度 (二零一六年：39.2%)。

(iv) 下表載列本集團於二零一七年十二月三十一日自行投資的太陽能電站。

Location 地點		Pending grid			Total 總計
		On-grid 併網	connection 待連接併網	In-progress 在建中	
		MW 兆瓦	MW 兆瓦	MW 兆瓦	
Guangdong province	廣東省	170.5	13.9	75.6	260.0
Northwest China	中國西北部	113.0	53.5	—	166.5
Golden Sun/Distributed Power	金太陽／分佈式電站	34.5	—	—	34.5
Overseas	海外	2.0	—	—	2.0
		320.0	67.4	75.6	463.0

The Group’s accumulated on-grid capacity increased from 270.7 megawatts (“MW”) at 31 December 2016 to 320.0 MW at 31 December 2017, which comprised of 34.5 MW Golden Sun or distributed power stations, and 283.5 MW ground-mounted solar farms inside Mainland China and a 2 MW solar farm overseas. The sale of electricity, including tariff adjustment, therefore, increased by 74.5% to RMB282.0 million in the year 2017, from RMB161.6 million in the year 2016.

本集團的累計併網容量由二零一六年十二月三十一日的 270.7 兆瓦 (「兆瓦」) 增至二零一七年十二月三十一日的 320.0 兆瓦，包括 34.5 兆瓦金太陽或分佈式電站及 283.5 兆瓦地面太陽能電站及一個在海外的 2 兆瓦太陽能電站。因此，電力銷售 (包括電價補貼) 由二零一六年人民幣 161,600,000 元增加 74.5% 至二零一七年人民幣 282,000,000 元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Revenue and gross profit contribution from different business sectors:

來自不同業務領域的收入及毛利：

Revenue split (including tariff adjustment)

收入拆分(包括電價補貼)

		2017 二零一七年		2016 二零一六年	
		RMB million 人民幣百萬元	%	RMB million 人民幣百萬元	%
Conventional business ¹	傳統業務 ¹	2,101.3	36.0	1,972.4	37.0
Renewable energy business ²	可再生能源業務 ²	3,625.0	62.1	3,269.5	61.3
New material business	新材料業務	115.8	1.9	90.9	1.7
		5,842.1	100.0	5,332.8	100.0

Gross profit split (including tariff adjustment)

毛利拆分(包括電價補貼)

		2017 二零一七年		2016 二零一六年	
		RMB million 人民幣百萬元	%	RMB million 人民幣百萬元	%
Conventional business ¹	傳統業務 ¹	336.2	25.8	323.7	26.4
Renewable energy business ²	可再生能源業務 ²	924.2	70.8	868.6	70.7
New material business	新材料業務	45.1	3.4	35.6	2.9
		1,305.5	100.0	1,227.9	100.0

¹ Included curtain wall and green building construction contracts, sale of conventional materials and rendering of design and other services.

² Included solar EPC construction contracts, sale of renewable energy goods, rendering of operation and maintenance service and sale of electricity and tariff adjustment.

¹ 包括幕牆及綠色建築合同、銷售傳統材料及提供設計及其他服務。

² 包括太陽能EPC建築合同、銷售新能源貨品、提供運行及維護服務及銷售電力及電價補貼。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Other income and gains

Other income and gains mainly represented deferred income released, interest income on retention money, gain on disposal of property, plant and equipment and government grants. The amount dropped by 26.4% to RMB178.9 million in the year 2017 mainly because of the drop in the gain on disposal of solar farms during the year.

Selling and distribution expenses

Selling and distribution expenses increased by RMB26.2 million or 20.3%. The increment was mainly caused by the increase in freight costs and rental expenses, and other business related expenses.

Administrative expenses

Administrative expenses slightly increased by RMB7.1 million or 2.0%.

Other expenses

Other expenses mainly represented the bank charges and fair value loss and the loss on settlement of derivative financial instruments. The increase in other expense was because the increase in fair value loss and also the increase in loss on settlement of derivative financial instruments.

Finance costs

The Group's finance costs increased by RMB253.3 million or 68.8% mainly because of the increase in interests on bank and other loans and the interest in senior notes. It also included approximately RMB137.9 million of loss on redemption and RMB22.5 million of loss on repurchase of convertible bonds.

其他收入及收益

其他收入及收益主要為撥回遞延收益、質保金利息收入、出售物業、廠房及設備的收益及政府補助。金額減少26.4%至二零一七年人民幣178,900,000元的主要原因是年內出售太陽能電站的收益減少所致。

銷售及分銷開支

銷售及分銷開支增加人民幣26,200,000元或20.3%，增加主要由於運費和租金開支及其他業務相關開支增加。

行政開支

行政開支略微增加人民幣7,100,000元或2.0%。

其他開支

其他開支主要指銀行收費及衍生金融工具的公平值虧損及結算損失。其他開支增加是由於衍生金融工具的公平值虧損增加及結算損失增加所致。

融資成本

本集團融資成本增加人民幣253,300,000元或68.8%，主要由於銀行及其他貸款的利息及優先票據的利息增加所致。其亦包括約人民幣137,900,000元的贖回虧損以及人民幣22,500,000元的購回可換股債券虧損。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Income tax expense

Income tax expense during the year included RMB136.7 million of taxation charge and RMB16.8 million of deferred tax credit. For the year 2016, it included RMB112.6 million of taxation charge and RMB1.8 million of deferred tax charge.

The taxation charges mainly represented the income tax provision for subsidiaries inside Mainland China. No deferred tax charges on dividend withholding tax based on 5% of the net profits in the operating subsidiaries located inside Mainland China were provided for both years.

Healthy current ratio

The current ratio being current assets over current liabilities, was 1.73 as at 31 December 2017 (2016: 1.67).

Trade receivables/trade and bills payables turnover days

所得稅支出

於本年度，所得稅開支包括稅項支出人民幣136,700,000元及遞延稅項抵免人民幣16,800,000元。二零一六年，所得稅開支包括稅項支出人民幣112,600,000元及遞延稅項支出人民幣1,800,000元。

稅項支出主要指中國大陸附屬公司的所得稅撥備。本集團於兩個年度均未有就按位於中國大陸的營運附屬公司純利5%計算的股息預扣稅計提遞延稅項開支。

穩健流動比率

流動比率（即流動資產除以流動負債的比率）於二零一七年十二月三十一日為1.73（二零一六年：1.67）。

應收貿易款項／應付貿易款項及應付票據周轉日

Turnover days 周轉日

Trade receivables
Trade and bills payables

應收貿易款項
應付貿易款項及應付票據

At 31 December 2017 於二零一七年 十二月三十一日 Days 日	At 31 December 2016 於二零一六年 十二月三十一日 Days 日
206	181
106	99

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Trade receivables turnover days is calculated based on the average of the beginning and ending balance of trade receivables, net of impairment, for the year divided by the revenue during the year and multiplied by the number of days during the year. Trade receivables turnover days at 31 December 2017 was 206 days. Trade and bills payables turnover days is calculated based on the average of the beginning and ending balance of trade and bills payables for the year divided by the cost of sales during the year. Trade and bills payables turnover days at 31 December 2017 was 106 days.

Liquidity and financial resources

The Group's primary source of funding included receivables from construction contracts and material sale, as well as income from electricity sale. In order to meet the expanding plan, the Group has completed certain fund raising activities during the year.

The Group's strategy is to maintain the gearing ratio at a healthy level in order to support the growth of our business. Gearing ratio, represented by consolidated net borrowings (total of bank and other loans, bank advances for discounted bills, convertible bonds and senior notes minus cash and cash equivalents and pledged deposits) to total equity at 31 December 2017 was 90.0% (2016: 83.0%).

With the existing cash resources and available banking facilities obtained from its bankers, the Group has sufficient financial resources to meet its commitments and working capital requirements.

Capital expenditures

Capital expenditures of the Group amounted to RMB359.6 million for the year (2016: RMB1,155.6 million) and were mainly for the construction of self-invested solar farm, factory premises and plant and machinery.

應收貿易款項周轉日乃根據年內應收貿易款項的年初及年末結餘的平均值扣除減值，除以年內收入，再乘以年內日數計算。應收貿易款項周轉期於二零一七年十二月三十一日為206日。應付貿易款項及應付票據周轉日乃根據年內應付貿易款項及應付票據的年初及年末結餘的平均值，除以年內銷售成本計算。應付貿易款項及應付票據周轉日於二零一七年十二月三十一日為106日。

流動資金及財務資源

本集團資金的主要來源包括來自建築合同及材料銷售的應收款項，以及來自電力銷售的收入。為迎合擴展計劃，年內本集團已完成若干籌資活動。

本集團的策略是將資產負債比率保持於穩健水平，以支持業務發展。資本負債比率是指綜合借貸淨額（為銀行及其他貸款、貼現票據銀行貸款、可換股債券及優先票據之總額減現金及現金等價物及抵押存款）除以權益總額，於二零一七年十二月三十一日為90.0%（二零一六年：83.0%）。

憑藉現有現金資源以及從銀行獲取的信貸，本集團擁有充足的財務資源來應付其承擔及營運資金所需。

資本支出

於本年度，本集團的資本支出為人民幣359,600,000元（二零一六年：人民幣1,155,600,000元），主要用作建造自行投資的太陽能電站、廠房添置及生產基地樓宇及機械。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Borrowings and bank facilities

The outstanding borrowings comprised bank and other loans of RMB2,704.1 million with effective interest rates ranging from Hong Kong Inter Bank Offered Rate (“HIBOR”) + 0.95% to HIBOR + 4% for property mortgage loan and revolving loans in Hong Kong and London Inter Bank Offered Rate (“LIBOR”) + 1.5% to LIBOR + 3.75% for syndicated loan and term loans in Hong Kong. Interest rates for domestic loans inside Mainland China were ranging from 2.60%-9.07%.

Foreign currency risk

The Group's principal businesses are located in Mainland China and most of the transactions are conducted in RMB. Most of the Group's assets are denominated in RMB. On the other hand, part of the loans of the Group are raised in Hong Kong and they were denominated in USD or HKD. As at 31 December 2017, foreign currency debts mainly included USD 420 million senior notes, USD33 million of syndication loans, HKD250 million of senior notes and HKD300 million of bank and other loans.

Any material fluctuation between HK\$, USD and RMB may bring significant impact to the Group's financial position. As a results, the Group had entered into certain cross currency swap and interest rate swap contracts with banks to hedge against the risk of increase in interest rate as well as the risk on currency fluctuation.

Credit risk

The carrying amounts of cash and cash equivalents, pledged deposits, trade and other receivables, and other financial assets represent the Group's maximum exposure to credit risk in relation to financial assets. Substantially all of the Group's cash and cash equivalents are held in major financial institutions located in Mainland China, which management believes are of high credit quality.

借貸及銀行信貸

未償還借貸包括銀行及其他貸款人民幣2,704,100,000元，就香港物業按揭貸款及循環貸款而言，實際利率介乎香港銀行同業拆息率（「香港銀行同業拆息率」）加0.95%至香港銀行同業拆息率加4%，就香港銀團貸款及有期貸款而言，實際利率為倫敦銀行同業拆息率（「倫敦銀行同業拆息率」）加1.5%至倫敦銀行同業拆息率加3.75%。中國大陸貸款的利率介乎2.60%至9.07%。

外幣風險

本集團主要業務位於中國大陸及大部分交易以人民幣進行。本集團大部分資產以人民幣列值。另一方面，本集團的部分貸款於香港籌集並以美元或港元列值，於二零一七年十二月三十一日，外幣債款主要包括420,000,000美元優先票據、33,000,000美元銀團貸款、250,000,000港元優先票據及300,000,000港元銀行及其他貸款。

港元、美元及人民幣之間的任何重大波動可能對本集團的財務狀況造成重大影響。因此，本集團已與銀行訂立特定交叉貨幣利率掉期合約以對沖利率增加風險及貨幣波動風險。

信貸風險

現金及現金等價物、抵押存款、應收貿易款項及其他應收款項及其他金融資產的賬面值代表本集團所承受與金融資產有關的最高信貸風險。貴集團絕大多數現金及現金等價物由管理層認為具有高信貸質素的中國大陸大型金融機構持有。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group trades only with recognised and creditworthy third parties and its associates. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

As at the end of the report period, the Group had certain concentration of credit risk as 7.5% and 19.5% (2016: 8.3% and 26.4%) of the Group's trade receivables were due from the Group's largest customer and five largest customers, respectively. All of these customers have good credit quality by taking into account of their credit history, a long-term business relationship has been established by both parties. The Group has delegated a team which is responsible for determination of credit limits and monitoring procedures to ensure that follow-up actions will be implemented to recover overdue debts.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g. trade receivables) and projected cash flows from operations.

The liquidity of the Group is primarily dependent on its ability to maintain a balance between continuity of funding and flexibility through the settlement from customers and the payment to vendors.

Dividend

The Directors of the Company proposed a final dividend of HK\$0.03 per share (2016: HK\$0.07 per share). The actual dividend payout ratio in each year will depend on the actual performance of the Group, the general industry and economic environment.

本集團僅與認可及有信譽的第三方人士及其聯營企業交易。本集團的政策是所有擬按信用條款交易的客戶須經過信用驗證程序。此外，應收款項餘額均持續監控，而貴集團所承受的壞賬風險並不重大。

於報告期末，本集團存在若干信貸集中度風險，主要由於本集團應收本集團最大客戶及五大客戶的應收貿易款項分別佔7.5%及19.5%（二零一六年：8.3%及26.4%）。透過計及該等客戶的信貸歷史，所有該等客戶均擁有良好的信貸質素，且雙方已建立長期的業務關係。本集團已委派一支團隊負責釐定信貸限額及監控程序，以確保將採取後續行動收回逾期呆賬。

流動資金風險

本集團運用循環流動資金計劃工具監察其資金短缺的風險。該工具計及其金融工具及金融資產（例如應收貿易款項）的到期日以及預計經營業務現金流量等因素。

本集團的流動資金主要取決於在資金持續性及其透過客戶付款與付款予供應商兩者的靈活性之間取得平衡的能力。

股息

本公司董事建議宣派末期股息每股0.03港元（二零一六年：每股0.07港元）。各年度實際派息比率將視乎本集團的實際表現、整體行業及經濟環境而定。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Closure of register of members

The register of members will be closed from Wednesday, 23 May 2018 to Monday, 28 May 2018, both days inclusive. In order to entitle to the attendance of the forthcoming annual general meeting of the Company, all share transfers documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, namely Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 21 May 2018.

The Company's register of members will be closed from Friday, 1 June 2018 to Monday, 4 June 2018 (both days inclusive), during which period no transfer of shares of the Company will be effected. In order to qualify for the proposed final dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrars and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22 Hopewell Centre 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Thursday, 31 May 2018.

Cheques for final dividend (subject to approval in the annual general meeting mentioned above) will be dispatched to the shareholders of the Company on or before Friday, 27 July 2018.

HUMAN RESOURCES

As at 31 December 2017, the Group had about 2,500 employees. Employee salary and other benefit expenses maintained at similar level at RMB281.6 million in the year 2017 compared with RMB268.1 million in the year 2016. The Group's remuneration policies are formulated on the performance of individual employees, which will be reviewed regularly every year. Apart from provident fund scheme (according to the provisions of Mandatory Provident Fund Schemes for Hong Kong employees) or the state-managed retirement pension scheme (for Mainland China employees) and medical insurance, discretionary bonus are also awarded to employees according to the assessment of individual performance.

暫停辦理股份過戶登記

本公司將自二零一八年五月二十三日(星期三)至二零一八年五月二十八日(星期一)(首尾兩日包括在內)暫停辦理股份過戶登記。為確定股東出席本公司應屆股東週年大會的資格,所有過戶文件連同有關股票須於不遲於二零一八年五月二十一日(星期一)下午四時三十分前送交本公司的股份過戶登記處香港分處卓佳證券登記有限公司,地址為香港皇后大道東183號合和中心22樓。

本公司自二零一八年六月一日(星期五)至二零一八年六月四日(星期一)(首尾兩日包括在內)暫停辦理股份過戶登記,在此期間,本公司概不受理股份過戶登記。為了符合資格獲派付建議末期股息,所有正式填妥的過戶文件及連同相關股票必須須於不遲於二零一八年五月三十一日(星期四)下午四時三十分前送交本公司的股份過戶登記處香港分處卓佳證券登記有限公司,地址為香港皇后大道東183號合和中心22樓。

末期股息支票(須於上述股東週年大會獲批准)將於二零一八年七月二十七日(星期五)或之前派送至本公司股東。

人力資源

於二零一七年十二月三十一日,本集團約有2,500名僱員。僱員工資及其他福利開支維持在類似水平,二零一七年為人民幣281,600,000元,而二零一六年為人民幣268,100,000元。本集團的薪酬政策乃按個別僱員表現制定,將每年定期予以檢閱。除公積金計劃(根據適用於香港僱員的強制性公積金條例的條款)或國家管理退休金計劃(適用於中國大陸僱員)及醫療保險外,亦會根據個別僱員表現的評估而向僱員授出酌情花紅。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

The table below sets forth information regarding our Directors:

Name	Age	Position
Liu Hongwei	54	Chairman and executive Director
Xie Wen	52	Executive Director
Xiong Shi	54	Executive Director
Cao Zhirong	44	Non-executive Director
Li Hong	53	Non-executive Director
Wang Ching	63	Independent non-executive Director
Yick Wing Fat, Simon	60	Independent non-executive Director
Tang Hongwei	58	Independent non-executive Director

下表載列有關董事的資料：

姓名	年齡	職務
劉紅維	54歲	主席及執行董事
謝文	52歲	執行董事
熊澍	54歲	執行董事
曹志榮	44歲	非執行董事
李宏	53歲	非執行董事
王京	63歲	獨立非執行董事
易永發	60歲	獨立非執行董事
譚洪衛	58歲	獨立非執行董事

EXECUTIVE DIRECTORS

Liu Hongwei aged 54, is the Chairman and an executive Director of our Company.

He joined our Group since August 1995. He is responsible for the formulation and execution of our Group's overall business strategies and policies as well as the overall management of our Group. Mr. Liu has more than 12 years' experience in the glass manufacturing sector and more than 16 years' experience in the curtain wall engineering sector. After obtaining a bachelor's degree in engineering in July 1986 from Wuhan Industrial University, now known as Wuhan University of Technology, majoring in inorganic materials engineering, Mr. Liu worked at a state-owned glass manufacturing enterprise, Shaanxi Glass Factory, as a technician until 1989. From 1989 to 1991, Mr. Liu was the director of production department at another glass manufacturing enterprise, Zhuhai Glass Factory. From 1991 to 1995, Mr. Liu Hongwei was the manager of the operation department of Zhuhai Singyes Safety Glass. In 1995, Zhuhai Singyes Safety Glass jointly established Zhuhai Singyes Green Building Technology Co., Ltd. ("Zhuhai Singyes", formerly known as Zhuhai Singyes Curtain Wall Engineering Co., Ltd) with Zhuhai City Township Enterprise. Since November 2003, Mr. Liu has been an executive Director of our Company. From August 1995 to October 2007, Mr. Liu was appointed as Zhuhai Singyes's general manager, taking charge of general supervising and controlling on technologies. In December 2000, Mr. Liu was certified as a Level 1 Project Manager by the Guangdong Province Construction Bureau. In January 2001, Mr. Liu was certified as a Senior Engineer in respect of construction materials by the Guangdong Province Personnel Bureau.

執行董事

劉紅維，54歲，為本公司主席及執行董事。

彼自一九九五年八月起加盟本集團。彼主要負責本集團整體業務策略及政策的制定及執行，以及本集團整體管理。劉先生於玻璃製造領域擁有逾12年經驗，並於幕牆工程領域擁有逾16年經驗。劉先生一九八六年七月獲武漢工業大學（現時稱為武漢理工大學）頒發無機材料工程專業學士學位後，於陝西玻璃廠（一家玻璃製造國有企業）擔任技術員至一九八九年。自一九八九年至一九九一年，劉先生於珠海玻璃廠（一家玻璃製造企業）擔任生產部部長。自一九九一年至一九九五年，劉紅維先生擔任珠海興業安全玻璃經營部經理。於一九九五年，珠海興業安全玻璃與珠海市鄉鎮企業聯合成立了珠海興業綠色建築科技有限公司（「珠海興業」），前稱珠海興業幕牆工程有限公司。自二零零三年十一月起，劉先生擔任本公司執行董事。自一九九五年八月至二零零七年十月，劉先生獲委任為珠海興業總經理，負責整體技術監督及控制事宜。於二零零零年十二月，劉先生獲廣東省建設廳特許為一級項目經理。於二零零一年一月，劉先生獲廣東省人事廳特許為高級建築材料工程師。於二零零

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

In 2003, Mr. Liu became an adjunct professor of Wuhan University of Technology. In August 2004, Mr. Liu was appointed as one of the experts to the Standardisation Technical Committee of the PRC Ministry of Construction for Curtain Walls, Doors and Windows. Mr. Liu is currently a member of the Standing Committee of the Zhuhai Municipal People's Congress of the PRC. Mr. Liu is also a director of Strong Eagle Holdings Ltd. which is the controlling shareholder of the Company.

Xie Wen aged 52, is our executive Director.

He joined our Group in August 1995. He is responsible for supervision at our work-sites and research and development of BIPV technologies. Mr. Xie has more than 16 years' experience in curtain wall engineering sector. Mr. Xie graduated from Zhengzhou Textile Engineering College majoring in mechanical engineering (textile machinery) in 1987. From 1987 to 1994, Mr. Xie worked at the Equipment Energy Team in Hunan Shaoyang No. 2 Textile Machinery Factory. Mr. Xie joined Zhuhai Singyes in August 1995 as a project manager, responsible for the development and management of business projects of Zhuhai Singyes. From January 2003 to September 2007, Mr. Xie was the deputy general manager of Zhuhai Singyes, in charge of technical guidance and supervision at various worksites. In October 2007, Mr. Xie became the general manager of Zhuhai Singyes. In December 2002, Mr. Xie was certified as a Level 1 Project Manager by the PRC Ministry of Construction. In June 2004, Mr. Xie was certified as a senior engineer in respect of machinery by the Guangdong Province Personnel Bureau. In February 2008, Mr. Xie was registered as a constructor by the PRC Ministry of Construction. Mr. Xie is also a director of Strong Eagle Holdings Ltd. which is the controlling shareholder of the Company.

三年，劉先生擔任武漢理工大學兼任教授。於二零零四年八月，劉先生獲委任為中國建設部幕牆門窗標準化技術委員會專家之一。劉先生目前為中國珠海市人民代表大會常委會成員。劉先生亦為本公司控股股東Strong Eagle Holdings Ltd.之董事。

謝文，52歲，為本公司執行董事。

彼於一九九五年八月加盟本集團，負責工地監查以及光伏建築一體化技術研發。謝先生於幕牆工程領域擁有逾16年經驗。謝先生於一九八七年畢業於鄭州紡織工學院，紡織機械專業。自一九八七年至一九九四年，謝先生就職於湖南邵陽第二紡織機械廠設備能源組。謝先生於一九九五年八月加入珠海興業擔任項目經理，負責珠海興業業務項目的開發及管理。自二零零三年一月至二零零七年九月，謝先生擔任珠海興業副總經理，負責技術指導及各處工地監查。於二零零七年十月，謝先生擔任珠海興業總經理。於二零零二年十二月，謝先生獲中國建設部特許為一級項目經理。於二零零四年六月，謝先生獲廣東省人事廳特許為高級機械工程師。於二零零八年二月，謝先生獲中國建設部註冊為一級建築師。謝先生亦為本公司控股股東Strong Eagle Holdings Ltd.之董事。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Xiong Shi, aged 54, is our **executive Director** and also a member of the Remuneration Committee. He joined the Group in August 1995, and has been responsible for the research and development of technology and construction of enterprise culture. He has more than 13 years' experience in the solar photovoltaic application sector and more than 16 years' experience in the curtain wall engineering sector. From November 2001, Mr. Xiong assumed the position of Chief Engineer of Zhuhai Singyes until August 2007. Prior to joining our Group, Mr. Xiong was the manager of the safety glass quality testing department at Zhuhai Singyes from 1988 to 1995. He also worked as a technical officer at a state-owned glass manufacturing enterprise, Xiangfan City Glass Factory, from 1986 to 1988. Mr. Xiong was certified as a Level 1 Project Manager by the PRC Ministry of Construction in December 2000. He was further certified as a senior engineer in respect of construction materials by the Guangdong Province Personnel Bureau in December 2001. In December 2007, Mr. Xiong was also registered as a Level 1 Constructor by the PRC Ministry of Construction. Mr. Xiong obtained a bachelor's degree in engineering from Wuhan Industrial University, now known as Wuhan University of Technology, majoring in inorganic materials engineering in July 1986 and further obtained a EMBA degree from Sun Yat-sen University in 2003. Mr. Xiong is currently the president of Zhuhai Building Energy Conservation Association, the council member of Zhuhai New Energy Smart Grid Industry Alliance Association, and the expert of Zhuhai Construction Bid Evaluation Database.

NON-EXECUTIVE DIRECTORS

Cao Zhirong aged 44, is our non-executive Director. He joined our group in September 2009. Currently Mr. Cao is Director of BNP Paribas Equities (Asia) Limited Shanghai Representative Office. Previously he worked at ICEA Capital Limited and Wing Lung Finance Limited and has approximately 15 years of experience in investment bank. Mr. Cao obtained a master degree in business administration from Shanghai University of Finance and Economics.

熊澀，54歲，為本公司執行董事兼薪酬委員會成員。彼於一九九五年八月加盟本集團，主要負責本集團技術研發及企業文化建設。彼於太陽能光伏應用領域擁有逾13年經驗，並於幕牆工程領域擁有逾16年經驗。自二零零一年十一月起，熊先生擔任珠海興業綠色建築科技有限公司（「珠海興業」）首席工程師，直至二零零七年八月。加入本集團前，熊先生自一九八八年至一九九五年擔任珠海興業安全玻璃質檢部經理。彼於一九八六年至一九八八年擔任襄樊市玻璃廠（一家玻璃製造的國有企業）的技術主管。熊先生於二零零零年十二月獲中國建設部特許為一級項目經理。彼亦於二零零一年十二月獲廣東省人事廳特許為高級建築材料工程師。於二零零七年十二月，熊先生亦獲中國建設部註冊為一級建築師。熊先生於一九八六年七月獲武漢工業大學（現稱為武漢理工大學）頒發無機材料工程專業學士學位，並於二零零三年獲得中山大學EMBA學位。熊先生現任珠海市建築節能協會會長、珠海市新能源智慧電網產業聯盟協會理事及珠海市建設工程評標庫專家。

非執行董事

曹志榮，44歲，為本集團非執行董事。彼於二零零九年九月加入本集團。曹先生現為法國巴黎資本（亞洲）有限公司上海代表處之董事。彼曾於ICEA Capital Limited及永隆財務有限公司工作，並於投資銀行業務擁有約15年經驗。曹先生持有上海財經大學工商管理碩士學位。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Li Hong, aged 53, is our non-executive Director. She is a professor at the State Key Laboratory of Silicate Materials for Architectures at Wuhan University of Technology and a doctoral supervisor. She is currently a council member of the Special Glass Committee of the Chinese Ceramic Society, a council member of Hubei Ceramic Society and a member of the Home and Industrial Glass Technology Sub-committee of the National Technical Committee on Industrial Glass and Special Glass of Standardization Administration of China. Dr. Li graduated from the School of Materials Science and Engineering of Wuhan University of Technology (formerly known as the Silicate Materials Engineering Department of Wuhan Industrial University) with a bachelor's degree, a master's degree and a doctoral degree. Dr. Li has over 30 years of experience in the teaching and research in respect of special glass materials, optoelectronic materials and their application and thin film materials and technology.

李宏，53歲，為本公司非執行董事。彼為武漢理工大學矽酸鹽建築材料國家重點實驗室教授、博士生導師。現任中國矽酸鹽學會特種玻璃專業委員會理事、湖北矽酸鹽學會理事、全國工業玻璃和特種玻璃標準化技術委員會家居工業玻璃分技術委員會委員。李博士於武漢理工大學材料科學與工程學院（前為武漢工業大學矽酸鹽材料工程系）取得學士、碩士及博士學位。李博士於特種玻璃材料、光電子材料及應用、薄膜材料與技術的教學與科研工作擁有逾30年經驗。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Wang Ching, aged 63, was appointed as an independent non-executive director of our Company in December 2008. Dr. Wang has near 20 years' managerial experience in investment banking, securities, treasury and asset management in the United States, Hong Kong, Taiwan and the PRC. He was the president of Investment and Proprietary Trading Group for Jih Sun Financial Holding Co. Ltd. in Taiwan, the managing director of JS Cresvale Securities International Limited, the managing director of SinoPac Securities Asia Ltd. in Hong Kong, SEVP of SinoPac Securities Co. Ltd. in Taiwan, the director of Investment Banking Department at Standard Chartered Bank Hong Kong and the associate director of Bear Stearns & Co. Inc., New York and Hong Kong. Dr. Wang currently is the managing director of Shanghai International Asset Management (HK) Co. Ltd., a licensed corporation registered with Hong Kong Securities and Futures Commission. He is also the executive director of Shanghai International Shanghai Growth Investment Limited, an investment fund company listed on the Stock Exchange (stock code: 770). Dr. Wang obtained his master degree in business administration from the University of Houston and Ph.D. in finance from Columbia University in the city of New York.

獨立非執行董事

王京，63歲，於二零零八年十二月獲委任為本公司獨立非執行董事。王博士在美國、香港、台灣及中國從事投資銀行、證券、財務以及基金管理業務近二十年，具有豐富經驗。彼曾任台灣日盛金融控股有限公司投資及自營交易部門總經理，香港日盛嘉富國際證券有限公司董事總經理，香港建華證券（亞洲）有限公司董事總經理，台灣建華證券股份有限公司執行副總經理，香港渣打銀行投資銀行部董事，紐約及香港Bear Stearns & Co. Inc.副董事。王博士目前為香港滙光國際投資管理有限公司董事總經理，該公司在香港證券監察委員會註冊為持牌公司。彼同時擔任滙光國際上海發展投資有限公司（一家於聯交所上市的公司，股份代號：770）的執行董事。王博士獲美國休斯敦大學工商管理碩士學位及紐約哥倫比亞大學財務金融學博士學位。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Yick Wing Fat, Simon, aged 60, is our independent non-executive director and chairman of the audit committee. Mr. Yick holds a Bachelor's degree in Business Administration from the Chinese University of Hong Kong, majoring in Accounting. He is a fellow of the Hong Kong Institute of Certified Public Accountants and the Chartered Association of Certified Accountants in England. Mr. Yick has over 30 years of experience in audit, direct investment, investment banking and corporate advisory services.

Mr. Yick also serves as an independent non-executive director and chairman of the audit committee of Shenzhen Neptunus Interlong Bio-technique Co., Ltd. and Shanghai International Shanghai Growth Investment Limited (both are listed on the Stock Exchange). Since August 2015, Mr. Yick has been appointed as independent non-executive director, convener of the nomination committee and member of the strategy committee and the audit committee of Chengdu Xingrong Environment Co., Ltd., a company listed on the Shenzhen Stock Exchange.

Tan Hongwei, aged 58, is our non-executive Director and also a member of the Audit Committee and the Nomination Committee and the chairman of the Remuneration Committee. He is a professor and a doctoral supervisor at the School of Mechanical and Energy Engineering of Tongji University, a doctoral supervisor at the School of Architecture and Urban Planning of Tongji University and the interdisciplinary doubleengaged responsible professor at the United Nations Environment Programme-School of Environmental Sustainability of Tongji University. He is also the key researcher of Climate Change Key Laboratory, the core member of the first class academic peak team (building technology) of Tongji University, the deputy director of the Tongji University Green Building and New Energy Research Center, and the director of the Tongji International Green Industry Innovation Center. Dr. Tan graduated from the Department of Architecture of Tokyo University with a doctoral degree in 1995. Dr. Tan has over 18 years of experience in the teaching and research in respect of energy-saving building technologies, application technology of renewable energy in buildings, building energy efficiency supervision platform technology, urban low-carbon energy planning technology, urban construction environment technology and other fields.

易永發，60歲，為本公司獨立非執行董事，同時擔任本公司審核委員會主席。易先生畢業於香港中文大學，主修會計，並取得工商管理學士學位，現為香港會計師公會和英國特許會計師公會資深會員。易先生從事審計、直接投資、投資銀行及企業顧問的工作已超過30年。

此外，易先生也在深圳市海王英特龍生物技術股份有限公司及滬光國際上海發展投資有限公司（兩家均於聯交所上市之公司）擔任獨立非執行董事及審核委員會主席。自二零一五年八月起，易先生擔任在深圳證券交易所上市之成都市興蓉環境股份有限公司之獨立非執行董事，提名委員會召集人，戰略委員會及審計委員會會員。

譚洪衛，58歲，為本公司非執行董事兼審核委員會、提名委員會成員，並薪酬委員會主席。彼為同濟大學機械與能源工程學院教授及博士生導師，同濟大學建築與城市規劃學院跨學科博導，聯合國環境署-同濟大學環境可持續發展學院跨學科雙聘責任教授。彼亦擔任同濟大學氣候變化重點實驗室研究骨幹，同濟大學創一流學科高峰團隊（建築技術）核心成員，同濟大學綠色建築及新能源研究中心常務副主任及同濟國際綠色產業創新中心主任。譚博士於1995年於東京大學建築學系取得工學博士學位。譚博士從事建築節能技術，可再生能源在建築中的應用技術，建築能效監管平臺技術，城市低碳能源規劃技術，城市建築環境技術等多領域的教學及研究逾18年，具有豐富經驗。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

SENIOR MANAGEMENT

Zhuo Jianming, aged 57, is the deputy general manager of Zhuhai Singyes. He has approximately 14 years' experience in the curtain wall engineering sector. He joined our Group as project manager in February 2000. From January 2001, Mr. Zhuo assumed the position of deputy general manager of production of Zhuhai Singyes. Prior to joining our Group, Mr. Zhuo was certified as a Level 1 Project Manager by the PRC Ministry of Construction in March 2002. Mr. Zhuo obtained a bachelor's degree in engineering and construction from Xi'an Jiaotong University in 1983.

Zhao Feng, aged 52, is the deputy general manager of Zhuhai Singyes since August 2007. He is also a director of Zhuhai Singyes. He joined our Group as a sales and marketing manager in December 2002. He has approximately 12 years of experience in the construction sector and approximately 11 years' experience in the curtain wall engineering sector. Prior to joining our Group, Mr. Zhao worked as an engineer of Hubei Province Shashi Construction Materials Scientific Research Institute from 1987 to 1995. Mr. Zhao was certified as a Senior Engineer in respect of construction materials by the Guangdong Province Personnel Bureau in December 2004. Mr. Zhao obtained a bachelor's degree in Engineering from Wuhan Industrial University, now known as Wuhan University of Technology, majoring in materials science in July 1987. Mr. Zhao became the general manager of Zhuhai Singyes Renewable Energy Co., Ltd, and responsible for managing its daily operation.

Zhang Chao, aged 45, is the operating general manager of Zhuhai Singyes. Mr. Zhang joined our Group in December 2002 as the manager of the business department of Zhuhai Singyes. He has approximately 12 years of experience in the construction sector and approximately 11 years' experience in the curtain wall engineering sector. Mr. Zhang graduated from Qiqihaer Railway Transportation Employee University majoring in industry and civil construction in July 1995. Prior to joining our Group, Mr. Zhang worked as a construction budgeteer at Heilongjiang Province Hei He City Railway (Group) Company from 1995 to 2002. In January 2006, Mr. Zhang was certified as a constructor by the Guangdong Province Personnel Bureau. Mr. Zhang was also certified as a National Construction Appraiser by the Construction Department in 2003 and construction engineer by Zhuhai Personnel Bureau in 2005. In December 2007, Mr. Zhong was registered as a constructor by the PRC Ministry of Construction.

高級管理人員

卓建明，57歲，為珠海興業副總經理。彼於幕牆工程領域擁有約14年經驗。彼於二零零零年二月加入本集團擔任項目經理。自二零零一年一月起，卓先生擔任珠海興業生產副總經理。加入本集團前，卓先生於二零零二年三月獲中國建設部特許為一級項目經理。卓先生於一九八三年獲西安交通大學頒發工學及建築學學士學位。

趙峰，52歲，自二零零七年八月起擔任珠海興業行政副總經理。彼亦為珠海興業的董事。彼於二零零二年十二月加入本集團擔任銷售及市場推廣經理。彼於建築業擁有約12年經驗，並於幕牆工程領域擁有約11年經驗。加入本集團前，趙先生於一九八七年至一九九五年於湖北省沙市建材研究所擔任工程師。趙先生於二零零四年十二月獲廣東省人事廳特許為高級建築材料工程師。趙先生於一九八七年七月獲武漢工業大學（現時稱為武漢理工大學）頒授材料學工程學士學位。趙先生為珠海興業新能源總經理，負責日常營運。

張超，45歲，為珠海興業經營總經理。張先生於二零零二年十二月加入本集團擔任珠海興業業務部經理。彼於建築業擁有約12年經驗，並於幕牆工程領域擁有約11年經驗。張先生於一九九五年七月畢業於齊齊哈爾鐵路運輸職工大學工業與民用建築專業。加入本集團前，張先生自一九九五年至二零零二年於黑龍江省黑河鐵路集團有限責任公司擔任土建預算員。於二零零六年一月，張先生獲廣東省人事廳特許為一級建築師。張先生亦分別於二零零三年獲建設部特許為國家造價師，於二零零五年獲珠海市人事局特許為建築工程師。於二零零七年十二月，張先生獲中國建設部註冊為一級建築師。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Luo Duo, aged 39, is the chief engineer of Zhuhai Singyes. She joined our Group as a designer in July 2001. She has approximately 12 years of experience in the curtain wall engineering sector. Ms. Luo worked as the vice-director of design institute of Zhuhai Singyes from November 2004 to December 2006 and the director of design institute from January 2007 to January 2008. In February 2008 she was appointed as the chief engineer of Zhuhai Singyes. Ms. Luo was certified as a Class 2 Registered Structural Engineer by the PRC Ministry of Construction in January 2005. Ms. Luo was certified as a Plan-Design Engineer by the Zhuhai Personnel Bureau in February 2008. Ms. Luo obtained a bachelor's degree in Construction Engineering from Qingdao Construction Engineering College in July 2001.

Liang Bingqiang, aged 40, is the deputy general manager of Zhuhai Singyes and responsible for the development of the overseas market. He has more than 13 years of experience in the curtain wall engineering sector. He joined our Group as a designer in April 2002. Mr. Liang worked as the director of design department of Zhuhai Singyes Beijing representative office from July 2004 to July 2006 and he worked for Zhongshan Shengxing Curtain Wall Company Ltd from August 2000 to March 2002. In August 2006, he was appointed as the manager of the photo-electricity business department of Zhuhai Singyes. In April 2008, he was appointed as the deputy general manager of Singyes Renewable Energy. Mr. Liang was certified as an Assistant Engineer by the Zhongshan Personnel Bureau in October 2001. Mr. Liang was certified as a Construction Design Engineer by the Zhuhai Personnel Bureau in January 2006. Mr. Liang obtained a bachelor's degree in construction engineering from Tianjin Institute of Urban Construction in July 2000.

羅多，39歲，為珠海興業總工程師。彼於二零零一年七月加入本集團擔任設計師。彼於幕牆工程領域擁有約12年經驗。羅女士自二零零四年十一月至二零零六年十二月擔任珠海興業設計機構副主管，自二零零七年一月至二零零八年一月擔任珠海興業設計機構主管。於二零零八年二月，彼獲委任為珠海興業總工程師。羅女士於二零零五年一月獲中國建設部特許為二級註冊結構工程師。羅女士於二零零八年二月獲珠海市人事局特許為計劃一設計工程師。於二零零一年七月，羅女士獲青島建築工程學院建築工程學士學位。

梁炳強，40歲，為珠海興業副總經理，負責發展海外市場。彼於幕牆工程領域擁有逾13年經驗。彼於二零零二年四月加入本集團擔任設計師。梁先生自二零零四年七月至二零零六年七月擔任珠海興業北京代表辦事處設計部經理，於二零零零年八月至二零零二年三月於中山盛興幕牆有限公司工作。於二零零六年八月，彼獲委任為珠海興業光電業務部經理。於二零零八年四月，彼獲委任為興業新能源副總經理。梁先生於二零零一年十月獲中山市人事局特許為助理工程師。於二零零六年一月，梁先生獲珠海市人事局特許為建築設計工程師。於二零零零年七月梁先生獲天津城市建設學院授予建築工程學士學位。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

YU Chon Man, aged 40, was appointed as the co-chief financial officer of the Group in October 2016, he has been the qualified accountant and company secretary of our Company since 2008. He is responsible for financial reporting and general investor affairs of our Company. He has approximately 16 years of experience in financial accounting. Mr. Yu is a member of the Hong Kong Institute of Certified Public Accountants and the fellow member of the Association of Chartered Certified Accountants. Prior to joining us, he had approximately seven years of working experience with international audit firms and was mainly responsible for financial auditing, internal control reporting and compliance advisory. He graduated from the Hong Kong Polytechnic University with a bachelor's degree (Hons) in accountancy in 2001.

Mr. Yu also serves as an independent non-executive director and chairman of audit committee of Time2U International Holding Limited (stock code: 1327).

Mr. Guo Yangyang, aged 34, was appointed as the co-chief financial officer of the Group in October 2016. He graduated from the accounting discipline of the China University of Mining and Technology in June 2005, and is an intermediate accountant. Since joining the Group in July 2006, he has worked as a manager in the Company's financial planning department and accounting and auditing department. He was appointed as the chief accountant and deputy financial controller of the Company in January 2011. He has over 10 years of financial and accounting experience.

COMPANY SECRETARY

YU Chon Man, is our company secretary. For further details regarding Mr. Yu, please see the paragraph headed "Senior Management" above.

余俊敏，40歲，於二零一六年十月獲委任為本集團聯席首席財務官。彼自二零零八年起亦為本公司合資格會計師兼公司秘書。彼負責本公司財務申報及一般投資者事宜。彼於財務會計方面擁有約16年經驗。余先生為香港會計師公會會員及特許公認會計師公會資深會員。於加入本集團前，彼已有約7年國際審計事務所工作經驗，主要負責財務審核、內部監控報告及合規諮詢。彼於二零零一年畢業於香港理工大學，持有會計學榮譽學士學位。

余先生亦擔任時間由你國際控股有限公司（股份代號：1327）獨立非執行董事及審核委員會主席。

郭揚陽先生，34歲，於二零一六年十月獲委任為本集團之聯席首席財務官。彼於二零零五年六月畢業於中國礦業大學會計學專業，為中級會計師。自二零零六年七月加入本集團以來，歷任本公司計劃財務部及會計核算部經理。彼於二零一一年一月獲委任為本公司總會計師及財務副總監，於財務會計方面擁有逾十年經驗。

公司秘書

余俊敏先生為本公司公司秘書。有關余先生的進一步詳情，請參閱上文「高級管理人員」一段。

REPORT OF THE DIRECTORS

董事會報告書

The directors (the “Directors”) of China Singyes Solar Technologies Holdings Limited (the “Company”) have pleasure to present the annual report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2017.

PRINCIPAL PLACE OF BUSINESS

The Company was incorporated in Bermuda on 24 October 2003 as an exempted company with limited liability. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company has established a principal place of business in Hong Kong at Unit 3108, 31st Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong, and was registered with the Registrar of Companies in Hong Kong as an overseas company under Part XI of the Companies Ordinance on 29 August 2008. Mr. Yu Chon Man has been appointed as the authorised representative of the Company for the acceptance of service of process and notices on behalf of the Company in Hong Kong.

As the Company is incorporated in the Bermuda, the operation of the Company is subject to the Companies Law and to its constitution comprising a memorandum of association and the bye-laws.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The Group is a professional renewable energy system integrator and building contractor, it is principally engaged in the design, fabrication and installation of conventional curtain walls and solar projects. Solar projects included building integrated photovoltaic (“BIPV”) system, roof top solar system and ground mounted solar system (collectively “Solar EPC”). The BIPV system involves (i) the integration of photovoltaic technology into the architectural design of buildings and structures and (ii) conversion of solar energy into electricity for use. In addition, the Group also engages in the production and sale of renewable energy goods, including smart grid system, and solar thermal system. The Group's principal operating market is in Mainland China.

Details of the principal activities of the principal subsidiaries are set out in note 1 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

中國興業太陽能技術控股有限公司(「本公司」)董事(「董事」)欣然提呈本公司及其附屬公司(統稱「本集團」)之年報連同截至二零一七年十二月三十一日止年度的經審核綜合財務報表。

主要營業地點

本公司於二零零三年十月二十四日於百慕達註冊成立為獲豁免有限責任公司。本公司註冊辦事處為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。本公司於香港干諾道中168至200號信德中心招商局大廈31樓3108室設立香港主要營業地點，並於二零零八年八月二十九日根據公司條例第XI部向香港公司註冊處處長登記為海外公司。余俊敏先生已獲委任為本公司授權代表，代表本公司在香港接收傳票及通告。

由於本公司在百慕達註冊成立，因此其營運須受公司法及其組織章程(包括組織章程大綱及細則)所規限。

主營業務

本公司為投資控股公司。本集團是專業的可再生能源系統集成商及建築承包商，主要從事設計、製造及安裝傳統幕牆及太陽能項目。太陽能項目包括光伏建築一體化(「光伏建築一體化」)系統、屋頂太陽能系統及地面太陽能電站(統稱為「太陽能EPC」)。光伏建築一體化系統涉及(i)樓宇及建築物光電技術與建築設計的一體化及(ii)將太陽能轉化為可用電能。此外，本集團亦從事可再生能源產品生產及銷售，包括智能電網系統及太陽能光熱系統。本集團的主要運營市場在中國大陸。

主要附屬公司的主要業務詳情載於財務報表附註1。本集團的主要業務性質於年內並無重大變動。

REPORT OF THE DIRECTORS

董事會報告書

MAJOR CUSTOMERS AND SUPPLIERS

The Group's top five customers are the main contractors of various public or commercial BIPV or curtain wall or solar form investors. In aggregate, the largest and top five customers contributed approximately 12.1% and 27.8% of the Group's total revenue in 2017 respectively.

The Group currently outsources part of the construction works for various sub-contractors in the PRC, as well as sourcing PV panel, aluminium and glass from suppliers inside the PRC. In 2017, the top five suppliers include material suppliers and sub-contractors, sub-contracting fees paid or material purchase to its largest and five largest suppliers were about 6.5% and 18.6% of the Group's total cost of sale in 2017 respectively.

At no time during the year have the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had any interest in these major suppliers and/or customers.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries which principally affect the results as at 31 December 2017 are set out in note 1 to the financial statements.

FINANCIAL STATEMENTS AND DIVIDENDS

The profits of the Group for the year ended 31 December 2017 and the Company's and the Group's financial positions as at the same date are set out in the financial statements on pages 96 to 280. The Directors recommend the payment of a final dividend for the year ended 31 December 2017 of HK\$0.03 per share (2016: HK\$0.07 per share).

There was no arrangement under which a shareholder of the Company has waived or agreed to waive any dividends.

RESERVES

Details of movements in the reserve of the Group and the Company during the year are set out in the consolidated statement of changes in equity on pages 100 to 101 of the annual report and in note 3 of the financial statements respectively.

主要客戶及供應商

本集團五大客戶為各公共或商業光伏建築一體化或幕牆項目之承建商或太陽能電站投資者。於二零一七年，最大及五大客戶分別佔本集團總收入約12.1%及27.8%。

本集團目前將部分建築工程外判給中國多家分包商，並向中國境內供應商採購光伏板、鋁以及玻璃。於二零一七年，五大供應商包括物料供應商及分包商，支付予最大及五大供應商的分包費用或物料採購分別約為本集團於二零一七年銷售成本總額的6.5%及18.6%。

本公司董事、彼等的聯繫人士或就董事所知擁有本公司股本5%以上之任何股東，概無於本年度內任何時間，在本集團主要供應商和／或客戶中擁有任何權益。

附屬公司

本公司於二零一七年十二月三十一日足以影響其業績的主要附屬公司之詳情，載於財務報表附註1。

財務報表及股息

本集團截至二零一七年十二月三十一日止年度的溢利，以及本公司及本集團於該日的財務狀況，載於財務報表第96至第280頁。董事建議派付截至二零一七年十二月三十一日止年度之末期股息每股3港仙（二零一六年：每股7港仙）。

本公司股東並無放棄或同意放棄任何股息之安排。

儲備

本集團及本公司於年內的儲備變動詳情分別載於年報第100至第101頁綜合權益變動表及財務報表附註35。

REPORT OF THE DIRECTORS

董事會報告書

DISTRIBUTABLE RESERVES

Final dividend amounting to RMB20,916,000 was declared by reduction in distributable reserve. As at 31 December 2017, the Company's reserves available for distribution calculated in accordance with the provisions of the applicable law of Bermuda, amounting to RMB32,913,000.

INTEREST BEARING BANK LOANS

Particulars of interest bearing bank loans of the Group as at 31 December 2017 are set out in note 28 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of acquisitions and other movements in property, plant and equipment are set out in note 13 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 33 to the financial statements. The Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last 5 financial years is set out on page 4 of the annual report.

可供分派儲備

末期股息人民幣20,916,000元已以削減繳入盈餘方式宣派。於二零一七年十二月三十一日，根據百慕達適用法律條款計算，本公司可供分派儲備為人民幣32,913,000元。

附息銀行貸款

本集團於二零一七年十二月三十一日的附息銀行貸款詳情，載於財務報表附註28。

物業、廠房及設備

收購物業、廠房及設備以及其他變動的詳情，載於財務報表附註13。

股本

本公司年內股本變動的詳情，載於財務報表附註33。本公司及其附屬公司概無購買、出售或贖回本公司任何上市證券。

五年財務摘要

本集團過去五個財政年度的業績以及資產與負債的概要，載於本年報第4頁。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive Directors

Mr. LIU Hongwei
Mr. SUN Jinli (resigned on 20 July 2017)
Mr. XIE Wen
Mr. Xiong Shi (appointed on 1 December 2017)

Non-Executive Directors

Mr. LI Huizhong (resigned on 5 June 2017)
Mr. CAO Zhirong
Dr. Li Hong (appointed on 5 June 2017)

Independent Non-Executive Directors

Dr. WANG Ching
Mr. YICK Wing Fat, Simon
Mr. CHENG Jinshu (resigned on 5 June 2017)
Dr. Zhong Jishou (appointed on 5 June 2017
and resigned on 18 April 2018)
Dr. Tan Hongwei (appointed on 18 April 2018)

Mr. Sun Jinli has resigned as an executive director of the Company with effect from 20 July 2017 in order to devote more time to perform his duties as the executive director of China Singyes New Materials Holdings Limited, a subsidiary of the Company. Mr. Li Huizhong has resigned as a non-executive director of the Company with effect from 5 June 2017 due to his own business and other commitments. Mr. Cheng Jinshu and Dr. Zhong Jishou has resigned as an independent non-executive director of the Company with effect from 5 June 2017 and 18 April 2018 respectively due to their own business and other commitments.

In accordance with Bye-law 87 of the Bye-laws of the Company, Mr. Liu Hongwei, Mr. Xie Wen, Mr. Xiong Shi, Dr. Li Hong, Dr. Wang Ching, Mr. Yuck Wong Fat, Simon and Dr. Tan Hongwei are required to retire by rotation at the forthcoming annual general meeting. Each of the above Directors will offer themselves for re-election at the forthcoming annual general meeting.

董事及董事服務合約

本財政年度及直至本報告日期止的董事如下：

執行董事

劉紅維先生
孫金禮先生(於二零一七年七月二十日辭任)
謝文先生
熊滉先生(於二零一七年十二月一日獲委任)

非執行董事

李會忠先生(於二零一七年六月五日辭任)
曹志榮先生
李宏博士(於二零一七年六月五日獲委任)

獨立非執行董事

王京博士
易永發先生
程金樹先生(於二零一七年六月五日辭任)
仲繼壽先生(於二零一七年六月五日獲委任
並於二零一八年四月十八日辭任)
譚洪衛博士(於二零一八年四月十八日獲委任)

孫金禮先生已辭任本公司執行董事，自二零一七年七月二十日起生效，以投入更多時間履行彼於本公司附屬公司中國興業新材料控股有限公司之執行董事職務。李會忠先生已辭任非執行董事，自二零一七年六月五日起生效，以履行其自身的公務及其他承諾。程金樹先生及仲繼壽博士已辭任獨立非執行董事，分別自二零一七年六月五日及二零一八年四月十八日起生效，以履行其自身的公務及其他承諾。

根據本公司之細則第87條，劉紅維先生、謝文先生、熊滉先生、李宏博士、王京博士、易永發先生及譚洪衛博士於應屆股東週年大會上須輪席辭任。上述各董事將於應屆股東週年大會上膺選連任。

REPORT OF THE DIRECTORS

董事會報告書

REMUNERATION POLICY

The remuneration policy for the Directors and senior management members of the Group was based on their individual performance as well as market trends and practices. Details of the remuneration of the Directors are set out in note 8 to the consolidated financial statements.

The emoluments paid to the senior management (excluding the Directors) during the year ended 31 December 2017 were within the following bands:

薪酬政策

本集團之董事及高級管理層成員之薪酬政策乃根據其個體表現以及市場趨勢及慣例予以釐訂。董事之薪酬詳情載於綜合財務報表附註8內。

於截至二零一七年十二月三十一日止年度，支付高級管理層（不包括董事）之薪酬介乎於以下範圍：

Bands	範圍	Number of Senior Management 高級管理層數目
RMB100,001 to RMB1,000,000	人民幣 100,001 元至人民幣 1,000,000 元	7
RMB1,000,001 to RMB2,000,000	人民幣 1,000,001 元至人民幣 2,000,000 元	2
RMB2,000,001 to RMB3,000,000	人民幣 2,000,001 元至人民幣 3,000,000 元	1
Total:	合計：	10

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for a term of 3 years, which is renewable automatically for successive terms of 3 years each commencing from the day immediately after the expiry of the then current term of the appointment unless terminated by not less than 3 months' notice in writing served by either party. Each of the non-executive Directors were appointed for a term of three years, which is renewable automatically for successive terms of 1 year each commencing from the day next after the expiry of the then current term of the appointment unless terminated by not less than 2 months' notice in writing served by either party. Each of the independent non-executive Directors were appointed for a term of three years which is terminable by either party by giving the other party not less than 2 months' prior notice in writing. None of the Directors has a service agreement with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

The remuneration of directors are determined by the remuneration committee of the Company and by reference to the remuneration policies of other companies in similar capacity and the experience of the directors.

董事服務合約

各執行董事與本公司已訂立為期三年之服務合約，除非其中一方另向另一方發出不少於三個月書面通知終止協議，否則於緊隨當時委任期限屆滿後的日期起各自自動續期三年。各非執行董事之委任為期三年，除非其中一方另向另一方發出不少於兩個月書面通知終止協議，否則由當時委任期限屆滿後翌日起各自自動續期一年。各獨立非執行董事之委任為期三年且可由其中一方另向另一方發出不少於兩個月書面提前通知而終止。董事與本公司概無訂立任何不可於一年內免付賠償（法定賠償除外）予以終止的服務協議。

董事之薪酬乃由本公司薪酬委員會釐定，並參考其他上市公司類似職位之薪酬政策及董事之經驗。

REPORT OF THE DIRECTORS

董事會報告書

SHARE OPTION SCHEME

On 19 December 2008, the Company adopted a share option scheme (the “Share Option Scheme”). Under the Share Option Scheme, the board of Directors (the “Board”) may at its discretion, offer eligible persons (being any Director or employee (whether full-time or part-time), consultant or advisors of the Group who in the sole discretion of the Board has contributed or will contribute to the Group) (the “Eligible Persons”) who the Board may in its absolute discretion select to subscribe for such number of Shares as the Board may determine at a subscription price determined in accordance with the Share Option Scheme.

Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to provide incentive or reward to Eligible Persons for their contribution to, and continuing efforts to promote the interests of, the Group and for such other purposes as the Board may approve from time to time.

Total number of Shares available under the Share Option Scheme

The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme is 36,500,335 shares, representing 4.38% of the Company's issued share capital as at the date of this report. Pursuant to the terms of the Share Option Scheme, the exercise price of and/or the number of Shares subject to the outstanding Share Options are required to be adjusted as a result of a rights issue in July 2016. In accordance with the terms of the Share Option Scheme and the supplementary guidance issued by the Stock Exchange on 5 September 2005 regarding adjustment of share options under Rule 17.03(13) of the Listing Rules, the exercise price of and the number of Shares subject to the outstanding Share Options granted on 23 July 2009, 10 October 2011 and 22 May 2015 have been adjusted with effect from 20 July 2016:

購股權計劃

於二零零八年十二月十九日，本公司採納一項購股權計劃（「購股權計劃」）。根據購股權計劃，董事會（「董事會」）可酌情決定向合資格人士（董事會全權酌情認為曾經或將會對本集團有貢獻的任何董事或僱員（無論全職或兼職）、顧問或專業顧問）（「合資格人士」）授出購股權，以按購股權計劃釐定的認購價認購董事會所釐定的該等股份數目。

購股權計劃之目的

購股權計劃旨在獎勵或酬謝為本集團作出貢獻及努力不懈地促進本集團利益的合資格人士，以及用於董事會不時批准的其他目的。

購股權計劃下的股份數目總數

於行使根據購股權計劃將予授出的所有購股權而可能發行的股份數目最多為36,500,335股，相當於本公司於本報告日期已發行股本4.38%。根據購股權計劃之條款，尚未行使購股權之行使價及／或股份數目因二零一六年七月供股而需作出調整。根據購股權計劃之條款及聯交所於二零零五年九月五日發佈有關上市規則第17.03(13)條項下購股權調整之補充指引，於二零零九年七月二十三日、二零一一年十月十日及二零一五年五月二十二日授予之尚未行使購股權之行使價及股份數目已按下列方式作出調整，由二零一六年七月二十日起生效：

REPORT OF THE DIRECTORS

董事會報告書

On 5 April 2017, the Company granted 12,000,000 share options at a exercise price of HK\$3.55 per share.

於二零一七年四月五日，本公司授出 12,000,000 份購股權，行使價為每股 3.55 港元。

Date of grant 授出日期		Before Adjustments 調整前		After Adjustments 調整後	
		Exercise price per Share 每股 行使價 HK\$ 港元	Number of Shares subject to the outstanding Share Options 涉及尚未 行使購股權之 股份數目	Exercise price per Share 每股 行使價 HK\$ 港元	Number of Shares subject to the outstanding Share Options 涉及尚未 行使購股權之 股份數目
23 July 2009	二零零九年七月二十三日	3.58	11,214,000	3.56	11,242,404
10 Oct 2011	二零一一年十月十日	2.68	7,200,000	2.67	7,231,599
22 May 2015	二零一五年五月二十二日	11.70	6,000,000	11.65	6,026,332
5 April 2017	二零一七年四月五日	3.55	12,000,000	N/A	N/A

Maximum entitlement of each Eligible Participant

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding options) to each Eligible Person in any 12-month period up to the date of grant shall not exceed 1.0% of the shares in issue as at the date of grant. Any further grant of options in excess of this 1.0% limit shall be subject to the issue of a circular by the Company and the approval of our Shareholders in general meeting with such Eligible Persons and his associate (as defined in the Listing Rules) abstaining from voting and the number and terms (including the subscription price) of such options being fixed before such general meeting and other requirements prescribed under the Listing Rules from time to time.

各合資格參與者有權得到的最高股份數目

在截至授出日期的任何十二個月期間，因行使根據購股權計劃及本公司任何其他購股權計劃向每名合資格人士授出的購股權（包括已行使、已註銷及尚未行使的購股權）而發行及可發行的股份總數，不得超過於授出日期已發行股份的 1.0%。倘進一步授出超過上述 1.0% 上限的購股權，本公司須發出通函，並須獲本公司股東在股東大會上批准，而該等合資格人士及其聯繫人士（定義見上市規則）不得投票，該等購股權的數目及條款（包括認購價）須於相關股東大會舉行前釐定，並須遵照上市規則不時規定的其他規定。

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Time of exercise of option

There is no general requirement that an option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular option. The Board is currently unable to determine such minimum period. The date of grant of any particular option is the date on which the offer relating to such option is duly accepted by the grantee in accordance with the Share Option Scheme. An option may be exercised according to the terms of the Share Option Scheme and the offer in whole or in part by the grantee (or his personal representatives) before its expiry by giving notice in writing to our Company stating that the option is to be exercised and the number of Shares in respect of which it is exercised provided that the number of Shares shall be equal to the size of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. Such notice must be accompanied by a remittance for the full amount of the subscription price for the Shares in respect of which the notice is given. The period during which an option may be exercised will be determined by the Board at its absolute discretion, save that no option may be exercised more than 10 years from the date of grant. No option may be granted more than 10 years after the date of approval of the Share Option Scheme. Subject to earlier termination by the Company in general meeting, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of adoption of the Share Option Scheme by Shareholders by resolution at a general meeting.

Price of Shares

The subscription price for a share in respect of any particular option granted under the Share Option Scheme (which shall be payable upon exercise of the option) shall be such price as the Board shall determine, save that such price must not be less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of offer to grant option, which must be a business day; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of offer to grant option (provided that the new issue price shall be used as the closing price for any business day falling within the period before the listing of the shares where our Company has been listed for less than five business days as at the date of offer to grant option); and (iii) the nominal value of a Share. A consideration of RMB1.00 is payable on acceptance of an offer of the grant of an option.

購股權的行使時間

一般並無規定有關購股權在行使前必須持有的最短時間，惟董事會可於授出任何特定購股權時酌情釐定有關最短持有時間。董事會現時無法釐定該最短持有時間。任何特定購股權的授出日期為承授人根據購股權計劃正式接納獲授該等購股權的日期。承授人（或個人代表）可於購股權到期前根據購股權計劃及要約的條款，透過向本公司發出書面通知書，列明即將全部或部分行使購股權及行使購股權所涉股份數目，以行使購股權，惟有關股份數目須為股份在聯交所的每手買賣單位或其完整倍數。該通知須附有通知所述股份的認購價總額的股款。購股權行使期由董事會全權酌情釐定，惟不得超過授出日期起計十年。購股權計劃獲批准當日起計十年屆滿後不得再授出購股權。除非本公司於股東大會提前終止購股權計劃，否則購股權計劃獲股東在股東大會通過決議案採納當日起計十年內有效。

股份價格

根據購股權計劃授出任何特定購股權所發行的股份的認購價（須於行使購股權時支付）由董事會釐定，惟該價格不得低於下列各項的最高者：(i) 於購股權授出日期（必須為營業日）聯交所每日報價表所列的股份收市價；(ii) 緊接購股權授出日期前五個營業日聯交所每日報價表所列股份的平均收市價（惟倘本公司於購股權授出日期已上市不足五個營業日，則以新發行價作為本公司上市前任何營業日的股份收市價）；及(iii) 股份面值。接納一份購股權的要約的應付代價為人民幣1.00元。

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Remaining life of the Share Option Scheme

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further option will be offered but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect and options granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

There was no exercise of any conversion or subscription rights under any convertible securities, options, warrants or similar rights issued or granted at any time by the Company or any of its subsidiaries during the year ended 31 December 2017.

CONVERTIBLE BONDS

On 8 August 2014, the Company issued 930 units of 5% convertible bonds due 8 August 2019 with a nominal value of RMB930,000,000. The Company repurchased face value of RMB6,000,000 of CB for a consideration of USD837,000 in 2015.

During the year, the Company repurchased face value of RMB108,000,000 of the CB for a consideration of USD16,135,000 and redeemed face value of RMB720,000,000 of CB for a consideration of USD107,251,000. As at 31 December 2017, 96 units of the convertible bonds with face value of RMB96,000,000 were outstanding.

The salient terms and conditions of the CB are as follows:

(i) Interest rate

The Company shall pay an interest on the CB at 5.0% per annum.

購股權計劃的餘下年期

本公司可於股東大會通過決議案或由董事會隨時終止購股權計劃的運作，其後不會再授出購股權，惟購股權計劃所有其他規定仍然全面有效及生效。購股權計劃終止前授出的購股權仍繼續有效並且可以根據購股權計劃予以行使。

至二零一七年十二月三十一日止年度，本公司或其任何附屬公司並未根據任何可換股證券、購股權、認股權證或任何時間已發行或已授出之類似權利行使任何轉換或認購權。

可換股債券

於二零一四年八月八日，本公司發行於二零一九年八月八日到期面值為人民幣930,000,000元的930份5%可換股債券。二零一五年內，本公司以代價837,000美元購回面值為人民幣6,000,000元的可換股債券。

年內，本公司以代價16,135,000美元購回面值人民幣108,000,000元的可換股債券及以代價107,251,000美元贖回面值人民幣720,000,000元的可換股債券。於二零一七年十二月三十一日，面值為人民幣96,000,000元的96份可換股債券尚未償還。

可換股債券的主要條款及條件如下：

(i) 利率

本公司須按每年5.0%的利率就可換股債券支付利息。

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(ii) Conversion price

The CB will be convertible into the Company's ordinary shares at the initial conversion price of HK\$16.11 per share, subject to adjustments. Amongst others, consolidation, subdivision or reclassification of shares, capitalisation of profits or reserves, capital distribution, rights issues of shares or options over shares, rights issues of other securities, issues at less than the current market price, other issues at less than the current market price, modification of rights of conversion etc., other offers to shareholders, change of control and other usual adjustment events. The conversion price may not be reduced so that the conversion shares would fall to be issued at a discount to their par value. The conversion was adjusted from HK\$15.72 to HK\$15.41 during the year due to cash dividends paid.

(iii) Maturity

Unless previously redeemed, converted, or purchased and cancelled, the Company will redeem each of the CB at the US Dollar equivalent of the RMB principal amount on 8 August 2019.

(iv) Redemption at the option of the Company

The Company may:

- (1) Upon giving not less than 30 nor more than 60 days' notice to the bondholders, at any time after 8 August 2017 but not less than 14 days prior to the maturity date redeem the bonds in whole but not in part at a redemption price at the US Dollar equivalent of the RMB principal amount plus accrued and unpaid interest to such date; provided that no such redemption may be made unless the closing price of the shares (translated into RMB at the RMB: HK\$ fixed rate as set out in the terms and conditions of the CB) for 20 out of 30 consecutive trading days ending on a date which is no more than three stock exchange business immediately prior to the date upon which notice of such redemption is given, was at least 130% of the conversion price then in effect (translated into RMB at the RMB: HK\$ fixed rate as set out in the terms and conditions of the CB); or

(ii) 轉換價

可換股債券將可按初始轉換價每股16.11港元(可予調整)轉換為本公司普通股。轉換價須於(其中包括)股份合併、拆細或重新分類、溢利或儲備資本化、資本分派、供股或就股份創設購股權、發行其他證券、按低於當前市價發行、低於當前市價的其他發行、修訂轉換權、向股東進行其他發售、控制權變動及其他慣常調整事件時進行調整。轉換價不得削減至低於轉換股份以較面值折讓的價格發行。本年度內，因支付現金股息轉換價已由15.72港元調整至15.41港元。

(iii) 到期時間

除非已於之前贖回、轉換或購買及註銷，否則本公司將於二零一九年八月八日按照人民幣本金的等值美元贖回每份可換股債券。

(iv) 本公司選擇贖回

本公司可：

- (1) 於二零一七年八月八日後但不遲於到期日前14日任何時間，向債券持有人發出不少於30日但不超過60日的通知，按人民幣本金的等值美元加上截至該日應計未付利息的贖回價，贖回全部但非部分債券；惟除非截至屬發出贖回通知當日前三個聯交所營業日之日止連續30個交易日中20日的股份收市價(按可換股債券條款及條件所載人民幣兌港元的固定匯率換算為人民幣)至少為當時實際轉換價(按可換股債券條款及條件所載固定人民幣兌港元的匯率換算為人民幣)的130%，否則不得進行贖回；或

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- (2) Upon giving not less than 30 nor more than 90 days' notice to the bondholders and the Trustee (which notice will be irrevocable), the Company may at any time redeem all, but not some only, of the bonds for the time being outstanding at the US Dollar equivalent of the RMB principal amount plus accrued and unpaid interest to such date provided that prior to the date of such notice at least 90% in RMB principal amount of the bonds originally issued have already been converted, redeemed or purchased and cancelled.

(v) Redemption at the option of the holders

The Company will, at the option of the holder of any CB, redeem all or some only of such holder's CB on 8 August 2017 at the US Dollar equivalent of the RMB principal amount. Face value of RMB720,000,000 was redeemed at the option of the holder during the year.

(vi) Redemption of delisting or change of control

Following the occurrence of a change of control (means when Mr. Liu Hongwei cease for any reason to be the majority shareholder of the Company or any other events lead to the significant change of the ownership structure of that the Company, "Change of Control") or delisting of the Company (including suspension of trading of the Shares on the stock exchange for a period equal to or more than 20 consecutive trading days) (the "Relevant Event"), the holder will have the right to require the Company to redeem all, or but not some only, of such holder's CB at the US Dollar equivalent of the RMB principal amount plus accrued and unpaid interest to the date fixed for redemption.

- (2) 向債券持有人及受託人發出不少於30日但不超過90日的通知(該通知不得撤回)後,本公司可按人民幣本金額的等值美元加上截至該日應計未付的利息,隨時贖回全部(但非僅部分)當時未償還債券,惟於該通知日期前原發行債券的人民幣本金額至少90%須已轉換、贖回或購買及註銷。

(v) 持有人選擇贖回

本公司將按任何可換股債券持有人的選擇,於二零一七年八月八日按人民幣本金額的等值美元贖回該持有人的全部或僅部分可換股債券。年內,持有人選擇贖回人民幣面值720,000,000。

(vi) 除牌或控制權變動時贖回

本公司發生控制權變動(指劉紅維先生因任何原因不再為本公司主要股東或導致本公司擁有權架構出現重大變動的任何其他事件)(「控制權變動」)或除牌(包括股份於證券交易所暫停買賣達等於或超過連續20個交易日)(「相關事件」)後,持有人將有權要求本公司按人民幣本金額的等值美元加上截至指定贖回日期的應計未付利息,贖回該持有人的全部(但非部分)可換股債券。

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DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

None of the Directors or their respective associate (as defined under the Listing Rules) was granted by the Company, or any of its subsidiaries, any rights or options to acquire Shares or debentures during the year ended 31 December 2017.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Save for the Rights Issue disclosed above, the Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the year.

INTEREST AND SHORT POSITIONS OF THE DIRECTORS AND THE CHIEF EXECUTIVES OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2017, so far as the Directors are aware, the Directors and chief executives of the Company and their associates had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) which (i) 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 interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") to be notified to the Company and the Stock Exchange:

董事認購股份或債券的權利

截至二零一七年十二月三十一日止年度，概無董事或彼等各自聯繫人士（定義見上市規則）獲本公司或其任何附屬公司授予任何權利或購股權以認購股份或債券。

購買、出售或贖回本公司上市證券

除上文披露之供股外，於本公司及其附屬公司於本年度概無購買、出售或贖回本公司任何上市證券。

董事及本公司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短倉

於二零一七年十二月三十一日，據董事所悉，董事及本公司主要行政人員及彼等的聯繫人士於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」））的股份、相關股份及債券中擁有(i)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益（包括根據證券及期貨條例該等條文彼等被當作或視為擁有的權益及淡倉）；或(ii)根據證券及期貨條例第352條須記錄於該條所指的登記冊的權益；或(iii)根據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如下：

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Name 姓名	Company/name of associated corporation 本公司／相聯 法團名稱	Capacity 身份	Type of interest 權益類別	Number of shares 股份數目	Approximate % of shareholding 股權概約百分比
Mr. Liu Hongwei 劉紅維先生	Company 本公司	Interest of a controlled corporation ¹ 受控法團權益 ¹	Long 長倉	313,176,750	37.55%
	Company 本公司	Beneficial interest ² 實益權益 ²	Long 長倉	1,379,120	0.16%
		Sub-total: 小計：	Long 長倉	314,555,870	37.71%
Mr. Xie Wen 謝文先生	Company 本公司	Beneficial interest ² 實益權益 ²	Long 長倉	1,386,056	0.17%
Dr. Wang Ching 王京博士	Company 本公司	Beneficial interest ² 實益權益 ²	Long 長倉	120,526	0.01%
Mr. Yick Wing Fat, Simon 易永發先生	Company 本公司	Beneficial interest ² 實益權益 ²	Long 長倉	241,053	0.03%

Notes:

- These 313,176,750 Shares are held by Strong Eagle Holdings Ltd. whose share capital is 53% owned by Mr. Liu Hongwei. Mr. Liu Hongwei is deemed to be interested in these Shares by virtue of the SFO.
- Such interests represent the options of the Company held by the relevant director.

附註：

- 該313,176,750股股份由Strong Eagle Holdings Ltd.持有，而劉紅維先生擁有Strong Eagle Holdings Ltd.股本之53%，根據證券及期貨條例，劉紅維先生被視為於該等股份中擁有權益。
- 該等權益為有關董事所持有的本公司購股權。

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INTEREST AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2017, so far as the Directors are aware, save as disclosed above, the persons or corporations (not being a Director or a chief executive of the Company) who have interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO or have otherwise notified to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group and the amount of each of such persons' interest in such securities, together with any options in respect of such capital, were as follows:

主要股東於股份、相關股份及債券中的權益及短倉

於二零一七年十二月三十一日，據董事所悉，除上文披露者外，以下人士或法團（並非本公司董事或主要行政人員）於本公司股份及相關股份中，擁有已記錄於根據證券及期貨條例第336條須存置的登記冊的權益或短倉，或根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露之權益或淡倉，或直接或間接擁有附帶權利可於任何情況下在本集團任何其他成員公司之股東大會上投票之任何類別股本面值10%或以上權益，以及該等人士各自於該等證券擁有之權益數量，連同擁有該等股本涉及之任何購股權如下：

Shareholder 股東	Long/short position 長／短倉	Capacity/nature of interest 身份／ 權益性質	Number of shares 股份數目	Approximate % of shareholding 股權概約 百分比
Strong Eagle Holdings Ltd. ¹	Long position 長倉	Beneficial owner 實益擁有人	313,176,750	37.55%

1. Strong Eagle Holdings Ltd. is owned by Mr. Liu Hongwei, Mr. Sun Jinli, Mr. Xie Wen, Mr. Xiong Shi and Mr. Zhuo Jianming as to 53%, 15%, 13%, 10%, and 9% respectively.

1. Strong Eagle Holdings Ltd. 分別由劉紅維先生、孫金禮先生、謝文先生、熊滉先生及卓建明先生擁有53%、15%、13%、10%及9%的股本。

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NON-COMPETITION

The Directors confirm that they have no interest in any business (apart from the Group's business) which competes or is likely to compete, either directly or indirectly, with the Group's business.

The interested Director shall abstain from the meeting where there is actual or potential conflict in interest.

CONTRACTS OF SIGNIFICANCE

No contract of significance to which the Company, its holding company, or any of its fellow subsidiaries or subsidiaries was a party subsisted at the end of the year or at any time during the year ended 31 December 2017.

No contract of significance in which a Director is or was materially interested, either directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2017.

No contract of significance for the provision of services to the Company or any of its subsidiaries by our controlling shareholder or any of its subsidiaries subsisted at the end of the year or at any time during the year ended 31 December 2017.

CONNECTED TRANSACTIONS

No transactions as set out in the "Related party transactions" in note 41 to the financial statements are subject to the reporting, announcement and/or independent shareholders' approval under Chapter 14A of the Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Byelaws, or the law of Bermuda, being the jurisdiction in which the Company is incorporated.

不競爭

董事確認，除本集團的業務外，彼等概無擁有與本集團業務直接或間接存在競爭或極可能存有競爭的任何業務的權益。

倘存在實際或潛在利益衝突，涉及利益的有關董事須放棄出席有關會議。

重大合約

本公司、其控股公司或其任何同系附屬公司或附屬公司概無參與訂立任何於年終或截至二零一七年十二月三十一日止年度年內任何時間仍然有效的重大合約。

於年終或截至二零一七年十二月三十一日止年度內任何時間，概無訂立董事於或曾經於其中（不論直接或是間接）擁有重大權益的任何重大合約。

於年終或截至二零一七年十二月三十一日止年度任何時間，概無本公司控股股東或其任何附屬公司向本公司或其任何附屬公司提供服務的重要合約仍然有效。

關連交易

財務報表附註41「關連方交易」所載之交易並無需要按照上市規則第14A章受報告、公告及／或獨立股東批准之限制。

優先購買權

本公司細則或百慕達（即本公司註冊成立的司法權區）法例均無有關優先購買權的條文。

REPORT OF THE DIRECTORS

董事會報告書

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listing Issuer as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Upon the enquiry made by the Company all Directors confirmed that they had complied with the Model Code for the year ended 31 December 2017.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report contained in this annual report.

AUDIT COMMITTEE

The Company established an audit committee on 19 December 2008 with terms of references adopted on 19 December 2008 in compliance with the Code set out in Appendix 14 of the Listing Rules. The members of the audit committee are the three independent non-executive Directors, Mr. Yick Wing Fat, Simon, an independent non-executive Director, is the Chairman of the audit committee. The audit committee is to serve as a focal point for communication between other directors, the external auditor and the internal auditor (where an internal audit function exists) of the Company as regards their duties relating to financial and other reporting, internal controls, external and internal audits and such other financial and accounting matters as the Board determines from time to time. The audit committee is to assist the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time. The audit committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2017, including the accounting principles and practices adopted by the Group. For further details of the audit committee and other committees of the Board, please refer to the section headed "Corporate Governance Report" from pages 7 to 24.

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則，作為其董事進行證券交易的操守守則。經本公司就此作出具體查詢後，全體董事確認彼等於截至二零一七年十二月三十一日止年度已遵守標準守則。

企業管治

本公司採納的主要企業管治常規，載於本年報企業管治報告。

審核委員會

本公司於二零零八年十二月十九日成立審核委員會，並於二零零八年十二月十九日採納按照上市規則附錄十四所載守則制定的職權範圍。審核委員會由三名獨立非執行董事組成，獨立非執行董事易永發先生為審核委員會主席。審核委員會就關乎彼等職責中有關財務及其他報告、內部監控、外部及內部審核以及董事會不時決定的其他財務及會計事宜，作為其他董事、外聘核數師與內部核數師（倘存在內部審核職能）之間的溝通橋樑。審核委員會負責協助董事會對本集團財務報告過程、內部監控及風險管理制度的效用作出獨立檢討，監管審核過程，以及履行董事會不時指派的其他職責和責任。審核委員會已審閱本集團截至二零一七年十二月三十一日止年度的綜合財務報表，包括本集團採納的會計原則及常規。有關審核委員會及董事會其他委員會的詳情，請參考第7頁至第24頁的「企業管治報告」一節。

REPORT OF THE DIRECTORS

董事會報告書

KEY FINANCIAL AND BUSINESS PERFORMANCE INDICATORS

The key financial and business performance indicators comprise profitability trend and gearing ratio. Details of profitability analysis are shown in “Management Discussion and Analysis” section of this annual report. Details of gearing ratio analysis are shown in Note 46 (Financial Risk Management Objectives and Policies) to the Financial Statements in this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is committed to contributing to the sustainability of the environment and maintaining a high standard of corporate social governance essential for creating a framework for motivating staff, and contributes to the community in which we conduct our businesses and creating a sustainable return to the Group.

ENVIRONMENTAL PROTECTION

The Group has implemented energy saving practices in its offices and premises where applicable. The Group also plans to upgrade its air-conditioning and electricity systems to achieve the energy saving and provision of clear air to workplace where possible.

RELATIONSHIPS WITH CUSTOMERS AND SUPPLIERS

The Group also understands that it is important to maintain good relationship with its suppliers and customers to fulfil its long-term goals and development. To maintain its brand competitiveness and market status, the Group aims at delivering consistently high standards of quality in the service to its customers. During the year ended 31 December 2017, there was no material and significant dispute between the Group and its suppliers and/or customers.

主要財務及業務表現指標

主要財務及業務表現指標包括盈利能力趨勢及槓桿比率。盈利能力分析的詳情載於本年報「管理層討論及分析」一節。槓桿比率分析的詳情載於本年報財務報表附註46（財務風險管理目的及政策）。

環境、社會和管治

本集團致力促進環境的可持續性及維持高標準企業社會管治，其對於建立激勵員工的框架是必需的，本集團亦為我們開展業務所在及為本集團創造可持續回報的社區作出貢獻。

環境保護

本集團已於其辦公室及物業實行適用的節能常規。本集團亦計劃升級其空調及電力系統，在可行的工作場所實行節能及提供清新空氣。

與客戶及供應商的關係

本集團亦明白，與其供應商及客戶保持良好關係，對實現其長期目標及發展至關重要。為保持其品牌的競爭力及市場地位，本集團旨在為客戶提供一貫高水準質素的服務。截至二零一七年十二月三十一日止年度，本集團與其供應商及／或客戶之間並無重大及顯著糾紛。

REPORT OF THE DIRECTORS

董事會報告書

COMPLIANCE WITH LAWS AND REGULATIONS

The Group has compliance and risk management policies and procedures, and members of the senior management are delegated with the continuing responsibility to monitor adherence and compliance with all significant legal and regulatory requirements. These policies and procedures are reviewed regularly. As far as the Company is aware, it has complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Company and its subsidiaries.

RELATIONSHIPS WITH KEY STAKEHOLDERS

The Group's success also depends on the support from key stakeholders which comprises employees, customers and shareholders.

Employees

Employees are regarded as the most important and valuable assets of the Group. The objective of the Groups' human resource management is to reward and recognize performing staff by providing a competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression by appropriate training and providing opportunities within the Group for career advancement.

Customers

The Group has the mission to provide excellent and creative customer service whilst maintain our long-term profitability, business and asset growth. Various means have been established to strength the communication between the customers and the Group in the provision of quality customer service towards market penetration and expansion.

Shareholders

One of our corporate goals of the Group is to enhance corporate value to shareholders. The Group is poised to foster business developments for achieving the sustainability of earnings growth and rewarding shareholders by stable dividend payouts taking into account capital adequacy levels, liquidity positions and business expansion needs of the Group.

遵守法律及法規

本集團已遵守風險管理政策及程序，以及高級管理層成員獲授權持續負責監察所有重大法律及監管要求的履行及遵守情況。該等政策及程序會定期檢討。據本公司所知，其在重大方面遵守對本公司及其附屬公司業務及經營有顯著影響的相關法律及法規。

與主要利益相關者之關係

本集團的成功亦取決於主要利益相關者，包括僱員、客戶及股東的支持。

僱員

僱員被視為本集團最重要及最有價值的資產。本集團的人力資源管理目標為獎勵及表彰優秀員工，提供具競爭力的薪酬待遇及實行完善績效評價制度與適當激勵，並透過適當培訓及提供本集團內職業進展的機會，促進職業發展及晉升。

客戶

本集團的使命為提供優良及創新的客戶服務，同時保持我們的長期盈利能力、業務及資產增長。本集團已建立各種方式，強化客戶與本集團之間的溝通，朝著市場滲透及擴展提供優質客戶服務。

股東

本集團其中一個企業目標乃為股東提升企業價值。考慮到本集團的資本充足水平，流動性狀況及業務擴張需求，本集團已為推動業務發展作好準備，通過穩定派息實現盈利增長及獎勵股東的可持續性。

REPORT OF THE DIRECTORS

董事會報告書

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, the Company has maintained the prescribed public float of not less than 25% of the issued share capital of the Company pursuant to the Listing Rules and as agreed with the Stock Exchange, based on the information that is publicly available to the Company and within the knowledge of the Directors.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the Independent Non-Executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the Independent Non-Executive Directors to be independent.

AUDITOR

The financial statements of the Company for the year have been audited by Ernst & Young which will retire, and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

A resolution for the re-appointment of Ernst & Young as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

LIU Hongwei

Chairman

Hong Kong, 18 April 2018

足夠公眾持股量

根據本公司可從公開途徑取得的資料及據董事所知悉，於本報告刊發日期，本公司一直維持上市規則所訂明並經與聯交所協定本公司已發行股本不少於25%的公眾持股量。

獨立性的確認

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的年度獨立性確認書，並認為全體獨立非執行董事均具獨立性。

核數師

本公司本年度的財務報表已經安永會計師事務所審核。安永會計師事務所將任滿告退，惟彼等符合資格於應屆股東週年大會上膺選連任。

有關重聘安永會計師事務所為本公司核數師的決議案將於應屆股東週年大會上提呈。

承董事會命

主席

劉紅維

香港，二零一八年四月十八日

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



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To the shareholders of China Singyes Solar Technologies Holdings Limited
(Incorporated in Bermuda with limited liability)

致中國興業太陽能技術控股有限公司全體股東
(於百慕達註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of China Singyes Solar Technologies Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 96 to 280, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB") 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 Hong Kong Institute of Certified Public Accountants ("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.

意見

我們已審核載於第96頁至280頁的中國興業太陽能技術控股有限公司(「貴公司」)及其附屬公司(「貴集團」)之綜合財務報表，此等財務報表包括二零一七年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實而公平地反映貴集團於二零一七年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現和綜合現金流量，並已遵照香港公司條例之披露規定妥為編製。

意見基準

我們已根據香港會計師公會(「香港會計師公會」)頒佈的香港審核準則(「香港審核準則」)的規定執行審核。我們於該等準則項下的責任於本報告「核數師就審核綜合財務報表承擔的責任」一節中詳述。根據香港會計師公會頒佈之職業會計師道德守則(「守則」)，我們獨立於貴集團，並且我們已根據守則履行其他職業道德責任。我們相信，我們所獲得的審核證據充足且適當地為我們的意見提供基礎。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

關鍵審核事項

關鍵審核事項是根據我們的專業判斷，認為對本期綜合財務報表之審核最為重要之事項。這些事項是在對綜合財務報表整體進行審核並形成意見的背景下進行處理的，我們不對這些事項提供單獨的意見。我們對下述每一事項在審核中是如何處理的描述也以此為背景。

我們已履行本報告「核數師就審核綜合財務報表承擔的責任」一節所述的責任，包括有關該等事項的責任。因此，我們的審核包括執行為應對綜合財務報表重大錯誤陳述風險的評估而設的程序。我們審核程序的結果包括處理以下事項的程序，為我們就隨附的綜合財務報表的審核意見提供基礎。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



Key audit matter

關鍵審核事項

Construction contracts revenue recognition

建築合同的收入確認

The Group derived a significant portion of its revenues from construction-type contracts that were accounted for by applying the percentage-of-completion (POC) method. The POC method involved the use of significant management's judgement and estimates including estimates of the progress towards completion, the scope of deliveries and services required, total contract costs, remaining costs to completion and total contract revenues. In addition, revenue, cost and gross profit realised on such contracts can vary from the Group's original estimates because of changes in conditions.

貴集團的大部分收入來自建築類型合同的收入，建築類型合同應用竣工百分比法入賬。竣工百分比法涉及管理層運用重大判斷及估計，包括估計完工進度、交付的範圍及所需服務、總合同成本、完工所需餘下成本及合同收入總額。此外，有關合同之收入、成本及可實現的毛利亦可能由於狀況變動而與貴集團原有估計不同。

The disclosures about construction contracts revenue recognition are included in notes 2.4, 3 and 21 to the consolidated financial statements.

有關建築合同收入確認的披露載列於綜合財務報表附註2.4、3及21。

How our audit addressed the key audit matter

關鍵審核事項在審核中是如何處理的

Our audit procedures included:

我們的審核程序包括：

- assessing the controls over construction contract revenue recognition, cost forecast and progress billing process:
評估建築合同收入確認、成本預測及進度結算款項程序的控制；
- reviewing the individually significant construction contracts and the progress billings accepted by related customers ;
審閱個別重大建築合同以及有關客戶接收的進度結算單；
- checking significant cost incurred to the delivery and acceptance notes signed by the customers ;
核查交付產生的重大成本以及客戶簽署的接受票據；
- comparing the forecast results of each significant contract to its actual results and assessing the historical accuracy of forecast prepared by management ;
將各重大合約的預測業績與其實際業績作比較以及評估管理層編製的預測的歷史準確性；
- discussing the progress of construction contracts with project-in-charges ;
與工程負責人討論建築合同的進度；
- recalculating the percentage of completion of the significant construction contracts and the provision required for the loss contracts ;
重新計算重大建築合同的完工百分比以及須就虧損合同計提的撥備；
- performing physical inspection of the significant constructions ; and
對重大合同執行實地視察；及

App 8-488 assessing the disclosures regarding the revenue recognition of construction contracts in the consolidated financial statements.
評估綜合財務報表內有關建築合同收入確認的披露。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



Key audit matter

關鍵審核事項

Impairment assessment of trade receivables

應收貿易款項的減值評估

As at 31 December 2017, trade receivables before impairment amounting to RMB3,384,921,000 were material to the Group's consolidated financial statements. The assessment of impairment provision for trade receivables involved significant management's judgement including their assessment of customers' financial positions and expected future cash flows from customers.

於二零一七年十二月三十一日，減值前應收貿易款項金額人民幣3,384,921,000元對貴集團之綜合財務報表而言屬重大。應收貿易款項的減值撥備評估涉及重大管理層的判斷，包括彼等評估客戶的財務狀況及客戶的預期未來現金流。

The disclosures about the impairment assessment of trade receivables are included in notes 3, 22 and 46 to the consolidated financial statements.

有關應收貿易款項減值評估的披露載列於綜合財務報表附註3、22及46。

How our audit addressed the key audit matter

關鍵審核事項在審核中是如何處理的

Our audit procedures included:

我們的審核程序包括：

- checking the ageing analysis of accounts receivable by customer;
核查客戶應收賬款的賬齡分析；
- checking the debtors' historical payment patterns and the bank receipts for the payment received subsequent to year end;
核查債務人的過往付款模式以及年結後已收到付款的銀行收據；
- checking the evidence including correspondence with the debtors for the latest progress of the outstanding amounts and credit status of these debtors by performing company search; and
核查相關憑證，包括與債務人的函件，了解未償還金額的最新進度以及通過執行公司搜索了解該等債務人的信用狀況；及
- assessing the disclosures about the Group's exposure to credit risk in the consolidated financial statements.
評估綜合財務報表內有關本集團面臨的信貸風險的披露。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB 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.

年報所載的其他資料

貴公司董事須對其他資料負責。其他資料包括年報所載資料（綜合財務報表及吾等就此發出的核數師報告除外）。

吾等對綜合財務報表的意見並不涵蓋其他資料，吾等亦不會就其發表任何形式的鑒證結論。

就審核綜合財務報表而言，吾等的責任是閱讀其他資料，及在此過程中，考慮其他資料是否與綜合財務報表或吾等在審核過程中所瞭解的情況有重大不符，或者似乎有重大錯誤陳述。基於吾等已執行的工作，如果吾等認為其他資料有重大錯誤陳述，吾等需要報告有關事實。就此而言，吾等無需報告任何事項。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈的國際財務報告準則和香港公司條例的披露規定，編製及真實公平呈列綜合財務報表，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

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

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

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

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.

在編製綜合財務報表時，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會協助貴公司董事履行監督貴集團財務報告過程的責任。

核數師就審核綜合財務報表承擔的責任

吾等的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括吾等意見的核數師報告。我們的報告依據一九八一年百慕達公司法第90條僅為全體股東編製，而並不可作其他目的。我們概不就本報告的內容對其他任何人士負責或承擔責任。

合理保證是高水平的保證，但不能保證按香港審計準則進行的審核於重大錯誤陳述出現時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果按合理預期該等錯誤陳述個別或匯總起來可能影響該等綜合財務報表使用者所作出的經濟決定，則有關的錯誤陳述可被視作重大。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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.
- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及取得充足和適當的審計憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及所作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性及根據所得的審核憑證，可能對貴集團持續經營的能力構成重大疑慮的相關事件或情況是否存在重大不確定性作出結論。倘吾等認為存在重大不確定性，則吾等須在核數師報告中提請使用者對綜合財務報表中的相關披露資料的關注，倘有關披露資料不足，則修訂吾等的意見。吾等的結論乃基於截至核數師報告日期止所取得的審計憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



- 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.
- 評價綜合財務報表(包括披露資料)的整體列報方式、結構及內容，以及綜合財務報表是否公允反映有關交易和事項。
- 就貴集團中實體或業務活動的財務資料獲取充分及適當的審核憑證，以對綜合財務報表發表意見。吾等負責指導、監督及執行集團審核。吾等僅對吾等之審核意見承擔責任。

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

吾等與審核委員會溝通了計劃的審核範圍、時間安排、重大審核發現等事項，包括吾等在審核中識別出內部控制的任何重大缺陷。

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

吾等亦向審核委員會提交聲明，說明吾等已符合有關獨立性的相關職業道德要求，並與彼等溝通所有可能合理地被認為會影響吾等獨立性的關係及其他事項，以及相關防範措施(倘適用)。

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

從與審核委員會溝通的事項中，吾等決定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。吾等會在核數師報告中描述這些事項，惟法律法規不允許對某件事項作出公開披露，或在極端罕見的情況下，若有合理預期在吾等的報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，吾等將不會在此等情況下在報告中溝通該事項。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



The engagement partner on the audit resulting in this independent auditor's report is Leung Wai Lap, Philip.

Ernst & Young

Certified Public Accountants

Hong Kong

28 March 2018

出具本獨立核數師報告的審計項目合夥人是梁偉立。

安永會計師事務所

執業會計師

香港

二零一八年三月二十八日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

Year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
REVENUE	收入	4	5,675,386	5,239,564
Cost of sales	銷售成本		(4,536,529)	(4,104,854)
Gross profit	毛利		1,138,857	1,134,710
Tariff adjustment	電價補貼	4	166,682	93,224
Other income and gains	其他收入及收益	5	178,887	243,076
Selling and distribution expenses	銷售及分銷開支		(155,265)	(129,029)
Administrative expenses	行政開支		(363,190)	(356,112)
Other expenses	其他開支		(76,428)	(15,984)
Finance costs	融資成本	6	(621,333)	(368,028)
Share of losses of associates	分佔聯營公司虧損		(13,059)	(23,260)
Fair value gains on conversion rights of convertible bonds	可換股債券轉換權的公平值收益	29(b)	15,227	48,325
PROFIT BEFORE TAX	除稅前溢利	7	270,378	626,922
Income tax expense	所得稅支出	10	(119,972)	(114,373)
PROFIT FOR THE YEAR	本年度溢利		150,406	512,549
OTHER COMPREHENSIVE INCOME/(LOSS):	其他全面收益/(虧損):			
Other comprehensive income to be reclassified to profit or loss in subsequent years:	會於隨後年度重新分類至損益的其他全面收益:			
Available-for-sale investments:	可供出售投資:			
Changes in fair value	公平值變動		2,882	—

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

Year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent years:	不會於隨後年度重新分類至損益的其他全面收益／(虧損)：		
Exchange differences on translation of financial statements	換算財務報表的匯兌差額	110,479	(82,218)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	本年度其他全面收益／(虧損)	113,361	(82,218)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	本年度全面收益總額	263,767	430,331
Profit attributable to:	以下人士應佔溢利：		
Owners of the Company	本公司擁有人	143,797	501,961
Non-controlling interests	非控股權益	6,609	10,588
		150,406	512,549
Total comprehensive income attributable to:	以下人士應佔全面收益總額：		
Owners of the Company	本公司擁有人	257,902	419,743
Non-controlling interests	非控股權益	5,865	10,588
		263,767	430,331
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	本公司普通股權益持有人應佔每股盈利		
Basic	— 基本	12 RMB0.172 人民幣 0.172 元	RMB0.661 人民幣 0.661 元
Diluted	— 攤薄	12 RMB0.172 人民幣 0.172 元	RMB0.659 人民幣 0.659 元

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2017 二零一七年十二月三十一日

			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
	Notes 附註			
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment	13	物業、廠房及設備	4,283,977	4,363,547
Investment properties	14	投資物業	75,183	68,150
Prepaid land lease payments	15	預付土地租賃款項	198,964	203,001
Intangible assets	16	無形資產	2,815	3,105
Payments in advance	17	預付款項	18,645	9,114
Investments in associates	18	於聯營公司投資	(1,443)	11,126
Deferred tax assets	31	遞延稅項資產	49,051	32,288
Available-for-sale investments	19	可供出售投資	57,569	80,512
Pledged deposits	24	抵押存款	14,650	17,352
Total non-current assets		非流動資產總值	4,699,411	4,788,195
CURRENT ASSETS		流動資產		
Inventories	20	存貨	111,803	182,600
Construction contracts	21	建築合同	976,179	710,543
Trade and bills receivables	22	應收貿易款項及應收票據	3,751,855	3,373,065
Prepayments, deposits and other receivables	23	預付款項、訂金及其他應收款項	952,651	871,083
Derivative financial instruments	27	衍生金融工具	—	22,961
Available-for-sale investments	19	可供出售投資	208,234	—
Pledged deposits	24	抵押存款	472,372	365,879
Cash and cash equivalents	24	現金及現金等價物	1,202,423	680,205
Total current assets		流動資產總值	7,675,517	6,206,336
CURRENT LIABILITIES		流動負債		
Trade and bills payables	25	應付貿易款項及應付票據	1,294,073	1,345,952
Other payables and accruals	26	其他應付款項及應計款項	549,511	510,622
Bank advances for discounted bills	42(a)	貼現票據之銀行貸款	13,722	144,949
Interest-bearing bank and other loans	28	付息銀行及其他貸款	1,265,188	1,148,300
Tax payable		應付所得稅	40,741	21,939
Derivative financial instruments	27	衍生金融工具	34,005	—
Senior notes	30	優先票據	1,239,028	554,211
Total current liabilities		流動負債總額	4,436,268	3,725,973

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2017 二零一七年十二月三十一日

		Notes	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
NET CURRENT ASSETS	流動資產淨值		3,239,249	2,480,363
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		7,938,660	7,268,558
NON-CURRENT LIABILITIES	非流動負債			
Convertible bonds	可換股債券	29	80,819	719,216
Senior notes	優先票據	30	1,677,498	216,792
Interest-bearing bank and other loans	付息銀行及其他貸款	28	1,438,922	1,769,970
Deferred tax liabilities	遞延稅項負債	31	86,860	86,860
Deferred income	遞延收益	32	164,228	271,470
Total non-current liabilities	非流動負債總額		3,448,327	3,064,308
Net assets	資產淨值		4,490,333	4,204,250
EQUITY	本公司擁有人應佔權益			
Equity attributable to owners of the Company				
Issued capital	已發行股本	33	55,785	55,785
Reserves	儲備	35	4,345,753	4,086,037
			4,401,538	4,141,822
Non-controlling interests	非控股權益		88,795	62,428
Total equity	權益總額		4,490,333	4,204,250

Mr. Liu Hongwei

劉紅維先生

Director
董事

Mr. Xie Wen

謝文先生

Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔													
		Issued capital	Share premium	Contributed surplus*	Available-for-sale investment revaluation reserve*	Statutory reserve fund*	Enterprise expansion fund*	Share option reserve*	Safety fund surplus reserve*	Exchange fluctuation reserve*	Retained profits*	Difference arising from change of non-controlling interests*	Non-controlling interests	Total equity	
		已發行股本	溢價賬	繳入盈餘*	可供出售投資重估儲備*	法定儲備基金*	擴展基金*	購股權儲備*	安全基金盈餘儲備*	匯兌波動儲備*	保留溢利*	生之差額*	總計	權益總額	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
		(note 33)	(note 33)	(note 33)	(note 35(a))	(note 35(b))	(note 35(c))	(note 35(d))	(note 35(d))	(note 35(d))	(note 35(d))	(note 35(d))	(note 35(d))	(note 35(d))	
		(附註 33)	(附註 33)	(附註 33)	(附註 35(a))	(附註 35(b))	(附註 35(c))	(附註 35(d))	(附註 35(d))	(附註 35(d))	(附註 35(d))	(附註 35(d))	(附註 35(d))	(附註 35(d))	
At 1 January 2016	於二零一六年一月一日	46,443	580,564	21,057	(5,228)	181,380	81,428	34,055	-	(54,291)	2,509,731	29,483	3,424,622	76,501	3,501,123
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	-	501,961	-	501,961	10,588	512,549
Other comprehensive loss for the year:	本年度其他全面虧損：														
Exchange differences on translation of financial statements	換算財務報表的匯兌差額	-	-	-	-	-	-	-	-	(82,218)	-	-	(82,218)	-	(82,218)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	-	-	-	(82,218)	501,961	-	419,743	10,588	430,331
Acquisition of non-controlling interests of a subsidiary	收購一間附屬公司的非控股權益	-	-	-	-	-	-	-	-	-	-	(8,722)	(8,722)	(31,278)	(40,000)
Transfer from retained profits	轉移自保留溢利	-	-	-	-	37,410	11,723	-	-	-	(49,133)	-	-	-	-
Issue of shares (note 33)	發行股份 (附註 33)	9,342	302,071	-	-	-	-	-	-	-	-	-	311,413	-	311,413
Share issue expenses (note 33)	發行股份開支 (附註 33)	-	(5,817)	-	-	-	-	-	-	-	-	-	(5,817)	-	(5,817)
Equity-settled share option arrangements (note 34)	股本結算購股權安排 (附註 34)	-	-	-	-	-	-	11,773	-	-	-	-	11,773	-	11,773
Capital contribution from non-controlling shareholders of a subsidiary	附屬公司非控股股東的出資	-	-	-	-	-	-	-	-	-	-	6,279	6,279	6,617	12,896
Establishment for safety fund surplus reserve	設立安全基金盈餘儲備	-	-	-	-	-	-	-	68,077	-	(68,077)	-	-	-	-
Utilisation of safety fund surplus reserve	動用安全基金盈餘儲備	-	-	-	-	-	-	-	(68,077)	-	68,077	-	-	-	-
Final 2015 dividend declared	已宣派二零一五年末期股息	-	-	(17,469)	-	-	-	-	-	-	-	-	(17,469)	-	(17,469)
At 31 December 2016	於二零一六年十二月三十一日	55,785	876,818	3,588	(5,228)	218,790	93,151	45,828	-	(136,509)	2,962,559	27,040	4,141,822	62,428	4,204,250

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔													Difference arising from change of non-controlling interests*		Non-controlling interests		Total equity
		Issued capital	Share premium account*	Contributed surplus*	Available-for-sale investment revaluation reserve*	Statutory reserve fund*	Enterprise expansion fund*	option reserve*	Safety fund surplus reserve*	Exchange fluctuation reserve*	Retained profits*	非控股權益變動產生之差額*	Total	Non-controlling interests	Total	權益總額			
		已發行股本	溢價賬*	繳入盈餘*	重估儲備*	儲備基金*	擴展基金*	購股權儲備*	盈餘儲備*	波動儲備*	保留溢利*	生之差額*	總計	非控股權益	總計	權益總額			
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000			
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元			
		(note 33)	(note 33)	(note 33)	(note 33)	(note 35(a))	(note 35(b))	(note 35(c))	(note 35(d))	(note 35(d))	(note 35(d))	(note 35(d))	(note 35(d))	(note 35(d))	(note 35(d))	(note 35(d))			
		(附註 33)	(附註 33)	(附註 33)	(附註 33)	(附註 35(a))	(附註 35(b))	(附註 35(c))	(附註 35(d))	(附註 35(d))	(附註 35(d))	(附註 35(d))	(附註 35(d))	(附註 35(d))	(附註 35(d))	(附註 35(d))			
At 1 January 2017	於二零一七年一月一日	55,785	876,818	3,588	(5,228)	218,790	93,151	45,828	-	(136,509)	2,962,559	27,040	4,141,822	62,428	4,204,250				
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	-	143,797	-	143,797	6,609	150,406				
Other comprehensive income/(loss) for the year:	本年度其他全面收益／(虧損)：																		
Changes in fair value of available-for-sale investments, net of tax	可供出售投資的公平值變動，扣除稅項	-	-	-	2,823	-	-	-	-	-	-	-	2,823	59	2,882				
Exchange differences on translation of financial statements	換算財務報表的匯兌差額	-	-	-	-	-	-	-	-	111,282	-	-	111,282	(803)	110,479				
Total comprehensive income for the year	本年度全面收益總額	-	-	-	2,823	-	-	-	-	111,282	143,797	-	257,902	5,865	263,767				
Acquisition of non-controlling interests of a subsidiary	收購附屬公司的非控股權益	-	-	-	-	-	-	-	-	-	-	(9,162)	(9,162)	(28,170)	(37,332)				
Transfer from retained profits	轉移自保留溢利	-	-	-	-	54,114	16,430	-	-	-	(70,544)	-	-	-	-				
Equity-settled share option arrangements (note 34)	股本結算購股權安排(附註34)	-	-	-	-	-	-	14,140	-	-	-	-	14,140	-	14,140				
Deemed partial disposal of interest in a subsidiary (note 37)	視作部分出售一間附屬公司的權益(附註37)	-	-	-	-	-	-	-	-	-	-	47,511	47,511	48,422	95,933				
Capital contribution from a non-controlling shareholder of a subsidiary	附屬公司非控股股東的出資	-	-	-	-	-	-	-	-	-	-	-	-	250	250				
Transfer to contributed surplus**	轉移至繳入盈餘**	-	(80,000)	80,000	-	-	-	-	-	-	-	-	-	-	-				
Establishment for safety fund surplus reserve	設立安全基金盈餘儲備	-	-	-	-	-	-	-	71,956	-	(71,956)	-	-	-	-				
Utilisation of safety fund surplus reserve	動用安全基金盈餘儲備	-	-	-	-	-	-	-	(71,956)	-	71,956	-	-	-	-				
Final 2016 dividend declared	已宣派二零一六年末期股息	-	-	(50,675)	-	-	-	-	-	-	-	-	(50,675)	-	(50,675)				
At 31 December 2017	於二零一七年十二月三十一日	55,785	796,818	32,913	(2,405)	272,904	109,581	59,968	-	(25,227)	3,035,812	65,389	4,401,538	88,795	4,490,333				

* These reserve accounts comprise the consolidated reserves of RMB4,345,753,000 (2016: RMB4,086,037,000) in the consolidated statement of financial position.

** Pursuant to a resolution passed at the general meeting held on 5 June 2017, an amount of RMB80,000,000 was transferred from the share premium account to the contributed surplus. Under the Companies Act 1981 of Bermuda, a company may make distributions to its shareholders out of the contributed surplus under certain circumstances.

* 於綜合財務狀況表內，該等儲備賬包括綜合儲備人民幣4,345,753,000元(二零一六年：人民幣4,086,037,000元)。

** 根據於二零一七年六月五日舉行之股東大會上通過之決議案，一筆人民幣80,000,000元之款項已由股份溢價賬轉撥至實繳盈餘。根據百慕達一九八一年公司法，本公司可在若干情況下以繳入盈餘向其股東作出分派。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動產生的現金流量		
Profit before tax	除稅前溢利	270,378	626,922
Adjustments for:	就以下項目作出調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13 177,677	151,275
Depreciation of investment properties	投資物業折舊	14 1,494	557
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	15 3,896	2,133
Amortisation of intangible assets	無形資產攤銷	16 964	936
Impairment loss on trade receivables	應收貿易款項減值虧損	22 5,151	21,390
Share of losses of associates	分佔聯營公司虧損	18 13,059	23,260
Loss on settlement of derivative financial instruments	結算衍生金融工具的虧損	7 12,036	6,960
Fair value losses/(gains) on derivative financial instruments	衍生金融工具的公平值虧損/(收益)	27 56,966	(22,961)
Fair value gains on conversion rights of convertible bonds	可換股債券轉換權的公平值收益	29(b) (15,227)	(48,325)
Equity-settled share option expense	股本結算之購股權開支	34 14,140	11,773
Gains on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的收益	5 (59,309)	(146,002)
Unrealised foreign exchange gains, net	未變現外匯收益淨額	(48,427)	(4,888)
Loss/(gain) on disposal of a subsidiary	出售一間附屬公司之虧損/(收益)	36 (16,007)	8
Interest income from available-for-sale debt instruments	可供出售債務工具的利息收入	5 (3,471)	(1,413)
Interest income	利息收入	5 (41,881)	(26,066)
Deferred income released to profit or loss	撥至損益的遞延收入	5 (14,346)	(19,830)
Finance costs	融資成本	6 621,333	368,028
		978,426	943,757
Decrease/(increase) in inventories	存貨減少/(增加)	70,797	(89,429)
Decrease/(increase) in construction contracts	建築合同減少/(增加)	(265,636)	216,955
Increase in trade and bills receivables	應收貿易款項及應收票據增加	(372,944)	(1,088,094)
Increase in prepayments, deposits and other receivables	預付款項、訂金及其他應收款項增加	(231,238)	76,226
Increase/(decrease) in trade and bills payables	應付貿易款項及應付票據增加/(減少)	(37,524)	442,449
Increase in other payables and accruals	其他應付款項及應計款項增加	152,512	43,086
Income tax paid	已付所得稅	(117,933)	(103,362)
Net cash flows from operating activities	經營活動產生的現金流量	176,460	441,588

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of items of property, plant and equipment	購買物業、廠房及設備項目	(415,895)	(949,294)
Purchase of intangible assets	購買無形資產	(682)	(593)
Payment for prepaid land lease payments	就預付土地租賃款項之付款	(6,131)	(109,498)
Proceeds from disposal of intangible assets	出售無形資產之所得款項	-	51
Disposal of subsidiaries	出售附屬公司	107	64,701
Purchase of available-for-sale investments	購買可供出售投資	(184,757)	(27,243)
Purchase of equity interest in an associate	購買一間聯營公司的股本權益	(490)	(39,130)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目之所得款項	180,399	146,528
Settlement of derivative financial instruments	結算衍生金融工具	(12,036)	(6,960)
Advance of loans to third parties and an associate	向第三方及一間聯營公司貸款之墊款	-	(275,060)
Repayment of advance from third parties	第三方償還墊款	83,588	-
Receipt from maturity of pledged deposits	抵押存款到期所得款項	813,553	1,186,542
Placement of pledged deposits	存入抵押存款	(920,141)	(1,050,858)
Deposits received for disposal of subsidiaries	出售附屬公司所得按金	4,500	22,434
Interest received	已收利息	23,385	10,781
Interest received from available-for-sale debt instruments	可供出售債務工具的利息收入	3,471	1,413
Receipt of government grants for property, plant and equipment	收取物業、廠房及設備的政府補助	-	888
Net cash flows used in investing activities	投資活動所用的現金流量淨額	(431,129)	(1,025,298)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	發行股份所得款項	-	311,413
Share issue expenses	發行股份開支	-	(5,817)
Proceeds from listing shares of a subsidiary	附屬公司股份上市的所得款項	103,580	-
Payment of transaction costs related to listing shares of a subsidiary	有關附屬公司股份上市的交易成本之付款	(7,647)	-
Net proceeds from issue of senior notes	發行優先票據所得款項淨額	2,788,809	-
Payment for acquisition of non-controlling interests of a subsidiary	就收購一間附屬公司非控股權益之付款	(37,332)	(40,000)
Payment for repurchase of convertible bonds	購回可換股債券之付款	(108,000)	-
Payment for redemption of convertible bonds	贖回可換股債券之付款	(720,000)	-
Repayment of senior notes	優先票據之償還	(560,000)	-
Capital contribution from a non-controlling shareholder of a subsidiary	附屬公司非控股股東的出資	250	12,896
Proceeds from bank and other loans	銀行及其他貸款所得款項	1,445,661	1,419,822
Repayment of bank and other loans	償還銀行及其他貸款	(1,653,541)	(1,168,823)
Proceeds from bank advances for discounted bills	貼現票據銀行貸款所得款項	13,722	144,949
Repayment of bank advances for discounted bills	貼現票據銀行貸款之償還	(144,949)	(251,699)
Payment of other financing costs	支付其他融資成本	(8,073)	(9,459)
Dividends paid	已付股息	(50,675)	(17,469)
Interest paid	已付利息	(283,043)	(259,355)
Net cash flows from financing activities	融資活動產生的現金流量淨額	778,762	136,458

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物 增加／(減少)淨額	524,093	(447,252)
Cash and cash equivalents at beginning of year	年初之現金及現金等價物	823,065	1,265,303
Effect of foreign exchange rate changes, net	匯率變動的影響，淨額	(4,671)	5,014
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末之現金及現金等價物	1,342,487	823,065
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結存	1,075,016	328,205
Non-pledged time deposits with original maturity of less than three months when acquired	取得時原到期日期少於三個月之無抵押定期存款	127,407	352,000
Cash and cash equivalents as stated in the statement of financial position	於財務狀況表內呈列之現金及現金等價物	1,202,423	680,205
Time deposits with original maturity of less than three months when acquired, pledged as security for bills payable	取得時原到期日期少於三個月之定期存款(作為應付票據之抵押)	140,064	142,860
Cash and cash equivalents as stated in the statement of cash flows	於現金流量表內呈列之現金及現金等價物	1,342,487	823,065

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

China Singyes Solar Technologies Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in Bermuda on 24 October 2003. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company is located at Unit 3108, 31st Floor, China Merchants Tower, Shun Tak Center, 168-200 Connaught Road Central, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the “Group”) were principally engaged in the design, manufacture, supply and installation of conventional curtain walls and building integrated solar photovoltaic systems, as well as the manufacture and sale of solar power products. There were no significant changes in the nature of the Group’s principal activities during the year.

In the opinion of the directors, the parent and the ultimate holding company of the Company is Strong Eagle Holdings Limited, which is incorporated in the British Virgin Islands.

1. 公司及集團資料

中國興業太陽能技術控股有限公司(「本公司」)於二零零三年十月二十四日於百慕達註冊成立為獲豁免有限責任公司。本公司的註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。本公司主要營業地址位於香港干諾道中168-200號信德中心招商局大廈31樓3108室。

年內，本公司及其附屬公司(統稱為「本集團」)主要從事傳統幕牆及太陽能光伏建築一體化系統設計、製造、供應及安裝，以及太陽能產品製造及銷售。年內，本集團主要業務的性質並無重大轉變。

董事認為，本公司的母公司及最終控股公司為於英屬處女群島註冊成立的Strong Eagle Holdings Limited。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

1. CORPORATE AND GROUP INFORMATION
(Continued)

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name 名稱	Place of incorporation/ registration and business 註冊成立／ 登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔 權益百分比 %	Principal activities 主要業務
Directly held: 直接持有：				
Singyes Engineering (H.K.) Co., Ltd. ("Singyes Engineering") 香港興業工程有限公司 (「興業工程」)	Hong Kong 香港	HK\$1 1 港元	100%	Design, supply and installation of curtain walls 設計、供應 及安裝幕牆
Indirectly held: 間接持有：				
Singyes MRW Joint Venture Co., Ltd. ("MRW") (「MRW」)	Hong Kong 香港	HK\$10,000 10,000 港元	100%	Design, supply and installation of curtain walls 設計、供應 及安裝幕牆
Macao Singyes Renewable Energy Technology Co., Ltd. ("Macao Singyes") 澳門興業新能源科技有限公司 (「澳門興業」)	Macao 澳門	—	100%	Design, supply and installation of curtain walls 設計、供應 及安裝幕牆

1. 公司及集團資料(續)

有關附屬公司之資料

本公司主要附屬公司之詳情如下：

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows:
(Continued)

1. 公司及集團資料 (續)

有關附屬公司之資料 (續)

本公司主要附屬公司之詳情如下：(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔 權益百分比 %	Principal activities 主要業務
Indirectly held: (Continued) 間接持有：(續)				
China Singyes New Materials Holdings Co., Ltd. ^(e) ("Singyes New Materials") 中國興業新材料控股有限公司 ^(e) 〔興業新材料〕	Bermuda 百慕達	US\$ 4,800,000 4,800,000 美元	67.6%	Investment holding 投資控股
Zhuhai Singyes Green Building Technology Co., Ltd. ^(a) ("Zhuhai Singyes") 珠海興業綠色建築科技有限公司 ^(a) 〔珠海興業〕	Mainland China 中國大陸	US\$ 49,000,000 49,000,000 美元	100%	Design, manufacture, supply and installation of curtain walls and solar photovoltaic power stations 設計、製造、供應 及安裝幕牆及太陽 能光伏電站
Zhuhai Singyes Renewable Energy Co., Ltd. ^(a) ("Singyes Renewable Energy") 珠海興業新能源有限公司 ^(a) 〔興業新能源〕	Mainland China 中國大陸	US\$ 47,868,500 47,868,500 美元	100%	Design, manufacture, supply and installation of solar photovoltaic power stations 設計、製造、供應 及安裝太陽能 光伏電站

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

1. CORPORATE AND GROUP INFORMATION
(Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows:
(Continued)

1. 公司及集團資料 (續)

有關附屬公司之資料 (續)

本公司主要附屬公司之詳情如下：(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔 權益百分比 %	Principal activities 主要業務
Indirectly held: (Continued) 間接持有：(續)				
Zhuhai Singyes Xinye Electricity Technology Co., Ltd. ^(b) ("Singyes Xinye") 珠海鑫業電力科技有限公司 ^(b) (「鑫業電力」)	Mainland China 中國大陸	RMB 20,000,000 人民幣 20,000,000 元	100%	Development of new energy materials, and development of marine biology technology 開發新能源材料及 開發海洋生物 技術
Zhuhai Singyes New Materials Co., Ltd. ^{(b)(e)} ("Zhuhai Singyes New Materials") 珠海興業新材料科技有限公司 ^{(b)(e)} (「珠海興業新材料」)	Mainland China 中國大陸	RMB 62,500,000 人民幣 62,500,000 元	67.6%	Research, manufacture and sale of photovoltaic film 研究、製造及銷 售光伏薄膜
Yan'an Singyes New Materials Co., Ltd. ^{(a)(e)} ("Yan'an New Materials") 延安興業新材料科技有限公司 ^{(a)(e)} (「延安新材料」)	Mainland China 中國大陸	RMB 20,000,000 人民幣 20,000,000 元	50.7%	Research, manufacture and sale of new materials 研究、製造及銷售 原材料
Hunan Singyes Solar Technology Co., Ltd. ("Hunan Singyes") 湖南興業太陽能科技有限公司 (「湖南興業」)	Mainland China 中國大陸	RMB 410,143,000 人民幣 410,143,000 元	100%	Research, development, manufacture and sale of solar products 研究、開發、製造及 銷售太陽能產品

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows:
(Continued)

1. 公司及集團資料 (續)

有關附屬公司之資料 (續)

本公司主要附屬公司之詳情如下：(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔 權益百分比 %	Principal activities 主要業務
Indirectly held: (Continued) 間接持有：(續)				
Singyes Energy-saving Technologies Co., Ltd. ^(b) ("Singyes Energy-saving") 珠海興業節能科技有限公司 ^(b) (「興業節能」)	Mainland China 中國大陸	US\$ 65,000,000 65,000,000 美元	100%	Research and development of energy-saving products 研究及開發節能產品
Xinjiang Singyes Renewable Energy Technology Co., Ltd. ^{(c)(d)} ("Xinjiang Singyes") 新疆興業新能源有限公司 ^{(c)(d)} (「新疆興業」)	Mainland China 中國大陸	RMB 438,270,000 人民幣 438,270,000 元	97.45%	Research, design and investment of solar power projects 研究、設計及投資 太陽能項目
Hunan Singyes Green Energy Co., Ltd. ^(a) ("Hunan Green Energy") 湖南興業綠色能源股份有限公司 ^(a) (「湖南綠色能源」)	Mainland China 中國大陸	RMB 912,000,000 人民幣 912,000,000 元	97.45%	Research and development of electricity and new energy 研究及開發電力及 新能源
Gansu Singyes Green Energy Technology Co., Ltd. ("Gansu Singyes") 甘肅興業綠色能源科技有限公司 (「甘肅興業」)	Mainland China 中國大陸	RMB 74,000,000 人民幣 74,000,000 元	97.45%	Research, construction and operation of solar power stations 研究、建設及經營 太陽能電站
Wuwei Dongrun Solar Energy Development Co., Ltd. ^{(c)(d)} ("Wuwei Dongrun") 武威東潤太陽能開發有限公司 ^{(c)(d)} (「武威東潤」)	Mainland China 中國大陸	RMB 5,000,000 人民幣 5,000,000 元	97.45%	Research, construction and operation of solar power stations 研究、建設及經營 太陽能電站

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財務報表附註

31 December 2017 二零一七年十二月三十一日

1. CORPORATE AND GROUP INFORMATION
(Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows:
(Continued)

1. 公司及集團資料 (續)

有關附屬公司之資料 (續)

本公司主要附屬公司之詳情如下：(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立／ 登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔 權益百分比 %	Principal activities 主要業務
Indirectly held: (Continued) 間接持有：(續)				
Gansu Singyes Solar Technologies Co., Ltd. ("Gansu Technologies") 甘肅興業太陽能科技有限公司 (「甘肅科技」)	Mainland China 中國大陸	RMB 20,000,000 人民幣 20,000,000 元	100%	Research, development, manufacture and sale of solar products 研究、開發、製造 及銷售太陽能產品
Yangjiang Singyes Green Energy Technology Co., Ltd. ^(c) ("Yangjiang Singyes") 陽江鑫業綠色能源科技有限公司 ^(c) (「陽江鑫業」)	Mainland China 中國大陸	RMB 184,080,000 人民幣 184,080,000 元	97.45%	Research, design and investment of solar power projects 研究、設計及投資 太陽能產品
Yangjiang Huazhi Green Energy Technology Co., Ltd. ^{(a)(c)} ("Yangjiang Huazhi") 陽江華智綠色能源科技有限公司 ^{(a)(c)} (「陽江華智」)	Mainland China 中國大陸	RMB 184,829,619 人民幣 184,829,619 元	99.49%	Research, design and investment of solar power projects 研究、設計及投資 太陽能產品
Yangjiang Huayu Green Energy Technology Co., Ltd. ^{(a)(c)} ("Yangjiang Huayu") 陽江華宇綠色能源科技有限公司 ^{(a)(c)} (「陽江華宇」)	Mainland China 中國大陸	RMB 66,581,500 人民幣 66,581,500 元	99.49%	Research, design and investment of solar power projects 研究、設計及投資 太陽能項目
Suixi Xinye Photovoltaic Electricity Co., Ltd. ^(c) ("Suixi Xinye") 遂溪縣欣業光伏電力有限公司 ^(c) (「遂溪欣業」)	Mainland China 中國大陸	—	97.45%	Research, design and investment of solar power projects 研究、設計及投資 太陽能項目

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows:
(Continued)

Notes:

- (a) These subsidiaries were registered as Sino-foreign equity joint venture enterprises under PRC law.
- (b) These subsidiaries were registered as wholly-foreign-owned enterprises under PRC law.
- (c) As at 31 December 2017, the Group's equity interests in these companies were pledged as collateral for the Group's bank loans of RMB1,440,639,000.
- (d) The Group entered into a sale and purchase agreement in 2016 and a supplemental agreement in 2017 (together as the "Agreements") with Excel Deal Investment Limited (the "Purchaser") to sell 81% equity interests in Xinjiang Singyes and Wuwei Dongrun (together as the "Target Subsidiaries"). As at 31 December 2017, the Group has received deposits in relation to the sale of equity interests in the Target Subsidiaries aggregated to RMB26,934,000 while the transaction has not been fulfilled. Pursuant to the Agreements, the long stop date of the transaction is 31 December 2017 or a later date as the parties agree in writing, the written agreement has not been reached up to 31 December 2017 as the Group and the Purchaser is in negotiation.
- (e) On 21 July 2017, the Group completed the spin-off of Singyes New Materials and its subsidiaries through a separate listing on the Growth Enterprise Market of the Hong Kong Stock Exchange Limited (the "Spin-Off"), the Group's equity interest in Singyes New Materials was diluted from 90.1% to 67.6%. The details are set out in note 37 to the financial statements.

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

None of the subsidiaries has material non-controlling interests.

1. 公司及集團資料 (續)

有關附屬公司之資料 (續)

本公司主要附屬公司之詳情如下：(續)

附註：

- (a) 該等附屬公司根據中國法律註冊為中外合資企業。
- (b) 該等附屬公司根據中國法律註冊為外商獨資企業。
- (c) 於二零一七年十二月三十一日，本集團於該等公司的股本權益已抵押，作為本集團人民幣1,440,639,000元的銀行貸款的抵押品。
- (d) 本集團與佳意投資有限公司(「買方」)於二零一六年訂立買賣協議及於二零一七年訂立補充協議(統稱「該等協議」)以出售新疆興業及武威東潤(統稱「目標附屬公司」)的81%股權。於二零一七年十二月三十一日，本集團就出售目標附屬公司之股權收到按金共計人民幣26,934,000元，交易尚未達成。根據該等協議，交易之最後截止日期為二零一七年十二月三十一日或訂約各方書面協定之較後日期，因本集團與買方正在磋商，故截至二零一七年十二月三十一日未達成書面協議。
- (e) 於二零一七年七月二十一日，本集團完成分拆興業新材料及其附屬公司於香港聯合交易所有限公司GEM獨立上市(「分拆」)，本集團於興業新材料的股權由90.1%攤薄至67.6%。詳情載於財務報表附註37。

上表列示董事所認為主要影響本集團年度業績及構成本集團資產淨值重大部分的本公司附屬公司。董事認為，提供其他附屬公司之詳情將導致詳情過於冗長。

概無附屬公司擁有重大非控股權益。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise standards and interpretations approved by the International Accounting Standards Board (the “IASB”) and International Accounting Standards (“IAs”) and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect and the disclosure requirements of the Hong Kong companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments, conversion rights of convertible bonds, and certain available-for-sale investments which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2017. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

2.1 編製基準

本財務報表根據國際財務報告準則(「國際財務報告準則」)編製，其包括國際會計準則理事會(「國際會計準則理事會」)批准的準則及詮釋、國際會計準則(「國際會計準則」)與國際會計準則委員會批准且仍然有效的常設詮釋委員會之詮釋，以及香港《公司條例》之披露規定。該等報表根據歷史成本慣例編製，惟衍生金融工具、可換股債券的轉換權及若干可供出售投資按公平值計量。除另有指明外，該等財務報表以人民幣元(「人民幣」)呈列且所有數值已四捨五入至最近之千位。

綜合基準

綜合財務報表包括本公司及其附屬公司於截至二零一七年十二月三十一日止年度的財務報表。附屬公司為本公司直接或間接控制的實體。當本集團對參與投資對象業務的浮動回報承擔風險或享有權利以及能透過對投資對象的權力(如本集團獲賦予現有有能力以主導投資對象相關活動的既存權利)影響該等回報時，即取得控制權。

倘本公司直接或間接擁有少於投資對象大多數投票或類似權利的權利，則本集團於評估其是否擁有對投資對象的權力時會考慮一切相關事實及情況，包括：

- (a) 與投資對象其他投票持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

2.1 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

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

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

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

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

2.1 編製基準 (續)

綜合基準 (續)

附屬公司的財務報表已按與本公司相同的報告期採用一致會計政策編製。附屬公司業績自本集團取得控制權之日起綜合入賬，並將繼續綜合入賬直至終止該項控制權之日為止。

損益及其他全面收益的各項目歸本集團母公司擁有人及非控股權益，即使該結果會導致非控股權益結餘出現虧絀。與本集團成員公司間的交易相關的所有集團內資產及負債、股權、收益、開支及現金流量於綜合入賬時全部抵銷。

倘有事實及情況顯示上文所述三項控制因素中有一項或多項出現變化，則本集團會重新評估其是否對投資對象擁有控制權。如附屬公司擁有權權益出現變化，但未有喪失控制權，則會入賬列作權益交易。

倘本集團失去對一間附屬公司的控制權，則其終止確認(i)該附屬公司的資產(包括商譽)及負債、(ii)任何非控股權益的賬面值及(iii)於權益內記錄的累計匯兌差額；並確認(i)所收代價的公平值、(ii)任何投資所保留的公平值及(iii)損益賬中任何因此產生的盈餘或虧絀。本集團應佔先前於其他全面收益確認的部分會根據就猶如本集團直接出售相關資產或負債規定的相同基準，按適用情況重新分類至損益或保留溢利。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IAS 7	<i>Disclosure Initiative</i>
Amendments to IAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to IFRS 12 included in <i>Annual Improvements to IFRSs 2014-2016 Cycle</i>	<i>Disclosure of Interests in Other Entities: Clarification of the Scope of IFRS 12</i>

None of the above amendments to IFRSs has had a significant financial effect on these financial statements. Disclosure has been made in note 43 to the financial statements upon the adoption of amendments to IAS 7, which require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

2.2 會計政策變動及披露

本集團於本年度財務報表首次採納以下經修訂國際財務報告準則。

國際會計準則第7號修訂本	披露措施
國際會計準則第12號修訂	就未變現虧損確認遞延稅項資產
二零一四年至二零一六年週期的年度改進中包含的國際財務報告準則第12號修訂	在其他實體中的權益披露：國際財務報告準則第12號範圍之澄清

上述國際財務報告準則修訂並無對本財務報表構成重大財務影響。於採納國際會計準則第7號修訂後，於年報之財務報表附註43作出披露，其要求實體進行披露，以讓財務報表的使用者評估財務活動所產生的負債變動，包括因現金流量所產生的變動及非現金變動。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

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

Amendments to IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions¹</i>
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts¹</i>
IFRS 9	<i>Financial Instruments¹</i>
Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation²</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i>
IFRS 15	<i>Revenue from Contracts with Customers¹</i>
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers¹</i>
IFRS 16	<i>Leases²</i>
IFRS 17	<i>Insurance Contracts³</i>
Amendments to IAS 19	<i>Employee Benefits²</i>
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures²</i>
Amendments to IAS 40	<i>Transfers of Investment Property¹</i>
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration¹</i>
IFRIC 23	<i>Uncertainty over Income Tax Treatments²</i>
Annual Improvements 2014-2016 Cycle	<i>Amendments to IFRS 1 and IAS 28¹</i>
Annual Improvements 2015-2017 Cycle	<i>Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23²</i>

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

³ Effective for annual periods beginning on or after 1 January 2021

⁴ No mandatory effective date yet determined but available for adoption

2.3 已頒佈但尚未生效的國際財務報告準則

本集團並未於本財務報表中應用下列已頒佈但尚未生效的新訂及經修訂國際財務報告準則。

國際財務報告準則第2號修訂	以股份為基礎付款交易的分類及計量 ¹
國際財務報告準則第4號修訂	與國際財務報告準則第4號保險合約一併應用國際財務報告準則第9號金融工具 ¹
國際財務報告準則第9號	金融工具 ¹
國際財務報告準則第9號修訂	具有負補償之提前還款特性 ²
國際財務報告準則第10號及國際會計準則第28號修訂	投資者與其聯營公司或合營公司之間的資產出售或注資 ⁴
國際財務報告準則第15號	來自客戶合約的收入 ¹
國際財務報告準則第15號修訂	對國際財務報告準則第15號來自客戶合約的收入作出的澄清 ¹
國際財務報告準則第16號	租賃 ²
國際財務報告準則第17號	保險合約 ³
國際會計準則第19號修訂	員工福利 ²
國際會計準則第28號修訂	於聯營公司及合營公司的長期權益 ²
國際會計準則第40號修訂	轉移投資物業 ¹
國際財務報告解釋公告第22號	外幣交易和預付對價 ¹
國際財務報告解釋公告第23號	所得稅處理的不確定性 ²
二零一四年至二零一六年周期的年度改進	國際財務報告準則第1號及國際會計準則第28號修訂 ¹
二零一五年至二零一七年期間的年度改進	國際財務報告準則第3號、國際財務報告準則第11號、國際會計準則第12號及國際會計準則第23號修訂 ²

¹ 於二零一八年一月一日或之後開始的年度期間生效

² 於二零一九年一月一日或之後開始的年度期間生效

³ 於二零二一年一月一日或之後開始的年度期間生效

⁴ 尚未釐定法定生效日期但可供採納

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2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

Further information about those IFRSs that are expected to be applicable to the Group is described below. Of those standards, IFRS 9 and IFRS 15 will be applicable for the Group's financial year ending 31 December 2018 and are expected to have no significant impact upon adoption. Whilst management has performed an assessment of the estimated impacts of these standards, that assessment is based on the information currently available to the Group. The actual impacts upon adoption could be different to those below, depending on additional reasonable and supportable information being made available to the Group at the time of applying the standards.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, bringing together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group will adopt IFRS 9 from 1 January 2018. The Group will not restate comparative information and will recognise any transition adjustments against the opening balance of equity at 1 January 2018. During 2017, the Group has performed an assessment of the impact of the adoption of IFRS 9. This expected impacts relate to the classification and measurement and the impairment requirements are summarised as follows:

2.3 已頒佈但尚未生效的國際財務報告準則(續)

下述為有關預期適用於本集團的國際財務報告準則的進一步資料。在該等準則中，國際財務報告準則第9號及國際財務報告準則第15號將適用於本集團截至二零一八年十二月三十一日止財政年度，預計在採用時無重大影響。雖然管理層已對該等準則的預計影響進行評估，但該評估乃基於本集團目前可用的信息。採用時產生的實際影響可能與下文不同，而這取決於應用該等準則時，本集團可用的額外合理的及可支援的資料。

國際財務報告準則第9號金融工具

於二零一四年七月，國際會計準則理事會頒佈國際財務報告準則第9號的最終版本，將金融工具項目的所有階段集中在一起以代替國際會計準則第39號及國際財務報告準則第9號的全部先前版本。該準則引入分類及計量、減值及對沖會計處理的新規定。本集團將自二零一八年一月一日起將採納國際財務報告準則第9號。本集團將不會重列比較資料，並將確認於二零一八年一月一日對權益的期初餘額所作的過渡性調整。於二零一七年，本集團對採用國際財務報告準則第9號的影響已進行評估。此預期影響與分類及計量相關，而減值要求概述如下：

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2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

IFRS 9 Financial Instruments (Continued)

(a) *Classification and measurement*

The Group does not expect that the adoption of IFRS 9 will have a significant impact on the classification and measurement of its financial assets. It expects to continue measuring at fair value all financial assets currently held at fair value.

The Group's debt instruments that are currently classified as available for sale will be designated and measured at fair value through profit or loss. The accumulative revaluation reserve of these available for sale debt instruments amounted to RMB2,405,000 as at 31 December 2017.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際財務報告準則第9號金融工具(續)

(a) 分類及計量

本集團並不預期採納國際財務報告準則第9號將對本集團金融資產的分類及計量產生重大影響。預期將繼續按公平值計量現時按公平值持有之所有金融資產。

本集團之現時分類為可供出售之債務工具將指定按公平值計量且變動計入損益。於二零一七年十二月三十一日，該等可供出售債務工具之累計重估儲備金額為人民幣2,405,000元。

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2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

IFRS 9 Financial Instruments (Continued)

(a) Classification and measurement (Continued)

Equity investments currently held as available for sale will be measured at fair value through other comprehensive income ("FVOCI") as the investments are intended to be held for the foreseeable future and the Group expects to apply the option to present fair value changes in other comprehensive income. Gains and losses recorded in other comprehensive income for the equity investments cannot be recycled to profit or loss when the investments are derecognised. The Group considered the cost is the best estimation of fair value for these available-for-sale equity investments.

It expects to continue measuring at amortised cost all financial assets currently measured at amortised cost.

(b) Impairment

IFRS 9 requires an impairment on debt instruments recorded at amortised cost or lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under IFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group will apply the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade receivables. Furthermore, the Group will apply the general approach and record twelve-month expected credit losses that are estimated based on the possible default events on its other receivables within the next twelve months. The Group has determined that no material further impairment will be provided upon the initial adoption of the standard.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際財務報告準則第9號金融工具(續)

(a) 分類及計量(續)

現時持有可供出售的股本投資將按公平值計量且其變動計入其他全面收益(「按公平值計量且其變動計入其他全面收益」)，原因為該等投資擬為可見未來持有，而本公司預期選擇於其他全面收益呈列公平值變動。於投資終止確認時，就該等投資於其他全面收益入賬的收益及虧損不得重新計入損益。本集團認為成本為該等可供出售股本投資之公平值之最佳估計。

預期將繼續按攤銷成本計量現時按攤銷成本計量之所有金融資產。

(b) 減值

國際財務報告準則第9號規定，按攤銷成本列賬的債務工具減值或者並非根據國際財務報告準則第9號按公平值計量且其變動計入損益入賬的租賃應收款項、貸款承擔及財務擔保合同減值應基於預期信貸虧損模式按十二個月基準或可使用基準入賬。本集團將採用該簡化方式並記錄根據其所有貿易應收款項剩餘年期的所有現金短缺的現值估計的可使用預期損失。此外，本集團將採用一般方式並記錄根據於未來十二個月內其他應收款項可能發生的違約事件估計的十二個月預期信貸虧損。本集團已確定初步採用該準則時並無重大的進一步減值。

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2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

Amendments to IFRS 10 and IAS 28

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates. However, the amendments are available for adoption now.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際財務報告準則第10號及國際會計準則第28號修訂

國際財務報告準則第10號及國際會計準則第28號之修訂本解決國際財務報告準則第10號及國際會計準則第28號之間對於處理投資者與其聯營公司之間的資產出售或投入的規定的不一致性。該等修訂本要求於投資者與其聯營公司之間的資產出售或投入構成一項業務時，確認全部收益或虧損。對於不構成業務的資產交易，交易所產生的收益或虧損僅以無關連的投資者於該聯營公司的權益為限，於投資者的損益中確認。該等修訂本將於未來期間應用。國際會計準則理事會已於二零一五年十二月剔除了國際財務報告準則第10號及國際會計準則第28號之修訂本的以往強制生效日期，而新的強制生效日期將於對聯營公司的會計處理完成更廣泛的檢討後釐定。然而，該等修訂本可於現時採納。

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2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

IFRS 15 Revenue from Contracts with Customers

IFRS 15, issued in May 2014, establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRSs. Either a full retrospective application or a modified retrospective adoption is required on the initial application of the standard. In April 2016, the IASB issued amendments of IFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt IFRS 15 and decrease the cost and complexity of applying the standard. The Group plans to adopt the transitional provisions in IFRS 15 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2018. In addition, the Group plans to apply the new requirements only to contracts that are not completed before 1 January 2018. The Group expects that the transitional adjustment to be made on 1 January 2018 upon initial adoption of IFRS 15 will not be material. Also, the expected changes in accounting policies will not have a material impact on the Group's financial statements from 2018 onwards.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際財務報告準則第15號來自與客戶合約的收入

於二零一四年五月頒佈之國際財務報告準則第15號建立一個新的五步模式，以核算於自客戶合約產生的收益。根據國際財務報告準則第15號，收益按能反映實體預期就交換向客戶轉讓貨物或服務而有權獲得的代價金額確認。國際財務報告準則第15號的原則為計量及確認收益提供更加系統化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收益總額，關於履行責任、不同期間之間合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。該準則將取代國際財務報告準則項下所有現時收益確認的規定。需在準則初步應用期間全面追溯性應用準則的全文或修正追溯法。於二零一六年四月，國際會計準則委員會頒佈國際財務報告準則第15號之修訂本，以解決確定履約義務、主事人與代理的應用指引、知識產權許可證以及轉型等實施問題。該等修訂本亦旨在幫助確保公司於採用國際財務報告準則第15號時具有更高的應用一致性，並降低應用該準則的成本和複雜性。本集團將於二零一八年一月一日起採用國際財務報告準則第15號的過渡性條款，確認初步採用的累積影響數為對於二零一八年一月一日對保留溢利期初餘額所作之調整。另外，本集團計劃僅對在二零一八年一月一日前未完成的合約採用新規定。本集團預期初步採用國際財務報告準則第15號時，於二零一八年一月一日所作的過渡性調整並不重大。會計政策的預計變動亦不會對本集團自二零一八年起的財務報表產生重大影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

IFRS 15 Revenue from Contracts with Customers (Continued)

The Group's principal activities consist of design, manufacture, supply and installation of conventional curtain walls and building integrated solar photovoltaic systems, as well as the manufacture and sale of solar power products. During 2017, the Group has performed a detailed assessment on the impact of the adoption of IFRS 15 and concluded that no material financial impact exists.

The presentation and disclosure requirements in IFRS 15 are more detailed than those under the current IAS 18. The presentation requirements represent a significant change from current practice and will significantly increase the volume of disclosures required in the Group's financial statements. Many of the disclosure requirements in IFRS 15 are new and the Group has assessed that the impact of some of these disclosure requirements will be significant. In addition, as required by IFRS 15, the Group will disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

2.3 已頒佈但尚未生效的國際財務報告準則 (續)

國際財務報告準則第15號來自與客戶合約的收入 (續)

本集團主要經營活動包括傳統幕牆及太陽能光伏建築一體化系統設計、製造、供應及安裝，以及太陽能產品製造及銷售。於二零一七年，本集團對採用國際財務報告準則第15號的影響已進行詳細評估，結論為並不存在重大財務影響。

國際財務報告準則第15號的呈列及披露要求比現行國際會計準則第18號更為詳細。呈列要求對現行做法做出重大變化，且明顯增加本集團財務報表所需披露量。國際財務報告準則第15號的多數披露規定是全新的，並且本集團已評估出部分披露規定的影響將非常重大。此外，按照國際財務報告準則第15號規定，本集團將與客戶簽訂的合約中確認的收入分解為描述營收及現金流量的性質、金額、時間及不確定性如何受經濟因素影響的分類。

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2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

IFRS 16 Leases

IFRS 16, issued in January 2016, replaces IAS 17 Leases, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際財務報告準則第16號租賃

於二零一六年一月頒佈之國際財務報告準則第16號取代國際會計準則第17號「租賃」、國際財務報告詮釋委員會詮釋第4號「釐定一項安排是否包括租賃」、常設詮釋委員會詮釋第15號「經營租賃－獎勵」及常設詮釋委員會詮釋第27號「按租賃的法律形式評估交易的實質內容」。準則載列確認、計量、呈列及披露租賃之原則，並規定承租人須就大部分租賃確認資產及負債。準則包括對於承租人的兩項確認豁免－低價值資產的租賃及短期租賃。於租賃起始日，承租人將確認一項將作出租賃付款的負債（即租賃負債）以及確認一項表示有權在租賃期內使用相關資產的資產（即使用權資產）。使用權資產其後按成本減累計折舊及任何減值虧損計量，惟使用權資產符合國際會計準則第40號對投資物業的定義除外。其後租賃負債因反映租賃負債的利息而增加並因作出租賃付款而減少。承租人將須分開確認租賃負債的利息開支及使用權資產的折舊開支。承租人亦須在發生若干事件後重新計量租賃負債，例如用以釐定該等付款的指數或比率變動而導致租賃期變動及未來租賃付款變動。承租人一般將租賃負債的重新計量金額確認為使用權資產的調整金額。國際財務報告準則第16號有關出租人的會計處理與國際會計準則第17號的會計處理大致保持不變。出租人將繼續用國際會計準則第17號的相同分類原則分類所有租賃，並對經營租賃及融資租賃加以區分。國際財務報告準則第16號要求承租人及出租人作出比國際會計準則第17號項下規定的更多的披露。

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2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

IFRS 16 Leases (Continued)

Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group expects to adopt IFRS 16 from 1 January 2019. The Group is currently assessing the impact of IFRS 16 upon adoption and is considering whether it will choose to take advantage of the practical expedients available and which transition approach and reliefs will be adopted. As disclosed in note 39(b) to the financial statements, at 31 December 2017, the Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately RMB10,701,000. Upon adoption of IFRS 16, certain amounts included therein may need to be recognised as new right-of-use assets and lease liabilities. Further analysis, however, will be needed to determine the amount of new rights of use assets and lease liabilities to be recognised, including, but not limited to, any amounts relating to leases of low-value assets and short term leases, other practical expedients and reliefs chosen, and new leases entered into before the date of adoption.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際財務報告準則第16號租賃(續)

承租人可選擇採用全面追溯或修訂的追溯方式來應用該標準。本集團預期自二零一九年一月一日起採納國際財務報告準則第16號。本集團目前正在評估採用國際財務報告準則第16號的影響，考慮是否會選擇利用現有的實用替代方法以及採用哪種過渡方法和緩解措施。如財務報表附註39(b)所述，於二零一七年十二月三十一日，本集團在不可撤銷經營租賃項下的未來最低租賃付款總額約為人民幣10,701,000元。採用國際財務報告準則第16號後，其中部分金額可能需要確認為新的使用權資產及租賃負債。然而，需要進行進一步分析以確定新的使用權資產和租賃負債要確認的數額，包括但不限於涉及低值資產租賃及短期租賃的任何數額、所選擇的其他實用替代方法和緩解措施，以及在採用日期之前訂立的新租約。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

Others

Amendments to IAS 40, issued in December 2016, clarify when an entity should transfer property, including property under construction or development, into or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to the changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at the date that it first applies the amendments and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application is only permitted if it is possible without the use of hindsight. The Group expects to adopt the amendments prospectively from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

其他

國際會計準則第40號的修訂於二零一六年十二月頒佈，澄清實體將物業(包括在建或發展中物業)轉入或轉出投資物業的時間。該等修訂指明當物業符合或不再符合投資物業的定義，且有證據顯示用途變動時，即發生用途變動。如管理層僅有意改變物業用途，並不構成用途變動的證據。該等修訂應於日後應用於實體初次應用該等修訂的年度報告期初或之後發生的用途變動。實體應重新評估首次應用該等修訂當日所持有的物業分類，並(如適用)重新分類物業以反映當日出現的情況。追溯應用僅適用於毋須利用後見之明的情況。本集團預期於二零一八年一月一日起開始採納該等修訂。該等修訂預期不會對本集團的財務報表產生任何重大影響。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

Others (Continued)

IFRIC 22, issued in December 2016, provides guidance on how to determine the date of the transaction when applying IAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. Entities may apply the interpretation on a full retrospective basis or on a prospective basis, either from the beginning of the reporting period in which the entity first applies the interpretation or the beginning of the prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation. The Group expects to adopt the interpretation prospectively from 1 January 2018. The interpretation is not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的國際財務報告準則 (續)

其他 (續)

國際財務報告詮釋委員會詮釋第22號於二零一六年十二月頒佈，當國際會計準則第21號適用時，該詮釋就實體為釐定以外幣收取或支付墊付代價的交易之日期，以及確認非貨幣資產或非貨幣負債提供指引。該詮釋指明，釐定初次確認相關資產、開支或收益(或其部分)所使用匯率的交易日期為實體初次確認支付或收取墊付代價產生的非貨幣資產(例如預付款項)或非貨幣負債(例如遞延收入)之日期。倘確認有關項目時存在多次付款或提前收取，實體必須釐定每次支付或收取墊付代價的交易日期。實體可自初次應用該詮釋的報告期初起或自前一個報告期(呈列為實體初次應用該詮釋之報告期的財務報表中載列之比較資料)初起，全面追溯應用或日後應用該詮釋。本集團預期自二零一八年一月一日起提前採納該詮釋。該等詮釋預期不會對本集團的財務報表產生任何重大影響。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

Others (Continued)

IFRIC 23, issued in June 2017, addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的國際財務報告準則 (續)

其他 (續)

國際財務報告詮釋委員會詮釋第23號於二零一七年六月頒佈，該詮釋有關當會計處理涉及會影響國際會計準則第12號應用的不確定性因素（常稱為「不確定課稅情況」）時，如何將所得稅（即期及遞延）入賬。該詮釋並不適用於國際會計準則第12號範疇以外的稅項或徵費，亦無載列與不確定稅務處理有關的利息及罰款之特定要求。詮釋具體處理(i)實體有否單獨考慮不確定稅務處理；(ii)稅務當局調查稅務處理時，實體作出的假設；(iii)實體如何釐定應課稅溢利或稅務虧損、稅基、未動用稅務虧損、未動用稅務抵免及稅率；以及(iv)實體如何考慮事實及情況變動。該詮釋即將在不利用後見之明的情況下全面追溯應用，或按應用的累積影響追溯應用（作為初始採納當日期初權益的調整，且並不會重列比較資料）。本集團預期自二零一九年一月一日起採納該詮釋。該等詮釋預期不會對本集團的財務報表產生任何重大影響。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.4 主要會計政策概要

於聯營公司投資

聯營公司為本集團於其一般不少於20%股本投票權中擁有長期權益的實體，且可對其發揮重大影響力。重大影響力指的是參與投資對象的財務和經營決策的權力，但不是控制或共同控制這些決策的權力。

本集團於聯營公司的投資乃按本集團根據權益會計法應佔資產淨值減任何減值虧損於綜合財務狀況表列賬。

本集團應佔聯營公司收購後業績及其他全面收益分別計入損益及綜合其他全面收益表。此外，倘於聯營公司的權益直接確認變動，則本集團會於綜合權益變動表確認其應佔任何變動（倘適用）。本集團與其聯營公司間交易的未變現收益及虧損將以本集團於聯營公司的投資為限抵消，惟倘未變現虧損證明所轉讓資產減值則除外。收購聯營公司所產生的商譽已計入作本集團於聯營公司投資的一部份。

倘於聯營公司之投資變成於合資公司之投資或出現相反情況，則不會重新計量保留權益。反之，該投資繼續根據權益法入賬。在所有其他情況下，失去對聯營公司之重大影響力或對合資公司之共同控制權後，本集團按其公平值計量及確認任何剩餘投資。聯營公司於失去重大影響力時的賬面值與剩餘投資及出售所得款項的公平值之間的任何差額乃於損益賬內確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations and goodwill

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

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

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

2.4 主要會計政策概要 (續)

業務合併及商譽

業務合併乃以收購法列賬。轉讓對價乃以收購日期的公平值計量，該公平值為本集團轉讓的資產於收購日期的公平值、本集團向被收購方前擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和。於各業務合併中，本集團選擇是否以公平值或被收購方可識別淨資產的應佔比例，計量於被收購方的非控股權益，即於被收購方中賦予持有人在清盤時按比例分佔淨資產的現有所有權權益。非控股權益的所有其他組成部分均按公平值計量。收購相關成本於產生時列為開支。

當本集團收購一項業務時，會根據合同條款、於收購日期的經濟環境及相關條件，評估須承擔的金融資產及負債，以作出適合的分類及標示，其中包括分離被收購方主合同中的嵌入式衍生工具。

如業務合併分階段進行，先前持有的股本權益按其於收購日期的公平值重新計量，所產生的任何損益在損益賬中確認。

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財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations and goodwill (Continued)

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

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

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

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

收購方將轉讓的任何或然對價按收購日期的公平值確認。分類為資產或負債的或然對價按公平值計量，其公平值變動於損益賬內。分類為權益的或然對價不重新計量，其之後的結算在權益中入賬。

商譽起初按成本計量，即已轉讓對價、非控股權益的確認金額及本集團先前持有的被收購方股本權益的任何公平值總額，與所收購可識別淨資產及所承擔負債之間的差額。如對價與其他項目的總額低於所收購淨資產的公平值，於重新評估後該差額將於損益賬內確認為議價收購收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行測試。本集團於十二月三十一日進行商譽的年度減值測試。為進行減值測試，因業務合併而購入的商譽自收購日期起被分配至預期可從合併產生的協同效益中獲益的本集團各現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配至該等單位或單位組別。

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財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations and goodwill (Continued)

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

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

Fair value measurement

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

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

減值乃通過評估與商譽有關的現金產生單位 (或現金產生單位組別) 的可收回金額釐定。當現金產生單位 (或現金產生單位組別) 的可收回金額低於賬面金額時，減值虧損便予以確認。已就商譽確認的減值虧損不得於隨後期間撥回。

如商譽分配至現金產生單位 (或現金產生單位組別) 而該單位的部分業務已出售，則在釐定出售損益時，與所出售業務相關的商譽會計入該業務的賬面金額。在該等情況下出售的商譽乃根據所出售業務的相對價值及現金產生單位的保留份額進行計量。

公平值計量

本集團按各報告期末的公平值計量其衍生金融工具、若干可供出售投資及可換股債券的轉換權。公平值指於計量日期之市場參與者之間之有序交易中，就出售資產所收取之價格或轉讓負債所支付之價格。公平值計量乃基於假設出售資產或轉讓負債之交易於資產或負債之主要市場，或在未有主要市場之情況下，則於資產或負債之最有利市場進行。主要或最有利市場須位於本集團能到達之地方。資產或負債之公平值乃使用市場參與者為資產或負債定價所用之假設計量 (假設市場參與者依照彼等之最佳經濟利益行事)。

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財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurement (Continued)

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

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

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

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

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

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

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

2.4 主要會計政策概要 (續)

公平值計量 (續)

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

本集團使用適用於不同情況之估值技術，而其有足夠數據計量公平值，以盡量利用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

於財務報表計量或披露公平值之所有資產及負債，均根據對公平值計量整體而言屬重要之最低層輸入數據在下述公平值等級架構內進行分類：

第一層 – 按同等資產或負債於活躍市場之報價（未經調整）計算

第二層 – 按估值技巧計算（藉此直接或間接可觀察對公平值計量而言屬重要之最低層輸入數據）

第三層 – 按估值技巧計算（藉此觀察不到對公平值計量而言屬重要之最低層輸入數據）

就按經常性基準於財務報表確認之資產及負債而言，本集團於每個報告期末通過重新評估分類（基於對公平值計量整體而言屬重大之最低層輸入數據）以決定等級架構內各層之間是否有轉移。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets

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

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

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

2.4 主要會計政策概要 (續)

非金融資產的減值

倘出現減值跡象或須對資產(不包括存貨、建築合同資產、金融資產、投資物業及非流動資產)進行年度減值測試,則會估計資產的可收回金額。資產的可收回金額乃資產或現金產生單位使用價值與其公平值減出售成本兩者中的較高者,並且就個別資產釐定,如果資產並不產生大部分獨立於其他資產及資產組合的現金流入,在該情況下,可收回金額則按資產所屬的現金產生單位釐定。

只有資產的賬面金額超過其可收回金額時,減值虧損方予確認。評估使用價值時,估計未來現金流量採用反映當前市場對貨幣時間價值及該項資產的特有風險的稅前折現率貼現為現值。減值虧損乃於產生期間計入損益賬中與減值資產相應的費用類別。

於每個報告期末評估是否有跡象顯示過往已確認的減值虧損可能已不再存在或可能減少。倘出現該等跡象,則會估計資產的可收回金額。只有在用以釐定資產(商譽除外)的可收回金額的估計方法出現變動時,方會撥回該資產過往已確認的減值虧損,但撥回的金額不可超過假設過往年度並無就該項資產確認減值虧損而釐定的賬面值(扣除任何折舊/攤銷)。撥回的減值虧損乃於其產生期間計入損益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties

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

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

or

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

2.4 主要會計政策概要 (續)

關連方

在以下情況下，一方將被視為本集團的關連方：

- (a) 有關方為一名人士或該人士之關係密切家庭成員，而該人士：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理人員的其中一名成員；

或

- (b) 該方為實體而符合下列任何一項條件：
 - (i) 該實體與本集團屬同一集團之成員公司；
 - (ii) 該實體為另一家實體的聯營公司或合營企業（或另一家實體的母公司、附屬公司或同系附屬公司）；
 - (iii) 該實體與本集團均為同一第三方的合營企業；
 - (iv) 該實體為第三方實體的合營企業，而另一家實體則為該第三方實體的聯營公司；

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

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

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

2.4 主要會計政策概要 (續)

關連方 (續)

- (b) 該方為實體而符合下列任何一項條件：(續)
 - (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃；
 - (vi) 該實體受(a)項所界定人士控制或受共同控制；
 - (vii) 於(a)(i)項所識別人士對該實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員；及
 - (viii) 該實體或本集團任何之成員，向本集團或本集團之母公司提供主要管理人員服務。

物業、廠房及設備與折舊

除在建工程以外，物業、廠房及設備按成本減累計折舊及任何減值虧損列賬。一項物業、廠房及設備項目的成本包括其購買價及將資產達至運作狀況及位置，以作其預定用途所產生的任何直接應計成本。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation (Continued)

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

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value (nil to 5% of cost) over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Land and buildings	50 years
Plant and machinery	5-10 years
Motor vehicles	5 years
Office equipment and furniture	3-5 years
Solar photovoltaic power stations	25 years

2.4 主要會計政策概要 (續)

物業、廠房及設備與折舊 (續)

物業、廠房及設備項目開始運作後所產生的開支，如維修保養，一般於產生期間在損益中扣除。若滿足確認標準，則重大檢查的開支會於資產賬面值中資本化作為替換。若須定期替換大部份物業、廠房及設備，則本集團會按特定可使用年期確認該部份為個別資產，並據此作出折舊。

各項物業、廠房及設備折舊乃以直線法按其估計可使用年期撇銷其成本至其剩餘價值，即零至5%的成本。物業、廠房及設備的估計可使用年期如下：

土地及樓宇	50年
機器設備	5-10年
汽車	5年
辦公室設備及傢具	3-5年
太陽能光伏電站	25年

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation (Continued)

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

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

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

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at historical cost less accumulated depreciation and provision for any impairment in value. Depreciation is calculated on the straight-line basis to write off the cost of investment property to its residual value over its estimated useful life of 50 years.

2.4 主要會計政策概要 (續)

物業、廠房及設備與折舊 (續)

當一項物業、廠房及設備的各部分有不同可使用年期時，該項目的成本乃按合理基準在各部分之間分配，而各部分乃個別地折舊。剩餘價值、可使用年期及折舊方法至少應於各財政年結日復核，並作出調整(如適當)。

物業、廠房及設備項目包括任何初始確認的主要部分於出售或預期其使用或出售不會帶來未來經濟利益時終止確認。因出售或報廢而於該資產終止確認年度的損益賬內確認的任何盈虧乃有關資產出售所得款項淨額與賬面值的差額。

在建工程指正在建築中的物業、廠房及設備，乃以成本值減任何減值虧損列賬，且並無計提折舊。成本包括建築期間的直接建築成本及建築期間有關借款的資本化借貸成本。在建工程於完工及可作使用時，將重新分類至物業、廠房及設備之適當類別。

投資物業

投資物業乃指持作賺取租金收入及/或資本升值，而非為生產或供應貨物或服務的用途；或為行政目的；或為於日常業務過程中出售而持有的土地及樓宇中的權益。該等物業首次按成本計量，當中包括交易成本。首次確認後，投資物業採用歷史成本減去累計折舊和任何減值準備的金額計量。折舊乃使用直線基準，將投資物業之成本按其50年估計可使用年期撇銷至其剩餘價值計算。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties (Continued)

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the costs of the item can be measured reliably; otherwise, the expenditures are recognised in profit or loss in the year in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its carrying amount at the date of reclassification becomes its cost for accounting purposes. If an item of property, plant and equipment becomes an investment property because its use has changed, the transfer does not change the carrying amount of the property transferred, nor does it change the cost of that property for measurement or disclosure purposes.

Non-current assets and disposal groups held for sale

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

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

2.4 主要會計政策概要 (續)

投資物業 (續)

後續支出僅在未來與該項相關的經濟利益很可能流入本集團，並且該項目的成本能可靠計量時計入資產的賬面金額；否則，支出在其發生當年於損益內確認。

倘投資物業成為業主自用，則重新分類為物業、廠房及設備，而就會計目的而言，於重新分類當日的賬面金額為其成本。倘物業、廠房及設備的某個項目因其用途改變而成為投資物業，就計量或披露而言，該轉撥並無改變所轉撥物業的賬面值，亦無改變該物業的成本。

持作出售之非流動資產及出售組別

倘非流動資產及出售組別的賬面值主要透過銷售交易而非持續使用收回，則歸類為持作出售。在此情況下，資產或出售組別必須可按現狀即時出售，惟須符合出售該等資產或出售組別的慣常條款及出售須具十分把握。歸類為出售組別的附屬公司所有資產及負債重新分類為持作出售，而不論出售後本集團有否保留所持前附屬公司的非控股權益。

歸類為持作出售的非流動資產及出售組別（投資物業及金融資產除外）按其賬面金額與公平值減銷售成本之較低者計量。歸類為持作出售的物業、廠房及設備以及無形資產不予折舊或攤銷。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets (other than goodwill)

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

Software purchased is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of five years.

Research and development costs

All research costs are charged to profit or loss as incurred.

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

2.4 主要會計政策概要 (續)

無形資產 (商譽除外)

單獨取得的無形資產於初始確認時按成本計量。無形資產的可使用年期分為有限期或無限期。有限期的無形資產隨後按可使用經濟年期攤銷，並於有跡象顯示無形資產可能出現減值時評估減值。有限可使用年期的無形資產的攤銷期及攤銷方法至少於每個財政年度末檢討一次。

購買的軟件按成本減任何減值虧損列賬，並以直線法按五年的估計可使用年期內攤銷。

研究及開發成本

所有研究成本於產生時計入損益。

開發新產品項目產生的開支，僅在本集團能夠證明以下各項時，方予以資本化及遞延，即：完成無形資產以供使用或出售的技術可行性；本集團完成資產的意圖及其使用或出售該資產的能力；資產日後如何產生經濟利益；能否獲得完成該項目的資源，以及在開發過程中可靠計量開支的能力。不符合這些標準的產品開發開支將於產生時確認為費用。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

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

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

Investments and other financial assets

Initial recognition and measurement

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

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

2.4 主要會計政策概要 (續)

經營租約

凡資產擁有權的絕大部分回報及風險仍歸出租人所有的租約，均列作經營租約。倘本集團為出租人，本集團根據經營租賃出租之資產計入非流動資產，而根據經營租賃應收之租金按租賃期以直線法計入損益表。倘本集團為承租人，根據經營租約的應付租金在扣除自出租人收取的任何租金優惠後，按直線法於租賃期內於損益內扣除。

經營租約項下的預付土地租賃款項首先以成本列值，其後以直線法於租賃期內確認。

當租賃款項未能於土地及樓宇之間可靠分配時，整份租賃款項乃作為物業、廠房及設備之融資租約，計入土地及樓宇之成本。

投資及其他金融資產

初始確認及計量

金融資產於初始確認時分類為按公平值計入損益之金融資產、貸款及應收款項及可供出售金融投資（如適當）。金融資產初始確認時，乃按公平值加上收購金融資產應佔的交易成本計量，惟按公平值計入損益之金融資產除外。

金融資產之所有一般買賣都在交易日確認，即本集團承諾購買或出售資產之日期。一般買賣指在一般市場規則或慣例指定的期限內交付金融資產之購買或銷售。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Subsequent measurement

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

Loans and receivables

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

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in unlisted equity investments and other financial investments. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Other financial investments in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

後續計量

金融資產後續計量取決於其以下分類：

透過損益按公平值列賬之金融資產

透過損益按公平值列賬之金融資產包括持作買賣之金融資產。倘收購金融資產的目的旨在近期出售，則其分類為持作買賣。衍生金融工具，包括分離嵌入式衍生工具，除非其指定為國際會計準則第39號所界定的有效對沖工具，否則亦分類為持作買賣。

貸款及應收款項

貸款及應收款項是屬於非衍生性質的金融資產，以固定或可斟酌釐定的方式付款（並非在活躍市場上提供報價）。於初始計量後，該等資產其後以實際利息法按攤銷成本減任何減值撥備計量。攤銷成本乃於計及收購之任何折讓或溢價而計算，並包括構成實際利率不可分開部分之費用或成本。實際利率攤銷列入損益的「其他收入及收益」。減值虧損於損益的貸款「融資成本」及應收款項「其他開支」內確認。

可供出售金融投資

可供出售金融投資乃非上市股本證券及其他金融投資中被指定的非衍生金融資產。分類為可供銷售之股本投資為既非持作銷售亦非按公平值計入損益的股本投資。無固定持有期限且可因流動資金需求或市況改變而出售的其他金融投資歸類至該類別。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Available-for-sale financial investments (Continued)

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to profit or loss in other expenses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in profit or loss as other income in accordance with the policies set out for “Revenue recognition” below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

可供出售金融投資 (續)

於初始確認後，可供出售金融投資其後以公平值計量，未變現盈虧於可供出售投資重估儲備確認為其他全面收益，直至投資被終止確認（屆時累計損益於損益的「其他收益」確認），或直至投資被釐定為減值（屆時累計損益從可供出售投資重估儲備重新分類至損益的「其他開支」）。持有可供出售金融投資時所賺取的利息及股息分別呈列為利息收入及股息收入，並根據下列「收入確認」所載的政策於損益內確認為「其他收益」。

如非上市股本投資基於下列原因而不能可靠地計量公平值就該投資的合理公平值估計範圍幅度過大；或範圍內的若干估計可能性無法合理評估及用以估計其公平值，則該等投資乃以成本減任何減值虧損列賬。

本集團評估在短期內出售其可供出售金融資產的能力及意圖是否依然適合。當本集團由於市場不活躍而無法買賣金融資產，本集團可能在極少數情況下選擇重新分類該等金融資產（倘管理層有能力及意圖在可見將來持有該等資產或持有至到期）。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Available-for-sale financial investments (Continued)

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss.

Derecognition of financial assets

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

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

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

可供出售金融投資 (續)

就從可供出售類別重新分類出來的金融資產而言，於重新分類日期之公平值賬面值變為金融資產之新攤銷成本，而該資產先前於權益中確認的任何盈虧乃使用實際利率於投資的餘下年期內攤銷至損益。新攤銷成本與到期金額之間的任何差額亦將使用實際利率於資產的餘下年期內攤銷。若資產其後被釐定為減值，則記錄於權益的款額會重新分類至損益。

終止確認金融資產

在下列情況下，一項金融資產（可適用於某項金融資產的一部分，或一組同類金融資產的一部分）需要終止確認（即自本集團綜合財務狀況表移除）：

- 從資產獲取現金流量的權利已經屆滿；或
- 本集團已轉讓獲取資產產生的現金流的權利，或已根據一項「過手」安排承擔責任，在無重大延誤的情況下，將有關現金流量全數付予第三方；及本集團(a)轉讓了與此項資產相關的大部分風險與回報，或(b)並無轉讓或保留該項資產絕大部分風險和回報，但已轉讓該項資產的控制權。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial assets (Continued)

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2.4 主要會計政策概要 (續)

終止確認金融資產 (續)

倘本集團已轉讓從資產收取現金流量的權利或訂立轉手安排，則評估有否保留資產所有權的風險及回報及保留的程度。倘本集團並無轉讓或保留資產的絕大部分風險及回報，亦無轉讓資產控制權，則該等資產基於本集團的持續參與程度確認。在該情況下，本集團亦確認相關負債。已轉讓資產及相關負債基於本集團所保留權利及責任的基準計量。

所轉讓資產擔保形式的持續參與，以資產原賬面值與本集團可能被要求償還的最高代價金額中的較低者計量。

金融資產減值

在每個報告期末時，本集團評估是否有客觀證據證明金融資產或一組金融資產減值。當資產初始確認後發生的一件或多件事件對能可靠估量的金融資產或一組金融資產的估計未來現金流量產生影響，則金融資產或一組金融資產被視為減值。減值證據將會包括有跡象表明債務人或一組債務人正在經歷重大財政困難、違約或拖欠利息或本金、將進入破產或其他財務重組之可能性，及顯示估計未來現金流量之可衡量下降的可觀察數據，如與違約相關的拖欠和經濟狀況的變化。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

以攤銷成本列賬的金融資產

對於以攤銷成本列賬的金融資產而言，本集團首先個別評估個別重大金融資產，或集體評估非個別重大金融資產是否存在減值。若本集團決定個別評估金融資產，無論重大與否，不存在任何減值的客觀證據，本集團便將這些資產包括在具有類似信用風險特徵的金融資產組並集體評估減值與否。已作個別減值評估且資產減值損失被確認或將繼續被確認之資產不包括在集體評估減值內。

識別出的任何減值虧損金額按資產的賬面金額與估計未來現金流量現值的差額（不包括尚未發生的未來信貸虧損）計算。估計未來現金流量的現值按金融資產的原實際利率（即初始確認時之實際利率）貼現。

該資產的賬面值可通過使用撥備賬沖減，而有關的虧損則在損益中確認。利息收入繼續以減少後賬面金額及採取就計量減值虧損用以貼現未來現金流量的利率累計。未來收回不現實之情況下，貸款及應收款項連同任何相關撥備則被註銷，所有抵押品已變現或轉讓予本集團。

倘於隨後期間，由於減值確認後某一事件之發生，估計減值虧損金額增加或減少，則先前確認之減值虧損通過調整撥備賬增加或減少。倘註銷於其後收回，該收回計入損益的「其他開支」。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is removed from other comprehensive income and recognised in profit or loss.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

按成本列賬的資產

如有客觀證據表明因公平值無法可靠計量而並非按公平值列賬的無報價股本投資或與該無報價股本投資掛鉤且必須透過交付該無報價股本投資而結算的衍生資產已出現減值虧損，則虧損金額按該資產賬面值與按類似金融資產現行市場回報率貼現的估計未來現金流量的現值之間的差額計量。該等資產的減值虧損不可撥回。

可供出售金融投資

就可供出售金融投資而言，本集團會於各報告期末評估有否客觀證據顯示一項投資或一組投資出現減值。

當可供出售資產減值時，其成本（扣除任何本金付款和攤銷）和其現有公平值，扣減之前曾被確認在損益之任何減值虧損之差額，將自其他全面收益移除，並在損益中確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Available-for-sale financial investments (Continued)

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. “Significant” is evaluated against the original cost of the investment and “prolonged” against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss – is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is “significant” or “prolonged” requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

可供出售金融投資 (續)

倘股權投資被列作可供出售類別，則證據將包括該項投資之公平值大幅或長期跌至低於其成本值。「大幅」是相對於投資之原始成本評估，而「長期」則相對於公平值低於原始成本之時期而評估。倘出現減值證據，則累計虧損（按收購成本與現時公平值之差額減該項投資先前在損益內確認之任何減值虧損計量）將從其他全面收益中移除，並於損益內確認。分類為可供出售股本投資的減值虧損不會透過損益撥回。公平值於減值後的增加直接於其他全面收益確認。

確定是否屬「顯著」或「持續」時須作出判斷。在作出判斷時，本集團會評估（其中包括）一項投資的公平值少於其成本的持續時間或程度。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, and loans and borrowings, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables, derivative financial instruments, bank advances for discounted bills, convertible bonds, senior notes and interest-bearing bank and other loans.

Subsequent measurement

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

Loans and borrowings (including senior notes)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

2.4 主要會計政策概要 (續)

金融負債

初始確認及計量

金融負債於初始確認時分類為按公平值計入損益之金融負債、貸款及借款(如適用)。

所有金融負債初始按公平值確認，如屬貸款及借貸，則扣除直接應佔交易成本。

本集團的金融負債包括應付貿易款項及應付票據、其他應付款項、衍生金融工具、貼現票據銀行貸款、可換股債券、優先票據以及附息銀行及其他貸款。

後續計量

金融負債的後續計量取決於其如下歸類：

貸款及借款(包括優先票據)

經初始確認後，附息貸款及借款其後以攤銷成本計量，除非折現影響並不重大，否則採用實際利率法，反之，則按成本入賬。負債終止確認時，或通過實際利率攤銷時，收益及虧損於損益中確認。

攤銷成本將任何收購折價或溢價和構成實際利率不可或缺的費用或成本計算在內。實際利率攤銷計入損益之融資成本。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (Continued)

Convertible bonds

Convertible bonds issued by the Company that contain both a liability and embedded derivatives are classified separately into these respective items on initial recognition. Conversion rights that will be settled other than by the exchange of a fixed amount of cash or other financial assets for a fixed number of the Company's shares are derivative financial liabilities, which are bifurcated from the host contract and are accounted for separately. Redemption rights, conditional call options and put options which are closely related to the host contract are accounted for together with the host contract as a liability component.

At the date of issue of the convertible bonds, the derivative component of the convertible bonds is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs are apportioned between the liability and derivative components of the convertible bonds based on the allocation of proceeds to the liability and derivative components when the instruments are initially recognised. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. Conversion options accounted for as derivative financial liabilities are measured at fair value with changes in fair value recognised in profit or loss.

2.4 主要會計政策概要 (續)

金融負債 (續)

可換股債券

本公司發行的同時包括負債及嵌入式衍生工具的可換股債券於初始確認時分別分類為各項目。將透過以一定數量現金或其他金融資產交換一定數量本公司股份以外的方式結算的轉換權為衍生金融負債，從主合約分開及單獨列賬。與主合約密切相關的贖回權、有條件認購期權及認沽期權連同主合約作為負債部分列賬。

於可換股債券發行日期，可換股債券的衍生部分按公平值計量，呈列為衍生金融工具。所得款項超出初始確認為衍生部分的金額之部分作為負債部分確認。交易成本根據工具初始確認時負債及衍生部分的所得款項分配方式，在負債與衍生部分之間分攤。交易成本中與負債部分有關的部分初始確認為負債的一部分。與衍生部分相關的部分即時於損益確認。

於隨後期間，可換股債券的負債部分使用實際利率法按攤銷成本列賬。作為衍生金融負債列賬的轉換權按公平值計量，公平值變動於損益確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (Continued)

Convertible bonds (Continued)

The liability component and the related embedded derivative of the convertible bonds are presented as a separate line item on the face of the statement of financial position under non-current liabilities, unless the convertible bonds become mature or redeemable by the holder in the next twelve months.

If the bonds are converted, the respective conversion options accounted for as derivative financial liabilities, together with the carrying value of the liability component at the time of conversion, are transferred to share capital and share premium as consideration for the shares issued.

2.4 主要會計政策概要 (續)

金融負債 (續)

可換股債券 (續)

除非可換股債券將於未來十二個月到期或可由持有人贖回，否則可換股債券的負債部分及相關嵌入式衍生工具在財務狀況表中非流動負債下分開呈列。

如債券獲轉換，作為衍生金融負債列賬的各轉換權連同負債部分於轉換時的賬面值作為已發行股份的代價轉入股本及股份溢價。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as interest rate swaps and cross-currency interest rate swap, to hedge its interest rate risk and foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

2.4 主要會計政策概要 (續)

終止確認金融負債

當金融負債項下的義務被解除、取消或期滿，則終止確認金融負債。

如一項現有金融負債被來自同一貸款方且大部分條款均有差別的另一項金融負債所取代，或現有負債的條款被大幅修改，此種置換或修改視作終止確認原有負債並確認新負債處理，而兩者的賬面值差額於損益中確認。

抵銷金融工具

倘於現時存在可強制執行的合法權利以抵銷已確認款額及有意向按淨額基準進行結算，或同時變現資產及結算負債，則金融資產及金融負債會予以抵銷，而淨額會於財務狀況表中記錄。

衍生金融工具

初始確認及後續計量

本集團使用衍生金融工具，如利率掉期及交叉貨幣利率掉期以對沖其利率風險及外幣風險。該等衍生金融工具於衍生合約訂立之日初始按公平值確認，隨後按公平值重新計量。衍生工具在公平值為正數時作為資產列賬，在公平值為負數時作為負債列賬。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

2.4 主要會計政策概要 (續)

存貨

存貨按成本或可變現淨值兩者較低者列賬。成本以加權平均基準釐定，就在製品和製成品而言，成本包括直接材料、直接勞工及適當分攤的經常性費用。可變現淨值按估計售價減任何尚需投入的完成生產及出售的估計成本計算。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金、活期存款，以及期限短、流動性強、易於轉換為已知金額現金、價值變動風險小且一般於收購後三個月內的較短期限到期的投資，減須按要求償還並構成成本集團現金管理一部分的銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金和銀行存款，而銀行存款包括無限制用途的定期存款。

撥備

如因過往事件產生現時債務（法定或推定）及未來可能需要有資源流出以償還債務，而該債務金額能可靠估計，則確認撥備。

如貼現的影響重大，則就撥備確認的金額為償還債務預期所需未來支出於報告期末的現值。貼現現值因時間流逝而產生的增幅計入損益之「融資成本」。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill on an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 主要會計政策概要(續)

所得稅

所得稅包括即期和遞延稅項。有關損益外確認項目的所得稅於損益外確認，於其他全面收益確認或直接在權益確認。

即期稅項資產和負債按預期自稅務局退回或支付予稅務局的金額計算，基於報告期末已訂立或大致訂立的稅率（及稅法），並計及本集團經營所在國家現行之詮釋及慣例。

遞延稅項採用負債法就於報告期末資產和負債的稅基與兩者用作財務報告的賬面值之間的各項暫時差異計提撥備。

所有應課稅暫時差異均被確認為遞延稅項負債，但：

- 於一項交易（該交易並非為業務合併）進行時初始確認的資產或負債商譽產生的遞延稅項負債既不對會計溢利也不對應課稅溢利或虧損構成影響的情況除外；及
- 關於附屬公司及聯營公司投資的應課稅暫時差異，如撥回這些暫時差異的時間可受控制且暫時差異於可預見將來可能不會撥回的情況除外。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

2.4 主要會計政策概要 (續)

所得稅 (續)

所有可扣減暫時性差額及未動用稅項抵免與任何未動用稅務虧損結轉，均被確認為遞延稅項資產。倘可能具有應課稅利潤抵銷可扣減暫時性差額，以及可動用結轉之未動用稅項抵免及稅務虧損，則會確認遞延稅項資產，惟下述情況除外：

- 由於一項交易（該交易並非為業務合併）進行時與初始確認的資產或負債產生的可扣減暫時差異有關的遞延稅項資產，既不對會計溢利也不對應課稅溢利或虧損構成影響的情況除外；及
- 關於附屬公司及聯營公司的投資產生的可扣減暫時差異，遞延稅項資產只限於暫時差異將於可預見將來撥回及應課稅溢利可用以抵扣暫時差異時確認的情況除外。

遞延稅項資產的賬面值於每個報告期末審閱，並扣減至不再可能有足夠應課稅溢利以動用所有或部分遞延稅項資產為止。相反地，於每個報告期末會重新評估過往未被確認的遞延稅項資產，並在可能有足夠應課稅溢利以動用所有或部分遞延稅項資產時予以確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.4 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產和負債以資產被變現或負債被清償的期間預期適用的稅率衡量，並根據於報告期末已制訂或實際上已制訂的稅率（及稅法）計算。

僅當本集團有可合法執行權利可將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產與遞延稅項負債與同一稅務機關對同一應稅實體或於各未來期間預期有大額遞延稅項負債或資產需要結算或清償時，擬按淨額基準結算即期稅務負債及資產或同時變現資產及結算負債之不同稅務實體徵收之所得稅相關，則遞延稅項資產與遞延稅項負債可予抵銷。

政府補助

倘有合理保證可獲取政府補助，而所有附帶條件均可予以遵從，則按公平值確認政府補助。倘補助與支出項目有關，則以有系統基準於該項補助所補貼成本列支之期間確認為收入。

倘補助涉及一項資產，則其公平值記入遞延收益賬目及於相關資產的預期可使用年限期間按等同年度金額撥回至損益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from construction contracts, on the percentage of completion basis, as further explained in the accounting policy for “Construction contracts” below;
- (c) from sales of electricity, is recognised in the accounting period when electricity is generated and transmitted.
- (d) from tariff adjustment which represents subsidies received and receivable from the government authorities in respect of the Group’s solar power plant 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.
- (e) from the rendering of services, when the services are rendered.
- (f) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset; and
- (g) dividend income, when the shareholders’ right to receive payment has been established.

2.4 主要會計政策概要 (續)

收入確認

收入於本集團將很有可能獲得經濟利益並能夠可靠地計算時按以下基準確認：

- (a) 銷售商品於商品擁有權的重大風險和回報已轉讓予買方後確認入賬，惟本集團須不再參與通常與所售出商品擁有權或實際控制權有關的管理；
- (b) 建築合同收入根據已完成部分的比例確認入賬，進一步詳情載於下文有關「建築合同」的會計政策內；
- (c) 銷售電力產生的收入於產生及輸送電力的會計期間內確認。
- (d) 電價補貼產生的收入，電價補貼指就本集團之太陽能光伏發電站業務自政府機構已收及應收之補貼。電價補貼收入在本集團對其可回收性取得合理保證及滿足有關條款後（如有）按公平值確認。
- (e) 於提供服務時來自提供服務的收入。
- (f) 利息收入按應計基準，採用將金融工具預計年內估計未來收取的現金折現至金融資產賬面淨值的貼現率以實際利息法確認；及
- (g) 股息收入於股東收取付款的權利確立時確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Construction contracts

Contract revenue comprises the agreed contract amount and appropriate amounts from variation orders, claims and incentive payments. Contract costs incurred comprise direct materials, the costs of subcontracting, direct labour and an appropriate proportion of variable and fixed construction overheads.

Revenue from fixed price construction contracts is recognised using the percentage of completion method, measured by reference to the proportion of costs incurred to date to the estimated total cost of the relevant contract.

Provision is made for foreseeable losses as soon as they are anticipated by management. Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

2.4 主要會計政策概要 (續)

建築合同

合同收入包括協議合同金額以及因指令變更、索賠及獎勵付款所產生的適當金額。所產生的合同成本包括直接材料、分包成本、直接勞工及適當比例的變動和固定的建築經常性開支。

固定價格建築合同的收入使用完成方法的百分比予以確認，百分比經參考截至有關日期所產生成本相對於相關合同估計總成本的比例計算。

當管理層預見可預見虧損時將立即作出撥備。當截至有關日期的合同成本加已確認溢利減已確認虧損超過按進度結算款項時，盈餘被視作應收合同客戶款項。當按進度結算款項超過截至有關日期的合同成本加已確認溢利減已確認虧損時，盈餘被視作應付合同客戶款項。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

2.4 主要會計政策概要 (續)

以股份為基礎的支付

本公司設立一項購股權計劃，旨在對為本集團成功運營作出貢獻之合資格參與者提供鼓勵及獎勵。本集團僱員（包括董事）收取以股份為基礎支付的報酬，而僱員則提供服務作為股權工具的代價（「股權結算交易」）。

僱員的股權結算交易成本，自授予之日起參照公平值計量。公平值由外部估值師採用二項式模型決定。

表現及／或服務條件達成期間，股權結算交易的成本和相應增加權益於僱員福利開支獲得確認。於每個報告期末直至歸屬日期的股權結算交易所確認的累計開支，反映歸屬期間到期的程度及本集團對最終將歸屬股權工具數目的最佳估計。某一期間的損益扣除或計入為期初或期末確認累計開支的變動。

釐定獎勵獲授當日之公平值時，並不計及服務及非市場績效條件，惟在有可能符合條件的情況下，則評估為本集團對最終將會賦予股本工具數目最佳估計之一部分。市場績效條件反映於獎勵獲授當日之公平值。獎勵之任何其他附帶條件（但不帶有服務要求）視作非賦予條件。非賦予條件反映於獎勵之公平值，除非同時具服務及／或績效條件，否則獎勵即時支銷。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payments (Continued)

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.4 主要會計政策概要 (續)

以股份為基礎的支付 (續)

因非市場績效及／或服務條件未能達成而最終無賦予之獎勵並不確認為支出。凡獎勵包含市場或非賦予條件，無論市場條件或非賦予條件獲履行與否，而所有其他績效及／或服務條件均獲履行，則交易仍被視為一項賦予。

股權結算獎勵的條款獲修改的情況下，倘獎勵的原有條款獲滿足，最低開支將獲確認，猶如條款並無修改。此外，就增加股份為基礎的支付公平值的任何修改或於截至修訂日期計算有利於僱員的其他任何修改而言，開支需獲得確認。

股權結算獎勵倘被取消，將被視為猶如已在取消日期前歸屬，而未就獎勵確認之開支即時確認。這包括集團或僱員控制之非歸屬條件未達成情況下之獎勵。但是，如前一段所述，倘新獎勵被註銷獎勵取代，並在授予日期獲指定為替代獎勵，則註銷及新獎勵將被視為原獎勵的修改。

未行使購股權之攤薄影響反映為計算每股收益之額外股份攤薄。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other employee benefits

Pension schemes

The employees of the Group's subsidiaries in Mainland China are required to participate in a central pension scheme operated by the local government. These subsidiaries and their employees are required to make monthly contributions calculated as a percentage of the employees' wages and salaries, subject to certain ceilings and local practices set by the relevant local governments, to the central pension scheme. Other than the central pension scheme, the Group's subsidiaries in Mainland China have no legal obligation for retirement benefits beyond the contributions made. Contributions to these plans are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

In addition to the above, the Group also participates in a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

Contributions to an accommodation fund administered by the Public Accumulation Funds Administration Centre are charged to profit or loss as incurred.

2.4 主要會計政策概要 (續)

其他僱員福利

退休金計劃

本集團在中國大陸營運的附屬公司的僱員均須參予由當地政府運作的中央退休計劃。該等附屬公司及其僱員須每月按僱員工資及薪水的某個比例向中央退休計劃供款，惟須遵守相關地方政府制定的若干上限及當地實情。除中央退休計劃外，本集團在中國大陸的附屬公司除作出供款外，對退休福利再無其他法律責任。該等計劃的供款根據中央退休計劃的規則於到期應付時自損益扣除。

除以上所述外，本集團亦為其在香港的僱員參與根據強制性公積金計劃條例設立的定額供款強制性公積金計劃（「強積金計劃」）。供款數目乃按僱員基本薪金若干百分比而作出，並根據強積金計劃的規則於到期應付時自損益扣除。強積金計劃的資產與本集團資產分開，由獨立管理的基金保管。

有關對由公積金管理中心管理的住房公積金的供款，乃於產生時自損益扣除。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in note 11 to the financial statements.

Foreign currencies

The financial statements are presented in RMB. The functional currency of the Company is HK\$. The Company's presentation currency is RMB because the Group's principal operations are carried out in Mainland China. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

2.4 主要會計政策概要 (續)

借貸成本

收購、建設或生產合資格資產(即需要較長時間準備作擬定用途或銷售的資產)直接應佔的借貸成本將予以資本化,作為該等資產部分成本。該等借貸成本的資本化於該等資產實質上達到擬定用途或銷售狀態時將終止。擬用作合資格資產的開支的特定借貸的暫時投資所得投資收益自予以資本化的借貸成本中扣除。所有其他借貸成本於產生期間確認為開支。借貸成本由利息及實體發生的與該項融資借貸相關的其他成本組成。

股息

末期股息於股東在股東大會上批准後確認為一項負債。建議末期股息披露於財務報表附註11。

外幣

財務報表以人民幣呈列。本公司的功能貨幣為港元。本公司的呈列貨幣為人民幣,原因是本集團主要業務於中國大陸進行。本集團各實體決定其自身的功能貨幣,列入各實體財務報表的項目使用該呈列貨幣計量。本集團內實體錄得的外幣交易初步使用交易日期的通行功能貨幣匯率入賬。以外幣計值的貨幣資產及負債按報告期末的通行外幣匯率換算。結算或換算貨幣項目時產生的差額於損益確認。

NOTES TO FINANCIAL STATEMENTS

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain companies within the Group are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their profits or losses are translated into RMB at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.4 主要會計政策概要 (續)

外幣 (續)

按歷史成本及外幣計量的非貨幣項目使用初步交易日期的匯率換算。按外幣公平值計量的非貨幣項目採用釐定公平值當日的匯率換算。換算按公平值計量的非貨幣項目產生之收益或虧損的處理方式，與有關項目公平值變動之收益或虧損的確認方式相符（即公平值收益或虧損於其他全面收益或損益中確認之項目的換算差額，亦會分別於其他全面收益或損益中確認）。

組成本集團的若干公司的功能貨幣並非人民幣。於報告期末，該等實體的資產及負債按報告期末的現行匯率換算為人民幣，其損益按該年內加權平均匯率換算為人民幣。交易產生的匯兌差額於其他全面收益確認並於外匯波動儲備內累計。出售國外業務時，其他全面收益中與特定國外業務相關的部分於損益確認。

NOTES TO FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

3. 主要會計判斷及估計

本集團財務報表之編製，需要管理層作出判斷、估計及假設，有關估計及假設會影響所呈報收入、費用、資產及負債之金額及其相關披露以及或然負債之披露。然而，由於有關該等假設及估計之不確定因素，可能導致管理層須就日後受影響之資產或負債之賬面值作出重大調整。

判斷

於應用本集團之會計政策的過程中，管理層作出以下對於財務報表中已確認的金額構成最重大影響的判斷（涉及估計者除外）：

經營租賃承擔 – 本集團作為出租人

本集團已訂立商業物業租賃。本集團認為，根據對有關安排的條款及條件的評估，本集團保留了透過經營租賃出租的該等物業的所有權的所有重大風險及回報。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Judgements (Continued)

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

3. 主要會計判斷及估計 (續)

判斷 (續)

投資物業與自用物業的分類

本集團判斷物業是否符合投資物業的條件，並已制訂出作此類判斷的標準。投資物業指為賺取租金或資本升值或同時為這兩個目的而持有的物業。因此，本集團考慮一項物業產生的現金流是否大部分獨立於本集團持有的其他資產。若干物業的一部分是為賺取租金或資本升值而持有，而另一部分是為用於生產或提供商品或服務或行政用途而持有。如果該等部分可以分開出售或按融資租賃分開出租，則本集團對該等部分分開進行會計處理。如果該等部分不能分開出售，則只有在為用於生產或提供商品或服務或行政用途而持有的部分並不重大的情況下，該物業方是投資物業。判斷是對各個別物業而作出，以釐定配套服務是否如此重要而使物業不符合投資物業。

估計不確定因素

下文討論於報告期末就未來和其他估計不確定因素的主要來源所作出的主要假設，該等假設對下一個財政年度的資產和負債賬面值造成重大調整的重大風險。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Percentage of completion of construction contract work

The Group recognises revenue according to the percentage of completion of individual contracts of construction work, which requires estimation to be made by management. The stage of completion is estimated by reference to the actual costs incurred over the total budgeted costs, and the corresponding contract revenue is also estimated by management. Due to the nature of the activity undertaken in construction contracts, the date at which the activity is entered into and the date at which the activity is completed usually fall into different accounting periods. Hence, the Group reviews and revises the estimates of both contract revenue and contract costs in the budget prepared for each contract as the contract progresses. Where the actual contract revenue is less than expected or actual contract costs are more than expected, an expected loss may arise. No expected loss was recognised during the year ended 31 December 2017 (2016: Nil).

Corporate income tax ("CIT")

The Group's subsidiaries operating in Mainland China are subject to the People's Republic of China (the "PRC") CIT. As a result of the fact that certain matters relating to PRC CIT have not been confirmed by the relevant local tax authorities, objective estimates based on currently enacted tax laws, regulations and other related policies are required in determining the provision for PRC CIT to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact the income tax and tax provision in the period in which the final outcome is determined. The carrying amount of PRC CIT payable at 31 December 2017 was RMB38,579,000 (2016: RMB20,739,000).

3. 主要會計判斷及估計 (續)

估計不確定因素 (續)

建築合同工程竣工百分比

本集團根據建築工程個別合同的竣工百分比確認收入，而該確認需要管理層作出估計。竣工階段經參考實際發生成本佔總預算成本後進行估計，而相應的合同收入也由管理層估計。鑒於建築合同所進行活動的性質使然，活動開始日期和活動竣工日期一般屬於不同會計期間。因此，在合同執行過程中，本集團對為各合同所編製預算內的合同收入和合同成本的估計進行審閱和修訂。如實際合同收入較預期為少或實際合同成本較預期為高，則可能產生預期虧損。截至二零一七年十二月三十一日止年度並無確認預期虧損(二零一六年：無)。

企業所得稅(「企業所得稅」)

本集團的附屬公司在中國大陸營運須繳納中華人民共和國(「中國」)企業所得稅。由於有關中國企業所得稅的若干事宜未被當地相關稅務機構確認，故需要基於目前制定的稅務法律、法規及其他相關政策作出客觀估計，釐定中國企業所得稅撥備。倘該等事宜的最後稅款不同於最初記錄的金額，差額將影響所得稅及於釐定最後稅款期間的稅款撥備。於二零一七年十二月三十一日，應付中國企業所得稅的賬面值為人民幣38,579,000元(二零一六年：人民幣20,739,000元)。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Impairment of receivables

The provision policy for impairment of receivables of the Group is based on ongoing assessment of the recoverability and the ageing analysis of the outstanding receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of those receivables, including the creditworthiness and the past collection history of each customer. If the financial conditions of the customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances might be required. At 31 December 2017, impairment provision for trade receivables and other receivables amounted to approximately RMB53,968,000 and RMB4,578,000 (2016: RMB48,817,000 and RMB4,578,000), respectively. Further details are given in notes 22 and 23 to the financial statements, respectively.

Useful lives and residual values of property, plant, equipment and investment properties

In determining the useful lives and residual values of items of property, plant, equipment and investment properties, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. The depreciation amount will be adjusted if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from the previous estimation. Useful lives and residual values are reviewed at each financial year end date taking into account changes in circumstances.

3. 主要會計判斷及估計 (續)

估計不確定因素 (續)

應收款項減值

本集團應收款項減值撥備政策是根據應收款項結餘的可回收性及賬齡分析的持續評估以及管理層判斷作出。評估該等應收款項最終變現時需要作出大量判斷，包括各顧客的信用及過往的收回款項記錄。倘本集團顧客的財政狀況惡化導致其無力償付，則需要進行額外撥備。於二零一七年十二月三十一日，貿易及其他應收款項減值撥備分別約為人民幣53,968,000元及人民幣4,578,000元(二零一六年：人民幣48,817,000元及人民幣4,578,000元)。進一步詳情分別載於財務報表附註22及23。

物業、廠房、設備及投資物業的使用年期和剩餘價值

於釐定物業、廠房、設備及投資物業項目的使用年期和剩餘價值時，本集團須考慮多項因素，如改變或改良生產程序或因產品或資產所產生的服務的市場需求、資產的預定用途、預期實際損耗、資產維護及保養，以及資產用途的法律或類似限制有變將導致的技術或商業性陳舊。資產可使用年期乃根據本集團對用途相似的類似資產的經驗估計。倘物業、廠房及設備項目的估計可使用年期及／或剩餘價值與過往估計不同，則折舊金額將予以調整。可使用年期及剩餘價值乃於各財政年結日因應情況變化作出評估。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets with definite lives are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of sell and its value in use. The calculation of the fair value less costs of sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs to be incurred to completion and disposal. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. It could change significantly as a result of changes in customers' interests or competitor actions. Management reassesses these estimates at the end of each reporting period. There was no impairment provision for inventories as at 31 December 2017 (2016: Nil).

3. 主要會計判斷及估計 (續)

估計不確定因素 (續)

非金融資產的減值 (商譽除外)

本集團於各報告期末評估所有非金融資產是否出現任何減值跡象。確定年期的非金融資產於有跡象顯示賬面值可能無法收回時測試減值。資產或現金產生單位賬面值超逾其可回收金額時，即高出其公平值減出售成本及使用價值，則存在減值。計量公平值減出售成本時，按以公平基準就類似資產進行具有約束力的銷售交易可得數據，或可觀察市價減出售資產的已增加成本得出。當計算使用價值時，管理層必須估計來自資產或現金產生單位的預期未來現金流量，並選擇合適之貼現率，以計算該等現金流量之現值。

存貨之可變現淨值

存貨之可變現淨值乃其於日常業務過程中之估計售價，扣除完成及出售所產生之估計成本。該等估計乃根據現行市況及銷售類似性質產品之過往經驗。其將因客戶權益或競爭者行動變動大幅變動。管理層於各報告期末重新評估該等估計。於二零一七年十二月三十一日，並無存貨減值撥備(二零一六年：無)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Deferred tax assets

Deferred tax assets should be recognised when it is probable that taxable profits will be available against which the deferred tax assets can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets at 31 December 2017 was RMB49,051,000 (2016: RMB32,288,000). Further details are given in note 31 to the financial statements.

Deferred tax liabilities

Deferred tax liabilities should be recognised for all taxable differences associated with investments in subsidiaries and associates except (a) when the Company is able to control the timing of the reversal of such temporary differences and it is probable that such temporary differences will not reverse in the foreseeable future. Significant management estimation is required to determine the amount of deferred tax liabilities associated with the Company's investments in subsidiaries, based upon the likely timing of the reversal of such temporary differences. The carrying value of deferred tax liabilities associated with investments in subsidiaries at 31 December 2017 was RMB86,860,000 (2016: RMB86,860,000). Further details are given in note 31 to the financial statements.

3. 主要會計判斷及估計 (續)

估計不確定因素 (續)

遞延稅項資產

倘將來可能錄得應課稅溢利以扣減遞延稅項資產，應確認遞延稅項資產。董事須根據未來應課稅溢利的可能時間及數額以及未來稅項規劃策略作出重大判斷，以釐定可予確認的遞延稅項資產金額。於二零一七年十二月三十一日，遞延稅項資產的賬面值為人民幣49,051,000元（二零一六年：人民幣32,288,000元）。有關的進一步詳情載述於財務報表附註31。

遞延稅項負債

遞延稅項負債應就與於附屬公司及聯營公司的投資相關的所有應課稅差異確認，除非(a)本公司能夠控制該暫時差異的撥回時間，且該暫時差異於可預見的將來很可能不會撥回。管理層需要根據該暫時差異的可能撥回時間，就釐定與本公司於附屬公司的投資相關的遞延稅項負債金額作出重大估計。與於附屬公司的投資相關的遞延稅項負債於二零一七年十二月三十一日的賬面值為人民幣86,860,000元（二零一六年：人民幣86,860,000元）。有關的進一步詳情載述於財務報表附註31。

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財務報表附註

31 December 2017 二零一七年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Valuation of financial liabilities at fair value through profit or loss

Where fair values of financial assets and financial liabilities cannot be derived directly from active markets, they are determined using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of estimation is required in establishing fair values. The estimations include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Convertible bonds issued by the Company that contain both a liability and embedded derivatives are classified separately into these respective items on initial recognition. The derivatives are accounted for as fair value through profit or loss in initial recognition and remeasured to fair value through profit or loss in subsequent reporting periods. The Group engaged an independent professional valuer to assist in determining the fair value of the conversion rights of convertible bonds. The fair value of the conversion rights of convertible bonds was estimated by the independent professional valuer using the binomial option pricing model and the estimation included some assumptions not supported by observable market prices or rates such as the discount rate, volatility, credit risk, and expected future cash flows, and hence they are subject to uncertainty. Favourable or unfavourable changes to these assumptions would result in significant changes in the fair value of conversion rights contained in the convertible bonds and the corresponding adjustments to the amount of gain or loss reported in profit or loss. The fair value of the conversion rights of convertible bonds at 31 December 2017 was nil (2016: RMB15,227,000). Further details are given in note 29 to the financial statements.

3. 主要會計判斷及估計 (續)

估計不確定因素 (續)

按公平值計入損益的金融負債估值

當金融資產及金融負債的公平值無法直接從活躍市場獲得時，則使用估值技術釐定。有關模型的輸入資料盡可能從可觀察市場獲取，但如獲取並不可行，則釐定公平值時需要作出一定程度的估計。估計包括考慮流動資金風險、信貸風險及波幅等輸入資料。有關該等因素的假設變動可能影響金融工具的呈報公平值。

本公司發行的同時包括負債及嵌入式衍生工具的可換股債券於初始確認時分別分類為各項目。衍生工具於初始確認時按公平值計入損益，於隨後報告期間透過按公平值計入損益而重新計量。本集團已委聘一名獨立專業估值師協助釐定可換股債券的轉換權的公平值。可換股債券的轉換權的公平值由獨立專業估值師使用二項式期權定價模型估計，估計包括並無可觀察市場價格或費率支持的部分假設（如貼現率、波幅、信貸風險及預期未來現金流量），因此存在不確定性。該等假設的有利或不利變動將導致可換股債券所含轉換權的公平值出現重大變動，從而導致於損益中報告的收益或虧損金額作出相應調整。於二零一七年十二月三十一日，並無可換股債券的轉換權的公平值（二零一六年：人民幣15,227,000元）。進一步詳情載於財務報表附註29。

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財務報表附註

31 December 2017 二零一七年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Valuation of financial liabilities at fair value through profit or loss (Continued)

The Group uses derivative financial instruments, such as interest rate swaps and cross-currency interest rate swap, to hedge its interest rate risk and currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The Group engaged an independent professional valuer to assist in determining the fair value of the interest rate swaps. The fair value of the interest rate swaps was estimated by the independent professional valuer using the discounted cash flow method and the estimation included some assumptions not supported by observable market rates such as credit risk, discount rate and expected future cash flows, and hence they are subject to uncertainty. Favourable or unfavourable changes to these assumptions would result in significant changes in the fair value of the interest rate swaps. The fair value of the cross-currency interest rate swaps at 31 December 2017 was liabilities of RMB34,005,000 (2016: assets of RMB22,961,000). Further details are given in note 27 to the financial statements.

4. OPERATING SEGMENT INFORMATION AND REVENUE

Revenue represents an appropriate proportion of contract revenue from construction contracts; net of government surcharges; and the invoiced value of goods and electricity sold, and net of value-added tax and government surcharges.

3. 主要會計判斷及估計 (續)

估計不確定因素 (續)

按公平值計入損益的金融負債估值 (續)

本集團使用衍生金融工具，如利率掉期及交叉貨幣利率掉期以對沖其利率風險及貨幣風險。該等衍生金融工具於衍生合約訂立之日初始按公平值確認，隨後按公平值重新計量。本集團已委聘一名獨立專業估值師協助釐定利率掉期的公平值。利率掉期的公平值由獨立專業估值師使用貼現現金流法估計，估計包括並無可觀察市場價格或費率支持的部分假設（如信貸風險、貼現率及預期未來現金流量），因此存在不確定性。該等假設的有利或不利變動將導致利率掉期的公平值出現重大變動。於二零一七年十二月三十一日交叉貨幣利率掉期的公平值為負債人民幣34,005,000元（二零一六年：資產人民幣22,961,000元）。進一步詳情載於財務報表附註27。

4. 經營分部資料及收入

收入指建築合同適當比例的合同收入，扣除政府附加稅；及已售貨品及電力的發票價值，並已扣除增值稅及政府附加稅。

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4. OPERATING SEGMENT INFORMATION AND REVENUE (Continued)

The Group's revenue and contribution to profit for the year were mainly derived from the construction and installation of curtain walls (including solar power products), as well as operation and management of solar photovoltaic power stations, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for the purpose of resource allocation and performance assessment. In addition, the principal assets employed by the Group are located in Mainland China. Accordingly, no segment analysis is presented other than entity-wide disclosures.

Information about products and services

The following table sets forth the total revenue from external customers by product and service and the percentage of total revenue by product and service during the year:

		2017 二零一七年		2016 二零一六年	
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
Construction contracts	建築合同	4,263,938	75.1	3,849,519	73.4
Sale of goods	貨品銷售	1,273,592	22.4	1,308,550	25.0
Rendering of design services	提供設計服務	13,268	0.2	13,174	0.3
Rendering of operation and maintenance service	提供營運及維護服務	9,202	0.2	—	—
Sale of electricity	電力銷售	115,386	2.1	68,321	1.3
Revenue	收入	5,675,386	100.0	5,239,564	100.0
Tariff adjustment*	電價補貼*	166,682		93,224	

* Tariff adjustment represents subsidies receivable from the government authorities in respect of the Group's solar photovoltaic power station operation business.

4. 經營分部資料及收入 (續)

本集團的收入及年內溢利貢獻主要來自幕牆(包括太陽能產品)建設及安裝,以及太陽能光伏電站運營及管理,其被視為單一可呈報分部,與向本集團高級管理層就分配資源及業績評估的內部呈報資料的方式一致。此外,本集團使用的主要資產位於中國大陸。因此,除以整間公司的方式披露外,概無呈報分部分析。

有關產品及服務的資料

下表載列按產品及服務劃分的來自外部客戶的總收入以及本年度按產品及服務劃分的總收入百分比:

* 電價補貼指就本集團之太陽能光伏發電站業務自政府機構應收之補貼。

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財務報表附註

31 December 2017 二零一七年十二月三十一日

4. OPERATING SEGMENT INFORMATION AND REVENUE (Continued)

Geographical information

(a) Revenue from external customers

		2017 二零一七年		2016 二零一六年	
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
Domestic – Mainland China*	國內 — 中國大陸*	5,132,397	90.4	4,840,311	92.4
Hong Kong	香港	302,890	5.3	187,850	3.5
Oceania	大洋洲	178,844	3.2	—	—
Macao	澳門	20,033	0.4	156,357	3.0
Africa	非洲	21,987	0.4	—	—
Malaysia	馬來西亞	12,205	0.2	55,046	1.1
United States	美國	7,030	0.1	—	—
		5,675,386	100.0	5,239,564	100.0

* The place of domicile of the Group's principal operating subsidiaries is Mainland China. The principal revenues of the Group are generated in Mainland China.

4. 經營分部資料及收入 (續)

地區資料

(a) 來自外部客戶的收入

* 本集團主要營運附屬公司的所在地為中國大陸。本集團的主要收入產生自中國大陸。

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31 December 2017 二零一七年十二月三十一日

4. OPERATING SEGMENT INFORMATION AND REVENUE (Continued)

Geographical information (Continued)

(b) Non-current assets

		2017 二零一七年		2016 二零一六年	
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
Mainland China	中國大陸	4,573,938	99.6	4,639,545	99.5
Hong Kong	香港	20,118	0.4	24,436	0.5
Others	其他	178	0.0	288	0.0
		4,594,234	100.0	4,664,269	100.0

The non-current asset information above is based on the locations of the assets and excludes investments in associates, deferred tax assets and available-for-sale investments.

Information about major customers

Revenue of approximately RMB684,061,000 (2016: Nil) was derived from sales to a single customer, including sales to a group of entities which are known to be under common control with that customer.

4. 經營分部資料及收入 (續)

地區資料 (續)

(b) 非流動資產

上述非流動資產資料乃按資產所在地區劃分，且並不包括於聯營公司投資、遞延稅項資產及可供出售投資。

有關主要客戶的信息

約人民幣684,061,000元(二零一六年：無)的收益來自向單一客戶的銷售，包括向已知與該客戶共同控制的一組實體的銷售。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

5. 其他收入及收益

其他收入及收益分析如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Deferred income released to profit or loss over the expected useful lives of the related assets (note 32)	按相關資產預期可使用年期撥至損益的遞延收益(附註32)：	14,346	19,830
Bank interest income	銀行利息收入	16,599	10,989
Interest income on retention money	質保金利息收入	10,997	15,077
Interest income on other receivables	其他應收款項利息收入	14,285	1,792
Government grants*	政府補助*	12,230	7,467
Gain on disposal of items of property, plant and equipment**	出售物業、廠房及設備項目的收益**	59,309	146,002
Gain on disposal of a subsidiary (note 36)	出售一間附屬公司之收益(附註36)	16,007	—
Fair value gains on derivative financial instruments	衍生金融工具的公平值收益	—	22,961
Interest income from available-for-sale debt instruments	可供出售債務工具的利息收入	3,471	1,413
Foreign exchange gains, net	外匯收益淨額	24,110	12,371
Rental income	租金收入	2,558	1,286
Others	其他	4,975	3,888
		178,887	243,076

* There were no unfulfilled conditions or contingencies relating to these grants.

** The gain on disposal of items of property, plant and equipment contained the deferred income amounting to approximately RMB92,896,000 (2016: RMB247,395,000) (note 32) released to profit or loss upon disposal of the related assets.

* 概無有關該等補助的未達成條件或或然事件。

** 遞延收益所含出售物業、廠房及設備項目的收益於出售相關資產後撥至損益約人民幣92,896,000元(二零一六年：人民幣247,395,000元)(附註32)。

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財務報表附註

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6. FINANCE COSTS

An analysis of finance costs is as follows:

6. 融資成本

融資成本分析如下：

		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Interest on bank and other loans	銀行及其他貸款利息	43	162,185	158,195
Interest on discounted bills receivable	貼現應收票據利息	42	13,667	12,256
Interest on convertible bonds	可換股債券利息	29	73,197	116,299
Loss on repurchase of convertible bonds	購回可換股債券之虧損	29	22,460	—
Loss on redemption of convertible bonds	贖回可換股債券之虧損	29	137,920	—
Interest on senior notes	優先票據利息	30	221,572	71,819
Others	其他		8,073	9,459
Total interest expense	利息開支總額		639,074	368,028
Less: interest capitalised	減：資本化利息	43	(17,741)	—
			621,333	368,028

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

7. 除稅前溢利

本集團除稅前溢利乃經扣除／(計入)以下各項：

	Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cost of construction contracts and design services	建築合同及設計服務成本	3,390,423	3,015,663
Cost of inventories sold	已售存貨成本	1,042,159	1,020,301
Cost of electricity sold	已售電力成本	99,920	68,890
Cost of operation and maintenance service	營運及維護服務成本	4,027	—
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13 177,677	151,275
Depreciation of investment properties	投資物業折舊	14 1,494	557
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	15 3,896	2,133
Amortisation of intangible assets	無形資產攤銷	16 964	936
Total depreciation and amortisation	折舊及攤銷總額	184,031	154,901
Employee benefit expense (including directors' and chief executive's remuneration (note 8):	僱員福利開支(包括董事及行政總裁薪酬)(附註8)		
Wages and salaries and relevant benefits	工資及薪金及有關福利	256,662	245,734
Pension scheme contributions	退休金計劃供款	10,777	10,546
Equity-settled share option expense	股權結算購股權開支	34 14,140	11,773
		281,579	268,053
Minimum lease payments under operating leases	經營租賃下的最低租賃付款	12,786	7,905
Research costs	研究成本	15,271	11,312
Auditors' remuneration	核數師酬金	10,410	8,590
Transaction costs related to listing shares of a subsidiary	有關附屬公司股份上市交易費	5,523	9,696
Provision for impairment of trade receivables	貿易應收款項之減值虧損	22 5,151	21,390
Loss on settlement of derivative financial instruments	結算衍生金融工具的虧損	12,036	6,960
Fair value losses/(gains) on derivative financial instruments	衍生金融工具的公平值虧損／(收益)	27 56,966	(22,961)
Interest income from available-for-sale debt instruments	可供出售債務工具利息收入	(3,471)	(1,413)
Gains on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的收益	(59,309)	(146,002)
Operating lease rental income	經營租賃租金	(2,558)	(1,286)
Exchange gains, net	匯兌收益，淨額	(24,110)	(12,371)

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

8. 董事及行政總裁酬金

根據香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露的年內董事及行政總裁酬金如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Fees	袍金	4,297	5,185
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	3,374	2,222
Pension scheme contributions	退休金計劃供款	76	111
		7,747	7,518

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

8. 董事及行政總裁酬金 (續)

		Salaries, allowances and benefits in kind	Pension scheme contributions	Total	
	Fees	薪金、津貼	退休計劃	remuneration	
	袍金	及實物福利	供款	總計薪酬	
	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
2017	二零一七年				
Executive directors:	執行董事：				
Mr. Liu Hongwei ^(a)	劉紅維先生 ^(a)	1,505	1,064	19	2,588
Mr. Sun Jinli ^(b)	孫金禮先生 ^(b)	697	760	19	1,476
Mr. Xiong Shi ^(c)	熊澍先生 ^(c)	8	617	19	644
Mr. Xie Wen	謝文先生	1,254	933	19	2,206
		3,464	3,374	76	6,914
Non-executive directors:	非執行董事：				
Mr. Cao Zhirong	曹志榮先生	113	—	—	113
Mr. Li Hong ^(c)	李宏先生 ^(c)	86	—	—	86
Mr. Li Huizhong ^(b)	李會忠先生 ^(b)	49	—	—	49
		248	—	—	248
Independent non-executive directors:	獨立非執行董事：				
Mr. Wang Ching	王京先生	167	—	—	167
Mr. Yick Wing Fat, Simon	易永發先生	251	—	—	251
Mr. Zhong Jishou ^(c)	仲繼壽先生 ^(c)	86	—	—	86
Mr. Cheng Jinshu ^(b)	程金樹先生 ^(b)	81	—	—	81
		585	—	—	585
		4,297	3,374	76	7,747

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財務報表附註

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

8. 董事及行政總裁酬金(續)

		Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
		袍金	薪金、津貼及實物福利	退休計劃供款	總計薪酬
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
<hr/>					
2016	二零一六年				
Executive directors:	執行董事：				
Mr. Liu Hongwei ^(a)	劉紅維先生 ^(a)	1,610	792	37	2,439
Mr. Sun Jinli	孫金禮先生	1,342	669	37	2,048
Mr. Xie Wen	謝文先生	1,342	761	37	2,140
		4,294	2,222	111	6,627
<hr/>					
Non-executive directors:	非執行董事：				
Mr. Cao Zhirong	曹志榮先生	121	—	—	121
Mr. Li Huizhong	李會忠先生	121	—	—	121
		242	—	—	242
<hr/>					
Independent non-executive directors:	獨立非執行董事：				
Mr. Wang Ching	王京先生	179	—	—	179
Mr. Yick Wing Fat, Simon	易永發先生	268	—	—	268
Mr. Cheng Jinshu	程金樹先生	202	—	—	202
		649	—	—	649
		5,185	2,222	111	7,518

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

- (a) Mr. Liu Hongwei who acts as an executive director of the Company is also the chief executive officer of the Company.
- (b) Mr. Sun Jinli resigned as the Company's executive director on 20 July 2017, Mr. Li Huizhong resigned as the Company's non-executive director on 5 June 2017, and Mr. Cheng Jinshu resigned as the Company's independent non-executive director on 5 June 2017.
- (c) Mr. Xiong Shi was appointed as the Company's executive director on 1 December 2017, Mr. Li Hong was appointed as the Company's non-executive director on 5 June 2017, and Mr. Zhong Jishou was appointed as the Company's independent non-executive director on 5 June 2017.

There was no arrangement under which a director or the chief executive officer waived or agreed to waive any remuneration during the year (2016: Nil).

8. 董事及行政總裁酬金 (續)

- (a) 劉紅維先生擔任本公司執行董事，亦為本公司行政總裁。
- (b) 孫金禮先生於二零一七年七月二十日辭任本公司執行董事，李會忠先生於二零一七年六月五日辭任本公司非執行董事，及程金樹先生於二零一七年六月五日辭任本公司獨立非執行董事。
- (c) 熊滉先生於二零一七年十二月一日獲委任為本公司執行董事。李宏先生於二零一七年六月五日獲委任為本公司非執行董事及仲繼壽先生於二零一七年六月五日獲委任為本公司獨立非執行董事。

年內並無任何董事或行政總裁放棄或同意放棄任何薪酬之安排(二零一六年：無)。

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財務報表附註

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9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one director and the chief executive officer (2016: two directors and the chief executive officer), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2016: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	5,497	3,607
Pension scheme contributions	退休金計劃供款	49	32
		5,546	3,639

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員數目	
		2017 二零一七年	2016 二零一六年
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1	—
HK\$1,500,001 to HK\$2,500,000	1,500,001 港元至 2,500,000 港元	1	2
HK\$2,500,001 to HK\$3,500,000	2,500,001 港元至 3,500,000 港元	1	—
		3	2

9. 五位最高薪僱員

年內，五位最高薪僱員中包括一位董事及行政總裁（二零一六年：兩位董事及行政總裁），彼等的薪酬詳情載於上文附註8。餘下三位（二零一六年：兩位）非本公司董事及非行政總裁最高薪僱員年內的薪酬詳情如下：

下列薪酬範圍內非董事及非行政總裁最高薪僱員的數目如下：

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10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the respective countries or jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of Bermuda, Samoa and the British Virgin Islands, the Group is not subject to any income tax in Bermuda, Samoa and the British Virgin Islands.

No provision for Macao, Malaysia, Singapore and Nigeria profits tax has been made as the Group had no assessable profits derived from or earned in Macao, Malaysia, Singapore and Nigeria during the year.

Mainland China profits tax has been provided at the respective corporate income tax ("CIT") rates applicable to the subsidiaries located in Mainland China as determined in accordance with the relevant income tax rules and regulations of the PRC for the year.

Hong Kong profits tax has been provided at the applicable CIT rate of 16.5% as determined in accordance with the Hong Kong income tax rules for the year.

The major components of income tax expense for the year are as follows:

10. 所得稅

本集團須就其成員公司所處及運營的各自國家或司法權區所產生或賺取的溢利，按實體基準交納所得稅。

根據百慕達、薩摩亞及英屬處女群島法律法規，本集團無須繳納百慕達、薩摩亞及英屬處女群島的任何所得稅。

於年內本集團並無於澳門、馬來西亞、新加坡及尼日利亞產生或賺取任何應課稅溢利，故並無就澳門、馬來西亞、新加坡及尼日利亞利得稅計提撥備。

中國大陸所得稅乃基於中國大陸附屬公司適用的有關企業所得稅（「企業所得稅」）率，按年內中國之有關所得稅法規及規例作出撥備。

香港利得稅根據本年度香港所得稅規例已按適用企業所得稅稅率 16.5% 撥備。

本年度所得稅開支主要部分如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current – Charge for the year	當期所得稅 – 年內開支		
– Mainland China	– 中國大陸	135,617	111,354
– Macao	– 澳門	–	1,200
– Hong Kong	– 香港	1,118	–
Deferred (note 31)	遞延（附註31）	(16,763)	1,819
Total tax charge for the year	年內稅項開支總額	119,972	114,373

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財務報表附註

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10. INCOME TAX (Continued)

A reconciliation of the tax expense applicable to profit before tax at the applicable tax rates for the countries or jurisdictions in which companies within the Group are domiciled to the tax expense at the Group's effective tax rate is as follows:

10. 所得稅(續)

以集團的除稅前溢利，按集團內各公司所在之國家或司法管轄區的適用稅率計算的稅項開支，及按集團實際稅率計算的稅項開支，兩者對賬如下：

		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Profit before tax	除稅前溢利		270,378	626,922
At the applicable tax rates	按適用稅率計算	(a)	31,574	113,382
Effect of tax holiday	稅務優惠期影響	(a)	(18,521)	(33,952)
Income not subject to tax	毋須課稅收入	(b)	(3,345)	(24,508)
Expenses not deductible for tax	不可扣減稅項開支	(c)	115,655	54,486
Effect on deferred tax of change in tax rate	稅率變動對遞延稅項之影響		(11,545)	—
Tax losses utilised from previous years which were not recognised before	以前年度未獲確認的稅項虧損的使用		(4,389)	(634)
Tax losses not recognised	未獲確認的稅項虧損		10,543	5,599
Tax charge at the Group's effective tax rate	本集團實際稅率的稅項開支		119,972	114,373

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10. INCOME TAX (Continued)

- (a) The applicable CIT rate for Mainland China subsidiaries is 25% except for certain subsidiaries that would be entitled to preferential tax rates as discussed below:

For Mainland China subsidiaries which are qualified as High and New Technology Enterprises, they would be entitled to a preferential tax rate of 15%. For subsidiaries engaging in encouraged industries in Western China, they would be entitled to a preferential tax rate of 15% for the period from 1 January 2011 to 31 December 2020. For subsidiaries engaging in the approved projects of solar power station construction, they will be exempted from CIT for the first three years and are entitled to a 50% tax reduction for the subsequent three years (“三免三減半”) since their respective first revenue-generating years. Thereafter, they will be subject to CIT at a rate of 25% or 15%.

- (b) Income not subject to tax mainly consists of unrealised foreign exchange gain and the fair value gains on conversion rights of convertible bonds, and the fair value gains on derivative financial instruments (if any).
- (c) Expenses not deductible for tax mainly consist of equity-settled share option expenses, finance costs incurred in offshore companies and the fair value losses on derivative financial instruments (if any). These expenses are not expected to be deductible for tax.

The share of tax attributable to associates amounting to RMB1,633,000 is included in “Share of losses of associates” in the consolidated statement of profit or loss.

10. 所得稅(續)

- (a) 中國大陸附屬公司之適用企業所得稅稅率為25%，享受下列優惠稅率之附屬公司除外：

獲高新技術企業資格之中國大陸附屬公司能夠享受15%之優惠稅率。於中國西部從事獲鼓勵行業的附屬公司，自二零一一年一月一日至二零二零年十二月三十一日期間能夠享受15%之優惠稅率。從事獲批太陽能電站建築項目的附屬公司，自項目取得第一筆生產經營收入所屬納稅年度起，第一年至第三年免徵中國企業所得稅，其後三年減半徵收企業所得稅(「三免三減半」)。此後，彼等將須按25%或15%之稅率繳納企業所得稅。

- (b) 毋須課稅收入主要包括未變現外匯收益以及可換股債券轉換權的公平值收益，以及衍生金融工具的公平值收益(如有)。
- (c) 不可扣減稅項開支主要包括股本結算購股權開支、離岸公司產生之融資成本以及衍生金融工具之公平值虧損(如有)。該等開支預期不可扣減稅項。

分佔聯營公司稅項人民幣1,633,000元計入綜合損益表之「分佔聯營公司虧損」。

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11. DIVIDENDS

11. 股息

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Proposed final – HK3 cents (2016: HK7 cents) per ordinary share	建議末期股息 – 每股普通股 3港仙(二零一六年: 7港仙) 20,916	52,226

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

本年度擬派之末期股息須獲本公司股東於應屆股東週年大會上批准。

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12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 834,073,195 (2016: 759,613,349) in issue during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company as used in the basic earnings per share calculation, adjusted to reflect the interest on the convertible bonds and fair value changes on the conversion rights of the convertible bonds, where applicable (see below). The weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

12. 本公司普通股權益持有人應佔每股盈利

每股基本盈利乃根據本公司普通股權益持有人應佔年內溢利及年內已發行普通股的加權平均數843,073,195股(二零一六年：759,613,349股)計算。

每股攤薄盈利乃根據計算每股基本盈利時採用的本公司普通股權益持有人應佔年內溢利計算，並作出調整，以反映可換股債券的利息及可換股債券轉換權的公平值變動(如適用)(見下文)。計算時採用的普通股加權平均數為於年內發行的普通股加權平均數目(用於計算每股基本盈利)，以及假設於所有攤薄潛在普通股被視為行使或轉換為普通股後無償發行的普通股加權平均數。

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12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (Continued)

The calculations of basic and diluted earnings per share are based on:

12. 本公司普通股權益持有人應佔每股盈利(續)

每股基本及攤薄盈利的計算乃根據：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Earnings	盈利		
Profit attributable to ordinary equity holders of the Company used in the basic earnings per share calculation	計算每股基本盈利的本公司普通股權益持有人應佔溢利：	143,797	501,961
Interest on convertible bonds*	可換股債券利息*	—	—
Less: fair value gains on the conversion rights of the convertible bonds*	減：可換股債券轉換權的公平值收益*	—	—
Profit attributable to ordinary equity holders of the Company before interest on convertible bonds and fair value gains on the conversion rights of the convertible bonds	扣除可換股債券利息及可換股債券轉換權的公平值收益前本公司普通股權益持有人應佔溢利	143,797	501,961

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12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (Continued)

12. 本公司普通股權益持有人應佔每股盈利(續)

		Number of shares 股份數目	
		2017 二零一七年	2016 二零一六年
Shares	股份		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	用於計算每股基本盈利的年內已發行普通股的加權平均數	834,073,195	759,613,349
Effect of dilution – weighted average number of ordinary shares:	攤薄影響 — 普通股加權平均數		
Share options	購股權	1,167,298	1,772,823
Convertible bonds*	可換股債券*	—	—
		835,240,493	761,386,172

* The computation of diluted earnings per share for the year ended 31 December 2017 does not assume the exercises of convertible bonds for the year ended 31 December 2017 since assuming such exercises would result in an increase in earnings per share.

* 計算截至二零一七年十二月三十一日止年度的每股攤薄盈利並無假設行使截至二零一七年十二月三十一日止年度的可換股債券，因假設該行使將導致每股盈利增加。

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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Land and buildings 土地及樓宇	Plant and machinery 機器設備	Motor vehicles 汽車	Office equipment and furniture 辦公室 設備及傢具	Solar photovoltaic power stations 太陽能 光伏電站	Construction in progress 在建工程	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
31 December 2017 二零一七年十二月三十一日								
Cost:	成本：							
At 1 January 2017	於二零一七年 一月一日	1,210,663	343,164	16,772	42,125	2,692,236	583,789	4,888,749
Additions	添置	4,993	4,541	1,504	2,298	-	331,402	344,738
Transfers	轉移	313,710	1,662	-	2,494	456,562	(774,428)	-
Disposal of a subsidiary (note 36)	出售一間附屬公司 (附註36)	-	-	-	-	(111,982)	-	(111,982)
Disposals	出售	-	(517)	(623)	(150)	(159,452)	-	(160,742)
Exchange realignment	匯兌調整	(1,287)	-	(69)	(569)	-	-	(1,925)
At 31 December 2017	於二零一七年 十二月三十一日	1,528,079	348,850	17,584	46,198	2,877,364	140,763	4,958,838
Accumulated depreciation and impairment:	累計折舊及減值：							
At 1 January 2017	於二零一七年一月一日	114,884	163,825	13,564	25,760	207,169	-	525,202
Depreciation provided for the year (note 7)	本年度折舊撥備 (附註7)	29,619	34,529	1,158	1,578	110,793	-	177,677
Disposal of a subsidiary (note 36)	出售一間附屬公司 (附註36)	-	-	-	-	(4,781)	-	(4,781)
Disposals	出售	-	(33)	-	(18)	(22,771)	-	(22,822)
Exchange realignment	匯兌調整	(233)	-	(18)	(164)	-	-	(415)
At 31 December 2017	於二零一七年 十二月三十一日	144,270	198,321	14,704	27,156	290,410	-	674,861
Net carrying amount:	賬面淨值：							
At 1 January 2017	於二零一七年一月一日	1,095,779	179,339	3,208	16,365	2,485,067	583,789	4,363,547
At 31 December 2017	於二零一七年 十二月三十一日	1,383,809	150,529	2,880	19,042	2,586,954	140,763	4,283,977

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13. PROPERTY, PLANT AND EQUIPMENT
(Continued)

13. 物業、廠房及設備 (續)

		Land and buildings 土地及樓宇	Plant and machinery 機器設備	Motor vehicles 汽車	Office equipment and furniture 辦公室 設備及傢具	Solar photovoltaic power stations 太陽能 光伏電站	Construction in progress 在建工程	Total 總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
31 December 2016	二零一六年十二月三十一日							
Cost:	成本:							
At 1 January 2016	於二零一六年一月一日	1,272,372	335,182	17,047	36,564	2,274,108	312,133	4,247,406
Additions	添置	2,640	5,824	386	3,379	3,214	1,030,609	1,046,052
Transfers	轉移	9,964	5,814	-	1,729	741,446	(758,953)	-
Transferred to investment properties (note 14)	轉移至投資物業 (附註 14)	(71,947)	-	-	-	-	-	(71,947)
Disposal of a subsidiary	出售一間附屬公司	-	-	-	-	(22,258)	-	(22,258)
Disposals	出售	(3,616)	(3,656)	(741)	(42)	(304,274)	-	(312,329)
Exchange realignment	匯兌調整	1,250	-	80	495	-	-	1,825
At 31 December 2016	於二零一六年 十二月三十一日	1,210,663	343,164	16,772	42,125	2,692,236	583,789	4,888,749
Accumulated depreciation and impairment:	累計折舊及減值:							
At 1 January 2016	於二零一六年一月一日	93,762	136,934	11,417	22,985	147,070	-	412,168
Depreciation provided for the year (note 7)	本年度折舊撥備 (附註 7)	24,716	30,420	2,801	2,703	90,635	-	151,275
Transferred to investment properties (note 14)	轉移至投資物業 (附註 14)	(3,240)	-	-	-	-	-	(3,240)
Disposal of a subsidiary	出售一間附屬公司	-	-	-	-	(214)	-	(214)
Disposals	出售	(555)	(3,529)	(656)	(6)	(30,322)	-	(35,068)
Exchange realignment	匯兌調整	201	-	2	78	-	-	281
At 31 December 2016	於二零一六年 十二月三十一日	114,884	163,825	13,564	25,760	207,169	-	525,202
Net carrying amount:	賬面淨值:							
At 1 January 2016	於二零一六年一月一日	1,178,610	198,248	5,630	13,579	2,127,038	312,133	3,835,238
At 31 December 2016	於二零一六年 十二月三十一日	1,095,779	179,339	3,208	16,365	2,485,067	583,789	4,363,547

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

- (a) At 31 December 2017, certain of the Group's buildings with a net carrying amount of approximately RMB564,376,000 (2016: RMB583,090,000) were pledged to secure bank and other loans granted to the Group (note 28(a)).
- (b) As at 31 December 2017, certain of the Group's solar photovoltaic power stations with a net carrying amount of approximately RMB1,388,492,000 (31 December 2016: RMB1,325,534,000) were pledged to secure bank and other loans granted to the Group (note 28(b)).
- (c) As at 31 December 2017, the application for the property ownership certificates of certain buildings with a net carrying amount of approximately RMB543,760,000 (2016: RMB271,458,000) was in progress. Those buildings can only be sold, transferred or mortgaged when their relevant ownership certificates have been obtained. In the opinion of directors of the Company, there is no major barrier for the Group to obtain these building ownership certificates.
- (d) As at 31 December 2017, the right on the annual return generated from the solar photovoltaic power station (the "Relevant Asset") with a net carrying amount of approximately RMB28,605,000 (2016: RMB29,903,000) was assigned to an independent third party for twenty years for a loan obtained by the Group (note 28(c)).

13. 物業、廠房及設備 (續)

附註：

- (a) 於二零一七年十二月三十一日，本集團賬面淨值約為人民幣564,376,000元(二零一六年：人民幣583,090,000元)之樓宇已抵押作為授予本集團的銀行及其他貸款之擔保(附註28(a))。
- (b) 於二零一七年十二月三十一日，賬面淨值約人民幣1,388,492,000元(二零一六年十二月三十一日：人民幣1,325,534,000元)之本集團若干太陽能光伏電站已抵押作為授予本集團的銀行及其他貸款之擔保(附註28(b))。
- (c) 於二零一七年十二月三十一日，賬面淨值約為人民幣543,760,000元(二零一六年：人民幣271,458,000元)之若干樓宇之物業產權證書正在申請過程當中。該等樓宇僅於取得其相關的產權證書時方可出售、轉讓或按揭。本公司董事認為，本集團取得該等樓宇所有權證書並無重大障礙。
- (d) 於二零一七年十二月三十一日，太陽能光伏電站(「相關資產」)賬面淨值約人民幣28,605,000元(二零一六年：人民幣29,903,000元)之年度回報權利已就本集團取得之年期為二十年的貸款轉讓予獨立第三方(附註28(c))。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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14. INVESTMENT PROPERTIES

14. 投資物業

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cost:	成本：		
At 1 January	於一月一日	71,947	—
Additions	添置	8,527	—
Transferred from owner-occupied properties (note 13)	轉自自住物業(附註13)	—	71,947
At 31 December	於十二月三十一日	80,474	71,947
Accumulated depreciation:	累計折舊：		
At 1 January	於一月一日	3,797	—
Transferred from owner-occupied properties (note 13)	轉自自住物業(附註13)	—	3,240
Depreciation provided for the year (note 7)	本年度折舊撥備(附註7)	1,494	557
At 31 December	於十二月三十一日	5,291	3,797
Net carrying amount:	賬面淨值：		
At 31 December	於十二月三十一日	75,183	68,150

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14. INVESTMENT PROPERTIES (Continued)

As at 31 December 2017, the fair values of the investment properties were estimated to be approximately RMB78,089,000 (2016: RMB70,970,000). The valuation was performed by Zhuhai Dewei Real Estate and Land Appraisal Company Limited, an independent professionally qualified valuer. Selection criteria of the external valuer include market knowledge, reputation, independence and whether professional standards are maintained. The valuation was estimated using discounted cash flow projections based on reliable estimates of future rental income or market rents for similar properties in the same location and condition, where appropriate. The fair value measurement hierarchy of the investment properties requires certain significant unobservable inputs (Level 3).

The investment properties are leased to the third parties under operating leases.

As at 31 December 2017, the application for the property ownership certificates of certain buildings with a net carrying amount of approximately RMB64,798,000 (2016: RMB57,478,000) was in progress. Those buildings can only be sold, transferred or mortgaged when their relevant ownership certificates have been obtained. In the opinion of directors of the Company, there is no major barrier for the Group to obtain these building ownership certificates.

14. 投資物業(續)

於二零一七年十二月三十一日，投資物業的公平值估計為約人民幣78,089,000元(二零一六年：人民幣70,970,000元)。估值由獨立專業合資格估值師珠海德威房地產評估有限公司執行。外聘估值師的甄選準則包括市場知識、聲譽、獨立性及是否可以保持專業標準。估值乃根據未來租金收入的可靠估計或相同地點及狀況的同類物業的市場租金(倘適用)，採用已貼現現金流量預測估計。投資物業的公平值計量層級需要若干重大不可觀察輸入數據(第三層)。

投資物業根據經營租賃租予第三方。

於二零一七年十二月三十一日，賬面淨值約為人民幣64,798,000元(二零一六年：人民幣57,478,000元)之若干樓宇之物業產權證書正在申請過程當中。該等樓宇僅於取得其相關的產權證書時方可出售、轉讓或按揭。本公司董事認為，本集團取得該等樓宇所有權證書並無重大障礙。

NOTES TO FINANCIAL STATEMENTS

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15. PREPAID LAND LEASE PAYMENTS

15. 預付土地租賃款項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日之賬面值	203,001	96,136
Additions	添置	5,632	108,998
Disposal of a subsidiary (note 36)	出售一間附屬公司(附註36)	(5,773)	—
Amortisation charged for the year (note 7)	本年度攤銷(附註7)	(3,896)	(2,133)
Carrying amount at 31 December	於十二月三十一日之賬面值	198,964	203,001

At 31 December 2017, certain of the Group's prepaid land lease payments with a net carrying amount of approximately RMB58,441,000 (2016: RMB59,791,000) were pledged to secure bank loans granted to the Group (note 28(d)).

於二零一七年十二月三十一日，本集團賬面淨值約人民幣58,441,000元(二零一六年：人民幣59,791,000元)的預付土地租賃款項已抵押作為授予本集團的銀行貸款之擔保(附註28(d))。

At 31 December 2017, certain of the Group's prepaid land lease payments with a net carrying amount of approximately RMB108,857,000 (2016: RMB108,998,000) were sub-leased from certain grantees of the land use rights and therefore, the relevant land use rights were not registered under the name of the Group which cannot be sold, transferred or mortgaged.

於二零一七年十二月三十一日，本集團賬面淨值為約人民幣108,857,000元(二零一六年：人民幣108,998,000元)之若干預付土地租賃付款源於向若干土地使用權承授人分租土地使用權，因此，有關土地使用權並非以本集團名義登記，不可進行出售、轉讓或按揭。

NOTES TO FINANCIAL STATEMENTS

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16. INTANGIBLE ASSETS

16. 無形資產

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<i>Software</i>	<i>軟件</i>		
Cost:	成本：		
At 1 January	於一月一日	5,722	5,178
Additions	添置	682	593
Disposal	出售	—	(63)
Exchange realignment	匯兌調整	(10)	14
At 31 December	於十二月三十一日	6,394	5,722
Accumulated amortisation:	累計攤銷：		
At 1 January	於一月一日	2,617	1,692
Amortisation provided during the year (note 7)	年內攤銷撥備(附註7)	964	936
Disposal	出售	—	(12)
Exchange realignment	匯兌調整	(2)	1
At 31 December	於十二月三十一日	3,579	2,617
Net carrying amount:	賬面淨值：		
At 31 December	於十二月三十一日	2,815	3,105

NOTES TO FINANCIAL STATEMENTS

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17. PAYMENTS IN ADVANCE

17. 預付款項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<i>Advance payments in respect of:</i>	<i>以下項目的預付款項：</i>		
Land use rights	土地使用權	—	1,547
Prepayments for patent	專利之預付款項	3,510	—
Purchase of machinery	購買機器設備	3,703	7,567
Purchase of office property	購買辦公室物業	10,360	—
Others	其他	1,072	—
		18,645	9,114

18. INVESTMENTS IN ASSOCIATES

18. 於聯營公司投資

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Unlisted investments, at cost	非上市投資，按成本	40,820	40,330
Share of losses of associates	分佔聯營公司虧損	(42,263)	(29,204)
Aggregate carrying amount of the Group's investments in the associates	本集團於聯營公司投資之賬面總值	(1,443)	11,126

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18. INVESTMENTS IN ASSOCIATES (Continued)

The Group's trade receivable and other receivable balances with the associates are disclosed in note 41 to the financial statements.

In the opinion of the directors, there were no material associates of the Group during the year.

The Group's shareholdings in the associates are held through subsidiaries of the Company.

The Group continued the recognition of its share of losses of associates despite the share of losses of these associates exceeded the Group's interests in these associates because the Group has capital contribution obligation to associates (note 40). Further losses of RMB20,721,000 (2016: RMB19,915,000) were not recognised in profit or loss during the year due to the share of losses of an associate exceeded the Group's capital contribution, for which the Group has no obligation.

18. 於聯營公司投資(續)

本集團與聯營公司之應收貿易款項及其他應收款項結餘乃於財務報表附註41披露。

董事認為，年內本集團並無重大聯營公司。

本公司於聯營公司的股權透過本公司附屬公司持有。

儘管分佔該等聯營公司虧損超過本集團於該等聯營公司之權益，本集團仍持續確認其分佔聯營公司虧損，原因是本集團對該等聯營公司有出資責任(附註40)。由於本集團對分佔聯營公司虧損超過本集團的注資責任的虧損並無義務，進一步虧損人民幣20,721,000元(二零一六年：人民幣19,915,000元)並無於本年度之損益內確認。

NOTES TO FINANCIAL STATEMENTS

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19. AVAILABLE-FOR-SALE INVESTMENTS

19. 可供出售投資

			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
	Notes 附註			
Unlisted equity investments, at cost:		非上市股本投資，按成本：	(a)	
Weihai China Glass Solar Co., Ltd.		威海中玻光電有限公司	12,581	13,468
Jiuhua New Energy Management Co., Ltd.		九華新能源管理有限公司	380	380
Shanxi Singyes Solar Technology Co., Ltd.		陝西興業太陽能科技 有限公司	7,600	7,600
Zhuhai Xinye Green Energy Technology Co., Ltd.		珠海欣業綠色能源科技 有限公司	9,500	9,500
Others		其他	5	5
			30,066	30,953
Debt investments, at fair value:		債務投資， 按公平值：		
Life insurance contracts	(b)	人壽保險合約	22,382	22,316
Asset management plans	(c)	資產管理計劃	33,355	27,243
Wealth management products	(d)	理財產品	180,000	—
			235,737	49,559
Amount at 31 December		於十二月三十一日之金額	265,803	80,512
Current portion included in available-for-sale investments		包括於可供出售投資之 流動部份	(208,234)	—
Non-current portion		非流動部份	57,569	80,512

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19. AVAILABLE-FOR-SALE INVESTMENTS
(Continued)

Notes:

- (a) As at 31 December 2017, the equity investments listed above were stated at cost as the Group has no significant influence or control over the entities. The unlisted equity investments represent the Group's investments in enterprises domiciled in Mainland China. They are stated at cost less impairment because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair value cannot be measured reliably. The Group does not intend to dispose of them in the near future.
- (b) The life insurance contracts at fair value at 31 December 2017 represented the cash surrender value ("CSV") of two life insurance contracts (the "Insurance Contracts") entered into between the Company and an international insurance company in July 2015. The Company is the policyholder and beneficiary of the Insurance Contracts.

The salient terms of the Insurance Contracts are disclosed as follows:

		Contract 1 合約1	Contract 2 合約2
Life insured	人壽保險	Liu Hongwei* 劉紅維*	A senior management member 一名高級管理層成員
Sum insured (US\$'000)	保險金額(千美元)	10,000	5,000
Premium mode	保險費交付方式	Single premium 單期保費	Single premium 單期保費
Single premium (US\$'000)	單期保費(千美元)	3,077	946
Effective date	生效日期	20 August 2015 二零一五年八月二十日	14 August 2015 二零一五年八月十四日

In accordance with the Insurance Contracts, upon giving a written notice, at anytime, the Company has a right to surrender the Insurance Contracts and receive a CSV for each insurance contract as quoted by the insurance company.

* Mr. Liu Hongwei is the chairman and chief executive officer of the Company.

19. 可供出售投資(續)

附註:

- (a) 於二零一七年十二月三十一日，上列股本投資乃按成本列賬，因本集團對實體並無重大影響或控制權。非上市股本投資指本集團於中國內地企業的投資。有關投資按成本減去減值列賬，理由是合理公平值估計之範圍重大，董事認為，其公平值無法可靠估量。本集團無意於近期出售有關投資。
- (b) 於二零一七年十二月三十一日按公平值列賬人壽保險合約指本公司與一間國際保險公司於二零一五年七月訂立兩項人壽保險合約(「保險合約」)的解約金(「解約金」)。本公司為保險合約的投保人及受益人。

保險合約的主要條款披露如下：

根據保險合約，於任何時候發出書面通知，本公司有權退保及按保險公司承保金額就各份保險合約收取解約金。

* 劉紅維先生為本公司主席兼行政總裁。

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19. AVAILABLE-FOR-SALE INVESTMENTS (Continued)

Notes: (Continued)

(b) (Continued)

Total single premium sum of approximately US\$4,023,000 (equivalent to approximately RMB26,129,000) has been fully paid by the Company at the inception of each of the Insurance Contracts. During the year, a gross gain in respect of the Insurance Contracts recognised in other comprehensive income amounted to RMB1,527,000 (31 December 2016: Nil) as the difference between the CSV at 31 December 2016 and at 31 December 2017.

As at 31 December 2017, the Insurance Contracts were pledged to secure bank loans granted to the Group (note 28(g)).

(c) The asset management plans at fair value at 31 December 2017 represented the consideration paid by Hunan Singyes Green Energy Co., Ltd., a subsidiary within the Group, to acquire specific asset management plans issued by GF XINDE Investment Management Co., Ltd. (廣發信德智勝投資管理有限公司).

The specific asset management plans are used to provide loans for the construction of a 100 MW solar photovoltaic power station of Huizhou Yongjing Renewable Energy Technology Co., Ltd. with the interest rate being non-guaranteed. The investments principals are RMB32,000,000 with an estimated annual target return rate of 11%, which will be due in 24 months since the payment of consideration. The fair value of the specific asset management plans has been calculated by discounting the contractual cash flows over the remaining contractual term of the specific asset management plans at the risk free interest rate plus credit spread. During the year, the fair value differences of RMB1,355,000 (2016: Nil) in respect of the specific asset management plans were recognised in other comprehensive income.

(d) The balances as at 31 December 2017 represented wealth management products issued by a licensed bank in Mainland China with determinable payments and fixed maturity dates which are within 6 months. The investments have coupon rates ranging from 0% to 4.0% per annum, determining based on the performance of the underlying investment portfolio and capped interest rates attached. Pursuant to the underlying contracts, these investments are principal guaranteed upon the maturity date.

19. 可供出售投資 (續)

附註：(續)

(b) (續)

單期保費總金額約4,023,000美元(相當於約人民幣26,129,000元)已由本公司按各份保險合約起期悉數支付。本年度內，就保險合約於其他全面收益內確認收益總額人民幣1,527,000元(二零一六年十二月三十一日：無)，乃因為於二零一六年十二月三十一日及二零一七年十二月三十一日解約金之差額。

於二零一七年十二月三十一日，保險合約已抵押作為授予本集團的銀行貸款之擔保(附註28(g))。

(c) 於二零一七年十二月三十一日按公平值列賬資產管理計劃指本集團附屬公司湖南興業綠色能源股份有限公司已付代價，以獲得廣發信德智勝投資管理有限公司發行之特定資產管理計劃。

特定資產管理計劃用於為建造惠州市永景新能源科技有限公司之100兆瓦光伏電站提供貸款，並無保證利率。投資本金為人民幣32,000,000元，估計每年目標回報率為11%，自支付代價起計24個月到期。特定資產管理計劃之公平值通過將合約現金流量按無風險利率加信貸息差於特定資產管理計劃之剩餘合約期限內折現計算。於本年度，特定資產管理計劃之公平值差額人民幣1,355,000元(二零一六年：無)在其他綜合收益中確認。

(d) 於二零一七年十二月三十一日之結餘指中國內地持牌銀行發行之理財產品，其具有可確定付款額和固定到期日為六個月內。該等投資之息率介乎每年0%至4.0%，根據相關投資組合的表現以及附帶之上限利率釐定。根據有關合約，該等投資於到期日的本金是有擔保的。

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20. INVENTORIES

20. 存貨

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Raw materials	原材料	71,641	69,964
Finished goods	產成品	40,162	112,636
		111,803	182,600

21. CONSTRUCTION CONTRACTS

21. 建築合同

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Contract costs incurred plus recognised profits less recognised and expected losses to date	已發生合同成本加上已確認溢利 減迄今已確認及預期虧損	6,558,127	5,118,525
Less: progress billings	減：按進度結算款項	(5,581,948)	(4,407,982)
		976,179	710,543
Gross amount due from contract customers	應收合同客戶的款項總額	976,179	713,945
Gross amount due to contract customers	應付合同客戶的款項總額	—	(3,402)
		976,179	710,543

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22. TRADE AND BILLS RECEIVABLES

22. 應收貿易款項及應收票據

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade receivables	應收貿易款項	3,384,921	3,122,110
Bills receivable	應收票據	420,902	299,772
Less: impairment	減：減值	(53,968)	(48,817)
		3,751,855	3,373,065

As at 31 December 2017, trade receivables contained retention money receivables of RMB450,821,000 (2016: RMB355,523,000). Retention money receivables are normally collected within one to five years after the completion of the relevant construction work.

於二零一七年十二月三十一日，應收貿易款項包括應收質保金人民幣450,821,000元(二零一六年：人民幣355,523,000元)。應收質保金一般於相關建築工程完成後一至五年內收取。

Credit terms granted to the Group's major customers are as follows:

授予本集團主要客戶的信貸期如下：

Construction contracts

The majority of the Group's revenues are generated from construction contracts and are settled in accordance with the terms specified in the contracts governing the relevant construction work. The Group does not have a standardised and universal credit period granted to its construction contract customers. The credit periods for individual construction contract customers are considered on a case-by-case basis and set out in the construction contracts, as appropriate. In the event that a project contract does not specify the credit period, the usual practice of the Group is to allow a credit period of 30 to 180 days.

建築合同

本集團的大部分收入來自建築合同，並按照監管相關建築工程的合同中指定的條款結算。本集團並無授予其建築工程客戶標準及統一的信貸期。個別建築工程客戶的信貸期視項目而定，並列明於建築合同中(如適當)。倘一份項目合約未訂明信貸期，則本集團的慣例為允許介乎30日至180日的信貸期。

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22. TRADE AND BILLS RECEIVABLES (Continued)

Sale of materials

For the sale of materials, the Group normally grants credit periods ranging from three to six months to major customers. Trade receivables from small and new customers are normally expected to be settled shortly after delivery of goods. No credit period is set by the Group for small and new customers.

Sale of electricity

The Group's trade receivables from the sale of electricity are mainly receivables from the State Grid Corporation of China ("State Grid"). Generally, trade receivables are usually settled within one month from the date of billing.

The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

During the year, trade receivables net of impairment, of RMB142,500,000 (2016: Nil) (note 42) were factored to the bank without recourse, where substantially all risks and rewards of ownership had been transferred in the opinion of the directors. Since the Group does not have continuing involvement in the transferred assets, the trade receivables were therefore derecognised.

22. 應收貿易款項及應收票據
(續)

材料銷售

就材料銷售而言，本集團一般授予主要客戶介乎三至六個月的信貸期。來自小型及新增客戶的應收貿易款項通常預期在緊隨交付貨品之後立即結算。本集團未就小型及新增客戶設定信貸期。

電力銷售

本集團來自電力銷售的應收貿易款項主要為應收自國家電網公司（「國家電網」）款項。一般而言，應收貿易款項一般自結算日期起計一個月內到期。

本集團並無就應收貿易款項結餘持有任何抵押品或其他信貸加強措施。應收貿易款項為免息。

年內，扣除減值後的應收貿易款項人民幣142,500,000元（二零一六年：無）（附註42）向銀行作無追索保理，董事認為其所有權的絕大部分風險及回報已轉移。由於本集團並無持續牽涉所轉出資產，因此該等應收貿易款項已終止確認。

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22. TRADE AND BILLS RECEIVABLES (Continued)

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the billing date and net of impairment, is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 3 months	三個月內	2,016,727	1,630,871
3 to 6 months	三至六個月	789,072	372,652
6 to 12 months	六至十二個月	591,733	1,057,272
1 to 2 years	一至兩年	293,350	172,676
2 to 3 years	兩至三年	24,515	128,829
Over 3 years	三年以上	36,458	10,765
		3,751,855	3,373,065

The movements in provision for impairment of trade receivables are as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At 1 January	於一月一日	48,817	27,427
Impairment losses recognised (note 7)	已確認減值虧損(附註7)	5,151	21,390
		53,968	48,817

22. 應收貿易款項及應收票據 (續)

於報告期末，按照賬單日期及扣除減值基準計算的應收貿易款項及應收票據賬齡分析如下：

應收貿易款項減值撥備之變動如下：

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22. TRADE AND BILLS RECEIVABLES (Continued)

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB53,968,000 (2016: RMB48,817,000) with a carrying amount before provision of RMB462,957,000 (2016: RMB589,523,000).

The individually impaired trade receivables relate to customers that were in financial difficulties or were in default interest or principal payment or both and only a portion of the receivables is expected to be recovered. The Group does not hold any collateral or other credit enhancements over these balances.

An ageing analysis of the Group's trade and bills receivables that are not considered to be impaired is as follows:

22. 應收貿易款項及應收票據 (續)

上述應收貿易款項減值撥備包括賬面金額(扣除撥備之前)人民幣462,957,000元(二零一六年:人民幣589,523,000元)的個別已減值應收貿易款項撥備人民幣53,968,000元(二零一六年:人民幣48,817,000元)。

個別減值的應收貿易款項乃與有財務困難或拖欠利息或本金付款或兩者兼具的客戶有關,且預期僅可收回部份該等應收貿易款項。本集團並無就該等結餘持有任何抵押品或其他信貸加強措施。

本集團未視為減值的應收貿易款項及應收票據賬齡分析如下:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Neither past due nor impaired	未逾期亦未減值	2,831,337	2,049,619
Past due but not impaired:	已逾期但未減值:		
Less than 6 months past due	逾期不足六個月	370,202	724,005
6 to 12 months past due	逾期六至十二個月	89,121	51,051
Over 12 months past due	逾期十二個月以上	52,206	7,684
		3,342,866	2,832,359

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22. TRADE AND BILLS RECEIVABLES (Continued)

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers. The directors of the Company are of the opinion that no further provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

The Group's trade receivables include amounts due from the Group's associates of RMB354,398,000 (2016: RMB371,270,000), which are repayable on credit terms similar to those offered to the major customers of the Group (note 41).

The Group has pledged trade receivables of approximately RMB12,551,000 (2016: RMB5,598,000) to secure bank and other loans granted to the Group (note 28(e)).

22. 應收貿易款項及應收票據 (續)

未逾期亦未減值的應收款項乃與大量近期並無違約記錄的多名客戶有關。

已逾期但未減值的應收款項乃與多名獨立客戶有關。由於信貸質素並無出現重大變動，且有關結餘仍被視為可全數收回，本公司董事認為毋須就該等結餘作出進一步減值撥備。本集團並無就該等結餘持有任何抵押品或其他信貸加強措施。

本集團之應收貿易款項包括應收本集團聯營公司款項人民幣354,398,000元(二零一六年：人民幣371,270,000元)，此為類似提供予本集團主要客戶信貸條款之應收款項(附註41)。

本集團已抵押約人民幣12,551,000元(二零一六年：人民幣5,598,000元)的應收貿易款項作為授予本集團的銀行及其他貸款之擔保(附註28(e))。

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23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

23. 預付款項、訂金及其他應收款項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Prepayments to subcontractors and suppliers	預付分包商及供應商款項	243,031	135,386
Deposits	訂金	182,320	55,745
Tariff adjustment receivables*	應收電價補貼*	137,271	122,009
Deferred listing fees of a subsidiary	附屬公司遞延上市費	—	3,084
Other receivables	其他應收款項	394,607	559,437
		957,229	875,661
Less: impairment	減：減值	(4,578)	(4,578)
		952,651	871,083

The Group's prepayments, deposits and other receivables include amounts due from the Group's associates of RMB126,392,000 (2016: RMB97,980,000) (note 41).

本集團的預付款項、訂金及其他應收款項包括應收本集團聯營公司款項人民幣126,392,000元(二零一六年：人民幣97,980,000元)(附註41)。

The Group has pledged tariff adjustment receivables of approximately RMB108,633,000 (2016: RMB103,293,000) to secure bank loans granted to the Group (note 28(f)).

本集團已抵押約人民幣108,633,000元(二零一六年：人民幣103,293,000元)的電價補貼應收款項作為授予本集團的銀行貸款之擔保(附註28(f))。

The balances included in other receivables of approximately RMB197,482,000 (2016: RMB275,311,000), which are secured by the rights on the annual return of the 153.8MW solar photovoltaic power stations, bear interest at rates ranging from 4.35% to 5% per annum and will fall due in 2018.

計入其他應收款項的結餘約人民幣197,482,000元(二零一六年：人民幣275,311,000元)，以153.8兆瓦光伏電站的年度回報權利作抵押，按介乎每年4.35%至5%的利率計息並將於二零一八年到期。

* The Group's tariff adjustment receivables from the sale of electricity are mainly receivables from the State Grid. Tariff adjustment receivables represented the government subsidies on renewable energy for ground projects to be received from the State Grid based on the prevailing government policies.

* 本集團來自電力銷售的應收電價補貼主要為自國家電網的應收款項。應收電價補貼指根據現行政府政策將向國家電網收取之可再生能源地面項目政府補貼。

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24. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

24. 現金及現金等價物以及抵押存款

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結存	1,075,016	328,205
Time deposits	定期存款	614,429	735,231
		1,689,445	1,063,436
Less: pledged time deposits for:	減：就以下項目之抵押定期存款：		
Bidding guarantee	投標擔保	11,742	34,528
Long term performance guarantee	長期履約擔保	14,650	17,352
Short term performance guarantee	短期履約擔保	9,824	7,520
Bills payable (note 25)	應付票據(附註25)	345,774	323,831
Letter of credit (note 28(2))	信用證(附註28(2))	37,500	—
2019 Senior Notes	二零一九年優先票據	67,532	—
		487,022	383,231
Cash and cash equivalents	現金及現金等價物	1,202,423	680,205

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24. CASH AND CASH EQUIVALENTS AND
PLEDGED DEPOSITS (Continued)

The Group's cash and bank balances and time deposits were denominated in the following currencies:

24. 現金及現金等價物以及抵押
存款(續)

本集團現金及銀行結餘以及定期存款以下列貨幣列值：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<i>RMB equivalent amount:</i>	<i>人民幣等值金額：</i>		
RMB	人民幣	1,499,192	943,919
US\$	美元	138,882	30,293
HK\$	港元	31,421	76,577
SG\$	新元	189	1,617
MOP	澳門元	4,301	10,170
AUD	澳元	12,663	—
TOP	湯加潘加	537	—
UZS	烏茲別克索姆	36	—
MYR	林吉特	2,224	860
		1,689,445	1,063,436

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

人民幣不可自由地兌換為其他貨幣。然而，根據中國大陸的外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准通過獲授權經營外匯業務的銀行將人民幣兌換為其他貨幣。

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

銀行現金按每日銀行存款利率之浮動利率計息。定期存款之存款期介乎一日至三個月，視本集團之即時現金需求而定，並按相關短期定期存款利率計息。銀行結餘和抵押存款已存入近期沒有不良拖欠記錄、信譽良好的銀行中。

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25. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date or issuance date, where appropriate, is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 3 months	三個月內	503,275	834,118
3 to 6 months	三至六個月	643,064	366,059
6 to 12 months	六至十二個月	65,534	89,032
1 to 2 years	一至兩年	52,066	33,496
2 to 3 years	兩至三年	10,707	9,641
Over 3 years	三年以上	19,427	13,606
		1,294,073	1,345,952

The trade and bills payables are non-interest-bearing and are normally settled within one to six months.

As at 31 December 2017, the Group's bills payable were secured by the pledged deposits amounting to RMB345,774,000 (2016: RMB323,831,000) (note 24).

25. 應付貿易款項及應付票據

於報告期末，基於發票日期或發行日期（視乎情況而定）計算應付貿易款項及應付票據的賬齡分析如下：

該等應付貿易款項及應付票據為免息並通常按一至六個月期限結算。

於二零一七年十二月三十一日，本集團的應付票據乃以金額人民幣345,774,000元（二零一六年：人民幣323,831,000元）的抵押存款作擔保（附註24）。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

26. OTHER PAYABLES AND ACCRUALS

26. 其他應付款項及應計款項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Advances from customers	預收款項	131,857	209,232
Tax and surcharge payables	應付稅項及附加費	180,743	76,106
Accrued expenses	應計開支	23,181	22,550
Interest payables (note 43)	應付利息(附註43)	82,986	36,173
Other payables	其他應付款項	130,744	166,561
		549,511	510,622

Other payables and accruals are unsecured, non-interest-bearing and have no fixed terms of repayment.

其他應付款項及應計款項為無抵押、免息及無固定償還期。

As at 31 December 2017, the Group has received deposits in relation to the sale of equity interests in the Target Subsidiaries aggregated to RMB26,934,000 (2016: RMB22,434,000), the transaction has not yet been fulfilled. Pursuant to the Agreements, the long stop date of the transaction is 31 December 2017 or a later date as the parties agree in writing, the written agreement has not been reached as the Group and the Purchaser is in negotiation.

於二零一七年十二月三十一日，本集團就出售目標附屬公司之股權收到按金共計人民幣26,934,000元(二零一六年：人民幣22,434,000元)，交易尚未達成。根據該等協議，交易之最後截止日期為二零一七年十二月三十一日或訂約各方書面協定之較后日期，因本集團與買方正正在磋商，故就此未達成書面協議。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

27. DERIVATIVE FINANCIAL INSTRUMENTS

27. 衍生金融工具

	Notes 附註	31 December 2017 二零一七年 十二月三十一日		31 December 2016 二零一六年 十二月三十一日	
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		Assets	Liabilities	Assets	Liabilities
		資產	負債	資產	負債
Swaps at fair value: 公平值計量之掉期：					
Cross-currency interest rate swaps 交叉貨幣利率掉期	(a)	—	(7,840)	22,961	—
Interest rate swaps 利率掉期	(b)	—	—	—	—
Currency swaps 貨幣掉期	(c)	—	(26,165)	—	—
		—	(34,005)	22,961	—

Derivative financial instruments are not held for trading purpose and represent fair value losses on cross-currency interest rate swap contracts and currency swap contracts as at 31 December 2017.

於二零一七年十二月三十一日，衍生金融工具並非持作買賣用途且指交叉貨幣利率掉期合約及貨幣掉期合約的公平值虧損。

Notes:

- (a) The Group uses cross-currency interest rate swaps to manage its currency and interest risks. On 28 January 2016 and 2 November 2016, the Group entered into cross-currency interest rate swap contracts with banks, covering a period from 19 February 2016 to 13 August 2018. The cross-currency interest rate swap contracts entitle the Group to receive interest at floating rates on an aggregate notional principal of US\$100 million and to pay interest at fixed rates on an aggregate notional principal of RMB669 million simultaneously. The Group agreed with the banks to swap the interest difference between fixed rate and floating rate, as well as the currency difference between US\$ and RMB, respectively, on the respective deemed notional principal amounts on a three-month basis. During the year, the notional principals of US\$20 million and RMB135.6 million in cross-currency interest rate swap contracts have been expired.

附註：

- (a) 本集團利用交叉貨幣利率掉期管理其貨幣及利率風險。於二零一六年一月二十八日及二零一六年十一月二日，本集團與銀行訂立交叉貨幣利率掉期合約，合約期為二零一六年二月十九日至二零一八年八月十三日。根據交叉貨幣利率掉期合約，本集團有權按浮動利率就名義本金總額100,000,000美元收取利息，同時按固定利率就名義本金額人民幣669,000,000元支付利息。就該視作名義本金額按三個月基準計算，本集團與銀行協定交換固定利率與按浮動利率的利息差額，以及美元與人民幣的貨幣差額。年內，名義本金20,000,000美元及人民幣135,600,000元的交叉貨幣利率掉期合約已屆滿。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

27. DERIVATIVE FINANCIAL INSTRUMENTS
(Continued)

Notes: (Continued)

- (b) The Group uses interest rate swaps to manage its interest rate risk. On 30 June 2015, the Group entered into interest rate swap contracts with the bank, covering periods from 30 June 2015 to 29 June 2018. The interest rate swap contracts entitle the Group to receive interest at floating rate on an aggregate notional principal of US\$5 million (equivalent to approximately RMB33 million) and to pay interest at fixed rate on the same notional principal amount simultaneously. The Group agreed with the bank to swap the interest difference between fixed rate and floating rate, on the deemed notional principal amount on a three-month basis. As at 31 December 2017, the fair value of the interest rate swaps was estimated to be zero.
- (c) The Group uses currency swaps to manage its currency risks. On 10 March 2017 and 13 March 2017, the Group entered into currency swap contracts with the banks, covering a period from 14 March 2017 to 15 February 2019. The currency swap contracts entitle the Group to receive interest at fixed rates on an aggregate notional principal of US\$60 million and to pay interest at fixed rates on an aggregate notional principal of RMB413.85 million simultaneously. The Group agreed with the banks to swap the currency difference between US\$ and RMB, on the respective deemed notional principal amounts on a six-month basis.

27. 衍生金融工具 (續)

附註：(續)

- (b) 本集團利用利率掉期管理其利率風險。於二零一五年六月三十日，本集團與銀行訂立利率掉期合約，合約期為二零一五年六月三十日至二零一八年六月二十九日。根據利率掉期合約，本集團有權按浮動利率就名義本金總額為5,000,000美元（相當於約人民幣33,000,000元）收取利息，同時按固定利率就該同一名義本金額支付利息。就該視作名義本金額按三個月基準計算，本集團與銀行協定交換固定利率與按浮動利率的利息差額。於二零一七年十二月三十一日，利率掉期的公平值估計為零。
- (c) 本集團利用貨幣掉期管理其貨幣風險。於二零一七年三月十日及二零一七年三月十三日，本集團與銀行訂立貨幣掉期合約，合約期為二零一七年三月十四日至二零一九年二月十五日。根據貨幣掉期合約，本集團有權按固定利率就名義本金總額60,000,000美元收取利息，同時按固定利率就名義本金額人民幣413,850,000元支付利息。就該視作名義本金額按六個月基準計算，本集團與銀行協定交換美元與人民幣的貨幣差額。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

28. INTEREST-BEARING BANK AND OTHER LOANS

28. 附息銀行及其他貸款

		31 December 2017 二零一七年十二月三十一日			31 December 2016 二零一六年十二月三十一日		
		Effective interest rate (%) 實際利率(%)	Maturity 到期時間	RMB'000 人民幣	Effective interest rate (%) 實際利率(%)	Maturity 到期時間	RMB'000 人民幣
Current	流動						
Revolving loans	循環貸款						
– secured	– 有抵押						
		Hong Kong Interbank Offered Rate (“HIBOR”) 香港銀行同業拆息			HIBOR 香港銀行同業拆息		
		+3~3.5	On demand 按要求	37,682	+3~3.5	On demand 按要求	40,323
– Unsecured	– 無抵押						
		London Interbank Offered Rate (“LIBOR”) 倫敦銀行同業拆息			LIBOR 倫敦銀行同業拆息		
		+3.25	On demand 按要求	3,239	+3.25	On demand 按要求	3,466

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

28. INTEREST-BEARING BANK AND OTHER LOANS (Continued)

28. 附息銀行及其他貸款 (續)

		31 December 2017 二零一七年十二月三十一日			31 December 2016 二零一六年十二月三十一日		
		Effective interest rate (%) 實際利率 (%)	Maturity 到期時間	RMB'000 人民幣	Effective interest rate (%) 實際利率 (%)	Maturity 到期時間	RMB'000 人民幣
Bank loans	銀行貸款						
– secured	– 有抵押				LIBOR+		
		LIBOR+1.5~3.75	2018	222,918	1.5~3.75	2017	314,150
		倫敦銀行 同業拆息			倫敦銀行 同業拆息		
		+1.5~3.75			+1.5~3.75		
		HIBOR+0.95~4	2018	209,795	HIBOR+0.95~4	2017	50,109
		香港銀行同業拆息			香港銀行同業拆息		
		+0.95~4			+0.95~4		
		4.35~6.9	2018	486,109	4.35~6.9	2017	598,910
Bank loans	銀行貸款						
– unsecured	– 無抵押	2.60	2018	46,393	4.35	2017	70,000
Other loans	其他貸款						
– secured	– 有抵押	3.92	2018	30,000	3.92	2017	15,000
– secured	– 有抵押	–	–	–	9.41	2017	31,579
– secured	– 有抵押	–	–	–	9.55	2017	24,235
– secured ⁽¹⁾	– 有抵押 ⁽¹⁾	7.48	2018	48,152	–	–	–
– secured ⁽²⁾	– 有抵押 ⁽²⁾	3.69~3.74	2018	180,335	–	–	–
Other loans	其他貸款						
– unsecured ⁽³⁾	– 無抵押 ⁽³⁾	9.07	2018	565	9.07	2017	528
				<u>1,265,188</u>			<u>1,148,300</u>

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

28. INTEREST-BEARING BANK AND OTHER LOANS (Continued)

28. 附息銀行及其他貸款 (續)

		31 December 2017 二零一七年十二月三十一日			31 December 2016 二零一六年十二月三十一日		
		Effective interest rate (%) 實際利率(%)	Maturity 到期時間	RMB'000 人民幣	Effective interest rate (%) 實際利率(%)	Maturity 到期時間	RMB'000 人民幣
Non-current	非流動						
Bank loans	銀行貸款						
– secured	– 有抵押						
		LIBOR+1.5~3.75 倫敦銀行 同業拆息 +1.5~3.75	2019-2022	9,888	LIBOR+ 1.5~3.75 倫敦銀行 同業拆息 +1.5~3.75	2018-2022	474,769
		HIBOR+0.95~3 香港銀行 同業拆息 +0.95~3	2019-2020	84,930	HIBOR+0.95~3 香港銀行 同業拆息 +0.95~3	2018-2020	269,925
		5.15~6.47	2019-2029	1,166,511	5.15~5.93	2018-2029	761,817
Other loans	其他貸款						
– secured	有抵押	3.92	2019	15,000	3.92	2018-2019	45,000
– secured	有抵押	–	–	–	9.41	2018	54,668
– secured	有抵押	–	–	–	9.55	2018-2023	146,087
– secured ⁽¹⁾	有抵押 ⁽¹⁾	7.48	2019-2023	145,365	–	–	–
Other loans	其他貸款						
– unsecured ⁽³⁾	– 無抵押 ⁽³⁾	9.07	2019-2034	17,228	9.07	2018-2034	17,704
				1,438,922			1,769,970
				2,704,110			2,918,270

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

28. INTEREST-BEARING BANK AND OTHER LOANS (Continued)

- (1) It represented the other loan borrowed from an independent third party leasing company by Yangjiang Huayu, a subsidiary of the Group, by way of photovoltaic equipments sale-leaseback arrangement, with the principal of RMB200,000,000 in 2017, which bears interest at an effective rate of 7.48% per annum with quarterly instalment payments up to the maturity date on 15 July 2023. Yangjiang Huayu sets the right on the annual return of its solar photovoltaic power station and itself equity interests as the security to the other loan in substance.
- (2) It represented the other loan borrowed from the Bank by Hunan Singyes, a subsidiary of the Group, by way of forfeiting the letter of credit which was secured by pledged deposits of RMB37,500,000 (note 24). The aggregate carrying amount of the bank loans recognised due to the factored letter of credit was RMB180,355,000.
- (3) On 7 November 2014, Singyes Green Investment (HK) Company Limited ("Singyes Green Investment") entered into a revenue distribution agreement regarding the Relevant Asset, which is one of the assets held by Hunan Singyes, a subsidiary of the Group, with a counterparty, whereby the counterparty prepaid RMB19,000,000 to the Group to exchange the right on annual return of the Relevant Asset for each fiscal year (the "Annual Return") for twenty years. The Annual Return is the annual electricity revenue on the Relevant Asset minus related PRC tax. If in any fiscal year the Annual Return is less than RMB2,000,000 (the "Minimum Return"), the Group shall pay the counterparty the Minimum Return. During the year, RMB2,004,000 was paid to the counterparty.

28. 附息銀行及其他貸款 (續)

- (1) 其指本集團附屬公司陽江華宇向獨立第三方租賃公司以光伏設備售後租回安排之方式借貸之其他貸款，於二零一七年之本金為人民幣200,000,000元，實際利率按年利率7.48%計息，該貸款等分每季度分期付款，於二零二三年七月十五日期到期。陽江華宇實質以其太陽能光伏電站之年度回報及其自身股權擔保其他貸款。
- (2) 其指本集團附屬公司湖南興業向銀行以沒收信用證(以抵押存款人民幣37,500,000元(附註24)作抵押之方式借貸之其他貸款。因保理信用證確認銀行貸款之賬面值總額為人民幣180,355,000元。
- (3) 於二零一四年十一月七日，興業綠色投資(香港)有限公司(「興業綠色投資」)與一名對手方就5兆瓦太陽能光伏電站(「相關資產」，為本集團附屬公司湖南興業持有的資產)訂立一份收入分配協議，據此，該對手方向本集團預付人民幣19,000,000元，以交換相關資產於二十年期間每個財政年度的年度回報(「年度回報」)之權利。年度回報為相關資產的年度電力收入減去相關中國稅項。如任何財政年度的年度回報低於人民幣2,000,000元(「最低回報」)，則本集團須向對手方支付最低回報。年內，人民幣2,004,000元已支付予對手方。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

28. INTEREST-BEARING BANK AND OTHER LOANS (Continued)

28. 附息銀行及其他貸款 (續)

		31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Analysed into:	分析為：		
Bank loans repayable:	須於下列限期償還之銀行貸款：		
Within one year	一年內	1,006,136	1,076,958
In the second year	第二年	202,617	786,936
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	380,651	184,144
Beyond five years	五年以上	678,061	535,431
		2,267,465	2,583,469
Other loans repayable:	於下列限期償還之其他貸款：		
Within one year	一年內	259,052	71,342
In the second year	第二年	42,128	110,606
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	94,224	108,620
Beyond five years	五年以上	41,241	44,233
		436,645	334,801
		2,704,110	2,918,270

As at 31 December 2017, except for those bank loans with interest rates linked with the HIBOR and LIBOR which are denominated in HK\$ and US\$, totalling RMB332,407,000 and RMB236,045,000, respectively, all bank and other loans are denominated in RMB.

於二零一七年十二月三十一日，除利率與香港銀行同業拆息及倫敦銀行同業拆息掛鈎的銀行貸款（分別合共人民幣332,407,000元及人民幣236,045,000元）以港元及美元計值外，所有銀行及其他貸款均以人民幣計值。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

28. INTEREST-BEARING BANK AND OTHER LOANS (Continued)

Certain of the Group's bank and other loans are secured by:

- (a) mortgages over the Group's buildings with an aggregate carrying amount at the end of the reporting period of approximately RMB564,376,000 (31 December 2016: RMB583,090,000) (note 13(a));
- (b) mortgages over the Group's solar photovoltaic power stations and their respective rights on the annual return thereof, which had an aggregate carrying amount at the end of the reporting period of approximately RMB1,388,492,000 (31 December 2016: RMB1,325,534,000) (note 13(b));
- (c) the rights on the annual return of the Relevant Asset with a net carrying amount of approximately RMB28,605,000 at the end of the reporting period (31 December 2016: RMB29,903,000) (note 13(d));
- (d) mortgages over the Group's prepaid land lease payments, which had a carrying amount at the end of the reporting period of approximately RMB58,441,000 (31 December 2016: RMB59,791,000) (note 15);
- (e) the pledge of certain of the Group's trade receivables of approximately RMB12,551,000 (31 December 2016: RMB5,598,000) (note 22);
- (f) the pledge of certain of the Group's tariff adjustment receivables of approximately RMB108,633,000 (31 December 2016: RMB103,293,000) (note 23);

28. 附息銀行及其他貸款 (續)

本集團若干銀行及其他貸款由以下各項抵押：

- (a) 本集團樓宇的按揭，於報告期末賬面值合計約人民幣564,376,000元(二零一六年十二月三十一日：人民幣583,090,000元)(附註13(a))；
- (b) 本集團太陽能光伏電站及彼等各自之年度回報權利之按揭，於報告期末賬面值合計約人民幣1,388,492,000元(二零一六年十二月三十一日：人民幣1,325,534,000元)(附註13(b))；
- (c) 於報告期末賬面值約人民幣28,605,000元的相關資產年度回報權(二零一六年十二月三十一日：人民幣29,903,000元)(附註13(d))；
- (d) 本集團預付土地租賃款項的按揭，於報告期末賬面值約人民幣58,441,000元(二零一六年十二月三十一日：人民幣59,791,000元)(附註15))；
- (e) 本集團質押的應收貿易款項約人民幣12,551,000元(二零一六年十二月三十一日：人民幣5,598,000元)(附註22)；
- (f) 本集團質押的電價補貼應收款項約人民幣108,633,000元(二零一六年十二月三十一日：人民幣103,293,000元)(附註23)；

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

28. INTEREST-BEARING BANK AND OTHER LOANS (Continued)

- (g) the pledge of the Insurance Contracts with fair value of approximately RMB22,382,000 (31 December 2016: RMB22,316,000) (note 19); and
- (h) the pledge of equity interests in the following subsidiaries of the Group:
 - i. 97.45% equity interests in Xinjiang Singyes;
 - ii. 97.45% equity interests in Wuwei Dongrun;
 - iii. 97.45% equity interests in Suixi Xinye;
 - iv. 99.5% equity interests in Yangjiang Huayu;
 - v. 99.5% equity interests in Yangjiang Huazhi;

In addition, the Company's directors have guaranteed certain of the Group's bank and other loans for nil consideration, details of which are as follows (note 41(b)):

- (I) the Company's director, Mr. Liu Hongwei, has guaranteed the Group's bank and other loans of RMB530,965,000 (31 December 2016: RMB475,568,000);
- (II) the Company's director, Mr. Liu Hongwei and the Company's former director, Sun Jinli, have jointly guaranteed the Group's bank loans of RMB286,972,000 (31 December 2016: RMB290,000,000);

28. 附息銀行及其他貸款 (續)

- (g) 抵押公平值約人民幣22,382,000元(二零一六年十二月三十一日: 人民幣22,316,000元)的保險合約(附註19); 及
- (h) 本集團內以下附屬公司的股權質押:
 - i. 新疆興業的97.45%股權;
 - ii. 武威東潤的97.45%股權;
 - iii. 遂溪欣業的97.45%股權; 及
 - iv. 陽江華宇的99.5%股權。
 - v. 陽江華智的99.5%股權。

此外，本公司董事就本集團若干銀行及其他貸款無償提供擔保，詳情如下(附註41(b))：

- (I) 本公司董事劉紅維先生擔保本集團銀行及其他貸款人民幣530,965,000元(二零一六年十二月三十一日：人民幣475,568,000元)；
- (II) 本公司董事劉紅維先生及本公司前董事孫金禮先生共同擔保本集團銀行貸款人民幣286,972,000元(二零一六年十二月三十一日：人民幣290,000,000元)；

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31 December 2017 二零一七年十二月三十一日

28. INTEREST-BEARING BANK AND OTHER LOANS (Continued)

- (III) the Company's directors, Messrs. Liu Hongwei and Xie Wen, have jointly guaranteed the Group's bank loans of RMB323,517,000 (31 December 2016: RMB114,710,000);
- (IV) the Company's directors, Messrs. Liu Hongwei and Xie Wen and the Company's former director Mr. Sun Jinli have jointly guaranteed the Group's bank loans of RMB50,000,000 (31 December 2016: RMB50,000,000);
- (V) the Company's director, Mr. Liu Hongwei and his spouse, Ms. Li Wei, the Company's former director Mr. Sun Jinli and his spouse, Ms. Wang Yanfang, have jointly guaranteed the Group's bank loans of RMB87,500,000 (31 December 2016: RMB87,500,000);
- (VI) the Company's director, Mr. Liu Hongwei and the Company's former director Mr. Sun Jinli, have jointly guaranteed the Group's bank loans of HK\$377,579,000 (equivalent to approximately RMB315,622,000) (31 December 2016: HK\$382,775,000, equivalent to approximately RMB342,396,000); and
- (VII) the Company's director, Mr. Liu Hongwei and the Company's former director Mr. Sun Jinli, have jointly guaranteed the Group's bank loans of US\$994,000 (equivalent to approximately RMB6,495,000) (31 December 2016: US\$2,909,000, equivalent to approximately RMB20,177,000).

28. 附息銀行及其他貸款 (續)

- (III) 本公司董事劉紅維先生及謝文先生共同擔保本集團銀行貸款人民幣323,517,000元(二零一六年十二月三十一日：人民幣114,710,000元)；
- (IV) 本公司董事劉紅維先生、謝文先生及生本公司前董事孫金禮先生共同擔保本集團銀行貸款人民幣50,000,000元(二零一六年十二月三十一日：人民幣50,000,000元)；
- (V) 本公司董事劉紅維先生及其配偶李薇女士以及本公司前董事孫金禮先生及其配偶王豔芳女士共同擔保本集團銀行貸款人民幣87,500,000元(二零一六年十二月三十一日：人民幣87,500,000元)；
- (VI) 本公司董事劉紅維先生及本公司前董事孫金禮先生同擔保本集團銀行貸款377,579,000港元(相當於約人民幣315,622,000元)(二零一六年十二月三十一日：382,775,000港元(相當於約人民幣342,396,000元)；及
- (VII) 本公司董事劉紅維先生及本公司前董事孫金禮先生同擔保本集團銀行貸款994,000美元(相當於約人民幣6,495,000元)(二零一六年十二月三十一日：2,909,000美元(相當於約人民幣20,177,000元)。

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31 December 2017 二零一七年十二月三十一日

29. CONVERTIBLE BONDS

29. 可換股債券

	Notes	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
	附註		
Convertible bonds, liability component:	(a)	80,819	703,989
Fair value of embedded derivatives	(b)	—	15,227
		80,819	719,216

On 8 August 2014, the Company issued 930 units of 5% convertible bonds in the denomination of RMB1,000,000 each due 8 August 2019 (the "2019 Convertible Bonds") with a nominal value of RMB930,000,000. The Company repurchased 6 units of these convertible bonds during the year ended 31 December 2015 and 108 units during the year, respectively, and redeemed 720 units during the year. As at 31 December 2017, 96 units of those convertible bonds remained.

Pursuant to the terms and conditions of the subscription agreement dated 8 August 2014, the conversion price of the 2019 Convertible Bonds was adjusted from HK\$15.72 to HK\$15.41 during the year due to the cash dividends paid.

The salient terms and conditions of the 2019 Convertible Bonds are as follows:

(i) Interest rate

The Company shall pay interest on the 2019 Convertible Bonds at 5.0% per annum.

於二零一四年八月八日，本公司發行於二零一九年八月八日到期面值為人民幣930,000,000元的930份每份面值人民幣1,000,000元5%可換股債券（「二零一九年可換股債券」）。本公司分別於截至二零一五年十二月三十一日止年度購回6份及於本年度購回108份該等可換股債券，並於本年度贖回720份。於二零一七年十二月三十一日，該等可換股債券剩餘96份。

根據日期為二零一四年八月八日認購協議之條款及條件，由於本公司於截至二零一七年十二月三十一日止年度支付現金股息，二零一九年可換股債券之轉換價乃由15.72港元調整為15.41港元。

二零一九年可換股債券的主要條款及條件如下：

(i) 利率

本公司須按每年5.0%的利率就二零一九年可換股債券支付利息。

NOTES TO FINANCIAL STATEMENTS

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29. CONVERTIBLE BONDS (Continued)

(ii) Conversion price

The 2019 Convertible Bonds will be convertible into the Company's ordinary shares at the initial conversion price of HK\$16.11 per share, subject to adjustments. Amongst others, consolidation, subdivision or reclassification of shares, capitalisation of profits or reserves, capital distribution, rights issues of shares or options over shares, rights issues of other securities, issues at less than the current market price, other issues at less than the current market price, modification of rights of conversion, other offers to shareholders, change of control and other usual adjustment events. The conversion price may not be reduced so that the conversion shares would fall to be issued at a discount to their par value.

(iii) Maturity

Unless previously redeemed, converted, or purchased and cancelled, the Company will redeem each of the 2019 Convertible Bonds at the US Dollar equivalent of the RMB principal amount on 8 August 2019.

29. 可換股債券(續)

(ii) 轉換價

二零一九年可換股債券將可按初始轉換價每股 16.11 港元(可予調整)轉換為本公司普通股。轉換價須於(其中包括)股份合併、拆細或重新分類、溢利或儲備資本化、資本分派、供股或就股份創設購股權、發行其他證券、按低於當前市價發行、低於當前市價的其他發行、修訂轉換權、向股東進行其他發售、控制權變動及其他慣常調整事件時進行調整。轉換價不得削減至低令轉換股份以較面值折讓的價格發行。

(iii) 到期時間

除非已於之前贖回、轉換或購買及註銷，否則本公司將於二零一九年八月八日按照人民幣本金的等值美元贖回每份二零一九年可換股債券。

NOTES TO FINANCIAL STATEMENTS

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31 December 2017 二零一七年十二月三十一日

29. CONVERTIBLE BONDS (Continued)

(iv) Redemption at the option of the Company

The Company may:

- (1) Upon giving not less than 30 nor more than 60 days' notice to the bondholders, at any time after 8 August 2017 but not less than 14 days prior to the maturity date redeem the bonds in whole but not in part at a redemption price at the US Dollar equivalent of the RMB principal amount plus accrued and unpaid interest to such date; provided that no such redemption may be made unless the closing price of the shares (translated into RMB at the RMB:HK\$ fixed rate as set out in the terms and conditions of the 2019 convertible bonds) for 20 out of 30 consecutive trading days ending on a date which is no more than three stock exchange business days immediately prior to the date upon which notice of such redemption is given, was at least 130% of the conversion price then in effect (translated into RMB at the RMB:HK\$ fixed rate as set out in the terms and conditions of the 2019 convertible bonds); or
- (2) Upon giving not less than 30 nor more than 90 days' notice to the bondholders and the Trustee (which notice will be irrevocable), the Company may at any time redeem all, but not some only, of the bonds for the time being outstanding at the US Dollar equivalent of the RMB principal amount plus accrued and unpaid interest to such date provided that prior to the date of such notice at least 90% in RMB principal amount of the bonds originally issued have already been converted, redeemed or purchased and cancelled.

29. 可換股債券 (續)

(iv) 本公司選擇贖回

本公司可：

- (1) 於二零一七年八月八日後但不遲於到期日前14日任何時間，向債券持有人發出不少於30日但不超過60日的通知，按人民幣本金的等值美元加上截至該日應計未付利息的贖回價，贖回全部但非部分債券；惟除非截至屬發出贖回通知當日前三個聯交所營業日之日止連續30個交易日中20日的股份收市價（按二零一九年可換股債券條款及條件所載人民幣兌港元的固定匯率換算為人民幣）至少為當時實際轉換價（按二零一九年可換股債券條款及條件所載固定人民幣兌港元的匯率換算為人民幣）的130%，否則不得進行贖回；或
- (2) 向債券持有人及受託人發出不少於30日但不超過90日的通知（該通知不得撤回）後，本公司可按人民幣本金的等值美元加上截至該日應計未付的利息，隨時贖回全部（但非僅部分）當時未償還債券，惟於該通知日期前原發行債券的人民幣本金額至少90%須已轉換、贖回或購買及註銷。

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財務報表附註

31 December 2017 二零一七年十二月三十一日

29. CONVERTIBLE BONDS (Continued)

(v) Redemption at the option of the holders

The Company will, at the option of the holder of any 2019 Convertible Bonds, redeem all or some only of such holder's 2019 Convertible Bonds on 8 August 2017 at the US Dollar equivalent of the RMB principal amount.

(vi) Redemption of delisting or change of control

Following the occurrence of a change of control (means when Mr. Liu Hongwei ceases for any reason to be the majority shareholder of the Company or any other events lead to the significant change of the ownership structure of the Company, "Change of Control") or delisting of the Company (including suspension of trading of the Shares on the stock exchange for a period equal to or more than 20 consecutive trading days) (the "Relevant Event"), the holder will have the right to require the Company to redeem all, or but not some only, of such holder's 2019 Convertible Bonds at the US Dollar equivalent of the RMB principal amount plus accrued and unpaid interest to the date fixed for redemption.

The fair value of the 2019 Convertible Bonds was determined by an independent qualified valuer based on the binomial option pricing model. The carrying amount of the liability component on initial recognition was measured at the proceeds of the 2019 Convertible Bonds (net of transaction cost) minus the fair value of the conversion rights of the 2019 Convertible Bonds.

29. 可換股債券(續)

(v) 持有人選擇贖回

本公司將按任何二零一九年可換股債券持有人的選擇，於二零一七年八月八日按人民幣本金額的等值美元贖回該持有人的全部或僅部分二零一九年可換股債券。

(vi) 除牌或控制權變動時贖回

本公司發生控制權變動(指劉紅維先生因任何原因不再為本公司主要股東或導致本公司擁有權架構出現重大變動的任何其他事件)(「控制權變動」)或除牌(包括股份於證券交易所暫停買賣達等於或超過連續20個交易日)(「相關事件」)後，持有人將有權要求本公司按人民幣本金額的等值美元加上截至指定贖回日期的應計未付利息，贖回該持有人的全部(但非部分)二零一九年可換股債券。

二零一九年可換股債券的公平值乃由獨立合資格估值師根據二項式期權定價模型釐定。初始確認時負債部分的賬面值乃按二零一九年可換股債券的所得款項(扣除交易成本)減去二零一九年可換股債券的轉換權公平值計量。

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31 December 2017 二零一七年十二月三十一日

29. CONVERTIBLE BONDS (Continued)

29. 可換股債券 (續)

(a) Liability component

(a) 負債部分

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Liability component at 1 January 於一月一日的負債部分	703,989	634,017
Effective interest recognised 年內確認的實際利息(附註6) for the year (note 6)	73,197	116,299
Loss on repurchase of bonds 購回債券虧損(附註6) (note 6)	22,460	—
Loss on redemption of bonds 贖回債券虧損(附註6) (note 6)	137,920	—
Interest payable during the year 年內應付股息	(28,747)	(46,327)
Repurchase of convertible bonds 購回債券	(108,000)	—
Redemption of convertible bonds 贖回債券	(720,000)	—
As at 31 December 於十二月三十一日	80,819	703,989

(b) Conversion rights

(b) 轉換權

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Fair value of conversion rights 轉換權於一月一日的公平值 at 1 January	15,227	63,552
Less: fair value changes of 減：轉換權的公平值變動 conversion rights	(15,227)	(48,325)
Fair value of conversion rights 轉換權於十二月三十一日的公平值 at 31 December	—	15,227

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

29. CONVERTIBLE BONDS (Continued)

(b) Conversion rights (Continued)

The fair value change of the conversion rights for the year ended 31 December 2017 was RMB15,227,000 (2016: RMB48,325,000), which was recognised in profit or loss and disclosed separately. The related interest expense of the liability component of the 2019 Convertible Bonds for the year amounted to RMB233,577,000 (2016: RMB116,299,000), including loss on repurchase and redemption of bonds and effective interest recognised which is calculated by using the effective interest method with an effective interest rate of 17.79% per annum.

29. 可換股債券(續)

(b) 轉換權(續)

截至二零一七年十二月三十一日止年度轉換權的公平值變動為人民幣15,227,000元(二零一六年: 人民幣48,325,000元), 該金額於損益中確認及獨立披露。本年度二零一九年可換股債券負債部分的相關利息開支為人民幣233,577,000元(二零一六年: 人民幣116,299,000元), 包括購回及贖回債券的虧損以及已確認的實際利息, 該金額乃使用實際利率法以實際年利率17.79%計算。

30. SENIOR NOTES

30. 優先票據

			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		Notes 附註		
2017 Senior Notes	二零一七年優先票據	(a)	—	554,211
2018 HKD Senior Notes	二零一八年港元優先票據	(b)	208,221	216,792
2018 USD Senior Notes	二零一八年美元優先票據	(c)	1,030,807	—
2019 Senior Notes	二零一九年優先票據	(d)	1,677,498	—
			2,916,526	771,003

NOTES TO FINANCIAL STATEMENTS

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31 December 2017 二零一七年十二月三十一日

30. SENIOR NOTES (Continued)

(a) 2017 Senior Notes

On 21 November 2014, the Company issued 7.875% senior notes with an aggregate nominal value of RMB560,000,000 (the “2017 Senior Notes”) at face value. The net proceeds, after deducting the issuance costs, amounted to approximately RMB542,327,000, the effective interest rate is approximately 9.33% per annum after the adjustment for transaction costs. The 2017 Senior Notes matured on 21 November 2017 and was listed on the HKSE before maturity (stock code: 85704).

The 2017 Senior Notes recognised in the consolidated statement of financial position are calculated as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日之賬面值	554,211	548,200
Effective interest recognised during the year (note 6)	年內確認的實際利息 (附註6)	45,056	50,111
Interest payable during the year	年內應付利息	(39,267)	(44,100)
Principal repaid during the year	年內償還本金	(560,000)	—
Carrying amount at 31 December	於十二月三十一日之賬面值	—	554,211
Fair value of the 2017 Senior Notes*	二零一七年優先票據的公平值*	—	536,833

* The fair value of the 2017 Senior Notes was determined based on the price quoted on the HKSE on 31 December 2016.

30. 優先票據 (續)

(a) 二零一七年優先票據

於二零一四年十一月二十一日，本公司按面值發行總面值人民幣560,000,000元的7.875%優先票據（「二零一七年優先票據」）。扣除相關發行成本後，所得款項淨額約為人民幣542,327,000元，就交易成本作出調整後實際年利率為約9.33%。二零一七年優先票據於二零一七年十一月二十一日到期，並且在到期之前已於香港聯交所上市（證券代號：85704）。

於綜合財務狀況表中確認的二零一七年優先票據按以下方式計算：

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
於一月一日之賬面值	554,211	548,200
年內確認的實際利息 (附註6)	45,056	50,111
年內應付利息	(39,267)	(44,100)
年內償還本金	(560,000)	—
於十二月三十一日之賬面值	—	554,211
二零一七年優先票據的公平值*	—	536,833

* 二零一七年優先票據的公平值乃基於香港聯交所於二零一六年十二月三十一日的報價釐定。

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30. SENIOR NOTES (Continued)

(b) 2018 HKD Senior Notes

On 30 January 2015, the Company issued 7.75% senior notes with an aggregate nominal value of HK\$250,000,000 (equivalent to approximately RMB197,150,000) at face value, which will mature in February 2018 (the “2018 HKD Senior Notes”). The 2018 HKD Senior Notes will only be offered outside the United States in compliance with Regulation S under the United States Securities Act of 1933, as amended. None of the 2018 HKD Senior Notes will be offered to the public in Hong Kong and none of the 2018 HKD Senior Notes will be placed to any connected persons of the Company. The net proceeds, after deducting the issuance costs, amounted to approximately RMB182,492,000.

The major terms and conditions of the 2018 HKD Senior Notes are as follows:

(i) *Redemption at the option of the Company*

Upon giving not less than 30 days' nor more than 60 days' notice to the holder, at any time, the Company may at its option redeem the notes at a redemption price equal to 100% of the principal amount plus the applicable premium as of, and accrued and unpaid interest, if any, to the redemption date. The applicable premium is the greater of (1) 1.0% of the principal amount and (2) the excess of (A) the present value at such redemption date of 100% of the principal amount, plus all required remaining scheduled interest payments due on the 2018 HKD Senior Notes through the maturity date (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to 2%, over (B) the principal amount on the redemption date.

30. 優先票據 (續)

(b) 二零一八年港元優先票據

於二零一五年一月三十日，本公司按面值發行於二零一八年二月到期本金總額為250,000,000港元(相當於約人民幣197,150,000元)的7.75%優先票據(「二零一八年港元優先票據」)。二零一八年港元優先票據將僅遵照一九三三年美國證券法下S規則(經修訂)於美國境外發售。二零一八年港元優先票據概不會向香港公眾人士發售，且二零一八年港元優先票據概不會向本公司關連人士配售。扣除相關發行成本後，所得款項淨額為約人民幣182,492,000元。

二零一八年港元優先票據的主要條款及條件如下：

(i) 本公司選擇贖回

本公司可於向持有人發出不少於30日及不超過60日的通知後，隨時選擇按等於本金額100%加上截至贖回日期適用溢價及截至該日應計未付利息(如有)的贖回價贖回票據。適用溢價為以下各項中的較高者：(1)本金額的1.0%；及(2)(A)100%本金額於該贖回日期的現值，加上二零一八年港元優先票據於到期日前按計劃需要支付的所有到期利息(但不包括於贖回日期應計未付利息)(按等於2%的貼現率計算)超出(B)贖回日期本金額的部分。

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31 December 2017 二零一七年十二月三十一日

30. SENIOR NOTES (Continued)

(b) 2018 HKD Senior Notes (Continued)

(i) *Redemption at the option of the Company (Continued)*

Upon giving not less than 30 days' nor more than 60 days' notice to the holder, at any time, the Company may at its option redeem up to 35% of the aggregate principal amount of the 2018 HKD Senior Notes with the net cash proceeds of one or more sales of common stock of the Company in one or more equity offerings at a redemption price of 107.75% of the principal amount of the 2018 HKD Senior Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

(ii) *Repurchase of the 2018 HKD Senior Notes upon a Change of Control*

Not later than 30 days following a Change of Control, the Company will make an offer to purchase all outstanding 2018 HKD Senior Notes ("2018 HKD Senior Notes Change of Control Offer") at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the 2018 HKD Senior Notes Change of Control Offer payment date.

30. 優先票據 (續)

(b) 二零一八年港元優先票據 (續)

(i) 本公司選擇贖回 (續)

本公司可於向持有人發出不少於30日及不超過60日的通知後，選擇按等於二零一八年港元優先票據的本金總額的107.75%加上截至贖回日期(但不包括該日)的應計未付利息(如有)之贖回價，以一次或多次股權發售中一次或多次出售本公司普通股的所得款項現金淨額，贖回二零一八年港元優先票據本金總額的最多35%；惟於每次贖回後優先票據本金總額須至少有65%仍未償還，且任何相關贖回必須於相關股權發售完成後60日內進行。

(ii) 控制權變動時購回二零一八年港元優先票據

本公司將於控制權變動後30日前提出要約(「二零一八年港元優先票據控制權變動要約」)，按等於本金總額101%加上截至控制權變動要約付款日期(不包括該日)應計未付利息(如有)的購買價，購買所有未償還二零一八年港元優先票據。

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30. SENIOR NOTES (Continued)

(b) 2018 HKD Senior Notes (Continued)

As the estimated fair value of the early redemption right is insignificant at initial recognition, the embedded derivative is not separately accounted for. The effective interest rate is approximately 11.06% per annum after the adjustment for transaction costs.

The 2018 HKD Senior Notes recognised in the consolidated statement of financial position are calculated as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日之賬面值	216,792	198,492
Effective interest recognised during the year (note 6)	年內確認的實際利息 (附註6)	22,623	21,708
Interest payable during the year	年內應付利息	(16,787)	(16,581)
Exchange realignment	匯兌調整	(14,407)	13,173
Carrying amount at 31 December	於十二月三十一日之賬面值	208,221	216,792
Fair value of the 2018 HKD Senior Notes *	二零一八年港元優先票據的公平值 *	213,656	226,383

* The fair value of the 2018 HKD Senior Notes has been calculated by discounting the contractual cash flows over the remaining contractual term of the 2018 HKD Senior Notes at the risk-free interest rate plus credit spread and liquidity spread.

30. 優先票據 (續)

(b) 二零一八年港元優先票據 (續)

由於提早贖回權於初始確認時的公平值估計不高，故嵌入式衍生工具並無單獨入賬。經就交易成本作出調整後，實際利率約為每年11.06%。

於綜合財務狀況表中確認的二零一八年港元優先票據按以下方式計算：

* 二零一八年港元優先票據的公平值通過將合約現金流量按無風險利率加信貸息差及流動性息差於二零一八年港元優先票據的剩餘合約期限內折現計算。

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31 December 2017 二零一七年十二月三十一日

30. SENIOR NOTES (Continued)

(c) 2018 USD Senior Notes

On 11 October 2017, the Company issued 6.75% senior notes with an aggregate nominal value of US\$160,000,000 (equivalent to approximately RMB1,053,070,000) at face value, which will mature in October 2018 (the “2018 USD Senior Notes”). The 2018 USD Senior Notes will only be offered outside the United States in compliance with Regulation S under the United States Securities Act of 1933, as amended (“Regulation S”). The 2018 USD Senior Notes initially were sold to a small number of financial institutions, none of which was offered to the public in Hong Kong or to any connected persons of the Company, and they have been listed on the HKSE (stock code:5292). The net proceeds, after deducting the issuance costs, amounted to approximately RMB1,039,118,000.

The major terms and conditions of the 2018 USD Senior Notes are as follows:

Not later than 30 days following a change of control (means when Mr. Liu Hongwei ceases for any reason to be the majority shareholder of the Company or any other events lead to the significant change of the ownership structure of the Company, “Change of Control”), the Company will make an offer to purchase all outstanding 2018 USD Senior Notes (“2018 USD Senior Notes Change of Control Offer”) at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the 2018 USD Senior Notes Change of Control Offer payment date.

The effective interest rate is approximately 8.32% per annum after the adjustment for transaction costs.

30. 優先票據 (續)

(c) 二零一八年美元優先票據

於二零一七年十月十一日，本公司按面值發行於二零一八年十月到期本金總額為160,000,000美元（相當於約人民幣1,053,070,000元）的6.75%優先票據（「二零一八年美元優先票據」）。二零一八年美元優先票據將僅遵照一九三三年美國證券法下S規例（經修訂）（「S規例」）於美國境外發售。二零一八年美元優先票據最初出售予少數金融機構，當中並無向香港公眾人士或本公司任何關連人士發售，並已香港聯交所上市（股份代號：5292）。扣除發行費用後的所得款項淨額約為人民幣1,039,118,000元。

二零一八年美元優先票據的主要條款及條件如下：

本公司將於控制權變動（指劉紅維先生因任何理由不再擔任本公司的大股東或因任何其他事項導致本公司擁有權結構發生重大變動的情況，「控制權變動」）後30日前提出要約（「二零一八年美元優先票據控制權變動要約」），按等於本金額101%加上截至二零一八年美元優先票據控制權變動要約付款日期（不包括該日）應計未付利息（如有）的購買價，購買所有未償還二零一八年美元優先票據。

經就交易成本作出調整後，實際利率約為每年8.32%。

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30. SENIOR NOTES (Continued)

(c) 2018 USD Senior Notes (Continued)

The 2018 USD Senior Notes recognised in the consolidated statement of financial position are calculated as follows:

		RMB'000 人民幣千元
Nominal value of 2018 USD Senior Notes	二零一八年美元優先票據的面值	1,053,070
Issuance costs	發行費用	(13,952)
Fair value at date of issuance	發行日期的公平值	1,039,118
Effective interest recognised for the year (note 6)	年內已確認的實際利息 (附註6)	17,657
Interest payable during the year	年內應付利息	(14,702)
Exchange realignment	匯兌調整	(11,266)
Carrying amount at 31 December 2017	於二零一七年十二月三十一日的賬面值	1,030,807
Fair value of the 2018 USD Senior Notes *	二零一八年美元優先票據的公平值 *	1,041,029

* The fair values of the 2018 USD Senior Notes are determined based on the price quoted on the HKSE on 31 December 2017.

30. 優先票據 (續)

(c) 二零一八年美元優先票據 (續)

於綜合財務狀況表中確認的二零一八年美元優先票據按以下方式計算：

* 二零一八年美元優先票據的公平值乃基於香港聯交所於二零一七年十二月三十一日的報價釐定。

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31 December 2017 二零一七年十二月三十一日

30. SENIOR NOTES (Continued)

(d) 2019 Senior Notes

On 15 February 2017, the Company issued 7.95% senior notes with an aggregate nominal value of US\$260,000,000 (equivalent to approximately RMB1,785,350,000) at face value, which will mature in February 2019 (the “2019 Senior Notes”). The 2019 Senior Notes will only be offered outside the United States in compliance with Regulation S under the United States Securities Act of 1933, as amended (“Regulation S”). The 2019 Senior Notes initially were sold to a small number of financial institutions, none of which was offered to the public in Hong Kong or to any connected persons of the Company, and they have been listed on the HKSE (stock code: 5372). The net proceeds, after deducting the issuance costs, amounted to approximately RMB1,749,691,000.

The major terms and conditions of the 2019 Senior Notes are as follows:

Not later than 30 days following a change of control (means when Mr. Liu Hongwei ceases for any reason to be the majority shareholder of the Company or any other events lead to the significant change of the ownership structure of the Company, “Change of Control”), the Company will make an offer to purchase all outstanding 2019 Senior Notes (“2019 Senior Notes Change of Control Offer”) at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the 2019 Senior Notes Change of Control Offer payment date.

The effective interest rate is approximately 9.27% per annum after the adjustment for transaction costs.

30. 優先票據 (續)

(d) 二零一九年優先票據

於二零一七年二月十五日，本公司發行面值總額260,000,000美元（相當於約人民幣1,785,350,000元）二零一九年二月到期年息7.95%的優先票據（「二零一九年優先票據」）。二零一九年優先票據將僅遵照一九三三年美國證券法下S規例（經修訂）（「S規例」）於美國境外發售。二零一九年優先票據最初出售予少數金融機構，當中並無向香港公眾或本公司任何關連人士出售，並已在香港聯交所上市（股份代號：5372）。扣除發行費用後的所得款項淨額約為人民幣1,749,691,000元。

二零一九年優先票據的主要條款及條件如下：

本公司將於控制權變動（指劉紅維先生因任何理由不再擔任本公司的大股東或因任何其他事項導致本公司擁有權結構發生重大變動的情況，「控制權變動」）後30日前提出要約（「二零一九年優先票據控制權變動要約」），按等於本金額101%加上截至二零一九年優先票據控制權變動要約付款日期（不包括該日）應計未付利息（如有）的購買價，購買所有未償還二零一九年優先票據。

經就交易成本作出調整後，實際利率約為每年9.27%。

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31 December 2017 二零一七年十二月三十一日

30. SENIOR NOTES (Continued)

(d) 2019 Senior Notes (Continued)

The 2019 Senior Notes recognised in the consolidated statement of financial position are calculated as follows:

		RMB'000 人民幣千元
Nominal value of 2019 Senior Notes	二零一九年優先票據的面值	1,785,350
Issuance costs	發行費用	(35,659)
Fair value at date of issuance	發行日期的公平值	1,749,691
Effective interest recognised for the year (note 6)	年內確認的實際利息 (附註6)	136,236
Interest payable during the year	年內應付利息	(119,305)
Exchange realignment	匯兌調整	(89,124)
Carrying amount at 31 December 2017	於二零一七年十二月三十一日的賬面值	1,677,498
Fair value of the 2019 Senior Notes *	二零一九年優先票據的公平值 *	1,693,608

* The fair values of the 2019 Senior Notes are determined based on the price quoted on the HKSE on 31 December 2017.

30. 優先票據 (續)

(d) 二零一九年優先票據 (續)

於綜合財務狀況表中確認的二零一九年優先票據按以下方式計算：

* 二零一九年優先票據的公平值乃基於香港聯交所於二零一七年十二月三十一日的報價釐定。

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31. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

		Tax losses	Government grants	Discount in retention receivables	Others	Total
		稅項虧損	政府補助	應收質保金折現	其他	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2016	於二零一六年一月一日	2,336	23,606	2,343	5,822	34,107
Deferred tax credited/ (charged) to profit or loss during the year (note 10)	年內計入／(扣除自) 損益的遞延稅項 (附註10)	(2,191)	(2,259)	(558)	3,189	(1,819)
At 31 December 2016 and at 1 January 2017	於二零一六年十二月三十一日 於一月一日	145	21,347	1,785	9,011	32,288
Deferred tax credited/ (charged) to profit or loss during the year (note 10)	年內計入／(扣除自) 損益的遞延稅項 (附註10)	(145)	10,424	161	6,323	16,763
At 31 December 2017	於二零一七年十二月三十一日	–	31,771	1,946	15,334	49,051

31. 遞延稅項

遞延稅項資產與負債於年內的變動如下：

遞延稅項資產

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31 December 2017 二零一七年十二月三十一日

31. DEFERRED TAX (Continued)

Deferred tax assets (Continued)

The Group has total tax losses arising in Malaysia, Singapore, Macao and Hong Kong of RMB22,217,000 (2016: RMB38,983,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in Mainland China of RMB91,044,000 (2016: RMB25,600,000) that will expire in one to five years for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these tax losses as they have arisen in subsidiaries that have been loss making and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Deferred tax liabilities

31. 遞延稅項(續)

遞延稅項資產(續)

本集團有在馬來西亞、新加坡、澳門及香港產生的稅項虧損總額人民幣22,217,000元(二零一六年:人民幣38,983,000元)可用於無限期抵銷產生虧損之公司的未來應課稅溢利。本集團亦有在中國大陸產生的稅項虧損人民幣91,044,000元(二零一六年:人民幣25,600,000元)可用於抵銷產生虧損之公司的未來應課稅溢利,將於一至五年後到期。就該等稅項虧損並無確認遞延稅項資產因其於一直虧損的附屬公司產生,且認為為應課稅溢利可以抵銷有關稅項虧損之機會不大。

遞延稅項負債

Withholding taxes
預扣稅
RMB'000
人民幣千元

At 1 January 2017 and
31 December 2017

於二零一七年一月一日及
二零一七年十二月三十一日

86,860

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31. DEFERRED TAX (Continued)

Deferred tax liabilities (Continued)

Under the CIT Law of the PRC, a 10% withholding tax is levied on dividends declared to foreign investors from foreign investment enterprises established in Mainland China effective from 1 January 2008. Under the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the withholding tax rate for dividends paid by a Mainland resident enterprise to a Hong Kong resident enterprise is 5% if the Hong Kong enterprise owns at least 25% of the Mainland enterprise.

Deferred taxation has not been provided for in the consolidated statement of financial position in respect of temporary differences attributable to the profits of the PRC subsidiaries during the year, as 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. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB2,033,306,000 as at 31 December 2017 (2016: RMB1,407,503,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

31. 遞延稅項 (續)

遞延稅項負債 (續)

根據中國企業所得稅法，由二零零八年一月一日起，在中國大陸成立之外資企業凡向外國投資者宣派股息，須徵收10%預提稅。根據中國大陸與香港特別行政區關於對避免雙重徵稅和防止偷漏稅的安排，倘香港企業最少擁有大陸企業25%的股本權益，由大陸居民企業付予香港居民企業的股息的預扣稅率為5%。

由於本集團可控制撥回暫時差額的時機，且暫時差額可能在短期內不會撥回，故並無就年內產生自中國附屬公司溢利的暫時差額在綜合財務狀況表內計提遞延稅項。於二零一七年十二月三十一日，與投資位於中國的附屬公司有關的暫時差額合共約為人民幣2,033,306,000元並無就此確認遞延稅項負債(二零一六年：人民幣1,407,503,000元)。

本公司向其股東派付股息時不會附帶任何所得稅影響。

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32. DEFERRED INCOME

32. 遞延收益

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<i>Government grants</i>	<i>政府補助</i>		
At 1 January	於一月一日	271,470	537,807
Government grants related to assets received during the year	年內收取與資產相關的政府補助	—	888
Released to profit or loss (note 5):	轉至損益(附註5):		
Over the expected useful lives of the related assets	按相關資產預期可使用年期	(14,346)	(19,830)
Upon disposal of the related assets	出售相關資產時	(92,896)	(247,395)
At 31 December	於十二月三十一日	164,228	271,470

Deferred income represented government grants received by the Group in respect of the construction of roof top solar power stations under the "Golden Sun Demonstration Project", and other items of property, plant and equipment.

The deferred income is released to profit or loss by equal annual instalments to match with the expected useful lives of the relevant assets.

遞延收益指本集團年內有關「金太陽示範工程」下建設的屋頂太陽能電站，以及其他物業、廠房及設備項目而收到的政府補助。

遞延收益按年平均分期撥回至損益，以配合相關資產的預期可使用年期。

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33. SHARE CAPITAL

Shares

		2017 二零一七年 US\$'000 千美元	2016 二零一六年 US\$'000 千美元
Authorised:	法定：		
1,200,000,000 ordinary shares of US\$0.01 each	1,200,000,000 股每股面值 0.01 美元的普通股	12,000	12,000
Issued and fully paid:	已發行及已繳足：		
834,073,195 (2016: 834,073,195) ordinary shares of US\$0.01 each	834,073,195 股(二零一六年： 834,073,195 股)每股面值0.01 美元的普通股	8,341	8,341
Equivalent to RMB'000	折合人民幣千元	55,785	55,785

There was no movement in the Company's issued share capital during the year.

年內，本公司的已發行股本並無變動。

34. SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include directors and employees of the Group. The Scheme was approved by the Company's shareholders on 19 December 2008 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

34. 購股權計劃

本公司設立購股權計劃(「該計劃」)是為了向對本集團的成功經營做出貢獻的合格參與者提供鼓勵和獎勵。該計劃的合格參與者包括董事及本集團僱員。該計劃於二零零八年十二月十九日獲本公司股東批准，除非被註銷或修訂，否則該計劃從該日起保持十年的效力。

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34. SHARE OPTION SCHEME (Continued)

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive officer or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5,000,000, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of offer, upon payment of a nominal consideration of RMB1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period of 0.5 to 3 years and ends on a date which is a period of 10 years from the date of grant.

The exercise price of share options is determinable by the directors, but may not be less than the highest of (i) the HKSE closing price of the Company's shares on the date of offer of the share options; (ii) the average HKSE closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of a share.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

34. 購股權計劃(續)

現時允許根據該計劃授出的未行使購股權最高數目為相等於(待其獲行使後)本公司於任何時間已發行股份之10%。於任何十二個月期間內可根據購股權向每名合資格參與者發行的最高股份數目乃限於本公司於任何時間已發行股份之1%。任何超出此限額的進一步授出購股權須經股東於股東大會上批准。

授予本公司董事、行政總裁或主要股東，或彼等任何聯繫人士之購股權，均須事先獲得獨立非執行董事之批准。此外，於任何十二個月期間內授予本公司主要股東或獨立非執行董事，或彼等任何聯繫人士之任何購股權，凡超過本公司於任何時間已發行股份之0.1%或其總值(根據本公司於授出日期之股價計算)超過5,000,000港元，均須於股東大會上事先取得股東之批准。

授出購股權之要約可由承授人自要約日期起計二十八日內於支付象徵式代價合共人民幣1元後接納。所授出購股權之行使期由董事釐定，並於半年至三年之歸屬期後開始至自授出日期起計滿十年之日為止。

購股權之行使價由董事釐定，惟不可低於以下最高者：(i)本公司股份於購股權要約日期在香港聯交所之收市價；(ii)本公司股份於緊接要約日期前五個交易日在香港聯交所之平均收市價；及(iii)股份之面值。

購股權並不賦予持有人收取股息或在股東大會上投票的權利。

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34. SHARE OPTION SCHEME (Continued)

The following share options were outstanding under the Scheme during the year:

34. 購股權計劃 (續)

年內該計劃下尚未行使之購股權如下：

		2017 二零一七年		2016 二零一六年	
		Weighted average exercise price 加權平均 行使價 HK\$ 每股港元	Number of options 股權購數目 '000 千份	Weighted average exercise price 加權平均 行使價 HK\$ 每股港元	Number of options 購股權數目 '000 千份
At 1 January	於一月一日	5.29	24,521	5.31	24,414
Granted during the year	年內授出	3.55	12,000	—	—
Adjusted during the year	年內調整	—	—	5.26	107
Forfeited during the year	年內失效	3.56	(21)	—	—
At 31 December	於十二月三十一日	4.72	36,500	5.29	24,521

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34. SHARE OPTION SCHEME (Continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

Number of share 股份數目		Exercise price 行使價 HK\$ per share 每股港元	Exercise period 行使期
2017 二零一七年 '000 千份	2016 二零一六年 '000 千份		
2,763	2,784	3.56	23/01/10-22/07/19
3,336	3,336	3.56	23/07/10-22/07/19
5,143	5,143	3.56	23/07/11-22/07/19
1,447	1,447	2.67	11/10/12-10/10/21
1,447	1,447	2.67	11/10/13-10/10/21
1,446	1,446	2.67	11/10/14-10/10/21
1,446	1,446	2.67	11/10/15-10/10/21
1,446	1,446	2.67	11/10/16-10/10/21
2,008	2,008	11.65	22/5/16-21/5/25
2,009	2,009	11.65	22/5/17-21/5/25
2,009	2,009	11.65	22/5/18-21/5/25
4,000	—	3.55	05/4/18-21/5/27
4,000	—	3.55	05/4/19-21/5/27
4,000	—	3.55	05/4/20-21/5/27
36,500	24,521		

The fair value of the share options granted during the year was HK\$22,956,760 (equivalent to approximately RMB20,287,000) or HK\$1.9131 each (equivalent to approximately RMB1.6905 each). The Group recognised a share option expense of HK\$16,320,000 (equivalent to approximately RMB14,140,000) during the year (2016: HK\$13,756,883, equivalent to approximately RMB11,773,000).

34. 購股權計劃(續)

於報告期末尚未行使購股權之行使價及行使期如下：

於本年度授出的購股權公平值為22,956,760港元(相當於約人民幣20,287,000元)或每份1.9131港元(相當於每份約人民幣1.6905元)。本集團於本年度確認購股權開支16,320,000港元(相當於約人民幣14,140,000元)(二零一六年：13,756,883港元(相當於約人民幣11,773,000元))。

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34. SHARE OPTION SCHEME (Continued)

The fair value of equity-settled share options granted during the year as at the date of grant, using the binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Volatility (%)	57.16
Risk-free interest rate (%)	2.26
Weighted average share price (HK\$ per share)	1.9131

At the end of the reporting period, the Company had 36,500,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 36,500,000 additional ordinary shares of the Company and additional share capital of US\$365,000 (equivalent to approximately HK\$2,853,184) and share premium of approximately HK\$ 169,272,000 (before issue expenses and after the amount to be transferred from share option reserve to share premium upon the exercise of the related share options).

As at the date of approval of the financial statements, the Company had 36,500,000 share options outstanding under the Scheme, which represented approximately 4.38% of the Company's shares in issue as at that date.

34. 購股權計劃 (續)

於本年度授出的股本結算購股權於授出日期的公平減值使用二項式模型釐定，經計及授出購股權之條款及條件。下表列出所使用的模型的輸入數據：

波幅 (%)	57.16
無風險利率 (%)	2.26
加權平均股價 (每股港元)	1.9131

於報告期末，本公司根據該計劃有 36,500,000 份尚未行使購股權。該等尚未行使購股權倘全數獲行使，在本公司之現有資本架構下，將會導致額外發行 36,500,000 股本公司普通股及產生額外股本 365,000 美元（相等於約 2,853,184 港元）及股份溢價約 169,272,000 港元（於扣除發行開支前及於扣除將於相關購股權獲行使時由購股權儲備轉移至股份溢價的金額後）。

於本財務報表批准日，本公司根據該計劃有 36,500,000 份尚未行使購股權，相當於本公司於該日已發行股份約 4.38%。

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35. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 100 to 101 of the annual report.

(a) Statutory reserves of the PRC subsidiaries

In accordance with the "Law of the PRC on Joint Ventures Using Chinese and Foreign Investment" and the respective articles of association of the Group's subsidiaries in Mainland China, appropriations from net profit, as determined in accordance with PRC generally accepted accounting principles ("PRC GAAP") and after offsetting accumulated losses from prior years, should be made to the statutory reserve fund and the enterprise expansion fund, and before profit distributions to the investors. The reserve fund can be used to offset accumulated losses or to increase capital.

(b) Enterprise expansion fund

The enterprise expansion fund can be used for business development or to increase capital. The percentages to be appropriated to the reserve fund and the enterprise expansion fund in the foreign investment subsidiaries are determined by the board of directors. In addition, the wholly-foreign-owned subsidiaries are not required to appropriate the enterprise expansion fund, and the percentages to be appropriated to the reserve fund shall be no less than 10%. When the cumulative reserve fund reaches one-half of the registered capital, the appropriation is no longer mandatory.

35. 儲備

本集團本年度及過往年度之儲備金額及相關變動載於年度報告第100頁至第101頁之綜合權益變動表內。

(a) 中國附屬公司的法定儲備

根據《中華人民共和國中外合資經營企業法》及本集團在中國大陸附屬公司的公司章程，須從按照中國公認會計準則（「中國公認會計準則」）釐定的純利（經抵銷往年累計虧損後，及向投資者分派溢利前）撥付法定儲備基金及企業擴展基金。該儲備基金可用來抵銷累計虧損或增加資本。

(b) 企業擴展基金

企業擴展基金可用於業務發展或增加資本。外商投資附屬公司撥付至儲備基金及企業擴展基金的百分比由董事會釐定。此外，外商獨資企業毋須將純利撥付至企業擴展基金，而撥付至儲備基金的百分比須不少於10%。於儲備基金累計至達到註冊資本一半時，不再強制撥付。

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35. RESERVES (Continued)

(c) Share option reserve

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

(d) Safety fund surplus reserve

Pursuant to a Notice regarding Safety Production Expenditure jointly issued by the Ministry of Finance and the State Administration of Work Safety of the PRC in February 2012, the Group is required to establish a safety fund surplus reserve. The safety fund can only be transferred to retained profits to offset safety related expenses as and when they are incurred, including expenses related to safety protection facilities and equipment improvement and maintenance as well as safety production inspection, appraisal, consultation and training.

35. 儲備(續)

(c) 購股權儲備

購股權儲備包括已授出但尚未行使的購股權的公平值，進一步闡述見財務報表附註2.4有關以股份為基礎的支付的會計政策。該款項將於相關期權獲行使時轉撥至股份溢價賬，或倘相關購股權屆滿或被沒收，則轉撥至保留溢利。

(d) 安全基金盈餘儲備

根據中國財政部及國家安全生產監督管理總局於二零一二年二月聯合頒佈的一則關於安全生產費的通知，本集團須設立安全基金盈餘儲備。安全基金只可於產生時轉撥至保留溢利以抵銷安全相關開支，包括與安保設施及設備提升及維護以及安全生產檢查、評估、諮詢及培訓有關的開支。

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36. DISPOSAL OF A SUBSIDIARY

36. 出售一間附屬公司

2017
二零一七年
RMB'000
人民幣千元

Net assets disposed of:	已出售資產淨值：	
Property, plant and equipment	物業、廠房及設備	107,201
Cash and bank balances	現金及銀行結存	343
Trade payables	應付貿易款項	(14,355)
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項	8,689
Payment in advance	預付款項	3,880
Prepaid land lease payment (note 15)	預付土地租賃款項(附註15)	5,773
Interest payable (note 43)	應付利息(附註43)	(1,215)
Other payables and accruals	其他應付款項及應計款項	(126,323)
		(16,007)
Gain on disposal of a subsidiary	出售一間附屬公司之收益	16,007

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

就出售一間附屬公司的現金及現金等價物的淨流出分析如下：

2017
二零一七年
RMB'000
人民幣千元

Cash and bank balances disposed of	已出售現金及銀行結存	(343)
Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary	就出售一間附屬公司的現金及現金等價物淨流出	(343)

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37. DEEMED PARTIAL DISPOSAL OF INTEREST IN A SUBSIDIARY

In July 2017, the Group spun off Singyes New Materials and its subsidiaries through a separate listing on the Growth Enterprise Market of the Hong Kong Stock Exchange Limited (the "Spin-Off"). The Spin-Off involved the offering of 120,000,000 shares of US\$0.01 each by Singyes New Materials at an offer price of HK\$1 per share (the "Singyes New Materials Offering"), which raised total cash proceeds of HK\$120,000,000 (equivalent to approximately RMB103,580,000), before deducting transaction expenses.

Immediately following the completion of the Singyes New Materials Offering, the Group's equity interest in Singyes New Materials was diluted from 90.1% to 67.6% and thus the Spin-Off is considered as a deemed partial disposal of Singyes New Materials by the Group. Since the deemed partial disposal of Singyes New Materials did not result in any loss of control, such transaction was accounted for as an equity transaction and the difference between the proceeds from the Singyes New Materials Offering and the 22.5% carrying value of the Singyes New Materials and its subsidiaries amounting to RMB47,511,000 was recognised in reserve of the Group.

37. 視作部分出售於一間附屬公司之權益

於二零一七年七月，本集團分拆興業新材料及其子公司於聯交所GEM獨立上市（「分拆」）。分拆涉及興業新材料以每股1港元的發售價發售120,000,000股每股0.01美元的股份（「興業新材料發售」），籌得現金所得款項總額為120,000,000港元（相當於約人民幣103,580,000元）（扣除交易開支前）。

緊隨完成興業新材料發售後，本集團於興業新材料的股權由90.1%攤薄至67.6%，因此分拆被視為本集團部分出售興業新材料。由於視作部分出售興業新材料並未導致失去任何控制權，因此該交易作為權益交易列賬，以及興業新材料發售之所得款項與興業新材料及其附屬公司之22.5%賬面值之間的差額人民幣47,511,000元已於本集團儲備內確認。

38. CONTINGENT LIABILITIES

As at 31 December 2017, the Group had no significant contingent liabilities.

38. 或然負債

於二零一七年十二月三十一日，本集團並無重大或然負債。

39. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 14) under operating lease arrangements, with leases negotiated for terms ranging from three to four years.

39. 經營租約安排

(a) 作為出租人

本集團根據經營租約安排出租其投資物業（附註14），該等租約協定租期為三至四年。

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39. OPERATING LEASE ARRANGEMENTS
(Continued)

(a) As lessor (Continued)

At 31 December 2017, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	一年內	2,483	2,483
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	2,397	4,880
		4,880	7,363

(b) As lessee

The Group leases certain of its office premises and land from certain grantees of the land use rights under operating lease arrangements. Leases for properties are negotiated for terms of one to twenty-five years. At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	一年內	2,488	2,532
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	2,038	3,279
After five years	五年後	6,175	4,281
		10,701	10,092

39. 經營租約安排(續)

(a) 作為出租人(續)

於二零一七年十二月三十一日，本集團根據於下列年期到期的不可撤銷經營租約的未來最低應收租金總額如下

(b) 作為承租人

本集團根據經營租約安排自土地使用權的若干承受人租用若干辦公室物業及土地。該等物業租約協定租期為一或二十五年。於報告期末，本集團根據於下列年期到期的不可撤銷經營租約的未來最低應付租金總額如下：

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40. COMMITMENTS

In addition to the operating lease commitments detailed in note 39 above, the Group had the following capital commitments at the end of the reporting period:

40. 承擔

除上文附註39所述之經營租約承擔外，於報告期末，本集團有下列資本承擔：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未撥備：		
Construction of buildings and solar photovoltaic power stations	建設樓宇及太陽能光伏電站	345,898	205,533
Purchase of office property	購買辦公物業	20,759	—
Purchase of machinery	購買機器	325	788
Purchase of patent	購買專利	14,400	—
Capital contributions to be injected into associates	向聯營公司注資	12,000	12,000
		393,382	218,321

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41. RELATED PARTY TRANSACTIONS AND BALANCES

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Associates:	聯營公司：		
Sales of products	銷售產品	281,306	635,237
Rendering operation and maintenance service	提供營運及維護服務	5,658	—
Construction contracts	建築合同	71,176	169,038
		358,140	804,275
Interest-free advances	免息墊款	25,177	23,660
Interest from loans	貸款利息	3,235	—
Loan*	貸款*	—	68,110

The sales and construction services provided to associates were made according to the published prices and conditions offered to the major customers of the Group.

- * The loan to an associate is interest-bearing at a fixed rate of 4.75% per annum and will fall due in 2018, which is secured by the rights on the annual return of a 100MW solar photovoltaic power station.

41. 關連方交易及結餘

- (a) 除該等財務報表其他地方詳述交易外，年內本集團擁有下列與關連方的交易：

向聯營公司提供之銷售及建築服務，乃以提供予本集團主要客戶之已公佈價格及條件為依據。

- * 向聯營公司提供的貸款以固定年利率4.75%計息，及將於二零一八年到期，並以100兆瓦太陽能光伏電站年度回報的權利作抵押。

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41. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(b) Other transactions with related parties

As at 31 December 2017, details of bank and other loans guarantees provided by related parties of the Group for nil consideration are as follows:

- (i) the Group's bank and other loans of RMB530,965,000 were guaranteed by Mr. Liu Hongwei;
- (ii) the Group's bank loans of RMB286,972,000 were guaranteed jointly by Messrs. Liu Hongwei and Sun Jinli;
- (iii) the Group's bank loans of RMB323,517,000 were guaranteed jointly by Messrs. Liu Hongwei and Xie Wen;
- (iv) the Group's bank loans of RMB50,000,000 were guaranteed jointly by Messrs. Liu Hongwei, Sun Jinli and Xie Wen;
- (v) the Group's bank loans of RMB87,500,000 were jointly guaranteed by Mr. Liu Hongwei and his spouse, Ms. Li Wei, and Mr. Sun Jinli and his spouse, Ms. Wang Yanfang;
- (vi) the Group's bank loans with a principal of HK\$377,579,000 (equivalent to approximately RMB315,622,000) were guaranteed jointly by Messrs. Liu Hongwei and Sun Jinli; and
- (vii) the Group's bank loans with a principal of US\$994,000 (equivalent to approximately RMB6,495,000) were guaranteed jointly by Messrs. Liu Hongwei and Sun Jinli.

41. 關連方交易及結餘 (續)

(b) 與關連方的其他交易

於二零一七年十二月三十一日，本集團關連方無償提供之銀行及其他貸款擔保如下：

- (i) 本集團之銀行及其他貸款人民幣530,965,000元由劉紅維先生擔保；
- (ii) 本集團之銀行貸款人民幣286,972,000元由劉紅維先生及孫金禮先生共同擔保；
- (iii) 本集團之銀行貸款人民幣323,517,000元由劉紅維先生及謝文先生共同擔保；
- (iv) 本集團之銀行貸款人民幣50,000,000元由劉紅維先生、孫金禮先生及謝文先生共同擔保；
- (v) 本集團之銀行貸款人民幣87,500,000元乃由劉紅維先生及其配偶李薇女士、孫金禮先生及其配偶王豔芳女士共同擔保；
- (vi) 本集團之銀行貸款本金額377,579,000港元(相當於約人民幣315,622,000元)由劉紅維先生及孫金禮先生共同擔保；及
- (vii) 本集團之銀行貸款本金額994,000美元(相當於約人民幣6,495,000元)由劉紅維先生及孫金禮先生共同擔保。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

41. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(c) Outstanding balances with related parties

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Due from associates:	應收聯營公司：		
Trade receivables (note 22)	應收貿易款項 (附註 22)	354,398	371,270
Other receivables (note 23)	其他應收款項 (附註 23)	126,392	97,980
		480,790	469,250
Due to an associate:	應付一間聯營公司：		
Other payables	其他應付款項	—	3,892

Trade receivables are unsecured and interest-free. The credit terms granted to the associates are consistent with the terms offered to the major customers of the Group.

Except for the balances of approximately RMB68,110,000 (2016: RMB68,110,000) due from an associate that are secured by the rights on the annual return of the 100MW solar photovoltaic power station, bear interest at 4.75% per annum and will fall due in 2018, other balances included in other receivables due from the associates are unsecured, interest-free and have no fixed terms of repayment.

41. 關連方交易及結餘 (續)

(c) 關連方未償還結餘

應收貿易款項為無抵押及免息。授予一間聯營公司的信貸期乃與提供予本集團主要客戶之期限一致。

除應收聯營公司款項結餘約人民幣68,110,000元(二零一六年：人民幣68,110,000元)以100兆瓦太陽能光伏電站年度回報的權利作抵押，按固定年利率4.75%計息及將於二零一八年到期之外，其他應收聯營公司款項中包含的其他結餘為無抵押、免息及並無固定還款期限。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

41. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(d) Compensation of key management personnel of the Group

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	9,774	8,629
Pension scheme contributions	退休金計劃供款	169	181
		9,943	8,810

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

41. 關連方交易及結餘 (續)

(d) 本集團主要管理人員的薪酬

有關董事及行政總裁酬金的進一步詳情載於財務報表附註8。

42. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Gross amounts of assets that continued to be recognised:	繼續確認的資產賬面值：			
Discounted Bills	貼現票據	(a)	13,749	146,935
Endorsed Bills	背書票據	(b)	4,662	106,666
			18,411	253,601

42. 金融資產轉讓

未完全終止確認的已轉讓金融資產

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

42. TRANSFERS OF FINANCIAL ASSETS (Continued)

(a) Discounted Bills

At 31 December 2017, the Group discounted certain bills receivable (the “Discounted Bills”) with a total carrying amount of RMB13,749,000 (2016: RMB146,935,000) to certain local banks in the PRC. The Discounted Bills have a maturity of one month at 31 December 2017. In accordance with the law of Negotiable Instruments in the PRC, the holders of the Discounted Bills have a right of resource against the Group if the PRC banks default. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to the Discounted Bills, and accordingly, it continued to recognise the carrying amounts of the Discounted Bills and the respective bank loans (the carrying amounts of the Discounted Bills deduct the discount interest). Subsequent to the discounting, the Group did not retain any rights on the use of the Discounted Bills, including sale, transfer or pledge of the Discounted Bills to any other third parties. The aggregate carrying amount of the bank loans recognised due to the Discounted Bills was RMB13,722,000 (2016: RMB144,949,000) as at 31 December 2017.

42. 金融資產轉讓(續)

(a) 貼現票據

於二零一七年十二月三十一日，本集團將總賬面值人民幣13,749,000元(二零一六年：人民幣146,935,000元)的若干應收票據(「貼現票據」)貼現予中國若干當地銀行。於二零一七年十二月三十一日，貼現票據的到期時間為一個月。根據中國票據法，如中國銀行違約，貼現票據持有人有權向本集團追索。董事認為，本集團保留大部分風險及回報(包括貼現票據違約風險)，因此繼續確認貼現票據及相關銀行貸款的賬面值(貼現票據的賬面值扣除貼現利息)。貼現後，本集團並無保留使用貼現票據的任何權利，包括向任何其他第三方出售、轉讓或抵押貼現票據。因貼現票據而確認的銀行貸款於二零一七年十二月三十一日的總賬面值為人民幣13,722,000元(二零一六年：人民幣144,949,000元)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

42. TRANSFERS OF FINANCIAL ASSETS (Continued)

(b) Endorsed Bills

At 31 December 2017, the Group endorsed certain bills receivable accepted by certain local banks in the PRC (the “Endorsed Bills”) with a total carrying amount of RMB4,662,000 (2016: RMB106,666,000) to certain of its suppliers in order to settle the trade payables due to those suppliers. The Endorsed Bills had a maturity of one to six months at 31 December 2017. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Endorsed Bills have a right of recourse against the Group if the PRC banks default. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to the Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amount of the trade and other payables settled by the Endorsed Bills during the year to which the suppliers have recourse was RMB4,662,000 as at 31 December 2017 (2016: RMB106,666,000).

42. 金融資產轉讓 (續)

(b) 背書票據

於二零一七年十二月三十一日，本集團將中國若干當地銀行接受的總賬面值人民幣4,662,000元(二零一六年：人民幣106,666,000元)的若干應收票據(「背書票據」)背書予若干供應商，以結算應付該等供應商的應付貿易款項。於二零一七年十二月三十一日，背書票據的到期時間為一至六個月。根據中國票據法，如中國銀行違約，背書票據持有人有權向本集團追索。董事認為，本集團已保留大部分風險及回報(包括背書票據違約風險)，因此繼續確認背書票據及相關已結算應付貿易款項的全部賬面值。背書後，本集團並無保留使用背書票據的任何權利，包括向任何其他第三方出售、轉讓或抵押背書票據。年內以供應商有追索權的背書票據結算的貿易及其他應付款項於二零一七年十二月三十一日的總賬面值為人民幣4,662,000元(二零一六年：人民幣106,666,000元)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

42. TRANSFERS OF FINANCIAL ASSETS
(Continued)**Transferred financial assets that are derecognised in their entirety**

As at 31 December 2017, the Group discounted certain bills receivable accepted by certain reputable banks in the PRC, with a carrying amount in aggregate of RMB136,771,000 (referred to as the "Derecognised Bills", 2016: RMB58,118,000). The Derecognised Bills had a maturity from one to nine months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amount of the Derecognised Bills. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the year, the Group has recognised interest expense of RMB13,667,000 (2016: RMB12,256,000) (note 6) on discounted bills receivable. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively.

During the year, trade receivables net of impairment, of RMB142,500,000 (2016: Nil) (note 22) were factored to the bank without recourse. In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the derecognised trade receivables. Accordingly, it has derecognised the full carrying amount of these trade receivables.

42. 金融資產轉讓(續)

已完全終止確認的已轉讓金融資產

於二零一七年十二月三十一日，本集團終止中國若干知名銀行接受的賬面值共人民幣136,771,000元的應收票據（「終止確認票據」，二零一六年：人民幣58,118,000元）。於報告期末，終止確認票據的到期時間為一至九個月。根據中國票據法，如中國銀行違約，終止確認票據持有人有權向本集團追索（「持續參與」）。董事認為，本集團已轉讓與終止確認票據有關的絕大部分風險及回報。因此，本集團已終止確認終止確認票據的全部賬面值。本集團持續參與終止確認票據及購回該等終止確認票據的未貼現現金流量面臨的最高損失風險等於其賬面值。董事認為，本集團持續參與與終止確認票據的公平值並不重大。

年內，本集團確認應收貼現票據的利息開支人民幣13,667,000元（二零一六年：人民幣12,256,000元）（附註6）。並無因持續參與而於年內或累計確認任何收益或虧損。

年內，人民幣142,500,000元（二零一六年：無）（附註22）應收款項（扣除減值）向銀行作無追索保理。董事認為，本集團已轉讓與終止確認應收貿易款項有關的絕大部分風險及回報。因此，本集團已終止確認終止確認應收貿易款項的全部賬面值。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

43. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

43. 綜合現金流量表附註

Changes in liabilities arising from financing activities

融資活動產生之負債之變動

		Bank and other loans 銀行及 其他貸款 RMB'000 人民幣千元	Bank advances for discounted bills 貼現票據 銀行貸款 RMB'000 人民幣千元	Convertible bonds 可換股債券 RMB'000 人民幣千元	Senior notes 優先票據 RMB'000 人民幣千元	Interest payable 應付利息 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年 一月一日	2,918,270	144,949	719,216	771,003	36,173	4,589,611
Changes from financing cash flows	融資現金流變動	(207,880)	(131,227)	(828,000)	2,228,809	(283,043)	778,659
Interest payable	應付利息	(98,596)	(13,667)	(28,747)	(190,061)	331,071	-
Interest expense (note 6)	利息開支(附註6)	144,444	13,667	233,577	221,572	-	613,260
Fair value change of conversion right (note 29)	轉換權公平值變動 (附註29)	-	-	(15,227)	-	-	(15,227)
Disposal of a subsidiary (note 36)	出售附屬公司 (附註36)	-	-	-	-	(1,215)	(1,215)
Foreign exchange loss, net	匯兌虧損淨額	3,287	-	-	-	-	3,287
Exchange realignment	匯兌調整	(55,415)	-	-	(114,797)	-	(170,212)
At 31 December 2017	於二零一七年 十二月三十一日	2,704,110	13,722	80,819	2,916,526	82,986	5,798,163

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

44. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2017

Financial assets

44. 按類別劃分的金融工具

各類金融工具於報告期末的賬面值如下：

二零一七年

金融資產

		Loans and receivables 貸款及 應收款項 RMB'000 人民幣千元	Available-for-sale financial assets 可供出售 金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Available-for-sale investments	可供出售投資	—	265,803	265,803
Trade and bills receivables	應收貿易款項及應收票據	3,751,855	—	3,751,855
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及 其他應收款項之金融資產	709,620	—	709,620
Pledged deposits	抵押存款	487,022	—	487,022
Cash and cash equivalents	現金及現金等價物	1,202,423	—	1,202,423
		6,150,920	265,803	6,416,723

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

44. FINANCIAL INSTRUMENTS BY CATEGORY
(Continued)

2017 (Continued)

Financial liabilities

44. 按類別劃分的金融工具 (續)

二零一七年 (續)

金融負債

		Financial liabilities at fair value through profit or loss upon initial recognition 初始確認時 按公平值 計入損益的 金融負債 RMB'000 人民幣千元	Financial liabilities at amortised cost 按攤銷成 本列賬的 金融負債 成本： RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills payables	應付貿易款項及應付票據	–	1,294,073	1,294,073
Financial liabilities included in other payables and accruals (note 26)	計入其他應付款項及 應計款項的金融負債 (附註26)	–	213,730	213,730
Convertible bonds (note 29)	可換股債券(附註29)	–	80,819	80,819
Senior notes (note 30)	優先票據(附註30)	–	2,916,526	2,916,526
Bank advances for discounted bills (note 42(a))	貼現票據銀行貸款 (附註42(a))	–	13,722	13,722
Derivative financial instruments	衍生金融工具	34,005	–	34,005
Interest-bearing bank and other loans	附息銀行貸款 其他貸款	–	2,704,110	2,704,110
		34,005	7,222,980	7,256,985

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

44. FINANCIAL INSTRUMENTS BY CATEGORY
(Continued)

2016

Financial assets

44. 按類別劃分的金融工具 (續)

二零一六年

金融資產

		Loans and receivables 貸款及 應收款項 RMB'000 人民幣千元	Available-for-sale financial assets 可供出售 金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Available-for-sale investments	可供出售投資	—	80,512	80,512
Trade and bills receivables	應收貿易款項及應收票據	3,373,065	—	3,373,065
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及 其他應收款項的金融資產	702,507	—	702,507
Derivative financial instruments	衍生金融工具	22,961	—	22,961
Pledged deposits	抵押存款	383,231	—	383,231
Cash and cash equivalents	現金及現金等價物	680,205	—	680,205
		5,161,969	80,512	5,242,481

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

44. FINANCIAL INSTRUMENTS BY CATEGORY
(Continued)

2016 (Continued)

Financial liabilities

44. 按類別劃分的金融工具 (續)

二零一六年 (續)

金融資產

		Financial liabilities at fair value through profit or loss upon initial recognition 初始確認時 按公平值 計入損益的 金融負債 RMB'000 人民幣千元	Financial liabilities at amortised cost 按攤銷 成本列賬的 金融負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills payables	應付貿易款項及應付票據	—	1,345,952	1,345,952
Financial liabilities included in other payables and accruals (note 26)	計入其他應付款項及 應計費用的金融負債 (附註26)	—	202,734	202,734
Convertible bonds (note 29)	可換股債券(附註29)	15,227	703,989	719,216
Senior notes (note 30)	優先票據(附註30)	—	771,003	771,003
Bank advances for discounted bills (note 42(a))	貼現票據銀行貸款 (附註42(a))	—	144,949	144,949
Interest-bearing bank and other loans	附息銀行貸款 其他貸款	—	2,918,270	2,918,270
		15,227	6,086,897	6,102,124

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values due to short term to maturity, are as follows:

45. 金融工具的公平值及公平值等級

本集團金融工具(由於到期時間較短, 賬面值與公平值合理相若者除外)的賬面值及公平值如下:

		Carrying amounts 賬面淨值		Fair values 公平值	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Financial assets	金融資產				
Pledged deposits, non-current portion	抵押存款 非流動部份	14,650	17,352	12,473	14,408
Derivative financial instruments	衍生金融工具	—	22,961	—	22,961
Available-for-sale debt investments	可供出售債務投資	235,737	49,559	235,737	49,559
		250,387	89,872	248,210	86,928
Financial liabilities	金融負債				
Convertible bonds	可換股債券	80,819	719,216	95,700	860,509
2017 Senior notes	二零一七年優先票據	—	554,211	—	537,948
2018 HKD Senior notes	二零一八年港元優先 票據	208,221	216,792	213,656	226,383
2018 USD Senior notes	二零一八年美元優先 票據	1,030,807	—	1,041,029	—
2019 Senior Notes	二零一九年優先票據	1,677,498	—	1,693,608	—
Derivative financial instruments	衍生金融工具	34,005	—	34,005	—
Interest-bearing bank and other loans, non-current portion:	付息銀行貸款及 其他貸款, 非流動部份:				
Bank loans	銀行貸款	1,261,329	1,506,511	1,238,987	1,488,583
Other loans	其他貸款	177,593	263,459	167,643	232,767
		4,470,272	3,260,189	4,484,628	3,346,190

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45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Management has assessed that the fair values of cash and cash equivalents, short term pledged deposits, trade and bills receivables, trade and bills payables, financial assets included in prepayments, deposits and other receivables, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The Group has entered into derivative financial instruments, such as interest rate swaps and cross-currency interest rate swaps, with the banks. The fair value of the interest rate swaps and cross-currency interest rate swaps was estimated by the independent professional valuer using the discounted cash flow method and the estimation included some assumptions not supported by observable market rates such as credit risk, discount rate and expected future cash flows. The carrying amounts of interest rate swaps and cross-currency interest rate swaps are the same as their fair values.

The fair value of the 2019 Convertible Bonds was valued by estimating the value of the whole bond with and without the embedded derivatives using the binomial option pricing model. The model incorporates inputs including market price, discount rates and share price volatility. The value used for significant unobservable input is: volatility at 38.28%.

45. 金融工具的公平值及公平值等級(續)

經管理層評估，現金及現金等價物、短期抵押存款、應收貿易款項及應收票據、應付貿易款項及應付票據、計入預付款項、訂金及其他應收款項的金融資產以及計入其他應付款項及應計款項的金融負債與其賬面值相若，主要是由於有關工具的到期時間較短。

金融資產及負債的公平值按自願各方之間當前交易(強制或清盤出售除外)中該工具可交換的價格列賬。

下列方法及假設用於估計公平值：

本集團已與銀行訂立衍生金融工具，如利率掉期及交叉貨幣利率掉期。利率掉期及交叉貨幣利率掉期的公平值由獨立專業估值師使用貼現現金流法估計，估計包括並無可觀察市場價格或費率支持的部分假設(如信貸風險、貼現率及預期未來現金流量)，因此存在不確定性。利率掉期及交叉貨幣利率掉期的賬面值與彼等的公平值相同。

二零一九年可換股債券的公平值透過使用二項式期權定價模型估計整份債券附帶及不附帶嵌入式衍生工具時的價值而評估。該模型計入市價、貼現率及股價波幅等輸入數據。就重大不可觀察輸入數據使用的數值：波幅38.28%。

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45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The fair values of the 2018 HKD Senior Notes have been calculated by discounting the contractual cash flows over the remaining contractual term of the 2018 HKD Senior Notes at the risk free interest rate plus credit spread and liquidity spread.

The fair values of the 2018 USD Senior Notes and 2019 Senior Notes are based on quoted market price (unadjusted) in active markets.

The fair values of the non-current portion of the Group's interest-bearing bank and other loans have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities, adjusted by the Group's own non-performance risk where appropriate. Values used for significant unobservable inputs are: discount rates from 1.54% to 9.07% based on individual loans.

The fair value of the available-for-sale investments relating to the life insurance contracts is based on the quoted price in a non-active market obtained from HSBC Life at the end of each reporting period.

The fair value of the available-for-sale investments relating to the specific asset management plans and wealth management products are calculated by discounting the contractual cash flows over the remaining contractual term of the specific asset management plans at the risk-free interest rate plus credit spread.

45. 金融工具的公平值及公平值等級 (續)

二零一八年港元優先票據的公平值通過將合約現金流量按無風險利率加信貸息差及流動性息差於二零一八年優先票據的剩餘合約期限內折現計算。

二零一八年美元優先票據及二零一九年優先票據的公平值乃根據活躍市場的市場報價(未經調整)。

本集團附息銀行及其他貸款非流動部份的公平值乃透過使用年期、信貸風險及餘下到期時間類似的金融工具現時可獲得的利率(就本集團自有違約風險作出調整(如適用))貼現預期未來現金流量而計算。就重大不可觀察輸入數據使用的數值：基於個人貸款的貼現率1.54%至9.07%。

有關人壽保險合約可供出售投資的公平值乃根據於各報告期末自滙豐人壽取得的非活躍市場報價計算。

有關特定資產管理計劃和理財產品之可供出售投資的公平值通過將合約現金流量按無風險利率加信貸息差，於特定資產管理計劃及理財產品之剩餘合約期限內折現計算。

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45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

45. 金融工具的公平值及公平值等級 (續)

公平值等級

下表說明本集團金融工具的公平值計量等級：

按公平值計量的資產：

		Fair value measurement using 使用以下各項計量公平值			
		Quoted prices in active markets (Level 1) 活躍 市場報價 (第一層) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二層) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三層) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 31 December 2017	於二零一七年 十二月三十一日				
Available-for-sale investments:	可供出售投資：				
Life insurance contracts	人壽保險合約	—	22,382	—	22,382
Wealth management products	理財產品	—	—	180,000	180,000
Asset management plan	資產管理計劃	—	—	33,355	33,355
		—	22,382	213,355	235,737
As at 31 December 2016	於二零一六年 十二月三十一日				
Derivative financial instruments	衍生金融工具	—	22,961	—	22,961
Available-for-sale investments:	可供出售投資：				
Life insurance contracts	人壽保險合約	—	22,316	—	22,316
Asset management plan	資產管理計劃	—	—	27,243	27,243
		—	45,277	27,243	72,520

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45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Liabilities measured at fair value:

45. 金融工具的公平值及公平值等級 (續)

公平值等級 (續)

按公平值計量的負債：

		Fair value measurement using 使用以下各項計量公平值			
		Quoted prices in active markets (Level 1) 活躍 市場報價 (第一層) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二層) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三層) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 31 December 2017	於二零一七年 十二月三十一日				
Derivative financial instruments	衍生金融工具	—	34,005	—	34,005
As at 31 December 2016	於二零一六年 十二月三十一日				
Convertible bonds:	可換股債券：				
Conversion rights (note 29)	轉換權 (附註 29)	—	—	15,227	15,227

During the year ended 31 December 2017, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

截至二零一七年十二月三十一日止年度，金融資產及金融負債的第一層與第二層之間並無公平值計量轉移，亦並無轉入或轉出第三層。

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45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Assets for which fair values are disclosed:

45. 金融工具的公平值及公平值等級 (續)

公平值等級 (續)

披露公平值的負債：

		Fair value measurement using 使用以下各項計量公平值			Total 總計 RMB'000 人民幣千元
		Quoted prices in active markets (Level 1) 活躍 市場報價 (第一層) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二層) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三層) RMB'000 人民幣千元	
As at 31 December 2017	於二零一七年 十二月三十一日				
Pledged deposits, non-current portion	抵押存款非流動部份	—	—	12,473	12,473
As at 31 December 2016	於二零一六年 十二月三十一日				
Pledged deposits, non-current portion	抵押存款非流動部份	—	—	14,408	14,408

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45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Liabilities for which fair values are disclosed:

45. 金融工具的公平值及公平值等級(續)

公平值等級(續)

披露公平值的負債：

		Fair value measurement using 使用以下各項計量公平值			Total 總計 RMB'000 人民幣千元
		Quoted prices in active markets (Level 1) 活躍 市場報價 (第一層) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二層) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三層) RMB'000 人民幣千元	
As at 31 December 2017	於二零一七年 十二月三十一日				
Convertible bonds	可換股債券				
– Liability component (note 29)	– 負債部分 (附註29)	–	–	95,700	95,700
2018 HKD Senior notes (note 30)	二零一八年港元優 先票據(附註30)	–	–	213,656	213,656
2018 USD Senior notes (note 30)	二零一八年美元優 先票據(附註30)	1,041,029	–	–	1,041,029
2019 Senior notes (note 30)	二零一九年優先 票據(附註30)	1,693,608	–	–	1,693,608
Interest-bearing bank and other loans, non-current portion	附息銀行及其他貸 款，非流動部分	–	–	1,406,630	1,406,630
		2,734,637	–	1,715,986	4,450,623

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45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Liabilities for which fair values are disclosed: (Continued)

45. 金融工具的公平值及公平值等級 (續)

公平值等級 (續)

披露公平值的負債：(續)

		Fair value measurement using 使用以下各項計量公平值			Total 總計 RMB'000 人民幣千元
		Quoted prices in active markets (Level 1) 活躍 市場報價 (第一層) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二層) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三層) RMB'000 人民幣千元	
As at 31 December 2016	於二零一六年 十二月三十一日				
Convertible bonds	可換股債券				
– Liability component (note 29)	– 負債部分 (附註29)	–	–	845,282	845,282
2017 Senior notes (note 29)	二零一七年優先 票據(附註29)	537,948	–	–	537,948
2018 HKD Senior notes (note 30)	二零一八年港元優 先票據(附註30)	–	–	226,383	226,383
Interest-bearing bank and other loans, non-current portion	計息銀行及其他貸 款，非流動部分	–	–	1,721,350	1,721,350
		537,948	–	2,793,015	3,330,963

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46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other loans, derivative financial instruments, convertible bonds, senior notes and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, prepayments, deposits and other receivables, trade and bills payables, other payables and accruals, and bank advances for discounted bills, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The interest rates and terms of repayment of interest-bearing bank and other loans are disclosed in note 28.

The Group's exposure to the risk of changes in the market interest rates relates primarily to the Group's long term debt obligations with floating interest rates.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. At 31 December 2017, approximately 79.0% (2016: 60.5%) of the Group's interest-bearing bank and other loans bore interest at fixed rates.

46. 財務風險管理目的及政策

本集團的主要金融工具包括附息銀行及其他貸款、衍生金融工具、可換股債券、優先票據以及現金及現金等價物。該等金融工具的主要用途是為本集團的經營籌集資金。本集團還有各種其他金融資產及負債，例如營運過程中直接產生的應收貿易款項及應收票據、預付款項、訂金及其他應收款項、應付貿易款項及應付票據、其他應付款項及應計款項以及貼現票據銀行貸款。

本集團金融工具所產生之主要風險為利率風險、外幣風險、信貸風險及流動資金風險。董事會復核及商議管理各類風險的政策，有關政策概述如下。

利率風險

附息銀行及其他貸款的利率及償還期限於附註28披露。

本集團面臨主要與本集團浮息利率長期債務的市場利率變動風險。

本集團的政策是採用固定及浮息利率債務組合管理其利息成本。於二零一七年十二月三十一日，本集團計息銀行及其他貸款的約79.0% (二零一五年：60.5%) 按固定利率計息。

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46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest rate risk (Continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate loans).

46. 財務風險管理目的及政策 (續)

利率風險 (續)

下表顯示在所有其他變量保持不變情況下，本集團除稅前溢利（因浮息貸款的影響）的利率可能合理變動敏感度。

		Increase/ (decrease) in basis points 基點 增加／（減少）	Increase/ (decrease) in profit before tax 除稅前溢利 增加／（減少） RMB'000 人民幣千元
2017	二零一七年		
Hong Kong dollar	港元	100	(3,324)
Hong Kong dollar	港元	(100)	3,324
US dollar	美元	100	(2,360)
US dollar	美元	(100)	2,360
2016	二零一六年		
Hong Kong dollar	港元	100	(3,604)
Hong Kong dollar	港元	(100)	3,604
US dollar	美元	100	(7,924)
US dollar	美元	(100)	7,924

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46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk

The Group's principal businesses are located in Mainland China and most of the transactions are conducted in RMB. Most of the Group's assets and liabilities are denominated in RMB, except for those of the overseas subsidiaries which functional currencies are currencies other than RMB and certain items of cash and cash equivalents that are denominated in HK\$, US\$ and other currencies.

If RMB strengthens/weakens against HK\$ as a reasonable possible change of 5%, the profit before tax of the Group will increase/decrease by approximately RMB65,034,000 (2016: decrease/increase by approximately RMB8,468,000), due to changes in fair values of monetary assets and liabilities. The Group does not consider that it has any significant exposure to the risk of fluctuation in the exchange rate between US\$ and RMB as a reasonable possible change of 5% in RMB against US\$ would have no significant financial impact on the Group's profit.

Credit risk

The carrying amounts of cash and cash equivalents, pledged deposits, trade and other receivables, and other financial assets represent the Group's maximum exposure to credit risk in relation to financial assets. Substantially all of the Group's cash and cash equivalents are held in major financial institutions located in Mainland China, which management believes are of high credit quality.

46. 財務風險管理目的及政策 (續)

外幣風險

本集團主要業務位於中國大陸，大部分交易以人民幣進行。本集團大部分資產及負債以人民幣計值，惟境外附屬公司的功能貨幣並非人民幣及若干現金及現金等價物以港元、美元及其他貨幣計值。

倘人民幣兌港元按可能合理變動5%升值／貶值，則本集團的除稅前溢利將因貨幣資產及負債的公平值變動增加／減少約人民幣65,034,000元(二零一六年：減少／增加8,468,000元)。由於人民幣兌美元的匯率的可能合理變動5%不會對本集團溢利造成重大財務影響，故本集團認為其並無因美元及人民幣之間的匯率波動而面臨任何重大風險。

信貸風險

現金及現金等價物、抵押存款、貿易及其他應收款項以及其他金融資產的賬面值代表本集團所承受與金融資產有關的最高信貸風險。本集團絕大多數現金及現金等價物由管理層認為具有高信貸質素的中國大陸大型金融機構持有。

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46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

The Group trades only with recognised and creditworthy third parties and its associates. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

At the end of the reporting period, the Group had certain concentrations of credit risk as 7.47% and 19.48% (2016: 8.29% and 26.37%) of the Group's trade receivables were due from the Group's largest customer and the five largest customers, respectively. All of these customers have good credit quality by taking into account of their credit history, and a long-term business relationship has been established by both parties. The Group has delegated a team responsible for determination of credit limits and monitoring procedures to ensure that there will be follow-up action to recover overdue debts.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The liquidity of the Group is primarily dependent on its ability to maintain a balance between continuity of funding and flexibility through the settlement from customers and the payment to vendors.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

46. 財務風險管理目的及政策 (續)

信貸風險 (續)

本集團僅與獲認可及享有信譽的第三方人士及其聯繫人交易。本集團的政策是，所有擬按信用條款交易的客戶須經過信用驗證程序。此外，應收款項餘額均持續監控，而本集團所承受的壞賬風險並不重大。

於報告期末，本集團有若干信貸風險集中之風險，因為本集團貿易應收款項中，有7.47%及19.48%（二零一六年：8.29%及26.37%）乃分別為應收本集團最大客戶及五大客戶款項。透過計及該等客戶的信貸歷史，所有該等客戶均擁有良好的信貸質素，且雙方已建立長期的業務關係。本集團已委派一支團隊負責釐定信貸限額及監控程序，以確保將採取後續行動收回逾期壞賬。

流動資金風險

本集團運用循環流動資金計劃工具監察其資金短缺的風險。該工具計及其金融工具及金融資產（例如應收貿易款項）的到期日以及預計經營業務現金流量等因素。

本集團的流動資金主要取決於在資金持續性及其透過客戶付款與付款予供應商兩者的靈活性之間取得平衡的能力。

於報告期末，基於已訂約但未貼現的付款，本集團之金融負債到期情況如下：

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

		On demand 按要求 RMB'000 人民幣千元	Less than 3 months 少於三個月 RMB'000 人民幣千元	3 to less than 12 months 三至少於 十二個月 RMB'000 人民幣千元	1 to 5 years 一至五年 RMB'000 人民幣千元	Beyond 5 years 五年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
2017	二零一七年						
Convertible bonds *	可換股債券 *	–	2,400	2,400	100,800	–	105,600
Senior notes	優先票據	–	278,217	102,816	2,847,180	–	3,228,213
Interest-bearing bank and other loans	付息銀行及其他貸款	40,921	326,305	1,015,954	995,794	859,585	3,238,559
Trade and bills payables	應付貿易款項及 應付票據	147,734	364,544	781,795	–	–	1,294,073
Financial liabilities included in other payables and accruals	計入其他應付款項 及應計費用的 金融負債	229,106	–	–	–	–	229,106
		417,761	971,466	1,902,965	3,943,774	859,585	8,095,551
2016	二零一六年						
Convertible bonds *	可換股債券 *	18,353	4,936	22,910	1,016,400	–	1,062,599
Senior notes	優先票據	11,670	1,828	614,770	225,456	–	853,724
Interest-bearing bank and other loans	付息銀行及其他貸款	43,790	581,144	597,972	1,338,113	625,931	3,186,950
Trade and bills payables	應付貿易款項及 應付票據	145,211	366,624	834,117	–	–	1,345,952
Financial liabilities included in other payables and accruals	計入其他應付款項 及應計費用的 金融負債	202,734	–	–	–	–	202,734
		421,758	954,532	2,069,769	2,579,969	625,931	6,651,959

* Conversion rights of the convertible bonds are not included in the table above as they will be settled through issuance of own shares.

* 可換股債券的轉換權並無計入上表，原因是其將透過發行自身股份而結算。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management

The Group's objectives of its capital management are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for the shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing services and products commensurately with the level of risk.

The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt comprises trade and bills payables, bank advances for discounted bills, interest-bearing bank and other loans, other payables and accruals, senior notes and tax payable, less cash and cash equivalents and pledged deposits. Adjusted capital includes the liability component of convertible bonds and equity attributable to owners of the Company.

The Group's strategy is to maintain the gearing ratio at a healthy capital level in order to support its businesses. The principal strategies adopted by the Group include, but are not limited to, reviewing future cash flow requirements and the ability to meet debt repayment schedules when they fall due, maintaining a reasonable level of available banking facilities and adjusting investment plans and financing plans, if necessary, to ensure that the Group has a reasonable level of capital to support its business. The gearing ratios as at the end of the reporting periods were as follows:

46. 財務風險管理目的及政策 (續)

資本管理

本集團的資本管理目標是保全本集團持續經營的能力，以致其可繼續為股東提供回報並為其他利益相關者提供福利，並通過與風險水平相當的服務及產品的定價向股東提供足夠回報。

本集團按風險比例制訂資本金額。本集團管理其資本結構並根據經濟狀況變動及相關資產的風險特點加以調整。為了維持或調整資本結構，本集團可調整已付股東的股息金額，向股東退還資本，發行新股或出售資產以減債。

本集團以槓桿比率監控資本，該比率為淨債務除以總權益加淨債務。淨債務包括應付貿易款項及應付票據、貼現票據、銀行貸款、附息銀行及其他貸款、其他應付款項及應計款項、優先票據及應付稅項，減去現金及現金等價物及抵押存款。經調整資本包括可換股債券負債部分及本公司擁有人應佔權益。

本集團的策略是保持槓桿比率在穩健的資本水平，以支持其業務。本集團採取的主要策略包括但不限於審閱未來現金流量要求和支付到期債務的能力，保持可用銀行融資在合理水平及調整投資計劃和融資計劃(如需要)，以確保本集團擁有合理水平的資本支持其業務。於報告期末的槓桿比率如下：

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management (Continued)

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade and bills payables	應付貿易款項及應付票據	1,294,073	1,345,952
Bank advances for discounted bills	貼現票據之銀行貸款	13,722	144,949
Interest-bearing bank and other loans	付息銀行及其他貸款	2,704,110	2,918,270
Other payables and accruals	其他應付款項及應計款項	549,511	510,622
Senior notes	優先票據	2,916,526	771,003
Tax payable	應付所得稅	40,741	21,939
Less: cash and cash equivalents	減：現金及現金等價物	(1,202,423)	(680,205)
Less: pledged deposits	減：抵押存款	(487,022)	(383,231)
Net debt (A)	淨債務(A)	5,829,238	4,649,299
Convertible bonds, the liability component	可換股債券，負債部分	80,819	703,989
Equity attributable to owners of the Company	本公司擁有人應佔權益	4,401,538	4,141,822
Adjusted capital	經調整資本	4,482,357	4,845,811
Capital and net debt (B)	資本及淨債務(B)	10,311,595	9,495,110
Gearing ratio (A/B)	槓桿比率(A/B)	57%	49%

46. 財務風險管理目的及政策 (續)

資本管理 (續)

47. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with current year's presentation.

47. 比較數字

若干比較金額已重新分類，以符合本年度之呈列。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

48. 本公司的財務狀況表

於報告期末，有關本公司的財務狀況表資料如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	17,819	21,602
Amounts due from subsidiaries	應收附屬公司款項	3,464,241	3,264,541
Investments in subsidiaries	於附屬公司投資	34,898	22,594
Available-for-sale investments	可供出售投資	34,968	35,784
Total non-current assets	非流動資產總值	3,551,926	3,344,521
CURRENT ASSETS	流動資產		
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項	650	—
Derivative financial instruments	衍生金融工具	—	22,961
Cash and cash equivalents	現金及現金等價物	154,176	72,308
Total current assets	流動資產總值	154,826	95,269
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計款項	82,207	63,419
Interest-bearing bank loans	附息銀行貸款	390,918	364,259
Amounts due to subsidiaries	應付附屬公司款項	44,325	10,588
Derivative financial instruments	衍生金融工具	34,005	—
Senior notes	優先票據	1,239,028	554,211
Total current liabilities	流動負債總額	1,790,483	992,477
NET CURRENT LIABILITIES	流動負債淨額	(1,635,657)	(897,208)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債	1,916,269	2,447,313
NON-CURRENT LIABILITIES	非流動負債		
Convertible bonds	可換股債券	80,819	719,216
Interest-bearing bank loans	附息銀行貸款	94,817	744,694
Senior notes	優先票據	1,677,498	216,792
Total non-current liabilities	非流動負債總額	1,853,134	1,680,702
Net assets	資產淨值	63,135	766,611
EQUITY	權益		
Issued capital	已發行股本	55,785	55,785
Reserves (note)	儲備(附註)	7,350	710,826
Total equity	權益總額	63,135	766,611

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

48. 本公司的財務狀況表(續)

附註：

本公司的儲備概要如下：

		Share premium account 溢價賬 RMB'000 人民幣千元	Available- for-sale investment revaluation reserve 可供 出售投資 重估儲備 RMB'000 人民幣千元	Contributed surplus 繳入盈餘 RMB'000 人民幣千元	Share option reserve 購股權儲備 RMB'000 人民幣千元	Exchange fluctuation reserve 匯兌 波動儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2016	於二零一六年 一月一日	580,564	(5,228)	21,057	34,055	3,040	(132,050)	501,438
Loss for the year	本年度虧損	-	-	-	-	-	(124,921)	(124,921)
Other comprehensive income	其他全面收益	-	-	-	-	43,751	-	43,751
Total comprehensive income for the year	本年度全面 收益總額	-	-	-	-	43,751	(124,921)	(81,170)
Issue of shares	發行股份	302,071	-	-	-	-	-	302,071
Share issue expenses	發行股份開支	(5,817)	-	-	-	-	-	(5,817)
Equity-settled share option arrangements	股本結算購股 權安排	-	-	-	11,773	-	-	11,773
2015 final dividend declared	已宣派二零一五年 末期股息	-	-	(17,469)	-	-	-	(17,469)
At 31 December 2016	於二零一六年 十二月三十一日	876,818	(5,228)	3,588	45,828	46,791	(256,971)	710,826

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note: (Continued)

A summary of the Company's reserves is as follows: (Continued)

48. 本公司的財務狀況表 (續)

附註：(續)

本公司的儲備概要如下：(續)

		Share premium account 股份 溢價賬 RMB'000 人民幣千元	Available- for-sale investment revaluation reserve 可供 出售投資 重估儲備 RMB'000 人民幣千元	Contributed surplus 繳入盈餘 RMB'000 人民幣千元	Share option reserve 購股權儲備 RMB'000 人民幣千元	Exchange fluctuation reserve 匯兌 波動儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年 一月一日	876,818	(5,228)	3,588	45,828	46,791	(256,971)	710,826
Loss for the year	本年度虧損	—	—	—	—	—	(643,370)	(643,370)
Change in fair value of available-for-sale investments, net of tax	供出售投資公 平值變動， 扣除稅項	—	1,527	—	—	—	—	1,527
Other comprehensive income	其他全面收益	—	—	—	—	(25,098)	—	(25,098)
Total comprehensive income for the year	本年度全面 收益總額	—	1,527	—	—	(25,098)	(643,370)	(666,941)
Transfer to contributed surplus	轉移至繳入 盈餘	(80,000)	—	80,000	—	—	—	—
Equity-settled share option arrangements	股本結算購 股權安排	—	—	—	14,140	—	—	14,140
2016 final dividend declared	已宣派二零一六年 末期股息	—	—	(50,675)	—	—	—	(50,675)
At 31 December 2017	於二零一七年 十二月三十一日	796,818	(3,701)	32,913	59,968	21,693	(900,341)	7,350

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2017 二零一七年十二月三十一日

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note: (Continued)

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

49. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 March 2018.

48. 本公司的財務狀況表(續)

附註：(續)

購股權儲備包括已授出但尚未行使的購股權的公平值，進一步闡述見財務報表附註2.4有關以股份為基礎的支付的會計政策。該款項將於相關期權獲行使時轉撥至股份溢價賬，或倘相關購股權屆滿或被沒收，則轉撥至保留溢利。

49. 批准財務報表

財務報表於二零一八年三月二十八日獲董事會批准及授權刊發。

興業太陽能 引領低碳經濟



App 8 - 680

<http://www.singyessolar.com>



中國興業太陽能技術控股有限公司

China Singyes Solar Technologies Holdings Limited

Stock Code 港股代碼: 750

2016年度報告

Annual Report



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Hongwei (*Chairman*)
Mr. Sun Jinli
Mr. Xie Wen

Non-executive Directors

Mr. Li Huizhong
Mr. Cao Zhirong

Independent Non-executive Directors

Mr. Wang Ching
Mr. Yick Wing Fat, Simon
Mr. Cheng Jinshu

COMPANY SECRETARY

Mr. Yu Chon Man (*CPA, FCCA*)

AUTHORIZED REPRESENTATIVES

Mr. Liu Hongwei
Mr. Yu Chon Man (*CPA, FCCA*)

AUDIT COMMITTEE

Mr. Yick Wing Fat, Simon (*Chairman*)
Mr. Wang Ching
Mr. Cheng Jinshu

REMUNERATION COMMITTEE

Mr. Cheng Jinshu (*Chairman*)
Mr. Liu Hongwei
Mr. Wang Ching
Mr. Yick Wing Fat, Simon

NOMINATION COMMITTEE

Mr. Liu Hongwei (*Chairman*)
Mr. Xie Wen
Mr. Wang Ching
Mr. Yick Wing Fat, Simon
Mr. Cheng Jinshu

LEGAL ADVISOR

Jeffrey Mak Law Firm
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10 Chater Road, Central,
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董事會

執行董事

劉紅維先生 (*主席*)
孫金禮先生
謝文先生

非執行董事

李會忠先生
曹志榮先生

獨立非執行董事

王京先生
易永發先生
程金樹先生

公司秘書

余俊敏先生 (*CPA, FCCA*)

授權代表

劉紅維先生
余俊敏先生 (*CPA, FCCA*)

審核委員會

易永發先生 (*主席*)
王京先生
程金樹先生

薪酬委員會

程金樹先生 (*主席*)
劉紅維先生
王京先生
易永發先生

提名委員會

劉紅維先生 (*主席*)
謝文先生
王京先生
易永發先生
程金樹先生

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CORPORATE INFORMATION

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PRINCIPAL BANKERS

Agricultural Bank of China, Zhuhai Branch
Industrial and Commercial Bank of China Limited,
Zhuhai Branch
Ping An Bank Co., Ltd, Zhuhai Branch
Bank of Communications Co., Ltd, Zhuhai Branch
The Hong Kong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China (Asia) Limited
Hang Seng Bank Limited
Fubon Bank (Hong Kong) Limited

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主要往來銀行

中國農業銀行珠海分行
中國工商銀行股份有限公司
珠海分行
平安銀行股份有限公司珠海分行
交通銀行股份有限公司珠海分行
香港上海滙豐銀行有限公司
中國工商銀行(亞洲)有限公司
恒生銀行有限公司
富邦銀行(香港)有限公司

註冊辦事處

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Hamilton HM11
Bermuda

香港總辦事處及主要經營地點

香港
干諾道中168-200號
信德中心
招商局大廈
31樓3108室

股份過戶登記總處

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke, HM08
Bermuda

股份過戶登記處香港分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

企業網站

www.singyessolar.com

股份代號

750

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

(For the year ended 31 December) (截至十二月三十一日止年度)

FIVE-YEAR FINANCIAL SUMMARY

RMB'000

五年財務摘要

人民幣千元

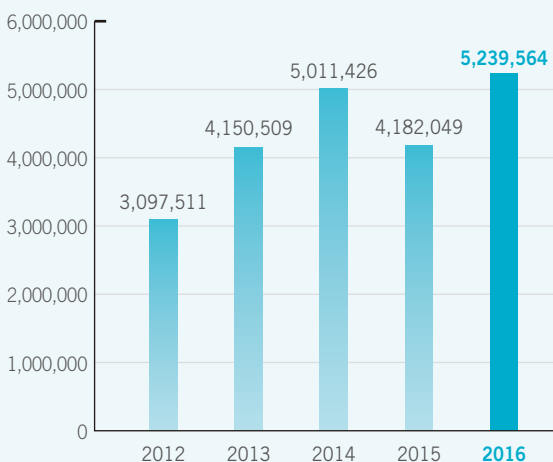
		2012 二零一二年	2013 二零一三年	2014 二零一四年	2015 二零一五年	2016 二零一六年
Revenue	收入	3,097,511	4,150,509	5,011,426	4,182,049	5,239,564
Gross profit	毛利	749,150	988,400	1,049,024	884,383	1,134,710
Profit before tax	除稅前溢利	420,102	626,506	698,913	447,370	626,922
Profit attributable to owners of the Company	本公司擁有人 應佔溢利	328,644	490,587	584,269	355,986	501,961
Basic earnings per share (RMB)*	每股基本盈利(人民幣)*	0.519	0.748	0.838	0.509	0.661
Diluted earnings per share (RMB)*	每股攤薄盈利(人民幣)*	0.519	0.733	0.684	0.374	0.659
Non-current assets	非流動資產	1,697,359	2,834,179	3,792,168	4,045,360	4,788,195
Current assets	流動資產	2,366,323	3,466,554	4,416,582	5,606,612	6,206,336
Non-current liabilities	非流動負債	577,652	1,323,185	2,276,903	3,610,834	3,064,308
Current liabilities	流動負債	1,634,118	2,378,436	2,791,255	2,540,015	3,725,973
Net assets	資產淨值	1,851,912	2,599,112	3,140,592	3,501,123	4,204,250

* The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share for the years 2012 to 2015 have been adjusted and restated for the rights issue on the basis of one rights share for every five existing shares held by shareholders of the Company at the price of HK\$2.60 per share.

* 二零一二至二零一五年每股基本及攤薄盈利的普通股加權平均數已因本公司股東以每股2.60港元之價格按每持有五股現有股份可獲發一股供股股份之基準供股而進行調整及重列。

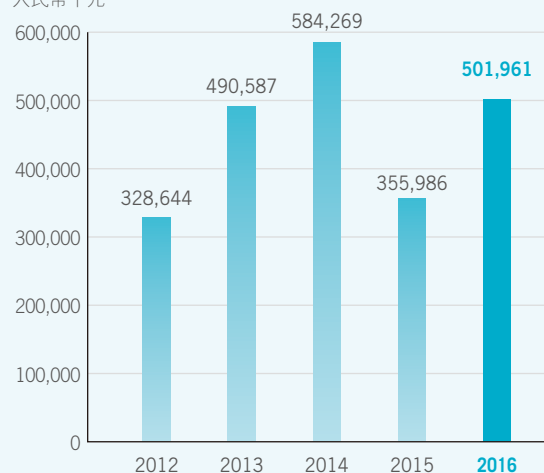
REVENUE 收入

RMB'000
人民幣千元



PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY 本公司擁有人應佔溢利

RMB'000
人民幣千元



CHAIRMAN'S STATEMENT

主席報告

On behalf of the Board, I am pleased to present China Singyes Solar Technologies Holdings Limited and its subsidiaries (collectively the "Group") annual results for the year ended 31 December 2016.

Benefited from the recovery of the Chinese market and the smooth progress of the Group's businesses, the green building, solar and new material business of the Group have achieved very encouraging results in 2016.

For the year ended 31 December 2016, the overall business of the Group continued to grow rapidly. The revenue was RMB5,239,564,000, representing a year-on-year increase of 25.3%. Its profit attributable to shareholders was RMB501,961,000, representing a year-on-year increase of 41%. The Board recommended the distribution of a final dividend of HK\$0.07 per share.

RENEWABLE ENERGY BUSINESS

As a major business of the Group, the revenue of Renewable energy business increased by 25.4%, accounting for 61.3% of the total revenue of the Group, of which EPC revenue increased significantly by 51.6% to RMB2,225,600,000. The Group continues to maintain its core strengths in the solar EPC sector and achieve high quality growth in the EPC business under the continuous support of national policies and the gradual regulations of the solar industry.

In respect of solar power station investment, the Group adopts the principle of "centralized distribution and orderly advancement" to implement the model of continuous development and timely sale. As at 31 December 2016, the Group has 466 MW photovoltaic power station projects, of which nearly 50% are located in Guangdong Province.

CURTAIN WALLS AND GREEN BUILDING BUSINESS

The revenue of curtain walls and green building business increased by 25.6% to RMB1,972,400,000. In 2016, the Group completed nearly 30 green building consultancy service projects. The newly established Zhuhai headquarter R&D Building was awarded the national "Three-star Green Building Design Logo Certificate" as a demonstration, promotion and application of green building in subtropical regions.

本人謹代表董事會，欣然提呈中國興業太陽能技術控股有限公司及其附屬公司（統稱為「本集團」）截至二零一六年十二月三十一日止之全年業績。

受益於國內市場復蘇及集團各項業務的順利推進，二零一六年度集團在綠色建築、太陽能及新材料業務領域均取得非常可喜的成績。

截至二零一六年十二月三十一日止，本集團整體業務繼續保持快速增長，收入同比增長25.3%至人民幣5,239,564,000元，股東應佔溢利為人民幣501,961,000元，同比增長41%。董事會建議派發末期股息為每股0.07港元。

可再生能源業務

作為本集團的重點業務，可再生能源業務收入增長25.4%，在集團總收入中佔比61.3%，其中EPC收入大幅上升51.6%達到人民幣2,225,600,000元。在國家政策持續支持、太陽能產業逐步走向規範的行業背景下，本集團繼續保持在太陽能EPC領域的核心優勢，實現了EPC業務的高質量增長。

在太陽能電站投資方面，本集團採取「集中佈局，有序推進」的原則，實行持續開發、適時出售的模式。截至二零一六年十二月三十一日，本集團擁有光伏電站項目466MW，其中近50%位於廣東省。

幕牆及綠色建築業務

幕牆及綠色建築業務收入上升25.6%至人民幣1,972,400,000元。二零一六年度本集團完成近30項綠色建築諮詢服務項目，新建成的珠海總部研發樓獲得國家「三星級綠色建築設計標誌證書」，作為冬暖夏熱氣候區域綠色建築的示範推廣應用。

CHAIRMAN'S STATEMENT

主席報告

In line with the current new requirements of national building energy efficiency, the Group will focus on and develop the assembly of building, create intelligent, industrialized green building with high-end curtain wall, energy-saving windows and doors, renewable energy usage and intelligent building control system integration.

NEW MATERIAL BUSINESS

The sales revenue of new materials increased by 50.7% to RMB90,887,000. With the broad market prospects of smart light adjusting glass and projection system, the Group will focus more on multimedia glass external wall, light-adjusting projection window and other outdoor multimedia and advertising sectors.

“ONE BELT ONE ROAD” OVERSEAS MARKET

The Group follows the national “One Belt One Road” policy, obtaining more opportunities in the overseas market with its rich engineering experience, significant cost advantage and advanced integration technology. The annual revenue of overseas business increased 44.4% to RMB399,253,000, accounting for 20.3% of the total revenue of the curtain walls and green building business. In addition, the Group obtained the 100 MW solar EPC project in the Republic of Uzbekistan, with a total contract amount of US\$147 million; and is promoting intelligent micro-grid projects in the South Pacific island countries.

FUTURE PLANS

The Group will actively adapt to the higher building demand accompanied by social development and technological progress, and actively promote the application of green building and assembly building with its advantages accumulated in the green building sector; Fully utilize its own advantages to expand overseas markets and participate in the establishment of “Made in China” quality brand. The Group will continue to uphold the concept of innovation and development; fully adopt the three major capabilities in market, resource integration and customer service; and adhere to solid development in four sectors, including green building, green energy, new materials and photovoltaic agriculture.

結合目前國家對建築節能的新要求，本集團將關注並發展裝配式建築，通過高端幕牆、節能門窗、可再生能源利用和智能建築控制的系統集成，打造智能化、工業化的綠色建築。

新材料業務

新材料銷售收入上升50.7%至人民幣90,887,000元。結合智能調光玻璃及投影系統的廣闊市場前景，本集團將更加專注多媒體玻璃外牆、調光投影櫥窗等戶外多媒體、廣告領域。

「一帶一路」海外市場

本集團緊隨國家「一帶一路」政策，憑藉豐富的工程經驗、顯著的成本優勢和先進的集成技術，於海外市場獲得更多機遇。全年海外業務上升44.4%至399,253,000元，佔幕牆及綠色建築業務總收入20.3%。此外，本集團獲得烏茲別克斯坦共和國100MW太陽能EPC項目，合同總金額1.47億美元，同時在南太平洋島國推廣智能微網項目。

未來規劃

本集團將積極適應社會發展和技術進步對建築的更高要求，通過在綠色建築領域積累的優勢，積極推廣應用綠色建築和裝配式建築；充分利用自身優勢拓展海外市場，參與建設「中國製造」的優質品牌。本集團將繼續秉承創新發展的理念，充分發揮適應市場、整合資源、服務客戶的三大能力，在綠色建築、綠色能源、新材料、光伏農業四大領域扎實發展。

CORPORATE GOVERNANCE REPORT

企業管治報告

OVERVIEW

The directors of the Company (the “Directors”) recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Company and its subsidiaries (the “Group”) so as to achieve effective accountability. This report outlines the principles and the code provisions of the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The Directors consider that, for the year ended 31 December 2016, the Company has applied the principles and complied with all the applicable code provisions set out in the Code, except for the deviation from paragraph A.2.1 of the Code as described below in the section “Chairman and Chief Executive Officer” on page 12.

In accordance with the requirements of the Listing Rules, the Company has established an audit committee in compliance with paragraph C.3 of the Code to oversee the financial reporting system and internal control procedures of the Group so as to ensure compliance with the Listing Rules. It has also established a nomination committee and a remuneration committee with defined terms of reference.

The Directors are committed to upholding the corporate governance practices of the Company to ensure formal and transparent procedures are in place to protect and maximize the interests of the shareholders of the Company (the “Shareholders”).

Set out below is a detailed discussion of the corporate governance practices adopted and observed by the Company from the listing date up to the date of this report (the “Review Period”).

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as the standard for securities transactions by Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding directors’ securities transactions throughout the year.

概覽

本公司董事(「董事」)明白到在本公司及其附屬公司(「本集團」)管理架構及內部監控程序內引入良好企業管治元素的重要性，藉以達致有效的問責性。本報告概述了香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載之企業管治常規守則(「守則」)之原則及守則條文。董事認為，截至二零一六年十二月三十一日止年度，本公司已採用該等準則並遵守守則所載所有適用守則條文，惟於下文第12頁的「主席與行政總裁」部份中所述就守則第A.2.1條有所偏離的情況除外。

根據上市規則的規定，本公司已根據守則第C.3條成立審核委員會，負責監督本集團的財務報告系統及內部監控程序，確保遵守上市規則。本公司亦成立了提名委員會及薪酬委員會，該等委員會均具有界定的職權範圍。

董事致力維持本公司之企業管治常規，確保具有正式及具透明度的程序保障及盡量提升本公司股東(「股東」)的權益。

下文載列本公司由上市日期至本報告日期(「回顧期間」)所採納及遵守的企業管治常規之詳細討論。

遵守董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則(「標準守則」)，作為董事進行證券交易的準則。本公司已向全體董事作出具體查詢，全體董事確認，於年度內，彼等均已符合標準守則及其有關董事進行證券交易操守守則規定的準則。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD OF DIRECTORS

The board of Directors (the “Board”) takes responsibility to oversee all major matters of the Company, including the formulation and approval of overall business strategies, internal control and risk management systems, and supervising and monitoring the performance of the senior management who are delegated with the authority and responsibility for day-to-day management and operation of the Company. The Directors have the responsibility to act objectively in the interests of the Company.

Currently, the Board comprises eight Directors, including three executive Directors, namely, Mr. LIU Hongwei, who is also the Chairman of the Company, Mr. SUN Jilin and Mr. XIE Wen, two non-executive Directors, namely, Mr. LI Huizhong and Mr. CAO Zhirong and three independent non-executive Directors, namely, Mr. YICK Wing Fat, Simon, Mr. WANG Ching, and Mr. CHENG Jinshu.

The Board has a strong independent element in its composition with over half of the board members are non-executive Directors and independent non-executive Directors to ensure that all decisions of the Board are made in the best interest of the Group’s long-term development.

The Board has delegated various responsibilities to the Board committees including the audit committee (the “Audit Committee”), the remuneration committee (the “Remuneration Committee”) and the nomination committee (the “Nomination Committee”) (collectively, the “Board Committees”). Further details of these committees are set out below on pages 14 to 16.

The composition of the Board is well balanced with each Director having sound board level experience and expertise relevant to the business operations and development of the Group. The Board is comprised of members with extensive business, government, regulatory and policy experience from a variety of backgrounds. There is diversity of nationality, ethnicity, educational background, functional expertise and experience. A Board Diversity Policy was adopted by the Board in 2013.

董事會

董事會（「董事會」）負責監督本公司所有重要事宜，包括制定及批准整體業務策略、內部監控及風險管理系統、監督及監察獲授權負責本公司日常管理及運營的高級管理層的表現。董事有責任以本公司利益為前提按客觀標準行事。

目前，董事會由八名董事組成，包括三名執行董事劉紅維先生（彼亦為本公司主席）、孫金禮先生及謝文先生，兩名非執行董事李會忠先生及曹志榮先生，以及三名獨立非執行董事易永發先生，王京先生及程金樹先生。

董事會的組成有高度獨立性元素，過半數董事會成員為非執行董事及獨立非執行董事，這確保董事會所作出的所有決定都能符合本集團長遠發展的最佳利益。

董事會已分別委派審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）及提名委員會（「提名委員會」）各董事委員會（統稱「董事委員會」）各司特定的職責。有關該等委員會的進一步詳情，載於下文第14頁至第16頁。

董事會的組成結構平衡得宜。每名董事對於本集團的業務運作及發展具備豐富的董事會層面經驗及專門技術。董事會成員來自不同的背景並在業務、政府、監管及政策方面具備廣泛的經驗。董事會不論在國籍、族裔、教育背景、職業專長及經驗上均呈現多元化。董事會於二零一三年採納董事會多元化政策。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD MEETINGS

The Company will adopt the practice of holding board meetings regularly for at least four times a year at approximately quarterly intervals. Ad-hoc meetings will also be convened if necessary to discuss the overall strategy as well as the operation and financial performance of the Group. Notice of board meeting will be sent to all Directors at least 14 days prior to a regular board meeting. Reasonable notices will also be given to the Directors for ad-hoc board meetings.

Directors may participate either in person or through electronic means of communications.

The Company will adopt the practice to provide relevant materials to all the Directors relating to the matters brought before the meetings. All the Directors will be provided with sufficient resources to discharge their duties, and, upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances, at the Company's expenses. All Directors will have the opportunity to include matters in the agenda for Board meetings.

Prior notice convening the Board meeting was dispatched to the Directors setting out the matters to be discussed. At the meeting, the Directors were provided with relevant documents to be discussed and approved. The company secretary of the Company is responsible for keeping minutes of the Board meetings.

Should a potential conflict of interest involving a substantial shareholder of the Company or a Director arise, the matter will be discussed in a physical Board meeting, as opposed to being dealt with by a written resolution. Independent non-executive Directors with no conflict of interest will be present at meetings dealing with such conflict issues.

An updated list of the Directors identifying the independent non-executive directors and the roles and functions of the Directors is maintained on the website of the Company and the website of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

During the reporting period, the Board held a total of 4 Board meetings. The attendance of individual Directors at the board meetings and annual general meeting are set out below:

董事會會議

本公司的董事會會議每年最少定期舉行四次，大約每季度舉行一次。需要時亦會召開臨時會議，商討整體策略以及本集團的營運和財務表現。全體董事將於舉行定期董事會會議前最少14天獲發董事會會議通告。而臨時董事會會議通告則亦於合理時間內事先派發予董事。

董事可選擇親身或以電子通訊的方式出席會議。

本公司會慣常於會議前向所有董事提供有關會上討論事項的資料。所有董事將獲得充分的資源以履行其職責，並在合理的要求下，可視乎情況合適而尋求獨立專業意見，費用由本公司承擔。所有董事均有機會將其關注的事情加入董事會會議的議程內。

召開董事會會議的通知將會事前寄發予董事，當中載列將予討論的事宜。會上，董事將獲提供將予討論及批准的相關文件。本公司的公司秘書負責保管董事會會議的會議記錄。

倘本公司主要股東涉及或董事產生潛在利益衝突，有關事宜將於實際董事會會議上討論，並非透過書面決議案處理。並無涉及利益衝突的獨立非執行董事將會出席會議，以處理衝突事宜。

本公司於其網站及香港聯合交易所有限公司（「聯交所」）網站上設存及提供識別獨立非執行董事之最新董事名單，並列明其角色和職能。

於報告期間，董事會共舉行4次董事會會議。個別董事出席董事會會議及股東週年大會的情況載列如下：

CORPORATE GOVERNANCE REPORT

企業管治報告

Board Meetings

董事會會議

		Attendance 出席情況	
Name of Directors 董事姓名		Annual General Meeting 股東週年大會	Board Meeting 董事會會議
Executive Directors		執行董事	
Mr. LIU Hongwei	劉紅維先生	1/1	4/4
Mr. SUN Jinli	孫金禮先生	0/1	4/4
Mr. XIE Wen	謝文先生	0/1	3/4
Non-executive Directors		非執行董事	
Mr. LI Huizhong	李會忠先生	0/1	4/4
Mr. CAO Zhirong	曹志榮先生	0/1	4/4
Independent Non-executive Directors		獨立非執行董事	
Dr. WANG Ching	王京博士	1/1	4/4
Mr. YICK Wing Fat, Simon	易永發先生	1/1	4/4
Mr. CHENG Jinshu	程金樹先生	0/1	4/4

SKILLS, KNOWLEDGE, EXPERIENCE AND ATTRIBUTES OF DIRECTORS

All Directors of the Board had served in office during the period under review. Every Director commits to give sufficient time and attention to the affairs of the Company. The Directors also demonstrate their understanding and commit to high standards of corporate governance. The executive Director brings his perspectives to the Board through his deep understanding of the Group's business. The non-executive Directors and the independent non-executive Directors contribute their own skills and experience, understanding of local and global economies, and knowledge of capital markets to the Group's business. The Company is responsible for arranging and funding suitable continuous professional development programmes for all Directors to hone and refresh their knowledge and skills.

INDUCTION AND TRAINING

Each newly appointed Director, executive or non-executive, is required to undertake an induction program to ensure that he has a proper understanding of his duties and responsibilities. The induction program includes an overview of the Group's business operation and governance policies, the Board meetings' procedures, matters reserved to the Board, an introduction of the Board committees, the Directors' responsibilities and duties, relevant regulatory requirements, review(s) of minutes of the Board and Board committees in the past 12 months, and briefings with senior officers of the Group and site visits (if necessary).

董事知識、技能、經驗及特性

所有董事會成員均於回顧期間內任職。各董事承諾有足夠時間及注意力在本公司的事務上。董事們亦表明彼等理解及承諾維持高水平的管治。執行董事透過對本集團業務的深入了解並將其觀點帶入董事會。非執行董事及獨立非執行董事則因應彼等的技能及經驗、對本地及全球經濟的認識、及資本市場對本集團業務的知識而作出貢獻。本公司有責任安排及資助所有董事的持續專業進修課程，以發展及更新其知識及技能。

就職及培訓

各新任執行或非執行董事須參與就職課程計劃，以確保其對工作及職責有正確認識。就職課程包括本集團業務營運及監管政策的概況、董事會會議程序、保留予董事會決策的事項、董事委員會簡介、董事的責任及職務、有關法規的要求、過去十二個月董事會及董事會委員會的會議記錄審閱及本集團高級職員的簡要和實地考察(如需要)。

CORPORATE GOVERNANCE REPORT

企業管治報告

Pursuant to the Code Provision A.6.5 of the Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure their contribution to the Board remains informed and relevant. During the Year, all Directors had participated in appropriate continuous professional development activities by ways of attending training and/or reading materials relevant to the Company's business or to the Directors' duties and responsibilities.

The company secretary of the Company maintains records of training attended by the Directors. The training attended by each Director during the Year is tabulated as follows:

Training Records

Name 姓名		Type of trainings 培訓類型 (Note 1) (附註1)	Training matters 培訓事項 (Note 2) (附註2)
Executive Directors			
Mr. LIU Hongwei (Chairman)	劉紅維先生(主席)	a, b	i, ii, iii, iv
Mr. SUN Jinli	孫金禮先生	a, b	i, ii, iii, iv
Mr. XIE Wen	謝文先生	a, b	i, ii, iii, iv
Non-Executive Directors			
Mr. LI Huizhong	李會忠先生	a, b	i, ii, iii, iv
Mr. CAO Zhirong	曹志榮先生	a, b	i, ii, iii, iv
Independent Non-Executive Directors			
Dr. WANG Ching	王京博士	a, b	i, ii, iii, iv
Mr. YICK Wing Fat, Simon	易永發先生	a, b	i, ii, iii, iv
Mr. CHENG Jinshu	程金樹先生	a, b	i, ii, iii, iv

Note 1:

- a attending seminar or training session
- b self-development and updates relating to general economy, business development, director's duties and responsibilities, etc.

Note 2:

- i corporate governance
- ii regulatory compliance
- iii finance
- iv management and operation

根據守則條文第A.6.5條，全體董事應參與持續專業培訓，以發展及更新彼等之知識及技能。此乃確保彼等繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。年內，全體董事均有參與合適之持續專業發展活動，包括出席有關本公司業務及董事職能及職責的培訓課程及／或閱覽相關資料。

本公司之公司秘書保存董事出席培訓之記錄。於年內，各董事出席培訓之情況載列如下：

培訓記錄

附註1：

- a 出席研討會或培訓會議
- b 進修及更新有關整體經濟、業務發展、董事的職責和責任等。

附註2：

- i 企業管治
- ii 法規遵守
- iii 財務
- iv 管理及營運

CORPORATE GOVERNANCE REPORT

企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Liu Hongwei, the Chairman of the Group, is responsible for the leadership and effective running of the Board, ensuring that all material issues are decided by the Board in a conducive manner. Mr. Liu Hongwei is also responsible for running the Group's business and effective implementation of the strategies of the Group. The Company is aware of the requirement under paragraph A.2.1 of the Code that the roles of chairman and Chief Executive Officer should be separated and should not be performed by the same individual. Nevertheless, the Board considers that the combination of the roles of Chairman and Chief Executive Officer will not impair the balance of power and authority between the Board and the management of the Company as the Board will meet regularly to consider major matters affecting the operations of the Group. The Board is of the view that this structure provides the Group with strong and consistent leadership, which can facilitate the formulation and implementation of its strategies and decisions and enable it to grasp business opportunities and react to changes efficiently. Moreover, the Board considers that the sufficient measures have been taken and it will not impair the balance of power and authority between the Board and the management. As such, it is beneficial to the business prospects of the Group. Therefore Mr. Liu Hongwei is performing the roles of both Chairman and Chief Executive Officer.

INDEPENDENT NON-EXECUTIVE DIRECTORS

All independent non-executive Directors of the Company possess a wealth of professional and industry expertise and management experience and have provided their professional advices to the Board. They have played a significant role in the Board by virtue of their independent judgment and their views carry significant weight in the Board's decision. In particular, they bring an impartial view on issues of the Company's strategy, performance and control. The Board also considers that independent non-executive Directors provide independent advice on the Company's business strategy, results and management so that all interests of Shareholders are taken into consideration, and the interests of the Company and its shareholders are taken into account in all business decisions. The Company has received the annual confirmation signed by each independent non-executive Director to acknowledge their respective independence. After prudent enquiry, the Board is of the view that each of Mr. YICK Wing Fat, Simon, Mr. WANG Ching, and Mr. CHENG Jinshu maintains the independence as required by Rule 3.13 of the Listing Rules.

主席與行政總裁

劉紅維先生，本集團主席，負責領導董事會和董事會的有效運作，確保所有重大事項由董事會以有建設性的方式討論作出決策。劉紅維先生亦負責本集團業務的運作以及本集團策略的有效實施。本公司注意到，根據守則第A.2.1條之規定，主席與行政總裁的角色應分立，不應由同一人士擔任。然而，由於董事會會定期開會商討影響本集團運作的主要事宜，故董事會認為將主席與行政總裁的職務合而為一不會影響董事會與本公司管理層兩者之間權力與職權的平衡。董事會認為此架構為本集團提供了強大而一致的領導，有助其決策的制訂及實施，並使本集團得以把握商機和高效率地回應各種變化，此外，董事會認為已採取足夠措施，且其將不會削弱董事會與管理層間權力與職權之平衡。因此有利本集團的業務前景。因此，劉紅維先生擔任主席兼行政總裁。

獨立非執行董事

本公司所有獨立非執行董事均具備豐富的業界專業知識及管理經驗，能為董事會提供專業的意見。彼等透過提供獨立的判斷，在董事會中擔當重要的角色，在董事會的決策上舉足輕重。特別是在本公司策略、業績及監控上，彼等都能提出公正意見。董事會亦認為，獨立非執行董事就本公司的業務策略、業績及管理提供獨立意見，因此，股東的所有利益已獲考慮，所有業務決策中亦已顧及本公司及其股東的利益。本公司已收到各獨立非執行董事就聲明彼等各自的獨立性的年度確認。經審慎查詢後，董事會認為，易永發先生、王京先生及程金樹先生維持上市規則第3.13條規定的獨立性。

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All independent non-executive Directors of the Company will review, on an annual basis, any decisions in relation to new business opportunities referred to the Company. As at the date of this report, there is no new business opportunity introduced to the Group.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE AND INDEMNITY

The Company has arranged appropriate liability insurance to indemnify its Directors and officers in respect of legal actions against the Directors. Throughout 2016, no claim had been made against the Directors and the officers of the Company.

APPOINTMENTS, RE-ELECTION AND REMOVAL OF DIRECTORS

Each of the executive Directors of the Company has entered into a service contract with the Company for a specific term of three years commencing 13 January 2012, and will be automatically renewed for another three years upon expiry.

Mr. Cao Zhirong and Li Huizhong, the non-executive Directors of the Company, had entered into service contracts with the Company for a specific term of three years from 1 September 2012 and 1 July 2011, respectively. Their service contracts will be automatically renewed for another three years upon expiry.

Each of the independent non-executive Directors were appointed for a term of three years from 19 December 2008. Their service contracts will be automatically renewed for another three years upon expiry.

All Directors are subject to retirement by rotation at least once every three years and in accordance with the Bye-laws of the Company.

本公司的所有獨立非執行董事將每年審閱就任何推薦予本公司的新商機而作出的決定。於本報告日期，本集團尚未有新的商機。

董事及高級職員之責任保險及賠償

本公司已就其董事可能會面對之法律行動向其董事及高級職員作適當之責任保險安排。於二零一六年，並無對本公司董事及高級職員提出任出申索。

委任、重選及罷免董事

本公司各執行董事已與本公司訂立服務合約，年期自二零一二年一月十三日起固定為三年，並將於屆滿時自動另外續期三年。

本公司非執行董事曹志榮先生及李會忠先生已與本公司訂立服務合約，任期分別從二零一二年九月一日及二零一一年七月一日起，為期三年。彼等的服務合約將於屆滿時自動另外續期三年。

各獨立非執行董事的任期由二零零八年十二月十九日起，為期三年。彼等的服務合約將於屆滿時自動另外續期三年。

所有董事須根據本公司的細則至少每三年輪席告退一次。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES

Audit Committee

The Company established the Audit Committee pursuant to a resolution of the Directors passed on 19 December 2008 in compliance with Rules 3.21 to 3.23 of the Listing Rules and paragraph C.3 of the Code. The primary duties of the Audit Committee are to oversee the financial reporting process and internal control procedure of the Group, to review the financial information of the Group and to consider issues relating to the external auditor. The Audit Committee consists of the three independent non-executive Directors, namely, Dr. Wang Ching, Mr. Yick Wing Fat, Simon and Mr. Cheng Jinshu, Mr. Yick Wing Fat, Simon is the Chairman of the Audit Committee. The Audit Committee has reviewed the Group's consolidated financial statements for the six months ended 30 June 2016 and for the year ended 31 December 2016, the accounting principles and practices adopted by the Group and the system of internal control.

During the year ended 31 December 2016, the Audit Committee held 2 meetings.

The following table shows the attendance of members of the Audit Committee's meetings:

Directors:

董事：

YICK Wing Fat, Simon (*Chairman*)
WANG Ching
CHENG Jinshu

易永發 (*主席*)
王 京
程金樹

The Audit Committee is provided with sufficient resources to perform its duties. Latest terms of reference of the Audit Committee can be viewed on the website of the Company and the website of the Stock Exchange.

董事委員會

審核委員會

本公司遵守上市規則第3.21至3.23條及守則第C.3條的規定，根據董事於二零零八年十二月十九日通過的決議案成立審核委員會。審核委員會的主要職責為監督本集團的財務報告過程及內部監控程序、審閱本集團的財務資料，以及考慮有關外聘核數師的事宜。審核委員會由三名獨立非執行董事（即王京博士、易永發先生及程金樹先生）組成，審核委員會的主席為易永發先生。審核委員會已審閱本集團截至二零一六年六月三十日止六個月及截至二零一六年十二月三十一日止年度的綜合財務報表，本集團採納會計原則及常規及一套內部監控系統。

截至二零一六年十二月三十一日止年度，審核委員會舉行兩次會議。

下表載列審核委員會成員出席會議的情況：

**No. of Audit Committee
meetings attended/held:
出席／舉行審核委員會
會議的次數：**

2/2
2/2
2/2

審核委員會獲提供充足資源履行其職責。審核委員會之最新職權範圍可於本公司網站及聯交所網站上審閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

Remuneration Committee

The Company established the Remuneration Committee pursuant to a resolution of the Directors passed on 19 December 2008 in compliance with paragraph B.1 of the Code. The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy for remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration and for fixing the remuneration packages for all Directors. The Remuneration Committee consists of four members, including three independent non-executive Directors and the Chairman of the Board, namely, Mr. Cheng Jinshu, Mr. Yick Wing Fat, Simon, Mr. Wang Ching and Mr. Liu Hongwei. The Remuneration Committee is chaired by Mr. Cheng Jinshu.

During the year ended 31 December 2016, the Remuneration Committee held 1 meeting to assess individual performance of the Directors and review the remuneration packages and overall benefit of the Directors.

The following table shows the attendance and members of the Remuneration Committee during the year ended 31 December 2016:

Directors: 董事：

CHENG Jinshu (<i>Chairman</i>)	程金樹(主席)	1/1
YICK Wing Fat, Simon	易永發	1/1
WANG Ching	王 京	1/1
LIU Hongwei	劉紅維	1/1

The Remuneration Committee is provided with sufficient resources to perform its duties. The current duties and responsibilities of the Remuneration Committee are more specifically set out in its latest terms of reference, details of which can be viewed on the website of the Company and the website of the Stock Exchange.

薪酬委員會

本公司遵守守則第B.1條的規定，根據董事於二零零八年十二月十九日通過的決議案成立薪酬委員會。薪酬委員會的主要職責是就本公司董事及高級管理人員的薪酬政策，以及就制定該等薪酬政策設立正式和高透明度的程序及釐定所有董事的薪酬福利，向董事會作出推薦意見。薪酬委員會由四位成員（包括三位獨立非執行董事及董事會主席）組成，即程金樹先生、易永發先生、王京先生及劉紅維先生。薪酬委員會由程金樹先生擔任主席。

截至二零一六年十二月三十一日止年度，薪酬委員會舉行一次會議，以評估董事之個人表現及審閱董事薪酬方案及整體福利。

下表載列截至二零一六年十二月三十一日止年度薪酬委員會成員出席會議的情況：

No. of Remuneration Committee meetings attended/held: 出席／舉行薪酬委員會 會議的次數：

薪酬委員會獲提供充足資源履行其職責。薪酬委員會之目前職責詳情載於其最新職權範圍內，有關詳情可於本公司網站及聯交所網站上審閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

Nomination Committee

The Company established a Nomination Committee pursuant to a resolution of the Directors passed on 19 December 2008 in compliance with Recommended Best Practices of paragraph A.5 of the Code. The primary duties of the Nomination committee include reviewing the structure, size and composition of the Board on a regular basis and making recommendations to the Board regarding any proposed changes. The Nomination Committee consists of five members, including three independent non-executive Directors and two executive Directors, namely Mr. Liu Hongwei, Mr. Xie Wen, Mr. Wang Ching, Mr. Yick Wing Fat, Simon and Mr. Cheng Jinshu. The Nomination Committee is chaired by Mr. Liu Hongwei.

Nomination procedures include identification and acknowledgement of qualified individuals by the Nomination Committee and review and approval of such nomination by the Board. The Nomination Committee will evaluate potential candidates by considering factors such as professional expertise, relevant experience, personal ethics and integrity.

During the year ended 31 December 2016, the Nomination Committee held 1 meeting. The following table shows the attendance and members of the Nomination Committee during the year ended 31 December 2016:

Directors:

董事：

LIU Hongwei (*Chairman*)
XIE Wen
WANG Ching
YICK Wing Fat, Simon
CHENG Jinshu

劉紅維 (*主席*)
謝 文
王 京
易永發
程金樹

The Nomination Committee is provided with sufficient resources to perform its duties. The current duties and responsibilities of the Nomination Committee are more specifically set out in its latest terms of reference, details of which can be viewed on the website of the Company and the website of the Stock Exchange.

提名委員會

本公司遵守守則第A.5條的建議最佳常規的規定，根據董事於二零零八年十二月十九日通過的決議案成立提名委員會。提名委員會的主要職責包括定期檢討董事會的架構、規模及組成，以及就任何擬作出的變動向董事會提出建議。提名委員會由五位成員（包括三位獨立非執行董事及兩位執行董事）組成，即劉紅維先生、謝文先生、王京先生、易永發先生及程金樹先生。提名委員會由劉紅維先生擔任主席。

提名程序包括由提名委員會識別和確認個別人士的資格，並由董事會檢討及通過此項提名。提名委員會將考慮如專業技術、相關經驗、個人道德標準及誠信等因素對候選人進行評估。

截至二零一六年十二月三十一日止年度，提名委員會舉行1次會議。下表載列截至二零一六年十二月三十一日止年度提名委員會成員出席會議的情況：

No. of Nomination Committee

meetings attended/held:

出席／舉行提名委員會

會議的次數：

提名委員會獲提供充足資源履行其職責。提名委員會之目前職責詳情載於其最新職權範圍內，有關詳情可於本公司網站及聯交所網站上審閱。

CORPORATE GOVERNANCE REPORT

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COMPANY SECRETARY

The company secretary of the Company (the “Company Secretary”) is responsible for keeping detailed minutes of each meeting of the Board or the Board committees including any dissenting views expressed by the Directors, which should be available to all Directors for inspection. He is also responsible for ensuring that the Board procedures comply with all applicable laws, rules and regulations and advising the Board on corporate governance matters. All agenda, relevant materials and document are required to be sent out at least 3 days prior to the intended dates of the Board meetings or meetings of the Board committees. It is the responsibility of the Company Secretary to send the draft minutes of the meetings of the Board or the Board committees to all Directors for comments within a reasonable time after the aforesaid meetings. Final versions of minutes of meetings of the Board or the Board committees are also required to be sent to all Directors for record. All Directors have access to the advice and services of the Company Secretary to ensure that the Board procedures and all applicable laws are followed.

Moreover, the Company Secretary is responsible for keeping all Directors updated on the Listing Rules, regulatory requirements, as well as internal codes of conduct of the Company.

During the Year, the Company Secretary had confirmed that he had taken no less than 15 hours of relevant professional training.

FINANCIAL REPORTING AND INTERNAL CONTROL

Financial Reporting

The Board, supported by the Finance Department, is responsible for the preparation of the financial statements of the Company and the Group. In the preparation of financial statements, International Financial Reporting Standards have been adopted and the appropriate accounting policies, disclosure requirements under Hong Kong Companies Ordinance and the Listing Rules have been consistently used and applied. The Board aims to present a clear and balanced assessment of the Group's performance in the annual and interim reports to the Shareholders, and make appropriate disclosure and announcements in a timely manner.

公司秘書

本公司之公司秘書(「公司秘書」)負責保存各董事會或董事會委員會會議之記錄詳情，包括董事所表達的反對意見，以供全體董事審查。彼亦負責確保董事會程序遵守適用法律、法規及規例，並對企業管治事宜向董事會提供意見。所有議程、相關材料及文件須於董事會會議或董事會委員會會議之擬定舉行日期前最少三日發出。公司秘書負責於上述會議後之合理時間內向全體董事寄發董事會或董事會委員會會議之草擬會議記錄，以供董事批註。全體董事均可向公司秘書諮詢意見及要求提供服務，以確保董事會遵守董事會的程序和所有適用的法例。

此外，本公司秘書有責任盡快向所有董事提供最新上市規則、監管要求以及本公司內部工作管理守則。

於年內，公司秘書已確認，彼已參加不少於15小時之相關專業培訓。

財務報告及內部監控

財務報告

董事會在財務部門的支援下，負責編製本公司及本集團的財務報表。本公司在編製財務報表時，已採納國際財務報告準則，並貫徹使用及應用適當的會計政策以及香港公司條例及上市規則的披露規定。董事會的目的是在致股東的年報及中期報告中，對本集團的業績作出清晰平衡的評估，並適時作出適當的披露和公佈。

CORPORATE GOVERNANCE REPORT

企業管治報告

Auditor's Remuneration

The audit committee of the Board is responsible for making recommendation to the Board on the appointment, re-appointment and removal of the authorized external auditors and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of the external auditors. The Company engaged Ernst & Young as its external auditors, and also engaged Ernst & Young in connection with the comfort letters and other assistance in respect of the issue of senior notes. Details of the fees paid/payable to Ernst & Young during the year ended 31 December 2016 are as follows:

Audit service	核數服務	
– Interim review and annual audit	– 中期審閱和年審	RMB8,190,000 人民幣 8,190,000 元
– Spin off	– 分拆	RMB400,000 人民幣 400,000 元
Non-audit services	非核數服務	
– Tax service	– 稅務服務	HK\$195,500 195,500 港元
– Agreed upon procedures on rights issue and offshore bonds issuance	– 供股及境外發行債券的協定程序	RMB1,400,000 人民幣 1,400,000 元
– Internal control review	– 內部監控檢討	RMB350,000 人民幣 350,000 元

Internal control and risk management

The Group appointed Shinewing Risk Services Limited to review the effectiveness of the Group's internal control system for the year ended 31 December 2016. The Group is also in the process of improving and establishing the internal control manual to further enhance its internal control and risk management system.

The Board acknowledges that it is the responsibility of the Board for the Group's system of internal control and risk management as well reviewing its effectiveness on an on-going basis, and, in particular, considering the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, training programmes and budget. The Board will conduct periodic review, at least annually, which cover all material aspects, including financial, operational, risk management functions and is in compliance with all relevant regulations and endeavor to enhance the internal control and risk management measures of the Group. Such systems are designed to manage the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

核數師酬金

董事會審核委員會負責就委聘、續聘及解聘法定外部核數師，批准外部核數師之酬金及聘用條款，以及與外部核數師辭任或解聘有關的任何問題，向董事會作出推薦。本公司已委聘安永會計師事務所為外部核數師，並就有關發行優先票據的告慰函及其他協助委聘安永會計師事務所。截至二零一六年十二月三十一日止年度已付／應付安永會計師事務所的費用如下：

內部監控及風險管理

本集團已委任信永方略風險管理有限公司，以審閱本集團截至二零一六年十二月三十一日止年度的內部監控系統的效益。本集團亦正在改善及成立內部監控指引，以進一步加強其內部監控及風險管理系統。

董事會確認其持續對本集團內部監控及風險管理系統以及檢討其效益的責任，尤其是考慮本集團於會計及財務匯報職能、培訓課程及預算方面的資源、員工資歷及經驗是否足夠，董事會將最少每年進行定期檢討，涵蓋所有重大方面，包括財務、經營、風險管理職能，並符合所有相關規定，致力加強本集團內部監控及風險管理措施。該等系統旨在管理未能達成業務目標的風險，並僅可提供合理但不絕對的保證以防止重大錯誤或損失。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' RESPONSIBILITY ON THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company and its subsidiaries for the year ended 31 December 2016, which were prepared in accordance with applicable accounting standards.

The reporting responsibility of the external auditor of the Company on the consolidated financial statements of the Group are set out in the independent auditor's report on pages 78 to 85.

SHAREHOLDERS' RIGHTS

Communication with Shareholders

The Board recognises the importance of effective and on-going communications with Shareholders and continues to act in the best interests of the Company and its shareholders. The Company keeps Shareholders and investors informed of its business performance and strategies by adopting a transparent and timely disclosure policy which complies with the Listing Rules and provides all Shareholders equal access to such information. The Company also publishes all documents on the Company's website.

The annual general meeting of the Company (the "AGM") also provides a forum for the Board to dialogue and interact with the Shareholders directly. The Directors and the committee members are available to answer questions during the AGM. Notice of AGM, annual report, financial statements and related papers were posted to Shareholders for their consideration at least 20 clear business days prior to the AGM.

At each general meeting, the chairman of the meeting proposes individual resolutions in respect of each substantially separate matter. All matters at the Company's general meetings are resolved by poll and the procedures for conducting a poll will be explained at the meeting. Independent scrutineer will be engaged to ensure all votes at general meeting are properly counted. Poll vote results will be posted on the websites of the Company and HKEX in a timely manner.

AGM proceedings and policies regarding Shareholders' communication of the Company are continually reviewed in the light of corporate governance best practices.

董事對財務報表的責任

董事清楚明白本身須按照適用的會計準則編製本公司及其附屬公司截至二零一六年十二月三十一日止年度的財務報表的責任。

本公司外聘核數師對本集團綜合財務報表的報告責任，載於第78頁至第85頁的獨立核數師報告。

股權的權利

與股東之溝通

董事會確認與股東持續有效溝通之重要性，並繼續以本公司及其股東之最佳利益行事。通過採納符合上市規則之透明及時之披露政策，本公司持續向股東及投資者知會其業務表現及策略之最新情況，並為讓全體股東平等獲得有關資料。本公司亦於本公司網站上刊發所有有關文件。

本公司之股東週年大會（「股東週年大會」）亦為董事會提供與股東直接對話及互動之平臺。董事及各委員會成員可於股東週年大會上回答提問。股東週年大會通告、年報、財務報表及相關文件均於股東週年大會日期前至少足20個營業日寄發予股東，供其考慮。

於各股東大會上，會議主席就各項重大個別事項提出個別決議案。本公司股東大會的所有事項均以投票方式表決，並於會上解釋投票程序。獨立監票人將獲委聘，以確保股東大會的所有票數均得到適當計算。投票結果將及時在本公司及香港聯交所網站公佈。

本公司之股東週年大會程序及有關股東溝通的政策按企業管治最佳守則持續檢討。

CORPORATE GOVERNANCE REPORT

企業管治報告

Shareholders' Rights

Set out below is a summary of certain rights of the shareholders of the Company as required to be disclosed pursuant to the mandatory disclosure requirements under Paragraph O of the Code which is effective from 1 April 2012.

(a) Convening of general meeting on requisition by shareholders

Members 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 shall at all times have the right, by written requisition to the Company's registered office in Bermuda at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda and its principal office in Hong Kong at Unit 3108, 31/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong for the attention of the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within three (3) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act 1981 of Bermuda.

(b) Procedures for putting forward proposals at a Shareholders' meeting

Pursuant to the Companies Act 1981 of Bermuda, either any number of the shareholders holding not less than one-twentieth (5%) of the total voting rights of all the shareholders of the Company, or not less than one hundred of such shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to have notice of any general meeting any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. The requisition signed by all the requisitionists must be deposited at the Company's registered office

股權的權利

以下載列本公司股東根據守則(自二零一二年四月一日起生效)第O段項下強制性披露規定須予披露的若干權利概要。

(a) 按股東要求召開股東大會

任何於遞呈要求日期持有不少於本公司繳入股本(附有於本公司股東大會表決權利)十分之一之股東，有權於任何時間透過本公司於百慕達註冊辦事處(地址為Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda)及其香港主要辦事處(地址為香港干諾道中168至200號信德中心招商局大廈31樓3108室)向董事會或本公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後的三(3)個月內舉行。倘遞呈該要求後的二十一(21)日內，董事會未有召開該大會，則遞呈要求人士可自行根據百慕達一九八一年公司法第74(3)條以同樣方式作出此舉。

(b) 於股東大會上提呈建議的程序

根據百慕達一九八一年公司法，股東持有任何股份數目不低於本公司全體股東總投票權之二十分之一(5%)，或該等股東不低於一百名人士可書面要求本公司(a)向有權收取下屆股東大會通告的股東發出關於在該會議上可能妥善提出或計劃提出的任何決議的通告；及(b)將不超過一千字的有關將在會議上提出的決議涉及的事項或將在會上處理的事務說明書，提交給有權收取任何股東大會通告的股東傳閱。由所有呈請人簽署之呈請，須在不遲於(倘為要求決議案通

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企業管治報告

in Bermuda at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda and its principal office in Hong Kong at Unit 3108, 31/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong for the attention of the Board on the secretary of the Company, with a sum reasonably sufficient to meet the Company's relevant expenses and not less than six weeks before the meeting in case of a requisition requiring notice of a resolution and not less than one week before the meeting in the case of any other requisition. Provided that if an annual general meeting is called for a date six weeks or less after the requisition has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

(c) *Enquiries to the Board*

Shareholders may put forward enquiries to the Board in writing to the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the enquiries.

INVESTOR RELATION

During the period under review, there had been no significant change in the Company's constitutional documents.

GOING CONCERN

There are no material uncertainties relating to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern.

知之呈請)大會舉行前六週或(倘為任何其他呈請)大會舉行前一週透過本公司於百慕達註冊辦事處(地址為Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda)及其香港主要辦事處(地址為香港干諾道中168至200號信德中心招商局大廈31樓3108室)送交本公司董事會及/或公司秘書,並須支付足以彌補本公司相關開支之款項。惟倘在遞交呈請後六週或較短期間內之某一日召開股東週年大會,則該呈請雖未有在規定時間內遞交,就此而言亦將被視為已妥為遞交。

(c) *向董事會查詢*

股東可向董事會按本公司於香港的主要辦事處提交書面查詢。或倘本公司終止不再為相關主要辦事處,註冊辦事處須載明查詢日的。

投資者關係

回顧年度,本公司組織章程文件並無發生任何變動。

持續經營

概無任何涉及可對本公司持續經營能力構成重大疑慮的事件或情況的重大不明朗因素。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE ENHANCEMENT

The Company has been introducing, and continues to introduce, measures to comply with the former and revised Corporate Governance Code. Enhancing corporate governance is not simply a matter of applying and complying with the Corporate Governance Code of the Stock Exchange but about promoting and developing an ethical and healthy corporate culture. During the period under review, the Board considered the following corporate governance matters:

- (i) review of the compliance with the Code; and
- (ii) review of the effectiveness of the internal controls and risk management systems of the Group through the Audit Committee.

The Board considered the Company's risk management and internal control systems for the year ended 31 December 2016 are effective and adequate. We will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and developments. Any views and suggestions from our shareholders to promote and improve our transparency are also welcome.

提升企業管治水平

本公司已經並將繼續引進措施，以遵守舊及經修訂企業管治守則。提升企業管治水平並非僅為應用及遵守聯交所之企業管治守則，乃為推動及發展具道德與健全之企業文化。於回顧期間，董事會考慮以下企業管治事項：

- (i) 審閱是否遵守守則；及
- (ii) 憑藉審核委員會審閱本集團於核數委員會下內部控權及風險因素。

董事會認為，截至二零一六年十二月三十一日止年度，本公司的風險管理及內部監控制度為有效及充足。吾等將按經驗、監管條例之變動及發展，不斷檢討並於適當時改善本公司之現行常規。本公司歡迎股東提供任何意見及建議以提高及增加公司之透明度。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT ESG REPORT

Introduction

The Environmental, Social and Governance Report (the “ESG Report”) of China Singyes Solar Technologies Holdings Limited (the “Company”) illustrates the principles and implementation of corporate citizenship in renewable energy field of the Company and its subsidiaries (collectively, the “Group”, “we” or “us”). The ESG report elaborates various works of the Group supporting the principles of sustainable development in 2016 and its performance of social governance. For the information of corporate governance, please refer to the Corporate Governance Report on pages 7 to 22.

Scopes of Report

The ESG report covers the environmental and social policies of the Group's principal businesses in Mainland China. The Group will continue to review its performance on environmental and social aspects. The period covered by the ESG report is consistent with the financial statements of the Group, from 1 January 2016 to 31 December 2016.

Reporting Guide

The ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Participation of Stakeholders

The ESG Report was prepared with the participation of colleagues in various departments, giving us a clearer picture of the current development level on environmental and social aspects. The information collected is the summary of the works of the Group related to environmental and social aspects in 2016 and the basis for our short and long term sustainable development strategy.

關於 ESG 報告

報告簡介

中國興業太陽能技術控股有限公司(「本公司」)環境、社會及管治報告(「ESG 報告」)闡述本公司及其附屬公司(統稱「本集團」或「我們」)於可再生能源領域履行企業公民責任所秉持的原則及推行的工作。ESG 報告詳述本集團在二零一六年內支援可持續發展原則的各項工作，及在社會管治方面的表現。有關企業管治的內容，請參閱於第 7 頁至第 22 頁的《企業管治報告》。

報告範疇

ESG 報告涵蓋本集團於中國內地主要業務的環境及社會政策。本集團將繼續審視在環境及社會範疇的表現。ESG 報告涵蓋的期間與本集團的財務報告一致，由二零一六年一月一日至二零一六年十二月三十一日。

報告準則

ESG 報告依照香港聯合交易所有限公司(「聯交所」)《主板上市規則》附錄二十七《環境、社會及管治報告指引》所編寫。

利益相關者的參與

ESG 報告的編寫，得到各部門同事共同參與，促使我們更清晰目前在環境和社會層面的發展水準。我們收集的資料，既是本集團在二零一六年開展環境和社會相關工作的總結，也是我們制定短期和長期可持續發展策略的基礎。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Information and Feedback

For more detailed information about the environment and corporate governance of the Company, please refer to our official website (<http://www.singyessolar.com>) and annual report. We highly value your opinions for this report. If you have any opinions or suggestions, please feel free to contact us by:

Tel: (852) 2548-8231
Email: ir_sye@zhsye.com

ABOUT US

The Group strives to provide high and new technologies for energy conservation, environmental protection, renewable energy and new materials, and has been listed on the Main Board of the Stock Exchange since 2009. The businesses of the Group comprise five scopes: (i) Design, manufacture and installation of conventional curtain walls and green building construction; (ii) Design, installation and operation of solar projects; (iii) Manufacture, sale and research and development of renewable energy goods; (iv) Manufacture, sale and installation of new materials; and (v) Provision of construction design services. We have two production plants in Mainland China and have offices in Hong Kong, Macau, Singapore, Malaysia, etc.

We have shown our dedication to the goal of transforming every building into mini power plant, with a will to become a global leading provider of clean energy application system. By utilising the advantage of our existing building curtain wall business and technology, we continuously conduct research and development on enhancing the synergy between the clean-energy technology and energy-saving building knowledge, which support the future development of ecological construction and low-carbon economy. "People-oriented, Growth with Technology" is the foundation and motto of the Group. The Group is committed to creating a favorable circumstance for caring for the environment, caring for the community and caring for our employees. With the foundation of scientific and technological capabilities, the Group has continuously upgraded the service qualities of new energy, energy saving, environmental protection and new materials to achieve satisfaction

資訊及回饋

有關本公司環境及企業管治的詳細資訊，請參閱我們的官方網站(<http://www.singyessolar.com>)及年報。本公司重視您對此份報告的看法，若閣下有任何意見或建議，歡迎通過以下方式與我們聯絡：

電話：(852) 2548-8231
電郵：ir_sye@zhsye.com

關於我們

本集團致力提供有關節能環保、可再生能源和新材料的高新技術，並在二零零九年於聯交所主板上市。本集團業務覆蓋五大範疇：(一)傳統幕牆及綠色建築工程設計、製造及安裝，(二)太陽能項目設計、安裝及運營，(三)可再生能源貨品的生產、銷售及研發，(四)新材料貨品的生產、銷售及安裝和(五)提供工程設計服務。我們在中國內地共有兩個生產基地，在香港，澳門，新加坡，馬來西亞等地設有辦事處。

我們致力把每一棟建築變成微型發電廠，並期望成為世界領先的清潔能源應用系統方案提供者。我們利用已有的建築幕牆業務和技術優勢，持續研發清潔能源技術與建築節能的集成運用，支持未來的生態建築及低碳經濟的發展。「以人為本、科技興業」是本集團的立身之本、發展之源。本集團致力營造關注環境、關懷社會、關愛員工的良好氛圍，以科技實力為根本，不斷提升本集團在新能源、節能環保和新材料等產業領域的服務質量，以實現顧客滿意的目標。「和諧興業、共同發展」是本集團的凝心之根、聚力之魂。我們致力實現自然、社會、人、企業的和諧及共同發展，構建

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among customers. “Harmonious Growth, Joint Development” is the principle and belief of the Group. We are dedicated to achieve harmonious and joint development of our nature, society, human and business and established the concept for the development of integrity management, law compliance and scientific management. We will keep paying back to the society with our pioneering and aggressive spirit, and our effort in industrial development. We will also protect the natural environment, share fruitful enterprise growth with employees, and build more harmonious, civilised and progressive society.

ENVIRONMENTAL CARE

Green Industry

We witness the worsening problems of global warming, and the threat of climate to human beings. As an environmental friendly enterprise, we have shown our dedication to the goal of transforming every building into mini power plant, promoting emission reduction from source and enhancing energy efficiency to improve environment, cherish the blue sky and lead the low-carbon economic development. Over the years, we have constantly promoted and improved solar technology. During the first “China Photovoltaic + Innovation and Development Forum”, we shared the successful application model of photovoltaic combining with green building and micro-grid. We also participated in the “13th China International Solar Energy Utilization Products Exhibition and the 11th China Heat Pump, Water Purification and HVAC Products Exhibition”, which were jointly organized by the China Solar Thermal Industry Federation, the China Association of Rural Energy Industry, the Solar Thermal Professional Committee and the China Energy Conservation Association Solar Professional Committee, in order to promote the new development of solar technology.

Besides promoting the use of solar technology, we proactively regulate green buildings to ensure a higher specification for the sustainability of the buildings. Singyes Energy-saving Technologies Co., Ltd., a subsidiary of the Group, is one of the editorial units of the Key of Preparation and Review on Zhuhai City Green Building Construction Drawing Design Document issued by Zhuhai City Housing and Urban Planning and Construction Bureau. Moreover, the Group participates in the preparation of the Glass in Building – General Technical Requirements for Recycling Building Photovoltaic Components issued by the Building Glass Standardization

誠信經營、遵規守法、科學管理的發展環境。我們將不斷開拓進取、用產業發展回報社會，讓自然環境受到保護，讓員工共享企業成長碩果，讓社會更加和諧、文明、進步。

關懷環境

綠色產業

目睹全球暖化日益嚴重，以及氣候對於人類造成的威脅，作為環保企業，我們致力把每一棟建築變成微型發電廠，促進源頭減排和能效提升，以改善環境、呵護藍天、引領低碳經濟的發展。多年來，我們一直推廣太陽能技術，並不斷完善技術。我們在首屆「中國光伏+創新發展論壇」中，分享本集團將光伏與綠色建築結合、與微電網結合的成功應用模式。我們亦參與由中國太陽能熱利用產業聯盟、中國農村能源行業協會、太陽能熱利用專業委員會、中國節能協會太陽能專業委員會共同主辦的「第十三屆中國國際太陽能熱利用產品博覽會、第十一屆中國熱泵、淨水及暖通空調產品展覽會」，宣傳太陽能技術的新發展。

除了宣揚太陽能技術的使用，我們亦積極規管綠色建築，以確保對於建築物的可持續性有更高的規格。本集團旗下的珠海興業節能科技有限公司是珠海市住房和城鄉規劃建設局發佈的《珠海市綠色建築施工圖設計文件編制與審查要點》的主編單位之一。此外，本集團參與編寫由國際標準化組織建築用玻璃標準化技術委員會 (ISO/TC 160) 發佈的《建築用玻璃 – 建築用光伏組件回收再利用通用技術要求》，主要

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Technical Committee of International Organization for Standardization (ISO/TC 160), which mainly solves the processing problems of photovoltaic waste components generated by the operation of photovoltaic industry. We expect that from the aspects of material supply and environmental protection, together with the establishment of standard measures, to achieve our final objectives of avoiding squandering resources, reducing the production of raw materials of photovoltaic components, and reducing the secondary environmental pollution.

Green Products

Coal, oil and other fossil fuels not only are non-renewable resources, but also generate carbon dioxide and other greenhouse gases and waste during combustion. On the contrary, solar energy is a renewable and inexhaustible resource. Solar energy is also a clean energy, and its utilisation will not emit greenhouse gases which intensify greenhouse effect. Therefore, we vigorously promote the development of solar technology. With the concerns that solar energy may cause visual pollution in city, we proactively develop Building Integrated Photovoltaic ("BIPV") Technology, by using photovoltaic components as building materials. BIPV application has to be incorporated into the overall design of building, rather than only a simple combination of solar photovoltaic components and buildings. It is necessary to consider various functions and utilizations of building and is an attempt to form new architectural design ideas and energy-saving building methods. BIPV is not only for the effect of beautifying the building, but also for the realizations of shading insulation, heat preservation, energy saving and the reduction of energy consumption inside the building.

In additional, we also advocate green definition of building, i.e. the conservation of land, water, energy and material. Pursuant to the principle of "Passive Priority, Active Optimization", with the goal of "Ultra-low Energy Consumption", we aim to create low-carbon energy-saving building with rational planning and design at early stage and effective control and management at later stage, on the basis of high performance maintenance structures (high visible light transmittance, low shading coefficient), and supplemented by applying various types of ventilation technology, considering external shade and ventilation of photovoltaic power generation technology, and combining with building intelligent control system, etc. Zhuhai Singyes Green Building Technology Co., Ltd., a subsidiary of the Group, is the chairman of the Chinese Enterprise Committee of US-China Clean Energy

解決在光伏行業營運過程中產生的廢舊光伏組件的處理問題。我們希望從材料和環境等方面出發，通過標準的編制，實現避免資源浪費、減少光伏組件原材料生產、減少對環境產生二次污染的最終目的。

綠色產品

煤炭、石油等化石燃料不但不可再生，更會在燃燒發電過程中產生二氧化碳等溫室氣體和廢渣。相反，太陽能是可再生能源，取之不盡、用之不竭。太陽能更是一種清潔的能源，使用太陽能不會產生導致溫室效應加劇的溫室氣體。故此，我們大力推動太陽能技術的發展。我們明白在城市中，太陽能可能造成目視污染，因此我們積極發展光伏建築一體化技術(BIPV)，將光伏元件作為建築材料。BIPV的應用必須納入到建築的整體設計中，而不是太陽能光伏元件與建築的簡單迭加，還需要綜合考慮建築的各種功能和作用，形成全新的建築設計理念和建築節能的方法。BIPV不但有美化建築的效果，還可以達到遮陽保溫、節能環保的作用，減少建築物內部的能源消耗。

除此之外，我們亦提倡對於建築賦予綠色的定義，即節地、節水、節能、節材，在「被動優先，主動優化」原則上，以「超低能耗」為目標，旨在通過前期的合理規劃設計以及後期有效控制管理，形成以高性能維護結構(高可見光透射比、低遮陽係數)為基礎，輔以各種形式的通風技術、考慮外遮陽與通風的光伏發電技術、建築智能控制系統等打造出低碳節能建築。本集團旗下珠海興業綠色建築科技有限公司是中美清潔能源聯合研究中心建築節能聯盟(CERC-BEE)中方企業委員會主席單位。本集團一貫積極參與聯盟組織的各項活動，並堅持

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Research Center- Building Energy Efficiency (CERC-BEE) consortium. The Group actively participates in the activities of the consortium and adheres to active and productive joint technology development, application and promotion with its members on the platform of the consortium. We took an epoch-making step in 2016 to complete the CERC-BEE Project, which is the Singyes Solar Research and Development Building Project. The building takes full account of the application of passive technologies, combined with active technologies to enhance its applicability and utilized a total of 36 green building energy-saving technologies in total. The building was awarded the Certificate of Green Building Design Label with Three-star Rating, which is the highest level certificate of green building in Mainland China. In recent years, amidst the advancement of urbanisation and industrialisation in Mainland China, the conflict between rapid economic development and energy shortage and environmental deterioration has become increasingly prominent. We believe that the important purpose of green building development is to integrate new energy into building, through technological innovation, to reduce the cost of green building so that it is accessible to ordinary people. Therefore, we promote the development of energy-saving and environmental industry in green building, distributed energy resources and other aspects to make greater contributions to clean energy.

Treasure the Resources

We not only put effort on environment in our business, but also proactively step towards low-carbon lifestyle in our operation, and require the reduction of the total consumption of water, electricity and paper of the Group compared with the previous year. For instance, our Zhuhai Singyes Renewable Energy Industrial Park fully utilizes photovoltaic power generation technology and energy integrated management technology, becoming a demonstration project of distributed power station and intelligent micro-grid. Our staff quarters also use the building integrated solar thermal technology, by combining the solar and thermal system with building construction to provide employee with hot water, heating and air conditioning, etc., in order to reduce our demand for thermal power and lessen environmental pollution.

We regularly carry out employee education for the promotion of energy-saving, requiring employees to save resources, and following the "Say No to Waste" system to minimize unnecessary energy usage. In order to avoid additional resource consumption caused by facility failure, we will repair the facility immediately after the failure is found. In order to encourage

在聯盟的平台上與成員開展積極的、富有成效的聯合技術研發、應用和推廣工作。我們在二零一六年邁開了劃時代的一步，完成了CERC-BEE項目，即興業太陽能研發樓項目。該建築充分考慮被動技術的應用環境，結合主動技術提高建築的適用性，共採用了36項綠色建築節能技術，已通過評審被授予中國內地綠色建築方面的最高級別證書—《三星級綠色建築設計標誌證書》。近年來，隨著中國內地城鎮化與工業化的推進，高速發展的經濟與能源緊缺、環境惡化的矛盾日益凸顯，我們認為將新能源融入建築，通過技術創新降低綠色建築的成本，使其能夠進入尋常百姓家，這是綠色建築發展的重要目的。故此，我們從綠色建築、分布式能源等方面出發，推動節能環保產業發展，為清潔能源作更大貢獻。

珍惜資源

我們不但在業務上為環境出一分力，更在營運中全面體現我們積極邁向低碳生活的目標，並要求本集團的用水、用電、用紙總量較上年度減少。例如，我們旗下的珠海興業新能源產業園全面採用光伏發電技術、能量綜合管理技術，成為分布式電站及智能微電網的示範項目。另外，我們的員工宿舍亦運用了光熱建築一體化技術，將光熱系統與建築有機結合，為員工提供熱水、暖氣及空調等，減少我們對火力發電的需求，並減少對環境的污染。

我們定期對員工進行節約資源的宣傳教育，要求員工節約資源，杜絕浪費，做到「人走水斷，人走燈滅」。為避免設施故障導致的額外資源耗用，我們在發現故障後，立即進行維修。為鼓勵員工積極提出對環境有正面影響的

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employees to take positive initiative on the environment actively, we recognize and reward employees who suggest rational proposals to save resources and reduce waste. Furthermore, we implement responsibility and penalty policies in respect of office equipment, such as air conditioning, and computer, specifically for employees who do not switch off air conditioning or computer after work. In addition, the operation of the Group tends to be paperless. We encourage employees to use e-mail for internal or external communication, and promote double-side printed internal documents to fully utilize paper. We recycle waste paper documents and send them to waste recycling companies for recycling regularly. We use office automation (OA) system for notifications, transfer applications, holiday applications and other administrative procedures as paperless office. Our OA system also contains different workflows of different positions for employees to understand work process conveniently, thus reducing the paper used for the copy process of internal communication and approval.

Emissions Management

We have set sustainable development as our strategy, and taken zero tolerance on any pollution incident as our target. The Group strictly abides by the “Trial Standard of Industrial “Three Wastes” Discharge” and related laws and regulations. Our main air pollution is vehicle exhaust emission and, as such, we require that all vehicles must meet the vehicle emissions standard implemented by Zhuhai Municipal Environmental Protection Bureau. The Group’s wastewater is mainly domestic sewage, which will be discharged directly into municipal drainage system. In respect of noise pollution, the Group’s major source of noise is incurred by air compressor and vehicles. Therefore, we build sound insulation room for air compressor to solve the noise problem from air compressor; we also strengthen the management and maintenance of vehicles, aiming to ensure that silencers and speakers are in compliance with the national requirements and reduce vehicle noise.

措施，我們表揚和獎勵提出合理建議以達到節約資源及減少廢棄物目標的員工。另外，我們對辦公設備如空調、電腦實行負責制，落實處罰制度，對下班後未關空調或電腦的員工進行處罰。除此之外，本集團的營運亦趨向無紙化，我們鼓勵員工使用電子郵件進行內部和外部溝通，並提倡內部文件使用雙面打印，提高紙張利用率。我們回收廢紙質文件，定期將回收的紙張送往廢品回收公司進行循環處理。我們使用辦公自動化（Office Automation，縮寫OA）系統進行通知、調動申請、假期申請等行政程序以達到無紙化辦公的目標。我們的OA系統還包括不同崗位的工作流程，讓員工既能隨時隨地瞭解工作流程，又能減少複印流程內部溝通及審批所用的紙張。

排放物管理

我們一直以可持續發展為發展策略，以零污染事故為工作目標。本集團嚴格遵守《工業「三廢」排放試行標準》等相關法律法規。我們的主要廢氣是汽車尾氣，我們要求所有車輛必須達到珠海市環保局制定的尾氣排放管理標準。本集團的廢水主要為生活廢水，生活廢水將直接排入市政管網。至於噪音方面，本集團主要噪音來自空壓機和車輛。故此，我們修建空壓機隔音房以解決空壓機噪音問題，亦加強對車輛的管理和保養，確保消音器及喇叭符合國家規定要求，減少車輛產生的噪音。

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Waste Management

We set a management target for waste control. We set up recycling bins in various departments and request our employees to separate and collect recyclable and non-recyclable wastes. The Group will deliver recyclable waste to recycling company, and dispose non-recyclable waste to waste disposal company designated by the Zhuhai Environmental Protection Bureau. We require 100% recovery and disposal of the Group's solid and liquid hazardous wastes. We collect the hazardous wastes, including various kinds of containers contaminated with toxic and hazardous substances, and dispose the collected hazardous wastes to the designated collection point and ensure that there is no mixture or leakage in the process of collection and transportation.

PEOPLE ORIENTED

Employee Rights

Employee is the cornerstone of scientific management and the core competency of the Group. We have focused on talent nurturing, and have committed to creating a favorable atmosphere for caring employee. Our business philosophy fully shows our respect to the employees' interests, and the exploration of employees' full potential. The Group strictly abides by relevant laws and regulations of employees' right, such as the Labor Law of the People's Republic of China ("PRC"). During the recruitment process, we solely consider the applicant's ability to meet the appropriate conditions of service, without considering his/her gender, age, race, religion, etc. The Group strictly complies with the Prohibition of Using of Child Labor, and carries out identity document verification of new recruits to prevent the employment of child labor. Subsequent to the expiration of probation, each employee should pass the comprehensive assessment on business capability, ideology and moral, work attitude and other aspects, and we will conduct a comprehensive study. After passing the assessment and inspection, the employees can be formally recruited. We enter into Labor Contract with our employees to ensure that there is no forced labor. We offer market-competitive remuneration and adjust their performance awards and annual bonuses based on their regular performance appraisal results. The Group has introduced 8-hour day and 5-day workweek and provides holidays, and has provided employees with annual leave, marriage leave, maternity leave, paternity leave, breast feeding leave, etc. For resigned employees, we will handover work on their last working day and pay the outstanding wages on time.

廢棄物管理

我們制定廢棄物的管理目標。我們在各部門均設置回收箱，並要求員工對可回收利用及不可回收利用的廢棄物進行分類收集。本集團將可回收廢棄物會交由回收商處理，不可回收廢棄物交由珠海市環保局指定的垃圾處理公司處理。我們要求本集團的固體及液體危險廢棄物的回收與處理率達到100%。我們收集的危險廢棄物包括盛裝有毒、有害品的各類容器，並將收集的危險廢棄物送往指定的回收點，並確保在收集及運送的過程中不會出現混雜、洩漏的現象。

以人為本

員工權益

員工是科學管理的基石，亦是本集團的核心競爭力。我們著重人才的經營，亦致力營造關愛員工的良好氛圍。我們的經營理念充份體現對員工的尊重和對員工潛能的挖掘。本集團嚴格遵守員工權益相關的法律法規，如中國內地的《中華人民共和國勞動法》等。在招聘員工時，我們只考慮應徵者的能力是否達到相應的任職條件，不因性別、年齡、種族、宗教等區別對待。本集團嚴格遵守《禁止使用童工規定》，對新入職員工進行身份文件核查以防止聘用童工。每位員工在試用期滿後均須經過針對其業務能力、思想品德、工作態度等方面進行的綜合考核，並進行綜合考察。考核和考察合格後，員工才可正式入職。我們與員工簽訂《勞動合同》，以保證不會出現強制勞工的情況。我們為員工提供具市場競爭力的薪酬，並根據員工定期的績效考核結果調整員工的績效獎金及年度獎金。本集團實行五天八小時工作制，並為員工提供年假、婚假、產假、待產假、哺乳假等假期。對於離職員工，我們會在其最後工作日進行工作交接，並依時發放餘下的工資。

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Employee Benefits

In addition to fixed salaries, monthly performance awards and annual bonuses, we provide various benefits for our employees. Besides catering, communication and transportation subsidies, we provide housing allowances to support their basic needs. In order to encourage employees to work long-term in the Group, we provide annual service allowance for employees who have joined the Group over one year. The Group sets up attendance awards to appreciate the employees who have their full attendance for a whole month. We also grants gifts to employees to celebrate their new stage of life.

Apart from monetary support, we pay more attention to their spiritual satisfaction. By establishing the labor union for employees, the Group strives to provide practical contribution for them, resolve their practical difficulties, listen to their difficulties and become their supporter. We have also set up a recreation club for the purpose of enriching their lives through organising various sports associations, including football, badminton, tennis, swimming, hiking, etc. for their spare time. We provide our employees with festive bonuses to share the joy during festivals. Besides, we hold regular group activities every year, including the New Year Games, Spring Festival Night, Mid-Autumn Night, etc. The New Year Games on the Eve demonstrates the spirit of our employees' hard work, and reminds them to meet new challenges with healthy bodies in the coming year. Spring Festival Night and Mid-Autumn Night bring all employees together as a family to celebrate in a warm and harmonious atmosphere with the Group, and to share good memories with joy and laughter.

Employee Health

The Group adheres to the safety objective of "Zero Significant Safety Accidents, Zero Occupational Diseases" and sets up the idea of "Life First, Safety First" and strictly abides by the requirements of the Occupational Health and Safety Management System (GB/T 28001-2001) of Mainland China to protect the safety of employees as the core belief. We also provide annual medical examinations for employees. We care employees' safety and health, and identify, evaluate and control the hazards in various production activities and the occupational health and safety deficiencies of the Group that may lead to accidents, improve production condition and working environment. We establish and implement occupational safety and health

員工福利

除了固定薪酬、月度績效獎金及年度獎金，我們亦為員工提供不同的福利。我們除了在伙食、通信及交通方面提供津貼，還提供住房津貼，輔助員工解決基本需要。為了鼓勵員工長期於本集團工作，我們為凡入職本集團滿一年以上的員工每年提供工齡津貼。本集團亦設立全勤獎，以表揚全月滿勤的員工。我們亦贈賀禮金予員工以共同慶賀員工的人生大事。

除了以金錢支援員工，我們更重視員工的心靈滿足。本集團為員工建立工會，努力為員工辦實事，解決員工的實際困難，傾聽員工的問題，成為員工的支持者。我們成立康樂會，以豐富員工的生活為宗旨，籌辦包括足球、羽毛球、網球、游泳、登山等多個體育協會，豐富了員工的業餘生活。每逢佳節，我們為員工提供節日慰問金以共享節日的喜悅。另外，每年我們會舉辦固定的集體活動，包括迎新運動會、迎春晚會、中秋晚會等。元旦前夕的迎新運動會，展現了本集團員工奮勇拼搏的精神風貌，亦提醒員工保持健康的體魄迎接新年的挑戰。迎春晚會和中秋晚會讓我們整個大家庭歡聚一堂，在溫馨融洽的氛圍中感受本集團的溫暖，讓員工們在歡聲笑語中留下美好回憶。

員工健康

本集團堅守「零重大安全事故、零職業病患者」的安全目標，樹立「生命至上、安全第一」的思想，嚴格遵照中國內地《職業健康安全管理体系要求》(GB/T 28001-2001)以保障員工生命安全為核心。我們關注員工的安全與健康，每年為員工提供體檢。我們對本集團內各類生產活動中的危險源和有可能引致事故發生的職業健康安全缺陷進行識別、評估和控制，改善生產條件及工作環境。我們根據針對職業健康安全因素和環境因素評價的結果，對重大的職

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programs for significant occupational health and safety factors based on the valuation results of occupational health and safety factors and environmental factors, to ensure the achievement of occupational health and safety objectives. In response to the possibility of accident, we have developed respective contingency plans with regular review and relevant drills.

We set occupational health and safety objectives, and set up different indicators to supervise the effectiveness of health measures on employees. We understand that equipment safety is closely related to employees' safety. As such, we have developed equipment control procedures. The equipment control procedures clearly specify the necessary safety measures when the equipment is in use, and clearly indicate occupational health and safety control methods. For example, we require employees to check equipment daily before operation to ensure that the equipment is well maintained at normal working condition and stable operational capacity. We also make sure that all equipment operation and maintenance personnel are well trained, while project managers, construction quality and safety inspectors, special operators, chemical management, etc. also are required to report duties with licenses in accordance with the requirements of national laws and regulations. We evaluate the abilities of certain employees annually to ensure that their operations would not cause and safety problems. In order to enhance the safety awareness of employees, we provide trainings for special positions and provide safety tertiary education for new employees and regular trainings on occupational safety education for all employees'. We conduct questionnaire survey for the participants to continuously improve our training effectiveness. We will continue to analyse and improve the safety management of our employees.

Employee Development and Training

Considering that we have to build an outstanding team and stretch their potential in line with the long-term development of the Group, we provide clear promotion path as well as training for our employees. Employees can be promoted through three career development paths, including technical path, management path and operating path, each of development career can be subdivided into more professional development. No matter it is technical, management or operating path, employees shall enjoy the corresponding benefits as long as the same level, including salary income, benefit, spiritual honor, etc. In order to grow with our employees, we provide different types of training for them, conduct annual investigation based on staff training needs,

業健康安全因素建立職業安全衛生方案並予以實施，以保證職業健康安全目標的實現。針對事故發生的可能性，我們制定了事故發生的應急方案，並定期對方案進行評審及演習。

我們不但制定職業健康安全的目標，更設立不同的指標以監察實行保障員工健康措施的成效。我們明白設備的安全與員工的安全有緊密的關係。為此，我們制定了設備控制程序。設備控制程序對設備使用時需要採取的安全措施作出明確規定，同時亦明確指出職業健康安全控制方法，如要求員工每天需在操作前對設備進行檢查，以確保設備得到良好維護，保持正常的工作狀態和穩定的運作能力。我們確保所有設備的操作和維護人員均得到充分的培訓，並要求項目經理、施工質量及安全檢查人員、特種作業人員、化學品使用管理人員等按照國家法律法規的規定持證上班。我們亦對部份員工每年進行能力評價，以確保他們的操作不會引致安全問題。為了增強員工的安全意識，我們不但提供針對特殊崗位的培訓，亦會對新員工提供安全三級教育，並定期對全體員工提供職業安全教育培訓。我們向參與培訓的員工進行問卷調查以不斷提升我們的培訓效果。我們持續對本集團員工的安全管理進行分析及改進。

員工發展及培訓

為了建立一支優秀的員工隊伍，並挖掘員工的潛能以配合本集團的長遠的發展，我們除了為員工訂立清晰的晉升通道，亦為員工提供培訓。員工可循三條職業發展的通道晉升，包括技術通道、管理通道和作業通道，而每一條通道可以再細分為更專業的發展。無論是技術、管理或作業通道，只要在同一階層，員工都會享受相應的權益，包括：工資收入、福利待遇、精神榮譽等。為了與員工共同成長，我們為員工提供不同的培訓，每年會根據員工培訓

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and formulate annual training program. We strive to improve their production techniques, design methods, management capabilities, equipment maintenance capabilities, etc., so that they can perform better in their respective professional fields, thus further enhancing the professional status of the Group. We will continue to improve the training quality for employees through assessing the effectiveness of the training. We have established the "Singyes College" in 2015 as our corporate training school, combining theory with practice of the Group and explaining the most practical application knowledge to our employees.

MUTUAL DEVELOPMENT WITH CUSTOMERS AND SUPPLIERS

Cooperation with Suppliers

The Group expects to have long-term cooperation with suppliers to joint sustainable development and take initiative of innovation. The Group has been conducting public bidding procurement in an open, fair and honest manner as competitive principle. During the selection process of suppliers, we evaluate suppliers in the aspect of the qualification and reputation, supply capacity, price and after-sales service, and inspect their main materials, equipment and facilities, to ensure that they are able to provide materials satisfying quality, health and safety requirements to reduce the possibility of environmental and social risks. Save as the conditions above, we give priority to suppliers in neighboring areas to shorten traffic distance, thereby reducing the carbon footprint generated during transport.

Products and Services

The Group places considerable value on the quality of products, with the goal of 100% passing rate of project and service quality. The Group strictly abides by the Quality Management System – Requirements (GB/T 19001-2008) of Mainland China and the Code for quality management of engineering construction enterprises (GB/T 50430). We take different measures to ensure that the quality of products meets the requirements of customers and laws and regulations. We measure and monitor the characteristics of products at each stage of production from raw materials, production processes to completion, to ensure that the product meets the health and safety requirements. We also identify the resources, raw materials, equipment, spare parts, semi-finished products, finished products and engineering

需求作出調查，並制定年度培訓計劃。我們致力提升員工的生產技術、設計方法、管理能力、設備保養能力等，讓員工能在其專業範疇中表現的更出色，進一步提升本集團的專業地位。我們會持續透過員工對培訓效果的評估以改進員工的培訓質素。我們更在二零一五年開辦了「興業學院」作為我們的企業培訓學校，將理論與本集團的實踐相結合，為員工講解最實用的應用知識。

與客戶及供應商共同發展

與供應商合作

本集團期望與供應商長期合作，共同持續發展，攜手踏出創新的每一步。本集團一直以公開、公平、公正、競爭擇優原則進行招標採購。在選擇供應商時，我們會評核供應商的經營資格和信譽、供貨能力、價格及售後服務，並驗檢供應商的主要材料、設備和設施，以確保他們能給予符合質量、環境及健康安全的要求的材料，以降低出現環境和社會風險的可能性。除了以上的條件，我們亦會優先考慮鄰近地區的供應商，以縮短交通往來的路程，從而減少運輸過程中產生的碳足跡。

產品與服務

本集團重視產品的質量，以工程及服務質量合格率達到100%為目標。本集團嚴格遵守中國內地《質量管理體系要求》(GB/T 19001-2008)及《工程建設施工企業質量管理規範》(GB/T 50430)。我們採取不同措施，確保產品質量達到客戶及法律法規的質量要求。我們測量和監視產品在每個產品製造階段的特性，即由原材料、生產過程至工程完工，確保產品符合健康與安全的要求。我們對工程期間所用的物資、材料、設備、零配件、半成品、成品以及工程檢驗狀態進行標識，以便於對工程質量、

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inspection status for the project to trace the quality of the project and the safety quality of the products. Unqualified materials will not be used. In addition, we actively communicate with our customers at different stages of the project and respond to their demands to satisfy their needs. We collect customer feedback, satisfaction and opinions through different means, such as research, return visit, and conduct analysis and research on the direction of market development and the improvement direction of management system. We also devote our effort to protect the intellectual property rights and personal information of customers. We enter into confidential agreements with employees and provide monthly confidential subsidies to employees to ensure that the information of customers will not be leaked out. The Group strictly abides by the relevant laws and regulations such as the Patent Law of the PRC and the Trademark Law of the PRC to protect intellectual property rights. We issued a number of patents in respect of micro-grid research and renewable energy applications. As at 31 December 2016, the Group applied a total of 25 invention patents and 208 utility model patents, which in turn received 3 invention patents and 112 utility model patents. During promotion and sales, the Group complies with the Advertising Law of the PRC and other relevant laws and regulations, promised not to provide false information to customers.

Anti-corruption

The Group is committed to preventing the occurrence of corruption, strictly complies with the Company Law of the PRC, the Criminal Law of the PRC and the Anti-Unfair Competition Law of the PRC. We have adopted a clear avoidance system, prohibiting direct leadership relationships among employees who have husband and wife relationship, immediate family relationship, three generation collateral relatives and other close family relationships. Moreover, we clearly stipulate that employees should be honest, loyal to their duties, and shall not abuse their official powers to seek any improper benefits.

HARMONIOUS SINGYES

As an enterprise with social responsibility, the Group actively supports young students, helps those in distress, utilizes our technological achievements to promote public welfare development, and brings solar technology to people in remote areas. The Group launched the solar street lighting project "Singyes Solar into Yuexi County" in 2015, with the donation of solar street lights to Dianqian Town, Yuexi County, Anqing City, Anhui Province, and the

產品的安全質素進行追溯。我們不會採用不合格的材料。除此之外，我們亦積極在不同的工程階段與客戶溝通，並回應客戶的訴求以滿足客戶的要求。我們會以不同方式，如調研、回訪等，來收集客戶的反饋信息、客戶滿意度和意見，並進行對市場發展方向、管理體系的改善方向的分析研究。我們亦會致力保障客戶的知識產權及個人訊息。我們與員工簽訂保密協議，並每月為員工提供保密補貼，確保客戶的資料不會被洩露。本集團嚴格遵守《中華人民共和國專利法》和《中華人民共和國商標法》等相關法律法規，以保護知識產權。我們在微電網研究與可再生能源應用方面發表了多項專利。至二零一六年十二月三十一日，本集團共申請發明專利25項，實用新型專利208項，其中獲得3項發明專利授權、112項實用新型專利授權。在宣傳和銷售工作時，本集團遵守《中華人民共和國廣告法》等相關法律法規，承諾不提供虛假信息予客戶。

反貪污

本集團致力防止貪污事件的發生，於中國內地嚴格執行《中華人民共和國公司法》、《中華人民共和國刑法》及《中華人民共和國反不正當競爭法》。我們建立明確的回避制度，員工不得與親屬建立直接的上下級領導關係，親屬關係包括夫妻關係、直系血親關係、三代以內旁系血親以及近姻親關係等。另外，我們亦有明確規定員工需廉潔奉公，忠於職守，不得利用職權謀取任何不當利益。

和諧興業

作為肩負社會責任的企業，本集團積極扶幼助學，扶危濟困，運用我們的科技成果推動公益事業的發展，利用太陽能技術援助偏遠地區的人們。本集團在二零一五年啟動了「興業太陽能，走進岳西縣」的太陽能路燈亮化工程，向安徽省安慶市岳西縣店前鎮捐贈太陽能路燈，

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installation has been fully completed in 2016. The solar street lighting allows the public to enjoy the convenience of new energy technology, and can effectively solve and improve rural lighting. The Group is the system integrator of the first photovoltaic poverty alleviation project in Hunan Province – 100kW photovoltaic power generation system in Qishan Village, Shaoyang County, which was built in May 2016. The project construction model is “Linked Pieces of Conserved Land/Divided User Gain” village photovoltaic power plant, with an installation capacity of 100kW, and an estimated annual generation capacity of 100,000kWh, making an income of RMB100,000 for Qishan Village and helping more than 120 poor households to solve their basic living problems. As the normal life of the project is 25 years, the poor households shall enjoy benefit for more than 20 years. The investment on anti-poverty photovoltaic power station creates an advantageous turning point for changing the anti-poverty model of “Blood Transfusion” to “Blood Making”, which is quickly effective and stably solves the basic living problems of poor households in the long run.

Save for focusing on the needs of remote areas and actively building photovoltaic power station projects in different regions, we focus on personnel training. In December 2016, we invited students from Zhuhai City Polytechnic with specialty on Electrical Automation Technology to participate in the basic training course for the operation and maintenance of photovoltaic power station organized by Singyes College. According to the special working environment of photovoltaic power station and the skill requirements of operation and maintenance positions, the training course consisted of three scopes: enterprise cognition, operation and maintenance of power station, and safety production. The course comprised visiting the headquarter of the Group, studying the culture of Singyes, basic knowledge of electrician, basic working principles of photovoltaic power station, commonly used measurements and main instruments of photovoltaic power station, main operation and maintenance work and processes, management system of photovoltaic power station, etc. with 12 courses in total. During the training, lecture theories were combined with practical exercises of equipment and measuring instruments to enhance operational skills. We arranged the qualified students to various photovoltaic power stations in Guangdong Province for site practice. It plays an essential role in promoting the talent development in new energy photovoltaic installation, adjustment, operation and maintenance, and generalization and standardisation of vocational skill system.

而全部安裝工序已於二零一六年完成。太陽能路燈不僅讓村民享受到新能源技術帶來的便利，並可有效地解決和改善農村照明問題。本集團為湖南省第一個光伏扶貧項目 – 邵陽縣岐山村 100kW 光伏發電項目的項目系統集成商，並於二零一六年五月建設完成。項目建設模式為「集中連片或分戶收益」村級光伏電站，裝機容量為 100kW，預計每年發電量為 10 萬度，可為岐山村增收 10 萬元，解決 120 多戶貧困家庭的基本生活問題。項目正常使用壽命為 25 年，貧困戶受益期將超過 20 年。我們以光伏電站投資來扶貧的突出優點是將「輸血」扶貧模式改為「造血」扶貧模式，不僅見效迅速，還可長期穩定的解決特別貧困家庭的基本生活問題，實現「兜底脫貧」。

我們除了關注偏遠地區的需要，積極在不同地區援建光伏電站項目以外，亦重視人才培養。二零一六年十二月，我們邀請珠海城市職業技術學院電氣自動化專業的學生參與由興業學院舉辦的光伏電站運營維護基礎培訓班。根據光伏電站工作環境的特殊性和運維崗位的技能要求，培訓課程分為企業認知、電站運維和安全生產三大範圍，包含參觀本集團總部、學習興業文化、電工基礎知識、光伏電站基本工作原理、光伏電站常用測量及主要儀器、營運維護主要工作及工作流程、光伏電站工作管理制度等 12 個課程。在培訓過程中，我們將課堂理論學習與設備與測量儀器的實操練習相結合，以提升操作技能。我們安排培訓合格的學生至廣東省的各個光伏電站進行現場實習。這對於新能源光伏安裝調試與運行維護人才的培養，對職業技能體系的標準化、規範化有極大的推進作用。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS OVERVIEW

We are a professional renewable energy solution provider and building contractor. Our main businesses are design, fabrication and installation of conventional curtain walls and solar projects. Solar projects included Building Integrated Photovoltaic System (“BIPV”) system, roof top solar system and ground mounted solar system (collectively “Solar EPC”); we also engaged in the manufacturing and sale of renewable energy goods. Our BIPV system involves (i) the integration of photovoltaic technology into the architectural design of buildings and structures and (ii) conversion of solar energy into electricity for use. Our system allows the electricity generated from solar panels to be connected to the power grid of a building and the electricity generated from sun power will be consumed simultaneously. No extra electricity storage cost is required. In addition, we also engage in the production and sale of renewable energy goods, including smart grid system and solar thermal system. In 2011, we also started a new business called Indium Tin Oxide (“ITO”) business or “New material” business.

Leveraging on our track record and extensive experience in our curtain wall business, we will further strengthen and develop our renewable energy business in respect of BIPV systems and renewable energy goods. Apart from the above, we also provide engineering design services and engage in the sale of curtain wall materials. Our Group will endeavour to continue our focus on solar business. In the long run, we will aspire and strive to grow into an enterprise with a focus on renewable energy business.

業務回顧

本公司是專業的可再生能源解決方案供應商及建築承包商。本公司主要從事設計、製造及安裝傳統幕牆及太陽能項目。太陽能項目包括光伏建築一體化（「光伏建築一體化」）系統、屋頂太陽能系統和地面太陽能系統（統稱「太陽能EPC」）；本公司亦從事生產及銷售可再生能源貨品。本公司的光伏建築一體化系統涉及(i)樓宇及建築物光電技術與建築設計的一體化及(ii)將太陽能轉化為可用電能。本公司的系統可實現將自太陽能電池板產生的電能連接至大樓的電網中，太陽能所產生的電能會同步消耗，故不會產生額外的儲電成本。此外，本公司亦從事可再生能源貨品的生產及銷售，包括智能電網系統及太陽能熱力系統。於二零一一年，本集團亦開展了一項名為銦錫氧化物（「ITO」）或「新材料」業務。

憑藉本公司的往績記錄及豐富的幕牆業務經驗，本公司將進一步鞏固及發展與光伏建築一體化系統及可再生能源貨品有關的可再生能源業務。除上述外，本公司亦提供工程設計服務並從事幕牆材料銷售。本集團將繼續主力發展太陽能業務。長遠而言，我們將銳意及致力發展為一間專注於可再生能源業務的企業。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FUTURE PLAN AND STRATEGIES

Curtain wall and green building business

The domestic market is recovering, and also because of the blooming of overseas market, revenue from curtain wall and green building business grew by 26.8% or RMB343.4 million. At the same time, some favorable policies were implemented by the Mainland China government recently and we believe the demand for green building will remain strong.

Solar EPC business

We are a one-stop solution provider in Solar EPC, the year-to-year solar EPC revenue recorded a strong recovery, revenue grew by RMB757.9 million or 51.6% compared with the year 2015.

The Group has firstly entered into the Solar EPC market in China in 2007, because of the strong support by the Golden Sun Demonstration Project (“Golden Sun”), our Solar EPC business recorded a significant growth over the past few years. The National Energy Administration of China (“NEA”) set the target for additional solar installation capacity of 18.1GW in 2016, while the accumulated solar energy installed capacity is over 50GW. In addition, the National Development and Reform Commission (“NDRC”) has uplifted the surcharge levied on electricity bill to end-users from RMB0.015 per kWh to RMB0.019 per kWh in January 2016, representing an increase of approximately 26.7%, the payment efficiency of the electricity tariff could well be improved after the increase of the surcharge. In addition, the Ministry of Finance (“MOF”) has announced the sixth batch of renewable energy subsidies for solar farms that was grid-connected before February 2015 in September 2016 and it also issued the Notice on Organization and Declaration of Additional Funding Subsidies Directory for Renewable Energy which started to prepare registering solar farms that was grid-connected before March 2016 to receive the seventh batch of renewable energy subsidies and this has already been open for registration by the solar farm operators.

未來計劃及戰略

幕牆和綠色建築業務

國內市場正復蘇，亦由於海外市場蓬勃發展，幕牆和綠色建築業務收入增長26.8%或人民幣343,400,000元。同時，中國內地政府近期實施若干有利的政策，我們相信，綠色建築的需求仍強勁。

太陽能EPC業務

我們是太陽能EPC一站式解決方案供應商，太陽能EPC收入同比錄得強勁復蘇，相比二零一五年收入增長人民幣757,900,000元或51.6%。

本集團於二零零七年首次進入中國太陽能EPC市場，得益於金太陽示範工程（「金太陽」）的大力支持，我們的太陽能EPC業務於過去數年實現大幅增長。中國國家能源局（「國家能源局」）訂立目標，二零一六年額外太陽能安裝容量達18.1吉瓦，累計太陽能安裝容量超過50吉瓦。此外，國家發展和改革委員會（「國家發改委」）於二零一六年一月提高終端用戶電價徵收附加稅，由每千瓦時人民幣0.015元提高至每千瓦時人民幣0.019元，增幅約26.7%，電價支付效率於附加稅增加後可得到改善。此外，財政部（「財政部」）於二零一六年九月公佈二零一五年二月前併網太陽能電站的第六批可再生能源補貼計劃，亦下發《關於組織申報可再生能源電價附加資金補助目錄的通知》，開始準備為二零一六年三月前併網的太陽能電站進行註冊，以取得第七批可再生能源補貼，此已就太陽能電站經營者開放註冊。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The favorable policies and strong domestic demand in China could support the long term healthy growth of the solar EPC business of the Group.

Development of renewable energy goods

Apart from solar EPC, we also produce different kinds of renewable energy goods. Renewable energy goods include solar photovoltaic materials and solar thermal products. Solar thermal products include air-source heat pump, solar heat collectors and solar heating system. Our long-term strategy is, through our innovative research and development team, to diversify the application of solar, and to widen the solar application in different area, like rural application and irrigation.

Self-developed solar projects

At 31 December 2016, the Group had 270.7 MW grid-connected power stations and 73.4 MW projects awaiting for grid-connection. In the future, the Group will consider investment opportunities in solar power stations in provinces with high electricity demand, for example Guangdong province, given that the solar farms there have not encountered any curtailment in electricity generation.

Overseas business opportunities

Revenue outside China accounted for approximately 7.6% of our total revenue in the year 2016 (2015: 6.6%). We anticipate contribution from the overseas market will be growing if the construction progress of the sizeable contracts is on schedule.

In the meantime, we keep looking into opportunities in solar EPC projects in the overseas market.

In December 2016, the Group secured a 100 MW of solar EPC project in the Republic of Uzbekistan with a total sum of USD147 million, this project is mainly financed by Asian Development Bank (“ADB”).

中國的利好政策及強勁國內需求可支持本集團的太陽能EPC業務長期健康發展。

發展可再生能源貨品

除太陽能EPC外，我們亦生產各種可再生能源貨品。可再生能源貨品包括太陽能光伏材料和太陽能供熱產品。太陽能供熱產品包括空氣源熱泵、太陽能熱力接收器及太陽能供熱系統。我們的長期策略乃透過我們的創新研究及開發團隊，實現太陽能的多元化應用及擴大太陽能在不同領域的應用，如農村應用及灌溉。

自建太陽能項目

於二零一六年十二月三十一日，本集團有約270.7兆瓦併網電站及73.4兆瓦項目等待併網。未來，鑒於太陽能公司並無經歷任何限電，本集團將考慮在具較高電力需求的省份（如廣東省）太陽能電站的投資機遇。

海外業務機遇

於二零一六年，中國以外的收入佔本集團總收入約7.6%（二零一五年：6.6%）。倘大額合約建設進度如期進行，則我們預期自海外市場貢獻將不斷增長。

與此同時，我們不斷尋求在海外市場的太陽能EPC項目機遇。

於二零一六年十二月，本集團取得烏茲別克斯坦共和國一個100兆瓦太陽能EPC項目，總金額147,000,000美元，此項目主要由亞洲開發銀行（「亞開行」）撥資。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS AND FINANCIAL REVIEW

Revenue

The following table set out the breakdown of revenue:

業務及財務回顧

收入

下表列示收入分類：

		2016 二零一六年 RMB million 人民幣百萬元	2015 二零一五年 RMB million 人民幣百萬元
Curtain walls and green buildings	幕牆及綠色建築		
– Public work	– 公共工程	237.3	292.9
– Commercial and industrial	– 工商	1,173.0	781.5
– High-end residential	– 高檔住宅	213.6	206.1
		1,623.9	1,280.5
Solar EPC	太陽能EPC		
– Public work	– 公共工程	16.2	0.2
– Commercial and industrial	– 工商	2,209.4	1,467.5
		2,225.6	1,467.7
Total construction contracts	建築合同總計	3,849.5	2,748.2
Sale of goods	貨品銷售		
– Conventional materials	– 傳統材料	335.3	282.4
– Renewable energy goods	– 可再生能源產品	882.3	1,022.4
– New materials	– 新材料	90.9	60.3
Total sale of goods	貨品銷售總計	1,308.5	1,365.1
Sale of electricity, including tariff adjustment	電力銷售，包括電價補貼	161.6	118.1
Rendering of design and other services	提供設計及其他服務	13.2	8.0
		5,332.8	4,239.4
Tariff adjustment	電價補貼	(93.2)	(57.4)
Total revenue	總收入	5,239.6	4,182.0

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Gross profit and gross profit margin

毛利及毛利率

		2016 二零一六年		2015 二零一五年	
		RMB million 人民幣百萬元	%	RMB million 人民幣百萬元	%
Construction contracts	建築合同				
– Curtain walls and green buildings	– 幕牆及綠色建築	260.6	16.0	177.0	13.8
– Solar EPC	– 太陽能EPC	579.2	26.0	397.1	27.1
		839.8	21.8	574.1	20.9
Sale of goods	貨品銷售				
– Conventional materials	– 傳統材料	55.9	16.7	53.0	18.8
– Renewable energy goods	– 可再生能源產品	196.8	22.3	235.4	23.0
– New materials	– 新材料	35.6	39.2	23.7	39.3
		288.3	22.0	312.1	22.9
Sale of electricity, including tariff adjustment	電力銷售， 包括電價補貼	92.6	57.3	49.1	41.6
Rendering of design and other services	提供設計及 其他服務	7.2	54.5	6.5	81.3
Total gross profit and gross profit margin including tariff adjustment	總毛利及毛利率， 包括電價補貼	1,227.9	23.0	941.8	22.2

The Group's revenue (including electricity tariff adjustment) increased by RMB1,093.4 million or 25.8%, from RMB4,239.4 million in the year 2015 to RMB5,332.8 million in the year 2016. Gross profit (including electricity tariff adjustment) increased by RMB286.1 million or 30.4%, from RMB941.8 million in the year 2015 to RMB1,227.9 million in the year 2016.

本集團的收入(包括電價補貼)由二零一五年的人民幣4,239,400,000元增加人民幣1,093,400,000元或25.8%至二零一六年的人民幣5,332,800,000元。毛利(包括電價補貼)由二零一五年的人民幣941,800,000元增加人民幣286,100,000元或30.4%至二零一六年的人民幣1,227,900,000元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

1) Curtain wall and green building

Revenue from curtain wall and green building business reached RMB1,623.9 million, representing an increase of RMB343.4 million or 26.8% compared with the year 2015.

The increase in revenue was because of the recovery of construction industry domestically inside Mainland China and the increase in business in the overseas market. Gross margin also improved because of the increase in percentage of high-end business such as curtain wall with green building components.

2) Solar EPC

Revenue from solar EPC amounted to RMB2,225.6 million, representing a strong growth of RMB757.9 million or 51.6% from RMB1,467.7 million reported in the year 2015, while gross margin for the sector remained strong at 26.0% (2015: 27.1%).

The Group has won the tender for the design, execution and completion of the works under a design, build and operate contract granted by Uzbekenergo regarding a 100 megawatt solar farm in the Samarkand Province of the Republic of Uzbekistan. The total sum of the Contract is approximately US\$147 million. Winning of the bid for the contract showed that the Group's capabilities in the Solar EPC met the international standards required by Uzbekenergo. This also reinforced the Group's strategy to follow the "One-Belt-One-Road" initiative as announced by the Chinese Government. We expected the transaction to provide positive revenue growth to the Group.

1) 幕牆及綠色建築

幕牆及綠色建築業務的收入達人民幣1,623,900,000元，相比二零一五年增加人民幣343,400,000元或26.8%。

收入增加乃由於中國大陸國內建築行業復蘇及海外市場業務增加。毛利率亦由於高端業務比例（如綠色建築幕牆部分）而改善。

2) 太陽能EPC

太陽能EPC的收入為人民幣2,225,600,000元，較二零一五年錄得的人民幣1,467,700,000元強勁增長人民幣757,900,000元或51.6%，太陽能EPC的毛利率維持強勁，為26.0%（二零一五年：27.1%）。

本集團中標Uzbekenergo授予之設計、執行和完成位於烏茲別克斯坦共和國撒馬爾罕省的100兆瓦光伏電站項目的設計、建造和運營合同。該合同總金額約147,000,000美元。合同中標顯示本集團在太陽能EPC的能力符合Uzbekenergo所要求的國際標準，同時符合本集團跟隨中國政府「一帶一路」戰略的發展方向。我們預期本次交易可為本集團帶來正面收益增長。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

3) Sale of goods

- (i) Sale of conventional materials accounted to RMB335.3 million, up RMB52.9 million or 18.7% driven by the stable growth in domestic market demand.
- (ii) Sale of renewable energy goods recorded a decrease of RMB140.1 million from RMB1,022.4 million in the year 2015 because the Group has spent more resources in solar EPC projects.
- (iii) New Material business represented sale of Indium Tin Oxide (“ITO”) film and its products. ITO film can be processed into touch-screen ITO film and switchable ITO film, while the switchable ITO film can further be processed into smart light-adjusting glass and smart light-adjusting projection system. ITO film and smart light-adjusting products are relatively new to the consumers in China and therefore, the market penetration is currently quite low. Riding on the increasing sales volume generated by our Group’s successful marketing strategies, revenue surged by RMB30.6 million or 50.7% and gross margin remained high at 39.2% (2015: 39.3%).

3) 貨品銷售

- (i) 傳統材料銷售額為人民幣335,300,000元，受國內市場需求穩定增長所推動，增加人民幣52,900,000元或18.7%。
- (ii) 由於本集團於太陽能EPC項目投入更多資源，可再生能源貨品銷售錄得自二零一五年的人民幣1,022,400,000元減少人民幣140,100,000元。
- (iii) 新材料業務指銷售銦錫氧化物（ITO）導電膜及其產品。ITO導電膜可加工成觸摸屏ITO導電膜及可調節ITO導電膜，而可調節ITO導電膜可進一步加工成智能調光玻璃及智能調光投影系統。ITO導電膜及智能調光產品對中國客戶相對新穎，因此，市場滲透率現時相很低。憑藉本集團成功營銷策略產生銷量不斷增加，收入飆升人民幣30,600,000元或50.7%及毛利率維持39.2%高度（二零一五年：39.3%）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(iv) The following table sets out the Group's self-invested solar power stations as at 31 December 2016.

(iv) 下表載列本集團於二零一六年十二月三十一日自行投資的太陽能電站。

Location 地點		Pending grid connection			Total 總計
		On-grid 併網 MW 兆瓦	待連接併網 MW 兆瓦	In-progress 在建中 MW 兆瓦	
Guangdong province	廣東省	118.0	—	102	220.0
Northwest China	中國西北部	113.0	58.5	—	171.5
Hebei province	河北省	—	—	20.0	20.0
Golden Sun/Distributed Power	金太陽／分佈式電站	39.7	14.9	—	54.6
		270.7	73.4	122	466.1

The Group's accumulated on-grid capacity increased from 207 megawatts ("MW") at 31 December 2015 to 270.7 MW at 31 December 2016, which comprised of 39.7 MW Golden Sun or distributed power stations, and 231.0 MW ground-mounted solar farms. The sale of electricity, including tariff adjustment, therefore, increased by 36.8% to RMB161.6 million in the year 2016 from RMB118.1 million in the year 2015.

本集團的累計併網容量由二零一五年十二月三十一日的207兆瓦(「兆瓦」)增至二零一六年十二月三十一日的270.7兆瓦，包括39.7兆瓦金太陽或分佈式電站及231.0兆瓦地面太陽能電站。因此，電力銷售(包括電價補貼)由二零一五年人民幣118,100,000元增加36.8%至二零一六年人民幣161,600,000元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Revenue and gross profit contribution from different business sectors:

來自不同業務領域的收入及毛利：

Revenue split (including tariff adjustment)

收入拆分(包括電價補貼)

		2016 二零一六年		2015 二零一五年	
		RMB million 人民幣百萬元	%	RMB million 人民幣百萬元	%
Curtain walls and green building business ¹	幕牆及綠色建築業務 ¹	1,972.4	37.0	1,570.9	37.1
Renewable energy business ²	可再生能源業務 ²	3,269.5	61.3	2,608.2	61.5
New material business	新材料業務	90.9	1.7	60.3	1.4
		5,332.8	100.0	4,239.4	100.0

Gross profit split (including tariff adjustment)

毛利拆分(包括電價補貼)

		2016 二零一六年		2015 二零一五年	
		RMB million 人民幣百萬元	%	RMB million 人民幣百萬元	%
Curtain walls and green building business ¹	幕牆及綠色建築業務 ¹	323.7	26.4	236.5	25.1
Renewable energy business ²	可再生能源業務 ²	868.6	70.7	681.6	72.4
New material business	新材料業務	35.6	2.9	23.7	2.5
		1,227.9	100.0	941.8	100.0

¹ Included curtain wall and green building construction contracts, sale of conventional materials and rendering of design and other services.

¹ 包括幕牆及綠色建築合同、銷售傳統材料及提供設計及其他服務。

² Included solar EPC construction contracts, sale of renewable energy goods and sale of electricity and tariff adjustment.

² 包括太陽能EPC建築合同、銷售新能源貨品及銷售電力及電價補貼。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Other income and gains

Other income and gains mainly represented deferred income released, interest income on retention money, gain on disposal of property, plant and equipment and fair value gains on derivative financial instruments. The amount increased by 41.2% to RMB243.1 million in the year 2016 mainly because of the gain on disposal of solar farms under Golden Sun during the year.

Selling and distribution expenses

Selling and distribution expenses increased by RMB20.7 million or 19.2%. The increment was mainly caused by the increase in staff costs, and other business related expenses. The levels of changes in other items were consistent with our business growth.

Administrative expenses

Administrative expenses dropped by RMB29.9 million or 7.7%. The relatively higher administrative expenses in the year 2015 was mainly driven by the impairment loss of trade receivables and goodwill.

Other expenses

Other expenses mainly represented the bank charges and loss on settlement of derivative financial instruments.

Finance costs

The Group's finance costs increased by RMB51.1 million or 16.1% mainly because of the increase in interests on bank and other loans which was caused by the rise in average loan level in Hong Kong.

其他收入及收益

其他收入及收益主要為撥回遞延收益、質保金利息收入、出售物業、廠房及設備的收益及衍生金融工具公平值收益。金額增加41.2%至二零一六年人民幣243,100,000元的主要原因是年內出售屬於金太陽太陽能電站的收益。

銷售及分銷開支

銷售及分銷開支增加人民幣20,700,000元或19.2%，增加主要由於員工成本及其他業務相關開支增加。其他項目的變動水平與本集團業務增長一致。

行政開支

行政開支下降人民幣29,900,000元或7.7%。二零一五年相對較高行政開支主要是由於應收貿易款項及商譽減值虧損所致。

其他開支

其他開支主要指銀行收費及結算衍生金融工具虧損。

融資成本

本集團融資成本增加人民幣51,100,000元或16.1%，主要由於因香港平均貸款水平上升導致銀行及其他貸款的利息增加。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Income tax expense

Income tax expense during the year included RMB112.6 million of taxation charge and RMB1.8 million of deferred tax charge to profit or loss during the year. For the year 2015, it included RMB91.5 million of taxation charge and RMB1.6 million of deferred tax credit.

The taxation charges mainly represented the income tax provision for subsidiaries inside Mainland China. No deferred tax charges on dividend withholding tax based on 5% of the net profits in the operating subsidiaries located inside Mainland China were provided for both years.

Healthy current ratio

The current ratio being current assets over current liabilities, was 1.67 as at 31 December 2016 (2015: 2.21).

Trade receivables/trade and bills payables turnover days

所得稅開支

於本年度，所得稅開支包括稅項支出人民幣112,600,000元及於本年度計入損益之遞延稅項人民幣1,800,000元。二零一五年，所得稅開支包括稅項支出人民幣91,500,000元及遞延稅項收益人民幣1,600,000元。

稅項支出主要指中國大陸附屬公司的所得稅撥備。本集團於兩個年度均未有就按位於中國大陸的營運附屬公司純利5%計算的股息預扣稅計提遞延稅項開支。

穩健流動比率

流動比率（即流動資產除以流動負債的比率）於二零一六年十二月三十一日為1.67（二零一五年：2.21）。

應收貿易款項／應付貿易款項及應付票據周轉日

		At 31 December 2016 於二零一六年 十二月三十一日 Days 日	At 31 December 2015 於二零一五年 十二月三十一日 Days 日
Turnover days			
周轉日			
Trade receivables	應收貿易款項	181	188
Trade and bills payables	應付貿易款項及應付票據	99	119

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Trade receivables turnover days is calculated based on the average of the beginning and ending balance of trade receivables, net of impairment, for the year divided by the revenue during the year and multiplied by the number of days during the year. Trade receivables turnover days at 31 December 2016 was 181 days. Trade and bills payables turnover days is calculated based on the average of the beginning and ending balance of trade and bills payables for the year divided by the cost of sales during the year. Trade and bills payables turnover days at 31 December 2016 was 99 days.

Liquidity and financial resources

The Group's primary source of funding included receivables from construction contracts and material sale, as well as income from electricity sale. In order to meet the expanding plan, the Group has completed certain fund raising activities during the year.

The Group's strategy is to maintain the gearing ratio at a healthy level in order to support the growth of our business. Gearing ratio, represented by consolidated net borrowings (total of bank and other loans, bank advances for discounted bills, convertible bonds and senior notes minus cash and cash equivalents and pledged deposits) to total equity at 31 December 2016 was 83.0% (2015: 75.3%).

With the existing cash resources and available banking facilities obtained from its bankers, the Group has sufficient financial resources to meet its commitments and working capital requirements.

Capital expenditures

Capital expenditures of the Group amounted to RMB1,155.6 million for the year (2015: RMB552.7 million) and were mainly for the construction of self-invested solar farm, factory premises and plant and machinery.

應收貿易款項周轉日乃根據年內應收貿易款項的年初及年末結餘的平均值扣除減值，除以年內收入，再乘以年內日數計算。應收貿易款項周轉期於二零一六年十二月三十一日為181日。應付貿易款項及應付票據周轉日乃根據年內應付貿易款項及應付票據的年初及年末結餘的平均值，除以年內銷售成本計算。應付貿易款項及應付票據周轉日於二零一六年十二月三十一日為99日。

流動資金及財務資源

本集團資金的主要來源包括來自建築合同及材料銷售的應收款項，以及來自電力銷售的收入。為迎合擴展計劃，年內本集團已完成若干籌資活動。

本集團的策略是將資產負債比率保持於穩健水平，以支持業務發展。資本負債比率是指綜合借貸淨額（為銀行及其他貸款、貼現票據銀行貸款、可換股債券及優先票據之總額減現金及現金等價物及抵押存款）除以權益總額，於二零一六年十二月三十一日為83.0%（二零一五年：75.3%）。

憑藉現有現金資源以及從銀行獲取的信貸，本集團擁有充足的財務資源來應付其承擔及營運資金所需。

資本支出

於本年度，本集團的資本支出為人民幣1,155,600,000元（二零一五年：人民幣552,700,000元），主要用作建造自行投資的太陽能電站、廠房添置及生產基地樓宇及機械。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Borrowings and bank facilities

The outstanding borrowings comprised bank and other loans of RMB2,918.3 million with effective interest rates ranging from Hong Kong Inter Bank Offered Rate (“HIBOR”) + 0.95% to HIBOR + 4% for property mortgage loan and revolving loans in Hong Kong and London Inter Bank Offered Rate (“LIBOR”) + 1.5% to LIBOR + 3.75% for syndicated loan and term loans in Hong Kong. Interest rates for domestic loans inside Mainland China were ranging from 3.92%-9.55%.

As at the date of this announcement, apart from the bank and other borrowings, the Group also issued RMB930 million of convertible bonds with coupon rate of 5% per annum, RMB560 million, HKD250 million and USD260 million of senior notes with coupon rate of 7.875%, 7.75% and 7.95% per annum respectively. All of them are unsecured.

Foreign currency risk

The Group's principal businesses are located in Mainland China and most of the transactions are conducted in RMB. Most of the Group's assets are denominated in RMB. On the other hand, part of the loans of the Group are raised in Hong Kong and they were denominated in USD or HKD, mainly included USD110 million of syndication loans, HKD250 million of senior notes and other bank loans in Hong Kong.

Any material fluctuation between HK\$, USD and RMB may bring significant impact to the Group's financial position. As a results, the Group had entered into various cross currency swap and interest rate swap contracts with banks to hedge against the risk of increase in interest rate as well as the risk on currency fluctuation.

借貸及銀行信貸

未償還借貸包括銀行及其他貸款人民幣2,918,300,000元，就香港物業按揭貸款及循環貸款而言，實際利率介乎香港銀行同業拆息率（「香港銀行同業拆息率」）加0.95%至香港銀行同業拆息率加4%，就香港銀團貸款及有期貸款而言，實際利率為倫敦銀行同業拆息率（「倫敦銀行同業拆息率」）加1.5%至倫敦銀行同業拆息率加3.75%。中國大陸貸款的利率介乎3.92%至9.55%。

於本公佈日期，除銀行及其他借貸外，本集團亦已發行票面息率為每年5%的人民幣930,000,000元可換股債券、票面息率分別為每年7.875%、7.75%及7.95%的人民幣560,000,000元、250,000,000港元及260,000,000美元的優先票據，所有可換股債券及優先票據均為無抵押。

外幣風險

本集團主要業務位於中國大陸及大部分交易以人民幣進行。本集團大部分資產以人民幣列值。另一方面，本集團的部分貸款於香港籌集並以美元或港元列值，主要包括於香港的110,000,000美元銀團貸款、250,000,000港元優先票據及其他銀行貸款。

港元、美元及人民幣之間的任何重大波動可能對本集團的財務狀況造成重大影響。因此，本集團已與銀行訂立若干交叉貨幣利率掉期合約以對沖利率增加風險及貨幣波動風險。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Credit risk

The carrying amounts of cash and cash equivalents, pledged deposits, trade and other receivables, and other financial assets represent the Group's maximum exposure to credit risk in relation to financial assets. Substantially all of the Group's cash and cash equivalents are held in major financial institutions located in Mainland China, which management believes are of high credit quality.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

As at the end of the report period, the Group had certain concentration of credit risk as 8.3% and 26.4% (2015: 4.3% and 28.2%) of the Group's trade receivables were due from the Group's largest customer and five largest customers, respectively. All of these customers have good credit quality by taking into account of their credit history, a long-term business relationship has been established by both parties. The Group has delegated a team which is responsible for determination of credit limits and monitoring procedures to ensure that follow-up actions will be implemented to recover overdue debts.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g. trade receivables) and projected cash flows from operations.

The liquidity of the Group is primarily dependent on its ability to maintain a balance between continuity of funding and flexibility through the settlement from customers and the payment to vendors.

信貸風險

現金及現金等價物、抵押存款、應收貿易款項及其他應收款項及其他金融資產的賬面值代表本集團所承受與金融資產有關的最高信貸風險。本集團絕大部分現金及現金等價物由管理層認為具有高信貸質素的中國大陸大型金融機構持有。

本集團僅與認可及有信譽的第三方人士交易。本集團的政策是所有擬按信用條款交易的客戶須經過信用驗證程序。此外，應收款項結餘會持續進行監控，本集團所承受的壞賬風險並不重大。

於報告期末，本集團存在若干信貸集中度風險，主要由於本集團應收本集團最大客戶及五大客戶的應收貿易款項分別佔8.3%及26.4%（二零一五年：4.3%及28.2%）。透過計及該等客戶的信貸歷史，所有該等客戶均擁有良好的信貸質素，且雙方已建立長期的業務關係。本集團已委派一支團隊負責釐定信貸限額及監控程序，以確保將採取後續行動收回逾期呆賬。

流動資金風險

本集團運用循環流動資金計劃工具監察其資金短缺的風險。該工具計及其金融工具及金融資產（例如應收貿易款項）的到期日以及預計經營業務現金流量等因素。

本集團的流動資金主要取決於在資金持續性及其透過客戶付款與付款予供應商兩者的靈活性之間取得平衡的能力。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Dividend

The Directors of the Company proposed a final dividend of HK\$0.07 per share (2015: HK\$0.03 per share). The actual dividend payout ratio in each year will depend on the actual performance of the Group, the general industry and economic environment.

Closure of register of members

The register of members will be closed from Wednesday, 31 May 2017 to Monday, 5 June 2017, both days inclusive. In order to entitle to the attendance of the forthcoming annual general meeting of the Company, all share transfers documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, namely Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 29 May 2017.

The Company's register of members will be closed from Friday, 9 June 2017 to Monday, 12 June 2017 (both days inclusive), during which period no transfer of shares of the Company will be effected. In order to qualify for the proposed final dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrars and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22 Hopewell Centre 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Thursday, 8 June 2017.

Cheques for final dividend (subject to approval in the annual general meeting mentioned above) will be dispatched to the shareholders of the Company on or before Friday, 21 July 2017.

股息

本公司董事建議宣派末期股息每股0.07港元（二零一五年：每股0.03港元）。各年度實際派息比率將視乎本集團的實際表現、整體行業及經濟環境而定。

暫停辦理股份過戶登記

本公司將自二零一七年五月三十一日（星期三）至二零一七年六月五日（星期一）（首尾兩日包括在內）暫停辦理股份過戶登記。為確定股東出席本公司應屆股東週年大會的資格，所有過戶文件連同有關股票須於不遲於二零一七年五月二十九日（星期一）下午四時三十分前送交本公司的股份過戶登記處香港分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓。

本公司自二零一七年六月九日（星期五）至二零一七年六月十二日（星期一）（首尾兩日包括在內）暫停辦理股份過戶登記，在此期間，本公司概不受理股份過戶登記。為了符合資格獲派付建議末期股息，所有正式填妥的過戶文件及連同相關股票必須須於不遲於二零一七年六月八日（星期四）下午四時三十分前送交本公司的股份過戶登記處香港分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓。

末期股息支票（須於上述股東週年大會獲批准）將於二零一七年七月二十一日（星期五）或之前派送至本公司股東。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

HUMAN RESOURCES

As at 31 December 2016, the Group had about 2,650 employees. Employee salary and other benefit expenses maintained at similar level at RMB268.1 million in the year 2016 compared with RMB268.0 million in the year 2015. The Group's remuneration policies are formulated on the performance of individual employees, which will be reviewed regularly every year. Apart from provident fund scheme (according to the provisions of Mandatory Provident Fund Schemes for Hong Kong employees) or the state-managed retirement pension scheme (for Mainland China employees) and medical insurance, discretionary bonus are also awarded to employees according to the assessment of individual performance.

人力資源

於二零一六年十二月三十一日，本集團約有2,650名僱員。僱員工資及其他福利開支維持在類似水平，二零一六年為人民幣268,100,000元，而二零一五年為人民幣268,000,000元。本集團的薪酬政策乃按個別僱員表現制定，將每年定期予以檢閱。除公積金計劃（根據適用於香港僱員的強制性公積金條例的條款）或國家管理退休金計劃（適用於中國大陸僱員）及醫療保險外，亦會根據個別僱員表現的評估而向僱員授出酌情花紅。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

The table below sets forth information regarding our Directors:

Name	Age	Position
Liu Hongwei	53	Chairman and executive Director
Sun Jinli	53	Deputy Chairman, and executive Director
Xie Wen	51	Executive Director
Li Huizhong	67	Non-executive Director
Cao Zhirong	43	Non-executive Director
Wang Ching	62	Independent non-executive Director
Yick Wing Fat, Simon	59	Independent non-executive Director
Cheng Jinshu	64	Independent non-executive Director

下表載列有關董事的資料：

姓名	年齡	職務
劉紅維	53 歲	主席及執行董事
孫金禮	53 歲	副主席及執行董事
謝 文	51 歲	執行董事
李會忠	67 歲	非執行董事
曹志榮	43 歲	非執行董事
王 京	62 歲	獨立非執行董事
易永發	59 歲	獨立非執行董事
程金樹	64 歲	獨立非執行董事

EXECUTIVE DIRECTORS

Liu Hongwei aged 53, is the Chairman and an executive Director of our Company.

He joined our Group since August 1995. He is responsible for the formulation and execution of our Group's overall business strategies and policies as well as the overall management of our Group. Mr. Liu has more than 12 years' experience in the glass manufacturing sector and more than 16 years' experience in the curtain wall engineering sector. After obtaining a bachelor's degree in engineering in July 1986 from Wuhan Industrial University, now known as Wuhan University of Technology, majoring in inorganic materials engineering, Mr. Liu worked at a state-owned glass manufacturing enterprise, Shaanxi Glass Factory, as a technician until 1989. From 1989 to 1991, Mr. Liu was the director of production department at another glass manufacturing enterprise, Zhuhai Glass Factory. From 1991 to 1995, Mr. Liu Hongwei was the manager of the operation department of Zhuhai Singyes Safety Glass. In 1995, Zhuhai Singyes Safety Glass jointly established Zhuhai Singyes Green Building Technology Co., Ltd. ("Zhuhai Singyes", formerly known as Zhuhai Singyes Curtain Wall Engineering Co., Ltd) with Zhuhai City Township Enterprise. Since November 2003, Mr. Liu has been an executive Director of our Company. From August 1995 to October 2007, Mr. Liu was appointed as Zhuhai Singyes's general manager, taking charge of general supervising and controlling on technologies. In December 2000, Mr. Liu was certified as a Level 1 Project Manager by the Guangdong Province Construction Bureau. In January 2001, Mr. Liu was certified as a Senior Engineer in respect of construction materials by the Guangdong Province Personnel Bureau.

執行董事

劉紅維，53 歲，為本公司主席及執行董事。

彼自一九九五年八月起加盟本集團。彼主要負責本集團整體業務策略及政策的制定及執行，以及本集團整體管理。劉先生於玻璃製造領域擁有逾 12 年經驗，並於幕牆工程領域擁有逾 16 年經驗。劉先生一九八六年七月獲武漢工業大學（現時稱為武漢理工大學）頒發無機材料工程專業學士學位後，於陝西玻璃廠（一家玻璃製造國有企業）擔任技術員至一九八九年。自一九八九年至一九九一年，劉先生於珠海玻璃廠（一家玻璃製造企業）擔任生產部部長。自一九九一年至一九九五年，劉紅維先生擔任珠海興業安全玻璃經營部經理。於一九九五年，珠海興業安全玻璃與珠海市鄉鎮企業聯合成立了珠海興業綠色建築科技有限公司（「珠海興業」），前稱珠海興業幕牆工程有限公司。自二零零三年十一月起，劉先生擔任本公司執行董事。自一九九五年八月至二零零七年十月，劉先生獲委任為珠海興業總經理，負責整體技術監督及控制事宜。於二零零零年十二月，劉先生獲廣東省建設廳特許為一級項目經理。於二零零一年一月，劉先生獲廣東省人事廳特許為高級建築材料工程師。於二零零

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

In 2003, Mr. Liu became an adjunct professor of Wuhan University of Technology. In August 2004, Mr. Liu was appointed as one of the experts to the Standardisation Technical Committee of the PRC Ministry of Construction for Curtain Walls, Doors and Windows. Mr. Liu is currently a member of the Standing Committee of the Zhuhai Municipal People's Congress of the PRC. Mr. Liu is also a director of Strong Eagle Holdings Ltd. which is the controlling shareholder of the Company.

Sun Jinli aged 53, is our Deputy Chairman and an executive Director.

He joined our Group in August 1995. He is responsible for formulating the overall sales and marketing strategies of our Group. Mr. Sun has more than nine years' experience in the glass manufacturing sector and more than 16 years' experience in the curtain wall engineering sector. After obtaining a bachelor's degree in engineering in July 1986 from Wuhan Industrial University, now known as Wuhan University of Technology, majoring in inorganic materials engineering, Mr. Sun worked at Beijing Electronics Factory as a technician until 1989. From 1989 to 1995, Mr. Sun was the manager of the production department of Zhuhai Singyes Safety Glass. From August 1995 to January 2001, Mr. Sun was a project manager of Zhuhai Singyes, responsible for the development and management of business projects. From January 2001 to October 2007, Mr. Sun was the deputy general manager of Zhuhai Singyes, responsible for planning the overall sales and marketing strategy of Zhuhai Singyes and our Group. Since March 2005, Mr. Sun has been an executive Director of our Company. Since 2007, Mr. Sun has also been working as the general manager of Singyes Renewable Energy. In December 1994, Mr. Sun was certified as an engineer by the Guangdong Province Zhuhai Designation Reform Committee. In March 2002, Mr. Sun was certified as a Level 1 Project Manager by the PRC Ministry of Construction. In December 2007, Mr. Sun was registered as a constructor by the Ministry of Construction. Mr. Sun is also a director of Strong Eagle Holdings Ltd. which is the controlling shareholder of the Company.

三年，劉先生擔任武漢理工大學兼任教授。於二零零四年八月，劉先生獲委任為中國建設部幕牆門窗標準化技術委員會專家之一。劉先生目前為中國珠海市人民代表大會常委會成員。劉先生亦為本公司控股股東 Strong Eagle Holdings Ltd. 之董事。

孫金禮，53歲，為本公司副主席及執行董事。

彼於一九九五年八月加盟本集團。彼主要負責本集團整體銷售及市場推廣策略的制定。孫先生於玻璃製造領域擁有逾9年經驗，並於幕牆工程領域擁有逾16年經驗。孫先生一九八六年七月獲武漢工業大學（現時稱為武漢理工大學）頒授無機材料工程專業學士學位後，於北京電子管廠擔任技術員至一九八九年。自一九八九年至一九九五年，孫先生擔任珠海興業安全玻璃生產部經理。自一九九五年八月至二零零一年一月，孫先生擔任珠海興業項目經理，負責業務項目的開發及管理。自二零零一年一月至二零零七年十月，孫先生擔任珠海興業副總經理，負責規劃珠海興業及本集團的整體銷售及市場推廣策略。自二零零五年三月起，孫先生擔任本公司執行董事。自二零零七年起，孫先生亦擔任興業新能源總經理。於一九九四年十二月，孫先生獲廣東省珠海市職稱改革領導小組特許為工程師。於二零零二年三月，孫先生獲中國建設部特許為一級項目經理。於二零零七年十二月，孫先生獲中國建設部註冊為一級建築師。孫先生亦為本公司控股股東 Strong Eagle Holdings Ltd. 之董事。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Xie Wen aged 51, is our executive Director.

He joined our Group in August 1995. He is responsible for supervision at our work-sites and research and development of BIPV technologies. Mr. Xie has more than 16 years' experience in curtain wall engineering sector. Mr. Xie graduated from Zhengzhou Textile Engineering College majoring in mechanical engineering (textile machinery) in 1987. From 1987 to 1994, Mr. Xie worked at the Equipment Energy Team in Hunan Shaoyang No. 2 Textile Machinery Factory. Mr. Xie joined Zhuhai Singyes in August 1995 as a project manager, responsible for the development and management of business projects of Zhuhai Singyes. From January 2003 to September 2007, Mr. Xie was the deputy general manager of Zhuhai Singyes, in charge of technical guidance and supervision at various worksites. In October 2007, Mr. Xie became the general manager of Zhuhai Singyes. In December 2002, Mr. Xie was certified as a Level 1 Project Manager by the PRC Ministry of Construction. In June 2004, Mr. Xie was certified as a senior engineer in respect of machinery by the Guangdong Province Personnel Bureau. In February 2008, Mr. Xie was registered as a constructor by the PRC Ministry of Construction. Mr. Xie is also a director of Strong Eagle Holdings Ltd. which is the controlling shareholder of the Company.

謝文，51歲，為本公司執行董事。

彼於一九九五年八月加盟本集團，負責工地監查以及光伏建築一體化技術研發。謝先生於幕牆工程領域擁有逾16年經驗。謝先生於一九八七年畢業於鄭州紡織工學院，紡織機械專業。自一九八七年至一九九四年，謝先生就職於湖南邵陽第二紡織機械廠設備能源組。謝先生於一九九五年八月加入珠海興業擔任項目經理，負責珠海興業業務項目的開發及管理。自二零零三年一月至二零零七年九月，謝先生擔任珠海興業副總經理，負責技術指導及各處工地監查。於二零零七年十月，謝先生擔任珠海興業總經理。於二零零二年十二月，謝先生獲中國建設部特許為一級項目經理。於二零零四年六月，謝先生獲廣東省人事廳特許為高級機械工程師。於二零零八年二月，謝先生獲中國建設部註冊為一級建築師。謝先生亦為本公司控股股東Strong Eagle Holdings Ltd.之董事。

NON-EXECUTIVE DIRECTORS

Li Huizhong, aged 67, was appointed as non-executive director of our Company on 1 July 2011. Prior to this appointment, he was a vice general manager of Zhuhai Singyes Green Building Technology Co., Ltd ("Zhuhai Singyes"), a subsidiary of the Company and retired from his position in Zhuhai Singyes in year 2010. Mr. Li obtained a bachelor's degree in Economics from Heilongjiang Radio and Television University in July 1986. Prior to joining the Group in year 2000, Mr. Li was the general manager of the Zhuhai office of Daqing Petroleum Administrative Bureau.

非執行董事

李會忠，67歲，於二零一一年七月一日起委任為本公司的非執行董事。於此委任前，曾擔任本公司一間附屬公司珠海興業綠色建築科有限公司（「珠海興業」）的副總經理，於二零一零年從珠海興業退休。李先生於一九八六年七月從黑龍江廣播電視大學獲得學士學位。於二零零零年加入本集團前，李先生曾擔任大慶石油管理局珠海辦事處總經理。

Cao Zhirong aged 43, is our non-executive Director. He joined our group in September 2009. Currently Mr. Cao is Director of BNP Paribas Equities (Asia) Limited Shanghai Representative Office. Previously he worked at ICEA Capital Limited and Wing Lung Finance Limited and has approximately 15 years of experience in investment bank. Mr. Cao obtained a master degree in business administration from Shanghai University of Finance and Economics.

曹志榮，43歲，為本集團非執行董事。彼於二零零九年九月加入本集團。曹先生現為法國巴黎資本（亞洲）有限公司上海代表處之董事。彼曾於ICEA Capital Limited及永隆財務有限公司工作，並於投資銀行業務擁有約15年經驗。曹先生持有上海財經大學工商管理碩士學位。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTORS

Wang Ching, aged 62, was appointed as an independent non-executive director of our Company in December 2008. Dr. Wang has near 20 years' managerial experience in investment banking, securities, treasury and asset management in the United States, Hong Kong, Taiwan and the PRC. He was the president of Investment and Proprietary Trading Group for Jih Sun Financial Holding Co. Ltd. in Taiwan, the managing director of JS Cresvale Securities International Limited, the managing director of SinoPac Securities Asia Ltd. in Hong Kong, SEVP of SinoPac Securities Co. Ltd. in Taiwan, the director of Investment Banking Department at Standard Chartered Bank Hong Kong and the associate director of Bear Stearns & Co. Inc., New York and Hong Kong. Dr. Wang currently is the managing director of Shanghai International Asset Management (HK) Co. Ltd., a licensed corporation registered with Hong Kong Securities and Futures Commission. He is also the executive director of Shanghai International Shanghai Growth Investment Limited, an investment fund company listed on the Stock Exchange (stock code: 770). Dr. Wang obtained his master degree in business administration from the University of Houston and Ph.D. in finance from Columbia University in the city of New York.

Yick Wing Fat, Simon, aged 59, is our independent non-executive director and chairman of the audit committee. Mr. Yick holds a Bachelor's degree in Business Administration from the Chinese University of Hong Kong, majoring in Accounting. He is a fellow of the Hong Kong Institute of Certified Public Accountants and the Chartered Association of Certified Accountants in England. Mr. Yick has over 30 years of experience in audit, direct investment, investment banking and corporate advisory services.

Mr. Yick also serves as an independent non-executive director and chairman of the audit committee of Shenzhen Neptunus Interlong Bio-technique Co., Ltd. and Shanghai International Shanghai Growth Investment Limited (both are listed on the Stock Exchange). Since August 2015, Mr. Yick has been appointed as independent non-executive director, convener of the nomination committee and member of the strategy committee and the audit committee of Chengdu Xingrong Environment Co., Ltd., a company listed on the Shenzhen Stock Exchange.

獨立非執行董事

王京，62歲，於二零零八年十二月獲委任為本公司獨立非執行董事。王博士在美國、香港、台灣及中國從事投資銀行、證券、財務以及基金管理業務近二十年，具有豐富經驗。彼曾任台灣日盛金融控股有限公司投資及自營交易部門總經理，香港日盛嘉富國際證券有限公司董事總經理，香港建華證券(亞洲)有限公司董事總經理，台灣建華證券股份有限公司執行副總經理，香港渣打銀行投資銀行部董事，紐約及香港Bear Stearns & Co. Inc.副董事。王博士目前為香港滙光國際投資管理有限公司董事總經理，該公司在香港證券監察委員會註冊為持牌公司。彼同時擔任滙光國際上海發展投資有限公司(一家於聯交所上市的公司，股份代號：770)的執行董事。王博士獲美國休斯敦大學工商管理碩士學位及紐約哥倫比亞大學財務金融學博士學位。

易永發，59歲，是本公司獨立非執行董事，同時擔任本公司審核委員會主席。易先生畢業於香港中文大學，主修會計，並取得工商管理學士學位，現為香港會計師公會和英國特許會計師公會資深會員。易先生從事審計、直接投資、投資銀行及企業顧問的工作已超過30年。

此外，易先生也在深圳市海王英特龍生物技術股份有限公司及滙光國際上海發展投資有限公司(兩家均於聯交所上市之公司)擔任獨立非執行董事及審核委員會主席。自二零一五年八月起，易先生擔任在深圳證券交易所上市之成都市興蓉環境股份有限公司之獨立非執行董事，提名委員會召集人，戰略委員會及審計委員會會員。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Cheng Jinshu, aged 64, was appointed as an independent non-executive Director of our Company in December 2008. Mr. Cheng is the professor director of Science and Technology Division and director of the Green Construction Material & Manufacture Project Research Institute of Ministry of Education of Wuhan University of Technology. He was the vice-dean of Material Project Department, vice-dean of Material College and vice-director of Silicate Material Project, key laboratory of the Ministry of Education of Wuhan University of Technology. Mr. Cheng graduated from the Hubei Construction Industry College, now known as Wuhan University of Technology, majoring in glass fiber in September 1976. Mr. Cheng has 34 years' education and academic research experience relating to construction materials.

SENIOR MANAGEMENT

Xiong Shi, aged 53, is the Chief Engineer of our Group. He is responsible for the research and development of technology. He has more than 12 years' experience in the glass manufacturing sector and more than 16 years' experience in the curtain wall engineering sector. Mr. Xiong joined our Group as a project manager in August 1995. From November 2001, Mr. Xiong assumed the position of Chief Engineer of Zhuhai Singyes until August 2007. Prior to joining our Group, Mr. Xiong was the manager of the quality testing department at Zhuhai Singyes Safety Glass from 1988 to 1995. Mr. Xiong also worked as a technical officer at a state-owned glass manufacturing enterprise, Xiangfan City Glass Factory, from 1986 to 1988. Mr. Xiong was certified as a Level 1 Project Manager by the PRC Ministry of Construction in December 2000. Mr. Xiong was certified as a senior engineer in respect of construction materials by the Guangdong Province Personnel Bureau in December 2001. Mr. Xiong obtained a bachelor's degree in engineering from Wuhan Industrial University, now known as Wuhan University of Technology, majoring in inorganic materials engineering in July 1986. In December 2007, Mr. Xiong was registered as a constructor by the PRC Ministry of Construction.

程金樹，64歲，於二零零八年十二月獲委任為本公司獨立非執行董事。程先生為武漢理工大學科學與技術處主任以及教育部綠色建築材料及製造項目研究機構主任、材料工程系副主任、材料學院副院長及教育部硅酸鹽材料項目實驗室副主任。程先生於一九七六年九月畢業於湖北建築工業學院（現稱為武漢理工大學），取得學士學位，主修玻璃纖維。程先生於有關建築材料的教育及學術研究方面擁有34年經驗。

高級管理人員

熊澍，53歲，本集團首席工程師。彼主要負責技術研發。彼於玻璃製造領域擁有逾12年經驗，並於幕牆工程領域擁有逾16年經驗。熊先生於一九九五年八月加入本集團擔任項目經理。自二零零一年十一月起，熊先生擔任珠海興業首席工程師，直至二零零七年八月。加入本集團前，熊先生自一九八八年至一九九五年擔任珠海興業安全玻璃質檢部經理。熊先生亦於一九八六年至一九八八年擔任襄樊市玻璃廠（一家玻璃製造國有企業）技術主管。熊先生於二零零零年十二月獲中國建設部特許為一級項目經理。熊先生亦於二零零一年十二月獲廣東省人事廳特許為高級建築材料工程師。熊先生於一九八六年七月獲武漢工業大學（現時稱為武漢理工大學）頒發無機材料工程專業學士學位。於二零零七年十二月，熊先生獲中國建設部註冊為一級建築師。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Zhuo Jianming, aged 56, is the deputy general manager of Zhuhai Singyes. He has approximately 14 years' experience in the curtain wall engineering sector. He joined our Group as project manager in February 2000. From January 2001, Mr. Zhuo assumed the position of deputy general manager of production of Zhuhai Singyes. Prior to joining our Group, Mr. Zhuo was certified as a Level 1 Project Manager by the PRC Ministry of Construction in March 2002. Mr. Zhuo obtained a bachelor's degree in engineering and construction from Xi'an Jiaotong University in 1983.

Zhao Feng, aged 51, is the deputy general manager of Zhuhai Singyes since August 2007. He is also a director of Zhuhai Singyes. He joined our Group as a sales and marketing manager in December 2002. He has approximately 12 years of experience in the construction sector and approximately 11 years' experience in the curtain wall engineering sector. Prior to joining our Group, Mr. Zhao worked as an engineer of Hubei Province Shashi Construction Materials Scientific Research Institute from 1987 to 1995. Mr. Zhao was certified as a Senior Engineer in respect of construction materials by the Guangdong Province Personnel Bureau in December 2004. Mr. Zhao obtained a bachelor's degree in Engineering from Wuhan Industrial University, now known as Wuhan University of Technology, majoring in materials science in July 1987. Mr. Zhao became the general manager of Zhuhai Singyes Renewable Energy Co., Ltd, and responsible for managing its daily operation.

Zhang Chao, aged 44, is the operating general manager of Zhuhai Singyes. Mr. Zhang joined our Group in December 2002 as the manager of the business department of Zhuhai Singyes. He has approximately 12 years of experience in the construction sector and approximately 11 years' experience in the curtain wall engineering sector. Mr. Zhang graduated from Qiqihaer Railway Transportation Employee University majoring in industry and civil construction in July 1995. Prior to joining our Group, Mr. Zhang worked as a construction budgeteer at Heilongjiang Province Hei He City Railway (Group) Company from 1995 to 2002. In January 2006, Mr. Zhang was certified as a constructor by the Guangdong Province Personnel Bureau. Mr. Zhang was also certified as a National Construction Appraiser by the Construction Department in 2003 and construction engineer by Zhuhai Personnel Bureau in 2005. In December 2007, Mr. Zhong was registered as a constructor by the PRC Ministry of Construction.

卓建明，56歲，為珠海興業副總經理。彼於幕牆工程領域擁有約14年經驗。彼於二零零零年二月加入本集團擔任項目經理。自二零零一年一月起，卓先生擔任珠海興業生產副總經理。加入本集團前，卓先生於二零零二年三月獲中國建設部特許為一級項目經理。卓先生於一九八三年獲西安交通大學頒發工學及建築學學士學位。

趙峰，51歲，自二零零七年八月起擔任珠海興業行政副總經理。彼亦為珠海興業的董事。彼於二零零二年十二月加入本集團擔任銷售及市場推廣經理。彼於建築業擁有約12年經驗，並於幕牆工程領域擁有約11年經驗。加入本集團前，趙先生於一九八七年至一九九五年於湖北省沙市建材科研所擔任工程師。趙先生於二零零四年十二月獲廣東省人事廳特許為高級建築材料工程師。趙先生於一九八七年七月獲武漢工業大學（現時稱為武漢理工大學）頒授材料學工程學士學位。趙先生為珠海興業新能源總經理，負責日常營運。

張超，44歲，為珠海興業經營總經理。張先生於二零零二年十二月加入本集團擔任珠海興業業務部經理。彼於建築業擁有約12年經驗，並於幕牆工程領域擁有約11年經驗。張先生於一九九五年七月畢業於齊齊哈爾鐵路運輸職工大學工業與民用建築專業。加入本集團前，張先生自一九九五年至二零零二年於黑龍江省黑河鐵路集團有限責任公司擔任土建預算員。於二零零六年一月，張先生獲廣東省人事廳特許為一級建築師。張先生亦分別於二零零三年獲建設部特許為國家造價師，於二零零五年獲珠海市人事局特許為建築工程師。於二零零七年十二月，張先生獲中國建設部註冊為一級建築師。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Luo Duo, aged 38, is the chief engineer of Zhuhai Singyes. She joined our Group as a designer in July 2001. She has approximately 12 years of experience in the curtain wall engineering sector. Ms. Luo worked as the vice-director of design institute of Zhuhai Singyes from November 2004 to December 2006 and the director of design institute from January 2007 to January 2008. In February 2008 she was appointed as the chief engineer of Zhuhai Singyes. Ms. Luo was certified as a Class 2 Registered Structural Engineer by the PRC Ministry of Construction in January 2005. Ms. Luo was certified as a Plan-Design Engineer by the Zhuhai Personnel Bureau in February 2008. Ms. Luo obtained a bachelor's degree in Construction Engineering from Qingdao Construction Engineering College in July 2001.

Liang Bingqiang, aged 39, is the deputy general manager of Zhuhai Singyes and responsible for the development of the overseas market. He has more than 13 years of experience in the curtain wall engineering sector. He joined our Group as a designer in April 2002. Mr. Liang worked as the director of design department of Zhuhai Singyes Beijing representative office from July 2004 to July 2006 and he worked for Zhongshan Shengxing Curtain Wall Company Ltd from August 2000 to March 2002. In August 2006, he was appointed as the manager of the photo-electricity business department of Zhuhai Singyes. In April 2008, he was appointed as the deputy general manager of Singyes Renewable Energy. Mr. Liang was certified as an Assistant Engineer by the Zhongshan Personnel Bureau in October 2001. Mr. Liang was certified as a Construction Design Engineer by the Zhuhai Personnel Bureau in January 2006. Mr. Liang obtained a bachelor's degree in construction engineering from Tianjin Institute of Urban Construction in July 2000.

YU Chon Man, aged 39, was appointed as the co-chief financial officer of the Group in October 2016, he has been the qualified accountant and company secretary of our Company since 2008. He is responsible for financial reporting and general investor affairs of our Company. He has approximately 16 years of experience in financial accounting. Mr. Yu is a member of the Hong Kong Institute of Certified Public Accountants and the fellow member of the Association of Chartered Certified Accountants. Prior to joining us, he had approximately seven years of working experience with international audit firms and was mainly responsible for financial auditing, internal control reporting and compliance advisory. He graduated from the Hong Kong Polytechnic University with a bachelor's degree (Hons) in accountancy in 2001.

羅多，38歲，為珠海興業總工程師。彼於二零零一年七月加入本集團擔任設計師。彼於幕牆工程領域擁有約12年經驗。羅女士自二零零四年十一月至二零零六年十二月擔任珠海興業設計機構副主管，自二零零七年一月至二零零八年一月擔任珠海興業設計機構主管。於二零零八年二月，彼獲委任為珠海興業總工程師。羅女士於二零零五年一月獲中國建設部特許為二級註冊結構工程師。羅女士於二零零八年二月獲珠海市人事局特許為計劃—設計工程師。於二零零一年七月，羅女士獲青島建築工程學院建築工程學士學位。

梁炳強，39歲，為珠海興業副總經理，負責發展海外市場。彼於幕牆工程領域擁有逾13年經驗。彼於二零零二年四月加入本集團擔任設計師。梁先生自二零零四年七月至二零零六年七月擔任珠海興業北京代表辦事處設計部經理，於二零零零年八月至二零零二年三月於中山盛興幕牆有限公司工作。於二零零六年八月，彼獲委任為珠海興業光電業務部經理。於二零零八年四月，彼獲委任為興業新能源副總經理。梁先生於二零零一年十月獲中山市人事局特許為助理工程師。於二零零六年一月，梁先生獲珠海市人事局特許為建築設計工程師。於二零零零年七月梁先生獲天津城市建設學院授予建築工程學士學位。

余俊敏，39歲，於二零一六年十月獲委任為本集團聯席首席財務官。彼自二零零八年起亦為本公司合資格會計師兼公司秘書。彼負責本公司財務申報及一般投資者事宜。彼於財務會計方面擁有約16年經驗。余先生為香港會計師公會會員及特許公認會計師公會資深會員。於加入本集團前，彼已有約7年國際審計事務所工作經驗，主要負責財務審核、內部監控報告及合規諮詢。彼於二零零一年畢業於香港理工大學，持有會計學榮譽學士學位。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. Yu also serves as an independent non-executive director and chairman of audit committee of Time2U International Holding Limited (stock code: 1327).

Mr. Guo Yangyang, aged 33, was appointed as the co-chief financial officer of the Group in October 2016. He graduated from the accounting discipline of the China University of Mining and Technology in June 2005, and is an intermediate accountant. Since joining the Group in July 2006, he has worked as a manager in the Company's financial planning department and accounting and auditing department. He was appointed as the chief accountant and deputy financial controller of the Company in January 2011. He has over 10 years of financial and accounting experience.

COMPANY SECRETARY

YU Chon Man, is our company secretary. For further details regarding Mr. Yu, please see the paragraph headed "Senior Management" above.

余先生亦擔任時間由你國際控股有限公司(股份代號: 1327)獨立非執行董事及審核委員會主席。

郭揚陽先生，33歲，於二零一六年十月獲委任為本集團之聯席首席財務官。彼於二零零五年六月畢業於中國礦業大學會計學專業，為中級會計師。自二零零六年七月加入本集團以來，歷任本公司計劃財務部及會計核算部經理。彼於二零一一年一月獲委任為本公司總會計師及財務副總監，於財務會計方面擁有逾十年經驗。

公司秘書

余俊敏先生為本公司公司秘書。有關余先生的進一步詳情，請參閱上文「高級管理人員」一段。

REPORT OF THE DIRECTORS

董事會報告書

The directors (the “Directors”) of China Singyes Solar Technologies Holdings Limited (the “Company”) have pleasure to present the annual report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2016.

PRINCIPAL PLACE OF BUSINESS

The Company was incorporated in Bermuda on 24 October 2003 as an exempted company with limited liability. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company has established a principal place of business in Hong Kong at Unit 3108, 31st Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong, and was registered with the Registrar of Companies in Hong Kong as an overseas company under Part XI of the Companies Ordinance on 29 August 2008. Mr. Yu Chon Man has been appointed as the authorised representative of the Company for the acceptance of service of process and notices on behalf of the Company in Hong Kong.

As the Company is incorporated in the Bermuda, the operation of the Company is subject to the Companies Law and to its constitution comprising a memorandum of association and the bye-laws.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The Group is a professional renewable energy system integrator and building contractor, it is principally engaged in the design, fabrication and installation of conventional curtain walls and solar projects. Solar projects included building integrated photovoltaic (“BIPV”) system, roof top solar system and ground mounted solar system (collectively “Solar EPC”). The BIPV system involves (i) the integration of photovoltaic technology into the architectural design of buildings and structures and (ii) conversion of solar energy into electricity for use. In addition, the Group also engages in the production and sale of renewable energy goods, including smart grid system, and solar thermal system. The Group's principal operating market is in Mainland China.

Details of the principal activities of the principal subsidiaries are set out in note 1 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

中國興業太陽能技術控股有限公司(「本公司」)董事(「董事」)欣然提呈本公司及其附屬公司(統稱「本集團」)之年報連同截至二零一六年十二月三十一日止年度的經審核綜合財務報表。

主要營業地點

本公司於二零零三年十月二十四日於百慕達註冊成立為獲豁免有限責任公司。本公司註冊辦事處為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。本公司於香港干諾道中168至200號信德中心招商局大廈31樓3108室設立香港主要營業地點，並於二零零八年八月二十九日根據公司條例第XI部向香港公司註冊處處長登記為海外公司。余俊敏先生已獲委任為本公司授權代表，代表本公司在香港接收傳票及通告。

由於本公司在百慕達註冊成立，因此其營運須受公司法及其組織章程(包括組織章程大綱及細則)所規限。

主營業務

本公司為投資控股公司。本集團是專業的可再生能源系統集成商及建築承包商，主要從事設計、製造及安裝傳統幕牆及太陽能項目。太陽能項目包括光伏建築一體化(「光伏建築一體化」)系統、屋頂太陽能系統及地面太陽能電站(統稱為「太陽能EPC」)。光伏建築一體化系統涉及(i)樓宇及建築物光電技術與建築設計的一體化及(ii)將太陽能轉化為可用電能。此外，本集團亦從事可再生能源產品生產及銷售，包括智能電網系統及太陽能光熱系統。本集團的主要運營市場在中國大陸。

主要附屬公司的主要業務詳情載於財務報表附註1。本集團的主要業務性質於年內並無重大變動。

REPORT OF THE DIRECTORS

董事會報告書

MAJOR CUSTOMERS AND SUPPLIERS

The Group's top five customers are the main contractors of various public or commercial BIPV or curtain wall or solar form investors. In aggregate, the largest and top five customers contributed approximately 9.8% and 29.3% of the Group's total revenue in 2016 respectively.

The Group currently outsources part of the construction works for various sub-contractors in the PRC, as well as sourcing PV panel, aluminium and glass from suppliers inside the PRC. In 2016, the top five suppliers include material suppliers and sub-contractors, sub-contracting fees paid or material purchase to its largest and five largest suppliers were about 6.6% and 20.4% of the Group's total cost of sale in 2016 respectively.

At no time during the year have the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had any interest in these major suppliers and/or customers.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries which principally affect the results as at 31 December 2016 are set out in note 1 to the financial statements.

FINANCIAL STATEMENTS AND DIVIDENDS

The profits of the Group for the year ended 31 December 2016 and the Company's and the Group's financial positions as at the same date are set out in the financial statements on pages 86 to 256. The Directors recommend the payment of a final dividend for the year ended 31 December 2016 of HK\$0.07 per share (2015: HK\$0.03 per share).

There was no arrangement under which a shareholder of the Company has waived or agreed to waive any dividends.

RESERVES

Details of movements in the reserve of the Group and the Company during the year are set out in the consolidated statement of changes in equity on pages 90 to 91 of the annual report and in note 35 to the financial statements respectively.

主要客戶及供應商

本集團五大客戶為各公共或商業光伏建築一體化或幕牆項目之承建商或太陽能電站投資者。於二零一六年，最大及五大客戶分別佔本集團總收入約9.8%及29.3%。

本集團目前將部分建築工程外判給中國多家分包商，並向中國境內供應商採購光伏板、鋁以及玻璃。於二零一六年，五大供應商包括物料供應商及分包商，支付予最大及五大供應商的分包費用或物料採購分別約為本集團於二零一六年銷售成本總額的6.6%及20.4%。

本公司董事、彼等的聯繫人士或就董事所知擁有本公司股本5%以上之任何股東，概無於本年度內任何時間，在本集團主要供應商和／或客戶中擁有任何權益。

附屬公司

本公司於二零一六年十二月三十一日足以影響其業績的主要附屬公司之詳情，載於財務報表附註1。

財務報表及股息

本集團截至二零一六年十二月三十一日止年度的溢利，以及本公司及本集團於該日的財務狀況，載於財務報表第86至第256頁。董事建議派付截至二零一六年十二月三十一日止年度之末期股息每股7港仙（二零一五年：每股3港仙）。

本公司股東並無放棄或同意放棄任何股息之安排。

儲備

本集團及本公司於年內的儲備變動詳情分別載於年報第90至第91頁綜合權益變動表及財務報表附註35。

REPORT OF THE DIRECTORS

董事會報告書

DISTRIBUTABLE RESERVES

Final dividend amounting to RMB52,226,000 was declared by reduction in distributable reserve. As at 31 December 2016, the Company's reserves available for distribution calculated in accordance with the provisions of the applicable law of Bermuda, amounting to RMB3,588,000. A resolution will be proposed in the forthcoming annual general meeting for reduction of share premium of RMB80,000,000 to the distribution reserve for distribution of final dividends.

INTEREST BEARING BANK LOANS

Particulars of interest bearing bank loans of the Group as at 31 December 2016 are set out in note 28 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of acquisitions and other movements in property, plant and equipment are set out in note 13 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 33 to the financial statements. A rights issue of one rights share for every five existing shares held by members on the register of members on 20 June 2016 was made at a price of HK\$2.60 per share, the rights issue was completed on 19 July 2016, resulting in the issue of 139,012,199 shares (the "Rights Issue"). Save as the Rights Issue, the Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last 5 financial years is set out on page 4 of the annual report.

可供分派儲備

末期股息人民幣52,226,000元已以削減繳入盈餘方式宣派。於二零一六年十二月三十一日，根據百慕達適用法律條款計算，本公司可供分派儲備為人民幣3,588,000元。本公司將於應屆股東週年大會上提呈決議案，以削減股份溢價人民幣80,000,000元至分派儲備以供分派末期股息。

附息銀行貸款

本集團於二零一六年十二月三十一日的附息銀行貸款詳情，載於財務報表附註28。

物業、廠房及設備

收購物業、廠房及設備以及其他變動的詳情，載於財務報表附註13。

股本

本公司年內股本變動的詳情，載於財務報表附註33。於二零一六年六月二十日，股東於股東名冊每持有五股現有股份獲發一股每股2.60港元之供股股份，供股於二零一六年七月十九日完成，發行139,012,199股股份（「供股」）。除供股外，本公司及其附屬公司概無購買、出售或贖回本公司任何上市證券。

五年財務摘要

本集團過去五個財政年度的業績以及資產與負債的概要，載於本年報第4頁。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive Directors

Mr. LIU Hongwei

Mr. SUN Jinli

Mr. XIE Wen

Non-Executive Directors

Mr. LI Huizhong

Mr. CAO Zhirong

Independent Non-Executive Directors

Dr. WANG Ching

Mr. YICK Wing Fat, Simon

Mr. CHENG Jinshu

In accordance with Bye-law 87 of the Bye-laws of the Company, Mr. Sun Jinli, Mr. Cao Zhirong and Dr. Wang Ching are required to retire by rotation at the forthcoming annual general meeting. Each of the above Directors will offer themselves for re-election at the forthcoming annual general meeting.

REMUNERATION POLICY

The remuneration policy for the Directors and senior management members of the Group was based on their individual performance as well as market trends and practices. Details of the remuneration of the Directors are set out in note 8 to the consolidated financial statements.

董事及董事服務合約

本財政年度及直至本報告日期止的董事如下：

執行董事

劉紅維先生

孫金禮先生

謝文先生

非執行董事

李會忠先生

曹志榮先生

獨立非執行董事

王京博士

易永發先生

程金樹先生

根據本公司之細則第87條，孫金禮先生、曹志榮先生及王京博士於應屆股東週年大會上須輪席退任。上述各董事將於應屆股東週年大會上膺選連任。

薪酬政策

本集團之董事及高級管理層成員之薪酬政策乃根據其個體表現以及市場趨勢及慣例予以釐訂。董事之薪酬詳情載於綜合財務報表附註8內。

REPORT OF THE DIRECTORS

董事會報告書

The emoluments paid to the senior management (excluding the Directors) during the year ended 31 December 2016 were within the following bands:

於截至二零一六年十二月三十一日止年度，支付高級管理層（不包括董事）之薪酬介乎於以下範圍：

Bands	範圍	Number of Senior Management 高級管理層數目
RMB100,001 to RMB1,000,000	人民幣 100,001 元至人民幣 1,000,000 元	8
RMB1,000,001 to RMB1,500,000	人民幣 1,000,001 元至人民幣 1,500,000 元	2
RMB2,000,001 to RMB2,500,000	人民幣 2,000,001 元至人民幣 2,500,000 元	1
Total:	合計：	11

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for a term of 3 years, which is renewable automatically for successive terms of 3 years each commencing from the day immediately after the expiry of the then current term of the appointment unless terminated by not less than 3 months' notice in writing served by either party. Each of the non-executive Directors were appointed for a term of three years, which is renewable automatically for successive terms of 1 year each commencing from the day next after the expiry of the then current term of the appointment unless terminated by not less than 2 months' notice in writing served by either party. Each of the independent non-executive Directors were appointed for a term of three years which is terminable by either party by giving the other party not less than 2 months' prior notice in writing. None of the Directors has a service agreement with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

The remuneration of directors are determined by the remuneration committee of the Company and by reference to the remuneration policies of other companies in similar capacity and the experience of the directors.

董事服務合約

各執行董事與本公司已訂立為期三年之服務合約，除非其中一方向另一方發出不少於三個月書面通知終止協議，否則於緊隨當時委任期限屆滿後的日期起各自自動續期三年。各非執行董事之委任為期三年，除非其中一方向另一方發出不少於三個月書面通知終止協議，否則由當時委任期限屆滿後翌日起各自自動續期一年。各獨立非執行董事之委任為期三年且可由其中一方向另一方發出不少於兩個月書面提前通知而終止。董事與本公司概無訂立任何不可於一年內免付賠償（法定賠償除外）予以終止的服務協議。

董事之薪酬乃由本公司薪酬委員會釐定，並參考其他上市公司類似職位之薪酬政策及董事之經驗。

REPORT OF THE DIRECTORS

董事會報告書

SHARE OPTION SCHEME

On 19 December 2008, the Company adopted a share option scheme (the “Share Option Scheme”). Under the Share Option Scheme, the board of Directors (the “Board”) may at its discretion, offer eligible persons (being any Director or employee (whether full-time or part-time), consultant or advisors of the Group who in the sole discretion of the Board has contributed or will contribute to the Group) (the “Eligible Persons”) who the Board may in its absolute discretion select to subscribe for such number of Shares as the Board may determine at a subscription price determined in accordance with the Share Option Scheme.

Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to provide incentive or reward to Eligible Persons for their contribution to, and continuing efforts to promote the interests of, the Group and for such other purposes as the Board may approve from time to time.

購股權計劃

於二零零八年十二月十九日，本公司採納一項購股權計劃（「購股權計劃」）。根據購股權計劃，董事會（「董事會」）可酌情決定向合資格人士（董事會全權酌情認為曾經或將會對本集團有貢獻的任何董事或僱員（無論全職或兼職）、顧問或專業顧問）（「合資格人士」）授出購股權，以按購股權計劃釐定的認購價認購董事會所釐定的該等股份數目。

購股權計劃之目的

購股權計劃旨在獎勵或酬謝為本集團作出貢獻及努力不懈地促進本集團利益的合資格人士，以及用於董事會不時批准的其他目的。

REPORT OF THE DIRECTORS

董事會報告書

Total number of Shares available under the Share Option Scheme

The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme is 20,503,590 shares, representing 2.46% of the Company's issued share capital as at the date of this report. Pursuant to the terms of the Share Option Scheme, the exercise price of and/or the number of Shares subject to the outstanding Share Options are required to be adjusted as a result of the Rights Issue. In accordance with the terms of the Share Option Scheme and the supplementary guidance issued by the Stock Exchange on 5 September 2005 regarding adjustment of share options under Rule 17.03(13) of the Listing Rules, the exercise price of and the number of Shares subject to the outstanding Share Options have been adjusted in the following manner with effect from 20 July 2016:

購股權計劃下的股份數目總數

於行使根據購股權計劃將予授出的所有購股權而可能發行的股份數目最多為20,503,590股，相當於本公司於本報告日期已發行股本2.46%。根據購股權計劃之條款，尚未行使購股權之行使價及或股份數目因供股而需作出調整。根據購股權計劃之條款及聯交所於二零零五年九月五日發佈有關上市規則第17.03(13)條項下購股權調整之補充指引，尚未行使購股權之行使價及股份數目已按下列方式作出調整，由二零一六年七月二十日起生效：

Date of grant 授出日期		Before Adjustments 調整前		After Adjustments 調整後	
		Exercise price per Share 每股 行使價 HK\$ 港元	Number of Shares subject to the outstanding Share Options 涉及尚未 行使購股權之 股份數目	Exercise price per Share 每股 行使價 HK\$ 港元	Number of Shares subject to the outstanding Share Options 涉及尚未 行使購股權之 股份數目
23 July 2009	二零零九年七月二十三日	3.58	11,214,000	3.56	11,263,214
10 Oct 2011	二零一一年十月十日	2.68	7,200,000	2.67	7,231,599
22 May 2015	二零一五年五月二十二日	11.70	6,000,000	11.65	6,026,332

REPORT OF THE DIRECTORS

董事會報告書

Maximum entitlement of each Eligible Participant

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding options) to each Eligible Person in any 12-month period up to the date of grant shall not exceed 1.0% of the shares in issue as at the date of grant. Any further grant of options in excess of this 1.0% limit shall be subject to the issue of a circular by the Company and the approval of our Shareholders in general meeting with such Eligible Persons and his associate (as defined in the Listing Rules) abstaining from voting and the number and terms (including the subscription price) of such options being fixed before such general meeting and other requirements prescribed under the Listing Rules from time to time.

Time of exercise of option

There is no general requirement that an option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular option. The Board is currently unable to determine such minimum period. The date of grant of any particular option is the date on which the offer relating to such option is duly accepted by the grantee in accordance with the Share Option Scheme. An option may be exercised according to the terms of the Share Option Scheme and the offer in whole or in part by the grantee (or his personal representatives) before its expiry by giving notice in writing to our Company stating that the option is to be exercised and the number of Shares in respect of which it is exercised provided that the number of Shares shall be equal to the size of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. Such notice must be accompanied by a remittance for the full amount of the subscription price for the Shares in respect of which the notice is given. The period during which an option may be exercised will be determined by the Board at its absolute discretion, save that no option may be exercised more than 10 years from the date of grant. No option may be granted more than 10 years after the date of approval of the Share Option Scheme. Subject to earlier termination by the Company in general meeting, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of adoption of the Share Option Scheme by Shareholders by resolution at a general meeting.

各合資格參與者有權得到的最高股份數目

在截至授出日期的任何十二個月期間，因行使根據購股權計劃及本公司任何其他購股權計劃向每名合資格人士授出的購股權（包括已行使、已註銷及尚未行使的購股權）而發行及可發行的股份總數，不得超過於授出日期已發行股份的1.0%。倘進一步授出超過上述1.0%上限的購股權，本公司須發出通函，並須獲本公司股東在股東大會上批准，而該等合資格人士及其聯繫人士（定義見上市規則）不得投票，該等購股權的數目及條款（包括認購價）須於相關股東大會舉行前釐定，並須遵照上市規則不時規定的其他規定。

購股權的行使時間

一般並無規定有關購股權在行使前必須持有的最短時間，惟董事會可於授出任何特定購股權時酌情釐定有關最短持有時間。董事會現時無法釐定該最短持有時間。任何特定購股權的授出日期為承授人根據購股權計劃正式接納獲授該等購股權的日期。承授人（或個人代表）可於購股權到期前根據購股權計劃及要約的條款，透過向本公司發出書面通知書，列明即將全部或部分行使購股權及行使購股權所涉股份數目，以行使購股權，惟有關股份數目須為股份在聯交所的每手買賣單位或其完整倍數。該通知須附有通知所述股份的認購價總額的股款。購股權行使期由董事會全權酌情釐定，惟不得超過授出日期起計十年。購股權計劃獲批准當日起計十年屆滿後不得再授出購股權。除非本公司於股東大會提前終止購股權計劃，否則購股權計劃獲股東在股東大會通過決議案採納當日起計十年內有效。

REPORT OF THE DIRECTORS

董事會報告書

Price of Shares

The subscription price for a share in respect of any particular option granted under the Share Option Scheme (which shall be payable upon exercise of the option) shall be such price as the Board shall determine, save that such price must not be less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of offer to grant option, which must be a business day; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of offer to grant option (provided that the new issue price shall be used as the closing price for any business day falling within the period before the listing of the shares where our Company has been listed for less than five business days as at the date of offer to grant option); and (iii) the nominal value of a Share. A consideration of RMB1.00 is payable on acceptance of an offer of the grant of an option.

Remaining life of the Share Option Scheme

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further option will be offered but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect and options granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

Apart from the Rights Issue disclosed above, there was no exercise of any conversion or subscription rights under any convertible securities, options, warrants or similar rights issued or granted at any time by the Company or any of its subsidiaries during the year ended 31 December 2016.

CONVERTIBLE BONDS

On 8 August 2014, the Company issued 930 units of 5% convertible bonds due 8 August 2019 with a nominal value of RMB930,000,000. The Company repurchased face value of RMB6,000,000 of CB for a consideration of USD837,000 in 2015.

股份價格

根據購股權計劃授出任何特定購股權所發行的股份的認購價(須於行使購股權時支付)由董事會釐定，惟該價格不得低於下列各項的最高者：(i)於購股權授出日期(必須為營業日)聯交所每日報價表所列的股份收市價；(ii)緊接購股權授出日期前五個營業日聯交所每日報價表所列股份的平均收市價(惟倘本公司於購股權授出日期已上市不足五個營業日，則以新發行價作為本公司上市前任何營業日的股份收市價)；及(iii)股份面值。接納一份購股權的要約的應付代價為人民幣1.00元。

購股權計劃的餘下年期

本公司可於股東大會通過決議案或由董事會隨時終止購股權計劃的運作，其後不會再授出購股權，惟購股權計劃所有其他規定仍然全面有效及生效。購股權計劃終止前授出的購股權仍繼續有效並且可以根據購股權計劃予以行使。

除上文披露之供股外，截至二零一六年十二月三十一日止年度，本公司或其任何附屬公司並未根據任何可換股證券、購股權、認股權證或任何時間已發行或已授出之類似權利行使任何轉換或認購權。

可換股債券

於二零一四年八月八日，本公司發行於二零一九年八月八日到期面值為人民幣930,000,000元的930份5%可換股債券。二零一五年內，本公司以代價837,000美元購回面值為人民幣6,000,000元的可換股債券。

REPORT OF THE DIRECTORS

董事會報告書

The salient terms and conditions of the CB are as follows:

(i) Interest rate

The Company shall pay an interest on the CB at 5.0% per annum.

(ii) Conversion price

The CB will be convertible into the Company's ordinary shares at the initial conversion price of HK\$16.11 per share, subject to adjustments. Amongst others, consolidation, subdivision or reclassification of shares, capitalisation of profits or reserves, capital distribution, rights issues of shares or options over shares, rights issues of other securities, issues at less than the current market price, other issues at less than the current market price, modification of rights of conversion etc., other offers to shareholders, change of control and other usual adjustment events. The conversion price may not be reduced so that the conversion shares would fall to be issued at a discount to their par value.

(iii) Maturity

Unless previously redeemed, converted, or purchased and cancelled, the Company will redeem each of the CB at the US Dollar equivalent of the RMB principal amount on 8 August 2019.

(iv) Redemption at the option of the Company

The Company may:

- (1) Upon giving not less than 30 nor more than 60 days' notice to the bondholders, at any time after 8 August 2017 but not less than 14 days prior to the maturity date redeem the bonds in whole but not in part at a redemption price at the US Dollar equivalent of the RMB principal amount plus accrued and unpaid interest to such date; provided that no such redemption may be made unless the closing price of the shares (translated

可換股債券的主要條款及條件如下：

(i) 利率

本公司須按每年5.0%的利率就可換股債券支付利息。

(ii) 轉換價

可換股債券將可按初始轉換價每股16.11港元(可予調整)轉換為本公司普通股。轉換價須於(其中包括)股份合併、拆細或重新分類、溢利或儲備資本化、資本分派、供股或就股份創設購股權、發行其他證券、按低於當前市價發行、低於當前市價的其他發行、修訂轉換權、向股東進行其他發售、控制權變動及其他慣常調整事件時進行調整。轉換價不得削減至低令轉換股份以較面值折讓的價格發行。

(iii) 到期時間

除非已於之前贖回、轉換或購買及註銷，否則本公司將於二零一九年八月八日按照人民幣本金額的等值美元贖回每份可換股債券。

(iv) 本公司選擇贖回

本公司可：

- (1) 於二零一七年八月八日後但不遲於到期日前14日任何時間，向債券持有人發出不少於30日但不超過60日的通知，按人民幣本金額的等值美元加上截至該日應計未付利息的贖回價，贖回全部但非部分債券；惟除非截至屬發出贖

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into RMB at the RMB: HK\$ fixed rate as set out in the terms and conditions of the CB) for 20 out of 30 consecutive trading days ending on a date which is no more than three stock exchange business immediately prior to the date upon which notice of such redemption is given, was at least 130% of the conversion price then in effect (translated into RMB at the RMB: HK\$ fixed rate as set out in the terms and conditions of the CB); or

- (2) Upon giving not less than 30 nor more than 90 days' notice to the bondholders and the Trustee (which notice will be irrevocable), the Company may at any time redeem all, but not some only, of the bonds for the time being outstanding at the US Dollar equivalent of the RMB principal amount plus accrued and unpaid interest to such date provided that prior to the date of such notice at least 90% in RMB principal amount of the bonds originally issued have already been converted, redeemed or purchased and cancelled.

(v) Redemption at the option of the holders

The Company will, at the option of the holder of any CB, redeem all or some only of such holder's CB on 8 August 2017 at the US Dollar equivalent of the RMB principal amount.

(vi) Redemption of delisting or change of control

Following the occurrence of a change of control (means when Mr. Liu Hongwei cease for any reason to be the majority shareholder of the Company or any other events lead to the significant change of the ownership structure of that the Company, "Change of Control") or delisting of the Company (including suspension of trading of the Shares on the stock exchange for a period equal to or more than 20 consecutive trading days) (the "Relevant Event"), the holder will have the right to require the Company to redeem all, or but not some only, of such holder's CB at the US Dollar equivalent of the RMB principal amount plus accrued and unpaid interest to the date fixed for redemption.

回通知當日前三個聯交所營業日之日止連續30個交易日中20日的股份收市價(按可換股債券條款及條件所載人民幣兌港元的固定匯率換算為人民幣)至少為當時實際轉換價(按可換股債券條款及條件所載固定人民幣兌港元的匯率換算為人民幣)的130%，否則不得進行贖回；或

- (2) 向債券持有人及受託人發出不少於30日但不超過90日的通知(該通知不得撤回)後，本公司可按人民幣本金額的等值美元加上截至該日應計未付的利息，隨時贖回全部(但非僅部分)當時未償還債券，惟於該通知日期前原發行債券的人民幣本金額至少90%須已轉換、贖回或購買及註銷。

(v) 持有人選擇贖回

本公司將按任何可換股債券持有人的選擇，於二零一七年八月八日按人民幣本金額的等值美元贖回該持有人的全部或僅部分可換股債券。

(vi) 除牌或控制權變動時贖回

本公司發生控制權變動(指劉紅維先生因任何原因不再為本公司主要股東或導致本公司擁有權架構出現重大變動的任何其他事件)(「控制權變動」)或除牌(包括股份於證券交易所暫停買賣達等於或超過連續20個交易日)(「相關事件」)後，持有人將有權要求本公司按人民幣本金額的等值美元加上截至指定贖回日期的應計未付利息，贖回該持有人的全部(但非部分)可換股債券。

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DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

None of the Directors or their respective associate (as defined under the Listing Rules) was granted by the Company, or any of its subsidiaries, any rights or options to acquire Shares or debentures during the year ended 31 December 2016.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Save for the Rights Issue disclosed above, the Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the year.

INTEREST AND SHORT POSITIONS OF THE DIRECTORS AND THE CHIEF EXECUTIVES OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2016, so far as the Directors are aware, the Directors and chief executives of the Company and their associates had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) which (i) 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 interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") to be notified to the Company and the Stock Exchange:

董事認購股份或債券的權利

截至二零一六年十二月三十一日止年度，概無董事或彼等各自聯繫人士（定義見上市規則）獲本公司或其任何附屬公司授予任何權利或購股權以認購股份或債券。

購買、出售或贖回本公司上市證券

除上文披露之供股外，於本公司及其附屬公司於本年度概無購買、出售或贖回本公司任何上市證券。

董事及本公司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短倉

於二零一六年十二月三十一日，據董事所悉，董事及本公司主要行政人員及彼等的聯繫人士於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」））的股份、相關股份及債券中擁有 (i) 根據證券及期貨條例第 XV 部第 7 及第 8 分部須知會本公司及聯交所的權益（包括根據證券及期貨條例該等條文彼等被當作或視為擁有的權益及淡倉）；或 (ii) 根據證券及期貨條例第 352 條須記錄於該條所指的登記冊的權益；或 (iii) 根據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如下：

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Name 姓名	Company/name of associated corporation 本公司／相聯 法團名稱	Capacity 身份	Type of interest 權益類別	Number of shares 股份數目	Approximate % of shareholding 股權概約百分比
Mr. Liu Hongwei 劉紅維先生	Company 本公司	Interest of a controlled corporation ¹ 受控法團權益 ¹	Long 長倉	305,858,750	36.67%
	Company 本公司	Beneficial interest ² 實益權益 ²	Long 長倉	1,386,056	0.17%
		Sub-total: 小計：	Long 長倉	307,244,806	36.84%
Mr. Sun Jinli 孫金禮先生	Company 本公司	Beneficial interest ² 實益權益 ²	Long 長倉	1,386,056	0.17%
Mr. Xie Wen 謝文先生	Company 本公司	Beneficial interest ² 實益權益 ²	Long 長倉	1,386,056	0.17%
Mr. Li Huizhong 李會忠先生	Company 本公司	Beneficial interest ² 實益權益 ²	Long 長倉	Nil 無	Nil 無
Mr. Wang Ching 王京先生	Company 本公司	Beneficial interest ² 實益權益 ²	Long 長倉	120,526	0.01%
Mr. Yick Wing Fat, Simon 易永發先生	Company 本公司	Beneficial interest ² 實益權益 ²	Long 長倉	241,053	0.03%
Mr. Cheng Jinshu 程金樹先生	Company 本公司	Beneficial interest ² 實益權益 ²	Long 長倉	241,053	0.03%

Notes:

1. These 305,858,750 Shares are held by Strong Eagle Holdings Ltd. whose share capital is 53% owned by Mr. Liu Hongwei. Mr. Liu Hongwei is deemed to be interested in these Shares by virtue of the SFO.

2. Such interests represent the options of the Company held by the relevant

附註：

1. 該305,858,750股股份由Strong Eagle Holdings Ltd.持有，而劉紅維先生擁有Strong Eagle Holdings Ltd.股本之53%，根據證券及期貨條例，劉紅維先生被視為於該等股份中擁有權益。

2. 該等權益為有關董事所持有的本公司購股權。

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INTEREST AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2016, so far as the Directors are aware, save as disclosed above, the persons or corporations (not being a Director or a chief executive of the Company) who have interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO or have otherwise notified to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group and the amount of each of such persons' interest in such securities, together with any options in respect of such capital, were as follows:

Shareholder 股東	Long/short position 長／短倉	Capacity/nature of interest 身份／ 權益性質	Number of shares 股份數目	Approximate % of shareholding 股權概約 百分比
Strong Eagle Holdings Ltd. ¹	Long position 長倉	Beneficial owner 實益擁有人	305,858,750	36.67%

1. Strong Eagle Holdings Ltd. is owned by Mr. Liu Hongwei, Mr. Sun Jinli, Mr. Xie Wen, Mr. Xiong Shi and Mr. Zhuo Jianming as to 53%, 15%, 13%, 10%, and 9% respectively.

主要股東於股份、相關股份及債券中的權益及短倉

於二零一六年十二月三十一日，據董事所悉，除上文披露者外，以下人士或法團（並非本公司董事或主要行政人員）於本公司股份及相關股份中，擁有已記錄於根據證券及期貨條例第336條須存置的登記冊的權益或短倉，或根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露之權益或淡倉，或直接或間接擁有附帶權利可於任何情況下在本集團任何其他成員公司之股東大會上投票之任何類別股本面值10%或以上權益，以及該等人士各自於該等證券擁有之權益數量，連同擁有該等股本涉及之任何購股權如下：

1. Strong Eagle Holdings Ltd. 分別由劉紅維先生、孫金禮先生、謝文先生、熊滉先生及卓建明先生擁有53%、15%、13%、10%及9%的股本。

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NON-COMPETITION

The Directors confirm that they have no interest in any business (apart from the Group's business) which competes or is likely to compete, either directly or indirectly, with the Group's business.

The interested Director shall abstain from the meeting where there is actual or potential conflict in interest.

CONTRACTS OF SIGNIFICANCE

No contract of significance to which the Company, its holding company, or any of its fellow subsidiaries or subsidiaries was a party subsisted at the end of the year or at any time during the year ended 31 December 2016.

No contract of significance in which a Director is or was materially interested, either directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2016.

No contract of significance for the provision of services to the Company or any of its subsidiaries by our controlling shareholder or any of its subsidiaries subsisted at the end of the year or at any time during the year ended 31 December 2016.

CONNECTED TRANSACTIONS

No transactions as set out in the "Related party transactions" in note 40 to the financial statements are subject to the reporting, announcement and/or independent shareholders' approval under Chapter 14A of the Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Byelaws, or the law of Bermuda, being the jurisdiction in which the Company is incorporated.

不競爭

董事確認，除本集團的業務外，彼等概無擁有與本集團業務直接或間接存在競爭或極可能存有競爭的任何業務的權益。

倘存在實際或潛在利益衝突，涉及利益的有關董事須放棄出席有關會議。

重大合約

本公司、其控股公司或其任何同系附屬公司或附屬公司概無參與訂立任何於年終或截至二零一六年十二月三十一日止年度年內任何時間仍然有效的重大合約。

於年終或截至二零一六年十二月三十一日止年度內任何時間，概無訂立董事於或曾經於其中（不論直接或是間接）擁有重大權益的任何重大合約。

於年終或截至二零一六年十二月三十一日止年度任何時間，概無本公司控股股東或其任何附屬公司向本公司或其任何附屬公司提供服務的重要合約仍然有效。

關連交易

財務報表附註40「關連方交易」所載之交易並無需要按照上市規則第14A章受報告、公告及／或獨立股東批准之限制。

優先購買權

本公司細則或百慕達（即本公司註冊成立的司法權區）法例均無有關優先購買權的條文。

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MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listing Issuer as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Upon the enquiry made by the Company all Directors confirmed that they had complied with the Model Code for the year ended 31 December 2016.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report contained in this annual report.

AUDIT COMMITTEE

The Company established an audit committee on 19 December 2008 with terms of references adopted on 19 December 2008 in compliance with the Code set out in Appendix 14 of the Listing Rules. The members of the audit committee are the three independent non-executive Directors, Mr. Yick Wing Fat, Simon, an independent non-executive Director, is the Chairman of the audit committee. The audit committee is to serve as a focal point for communication between other directors, the external auditor and the internal auditor (where an internal audit function exists) of the Company as regards their duties relating to financial and other reporting, internal controls, external and internal audits and such other financial and accounting matters as the Board determines from time to time. The audit committee is to assist the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time. The audit committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2016, including the accounting principles and practices adopted by the Group. For further details of the audit committee and other committees of the Board, please refer to the section headed "Corporate Governance Report" from pages 7 to 22.

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則，作為其董事進行證券交易的操守守則。經本公司就此作出具體查詢後，全體董事確認彼等於截至二零一六年十二月三十一日止年度已遵守標準守則。

企業管治

本公司採納的主要企業管治常規，載於本年報企業管治報告。

審核委員會

本公司於二零零八年十二月十九日成立審核委員會，並於二零零八年十二月十九日採納按照上市規則附錄十四所載守則制定的職權範圍。審核委員會由三名獨立非執行董事組成，獨立非執行董事易永發先生為審核委員會主席。審核委員會就關乎彼等職責中有關財務及其他報告、內部監控、外部及內部審核以及董事會不時決定的其他財務及會計事宜，作為其他董事、外聘核數師與內部核數師（倘存在內部審核職能）之間的溝通橋樑。審核委員會負責協助董事會對本集團財務報告過程、內部監控及風險管理制度的高效用作出獨立檢討，監管審核過程，以及履行董事會不時指派的其他職責和責任。審核委員會已審閱本集團截至二零一六年十二月三十一日止年度的綜合財務報表，包括本集團採納的會計原則及常規。有關審核委員會及董事會其他委員會的詳情，請參考第7頁至第22頁的「企業管治報告」一節。

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KEY FINANCIAL AND BUSINESS PERFORMANCE INDICATORS

The key financial and business performance indicators comprise profitability trend and gearing ratio. Details of profitability analysis are shown in “Management Discussion and Analysis” section of this annual report. Details of gearing ratio analysis are shown in Note 44 (Financial Risk Management Objectives and Policies) to the Financial Statements in this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is committed to contributing to the sustainability of the environment and maintaining a high standard of corporate social governance essential for creating a framework for motivating staff, and contributes to the community in which we conduct our businesses and creating a sustainable return to the Group.

ENVIRONMENTAL PROTECTION

The Group has implemented energy saving practices in its offices and premises where applicable. The Group also plans to upgrade its air-conditioning and electricity systems to achieve the energy saving and provision of clear air to workplace where possible.

RELATIONSHIPS WITH CUSTOMERS AND SUPPLIERS

The Group also understands that it is important to maintain good relationship with its suppliers and customers to fulfil its long-term goals and development. To maintain its brand competitiveness and market status, the Group aims at delivering consistently high standards of quality in the service to its customers. During the year ended 31 December 2016, there was no material and significant dispute between the Group and its suppliers and/or customers.

主要財務及業務表現指標

主要財務及業務表現指標包括盈利能力趨勢及槓桿比率。盈利能力分析的詳情載於本年報「管理層討論及分析」一節。槓桿比率分析的詳情載於本年報財務報表附註44（財務風險管理目的及政策）。

環境、社會和管治

本集團致力促進環境的可持續性及維持高標準企業社會管治，其對於建立激勵員工的框架是必需的，本集團亦為我們開展業務所在及為本集團創造可持續回報的社區作出貢獻。

環境保護

本集團已於其辦公室及物業實行適用的節能常規。本集團亦計劃升級其空調及電力系統，在可行的工作場所實行節能及提供清新空氣。

與客戶及供應商的關係

本集團亦明白，與其供應商及客戶保持良好關係，對實現其長期目標及發展至關重要。為保持其品牌的競爭力及市場地位，本集團旨在為客戶提供一貫高水準質素的服務。截至二零一六年十二月三十一日止年度，本集團與其供應商及／或客戶之間並無重大及顯著糾紛。

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COMPLIANCE WITH LAWS AND REGULATIONS

The Group has compliance and risk management policies and procedures, and members of the senior management are delegated with the continuing responsibility to monitor adherence and compliance with all significant legal and regulatory requirements. These policies and procedures are reviewed regularly. As far as the Company is aware, it has complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Company and its subsidiaries.

RELATIONSHIPS WITH KEY STAKEHOLDERS

The Group's success also depends on the support from key stakeholders which comprises employees, customers and shareholders.

Employees

Employees are regarded as the most important and valuable assets of the Group. The objective of the Groups' human resource management is to reward and recognize performing staff by providing a competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression by appropriate training and providing opportunities within the Group for career advancement.

Customers

The Group has the mission to provide excellent and creative customer service whilst maintain our long-term profitability, business and asset growth. Various means have been established to strength the communication between the customers and the Group in the provision of quality customer service towards market penetration and expansion.

Shareholders

One of our corporate goals of the Group is to enhance corporate value to shareholders. The Group is poised to foster business developments for achieving the sustainability of earnings growth and rewarding shareholders by stable dividend payouts taking into account capital adequacy levels, liquidity positions and business expansion needs of the Group.

遵守法律及法規

本集團已遵守風險管理政策及程序，以及高級管理層成員獲授權持續負責監察所有重大法律及監管要求的履行及遵守情況。該等政策及程序會定期檢討。據本公司所知，其在重大方面遵守對本公司及其附屬公司業務及經營有顯著影響的相關法律及法規。

與主要利益相關者之關係

本集團的成功亦取決於主要利益相關者，包括僱員、客戶及股東的支持。

僱員

僱員被視為本集團最重要及最有價值的資產。本集團的人力資源管理目標為獎勵及表彰優秀員工，提供具競爭力的薪酬待遇及實行完善績效評價制度與適當激勵，並透過適當培訓及提供本集團內職業進展的機會，促進職業發展及晉升。

客戶

本集團的使命為提供優良及創新的客戶服務，同時保持我們的長期盈利能力、業務及資產增長。本集團已建立各種方式，強化客戶與本集團之間的溝通，朝著市場滲透及擴展提供優質客戶服務。

股東

本集團其中一個企業目標乃為股東提升企業價值。考慮到本集團的資本充足水平，流動性狀況及業務擴張需求，本集團已為推動業務發展作好準備，通過穩定派息實現盈利增長及獎勵股東的可持續性。

REPORT OF THE DIRECTORS

董事會報告書

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, the Company has maintained the prescribed public float of not less than 25% of the issued share capital of the Company pursuant to the Listing Rules and as agreed with the Stock Exchange, based on the information that is publicly available to the Company and within the knowledge of the Directors.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the Independent Non-Executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the Independent Non-Executive Directors to be independent.

AUDITOR

The financial statements of the Company for the year have been audited by Ernst & Young which will retire, and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

A resolution for the re-appointment of Ernst & Young as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

LIU Hongwei

Chairman

Hong Kong, 29 March 2017

足夠公眾持股量

根據本公司可從公開途徑取得的資料及據董事所知悉，於本報告刊發日期，本公司一直維持上市規則所訂明並經與聯交所協定本公司已發行股本不少於25%的公眾持股量。

獨立性的確認

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的年度獨立性確認書，並認為全體獨立非執行董事均具獨立性。

核數師

本公司本年度的財務報表已經安永會計師事務所審核。安永會計師事務所將任滿告退，惟彼等符合資格於應屆股東週年大會上膺選連任。

有關重聘安永會計師事務所為本公司核數師的決議案將於應屆股東週年大會上提呈。

承董事會命

主席

劉紅維

香港，二零一七年三月二十九日

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

To the shareholders of China Singyes Solar Technologies Holdings Limited
(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of China Singyes Solar Technologies Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 86 to 256, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (the “IASB”) 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 Hong Kong Institute of Certified Public Accountants (“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.

致中國興業太陽能技術控股有限公司全體股東
(於百慕達註冊成立之有限責任公司)

意見

我們已審核載於第86頁至256頁的中國興業太陽能技術控股有限公司(「貴公司」)及其附屬公司(「貴集團」)之綜合財務報表，此等財務報表包括二零一六年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實而公平地反映貴集團於二零一六年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現和綜合現金流量，並已遵照香港公司條例之披露規定妥為編製。

意見基準

我們已根據香港會計師公會(「香港會計師公會」)頒佈的香港審核準則(「香港審核準則」)的規定執行審核。我們於該等準則項下的責任於本報告「核數師就審核綜合財務報表承擔的責任」一節中詳述。根據香港會計師公會頒佈之職業會計師道德守則(「守則」)，我們獨立於貴集團，並且我們已根據守則履行其他職業道德責任。我們相信，我們所獲得的審核證據充足且適當地為我們的意見提供基礎。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

關鍵審核事項

關鍵審核事項是根據我們的專業判斷，認為對本期綜合財務報表之審核最為重要之事項。這些事項是在對綜合財務報表整體進行審核並形成意見的背景下來進行處理的，我們不對這些事項提供單獨的意見。我們對下述每一事項在審核中是如何處理的描述也以此為背景。

我們已履行本報告「核數師就審核綜合財務報表承擔的責任」一節所述的責任，包括有關該等事項的責任。因此，我們的審核包括執行為應對綜合財務報表重大錯誤陳述風險的評估而設的程序。我們審核程序的結果包括處理以下事項的程序，為我們就隨附的綜合財務報表的審核意見提供基礎。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

Key audit matter

關鍵審核事項

Accounting for convertible bonds

可換股債券的會計處理

As at 31 December 2016, the convertible bonds issued in 2014 amounted to RMB719,216,000, which included the liability component and conversion rights (the "Conversion rights"). The liability component was subsequently measured at amortised cost using the effective interest rate method and the Conversion Rights were accounted for as derivative financial liabilities which were measured at fair value with changes in fair value recognised in profit or loss. During the year ended 31 December 2016, the Group recorded an amount of RMB48,325,000 in fair value change in the Conversion Rights. 於二零一六年十二月三十一日，於二零一四年發行之可換股債券金額為人民幣719,216,000元，包括負債部分及轉換權（「轉換權」）。負債部分其後使用實際利率法按攤銷成本列賬以及轉換權作為衍生金融負債列賬，按公平值計量，公平值變動於損益確認。截至二零一六年十二月三十一日止年度，貴集團錄得轉換權公平值變動金額人民幣48,325,000元。

The Group is required to reassess the fair value of the Conversion Rights at each reporting period end date. The valuation of the Conversion Rights is based on a valuation model with inputs including discount rates and expected share price volatility. We focused on this area because of the significant judgement involved in determining these inputs of the fair value of the Conversion Rights. Management engaged an external valuation specialist to perform the valuation of the Conversion Rights.

貴集團於各個報告期末日期須重新評估轉換權之公平值。轉換權的估值乃基於帶有輸入數據（包括折現率及預期股價波幅）的估值模型。我們專注於此一方面是因為釐定轉換權的公平值的該等輸入數據時涉及重大判斷。管理層委聘了一名外部估值專家進行轉換權的估值。

The disclosures about the convertible bonds are included in notes 2.4, 3, 29 and 43 to the consolidated financial statements.

有關可換股債券的披露載列於綜合財務報表附註2.4、3、29及43。

How our audit addressed the key audit matter

關鍵審核事項在審核中是如何處理的

Our audit procedures included:

我們的審核程序包括：

- assessing the objectivity, independence and competence of the valuation expert;
評估估值專家的客觀性、獨立性及能力；
- involving our valuation specialist to assist us in reviewing the valuation model and the unobservable inputs to the model;
讓我們的估值專家協助我們檢討估值模型及該模型的不可觀察輸入數據；
- evaluating the Group's estimates of unobservable inputs through understanding how they had been derived and checking to the Group's source data;
評估貴集團對於不可觀察輸入數據的估計，方式是了解這些數據如何得到並且檢查本集團的來源數據；
- checking the consistency of application of the valuation methodologies and related inputs; and
核查應用估值方法及相關輸入數據的一致性；及
- assessing the related disclosures of convertible bonds in the consolidated financial statements.
評估綜合財務報表內可換股債券的相關披露。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

Key audit matter

關鍵審核事項

Construction contract revenue recognition

建築合同的收入確認

The Group derived a significant portion of its revenues from construction-type contracts that were accounted for by applying the percentage-of-completion (POC) method. The POC method involved the use of significant management's judgement and estimates including estimates of the progress towards completion, the scope of deliveries and services required, total contract cost, remaining costs to completion and total contract revenues. In addition, revenue, cost and gross profit realised on such contracts can vary from the Group's original estimates because of changes in conditions.

貴集團的大部分收入來自建築類型合同的收入，建築類型合同應用竣工百分比法入賬。竣工百分比法涉及管理層運用重大判斷及估計，包括估計完工進度、交付的範圍及所需服務、總合同成本、完工所需餘下成本及合同收入總額。此外，有關合同之收入、成本及可實現的毛利亦可能由於狀況變動而與貴集團原有估計不同。

The disclosures about construction contracts revenue recognition are included in notes 2.4, 3 and 21 to the consolidated financial statements.

有關建築合同收入確認的披露載列於綜合財務報表附註2.4、3及21。

How our audit addressed the key audit matter

關鍵審核事項在審核中是如何處理的

Our audit procedures included:

我們的審核程序包括：

- assessing the controls over construction contract revenue recognition, cost forecast and progress billing process;
評估建築合同收入確認、成本預測及進度結算款項程序的控制；
- reviewing the individually significant construction contracts and the progress billings accepted by related customers;
審閱個別重大建築合同以及有關客戶接收的進度結算單；
- checking significant cost incurred to the delivery and acceptance notes signed by the customers;
核查交付產生的重大成本以及客戶簽署的接受票據；
- comparing the forecast results of each significant contract to its actual results and assessing the historical accuracy of forecast prepared by management;
將各重大合約的預測業績與其實際業績作比較以及評估管理層編製的預測的歷史準確性；
- discussing the progress of construction contracts with project-in-charges;
與工程負責人討論建築合同的進度；
- recalculating the percentage of completion of the significant construction contracts and the provision required for the loss contracts;
重新計算重大建築合同的完工百分比以及須就虧損合同計提的撥備；
- performing physical inspection of the significant constructions; and
對重大合同執行實地視察；及
- assessing the disclosures regarding the revenue recognition of construction contracts in the consolidated financial statements.

App 8 - 762 評估綜合財務報表內有關建築合同收入確認的披露。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

Key audit matter

關鍵審核事項

Impairment assessment of trade receivables

應收貿易款項的減值評估

As at 31 December 2016, trade receivables amounting to RMB3,122,110,000 were material to the Group's consolidated financial statements. The assessment of impairment provision for trade receivables involved significant management's judgement including their assessment of customers' financial positions and expected future cash flows from customers.

於二零一六年十二月三十一日，應收貿易款項金額人民幣3,122,110,000元對貴集團之綜合財務報表而言屬重大。應收貿易款項的減值撥備評估涉及重大管理層的判斷，包括彼等評估客戶的財務狀況及客戶的預期未來現金流。

The disclosures about the impairment assessment of trade receivables are included in notes 3, 22 and 44 to the consolidated financial statements.

有關應收貿易款項減值評估的披露載列於綜合財務報表附註3、22及44。

How our audit addressed the key audit matter

關鍵審核事項在審核中是如何處理的

Our audit procedures included:

我們的審核程序包括：

- checking the ageing analysis of accounts receivable by customer;
核查客戶應收賬款的賬齡分析；
- checking the debtors' historical payment patterns and the bank receipts for the payment received subsequent to year end;
核查債務人的過往付款模式以及年結後已收到付款的銀行收據；
- checking the evidence including correspondence with the debtors for the latest progress of the outstanding amounts and credit status of these debtors by performing company search; and
核查相關憑證，包括與債務人的函件，了解未償還金額的最新進度以及通過執行公司搜索了解該等債務人的信用狀況；及
- assessing the disclosures about the Group's exposure to credit risk in the consolidated financial statements.
評估綜合財務報表內有關本集團面臨的信貨風險的披露。

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

年報所載的其他資料

貴公司董事須對其他資料負責。其他資料包括年報所載資料（綜合財務報表及吾等就此發出的核數師報告除外）。

吾等對綜合財務報表的意見並不涵蓋其他資料，吾等亦不會就其發表任何形式的鑒證結論。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

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 THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

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

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

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

就審核綜合財務報表而言，吾等的責任是閱讀其他資料，及在此過程中，考慮其他資料是否與綜合財務報表或吾等在審核過程中所瞭解的情況有重大不符，或者似乎有重大錯誤陳述。基於吾等已執行的工作，如果吾等認為其他資料有重大錯誤陳述，吾等需要報告有關事實。就此而言，吾等無需報告任何事項。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈的國際財務報告準則和香港公司條例的披露規定，編製及真實公平呈列綜合財務報表，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會協助貴公司董事履行監督貴集團財務報告過程的責任。

核數師就審核綜合財務報表承擔的責任

吾等的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括吾等意見的核數師報告。我們的報告依據一九八一年百慕達公司法第90條僅為全體股東編製，而並不可作其他目的。我們概不就本報告的內容對其他任何人士負責或承擔責任。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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.

合理保證是高水平的保證，但不能保證按香港審計準則進行的審核於重大錯誤陳述出現時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果按合理預期該等錯誤陳述個別或匯總起來可能影響該等綜合財務報表使用者所作出的經濟決定，則有關的錯誤陳述可被視作重大。

吾等根據香港審計準則進行審計的工作之一，是運用專業判斷，在整個審計過程中保持職業懷疑態度。吾等亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及取得充足和適當的審計憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及所作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性及根據所得的審核憑證，可能對貴集團持續經營的能力構成重大疑慮的相關事件或情況是否存在重大不確定性作出結論。倘吾等認為存在重大不確定性，則吾等須在核數師報告中提請使用者對綜合財務報表中的相關披露資料的關注，倘有關披露資料不足，則修訂吾等的意見。吾等的結論乃基於截至核數師報告日期止所取得的審計憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

- 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.
- 評價綜合財務報表(包括披露資料)的整體列報方式、結構及內容，以及綜合財務報表是否公允反映有關交易和事項。
- 就貴集團中實體或業務活動的財務資料獲取充分及適當的審核憑證，以對綜合財務報表發表意見。吾等負責指導、監督及執行集團審核。吾等僅對吾等之審核意見承擔責任。

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Leung Wai Lap, Phillip.

Certified Public Accountants
Hong Kong

29 March 2017

吾等與審核委員會溝通了計劃的審核範圍、時間安排、重大審核發現等事項，包括吾等在審核中識別出內部控制的任何重大缺陷。

吾等亦向審核委員會提交聲明，說明吾等已符合有關獨立性的相關職業道德要求，並與彼等溝通所有可能合理地被認為會影響吾等獨立性的關係及其他事項，以及相關防範措施(倘適用)。

從與審核委員會溝通的事項中，吾等決定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。吾等會在核數師報告中描述這些事項，惟法律法規不允許對某件事項作出公開披露，或在極端罕見的情況下，若有合理預期在吾等的報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，吾等將不會在此等情況下在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是 Leung Wai Lap, Phillip。

執業會計師
香港

二零一七年三月二十九日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
REVENUE	收入	4	5,239,564	4,182,049
Cost of sales	銷售成本		(4,104,854)	(3,297,666)
Gross profit	毛利		1,134,710	884,383
Tariff adjustment	電價補貼	4	93,224	57,387
Other income and gains	其他收入及收益	5	243,076	172,210
Selling and distribution expenses	銷售及分銷開支		(129,029)	(108,290)
Administrative expenses	行政開支		(356,112)	(385,984)
Other expenses	其他開支		(15,984)	(13,067)
Finance costs	融資成本	6	(368,028)	(316,911)
Share of losses of associates	分佔聯營公司虧損		(23,260)	(5,944)
Fair value gains on conversion rights of convertible bonds	可換股債券轉換權 的公平值收益	29(b)	48,325	163,586
PROFIT BEFORE TAX	除稅前溢利	7	626,922	447,370
Income tax expense	所得稅支出	10	(114,373)	(89,924)
PROFIT FOR THE YEAR	本年度溢利		512,549	357,446
OTHER COMPREHENSIVE LOSS:	其他全面虧損：			
Other comprehensive loss to be reclassified to profit or loss in subsequent years:	會於隨後年度重新分類至 損益的其他全面虧損：			
Available-for-sale investments:	可供出售投資：			
Changes in fair value	公平值變動		—	(5,228)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

	Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Other comprehensive loss not to be reclassified to profit or loss in subsequent years:	不會於隨後年度重新分類至損益的其他全面虧損：		
Exchange differences on translation of financial statements	換算財務報表的匯兌差額	(82,218)	(53,041)
OTHER COMPREHENSIVE LOSS FOR THE YEAR	本年度其他全面虧損	(82,218)	(58,269)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	本年度全面收益總額	430,331	299,177
Profit attributable to:	以下人士應佔溢利：		
Owners of the Company	本公司擁有人	501,961	355,986
Non-controlling interests	非控股權益	10,588	1,460
		512,549	357,446
Total comprehensive income attributable to:	以下人士應佔全面收益總額：		
Owners of the Company	本公司擁有人	419,743	297,717
Non-controlling interests	非控股權益	10,588	1,460
		430,331	299,177
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	本公司普通股權益持有人應佔每股盈利		
Basic	基本	12 RMB0.661 人民幣 0.661 元	RMB0.509 人民幣 0.509 元
Diluted	攤薄	12 RMB0.659 人民幣 0.659 元	RMB0.374 人民幣 0.374 元

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2016 二零一六年十二月三十一日

		Notes	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
		附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	4,363,547	3,835,238
Investment properties	投資物業	14	68,150	–
Prepaid land lease payments	預付土地租賃款項	15	203,001	96,136
Intangible assets	無形資產	16	3,105	3,486
Payments in advance	預付款項	17	9,114	30,137
Investments in associates	於聯營公司投資	18	11,126	(4,744)
Deferred tax assets	遞延稅項資產	31	32,288	34,107
Available-for-sale investments	可供出售投資	19	80,512	51,000
Pledged deposits	抵押存款	24	17,352	–
Total non-current assets	非流動資產總值		4,788,195	4,045,360
CURRENT ASSETS	流動資產			
Inventories	存貨	20	182,600	93,171
Construction contracts	建築合同	21	710,543	927,498
Trade and bills receivables	應收貿易款項及應收票據	22	3,373,065	2,292,195
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項	23	871,083	652,390
Derivative financial instruments	衍生金融工具	27	22,961	–
Pledged deposits	抵押存款	24	365,879	376,055
Cash and cash equivalents	現金及現金等價物	24	680,205	1,265,303
Total current assets	流動資產總值		6,206,336	5,606,612
CURRENT LIABILITIES	流動負債			
Trade and bills payables	應付貿易款項及應付票據	25	1,345,952	903,503
Other payables and accruals	其他應付款項及應計款項	26	510,622	331,289
Bank advances for discounted bills	貼現票據之銀行貸款	41(a)	144,949	251,699
Interest-bearing bank and other loans	付息銀行及其他貸款	28	1,148,300	1,040,777
Tax payable	應付所得稅		21,939	12,747
Senior notes	優先票據	30	554,211	–
Total current liabilities	流動負債總額		3,725,973	2,540,015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2016 二零一六年十二月三十一日

		Notes	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
NET CURRENT ASSETS	流動資產淨值		2,480,363	3,066,597
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		7,268,558	7,111,957
NON-CURRENT LIABILITIES	非流動負債			
Convertible bonds	可換股債券	29	719,216	697,569
Senior notes	優先票據	30	216,792	746,692
Interest-bearing bank and other loans	付息銀行及其他貸款	28	1,769,970	1,541,906
Deferred tax liabilities	遞延稅項負債	31	86,860	86,860
Deferred income	遞延收益	32	271,470	537,807
Total non-current liabilities	非流動負債總額		3,064,308	3,610,834
Net assets	資產淨值		4,204,250	3,501,123
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Issued capital	已發行股本	33	55,785	46,443
Reserves	儲備	35	4,086,037	3,378,179
			4,141,822	3,424,622
Non-controlling interests	非控股權益		62,428	76,501
Total equity	權益總額		4,204,250	3,501,123

Mr. Liu Hongwei
劉紅維先生
Director
董事

Mr. Xie Wen
謝文先生
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔												
		Issued capital 已發行股本	Share premium account* 股份溢價	Contributed surplus* 繳入盈餘	Available-for-sale investment revaluation reserve* 可供出售投資重估儲備	Statutory reserve fund* 法定儲備	Enterprise expansion fund* 企業發展基金	Share option reserve* 購股權儲備	Safety fund surplus reserve* 安全基金盈餘	Exchange fluctuation reserve* 匯兌波動儲備	Retained profits* 保留溢利	Difference arising from change of non-controlling interests* 非控股權益變動產生之差異	Non-controlling interests 非控股權益	Total equity 權益總額
		RMB'000 人民幣千元 (note 33) (附註 33)	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元 (note 35(a)) (附註 35(a))	RMB'000 人民幣千元 (note 35(b)) (附註 35(b))	RMB'000 人民幣千元 (note 35(c)) (附註 35(c))	RMB'000 人民幣千元 (note 35(d)) (附註 35(d))	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	46,466	641,869	10,480	-	134,292	59,834	24,847	-	(1,250)	2,222,427	1,021	3,139,986	606 3,140,592
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	-	355,986	-	355,986	1,460 357,446
Other comprehensive loss for the year:	本年度其他全面虧損：													
Changes in fair value of available-for-sale investments, net of tax	可供出售投資的公平值變動，扣除稅項	-	-	-	(5,228)	-	-	-	-	-	-	-	(5,228)	- (5,228)
Exchange differences on translation of financial statements	換算財務報表的匯兌差額	-	-	-	-	-	-	-	-	(53,041)	-	-	(53,041)	- (53,041)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	(5,228)	-	-	-	-	(53,041)	355,986	-	297,717	1,460 299,177
Acquisition of non-controlling interests of subsidiaries	收購附屬公司的非控股權益	-	-	-	-	-	-	-	-	-	-	(551)	(551)	(34,572) (35,123)
Shares repurchased	購回股份	(87)	(4,980)	-	-	-	-	-	-	-	-	-	(5,067)	- (5,067)
Exercise of share options	行使購股權	64	2,468	-	-	-	-	-	-	-	-	-	2,532	- 2,532
Transfer of share option reserve upon the exercise of share options	行使購股權時轉移購股權儲備	-	1,207	-	-	-	-	(1,207)	-	-	-	-	-	-
Equity-settled share option arrangements (note 34)	股本結算購股權安排(附註 34)	-	-	-	-	-	-	10,415	-	-	-	-	10,415	- 10,415
Transfer from retained profits	轉移自保留溢利	-	-	-	-	47,088	21,594	-	-	-	(68,682)	-	-	-
Transfer to contributed surplus	轉移至繳入盈餘	-	(60,000)	60,000	-	-	-	-	-	-	-	-	-	-
Debt-for-equity conversion	債務轉換為權益	-	-	-	-	-	-	-	-	-	-	-	-	28,020 28,020
Capital contribution from non-controlling shareholders of a subsidiary	附屬公司非控股股東的出資	-	-	-	-	-	-	-	-	-	-	29,013	29,013	80,987 110,000
Establishment for safety fund surplus reserve	設立安全基金盈餘儲備	-	-	-	-	-	-	-	43,163	-	(43,163)	-	-	-
Utilisation of safety fund surplus reserve	動用安全基金盈餘儲備	-	-	-	-	-	-	-	(43,163)	-	43,163	-	-	-
Final 2014 dividend declared	已宣派二零一四年末期股息	-	-	(49,423)	-	-	-	-	-	-	-	-	(49,423)	- (49,423)
At 31 December 2015	於二零一五年十二月三十一日	46,443	580,564	21,057	(5,228)	181,380	81,428	34,055	-	(54,291)	2,509,731	29,483	3,424,622	76,501 3,501,123

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔													
		Issued capital 已發行股本	Share premium 股份溢價*	Contributed surplus* 應入盈餘*	Available-for-sale investment revaluation reserve* 可供出售投資重估儲備*	Statutory reserve fund* 法定儲備基金*	Enterprise expansion fund* 擴展基金*	Share option reserve* 購股權儲備*	Safety fund surplus reserve* 安全基金盈餘儲備*	Exchange fluctuation reserve* 匯兌波動儲備*	Retained profits* 保留溢利*	Difference arising from change of non-controlling interests* 非控股權益變動產生之差異*	Total 總計	Non-controlling interests 非控股權益	Total equity 權益總額
		RMB'000 人民幣千元 (note 33) (附註33)	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元 (note 35(a)) (附註35(a))	RMB'000 人民幣千元 (note 35(b)) (附註35(b))	RMB'000 人民幣千元 (note 35(c)) (附註35(c))	RMB'000 人民幣千元 (note 35(d)) (附註35(d))	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	46,443	580,564	21,057	(5,228)	181,380	81,428	34,055	-	(54,291)	2,509,731	29,483	3,424,622	76,501	3,501,123
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	-	501,961	-	501,961	10,588	512,549
Other comprehensive loss for the year:	本年度其他全面虧損：														
Exchange differences on translation of financial statements	換算財務報表的匯兌差額	-	-	-	-	-	-	-	-	(82,218)	-	-	(82,218)	-	(82,218)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	-	-	-	(82,218)	501,961	-	419,743	10,588	430,331
Acquisition of non-controlling interests of a subsidiary	收購一間附屬公司的非控股權益	-	-	-	-	-	-	-	-	-	-	(8,722)	(8,722)	(31,278)	(40,000)
Transfer from retained profits	轉移自保留溢利	-	-	-	-	37,410	11,723	-	-	-	49,133	-	-	-	-
Issue of shares (note 33)	發行股份(附註33)	9,342	302,071	-	-	-	-	-	-	-	-	-	311,413	-	311,413
Share issue expenses (note 33)	發行股份開支(附註33)	-	(5,817)	-	-	-	-	-	-	-	-	-	(5,817)	-	(5,817)
Equity-settled share option arrangements (note 34)	股本結算購股權安排(附註34)	-	-	-	-	-	-	11,773	-	-	-	-	11,773	-	11,773
Capital contribution from non-controlling shareholders of a subsidiary	附屬公司非控股股東的出資	-	-	-	-	-	-	-	-	-	-	6,279	6,279	6,617	12,896
Establishment for safety fund surplus reserve	設立安全基金盈餘儲備	-	-	-	-	-	-	-	68,077	-	(68,077)	-	-	-	-
Utilisation of safety fund surplus reserve	動用安全基金盈餘儲備	-	-	-	-	-	-	-	(68,077)	-	68,077	-	-	-	-
Final 2015 dividend declared	已宣派二零一五年末期股息	-	-	(17,469)	-	-	-	-	-	-	-	-	(17,469)	-	(17,469)
At 31 December 2016	於二零一六年十二月三十一日	55,785	876,818	3,588	(5,228)	218,790	93,151	45,828	-	(136,509)	2,962,559	27,040	4,141,822	62,428	4,204,250

* These reserve accounts comprise the consolidated reserves of RMB4,086,037,000 (2015: RMB3,378,179,000) in the consolidated statement of financial position.

* 於綜合財務狀況表內，該等儲備賬包括綜合儲備人民幣4,086,037,000元(二零一五年：人民幣3,378,179,000元)。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

	Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動產生的現金流量		
Profit before tax	除稅前溢利	626,922	447,370
Adjustments for:	就以下項目作出調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13 151,275	134,489
Depreciation of investment properties	投資物業折舊	14 557	—
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	15 2,133	2,252
Amortisation of intangible assets	無形資產攤銷	16 936	1,013
Impairment loss on trade receivables	應收貿易款項減值虧損	22 21,390	26,771
Impairment loss on other receivables	其他應收款項減值虧損	—	2,485
Impairment loss on goodwill	商譽減值虧損	—	9,783
Share of losses of associates	分佔聯營公司虧損	18 23,260	5,944
Loss on settlement of derivative financial instruments	結算衍生金融工具的虧損	6,960	4,813
Transaction costs related to listing shares of a subsidiary	有關附屬公司股份上市的交易成本	9,696	—
Fair value gains on derivative financial instruments	衍生金融工具的公平值收益	27 (22,961)	—
Fair value gains on conversion rights of convertible bonds	可換股債券轉換權的公平值收益	29(b) (48,325)	(163,586)
Equity-settled share option expense	股本結算之購股權開支	34 11,773	10,415
Gains on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的收益	5 (146,002)	(12,332)
Unrealised foreign exchange (losses)/gains, net	未變現外匯(虧損)/收益淨額	(4,888)	6,284
Loss on disposal of a subsidiary	出售一間附屬公司之虧損	36 8	—
Interest income from available-for-sale debt instruments	可供出售債務工具的利息收入	5 (1,413)	—
Interest income	利息收入	5 (26,066)	(44,948)
Deferred income released to profit or loss	撥至損益的遞延收入	5 (19,830)	(77,190)
Finance costs	融資成本	6 368,028	316,911
		953,453	670,474
Decrease/(increase) in inventories	存貨減少/(增加)	(89,429)	21,415
Decrease/(increase) in construction contracts	建築合同減少/(增加)	216,955	(632,583)
Increase in trade and bills receivables	應收貿易款項及應收票據增加	(1,088,094)	(122,445)
Increase in prepayments, deposits and other receivables	預付款項、訂金及其他應收款項增加	(198,978)	(131,895)
Increase/(decrease) in trade and bills payables	應付貿易款項及應付票據增加/(減少)	442,449	(384,923)
Increase/(decrease) in other payables and accruals	其他應付款項及應計款項增加/(減少)	43,086	(17,046)
Income tax paid	已付所得稅	(103,362)	(96,893)
Net cash flows from/(used in) operating activities	經營活動產生/(所用)的現金流量淨額	176,080	(693,896)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

	Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動產生的現金流量		
Purchase of items of property, plant and equipment	購買物業、廠房及設備項目	(949,294)	(436,661)
Purchase of intangible assets	購買無形資產	(593)	(2,905)
Payment for prepaid land lease payments	就預付土地租賃款項之付款	(109,498)	(19,644)
Payment for acquisition of non-controlling interests of a subsidiary	就收購一間附屬公司非控股權益之付款	(40,000)	(42,923)
Acquisition of a subsidiary	收購一間附屬公司	—	3,533
Proceeds from disposal of intangible assets	出售無形資產之所得款項	51	—
Disposal of subsidiaries	出售附屬公司	64,701	25,938
Purchase of available-for-sale investments	購買可供出售投資	(27,243)	(43,234)
Purchase of equity interest in an associate	購買一間聯營公司的股本權益	(39,130)	(1,200)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目之所得款項	146,528	63,005
Settlement of derivative financial instruments	結算衍生金融工具	(6,960)	(7,855)
Receipt from maturity of pledged deposits	抵押存款到期所得款項	1,186,542	1,468,242
Placement of pledged deposits	存入抵押存款	(1,193,718)	(1,343,970)
Unrefundable deposits received for sale of subsidiaries	出售附屬公司所收不可退回訂金	22,434	—
Interest received	已收利息	10,781	18,168
Interest income from available-for-sale debt instruments	可供出售債務工具的利息收入	1,413	—
Receipt of government grants related to assets	收取與資產相關的政府補助	888	175,724
Net cash flows used in investing activities	投資活動所用的現金流量淨額	(933,098)	(143,782)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動產生的現金流量		
Proceeds from issue of shares	發行股份所得款項	311,413	—
Share issue expenses	發行股份開支	(5,817)	—
Net proceeds from issue of senior notes	發行優先票據所得款項淨額	—	182,492
Payment for repurchase of convertible bonds	購回可換股債券之付款	—	(5,297)
Repurchase of shares	購回股份	—	(5,067)
Capital contribution from non-controlling shareholders of a subsidiary	附屬公司非控股股東的出資	12,896	110,000
Proceeds from exercise of share options	行使購股權所得款項	—	2,532
Payment of transaction costs related to listing shares of a subsidiary	有關附屬公司股份上市的交易成本之付款	(9,552)	—
Proceeds from bank and other loans	銀行及其他貸款所得款項	1,419,822	2,220,649
Repayment of bank and other loans	償還銀行及其他貸款	(1,168,823)	(1,070,347)
Proceeds from bank advances for discounted bills	貼現票據銀行貸款所得款項	144,949	251,699
Repayment of bank advances for discounted bills	貼現票據銀行貸款之償還	(251,699)	(184,378)
Payment of other financing costs	支付其他融資成本	(9,459)	(4,989)
Dividends paid	已付股息	(17,469)	(49,423)
Interest paid	已付利息	(259,355)	(245,332)
Net cash flows from financing activities	融資活動產生的現金流量淨額	166,906	1,202,539

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		Notes	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物 (減少)／增加淨額		(590,112)	364,861
Cash and cash equivalents at beginning of year	年初之現金及現金等價物		1,265,303	897,473
Effect of foreign exchange rate changes, net	匯率變動的影響，淨額		5,014	2,969
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末之現金及現金等價物		680,205	1,265,303
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物 結餘分析			
Cash and bank balances	現金及銀行結存	24	680,205	1,265,303

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

China Singyes Solar Technologies Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in Bermuda on 24 October 2003. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company is located at Unit 3108, 31st Floor, China Merchants Tower, Shun Tak Center, 168-200 Connaught Road Central, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the “Group”) were principally engaged in the design, manufacture, supply and installation of conventional curtain walls and building integrated solar photovoltaic systems, as well as the manufacture and sale of solar power products. There were no significant changes in the nature of the Group’s principal activities during the year.

In the opinion of the directors, the parent and the ultimate holding company of the Company is Strong Eagle Holdings Limited, which is incorporated in the British Virgin Islands.

1. 公司及集團資料

中國興業太陽能技術控股有限公司(「本公司」)於二零零三年十月二十四日於百慕達註冊成立為獲豁免有限責任公司。本公司的註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。本公司主要營業地址位於香港干諾道中168-200號信德中心招商局大廈31樓3108室。

年內，本公司及其附屬公司(統稱為「本集團」)主要從事傳統幕牆及太陽能光伏建築一體化系統設計、製造、供應及安裝，以及太陽能產品製造及銷售。年內，本集團主要業務的性質並無重大轉變。

董事認為，本公司的母公司及最終控股公司為於英屬處女群島註冊成立的Strong Eagle Holdings Limited。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name 名稱	Place of incorporation/ registration and business 註冊成立／ 登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔 權益百分比 %	Principal activities 主要業務
Directly held: 直接持有：				
Singyes Engineering (H.K.) Co., Ltd. ("Singyes Engineering") 香港興業工程有限公司 (「興業工程」)	Hong Kong 香港	HK\$1 1 港元	100%	Design, supply and installation of curtain walls 設計、供應 及安裝幕牆
Indirectly held: 間接持有：				
Macao Singyes Renewable Energy Technology Co., Ltd. ("Macao Singyes") 澳門興業新能源科技有限公司 (「澳門興業」)	Macao 澳門	—	100%	Design, supply and installation of curtain walls 設計、供應 及安裝幕牆
Zhuhai Singyes Green Building Technology Co., Ltd. ^(a) ("Zhuhai Singyes") 珠海興業綠色建築科技有限公司 ^(a) (「珠海興業」)	Mainland China 中國大陸	US\$ 49,000,000 49,000,000 美元	100%	Design, manufacture, supply and installation of curtain walls and solar photovoltaic power stations 設計、製造、 供應及安裝幕牆及 太陽能光伏電站

1. 公司及集團資料 (續)

有關附屬公司之資料

本公司主要附屬公司之詳情如下：

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows:
(Continued)

1. 公司及集團資料 (續)

有關附屬公司之資料 (續)

本公司主要附屬公司之詳情如下：(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔 權益百分比 %	Principal activities 主要業務
Indirectly held: (continued) 間接持有：(續)				
Zhuhai Singyes Renewable Energy Co., Ltd. ^(b) ("Singyes Renewable Energy") 珠海興業新能源有限公司有限公司 ^(b) (「興業新能源」)	Mainland China 中國大陸	US\$ 28,125,000 28,125,000 美元	100%	Design, manufacture, supply and installation of solar photovoltaic power stations 設計、製造、 供應及安裝 太陽能光伏電站
Zhuhai Singyes Xinye Electricity Technology Co., Ltd. ^(b) ("Singyes Xinye") 珠海鑫業電力科技有限公司 ^(b) (「鑫業電力」)	Mainland China 中國大陸	RMB 20,000,000 人民幣 20,000,000 元	100%	Development of new energy materials, and development of marine biology technology 開發新能源材料及 開發海洋生物技術
Zhuhai Singyes Applicable Materials Co., Ltd. ^(b) ("Singyes Applicable Materials") 珠海興業應用材料科技有限公司 ^(b) (「興業應用材料」)	Mainland China 中國大陸	RMB 62,500,000 人民幣 62,500,000 元	100%	Research, manufacture and sale of photovoltaic film 研究、製造及 銷售光伏薄膜

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows:
(continued)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔 權益百分比 %	Principal activities 主要業務
Indirectly held: (continued) 間接持有：(續)				
Hunan Singyes Solar Technology Co., Ltd. ("Hunan Singyes") 湖南興業太陽能科技有限公司 (「湖南興業」)	Mainland China 中國大陸	RMB 410,143,000 人民幣 410,143,000 元	100%	Research, development, manufacture and sale of solar products 研究、開發、製造及 銷售太陽能產品
Singyes Energy-saving Technologies Co., Ltd. ^(b) ("Singyes Energy-saving") 珠海興業節能科技有限公司 ^(b) (「興業節能」)	Mainland China 中國大陸	US\$ 65,000,000 65,000,000 美元	100%	Research and development of energy-saving products 研究及開發節能產品
Xinjiang Singyes Renewable Energy Technology Co., Ltd. ^{(c)(d)} ("Xinjiang Singyes") 新疆興業新能源有限公司 ^{(c)(d)} (「新疆興業」)	Mainland China 中國大陸	RMB 438,270,000 人民幣 438,270,000 元	94.9%	Research, design and investment of solar power projects 研究、設計及 投資太陽能項目

1. 公司及集團資料 (續)

有關附屬公司之資料 (續)

本公司主要附屬公司之詳情如下：(續)

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows:
(continued)

1. 公司及集團資料 (續)

有關附屬公司之資料 (續)

本公司主要附屬公司之詳情如下：(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔 權益百分比 %	Principal activities 主要業務
Indirectly held: (continued) 間接持有：(續)				
Hunan Singyes Green Energy Co., Ltd. ^(a) ("Hunan Green Energy") 湖南興業綠色能源股份有限公司 ^(a) ("湖南綠色能源")	Mainland China 中國大陸	RMB 912,000,000 人民幣 912,000,000 元	94.9%	Research and development of electricity and new energy 研究及開發電力及 新能源
Gansu Singyes Green Energy Technology Co., Ltd. ("Gansu Singyes") 甘肅興業綠色能源科技有限公司 ("甘肅興業")	Mainland China 中國大陸	RMB 74,000,000 人民幣 74,000,000 元	94.9%	Research, construction and operation of solar power stations 研究、建設及 經營太陽能電站
Wuwei Dongrun Solar Energy Development Co., Ltd. ^{(c)(d)} ("Wuwei Dongrun") 武威東潤太陽能開發有限公司 ^{(c)(d)} ("武威東潤")	Mainland China 中國大陸	RMB 5,000,000 人民幣 5,000,000 元	94.9%	Research, construction and operation of solar power stations 研究、建設及 經營太陽能電站
Gansu Singyes Solar Technologies Co., Ltd. ("Gansu Technologies") 甘肅興業太陽能科技有限公司 ("甘肅科技")	Mainland China 中國大陸	RMB 20,000,000 人民幣 20,000,000 元	100%	Research, development, manufacture and sale of solar products 研究、開發、製造及 銷售太陽能產品

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows:
(continued)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Nominal value of paid-up share capital 繳足股本面值	Percentage of equity interests attributable to the Company 本公司應佔 權益百分比 %	Principal activities 主要業務
Indirectly held: (continued) 間接持有：(續)				
Yangjiang Singyes Green Energy Technology Co., Ltd. ^(c) ("Yangjiang Singyes") 陽江鑫業綠色能源科技有限公司 ^(c) (「陽江鑫業」)	Mainland China 中國大陸	RMB 184,080,000 人民幣 184,080,000 元	94.9%	Research, design and investment of solar power projects 研究、設計及 投資太陽能產品
Yangjiang Huazhi Green Energy Technology Co., Ltd. ("Yangjiang Huazhi") 陽江華智綠色能源科技有限公司 (「陽江華智」)	Mainland China 中國大陸	RMB 171,623,019 人民幣 171,623,019 元	94.9%	Research, design and investment of solar power projects 研究、設計及 投資太陽能項目
Suixi Xinye Photovoltaic Electricity Co., Ltd. ^(c) ("Suixi Xinye") 遂溪縣欣業光伏電子有限公司 ^(c) (「遂溪欣業」)	Mainland China 中國大陸	—	94.9%	Research, design and investment of solar power projects 研究、設計及 投資太陽能產品

1. 公司及集團資料 (續)

有關附屬公司之資料 (續)

本公司主要附屬公司之詳情如下：(續)

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows:
(continued)

Notes:

- (a) These subsidiaries were registered as Sino-foreign equity joint venture enterprises under PRC law.
- (b) These subsidiaries were registered as wholly-foreign-owned enterprises under PRC law.
- (c) As at 31 December 2016, the Group's equity interests in these companies were pledged as collateral for the Group's bank loans of RMB954,637,000.
- (d) On 2 September 2016, the Group entered into a sale and purchase agreement with Excel Deal Investment Limited to sell 81% equity interests in Xinjiang Singyes and Wuwei Dongrun (together as the "Target Subsidiaries") for a total consideration of HK\$861,000,000. During the year ended 31 December 2016, the Group has received deposits of HK\$25,080,000 (equivalent to approximately RMB22,434,000) in relation to the sale of equity interests in the Target Subsidiaries. The transaction is conditional upon fulfilment of certain conditions precedent set out in the relevant conditional sale and purchase agreement.

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

None of the subsidiaries has material non-controlling interests.

1. 公司及集團資料 (續)

有關附屬公司之資料 (續)

本公司主要附屬公司之詳情如下：(續)

附註：

- (a) 該等附屬公司根據中國法律註冊為中外合資企業。
- (b) 該等附屬公司根據中國法律註冊為外商獨資企業。
- (c) 於二零一六年十二月三十一日，本集團於該等公司的股本權益已抵押，作為本集團人民幣954,637,000元的銀行貸款的抵押品。
- (d) 於二零一六年九月二日，本集團與佳意投資有限公司訂立買賣協議，以按總代價861,000,000港元出售新疆興業及武威東潤(統稱為「目標附屬公司」)的81%股權。於截至二零一六年十二月三十一日止年度，本集團已就出售目標附屬公司股本收到按金25,080,000港元(相當於約人民幣22,434,000元)。該交易須待達成相關有條件買賣協議內載列之若干先決條件後，方可作實。

上表列示董事所認為主要影響本集團年度業績及構成本集團資產淨值重大部分的本公司附屬公司。董事認為，提供其他附屬公司之詳情將導致詳情過於冗長。

概無附屬公司擁有重大非控股權益。

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2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise standards and interpretations approved by the International Accounting Standards Board (the “IASB”) and International Accounting Standards (“IASs”) and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect and the disclosure requirements of the Hong Kong companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments, conversion rights of convertible bonds, and certain available-for-sale investments which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2016. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

2.1 編製基準

本財務報表的編製基準為國際財務報告準則（「國際財務報告準則」），其中包括經國際會計準則理事會（「國際會計準則理事會」）批准的準則及詮釋及經國際會計準則委員會批准且仍然生效的國際會計準則（「國際會計準則」）及常務詮釋委員會的詮釋及香港公司條例的披露要求。該等財務報表乃按歷史成本慣例編製，惟衍生金融工具、可換股債券的轉換權及可供出售投資若干按公平值計量。除另有訂明外，本財務報表均以人民幣（「人民幣」）呈報及所有價值均四捨五入至最接近的千位數。

綜合基準

綜合財務報表包括本公司及其附屬公司於截至二零一六年十二月三十一日止年度的財務報表。附屬公司為本公司直接或間接控制的實體。當本集團對參與投資對象業務的浮動回報承擔風險或享有權利以及能透過對投資對象的權力（如本集團獲賦予現有有能力以主導投資對象相關活動的既存權利）影響該等回報時，即取得控制權。

倘本公司直接或間接擁有少於投資對象大多數投票或類似權利的權利，則本集團於評估其是否擁有對投資對象的權力時會考慮一切相關事實及情況，包括：

- (a) 與投資對象其他投票持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 貴集團的投票權及潛在投票權。

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2.1 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

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

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

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

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

2.1 編製基準 (續)

綜合基準 (續)

附屬公司的財務報表已按與本公司相同的報告期採用一致會計政策編製。附屬公司業績自本集團取得控制權之日起綜合入賬，並將繼續綜合入賬直至終止該項控制權之日為止。

損益及其他全面收益的各項目歸本集團母公司擁有人及非控股權益，即使該結果會導致非控股權益結餘出現虧絀。與本集團成員公司間的交易相關的所有集團內資產及負債、股權、收益、開支及現金流量於綜合入賬時全部抵銷。

倘有事實及情況顯示上文所述三項控制因素中有一項或多項出現變化，則本集團會重新評估其是否對投資對象擁有控制權。如附屬公司擁有權權益出現變化，但未有喪失控制權，則會入賬列作權益交易。

倘本集團失去對一間附屬公司的控制權，則其終止確認(i)該附屬公司的資產(包括商譽)及負債、(ii)任何非控股權益的賬面值及(iii)於權益內記錄的累計匯兌差額；並確認(i)所收代價的公平值、(ii)任何投資所保留的公平值及(iii)損益賬中任何因此產生的盈餘或虧絀。本集團應佔先前於其他全面收益確認的部分會根據就猶如本集團直接出售相關資產或負債規定的相同基準，按適用情況重新分類至損益或保留溢利。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IFRS 10, IFRS 12 and IAS 28	<i>Investment Entities: Applying the Consolidation Exception</i>
Amendments to IFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i>
Amendments to IAS 1	<i>Disclosure Initiative</i>
Amendments to IAS 16 and IAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to IAS 16 and IAS 41	<i>Agriculture: Bearer Plants</i>
Amendments to IAS 27	<i>Equity Method in Separate Financial Statements</i>
<i>Annual Improvements 2012-2014 Cycle</i>	Amendments to a number of IFRSs

The adoption of the above revised standards has had no significant financial effect on these financial statements.

2.2 會計政策變動及披露

於本年度的財務報表中，本集團首次採納下列經修訂國際財務報告準則。

國際財務報告準則第10號、 國際財務報告準則第12號及 國際會計準則第28號修訂	投資實體：應用合併豁免
國際財務報告準則第11號修訂	收購共同經營權益的會計處理
國際會計準則第1號修訂	披露措施
國際會計準則第16號及 國際會計準則第38號修訂	可接納的折舊及攤銷方法的澄清
國際會計準則第16號及 國際會計準則第41號修訂	農業：生產性作物
國際會計準則第27號修訂	獨立財務報表中的權益法
二零一二年至二零一四年 周期的年度改進	多項國際財務報告準則的修訂

採納上述經修訂準則並無對該等財務報表產生任何重大財務影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

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

Amendments to IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions²</i>
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts²</i>
IFRS 9	<i>Financial Instruments²</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i>
IFRS 15	<i>Revenue from Contracts with Customers²</i>
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers²</i>
Amendments to IAS 40 and IFRIC 22	<i>Transfers of Investment Property²</i> <i>Foreign Currency Transactions and Advance Consideration²</i>
IFRS 16	<i>Leases³</i>
Amendments to IAS 7	<i>Disclosure Initiative¹</i>
Amendments to IAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses¹</i>
Annual Improvements 2014-2016 Cycle	Amendments to IFRS 12 ¹
Annual Improvements 2014-2016 Cycle	Amendments to IFRS 1 ²
Annual Improvements 2014-2016 Cycle	Amendments to IAS 28 ²

¹ Effective for annual periods beginning on or after 1 January 2017

² Effective for annual periods beginning on or after 1 January 2018

³ Effective for annual periods beginning on or after 1 January 2019

⁴ No mandatory effective date yet determined but available for adoption

2.3 已頒佈但尚未生效的國際財務報告準則

本集團並未於本財務報表中應用下列已頒佈但尚未生效的新訂及經修訂國際財務報告準則。

國際財務報告準則第2號修訂	以股份為基礎付款交易的分類及計量 ²
國際財務報告準則第4號修訂	與國際財務報告準則第4號保險合約一併應用的國際財務報告準則第9號金融工具 ²
國際財務報告準則第9號	金融工具 ²
國際財務報告準則第10號及國際會計準則第28號修訂	投資者與其聯營公司或合營企業之間的資產出售或注資 ⁴
國際財務報告準則第15號	來自與客戶合約的收入 ²
國際財務報告準則第15號修訂	對國際財務報告準則第15號來自客戶合約的收益作出的澄清 ²
國際會計準則第40號修訂	撥入投資物業地產 ²
國際財務報告解釋公告第22號	外幣交易和預付對價 ²
國際財務報告準則第16號	租賃 ³
國際會計準則第7號修訂	披露措施 ¹
國際會計準則第12號修訂	就未變現虧損確認遞延稅項資產 ¹
二零一四年至二零一六年周期的年度改進	國際財務報告準則第12號修訂 ¹
二零一四年至二零一六年周期的年度改進	國際財務報告準則第1號修訂 ²
二零一四年至二零一六年周期的年度改進	國際會計準則第28號修訂 ²

¹ 於二零一七年一月一日或之後開始的年度期間生效

² 於二零一八年一月一日或之後開始的年度期間生效

³ 於二零一九年一月一日或之後開始的年度期間生效

⁴ 尚未釐定法定生效日期但可供採納

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2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

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

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

2.3 已頒佈但尚未生效的國際財務報告準則(續)

有關預期適用於本集團的國際財務報告準則的進一步資料如下：

國際會計準則委員會於二零一六年六月頒佈國際財務報告準則第2號之修訂本，主要解決三個方面的問題：歸屬條件對計量現金結算以股份支付交易的影響；預扣若干金額以履行僱員與以股份支付有關的納稅義務，具有股份淨額結算特徵的以股份支付交易的分類；以及對於以股份支付交易的條款及條件所作修改導致其分類由以現金結算變更為以權益結算時的會計處理。該等修訂本闡明，在計量權益結算以股份支付時就歸屬條件所用的入賬方法亦適用於現金結算以股份支付。該等修訂本引入一項例外情況，對於預扣若干金額以履行僱員的納稅義務的具有股份淨額結算特徵的以股份支付交易，在符合若干條件時，可整體獲分類為以權益結算的股份支付交易。另外，該等修訂本闡明，倘因修改現金結算以股份支付交易的條件及條款導致其成為權益結算以股份支付交易，則交易自修改日期起作為一項權益結算交易入賬。本集團預期於二零一八年一月一日起採納該等修訂。該等修訂預期不會對本集團的財務報表產生任何重大影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

In July 2014, the IASB issued the final version of IFRS 9, bringing together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt IFRS 9 from 1 January 2018. The Group expects that the adoption of IFRS 9 will have an impact on the classification and measurement of the Group's financial assets. Further information about the impact will be available nearer the implementation date of the standard.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for application now.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

於二零一四年七月，國際會計準則理事會頒佈國際財務報告準則第9號的最終版本，將金融工具項目的所有階段集中在一起以代替國際會計準則第39號及國際財務報告準則第9號的全部先前版本。該準則引入分類及計量、減值及對沖會計處理的新規定。本集團預期自二零一八年一月一日起採納國際財務報告準則第9號。本集團預期採納國際財務報告準則第9號將對本集團金融資產的分類及計量產生影響。有關影響的進一步資料將於接近該準則的實施日期提供。

國際財務報告準則第10號及國際會計準則第28號之修訂本解決國際財務報告準則第10號及國際會計準則第28號之間對於處理投資者與其聯營公司或合營企業之間的資產出售或投入的規定的不一致性。該等修訂本要求於投資者與其聯營公司或合營企業之間的資產出售或投入構成一項業務時，確認全部收益或虧損。對於不構成業務的資產交易，交易所產生的收益或虧損僅以無關連的投資者於該聯營公司或合營企業的權益為限，於投資者的損益中確認。該等修訂本將於未來期間應用。國際會計準則理事會已於二零一五年十二月剔除了國際財務報告準則第10號及國際會計準則第28號之修訂本的以往強制生效日期，而新的強制生效日期將於對聯營公司及合營企業的會計處理完成更廣泛的檢討後釐定。然而，該等修訂本可於現時應用。

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2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

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

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際財務報告準則第15號建立一個新的五步模式，以核算於自客戶合約產生的收益。根據國際財務報告準則第15號，收益按能反映實體預期就交換向客戶轉讓貨物或服務而有權獲得的代價金額確認。國際財務報告準則第15號的原則為計量及確認收益提供更加系統化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收益總額，關於履行責任、不同期間之間合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。該準則將取代國際財務報告準則項下所有現時收益確認的規定。於二零一六年四月，國際會計準則委員會頒佈國際財務報告準則第15號之修訂本，以解決確定履約義務、主事人與代理的應用指引、知識產權許可證以及轉型等實施問題。該等修訂本亦旨在幫助確保公司於採用國際財務報告準則第15號時具有更高的應用一致性，並降低應用該準則的成本和複雜性。本集團預期於二零一八年一月一日採納國際財務報告準則第15號，目前正評估採納國際財務報告準則第15號的影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

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

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際財務報告準則第16號取代國際會計準則第17號「租賃」、國際財務報告詮釋委員會詮釋第4號「釐定安排是否包括租賃」、常設詮釋委員會詮釋第15號「經營租賃－獎勵」及常設詮釋委員會詮釋第27號「按租賃的法律形式評估交易的實質內容」。準則載列確認、計量、呈列及披露租賃之原則，並規定承租人須就大部分租賃確認資產及負債。準則包括對於承租人的兩項確認豁免－低價值資產的租賃及短期租賃。於租賃起始日，承租人將確認一項將作出租賃付款的負債（即租賃負債）以及確認一項表示有權在租賃期內使用相關資產的資產（即使用權資產）。使用權資產其後按成本減累計折舊及任何減值虧損計量，惟使用權資產符合國際會計準則第40號對投資物業的定義除外。其後租賃負債因反映租賃負債的利息而增加並因作出租賃付款而減少。承租人將須分開確認租賃負債的利息開支及使用權資產的折舊開支。承租人亦須在發生若干事件後重新計量租賃負債，例如用以釐定該等付款的指數或比率變動而導致租賃期變動及未來租賃付款變動。承租人一般將租賃負債的重新計量金額確認為使用權資產的調整金額。國際財務報告準則第16號有關出租人的會計處理與國際會計準則第17號的會計處理大致保持不變。出租人將繼續用國際會計準則第17號的相同分類原則分類所有租賃，並對經營租賃及融資租賃加以區分。本集團預期於二零一九年一月一日採納國際財務報告準則第16號，目前正評估採納國際財務報告準則第16號的影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (Continued)

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

2.3 已頒佈但尚未生效的國際財 務報告準則(續)

國際會計準則第7號修訂要求實體作出披露，以便財務報表的使用者可評估融資活動所引致的負債變化，包括現金流引致的變化及非現金變化。該等修訂本將導致須於財務報表中作出額外披露。本集團預期於二零一七年一月一日起採納該等修訂。

2.4 主要會計政策概要

於聯營公司投資

聯營公司為本集團於其一般不少於20%股本投票權中擁有長期權益的實體，且可對其發揮重大影響力。重大影響力指的是參與投資對象的財務和經營決策的權力，但不是控制或共同控制這些決策的權力。

本集團於聯營公司的投資乃按本集團根據權益會計法應佔資產淨值減任何減值虧損於綜合財務狀況表列賬。

本集團應佔聯營公司收購後業績及其他全面收益分別計入損益及綜合其他全面收益表。此外，倘於聯營公司的權益直接確認變動，則本集團會於綜合權益變動表確認其應佔任何變動(倘適用)。本集團與其聯營公司間交易的未變現收益及虧損將以本集團於聯營公司的投資為限對銷，惟倘未變現虧損證明所轉讓資產減值則除外。收購聯營公司所產生的商譽已計入作本集團於聯營公司投資的一部份。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

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

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

2.4 主要會計政策概要 (續)

於聯營公司投資 (續)

倘於聯營公司之投資變成於合資公司之投資或出現相反情況，則不會重新計量保留權益。反之，該投資繼續根據權益法入賬。在所有其他情況下，失去對聯營公司之重大影響力或對合資公司之共同控制權後，本集團按其公平值計量及確認任何剩餘投資。聯營公司於失去重大影響力時的賬面值與剩餘投資及出售所得款項的公平值之間的任何差額乃於損益賬內確認。

業務合併及商譽

業務合併乃以收購法列賬。轉讓對價乃以收購日期的公平值計量，該公平值為本集團轉讓的資產於收購日期的公平值、本集團向被收購方前擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和。於各業務合併中，本集團選擇是否以公平值或被於收購方可識別淨資產的應佔比例，計量於被收購方的非控股權益，即於被收購方中賦予持有人在清盤時按比例分佔淨資產的現有所有權權益。非控股權益的所有其他組成部分均按公平值計量。收購相關成本於產生時列為開支。

當本集團收購一項業務時，會根據合同條款、於收購日期的經濟環境及相關條件，評估須承擔的金融資產及負債，以作出適合的分類及標示，其中包括分離被收購方主合同中的嵌入式衍生工具。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations and goodwill (Continued)

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

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

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

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

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

如業務合併分階段進行，先前持有的股本權益按其於收購日期的公平值重新計量，所產生的任何損益在損益賬中確認。

收購方將轉讓的任何或然對價按收購日期的公平值確認。分類為資產或負債的或然對價按公平值計量，其公平值變動於損益賬內。分類為權益的或然對價不重新計量，其之後的結算在權益中入賬。

商譽起初按成本計量，即已轉讓對價、非控股權益的確認金額及本集團先前持有的被收購方股本權益的任何公平值總額，與所收購可識別淨資產及所承擔負債之間的差額。如對價與其他項目的總額低於所收購淨資產的公平值，於重新評估後該差額將於損益賬內確認為議價收購收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行測試。本集團於十二月三十一日進行商譽的年度減值測試。為進行減值測試，因業務合併而購入的商譽自收購日期起被分配至預期可從合併產生的協同效益中獲益的本集團各現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配至該等單位或單位組別。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations and goodwill (Continued)

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

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

Fair value measurement

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

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

減值乃通過評估與商譽有關的現金產生單位 (或現金產生單位組別) 的可收回金額釐定。當現金產生單位 (或現金產生單位組別) 的可收回金額低於賬面金額時，減值虧損便予以確認。已就商譽確認的減值虧損不得於隨後期間撥回。

如商譽分配至現金產生單位 (或現金產生單位組別) 而該單位的部分業務已出售，則在釐定出售損益時，與所出售業務相關的商譽會計入該業務的賬面金額。在該等情況下出售的商譽乃根據所出售業務的相對價值及現金產生單位的保留份額進行計量。

公平值計量

本集團按各報告期末的公平值計量其衍生金融工具、若干可供出售投資及可換股債券的轉換權。公平值指於計量日期之市場參與者之間之有序交易中，就出售資產所收取之價格或轉讓負債所支付之價格。公平值計量乃基於假設出售資產或轉讓負債之交易於資產或負債之主要市場，或在未有主要市場之情況下，則於資產或負債之最有利市場進行。主要或最有利市場須位於本集團能到達之地方。資產或負債之公平值乃使用市場參與者為資產或負債定價所用之假設計量 (假設市場參與者依照彼等之最佳經濟利益行事)。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurement (Continued)

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

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

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

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

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

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

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

2.4 主要會計政策概要 (續)

公平值計量 (續)

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

本集團使用適用於不同情況之估值技術，而其有足夠數據計量公平值，以盡量利用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

於財務報表計量或披露公平值之所有資產及負債，均根據對公平值計量整體而言屬重要之最低層輸入數據在下列公平值等級架構內進行分類：

第一層 – 按同等資產或負債於活躍市場之報價(未經調整)計算

第二層 – 按估值技巧計算(藉此直接或間接可觀察對公平值計量而言屬重要之最低層輸入數據)

第三層 – 按估值技巧計算(藉此觀察不到對公平值計量而言屬重要之最低層輸入數據)

就按經常性基準於財務報表確認之資產及負債而言，本集團於每個報告期末通過重新評估分類(基於對公平值計量整體而言屬重大之最低層輸入數據)以決定等級架構內各層之間是否有轉移。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets

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

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

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

2.4 主要會計政策概要 (續)

非金融資產的減值

倘出現減值跡象或須對資產(不包括存貨、建築合同資產、金融資產、投資物業及非流動資產)進行年度減值測試,則會估計資產的可收回金額。資產的可收回金額乃資產或現金產生單位使用價值與其公平值減出售成本兩者中的較高者,並且就個別資產釐定,如果資產並不產生大部分獨立於其他資產及資產組合的現金流入,在該情況下,可收回金額則按資產所屬的現金產生單位釐定。

只有資產的賬面金額超過其可收回金額時,減值虧損方予確認。評估使用價值時,估計未來現金流量採用反映當前市場對貨幣時間價值及該項資產的特有風險的稅前折現率貼現為現值。減值虧損乃於產生期間計入損益賬中與減值資產相應的費用類別。

於每個報告期末評估是否有跡象顯示過往已確認的減值虧損可能已不再存在或可能減少。倘出現該等跡象,則會估計資產的可收回金額。只有在用以釐定資產(商譽除外)的可收回金額的估計方法出現變動時,方會撥回該資產過往已確認的減值虧損,但撥回的金額不可超過假設過往年度並無就該項資產確認減值虧損而釐定的賬面值(扣除任何折舊/攤銷)。撥回的減值虧損乃於其產生期間計入損益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties

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

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

or

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

2.4 主要會計政策概要 (續)

關連方

在以下情況下，一方將被視為本集團的關連方：

- (a) 有關方為一名人士或該人士之關係密切家庭成員，而該人士：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理人員的其中一名成員；

或

- (b) 該方為實體而符合下列任何一項條件：
 - (i) 該實體與本集團屬同一集團之成員公司；
 - (ii) 該實體為另一家實體的聯營公司或合營企業（或另一家實體的母公司、附屬公司或同系附屬公司）；
 - (iii) 該實體與本集團均為同一第三方的合營企業；
 - (iv) 該實體為第三方實體的合營企業，而另一家實體則為該第三方實體的聯營公司；

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

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

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

2.4 主要會計政策概要 (續)

關連方 (續)

- (b) 該方為實體而符合下列任何一項條件：(續)
 - (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃；
 - (vi) 該實體受(a)項所界定人士控制或受共同控制；
 - (vii) 於(a)(i)項所識別人士對該實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員；及
 - (viii) 該實體或本集團任何之成員，向本集團或本集團之母公司提供主要管理人員服務。

物業、廠房及設備與折舊

除在建工程以外，物業、廠房及設備按成本減累計折舊及任何減值虧損列賬。一項物業、廠房及設備項目的成本包括其購買價及將資產達至運作狀況及位置，以作其預定用途所產生的任何直接應計成本。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation (Continued)

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

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value (nil to 5% of cost) over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Land and buildings	50 years
Plant and machinery	5-10 years
Motor vehicles	5 years
Office equipment and furniture	3-5 years
Solar photovoltaic power stations	25 years

2.4 主要會計政策概要 (續)

物業、廠房及設備與折舊 (續)

物業、廠房及設備項目開始運作後所產生的開支，如維修保養，一般於產生期間在損益中扣除。若滿足確認標準，則重大檢查的開支會於資產賬面值中資本化作為替換。若須定期替換大部份物業、廠房及設備，則本集團會按特定可使用年期確認該部份為個別資產，並據此作出折舊。

各項物業、廠房及設備折舊乃以直線法按其估計可使用年期撇銷其成本至其剩餘價值，即零至5%的成本。物業、廠房及設備的估計可使用年期如下：

土地及樓宇	50年
機器設備	5-10年
汽車	5年
辦公室設備及傢具	3-5年
太陽能光伏電站	25年

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation (Continued)

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

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

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

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at historical cost less accumulated depreciation and provision for any impairment in value. Depreciation is calculated on the straight-line basis to write off the cost of investment property to its residual value over its estimated useful life of 50 years.

2.4 主要會計政策概要(續)

物業、廠房及設備與折舊(續)

當一項物業、廠房及設備的各部分有不同可使用年期時，該項目的成本乃按合理基準在各部分之間分配，而各部分乃個別地折舊。剩餘價值、可使用年期及折舊方法至少應於各財政年結日復核，並作出調整(如適當)。

物業、廠房及設備項目包括任何初始確認的主要部分於出售或預期其使用或出售不會帶來未來經濟利益時終止確認。因出售或報廢而於該資產終止確認年度的損益賬內確認的任何盈虧乃有關資產出售所得款項淨額與賬面值的差額。

在建工程指正在建築中的物業、廠房及設備，乃以成本值減任何減值虧損列賬，且並無計提折舊。成本包括建築期間的直接建築成本及建築期間有關借款的資本化借貸成本。在建工程於完工及可作使用時，將重新分類至物業、廠房及設備之適當類別。

投資物業

投資物業乃指持作賺取租金收入及/或資本升值，而非為生產或供應貨物或服務的用途；或為行政目的；或為於日常業務過程中出售而持有的土地及樓宇中的權益。該等物業首次按成本計量，當中包括交易成本。首次確認後，投資物業採用歷史成本減去累計折舊和任何減值準備的金額計量。折舊乃使用直線基準，將投資物業之成本按其50年估計可使用年期攤銷至其剩餘價值計算。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties (Continued)

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the costs of the item can be measured reliably; otherwise, the expenditures are recognised in profit or loss in the year in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its carrying amount at the date of reclassification becomes its cost for accounting purposes. If an item of property, plant and equipment becomes an investment property because its use has changed, the transfer does not change the carrying amount of the property transferred, nor does it change the cost of that property for measurement or disclosure purposes.

Non-current assets and disposal groups held for sale

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

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

2.4 主要會計政策概要 (續)

投資物業 (續)

後續支出僅在未來與該項相關的經濟利益很可能流入本集團，並且該項目的成本能可靠計量時計入資產的賬面金額；否則，支出在其發生當年於損益內確認。

倘投資物業成為業主自用，則重新分類為物業、廠房及設備，而就會計目的而言，於重新分類當日的賬面金額為其成本。倘物業、廠房及設備的某個項目因其用途改變而成為投資物業，就計量或披露而言，該轉撥並無改變所轉撥物業的賬面值，亦無改變該物業的成本。

持作出售之非流動資產及出售組別

倘非流動資產及出售組別的賬面值主要透過銷售交易而非持續使用收回，則歸類為持作出售。在此情況下，資產或出售組別必須可按現狀即時出售，惟須符合出售該等資產或出售組別的慣常條款及出售須具十分把握。歸類為出售組別的附屬公司所有資產及負債重新分類為持作出售，而不論出售後本集團有否保留所持前附屬公司的非控股權益。

歸類為持作出售的非流動資產及出售組別（投資物業及金融資產除外）按其賬面金額與公平值減銷售成本之較低者計量。歸類為持作出售的物業、廠房及設備以及無形資產不予折舊或攤銷。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets (other than goodwill)

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

Software purchased is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of five years.

Operating rights represent rights to operate solar power water heating systems granted by certain schools and are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 7 to 10 years.

Research and development costs

All research costs are charged to profit or loss as incurred.

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

2.4 主要會計政策概要 (續)

無形資產 (商譽除外)

單獨取得的無形資產於初始確認時按成本計量。無形資產的可使用年期分為有限期或無限期。有限期的無形資產隨後按可使用經濟年期攤銷，並於有跡象顯示無形資產可能出現減值時評估減值。有限可使用年期的無形資產的攤銷期及攤銷方法至少於每個財政年度末檢討一次。

購買的軟件按成本減任何減值虧損列賬，並以直線法按五年的估計可使用年期內攤銷。

經營權指由若干學校許可之太陽能熱水系統經營權，按成本減任何減值虧損列賬，並於估計可使用年期7至10年按直線法攤銷。

研究及開發成本

所有研究成本於產生時計入損益。

開發新產品項目產生的開支，僅在本集團能夠證明以下各項時，方予以資本化及遞延，即：完成無形資產以供使用或出售的技術可行性；本集團完成資產的意圖及其使用或出售該資產的能力；資產日後如何產生經濟利益；能否獲得完成該項目的資源，以及在開發過程中可靠計量開支的能力。不符合這些標準的產品開發開支將於產生時確認為費用。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

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

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

Investments and other financial assets

Initial recognition and measurement

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

2.4 主要會計政策概要(續)

經營租約

凡資產擁有權的絕大部分回報及風險仍歸出租人所有的租約，均列作經營租約。倘本集團為出租人，本集團根據經營租賃出租之資產計入非流動資產，而根據經營租賃應收之租金按租賃期以直線法計入損益表。倘本集團為承租人，根據經營租約的應付租金在扣除自出租人收取的任何租金優惠後，按直線法於租賃期內於損益內扣除。

經營租約項下的預付土地租賃款項首先以成本列值，其後以直線法於租賃期內確認。

當租賃款項未能於土地及樓宇之間可靠分配時，整份租賃款項乃作為物業、廠房及設備之融資租約，計入土地及樓宇之成本。

投資及其他金融資產

初始確認及計量

金融資產於初始確認時分類為按公平值計入損益之金融資產、貸款及應收款項及可供出售金融投資(如適當)。金融資產初始確認時，乃按公平值加上收購金融資產應佔的交易成本計量，惟按公平值計入損益之金融資產除外。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

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

Subsequent measurement

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

初始確認及計量 (續)

金融資產之所有一般買賣都在交易日確認，即本集團承諾購買或出售資產之日期。一般買賣指在一般市場規則或慣例指定的期限內交付金融資產之購買或銷售。

後續計量

金融資產後續計量取決於其以下分類：

透過損益按公平值列賬之金融資產

透過損益按公平值列賬之金融資產包括持作買賣之金融資產。倘收購金融資產的目的旨在近期出售，則其分類為持作買賣。衍生金融工具，包括分離嵌入式衍生工具，除非其指定為國際會計準則第39號所界定的有效對沖工具，否則亦分類為持作買賣。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (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. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in other expenses for receivables.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in unlisted equity investments and other financial investments. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Other financial investments in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

貸款及應收款項

貸款及應收款項是屬於非衍生性質的金融資產，以固定或可斟酌釐定的方式付款（並非在活躍市場上提供報價）。於初始計量後，該等資產其後以實際利息法按攤銷成本減任何減值撥備計量。攤銷成本乃於計及收購之任何折讓或溢價而計算，並包括構成實際利率不可分開部分之費用或成本。實際利率攤銷列入損益的「其他收入及收益」。減值虧損於損益的貸款「融資成本」及應收款項「其他開支」內確認。

可供出售金融投資

可供出售金融投資乃非上市股本證券及其他金融投資中被指定的非衍生金融資產。分類為可供銷售之股本投資為既非持作銷售亦非按公平值計入損益的股本投資。無固定持有期限且可因流動資金需求或市況改變而出售的其他金融投資歸類至該類別。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Available-for-sale financial investments (Continued)

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to profit or loss in other expenses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in profit or loss as other income in accordance with the policies set out for “Revenue recognition” below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

可供出售金融投資 (續)

於初始確認後，可供出售金融投資其後以公平值計量，未變現盈虧於可供出售投資重估儲備確認為其他全面收益，直至投資被終止確認（屆時累計損益於損益的「其他收益」確認），或直至投資被釐定為減值（屆時累計損益從可供出售投資重估儲備重新分類至損益的「其他開支」）。持有可供出售金融投資時所賺取的利息及股息分別呈列為利息收入及股息收入，並根據下列「收入確認」所載的政策於損益內確認為「其他收益」。

如非上市股本投資基於下列原因而不能可靠地計量公平值就該投資的合理公平值估計範圍幅度過大；或範圍內的若干估計可能性無法合理評估及用以估計其公平值，則該等投資乃以成本減任何減值虧損列賬。

本集團評估在短期內出售其可供出售金融資產的能力及意圖是否依然適合。當本集團由於市場不活躍而無法買賣金融資產，本集團可能在極少數情況下選擇重新分類該等金融資產（倘管理層有能力及意圖在可見將來持有該等資產或持有至到期）。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Available-for-sale financial investments (Continued)

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss.

Derecognition of financial assets

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

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

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

可供出售金融投資 (續)

就從可供出售類別重新分類出來的金融資產而言，於重新分類日期之公平值賬面值變為金融資產之新攤銷成本，而該資產先前於權益中確認的任何盈虧乃使用實際利率於投資的餘下年期內攤銷至損益。新攤銷成本與到期金額之間的任何差額亦將使用實際利率於資產的餘下年期內攤銷。若資產其後被釐定為減值，則記錄於權益的款額會重新分類至損益。

終止確認金融資產

在下列情況下，一項金融資產（可適用於某項金融資產的一部分，或一組同類金融資產的一部分）需要終止確認（即自本集團綜合財務狀況表移除）：

- 從資產獲取現金流量的權利已經屆滿；或
- 本集團已轉讓獲取資產產生的現金流的權利，或已根據一項「過手」安排承擔責任，在無重大延誤的情況下，將有關現金流量全數付予第三方；及本集團(a)轉讓了與此項資產相關的大部分風險與回報，或(b)並無轉讓或保留該項資產絕大部分風險和回報，但已轉讓該項資產的控制權。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial assets (Continued)

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2.4 主要會計政策概要 (續)

終止確認金融資產 (續)

倘本集團已轉讓從資產收取現金流量的權利或訂立轉手安排，則評估有否保留資產所有權的風險及回報及保留的程度。倘本集團並無轉讓或保留資產的絕大部分風險及回報，亦無轉讓資產控制權，則該等資產基於本集團的持續參與程度確認。在該情況下，本集團亦確認相關負債。已轉讓資產及相關負債基於本集團所保留權利及責任的基準計量。

所轉讓資產擔保形式的持續參與，以資產原賬面值與本集團可能被要求償還的最高代價金額中的較低者計量。

金融資產減值

在每個報告期末時，本集團評估是否有客觀證據證明金融資產或一組金融資產減值。當資產初始確認後發生的一件或多件事件對能可靠估量的金融資產或一組金融資產的估計未來現金流量產生影響，則金融資產或一組金融資產被視為減值。減值證據將會包括有跡象表明債務人或一組債務人正在經歷重大財政困難、違約或拖欠利息或本金、將進入破產或其他財務重組之可能性，及顯示估計未來現金流量之可衡量下降的可觀察數據，如與違約相關的拖欠和經濟狀況的變化。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Financial assets carried at amortised cost.

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

以攤銷成本列賬的金融資產

對於以攤銷成本列賬的金融資產而言，本集團首先個別評估個別重大金融資產，或集體評估非個別重大金融資產是否存在減值。若本集團決定個別評估金融資產，無論重大與否，不存在任何減值的客觀證據，本集團便將這些資產包括在具有類似信用風險特徵的金融資產組並集體評估減值與否。已作個別減值評估且資產減值損失被確認或將繼續被確認之資產不包括在集體評估減值內。

識別出的任何減值虧損金額按資產的賬面金額與估計未來現金流量現值的差額（不包括尚未發生的未來信貸虧損）計算。估計未來現金流量的現值按金融資產的原實際利率（即初始確認時之實際利率）貼現。

該資產的賬面值可通過使用撥備賬沖減，而有關的虧損則在損益中確認。利息收入繼續以減少後賬面金額及採取就計量減值虧損用以貼現未來現金流量的利率累計。未來收回不現實之情況下，貸款及應收款項連同任何相關撥備則被註銷，所有抵押品已變現或轉讓予本集團。

倘於隨後期間，由於減值確認後某一事件之發生，估計減值虧損金額增加或減少，則先前確認之減值虧損通過調整撥備賬增加或減少。倘註銷於其後收回，該收回計入損益的「其他開支」。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is removed from other comprehensive income and recognised in profit or loss.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

按成本列賬的資產

如有客觀證據表明因公平值無法可靠計量而並非按公平值列賬的無報價股本投資或與該無報價股本投資掛鉤且必須透過交付該無報價股本投資而結算的衍生資產已出現減值虧損，則虧損金額按該資產賬面值與按類似金融資產現行市場回報率貼現的估計未來現金流量的現值之間的差額計量。該等資產的減值虧損不可撥回。

可供出售金融投資

就可供出售金融投資而言，本集團會於各報告期末評估有否客觀證據顯示一項投資或一組投資出現減值。

當可供出售資產減值時，其成本（扣除任何本金付款和攤銷）和其現有公平值，扣減之前曾被確認在損益之任何減值虧損之差額，將自其他全面收益移除，並在損益中確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Available-for-sale financial investments (Continued)

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss - is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

可供出售金融投資 (續)

倘股權投資被列作可供出售類別，則證據將包括該項投資之公平值大幅或長期跌至低於其成本值。「大幅」是相對於投資之原始成本評估，而「長期」則相對於公平值低於原始成本之時期而評估。倘出現減值證據，則累計虧損（按收購成本與現時公平值之差額減該項投資先前在損益內確認之任何減值虧損計量）將從其他全面收益中移除，並於損益內確認。分類為可供出售股本投資的減值虧損不會透過損益撥回。公平值於減值後的增加直接於其他全面收益確認。

確定是否屬「顯著」或「持續」時須作出判斷。在作出判斷時，本集團會評估（其中包括）一項投資的公平值少於其成本的持續時間或程度。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, and loans and borrowings, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables, derivative financial instruments, bank advances for discounted bills, convertible bonds, senior notes and interest-bearing bank and other loans.

Subsequent measurement

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

Loans and borrowings (including senior notes)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

2.4 主要會計政策概要 (續)

金融負債

初始確認及計量

金融負債於初始確認時分類為按公平值計入損益之金融負債、貸款及借款(如適用)。

所有金融負債初始按公平值確認，如屬貸款及借貸，則扣除直接應佔交易成本。

本集團的金融負債包括應付貿易款項及應付票據、其他應付款項、衍生金融工具、貼現票據銀行貸款、可換股債券、優先票據以及附息銀行及其他貸款。

後續計量

金融負債的後續計量取決於其如下歸類：

貸款及借款(包括優先票據)

經初始確認後，附息貸款及借款其後以攤銷成本計量，除非折現影響並不重大，否則採用實際利率法，反之，則按成本入賬。負債終止確認時，或通過實際利率攤銷時，收益及虧損於損益中確認。

攤銷成本將任何收購折價或溢價和構成實際利率不可或缺的費用或成本計算在內。實際利率攤銷計入損益之融資成本。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities(Continued)

Convertible bonds

Convertible bonds issued by the Company that contain both a liability and embedded derivatives are classified separately into these respective items on initial recognition. Conversion rights that will be settled other than by the exchange of a fixed amount of cash or other financial assets for a fixed number of the Company's shares are derivative financial liabilities, which are bifurcated from the host contract and are accounted for separately. Redemption rights, conditional call options and put options which are closely related to the host contract are accounted for together with the host contract as a liability component.

At the date of issue of the convertible bonds, the derivative component of the convertible bonds is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs are apportioned between the liability and derivative components of the convertible bonds based on the allocation of proceeds to the liability and derivative components when the instruments are initially recognised. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. Conversion options accounted for as derivative financial liabilities are measured at fair value with changes in fair value recognised in profit or loss.

2.4 主要會計政策概要(續)

金融負債(續)

可換股債券

本公司發行的同時包括負債及嵌入式衍生工具的可換股債券於初始確認時分別分類為各項目。將透過以一定數量現金或其他金融資產交換一定數量本公司股份以外的方式結算的轉換權為衍生金融負債，從主合約分開及單獨列賬。與主合約密切相關的贖回權、有條件認購期權及認沽期權連同主合約作為負債部分列賬。

於可換股債券發行日期，可換股債券的衍生部分按公平值計量，呈列為衍生金融工具。所得款項超出初始確認為衍生部分的金額之部分作為負債部分確認。交易成本根據工具初始確認時負債及衍生部分的所得款項分配方式，在負債與衍生部分之間分攤。交易成本中與負債部分有關的部分初始確認為負債的一部分。與衍生部分相關的部分即時於損益確認。

於隨後期間，可換股債券的負債部分使用實際利率法按攤銷成本列賬。作為衍生金融負債列賬的轉換權按公平值計量，公平值變動於損益確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities(Continued)

Convertible bonds (Continued)

The liability component and the related embedded derivative of the convertible bonds are presented as a separate line item on the face of the statement of financial position under non-current liabilities, unless the convertible bonds become mature or redeemable by the holder in the next twelve months.

If the bonds are converted, the respective conversion options accounted for as derivative financial liabilities, together with the carrying value of the liability component at the time of conversion, are transferred to share capital and share premium as consideration for the shares issued.

2.4 主要會計政策概要(續)

金融負債(續)

可換股債券(續)

除非可換股債券將於未來十二個月到期或可由持有人贖回，否則可換股債券的負債部分及相關嵌入式衍生工具在財務狀況表中非流動負債下分開呈列。

如債券獲轉換，作為衍生金融負債列賬的各轉換權連同負債部分於轉換時的賬面值作為已發行股份的代價轉入股本及股份溢價。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as interest rate swaps and cross-currency interest rate swap, to hedge its interest rate risk and foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

2.4 主要會計政策概要 (續)

終止確認金融負債

當金融負債項下的義務被解除、取消或期滿，則終止確認金融負債。

如一項現有金融負債被來自同一貸款方且大部分條款均有差別的另一項金融負債所取代，或現有負債的條款被大幅修改，此種置換或修改視作終止確認原有負債並確認新負債處理，而兩者的賬面值差額於損益中確認。

抵銷金融工具

倘於現時存在可強制執行的合法權利以抵銷已確認款額及有意按淨額基準進行結算，或同時變現資產及結算負債，則金融資產及金融負債會予以抵銷，而淨額會於財務狀況表中記錄。

衍生金融工具

初始確認及後續計量

本集團使用衍生金融工具，如利率掉期及交叉貨幣利率掉期以對沖其利率風險及外幣風險。該等衍生金融工具於衍生合約訂立之日初始按公平值確認，隨後按公平值重新計量。衍生工具在公平值為正數時作為資產列賬，在公平值為負數時作為負債列賬。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

2.4 主要會計政策概要 (續)

存貨

存貨按成本或可變現淨值兩者較低者列賬。成本以加權平均基準釐定，就在製品和製成品而言，成本包括直接材料、直接勞工及適當分攤的經常性費用。可變現淨值按估計售價減任何尚需投入的完成生產及出售的估計成本計算。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金、活期存款，以及期限短、流動性強、易於轉換為已知金額現金、價值變動風險小且一般於收購後三個月內的較短期限到期的投資，減須按要求償還並構成成本集團現金管理一部分的銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金和銀行存款，而銀行存款包括無限制用途的定期存款。

撥備

如因過往事件產生現時債務（法定或推定）及未來可能需要有資源流出以償還債務，而該債務金額能可靠估計，則確認撥備。

如貼現的影響重大，則就撥備確認的金額為償還債務預期所需未來支出於報告期末的現值。貼現現值因時間流逝而產生的增幅計入損益之「融資成本」。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill on an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 主要會計政策概要(續)

所得稅

所得稅包括即期和遞延稅項。有關損益外確認項目的所得稅於損益外確認，於其他全面收益確認或直接在權益確認。

即期稅項資產和負債按預期自稅務局退回或支付予稅務局的金額計算，基於報告期末已訂立或大致訂立的稅率（及稅法），並計及本集團經營所在國家現行之詮釋及慣例。

遞延稅項採用負債法就於報告期末資產和負債的稅基與兩者用作財務報告的賬面值之間的各項暫時差異計提撥備。

所有應課稅暫時差異均被確認為遞延稅項負債，但：

- 於一項交易（該交易並非為業務合併）進行時初始確認的資產或負債商譽產生的遞延稅項負債既不對會計溢利也不對應課稅溢利或虧損構成影響的情況除外；及
- 關於附屬公司及聯營公司投資的應課稅暫時差異，如撥回這些暫時差異的時間可受控制且暫時差異於可預見將來可能不會撥回的情況除外。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.4 主要會計政策概要 (續)

所得稅 (續)

所有可扣減暫時性差額及未動用稅項抵免與任何未動用稅務虧損結轉，均被確認為遞延稅項資產。倘可能具有應課稅利潤抵銷可扣減暫時性差額，以及可動用結轉之未動用稅項抵免及稅務虧損，則會確認遞延稅項資產，惟下述情況除外：

- 由於一項交易（該交易並非為業務合併）進行時與初始確認的資產或負債產生的可扣減暫時差異有關的遞延稅項資產，既不對會計溢利也不對應課稅溢利或虧損構成影響的情況除外；及
- 關於附屬公司及聯營公司的投資產生的可扣減暫時差異，遞延稅項資產只限於暫時差異將於可預見將來撥回及應課稅溢利可用以抵扣暫時差異時確認的情況除外。

遞延稅項資產的賬面值於每個報告期末審閱，並扣減至不再可能有足夠應課稅溢利以動用所有或部分遞延稅項資產為止。相反地，於每個報告期末會重新評估過往未被確認的遞延稅項資產，並在可能有足夠應課稅溢利以動用所有或部分遞延稅項資產時予以確認。

遞延稅項資產和負債以資產被變現或負債被清償的期間預期適用的稅率衡量，並根據於報告期末已制訂或實際上已制訂的稅率（及稅法）計算。

倘存在容許將即期稅項資產抵銷即期稅項負債的可合法執行權利，且遞延稅項與同一課稅實體及同一稅務機關有關，則遞延稅項資產可與遞延稅項負債抵銷。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from construction contracts, on the percentage of completion basis, as further explained in the accounting policy for "Construction contracts" below;
- (c) from sales of electricity, is recognised in the accounting period when electricity is generated and transmitted.
- (d) from tariff adjustment which represents subsidies received and receivable from the government authorities in respect of the Group's solar power plant 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.

2.4 主要會計政策概要 (續)

政府補助

倘有合理保證可獲取政府補助，而所有附帶條件均可予以遵從，則按公平值確認政府補助。倘補助與支出項目有關，則以有系統基準於該項補助所補貼成本列支之期間確認為收入。

倘補助涉及一項資產，則其公平值記入遞延收益賬目及於相關資產的預期可使用年限期間按等同年度金額撥回至損益。

收入確認

收入於本集團將很有可能獲得經濟利益並能夠可靠地計算時按以下基準確認：

- (a) 銷售商品於商品擁有權的重大風險和回報已轉讓予買方後確認入賬，惟本集團須不再參與通常與所售出商品擁有權或實際控制權有關的管理；
- (b) 建築合同收入根據已完成部分的比例確認入賬，進一步詳情載於下文有關「建築合同」的會計政策內；
- (c) 銷售電力產生的收入於產生及輸送電力的會計期間內確認。
- (d) 電價補貼產生的收入，電價補貼指就本集團之太陽能光伏發電站業務自政府機構已收及應收之補貼。電價補貼收入在本集團對其可回收性取得合理保證及滿足有關條款後（如有）按公平值確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

- (e) from the rendering of services, when the services are rendered.
- (f) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset; and
- (g) dividend income, when the shareholders' right to receive payment has been established.

Construction contracts

Contract revenue comprises the agreed contract amount and appropriate amounts from variation orders, claims and incentive payments. Contract costs incurred comprise direct materials, the costs of subcontracting, direct labour and an appropriate proportion of variable and fixed construction overheads.

Revenue from fixed price construction contracts is recognised using the percentage of completion method, measured by reference to the proportion of costs incurred to date to the estimated total cost of the relevant contract.

Provision is made for foreseeable losses as soon as they are anticipated by management. Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

2.4 主要會計政策概要 (續)

收入確認 (續)

- (e) 於提供服務時來自提供服務的收入。
- (f) 利息收入按應計基準，採用將金融工具預計年期內估計未來收取的現金折現至金融資產賬面淨值的貼現率以實際利息法確認；及
- (g) 股息收入於股東收取付款的權利確立時確認。

建築合同

合同收入包括協議合同金額以及因指令變更、索賠及獎勵付款所產生的適當金額。所產生的合同成本包括直接材料、分包成本、直接勞工及適當比例的變動和固定的建築經常性開支。

固定價格建築合同的收入使用完成方法的百分比予以確認，百分比經參考截至有關日期所產生成本相對於相關合同估計總成本的比例計算。

當管理層預見可預見虧損時將立即作出撥備。當截至有關日期的合同成本加已確認溢利減已確認虧損超過按進度結算款項時，盈餘被視作應收合同客戶款項。當按進度結算款項超過截至有關日期的合同成本加已確認溢利減已確認虧損時，盈餘被視作應付合同客戶款項。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

2.4 主要會計政策概要 (續)

以股份為基礎的支付

本公司設立一項購股權計劃，旨在對為本集團成功運營作出貢獻之合資格參與者提供鼓勵及獎勵。本集團僱員（包括董事）收取以股份為基礎支付的報酬，而僱員則提供服務作為股權工具的代價（「股權結算交易」）。

僱員的股權結算交易成本，自授予之日起參照公平值計量。公平值由外部估值師採用二項式模型決定。

表現及／或服務條件達成期間，股權結算交易的成本和相應增加權益於僱員福利開支獲得確認。於每個報告期末直至歸屬日期的股權結算交易所確認的累計開支，反映歸屬期間到期的程度及本集團對最終將歸屬股權工具數目的最佳估計。某一期間的損益扣除或計入為期初或期末確認累計開支的變動。

釐定獎勵獲授當日之公平值時，並不計及服務及非市場績效條件，惟在有可能符合條件的情況下，則評估為本集團對最終將會賦予股本工具數目最佳估計之一部分。市場績效條件反映於獎勵獲授當日之公平值。獎勵之任何其他附帶條件（但不帶有服務要求）視作非賦予條件。非賦予條件反映於獎勵之公平值，除非同時具服務及／或績效條件，否則獎勵即時支銷。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payments (Continued)

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.4 主要會計政策概要 (續)

以股份為基礎的支付 (續)

因非市場績效及／或服務條件未能達成而最終無賦予之獎勵並不確認為支出。凡獎勵包含市場或非賦予條件，無論市場條件或非賦予條件獲履行與否，而所有其他績效及／或服務條件均獲履行，則交易仍被視為一項賦予。

股權結算獎勵的條款獲修改的情況下，倘獎勵的原有條款獲滿足，最低開支將獲確認，猶如條款並無修改。此外，就增加股份為基礎的支付公平值的任何修改或於截至修訂日期計算有利於僱員的其他任何修改而言，開支需獲得確認。

股權結算獎勵倘被取消，將被視為猶如已在取消日期前歸屬，而未就獎勵確認之開支即時確認。這包括集團或僱員控制之非歸屬條件未達成情況下之獎勵。但是，如前一段所述，倘新獎勵被註銷獎勵取代，並在授予日期獲指定為替代獎勵，則註銷及新獎勵將被視為原獎勵的修改。

未行使購股權之攤薄影響反映為計算每股收益之額外股份攤薄。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other employee benefits

Pension schemes

The employees of the Group's subsidiaries in Mainland China are required to participate in a central pension scheme operated by the local government. These subsidiaries and their employees are required to make monthly contributions calculated as a percentage of the employees' wages and salaries, subject to certain ceilings and local practices set by the relevant local governments, to the central pension scheme. Other than the central pension scheme, the Group's subsidiaries in Mainland China have no legal obligation for retirement benefits beyond the contributions made. Contributions to these plans are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

In addition to the above, the Group also participates in a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

Contributions to an accommodation fund administered by the Public Accumulation Funds Administration Centre are charged to profit or loss as incurred.

2.4 主要會計政策概要 (續)

其他僱員福利

退休金計劃

本集團在中國大陸營運的附屬公司的僱員均須參予由當地政府運作的中央退休計劃。該等附屬公司及其僱員須每月按僱員工資及薪水的某個比例向中央退休計劃供款，惟須遵守相關地方政府制定的若干上限及當地實情。除中央退休計劃外，本集團在中國大陸的附屬公司除作出供款外，對退休福利再無其他法律責任。該等計劃的供款根據中央退休計劃的規則於到期應付時自損益扣除。

除以上所述外，本集團亦為其在香港的僱員參與根據強制性公積金計劃條例設立的定額供款強制性公積金計劃（「強積金計劃」）。供款數目乃按僱員基本薪金若干百分比而作出，並根據強積金計劃的規則於到期應付時自損益扣除。強積金計劃的資產與本集團資產分開，由獨立管理的基金保管。

有關對由公積金管理中心管理的住房公積金的供款，乃於產生時自損益扣除。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.4 主要會計政策概要 (續)

借貸成本

收購、建設或生產合資格資產(即需要較長時間準備作擬定用途或銷售的資產)直接應佔的借貸成本將予以資本化,作為該等資產部分成本。該等借貸成本的資本化於該等資產實質上達到擬定用途或銷售狀態時將終止。擬用作合資格資產的開支的特定借貸的暫時投資所得投資收益自予以資本化的借貸成本中扣除。所有其他借貸成本於產生期間確認為開支。借貸成本由利息及實體發生的與該項融資借貸相關的其他成本組成。

股息

末期股息於股東在股東大會上批准後確認為一項負債。

中期股息同時建議並宣派,原因是本公司組織章程大綱及細則授予董事宣派中期股息的權力。因此,中期股息建議及宣派時,隨即確認為負債。

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財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

The financial statements are presented in RMB. The functional currency of the Company is HK\$. The Company's presentation currency is RMB because the Group's principal operations are carried out in Mainland China. Each entity in the Group determines its own, functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 主要會計政策概要(續)

外幣

財務報表以人民幣呈列。本公司的功能貨幣為港元。本公司的呈列貨幣為人民幣，原因是本集團主要業務於中國大陸進行。本集團各實體決定其自身的功能貨幣，列入各實體財務報表的項目使用該呈列貨幣計量。本集團內實體錄得的外幣交易初步使用交易日期的通行功能貨幣匯率入賬。以外幣計值的貨幣資產及負債按報告期末的通行外幣匯率換算。結算或換算貨幣項目時產生的差額於損益確認。

按歷史成本及外幣計量的非貨幣項目使用初步交易日期的匯率換算。按外幣公平值計量的非貨幣項目採用釐定公平值當日的匯率換算。換算按公平值計量的非貨幣項目產生之收益或虧損的處理方式，與有關項目公平值變動之收益或虧損的確認方式相符(即公平值收益或虧損於其他全面收益或損益中確認之項目的換算差額，亦會分別於其他全面收益或損益中確認)。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

The functional currencies of certain companies within the Group are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their profits or losses are translated into RMB at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

2.4 主要會計政策概要 (續)

外幣 (續)

組成本集團的若干公司的功能貨幣並非人民幣。於報告期末，該等實體的資產及負債按報告期末的現行匯率換算為人民幣，其損益按該年內加權平均匯率換算為人民幣。交易產生的匯兌差額於其他全面收益確認並於外匯波動儲備內累計。出售國外業務時，其他全面收益中與特定國外業務相關的部分於損益確認。

因收購外國業務而產生的任何商譽及對資產與負債賬面值的公平值調整作為外國業務之資產及負債處理，並按收市匯率換算。

3. 主要會計判斷及估計

本集團財務報表之編製，需要管理層作出判斷、估計及假設，有關估計及假設會影響所呈報收入、費用、資產及負債之金額及其相關披露以及或然負債之披露。然而，由於有關該等假設及估計之不確定因素，可能導致管理層須就日後受影響之資產或負債之賬面值作出重大調整。

判斷

於應用本集團之會計政策的過程中，管理層作出以下對於財務報表中已確認的金額構成最重大影響的判斷（涉及估計者除外）：

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Judgements (Continued)

Operating lease commitments-Group as lessor

The Group has entered into commercial property leases. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. 主要會計判斷及估計 (續)

判斷 (續)

經營租賃承擔 – 本集團作為出租人

本集團已訂立商業物業租賃。本集團認為，根據對有關安排的條款及條件的評估，本集團保留了透過經營租賃出租的該等物業的所有權的所有重大風險及回報。

投資物業與自用物業的分類

本集團判斷物業是否符合投資物業的條件，並已制訂出作此類判斷的標準。投資物業指為賺取租金或資本升值或同時為這兩個目的而持有的物業。因此，本集團考慮一項物業產生的現金流是否大部分獨立於本集團持有的其他資產。若干物業的一部分是為賺取租金或資本升值而持有，而另一部分是為用於生產或提供商品或服務或行政用途而持有。如果該等部分可以分開出售或按融資租賃分開出租，則本集團對該等部分分開進行會計處理。如果該等部分不能分開出售，則只有在為用於生產或提供商品或服務或行政用途而持有的部分並不重大的情況下，該物業方是投資物業。判斷是對各個別物業而作出，以釐定配套服務是否如此重要而使物業不符合投資物業。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Percentage of completion of construction contract work

The Group recognises revenue according to the percentage of completion of individual contracts of construction work, which requires estimation to be made by management. The stage of completion is estimated by reference to the actual costs incurred over the total budgeted costs, and the corresponding contract revenue is also estimated by management. Due to the nature of the activity undertaken in construction contracts, the date at which the activity is entered into and the date at which the activity is completed usually fall into different accounting periods. Hence, the Group reviews and revises the estimates of both contract revenue and contract costs in the budget prepared for each contract as the contract progresses. Where the actual contract revenue is less than expected or actual contract costs are more than expected, an expected loss may arise. No expected loss was recognised during the year ended 31 December 2016 (2015: RMB1,486,000).

Corporate income tax ("CIT")

The Group's operating subsidiaries in Mainland China are subject to the People's Republic of China (the "PRC") CIT. As a result of the fact that certain matters relating to PRC CIT have not been confirmed by the relevant local tax authorities, objective estimates based on currently enacted tax laws, regulations and other related policies are required in determining the provision for PRC CIT to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact the income tax and tax provision in the period in which the final outcome is determined. The carrying amount of PRC CIT payable at 31 December 2016 was RMB20,739,000 (2015: RMB11,348,000).

3. 主要會計判斷及估計 (續)

估計不確定因素

下文討論於報告期末就未來和其他估計不確定因素的主要來源所作出的主要假設，該等假設對下一個財政年度的資產和負債賬面值造成重大調整的重大風險。

建築合同工程竣工百分比

本集團根據建築工程個別合同的竣工百分比確認收入，而該確認需要管理層作出估計。竣工階段經參考實際發生成本佔總預算成本後進行估計，而相應的合同收入也由管理層估計。鑒於建築合同所進行活動的性質使然，活動開始日期和活動竣工日期一般屬於不同會計期間。因此，在合同執行過程中，本集團對為各合同所編製預算內的合同收入和合同成本的估計進行審閱和修訂。如實際合同收入較預期為少或實際合同成本較預期為高，則可能產生預期虧損。截至二零一六年十二月三十一日止年度並無確認預期虧損(二零一五年：人民幣1,486,000元)。

企業所得稅(「企業所得稅」)

本集團的中國大陸營運附屬公司須繳納中華人民共和國(「中國」)企業所得稅。由於有關中國企業所得稅的若干事宜未被當地相關稅務機構確認，故需要基於目前制定的稅務法律、法規及其他相關政策作出客觀估計，釐定中國企業所得稅撥備。倘該等事宜的最後稅款不同於最初記錄的金額，差額將影響所得稅及於釐定最後稅款期間的稅款撥備。於二零一六年十二月三十一日，應付中國企業所得稅的賬面值為人民幣20,739,000元(二零一五年：人民幣11,348,000元)。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Impairment of receivables

The provision policy for impairment of receivables of the Group is based on ongoing assessment of the recoverability and the aged analysis of the outstanding receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of those receivables, including the creditworthiness and the past collection history of each customer. If the financial conditions of the customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances might be required. At 31 December 2016, impairment provision for trade receivables and other receivables amounted to approximately RMB48,817,000 and RMB4,578,000 (2015: RMB27,427,000 and RMB4,578,000), respectively. Further details are given in notes 22 and 23 to the financial statements, respectively.

Useful lives and residual values of property, plant, equipment and investment properties

In determining the useful lives and residual values of items of property, plant, equipment and investment properties, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. The depreciation amount will be adjusted if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from the previous estimation. Useful lives and residual values are reviewed at each financial year end date taking into account changes in circumstances.

3. 主要會計判斷及估計 (續)

估計不確定因素 (續)

應收款項減值

本集團應收款項減值撥備政策是根據應收款項結餘的可回收性及賬齡分析的持續評估以及管理層判斷作出。評估該等應收款項最終變現時需要作出大量判斷，包括各顧客的信用及過往的收回款項記錄。倘本集團顧客的財政狀況惡化導致其無力償付，則需要進行額外撥備。於二零一六年十二月三十一日，貿易及其他應收款項減值撥備分別約為人民幣48,817,000元及人民幣4,578,000元(二零一五年：人民幣27,427,000元及人民幣4,578,000元)。進一步詳情分別載於財務報表附註22及23。

物業、廠房、設備及投資物業的使用年期和剩餘價值

於釐定物業、廠房、設備及投資物業項目的使用年期和剩餘價值時，本集團須考慮多項因素，如改變或改良生產程序或因產品或資產所產生的服務的市場需求、資產的預定用途、預期實際損耗、資產維護及保養，以及資產用途的法律或類似限制有變將導致的技術或商業性陳舊。資產可使用年期乃根據本集團對用途相似的類似資產的經驗估計。倘物業、廠房及設備項目的估計可使用年期及／或剩餘價值與過往估計不同，則折舊金額將予以調整。可使用年期及剩餘價值乃於各財政年結日因應情況變化作出評估。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets with definite lives are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of sell and its value in use. The calculation of the fair value less costs of sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs to be incurred to completion and disposal. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. It could change significantly as a result of changes in customers' interests or competitor actions. Management reassesses these estimates at the end of each reporting period. There was no impairment provision for inventories as at 31 December 2016.

3. 主要會計判斷及估計 (續)

估計不確定因素 (續)

非金融資產的減值 (商譽除外)

本集團於各報告期末評估所有非金融資產是否出現任何減值跡象。確定年期的非金融資產於有跡象顯示賬面值可能無法收回時測試減值。資產或現金產生單位賬面值超逾其可回收金額時，即高出其公平值減出售成本及使用價值，則存在減值。計量公平值減出售成本時，按以公平基準就類似資產進行具有約束力的銷售交易可得數據，或可觀察市價減出售資產的已增加成本得出。當計算使用價值時，管理層必須估計來自資產或現金產生單位的預期未來現金流量，並選擇合適之貼現率，以計算該等現金流量之現值。

存貨之可變現淨值

存貨之可變現淨值乃其於日常業務過程中之估計售價，扣除完成及出售所產生之估計成本。該等估計乃根據現行市況及銷售類似性質產品之過往經驗。其將因客戶權益或競爭者行動變動大幅變動。管理層於各報告期末重新評估該等估計。於二零一六年十二月三十一日，並無存貨減值撥備。

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財務報表附註

31 December 2016 二零一六年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Deferred tax assets

Deferred tax assets should be recognised when it is probable that taxable profits will be available against which the deferred tax assets can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets at 31 December 2016 was RMB32,288,000 (2015: RMB34,107,000). Further details are given in note 31 to the financial statements.

Deferred tax liabilities

Deferred tax liabilities should be recognised for all taxable differences associated with investments in subsidiaries and associates except (a) when the Company is able to control the timing of the reversal of such temporary differences and it is probable that such temporary differences will not reverse in the foreseeable future. Significant management estimation is required to determine the amount of deferred tax liabilities associated with the Company's investments in subsidiaries, based upon the likely timing of the reversal of such temporary differences. The carrying value of deferred tax liabilities associated with investments in subsidiaries at 31 December 2016 was RMB86,860,000 (2015: RMB86,860,000). Further details are given in note 31 to the financial statements.

3. 主要會計判斷及估計 (續)

估計不確定因素 (續)

遞延稅項資產

倘將來可能錄得應課稅溢利以扣減遞延稅項資產，應確認遞延稅項資產。董事須根據未來應課稅溢利的可能時間及數額以及未來稅項規劃策略作出重大判斷，以釐定可予確認的遞延稅項資產金額。於二零一六年十二月三十一日，遞延稅項資產的賬面值為人民幣32,288,000元（二零一五年：人民幣34,107,000元）。有關的進一步詳情載述於財務報表附註31。

遞延稅項負債

遞延稅項負債應就與於附屬公司及聯營公司的投資相關的所有應課稅差異確認，除非(a)本公司能夠控制該暫時差異的撥回時間，且該暫時差異於可預見的將來很可能不會撥回。管理層需要根據該暫時差異的可能撥回時間，就釐定與本公司於附屬公司的投資相關的遞延稅項負債金額作出重大估計。與於附屬公司的投資相關的遞延稅項負債於二零一六年十二月三十一日的賬面值為人民幣86,860,000元（二零一五年：人民幣86,860,000元）。有關的進一步詳情載述於財務報表附註31。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Valuation of financial liabilities at fair value through profit or loss

Where fair values of financial assets and financial liabilities cannot be derived directly from active markets, it is determined using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of estimation is required in establishing fair values. The estimations include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Convertible bonds issued by the Company that contain both a liability and embedded derivatives are classified separately into these respective items on initial recognition. The derivatives are accounted for an initial recognition as fair value through profit or loss and remeasured to fair value through profit or loss in subsequent reporting periods. The Group engaged an independent professional valuer to assist in determining the fair value of the conversion rights of convertible bonds. The fair value of the conversion rights of convertible bonds was estimated by the independent professional valuer using the binomial option pricing model and the estimation included some assumptions not supported by observable market prices or rates such as the discount rate, volatility, credit risk, and expected future cash flows, and hence they are subject to uncertainty. Favourable or unfavourable changes to these assumptions would result in significant changes in the fair value of conversion rights contained in the convertible bonds and the corresponding adjustments to the amount of gain or loss reported in profit or loss. The fair value of the conversion rights of convertible bonds at 31 December 2016 was RMB15,227,000 (2015: RMB63,552,000). Further details are given in note 29 to the financial statements.

3. 主要會計判斷及估計 (續)

估計不確定因素 (續)

按公平值計入損益的金融負債估值

當金融資產及金融負債的公平值無法直接從活躍市場獲得時，則使用估值技術釐定。有關模型的輸入資料盡可能從可觀察市場獲取，但如獲取並不可行，則釐定公平值時需要作出一定程度的估計。估計包括考慮流動資金風險、信貸風險及波幅等輸入資料。有關該等因素的假設變動可能影響金融工具的呈報公平值。

本公司發行的同時包括負債及嵌入式衍生工具的可換股債券於初始確認時分別分類為各項目。衍生工具於初始確認時按公平值計入損益，於隨後報告期間透過按公平值計入損益而重新計量。本集團已委聘一名獨立專業估值師協助釐定可換股債券的轉換權的公平值。可換股債券的轉換權的公平值由獨立專業估值師使用二項式期權定價模型估計，估計包括並無可觀察市場價格或費率支持的部分假設（如貼現率、波幅、信貸風險及預期未來現金流量），因此存在不確定性。該等假設的有利或不利變動將導致可換股債券所含轉換權的公平值出現重大變動，從而導致於損益中報告的收益或虧損金額作出相應調整。可換股債券的轉換權於二零一六年十二月三十一日的公平值為人民幣15,227,000元（二零一五年：人民幣63,552,000元）。進一步詳情載於財務報表附註29。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Valuation of financial liabilities at fair value through profit or loss (Continued)

The Group uses derivative financial instruments, such as interest rate swaps and cross-currency interest rate swap, to hedge its interest rate risk and currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The Group engaged an independent professional valuer to assist in determining the fair value of the interest rate swaps. The fair value of the interest rate swaps was estimated by the independent professional valuer using the discounted cash flow method and the estimation included some assumptions not supported by observable market rates such as credit risk, discount rate and expected future cash flows, and hence they are subject to uncertainty. Favourable or unfavourable changes to these assumptions would result in significant changes in the fair value of the interest rate swaps. The fair value of the cross-currency interest rate swaps at 31 December 2016 was RMB22,961,000 (2015: Nil). Further details are given in note 27 to the financial statements.

4. OPERATING SEGMENT INFORMATION AND REVENUE

Revenue represents an appropriate proportion of contract revenue of construction contracts; net of government surcharges; and the invoiced value of goods and electricity sold, and net of value-added tax and government surcharges.

3. 主要會計判斷及估計 (續)

估計不確定因素 (續)

按公平值計入損益的金融負債估值 (續)

本集團使用衍生金融工具，如利率掉期及交叉貨幣利率掉期以對沖其利率風險及貨幣風險。該等衍生金融工具於衍生合約訂立之日初始按公平值確認，隨後按公平值重新計量。本集團已委聘一名獨立專業估值師協助釐定利率掉期的公平值。利率掉期的公平值由獨立專業估值師使用貼現現金流法估計，估計包括並無可觀察市場價格或費率支持的部分假設（如信貸風險、貼現率及預期未來現金流量），因此存在不確定性。該等假設的有利或不利變動將導致利率掉期的公平值出現重大變動。於二零一六年十二月三十一日交叉貨幣利率掉期的公平值為人民幣22,961,000元（二零一五年：無）。進一步詳情載於財務報表附註27。

4. 經營分部資料及收入

收入指建築合同適當比例的收入，扣除政府附加稅；及已售貨品及電力的發票價值，並已扣除增值稅及政府附加稅。

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財務報表附註

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4. OPERATING SEGMENT INFORMATION AND REVENUE (Continued)

The Group's revenue and contribution to profit for the year were mainly derived from construction and installation of curtain walls (including solar power products), as well as operation and management of solar photovoltaic power stations, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for the purpose of resource allocation and performance assessment. In addition, the principal assets employed by the Group are located in Mainland China. Accordingly, no segment analysis is presented other than entity-wide disclosures.

Information about products and services

The following table sets forth the total revenue from external customers by product and service and the percentage of total revenue by product and service during the year:

		2016 二零一六年		2015 二零一五年	
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
Construction contracts	建築合同	3,849,519	73.4	2,748,251	65.7
Sale of goods	貨品銷售	1,308,550	25.0	1,365,059	32.6
Rendering of design services	提供設計服務	13,174	0.3	8,056	0.2
Sale of electricity	電力銷售	68,321	1.3	60,683	1.5
Revenue	收入	5,239,564	100.0	4,182,049	100.0
Tariff adjustment*	電價補貼*	93,224		57,387	

* Tariff adjustment represents subsidies receivable from the government authorities in respect of the Group's solar photovoltaic power station operation business.

4. 經營分部資料及收入 (續)

本集團的收入及年內溢利貢獻主要來自幕牆(包括太陽能產品)建設及安裝,以及太陽能光伏電站運營及管理,其被視為單一可呈報分部,與向本集團高級管理層就分配資源及業績評估的內部呈報資料的方式一致。此外,本集團使用的主要資產位於中國大陸。因此,除以整間公司的方式披露外,概無呈報分部分析。

有關產品及服務的資料

下表載列按產品及服務劃分的來自外部客戶的總收入以及本年度按產品及服務劃分的總收入百分比:

* 電價補貼指就本集團之太陽能光伏發電站經營業務自政府機構應收之補貼。

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財務報表附註

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4. OPERATING SEGMENT INFORMATION AND REVENUE (Continued)

Geographical information

(a) Revenue from external customers

		2016 二零一六年		2015 二零一五年	
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
Domestic – Mainland China*	國內 – 中國大陸 *	4,840,311	92.4	3,905,623	93.4
Malaysia	馬來西亞	55,046	1.1	42,469	1.0
Macau	澳門	156,357	3.0	122,387	2.9
Hong Kong	香港	187,850	3.5	111,570	2.7
		5,239,564	100.0	4,182,049	100.0

* The place of domicile of the Group's principal operating subsidiaries is Mainland China. The principal revenues of the Group are generated in Mainland China.

4. 經營分部資料及收入 (續)

地區資料

(a) 來自外部客戶的收入

* 本集團主要營運附屬公司的所在地為中國大陸。本集團的主要收入產生自中國大陸。

(b) Non-current assets

		2016 二零一六年		2015 二零一五年	
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
Mainland China	中國大陸	4,639,545	99.5	3,941,838	99.4
Hong Kong	香港	24,436	0.5	22,770	0.6
Others	其他	288	0.0	389	0.0
		4,664,269	100.0	3,964,997	100.0

The non-current asset information above is based on the locations of the assets and excludes investments in associates, deferred tax assets and available-for-sale investments.

(b) 非流動資產

上述非流動資產資料乃按資產所在地區劃分，且並不包括於聯營公司投資、遞延稅項資產及可供出售投資。

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財務報表附註

31 December 2016 二零一六年十二月三十一日

4. OPERATING SEGMENT INFORMATION AND REVENUE (Continued)

Information about major customers

Revenue from each of the major customers, which amounted to 10% or more of the total revenue, is set out below:

4. 經營分部資料及收入 (續)

有關主要客戶的資料

來自各主要客戶(佔總收入的10%或以上)的收入載列如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Customer A	客戶 A	*	518,861
Customer B	客戶 B	*	448,880

* Less than 10%

* 低於 10%

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財務報表附註

31 December 2016 二零一六年十二月三十一日

5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

5. 其他收入及收益

其他收入及收益分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Deferred income released to profit or loss (note 32):	撥至損益的遞延收益 (附註 32) :		
Over the expected useful lives of the related assets	按相關資產預期可使用年期	19,830	32,985
Receipt of government grants related to disposal of assets in previous years	有關過往年度出售資產收取政府補助	—	44,205
Total deferred income released to profit or loss	撥至損益的遞延收益總額	19,830	77,190
Bank interest income	銀行利息收入	10,989	18,168
Interest income on retention money	質保金利息收入	15,077	26,780
Government grants*	政府補助 *	7,467	12,620
Gain on disposal of items of property, plant and equipment**	出售物業、廠房及設備項目的收益 **	146,002	12,332
Fair value gains on derivative financial instruments	衍生金融工具的公平值收益	22,961	—
Interest income from available-for-sale debt instruments	可供出售債務工具的利息收入	1,413	—
Foreign exchange gains, net	外匯收益淨額	12,371	22,657
Others	其他	6,966	2,463
		243,076	172,210

* There were no unfulfilled conditions or contingencies relating to these grants.

** The gain on disposal of items of property, plant and equipment contained the deferred income released to profit or loss upon disposal of the related assets amounted to approximately RMB247,395,000.

* 概無有關該等補助的未達成條件或或然事件。

** 遞延收益所載出售物業、廠房及設備項目的收益於出售相關資產後撥至損益約人民幣 247,395,000 元。

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財務報表附註

31 December 2016 二零一六年十二月三十一日

6. FINANCE COSTS

An analysis of finance costs is as follows:

6. 融資成本

融資成本分析如下：

			2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	Notes 附註			
Interest on bank and other loans		銀行及其他貸款利息	158,195	125,085
Interest on discounted bills receivable	41	貼現應收票據利息	12,256	18,942
Interest on convertible bonds	29	可換股債券利息	116,299	100,610
Interest on senior notes	30	優先票據利息	71,819	67,285
Others		其他	9,459	4,989
			368,028	316,911

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財務報表附註

31 December 2016 二零一六年十二月三十一日

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

7. 除稅前溢利

本集團除稅前溢利乃經扣除／（計入）以下各項：

	Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cost of construction contracts and design services	建築合同及設計服務成本	3,015,663	2,175,804
Cost of inventories sold	已售存貨成本	1,020,301	1,052,946
Cost of electricity sold	已售電力成本	68,890	68,916
Depreciation of property, plant and equipment	物業、廠房及設備折舊	151,275	134,489
Depreciation of investment properties	投資物業折舊	557	—
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	2,133	2,252
Amortisation of intangible assets	無形資產攤銷	936	1,013
Total depreciation and amortisation	折舊及攤銷總額	154,901	137,754
Employee benefit expense (including directors' and chief executive's remuneration (note 8): Wages and salaries and relevant benefits	僱員福利開支（包括董事及行政總裁薪酬）（附註8）：工資、薪金及相關福利	245,734	248,666
Pension scheme contributions	退休金計劃供款	10,546	8,899
Equity-settled share option expense	股本結算之購股權開支	11,773	10,415
		268,053	267,980
Minimum lease payments under operating leases	經營租賃下的最低租賃付款	7,905	6,179
Research costs	研究成本	11,312	16,189
Auditors' remuneration	核數師酬金	8,590	9,109
Transaction costs related to listing shares of a subsidiary	有關附屬公司股份上市的交易成本	9,696	—
Impairment loss on goodwill	商譽減值虧損	—	9,783
Impairment loss on trade receivables	應收貿易款項減值虧損	21,390	26,771
Impairment loss on other receivables	其他應收款項減值虧損	—	2,485
Loss on settlement of derivative financial instruments	結算衍生金融工具的虧損	6,960	4,813
Fair value gains on derivative financial instruments	衍生金融工具的公平值收益	(22,961)	—
Interest income from available-for-sale debt instruments	可供出售債務工具的利息收入	(1,413)	—
Gains on disposal of items of property, plant and equipment	出售物業、廠房及設備項目收益	(146,002)	(12,332)
Operating lease rentals	經營租賃租金	(1,286)	—
Exchange gains, net	匯兌收益淨額	(12,371)	(22,657)

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

8. 董事及行政總裁酬金

根據香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露的年內董事及行政總裁酬金如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Fees	袍金	5,185	4,858
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	2,222	2,702
Pension scheme contributions	退休金計劃供款	111	131
		7,518	7,691

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

8. 董事及行政總裁酬金 (續)

		Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
		袍金	薪金、津貼及實物利益	退休金計劃供款	薪酬總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
2016					
二零一六年					
Executive directors:	執行董事：				
Mr. Liu Hongwei*	劉紅維先生*	1,610	792	37	2,439
Mr. Sun Jinli	孫金禮先生	1,342	669	37	2,048
Mr. Xie Wen	謝文先生	1,342	761	37	2,140
		4,294	2,222	111	6,627
Non-executive directors:	非執行董事：				
Mr. Cao Zhirong	曹志榮先生	121	—	—	121
Mr. Li Huizhong	李會忠先生	121	—	—	121
		242	—	—	242
Independent non-executive directors:	獨立非執行董事：				
Mr. Wang Ching	王京先生	179	—	—	179
Mr. Yick Wing Fat, Simon	易永發先生	268	—	—	268
Mr. Cheng Jinshu	程金樹先生	202	—	—	202
		649	—	—	649
		5,185	2,222	111	7,518

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

8. 董事及行政總裁酬金 (續)

		Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
2015	二零一五年				
Executive directors:	執行董事：				
Mr. Liu Hongwei*	劉紅維先生*	1,508	980	36	2,524
Mr. Sun Jinli	孫金禮先生	1,257	791	36	2,084
Mr. Xie Wen	謝文先生	1,257	931	59	2,247
		4,022	2,702	131	6,855
Non-executive directors:	非執行董事：				
Mr. Cao Zhirong	曹志榮先生	114	—	—	114
Mr. Li Huizhong	李會忠先生	114	—	—	114
		228	—	—	228
Independent non-executive directors:	獨立非執行董事：				
Mr. Wang Ching	王京先生	168	—	—	168
Mr. Yick Wing Fat, Simon	易永發先生	251	—	—	251
Mr. Cheng Jinshu	程金樹先生	189	—	—	189
		608	—	—	608
		4,858	2,702	131	7,691

* Mr. Liu Hongwei who acts as an executive director of the Company is also the chief executive officer of the Company.

* 劉紅維先生擔任本公司執行董事，亦為本公司行政總裁。

There was no arrangement under which a director or the chief executive officer waived or agreed to waive any remuneration during the year (2015: Nil).

年內並無任何董事或行政總裁放棄或同意放棄任何薪酬之安排(二零一五年：無)。

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9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors and the chief executive officer (2015: two directors and the chief executive officer), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining two (2015: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	3,607	4,211
Pension scheme contributions	退休金計劃供款	32	30
		3,639	4,241

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員數目	
		2016 二零一六年	2015 二零一五年
HK\$1,500,001 to HK\$2,500,000	1,500,001 港元至 2,500,000 港元	2	—
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元至 3,000,000 港元	—	2
		2	2

9. 五位最高薪僱員

年內，五位最高薪僱員中包括兩位董事及行政總裁（二零一五年：兩位董事及行政總裁），彼等的薪酬詳情載於上文附註8。餘下兩位（二零一五年：兩位）非本公司董事及非行政總裁最高薪僱員年內的薪酬詳情如下：

下列薪酬範圍內非董事及非行政總裁最高薪僱員的數目如下：

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10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the respective countries or jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of Bermuda, Samoa and the British Virgin Islands, the Group is not subject to any income tax in Bermuda, Samoa and the British Virgin Islands.

No provision for Hong Kong, Malaysia, Singapore and Nigeria profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong, Malaysia, Singapore and Nigeria during the year.

Mainland China profits tax has been provided at the respective corporate income tax ("CIT") rates applicable to the subsidiaries located in Mainland China as determined in accordance with the relevant income tax rules and regulations of the PRC for the year.

Macau profits tax has been provided at the applicable CIT rate of 12% as determined in accordance with the Macau income tax rules for the year.

The major components of income tax expense for the year are as follows:

10. 所得稅

本集團須就其成員公司所處及運營的各自國家或司法權區所產生或賺取的溢利，按實體基準交納所得稅。

根據百慕達、薩摩亞及英屬處女群島法律法規，本集團無須繳納百慕達、薩摩亞及英屬處女群島的任何所得稅。

於年內本集團並無於香港、馬來西亞、新加坡及尼日利亞產生或賺取任何應課稅溢利，故並無就香港、馬來西亞、新加坡及尼日利亞利得稅計提撥備。

中國大陸所得稅乃基於中國大陸附屬公司適用的有關企業所得稅（「企業所得稅」）率，按年內中國之有關所得稅法規及規例作出撥備。

澳門利得稅根據本年度澳門所得稅規例已按適用企業所得稅稅率12%撥備。

本年度所得稅開支主要部分如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current - Charge for the year	當期所得稅 – 年內開支		
– Mainland China	– 中國大陸	111,354	90,124
– Macau	– 澳門	1,200	1,399
Deferred (note 31)	遞延(附註31)	1,819	(1,599)
Total tax charge for the year	年內稅項開支總額	114,373	89,924

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10. INCOME TAX (Continued)

A reconciliation of the tax expense applicable to profit before tax at the applicable tax rates for the countries or jurisdictions in which companies within the Group are domiciled to the tax expense at the Group's effective tax rate is as follows:

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit before tax	除稅前溢利		626,922	447,370
At the applicable tax rates	按適用稅率計算	(a)	113,382	76,647
Effect of tax holiday	稅務優惠期影響		(33,952)	(4,964)
Income not subject to tax	毋須課稅收入	(b)	(24,508)	(38,317)
Expenses not deductible for tax	不可扣減稅項開支	(c)	54,486	48,742
Tax losses utilised from previous years which were not recognised before	以前年度未獲確認的 稅項虧損的使用		(634)	(2,358)
Tax losses not recognised	未獲確認的稅項虧損		5,599	10,024
Effect of tax rate change	稅率變動影響		—	150
Tax charge at the Group's effective tax rate	本集團實際稅率的稅項開支		114,373	89,924

- (a) The applicable CIT rate for Mainland China subsidiaries is 25% except for certain subsidiaries that would be entitled to preferential tax rates as discussed below:

For Mainland China subsidiaries which are qualified as High and New Technology Enterprises, they would be entitled to a preferential tax rate of 15%. For subsidiaries engaging in the approved projects of solar power station construction, they will be exempted from CIT for the first three years and are entitled to a 50% tax reduction for the subsequent three years ("三免三減半") since their respective first revenue-generating years. Thereafter, they will be subject to CIT at a rate of 25%.

10. 所得稅(續)

以集團的除稅前溢利，按集團內各公司所在之國家或司法管轄區的適用稅率計算的稅項開支，及按集團實際稅率計算的稅項開支，兩者對賬如下：

- (a) 中國大陸附屬公司之適用企業所得稅稅率為25%，享受下列優惠稅率之附屬公司除外：

獲高新技術企業資格之中國大陸附屬公司能夠享受15%之優惠稅率。從事獲批太陽能電站建築項目的附屬公司，自項目取得第一筆生產經營收入所屬納稅年度起，第一年至第三年免徵中國企業所得稅，其後三年減半徵收企業所得稅(「三免三減半」)。此後，彼等將須按25%之稅率繳納企業所得稅。

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10. INCOME TAX (Continued)

- (b) Income not subject to tax mainly consists of unrealised foreign exchange gain and the fair value gains on conversion rights of convertible bonds, and the fair value gains on derivative financial instruments.
- (c) Expenses not deductible for tax mainly consist of equity-settled share option expenses and finance costs incurred in offshore companies. These expenses are not expected to be deductible for tax.

10. 所得稅 (續)

- (b) 毋須課稅收入主要包括未變現外匯收益以及可換股債券轉換權的公平值收益，以及衍生金融工具的公平值收益。
- (c) 不可扣減稅項開支主要包括股本結算購股權開支以及離岸公司產生之融資成本。該等開支預期不可扣減稅項。

11. DIVIDENDS

11. 股息

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Proposed final - HK7 cents (2015: HK3 cents) per ordinary share	建議末期股息 – 每股普通股 7 港仙 (二零一五年：3 港仙) 52,226	17,469

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

本年度擬派之末期股息須獲本公司股東於應屆股東週年大會上批准。

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12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 759,613,349 (2015: 698,860,042) in issue during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company as used in the basic earnings per share calculation, adjusted to reflect the interest on the convertible bonds and fair value changes on the conversion rights of the convertible bonds, where applicable (see below). The weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

12. 本公司普通股權益持有人應佔每股盈利

每股基本盈利乃根據本公司普通股權益持有人應佔年內溢利及年內已發行普通股的加權平均數 759,613,349 股 (二零一五年：698,860,042 股) 計算。

每股攤薄盈利乃根據計算每股基本盈利時採用的本公司普通股權益持有人應佔年內溢利計算，並作出調整，以反映可換股債券的利息及可換股債券轉換權的公平值變動 (如適用) (見下文)。計算時採用的普通股加權平均數為於年內發行的普通股加權平均數目 (用於計算每股基本盈利)，以及假設於所有攤薄潛在普通股被視為行使或轉換為普通股後無償發行的普通股加權平均數。

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財務報表附註

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12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (Continued)

The calculations of basic and diluted earnings per share are based on:

12. 本公司普通股權益持有人應佔每股盈利(續)

每股基本及攤薄盈利的計算乃根據：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 Restated 經重列
Earnings	盈利		
Profit attributable to ordinary equity holders of the Company used in the basic earnings per share calculation:	計算每股基本盈利的本公司普通股權益持有人應佔溢利：	501,961	355,986
Interest on convertible bonds (note 29) **	可換股債券利息(附註29) **	—	100,610
Less: fair value gains on the conversion rights of the convertible bonds (note 29) **	減：可換股債券轉換權的公平值收益(附註29) **	—	(163,586)
Profit attributable to ordinary equity holders of the Company before interest on convertible bonds and fair value gains on the conversion rights of the convertible bonds	扣除可換股債券利息及可換股債券轉換權的公平值收益本公司普通股權益持有人應佔溢利	501,961	293,010

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12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (Continued)

12. 本公司普通股權益持有人應佔每股盈利(續)

		Number of shares 股份數目	
		2016 二零一六年	2015 二零一五年
Shares	股份		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation*	計算每股基本盈利的年內已發行普通股的加權平均數*	759,613,349	698,860,042
Effect of dilution – weighted average number of ordinary shares:	攤薄影響 – 普通股加權平均數：		
Share options	購股權	1,772,823	11,617,510
Convertible bonds**	可換股債券**	–	71,941,829
		761,386,172	782,419,381

* The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share for the year ended 31 December 2015 have been adjusted and restated for the rights issue on the basis of one rights share for every five existing shares held by shareholders of the Company at the price of HK\$2.60 per share.

** The computation of diluted earnings per share for the year ended 31 December 2016 does not assume the exercises of convertible bonds for the year ended 31 December 2016 since assumed such exercises would result in an increase in earnings per share.

* 就截至二零一五年十二月三十一日止年度每股基本及攤薄盈利的普通股加權平均數已因本公司股東以每股2.60港元之價格按每持有五股現有股份可獲發一股供股股份之基準供股而進行調整及重列。

** 計算截至二零一六年十二月三十一日止年度的每股攤薄盈利並無假設行使截至二零一六年十二月三十一日止年度的可換股債券，因假設該行使將導致每股盈利增加。

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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Land and buildings 土地及樓宇 RMB'000 人民幣千元	Plant and machinery 機器設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Office equipment and furniture 辦公室 設備及傢具 RMB'000 人民幣千元	Solar photovoltaic power stations 太陽能 光伏電站 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2016 二零一六年十二月三十一日								
Cost:	成本：							
At 1 January 2016	於二零一六年一月一日	1,272,372	335,182	17,047	36,564	2,274,108	312,133	4,247,406
Additions	添置	2,640	5,824	386	3,379	3,214	1,030,609	1,046,052
Transfers	轉移	9,964	5,814	-	1,729	741,446	(758,953)	-
Transferred to investment properties (note 14)	轉移至投資物業 (附註 14)	(71,947)	-	-	-	-	-	(71,947)
Disposal of a subsidiary (note 36)	出售一間附屬公司 (附註 36)	-	-	-	-	(22,258)	-	(22,258)
Disposals	出售	(3,616)	(3,656)	(741)	(42)	(304,274)	-	(312,329)
Exchange realignment	匯兌調整	1,250	-	80	495	-	-	1,825
At 31 December 2016	於二零一六年 十二月三十一日	1,210,663	343,164	16,772	42,125	2,692,236	583,789	4,888,749
Accumulated depreciation and impairment:	累計折舊及減值：							
At 1 January 2016	於二零一六年一月一日	93,762	136,934	11,417	22,985	147,070	-	412,168
Depreciation provided for the year (note 7)	本年度折舊撥備 (附註 7)	24,716	30,420	2,801	2,703	90,635	-	151,275
Transferred to investment properties (note 14)	轉移至投資物業 (附註 14)	(3,240)	-	-	-	-	-	(3,240)
Disposal of a subsidiary (note 36)	出售一間附屬公司 (附註 36)	-	-	-	-	(214)	-	(214)
Disposals	出售	(555)	(3,529)	(656)	(6)	(30,322)	-	(35,068)
Exchange realignment	匯兌調整	201	-	2	78	-	-	281
At 31 December 2016	於二零一六年 十二月三十一日	114,884	163,825	13,564	25,760	207,169	-	525,202
Net carrying amount:	賬面淨值：							
At 1 January 2016	於二零一六年一月一日	1,178,610	198,248	5,630	13,579	2,127,038	312,133	3,835,238
At 31 December 2016	於二零一六年 十二月三十一日	1,095,779	179,339	3,208	16,365	2,485,067	583,789	4,363,547

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財務報表附註

31 December 2016 二零一六年十二月三十一日

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

13. 物業、廠房及設備 (續)

		Land and buildings 土地及樓宇	Plant and machinery 機器設備	Motor vehicles 汽車	Office equipment and furniture 辦公室 設備及傢具	Solar photovoltaic power stations 太陽能 光伏電站	Construction in progress 在建工程	Total 總計
		RMB '000 人民幣千元	RMB '000 人民幣千元	RMB '000 人民幣千元	RMB '000 人民幣千元	RMB '000 人民幣千元	RMB '000 人民幣千元	RMB '000 人民幣千元
31 December 2015 二零一五年十二月三十一日								
Cost:	成本:							
At 1 January 2015 於二零一五年一月一日		1,129,210	293,728	14,261	27,195	1,825,918	442,579	3,732,891
Additions 添置		452	39,793	2,580	9,162	54,151	442,735	548,873
Acquisition of a subsidiary 收購一間附屬公司		75	-	261	201	-	-	537
Transfers 轉移		141,584	1,661	-	-	429,936	(573,181)	-
Disposals 出售		-	-	(35)	-	(35,897)	-	(35,932)
Exchange realignment 匯兌調整		1,051	-	(20)	6	-	-	1,037
At 31 December 2015 於二零一五年 十二月三十一日		1,272,372	335,182	17,047	36,564	2,274,108	312,133	4,247,406
Accumulated depreciation and impairment:	累計折舊及減值:							
At 1 January 2015 於二零一五年一月一日		71,074	108,777	10,016	18,882	69,071	-	277,820
Depreciation provided for the year (note 7) 本年度折舊撥備 (附註7)		22,548	28,157	1,375	4,044	78,365	-	134,489
Acquisition of a subsidiary 收購一間附屬公司		7	-	61	50	-	-	118
Disposals 出售		-	-	(30)	-	(366)	-	(396)
Exchange realignment 匯兌調整		133	-	(5)	9	-	-	137
At 31 December 2015 於二零一五年 十二月三十一日		93,762	136,934	11,417	22,985	147,070	-	412,168
Net carrying amount:	賬面淨值:							
At 1 January 2015 於二零一五年一月一日		1,058,136	184,951	4,245	8,313	1,756,847	442,579	3,455,071
At 31 December 2015 於二零一五年 十二月三十一日		1,178,610	198,248	5,630	13,579	2,127,038	312,133	3,835,238

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

- (a) At 31 December 2016, certain of the Group's buildings with a net carrying amount of approximately RMB583,090,000 (2015: RMB310,073,000) were pledged to secure bank and other loans granted to the Group (note 28(a)).
- (b) As at 31 December 2016, the application for the property ownership certificates of certain buildings with a net carrying amount of approximately RMB271,458,000 (2015: RMB448,842,000) was in progress. Those buildings can only be sold, transferred or mortgaged when their relevant ownership certificates have been obtained.
- (c) As at 31 December 2016, certain of the Group's solar photovoltaic power stations with a net carrying amount of approximately RMB1,325,534,000 (2015: RMB1,150,558,000) were pledged to secure bank and other loans granted to the Group (note 28(b)).
- (d) As at 31 December 2016, the rights on the annual return generated from the solar photovoltaic power station with a net carrying amount of approximately RMB29,903,000 (2015: RMB31,200,000) were assigned to an independent third party for twenty years for a loan obtained by the Group (note 28(c)).

13. 物業、廠房及設備 (續)

附註：

- (a) 於二零一六年十二月三十一日，本集團賬面淨值約為人民幣583,090,000元(二零一五年：人民幣310,073,000元)之樓宇已抵押作為授予本集團的銀行及其他貸款之擔保(附註28(a))。
- (b) 於二零一六年十二月三十一日，賬面淨值約為人民幣271,458,000元(二零一五年：人民幣448,842,000元)之若干樓宇之物業產權證書正在申請過程中。該等樓宇僅於取得其相關的產權證書時方可出售、轉讓或按揭。
- (c) 於二零一六年十二月三十一日，賬面淨值約人民幣1,325,534,000元(二零一五年：人民幣1,150,558,000元)之本集團若干光伏電站已抵押作為授予本集團的銀行及其他貸款之擔保(附註28(b))。
- (d) 於二零一六年十二月三十一日，光伏電站產生的賬面淨值約人民幣29,903,000元(二零一五年：人民幣31,200,000元)之年度回報權利已就本集團取得之年期為二十年的貸款轉讓予獨立第三方(附註28(c))。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

14. INVESTMENT PROPERTIES

14. 投資物業

2016
二零一六年
RMB'000
人民幣千元

Cost	成本：	
At 1 January 2016	於二零一六年一月一日	—
Transferred from owner-occupied properties (note 13)	轉自自住物業(附註13)	71,947
At 31 December 2016	於二零一六年十二月三十一日	71,947
Accumulated depreciation:	累計折舊：	
At 1 January 2016	於二零一六年一月一日	—
Transferred from owner-occupied properties (note 13)	轉自自住物業(附註13)	3,240
Depreciation (note 7)	折舊(附註7)	557
At 31 December 2016	於二零一六年十二月三十一日	3,797
Net carrying amount	賬面淨值：	
At 31 December 2016	於二零一六年十二月三十一日	68,150

As at 31 December 2016, the fair values of the investment properties were estimated to be approximately RMB70,970,000 (2015: not applicable). The valuation was performed by Zhuhai Dewei Real Estate and Land Appraisal Company Limited, an independent professionally qualified valuer. Selection criteria of the external valuer include market knowledge, reputation, independence and whether professional standards are maintained. The valuation was estimated using discounted cash flow projections based on reliable estimates of future rental income or market rents for similar properties in the same location and condition, where appropriate. The fair value measurement hierarchy of the investment properties requires certain significant unobservable inputs (Level 3).

The investment properties are leased to the third parties under operating leases.

於二零一六年十二月三十一日，投資物業的公平值估計為約人民幣70,970,000元(二零一五年：不適用)。估值由獨立專業合資格估值師珠海德威房地產評估有限公司執行。外聘估值師的甄選準則包括市場知識、聲譽、獨立性及是否可以保持專業標準。估值乃根據未來租金收入的可靠估計或相同地點及狀況的同類物業的市場租金(倘適用)，採用已貼現現金流量預測估計。投資物業的公平值計量層級需要若干重大不可觀察輸入數據(第三層)。

投資物業根據經營租賃租予第三方。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

14. INVESTMENT PROPERTIES (Continued)

As at 31 December 2016, the application for the property ownership certificates of certain buildings with a net carrying amount of approximately RMB57,478,000 was in progress. Those buildings can only be sold, transferred or mortgaged when their relevant ownership certificates have been obtained.

14. 投資物業 (續)

於二零一六年十二月三十一日，賬面淨值約為人民幣57,478,000元之若干樓宇之物業產權證書正在申請過程當中。該等樓宇僅於取得其相關的產權證書時方可出售、轉讓或按揭。

15. PREPAID LAND LEASE PAYMENTS

15. 預付土地租賃款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日之賬面值	96,136	97,513
Additions	添置	108,998	875
Amortisation charged for the year (note 7)	本年度攤銷(附註7)	(2,133)	(2,252)
Carrying amount at 31 December	於十二月三十一日之賬面值	203,001	96,136

At 31 December 2016, certain of the Group's prepaid land lease payments with a net carrying amount of approximately RMB59,791,000 (2015: RMB89,569,000) were pledged to secure bank loans granted to the Group (note 28(d)).

於二零一六年十二月三十一日，本集團賬面淨值約人民幣59,791,000元(二零一五年：人民幣89,569,000元)的預付土地租賃款項已抵押作為授予本集團的銀行貸款之擔保(附註28(d))。

At 31 December 2016, certain of the Group's prepaid land lease payments with a net carrying amount of approximately RMB108,998,000 (2015: Nil) were sub-leased from certain grantees of the land use rights and therefore, the relevant land use rights were not registered under the name of the Group which cannot be sold, transferred or mortgaged.

於二零一六年十二月三十一日，本集團賬面淨值為約人民幣108,998,000元(二零一五年：無)之若干預付土地租賃付款源於向若干土地使用權承授人分租土地使用權，因此，有關土地使用權並非以本集團名義登記，不可進行出售、轉讓或按揭。

As at 31 December 2016, certain of the Group's prepaid land lease payments were pledged as collateral for the Group's bank loan with a principal of RMB30,000,000. Such bank loan was repaid by the Company in December 2016 and the Group is still the customary procedure to discharge the land mortgage.

於二零一六年十二月三十一日，本集團若干預付土地租賃款項乃抵押作為本集團本金額人民幣30,000,000元銀行貸款之抵押品。該等銀行貸款乃由本公司於二零一六年十二月償還及本集團尚在辦理土地解除抵押的流程中。

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財務報表附註

31 December 2016 二零一六年十二月三十一日

16. INTANGIBLE ASSETS

16. 無形資產

		Software 軟件 RMB'000 人民幣千元
31 December 2016 二零一六年十二月三十一日		
Cost:	成本：	
At 1 January 2016	於二零一六年一月一日	5,178
Additions	添置	593
Disposal	出售	(63)
Exchange realignment	匯兌調整	14
At 31 December 2016	於二零一六年十二月三十一日	5,722
Accumulated amortisation:	累計攤銷：	
At 1 January 2016	於二零一六年一月一日	1,692
Amortisation provided during the year (note 7)	年內攤銷撥備(附註7)	936
Disposal	出售	(12)
Exchange realignment	匯兌調整	1
At 31 December 2016	於二零一六年十二月三十一日	2,617
Net carrying amount:	賬面淨值：	
At 1 January 2016	於二零一六年一月一日	3,486
At 31 December 2016	於二零一六年十二月三十一日	3,105

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

16. INTANGIBLE ASSETS (Continued)

16. 無形資產 (續)

		Software 軟件 RMB'000 人民幣千元	Operating rights 經營權 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2015 二零一五年十二月三十一日				
Cost:	成本：			
At 1 January 2015	於二零一五年一月一日	2,273	4,107	6,380
Additions	添置	2,905	–	2,905
At 31 December 2015	於二零一五年十二月三十一日	5,178	4,107	9,285
Accumulated amortisation and impairment:	累計攤銷及減值：			
At 1 January 2015	於二零一五年一月一日	1,151	3,635	4,786
Amortisation provided during the year (note 7)	年內攤銷撥備(附註7)	541	472	1,013
At 31 December 2015	於二零一五年十二月三十一日	1,692	4,107	5,799
Net carrying amount:	賬面淨值：			
At 1 January 2015	於二零一五年一月一日	1,122	472	1,594
At 31 December 2015	於二零一五年十二月三十一日	3,486	–	3,486

17. PAYMENTS IN ADVANCE

17. 預付款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<i>Advance payments in respect of:</i>	<i>以下項目的預付款項：</i>		
Land use rights	土地使用權	1,547	21,131
Purchase of machinery	購買機器設備	7,567	9,006
		9,114	30,137

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財務報表附註

31 December 2016 二零一六年十二月三十一日

18. INVESTMENTS IN ASSOCIATES

18. 於聯營公司投資

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Unlisted investments, at cost	非上市投資，按成本	40,330	1,200
Share of losses of associates	分佔聯營公司虧損	(29,204)	(5,944)
Aggregate carrying amount of the Group's investments in the associates	本集團於聯營公司投資的總賬面值	11,126	(4,744)

The Group's trade receivable and other receivable balances with the associates are disclosed in note 40 to the financial statements.

本集團與聯營公司之應收貿易款項及其他應收款項結餘乃於財務報表附註40披露。

In the opinion of the directors, there were no material associates of the Group during the year.

董事認為，年內本集團並無重大聯營公司。

The Group's shareholdings in the associates are held through the subsidiaries of the Company.

本公司於聯營公司的股權透過本公司附屬公司持有。

The Group continued the recognition of its share of losses of associates despite the share of losses of these associates exceeded the Group's interests in these associates because the Group has capital contribution obligation to an associate (note 39). Further losses of RMB19,915,000 (2015: Nil) were not recognised in profit or loss during the year due to the share of losses of an associate exceeded the Group's capital contribution, for which the Group has no obligation.

儘管分佔該等聯營公司虧損超過本集團於該等聯營公司之權益，本集團仍持續確認其分佔聯營公司虧損，原因是本集團對聯營公司有出資責任(附註39)。進一步虧損人民幣19,915,000元(二零一五年：無)並無於本年度之損益表內確認，原因是分佔聯營公司的虧損超過本集團的出資額，而本集團對此並無責任。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

19. AVAILABLE-FOR-SALE INVESTMENTS

19. 可供出售投資

			2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	Notes 附註			
Unlisted equity investments, at cost:	(a)	非上市股本投資， 按成本：		
Weihai China Glass Solar Co., Ltd.		威海中玻光電有限公司	13,468	12,614
Jiuhua New Energy Management Co., Ltd.		九華新能源管理有限公司	380	380
Shanxi Singyes Solar Technology Co., Ltd.		陝西興業太陽能科技 有限公司	7,600	7,600
Zhuhai Xinye Green Energy Technology Co., Ltd.		珠海欣業綠色能源科技 有限公司	9,500	9,500
Others		其他	5	5
			30,953	30,099
Debt investments, at fair value:		債務投資， 按公平值		
Life insurance contracts	(b)	人壽保險合約	22,316	20,901
Asset management plans	(c)	資產管理計劃	27,243	—
			49,559	20,901
			80,512	51,000

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財務報表附註

31 December 2016 二零一六年十二月三十一日

19. AVAILABLE-FOR-SALE INVESTMENTS (Continued)

Notes:

- (a) As at 31 December 2016, the equity investments listed above were stated at cost as the Group has no significant influence or control over the entities. The unlisted equity investments represent the Group's investments in enterprises domiciled in Mainland China. They are stated at cost less impairment because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair value cannot be measured reliably. The Group does not intend to dispose of them in the near future.
- (b) The life insurance contracts at fair value at 31 December 2016 represented the cash surrender value ("CSV") of two life insurance contracts (the "Insurance Contracts") entered into between the Company and an international insurance company in July 2015. The Company is the policyholder and beneficiary of the Insurance Contracts.

The salient terms of the Insurance Contracts are disclosed as follows:

		Contract 1 合約1	Contract 2 合約2
Life insured	人壽保險	Liu Hongwei* 劉紅維*	A senior management member 一名高級管理層成員
Sum insured (US\$'000)	保險金額(千美元)	10,000	5,000
Premium mode	保險費交付方式	Single premium 單期保費	Single premium 單期保費
Single premium (US\$'000)	單期保費(千美元)	3,077	946
Effective date	生效日期	20 August 2015 二零一五年八月二十日	14 August 2015 二零一五年八月十四日

In accordance with the Insurance Contracts, upon giving a written notice, at anytime, the Company has a right to surrender the Insurance Contracts and receive the CSV for each insurance contract as quoted by the insurance company.

* Mr. Liu Hongwei is the chairman and chief executive officer of the Company.

19. 可供出售投資(續)

附註：

- (a) 於二零一六年十二月三十一日，上列股本投資乃按成本列賬，因本集團對實體並無重大影響或控制權。非上市股本投資指本集團於中國內地企業的投資。有關投資按成本減去減值列賬，理由是合理公平值估計之範圍重大，董事認為，其公平值無法可靠估量。本集團無意於近期出售有關投資。
- (b) 於二零一六年十二月三十一日按公平值列賬人壽保險合約指本公司與一間國際保險公司於二零一五年七月訂立兩項人壽保險合約(「保險合約」)的解約金(「解約金」)。本公司為保險合約的投保人及受益人。

保險合約的主要條款披露如下：

根據保險合約，於任何時候發出書面通知，本公司有權退保及按保險公司承保金額就各份保險合約收取解約金。

* 劉紅維先生為本公司主席兼行政總裁。

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財務報表附註

31 December 2016 二零一六年十二月三十一日

19. AVAILABLE-FOR-SALE INVESTMENTS (Continued)

Notes: (continued)

(b) (continued)

Total single premium sum of approximately US\$4,023,000 (equivalent to approximately RMB26,129,000) has been fully paid by the Company at the inception of each of the Insurance Contracts. During the year, no further loss in respect of the Insurance Contracts was recognised in other comprehensive income (31 December 2015: RMB5,228,000) as the difference between the CSV at 31 December 2015 and at 31 December 2016 is estimated to be zero.

As at 31 December 2016, the Insurance Contracts were pledged to secure bank loans granted to the Group (note 28(g)).

- (c) The asset management plans at fair value at 31 December 2016 represented the consideration paid by Hunan Singyes Green Energy Co., Ltd., a subsidiary within the Group, to acquire specific asset management plans issued by GF XINDE Investment Management Co., Ltd. (廣發信德智勝投資管理有限公司).

The specific asset management plans are used to provide loans for the construction of a 100 MW solar photovoltaic power station of Huizhou Yongjing Renewable Energy Technology Co., Ltd. with the interest rate being non-guaranteed. The investments principals are RMB27,243,000 with an estimated annual target return rate of 11%, which will be due in 24 months since the payment of consideration. The fair value of the specific asset management plans has been calculated by discounting the contractual cash flows over the remaining contractual term of the specific asset management plans at the risk free interest rate plus credit spread. As at 31 December 2016, the fair value of the specific asset management plans approximated to their costs.

19. 可供出售投資 (續)

附註：(續)

(b) (續)

單期保費總金額約4,023,000美元(相當於約人民幣26,129,000元)已由本公司按各份保險合約起期悉數支付。本年度內，並無就保險合約於其他全面收益內確認進一步虧損(二零一五年十二月三十一日：人民幣5,228,000元)，乃因為於二零一五年十二月三十一日及二零一六年十二月三十一日解約金之間的差額估計為零。

於二零一六年十二月三十一日，保險合約已抵押作為授予本集團的銀行貸款之擔保(附註28(g))。

- (c) 於二零一六年十二月三十一日按公平值列賬資產管理計劃指本集團附屬公司湖南興業綠色能源股份有限公司已付代價，以收購廣發信德智勝投資管理有限公司發行之特定資產管理計劃。

特定資產管理計劃用於為建造惠州市永景新能源科技有限公司之100兆瓦光伏電站提供貸款，並無保證利率。投資本金為人民幣27,243,000元，估計每年目標回報率為11%，自支付代價起計24個月到期。特定資產管理計劃之公平值通過將合約現金流量按無風險利率加信貸息差於特定資產管理計劃之剩餘合約期限內折現計算。於二零一六年十二月三十一日，特定資產管理計劃之公平值與其成本相若。

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財務報表附註

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20. INVENTORIES

20. 存貨

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Raw materials	原材料	69,964	73,928
Finished goods	產成品	112,636	19,243
		182,600	93,171

21. CONSTRUCTION CONTRACTS

21. 建築合同

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Contract costs incurred plus recognised profits less recognised and expected losses to date	所致合同成本加上已確認溢利 減迄今已確認及預期虧損	5,118,525	3,368,845
Less: progress billings	減：按進度結算款項	(4,407,982)	(2,441,347)
		710,543	927,498
Gross amount due from contract customers	應收合同客戶的款項總額	713,945	937,546
Gross amount due to contract customers	應付合同客戶的款項總額	(3,402)	(10,048)
		710,543	927,498

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22. TRADE AND BILLS RECEIVABLES

22. 應收貿易款項及應收票據

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade receivables	應收貿易款項	3,122,110	2,233,345
Bills receivable	應收票據	299,772	86,277
Less: impairment	減：減值	(48,817)	(27,427)
		3,373,065	2,292,195

As at 31 December 2016, trade receivables contained retention money receivables of RMB355,523,000 (2015: RMB273,088,000). Retention money receivables are normally collected within one to five years after the completion of the relevant construction work.

於二零一六年十二月三十一日，應收貿易款項包括應收質保金人民幣355,523,000元（二零一五年：人民幣273,088,000元）。應收質保金一般於相關建築工程完成後一至五年內收取。

Credit terms granted to the Group's major customers are as follows:

授予本集團主要客戶的信貸期如下：

Construction contracts

The majority of the Group's revenues are generated from construction contracts and are settled in accordance with the terms specified in the contracts governing the relevant construction work. The Group does not have a standardised and universal credit period granted to its construction contract customers. The credit periods for individual construction contract customers are considered on a case-by-case basis and set out in the construction contracts, as appropriate. In the event that a project contract does not specify the credit period, the usual practice of the Group is to allow a credit period of 30 to 180 days.

建築合同

本集團的大部分收入通過建築合同產生，並按照監管相關建築工程的合同中指定的條款結算。本集團尚未授予其建設服務客戶標準及統一的信貸期。個別建設服務客戶的信貸期視情況而定，並列明於建築合同中（如適當）。倘一項項目合約未訂明信貸期，則本集團的慣例為允許介乎30日至180日的信貸期。

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22. TRADE AND BILLS RECEIVABLES (Continued)

Sale of materials

For the sale of materials, the Group normally grants credit periods ranging from three to six months to major customers. Trade receivables from small and new customers are normally expected to be settled shortly after delivery of goods. No credit period is set by the Group for small and new customers.

Sale of electricity

The Group's trade receivables from the sale of electricity are mainly receivables from the State Grid Corporation of China ("State Grid"). Generally, trade receivables are usually settled within one month from the date of billing.

The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

22. 應收貿易款項及應收票據 (續)

材料銷售

就材料銷售而言，本集團一般授予主要客戶介乎三至六個月的信貸期。來自小型及新增客戶的應收貿易款項通常預期在緊隨交付貨品之後立即結算。本集團未就小型及新增客戶設定信貸期。

電力銷售

本集團來自電力銷售的應收貿易款項主要為應收自國家電網公司（「國家電網」）款項。一般而言，應收貿易款項一般自結算日期起計一個月內到期。

本集團並無就應收貿易款項餘額持有任何抵押品或其他信貸加強措施。應收貿易款項為免息。

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22. TRADE AND BILLS RECEIVABLES (Continued)

An aged analysis of the trade and bills receivables as at the end of the reporting period, based on the billing date and net of impairment, is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 3 months	三個月內	1,630,871	860,566
3 to 6 months	三至六個月	372,652	435,525
6 to 12 months	六至十二個月	1,057,272	629,739
1 to 2 years	一至兩年	172,676	318,022
2 to 3 years	兩至三年	128,829	42,097
Over 3 years	三年以上	10,765	6,246
		3,373,065	2,292,195

The movements in provision for impairment of trade receivables are as follows:

22. 應收貿易款項及應收票據 (續)

於報告期末，按照賬單日期及扣除減值基準計算的應收貿易款項及應收票據賬齡分析如下：

應收貿易款項減值撥備之變動如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	27,427	2,833
Impairment losses recognised (note 7)	已確認減值虧損(附註7)	21,390	26,771
Amount written off as uncollectible	不可收回被註銷金額	—	(2,177)
		48,817	27,427

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22. TRADE AND BILLS RECEIVABLES (Continued)

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB48,817,000 (2015: RMB27,427,000) with a carrying amount before provision of RMB589,523,000 (2015: RMB234,760,000).

The individually impaired trade receivables relate to customers that were in financial difficulties or were in default interest or principal payment or both and only a portion of the receivables is expected to be recovered. The Group does not hold any collateral or other credit enhancements over these balances.

An aged analysis of the Group's trade and bills receivables that are not considered to be impaired is as follows:

22. 應收貿易款項及應收票據 (續)

上述應收貿易款項減值撥備包括賬面金額(扣除撥備之前)人民幣589,523,000元(二零一五年:人民幣234,760,000元)的個別已減值應收貿易款項撥備人民幣48,817,000元(二零一五年:人民幣27,427,000元)。

個別減值的應收貿易款項乃與有財務困難或拖欠利息或本金付款或兩者兼具的客戶有關,且預期僅可收回部份該等應收貿易款項。本集團並無就該等結餘持有任何抵押品或其他信貸加強措施。

本集團未視為減值的應收貿易款項及應收票據賬齡分析如下:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Neither past due nor impaired	未逾期亦未減值	2,049,619	1,543,384
Past due but not impaired:	已逾期但未減值:		
Less than 6 months past due	逾期不足六個月	724,005	510,645
6 to 12 months past due	逾期六至十二個月	51,051	27,621
Over 12 months past due	逾期十二個月以上	7,684	3,212
		2,832,359	2,084,862

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22. TRADE AND BILLS RECEIVABLES (Continued)

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers. The directors of the Company are of the opinion that no further provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

The Group's trade receivables include amounts due from the Group's associates of RMB371,270,000 (2015: RMB63,629,000), which are repayable on credit terms similar to those offered to the major customers of the Group (note 40).

The Group has pledged trade receivables of approximately RMB5,598,000 (2015: RMB597,000) to secure bank loans granted to the Group (note 28(e)).

22. 應收貿易款項及應收票據 (續)

未逾期亦未減值的應收款項乃與大量近期並無違約記錄的多名客戶有關。

已逾期但未減值的應收款項乃與多名獨立客戶有關。由於信貸質素並無出現重大變動，且有關結餘仍被視為可全數收回，本公司董事認為毋須就該等結餘作出進一步減值撥備。本集團並無就該等結餘持有任何抵押品或其他信貸加強措施。

本集團之應收貿易款項包括應收本集團聯營公司款項人民幣371,270,000元（二零一五年：人民幣63,629,000元），此為類似提供予本集團主要客戶信貸條款之應收款項（附註40）。

本集團已抵押約人民幣5,598,000元（二零一五年：人民幣597,000元）的應收貿易款項作為授予本集團的銀行貸款之擔保（附註28(e））。

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財務報表附註

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23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

23. 預付款項、訂金及其他應收款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Prepayments to subcontractors and suppliers	預付分包商及供應商款項	135,386	165,997
Deposits	訂金	55,745	65,731
Tariff adjustment receivables*	應收電價補貼*	122,009	99,355
Deferred listing fees of a subsidiary	附屬公司遞延上市費用	3,084	—
Other receivables	其他應收款項	559,437	325,885
		875,661	656,968
Less: impairment	減：減值	(4,578)	(4,578)
		871,083	652,390

The Group's prepayments, deposits and other receivables include amounts due from the Group's associates of RMB97,980,000 (31 December 2015: RMB6,210,000)(note 40).

本集團的預付款項、訂金及其他應收款項為應收本集團聯營公司款項人民幣97,980,000元(二零一五年十二月三十一日：人民幣6,210,000元)(附註40)。

The Group has pledged tariff adjustment receivables of approximately RMB103,293,000 (2015: RMB89,396,000) to secure bank loans granted to the Group (note 28(f)).

本集團已抵押約人民幣103,293,000元(二零一五年：人民幣89,396,000元)的電價補貼應收款項作為授予本集團的銀行貸款之擔保(附註28(f))。

The balances included in other receivables of approximately RMB275,311,000 (2015: Nil), which are secured by the rights on the annual return of the 178MW solar photovoltaic power stations, bear interest at rates ranging from 4.35% to 5% per annum and will fall due in 2017.

計入其他應收款項的結餘約人民幣275,311,000元(二零一五年：無)，以178兆瓦光伏電站的年度回報權利作抵押，按介乎每年4.35%至5%的利率計息並將於二零一七年到期。

* The Group's tariff adjustment receivables from the sale of electricity are mainly receivables from the State Grid. Tariff adjustment receivables represented the government subsidies on renewable energy for ground projects to be received from the State Grid based on the prevailing government policies.

* 本集團來自電力銷售的應收電價補貼主要為自國家電網的應收款項。應收電價補貼指根據現行政府政策將向國家電網收取之可再生能源地面項目政府補貼。

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24. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

24. 現金及現金等價物以及抵押存款

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結存	328,205	1,265,303
Time deposits	定期存款	735,231	376,055
		1,063,436	1,641,358
Less: pledged time deposits for:	減：就以下項目之抵押定期存款：		
Bank loans	銀行貸款	—	20,000
Bid guarantee	投標擔保	34,528	—
Long term performance guarantee	長期履約擔保	17,352	—
Short term performance guarantee	短期履約擔保	7,520	—
Bills payable (note 25)	應付票據(附註25)	323,831	356,055
		383,231	376,055
Cash and cash equivalents	現金及現金等價物	680,205	1,265,303

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24. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (Continued)

The Group's cash and bank balances and time deposits denominated in the following currencies:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<i>RMB equivalent amount:</i>	<i>人民幣等值金額：</i>		
RMB	人民幣	943,919	1,513,396
US\$	美元	30,293	63,643
HK\$	港元	76,577	46,966
SG\$	新元	1,617	63
MOP	澳門元	10,170	2,171
MYR	林吉特	860	15,119
		1,063,436	1,641,358

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposits rates. Time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

24. 現金及現金等價物以及抵押存款 (續)

本集團現金及銀行結餘以及定期存款以下列貨幣列值：

人民幣不可自由地兌換為其他貨幣。然而，根據中國大陸的外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准通過獲授權經營外匯業務的銀行將人民幣兌換為其他貨幣。

銀行現金按每日銀行存款利率之浮動利率計息。定期存款之存款期介乎一日至三個月，視本集團之即時現金需求而定，並按相關短期定期存款利率計息。銀行結餘和抵押存款已存入近期沒有不良拖欠記錄、信譽良好的銀行中。

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25. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date or issuance date, where appropriate, is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 3 months	三個月內	834,118	365,420
3 to 6 months	三至六個月	366,059	411,341
6 to 12 months	六至十二個月	89,032	88,685
1 to 2 years	一至兩年	33,496	21,114
2 to 3 years	兩至三年	9,641	3,974
Over 3 years	三年以上	13,606	12,969
		1,345,952	903,503

The trade and bills payables are non-interest-bearing and are normally settled within one to six months.

As at 31 December 2016, the Group's bills payable were secured by the pledged deposits amounting to RMB323,831,000 (31 December 2015: RMB356,055,000).

25. 應付貿易款項及應付票據

於報告期末，基於發票日期或發行日期（視乎情況而定）計算應付貿易款項及應付票據的賬齡分析如下：

該等應付貿易款項及應付票據為免息並通常於一至六個月內結算。

於二零一六年十二月三十一日，本集團的應付票據乃以金額人民幣323,831,000元（二零一五年十二月三十一日：人民幣356,055,000元）的已抵押存款作抵押。

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26. OTHER PAYABLES AND ACCRUALS

26. 其他應付款項及應計款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Advances from customers	客戶墊款	209,232	122,042
Tax and surcharge payables	應付稅項及附加費	76,106	66,566
Accrued expenses	應計開支	22,550	17,520
Other payables	其他應付款項	202,734	125,161
		510,622	331,289

Other payables and accruals are unsecured, non-interest-bearing and have no fixed terms of repayment.

其他應付款項及應計款項為無抵押、免息及無固定償還期。

The Group's other payables and accruals include amounts due to one of the Group's associates of RMB3,892,000 (31 December 2015: Nil) (note 40).

本集團的其他應付款項及應計款項包括應付本集團一間聯營公司款項人民幣3,892,000元(二零一五年十二月三十一日：無)(附註40)。

During the year ended 31 December 2016, the Group has received deposits of HK\$25,080,000 (equivalent to approximately RMB22,434,000) in relation to the sale of equity interests in Xinjiang Singyes and Wuwei Dongrun, two subsidiaries of the Group. As at 31 December 2016, the transaction is conditional upon fulfillment of certain conditions precedent set out in the relevant conditional sale and purchase agreement signed between the Group and Excel Deal Investment Limited, an independent third party. The transaction is expected to be completed on or before 30 June 2017.

截至二零一六年十二月三十一日止年度，本集團就出售其兩間附屬公司新疆興業及武威東潤的股權收到按金25,080,000港元(相當於約人民幣22,434,000元)。於二零一六年十二月三十一日，該交易須待達成本集團與一名獨立第三方佳意投資有限公司所訂立買賣協議有關條件中所載若干先決條件後，方可作實。該交易預期於二零一七年六月三十日或之前完成。

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27. DERIVATIVE FINANCIAL INSTRUMENTS

27. 衍生金融工具

			2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	Notes 附註			
Cross-currency interest rate swaps at fair value (notes 5 & 7)	按公平值交叉貨幣利率掉期 (附註5及7)	(a)	22,961	—
Interest rate swaps	利率掉期	(b)	—	—
			22,961	—

Derivative financial instruments represent fair value gains on cross-currency interest rate swap contracts as at 31 December 2016.

於二零一六年十二月三十一日，衍生金融工具指交叉貨幣利率掉期合約之公平值收益。

Notes:

附註：

- (a) The Group uses cross-currency interest rate swaps to manage its currency and interest risks. On 28 January 2016 and 2 November 2016, the Group entered into cross-currency interest rate swap contracts with banks, covering a period from 19 February 2016 to 13 August 2018. The cross-currency interest rate swap contracts entitle the Group to receive interest at floating rates on an aggregate notional principal of US\$100 million and to pay interest at fixed rates on an aggregate notional principal of RMB669 million simultaneously. The Group agreed with the banks to swap the interest difference between fixed rate and floating rate, as well as the currency difference between US\$ and RMB, respectively, on the respective deemed notional principal amounts on a three-month basis.
- (b) The Group uses interest rate swaps to manage its interest rate risk. On 30 June 2015, the Group entered into interest rate swap contracts with the bank, covering periods from 30 June 2015 to 29 June 2018. The interest rate swap contracts entitle the Group to receive interest at floating rate on an aggregate notional principal of US\$5 million (equivalent to approximately RMB33 million) and to pay interest at fixed rate on the same notional principal amount simultaneously. The Group agreed with the bank to swap the interest difference between fixed rate and floating rate, on the deemed notional principal amount on a three-month basis. As at 31 December 2016, the fair value of the interest rate swaps was estimated to be zero.

- (a) 本集團利用交叉貨幣利率掉期管理其貨幣及利率風險。於二零一六年一月二十八日及二零一六年十一月二日，本集團與銀行訂立交叉貨幣利率掉期合約，合約期為二零一六年二月十九日至二零一八年八月十三日。根據交叉貨幣利率掉期合約，本集團有權按浮動利率就名義本金總額100,000,000美元收取利息，同時按固定利率就名義本金總額人民幣669,000,000元支付利息。就該視作名義本金額按三個月基準計算，本集團與銀行協定交換固定利率與按浮動利率的利息差額，以及美元與人民幣的貨幣差額。
- (b) 本集團利用利率掉期管理其利率風險。於二零一五年六月三十日，本集團與若干金融機構訂立利率掉期合約，合約期為二零一五年六月三十日至二零一八年六月二十九日。根據利率掉期合約，本集團有權按浮動利率就名義本金總額為5,000,000美元（相當於約人民幣33,000,000元）收取利息，同時按固定利率就該同一名義本金額支付利息。就該視作名義本金額按三個月基準計算，本集團與一家銀行協定交換固定利率與按浮動利率的利息差。於二零一六年十二月三十一日，利率掉期的公平值估計為零。

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31 December 2016 二零一六年十二月三十一日

28. INTEREST-BEARING BANK AND OTHER LOANS

28. 附息銀行及其他貸款

		31 December 2016 二零一六年十二月三十一日			31 December 2015 二零一五年十二月三十一日		
		Effective interest rate (%) 實際利率 (%)	Maturity 到期	RMB'000 人民幣千元	Effective interest rate (%) 實際利率 (%)	Maturity 到期	RMB'000 人民幣千元
Current	流動						
Revolving loans	循環貸款						
– secured	– 有抵押						
		Hong Kong Interbank Offered Rate ("HIBOR") +3~3.5 香港銀行 同業拆息 +3~3.5	On demand 按要求	40,323	HIBOR +3~3.5 香港銀行 同業拆息 +3~3.5	On demand 按要求	28,051
– Unsecured	– 無抵押	London Interbank Offered Rate ("LIBOR") +3.25 倫敦銀行 同業拆息 +3.25	On demand 按要求	3,466	LIBOR+3.25 倫敦銀行 同業拆息 +3.25	On demand 按要求	3,246

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財務報表附註

31 December 2016 二零一六年十二月三十一日

28. INTEREST-BEARING BANK AND OTHER LOANS (Continued)

28. 附息銀行及其他貸款 (續)

		31 December 2016 二零一六年十二月三十一日			31 December 2015 二零一五年十二月三十一日		
		Effective interest rate (%) 實際利率(%)	Maturity 到期	RMB'000 人民幣千元	Effective interest rate (%) 實際利率(%)	Maturity 到期	RMB'000 人民幣千元
Bank loans	銀行貸款						
– secured	– 有抵押				LIBOR+3.4 倫敦銀行 同業拆息+3.4	On demand 按要求	18,046
		–	–	–	LIBOR+3.75 倫敦銀行 同業拆息 +1.5~3.75		12,697
			2017	314,150	+3.75	2016	
					HIBOR+0.95~4 香港銀行 同業拆息 +0.95~4		30,352
			2017	50,109	+0.95~4	2016	
			2017	598,910	4.30~7.84	2016	824,700
Bank loans	銀行貸款				LIBOR+2.75 倫敦銀行 同業拆息		
– unsecured	– 無抵押	–	–	–	+2.75	2016	5,309
		4.35	2017	70,000	5.35	2016	50,000
Other loans	其他貸款						
– secured	– 有抵押	3.92	2017	15,000	5.04	2016	30,000
– secured ⁽¹⁾	– 有抵押 ⁽¹⁾	9.41	2017	31,579	9.41	2016	36,770
– secured ⁽²⁾	– 有抵押 ⁽²⁾	9.55	2017	24,235	–	–	–
Other loans	其他貸款						
– unsecured ⁽³⁾	– 無抵押 ⁽³⁾	9.07	2017	528	9.07	2016	1,606
				1,148,300			1,040,777

NOTES TO FINANCIAL STATEMENTS

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31 December 2016 二零一六年十二月三十一日

28. INTEREST-BEARING BANK AND OTHER LOANS (Continued)

28. 附息銀行及其他貸款 (續)

		31 December 2016 二零一六年十二月三十一日			31 December 2015 二零一五年十二月三十一日		
		Effective interest rate (%) 實際利率 (%)	Maturity 到期	RMB'000 人民幣千元	Effective interest rate (%) 實際利率 (%)	Maturity 到期	RMB'000 人民幣千元
Non-current	非流動						
Bank loans	銀行貸款						
– secured	– 有抵押						
		LIBOR+1.5~3.75 倫敦銀行 同業拆息 +1.5~3.75	2018-2022	474,769	LIBOR+ 3.4~3.75 倫敦銀行 同業拆息+ 3.4~3.75	2017-2018	713,993
		HIBOR+0.95~3 香港銀行 同業拆息 +0.95~3	2018-2020	269,925	HIBOR+ 0.95~4 香港銀行 同業拆息+ 0.95~4	2017-2020	214,632
		5.15~5.93	2018-2029	761,817	5.15~6.67	2017-2029	519,148
Other loans	其他貸款						
– secured	– 有抵押	3.92	2018-2019	45,000	–	–	–
– secured ⁽¹⁾	– 有抵押 ⁽¹⁾	9.41	2018	54,668	9.41	2017-2018	78,810
– secured ⁽²⁾	– 有抵押 ⁽²⁾	9.55	2018-2023	146,087	–	–	–
Other loans	其他貸款						
– unsecured ⁽³⁾	– 無抵押 ⁽³⁾	9.07	2018-2034	17,704	9.07	2017-2034	15,323
				1,769,970			1,541,906
				2,918,270			2,582,683

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

28. INTEREST-BEARING BANK AND OTHER LOANS (Continued)

- (1) It represented the other loan borrowed from an independent third party leasing company by Hunan Singyes, a subsidiary of the Group, by way of a solar photovoltaic power station sale-leaseback arrangement, with the principal of RMB125 million on 9 July 2015, which bears interest at an effective rate of 9.41% per annum with monthly equal instalment payments up to the maturity date on 30 June 2018. Hunan Singyes sets its 37.72MW solar photovoltaic power station as the security to the other loan in substance. In addition, Hunan Singyes made a refundable guarantee deposit of RMB7.8 million with the leasing company.
- (2) It represented the other loan borrowed from an independent third party leasing company by Yangjiang Singyes, a subsidiary of the Group, by way of a solar photovoltaic power station sale-leaseback arrangement, with the principal of RMB200 million on 26 January 2016, which bears interest at an effective rate of 9.55% per annum with monthly equal instalment payments up to the maturity date on 30 January 2023. Yangjiang Singyes sets its 50MW solar photovoltaic power station as the security to the other loan in substance. In addition, Yangjiang Singyes made a refundable guarantee deposit of RMB10 million with the leasing company.
- (3) On 7 November 2014, Singyes Green Investment (HK) Company Limited ("Singyes Green Investment") entered into a revenue distribution agreement regarding a 5MW solar photovoltaic power station (the "Relevant Asset"), which is one of the assets held by Hunan Singyes, a subsidiary of the Group, with a counterparty, whereby the counterparty prepaid RMB19,000,000 to the Group to exchange the right on annual return of the Relevant Asset for each fiscal year (the "Annual Return") for twenty years. The Annual Return is the annual electricity revenue on the Relevant Asset minus related PRC tax. If in any fiscal year the Annual Return is less than RMB2,000,000 (the "Minimum Return"), the Group shall pay the counterparty the Minimum Return. During the year, RMB2,004,000 was paid to the counterparty.

28. 附息銀行及其他貸款 (續)

- (1) 其指本集團附屬公司湖南興業向獨立第三方租賃公司以太陽能光伏電站售後租回安排之方式借貸之其他貸款，於二零一五年七月九日之本金為人民幣125,000,000元，實際利率按年利率9.41%計息，該貸款等分每月分期付款，於二零一八年六月三十日到期。湖南興業實質以其37.72兆瓦太陽能光伏電站擔保其他貸款。此外，湖南興業與租賃公司訂立可退還擔保訂金人民幣7,800,000元。
- (2) 其指本集團附屬公司陽江鑫業向獨立第三方租賃公司以太陽能光伏電站售後租回安排之方式借貸之其他貸款，於二零一六年一月二十六日之本金為人民幣200,000,000元，實際利率按年利率9.55%計息，該貸款等分每月分期付款，於二零二三年一月三十日到期。陽江鑫業實質以其50兆瓦太陽能光伏電站擔保其他貸款。此外，陽江鑫業與租賃公司訂立可退還擔保訂金人民幣10,000,000元。
- (3) 於二零一四年十一月七日，興業綠色投資(香港)有限公司(「興業綠色投資」)與一名對手方就5兆瓦太陽能光伏電站(「相關資產」，為本集團附屬公司湖南興業持有的資產)訂立一份收入分配協議，據此，該對手方向本集團預付人民幣19,000,000元，以交換相關資產於二十年期間每個財政年度的年度回報(「年度回報」)之權利。年度回報為相關資產的年度電力收入減去相關中國稅項。如任何財政年度的年度回報低於人民幣2,000,000元(「最低回報」)，則本集團須向對手方支付最低回報。年內，人民幣2,004,000元已支付予對手方。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

28. INTEREST-BEARING BANK AND OTHER LOANS (Continued)

28. 附息銀行及其他貸款 (續)

		31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
Analysed into:	分析為：		
Bank loans repayable:	須於下列限期償還之銀行貸款：		
Within one year	一年內	1,076,958	972,401
In the second year	第二年	786,936	88,472
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	184,144	1,017,953
Beyond five years	五年以上	535,431	341,348
		2,583,469	2,420,174
Other loans repayable:	於下列限期償還之其他貸款：		
Within one year	一年內	71,342	68,376
In the second year	第二年	110,606	33,809
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	108,620	50,689
Beyond five years	五年以上	44,233	9,635
		334,801	162,509
		2,918,270	2,582,683

As at 31 December 2016, except for those bank loans with interest rates linked with the HIBOR and LIBOR which are denominated in HK\$ and US\$, totalling RMB360,357,000, and RMB792,385,000, respectively, all bank and other loans are denominated in RMB.

於二零一六年十二月三十一日，除利率與香港銀行同業拆息及倫敦銀行同業拆息掛鈎的銀行貸款（分別合共人民幣360,357,000元及人民幣792,385,000元）以港元及美元計值外，所有銀行及其他貸款均以人民幣計值。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

28. INTEREST-BEARING BANK AND OTHER LOANS (Continued)

Certain of the Group's bank and other loans are secured by:

- (a) mortgages over the Group's buildings with an aggregate carrying amount at the end of the reporting period of approximately RMB583,090,000 (31 December 2015: RMB310,073,000) (note 13(a));
- (b) mortgages over the Group's solar photovoltaic power stations and their respective rights on the annual return thereof, which had an aggregate carrying amount at the end of the reporting period of approximately RMB1,325,534,000 (31 December 2015: RMB1,150,558,000) (note 13(c));
- (c) the rights on the annual return of the Relevant Asset with a net carrying amount of approximately RMB29,903,000 at the end of the reporting period (31 December 2015: RMB31,200,000) (note 13(d));
- (d) mortgages over the Group's prepaid land lease payments, which had a carrying amount at the end of the reporting period of approximately RMB59,791,000 (31 December 2015: RMB89,569,000) (note 15);
- (e) the pledge of certain of the Group's trade receivables of approximately RMB5,598,000 (31 December 2015: RMB597,000) (note 22);
- (f) the pledge of certain of the Group's tariff adjustment receivables of approximately RMB103,293,000 (31 December 2015: RMB89,396,000) (note 23);

28. 附息銀行及其他貸款 (續)

本集團若干銀行及其他貸款由以下各項抵押：

- (a) 本集團樓宇的按揭，於報告期末賬面值合計約人民幣583,090,000元(二零一五年十二月三十一日：人民幣310,073,000元)(附註13(a))；
- (b) 本集團太陽能光伏電站及彼等各自之年度回報權利之按揭，於報告期末賬面值合計約人民幣1,325,534,000元(二零一五年十二月三十一日：人民幣1,150,558,000元)(附註13(c))；
- (c) 於報告期末賬面值約人民幣29,903,000元的相關資產年度回報權(二零一五年十二月三十一日：人民幣31,200,000元)(附註13(d))；
- (d) 本集團預付土地租賃款項的按揭，於報告期末賬面值約人民幣59,791,000元(二零一五年十二月三十一日：人民幣89,569,000元)(附註15))；
- (e) 本集團質押的應收貿易款項約人民幣5,598,000元(二零一五年十二月三十一日：人民幣597,000元)(附註22))；
- (f) 本集團質押的電價補貼應收款項約人民幣103,293,000元(二零一五年十二月三十一日：人民幣89,396,000元)(附註23))；及

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財務報表附註

31 December 2016 二零一六年十二月三十一日

28. INTEREST-BEARING BANK AND OTHER LOANS (Continued)

- (g) the pledge of the Insurance Contracts with fair value of approximately RMB22,316,000 (note 19); and
- (h) the pledge of equity interests in the following subsidiaries of the Group:
 - i. 94.9% equity interests in Xinjiang Singyes;
 - ii. 94.9% equity interests in Wuwei Dongrun;
 - iii. 94.9% equity interests in Suixi Xinye; and
 - iv. 94.9% equity interests in Yangjiang Singyes.

In addition, the Company's directors have guaranteed certain of the Group's bank and other loans for nil consideration, details of which are as follows (note 40(b)):

- (I) the Company's director, Mr. Liu Hongwei, has guaranteed the Group's bank and other loans of RMB475,568,000 (31 December 2015: RMB173,000,000);
- (II) the Company's directors, Messrs. Liu Hongwei and Sun Jinli, have jointly guaranteed the Group's bank loans of RMB290,000,000 (31 December 2015: RMB118,000,000);
- (III) the Company's directors, Messrs. Liu Hongwei and Xie Wen, have jointly guaranteed the Group's bank loans of RMB114,710,000 (31 December 2015: RMB153,500,000);

28. 附息銀行及其他貸款 (續)

- (g) 抵押公平值約人民幣22,316,000元的保險合約(附註19); 及
- (h) 本集團內以下附屬公司的股權質押:
 - i. 新疆興業的94.9%股權;
 - ii. 武威東潤的94.9%股權;
 - iii. 逐溪欣業的94.9%股權; 及
 - iv. 陽江鑫業的94.9%股權。

此外, 本公司董事就本集團若干銀行及其他貸款無償提供擔保, 詳情如下(附註40(b)):

- (I) 本公司董事劉紅維先生擔保本集團銀行及其他貸款人民幣475,568,000元(二零一五年十二月三十一日: 人民幣173,000,000元);
- (II) 本公司董事劉紅維先生及孫金禮先生共同擔保本集團銀行貸款人民幣290,000,000元(二零一五年十二月三十一日: 人民幣118,000,000元);
- (III) 本公司董事劉紅維先生及謝文先生共同擔保本集團銀行貸款人民幣114,710,000元(二零一五年十二月三十一日: 人民幣153,500,000元);

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財務報表附註

31 December 2016 二零一六年十二月三十一日

28. INTEREST-BEARING BANK AND OTHER LOANS (Continued)

- (IV) the Company's directors, Messrs. Liu Hongwei, Sun Jinli and Xie Wen have jointly guaranteed the Group's bank loans of RMB50,000,000 (31 December 2015: RMB100,000,000);
- (V) the Company's directors, Mr. Liu Hongwei and his spouse, Ms. Li Wei, Mr. Sun Jinli and his spouse, Ms. Wang Yanfang, have jointly guaranteed the Group's bank loans of RMB87,500,000 (31 December 2015: RMB100,000,000);
- (VI) the Company's directors, Messrs. Liu Hongwei and Sun Jinli, have jointly guaranteed the Group's bank loans of HK\$382,775,000 (equivalent to approximately RMB342,396,000) (31 December 2015: HK\$113,705,000, equivalent to approximately RMB95,260,000); and
- (VII) the Company's directors, Messrs. Liu Hongwei and Sun Jinli, have jointly guaranteed the Group's bank loans of US\$2,909,000 (equivalent to approximately RMB20,177,000) (31 December 2015: Nil).

28. 附息銀行及其他貸款 (續)

- (IV) 本公司董事劉紅維先生、孫金禮先生及謝文先生共同擔保本集團銀行貸款人民幣50,000,000元(二零一五年十二月三十一日：人民幣100,000,000元)；
- (V) 本公司董事劉紅維先生及其配偶李薇女士以及孫金禮先生及其配偶王豔芳女士共同擔保本集團銀行貸款人民幣87,500,000元(二零一五年十二月三十一日：人民幣100,000,000元)；
- (VI) 本公司董事劉紅維先生及孫金禮先生共同擔保本集團銀行貸款382,775,000港元(相當於約人民幣342,396,000元)(二零一五年十二月三十一日：113,705,000港元，相當於約人民幣95,260,000元)；及
- (VII) 本公司董事劉紅維先生及孫金禮先生共同擔保本集團銀行貸款2,909,000美元(相當於約人民幣20,177,000元)(二零一五年十二月三十一日：無)。

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29. CONVERTIBLE BONDS

29. 可換股債券

			2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	Notes 附註			
Convertible bonds, liability component:		可換股債券 負債部分：		
Fair value of embedded derivatives	(a)	嵌入式衍生工具的 公平值	703,989	634,017
	(b)		15,227	63,552
			719,216	697,569

On 8 August 2014, the Company issued 930 units of 5% convertible bonds in the denomination of RMB1,000,000 each due 8 August 2019 (the "2019 Convertible Bonds") with a nominal value of RMB930,000,000. The Company repurchased 6 units of these convertible bonds during the year ended 31 December 2015.

於二零一四年八月八日，本公司發行於二零一九年八月八日到期面值為人民幣930,000,000元的930份每份面值人民幣1,000,000元5%可換股債券（「二零一九年可換股債券」）。截至二零一五年十二月三十一日止年度，本公司已購回6份該等可換股債券。

Pursuant to the terms and conditions of the subscription agreement dated 8 August 2014, the conversion price of the 2019 Convertible Bonds was adjusted to HK\$15.72 due to the cash dividends paid by the Company and rights issue during the year ended 31 December 2016.

根據日期為二零一四年八月八日認購協議之條款及條件，由於本公司支付現金股息及於截至二零一六年十二月三十一日止年度供股，二零一九年可換股債券之轉換價乃調整為15.72港元。

The salient terms and conditions of the 2019 Convertible Bonds are as follows:

二零一九年可換股債券的主要條款及條件如下：

(i) Interest rate

The Company shall pay interests on the 2019 Convertible Bonds at 5.0% per annum.

(i) 利率

本公司須按每年5.0%的利率就二零一九年可換股債券支付利息。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

29. CONVERTIBLE BONDS (Continued)

(ii) Conversion price

The 2019 Convertible Bonds will be convertible into the Company's ordinary shares at the initial conversion price of HK\$16.11 per share, subject to adjustments. Amongst others, consolidation, subdivision or reclassification of shares, capitalisation of profits or reserves, capital distribution, rights issues of shares or options over shares, rights issues of other securities, issues at less than the current market price, other issues at less than the current market price, modification of rights of conversion, other offers to shareholders, change of control and other usual adjustment events. The conversion price may not be reduced so that the conversion shares would fall to be issued at a discount to their par value.

(iii) Maturity

Unless previously redeemed, converted, or purchased and cancelled, the Company will redeem each of the 2019 Convertible Bonds at the US Dollar equivalent of the RMB principal amount on 8 August 2019.

29. 可換股債券 (續)

(ii) 轉換價

二零一九年可換股債券將可按初始轉換價每股16.11港元(可予調整)轉換為本公司普通股。轉換價須於(其中包括)股份合併、拆細或重新分類、溢利或儲備資本化、資本分派、供股或就股份創設購股權、發行其他證券、按低於當前市價發行、低於當前市價的其他發行、修訂轉換權、向股東進行其他發售、控制權變動及其他慣常調整事件時進行調整。轉換價不得削減至低於轉換股份以較面值折讓的價格發行。

(iii) 到期時間

除非已於之前贖回、轉換或購買及註銷，否則本公司將於二零一九年八月八日按照人民幣本金的等值美元贖回每份二零一九年可換股債券。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

29. CONVERTIBLE BONDS (Continued)

(iv) Redemption at the option of the Company

The Company may:

- (1) Upon giving not less than 30 nor more than 60 days' notice to the bondholders, at any time after 8 August 2017 but not less than 14 days prior to the maturity date redeem the bonds in whole but not in part at a redemption price at the US Dollar equivalent of the RMB principal amount plus accrued and unpaid interest to such date; provided that no such redemption may be made unless the closing price of the shares (translated into RMB at the RMB: HK\$ fixed rate as set out in the terms and conditions of the 2019 convertible bonds) for 20 out of 30 consecutive trading days ending on a date which is no more than three stock exchange business days immediately prior to the date upon which notice of such redemption is given, was at least 130% of the conversion price then in effect (translated into RMB at the RMB: HK\$ fixed rate as set out in the terms and conditions of the 2019 convertible bonds); or
- (2) Upon giving not less than 30 nor more than 90 days' notice to the bondholders and the Trustee (which notice will be irrevocable), the Company may at any time redeem all, but not some only, of the bonds for the time being outstanding at the US Dollar equivalent of the RMB principal amount plus accrued and unpaid interest to such date provided that prior to the date of such notice at least 90% in RMB principal amount of the bonds originally issued have already been converted, redeemed or purchased and cancelled.

29. 可換股債券 (續)

(iv) 本公司選擇贖回

本公司可：

- (1) 於二零一七年八月八日後但不遲於到期日前14日任何時間，向債券持有人發出不少於30日但不超過60日的通知，按人民幣本金的等值美元加上截至該日應計未付利息的贖回價，贖回全部但非部分債券；惟除非截至屬發出贖回通知當日前三個聯交所營業日之日止連續30個交易日中20日的股份收市價（按二零一九年可換股債券條款及條件所載人民幣兌港元的固定匯率換算為人民幣）至少為當時實際轉換價（按二零一九年可換股債券條款及條件所載固定人民幣兌港元的匯率換算為人民幣）的130%，否則不得進行贖回；或
- (2) 向債券持有人及受託人發出不少於30日但不超過90日的通知（該通知不得撤回）後，本公司可按人民幣本金的等值美元加上截至該日應計未付的利息，隨時贖回全部（但非僅部分）當時未償還債券，惟於該通知日期前原發行債券的人民幣本金額至少90%須已轉換、贖回或購買及註銷。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

29. CONVERTIBLE BONDS (Continued)

(v) Redemption at the option of the holders

The Company will, at the option of the holder of any 2019 Convertible Bonds, redeem all or some only of such holder's 2019 Convertible Bonds on 8 August 2017 at the US Dollar equivalent of the RMB principal amount.

(vi) Redemption of delisting or change of control

Following the occurrence of a change of control (means when Mr. Liu Hongwei ceases for any reason to be the majority shareholder of the Company or any other events lead to the significant change of the ownership structure of the Company, "Change of Control") or delisting of the Company (including suspension of trading of the Shares on the stock exchange for a period equal to or more than 20 consecutive trading days) (the "Relevant Event"), the holder will have the right to require the Company to redeem all, or but not some only, of such holder's 2019 Convertible Bonds at the US Dollar equivalent of the RMB principal amount plus accrued and unpaid interest to the date fixed for redemption.

The fair value of the 2019 Convertible Bonds was determined by an independent qualified valuer based on the binomial option pricing model. The carrying amount of the liability component on initial recognition was measured at the proceeds of the 2019 Convertible Bonds (net of transaction cost) minus the fair value of the conversion rights of the 2019 Convertible Bonds.

29. 可換股債券 (續)

(v) 持有人選擇贖回

本公司將按任何二零一九年可換股債券持有人的選擇，於二零一七年八月八日按人民幣本金的等值美元贖回該持有人的全部或僅部分二零一九年可換股債券。

(vi) 除牌或控制權變動時贖回

本公司發生控制權變動(指劉紅維先生因任何原因不再為本公司主要股東或導致本公司擁有權架構出現重大變動的任何其他事件)(「控制權變動」)或除牌(包括股份於證券交易所暫停買賣達等於或超過連續20個交易日)(「相關事件」)後，持有人將有權要求本公司按人民幣本金的等值美元加上截至指定贖回日期的應計未付利息，贖回該持有人的全部(但非部分)二零一九年可換股債券。

二零一九年可換股債券的公平值乃由獨立合資格估值師根據二項式期權定價模型釐定。初始確認時負債部分的賬面值乃按二零一九年可換股債券的所得款項(扣除交易成本)減去二零一九年可換股債券轉換權的公平值計量。

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31 December 2016 二零一六年十二月三十一日

29. CONVERTIBLE BONDS (Continued)

(a) Liability component

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Liability component at 1 January	於一月一日的負債部分	634,017	589,131
Effective interest recognised for the year (notes 6 & 12)	年內確認的實際利息 (附註6及12)	116,299	100,610
Interest payable during the year	年內應付利息	(46,327)	(50,427)
Repurchase of bonds	購回債券	—	(5,297)
As at 31 December	於十二月三十一日	703,989	634,017

(b) Conversion rights

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Fair value of conversion rights at 1 January	轉換權於一月一日的公平值	63,552	227,138
Less: fair value changes of conversion rights (note 12)	減：轉換權公平值變動 (附註12)	(48,325)	(163,586)
Fair value of conversion rights at 31 December	轉換權於十二月三十一日的公平值	15,227	63,552

29. 可換股債券(續)

(a) 負債部分

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
負債部分於一月一日		634,017	589,131
年內確認的實際利息 (附註6及12)		116,299	100,610
年內應付利息		(46,327)	(50,427)
購回債券		—	(5,297)
於十二月三十一日		703,989	634,017

(b) 轉換權

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
轉換權於一月一日的公平值		63,552	227,138
減：轉換權公平值變動 (附註12)		(48,325)	(163,586)
轉換權於十二月三十一日的公平值		15,227	63,552

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

29. CONVERTIBLE BONDS (Continued)

(b) Conversion rights (Continued)

The fair value change of the conversion rights for the year ended 31 December 2016 was RMB48,325,000 (2015: RMB163,586,000), which was recognised in profit or loss and disclosed separately. The related interest expense of the liability component of the 2019 Convertible Bonds for the year ended 31 December 2016 amounted to RMB116,299,000 (2015: RMB100,610,000), which is calculated by using the effective interest method with an effective interest rate of 17.79% per annum.

29. 可換股債券 (續)

(b) 轉換權 (續)

截至二零一六年十二月三十一日止年度轉換權的公平值變動為人民幣48,325,000元(二零一五年: 人民幣163,586,000元), 該金額於損益中確認及獨立披露。二零一九年可換股債券負債部分於截至二零一六年十二月三十一日止年度的相關利息開支為人民幣116,299,000元(二零一五年: 人民幣100,610,000元), 該金額乃使用實際利率法以實際年利率17.79%計算。

30. SENIOR NOTES

30. 優先票據

			2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	Notes 附註			
2017 Senior Notes	二零一七年優先票據	(a)	554,211	548,200
2018 Senior Notes	二零一八年優先票據	(b)	216,792	198,492
			771,003	746,692

(a) 2017 Senior Notes

On 21 November 2014, the Company issued 7.875% senior notes with an aggregate nominal value of RMB560,000,000 (the "2017 Senior Notes") at face value. The net proceeds, after deducting the issuance costs, amounted to approximately RMB542,327,000. The 2017 Senior Notes mature on 21 November 2017 and have been listed on the HKSE (stock code: 85704).

(a) 二零一七年優先票據

於二零一四年十一月二十一日, 本公司按面值發行總面值人民幣560,000,000元的7.875%優先票據(「二零一七年優先票據」)。扣除相關發行成本後, 所得款項淨額為約人民幣542,327,000元。二零一七年優先票據將於二零一七年十一月二十一日到期, 已於香港聯交所上市(證券代號: 85704)。

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財務報表附註

31 December 2016 二零一六年十二月三十一日

30. SENIOR NOTES (Continued)

(a) 2017 Senior Notes (Continued)

The major terms and conditions of the 2017 Senior Notes are as follows:

(i) Redemption at the option of the Company

Upon giving not less than 30 nor more than 60 days' notice to the holders, at any time, the Company may at its option to redeem the notes at a redemption price equal to 100% of the principal amount plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date. The applicable premium is the greater of (1) 1.0% of the principal amount and (2) the excess of (A) the present value at such redemption date of 100% of the principal amount, plus all required remaining scheduled interest payments due on the 2017 Senior Notes through the maturity date (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to 2%, over (B) the principal amount on the redemption date.

Upon giving not less than 30 days' nor more than 60 days' notice to the holder, at any time, the Company may at its option redeem up to 35% of the aggregate principal amount of the 2017 Senior Notes with the net cash proceeds of one or more sales of common stock of the Company in one or more equity offerings at a redemption price of 107.875% of the principal amount of the 2017 Senior Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Senior Notes remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

30. 優先票據 (續)

(a) 二零一七年優先票據 (續)

二零一七年優先票據的主要條款及條件如下：

(i) 本公司選擇贖回

本公司可於向持有人發出不少於30日及不超過60日的通知後，隨時選擇按等於本金額100%加上截至贖回日期適用溢價及截至該日（但不包括該日）應計未付利息的贖回價贖回票據。適用溢價為以下各項中的較高者：(1)本金額的1.0%；及(2)(A)100%本金額於該贖回日期的現值，加上二零一七年優先票據於到期日前按計劃需要支付的所有到期利息（但不包括於贖回日期應計未付利息）（按等於2%的貼現率計算）超出(B)贖回日期本金額的部分。

本公司可於向持有人發出不少於30日及不超過60日的通知後，選擇按等於二零一七年優先票據的本金額的107.875%加上截至贖回日期（但不包括該日）的應計未付利息（如有）之贖回價，以一次或多次股權發售中一次或多次出售本公司普通股的所得款項現金淨額，贖回二零一七年優先票據本金總額的最多35%；惟於每次贖回後優先票據本金總額須至少有65%仍未償還，且任何相關贖回必須於相關股權發售完成後60日內進行。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

30. SENIOR NOTES (Continued)

(a) 2017 Senior Notes (Continued)

- (ii) *Repurchase of the 2017 Senior Notes upon a Change of Control*

Not later than 30 days following a Change of Control, the Company will make an offer to purchase all outstanding 2017 Senior Notes ("Change of Control Offer") at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the 2017 Senior Notes Change of Control Offer payment date.

As the estimated fair value of the early redemption right is insignificant at initial recognition, the embedded derivative is not separately accounted for. The effective interest rate is approximately 9.33% per annum after the adjustment for transaction costs.

30. 優先票據 (續)

(a) 二零一七年優先票據 (續)

- (ii) *控制權變動時購回二零一七年優先票據*

本公司將於控制權變動後30日前提出要約(「控制權變動要約」)，按等於本金額101%加上截至控制權變動要約付款日期(不包括該日)應計未付利息(如有)的購買價，購買所有未償還二零一七年優先票據。

由於提早贖回權於初始確認時的公平值估計不高，故嵌入式衍生工具並無單獨入賬。經就交易成本作出調整後，實際利率約為每年9.33%。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

30. SENIOR NOTES (Continued)

(a) 2017 Senior Notes (Continued)

The 2017 Senior Notes recognised in the consolidated statement of financial position are calculated as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日之賬面值	548,200	542,822
Effective interest recognised during the year (note 6)	年內確認的實際利息 (附註6)	50,111	49,478
Interest payable during the year	年內應付利息	(44,100)	(44,100)
Carrying amount at 31 December	於十二月三十一日之賬面值	554,211	548,200
Fair value of the 2017 Senior Notes *	二零一七年優先票據的公平值 *	536,833	525,694

* The fair value of the 2017 Senior Notes was determined based on the price quoted on the HKSE on 31 December 2016.

30. 優先票據 (續)

(a) 二零一七年優先票據 (續)

於綜合財務狀況表中確認的二零一七年優先票據按以下方式計算：

* 二零一七年優先票據的公平值乃基於香港聯交所於二零一六年十二月三十一日的報價釐定。

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31 December 2016 二零一六年十二月三十一日

30. SENIOR NOTES (Continued)

(b) 2018 Senior Notes

On 30 January 2015, the Company issued 7.75% senior notes with an aggregate nominal value of HK\$250,000,000 (equivalent to approximately RMB197,150,000) at face value, which will mature in February 2018 (the “2018 Senior Notes”). The 2018 Senior Notes will only be offered outside the United States in compliance with Regulation S under the United States Securities Act of 1933, as amended. None of the 2018 Senior Notes will be offered to the public in Hong Kong and none of the 2018 Senior Notes will be placed to any connected persons of the Company. The net proceeds, after deducting the issuance costs, amounted to approximately RMB182,492,000.

The major terms and conditions of the 2018 Senior Notes are as follows:

(i) Redemption at the option of the Company

Upon giving not less than 30 days' nor more than 60 days' notice to the holder, at any time, the Company may at its option redeem the notes at a redemption price equal to 100% of the principal amount plus the applicable premium as of, and accrued and unpaid interest, if any, to the redemption date. The applicable premium is the greater of (1) 1.0% of the principal amount and (2) the excess of (A) the present value at such redemption date of 100% of the principal amount, plus all required remaining scheduled interest payments due on the 2018 Senior Notes through the maturity date (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to 2%, over (B) the principal amount on the redemption date.

30. 優先票據 (續)

(b) 二零一八年優先票據

於二零一五年一月三十日，本公司按面值發行於二零一八年二月到期本金總額為250,000,000港元（相當於約人民幣197,150,000元）的7.75%優先票據（「二零一八年優先票據」）。二零一八年優先票據將僅遵照一九三三年美國證券法下S規例（經修訂）於美國境外發售。二零一八年優先票據概不會向香港公眾人士發售，且二零一八年優先票據概不會向本公司關連人士配售。扣除相關發行成本後，所得款項淨額為約人民幣182,492,000元。

二零一八年優先票據的主要條款及條件如下：

(i) 本公司選擇贖回

本公司可於向持有人發出不少於30日及不超過60日的通知後，隨時選擇按等於本金額100%加上截至贖回日期適用溢價及截至該日應計未付利息的贖回價贖回票據。適用溢價為以下各項中的較高者：(1)本金額的1.0%；及(2)(A)100%本金額於該贖回日期的現值，加上二零一八年優先票據於到期日前按計劃需要支付的所有到期利息（但不包括於贖回日期應計未付利息）（按等於2%的貼現率計算）超出(B)贖回日期本金額的部分。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

30. SENIOR NOTES (Continued)

(b) 2018 Senior Notes (Continued)

(i) Redemption at the option of the Company (Continued)

Upon giving not less than 30 days' nor more than 60 days' notice to the holder, at any time, the Company may at its option redeem up to 35% of the aggregate principal amount of the 2018 Senior Notes with the net cash proceeds of one or more sales of common stock of the Company in one or more equity offerings at a redemption price of 107.75% of the principal amount of the 2018 Senior Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

(ii) Repurchase of the 2018 Senior Notes upon a Change of Control

Not later than 30 days following a Change of Control, the Company will make an offer to purchase all outstanding 2018 Senior Notes ("2018 Senior Notes Change of Control Offer") at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the 2018 Senior Notes Change of Control Offer payment date.

As the estimated fair value of the early redemption right is insignificant at initial recognition, the embedded derivative is not separately accounted for. The effective interest rate is approximately 11.06% per annum after the adjustment for transaction costs.

30. 優先票據 (續)

(b) 二零一八年優先票據 (續)

(i) 本公司選擇贖回 (續)

本公司可於向持有人發出不少於30日及不超過60日的通知後，選擇按等於二零一八年優先票據的本金額的107.75%加上截至贖回日期(但不包括該日)的應計未付利息(如有)之贖回價，以一次或多次股權發售中一次或多次出售本公司普通股的所得款項現金淨額，贖回二零一八年優先票據本金總額的最多35%；惟於每次贖回後優先票據本金總額須至少有65%仍未償還，且任何相關贖回必須於相關股權發售完成後60日內進行。

(ii) 控制權變動時購回二零一八年優先票據

本公司將於控制權變動後30日前提出要約(「二零一八年優先票據控制權變動要約」)，按等於本金額101%加上截至控制權變動要約付款日期(不包括該日)應計未付利息(如有)的購買價，購買所有未償還二零一八年優先票據。

由於提早贖回權於初始確認時的公平值估計不高，故嵌入式衍生工具並無單獨入賬。經就交易成本作出調整後，實際利率約為每年11.06%。

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30. SENIOR NOTES (Continued)

(b) 2018 Senior Notes (Continued)

The 2018 Senior Notes recognised in the consolidated statement of financial position are calculated as follows:

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Carrying amount at 1 January/ (fair value at date of issuance) 於一月一日之賬面值/ (發行日期的公平值)	198,492	182,492
Effective interest recognised during the year (note 6) 年內確認的實際利息 (附註6)	21,708	17,807
Interest payable during the year 年內應付利息	(16,581)	(13,860)
Exchange realignment 匯兌調整	13,173	12,053
Carrying amount at 31 December 於十二月三十一日之賬面值	216,792	198,492
Fair value of the 2018 Senior Notes * 二零一八年優先票據的公平值 *	226,383	215,815

* The fair value of the 2018 Senior Notes has been calculated by discounting the contractual cash flows over the remaining contractual term of the 2018 Senior Notes at the risk-free interest rate plus credit spread and liquidity spread.

30. 優先票據 (續)

(b) 二零一八年優先票據 (續)

於綜合財務狀況表中確認的二零一八年優先票據按以下方式計算：

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
於一月一日之賬面值/ (發行日期的公平值)	198,492	182,492
年內確認的實際利息 (附註6)	21,708	17,807
年內應付利息	(16,581)	(13,860)
匯兌調整	13,173	12,053
於十二月三十一日之賬面值	216,792	198,492
二零一八年優先票據的公平值 *	226,383	215,815

* 二零一八年優先票據的公平值通過將合約現金流量按無風險利率加信貸息差及流動性息差於二零一八年優先票據的剩餘合約期限內折現計算。

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31. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

		Tax losses	Government grants	Discount in retention receivables	Others	Total
		稅項虧損	政府補助	應收質保金折扣	其他	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2015	於二零一五年一月一日	6,070	18,682	5,766	1,990	32,508
Deferred tax credited/ (charged) to profit or loss during the year (note 10)	年內計入／(扣除自) 損益的遞延稅項 (附註10)	(3,734)	4,924	(3,423)	3,832	1,599
At 31 December 2015 and at 1 January 2016	於二零一五年十二月三十一日 及於二零一六年一月一日	2,336	23,606	2,343	5,822	34,107
Deferred tax credited/ (charged) to profit or loss during the year (note 10)	年內計入／(扣除自) 損益的遞延稅項 (附註10)	(2,191)	(2,259)	(558)	3,189	(1,819)
At 31 December 2016	於二零一六年十二月三十一日	145	21,347	1,785	9,011	32,288

31. 遞延稅項

遞延稅項資產與負債於年內的變動如下：

遞延稅項資產

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31. DEFERRED TAX (Continued)

Deferred tax assets (Continued)

The Group has total tax losses arising in Malaysia, Singapore and Hong Kong of RMB38,983,000 (2015: RMB88,208,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in Mainland China of RMB25,600,000 (2015: RMB46,603,000) that will expire in one to five years for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these tax losses as they have arisen in subsidiaries that have been loss making and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Deferred tax liabilities

31. 遞延稅項 (續)

遞延稅項資產 (續)

本集團有在馬來西亞、新加坡及香港產生的稅項虧損總額人民幣38,983,000元(二零一五年：人民幣88,208,000元)可用於無限期限抵銷產生虧損之公司的未來應課稅溢利。本集團亦有在中國大陸產生的稅項虧損人民幣25,600,000元(二零一五年：人民幣46,603,000元)可用於抵銷產生虧損之公司的未來應課稅溢利，將於一至五年後到期。就該等稅項虧損並無確認遞延稅項資產因其於一直虧損的附屬公司產生，且認為為應課稅溢利可以抵銷有關稅項虧損之機會不大。

遞延稅項負債

Withholding taxes
預扣稅
RMB'000
人民幣千元

At 1 January 2016 and
31 December 2016

於二零一六年一月一日及
二零一六年十二月三十一日

86,860

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31. DEFERRED TAX (Continued)

Deferred tax liabilities (Continued)

Under the CIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated statement of financial position in respect of temporary differences attributable to the profits of the PRC subsidiaries during the year, as 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. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB1,407,503,000 as at 31 December 2016 (2015: RMB848,182,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

31. 遞延稅項(續)

遞延稅項負債(續)

根據中國企業所得稅法，由二零零八年一月一日起，就中國附屬公司所賺取的溢利宣派股息須繳納預扣稅。由於本集團可控制撥回暫時差額的時機，且暫時差額可能在短期內不會撥回，故並無就年內產生自中國附屬公司溢利的暫時差額在綜合財務狀況表內計提遞延稅項。於二零一六年十二月三十一日，與投資位於中國的附屬公司有關的暫時差額（並無就此確認遞延稅項負債）合共約為人民幣1,407,503,000元（二零一五年：人民幣848,182,000元）。

本公司向其股東派付股息時不會附帶任何所得稅影響。

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32. DEFERRED INCOME

32. 遞延收益

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<i>Government grants</i>	<i>政府補助</i>		
At 1 January	於一月一日	537,807	439,273
Government grants related to assets received during the year	年內收取與資產相關的政府補助	888	175,724
Released to profit or loss (note 5):	撥回至損益(附註5):		
Over the expected useful lives of the related assets	按相關資產預期可使用年期	(19,830)	(32,985)
Upon disposal of the related assets	出售相關資產時	(247,395)	—
Related to disposal of assets in previous years	有關過往年度出售資產	—	(44,205)
At 31 December	於十二月三十一日	271,470	537,807

Deferred income represented government grants received by the Group in respect of the construction of roof top solar power stations under the “Golden Sun Demonstration Project”, and other items of property, plant and equipment.

The deferred income is released to profit or loss at the annual instalment to match with the expected useful lives of the relevant assets.

遞延收益指本集團年內有關「金太陽示範工程」下建設的屋頂太陽能電站，以及其他物業、廠房及設備項目而收到的政府補助。

遞延收益按年分期撥回至損益，以配合相關資產的預期可使用年期。

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33. SHARE CAPITAL

Shares

		2016 二零一六年 US\$'000 千美元	2015 二零一五年 US\$'000 千美元
Authorised:	法定：		
1,200,000,000 ordinary shares of US\$0.01 each	1,200,000,000 股 每股面值0.01美元的普通股	12,000	12,000
Issued and fully paid:	已發行及已繳足：		
834,073,195 (2015: 695,060,996) ordinary shares of US\$0.01 each	834,073,195 股 (二零一五年：695,060,996 股) 每股面值0.01美元的普通股	8,341	6,951
Equivalent to RMB'000	折合人民幣千元	55,785	46,443

During the year, the movements in issued capital were as follows:

於本年度，已發行股本變動如下：

		Number of shares in issue 已發行 股份數目	Issued capital 已發行股本 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	695,395,996	46,466
Shares repurchased	購回股份	(1,369,000)	(87)
Share options exercised	已行使購股權	1,034,000	64
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及 於二零一六年一月一日	695,060,996	46,443
Rights issue*	供股*	139,012,199	9,342
At 31 December 2016	於二零一六年十二月三十一日	834,073,195	55,785

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33. SHARE CAPITAL (Continued)

Shares (Continued)

- * A rights issue of one rights share for every five existing shares held by members on the register of members on 20 June 2016 was made, at an issue price of HK\$2.60 per rights share, resulting in the issue of 139,012,199 shares for net proceeds, after deducting issuance expenses, of HK\$354,681,000 (equivalent to approximately RMB305,596,000).

34. SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include directors and employees of the Group. The Scheme was approved by the Company's shareholders on 19 December 2008 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

33. 股本 (續)

股份 (續)

- * 按每股供股股份2.60港元發行價就於二零一六年六月二十日股東登記冊股東每持有五股現有股份可獲發一股供股股份進行供股，導致發行139,012,199股股份，所得款項淨額（扣除發行開支後）354,681,000港元（相當於約人民幣305,596,000元）。

34. 購股權計劃

本公司設立購股權計劃（「該計劃」）是為了向對本集團的成功經營做出貢獻的合格參與者提供鼓勵和獎勵。該計劃的合格參與者包括董事及本集團僱員。該計劃於二零零八年十二月十九日獲本公司股東批准，除非被註銷或修訂，否則該計劃從該日起保持十年的效力。

現時允許根據該計劃授出的未行使購股權最高數目為相等於（待其獲行使後）本公司於任何時間已發行股份之10%。於任何十二個月期間內可根據購股權向每名合格參與者發行的最高股份數目乃限於本公司於任何時間已發行股份之1%。任何超出此限額的進一步授出購股權須經股東於股東大會上批准。

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34. SHARE OPTION SCHEME (Continued)

Share options granted to a director, chief executive officer or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5,000,000, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of offer, upon payment of a nominal consideration of RMB1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period of 0.5 to 3 years and ends on a date which is a period of 10 years from the date of grant.

The exercise price of share options is determinable by the directors, but may not be less than the highest of (i) the HKSE closing price of the Company's shares on the date of offer of the share options; (ii) the average HKSE closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of a share.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

34. 購股權計劃(續)

授予本公司董事、行政總裁或主要股東，或彼等任何聯繫人士之購股權，均須事先獲得獨立非執行董事之批准。此外，於任何十二個月期間內授予本公司主要股東或獨立非執行董事，或彼等任何聯繫人士之任何購股權，凡超過本公司於任何時間已發行股份之0.1%或其總值(根據本公司於授出日期之股價計算)超過5,000,000港元，均須於股東大會上事先取得股東之批准。

授出購股權之要約可由承授人自要約日期起計二十八日內於支付象徵式代價合共人民幣1元後接納。所授出購股權之行使期由董事釐定，並於半年至三年之歸屬期後開始至自授出日期起計滿十年之日為止。

購股權之行使價由董事釐定，惟不可低於以下最高者：(i)本公司股份於購股權要約日期在香港聯交所之收市價；(ii)本公司股份於緊接要約日期前五個交易日在香港聯交所之平均收市價；及(iii)股份之面值。

購股權並不賦予持有人收取股息或在股東大會上投票的權利。

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34. SHARE OPTION SCHEME (Continued)

The following share options were outstanding under the Scheme during the year:

34. 購股權計劃 (續)

年內該計劃下尚未行使之購股權如下：

		2016 二零一六年		2015 二零一五年	
		Weighted average exercise price 每股加權 平均行使價 HK\$ per share 港元	Number of options 購股權數目 '000 千份	Weighted average exercise price 每股加權 平均行使價 HK\$ per share 港元	Number of options 購股權數目 '000 千份
At 1 January	於一月一日	5.31	24,414	3.21	19,448
Granted during the year	年內授出	—	—	11.70	6,000
Adjusted during the year *	年內調整 *	5.26	107	—	—
Exercised during the year	年內行使	—	—	3.08	(1,034)
At 31 December	於十二月三十一日	5.29	24,521	5.31	24,414

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34. SHARE OPTION SCHEME (Continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

34. 購股權計劃(續)

於報告期末尚未行使購股權之行使價及行使期如下：

Number of options '000*							
購股權數目 千份							
Exercise period 行使期	Exercise price HK\$ per share before adjustment 調整前 每股行使價 港元	Exercise price HK\$ per share after adjustment 調整後 每股行使價 港元	Before adjustment 調整前			After adjustment 調整後	
			As at 31/12/2016 於二零一六年 十二月 三十一日			As at 31/12/2016 於二零一六年 十二月 三十一日	
			Exercised 已行使	Rights issue adjustment 供股調整	Exercised 已行使		
23/01/10-22/07/19	3.58	3.56	2,772	–	12	–	2,784
23/07/10-22/07/19	3.58	3.56	3,321	–	15	–	3,336
23/07/11-22/07/19	3.58	3.56	5,121	–	22	–	5,143
11/10/12-10/10/21	2.68	2.67	1,440	–	7	–	1,447
11/10/13-10/10/21	2.68	2.67	1,440	–	7	–	1,447
11/10/14-10/10/21	2.68	2.67	1,440	–	6	–	1,446
11/10/15-10/10/21	2.68	2.67	1,440	–	6	–	1,446
11/10/16-10/10/21	2.68	2.67	1,440	–	6	–	1,446
22/05/16-21/05/25	11.70	11.65	2,000	–	8	–	2,008
22/05/17-21/05/25	11.70	11.65	2,000	–	9	–	2,009
22/05/18-21/05/25	11.70	11.65	2,000	–	9	–	2,009
Total 總計			24,414	–	107	–	24,521

* Upon completion of the rights issue which was approved by the shareholders in an annual general meeting of the Company held on 26 May 2016, the exercise price of the share options granted under the Scheme and the number of shares to be allotted and issued upon full exercise of the subscription rights attaching to the outstanding share options were adjusted in accordance with the terms of the Scheme and the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 relating to adjustments to share options.

* 於完成供股(經股東於本公司於二零一六年五月二十六日舉行之股東週年大會上批准)後，根據計劃授出之購股權之行使價以及於悉數行使尚未行使購股權附帶之認購權後將配發及發行之股份數目，已根據計劃之條款以及聯交所日期為二零零五年九月五日之函件附帶之有關購股權調整之補充指引作出調整。

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34. SHARE OPTION SCHEME (Continued)

The Group recognised a share option expense of HK\$13,756,883 (equivalent to approximately RMB11,773,000) during the year ended 31 December 2016 (2015: HK\$12,963,591, equivalent to approximately RMB10,415,000).

At the end of the reporting period, the Company had 24,521,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, results in the issue of 24,521,000 additional ordinary shares of the Company and additional share capital of US\$245,210 (equivalent to approximately RMB1,701,022) and share premium of approximately RMB114,235,185 (before issue expenses and after the amount to be transferred from share option reserve to share premium upon the exercise of the related share options).

As at the date of approval of the financial statements, the Company had 24,521,000 share options outstanding under the Scheme, which represented approximately 2.94% of the Company's shares in issue as at that date.

34. 購股權計劃 (續)

截至二零一六年十二月三十一日止年度，本集團確認購股權開支 13,756,883 港元（相當於約人民幣 11,773,000 元）（二零一五年：12,963,591 港元，相當於約人民幣 10,415,000 元）。

於報告期末，本公司根據該計劃有 24,521,000 份尚未行使購股權。該等尚未行使購股權倘全數獲行使，在本公司之現有資本架構下，將會導致額外發行 24,521,000 股本公司普通股及產生額外股本 245,210 美元（相等於約人民幣 1,701,022 元）及股份溢價約人民幣 114,235,185 元（於扣除發行開支前及於扣除將於相關購股權獲行使時由購股權儲備轉移至股份溢價的金額後）。

於本財務報表批准日，本公司根據該計劃有 24,521,000 份尚未行使購股權，相當於本公司於該日已發行股份約 2.94%。

NOTES TO FINANCIAL STATEMENTS

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35. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 90 to 91 of the financial statements.

(a) Statutory reserves of the PRC subsidiaries

In accordance with the "Law of the PRC on Joint Ventures Using Chinese and Foreign Investment" and the respective articles of association of the Group's subsidiaries in Mainland China, appropriations from net profit, as determined in accordance with PRC generally accepted accounting principles ("PRC GAAP") and after offsetting accumulated losses from prior years, should be made to the statutory reserve fund and the enterprise expansion fund, and before profit distributions to the investors. The reserve fund can be used to offset accumulated losses or to increase capital.

(b) Enterprise expansion fund

The enterprise expansion fund can be used for business development or to increase capital. The percentages to be appropriated to the reserve fund and the enterprise expansion fund in the foreign investment subsidiaries are determined by the board of directors. In addition, the wholly-foreign-owned subsidiaries are not required to appropriate the enterprise expansion fund, and the percentages to be appropriated to the reserve fund shall be no less than 10%. When the cumulative reserve fund reaches one-half of the registered capital, the appropriation is no longer mandatory.

35. 儲備

本集團本年度及過往年度之儲備金額及相關變動載於財務報表第90頁至第91頁之綜合權益變動表內。

(a) 中國附屬公司的法定儲備

根據《中華人民共和國中外合資經營企業法》及本集團在中國大陸附屬公司的公司章程，須從按照中國公認會計準則（「中國公認會計準則」）釐定的純利（經抵銷往年累計虧損後，及向投資者分派溢利前）撥付法定儲備基金及企業擴展基金。該儲備基金可用來抵銷累計虧損或增加資本。

(b) 企業擴展基金

企業擴展基金可用於業務發展或增加資本。外商投資附屬公司撥付至儲備基金及企業擴展基金的百分比由董事會釐定。此外，外商獨資企業毋須將純利撥付至企業擴展基金，而撥付至儲備基金的百分比須不少於10%。於儲備基金累計至達到註冊資本一半時，不再強制撥付。

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35. RESERVES (Continued)

(c) Share option reserve

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

(d) Safety fund surplus reserve

Pursuant to a Notice regarding Safety Production Expenditure jointly issued by the Ministry of Finance and the State Administration of Work Safety of the PRC in February 2012, the Group is required to establish a safety fund surplus reserve. The safety fund can only be transferred to retained profits to offset safety related expenses as and when they are incurred, including expenses related to safety protection facilities and equipment improvement and maintenance as well as safety production inspection, appraisal, consultation and training.

35. 儲備 (續)

(c) 購股權儲備

購股權儲備包括已授出但尚未行使的購股權的公平值，進一步闡述見財務報表附註2.4有關以股份為基礎的支付的會計政策。該款項將於相關期權獲行使時轉撥至股份溢價賬，或倘相關購股權屆滿或被沒收，則轉撥至保留溢利。

(d) 安全基金盈餘儲備

根據中國財政部及國家安全生產監督管理總局於二零一二年二月聯合頒佈的一則關於安全生產費的通知，本集團須設立安全基金盈餘儲備。安全基金只可於產生時轉撥至保留溢利以抵銷安全相關開支，包括與安保設施及設備提升及維護以及安全生產檢查、評估、諮詢及培訓有關的開支。

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36. DISPOSAL OF A SUBSIDIARY

36. 出售一間附屬公司

		2016 二零一六年 RMB'000 人民幣千元
Net assets disposed of:	已出售資產淨值：	
Property, plant and equipment	物業、廠房及設備	22,044
Cash and bank balances	現金及銀行結存	131
Trade receivables	應收貿易款項	911
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項	3,637
Other payables and accruals	其他應付款項及應計款項	(26,265)
		458
Loss on disposal of a subsidiary	出售一間附屬公司之虧損	(8)
		450
An analysis of the net outflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:		
		RMB'000 人民幣千元
Cash and bank balances disposed of	已出售現金及銀行結存	(131)
Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary	就出售一間附屬公司的現金及現金等價物淨流出	(131)

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37. CONTINGENT LIABILITIES

As at 31 December 2016, the Group had no significant contingent liabilities.

37. 或然負債

於二零一六年十二月三十一日，本集團並無重大或然負債。

38. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 14) under operating lease arrangements, with leases negotiated for terms ranging from three to four years.

At 31 December 2016, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

(a) 作為出租人

本集團根據經營租約安排出租其投資物業(附註14)，該等租約協定期為三至四年。

於二零一六年十二月三十一日，本集團根據於下列年期到期的不可撤銷經營租約的未來最低應收租金總額如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within one year	一年內	2,483	—
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	4,880	—
		7,363	—

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38. OPERATING LEASE ARRANGEMENTS (Continued)

(b) As lessee

The Group leases certain of its office premises and land from certain grantees of the land use rights under operating lease arrangements. Leases for properties are negotiated for terms of one to twenty-five years. At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within one year	一年內	2,532	571
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	3,279	20
After five years	五年後	4,281	—
		10,092	591

38. 經營租約安排(續)

(b) 作出承租人

本集團根據經營租約安排自土地使用權的若干承授人租用若干辦公室物業以及土地。該等物業租約協定租期為一至二十五年。於報告期末，本集團根據於下列年期到期的不可撤銷經營租約的未來最低應付租金總額如下：

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39. COMMITMENTS

In addition to the operating lease commitments detailed in note 38 above, the Group had the following capital commitments at the end of the reporting period:

39. 承擔

除上文附註38詳述之經營租約承擔外，於報告期末，本集團有下列資本承擔：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未撥備：		
Construction of buildings and solar photovoltaic power stations	建設樓宇及太陽能 光伏電站	205,533	250,030
Purchase of machinery	購買機器設備	788	5,318
Capital contributions to be injected into associates	向聯營公司注資	12,000	38,962
		218,321	294,310

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

40. RELATED PARTY TRANSACTIONS AND BALANCES

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Associates:	聯營公司：		
Sales of products	銷售產品	635,237	132,856
Construction contracts	建築合同	169,038	—
		804,275	132,856
Interest-free advances	免息墊款	23,660	6,210
Loan*	貸款*	68,110	—

The sales and construction services provided to associates were made according to the published prices and conditions offered to the major customers of the Group.

- * The loan to an associate is interest-bearing at a fixed rate of 4.75% per annum and will fall due in 2017, which is secured by the rights on the annual return of a 100MW solar photovoltaic power station.

40. 關連方交易及結餘

- (a) 除該等財務報表其他地方詳述交易外，年內本集團擁有下列與關連方的交易：

向聯營公司提供之銷售及建築服務，乃以提供予本集團主要客戶之已公佈價格及條件為依據。

- * 向聯營公司提供的貸款以固定年利率4.75%計息，及將於二零一七年期滿，並以100兆瓦光伏電站年度回報的權利作抵押。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

40. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(b) Other transactions with related parties

As at 31 December 2016, details of bank and other loans guarantees provided by related parties of the Group for nil consideration are as follows:

- (i) the Group's bank and other loans of RMB475,568,000 were guaranteed by Mr. Liu Hongwei;
- (ii) the Group's bank loans of RMB290,000,000 were guaranteed jointly by Messrs. Liu Hongwei and Sun Jinli;
- (iii) the Group's bank loans of RMB114,710,000 were guaranteed jointly by Messrs. Liu Hongwei and Xie Wen;
- (iv) the Group's bank loans of RMB50,000,000 were guaranteed jointly by Messrs. Liu Hongwei, Sun Jinli and Xie Wen;
- (v) the Group's bank loans of RMB87,500,000 were jointly guaranteed by Mr. Liu Hongwei and his spouse, Ms. Li Wei, and Mr. Sun Jinli and his spouse, Ms. Wang Yanfang;
- (vi) the Group's bank loans with a principal of HK\$382,775,000 (equivalent to approximately RMB342,396,000) were guaranteed jointly by Messrs. Liu Hongwei and Sun Jinli; and
- (vii) the Group's bank loans with a principal of US\$2,909,000 (equivalent to approximately RMB20,180,000) were guaranteed jointly by Messrs. Liu Hongwei and Sun Jinli.

40. 關連方交易及結餘 (續)

(b) 與關連方的其他交易

於二零一六年十二月三十一日，本集團關連方無償提供之銀行及其他貸款擔保如下：

- (i) 本集團之銀行及其他貸款人民幣475,568,000元由劉紅維先生擔保；
- (ii) 本集團之銀行貸款人民幣290,000,000元由劉紅維先生及孫金禮先生共同擔保；
- (iii) 本集團之銀行貸款人民幣114,710,000元由劉紅維先生及謝文先生共同擔保；
- (iv) 本集團之銀行貸款人民幣50,000,000元由劉紅維先生、孫金禮先生及謝文先生共同擔保；
- (v) 本集團之銀行貸款人民幣87,500,000元乃由劉紅維先生及其配偶李薇女士、孫金禮先生及其配偶王豔芳女士共同擔保；
- (vi) 本集團之銀行貸款本金額382,775,000港元(相當於約人民幣342,396,000元)由劉紅維先生及孫金禮先生共同擔保；及
- (vii) 本集團之銀行貸款本金額2,909,000美元(相當於約人民幣20,180,000元)由劉紅維先生及孫金禮先生共同擔保。

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40. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(c) Outstanding balances with related parties

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB 人民幣
Due from associates:	應收聯營公司：		
Trade receivables	應收貿易款項	371,270	63,629
Other receivables	其他應收款項	97,980	6,210
		469,250	69,839
Due to an associate:	應付一間聯營公司：		
Other payables	其他應付款項	3,892	—

Trade receivables are unsecured and interest-free. The credit terms granted to the associates are consistent with the terms offered to the major customers of the Group.

Except the balances of approximately RMB68,110,000 (2015: Nil) due from an associate are secured by the rights on the annual return of the 100MW solar photovoltaic power station, bear interest at 4.75% per annum and will fall due in 2017, other balances included in other receivables due from the associates are unsecured, interest-free and have no fixed terms of repayment.

40. 關連方交易及結餘 (續)

(c) 關連方未償還結餘

應收貿易款項為無抵押及免息。授予一間聯營公司的信貸期乃與提供予本集團主要客戶之期限一致。

除應收聯營公司款項結餘約人民幣68,110,000元(二零一五年：無)以100兆瓦光伏電站年度回報的權利作抵押，按固定年利率4.75%計息及將於二零一七年期之外，其他應收聯營公司款項中包含的其他結餘為無抵押、免息及並無固定還款期限。

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31 December 2016 二零一六年十二月三十一日

40. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(d) Compensation of key management personnel of the Group

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	8,629	10,172
Pension scheme contributions	退休金計劃供款	181	196
		8,810	10,368

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

40. 關連方交易及結餘 (續)

(d) 本集團主要管理人員的薪酬

有關董事及行政總裁酬金的進一步詳情載於財務報表附註8。

41. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Gross amounts of assets that continued to be recognised:	繼續確認的資產賬面值：			
Discounted Bills	貼現票據	(a)	146,935	255,840
Endorsed Bills	背書票據	(b)	106,666	144,189
			253,601	400,029

41. 金融資產轉讓

未完全終止確認的已轉讓金融資產

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

41. TRANSFERS OF FINANCIAL ASSETS (Continued)

(a) Discounted Bills

At 31 December 2016, the Group discounted certain bills receivable (the “Discounted Bills”) with a total carrying amount of RMB146,935,000 (2015: RMB255,840,000) to certain local banks in the PRC. The Discounted Bills have a maturity from one to eleven months at 31 December 2016. In accordance with the law of Negotiable Instruments in the PRC, the holders of the Discounted Bills have a right of resource against the Group if the PRC banks default. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to the Discounted Bills, and accordingly, it continued to recognise the carrying amounts of the Discounted Bills and the respective bank loans (the carrying amounts of the Discounted Bills deduct the discount interest). Subsequent to the discounting, the Group did not retain any rights on the use of the Discounted Bills, including sale, transfer or pledge of the Discounted Bills to any other third parties. The aggregate carrying amount of the bank loans recognised due to the Discounted Bills was RMB144,949,000 (2015: RMB251,699,000) as at 31 December 2016.

41. 金融資產轉讓(續)

(a) 貼現票據

於二零一六年十二月三十一日，本集團將總賬面值人民幣146,935,000元(二零一五年：人民幣255,840,000元)的若干應收票據(「貼現票據」)貼現予中國若干當地銀行。於二零一六年十二月三十一日，貼現票據的到期時間為一至十一個月。根據中國票據法，如中國銀行違約，貼現票據持有人有權向本集團追索。董事認為，本集團保留大部分風險及回報(包括貼現票據違約風險)，因此繼續確認貼現票據及相關銀行貸款的賬面值(貼現票據的賬面值扣除貼現利息)。貼現後，本集團並無保留使用貼現票據的任何權利，包括向任何其他第三方出售、轉讓或抵押貼現票據。因貼現票據而確認的銀行貸款於二零一六年十二月三十一日的總賬面值為人民幣144,949,000元(二零一五年：人民幣251,699,000元)。

NOTES TO FINANCIAL STATEMENTS

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31 December 2016 二零一六年十二月三十一日

41. TRANSFERS OF FINANCIAL ASSETS (Continued)

(b) Endorsed Bills

At 31 December 2016, the Group endorsed certain bills receivable accepted by certain local banks in the PRC (the “Endorsed Bills”) with a total carrying amount of RMB106,666,000 (2015: RMB144,189,000) to certain of its suppliers in order to settle the trade payables due to those suppliers. The Endorsed Bills had a maturity of one to six months at 31 December 2016. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Endorsed Bills have a right of recourse against the Group if the PRC banks default. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to the Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amount of the trade and other payables settled by the Endorsed Bills during the year to which the suppliers have recourse was RMB106,666,000 as at 31 December 2016 (2015: RMB144,189,000).

41. 金融資產轉讓 (續)

(b) 背書票據

於二零一六年十二月三十一日，本集團將中國若干當地銀行接受的總賬面值人民幣106,666,000元(二零一五年：人民幣144,189,000元)的若干應收票據(「背書票據」)背書予若干供應商，以結算應付該等供應商的應付貿易款項。於二零一六年十二月三十一日，背書票據的到期時間為一至六個月。根據中國票據法，如中國銀行違約，背書票據持有人有權向本集團追索。董事認為，本集團已保留大部分風險及回報(包括背書票據違約風險)，因此繼續確認背書票據及相關已結算應付貿易款項的全部賬面值。背書後，本集團並無保留使用背書票據的任何權利，包括向任何其他第三方出售、轉讓或抵押背書票據。年內以供應商有追索權的背書票據結算的貿易及其他應付款項於二零一六年十二月三十一日的總賬面值為人民幣106,666,000元(二零一五年：人民幣144,189,000元)。

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41. TRANSFERS OF FINANCIAL ASSETS (Continued)

Transferred financial assets that are derecognised in their entirety

As at 31 December 2016, the Group discounted certain bills receivable accepted by certain reputable banks in the PRC, with a carrying amount in aggregate of RMB58,118,000 (referred to as the “Derecognised Bills”, 2015: RMB110,863,000). The Derecognised Bills had a maturity from one to five months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the “Continuing Involvement”). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amount of the Derecognised Bills. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the year, the Group has recognised interest expense of RMB12,256,000 (2015: RMB18,942,000) (note 6) on discounted bills receivable. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively.

41. 金融資產轉讓(續)

已完全終止確認的已轉讓金融資產

於二零一六年十二月三十一日，本集團終止中國若干知名銀行接受的賬面值共人民幣58,118,000元的應收票據(「終止確認票據」，二零一五年：人民幣110,863,000元)。於報告期末，終止確認票據的到期時間為一至五個月。根據中國票據法，如中國銀行違約，終止確認票據持有人有權向本集團追索(「持續參與」)。董事認為，本集團已轉讓與終止確認票據有關的絕大部分風險及回報。因此，本集團已終止確認終止確認票據的全部賬面值。本集團持續參與終止確認票據及購回該等終止確認票據的未貼現現金流量面臨的最高損失風險等於其賬面值。董事認為，本集團持續參與與終止確認票據的公平值並不重大。

年內，本集團確認應收貼現票據的利息開支人民幣12,256,000元(二零一五年：人民幣18,942,000元)(附註6)。並無因持續參與而於年內或累計確認任何收益或虧損。

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42. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2016

Financial assets

42. 按類別劃分的金融工具

各類金融工具於報告期末的賬面值如下：

二零一六年

金融資產

		Loans and receivables 貸款及 應收款項 RMB'000 人民幣千元	Available-for-sale financial assets 可供出售 金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Available-for-sale investments	可供出售投資	—	80,512	80,512
Trade and bill receivables	應收貿易款項及應收票據	3,373,065	—	3,373,065
Financial assets included in prepayments, deposits and other receivables	計入預付款項、訂金及 其他應收款項的金融資產	702,507	—	702,507
Derivative financial instruments	衍生金融工具	22,961	—	22,961
Pledged deposits	抵押存款	383,231	—	383,231
Cash and cash equivalents	現金及現金等價物	680,205	—	680,205
		5,161,969	80,512	5,242,481

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42. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

2016 (Continued)

Financial liabilities

43. 金融工具的公平值及公平值 等級 (續)

二零一六年 (續)

金融負債

		Financial liabilities at fair value through profit or loss upon initial recognition 初始確認時 按公平值 計入損益的 金融負債 RMB'000 人民幣千元	Financial liabilities at amortised cost 按攤銷 成本列賬的 金融負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills payables	應付貿易款項及應付票據	—	1,345,952	1,345,952
Financial liabilities included in other payables and accruals (note 26)	計入其他應付款項及 應計款項的金融負債 (附註26)	—	202,734	202,734
Convertible bonds (note 29)	可換股債券 (附註29)	15,227	703,989	719,216
Senior notes (note 30)	優先票據 (附註30)	—	771,003	771,003
Bank advances for discounted bills (note 41(a))	貼現票據銀行貸款 (附註41(a))	—	144,949	144,949
Interest-bearing bank and other loans	付息銀行及其他貸款	—	2,918,270	2,918,270
		15,227	6,086,897	6,102,124

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31 December 2016 二零一六年十二月三十一日

42. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

2015

Financial assets

43. 金融工具的公平值及公平值 等級 (續)

二零一五年

金融資產

		Loans and receivables 貸款及 應收款項 RMB'000 人民幣千元	Available-for-sale financial assets 可供出售 金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Available-for-sale investments	可供出售投資	–	51,000	51,000
Trade and bill receivables	應收貿易款項及應收票據	2,292,195	–	2,292,195
Financial assets included in prepayments, deposits and other receivables	計入預付款項、訂金及 其他應收款項的金融資產	281,340	–	281,340
Pledged deposits	抵押存款	376,055	–	376,055
Cash and cash equivalents	現金及現金等價物	1,265,303	–	1,265,303
		4,214,893	51,000	4,265,893

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42. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

2015 (Continued)

Financial liabilities

43. 金融工具的公平值及公平值 等級 (續)

二零一五年 (續)

金融負債

		Financial liabilities at fair value through profit or loss upon initial recognition 初始確認時 按公平值 計入損益的 金融負債 RMB'000 人民幣千元	Financial liabilities at amortised cost 按攤銷 成本列賬的 金融負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills payables	應付貿易款項及應付票據	—	903,503	903,503
Financial liabilities included in other payables and accruals (note 26)	計入其他應付款項及 應計款項的金融負債 (附註26)	—	125,161	125,161
Derivative financial instruments (note 27)	衍生金融工具 (附註27)	—	—	—
Convertible bonds (note 29)	可換股債券 (附註29)	63,552	634,017	697,569
Senior notes (note 30)	優先票據 (附註30)	—	746,692	746,692
Bank advances for discounted bills (note 41(a))	貼現票據銀行貸款 (附註41(a))	—	251,699	251,699
Interest-bearing bank and other loans	附息銀行及其他貸款	—	2,582,683	2,582,683
		63,552	5,243,755	5,307,307

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43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values due to short term to maturity, are as follows:

43. 金融工具的公平值及公平值等級

本集團金融工具(由於到期時間較短，賬面值與公平值合理相若者除外)的賬面值及公平值如下：

		Carrying amounts		Fair values	
		賬面淨值		公平值	
		2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Financial assets					
金融資產					
Pledged deposits, non-current portion	抵押存款 非流動部分	17,352	—	14,408	—
Derivative financial instruments	衍生金融工具	22,961	—	22,961	—
Available-for-sale investments	可供出售投資	49,559	20,901	49,559	20,901
		89,872	20,901	86,928	20,901
Financial liabilities					
金融負債					
Convertible bonds	可換股債券	719,216	697,569	860,509	825,070
2017 Senior Notes	二零一七年優先票據	554,211	548,200	537,948	527,045
2018 Senior Notes	二零一八年優先票據	216,792	198,492	226,383	215,815
Interest-bearing bank and other loans, non-current portion:	附息銀行 及其他貸款 非流動部分：				
Bank loans	銀行貸款	1,506,511	1,368,963	1,488,583	1,383,138
Other loans	其他貸款	263,459	172,943	232,767	172,943
		3,260,189	2,986,167	3,346,190	3,124,011

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43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Management has assessed that the fair values of cash and cash equivalents, short term pledged deposits, trade and bills receivables, trade and bills payables, financial assets included in prepayments, deposits and other receivables, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The Group has entered into derivative financial instruments, such as interest rate swaps and cross-currency interest rate swaps, with the banks. The fair value of the interest rate swaps and cross-currency interest rate swaps was estimated by the independent professional valuer using the discounted cash flow method and the estimation included some assumptions not supported by observable market rates such as credit risk, discount rate and expected future cash flows. The carrying amounts of interest rate swaps and cross-currency interest rate swaps are the same as their fair values.

The fair value of the 2019 Convertible Bonds was valued by estimating the value of the whole bond with and without the embedded derivatives using the binomial option pricing model. The model incorporates inputs including market price, discount rates and share price volatility. The value used for significant unobservable input is: volatility at 54.77%. If the volatility rate had been 3% higher/lower than management's estimates at 31 December 2016, the fair value of conversion rights would have increased/decreased by RMB3,111,000 and RMB2,874,000, respectively.

43. 金融工具的公平值及公平值等級 (續)

經管理層評估，現金及現金等價物、短期抵押存款、應收貿易款項及應收票據、應付貿易款項及應付票據、計入預付款項、訂金及其他應收款項的金融資產以及計入其他應付款項及應計款項的金融負債與其賬面值相若，主要是由於有關工具的到期時間較短。

金融資產及負債的公平值按自願各方之間當前交易（強制或清盤出售除外）中該工具可交換的價格列賬。

下列方法及假設用於估計公平值：

本集團已與銀行訂立衍生金融工具，如利率掉期及交叉貨幣利率掉期。利率掉期及交叉貨幣利率掉期的公平值由獨立專業估值師使用貼現現金流法估計，估計包括並無可觀察市場價格或費率支持的部分假設（如信貸風險、貼現率及預期未來現金流量），因此存在不確定性。利率掉期及交叉貨幣利率掉期的賬面值與彼等的公平值相同。

二零一九年可換股債券的公平值透過使用二項式期權定價模型估計整份債券附帶及不附帶嵌入式衍生工具時的價值而評估。該模型計入市價、貼現率及股價波幅等輸入數據。就重大不可觀察輸入數據使用的數值：波幅54.77%。如於二零一六年十二月三十一日的波動率較管理層估計高低3%，則轉換權的公平值將分別增加減少人民幣3,111,000元及人民幣2,874,000元。

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43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The fair values of the 2017 Senior Notes are based on quoted market price (unadjusted) in active markets.

The fair values of the 2018 Senior Notes have been calculated by discounting the contractual cash flows over the remaining contractual term of the 2018 Senior Notes at the risk free interest rate plus credit spread and liquidity spread.

The fair values of the non-current portion of the Group's interest-bearing bank and other loans have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities, adjusted by the Group's own non-performance risk where appropriate. Values used for significant unobservable input are: discount rates from 1.27% to 9.55% based on individual loans.

The fair value of the available-for-sale investments relating to the life insurance contracts is based on the quoted price in a non-active market obtained from HSBC Life at the end of each reporting period.

The fair value of the available-for-sale investments relating to the specific asset management plans is calculated by discounting the contractual cash flows over the remaining contractual term of the specific asset management plans at the risk free interest rate plus credit spread.

43. 金融工具的公平值及公平值等級 (續)

二零一七年優先票據的公平值乃根據活躍市場的市場報價(未經調整)。

二零一八年優先票據的公平值通過將合約現金流量按無風險利率加信貸息差及流動性息差於二零一八年優先票據的剩餘合約期限內折現計算。

本集團附息銀行及其他貸款的公平值乃透過使用年期、信貸風險及餘下到期時間類似的金融工具現時可獲得的利率(就本集團自有違約風險作出調整(如適用))貼現預期未來現金流量而計算。就重大不可觀察輸入數據使用的數值：基於個人貸款的貼現率1.27%至9.55%。

有關人壽保險合約可供出售投資的公平值乃根據於各報告期末自滙豐人壽取得的非活躍市場報價計算。

有關特定資產管理計劃之可供出售投資的公平值通過將合約現金流量按無風險利率加信貸息差，於特定資產管理計劃之剩餘合約期限內折現計算。

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43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

43. 金融工具的公平值及公平值等級 (續)

公平值等級

下表說明本集團金融工具的公平值計量等級：

按公平值計量的資產：

		Fair value measurement using 使用以下各項計量公平值			Total 總計
		Quoted prices in active markets (Level 1) 活躍 市場報價 (第一層) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二層) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三層) RMB'000 人民幣千元	
As at 31 December 2016	於二零一六年 十二月三十一日				
Derivative financial instruments	衍生金融工具	—	22,961	—	22,961
Available-for-sale investments:	可供出售投資：				
Life insurance contracts	人壽保險合約	—	22,316	—	22,316
Asset management plan	資產管理計劃	—	—	27,243	27,243
		—	45,277	27,243	72,520
As at 31 December 2015	於二零一五年 十二月三十一日				
Available-for-sale investments:	可供出售投資：				
Life insurance contracts	人壽保險合約	—	20,901	—	20,901

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43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Liabilities measured at fair value:

43. 金融工具的公平值及公平值等級 (續)

公平值等級 (續)

按公平值計量的負債：

		Fair value measurement using 使用以下各項計量公平值			Total 總計
		Quoted prices in active markets (Level 1) 活躍 市場報價 (第一層) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二層) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三層) RMB'000 人民幣千元	
As at 31 December 2016	於二零一六年 十二月三十一日				
Convertible bonds:	可換股債券：				
Conversion rights (note 29)	轉換權(附註29)	—	—	15,227	15,227
As at 31 December 2015	於二零一五年 十二月三十一日				
Derivative financial instruments	衍生金融工具	—	—	—	—
Convertible bonds:	可換股債券：				
Conversion rights (note 29)	轉換權(附註29)	—	—	63,552	63,552

During the year ended 31 December 2016, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

截至二零一六年十二月三十一日止年度，金融資產及金融負債的第一層與第二層之間並無公平值計量轉移，亦並無轉入或轉出第三層。

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43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Assets for which fair values are disclosed:

		Fair value measurement using 使用以下各項計量公平值			Total 總計
		Quoted prices in active markets (Level 1) 活躍 市場報價 (第一層) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二層) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三層) RMB'000 人民幣千元	
As at 31 December 2016	於二零一六年 十二月三十一日				
Pledged deposits, non-current portion	抵押存款， 非流動部分	–	–	14,408	14,408

Liabilities for which fair
values are disclosed:

		Fair value measurement using 使用以下各項計量公平值			Total 總計
		Quoted prices in active markets (Level 1) 活躍 市場報價 (第一層) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二層) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三層) RMB'000 人民幣千元	
As at 31 December 2016	於二零一六年 十二月三十一日				
Convertible bonds	可換股債券				
– Liability component (note 29)	– 負債部分 (附註 29)	–	–	845,282	845,282
2017 Senior notes (note 30)	二零一七年優先票據 (附註 30)	537,948	–	–	537,948
2018 Senior notes (note 30)	二零一八年優先票據 (附註 30)	–	–	226,383	226,383
Interest-bearing bank and other loans, non-current portion	附息銀行及其他貸款， 非流動部分	–	–	1,721,350	1,721,350
		537,948	–	2,793,015	3,330,963

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43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Liabilities for which fair values are disclosed: (Continued)

43. 金融工具的公平值及公平值等級 (續)

公平值等級 (續)

披露公平值的負債：(續)

		Fair value measurement using 使用以下各項計量公平值			
		Quoted prices in active markets (Level 1) 活躍 市場報價 (第一層) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二層) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三層) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 31 December 2015	於二零一五年 十二月三十一日				
Convertible bonds	可換股債券				
– Liability component (note 29)	– 負債部分 (附註29)	–	–	697,569	697,569
2017 Senior notes (note 30)	二零一七年優先票據 (附註30)	527,045	–	–	527,045
2018 Senior notes (note 30)	二零一八年優先票據 (附註30)	–	–	215,815	215,815
Interest-bearing bank and other loans, non-current portion	附息銀行及其他貸款， 非流動部分	–	–	1,556,081	1,556,081
		527,045	–	2,469,465	2,996,510

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other loans, derivative financial instruments, convertible bonds, senior notes and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, prepayments, deposits and other receivables, trade and bills payables, other payables and accruals, and bank advances for discounted bills, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The interest rates and terms of repayment of interest-bearing bank and other loans are disclosed in note 28.

The Group's exposure to the risk of changes in the market interest rates relates primarily to the Group's long term debt obligations with floating interest rates.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. At 31 December 2016, approximately 60.5% (2015: 60.3%) of the Group's interest-bearing bank and other loans bore interest at fixed rates.

44. 財務風險管理目的及政策

本集團的主要金融工具包括附息銀行及其他貸款、衍生金融工具、可換股債券、優先票據以及現金及現金等價物。該等金融工具的主要用途是為本集團的經營籌集資金。本集團還有各種其他金融資產及負債，例如營運過程中直接產生的應收貿易款項及應收票據、預付款項、訂金及其他應收款項、應付貿易款項及應付票據、其他應付款項及應計款項以及貼現票據銀行貸款。

本集團金融工具所產生之主要風險為利率風險、外幣風險、信貸風險及流動資金風險。董事會復核及商議管理各類風險的政策，有關政策概述如下。

利率風險

附息銀行及其他貸款的利率及償還期限於附註28披露。

本集團面臨主要與本集團浮息利率長期債務的市場利率變動風險。

本集團的政策是採用固定及浮息利率債務組合管理其利息成本。於二零一六年十二月三十一日，本集團計息銀行及其他貸款的約60.5% (二零一五年：60.3%) 按固定利率計息。

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest rate risk (Continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate loans).

44. 財務風險管理目的及政策 (續)

利率風險 (續)

下表顯示在所有其他變量保持不變情況下，本集團除稅前溢利（因浮息貸款的影響）的利率可能合理變動敏感度。

		Increase/ (decrease) in basis points 基點 增加／(減少)	Increase/ (decrease) in profit before tax 除稅前溢利 增加／(減少) RMB'000 人民幣千元
2016	二零一六年		
Hong Kong dollar	港元	100	(3,604)
Hong Kong dollar	港元	(100)	3,604
US dollar	美元	100	(7,924)
US dollar	美元	(100)	7,924
2015	二零一五年		
Hong Kong dollar	港元	100	(2,816)
Hong Kong dollar	港元	(100)	2,816
US dollar	美元	100	(7,447)
US dollar	美元	(100)	7,447

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk

The Group's principal businesses are located in Mainland China and most of the transactions are conducted in RMB. Most of the Group's assets and liabilities are denominated in RMB, except for those of the overseas subsidiaries which functional currencies are currencies other than RMB and certain items of cash and cash equivalents that are denominated in HK\$, US\$ and other currencies.

If RMB weakens/strengthens against HK\$ as a reasonable possible change of 5%, the profit before tax of the Group will increase/decrease by approximately RMB8,468,000, due to changes in fair values of monetary assets and liabilities. The Group does not consider that it has any significant exposure to the risk of fluctuation in the exchange rate between US\$ and RMB as a reasonable possible change of 5% in RMB against US\$ would have no significant financial impact on the Group's profit.

Credit risk

The carrying amounts of cash and cash equivalents, pledged deposits, trade and other receivables, and other financial assets represent the Group's maximum exposure to credit risk in relation to financial assets. Substantially all of the Group's cash and cash equivalents are held in major financial institutions located in Mainland China, which management believes are of high credit quality.

44. 財務風險管理目的及政策 (續)

外幣風險

本集團主要業務位於中國大陸，大部分交易以人民幣進行。本集團大部分資產及負債以人民幣計值，惟境外附屬公司的功能貨幣並非人民幣及若干現金及現金等價物以港元、美元及其他貨幣計值。

倘人民幣兌港元按可能合理變動貶值／升值，則本集團的除稅前溢利將因貨幣資產及負債的公平值變動增加／減少約人民幣8,468,000元。由於人民幣兌美元的匯率的可能合理變動5%不會對本集團溢利造成重大財務影響，故本集團認為其並無因美元及人民幣之間的匯率波動而面臨任何重大風險。

信貸風險

現金及現金等價物、抵押存款、貿易及其他應收款項以及其他金融資產的賬面值代表本集團所承受與金融資產有關的最高信貸風險。本集團絕大多數現金及現金等價物由管理層認為具有高信貸質素的中國大陸大型金融機構持有。

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

The Group trades only with recognised and creditworthy third parties and its associates. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

At the end of the reporting period, the Group had certain concentrations of credit risk as 8.29% and 26.37% (2015: 4.32% and 28.24%) of the Group's trade receivables were due from the Group's largest customer and the five largest customers, respectively. All of these customers have good credit quality by taking into account of their credit history, and a long-term business relationship has been established by both parties. The Group has delegated a team responsible for determination of credit limits and monitoring procedures to ensure that there will be follow-up action to recover overdue debts.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The liquidity of the Group is primarily dependent on its ability to maintain a balance between continuity of funding and flexibility through the settlement from customers and the payment to vendors.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

44. 財務風險管理目的及政策 (續)

信貸風險 (續)

本集團僅與獲認可及享有信譽的第三方人士及其聯繫人交易。本集團的政策是，所有擬按信用條款交易的客戶須經過信用驗證程序。此外，應收款項餘額均持續監控，而本集團所承受的壞賬風險並不重大。

於報告期末，本集團有若干信貸風險集中之風險，因為本集團貿易應收款項中，有8.29%及26.37%（二零一五年：4.32%及28.24%）乃分別為應收本集團最大客戶及五大客戶款項。透過計及該等客戶的信貸歷史，所有該等客戶均擁有良好的信貸質素，且雙方已建立長期的業務關係。本集團已委派一支團隊負責釐定信貸限額及監控程序，以確保將採取後續行動收回逾期壞賬。

流動資金風險

本集團運用循環流動資金計劃工具監察其資金短缺的風險。該工具計及其金融工具及金融資產（例如應收貿易款項）的到期日以及預計經營業務現金流量等因素。

本集團的流動資金主要取決於在資金持續性及其透過客戶付款與付款予供應商兩者的靈活性之間取得平衡的能力。

於報告期末，基於已訂約但未貼現的付款，本集團之金融負債到期情況如下：

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

		On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Beyond 5 years	Total
		於要求時	少於三個月	三至少於 十二個月	一至五年	五年以上	總計
		RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2016	二零一六年						
Convertible bonds *	可換股債券 *	18,353	4,936	22,910	1,016,400	–	1,062,599
Senior notes	優先票據	11,670	1,828	614,770	225,456	–	853,724
Interest-bearing	付息銀行及						
bank and other loans	其他貸款	43,790	581,144	597,972	1,338,113	625,931	3,186,950
Trade and bills payables	應付貿易款項 及應付票據	145,211	366,624	834,117	–	–	1,345,952
Other payables	其他應付款項						
and accruals	及應計款項	202,734	–	–	–	–	202,734
		421,758	954,532	2,069,769	2,579,969	625,931	6,651,959
2015	二零一五年						
Convertible bonds *	可換股債券 *	46,500	4,968	41,659	1,051,027	–	1,144,154
Senior notes	優先票據	44,100	6,099	53,568	620,932	–	724,699
Interest-bearing	付息銀行及						
bank and other loans	其他貸款	49,343	530,981	544,330	1,369,077	456,095	2,949,826
Trade and bills payables	應付貿易款項 及應付票據	448,972	281,000	173,531	–	–	903,503
Other payables	其他應付款項						
and accruals	及應計款項	125,161	–	–	–	–	125,161
		714,076	823,048	813,088	3,041,036	456,095	5,847,343

* Conversion rights of the convertible bonds are not included in the table above as they will be settled through issuance of own shares.

44. 財務風險管理目的及政策 (續)

流動資金風險 (續)

* 可換股債券的轉換權並無計入上表，原因是其將透過發行自身股份而結算。

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management

The Group's objectives of its capital management are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for the shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing services and products commensurately with the level of risk.

The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt comprises trade and bills payables, bank advances for discounted bills, interest-bearing bank and other loans, other payables and accruals, senior notes and tax payable, less cash and cash equivalents and pledged deposits. Capital includes the liability component of convertible bonds and equity attributable to owners of the Company.

The Group's strategy is to maintain the gearing ratio at a healthy capital level in order to support its businesses. The principal strategies adopted by the Group include, but are not limited to, reviewing future cash flow requirements and the ability to meet debt repayment schedules when they fall due, maintaining a reasonable level of available banking facilities and adjusting investment plans and financing plans, if necessary, to ensure that the Group has a reasonable level of capital to support its business. The gearing ratios as at the end of the reporting periods were as follows:

44. 財務風險管理目的及政策 (續)

資本管理

本集團的資本管理目標是保全本集團持續經營的能力，以致其可繼續為股東提供回報並為其他利益相關者提供福利，並通過與風險水平相當的服務及產品的定價向股東提供足夠回報。

本集團按風險比例制訂資本金額。本集團管理其資本結構並根據經濟狀況變動及相關資產的風險特點加以調整。為了維持或調整資本結構，本集團可調整已付股東的股息金額，向股東退還資本，發行新股或出售資產以減債。

本集團以槓桿比率監控資本，該比率為淨債務除以總權益加淨債務。淨債務包括應付貿易款項及應付票據、貼現票據、銀行貸款、附息銀行及其他貸款、其他應付款項及應計款項、優先票據及應付稅項，減去現金及現金等價物及抵押存款。資本包括可換股債券負債部分及本公司擁有人應佔權益。

本集團的策略是保持槓桿比率在穩健的資本水平，以支持其業務。本集團採取的主要策略包括但不限於審閱未來現金流量要求和支付到期債務的能力，保持可用銀行融資在合理水平及調整投資計劃和融資計劃(如需要)，以確保本集團擁有合理水平的資本支持其業務。於報告期末的槓桿比率如下：

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management (Continued)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade and bills payables	應付貿易款項及應付票據	1,345,952	903,503
Bank advances for discounted bills	貼現票據之銀行貸款	144,949	251,699
Interest-bearing bank and other loans	附息銀行及其他貸款	2,918,270	2,582,683
Other payables and accruals	其他應付款項及應計款項	510,622	331,289
Senior notes	優先票據	771,003	746,692
Tax payable	應付所得稅	21,939	12,747
Less: cash and cash equivalents	減：現金及現金等價物	(680,205)	(1,265,303)
Less: pledged deposits	減：抵押存款	(383,231)	(376,055)
Net debt (A)	淨債務(A)	4,649,299	3,187,255
Convertible bonds, the liability component	可換股債券，負債部分	703,989	634,017
Equity attributable to owners of the Company	本公司擁有人應佔權益	4,141,822	3,424,622
Adjusted capital	經調整資本	4,845,811	4,058,639
Capital and net debt (B)	資本及淨債務(B)	9,495,110	7,245,894
Gearing ratio (A/B)	槓桿比率(A/B)	49%	44%

44. 財務風險管理目的及政策 (續)

資本管理 (續)

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45. EVENT AFTER THE REPORTING PERIOD

On 15 February 2017, the Company has entered into a placing agreement in connection with the issue and placing of the 7.95% senior notes with an aggregate principal amount of US\$260,000,000 which will mature in February 2019 (the “2019 Senior Notes”). The 2019 Senior Notes will only be offered outside the United States in compliance with Regulation S under the United States Securities Act of 1933, as amended. None of the 2019 Senior Notes will be offered to the public in Hong Kong and none of the 2019 Senior Notes will be placed to any connected persons of the Company.

45. 報告期後事項

於二零一七年二月十五日，本公司訂立配售協議，內容有關發行及配售本金總額260,000,000美元二零一九年二月到期年息7.95%的優先票據（「二零一九年優先票據」）。二零一九年優先票據將僅遵照一九三三年美國證券法下S規例（經修訂）於美國境外發售。二零一九年優先票據概不會向香港公眾人士發售，且二零一九年優先票據概不會向本公司關連人士配售。

46. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with current year's presentation.

46. 比較數字

若干比較金額已重新分類，以符合本年度之呈列。

47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

47. 本公司的財務狀況表

於報告期末，有關本公司的財務狀況表資料如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	21,602	21,028
Amounts due from subsidiaries	應收附屬公司款項	3,287,135	2,919,293
Available-for-sale investments	可供出售投資	35,784	33,515
Total non-current assets	非流動資產總值	3,344,521	2,973,836

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47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

47. 本公司的財務狀況表 (續)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
CURRENT ASSETS	流動資產		
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項	—	1,256
Derivative financial instruments	衍生金融工具	22,961	—
Cash and cash equivalents	現金及現金等價物	72,308	76,563
Total current assets	流動資產總值	95,269	77,819
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計款項	63,419	45,423
Interest-bearing bank loans	附息銀行貸款	364,259	61,095
Amounts due to subsidiaries	應付附屬公司款項	10,588	24,370
Senior notes	優先票據	554,211	—
Total current liabilities	流動負債總額	992,477	130,888
NET CURRENT LIABILITIES	流動負債淨額	(897,208)	(53,069)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債	2,447,313	2,920,767
NON-CURRENT LIABILITIES	非流動負債		
Convertible bonds	可換股債券	719,216	697,569
Interest-bearing bank loans	附息銀行貸款	744,694	928,625
Senior notes	優先票據	216,792	746,692
Total non-current liabilities	非流動負債總額	1,680,702	2,372,886
Net assets	資產淨值	766,611	547,881
EQUITY	權益		
Issued capital	已發行股本	55,785	46,443
Reserves (note)	儲備 (附註)	710,826	501,438
Total equity	權益總額	766,611	547,881

NOTES TO FINANCIAL STATEMENTS

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47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

47. 本公司的財務狀況表 (續)

附註：

本公司的儲備概要如下：

		Share premium account	Available- for-sale investment revaluation reserve 可供 出售投資 重估儲備	Contributed surplus 購股權 繳入盈餘	Share option reserve 匯兌 儲備	Exchange fluctuation reserve 波動儲備	Accumulated losses 累計虧損	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	641,869	–	10,475	24,847	(35,302)	(148,392)	493,497
Profit for the year	本年度溢利	–	–	–	–	–	16,342	16,342
Change in fair value of available-for-sale investments, net of tax	可供出售投資的 公平值變動， 扣除稅項	–	(5,228)	–	–	–	–	(5,228)
Other comprehensive income	其他全面收益	–	–	–	–	38,347	–	38,347
Total comprehensive Income for the year	本年度全面 收益總額	–	(5,228)	–	–	38,347	16,342	49,461
Repurchase of shares	購回股份	(4,980)	–	–	–	–	–	(4,980)
Exercise of share options	行使購股權	2,468	–	–	–	–	–	2,468
Transfer to share option reserve upon the exercise of share options	行使購股權時 轉移至購股權 儲備	1,207	–	–	(1,207)	–	–	–
Transfer to contributed surplus	轉移至繳入 盈餘	(60,000)	–	60,000	–	–	–	–
Equity-settled share option arrangements	股本結算 購股權安排	–	–	–	10,415	–	–	10,415
2014 final dividend declared	已宣派二零一四年 末期股息	–	–	(49,423)	–	–	–	(49,423)
At 31 December 2015	於二零一五年十二月三十一日	580,564	(5,228)	21,052	34,055	3,045	(132,050)	501,438

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2016 二零一六年十二月三十一日

47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note: (Continued)

A summary of the Company's reserves is as follows: (Continued)

		Share premium account	Available-for-sale investment revaluation reserve 可供出售投資重估儲備	Contributed surplus 購股權繳入盈餘	Share option reserve 匯兌儲備	Exchange fluctuation reserve 波動儲備	Accumulated losses 累計虧損	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	580,564	(5,228)	21,052	34,055	3,045	(132,050)	501,438
Profit for the year	本年度溢利	—	—	—	—	—	(124,921)	(124,921)
Other comprehensive income	其他全面收益	—	—	—	—	43,751	—	43,751
Total comprehensive income for the year	本年度全面收益總額	—	—	—	—	43,751	(124,921)	(81,170)
Issue of shares	發行股份	302,071	—	—	—	—	—	302,071
Share issue expenses	發行股份開支	(5,817)	—	—	—	—	—	(5,817)
Equity-settled share option arrangements	股本結算購股權安排	—	—	—	11,773	—	—	11,773
2015 final dividend declared	已宣派二零一五年末期股息	—	—	(17,469)	—	—	—	(17,469)
At 31 December 2016	於二零一六年十二月三十一日	876,818	(5,228)	3,583	45,828	46,796	(256,971)	710,826

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

47. 本公司的財務狀況表 (續)

附註：(續)

本公司的儲備概要如下：(續)

購股權儲備包括已授出但尚未行使的購股權的公平值，進一步闡述見財務報表附註2.4有關以股份為基礎的支付的會計政策。該款項將於相關期權獲行使時轉撥至股份溢價賬，或倘相關購股權屆滿或被沒收，則轉撥至保留溢利。

48. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 29 March 2017.

48. 批准財務報表

財務報表於二零一七年三月二十九日獲董事會批准及授權刊發。



APPENDIX 9 DEEDS OF RELEASE

ANNEX A - DEED OF RELEASE GOVERNED BY NEW YORK LAW

DEED OF RELEASE

Dated_____ 2019

by

THE SCHEME CREDITORS

in favour of

THE RELEASE DEED BENEFICIARIES

THIS DEED OF RELEASE is dated _____ 2019 and is made by:

THE SCHEME CREDITORS under and as defined in the Schemes (as defined below) (the “**Scheme Creditors**”), acting by China Singyes Solar Technologies Holdings Limited (the “**Company**”) appointed by each of them as their attorney and agent pursuant to the terms of the Schemes,

in favour of:

THE RELEASE DEED BENEFICIARIES (as defined below).

WHEREAS:

- (A) Schemes of arrangement were proposed in respect of the Company under section 99 of the Companies Act 1981 of Bermuda (“**Bermuda Scheme**”) and under sections 673 and 674 of the Companies Ordinance (Cap 622 of the laws of Hong Kong) (“**Hong Kong Scheme**” and, together with the Bermuda Scheme, the “**Schemes**”).
- (B) Pursuant to and on the terms of the Schemes, the Scheme Claims and certain other Claims of the Scheme Creditors are being released as set out more fully in the Schemes.
- (C) Under the authority conferred by the Schemes, which have been approved by orders of the Supreme Court of Bermuda and the High Court of Hong Kong, the Company has been authorised and instructed to execute and deliver this Deed on behalf of the Scheme Creditors in order to facilitate the transactions contemplated by the Schemes.
- (D) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document by hand.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

Terms defined in the Schemes shall, unless otherwise defined in this Deed or unless a contrary intention appears, bear the same meaning when used in this Deed, and the following terms shall have the following meanings:

“**Released Claim**” means any Scheme Claim or any past, present and/or future Claim arising out of, relating to or in respect of: (i) the Scheme Claims and any of the facts and matters giving rise to the Scheme Claims; (ii) the preparation, negotiation, sanction or implementation of the Schemes and/or the Restructuring and/or the Restructuring Documents; and/or (iii) the execution of the Restructuring Documents and the carrying out of the steps and transactions contemplated therein in accordance with their terms.

“**Release Deed Beneficiaries**” means: (i) the Company and its Affiliates and its and their respective Personnel; and (ii) each member of the Committee, the Advisers and their respective Personnel and Affiliates.

“**Released Person**” means the Company and its Affiliates and its and their respective Personnel.

“**Scheme Creditor Parties**” means, in respect of a Scheme Creditor, its predecessors, successors, assigns, Designated Recipients, Affiliates and Personnel.

1.2 Construction

In this Deed, save where the context otherwise requires:

- (a) the singular shall include the plural and *vice versa*;
- (b) the headings do not affect the interpretation of this Deed;
- (c) a reference to a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
- (d) a reference to a regulation includes a regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supernatural body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (e) a reference to a Clause, a Subclause or a Schedule is a reference to a clause or subclause of, or a schedule to, this Deed;
- (f) a reference to any document is a reference to that document as amended, supplemented, novated or restated; and
- (g) a reference to a person includes any individual, company, corporation, unincorporated association, trust or body (including a partnership, company, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality.

2. RELEASES, WAIVERS AND UNDERTAKINGS

2.1 With immediate effect on and from the Restructuring Effective Date and conditional upon completion of each of the steps outlined in paragraphs (a) to (g) (inclusive) of clause 7.2 of the Schemes and subject to clause 26 of the Schemes, each Scheme Creditor, in each case on behalf of itself and its respective successors, assigns and representatives conclusively, irrevocably, unconditionally, fully and absolutely:

- (a) waives, discharges and releases all of its rights, title and interests in and to its Scheme Claims, in consideration for its entitlement to receive the Scheme Consideration in accordance with the Schemes;
- (b) waives, discharges and releases any right or remedy it may have against under the Note Documents and/or otherwise against any Released Person in relation to any breaches or defaults under the Note Documents and/or the Term Sheets occurring on or before the Restructuring Effective Date or that may occur as a result of the implementation of the Schemes and/or the Restructuring;
- (c) ratifies and confirms everything which any Released Person may lawfully do or cause to be done in accordance with any authority conferred by the Schemes and agrees not to challenge:
 - (i) the validity of any act done or omitted to be done as permitted by the terms of the Schemes; or
 - (ii) the exercise or omission to exercise of any power conferred in accordance with the provisions of the Schemes,

in each case in good faith by any Released Person;

- (d) waives, releases and discharges each and every Released Claim which it ever had, may have or hereafter can, shall or may have against any Released Person;
- (e) waives, releases and discharges each and every Released Claim which it ever had, may have or hereafter can, shall or may have against each member of the Committee, the Advisers and their respective Personnel and Affiliates; and
- (f) undertakes to the Released Persons that it will not, and shall use all reasonable endeavours to procure that its Scheme Creditor Parties will not, commence or continue, or instruct, direct or authorise any other Person to commence or continue, any Proceedings in respect of or arising from any Released Claim.

2.2 Each Scheme Creditor acknowledges and agrees, and shall use all reasonable endeavours to procure that each of its Scheme Creditor Parties acknowledges and agrees, that:

- (a) it may later discover facts in addition to or different from those which it presently knows or believes to be true with respect to the subject matter of the Schemes;
- (b) it is its intention to fully, and finally forever settle and release any and all matters, disputes and differences, whether known or unknown, suspected or unsuspected, which presently exist, may later exist or may previously have existed between it and any of the Released Persons in respect of the Released Claims on the terms set out in the Schemes; and
- (c) in furtherance of this intention, the waivers, releases and discharges given in this Deed and the Schemes shall be and shall remain in effect as full and complete general waivers, releases and discharges notwithstanding the discovery or existence of any such additional or different facts.

2.3 Each Scheme Creditor hereby further agrees and covenants not to, and shall not, on or following the Restructuring Effective Date, commence or prosecute, or assist or otherwise aid any other entity in the commencement or prosecution of, whether directly, derivatively or otherwise, any Released Claim other than in respect of any Allowed Proceeding.

2.4 The releases, waivers and undertakings under this Clause 2 shall:

- (a) not prejudice or impair any rights of any Scheme Creditor created under the Schemes and/or which arise as a result of a failure by the Company or any party to the Schemes to comply with any terms of the Schemes including without limitation any right to commence and/or continue any Allowed Proceeding;
- (b) not prejudice or impair any claims or causes of action of any Scheme Creditor arising from or relating to negligence and breach of fiduciary duty, fraud, dishonesty, wilful default or wilful misconduct;
- (c) not extend to any Liability of any Adviser arising under a duty of care to its client; and
- (d) not require a Scheme Creditor to procure any undertaking or acknowledgement from, or action by any entity from which such Scheme Creditor acquired its rights in respect of any Scheme Claim and/or to whom such Scheme Creditor has transferred or transfers its rights in respect of any Scheme Claim.

3. PREVAILING PARTY

If any litigation or other court action, arbitration or similar adjudicatory proceeding is commenced by any party to enforce its rights under this Deed against any other party, all fees, costs and expenses, including, without limitation, reasonable attorneys' fees and court costs, incurred by the prevailing party in such litigation, action, arbitration or proceeding shall be reimbursed by the losing party.

4. FURTHER ASSURANCE

At the request of any Release Deed Beneficiary, the Scheme Creditors shall, and shall use all reasonable endeavours to procure that their respective Scheme Creditor Parties shall, execute and deliver such documents, and do such things, as may reasonably be required to give full effect to this Deed, including without limitation, to perfect or evidence any release, waiver or discharge referred to in this Deed.

5. SEVERABILITY

If any provision or part-provision of this Deed remains invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision shall not affect the validity and enforceability of the rest of this Deed.

6. THIRD PARTIES

- 6.1 Each Release Deed Beneficiary and any of its respective firms' and companies' current, future and former direct and indirect Affiliates, equity holders, members, managing members, officers, directors, partners, employees, advisers, principals, attorneys, professional advisers, accountants, investment bankers, consultants, agents, and representatives (including their Affiliates) may rely on this Deed and enforce any of its terms as if it were a party to this Deed.
- 6.2 Subject to Clause 6.1, a person who is not a party to this Deed has no rights under this Deed to enforce and enjoy the benefit of any terms of this Deed.
- 6.3 Notwithstanding any term of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.

7. AMENDMENT AND WAIVERS

- 7.1 No variation of this Deed shall be effective unless such variation is in accordance with clause 24 of the Schemes.

8. GOVERNING LAW AND JURISDICTION

- 8.1 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, the laws of the State of New York.
- 8.2 Each Scheme Creditor hereby irrevocably and unconditionally submits to the nonexclusive jurisdiction of any New York State or United States Federal court sitting in the Borough of Manhattan, New York City, New York over any suit, action or proceeding arising out of or relating to this Deed.

EXECUTION PAGES

IN WITNESS whereof this Deed has been executed as a deed and is intended to be and is hereby delivered on the date above first written.

SCHEME CREDITORS

EXECUTED as a **DEED** by)
THE SCHEME CREDITORS)
acting by)
CHINA SINGYES SOLAR TECHNOLOGIES)
HOLDINGS LIMITED)
appointed by each of them as their attorney and agent)
pursuant to terms of the Schemes)

Authorised Signatory

In the presence of:

Name: _____

Address: _____

ANNEX B - DEED OF RELEASE GOVERNED BY ENGLISH LAW

DEED OF RELEASE

Dated_____ **2019**

by

THE SCHEME CREDITORS

in favour of

THE RELEASE DEED BENEFICIARIES

THIS DEED OF RELEASE is dated _____ 2019 and is made by:

THE SCHEME CREDITORS under and as defined in the Schemes (as defined below) (the “**Scheme Creditors**”), acting by China Singyes Solar Technologies Holdings Limited (the “**Company**”) appointed by each of them as their attorney and agent pursuant to the terms of the Schemes,

in favour of:

THE RELEASE DEED BENEFICIARIES (as defined below).

WHEREAS:

- (A) Schemes of arrangement were proposed in respect of the Company under section 99 of the Companies Act 1981 of Bermuda (“**Bermuda Scheme**”) and under sections 673 and 674 of the Companies Ordinance (Cap 622 of the laws of Hong Kong) (“**Hong Kong Scheme**” and, together with the Bermuda Scheme, the “**Schemes**”).
- (B) Pursuant to and on the terms of the Schemes, the Scheme Claims and certain other Claims of the Scheme Creditors are being released as set out more fully in the Schemes.
- (C) Under the authority conferred by the Schemes, which have been approved by orders of the Supreme Court of Bermuda and the High Court of Hong Kong, the Company has been authorised and instructed to execute and deliver this Deed on behalf of the Scheme Creditors in order to facilitate the transactions contemplated by the Schemes.
- (D) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document by hand.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

Terms defined in the Schemes shall, unless otherwise defined in this Deed or unless a contrary intention appears, bear the same meaning when used in this Deed, and the following terms shall have the following meanings:

“**Released Claim**” means any Scheme Claim or any past, present and/or future Claim arising out of, relating to or in respect of: (i) the Scheme Claims and any of the facts and matters giving rise to the Scheme Claims; (ii) the preparation, negotiation, sanction or implementation of the Schemes and/or the Restructuring and/or the Restructuring Documents; and/or (iii) the execution of the Restructuring Documents and the carrying out of the steps and transactions contemplated therein in accordance with their terms.

“**Release Deed Beneficiaries**” means: (i) the Company and its Affiliates and its and their respective Personnel; and (ii) each member of the Committee, the Advisers and their respective Personnel and Affiliates.

“**Released Person**” means the Company and its Affiliates and its and their respective Personnel.

“**Scheme Creditor Parties**” means, in respect of a Scheme Creditor, its predecessors, successors, assigns, Designated Recipients, Affiliates and Personnel.

1.2 Construction

In this Deed, save where the context otherwise requires:

- (a) the singular shall include the plural and *vice versa*;
- (b) the headings do not affect the interpretation of this Deed;
- (c) a reference to a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
- (d) a reference to a regulation includes a regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supernatural body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (e) a reference to a Clause, a Subclause or a Schedule is a reference to a clause or subclause of, or a schedule to, this Deed;
- (f) a reference to any document is a reference to that document as amended, supplemented, novated or restated; and
- (g) a reference to a person includes any individual, company, corporation, unincorporated association, trust or body (including a partnership, company, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality.

2. RELEASES, WAIVERS AND UNDERTAKINGS

2.1 With immediate effect on and from the Restructuring Effective Date and conditional upon completion of each of the steps outlined in paragraphs (a) to (g) (inclusive) of clause 7.2 of the Schemes and subject to clause 26 of the Schemes, each Scheme Creditor, in each case on behalf of itself and its respective successors, assigns and representatives conclusively, irrevocably, unconditionally, fully and absolutely:

- (a) waives, discharges and releases all of its rights, title and interests in and to its Scheme Claims, in consideration for its entitlement to receive the Scheme Consideration in accordance with the Schemes;
- (b) waives, discharges and releases any right or remedy it may have under the Note Documents and/or otherwise against any Released Person in relation to any breaches or defaults under the Note Documents and/or the Term Sheets occurring on or before the Restructuring Effective Date or that may occur as a result of the implementation of the Schemes and/or the Restructuring;
- (c) ratifies and confirms everything which any Released Person may lawfully do or cause to be done in accordance with any authority conferred by the Schemes and agrees not to challenge:
 - (i) the validity of any act done or omitted to be done as permitted by the terms of the Schemes; or
 - (ii) the exercise or omission to exercise of any power conferred in accordance with the provisions of the Schemes,

in each case in good faith by any Released Person;

- (d) waives, releases and discharges each and every Released Claim which it ever had, may have or hereafter can, shall or may have against any Released Person; and
- (e) waives, releases and discharges each and every Released Claim which it ever had, may have or hereafter can, shall or may have against each member of the Committee, the Advisers and their respective Personnel and Affiliates; and
- (f) undertakes to the Released Persons that it will not, and shall use all reasonable endeavours to procure that its Scheme Creditor Parties will not, commence or continue, or instruct, direct or authorise any other Person to commence or continue, any Proceedings in respect of or arising from any Released Claim.

2.2 Each Scheme Creditor acknowledges and agrees, and shall use all reasonable endeavours to procure that each of its Scheme Creditor Parties acknowledges and agrees, that:

- (a) it may later discover facts in addition to or different from those which it presently knows or believes to be true with respect to the subject matter of the Schemes;
- (b) it is its intention to fully, and finally forever settle and release any and all matters, disputes and differences, whether known or unknown, suspected or unsuspected, which presently exist, may later exist or may previously have existed between it and any of the Released Persons in respect of the Released Claims on the terms set out in the Schemes; and
- (c) in furtherance of this intention, the waivers, releases and discharges given in this Deed and the Schemes shall be and shall remain in effect as full and complete general waivers, releases and discharges notwithstanding the discovery or existence of any such additional or different facts.

2.3 Each Scheme Creditor hereby further agrees and covenants not to, and shall not, on or following the Restructuring Effective Date, commence or prosecute, or assist or otherwise aid any other entity in the commencement or prosecution of, whether directly, derivatively or otherwise, any Released Claim other than in respect of any Allowed Proceeding.

2.4 The releases, waivers and undertakings under this Clause 2 shall:

- (a) not prejudice or impair any rights of any Scheme Creditor created under the Schemes and/or which arise as a result of a failure by the Company or any party to the Schemes to comply with any terms of the Schemes including without limitation any right to commence and/or continue any Allowed Proceeding;
- (b) not prejudice or impair any claims or causes of action of any Scheme Creditor arising from or relating to negligence or breach of fiduciary duty, fraud, dishonesty, wilful default or wilful misconduct;
- (c) not extend to any Liability of any Adviser arising under a duty of care to its client; and
- (d) not require a Scheme Creditor to procure any undertaking or acknowledgement from, or action by any entity from which such Scheme Creditor acquired its rights in respect of any Scheme Claim and/or to whom such Scheme Creditor has transferred or transfers its rights in respect of any Scheme Claim.

3. PREVAILING PARTY

If any litigation or other court action, arbitration or similar adjudicatory proceeding is commenced by any party to enforce its rights under this Deed against any other party, all fees, costs and expenses, including, without limitation, reasonable attorneys' fees and court costs, incurred by the prevailing party in such litigation, action, arbitration or proceeding shall be reimbursed by the losing party.

4. FURTHER ASSURANCE

At the request of any Release Deed Beneficiary, the Scheme Creditors shall, and shall use all reasonable endeavours to procure that their respective Scheme Creditor Parties shall, execute and deliver such documents, and do such things, as may reasonably be required to give full effect to this Deed, including without limitation, to perfect or evidence any release, waiver or discharge referred to in this Deed.

5. SEVERABILITY

If any provision or part-provision of this Deed remains invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision shall not affect the validity and enforceability of the rest of this Deed.

6. THIRD PARTIES

- 6.1 Each Release Deed Beneficiary and any of its respective firms' and companies' current, future and former direct and indirect Affiliates, equity holders, members, managing members, officers, directors, partners, employees, advisers, principals, attorneys, professional advisers, accountants, investment bankers, consultants, agents, and representatives (including their Affiliates) may rely on this Deed and enforce any of its terms as if it were a party to this Deed.
- 6.2 Subject to Clause 6.1, a person who is not a party to this Deed has no rights under this Deed to enforce and enjoy the benefit of any terms of this Deed.
- 6.3 Notwithstanding any term of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.

7. AMENDMENT AND WAIVERS

No variation of this Deed shall be effective unless such variation is in accordance with clause 24 of the Schemes.

8. GOVERNING LAW AND JURISDICTION

- 8.1 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, English law.
- 8.2 Each Scheme Creditor hereby irrevocably and unconditionally submits to the nonexclusive jurisdiction of the courts of England over any suit, action or proceeding arising out of or relating to this Deed.

EXECUTION PAGES

IN WITNESS whereof this Deed has been executed as a deed and is intended to be and is hereby delivered on the date above first written.

SCHEME CREDITORS

EXECUTED as a **DEED** by)
THE SCHEME CREDITORS)
acting by)
CHINA SINGYES SOLAR TECHNOLOGIES)
HOLDINGS LIMITED)
appointed by each of them as their attorney and agent)
pursuant to terms of the Schemes)

Authorised Signatory

In the presence of:

Name: _____
Address: _____

APPENDIX 10 HOLDING PERIOD TRUST DEED

HOLDING PERIOD TRUST DEED

THIS DEED OF TRUST (this “**Deed**”) is made by way of deed poll on [●] by:

- (1) **LUCID ISSUER SERVICES LIMITED** a company incorporated in England and Wales with registered number 05098454 whose registered office is at Tankerton Works, 12 Argyle Walk, London, England, WC1H 8HA (the “**Holding Period Trustee**”, which expression, where the context so admits, includes all persons for the time being the trustee or trustees of the trusts created by this Deed).

IN FAVOUR OF

- (2) **THE BENEFICIARIES**, as such term is defined below.

WHEREAS

- (A) The Hong Kong Court has sanctioned the Hong Kong Scheme and the Bermuda Court has sanctioned the Bermuda Scheme each as entered into between the Company and the Scheme Creditors.
- (B) The Schemes shall effect, among other things and subject to the terms and conditions therein, the full and final compromise and settlement of the Scheme Claims in exchange for the Scheme Consideration. Under the terms of the Schemes: (i) the Company shall procure that Scheme Consideration is paid and issued to Eligible Creditors on the Restructuring Effective Date in accordance with the terms of the Schemes; and (ii) the Residual Cash Consideration and the Residual New Notes that would otherwise have been paid or issued to Beneficiaries on the Restructuring Effective Date had they been Eligible Creditors as at that date will instead be paid and issued to the Holding Period Trustee to be held by the Holding Period Trustee on trust for the benefit of the Beneficiaries in accordance with the terms of this Deed.
- (C) The terms of the Schemes are described in further detail in the explanatory statement dated 1 November 2019 relating to the Schemes (the “**Explanatory Statement**”).

DEFINITIONS

Unless otherwise indicated, capitalised words and phrases used in this Deed have the meaning provided in the Schemes unless stated otherwise. In addition:

“**Account Holder Letter**” means the letter from an Account Holder on behalf of the relevant Noteholder substantially in the form appended as Appendix 1 to this Deed.

“**Allocated Cash Consideration**” means the aggregate amount of Cash Consideration distributed to all Beneficiaries who have satisfied each of the conditions set out in paragraphs (a) to (c) (inclusive) of Clause 3.2.

“**Allocated New Notes**” means the aggregate number of New Notes distributed to all Beneficiaries who have satisfied each of the conditions set out in paragraphs (a) to (d) (inclusive) of Clause 3.1.

“**Appointee**” has the meaning given to it in Clause 6.4.

“**Bar Time**” means 5:00 p.m. (Hong Kong time) on [●], the date falling 3 Business Days before the Holding Period Expiry Date.

“**Beneficiaries**” means: (i) in respect of the Residual New Notes, the Ineligible Creditors who are Noteholders; and (ii) in respect of the Residual Cash Consideration, the Ineligible Creditors who are Noteholders and who have not received its portion of the Notes Cash Consideration at the Restructuring Effective Date, and each of their respective transferees to the extent recognized as transferees under clause 12 of the Schemes.

“**Clearing System Account**” means an account held with either Euroclear or Clearstream.

“**Dispute**” has the meaning given to it in Clause 11.

“Holding Period Expiry Date” means [●], the last day of the period from the Restructuring Effective Date to the date falling 3 months from the Restructuring Effective Date (or if such date is not a Business Day, the next Business Day after that date).

“Ineligible Pro Rata Share” means:

- (i) in relation to any Beneficiary in respect of Residual New Notes, a number of Residual New Notes reflecting the same proportion thereof as the proportion that such Beneficiary’s Accepted Claim bears to the aggregate of the principal and all accrued interest up to but excluding the Restructuring Effective Date of the Notes to which all Beneficiaries (collectively) were entitled at the Record Time; and
- (ii) in relation to any Beneficiary in respect of Residual Cash Consideration, a proportion of Residual Cash Consideration reflecting the same proportion thereof as the proportion that such Beneficiary’s Accepted Claim bears to the aggregate of the principal and all accrued interest up to but excluding the Restructuring Effective Date of the Notes to which all Beneficiaries who have not received its portion of the Notes Cash Consideration at the Restructuring Effective Date (collectively) were entitled at the Record Time.

“New Notes” means the guaranteed senior notes due 2022 issued by the Company pursuant to the New Notes Indenture.

“Proceedings” has the meaning given to it in Clause 11.

“Record Time” being 10:00 p.m. on 21 November 2019 (Hong Kong time) / 10:00 a.m. on 21 November 2019 (Bermuda time).

“Remaining Cash Consideration” means an amount equal to the sum of: (i) the Residual Cash Consideration; less (ii) the Allocated Cash Consideration.

“Remaining New Notes” means the number of New Notes equal to the sum of: (i) the Residual New Notes; less (ii) the Allocated New Notes.

“Residual Cash Consideration” means the amount of Notes Cash Consideration held by the Holding Period Trustee on the date of this Deed.

“Residual New Notes” means the number of Noteholder New Notes held by the Holding Period Trustee on the date of this Deed.

“Terms of Engagement” means the terms of engagement of the Holding Period Trustee, as executed by the Company and the Holding Period Trustee on or about the date of this Deed.

“Trust Assets” means the Residual New Notes and the Residual Cash Consideration.

“Trustee Ordinance” means the Trustee Ordinance (Cap 29 of the laws of Hong Kong).

THIS DEED WITNESSES AND IT IS HEREBY DECLARED AS FOLLOWS:

1 TRANSFER AND RECEIPT OF TRUST ASSETS

The Holding Period Trustee hereby acknowledges receipt of the Trust Assets conveyed, transferred and assigned to it by the Company and consents to the terms of this Deed.

2 DECLARATION OF TRUST

The Holding Period Trustee hereby admits, acknowledges and declares that it shall hold the Trust Assets on trust for the benefit of the Beneficiaries in accordance with the terms of this Deed, such that each Beneficiary has a beneficial entitlement to its Ineligible Pro Rata Share of the Residual Cash Consideration and/or Residual New Notes (as applicable) until such Trust Assets are distributed in accordance with the terms of this Deed or such interest ceases in accordance with Clauses 3.1 and 3.2 hereof.

3 DISTRIBUTIONS

3.1 If any Beneficiary:

- (a) establishes, prior to the Bar Time, to the reasonable satisfaction of the Holding Period Trustee that it held a beneficial interest as principal in the Notes at the Record Time or that it is a recognised transferee of a person who held such interest as at that time in accordance with clause 12 of the Schemes;
- (b) supplies or procures the supply of, all documentation and other evidence as may be reasonably requested by the Holding Period Trustee on or prior to the Bar Time in order for the Holding Period Trustee or the bank to comply with all necessary “know your customer” or other similar checks that it is required to comply with in order to make the distributions to such Beneficiary under the terms of this Deed; and
- (c) submits (or procures that its Account Holder submits) a duly completed Account Holder Letter to the Holding Period Trustee prior to the Bar Time; and
- (d) submits (or procures that its Account Holder submits), together with the duly completed Account Holder Letter as submitted in paragraph (c) above, the Distribution Confirmation Deed and, if applicable, the Designated Recipient Form which are appended to the Account Holder Letter to the Holding Period Trustee prior to the Bar Time;

the Holding Period Trustee shall transfer such Beneficiary’s Ineligible Pro Rata Share of the Residual New Notes to the Clearing System Account designated by the Beneficiary in its Account Holder Letter on the Holding Period Expiry Date. For the avoidance of doubt, the failure of one Beneficiary to complete any applicable “know your customer” or other similar checks of the Holding Period Trustee or the relevant bank shall not prejudice any distribution to any other Beneficiary.

3.2 If any Beneficiary:

- (a) establishes, prior to the Bar Time, to the reasonable satisfaction of the Holding Period Trustee that it held a beneficial interest as principal in the Notes at the Record Time or that it is a recognised transferee of a person who held such interest as at that time in accordance with clause 12 of the Schemes;
- (b) supplies or procures the supply of, all documentation and other evidence as may be reasonably requested by the Holding Period Trustee or relevant bank on or prior to the Bar Time in order for the Holding Period Trustee or the bank to comply with all necessary “know your customer” or other similar checks that it is required to comply with in order to make the distributions to such Beneficiary under the terms of this Deed; and
- (c) submits (or procures that its Account Holder submits) a duly completed Account Holder Letter to the Holding Period Trustee prior to the Bar Time but is unable to make the affirmative securities law representations set out in the Distribution Confirmation Deed appended to the Account Holder Letter;

the Holding Period Trustee shall transfer such Beneficiary’s Ineligible Pro Rata Share of the Residual Cash Consideration to the Clearing System Account designated by that Beneficiary in its Account Holder Letter on the Holding Period Expiry Date. For the avoidance of doubt, the failure of one Beneficiary to complete any applicable “know your customer” or other similar checks of the Holding Period Trustee or the relevant bank shall not prejudice any distribution to any other Beneficiary.

3.3 In the event that any Beneficiary does not satisfy each of the conditions set out in paragraphs (a) to (d) of Clause 3.1 above, prior to the Bar Time, subject to Clause 19.10 of the Schemes, such Beneficiary shall cease to hold any interest (beneficial or otherwise) in the Residual New Notes on and from the Holding Period Expiry Date.

3.4 In the event that any Beneficiary does not satisfy each of the conditions set out in paragraphs (a) to (c) of Clause 3.2 above, prior to the Bar Time, subject to Clause 19.10 of the Schemes, such Beneficiary

shall cease to hold any interest (beneficial or otherwise) in the Residual Cash Consideration on and from the Holding Period Expiry Date.

- 3.5 The Holding Period Trustee shall transfer the Remaining Cash Consideration and the Remaining New Notes to the Company on the Holding Period Expiry Date.

4 FRACTIONAL ENTITLEMENTS

- 4.1 If the amount of cash to be delivered to, or on behalf of, a Beneficiary resulting from any calculation made in accordance with the Schemes is not an integral multiple of US\$0.01, that amount shall be rounded down to the nearest integral multiple of US\$0.01 and the relevant Beneficiary shall have no entitlement to any resulting fractional amount.
- 4.2 Subject in each case to a minimum denomination of US\$150,000, if the principal amount of New Notes to be delivered to, or on behalf of, a Beneficiary resulting from any calculation made in accordance with the Schemes is not an integral multiple of US\$1, that amount shall be rounded down to the nearest integral multiple of US\$1 and the relevant Beneficiary shall have no entitlement to any resulting fractional amount.

5 ROLE OF HOLDING PERIOD TRUSTEE

- 5.1 Where there are any inconsistencies between the Trustee Ordinance and the provisions of this Deed, the provisions of this Deed shall, to the extent allowed by law, prevail.
- 5.2 The Holding Period Trustee shall not be responsible for liability which results solely and directly from its acting upon any written instruction provided by a Beneficiary in accordance with the terms of this Deed, save in relation to the Holding Period Trustee's own gross negligence, willful misconduct, willful deceit, dishonesty, fraud or breach of its obligations under or in relation to the terms of this Deed.
- 5.3 The Holding Period Trustee shall not be liable in any way for its reliance on the instructions, data or information provided by the Clearing Systems, save in relation to the Holding Period Trustee's own gross negligence, willful misconduct, willful deceit, dishonesty, fraud or breach of its obligations under or in relation to the terms of this Deed.
- 5.4 No provision of this Deed shall require the Holding Period Trustee to do anything which may: (a) be illegal or contrary to applicable law or regulation; or (b) cause it to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its own rights or powers.
- 5.5 Save as expressly otherwise provided in this Deed, the Holding Period Trustee shall have absolute discretion as to the exercise or non-exercise of its trusts, powers, authorities and discretions under this Deed (the exercise or non-exercise of which as between the Holding Period Trustee and the Beneficiaries shall be conclusive and binding on the Beneficiaries) and shall not be responsible for any actual liabilities, losses, costs, charges or expenses which result solely and directly from their exercise or non-exercise (save in relation to its own gross negligence, willful misconduct, willful deceit, dishonesty, fraud or breach of its obligations under or in relation to the terms of this Deed).
- 5.6 The Holding Period Trustee shall be entitled to seek and rely upon, and shall be protected in acting in good faith upon, the advice or opinion obtained from any legal counsel or other expert who the Holding Period Trustee may appoint and shall not be responsible or liable for any liability occasioned by so acting (or for any delay or inaction pending the obtaining of such advice or opinion in good faith).
- 5.7 As between itself and the Beneficiaries the Holding Period Trustee may fairly and reasonably determine questions and doubts arising from any of the provisions of this Deed. Unless otherwise determined by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body, such determinations will be presumed conclusive and shall (in the absence of any errors or omissions) bind the Holding Period Trustee and the Beneficiaries.
- 5.8 Notwithstanding anything else herein contained, the Holding Period Trustee may refrain from doing anything which would in its reasonable opinion be contrary to any law of any jurisdiction, any court

order or arbitral award or any directive or regulation of any agency or any state or which would or otherwise render it liable to any person or which it would not have the power to do in that jurisdiction and may do anything which is, in its opinion, necessary to comply with any such law, court order, arbitral award, directive or regulation.

- 5.9 Notwithstanding anything to the contrary in this Deed, to the extent permitted by any applicable law, the Holding Period Trustee shall not be liable to any person for any matter or thing done or omitted in any way under this Deed, save in relation to its own gross negligence, willful misconduct, willful deceit, dishonesty, fraud or breach of its obligations under or in relation to the terms of this Deed.
- 5.10 The duties, responsibilities and obligations of the Holding Period Trustee shall be limited to those expressly set forth herein and subject to applicable laws and regulations no duties, responsibilities or obligations shall be inferred or implied. The Holding Period Trustee shall not be required to and shall not expend or risk any of its own funds or otherwise incur any financial liability in the performance of any of its duties under this Deed save where the same arises as a result of its own gross negligence, willful misconduct, willful deceit, dishonesty, fraud or breach of its obligations under or in relation to the terms of this Deed. To the extent permitted by any applicable law, under no circumstances shall the Holding Period Trustee be liable for any consequential or special loss, or indirect, consequential or punitive damages, however caused or arising (including loss of business, goodwill, opportunity or profit).
- 5.11 To the extent permitted by any applicable law, the Company has agreed, pursuant to the Terms of Engagement, to reimburse the Holding Period Trustee on demand for, and to indemnify and hold harmless the Holding Period Trustee for an amount equal to any and all actual losses, costs, claims, liabilities, damages, demands and expenses of any kind whatsoever (and any interest thereon) properly incurred by the Holding Period Trustee which result solely and directly from any action, claim or proceeding of any kind brought against it as a direct result of its acting in accordance with the Schemes or this Deed (including, but not limited to, all properly incurred costs, charges and expenses (together with any taxes thereon) paid or incurred in disputing or defending any of the foregoing) or as a result of any action taken or omitted to be taken by it before the date of this Deed in preparation for acting hereunder, provided that the Company shall not have any obligation to indemnify the Holding Period Trustee or any of its officers and employees or any other person for any claims arising directly or indirectly out of or in connection with such party's gross negligence, willful misconduct, willful deceit, dishonesty, fraud or breach of the Holding Period Trustee's obligations under or in relation to the terms of this Deed.

6 APPOINTEES

- 6.1 Whenever it considers it expedient in the interests of the Beneficiaries, the Holding Period Trustee may, in the conduct of its trust business under this Deed, act by any responsible officer or officers or employees, employ and pay an agent selected by it, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Holding Period Trustee (including the receipt and payment of money).
- 6.2 Whenever it considers it expedient in the interests of the Beneficiaries, the Holding Period Trustee may delegate to any person subject to using reasonable care in such delegation on any terms (including power to sub-delegate) all or any of its functions.
- 6.3 In relation to any asset held by it under this Deed, the Holding Period Trustee may appoint any person to act as its nominee or custodian on any terms.
- 6.4 Provided that the Holding Period Trustee exercises reasonable care in selecting any agent, delegate, nominee or custodian appointed under this Clause 6 (an "**Appointee**"), to the extent permitted by any applicable law, the Holding Period Trustee will not be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of the Appointee's misconduct or default or the misconduct or default of any substitute appointed by the Appointee.

7 RETIREMENT OF HOLDING PERIOD TRUSTEES AND APPOINTMENT OF CO-HOLDING PERIOD TRUSTEES

- 7.1 Any Holding Period Trustee may retire at any time on giving at least thirty (30) days' prior written notice to the Beneficiaries, without giving any reason and without being responsible for any costs occasioned by such retirement. If any Holding Period Trustee gives notice of retirement at a time when it is the sole Holding Period Trustee, that Holding Period Trustee shall, as soon as reasonably practicable, appoint another suitably qualified Person selected by that Holding Period Trustee as its successor.
- 7.2 The retiring Holding Period Trustee shall make available to the successor Holding Period Trustee all such documents and records and provide all such assistance as the successor Holding Period Trustee may reasonably request for the purposes of performing its functions as the Holding Period Trustee under this Deed.
- 7.3 No retirement of a Holding Period Trustee shall be effective unless and until the retiring Holding Period Trustee has delivered all Trust Assets held by it to the successor Holding Period Trustee.
- 7.4 The Holding Period Trustee may, by written notice to the Beneficiaries appoint a suitably qualified Person to act as an additional Holding Period Trustee jointly with the Holding Period Trustee:
- (a) if the Holding Period Trustee considers such appointment to be in the interests of the Beneficiaries;
 - (b) to conform with any legal requirement, restriction or condition in a jurisdiction in which a particular act is to be performed; or
 - (c) to obtain a judgment or to enforce a judgment or any provision of this Deed in any jurisdiction.
- 7.5 Subject to the provisions of this Deed the Holding Period Trustee may confer on any person appointed as an additional Holding Period Trustee such functions as it thinks fit. The Holding Period Trustee may by written notice to the Beneficiaries and that person remove any person appointed as an additional Holding Period Trustee.
- 7.6 If there are more than two Holding Period Trustees, the majority of them acting together will be competent to perform the Holding Period Trustee's functions.

8 TERMINATION

Once all of the Trust Assets have been transferred to the Beneficiaries and/or the Company by the Holding Period Trustee in accordance with Clause 3, the trust set out in this Deed shall be wound up.

9 CONFLICT

This Deed is expressly intended to supplement the obligations set out in the Schemes. If at any time there shall be any conflict between the provisions of this Deed and the provisions of the Schemes, the provisions of the Schemes shall prevail.

10 THIRD PARTIES

This Deed is for the benefit of the Beneficiaries and the Beneficiaries shall be able to enforce the terms of this Deed. It is intended that the Company shall be able to enforce the terms of this Deed. Save as aforesaid, a person who is not a party to this Deed shall have no rights, whether under the Contracts (Rights of Third Parties) Ordinance (Cap 623) or otherwise, to enforce any of its terms.

11 GOVERNING LAW AND JURISDICTION

This Deed and any disputes or claims arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) (a "**Dispute**"), shall be governed by and construed in accordance with the laws of Hong Kong. The courts of Hong Kong will have exclusive

jurisdiction to settle any Dispute and accordingly any suit, action or proceedings arising out of or in connection with this Deed (together referred to as “**Proceedings**”) may be brought in such courts. The Holding Period Trustee irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any Proceedings in the courts of Hong Kong and any claim that any Proceedings have been brought in an inconvenient forum.

12 NOTICES

- 12.1 Any notice, instruction or other written communication to be given to the Holding Period Trustee under or in relation to this Deed shall be given in writing and shall be deemed to have been duly given if it is delivered by hand or sent by post or electronic mail to the Holding Period Trustee at:

Address: Tankerton Works, 12 Argyle Walk, London WC1H 8HA, United Kingdom
Email: singyes@lucid-is.com
Attention: Oliver Slyfield and Victor Parzyjagla

or such other address as may be notified by the Holding Period Trustee to the Beneficiaries from time to time. For the purposes of this Deed, an electronic communication will be treated as being in writing.

- 12.2 Any notice, instruction or other written communication to be given to the Holding Period Trustee under or in relation to this Deed shall be deemed to have been served:

- (a) if delivered by hand, on the first Business Day following delivery;
- (b) if sent by post, on the second Business Day after posting if the recipient is in the country of dispatch, and otherwise on the seventh day after posting; and
- (c) if sent by electronic mail, when received in legible form.

IN WITNESS of which this Deed has been duly executed and delivered as a deed poll on the date first appearing on this Deed.

The Holding Period Trustee

EXECUTED AND DELIVERED AS A DEED POLL)

by **LUCID ISSUER SERVICES LIMITED**)

acting by its duly authorised signatory)

Name:

Designation:

APPENDIX 1
ACCOUNT HOLDER LETTER

ACCOUNT HOLDER LETTER

For use by Account Holders in respect of

US\$160,000,000 6.75% senior notes due 2018 (ISIN: XS1700800417, Common Code: 170080041; Regulation S Global Note);

US\$260,000,000 7.95% senior notes due 2019 (ISIN: XS1565411250, Common Code: 156541125; Regulation S Global Note); and

RMB930,000,000 USD settled 5.00% convertible bonds due 2019 (ISIN: XS1089786195, Common Code: 108978619; Regulation S Global Note);

(together, the “Notes”)

issued by

China Singyes Solar Technologies Holdings Limited (the “Company”)

in relation to the Company’s scheme of arrangement under sections 673 and 674 of the Companies Ordinance as applicable in Hong Kong and Section 99 of the Companies Act 1981 as applicable in Bermuda (the “Schemes”).

Capitalised terms used but not defined in this Account Holder Letter have the meaning given to them in the explanatory statement relating to the Schemes issued by the Company on 1 November 2019 (the “**Explanatory Statement**”), subject to any amendments or modifications made by the Courts.

The Schemes will, if implemented, materially affect the Noteholders of the Company. Beneficiaries (as defined in the Holding Period Trust Deed) must use this Account Holder Letter (by instructing their Account Holder if the Noteholder is not an Account Holder) to: (a) register details of their interest in the Notes, and (b) allow them to be eligible to receive Scheme Consideration. The summary of the Account Holder Letter is set out below.

Key Dates

The key dates in respect of the Schemes are:

- **Record Time:** being 10:00 p.m. on 21 November 2019 (Hong Kong time) / 10:00 a.m. on 21 November 2019 (Bermuda time)
- **Restructuring Effective Date:** the occurrence of the Restructuring Effective Date will be notified by the Company in accordance with the Schemes
- **Bar Time:** being 5:00 p.m. (Hong Kong time) on the date falling 3 business days before the Holding Period Expiry Date
- **Holding Period Expiry Date:** being the date falling three months after the Restructuring Effective Date (or if such date is not a Business Day, the next Business Day after that date)

The validly completed Account Holder Letter together with any accompanying documents must be submitted to Lucid Issuer Services Limited (as the “**Holding Period Trustee**”) online at www.lucid-is.com/singyes by the Bar Time in order for a Noteholder to receive the New Notes on the Holding Period Expiry Date.

If a Noteholder is an Ineligible Person (i.e. a person who cannot make affirmative securities law confirmations and undertakings set out in Annex B to the Distribution Confirmation Deed), it may designate a Designated Recipient who is an Eligible Person (i.e. a person who can make affirmative securities law confirmations and undertakings set out in Annex B to the Distribution Confirmation Deed) in order to receive its New Notes by submission of a Designated Recipient Form in accordance with the terms of the Schemes. Any Designated Recipient appointed by a Noteholder must hold its account with the same Account Holder as that Noteholder.

On the Holding Period Expiry Date, the Company will receive the Remaining Cash Consideration and the

Remaining New Notes.

Online Account Holder Letter Form

It is highly recommended that the completed Account Holder Letter is printed or saved as a PDF document after submission. You will receive acknowledgment of the transmission of your submission together with the final PDF. Original paper copies of the Account Holder Letter are not required and should not be sent to the Holding Period Trustee.

A separate Account Holder Letter, Distribution Confirmation Deed and, if applicable, Designated Recipient Form must be completed in respect of each separate beneficial holding of interest in the Notes.

You are strongly advised to read the Explanatory Statement, the Schemes and the Holding Period Trust Deed before you complete the Account Holder Letter.

This Account Holder Letter and any non-contractual obligations arising out of or in relation to this Account Holder Letter shall be governed by, and interpreted in accordance with, the laws of Hong Kong. The courts of Hong Kong and Bermuda have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Account Holder Letter. By submission of the Account Holder Letter to the Holding Period Trustee, the Scheme Creditor irrevocably submits to the jurisdiction of such courts and waives any objections to proceedings in such courts on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum.

FOR ASSISTANCE CONTACT

Lucid Issuer Services Limited

Attention: Oliver Slyfield/Victor Parzyjagla

Address: Tankerton Works, 12 Argyle Walk, London, WC1H 8HA

Telephone: + 44 20 7704 0880

Email: singyes@lucid-is.com

Website: www.lucid-is.com/singyes

SUMMARY OF THIS ACCOUNT HOLDER LETTER

The Account Holder Letter must be validly completed and submitted to the Holding Period Trustee.

<u>PART 1</u>	NOTEHOLDER, ACCOUNT HOLDER AND HOLDINGS DETAILS	<i>This Part 1 must be completed in all cases by the Account Holder for and on behalf of the Noteholder and signed by the Account Holder</i>
Section 1	Details of the Noteholder	
Section 2	Account Holder Details	
Section 3	Details of Holdings	
<u>APPENDIX 1</u>	DESIGNATED RECIPIENT FORM	<i>This Appendix 1 must be completed by an Account Holder for and on behalf of the Noteholder if the Noteholder would like a Designated Recipient to receive its New Notes</i>
<u>APPENDIX 2</u>	DISTRIBUTION CONFIRMATION DEED	<i>This Appendix 2 must be completed in all cases by the Account Holder for and on behalf of the Noteholder in order for the Noteholder (or its Designated Recipient) to receive any New Notes</i>
Annex A	General confirmations, acknowledgements, warranties and undertakings	
Annex B	Securities Law confirmations and undertakings	
Annex C	Details of Noteholder / Designated Recipient	
Annex D	New Notes Form	

PART 1
NOTEHOLDER, ACCOUNT HOLDER AND HOLDINGS DETAILS

An Account Holder Letter received by the Holding Period Trustee that does not include all information requested in this Part 1 will not constitute a validly completed Account Holder Letter and the relevant Beneficiary will not be entitled to receive any amount of the New Notes on the Holding Period Expiry Date.

Section 1 **Details of the Noteholder**

Please identify the Noteholder (that is, the person that is the beneficial owner of and/or the holder of the ultimate economic interest in the Notes, held in global form and/or the restricted global form, as the case may be, through the Clearing System) on whose behalf you are submitting this Account Holder Letter.

To be completed for all Noteholders:

Full name of Noteholder: _____

Is the Noteholder an Eligible Person? (circle one) YES / NO

Contact name: _____

Country of residence/headquarters: _____

E-mail address: _____

Telephone number (with country code): _____

To be completed if the Noteholder is an institution/corporation:

Jurisdiction of incorporation of Noteholder: _____

Section 2 **Account Holder Details***

Full name of Account Holder: _____

Clearing System (circle one): EUROCLEAR / CLEARSTREAM

Clearing System account number: _____

Authorised employee of Account Holder (print name): _____

Telephone number of authorised employee (with
country code): _____

E-mail of authorised employee: _____

Section 3 **Details of Holdings**

The Account Holder holds the following Notes to which this Account Holder Letter relates as at the Record Time or is a recognised transferee of such Account Holder in respect of such Notes pursuant to clause 12 of the Schemes.

ISIN	Amount at Clearing System (indicate whether USD or RMB)¹	Clearing System	Clearing System account number

¹ The amount entered should be the entire principal amount of Notes in respect of which the Account Holder is giving instructions on behalf of the relevant Noteholder pursuant to this Account Holder Letter. If the Account Holder holds Notes in respect of which it is not giving instructions pursuant to this Account Holder Letter, this amount should not be stated and is not required to be notified.

Before returning this Account Holder Letter, please make certain that you have provided all the information requested.

For the purposes of a Noteholder receiving any New Notes under the Schemes, the Distribution Confirmation Deed and, if applicable, the Designated Recipient Form must be validly completed.

SIGNING:

Account Holder's authorised employee /
representative name:

Executed by authorised employee / representative for
and on behalf of Account Holder:

Date:

APPENDIX 1 TO THE ACCOUNT HOLDER LETTER
DESIGNATED RECIPIENT FORM

To be eligible to receive the New Notes, the Noteholder must be an Eligible Person or the Noteholder must appoint a Designated Recipient who is an Eligible Person to receive all of the New Notes otherwise attributable to the Noteholder.

Eligible Person means a person who can make affirmative securities law confirmations and undertakings set out in Annex B to the Appendix 2 (*Distribution Confirmation Deed*) to this Account Holder Letter.

IMPORTANT NOTE: The Designated Recipient must hold an account with the same Account Holder in either Euroclear or Clearstream as the Scheme Creditor.

Full name of Noteholder: _____

The Noteholder hereby irrevocably and unconditionally nominates:

Name of Designated Recipient _____

Contact name: _____

Country of residence/headquarters: _____

E-mail address: _____

Telephone number (with country code): _____

to be its Designated Recipient for the purposes of the Schemes in respect of all of the New Notes otherwise attributable to it.

Euroclear or Clearstream account details of the Designated Recipient's Account Holder:

Name of the Account Holder: _____

Clearing System (circle one): **EUROCLEAR / CLEARSTREAM**

Clearing System account number: _____

Authorised employee name: _____

Telephone number (with country code): _____

E-mail address: _____

A Noteholder may not appoint more than one Designated Recipient.

The **Noteholder** and any **Account Holder** (each a “**Relevant Person**”) named below for itself hereby confirms to the Company and the Holding Period Trustee that, in relation to the Scheme Claim that is the subject of the Account Holder Letter, the Relevant Person has authority to identify the Designated Recipient(s) in this Appendix 1 (*Appointment of Designated Recipient*) (if any) and to give on its behalf the instruction given in the applicable Account Holder Letter:

☐ Yes

☐ No

SIGNING:

Account Holder’s authorised
employee / representative name:

Executed by authorised employee /
representative for and on behalf of
Account Holder:

Date:

APPENDIX 2 TO THE ACCOUNT HOLDER LETTER
DISTRIBUTION CONFIRMATION DEED

Any Noteholder that wishes to receive a proportion of the New Notes on the Holding Period Expiry Date must ensure that this Distribution Confirmation Deed is duly completed in the affirmative and returned by its Account Holder, together with a duly completed Account Holder Letter (and, if applicable, a Designated Recipient Form), to the Holding Period Trustee prior to the Bar Time.

Distribution Confirmation Deed

This Deed is made by way of deed poll by the person whose details are set out in Annex C on the date stated in the execution page.

For the benefit of the Company, and with the intention and effect that it may be directly relied upon and enforced separately by each Released Person and each Adviser, even though they are not party to this Deed.

1. Definitions and interpretation

- (a) Unless otherwise defined herein, defined terms in this Deed shall have the meanings given to them in the Explanatory Statement and the Schemes.
- (b) In this Deed unless the context otherwise requires:
 - (i) words in the singular include the plural and in the plural include the singular;
 - (ii) the words “including” and “include” shall not be construed as or take effect as limiting the generality of the foregoing;
 - (iii) the headings shall not be construed as part of this Deed nor affect its interpretation;
 - (iv) references to any clause, without further designation, shall be construed as a reference to the clause of this Deed so numbered;
 - (v) reference to any act, statute or statutory provision shall include a reference to that provision as amended, re-enacted or replaced from time to time whether before or after the date of this Deed and any former statutory provision replaced (with or without modification) by the provision referred to;
 - (vi) reference to a person includes a reference to any body corporate, unincorporated association or partnership and to that person’s legal personal representatives or successors; and
 - (vii) the principles of construction set out in the Schemes apply to this Deed except that references to the Scheme shall instead be construed as referenced to this Deed.

2. Confirmations, warranties and undertakings

- (a) The Noteholder or, if the Noteholder has appointed a Designated Recipient, its Designated Recipient, gives the confirmations, acknowledgements, warranties and undertakings set out in:
 - (i) Annex A (*General confirmations, acknowledgements, warranties and undertakings*);
 - (ii) Annex B (*Securities Law confirmations and undertakings*); and
 - (iii) Annex D (*New Notes Form*).
- (b) Without prejudice to the provisions in Annex A, Annex B and Annex D, the Noteholder and, if the Noteholder has appointed a Designated Recipient, its Designated Recipient, hereby irrevocably warrants, undertakes and represents to the Company that with effect

from the Restructuring Effective Date:

- (i) it will not seek to dispute, set aside, challenge, compromise or question in any jurisdiction the validity and efficacy of the cancellation and/or write-down of its Scheme Claims, including the Notes, provided that such cancellation and/or write-down was done in accordance with the terms of the Schemes;
- (ii) it will not seek to dispute, challenge, set aside or question the validity, authority or efficacy of the Schemes in any jurisdiction or before any court, regulatory authority, tribunal or otherwise and, without prejudice to the generality of the foregoing, notwithstanding that the Company (which is the issuer of the Notes) is incorporated in Bermuda, that certain subsidiaries of the Company are incorporated in Hong Kong, Macao, the PRC, Malaysia, Samoa, British Virgin Islands or that the 2018 Indenture and the 2019 Indenture are governed by New York law or the CB Trust Deed is governed by English law; and
- (iii) it has obtained all necessary consents, authorisations, approvals and/or permissions required to be obtained by it under the laws and regulations applicable to it in any jurisdiction in order to sign this Deed and its signatory represents that it is duly authorised to sign this Confirmation on that party's behalf.

3. Grant of authority to the Company to execute certain documents on behalf of the Noteholders

- (a) Subject only to the Scheme Effective Date occurring, the Noteholder and, if the Noteholder has appointed a Designated Recipient, its Designated Recipient, hereby irrevocably and unconditionally authorise the Company, and appoint the Company as their true and lawful attorney (acting by its directors or other duly appointed representative) to enter into, execute and deliver (as applicable) the Deeds of Release and such other documents that the Company reasonably considers necessary to give effect to the terms of the Schemes on behalf of each of them and agree to be bound by their terms.

4. Distribution of the New Notes

- (a) The Noteholder or, if the Noteholder has appointed a Designated Recipient, the Designated Recipient, confirms in relation to the claim that is the subject of the applicable Account Holder Letter that it intends to receive the New Notes to which it is entitled in accordance with the terms of the Schemes.
- (b) To the extent that a Noteholder (or its Designated Recipient) is entitled to receive any of the New Notes under the terms of the Schemes, it irrevocably directs the Company and/or the Holding Period Trustee to issue such New Notes to it by crediting its account, held with Euroclear or Clearstream, as applicable, and identified in its Account Holder Letter with a beneficial interest in the New Notes and with its entitlement to the Cash Consideration.

Annex A to the Distribution Confirmation Deed

General confirmations, acknowledgements, warranties and undertakings

- 1. The Noteholder or, if the Noteholder has appointed a Designated Recipient, the Designated Recipient, confirms to the Company and the Holding Period Trustee that:
 - (a) to the best of its knowledge, it has complied with all laws and regulations applicable to it in any jurisdiction with respect to the Schemes, the Account Holder Letter and this Deed;
 - (b) it is (i) an Eligible Person; or (ii) if the Noteholder has appointed a Designated Recipient, the Noteholder will retain no beneficial interest in any New Notes nominated to be held by any Designated Recipient(s) if the Noteholder is itself not an Eligible Person;
 - (c) it has received and reviewed the Schemes and the Explanatory Statement and assumes all of the risks inherent in participating in the Schemes and has undertaken all the appropriate analysis of

the implications of participating in the Schemes;

- (d) it authorises the Clearing Systems to provide details concerning its identity, the Notes which are the subject of the Account Holder Letter and its applicable account details to the Company and the Holding Period Trustee and their respective legal and financial advisers at the time the Account Holder Letter is submitted;
- (e) it acknowledges that no information has been provided to it by the Company, any other member of the Group, the Notes Trustee, the Advisers or the Holding Period Trustee with regard to the tax consequences arising from the receipt of any of the New Notes or the participation in the Schemes and acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its participation in the Schemes and agrees that it will not and does not have any right of recourse (whether by way of reimbursements, indemnity or otherwise) against Company, any other member of the Group, the Notes Trustee, the Advisers or the Holding Period Trustee or any other person in respect of such taxes and payments;
- (f) it consents to, and agrees to be bound by the terms of the Schemes and the other matters contained herein, upon the Schemes becoming effective;
- (g) it acknowledges that all authority conferred or agreed to be conferred pursuant to the Account Holder Letter and this Deed and each obligation and the authorisations, instructions and agreements given by it shall, to the best of its knowledge and to the extent permitted by law, be binding upon its successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives and shall not be affected by, and shall survive, its death or incapacity and that all of the information in the Account Holder Letter and this Deed is true, complete and accurate as at the date of this Deed;
- (h) it authorises the execution and the taking of all steps as are required to give effect to this Deed and its terms;
- (i) it authorises the execution and the taking of all such steps by any party as are required to give effect to: (i) the cancellation and discharge of the Notes, (ii) the release of the Guarantees provided by the Subsidiary Guarantors pursuant to the terms of the Note Documents, and (iii) the release or cancellation of the Note Documents in accordance with the terms of the Schemes;
- (j) it acknowledges and agrees that the Company may, between the date on which the Explanatory Statement is issued and the Scheme Effective Date, make any modifications of, or additions to, the Scheme and/or the Restructuring Documents which would not directly or indirectly have an adverse effect on the interests of the Noteholders, the Notes Trustee, the Depositary or the Holding Period Trustee under the Schemes and are necessary for the purpose of implementing the Restructuring, and provided that the Company draws all such modifications or additions to the attention of the Hong Kong Court and the Bermuda Court at the respective Sanction Hearings;
- (k) it acknowledges that neither the Schemes nor the transactions contemplated by the Explanatory Statement shall be deemed to be investment advice or a recommendation as to a course of conduct by the Company, any other member of the Group, any member of the Committee, the Advisers, the Notes Trustee or any of their respective officers, directors, employees or agents; and
- (l) it represents that, in directing the execution and delivery of this Deed, it has made an independent decision in consultation with its advisers and professionals to the extent that it considers it necessary.

2. The Noteholder or, if the Noteholder has appointed a Designated Recipient, the Designated Recipient hereby acknowledges and agrees that the confirmations, authorisations, acknowledgements and waivers made by it in this Annex A are also given in favour of each relevant Released Person and Adviser, who, in each case, are entitled to enforce and enjoy the benefit of any terms contained therein.

Annex B to the Distribution Confirmation Deed

Securities Law confirmations and undertakings

1. The Noteholder or, if the Noteholder has appointed a Designated Recipient, the Designated Recipient, confirms to the Company and the Holding Period Trustee that:

- (a) it understands that the offer to it of the New Notes has not been registered under the US Securities Act and that such offer is being made to it in reliance on an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act and that consequently the New Notes have not been and will not be registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States;
- (b) it understands that the New Notes are “**restricted securities**” as defined in Rule 144(a)(3) under the US Securities Act, and it agrees on its own behalf and on behalf of any investor for which it is acquiring the New Notes, and each subsequent holder of the New Notes by its acceptance thereof will be deemed to agree, to transfer such New Notes only, prior to the date that is: (i) in the case of New Notes issued in reliance on Regulation S under the US Securities Act (“**Regulation S**”), 40 days; and (ii) otherwise, one year after the original issue date or such later date, if any, as may be required by applicable law only:
 - (i) to the Company or one of its subsidiaries;
 - (ii) pursuant to a registration statement which has been declared effective under the US Securities Act;
 - (iii) for so long as the New Notes are eligible for resale pursuant to Rule 144A under the US Securities Act (“**Rule 144A**”), to a person it reasonably believes is a “qualified institutional buyer” (“**QIB**”) as defined in Rule 144A that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A;
 - (iv) to an institutional “**accredited investor**” (“**Accredited Investor**”) within the meaning of Rule 501(A)(1), (2), (3) or (7) under the US Securities Act that, before such transfer, delivers to the New Notes Transfer Agent a duly completed and signed certificate (the form of which may be obtained from the New Notes Transfer Agent) relating to the restrictions on transfer of the New Notes;
 - (v) outside the United States to non-U.S. persons in accordance with Regulation S; or
 - (vi) pursuant to any other available exemption from the registration requirements of the US Securities Act;
- (c) it understands that unless the Company determines otherwise in accordance with applicable law, the New Notes will, to the extent they are issued in certificated form, bear a legend substantially in the following form:

“THIS NOTE AND THE SUBSIDIARY GUARANTEES (IF ANY) AND THE JV SUBSIDIARY GUARANTEES (IF ANY) RELATED TO THIS NOTE (COLLECTIVELY, THE “SECURITIES”) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NONE OF THE SECURITIES NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, [in the case of

Rule 144A Global Notes: REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT)] [in the case of Regulation S Global Notes: REPRESENTS THAT IT IS ACQUIRING THIS NOTE IN AN “OFFSHORE TRANSACTION” PURSUANT TO REGULATION S UNDER THE SECURITIES ACT] [in the case of IAI Global Notes: REPRESENTS THAT IT IS AN INSTITUTIONAL “ACCREDITED INVESTOR” (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT)] AND AGREES, ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, [in the case of the Rule 144A Global Note and the IAI Global Note: BEFORE THE RESALE RESTRICTION TERMINATION DATE, WHICH IS ONE YEAR AFTER THE LATER OF THE ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY)] [in the case of the Regulation S Global Notes: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE DATE ON WHICH THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S) IN RELIANCE ON REGULATION S], ONLY (A) TO THE COMPANY OR ONE OF ITS SUBSIDIARIES, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”), TO A PERSON IT REASONABLY BELIEVES IS A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) TO AN INSTITUTIONAL “ACCREDITED INVESTOR” WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT, BEFORE SUCH TRANSFER, DELIVERS TO THE TRANSFER AGENT A DULY COMPLETED AND SIGNED CERTIFICATE (THE FORM OF WHICH MAY BE OBTAINED FROM THE TRANSFER AGENT) RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS SECURITY, (E) OUTSIDE THE UNITED STATES TO NON U.S. PERSONS IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, OR (F) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSAL OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS, AND FURTHER SUBJECT TO THE COMPANY’S AND THE TRANSFER AGENT’S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES THAT IT SHALL NOT TRANSFER THE SECURITIES IN AN AMOUNT LESS THAN US\$150,000.

EACH PURCHASER OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER”

- (d) it and any subsequent holder of the New Notes will notify any person to whom it subsequently re-offers, resells, pledges, transfers or otherwise disposes of the New Notes of the foregoing restrictions on transfer;

- (e) it understands and acknowledges that the Company shall not be obliged to recognise any resale or other transfer of the New Notes made other than in compliance with the restrictions set forth in this Distribution Confirmation Deed and the terms of the New Notes;
- (f) it confirms that it will acquire an interest in the New Notes for its own account as principal, or for the account of one or more other persons who are able to and who shall be deemed to make all of the representations and agreements in this Distribution Confirmation Deed and for whom it exercises sole investment discretion;
- (g) the receipt of New Notes by such person is not part of a plan or scheme to evade the registration requirements of the US Securities Act;
- (h) it has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of investing in the New Notes, and is experienced in investing in capital markets and is able to bear the economic risk of investing in its New Notes (which it may be required to bear for an indefinite period of time and it is able to bear such risk for an indefinite period), and has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to its investment in its New Notes, and is able to sustain a complete loss of its investment in its New Notes;
- (i) it has or has access to all information that it believes is necessary, sufficient or appropriate in connection with its acquisition of its New Notes and has made an independent decision to acquire its New Notes based on the information concerning the business and financial condition of the Company and other information available to it which it has determined is adequate for that purpose;
- (j) it will comply with all securities laws of any state or territory of the United States or any other applicable jurisdiction, including without limitation “blue sky” laws, and acceptance of its New Notes will not violate any applicable law;
- (k) it understands that neither the Securities and Exchange Commission, nor any other United States state or other securities commission or regulatory authority has approved or disapproved of the New Notes or passed comment upon the accuracy or adequacy of the Solicitation Packet or the Explanatory Statement, and that any representation to the contrary is a criminal offence in the United States;
- (l) it has consulted and will continue to consult, in each case as required, its own legal, financial and tax advisers with respect to the legal, financial and tax consequences of the Schemes, the New Notes and the Restructuring in its particular circumstances;
- (m) it understands that the New Notes will not be listed on a U.S. securities exchange or any inter-dealer quotation system in the United States and that the Company does not intend to take action to facilitate a market in any of the New Notes in the United States. Consequently, it understands that that it is unlikely that an active trading market in the United States will develop for any such securities;
- (n) it understands that the foregoing representations, warranties and agreements are required in connection with United States securities laws and that the Company and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. It agrees that, if any of the acknowledgements, representations and warranties made in connection with its receipt of the New Notes are no longer accurate, it will promptly, and in any event prior to the issuance of its New Notes, notify the Company in writing;
- (o) it is either (i) a “**qualified investor**” within the meaning of Regulation (EU) 2017/1129; or (ii) is not incorporated or situated in any member state of the European Economic Area;
- (p) it is not located or resident in the United Kingdom or, if it is a resident of or located in the United Kingdom, it is: (i) a person who has professional experience in matters relating to investments and qualifies as an Investment Professional in accordance with Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); (ii) a high net

worth company, unincorporated association, partnership, trustee or any person to whom communication may otherwise lawfully be made in accordance within Article 49(2) of the Order; or (iii) person falling within Article 43(2) of the Order;

- (q) it understands that the arrangements for the issue of the New Notes have not been authorised by Hong Kong's Securities and Futures Commission ("SFC"), nor has the Explanatory Statement (for this purposes including the Solicitation Packet) been approved by the SFC pursuant to section 105(1) of Hong Kong's Securities and Futures Ordinance ("SFO") or section 342C(5) of Hong Kong's Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) ("C(WUMP)O") or registered by Hong Kong's Registrar of Companies pursuant to section 342C(7) of C(WUMP)O;
- (r) it is not located or resident in Hong Kong or, if it is resident or located in Hong Kong, it is (i) a person whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or (ii) a professional investor as defined in the SFO;
- (s) it understands that the New Notes has not been and will not be registered under the relevant laws of the PRC;
- (t) it is not located or resident in Singapore or, if it is located or resident in Singapore, it is (i) an "**institutional investor**" as defined in the Securities and Futures Act, Chapter 289; or (ii) a person to whom the New Notes may otherwise be offered pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA;
- (u) it understands that the New Notes has not been and will not be registered under the securities laws of Taiwan and, upon delivery, may not be offered, sold or otherwise transferred except (i) pursuant to an effective registration statement under Taiwan's Securities and Exchange Act; or (ii) in accordance with another exemption from registration under, or transaction not subject to Taiwan's Securities and Exchange Act;
- (v) it will comply with all securities laws relating to the New Notes that apply to it in any place in which it accepts, holds or sells any of its New Notes. It has obtained all consents or approvals that it needs in order to receive its New Notes, and the Company is not responsible for compliance with these legal requirements; and
- (w) it will not offer or resell any of its New Notes, or cause any offer for the resale of its New Notes, in any state or jurisdiction in which such offer, a solicitation for the purchase of, or resale of its New Notes would be unlawful under, or cause the Company to be in breach of, the securities laws of such state or jurisdiction and it has complied and will comply with all applicable laws and regulations with respect to anything done by it in relation to the New Notes.

Annex C to the Distribution Confirmation Deed

Details of Noteholder / Designated Recipient

Noteholder (if applicable)

Name of Noteholder: _____

Email address _____

Registered or principal address: _____

Place of organisation or incorporation: _____

Telephone number: _____

Designated Recipient (if applicable)

Name of Designated Recipient: _____

Email address _____

Registered or principal address: _____

Place of organisation or incorporation: _____

Telephone number: _____

Annex D to the Distribution Confirmation Deed

New Notes Form

By ticking one of the boxes below, the Noteholder expressly acknowledges and confirms that the Noteholder intends to receive and is eligible to receive, or if a Designated Recipient is appointed, the Designated Recipient acknowledges and confirms that it is eligible to receive New Notes in the form as follows:

- ☐ Rule 144A New Notes
- ☐ IAI New Notes
- ☐ Regulation S New Notes

By ticking one of the three boxes above, the Noteholder or its Account Holder on its behalf (or its Designated Recipient, as applicable), expressly confirms, represents and warrants that:

- (a) in the case of ticking the Rule 144A New Notes box, the Noteholder (or its Designated Recipient) is a “qualified institutional buyer” as defined in Rule 144A under the US Securities Act or in the case of ticking the IAI New Notes box, the Noteholder (or its Designated Recipient) is an institutional “accredited investor” as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the US Securities Act;

the Noteholder (or its Designated Recipient) is aware that the sale of the Rule 144A New Notes and the IAI New Notes, as applicable, to it is being made in reliance on one or more exemptions from registration under the US Securities Act, including Section 4(a)(2) thereunder; and

the Noteholder (or its Designated Recipient) is acquiring the Rule 144A New Notes or the IAI New Notes, as applicable, for its own account or for one or more managed accounts, each of which is a “qualified institutional buyer” or an institutional “accredited investor” and as to each of which it exercises sole investment discretion; or

- (b) in the case of ticking the Regulation S New Notes box, the Noteholder (or its Designated Recipient) is located outside the United States and is a person that is not a “U.S. Person” as defined in Regulation S under the US Securities Act, acquiring the Regulation S Notes in reliance on Regulation S under the US Securities Act, and acquiring the Regulation S Notes for its own account or for one or more managed accounts, each of which is a non-U.S. Person and as to each of which it exercises sole investment discretion.

Any Noteholder that does not make the relevant confirmations by **checking the “Yes” box below and complete Annex C and Annex D** to this Distribution Confirmation Deed shall not be entitled to receive a distribution of New Notes and should contact the Holding Period Trustee without delay.

The Noteholder and if applicable the Designated Recipient, acknowledges and agrees to the terms, confirmations, acknowledgements, warranties and undertakings set out in this Distribution Confirmation Deed, including without limitation those set out at Annex A (*General confirmations, acknowledgements, warranties and undertakings*) and Annex B (*Securities Law confirmations and undertakings*) and Annex D (*New Notes Form*):

- ☐ Yes

In witness whereof this Deed has been executed as a deed and delivered on _____ by the parties hereto.

Individual Noteholders

EXECUTED and **DELIVERED** as a **DEED** by

Noteholder,

(print name)

(sign)

In the presence of:

Witness signature:

Witness name:

Witness address:

Non-individual Noteholders

EXECUTED and **DELIVERED** as a **DEED**

for and on behalf of

Noteholder,

(print name)

(sign)

Name:

acting by:

Title:

(sign)

Name:

Title:

Individual Designated Recipients

EXECUTED and **DELIVERED** as a **DEED** by

Designated Recipient,

(print name)

(sign)

In the presence of:

Witness signature:

Witness name:

Witness address:

Non-individual Designated Recipients

EXECUTED and **DELIVERED** as a **DEED**

for and on behalf of

Designated Recipient,

(print name)

(sign)

acting by:

Name:

Title:

(sign)

Name:

Title:

APPENDIX 11 NEW NOTES INDENTURE

Dated [●], 2019

CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS LIMITED
as the Company

and

THE BANK OF NEW YORK MELLON, LONDON BRANCH
as Trustee

and

THE ENTITIES LISTED ON SCHEDULE 1 HERETO
as Initial Subsidiary Guarantors

Indenture

in relation to

2.00% Cash-Pay and 4.00% Pay-In-Kind Guaranteed Senior Notes Due 2022

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INDENTURE, dated as of [●], 2019, among China Singyes Solar Technologies Holdings Limited, a corporation incorporated under the laws of Bermuda, as the Company, the Initial Subsidiary Guarantors listed in Schedule 1 hereto, and The Bank of New York Mellon, London Branch, a banking corporation organized and existing under the laws of the State of New York with limited liability and operating through its branch in London at One Canada Square, London E14 5AL United Kingdom, as Trustee.

RECITALS

WHEREAS, the Company has duly authorized the execution and delivery of this Indenture to provide for the issuance of the Initial Notes and, if and when issued, any Additional Notes as provided herein (collectively, the “**Notes**”). All things necessary to make this Indenture a valid agreement of the Company, in accordance with its terms, have been done, and the Company has done all things necessary to make the Notes, when executed by the Company and authenticated and delivered by the Registrar and duly issued by the Company, the valid obligations of the Company as hereinafter provided.

WHEREAS, the Subsidiary Guarantors party hereto have duly authorized the execution and delivery of this Indenture as guarantors of the Notes. All things necessary to make this Indenture a valid agreement of each Subsidiary Guarantor, in accordance with its terms, have been done, and each Subsidiary Guarantor has done all things necessary to make the Subsidiary Guarantees, when the Notes are executed by the Company and authenticated and delivered by the Registrar and duly issued by the Company, the valid obligations of such Subsidiary Guarantor as hereinafter provided.

THIS INDENTURE WITNESSETH

For and in consideration of the premises and the purchase of the Notes by the Holders thereof, the parties hereto covenant and agree, for the equal and proportionate benefit of all Holders, as follows:

1 DEFINITIONS AND INCORPORATION BY REFERENCE

1.1 Definitions.

“**Accredited Investor**” means an institutional “accredited investor” (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act).

“**Acquired Indebtedness**” means Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary or Indebtedness of a Restricted Subsidiary assumed in connection with an Asset Acquisition by such Restricted Subsidiary whether or not Incurred in connection with, or in contemplation of, the Person merging with or into or becoming a Restricted Subsidiary.

“**Additional Amounts**” has the meaning set forth in Section 4.21.

“**Additional Notes**” means any 2.00% Cash-Pay and 4.00% Pay-In-Kind Guaranteed Senior Notes Due 2022 issued by the Company hereunder pursuant to Section 2.9.

“**Affiliate**” means, with respect to any Person, any other Person (i) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person, (ii) who is a director or officer of such Person or any Subsidiary of such Person or of any Person referred to in clause (i) of this definition or (iii) who is a spouse or any Person cohabiting as a spouse, child, parent, brother, sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew or niece of a Person described in clause (i) or (ii); *provided, however*, that (w) no Person directly or indirectly controlling Shuifa Group Co., Ltd., (x) no Person under direct or indirect common control with Shuifa Group Co., Ltd. (other than Water Development (HK) Holding Co., Limited, Shuifa Energy Group Limited, the Company or any direct or indirect Subsidiary of Shuifa Group Co., Ltd and/or the Company from time to time), (y) no Person who is a director or officer of any Person included in clause (w) or (x) of this definition and (z) no Person who is a spouse or any Person cohabiting as a spouse, child, parent, brother, sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew or niece of a Person included in clause (y) of this definition,

shall constitute an Affiliate. For purposes of this definition, “**control**” (including, with correlative meanings, the terms “**controlling**,” “**controlled by**” and “**under common control with**”), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“**Affiliate Transaction**” has the meaning set forth in Section 4.15.

“**Agent**” means any Registrar, Paying Agent and Transfer Agent.

“**Asset Acquisition**” means:

- (a) an investment by the Company or any of its Restricted Subsidiaries in any other Person pursuant to which such Person shall become a Restricted Subsidiary or shall be merged into or consolidated with the Company or any of its Restricted Subsidiaries, or
- (b) an acquisition by the Company or any of its Restricted Subsidiaries of the property and assets of any Person other than the Company or any of its Restricted Subsidiaries that constitute substantially all of a division or line of business of such Person.

“**Asset Disposition**” means the sale or other disposition by the Company or any of its Restricted Subsidiaries (other than to the Company or another Restricted Subsidiary) of

- (a) all or substantially all of the Capital Stock of any Restricted Subsidiary; or
- (b) all or substantially all of the assets that constitute a division or line of business of the Company or any of its Restricted Subsidiaries.

“**Asset Sale**” means any sale, transfer or other disposition (including by way of merger, consolidation or Sale and Leaseback Transaction) of any of its property or assets (including any sale or issuance of Capital Stock of a Subsidiary) in one transaction or a series of related transactions by the Company or any of its Restricted Subsidiaries to any Person, *provided*, that “**Asset Sale**” shall not include:

- (a) sales, transfers or other dispositions of inventory, receivables and other current assets in the ordinary course of business;
- (b) sales, transfers or other dispositions of assets constituting a Permitted Investment or Restricted Payment permitted to be made under Section 4.7;
- (c) sales, transfers or other dispositions of assets with a Fair Market Value not in excess of U.S.\$1.0 million (or the Dollar Equivalent thereof) in any transaction or series of related transactions;
- (d) any sale, transfer, assignment or other disposition of any property or equipment that has become damaged, worn out, obsolete or otherwise unsuitable for use in connection with the business of the Company or its Restricted Subsidiaries;
- (e) any transfer, assignment or other disposition deemed to occur in connection with creating or granting any Permitted Lien;
- (f) the sale of cash or Temporary Cash Investments in the ordinary course of business; or
- (g) any sale, transfer or other disposition by the Company or any of its Restricted Subsidiaries, including the sale or issuance by the Company or any Restricted Subsidiary of any Capital Stock of any Restricted Subsidiary, to the Company or any Restricted Subsidiary.

“**Attributable Indebtedness**” means, in respect of a Sale and Leaseback Transaction, the present

value, discounted at the interest rate implicit in the Sale and Leaseback Transaction, of the total obligations of the lessee for rental payments during the remaining term of the lease in the Sale and Leaseback Transaction.

“Authorization Certificate” has the meaning set forth in Section 2.2.

“Authorized Officer” means, with respect to the Company or a Subsidiary Guarantor, any one officer or director, who, in each case, is authorized to represent the Company or a Subsidiary Guarantor, as the case may be.

“Average Life” means, at any date of determination with respect to any Indebtedness, the quotient obtained by dividing (1) the sum of the products of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment of such Indebtedness and (b) the amount of such principal payment by (2) the sum of all such principal payments.

“Bermuda Scheme” means the scheme of arrangement between the Company and certain of its creditors pursuant to section 99 of the Bermuda Companies Act 1981 in its present form or with or subject to any modifications, additions or conditions that the Supreme Court of Bermuda may approve or impose.

“Board of Directors” means the board of directors elected or appointed by the stockholders of the Company to manage the business of the Company or any committee of such board duly authorized to take the action purported to be taken by such committee.

“Board Resolution” means any resolution of the Board of Directors taking an action which it is authorized to take and adopted at a meeting duly called and held at which a quorum of disinterested members (if so required) was present and acting throughout or adopted by written resolution executed by every member of the Board of Directors.

“Business Day” means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in The City of New York, London or Hong Kong (or in any other place in which payments on the Notes are to be made) are authorized by law or governmental regulation to close.

“Capital” means, with respect to any Person, the issued capital of such Person, as determined in accordance with GAAP for the most recent fiscal year for which standalone financial statements for such Person are available.

“Capital Stock” means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Original Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock but excluding debt securities convertible or exchangeable into such equity.

“Capitalized Lease” means, with respect to any Person, any lease of any property (whether real, personal or mixed) which, in conformity with GAAP, is required to be capitalized on the balance sheet of such Person.

“Capitalized Lease Obligations” means the discounted present value of the rental obligations under a Capitalized Lease.

“Cash Interest” has the meaning set forth in Section 2.12.

“Certificated Notes” means the Notes (with, if applicable, the Subsidiary Guarantees and, if applicable, the JV Subsidiary Guarantees endorsed thereon) substantially in the form of Exhibit A and bearing the Private Placement Legend, in certificated, registered form, executed and delivered by the Company (and, if applicable, each Subsidiary Guarantor and, if applicable, each JV

Subsidiary Guarantor) and authenticated by the Registrar in exchange for the Global Notes in the event set out in Section 2.4(e).

“Change of Control” means the occurrence of one or more of the following events:

- (a) the merger, amalgamation, or consolidation of the Company with or into another Person (other than one or more Permitted Holders) or the merger or amalgamation of another Person (other than one or more Permitted Holders) with or into the Company, or the sale of all or substantially all the assets of the Company to another Person (other than one or more Permitted Holders);
- (b) the Permitted Holders are collectively the beneficial owners (as such term is used in Rule 13d-3 of the Exchange Act) of less than 50.1% of the total voting power of the Voting Stock of the Company;
- (c) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the “beneficial owner” (as defined above), directly or indirectly, of total voting power of the Voting Stock of the Company greater than such total voting power held beneficially by the Permitted Holders;
- (d) individuals who on the Original Issue Date constituted the Board of Directors of the Company, together with any new directors whose election by the Board of Directors was approved by a vote of at least two-thirds of the directors then still in office who were either directors on the Original Issue Date or whose election was previously so approved, cease for any reason to constitute a majority of the Board of Directors of the Company then in office; or
- (e) the adoption of a plan relating to the liquidation or dissolution of the Company.

“Change of Control Offer” has the meaning set forth in Section 4.13.

“Clearstream” means Clearstream Banking S.A.

“Commodity Agreement” means any raw materials futures contract, forward contract, commodity swap agreement, commodity option agreement or other similar agreement or arrangement designed to protect against fluctuations in raw material prices.

“Common Stock” means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person’s common stock or ordinary shares, whether or not outstanding at the date of this Indenture, and include, without limitation, all series and classes of such common stock or ordinary shares.

“Company” means the party named as such in the first paragraph of this Indenture or any successor obligor under this Indenture and the Notes pursuant to this Indenture.

“Consolidated Assets” means, with respect to any Restricted Subsidiary at any date of determination, the Company and its Restricted Subsidiaries’ proportionate interest in the total consolidated assets of such Restricted Subsidiary and its Restricted Subsidiaries measured in accordance with GAAP as of the last day of the most recent fiscal quarter for which consolidated financial statements of the Company and its Restricted Subsidiaries (which the Company shall use its best efforts to compile in a timely manner) are available (which may be internal consolidated financial statements).

“Consolidated EBITDA” means, for any period, Consolidated Net Income for such period plus, to the extent such amount was deducted in calculating such Consolidated Net Income:

- (a) Consolidated Interest Expense;
- (b) income taxes (other than income taxes attributable to extraordinary and nonrecurring gains (or losses) or sales of assets); and
- (c) depreciation expense, amortization expense and all other non-cash items reducing Consolidated Net Income (other than non-cash items in a period which reflect cash expenses paid or to be paid in another period), less all non-cash items increasing Consolidated Net Income, all as determined on a consolidated basis for the Company and its Restricted Subsidiaries in conformity with GAAP,

provided that (i) if any Restricted Subsidiary is not a Wholly-Owned Restricted Subsidiary, Consolidated EBITDA shall be reduced (to the extent not otherwise reduced in accordance with GAAP) by an amount equal to (A) the amount of the Consolidated Net Income attributable to such Restricted Subsidiary multiplied by (B) the percentage ownership interest in the income of such Restricted Subsidiary not owned on the last day of such period by the Company or any of its Restricted Subsidiaries and (ii) in the case of any PRC CJV (consolidated in accordance with GAAP), Consolidated EBITDA shall be reduced (to the extent not already reduced in accordance with GAAP) by any payments, distributions or amounts (including the Fair Market Value of any non-cash payments, distributions or amounts) required to be made or paid by such PRC CJV to the PRC CJV Partner, or to which the PRC CJV Partner otherwise has a right or is entitled, pursuant to the joint venture agreement governing such PRC CJV.

“Consolidated Fixed Charges” means, for any period, the sum (without duplication) of (i) Consolidated Interest Expense for such period and (ii) all cash and non-cash dividends, paid, declared, accrued or accumulated during such period on any Disqualified Stock or Preferred Stock of the Company or any Restricted Subsidiary held by Persons other than the Company or any Wholly-Owned Restricted Subsidiary.

“Consolidated Interest Expense” means, for any period, the amount that would be included in gross interest expense on a consolidated income statement prepared in accordance with GAAP for such period of the Company and its Restricted Subsidiaries, plus, to the extent not included in such gross interest expense, and to the extent incurred, accrued or payable during such period by the Company and its Restricted Subsidiaries, without duplication, (i) interest expense attributable to Capitalized Lease Obligations, (ii) amortization of debt issuance costs and original issue discount expense and non-cash interest payments in respect of any Indebtedness, (iii) the interest portion of any deferred payment obligation, (iv) all commissions, discounts and other fees and charges with respect to letters of credit or similar instruments issued for financing purposes or in respect of any Indebtedness, (v) the net costs associated with Hedging Obligations (including the amortization of fees), (vi) interest accruing on Indebtedness of any other Person that is Guaranteed by, or secured by a Lien on any asset of, the Company or any Restricted Subsidiary and (vii) any capitalized interest, *provided that* interest expense attributable to interest on any Indebtedness bearing a floating interest rate will be computed on a pro forma basis as if the rate in effect on the date of determination had been the applicable rate for the entire relevant period.

“Consolidated Net Income” means, with respect to any specified Person for any period, the aggregate of the net income (or loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in conformity with GAAP; *provided that* the following items shall be excluded in computing Consolidated Net Income (without duplication):

- (a) the net income (or loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting except that:
 - (i) subject to the exclusion contained in clause (e) below, the Company’s equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Company or a Restricted Subsidiary as

a dividend or other distribution (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (c) below); and

- (ii) the Company's equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income to the extent funded with cash or other assets of the Company or Restricted Subsidiaries;
- (b) the net income (or loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Company or any of its Restricted Subsidiaries or all or substantially all of the property and assets of such Person are acquired by the Company or any of its Restricted Subsidiaries;
- (c) the net income (but not loss) of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of such net income is not at the time permitted by the operation of the terms of its charter, articles of association or other constitutive document or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary;
- (d) the cumulative effect of a change in accounting principles;
- (e) any net after tax gains realized on the sale or other disposition of (A) any property or assets of the Company or any Restricted Subsidiary which is not sold in the ordinary course of its business or (B) any Capital Stock of any Person (including any gains by the Company realized on sales of Capital Stock of the Company or other Restricted Subsidiaries);
- (f) any translation gains and losses due solely to fluctuations in currency values and related tax effects; and
- (g) any net after-tax extraordinary or non-recurring gains.

"Consolidated Net Worth" means, at any date of determination, stockholders' equity as set forth on the most recently available semi-annual or annual consolidated balance sheet (which may be an internal consolidated balance sheet) of the Company and its Restricted Subsidiaries, plus, to the extent not included, any Preferred Stock of the Company, less any amounts attributable to Disqualified Stock or any equity security convertible into or exchangeable for Indebtedness, the cost of treasury stock and the principal amount of any promissory notes receivable from the sale of the Capital Stock of the Company or any of its Restricted Subsidiaries, each item to be determined in conformity with GAAP.

"Corporate Trust Office" means the office of the Trustee at which the corporate trust business of the Trustee is principally administered, which at the date of this Indenture is located at One Canada Square, London E14 5AL, United Kingdom.

"Currency Agreement" means any foreign exchange forward contract, currency swap agreement or other similar agreement or arrangement designed to protect against fluctuations in foreign exchange rates.

"DB Additional Notes" means Additional Notes issued to the DB Creditors on or after the Original Issue Date as DB New Notes in accordance with the terms of the Schemes of Arrangement.

"DB Claims" means a claim against the Company arising directly or indirectly out of, in relation to and/or in connection with the DB Term Sheets, whether before, at or after the applicable record time for the Schemes of Arrangement, but excluding any liability of the Company that was not

subject to the arrangement and compromise to be effected by the Schemes of Arrangement, which has become an Accepted Claim (as defined in the Schemes of Arrangement) in accordance with the terms of the Schemes of Arrangement.

“DB Creditors” means Deutsche Bank AG, Hong Kong Branch and any other creditor of the Company in respect of the DB Claims at the Record Time (as defined in the Schemes of Arrangement).

“DB New Notes” has the meaning given to it in the Schemes of Arrangement.

“DB Term Sheets” means: (a) the term sheet with respect to a one year senior secured loan facility dated 28 August 2018; and (b) the term sheet with respect to a two year senior secured loan facility dated 28 August 2018; in each case between Deutsche Bank AG, Hong Kong Branch and the Company.

“Default” means any event that is, or after notice or passage of time or both would be, an Event of Default.

“Delisting” means the time at which the Shares cease to be listed or admitted to trading on (i) The Stock Exchange of Hong Kong operated by The Stock Exchange of Hong Kong Limited or (ii) any other recognized stock exchange.

“Disqualified Stock” means any class or series of Capital Stock of any Person that by its terms or otherwise is (1) required to be redeemed prior to the date that is 183 days after the Stated Maturity of the Notes, (2) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the date that is 183 days after the Stated Maturity of the Notes or (3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Indebtedness having a scheduled maturity prior to the date that is 183 days after the Stated Maturity of the Notes; *provided* that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an “asset sale” or “change of control” occurring prior to the date that is 183 days after the Stated Maturity of the Notes shall not constitute Disqualified Stock if the “asset sale” or “change of control” provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in Section 4.13 and Section 4.14 and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Company’s repurchase of such Notes as are required to be repurchased pursuant to Section 4.13 and Section 4.14.

“Dollar Equivalent” means the amount in a currency other than U.S. dollars, at any time for the determination thereof, equal to a specified amount of U.S. dollars obtained by converting such U.S. dollar currency amount into such foreign currency at the base rate for the purchase of such foreign currency with the applicable U.S. dollar amount as quoted by the Federal Reserve Bank of New York on the date of determination.

“Euroclear” means Euroclear Bank SA/NV.

“Event of Default” has the meaning assigned to such term in Section 6.1.

“Excess Proceeds” has the meaning assigned to such term in Section 4.14.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended.

“FATCA” means Section 1471 through 1474 of the Internal Revenue Code of 1986, as amended (the **“Code”**) and any regulations or official interpretations thereof (including any revenue ruling, revenue procedure, notice or similar guidance issued by the U.S. Internal Revenue Service thereunder as a precondition to relief or exemption from taxes under such Sections, regulations

and interpretations), any agreements entered into pursuant to Section 1471(b)(1) of the Code, any intergovernmental agreements entered into in connection with any of the foregoing and any fiscal or regulatory legislation, rules or generally accepted practices adopted pursuant to any such intergovernmental agreements, and any amendments made to any of the foregoing after the date of this Indenture.

“Fair Market Value” means the price that would be paid in an arm’s-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination shall be conclusive if evidenced by a Board Resolution, except in the case of a determination of Fair Market Value of total assets for the purposes of determining a JV Entitlement Amount, in which case such price shall be determined by an accounting, appraisal or investment banking firm of recognized international standing appointed by the Company.

“Fixed Charge Coverage Ratio” means, on any Transaction Date, the ratio of (1) the aggregate amount of Consolidated EBITDA for the then most recent four fiscal quarter periods prior to such Transaction Date for which consolidated financial statements of the Company (which the Company shall use commercially reasonable efforts to compile in a timely manner) are available (which may be internal consolidated financial statements) (the **“Four Quarter Period”**) to (2) the aggregate Consolidated Fixed Charges during such Four Quarter Period. In making the foregoing calculation:

- (a) pro forma effect shall be given to any Indebtedness, Disqualified Stock or Preferred Stock Incurred, repaid or redeemed during the period (the **“Reference Period”**) commencing on and including the first day of the Four Quarter Period and ending on and including the Transaction Date (other than Indebtedness Incurred or repaid under a revolving credit or similar arrangement (or under any predecessor revolving credit or similar arrangement) in effect on the last day of such Four Quarter Period), in each case as if such Indebtedness, Disqualified Stock or Preferred Stock had been Incurred, repaid or redeemed on the first day of such Reference Period; *provided that*, in the event of any such repayment or redemption, Consolidated EBITDA for such period shall be calculated as if the Company or such Restricted Subsidiary had not earned any interest income actually earned during such period in respect of the funds used to repay or redeem such Indebtedness, Disqualified Stock or Preferred Stock;
- (b) Consolidated Interest Expense attributable to interest on any Indebtedness (whether existing or being Incurred) computed on a pro forma basis and bearing a floating interest rate shall be computed as if the rate in effect on the Transaction Date (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period;
- (c) pro forma effect shall be given to Asset Dispositions and Asset Acquisitions (including giving pro forma effect to the application of proceeds of any Asset Disposition) that occur during such Reference Period as if they had occurred and such proceeds had been applied on the first day of such Reference Period;
- (d) pro forma effect shall be given to asset dispositions and asset acquisitions (including giving pro forma effect to the application of proceeds of any asset disposition) that have been made by any Person that has become a Restricted Subsidiary or has been merged with or into the Company or any Restricted Subsidiary during such Reference Period and that would have constituted Asset Dispositions or Asset Acquisitions had such transactions occurred when such Person was a Restricted Subsidiary as if such asset dispositions or asset acquisitions were Asset Dispositions or Asset Acquisitions that occurred on the first day of such Reference Period; and

- (e) pro forma effect shall be given to the creation, designation or redesignation of Restricted Subsidiaries and Unrestricted Subsidiaries as if such creation, designation or redesignation had occurred on the first day of such Reference Period;

provided that to the extent that clause (c) or (d) of this sentence requires that pro forma effect be given to an Asset Acquisition or Asset Disposition (or asset acquisition or asset disposition), such pro forma calculation shall be based upon the four full fiscal quarters immediately preceding the Transaction Date of the Person, or division or line of business of the Person, that is acquired or disposed for which financial information is available.

“Future JV Subsidiary Guarantor” has the meaning set forth in Section 10.9(b).

“Future Subsidiary Guarantor” has the meaning set forth in Section 10.9(b).

“GAAP” means International Financial Reporting Standards in effect from time to time. All ratios and computations contained or referred to in this Indenture shall be computed in conformity with GAAP applied on a consistent basis.

“Global Note Legend” means the legend set forth in Section 2.4(d) hereof to be placed on all Global Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

“Global Notes” means, individually and collectively, the Rule 144A Global Notes, the IAI Global Notes and the Regulation S Global Notes.

“Guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided that* the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The term “Guarantee” used as a verb has a corresponding meaning.

“Guaranteed Indebtedness” has the meaning set forth in Section 4.12.

“Hedging Obligation” of any Person means the obligations of such Person pursuant to any Commodity Agreement, Currency Agreement or Interest Rate Agreement.

“Holder,” “holder” or “Noteholder” means the Person in whose name a Note is registered in the Note register.

“Hong Kong Scheme” means the scheme of arrangement between the Company and certain of its creditors pursuant to sections 670 to 674 of the Hong Kong Companies Ordinance (Cap. 622) (as amended) in its present form or with or subject to any modifications, additions or conditions that the High Court of the Hong Kong Special Administrative Region (or any court capable of hearing appeals therefrom) may approve or impose.

“IAI Global Note” means a Global Note substantially in the form of Exhibit B bearing the Global Note Legend and the Private Placement Legend and deposited with the Common Depositary and registered in the name of the Common Depositary or its nominee, that will be issued on the Original Issue Date in an initial amount equal to the principal amount of the Initial Notes offered and sold to Accredited Investors within the United States.

“Incur” means, with respect to any Indebtedness or Capital Stock, to incur, create, issue, assume, Guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness or Capital Stock; *provided that* (1) any Indebtedness and Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (or fails to meet the qualifications necessary to remain an Unrestricted Subsidiary) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and (2) the accretion of original issue discount shall not be considered an Incurrence of Indebtedness. The terms **“Incurrence,” “Incurred”** and **“Incurring”** have meanings correlative with the foregoing.

“Indebtedness” means, with respect to any Person at any date of determination (without duplication):

- (a) all indebtedness of such Person for borrowed money;
- (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (c) all obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments;
- (d) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except Trade Payables;
- (e) all Capitalized Lease Obligations and Attributable Indebtedness;
- (f) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided that* the amount of such Indebtedness shall be the lesser of (A) the Fair Market Value of such asset at such date of determination and (B) the amount of such Indebtedness;
- (g) all Indebtedness of other Persons Guaranteed by such Person to the extent such Indebtedness is Guaranteed by such Person;
- (h) to the extent not otherwise included in this definition, Hedging Obligations;
- (i) all Disqualified Stock issued by such Person valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price plus accrued dividends; and
- (j) any Preferred Stock issued by (a) such Person, if such Person is a Restricted Subsidiary or (b) any Restricted Subsidiary of such Person, valued in each case at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price plus accrued dividends.

For the avoidance of doubt, a mandatory put option granted to a Person that obligates the Company or any Restricted Subsidiary to repurchase the Capital Stock of any Restricted Subsidiary or any other Person shall be deemed to be “Indebtedness.”

Notwithstanding the foregoing, Indebtedness shall not include any capital commitments or similar obligations Incurred in the ordinary course of business in connection with the acquisition, development, construction or improvement of real or personal property (including land use rights) to be used in a Permitted Business; provided that such Indebtedness is not reflected and is not required under GAAP to be reflected on the balance sheet of the Company or any Restricted Subsidiary (contingent obligations referred to in a footnote to financial statements and not otherwise reflected on the balance sheet will not be deemed to be reflected on such balance sheet).

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation, *provided that*:

- (i) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP, and
- (ii) money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be “Indebtedness” so long as such money is held to secure the payment of such interest.

“Independent Third Party” means any Person that is not an Affiliate of the Company.

“Indenture” means this indenture (including all Exhibits hereto), as originally executed or as it may from time to time be amended or supplemented by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

“Initial Notes” means the US\$[●]¹ in aggregate principal amount of the Company’s 2.00% Cash-Pay and 4.00% Pay-In-Kind Guaranteed Senior Notes Due 2022 issued hereunder on the Original Issue Date.

“Initial Offshore Non-Guarantor Subsidiaries” means [Singyes MRW Joint Venture Company Limited, Singyes Green Electricity Investments Limited, Singyes Green Electricity (II) Investments Limited, Singyes Green Electricity (III) Investments Limited, China Singyes New Materials Holdings Limited, Singyes New Materials (H.K.) Company Limited, Conte Limited, Kibou Limited, Singyes Green Materials Investment (HK) Company Limited (formerly known as Singyes New Materials Investment (HK) Company Limited) and Top Access Management Limited.

“Initial Subsidiary Guarantors” means each of the entities named in Schedule 1 hereto.

“Interest Payment Date” means each [●] and [●] of each year, commencing [●], 2020.

“Interest Rate Agreement” means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement designed to protect against fluctuations in interest rates.

“Interest Record Date” for the interest payable on any Interest Payment Date means [●] or [●] (whether or not a Business Day) preceding such Interest Payment Date.

“Investment” means:

- (a) any direct or indirect advance, loan or other extension of credit to another Person;
- (b) any capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others);
- (c) any purchase or acquisition of Capital Stock (or options, warrants or other rights to acquire such Capital Stock), Indebtedness, bonds, notes, debentures or other similar instruments or securities issued by another Person; or

¹ Equal to the Scheme Creditors’ Claims less (i) the Cash Redemption and (ii) the Consent Fee.

(d) any Guarantee of any obligation of another Person.

For the purposes of Section 4.7 and Section 4.17, (i) the Company will be deemed to have made an Investment in an Unrestricted Subsidiary in an amount equal to the Company's proportionate interest in the Fair Market Value of the assets (net of the Company's proportionate interest in liabilities owed to any Person other than the Company or a Restricted Subsidiary and that are not Guaranteed by the Company or a Restricted Subsidiary) of a Restricted Subsidiary that is designated an Unrestricted Subsidiary at the time of such designation, (ii) any property transferred to or from any Person shall be valued at its Fair Market Value at the time of such transfer, as determined in good faith by the Board of Directors and (iii) if the Company or any Restricted Subsidiary sells or otherwise disposes of any Capital Stock of a Restricted Subsidiary (including any issuance of Capital Stock by a Restricted Subsidiary) such that, after giving effect to any such sale or disposition, such Restricted Subsidiary would cease to be a Subsidiary of the Company, the Company shall be deemed to have made an "Investment" on the date of such sale or disposition equal to the sum of the Fair Market Value of the Capital stock of such former Restricted Subsidiary held by the Company or any Restricted Subsidiary immediately following such sale or other disposition and the amount of any Indebtedness of such former Restricted Subsidiary Guaranteed by the Company or any Restricted Subsidiary or owed to the Company or any other Restricted Subsidiary immediately following such sale or other disposition.

"Investment Grade" means a rating of "AAA," "AA," "A" or "BBB," as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by S&P or any of its successors or assigns or a rating of "Aaa," or "Aa," "A" or "Baa," as modified by a "1," "2" or "3" indication, or an equivalent rating representing one of the four highest rating categories, by Moody's, or any of its successors or assigns or the equivalent ratings of any internationally-recognized rating agency or agencies, as the case may be, which shall have been designated by the Company as having been substituted for S&P or Moody's or both, as the case may be.

"Issue Date" of any Note means the date on which the Note was originally issued or deemed issued as set forth on the face of the Note.

"JV Entitlement Amount" means, with respect to any JV Subsidiary Guarantor which is not a Subsidiary or another JV Subsidiary Guarantor, together with its Subsidiaries, an amount that is equal to the product of (i) the Fair Market Value of the total assets of such JV Subsidiary Guarantor and its Subsidiaries, on a consolidated basis (without deducting any Indebtedness or other liabilities of such JV Subsidiary Guarantor and its subsidiaries) as of the date of the last fiscal year end of the Company; and (ii) a percentage equal to the direct equity ownership percentage of the Company and/or its Restricted Subsidiaries in the Capital Stock of such JV Subsidiary Guarantor and its Subsidiaries.

"JV Subsidiary Guarantee" has the meaning set forth pursuant to Section 10 and substantially in the form of Exhibit J.

"JV Subsidiary Guarantor" means a Restricted Subsidiary that executes a JV Subsidiary Guarantee.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind).

"Maturity Date" means [●], 2022.

"Moody's" means Moody's Investors Service and its successors.

"Net Asset Value" means, with respect to any Person, the total assets of such Person minus the

total liabilities of such Person, as determined in accordance with GAAP for the most recent fiscal year for which standalone financial statements for such Person are available.

“Net Cash Proceeds” means:

- (a) with respect to any Asset Sale (other than the issuance or sale of Capital Stock), the proceeds of such Asset Sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of:
 - (i) brokerage commissions and other fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale;
 - (ii) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale without regard to the consolidated results of operations of the Company and its Restricted Subsidiaries, taken as a whole;
 - (iii) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (x) is secured by a Lien on the property or assets sold or (y) is required to be paid as a result of such sale; and
 - (iv) appropriate amounts to be provided by the Company or any Restricted Subsidiary as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with GAAP; and
- (b) with respect to any issuance or sale of Capital Stock, the proceeds of such issuance or sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, discounts or commissions and brokerage, consultant and other fees incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

“New Offshore Non-Guarantor Subsidiary” has the meaning set forth in Section 10.9(a).

“Non-Guarantor Subsidiaries” means a Subsidiary that does not Guarantee the Notes.

“Notes” means, collectively, (i) the Initial Notes, (ii) any Additional Notes, and (iii) the DB Additional Notes.

“Offer to Purchase” means an offer to purchase Notes by the Company from the Holders commenced by the Company mailing a notice by first class mail, postage prepaid, to the Trustee and each Holder at its last address appearing in the Note register stating:

- (a) the covenant pursuant to which the offer is being made and that all Notes validly tendered will be accepted for payment on a pro rata basis;
- (b) the purchase price and the date of purchase (which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the **“Offer to Purchase Payment Date”**);

- (c) that any Note not tendered will continue to accrue interest pursuant to its terms;
- (d) that, unless the Company defaults in the payment of the purchase price, any Note accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Offer to Purchase Payment Date;
- (e) that Holders electing to have a Note purchased pursuant to the Offer to Purchase will be required to surrender the Note, together with the form entitled “Option of the Holder to Elect Purchase” on the reverse side of the Note completed, to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;
- (f) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Holder, the principal amount of Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such Notes purchased; and
- (g) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; *provided that* each Note purchased and each new Note issued shall be in a principal amount of US\$150,000 or integral multiples of US\$1 in excess thereof.

On two Business Days prior to the Offer to Purchase Payment Date, the Company will deposit with the Paying Agent money sufficient to pay the purchase price of all Notes or portions thereof so accepted by the Company. On the Offer to Purchase Payment Date, the Company shall (i) accept for payment on a pro rata basis Notes or portions thereof tendered pursuant to an Offer to Purchase; and (ii) deliver, or cause to be delivered, to the Registrar all Notes or portions thereof so accepted together with an Officers’ Certificate specifying the Notes or portions thereof accepted for payment by the Company. The Paying Agent shall promptly mail to the Holders so accepted payment in an amount equal to the purchase price, and the Registrar shall promptly authenticate and mail to such Holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered; *provided that* each Note purchased and each new Note issued shall be in a principal amount of US\$150,000 or integral multiples of US\$1 in excess thereof. The Company will publicly announce the results of an Offer to Purchase as soon as practicable after the Offer to Purchase Payment Date. The Company will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, in the event that the Company is required to repurchase Notes pursuant to an Offer to Purchase.

The offer is required to contain or incorporate by reference information concerning the business of the Company and its Subsidiaries which the Company in good faith believes will assist such Holders to make an informed decision with respect to the Offer to Purchase, including a brief description of the events requiring the Company to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Offer to Purchase.

“**Officer**” means one of the directors or executive officers of the Company or, in the case of a Subsidiary Guarantor or JV Subsidiary Guarantor, one of the directors or officers of such Subsidiary Guarantor or JV Guarantor, as the case may be.

“**Officers’ Certificate**” means a certificate signed by two Officers, *provided, however,* that, with respect to the Officers’ Certificate required to be delivered by any Subsidiary Guarantor under this Indenture, Officers’ Certificate means a certificate signed by one Officer if there is only one Officer in such Subsidiary Guarantor at the time such certificate is required to be delivered.

“Offshore Non-Guarantor Subsidiaries” has the meaning set forth in Section 10.9(a).

“Opinion of Counsel” means a written opinion, in form and substance acceptable to the Trustee, from external legal counsel selected by the Company who is reasonably acceptable to the Trustee.

“Original Issue Date” means [●], 2019, the date on which the Initial Notes are issued under this Indenture.

“Outstanding” when used with respect to Notes means, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture, except:

- (a) Notes theretofore cancelled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Notes for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee (in trust) or any Paying Agent for the Holders of such Notes, *provided that*, if such Notes are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor reasonably satisfactory to the Trustee has been made; and
- (c) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture.

A Note does not cease to be Outstanding because the Company or any Affiliate of the Company holds the Note, *provided that* in determining whether the Holders of the requisite amount of Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Notes owned by the Company or any Affiliate of the Company shall be disregarded and deemed not to be Outstanding, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such request, demand, authorization, direction, notice, consent or waiver, only Notes in respect of which a Responsible Officer has received written notice shall be so disregarded. Notes so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the Trustee its right to act with respect to such Notes and that the pledgee is not the Company or an Affiliate of the Company.

“Pari Passu Subsidiary Guarantee” means a Guarantee by any Subsidiary Guarantor or JV Subsidiary Guarantor of Indebtedness of the Company or any Subsidiary Guarantor or JV Subsidiary Guarantor (including Additional Notes); *provided that* (i) the Company or such Subsidiary Guarantor or JV Subsidiary Guarantor was permitted to Incur such Indebtedness under Section 4.6 and (ii) such Guarantee ranks *pari passu* with any outstanding Subsidiary Guarantee of such Subsidiary Guarantor, or with any outstanding JV Subsidiary Guarantee of such JV Subsidiary Guarantor, as the case may be.

“Paying Agent” means any paying agent with respect to the Notes appointed pursuant to a Paying Agent, Transfer Agent and Registrar Appointment Letter in the form of Exhibit D.

“Payment Date” has the meaning set forth in Section 4.1.

“Permitted Businesses” means any business which is the same as or ancillary or complementary to any of the businesses of the Company and the Restricted Subsidiaries on the Original Issue Date.

“Permitted Holders” means Shandong SASAC and/or any of the following entities (*provided that* such entity is directly or indirectly controlled by Shandong SASAC):

- (a) Water Development (HK) Holding Co., Limited;
- (b) Shuifa Energy Group Limited; and/or

- (c) Shuifa Group Co., Ltd.

“Permitted Indebtedness” has the meaning set forth in Section 4.6(b).

“Permitted Investment” means:

- (a) any Investment in the Company or a Restricted Subsidiary that is primarily engaged in the Permitted Business or a Person which will, upon the making of such Investment, become a Restricted Subsidiary that is primarily engaged in the Permitted Business or be merged or consolidated with or into or transfer or convey all or substantially all its assets to, the Company or a Restricted Subsidiary that is primarily engaged in a Permitted Business;
- (b) cash or Temporary Cash Investments;
- (c) payroll, travel and similar advances made in the ordinary course of business to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with GAAP;
- (d) stock, obligations or securities received in satisfaction of judgments;
- (e) an Investment in an Unrestricted Subsidiary consisting solely of an Investment in another Unrestricted Subsidiary;
- (f) any Investment pursuant to a Hedging Obligation entered into in the ordinary course of business designed solely to protect the Company or any Restricted Subsidiary against fluctuations in commodity prices, interest rates or foreign currency exchange rates and not for speculation;
- (g) receivables owing to the Company or any Restricted Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;
- (h) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of “Permitted Liens” or made in connection with Liens permitted under Section 4.8;
- (i) Investments made by the Company or any Restricted Subsidiary consisting of consideration received in connection with an Asset Sale, provided that such Indebtedness is made in compliance with Section 4.14;
- (j) Investments in securities of trade creditors, trade debtors or customers received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditor, trade debtor or customer;
- (k) advances to vendors, contractors and suppliers and distributors for the acquisition of assets or consumables or services in the ordinary course of business that are recorded as deposits or prepaid expenses on the Company’s consolidated balance sheet;
- (l) repurchases of Notes;
- (m) other Investments which, when taken together with all other Investments pursuant to this clause (m) and then outstanding will not exceed 1% of Total Assets; and
- (n) any Investment (including any deemed Investment upon the sale of Capital Stock of a Restricted Subsidiary) by the Company or any Restricted Subsidiary in any corporation, association or other business entity primarily engaged in a Permitted Business, of which at least 20% of the Capital Stock and Voting Stock is owned, directly or indirectly, by the

Company or any Restricted Subsidiary (such corporation, association or other business entity, an “Associate”); *provided that*:

- (i) the aggregate of all Investments made under this clause (n) since the Original Issue Date shall not exceed in aggregate an amount equal to 5% of Total Assets, provided that such aggregate amount of Investments shall be calculated after deducting an amount equal to the net reduction in all Investments made under this clause (n) since the Original Issue Date resulting from:
 - (A) payments of interest on Indebtedness, dividends or repayments of loans or advances made under this clause (n), in each case to the Company or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income),
 - (B) the unconditional release of a Guarantee provided by the Company or a Restricted Subsidiary after the Original Issue Date under this clause of an obligation of any such Person, or
 - (C) to the extent that an Investment made after the Original Issue Date under this clause (n) is sold or otherwise liquidated or repaid for cash, the lesser of (x) cash return of capital with respect to such Investment (less the cost of disposition, if any) and (y) the initial amount of such Investment, not to exceed, in each case, the amount of Investments made by the Company or a Restricted Subsidiary after the Original Issue Date in any such Person pursuant to this clause (n).
- (ii) none of the other shareholders or partners in such Person in which such Investment was made pursuant to this clause (n) is a Person described in clause (x) or (y) of the first paragraph of Section 4.15(a) (other than by reason of such shareholder or partner being an officer or director of the Company or a Restricted Subsidiary or by reason of being a Restricted Subsidiary);
- (iii) no Default has occurred and is continuing or would occur as a result of such Investment; and
- (iv) in the case of any Investment by the Company or any Restricted Subsidiary in a Person of which less than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by the Company or its Restricted Subsidiaries, at the time of such Investment, the Company could Incur at least US\$1.00 of Indebtedness under the proviso in the first paragraph of Section 4.6(a).

For the avoidance of doubt, the value of each Investment made pursuant to this clause shall be valued at the time such Investment is made.

“Permitted Liens” means:

- (a) Liens for taxes, assessments, governmental charges or claims that are being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;
- (b) statutory and common law Liens of landlords and carriers, warehousemen, mechanics, suppliers, repairmen or other similar Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for

which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

- (c) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, bankers' acceptances, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of a similar nature incurred in the ordinary course of business (exclusive of obligations for the payment of borrowed money);
- (d) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Company and its Restricted Subsidiaries, taken as a whole;
- (e) Liens encumbering property or assets under construction arising from progress or partial payments by a customer of the Company or its Restricted Subsidiaries relating to such property or assets;
- (f) any interest or title of a lessor in the property subject to any lease;
- (g) Liens on property of, or on shares of Capital Stock or Indebtedness of, any Person existing at the time such Person becomes, or becomes a part of, any Restricted Subsidiary; *provided that* such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets acquired; *provided further* that such Liens were not created in contemplation of or in connection with the transactions or series of transactions pursuant to which such Person became a Restricted Subsidiary;
- (h) Liens in favor of the Company or any Wholly-Owned Restricted Subsidiary;
- (i) Liens arising from the rendering of a final judgment or order against the Company or any Restricted Subsidiary that does not give rise to an Event of Default;
- (j) Liens Incurred in the ordinary course of business (i) securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the products and proceeds thereof or (ii) in favor of any bank having a right of setoff, revocation, refund or chargeback with respect to money or instruments of the Company or any Restricted Subsidiary on deposit with or in possession of such bank;
- (k) Liens encumbering customary initial deposits and margin deposits, and other Liens that are within the general parameters customary in the industry and incurred in the ordinary course of business, in each case, securing Indebtedness under Hedging Obligations designed solely to protect the Company or any of its Restricted Subsidiaries from fluctuations in interest rates, currencies or the price of commodities;
- (l) Liens existing on the Original Issue Date;
- (m) Liens on current assets securing Indebtedness which is permitted to be Incurred under Section 4.6(b)(12).
- (n) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business in accordance with the past practices of the Company and its Restricted Subsidiaries prior to the Original Issue Date;
- (o) Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under Section 4.6(b)(5); *provided that* such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets securing the Indebtedness being refinanced;

- (p) Liens (including extensions and renewals thereof) upon real or personal property acquired after the Original Issue Date; *provided that* (a) such Lien is created solely for the purpose of securing Indebtedness of the type described under Section 4.6(b)(7) and such Lien is created prior to, at the time of or within 180 days after the later of the acquisition of such property or assets or completion of such construction or development or, in the case of a solar power production facility, the time at which the facility is connected to the relevant public utility electrical grid, (b) the principal amount of the Indebtedness secured by such Lien does not exceed 100% of the cost of the property or assets so purchased or constructed under Section 4.6(b)(7) and (c) such Lien shall not extend to or cover any property or assets other than such item of property, *provided that*, in the case of clauses (b) and (c), such Lien may cover other property or assets (instead of or in addition to such item of property) and the principal amount of Indebtedness secured by such Lien may exceed 100% of such cost if (x) such Lien is incurred in the ordinary course of business and (y) the aggregate book value of property or assets (as reflected in the most recent available consolidated financial statements of the Company (which may be internal consolidated statements) or, if any such property or assets have been acquired since the date of such financial statements, the cost of such property or assets) subject to Liens incurred pursuant to this clause (p) does not exceed 130% of the aggregate principal amount of Indebtedness secured by such Liens;
- (q) easements, rights-of-way, municipal and zoning ordinances or other restrictions as to the use of properties in favor of governmental agencies or utility companies that do not materially adversely affect the value of such properties or materially impair the use for the purposes of which such properties are held by the Company or any Restricted Subsidiary;
- (r) Liens on deposits made in order to comply with statutory obligations to maintain deposits for workers' compensation claims and other purposes specified by statute made in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary; and
- (s) Liens securing Indebtedness Incurred under Section 4.6(b)(14).

“Permitted Refinancing Indebtedness” has the meaning set forth in Section 4.6(b)(5).

“Permitted Subsidiary Indebtedness” means Indebtedness (other than Public Indebtedness) of, and all Preferred Stock issued by, the Restricted Subsidiaries, taken as a whole; *provided that*, on the date of the Incurrence of such Indebtedness and after giving effect thereto and the application of the proceeds thereof, the aggregate principal amount outstanding of all such Indebtedness and all Preferred Stock issued by the Restricted Subsidiaries (excluding the amount of any Indebtedness of any Restricted Subsidiary permitted under Section 4.6 (b)(1), (2), (4) and (6)) does not exceed an amount equal to 15% of the Total Assets.

“Person” means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

“PIK Interest” has the meaning set forth in Section 2.12.

“PIK Payment” has the meaning set forth in Section 2.14.

“Preferred Stock” as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

“PRC” means the People’s Republic of China.

“PRC CJV” means any Subsidiary that is a Sino-foreign cooperative joint venture enterprise with limited liability, established in the PRC pursuant to the Law of the People’s Republic of China on Sino-foreign Cooperative Joint Ventures adopted on April 13, 1988 (as most recently amended on October 13, 2000) and the Detailed Rules for the Implementation of the Law of the People’s Republic of China on Sino-foreign Cooperative Joint Ventures promulgated on September 4, 1995, as such laws may be amended.

“PRC CJV Partner” means with respect to a PRC CJV, the other party to the joint venture agreement relating to such PRC CJV with the Company or any Restricted Subsidiary.

“PRC Restricted Subsidiary” means a Restricted Subsidiary organized under the laws of the People’s Republic of China.

“Principal” of any Indebtedness means the principal amount of such Indebtedness, (or if such Indebtedness was issued with original issue discount, the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness), together with, unless the context otherwise indicates, any premium then payable on such Indebtedness.

“Private Placement Legend” means the legend set forth in Section 2.4(d) hereof to be placed on all Global Notes and Certificated Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

“Public Indebtedness” means any bonds, debentures, notes or similar debt securities issued in a public offering or a private placement (other than the Notes) to institutional investors.

“Rating Agencies” means (i) S&P and (ii) Moody’s and (iii) if S&P or Moody’s or both shall not make a rating of the Notes publicly available, a nationally recognized securities rating agency or agencies, as the case may be, selected by the Company, which shall be substituted for S&P or Moody’s or both, as the case may be.

“Rating Category” means (i) with respect to S&P, any of the following categories: “BB”, “B”, “CCC”, “CC”, “C” and “D” (or equivalent successor categories); (ii) with respect to Moody’s, any of the following categories: “Ba”, “B”, “Caa”, “Ca”, “C” and “D” (or equivalent successor categories); and (iii) the equivalent of any such category of S&P or Moody’s used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories (“+” and “-” for S&P; “1”, “2” and “3” for Moody’s; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P, a decline in a rating from “BB+” to “BB”, as well as from “BB-” to “B+”, will constitute a decrease of one gradation).

“Rating Date” means in connection with actions contemplated under Section 5.1, that date which is 90 days prior to the earlier of (x) the occurrence of any such actions as set forth therein and (y) a public notice of the occurrence of any such actions.

“Rating Decline” means in connection with actions contemplated under Section 5.1, the notification by any of the Rating Agencies that such proposed actions will result in any of the events listed below:

- (a) in the event the Notes are rated by both Moody’s and S&P on the Rating Date as Investment Grade, the rating of the Notes by either Rating Agency shall be below Investment Grade;
- (b) in the event the Notes are rated by either, but not both, of the Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by such Rating Agency shall be below Investment Grade; or

- (c) in the event the Notes are rated below Investment Grade by both Rating Agencies on the Rating Date, the rating of the Notes by either Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

“Register” has the meaning assigned to such term in Section 2.5.

“Registrar” has the meaning assigned to such term in Section 2.5.

“Regulation S” means Regulation S under the Securities Act.

“Regulation S Global Note” means a Global Note substantially in the form of Exhibit B bearing the Global Note Legend and the Private Placement Legend and deposited with the Common Depositary and registered in the name of the Common Depositary or its nominee, that will be issued on the Original Issue Date in an initial amount equal to the principal amount of the Initial Notes issued outside the United States in reliance on Regulation S.

“Relevant Jurisdiction” has the meaning set forth in Section 4.21(a).

“Relevant Taxing Jurisdiction” has the meaning set forth in Section 4.21(a).

“Replacement Assets” means, on any date, property or assets (other than current assets) of a nature or type or that are used in a Permitted Business.

“Responsible Officer” means, when used with respect to the Trustee, any managing director, vice president, trust associate, relationship manager, transaction manager, client service manager, any trust officer or any other officer located at the Specified Corporate Trust Office who customarily performs functions similar to those performed by any persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person’s knowledge of and familiarity with the particular subject and in each such case, who shall have direct responsibility for the day to day administration of this Indenture.

“Restricted Payment” has the meaning assigned to such term in Section 4.7.

“Restricted Subsidiary” means any Subsidiary of the Company from time to time other than an Unrestricted Subsidiary.

“Rule 144” means Rule 144 promulgated under the Securities Act.

“Rule 144A” means Rule 144A promulgated under the Securities Act.

“Rule 144A Global Note” means a Global Note substantially in the form of Exhibit B bearing the Global Note Legend and the Private Placement Legend and deposited with the Common Depositary and registered in the name of the Common Depositary or its nominee, that will be issued on the Original Issue Date in an initial amount equal to the principal amount of the Initial Notes issued to “qualified institutional buyers” (as defined in Rule 144A) within the United States.

“Rule 506” means Rule 506 under Regulation D of the Securities Act.

“Rule 903” means Rule 903 promulgated under the Securities Act.

“Rule 904” means Rule 904 promulgated under the Securities Act.

“S&P” means Standard & Poor’s Ratings Services and its successors.

“Sale and Leaseback Transaction” means any direct or indirect arrangement relating to property (whether real, personal or mixed), now owned or hereafter acquired whereby the Company or any Restricted Subsidiary transfers such property to another Person and the Company or any Restricted

Subsidiary leases it from such Person.

“Schemes of Arrangement” means the Hong Kong Scheme and the Bermuda Scheme.

“Securities Act” means the Securities Act of 1933, as amended.

“Senior Indebtedness” of the Company or a Restricted Subsidiary, as the case may be, means all Indebtedness of the Company or the Restricted Subsidiary, as relevant, whether outstanding on the Original Issue Date or thereafter created, except for Indebtedness which, in the instrument creating or evidencing the same, is expressly stated to be subordinated in right of payment to (a) in respect of the Company, the Notes, (b) in respect of any Restricted Subsidiary that is a Subsidiary Guarantor, its Subsidiary Guarantee, or (c) in respect of any Restricted Subsidiary that is a JV Subsidiary Guarantor, its JV Subsidiary Guarantee; *provided that* Senior Indebtedness does not include (i) any obligation to the Company or any Restricted Subsidiary, (ii) Trade Payables or (iii) Indebtedness Incurred in violation of this Indenture.

“Shandong SASAC” means Shandong Provincial State-owned Assets Supervision and Administration Commission.

“Staged Acquisition Agreement” means an agreement between the Company or a Restricted Subsidiary and an Independent Third Party (x) pursuant to which the Company or such Restricted Subsidiary agrees to acquire not less than a majority of the Capital Stock of a Person for a consideration that is not more than the Fair Market Value of such Capital Stock of such Person at the time the Company or such Restricted Subsidiary enters into such agreement and (y) which provides that the payment of the purchase price for such Capital Stock is made in more than one installment over a period of time.

“Shares” means the ordinary shares of the Company which are listed and admitted to trading on The Stock Exchange of Hong Kong operated by The Stock Exchange of Hong Kong Limited.

“Stated Maturity” means, (1) with respect to any Indebtedness, the date specified in such debt security as the fixed date on which the final installment of principal of such Indebtedness is due and payable as set forth in the documentation governing such Indebtedness and (2) with respect to any scheduled installment of principal of or interest on any Indebtedness, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing such Indebtedness.

“Subordinated Indebtedness” means any Indebtedness of the Company or any Subsidiary Guarantor or any JV Subsidiary Guarantor which is contractually subordinated or junior in right of payment to the Notes or any Subsidiary Guarantee or any JV Subsidiary Guarantee, as applicable, pursuant to a written agreement to such effect.

“Subsidiary” means, with respect to any Person, any corporation, association or other business entity of which more than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person.

“Subsidiary Guarantee” means any Guarantee of the obligations of the Company under this Indenture and the Notes by any Subsidiary Guarantor substantially in the form of Exhibit I.

“Subsidiary Guarantor” means each Initial Subsidiary Guarantor and any other Restricted Subsidiary which Guarantees the payment of the Notes pursuant to this Indenture and the Notes; *provided that* “Subsidiary Guarantor” will not include any Person whose Subsidiary Guarantee has been released in accordance with this Indenture and the Notes or any JV Subsidiary Guarantor.

“Surviving Person” has the meaning as set forth in Section 5.1.

“Tax Redemption Date” has the meaning as set forth in Section 3.1.

“Temporary Cash Investment” means any of the following:

- (a) direct obligations of the United States of America, the United Kingdom, any state of the European Economic Area, the People’s Republic of China or Hong Kong or any agency thereof or obligations fully and unconditionally Guaranteed by the United States of America, the United Kingdom, any state of the European Economic Area, the People’s Republic of China or Hong Kong or any agency thereof, in each case maturing within one year;
- (b) time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by a bank or trust company which is organized under the laws of the United States of America, any state thereof, the United Kingdom, any state of the European Economic Area, the PRC or Hong Kong, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of US\$100.0 million (or the Dollar Equivalent thereof) and has outstanding debt which is rated “A” (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money market fund sponsored by a registered broker dealer or mutual fund distributor;
- (c) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (a) above entered into with a bank or trust company meeting the qualifications described in clause (b) above;
- (d) commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate of the Company) organized and in existence under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of “P-2” (or higher) according to Moody’s or “A-2” (or higher) according to S&P;
- (e) securities with maturities of one year or less from the date of acquisition, issued or fully and unconditionally Guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least “A” by S&P or Moody’s;
- (f) any mutual fund that has at least 95% of its assets continuously invested in investments of the types described in clauses (a) through (e) above; and
- (g) time deposit accounts, savings accounts, certificates of deposit and money market deposits with (i) Bank of China (Hong Kong) Limited, China Construction Bank Corporation, Fubon Bank, Hang Seng Bank Limited, Industrial and Commercial Bank of China, Industrial Bank Co. Ltd., Standard Chartered Bank, The Hongkong and Shanghai Banking Corporation Limited, and, (ii) any other bank or trust company organized under the laws of the PRC whose long-term debt rating by Moody’s or S&P is as high or higher than any of those banks listed in clause (a) above or (iii) any other bank organized under the laws of the PRC or Hong Kong, provided that, in the case of clause (iii), such deposits do not exceed US\$10 million (or the Dollar Equivalent thereof) with any single bank or US\$30 million (or the Dollar Equivalent thereof) in the aggregate on any date of determination.

“Total Assets” means, as of any date, the total consolidated assets of the Company and its Restricted Subsidiaries measured in accordance with GAAP as of the last day of the most recent semi-annual period for which consolidated financial statements of the Company (which the Company shall use commercially reasonable efforts to compile on a timely manner) are available (which may be internal consolidated financial statements); *provided that* only with respect to the definition of “Permitted Subsidiary Indebtedness,” Total Assets shall be calculated after giving pro forma effect to include the cumulative value of all of the real or personal property or equipment

the acquisition, development, construction or improvement of which requires or required the Incurrence of Indebtedness and calculation of Total Assets thereunder in each case as of such date, as measured by the purchase price or cost therefor or budgeted cost provided in good faith by the Company or any of its Restricted Subsidiaries to the bank or other similar financial institutional lender providing such Indebtedness.

“Specified Corporate Trust Office” means The Bank of New York Mellon, Hong Kong Branch located at the office of the Trustee located at Level 24, Three Pacific Place, 1 Queen’s Road East, Hong Kong, Attention: Corporate Trust – China Singyes Solar Technologies Holdings Limited/Project Helios, Facsimile: +852 2295 3283, or such other address as the Trustee may designate from time to time by notice to the Holders and the Company.

“Trade Payables” means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such Person or any of its Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services and payable within 90 days.

“Transaction Date” means, with respect to the Incurrence of any Indebtedness, the date such Indebtedness is to be Incurred and, with respect to any Restricted Payment, the date such Restricted Payment is to be made.

“Transfer Agent” means any transfer agent with respect to the Notes appointed pursuant to a Paying Agent, Transfer Agent and Registrar Appointment Letter in the form of Exhibit D.

“Trustee” means The Bank of New York Mellon, London Branch or any successor trustee under this Indenture pursuant to Article 7.

“Unrestricted Subsidiary” means (1) each of China Singyes New Materials Holdings Limited, Singyes New Materials (H.K.) Company Limited and Zhuhai Singyes New Materials Technology Co., Ltd, Top Access Management Limited; (2) any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided herein; and (3) any Subsidiary of an Unrestricted Subsidiary.

“Voting Stock” means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

“Wholly-Owned” means, with respect to any Subsidiary of any Person, the ownership of all of the outstanding Capital Stock of such Subsidiary (other than any director’s qualifying shares or Investments by foreign nationals mandated by applicable law) by such Person or one or more Wholly-Owned Subsidiaries of such Person; *provided that* Subsidiaries that are PRC CJVs shall not be considered Wholly-Owned Subsidiaries.

1.2 **Rules of Construction.** Unless the context otherwise requires or except as otherwise expressly provided,

- (a) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;
- (b) “herein,” “hereof” and other words of similar import refer to this Indenture as a whole and not to any particular Section, Article or other subdivision;
- (c) all references to Sections or Articles or Exhibits refer to Sections or Articles or Exhibits of or to this Indenture unless otherwise indicated; and

- (d) references to agreements or instruments, or to statutes or regulations, are to such agreements or instruments, or statutes or regulations, as amended from time to time (or to successor statutes and regulations).

2 ISSUE, EXECUTION, FORM AND REGISTRATION OF NOTES

2.1 Authentication and Delivery of Notes and Subsidiary Guarantees and JV Subsidiary Guarantees.

Upon the execution and delivery of this Indenture, or from time to time thereafter, Notes may be executed and delivered by the Company, with the Subsidiary Guarantees (if any) endorsed thereon by the Subsidiary Guarantors and the JV Subsidiary Guarantee (if any) endorsed thereon by the JV Subsidiary Guarantor, to the Registrar for authentication, accompanied by an Officers' Certificate of the Company directing such authentication and specifying the amount of Notes (with the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantee (if any) endorsed thereon) to be authenticated, the applicable rate at which interest will accrue on such Notes, the date on which the original issuance of such Notes (with the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantee (if any) endorsed thereon) is to be authenticated, the date from which interest will begin to accrue, the date or dates on which interest on such Notes will be payable and the date on which the principal of such Notes will be payable and other terms relating to such Notes and Subsidiary Guarantees (if any) and the JV Subsidiary Guarantee (if any). The Registrar shall thereupon authenticate and deliver said Notes (with the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantee (if any) endorsed thereon) to or upon the written order of the Company (as set forth in such Officers' Certificate) signed by two Authorized Officers.

2.2 Execution of Notes and Subsidiary Guarantees and JV Subsidiary Guarantees.

- (a) The Notes shall be executed by or on behalf of the Company by the signature of an Authorized Officer of the Company. Each of the Subsidiary Guarantors (if any) shall execute the Subsidiary Guarantees by the signature of an Authorized Officer of such Subsidiary Guarantor and each of the JV Subsidiary Guarantors (if any) shall execute the JV Subsidiary Guarantee by the signature of an Authorized Officer of such JV Subsidiary Guarantor. Such signatures may be the manual signature of the present or any future Authorized Officers. With the delivery of this Indenture, the Company and each of the Initial Subsidiary Guarantors is furnishing, and from time to time thereafter the Company, each Subsidiary Guarantor (if any) and each JV Subsidiary Guarantor (if any) may each furnish, a certificate to the Trustee substantially in the form of Exhibit C (an "**Authorization Certificate**") identifying and certifying the incumbency and specimen (or facsimile) signatures of the Authorized Officers of the Company and the Subsidiary Guarantors (if any) and the JV Subsidiary Guarantors (if any). Until the Trustee receives a subsequent Authorization Certificate, the Trustee shall be entitled to conclusively rely on the last Authorization Certificate delivered to them for purposes of determining the Authorized Officers of the Company and the Subsidiary Guarantors (if any) and the JV Subsidiary Guarantors (if any). Typographical and other minor errors or defects in any signature shall not affect the validity or enforceability of any Note which has been duly authenticated and delivered by the Registrar.
- (b) In case the Authorized Officers who shall have signed any of the Notes or any of the Subsidiary Guarantees (if any) or any of the JV Subsidiary Guarantees (if any) thereon, as applicable, shall cease to be such Authorized Officers before the Note (with the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantees (if any) endorsed thereon) shall be authenticated and delivered by the Registrar, or disposed of by or on behalf of the Company, such Note (with the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantees (if any) endorsed thereon) nevertheless may be authenticated and delivered or disposed of as though the Persons who signed such Note, the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantees (if any) had not ceased to be such Authorized Officers; and any Note may be signed on behalf of the Company, any

Subsidiary Guarantee may be signed on behalf of the Subsidiary Guarantors and any JV Subsidiary Guarantee may be signed on behalf of the JV Subsidiary Guarantors, by such Persons as, at the actual date of the execution of such Note, Subsidiary Guarantee (if any) and JV Subsidiary Guarantee (if any), shall be Authorized Officers, although at the date of the execution and delivery of this Indenture any such Persons were not Authorized Officers.

- 2.3 **Certificate of Authentication.** Only such Notes (with the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantees (if any) endorsed thereon) as shall bear thereon a certification of authentication substantially as set forth in the forms of the Notes and Subsidiary Guarantees (if any) and the JV Subsidiary Guarantees (if any) in Exhibits A and B hereto, executed by the Registrar by manual signature of one of its authorized signatories, shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such certification by the Registrar upon any Note executed by or on behalf of the Company, any Subsidiary Guarantee executed by or on behalf of the Subsidiary Guarantors or any JV Subsidiary Guarantee executed by or on behalf of the JV Subsidiary Guarantors shall be conclusive evidence that the Note (with the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantee (if any) endorsed thereon) so authenticated has been duly authenticated and delivered hereunder and that the Holder is entitled to the benefits of this Indenture.

2.4 **Form, Denomination and Date of Notes; Payments.**

- (a) The Notes, the Subsidiary Guarantees (if any), the JV Subsidiary Guarantees (if any) and the certificates of authentication shall be substantially in the form set forth in Exhibits A and B hereof. The Notes shall be issued in the form provided in Section 2.4(c). The Notes (with the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantees (if any) endorsed thereon) shall be numbered, lettered, or otherwise distinguished in such manner or in accordance with the instructions set forth in the applicable Officers' Certificate and delivered by the Authorized Officers of the Company executing the same with the approval of the Trustee.

The Notes (with the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantees (if any) endorsed thereon) may be issued with appropriate insertions, omissions, substitutions and variations, and may have imprinted or otherwise reproduced thereon such legend or legends, not inconsistent with the provisions of this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto, with the rules of any securities market in which the Notes are admitted to trading, or to conform to general usage.

- (b) Each Note (with the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantees (if any) endorsed thereon) shall be dated the date of its authentication. Each Note shall bear interest from the date of issuance thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for and shall be payable on the dates specified on the face of the form of the Note set forth as Exhibits A and B hereto.

If any Interest Payment Date would otherwise fall on a day which is not a Business Day, such Interest Payment Date shall be postponed to and become the next day which is a Business Day. For the avoidance of doubt, no Noteholder shall be entitled to any interest or other payment for any delay if such payment is made in accordance with this Section 2.4(b). The period beginning on and including the Original Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an “**Interest Period.**” Interest on the Notes will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

- (c) On any Issue Date, an appropriate Authorized Officer will execute and deliver to the Registrar one or more Global Notes, with the Subsidiary Guarantees (if any) and the JV

Subsidiary Guarantees (if any) endorsed thereon, in definitive, fully registered form without interest coupons, in a denomination of US\$150,000 or any amount in excess thereof which is an integral multiple of US\$1, substantially in the form of Exhibit B hereto which shall be deposited with and registered in the nominee name of common depositary for Euroclear and Clearstream (the “**Common Depositary**”), which shall initially be The Bank of New York Mellon, London Branch. All such Notes (with the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantees (if any) endorsed thereon) so executed and delivered to the Registrar pursuant to this section (c) shall be in an aggregate principal amount that shall equal the aggregate principal amount of the Notes that are to be issued on such Issue Date. The aggregate principal amount of the Global Notes may from time to time be increased or decreased by adjustments made on the records of the Common Depositary. The parties acknowledge that for the purposes of the International Central Securities Depositories, (i) the denomination of the Notes shall be deemed to be US\$1 and (ii) neither Euroclear nor Clearstream is required to monitor or enforce the minimum denomination or tradeable amount of the Notes.

- (d) Notwithstanding anything to the contrary herein, beneficial interests in the Global Notes may only be held through Euroclear and Clearstream and their respective direct and indirect participants. Each Global Note and each Certificated Note issued in exchange for interests in the Global Note shall bear a legend substantially to the following effect (the “**Private Placement Legend**”):

“THIS NOTE AND THE SUBSIDIARY GUARANTEES (IF ANY) AND THE JV SUBSIDIARY GUARANTEES (IF ANY) RELATED TO THIS NOTE (COLLECTIVELY, THE “SECURITIES”) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NONE OF THE SECURITIES NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, [in the case of Rule 144A Global Notes: REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT)] [in the case of Regulation S Global Notes: REPRESENTS THAT IT IS ACQUIRING THIS NOTE IN AN “OFFSHORE TRANSACTION” PURSUANT TO REGULATION S UNDER THE SECURITIES ACT] [in the case of IAI Global Notes: REPRESENTS THAT IT IS AN INSTITUTIONAL “ACCREDITED INVESTOR” (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT)] AND AGREES, ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, [in the case of the Rule 144A Global Note and the IAI Global Note: BEFORE THE RESALE RESTRICTION TERMINATION DATE, WHICH IS ONE YEAR AFTER THE LATER OF THE ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY)] [in the case of the Regulation S Global Notes: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE DATE ON WHICH THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S) IN RELIANCE ON REGULATION S], ONLY (A) TO THE COMPANY OR ONE OF ITS SUBSIDIARIES, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE

UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT, BEFORE SUCH TRANSFER, DELIVERS TO THE TRANSFER AGENT A DULY COMPLETED AND SIGNED CERTIFICATE (THE FORM OF WHICH MAY BE OBTAINED FROM THE TRANSFER AGENT) RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS SECURITY, (E) OUTSIDE THE UNITED STATES TO NON U.S. PERSONS IN ACCORDANCE WITH REGULATIONS UNDER THE SECURITIES ACT, OR (F) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSAL OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS, AND FURTHER SUBJECT TO THE COMPANY'S AND THE TRANSFER AGENT'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES THAT IT SHALL NOT TRANSFER THE SECURITIES IN AN AMOUNT LESS THAN US\$150,000.

EACH PURCHASER OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER."

Each Global Note shall bear a legend substantially to the following effect (the "**Global Note Legend**"):

"UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLEAR BANK SA/NV ("EUROCLEAR") OR CLEARSTREAM BANKING S.A. ("CLEARSTREAM") TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF ITS AUTHORIZED NOMINEE OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM (AND ANY PAYMENT IS MADE TO ITS AUTHORIZED NOMINEE OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, ITS AUTHORIZED NOMINEE, HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF EUROCLEAR OR CLEARSTREAM OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE

LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE.”

- (e) Global Notes may be deposited with such other Common Depositary as the Company may from time to time designate in writing to the Trustee, and shall bear such legend as may be appropriate. If at any time the Common Depositary notifies the Company that it is unwilling or unable to continue as Common Depositary for such Global Notes, the Company shall appoint a successor Common Depositary with respect to such Global Notes. If (i) a successor Common Depositary for such Global Notes is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such ineligibility, or (ii) either Euroclear or Clearstream, or a successor clearing system, is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so, or (iii) any of the Notes has become immediately due and payable in accordance with Sections 6.1 and 6.2 and the Company has received a written request from a Holder, the Company will execute, and the Registrar, upon receipt by the Trustee and the Registrar of an Officers' Certificate of the Company directing the authentication and delivery thereof, will authenticate and deliver, Certificated Notes which shall bear the Private Placement Legend in any authorized denominations in an aggregate principal amount equal to the principal amount of such Global Notes in exchange for such Global Notes.
- (f) Upon receipt of notice from the Common Depositary, Euroclear, Clearstream or the Trustee, as the case may be, the Company will use its best efforts to make arrangements with the Common Depositary for the exchange of interests in the Global Notes for Certificated Notes and cause the requested Certificated Notes to be executed and delivered to the Registrar in sufficient quantities and authenticated by the Registrar for delivery to Holders. Persons exchanging interests in the Global Notes for Certificated Notes will be required to provide to the Registrar, through the relevant clearing system, written instructions and other information required by the Company and the Registrar to complete, execute and deliver such Certificated Notes. Certificated Notes delivered in exchange for the Global Notes or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by the relevant clearing system.
- (g) Global Notes shall in all respects be entitled to the same benefits under this Indenture as Certificated Notes authenticated and delivered hereunder.
- (h) The Person in whose name any Note is registered at the close of business on any Interest Record Date with respect to any Interest Payment Date shall be entitled to receive the interest, if any, payable on such Interest Payment Date notwithstanding any transfer or exchange of such Note subsequent to the Interest Record Date and prior to such Interest Payment Date.

2.5 Registration, Transfer and Exchange.

- (a) The Notes are issuable only in registered form. The Company will keep at the office or agency to be maintained for the purpose as provided in Section 4.2 (the “**Registrar**”), a register (the “**Register**”) in which, subject to such reasonable regulations as it may prescribe, it will register, and will register the transfer of, Notes as provided in this Article 2. The name and address of the registered holder of each Note and the amount of each Note will be recorded in the Register. Such Register shall be in written form in the English language or in any other form capable of being converted into such form within a reasonable time. Such Register shall be open for inspection by or on behalf of the Trustee at all reasonable times.

- (b) Upon due presentation for registration of transfer of any Note, the Company shall execute and the Registrar shall authenticate and deliver in the name of the transferee or transferees a new Note or Notes in authorized denominations for a like aggregate principal amount.
- (c) A Holder may register the transfer of a Note only by written application to the Registrar substantially in the form of Exhibit E hereto and otherwise complying with the terms of this Indenture. No such registration of transfer shall be effected until, and such transferee shall succeed to the rights of a Holder only upon, final acceptance and registration of the transfer by the Registrar in the Register. Prior to the registration of any transfer by a Holder as provided herein, the Company, the Trustee and any agent of any of them shall treat the Person in whose name the Note is registered as the owner thereof for all purposes whether or not the Note shall be overdue, and neither the Company, the Trustee, nor any such agent shall be affected by notice to the contrary except as required by applicable law. Furthermore, any Holder of a Global Note shall, by acceptance of such Global Note, agree that transfers of beneficial interests in such Global Note may be effected only through a book entry system maintained by Euroclear and Clearstream (or their respective agents) and that ownership of a beneficial interest in the Note shall be required to be reflected in a book entry. At the option of such Holder, Notes may be exchanged for other Notes of any authorized denomination and of a like aggregate principal amount, by written application to the Registrar substantially in the form of Exhibit F hereto and upon surrender of the Notes to be exchanged to the Registrar. When Notes are presented to the Registrar with a request to register the transfer or to exchange them for an equal principal amount of Notes of other authorized denominations, the Registrar shall register the transfer or make the exchange as requested if the requirements for such transactions set forth herein are met. To permit registrations of transfers and exchanges, the Company and each Subsidiary Guarantor (if any) and JV Subsidiary Guarantor (if any) shall execute and the Registrar shall authenticate Notes at the Company's request.
- (d) Every Note presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Registrar) be duly endorsed, or be accompanied by a written instrument of transfer duly executed, by the Holder thereof or his attorney duly authorized in writing in a form satisfactory to the Company and the Registrar.
- (e) The Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any exchange or registration of transfer of Notes (other than any such transfer taxes or other similar governmental charge payable upon exchanges). No service charge to any Holder shall be made for any such transaction.
- (f) The Company shall not be required to exchange or register a transfer of (i) any Notes for a period of 15 days next preceding the first mailing of notice of redemption of Notes to be redeemed or (ii) any Notes called or being called for redemption.
- (g) So long as the Global Notes remain outstanding and are held by or on behalf of the Common Depositary, transfer of beneficial interests in the Global Notes may be made only in accordance with the rules of Euroclear or Clearstream.
- (h) Subject to Section 2.4(e), the Global Notes are not exchangeable for a Certificated Note or Certificated Notes.
- (i) Notwithstanding any other provisions hereof, unless and until the Global Notes are exchanged for Certificated Notes, the Global Notes may be transferred, in whole, but not in part, only by the Common Depositary to its nominee or by a nominee of the Common Depositary or another nominee of the Common Depositary or by the Common Depositary or its nominee to a successor Common Depositary or a nominee of any such successor Common Depositary.

- (j) All Notes issued upon any transfer or exchange of Notes shall be valid obligations of the Company, evidencing the same debt and entitled to the same benefits under this Indenture, as the Notes surrendered upon such transfer or exchange.
- (k) Claims against the Company for the payment of principal of, premium, if any, or interest on the Notes will become void unless presentation for payment is made as required in this Indenture within a period of six years.

2.6 **Book-Entry Provisions for Global Notes.**

- (a) Each Global Note initially shall be registered in the name of a nominee of the Common Depositary. Interests in the Global Notes may be held by any member of, or participants in, the Common Depositary (or its nominee), including Euroclear and Clearstream (collectively, the “**Agent Members**”). Agent Members shall have no rights under this Indenture with respect to any Global Note held on their behalf by the Common Depositary, or under the Global Notes, and the Common Depositary may be treated by the Company, the Trustee and any agent of any of them as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of any of them, from giving effect to any written certification, proxy or other authorization furnished by the Common Depositary or impair, as between the Common Depositary and its Agent Members, the operation of customary practices governing the exercise of the rights of a Holder of any Global Note.
- (b) Except as provided in this Section 2.6, transfers of a Global Note shall be limited to transfers of such Global Note in whole, but not in part, to the Common Depositary, its successors or their respective nominees. Interests of beneficial owners in a Global Note may be transferred, and transfers increasing or decreasing the aggregate principal amount of Global Notes may be conducted, only in accordance with the rules and procedures of the Euroclear or Clearstream and, to the extent relevant, the provisions of this Section 2.6. In addition, Certificated Notes shall be transferred to all beneficial owners in exchange for their beneficial interests in any Global Note, only under the circumstances set forth in Section 2.4(e).
- (c) In connection with the transfer of an entire Global Note to beneficial owners pursuant to paragraph (b) above, the Global Note shall be deemed to be surrendered to the Paying Agent for cancellation, and the Company shall execute, and the Registrar shall authenticate and deliver, to each beneficial owner identified by the Common Depositary in exchange for its beneficial interest in such Global Note, an equal aggregate principal amount of Certificated Notes of authorized denominations.
- (d) The registered holder of a Global Note may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under this Indenture or the Notes.
- (e) So long as the Notes are held in global form, the Common Depositary for Euroclear and/or Clearstream (or its nominee) will be considered the sole holder of the Global Notes for all purposes under this Indenture and “holders” of book-entry interests will not be considered the owners or “Holders” of Notes for any purpose. As such, participants must rely on the procedures of Euroclear and Clearstream and indirect participants must rely on the procedures of the participants through which they own book-entry interests in order to transfer their interests in the Notes or to exercise any rights of Holders under this Indenture.
- (f) None of the Company, the Subsidiary Guarantors (if any), the JV Subsidiary Guarantors (if any), the Trustee, the Agents or any of their respective agents will have any

responsibility or be liable for any aspect of the records relating to the book-entry interests. The Notes are not issuable in bearer form.

2.7 [Reserved]

2.8 **Mutilated, Defaced, Destroyed, Stolen and Lost Notes.**

- (a) The Company shall execute and deliver to the Registrar Certificated Notes in such amounts and at such times as to enable the Registrar to fulfill its responsibilities under this Indenture and the Notes.
- (b) In case any Note shall become mutilated, defaced or be apparently destroyed, lost or stolen, upon the request of the registered holder thereof, the Company in its discretion may execute, and, upon the written request of Authorized Officers of the Company, the Registrar shall authenticate and deliver, a new Note (with the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantees (if any) endorsed thereon), bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced Note, or in lieu of and substitution for the Note so apparently destroyed, lost or stolen. In every case the applicant for a substitute Note shall furnish to the Company, the Subsidiary Guarantors (if any) and the JV Subsidiary Guarantors (if any) and the Trustee, the Registrar and any agent of the Company, the Subsidiary Guarantors (if any), the JV Subsidiary Guarantors (if any), the Trustee or the Registrar such security, indemnity and/or pre-funding as may be required by each of them to indemnify and defend and to save each of them harmless and, in every case of destruction, loss or theft evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof. Upon the issuance of any substitute Note, such Holder, if so requested by the Company, the Subsidiary Guarantors (if any), the JV Subsidiary Guarantors (if any) or the Trustee, or any agent thereof, will pay a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee, the Registrar or its agent(s)) connected with the preparation and issuance of the substitute Note. The Registrar is hereby authorized, in accordance with and subject to the foregoing conditions in this clause (b), to authenticate and deliver, or cause the authentication and delivery of, from time to time, Notes (with the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantees (if any) endorsed thereon) in exchange for or in lieu of Notes (with the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantees (if any) endorsed thereon), respectively, which become mutilated, defaced, destroyed, stolen or lost. Each Note delivered in exchange for or in lieu of any Note shall carry all the rights to principal, premium (if any) and interest (including rights to accrued and unpaid interest and Additional Amounts) which were carried by such Note.
- (c) All Notes surrendered for payment or exchange shall be delivered to the Paying Agent. The Paying Agent shall cancel and destroy all such Notes surrendered for payment or exchange, in accordance with its Note destruction policy, and shall deliver a certificate of destruction to the Company, the Subsidiary Guarantors (if any) and the JV Subsidiary Guarantors (if any).
- (d) Mutilated or defaced Certificated Notes must be surrendered before replacements will be issued. In the event any such mutilated, defaced, destroyed, lost or stolen certificate has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new certificate, pay such Notes.

2.9 **Additional Notes.** Subject to the covenants described in Article 4 and in accordance with the terms of this Indenture, the Company may, from time to time, without notice to or the consent of the Holders, create and issue Additional Notes having the same terms and conditions as the Initial Notes (including the benefit of the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantees (if any)) in all respects (or in all respects except for the Issue Date, issue price and the

date of first payment of interest on them and, to the extent necessary, certain temporary securities law transfer restrictions) so that such Additional Notes may be consolidated and form a single series with the previously Outstanding Notes and vote together as one class on all matters with respect to the Notes; *provided that* the issuance of any such Additional Notes shall be for the purpose of making PIK Payments under Section 2.14, issuing DB New Notes (if any) in accordance with the terms of the Schemes of Arrangement or otherwise permitted under Section 4.6(b)(i) and issued in accordance with the other provisions of this Indenture; and *provided further that* if any such Additional Notes are not fungible with the Notes for U.S. federal income tax purposes, the Additional Notes may be issued with a separate ISIN or Common Code, as applicable, from the Notes. In connection with any such issuance of Additional Notes, the Company shall, at least 10 Business Days prior to the issuance of the Additional Notes, deliver an Officers' Certificate to the Trustee and Registrar directing the Registrar to authenticate and deliver Additional Notes on the date specified therein in an aggregate principal amount specified therein and the Registrar, in accordance with such Officers' Certificate, shall authenticate and deliver such Additional Notes. The Registrar will, at the request and cost of the Company, authenticate and deliver any Additional Notes in the form of Certificated Notes for original issuance to the Holders on the relevant record date, as shown by the records of the register of holders. The aggregate principal amount of Notes which may be authenticated and delivered under this Indenture is unlimited.

- 2.10 **Cancellation of Notes; Disposition Thereof.** All Notes surrendered for payment, redemption, registration of transfer or exchange, if surrendered to the Company or any agent of the Company or the Trustee, shall be delivered to the Registrar for cancellation or, if surrendered to the Registrar, shall be canceled by it; and no Notes shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Registrar shall dispose of canceled Notes held by it in accordance with its customary procedures, and upon the written request of the Company, deliver a certificate of disposition to the Company. If the Company shall acquire any of the Notes, such acquisition shall not operate as a redemption or satisfaction of the Indebtedness represented by such Notes unless and until the same are delivered to the Registrar for cancellation. The Company shall, upon request, deliver to the Trustee a certificate of cancellation detailing all Notes redeemed, converted or purchased by the Company.
- 2.11 **ISIN or Common Code Numbers.** The Company in issuing the Notes may use ISIN or Common Code numbers (if then generally in use), and, if so, the Trustee shall use for the Notes ISIN or Common Code numbers in notices of redemption as a convenience to Holders; *provided that* any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Trustee and Agents of any change in the ISIN or Common Code numbers.
- 2.12 **Cash Interest and PIK Interest.** The Company promises to pay interest on the principal amount of the Notes on each Interest Payment Date (i) in cash at the rate of 2.00% per annum prior to a Cash Coupon Election in accordance with Section 2.13 and thereafter at 6.00% per annum (each being "**Cash Interest**", as applicable) and (ii) subject to Section 2.13, by increasing the principal amount of the Notes or by issuing Additional Notes in a principal amount equal to 4.00% of the aggregate principal amount of the Note then Outstanding ("**PIK Interest**") in accordance with Section 2.14 of the Indenture.
- 2.13 **Cash Coupon Election.**
- (a) The Company may, at its discretion at any time, elect to pay all PIK Interest due on the Notes wholly in cash (a "**Cash Coupon Election**") by delivering an Officer's Certificate to the Trustee and the Paying Agent substantially in the form of Exhibit L (the "**Cash Coupon Election Certificate**") by no later than 10 Business Days prior to an Interest Payment Date.

- (b) Following a Cash Coupon Election, all accrued interest due on the aggregate principal amount of the Notes then Outstanding shall be payable entirely in cash from and including the Interest Payment Date immediately preceding the date of the Cash Coupon Election Certificate (the “**Cash Coupon Effective Date**”) to the Maturity Date and the Notes shall bear interest at the rate of 6.00% per annum from the Cash Coupon Effective Date (which interest rate, for the avoidance of doubt, is equal to the sum of (i) the rate of interest applicable to Cash Interest and (ii) the rate of interest applicable to PIK Interest, in each case prior to the Cash Coupon Effective Date).
- (c) A Cash Coupon Election shall be irrevocable.
- (d) The Company shall give notice to the Holders of a Cash Coupon Election promptly following the delivery of the Cash Coupon Election Certificate to the Trustee and the Paying Agent.

2.14 **Payments of PIK Interest.**

- (a) Unless and until the Company makes a Cash Coupon Election, the Company shall, in addition to Cash Interest, pay PIK Interest due on the Notes by issuing Additional Notes (a “**PIK Payment**”) having an aggregate principal amount equal to the amount of interest then due and owing as PIK Interest as follows:
 - (i) with respect to Notes represented by one or more Global Notes, by increasing the aggregate principal amount of then Outstanding Global Notes, as at the applicable Interest Payment Date, by an amount equal to the amount of PIK Interest for the applicable Interest Period (rounded up to the nearest US\$1); and
 - (ii) with respect to Notes represented by Certificated Notes, by issuing Additional Notes in the form of Certificated Notes, dated as of the applicable Interest Payment Date, in an aggregate principal amount equal to the amount of PIK Interest for the applicable Interest Period (rounded up to the nearest US\$1).
- (b) The Company shall no later than 10 Business Days before each Interest Payment Date provide written instructions to the Paying Agent and the Registrar by way of a PIK Notice (in the form attached as Schedule M hereto) to (i) with respect to Notes represented by one or more Global Notes, increase then Outstanding aggregate principal amount of the relevant Global Notes by the required amount on the relevant Interest Payment Date by making the appropriate amendments to the Schedule of Increases or Decreases in the Global Notes or (ii) with respect to Notes represented by Certificated Notes, authenticate and deliver Additional Notes to the Holders, as applicable.
- (c) Following an increase in the aggregate principal amount of the Outstanding Notes as a result of a PIK Payment, the Notes will bear interest on such increased aggregate principal amount from and including the applicable Interest Payment Date.
- (d) Additional Notes issued pursuant to a PIK Payment will have identical terms to the Initial Notes and if any such Additional Notes are not fungible with the Notes for U.S. federal income tax purposes, such Additional Notes may be issued with a separate ISIN or Common Code, as applicable, from the Notes.

2.15 **Default Interest.** Without prejudice to any other amounts payable by the Company pursuant to the terms of this Indenture, on and following the date on which an Event of Default occurs pursuant to Section 6.1(a) or (b) up to but excluding the date on which such Event of Default ceases to be in effect or, if applicable, is waived by the Holders in accordance with the terms of this Indenture, the Company shall pay default interest in cash on the aggregate principal amount of the Notes Outstanding as at the date on which the Event of Default occurred pursuant to [Section 6.1(a) or (b)] to the Holders at the rate of 2.00% per annum above the rate of Cash Interest applicable at the

time of the occurrence of the Event of Default. The Company will fix or cause to be fixed a special record date and payment date for the payment of default interest; *provided that* no such special record date may be less than 10 days prior to the payment date for such default interest. At least 15 days before the special record date, the Company will notify the Trustee, the Paying Agent and the Holders in accordance with Section 11.2 of the special record date, the amount of default interest to be paid on each Note and the date of the payment of default interest. Notwithstanding the foregoing, the Company shall not be required to set a special record date for the payment of default interest pursuant to this Section 2.14, if such default in the payment of interest on the Notes is 30 days old or less, in which case the applicable Interest Record Date shall continue to be in effect.

3 REDEMPTION

3.1 Taxation Redemption.

- (a) The Notes may be redeemed, at the option of the Company or a Surviving Person with respect to the Company, as a whole but not in part, upon giving not less than 30 days' nor more than 60 days' notice to the Holders (which notice shall be irrevocable), the Paying Agent and the Trustee, at a redemption price equal to 100% of the principal amount thereof (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the Notes as at the Tax Redemption Date), together with accrued and unpaid interest thereon (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind), if any, to the date (but not including) fixed by the Company or the Surviving Person, as the case may be, for redemption (the "**Tax Redemption Date**") if, as a result of:
 - (i) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) or treaties of a Relevant Taxing Jurisdiction affecting taxation; or
 - (ii) any change in the existing official position or the stating of an official position regarding the application or interpretation of such laws, regulations or rulings or treaties (including a holding, judgment, or order by a court of competent jurisdiction), which change or amendment becomes effective (A) with respect to the Company or any Initial Subsidiary Guarantor, on or after the Original Issue Date or (B) with respect to a Future Subsidiary Guarantor, JV Subsidiary Guarantor or Surviving Person, on or after the date such Future Subsidiary Guarantor, JV Subsidiary Guarantor or Surviving Person becomes a Subsidiary Guarantor, JV Subsidiary Guarantor or Surviving Person assumes its obligations under or in respect of the Notes, with respect to any payment due or to become due under the Notes or this Indenture, the Company, a Surviving Person or a Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the taking of reasonable measures by the Company, a Surviving Person or a Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be; provided that in the case of any Additional Amounts payable in respect of taxes imposed by the PRC, such Additional Amounts must be in excess of the Additional Amounts that the Company, a Surviving Person or a Subsidiary Guarantor or a JV Subsidiary Guarantor, as the case may be, would be required to pay if payments in respect of the Notes were subject to deduction or withholding for PRC taxes at a rate of 10%; *provided, further, that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company, a Surviving Person or a Subsidiary Guarantor or a JV Subsidiary Guarantor, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due.

- (b) Prior to the mailing of any notice of redemption of the Notes pursuant to Section 3.1(a), the Company, a Surviving Person or a Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, will deliver to the Trustee:
 - (i) an Officers' Certificate stating that such change or amendment referred to in the prior paragraph has occurred, describing the facts related thereto and stating that such requirement cannot be avoided by the Company, a Surviving Person, a Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, taking reasonable measures available to it; provided, however, that such reasonable measures shall not include the reincorporation or reorganization of the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor; and
 - (ii) an Opinion of Counsel or an opinion of a tax consultant, in either case, of recognized standing with respect to tax matters of the Relevant Taxing Jurisdiction, stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in Section 3.1 (a).

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it shall be conclusive and binding on the Holders.

3.2 Selection and Notice.

- (a) Subject to Section 3.6(b), the Company will give not less than 30 days' nor more than 60 days' notice to the Holders, the Trustee and the Paying Agent of any redemption pursuant to this Article 3.
- (b) If less than all of the Notes are to be redeemed at any time, the Notes for redemption will be selected as follows:
 - (i) if the Notes are listed on any recognized securities exchange and/or are held through the clearing systems, in compliance with the requirements of the principal recognized securities exchange on which the Notes are listed and/or in compliance with the requirements of the clearing systems through which the Notes are held; or
 - (ii) if the Notes are not listed on any recognized securities exchange or held through any clearing system, on a pro rata basis, by lot or by such other method as the Trustee in its sole and absolute discretion shall deem to be fair and appropriate, unless otherwise required by law.
- (c) A Note of US\$150,000 in principal amount or less shall not be redeemed in part.

If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount to be redeemed. A new Note in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note; *provided, however*, that no such partial redemption shall be allowed if it would result in the issuance of a new Note, representing the unredeemed portion, in an amount of less than US\$150,000. On and after the redemption date, interest will cease to accrue on Notes or portions of them called for redemption.

3.3 Method and Effect of Redemption.

- (a) The notice of redemption required under Section 3.2 will identify the Notes to be redeemed and will include or state the following:
 - (i) the clause of this Indenture pursuant to which the redemption shall occur;

- (ii) the redemption date;
 - (iii) the principal amount of Notes to be redeemed;
 - (iv) the redemption price, including the portion thereof representing any accrued interest;
 - (v) the place or places where Notes are to be surrendered for redemption (applicable only if the Notes are in certificated form);
 - (vi) Notes called for redemption must be so surrendered in order to collect the redemption price (applicable only if the Notes are in certificated form);
 - (vii) on the redemption date the redemption price will become due and payable on Notes called for redemption, and interest on Notes called for redemption will cease to accrue on and after the redemption date; and
 - (viii) if any Note contains an ISIN or Common Code number, no representation is being made as to the correctness of the ISIN or Common Code number either as printed on the Notes or as contained in the notice of redemption and that the Holder should rely only on the other identification numbers printed on the Notes.
- (b) Once notice of redemption is sent to the Holders, Notes called for redemption become due and payable at the redemption price on the redemption date, and upon surrender of the Notes called for redemption, the Company shall redeem such Notes at the redemption price. On and after the redemption date, interest will cease to accrue on the Notes or portions of them called for redemption.
- (c) Any Notes that are redeemed pursuant to this Article 3 will be cancelled.

3.4 **Open Market Purchases.**

The Company or any of its Affiliates may purchase Notes in the open market or by tender or by any other means at any price, so long as such acquisition does not otherwise violate the terms of this Indenture; *provided* that all Notes redeemed or repurchased by the Company or any of its Affiliates will be cancelled and may not be reissued or resold.

3.5 **Optional Redemption.**

On and after the Original Issue Date, the Company may at any time, upon not less than 30 nor more than 60 days' notice to the Holders, the Trustee and the Paying Agent (each such date, an "**Optional Redemption Date**"), redeem the Notes Outstanding on the applicable Optional Redemption Date (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the Notes) in whole or in part at a redemption price equal to 100% of the aggregate principal amount thereof together with accrued and unpaid interest thereon (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind) to, but excluding, the applicable Optional Redemption Date.

3.6 **Mandatory Redemption.**

- (a) On [●]², 2022 (the "**Initial Mandatory Redemption Date**"), the Company shall redeem 40% of the Notes Outstanding on the Initial Mandatory Redemption Date (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the Notes) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest thereon (at the rate of

² Insert the date that is 2.5 years after the Original Issue Date.

6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind) to, but excluding, the Initial Mandatory Redemption Date.

- (b) Not later than 5 days following the date of a Delisting, the Company shall give notice to redeem all of the Notes Outstanding (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the Notes) on the Business Day falling 30 days following the date on which such notice is given (the “**Delisting Mandatory Redemption Date**”) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest thereon (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind) to, but excluding, the Delisting Mandatory Redemption Date.
- (c) Unless previously redeemed, purchased or cancelled, the Notes (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the Notes) will be redeemed on the Maturity Date at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind), up to the Maturity Date.

4 COVENANTS

4.1 Payment of Notes.

- (a) The Company agrees to pay the principal of, premium (if any) and interest (including default interest, to the extent lawful), and Additional Amounts (if any) on the Notes on the dates and in the manner provided in the Notes and this Indenture. Not later than 9:00 A.M. (London time) one Business Day prior to the Interest Payment Date, the due date of any principal on any Notes, the Tax Redemption Date pursuant to Section 3.1, any Optional Redemption Date pursuant to Section 3.5, the Initial Mandatory Redemption Date pursuant to Section 3.6(a), the Delisting Mandatory Redemption Date pursuant to Section 3.6(b) or the Offer to Purchase Payment Date (each a “**Payment Date**”), the Company agrees to pay or cause to be paid to the account of the Paying Agent at One Canada Square, London E14 5AL, United Kingdom in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, in immediately available funds, an amount which shall be sufficient to pay the aggregate amount of interest, premium (if any) or principal or all of such amount, as the case may be, becoming due in respect of the Notes on such Payment Date; *provided that* if the Company or any Affiliate of the Company is acting as paying agent, it will, on or before each due date, segregate and hold in a separate trust fund for the benefit of the Holders a sum of money sufficient to pay such amounts until paid to such Holders or otherwise disposed of as provided in this Indenture. In each case, the Company will promptly notify the Trustee and the Paying Agent of its compliance with this paragraph. The Company shall procure that, before 9:00 A.M. (London time) on the third Business Day before each Payment Date, the bank effecting payment for it confirms by tested telex or authenticated SWIFT message to the Paying Agent the payment instructions relating to such payment. The Trustee and the Paying Agent shall not be bound to make any payment until it has received the full amount due to be paid to it pursuant to this Section 4.1.
- (b) An installment of principal, premium (if any) or interest will be considered paid on the date due if the Paying Agent, other than the Company or any Affiliate of the Company, holds on that date money designated for and sufficient to pay the installment. If the Company or any Affiliate of the Company acts as paying agent, an installment of principal, premium (if any) or interest will be considered paid on the due date only if paid to the Holders.

- (c) The Paying Agent, which will include the Company or any Affiliate of the Company if it is acting as paying agent, will make payments in respect of the Notes represented by the Global Notes by wire transfer of immediately available funds to the accounts specified by the Holders of the Global Notes. With respect to Certificated Notes, the Paying Agent will make all payments by wire transfer of immediately available funds to the accounts specified by the Holders thereof or, if no such account is specified, by mailing a check to each Holder's registered address; *provided that* if the Company or any Affiliate of the Company is acting as Paying Agent, it will make such payment to the Holders as specified above.
- (d) At least three Business Days prior to the first Payment Date and, if there has been any change with respect to the matters set forth in the below mentioned certificate, at least five Business Days prior to each Payment Date thereafter, the Company shall furnish the Paying Agent with an Officers' Certificate instructing the Paying Agent as to any circumstances in which payments of principal of, premium (if any) or interest on, the Notes due on such date shall be subject to deduction or withholding for, or on account of, any Taxes described in Section 4.21 and the rate of any such deduction or withholding. If any such deduction or withholding shall be required and if the Company therefore becomes liable to pay Additional Amounts, if any, pursuant to Section 4.21 then at least three Business Days prior to each Payment Date, the Company will furnish the Paying Agent with an Officers' Certificate which specifies the amount required to be withheld on such payment to Holders of the Notes, and the Additional Amounts, if any, due to the Holders of the Notes, and shall provide to the Paying Agent such information as the Paying Agent shall require to enable it to assess and comply with the requirement and at least one Business Day prior to such Payment Date, will pay to the Paying Agent such Additional Amounts, if any, as shall be required to be paid to such Holders. Notwithstanding any other provision of this Indenture, the Company shall indemnify the Agents against any liability or loss (including interest and penalties) howsoever incurred in connection with the Company's obligation to withhold or deduct an amount on account of tax.
- (e) Whenever the Company shall appoint a Paying Agent other than the Trustee for the purpose of paying amounts due in respect of the Notes, it will cause such Paying Agent to execute and deliver to the Trustee an instrument substantially in the form of Exhibit D hereto in which such agent shall agree with the Company, among other things, to be bound by and observe the provisions of this Indenture (including the Notes). The Company will cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee:
- (i) that it will hold all sums received by it as such Paying Agent for the payment of the principal of, premium (if any) or interest on, the Notes (whether such sums have been paid to it by or on behalf of the Company or by any other obligor on the Notes or the Subsidiary Guarantees (if any) or the JV Subsidiary Guarantees (if any)) for the benefit of the holders of the Notes or of the Trustee;
 - (ii) that it will give the Trustee written notice of any failure by the Company (or by any other obligor on the Notes or the Subsidiary Guarantees (if any) or the JV Subsidiary Guarantees (if any)) to make any payment of the principal, premium (if any) or interest on, the Notes and any other payments to be made by or on behalf of the Company under this Indenture, when the same shall be due and payable; and
 - (iii) that it will pay any such sums so held by it to the Trustee upon the Trustee's written request at any time during the continuance of a failure referred to in clause (ii) above.

Anything in this Section 4.1 to the contrary notwithstanding, the Company may at any

time, for the purpose of obtaining a satisfaction and discharge of this Indenture or for any other reason, pay or cause to be paid to the Trustee all sums held by the Company (in trust) or any Paying Agent hereunder, as required by this Section 4.1 and such sums shall be held by the Trustee upon the trusts herein contained. If the Paying Agent shall pay all sums held to the Trustee as required under this Section 4.1, the Paying Agent shall have no further liability for the money so paid over to the Trustee.

Anything in this Section 4.1 to the contrary notwithstanding, the agreements to hold sums in trust as provided in this Section 4.1 are subject to the provisions of Section 8.4.

4.2 **Maintenance of Office or Agency.**

- (a) The Company will maintain in Hong Kong, an office or agency where Notes may be surrendered for registration of transfer or exchange or for presentation for payment and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company hereby initially designates the specified office of the Paying Agent currently located at One Canada Square, London E14 5AL, United Kingdom as such office of the Company. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company fails to maintain any such required office or agency or fails to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served to the Trustee at the Corporate Trust Office.
- (b) The Company may also from time to time designate one or more other offices or agencies where the Notes may be surrendered or presented for any of such purposes and may from time to time rescind such designations; *provided, however*, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in each place where principal of, premium (if any) and interest on, any Notes are payable. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.
- (c) The Company has initially appointed the Paying Agent, Transfer Agent and the Registrar listed in Exhibit D.
- (d) So long as any of the Notes remain Outstanding, the Subsidiary Guarantors (if any) and the JV Subsidiary Guarantors (if any) will maintain in Hong Kong and each other place where principal of, premium (if any) and interest on, any Notes is payable an office or agency where notices and demands to or upon the Subsidiary Guarantors (if any) or the JV Subsidiary Guarantors (if any) in respect of the Notes, the Subsidiary Guarantees (if any), the JV Subsidiary Guarantees (if any) or this Indenture may be served. Each of the Subsidiary Guarantors (if any) and the JV Subsidiary Guarantors (if any) hereby initially designates the specified office of the Paying Agent currently located at One Canada Square, London E14 5AL, United Kingdom as the office or agency for each such purpose. In case the Subsidiary Guarantors (if any) or the JV Subsidiary Guarantors (if any) shall fail to maintain any such office or agency or shall fail to give notice of the location or of any change in the location thereof, presentations and demands may be made and notices may be served at the Corporate Trust Office.

4.3 **Government Approvals and Licenses; Compliance with Law.** The Company will, and will cause each Restricted Subsidiary to, (i) obtain and maintain in full force and effect all governmental approvals, authorizations, consents, permits, concessions and licenses as are necessary to engage in the Permitted Businesses, (ii) preserve and maintain good and valid title to its properties and assets (including land-use rights) free and clear of any Liens other than Permitted Liens and (iii) comply with all laws, regulations, orders, judgments and decrees of any governmental body, except to the extent that failure so to obtain, maintain, preserve and comply would not reasonably be expected to have a material adverse effect on (A) the business, results of

operations or prospects of the Company and its Restricted Subsidiaries, taken as a whole, or (B) the ability of the Company or any Subsidiary Guarantor or any JV Subsidiary Guarantor to perform its obligations under the Notes, the relevant Subsidiary Guarantee, the relevant JV Subsidiary Guarantee or this Indenture.

The Company represents and warrants to the Trustee and each of the Holders that, to the best knowledge of the Company, the Company is not required to make any filing or registration with the National Development and Reform Commission of the PRC (the “**NDRC**”) regarding the Notes in accordance with the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知 (發改外資[2015]2044 號)) which was issued by the NDRC and came into effect on September 14, 2015 and any implementation rules as issued by the NDRC from time to time (the “**NDRC Circular**”). If at any time the NDRC requires the Company to make any filing or registration with the NDRC regarding the Notes in accordance with the NDRC Circular or the Company otherwise becomes aware that such a filing or registration is required, the Company shall take all reasonable steps required to complete such filing or registration as soon as practicable after receipt of such request or knowledge and the Company shall within 15 Business Days after submission to the NDRC of the relevant filing or registration, provide the Trustee with an Officers’ Certificate confirming such submission and having attached to it documents evidencing such submission and certified that such copy is true and correct.

- 4.4 **Payment of Taxes and other Claims.** The Company will pay or discharge, and cause each of its Subsidiaries to pay or discharge before the same become delinquent (i) all material taxes, assessments and governmental charges levied or imposed upon the Company or any Subsidiary or its income or profits or property, and (ii) all material lawful claims for labor, materials and supplies that, if unpaid, might by law become a Lien upon the property of the Company or any Subsidiary, other than any such tax, assessment, charge or claim the amount, applicability or validity of which is being contested in good faith by appropriate proceedings and for which adequate reserves have been established.
- 4.5 **Maintenance of Properties.** The Company will cause all properties used or useful in the conduct of its business or the business of any of its Restricted Subsidiaries to be maintained and kept in good condition, repair and working order as in the judgment of the Company may be necessary so that the business of the Company and its Restricted Subsidiaries may be properly and advantageously conducted at all times; *provided that* nothing in this Section prevents the Company or any Restricted Subsidiary from discontinuing the use, operation or maintenance of any of such properties or disposing of any of them, if such discontinuance or disposal is, in the judgment of the Company, desirable in the conduct of the business of the Company and its Restricted Subsidiaries taken as a whole.
- 4.6 **Limitation on Indebtedness and Disqualified or Preferred Stock.**
- (a) The Company will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness), *provided that* (x) the Company may Incur Indebtedness (including Acquired Indebtedness) and (y) any Restricted Subsidiary may Incur Permitted Subsidiary Indebtedness if, after giving effect to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, (i) no Default has occurred and is continuing and (ii) the Fixed Charge Coverage Ratio would be not less than (A) 1.0 to 1.0 with respect to any Incurrence of Indebtedness prior to January 1, 2021 and (B) 1.5 to 1.0 on and after January 1, 2021. Notwithstanding the foregoing, the Company will not permit any Restricted Subsidiary to Incur any Disqualified Stock or Preferred Stock (other than Disqualified Stock or Preferred Stock held by the Company or a Subsidiary Guarantor, so long as it is so held).
- (b) Notwithstanding the foregoing, the Company and any Restricted Subsidiary may Incur, to the extent provided below, each and all of the following (“**Permitted Indebtedness**”):

- (i) Indebtedness under the Notes (including the DB Additional Notes and any Additional Notes issued as PIK Interest in accordance with Sections 2.9 and 2.14 but excluding any other Additional Notes) and each Subsidiary Guarantee and each JV Subsidiary Guarantee;
- (ii) any Pari Passu Subsidiary Guarantees (if any) by any Subsidiary Guarantor or any JV Subsidiary Guarantor;
- (iii) Indebtedness of the Company or any Restricted Subsidiary outstanding on the Original Issue Date, excluding Indebtedness permitted under clause (b)(iv) of this Section 4.6; *provided that* such Indebtedness of Restricted Subsidiaries shall be included in the calculation of Permitted Subsidiary Indebtedness;
- (iv) Indebtedness of the Company or Indebtedness or Preferred Stock of any Restricted Subsidiary owed to or held by the Company or a Restricted Subsidiary; *provided that* (x) any event which results in any such Restricted Subsidiary to whom such Indebtedness is owed ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Company or any Restricted Subsidiary) shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (iv) and (y) if the Company is the obligor on such Indebtedness, such Indebtedness must expressly be subordinated in right of payment to the Notes, and if a Subsidiary Guarantor or JV Subsidiary Guarantor is the obligor on such Indebtedness and the Company is not the obligee, such Indebtedness must expressly be subordinated in right of payment to the Subsidiary Guarantee of such Subsidiary Guarantor or the JV Subsidiary Guarantee of such JV Subsidiary Guarantor, and in each case such Indebtedness must be unsecured, and (z) if the Indebtedness is owed to the Company or any Subsidiary Guarantor or any JV Subsidiary Guarantor by a Restricted Subsidiary that is not a Subsidiary Guarantor or JV Subsidiary Guarantor, such Indebtedness must be unsecured and expressly unsubordinated under applicable law;
- (v) Indebtedness (“**Permitted Refinancing Indebtedness**”) issued in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, renew, repay, redeem, defease, discharge or extend (collectively, “refinance” and “refinances” and “refinanced” shall have a correlative meaning), then outstanding Indebtedness Incurred under Section 4.6(a) or clauses (i), (ii), (iii) and (vii) of this paragraph (b) and any refinancings thereof in an amount not to exceed the amount so refinanced or refunded (plus premiums, accrued interest, fees and expenses); *provided that* (A) Indebtedness the proceeds of which are used to refinance or refund the Notes or Indebtedness that is *pari passu* with, or subordinated in right of payment to, the Notes or a Subsidiary Guarantee or JV Subsidiary Guarantee shall only be permitted under this clause (v) if (x) in case the Notes are refinanced in part or the Indebtedness to be refinanced is *pari passu* with the Notes or a Subsidiary Guarantee or JV Subsidiary Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made *pari passu* with, or subordinate in right of payment to, the remaining Notes or such Subsidiary Guarantee or JV Subsidiary Guarantee, or (y) in case the Indebtedness to be refinanced is subordinated in right of payment to the Notes or a Subsidiary Guarantee or JV Subsidiary Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes or such Subsidiary Guarantee or JV Subsidiary Guarantee at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes or such Subsidiary Guarantee or JV Subsidiary Guarantee, (B) such new Indebtedness, determined as of the date of Incurrence of

such new Indebtedness, does not mature prior to the Stated Maturity of the Indebtedness to be refinanced or refunded, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced or refunded and (C) in no event may Indebtedness of the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor be refinanced pursuant to this clause (v) by means of any Indebtedness of any Restricted Subsidiary that is not a Subsidiary Guarantor or JV Subsidiary Guarantor, and (D) in no event may Indebtedness of the Company or any Subsidiary Guarantor be refinanced pursuant to this clause by means of any Indebtedness of any JV Subsidiary Guarantor (*provided that* this sub-clause (D) shall not prohibit the replacement of a Subsidiary Guarantee by a JV Subsidiary Guarantee if otherwise permitted by this Indenture);

- (vi) Indebtedness Incurred by the Company or any Restricted Subsidiaries pursuant to Hedging Obligations entered into in the ordinary course of business and designed solely to protect the Company or any of its Restricted Subsidiaries from fluctuations in interest rates, currencies or the price of commodities and not for speculation;
- (vii) Indebtedness of the Company or any Restricted Subsidiary Incurred in the ordinary course of business constituting purchase money Indebtedness incurred to finance all or any part of the purchase price or the cost of construction or development of equipment, property or assets of the Company, to be used in the ordinary course of business by the Company or a Restricted Subsidiary in the Permitted Business (including any such purchase through the acquisition of Capital Stock of any Person that owns such assets, property or equipment which will, upon acquisition, become a Restricted Subsidiary); *provided, however*, that (i) such purchase money Indebtedness shall not exceed such purchase price or cost of such property or assets so acquired, constructed or developed, (ii) such Indebtedness shall be Incurred no later than 180 days after the later of the acquisition of such property or assets or completion of such construction or development or, in the case of a solar power production facility, the time at which the facility is connected to the relevant public utility electrical grid and (iii) on the date of the Incurrence of any Indebtedness permitted by this clause (vii) and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness permitted by this clause (vii) (together with refinancings thereof) does not exceed an amount equal to 20% of Total Assets;
- (viii) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting reimbursement obligations with respect to workers' compensation claims or self-insurance obligations or bid, performance or surety bonds (in each case other than for an obligation for borrowed money);
- (ix) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit or trade Guarantees issued in the ordinary course of business to the extent that such letters of credit or trade Guarantees are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than 30 days following receipt by the Company or such Restricted Subsidiary of a demand for reimbursement;
- (x) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business provided, however, that such Indebtedness is extinguished within ten Business Days of Incurrence;
- (xi) (A) Guarantees by the Company or any Subsidiary Guarantor of Indebtedness of the Company or any Restricted Subsidiary that was permitted to be Incurred by

another provision of this Section 4.6, or (B) Guarantees by any Restricted Subsidiary of Indebtedness of another Restricted Subsidiary that was permitted to be Incurred under clause (iii), (iv) or (vii) above, other than a Guarantee by a PRC Restricted Subsidiary of the Indebtedness of a non-PRC Restricted Subsidiary;

- (xii) Indebtedness of the Company or any Restricted Subsidiary with a maturity of one year or less used by the Company or any Restricted Subsidiary for working capital; *provided that* the aggregate principal amount of Indebtedness permitted by this clause (xii) at any time outstanding does not exceed US\$30 million (or the Dollar Equivalent thereof);
 - (xiii) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from Guarantees or letters of credit, surety bonds or performance bonds securing any obligation of the Company or any Restricted Subsidiary pursuant to such agreements, in any case Incurred in connection with the disposition of any business, assets or Restricted Subsidiary of the Company, other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition; *provided that* the maximum aggregate liability in respect of all such Indebtedness in the nature of such Guarantee shall at no time exceed the gross proceeds actually received from the sale of such business, assets or Restricted Subsidiary;
 - (xiv) Indebtedness of the Company or any Restricted Subsidiary in an aggregate principal amount outstanding at any time (together with refinancings thereof) not to exceed US\$15 million (or the Dollar Equivalent thereof);
 - (xv) Indebtedness of the Company or any Restricted Subsidiary constituting an obligation to pay the deferred purchase price of Capital Stock of a Person pursuant to a Staged Acquisition Agreement, to the extent that such deferred purchase price is paid within 12 months after the date the Company or such Restricted Subsidiary enters into such Staged Acquisition Agreement; and
 - (xvi) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting a Guarantee of any Indebtedness of an Associate by the Company or such Restricted Subsidiary (provided that such Guarantee is pro rata to the relative percentage holding of the Company or the relevant Restricted Subsidiary in the Capital Stock of such Associate), if (A) after giving effect to the Incurrence of such Indebtedness, no Default has occurred and is continuing, (B) the Company could Incur at least US\$1.00 of Indebtedness under Section 4.6(a) and (C) the aggregate of all Indebtedness Incurred under this clause (xvi) does not exceed either an amount equal to (1) 5% of Total Assets (together with refinancing thereof) or (2) 20% of Total Assets (together with refinancing thereof and the aggregate principal amount outstanding of Indebtedness that was permitted to be Incurred under clause (vii) and the refinancing thereof).
- (c) For purposes of determining compliance with this Section 4.6, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including under the proviso in the first sentence of Section 4.6(a), the Company, in its sole discretion, shall be permitted to divide and classify, and from time to time may redivide and/or reclassify, such item of Indebtedness and only be required to include the amount of such Indebtedness as one of such types.
- (d) For purposes of determining compliance with any U.S. dollar denominated restriction on the Incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant

currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; *provided that* if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that may be Incurred pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

4.7 **Limitation on Restricted Payments.**

- (a) The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly (the payments or any other actions described in clauses (i) through (iv) below being collectively referred to as “**Restricted Payments**”):
 - (i) declare or pay any dividend or make any distribution on or with respect to the Company’s or any of its Restricted Subsidiaries’ Capital Stock (other than dividends or distributions payable or paid solely in shares of the Company’s or any of its Restricted Subsidiaries’ Capital Stock (other than Disqualified Stock or Preferred Stock) or in options, warrants or other rights to acquire shares of such Capital Stock) held by Persons other than the Company or any Wholly-Owned Restricted Subsidiary;
 - (ii) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock of the Company or any Restricted Subsidiary (including options, warrants or other rights to acquire such shares of Capital Stock) or any direct or indirect parent of the Company held by any Persons other than the Company or any Wholly-Owned Restricted Subsidiary, other than the purchase of Capital Stock of a Restricted Subsidiary pursuant to a Staged Acquisition Agreement;
 - (iii) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Indebtedness that is subordinated in right of payment to the Notes or any of the Subsidiary Guarantees or any of the JV Subsidiary Guarantees (excluding any intercompany Indebtedness between or among the Company and any of its Wholly-Owned Restricted Subsidiaries); or
 - (iv) make any Investment, other than a Permitted Investment;

if, at the time of, and after giving effect to, the proposed Restricted Payment:

- (A) a Default shall have occurred and is continuing or would occur as a result of such Restricted Payment;
- (B) the Company could not Incur at least US\$1.00 of Indebtedness under Section 4.6(a), or
- (C) such Restricted Payment, together with the aggregate amount of all Restricted Payments made by the Company and its Restricted

Subsidiaries after November 21, 2014, including, for the avoidance of doubt, any payment described in paragraphs (i) through (iv) above made after November 21, 2014 and prior to the Original Issue Date that would have constituted a “Restricted Payment” herein had this Indenture been in effect at the time of such payment, shall exceed the sum (without duplication) of:

- (I) 50% of the aggregate amount of the Consolidated Net Income of the Company (or, if the Consolidated Net Income is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning July 1, 2014 and ending on the last day of the Company’s most recently ended semi-annual period for which consolidated financial statements of the Company (which the Company shall use commercially reasonable efforts to compile in a timely manner) are available (which may be internal consolidated financial statements) at the time of such Restricted Payment; plus
- (II) 100% of the aggregate Net Cash Proceeds received by the Company after November 21, 2014 as a capital contribution to its common equity or from the issuance and sale of its Capital Stock (other than Disqualified Stock) to a Person who is not a Subsidiary of the Company, including any such Net Cash Proceeds received upon (x) the conversion by a Person who is not a Subsidiary of the Company of any Indebtedness (other than Subordinated Indebtedness) of the Company into Capital Stock (other than Disqualified Stock) of the Company, or (y) the exercise by a Person who is not a Subsidiary of the Company of any options, warrants or other rights to acquire Capital Stock of the Company (other than Disqualified Stock) in each case after deducting the amount of any such Net Cash Proceeds used to redeem, repurchase, defease or otherwise acquire or retire for value any Subordinated Indebtedness or Capital Stock of the Company; plus
- (III) the amount by which Indebtedness of the Company or any of its Restricted Subsidiaries is reduced on the Company’s consolidated balance sheet upon the conversion or exchange (other than by a Subsidiary of the Company) subsequent to November 21, 2014 of any Indebtedness of the Company or any of its Restricted Subsidiaries convertible or exchangeable into Capital Stock (other than Disqualified Stock) of the Company (less the amount of any cash, or the Fair Market Value of any other property, distributed by the Company upon such conversion or exchange); plus
- (IV) an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) that were made after November 21, 2014 in any Person resulting from (i) payments of interest on Indebtedness, dividends or repayments of loans or advances by such Person, in each case to the Company or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income) after November 21, 2014, (ii) the unconditional release of a Guarantee provided by the Company or a Restricted Subsidiary after November 21, 2014 of an obligation of another Person, (iii) to the extent that an Investment

made after November 21, 2014 is sold or otherwise liquidated or repaid for cash, the lesser of (a) cash return of capital with respect to such Investment (less the cost of disposition, if any) and (b) the initial amount of such Investment, or (iv) from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments (other than Permitted Investments) made by the Company or a Restricted Subsidiary after November 21, 2014 in any such Person or Unrestricted Subsidiary; plus

(V) US\$12.5 million (or the Dollar Equivalent thereof).

(b) The foregoing provision shall not be violated by reason of:

- (i) the payment of any dividend or redemption of any Capital Stock within 60 days after the related date of declaration or call for redemption if, at said date of declaration or call for redemption, such payment or redemption would comply with Section 4.7(a);
- (ii) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any of the Subsidiary Guarantors or JV Subsidiary Guarantors with the Net Cash Proceeds of, or in exchange for, a substantially concurrent Incurrence of Permitted Refinancing Indebtedness;
- (iii) the redemption, repurchase or other acquisition of Capital Stock of the Company or any Subsidiary Guarantor (or options, warrants or other rights to acquire such Capital Stock) in exchange for, or out of the Net Cash Proceeds of a substantially concurrent capital contribution or sale (other than to a Subsidiary of the Company) of, shares of Capital Stock (other than Disqualified Stock) of the Company or any Subsidiary Guarantor (or options, warrants or other rights to acquire such Capital Stock); *provided that* the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (3)(B) of Section 4.7(a), *provided however* that any item that has been excluded pursuant to clause (3)(B) of Section 4.7(a) will not be excluded again as a result of the proviso in this clause (iii);
- (iv) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any of the Subsidiary Guarantors or JV Subsidiary Guarantors in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent capital contribution or sale (other than to a Subsidiary of the Company) of, shares of the Capital Stock (other than Disqualified Stock) of the Company or any of the Subsidiary Guarantors or JV Subsidiary Guarantors (or options, warrants or other rights to acquire such Capital Stock); *provided that* the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (3)(B) of Section 4.7(a), *provided however* that any item that has been excluded pursuant to clause (3)(B) of Section 4.7(a) will not be excluded again as a result of the proviso in this clause (iv);
- (v) the payment of any dividends or distributions declared, paid or made by a Restricted Subsidiary, payable on a pro rata basis or on a basis more favourable to the Company to all holders of any class of Capital Stock of such Restricted Subsidiary, a majority of which is held directly, or indirectly through Restricted Subsidiaries, by the Company; or

- (vi) the repurchase of Capital Stock deemed to occur upon the exercise of stock options to the extent such Capital Stock represent a portion of the exercise price of those stock options;

provided that, in the case of clause (ii), (iii) or (iv) of paragraph (b) above, no Default shall have occurred and be continuing or would occur as a consequence of the actions or payments set forth therein.

- (c) Notwithstanding the foregoing and subject to Section 4.7(d), while any Notes remain Outstanding the Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly:

- (i) declare or pay any dividend in cash or make any distribution on or with respect to the Company's Capital Stock (other than dividends or distributions payable or paid solely in shares of the Company's Capital Stock (other than Disqualified Stock or Preferred Stock) or in options, warrants or other rights to acquire shares of such Capital Stock) held by Persons other than the Company or any Wholly-Owned Restricted Subsidiary; or
- (ii) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock of the Company (including options, warrants or other rights to acquire such shares of Capital Stock) or any direct or indirect parent of the Company held by any Persons other than the Company or any Wholly-Owned Restricted Subsidiary,

unless the Company has made a Cash Coupon Election in accordance with Section 2.13.

- (d) Following a Cash Coupon Election in accordance with Section 2.13, the Company may, and may permit any Restricted Subsidiary to, directly or indirectly:

- (i) declare or pay any dividend in cash or make any distribution on or with respect to the Company's Capital Stock; or
- (ii) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock of the Company (including options, warrants or other rights to acquire such shares of Capital Stock) or any direct or indirect parent of the Company held by any Persons other than the Company or any Wholly-Owned Restricted Subsidiary,

provided that such payment, distribution, purchase, call for redemption, retirement or other acquisition for value would comply with or be permitted under Section 4.7(a) or Section 4.7(b) and the other provisions of this Indenture.

- (e) Each Restricted Payment permitted pursuant to clause (i) of paragraph (b) above shall be included in calculating whether the conditions of clause (3) of Section 4.7(a)(iv) have been met with respect to any subsequent Restricted Payments.
- (f) The amount of any Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or the Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The value of any assets or securities that are required to be valued by this covenant will be the Fair Market Value. The Board of Directors' determination of the Fair Market Value of a Restricted Payment or any such assets or securities must be based upon an opinion or appraisal issued by an appraisal or investment banking firm of recognized international standing if the Fair Market Value exceeds US\$15 million (or the Dollar Equivalent thereof).

- (g) Not later than the date of making any Restricted Payment in an amount in excess of US\$15 million (or the Dollar Equivalent thereof), the Company will deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this covenant were computed, together with a copy of any fairness opinion or appraisal required by this Indenture.

4.8 **Limitation on Liens.**

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, incur, assume or permit to exist any Lien of any nature whatsoever on any of its assets or properties of any kind, whether owned at the Original Issue Date or thereafter acquired, except Permitted Liens, unless the Notes are equally and ratably secured by such Lien.

4.9 **Limitation on Sale and Leaseback Transactions.**

The Company will not, and will not permit any of its Restricted Subsidiaries to, enter into any Sale and Leaseback Transaction; *provided that* the Company may enter into a Sale and Leaseback Transaction if:

- (a) the Company could have (x) Incurred Indebtedness in an amount equal to the Attributable Indebtedness relating to such Sale and Leaseback Transaction under Section 4.6(a) and (y) incurred a Lien to secure such Indebtedness under Section 4.8, in which case, the corresponding Indebtedness and Lien will be deemed incurred pursuant to those provisions;
- (b) the gross cash proceeds of that Sale and Leaseback Transaction are at least equal to the Fair Market Value of the property that is the subject of such Sale and Leaseback Transaction on such date; and
- (c) the transfer of assets in that Sale and Leaseback Transaction is permitted by, and the Company applies the proceeds of such transaction in compliance with Section 4.14.

4.10 **Limitation on Dividend and other Payment Restrictions Affecting Restricted Subsidiaries.**

- (a) Except as provided in paragraph (b) below, the Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:
 - (i) pay dividends or make any other distributions on any Capital Stock of such Restricted Subsidiary owned by the Company or any other Restricted Subsidiary;
 - (ii) pay any Indebtedness or other obligation owed to the Company or any other Restricted Subsidiary;
 - (iii) make loans or advances to the Company or any other Restricted Subsidiary; or
 - (iv) sell, lease or transfer any of its property or assets to the Company or any other Restricted Subsidiary.
- (b) The provisions of paragraph (a) above do not apply to any encumbrances or restrictions:
 - (i) existing in agreements as in effect on the Original Issue Date, or in the Notes, the Subsidiary Guarantees, the JV Subsidiary Guarantees, this Indenture or the Pari Passu Subsidiary Guarantee of any Subsidiary Guarantor or JV Subsidiary Guarantor and any extensions, refinancings, renewals, or replacements of any of the foregoing agreements and any subsequent extensions, refinancings, renewals or replacements thereof; *provided that* the encumbrances and restrictions in any such extension, refinancing, renewal, or replacement, taken as a whole, are (in the

good faith judgment of the Company) no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

- (ii) existing under or by reason of applicable law, rule, regulation or order;
- (iii) existing with respect to any Person or the property or assets of such Person acquired by the Company or any Restricted Subsidiary, existing at the time of such acquisition and not incurred in contemplation thereof, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person so acquired, and any extensions, refinancings, renewals or replacements thereof; *provided that* the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;
- (iv) that otherwise would be prohibited by the provision described in clause
- (v) of paragraph (a) if they arise, or are agreed to in the ordinary course of business and, that (i) restrict in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease or license, or (ii) exist by virtue of any Lien on, or, agreement to transfer, option or similar right with respect to any property or assets of the Company or any Restricted Subsidiary not otherwise prohibited by this Indenture or (iii) do not relate to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of the Company or any Restricted Subsidiary in any manner material to the Company or any Restricted Subsidiary;
- (vi) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary that is permitted by Section 4.6, Section 4.11 and Section 4.14;
- (vii) with respect to any Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the Incurrence of Indebtedness permitted under clauses (b)(5) and (b)(15) of Section 4.6 if, as determined by the Board of Directors, the encumbrances or restrictions are (1) customary for such type of agreement and (2) would not, at the time agreed to, be expected to materially and adversely affect the ability of the Company to make required payment on the Notes; or
- (viii) existing in customary provisions in shareholders' agreements, joint venture agreements and other similar agreements permitted under this Indenture, to the extent such encumbrance or restriction relates to the activities or assets of a Restricted Subsidiary that is a party to such joint venture and *provided that* (i) the encumbrances or restrictions are customary for a joint venture or similar agreement of that type and (ii) the encumbrances or restrictions would not, at the time agreed to, be expected to materially and adversely affect (x) the ability of the Company to make the required payments on the Notes, or (y) any Subsidiary Guarantor or JV Subsidiary Guarantor to make required payments under its Subsidiary Guarantee or JV Subsidiary Guarantee, *provided further that*, the Board of Directors is empowered to determine whether the conditions set forth in clauses (i) and (ii) are met, which determination shall be conclusive if evidenced by a Board Resolution.

4.11 Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries.

The Company will not sell, and will not permit any Restricted Subsidiary, directly or indirectly, to issue or sell any shares of Capital Stock of a Restricted Subsidiary (including options, warrants or other rights to purchase shares of such Capital Stock) except:

- (a) to the Company or a Wholly-Owned Restricted Subsidiary, or in the case of a Restricted Subsidiary that is not Wholly Owned, pro rata to its shareholders or incorporators or on a basis more favorable to the Company or a Wholly-Owned Restricted Subsidiary;
- (b) to the extent such Capital Stock represents director's qualifying shares or is required by applicable law to be held by a Person other than the Company or a Wholly-Owned Restricted Subsidiary;
- (c) the issuance or sale of shares of Capital Stock of a Restricted Subsidiary if, immediately after giving effect to such issuance or sale, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and the deemed remaining Investment in such Person resulting from such issuance or sale is permitted to be made under Section 4.7 on the date of such issuance or sale and *provided that* the Company complies with Section 4.14; or
- (d) the issuance or sale of Capital Stock of a Restricted Subsidiary (which remains a Restricted Subsidiary after any such issuance or sale); *provided that* the Company or such Restricted Subsidiary applies the Net Cash Proceeds of such issuance or sale in accordance with Section 4.14.

4.12 **Limitation on Issuances of Guarantees by Restricted Subsidiaries.**

- (a) The Company will not permit any Restricted Subsidiary which is not a Subsidiary Guarantor or JV Subsidiary Guarantor, directly or indirectly, to Guarantee any Indebtedness ("**Guaranteed Indebtedness**") of the Company or any other Restricted Subsidiary, unless (i) (x) such Restricted Subsidiary, simultaneously executes and delivers a supplemental indenture to this Indenture providing for an unsubordinated Subsidiary Guarantee (in the case of a Subsidiary Guarantor) or JV Subsidiary Guarantee (in the case of a JV Subsidiary Guarantor) of payment of the Notes by such Restricted Subsidiary and (y) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Company or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Subsidiary Guarantee or JV Subsidiary Guarantee until the Notes have been paid in full or (ii) such Guarantee is permitted under Section 4.6(b)(3), (4), (7) or (11)(ii).
- (b) If the Guaranteed Indebtedness (i) ranks *pari passu* in right of payment with the Notes or any Subsidiary Guarantee or any JV Subsidiary Guarantee, then the Guarantee of such Guaranteed Indebtedness shall rank *pari passu* in right of payment with, or subordinated to, the Subsidiary Guarantee or JV Subsidiary Guarantee or (ii) is subordinated in right of payment to the Notes or any Subsidiary Guarantee or JV Subsidiary Guarantee, then the Guarantee of such Guaranteed Indebtedness shall be subordinated in right of payment to the Subsidiary Guarantee or JV Subsidiary Guarantee at least to the extent that the Guaranteed Indebtedness is subordinated to the Notes or the Subsidiary Guarantee or JV Subsidiary Guarantee.
- (c) The Company will not permit any JV Subsidiary Guarantor, directly or indirectly, to Guarantee any Indebtedness of the Company or any other Restricted Subsidiary unless the aggregate claims of the creditor under such Guarantee will be limited to the applicable JV Entitlement Amount. If any JV Subsidiary Guarantor Guarantees any Indebtedness of the Company or any other Restricted Subsidiary where the aggregate claims of the creditor under such Guarantee exceeds the applicable JV Entitlement Amount, such JV Subsidiary Guarantee shall be replaced with a Subsidiary Guarantee given by a Subsidiary Guarantor.

4.13 Repurchase of Notes Upon a Change of Control.

- (a) Not later than 30 days following a Change of Control, the Company will make an Offer to Purchase all Outstanding Notes at a purchase price equal to 101% of the principal amount thereof (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the Notes as at the Offer to Purchase Payment Date) plus accrued and unpaid interest thereon (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind), if any, to (but not including) the Offer to Purchase Payment Date (a “**Change of Control Offer**”).
- (b) The Company will timely repay all Indebtedness or obtain consents as necessary under, or terminate, agreements or instruments that would otherwise prohibit a Change of Control Offer required to be made pursuant to this Section 4.13.
- (c) Notwithstanding the above, the Company will not be required to make a Change of Control Offer following a Change of Control if a third party makes a Change of Control Offer in the same manner, at the same times and otherwise in compliance with the requirements set forth in this Indenture that would be applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

4.14 Limitation on Asset Sales.

The Company will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale, unless:

- (a) no Default shall have occurred and be continuing or would occur as a result of such Asset Sale;
- (b) the consideration received by the Company or such Restricted Subsidiary, as the case may be, is at least equal to the Fair Market Value of the assets sold or disposed of at the time of the sale;
- (c) in the case of an Asset Sale that constitutes an Asset Disposition, the Company could Incur at least US\$1.00 of Indebtedness under Section 4.6(a) after giving pro forma effect to such Asset Disposition;
- (d) at least 75% of the consideration received consists of cash, Temporary Cash Investments or Replacement Assets; *provided that* in the case of an Asset Sale in which the Company or such Restricted Subsidiary receives Replacement Assets involving aggregate consideration in excess of US\$10 million (or the Dollar Equivalent thereof), the Company shall deliver to the Trustee an opinion as to the fairness to the Company or such Restricted Subsidiary of such Asset Sale from a financial point of view issued by an accounting, appraisal or investment banking firm of recognized international standing. For purposes of this clause (d), each of the following will be deemed to be cash:
 - (i) any liabilities, as shown on the Company’s most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Subsidiary Guarantee or any JV Subsidiary Guarantee) that are assumed by the transferee of any such assets pursuant to a customary assumption, assignment, novation or similar agreement that releases the Company or such Restricted Subsidiary from further liability; and
 - (ii) any securities, notes or other obligations received by the Company or any Restricted Subsidiary from such transferee that are promptly, but in any event

within 30 days of closing, converted by the Company or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion;

- (e) Within 360 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Company and its Restricted Subsidiaries may apply such Net Cash Proceeds to:
 - (i) permanently repay Senior Indebtedness of the Company or any Restricted Subsidiary (and, if such Senior Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto) in each case owing to a Person other than the Company or a Restricted Subsidiary; or
 - (ii) acquire Replacement Assets, including by means of acquiring the Capital Stock of a Person which holds such Replacement Assets; *provided* that the assets of such Person consist principally of such Replacement Assets, and such Person becomes a Restricted Subsidiary immediately following such acquisition; and
- (f) Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in paragraph (e) will constitute “**Excess Proceeds**.” Excess Proceeds of less than (and including) US\$15 million (or the Dollar Equivalent thereof) will be carried forward and accumulated. When accumulated Excess Proceeds exceed US\$15 million (or the Dollar Equivalent thereof), within 10 days thereof, the Company must make an Offer to Purchase Notes having a principal amount equal to:
 - (i) accumulated Excess Proceeds, multiplied by
 - (ii) a fraction (x) the numerator of which is equal to the outstanding principal amount of the Notes and (y) the denominator of which is equal to the outstanding principal amount of the Notes and all *pari passu* Indebtedness similarly required to be repaid, redeemed or tendered for in connection with the Asset Sale, rounded down to the nearest US\$1,000.

The offer price in any Offer to Purchase will be equal to 100% of the principal amount plus accrued and unpaid interest to the date of purchase, and will be payable in cash.

If any Excess Proceeds remain after consummation of an Offer to Purchase, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by this Indenture. If the aggregate principal amount of Notes (and any other *pari passu* Indebtedness) tendered in such Offer to Purchase exceeds the amount of Excess Proceeds, the Trustee will select the Notes (and such other *pari passu* Indebtedness) to be repurchased on a pro rata basis. Upon completion of each Offer to Purchase, the amount of Excess Proceeds will be reset at zero.

4.15 **Limitation on Transactions with Shareholders and Affiliates.**

- (a) The Company will not, and will not permit any Restricted Subsidiary, directly or indirectly, to enter into, renew or extend any transaction or arrangement (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with (x) any holder (or any Affiliate of such holder) of 5% or more of any class of Capital Stock of the Company or (y) any Affiliate of the Company (each an “**Affiliate Transaction**”), unless:
 - (i) the Affiliate Transaction is on fair and reasonable terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable arm’s-length transaction by the Company or the relevant Restricted Subsidiary with a Person that is not an Affiliate of the Company; and

- (ii) the Company delivers to the Trustee:
 - (A) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$5 million (or the Dollar Equivalent thereof), a Board Resolution set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with this covenant and such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors; and
 - (B) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$10 million (or the Dollar Equivalent thereof), in addition to the Board Resolution required in paragraph (ii)(A) immediately above, an opinion as to the fairness to the Company or such Restricted Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of recognized international standing.
- (b) The foregoing limitation does not limit, and shall not apply to:
 - (i) the payment of reasonable and customary regular fees and other related compensation for the service as board members to directors of the Company or any Restricted Subsidiary who are not employees of the Company or any Restricted Subsidiary;
 - (ii) transactions between or among the Company and any of its Wholly-Owned Restricted Subsidiaries or between or among Wholly-Owned Restricted Subsidiaries;
 - (iii) any Restricted Payment of the type in clauses (i), (ii) or (iii) under Section 4.7(a) if permitted by Section 4.7;
 - (iv) any issuance or sale of Capital Stock (other than Disqualified Stock) of the Company; and
 - (v) the payment of compensation to officers and directors of the Company or any Restricted Subsidiary pursuant to an employee stock or share option scheme, so long as such scheme is in compliance with the listing rules of The Stock Exchange of Hong Kong Limited, which as of the Original Issue Date require a majority shareholder approval of any such scheme.
- (c) The requirements of clause (ii) of paragraph (a) shall not apply to (i) Investments (other than Permitted Investments) not prohibited under Section 4.7, (ii) transactions pursuant to agreements in effect on the Original Issue Date, or any amendment or modification or replacement thereof, so long as such amendment, modification or replacement is not more disadvantageous to the Company and its Restricted Subsidiaries than the original agreement in effect on the Original Issue Date and (iii) any transaction between or among the Company, any Wholly-Owned Restricted Subsidiary and any Restricted Subsidiary that is not a Wholly-Owned Restricted Subsidiary or between or among the Restricted Subsidiaries that are not Wholly-Owned Restricted Subsidiaries; *provided that* in the case of sub-clause (iii), (1) such transaction is entered into in the ordinary course of business and (2) none of the minority shareholders or minority partners of or in such Restricted Subsidiary is a Person described in clauses (x) or (y) of Section 4.15(a) (other than by reason of such minority shareholder or minority partner being an officer or director of a Restricted Subsidiary).

4.16 **Limitation on the Company's Business Activities.** The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, engage in any business other than Permitted Businesses; *provided that* the Company or any Restricted Subsidiary may own Capital Stock of an Unrestricted Subsidiary or a joint venture or other entity that is engaged in a business other than a Permitted Business as long as any Investment therein was not prohibited by Section 4.7.

4.17 **Designation of Restricted and Unrestricted Subsidiaries.**

- (a) The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary; *provided that*:
 - (i) no Default shall have occurred and be continuing at the time of or after giving effect to such designation;
 - (ii) neither the Company nor any Restricted Subsidiary of the Company Guarantees or provides credit support for the Indebtedness of such Restricted Subsidiary;
 - (iii) such Restricted Subsidiary has no outstanding Indebtedness that could trigger a cross-default to the Indebtedness of the Company or any Restricted Subsidiary;
 - (iv) such Restricted Subsidiary does not own any Disqualified Stock of the Company or Disqualified or Preferred Stock of another Restricted Subsidiary or hold any Indebtedness of, or Lien on any property of the Company or any Restricted Subsidiary, if such Disqualified or Preferred Stock or Indebtedness could not be Incurred under Section 4.6 or such Lien would violate Section 4.8;
 - (v) such Restricted Subsidiary does not own any Voting Stock of another Restricted Subsidiary, and all of its Subsidiaries are Unrestricted Subsidiaries or are being concurrently designated to be Unrestricted Subsidiaries in accordance with this paragraph; and
 - (vi) the Investment deemed to have been made thereby in such newly-designated Unrestricted Subsidiary and each other newly-designated Unrestricted Subsidiary being concurrently redesignated would be permitted to be made under Section 4.7.
- (b) The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided that*:
 - (i) no Default shall have occurred and be continuing at the time of or after giving effect to such designation;
 - (ii) any Indebtedness of such Unrestricted Subsidiary outstanding at the time of such designation which will be deemed to have been Incurred by such newly-designated Restricted Subsidiary as a result of such designation would be permitted to be Incurred under Section 4.6;
 - (iii) any Lien on the property of such Unrestricted Subsidiary at the time of such designation which will be deemed to have been incurred by such newly-designated Restricted Subsidiary as a result of such designation would be permitted to be incurred under Section 4.8;
 - (iv) such Unrestricted Subsidiary is not a Subsidiary of another Unrestricted Subsidiary (that is not concurrently being designated as a Restricted Subsidiary); and

- (v) if such Restricted Subsidiary is not organized under the laws of the PRC, such Restricted Subsidiary shall upon such designation execute and deliver to the Trustee a supplemental indenture to this Indenture in the form of Exhibit G by which such Restricted Subsidiary shall become a Subsidiary Guarantor or a JV Subsidiary Guarantor to the extent required under Article 10.
- (c) Any designation by the Board of Directors of a Subsidiary as a Restricted Subsidiary or Unrestricted Subsidiary will be evidenced to the Trustee by promptly filing with the Trustee a copy of the Board Resolution giving effect to the designation and an Officers' Certificate certifying that the designation complied with the foregoing provisions.

4.18 **Anti-Layering.**

The Company will not Incur, and will not permit any Subsidiary Guarantor or JV Subsidiary Guarantor to Incur, any Indebtedness if such Indebtedness is contractually subordinated in right of payment to any other Indebtedness of the Company or such Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, unless such Indebtedness is also contractually subordinated in right of payment to the Notes, the applicable Subsidiary Guarantee or JV Subsidiary Guarantee, on substantially identical terms. This does not apply to distinctions between categories of Indebtedness that exist by reason of any Liens or Guarantees securing or in favor of some but not all of such Indebtedness.

4.19 **Provision of Financial Statements, Reports and Compliance Certificate.**

- (a) So long as any of the Notes remain Outstanding, the Company will file with the Trustee and furnish to the Holders upon request, as soon as they are available but in any event not more than 10 calendar days after they are filed with The Stock Exchange of Hong Kong Limited or any other recognized exchange on which the Company's common shares are at any time listed for trading, true and correct copies of any financial or other report in the English language filed with such exchange; *provided that* if at any time the Common Stock of the Company ceases to be listed for trading on a recognized stock exchange, the Company will file with the Trustee and furnish to the Holders:
 - (i) as soon as they are available, but in any event within 90 calendar days after the end of the fiscal year of the Company, copies of its financial statements (on a consolidated basis and in the English language) in respect of such financial year (including a statement of income, balance sheet and cash flow statement) prepared in accordance with GAAP and audited by a member firm of an internationally-recognized firm of independent accountants;
 - (ii) as soon as they are available, but in any event within 45 calendar days after the end of the second financial quarter of the Company, copies of its financial statements (on a consolidated basis and in the English language) in respect of such half-year period (including a statement of income, balance sheet and cash flow statement) prepared in accordance with GAAP and read by a member firm of an internationally-recognized firm of independent accountants; and
 - (iii) as soon as they are available, but in any event within 45 calendar days after the end of each of the first and third financial quarter of the Company, copies of its unaudited financial statements (on a consolidated basis and in the English language), including a statement of income, balance sheet and cash flow statement, prepared on a basis consistent with the audited financial statements of the Company together with a certificate signed by the person then authorized to sign financial statements on behalf of the Company to the effect that such financial statements are true in all material respects and present fairly the financial position of the Company as at the end of, and the results of its operations for, the relevant quarterly period.

- (b) In addition, so long as any of the Notes remain Outstanding, the Company will provide to the Trustee: (i) within 120 days after the close of each fiscal year, an Officers' Certificate stating the Fixed Charge Coverage Ratio with respect to the two most recent semi-annual periods and showing in reasonable detail the calculation of the Fixed Charge Coverage Ratio, including the arithmetic computations of each component of the Fixed Charge Coverage Ratio, with a certificate from the Company's external auditors verifying the accuracy and correctness of the calculation and arithmetic computation; and (ii) as soon as possible and in any event within 30 days after the Company becomes aware or should reasonably become aware of the occurrence of a Default or an Event of Default, an Officers' Certificate setting forth the details of the Default or the Event of Default, and the action which the Company proposes to take with respect thereto.
- (c) If the Company has designated any of its Subsidiaries as Unrestricted Subsidiaries, then the annual financial information required by the preceding paragraphs will include a reasonably detailed presentation of such financial information in relation to the Company and its Restricted Subsidiaries separate from the financial information of the Unrestricted Subsidiaries.
- (d) At any time after a Default or Event of Default has occurred or if the Trustee is notified that such an event has occurred, so far as permitted by applicable law, the Company shall allow the Trustee, and anyone appointed by it, access to the books of account of the Company at all reasonable times during normal business hours.
- (e) Delivery of these reports and information to the Trustee is for informational purposes only and the Trustee's receipt of them will not constitute actual or constructive notice or knowledge of any information contained therein or determinable from information contained therein (other than information contained in Officers' Certificates delivered under Section 4.19(b)(ii)), including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

4.20 [Reserved]

4.21 **Additional Amounts.**

- (a) All payments of principal of, and premium (if any) and interest on the Notes or under the Subsidiary Guarantees (if any) or JV Subsidiary Guarantees (if any) will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which the Company, a Surviving Person (as defined under Section 5.1) or the applicable Subsidiary Guarantor or JV Subsidiary Guarantor is organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein) (each, as applicable, a "**Relevant Taxing Jurisdiction**") or any jurisdiction through which payments are made (or any political subdivision or taxing authority thereof or therein) (together with each Relevant Taxing Jurisdiction, as applicable, a "**Relevant Jurisdiction**") unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Company, a Surviving Person or the applicable Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, will pay such additional amounts ("**Additional Amounts**") as will result in receipt by the Holder of each Note, the Subsidiary Guarantees or the JV Subsidiary Guarantees, as the case may be, of such amounts as would have been received by such Holder had no such withholding or deduction been required, except that no Additional Amounts shall be payable:
 - (i) for or on account of:
 - (A) any tax, duty, assessment or other governmental charge that would not have been imposed but for:

- (I) the existence of any present or former connection between the Holder or beneficial owner of such Note, the Subsidiary Guarantees or JV Subsidiary Guarantees, as the case may be, and the Relevant Jurisdiction (other than merely holding such Note or the receipt of payments thereunder or under a Subsidiary Guarantee or JV Subsidiary Guarantee), including, without limitation, such Holder or beneficial owner being or having been a national, domiciliary or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;
 - (II) the presentation of such Note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, and interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the Holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30-day period;
 - (III) the failure of the Holder or beneficial owner, to comply with a timely request of the Company, a Surviving Person, any Subsidiary Guarantor or any JV Subsidiary Guarantor addressed to the Holder or beneficial owner, as the case may be, to provide any information, certification, identification or other reporting information concerning such Holder's or beneficial owner's nationality, residence, identity or connection with any Relevant Jurisdiction, if and to the extent that due and timely compliance with such request would have reduced or eliminated any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder or beneficial owner; or
 - (IV) the presentation of such Note (in cases in which presentation is required) for payment in a Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere;
- (B) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;
 - (C) any withholding or deduction that is imposed or levied on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC (the "Savings Directive") or any other directive amending, supplementing or replacing the Savings Directive or any law implementing or complying with, or introduced in order to conform to, the Savings Directive or such other directives;
 - (D) any taxes imposed, deducted or withheld under FATCA; or
 - (E) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (A), (B), (C) and (D);
- (ii) to a Holder that is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included in the income under the laws of the Relevant Jurisdiction, for tax purposes, of a beneficiary or settlor, with respect to the fiduciary, or a member of

that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner, person or beneficial owner been the Holder thereof.

- (b) Whenever in this Indenture or in the Notes there is mentioned, in any context, the payment of principal of, and any premium or interest, in respect of any Note or under any Subsidiary Guarantee or JV Subsidiary Guarantee, such mention shall be deemed to include payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Neither the Trustee nor any of the Agents shall be responsible for paying any Additional Amounts or for determining whether such Additional Amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Company, any Surviving Person, any Subsidiary Guarantor or JV Subsidiary Guarantor, or any Holder to pay such Additional Amounts or other tax, duty, assessment or other governmental charge.

4.22 [Reserved]

4.23 **Maintenance of Insurance.**

The Company will, and will cause its Restricted Subsidiaries to, maintain insurance with reputable and financially sound carriers against such risks and in such amounts as is customarily carried by similarly situated businesses, including, without limitation, property and casualty insurance.

4.24 **Payment of Stamp Duties and Other Taxes.**

The Company shall pay any present or future stamp, court or documentary taxes, or any other excise or property taxes, charges or similar levies which arise under the laws of Bermuda, Hong Kong, British Virgin Islands, Singapore, Malaysia, Macau, Samoa or United States from the execution, delivery or registration of the Notes or any other document or instrument referred to in this Indenture and the acceleration of the Notes or enforcement of the Company's, the Subsidiary Guarantors' (if any) or the JV Subsidiary Guarantors' (if any) obligations hereunder.

4.25 **Changes in Covenants When Notes Are Rated Investment Grade.**

If on any date following the date of this Indenture, the Notes have a rating of Investment Grade from both of the Rating Agencies and no Default or Event of Default has occurred and is continuing (a "**Suspension Event**"), then, beginning on that day and continuing until such time, if any, at which the Notes cease to have a rating of Investment Grade from either of the Rating Agencies, the following provisions of this Indenture will be suspended:

- (a) Section 4.6;
- (b) Section 4.7;
- (c) Section 4.9;
- (d) Section 4.10;
- (e) Section 4.11;
- (f) Section 4.12;
- (g) Section 4.14 and
- (h) Section 4.16.

During any period that the foregoing covenants have been suspended, the Board of Directors may

not designate any of the Restricted Subsidiaries as Unrestricted Subsidiaries pursuant to Section 4.17 or the definition of “Unrestricted Subsidiary.” Such covenants will be reinstituted and apply according to their terms as of and from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Company or any Restricted Subsidiary properly taken in compliance with the provisions of this Indenture during the continuance of the Suspension Event, and following reinstatement the calculations under Section 4.7 will be made as if such covenant had been in effect since the date of this Indenture except that no Default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended.

4.26 **FATCA.**

- (a) The Company shall, within ten business days of a written request by the Trustee, supply to the Trustee such forms, documentation and other information relating to it, its operations, or the Notes as that the Trustee reasonably requests for the purposes of the Trustee’s compliance with Applicable Law and shall notify the Trustee reasonably promptly in the event that the Company becomes aware that any of the forms, documentation or other information provided by the Company is (or becomes) inaccurate in any material respect; provided, however, that the Company shall not be required to provide any forms, documentation or other information pursuant to this Clause 4.26 to the extent that: (i) any such form, documentation or other information (or the information required to be provided on such form or documentation) is not reasonably available to the Company and cannot be obtained by the Company using reasonable efforts; or (ii) doing so would or might in the reasonable opinion of the Company constitute a breach of any: (a) Applicable Law; (b) fiduciary duty; or (c) duty of confidentiality. For purposes of this Clause 4.26, “Applicable Law” shall be deemed to include (i) any rule or practice of any Authority by which any Party is bound or with which it is accustomed to comply; (ii) any agreement between any Authorities; and (iii) any agreement between any Authority and any Party that is customarily entered into by institutions of a similar nature.
- (b) The Company shall notify the Trustee in the event that it determines that any payment to be made by the Trustee under the Notes is a payment which could be subject to FATCA Withholding if such payment were made to a recipient that is generally unable to receive payments free from FATCA Withholding, and the extent to which the relevant payment is so treated, provided, however, that the Company’s obligation under this Clause 4.26 shall apply only to the extent that such payments are so treated by virtue of characteristics of the Company, the Notes, or both.
- (c) Notwithstanding any other provision of this Indenture, the Trustee shall be entitled to make a deduction or withholding from any payment which it makes under the Notes for or on account of any Tax, if and only to the extent so required by Applicable Law, in which event the Trustee shall make such payment after such deduction or withholding has been made and shall account to the relevant Authority within the time allowed for the amount so deducted or withheld or, at its option, shall reasonably promptly after making such payment return to the Company the amount so deducted or withheld, in which case, the Company shall so account to the relevant Authority for such amount. For the avoidance of doubt, FATCA Withholding is a deduction or withholding which is deemed to be required by Applicable Law for the purposes of this Clause 4.26.

4.27 **OFAC.**

- (a) The Company hereby represents and warrants that neither it nor any of its Affiliates or Subsidiaries: (a) is a Person that is, or is owned or controlled by Persons that are the subject of sanctions administered or enforced by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“**OFAC**”), the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty’s Treasury, or other relevant sanctions authority (collectively, “**Sanctions**” and each such Person a “**Sanctioned**

Person”); (b) is located, incorporated, organized, or resident in a country or territory that is, or whose government is, the subject of Sanctions (including, without limitation, the Crimea Region of Ukraine, Cuba, Iran, North Korea, Sudan and Syria) (each a **“Sanctioned Country”**); and (c) has any business affiliation or commercial dealings with or investments in any Sanctioned Country or Sanctioned Person.

- (b) The Company covenants that it will not take any action, omit to take any action, or engage in any activity which would render any of the foregoing representations or warranties untrue at any time and will promptly notify each party if any of the foregoing representations and warranties are no longer true.

5 CONSOLIDATION, MERGER AND SALE OF ASSETS

5.1 Consolidation, Merger and Sale of Assets.

- (a) The Company will not consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Restricted Subsidiaries’ properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions), unless:
 - (i) the Company shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets (the **“Surviving Person”**) shall be a corporation organized and validly existing under the laws Bermuda or any jurisdiction thereof and shall expressly assume, by a supplemental indenture to this Indenture, executed and delivered to the Trustee, all the obligations of the Company under this Indenture and the Notes, as the case may be, including the obligation to pay Additional Amounts with respect to any jurisdiction in which it is organized or resident for tax purposes or through which it makes payments, and this Indenture and the Notes, as the case may be, shall remain in full force and effect;
 - (ii) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;
 - (iii) immediately after giving effect to such transaction on a pro forma basis, the Company or the Surviving Person, as the case may be, shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;
 - (iv) immediately after giving effect to such transaction on a pro forma basis the Company or the Surviving Person, as the case may be, could Incur at least US\$1.00 of Indebtedness under Section 4.6(a);
 - (v) the Company delivers to the Trustee (A) an Officers’ Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (iii) and (iv)) and (B) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and such supplemental indenture to this Indenture complies with this provision and that all conditions precedent provided for in this Indenture relating to such transaction have been complied with;
 - (vi) each Subsidiary Guarantor or JV Subsidiary Guarantor, unless such Subsidiary Guarantor or JV Subsidiary Guarantor is the Person with which the Company has entered into a transaction described under this Section 5.1(a), shall execute and deliver a supplemental indenture to this Indenture confirming that its Subsidiary Guarantee or JV Subsidiary Guarantee shall apply to the obligations of the

Company or the Surviving Person in accordance with the Notes and this Indenture; and

- (vii) no Rating Decline shall have occurred.
- (b) No Subsidiary Guarantor or JV Subsidiary Guarantor will consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Restricted Subsidiaries' properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions) to another Person (other than the Company or another Subsidiary Guarantor or in the case of a JV Subsidiary Guarantor, other than to another JV Subsidiary Guarantor, the Company or a Subsidiary Guarantor), unless:
 - (i) such Subsidiary Guarantor or JV Subsidiary Guarantor shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets shall be the Company, another Subsidiary Guarantor or JV Subsidiary Guarantor or shall become a Subsidiary Guarantor or JV Subsidiary Guarantor concurrently with the transaction; and shall expressly assume, by a supplemental indenture to this Indenture, executed and delivered to the Trustee, all the obligations of such Subsidiary Guarantor or JV Subsidiary Guarantor under this Indenture and the Notes, including the obligation to pay Additional Amounts with respect to any jurisdiction in which it is organized or resident for tax purposes or through which it makes payments, and this Indenture and the Notes shall remain in full force and effect;
 - (ii) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;
 - (iii) immediately after giving effect to such transaction on a pro forma basis, the Company shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;
 - (iv) immediately after giving effect to such transaction on a pro forma basis, the Company could Incur at least US\$1.00 of Indebtedness under the first paragraph of the covenant under Section 4.6(a);
 - (v) the Company delivers to the Trustee (A) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (iii) and (iv)) and (B) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent provided for in this Indenture relating to such transaction have been complied with; and
 - (vi) no Rating Decline shall have occurred;

provided that this paragraph (b) shall not apply to any sale or other disposition that complies with Section 4.14 or any Subsidiary Guarantor or JV Subsidiary Guarantor whose Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, is unconditionally released in accordance with Section 10.11.

- (c) The foregoing requirements shall not apply to a consolidation or merger of any Subsidiary Guarantor or JV Subsidiary Guarantor with and into the Company or any other Subsidiary Guarantor or JV Subsidiary Guarantor, so long as the Company or such Subsidiary Guarantor or JV Subsidiary Guarantor survives such consolidation or merger.

6 DEFAULT AND REMEDIES

6.1 Events of Default.

The following events will be defined as “**Events of Default**” in this Indenture:

- (a) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;
- (b) default in the payment of interest or Additional Amounts on any Note when the same becomes due and payable, and such default continues for a period of 30 days;
- (c) default in the performance or breach of the provisions of the covenants described under Section 5.1 or the failure by the Company to make or consummate an Offer to Purchase in the manner described under Section 4.13 or Section 4.14;
- (d) the Company or any Restricted Subsidiary defaults in the performance of or breaches any other covenant or agreement in this Indenture or under the Notes (other than a default specified in clause (a), (b) or (c) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or the Holders of 25% or more in aggregate principal amount of the Notes;
- (e) there occurs with respect to any Indebtedness of the Company or any Restricted Subsidiary having an outstanding principal amount of US\$7.5 million (or the Dollar Equivalent thereof) or more in the aggregate for all such Indebtedness of all such Persons, whether such Indebtedness now exists or shall hereafter be created, (i) an event of default that has caused the holder thereof to declare such Indebtedness to be due and payable prior to its Stated Maturity and/or (ii) a default in payment of principal of, or interest or premium on, or any other amounts in respect of, such Indebtedness when the same becomes due and payable or, as the case may be, after any applicable grace period;
- (f) any final judgment or order for the payment of money in excess of US\$7.5 million (or the Dollar Equivalent thereof) in the aggregate for all such final judgments or orders shall be rendered against the Company or any Restricted Subsidiary and shall not be paid or discharged for a period of 60 days during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- (g) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against substantially all of the property, assets or revenues of the Company or any of its Restricted Subsidiaries and is not discharged or stayed within 30 days of having been so levied, enforced or sued out;
- (h) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Company or any of its Restricted Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) against substantially all of the property, assets or revenues of the Company or any of its Restricted Subsidiaries;
- (i) an involuntary case or other proceeding is commenced against the Company or any of its Restricted Subsidiaries with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any of its Restricted Subsidiaries or for any substantial part of the property and assets of the Company or any of its Restricted Subsidiaries and such involuntary case or other proceeding remains undismissed and unstayed for a period of 30 consecutive days; or an order for relief is entered against the Company or any of its Restricted

Subsidiaries under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;

- (j) an order is made or an effective resolution passed for the winding up or dissolution, judicial management or administration of the Company or any of its Restricted Subsidiaries (except for a members' voluntary solvent winding up of a Restricted Subsidiary), or the Company or any of its Restricted Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation (i) on terms approved by the Holders of the Notes, or (ii) in the case of a Restricted Subsidiary, whereby the undertaking and assets of such Restricted Subsidiary are transferred to or otherwise vested in the Company or another of its Restricted Subsidiaries;
- (k) the Company or any of its Restricted Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or substantially all of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any substantial part of such debts or a moratorium is agreed or declared in respect of or affecting all or any substantial part of (or of a particular type of) the debts of the Company or any of its Restricted Subsidiaries except for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation (i) on terms approved by the Holders of the Notes, or (ii) in the case of a Restricted Subsidiary, whereby the undertaking and assets of such Restricted Subsidiary are transferred to or otherwise vested in the Company or another of its Restricted Subsidiaries; or an administrator or liquidator of the Company or any of its Restricted Subsidiaries or all or substantially all of the assets and turnover of the Company or any of its Restricted Subsidiaries is appointed;
- (l) (i) any step is lawfully taken by any competent governmental authority with a view to the seizure, compulsory acquisition, expropriation or nationalization of all or substantially all of the assets of the Company or any of its Restricted Subsidiaries or (ii) the Company or any of its Restricted Subsidiaries is prevented by any competent governmental authority from exercising normal control over all or substantially all of its property, assets and turnover;
- (m) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorization, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes and this Indenture, (ii) to ensure that those obligations are legally binding and enforceable against the Company, the Subsidiary Guarantor and the JV Subsidiary Guarantor, as the case may be, and (iii) to make the Notes and this Indenture admissible in evidence in the courts of the country in which such entity is organized, is not taken, fulfilled or done;
- (n) it is or will become unlawful for the Company or a Subsidiary Guarantor or a JV Subsidiary Guarantor to perform or comply with any one or more of its obligations under any of the Notes or this Indenture; or
- (o) any Subsidiary Guarantor or JV Subsidiary Guarantor denies or disaffirms its obligations under its Subsidiary Guarantee or JV Subsidiary Guarantee or, except as permitted by this Indenture, any Subsidiary Guarantee or JV Subsidiary Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect.

6.2 Acceleration.

- (a) If an Event of Default (other than an Event of Default specified in clause (i), (j) or (k) of Section 6.1) occurs and is continuing under this Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then Outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the written request of such Holders shall (subject to receiving indemnity and/or security and/or pre-funding to its satisfaction), declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable.
 - (b) If an Event of Default specified in clause (i), (j) or (k) of Section 6.1 occurs with respect to the Company or any Restricted Subsidiary, the principal of, premium, if any, and accrued and unpaid interest on the Notes then Outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.
 - (c) The Holders of at least a majority in principal amount of the Outstanding Notes by written notice to the Company and to the Trustee, may on behalf of the Holders waive all past defaults and rescind and annul a declaration of acceleration and its consequences if: (x) all existing Events of Default, other than the non-payment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived, and (y) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.
- 6.3 **Other Remedies.** If an Event of Default occurs and is continuing, the Trustee may, and shall (subject to receiving indemnity and/or security and/or pre-funding to its satisfaction) upon request of Holders of at least 25% in aggregate principal amount of Outstanding Notes, pursue, in its own name or as trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of, premium, if any, and interest on the Notes, to enforce the performance of any provision of the Notes or this Indenture. The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding.
- 6.4 **Waiver of Past Defaults.** Except as otherwise provided in Sections 6.2(c), 6.7 and 9.2, the Holders of at least a majority in principal amount of the Outstanding Notes may, by written notice to the Company and the Trustee, waive all past Defaults and rescind and annul a declaration of the acceleration and its consequences. Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.
- 6.5 **Control by Majority.** The Holders of at least a majority in aggregate principal amount of the Outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture, that may involve the Trustee in personal liability, or that the Trustee determines may be unduly prejudicial to the rights of Holders not joining in the giving of such direction and may take any other action it deems proper that is not inconsistent with any such direction received from Holders. Prior to taking any action under this Indenture, the Trustee will be entitled to security and/or indemnification and/or pre-funding satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.
- 6.6 **Limitation on Suits.** A Holder of the Notes may not institute any proceeding, judicial or otherwise, with respect to this Indenture or the Notes, or for the appointment of a receiver or trustee, or for any other remedy under this Indenture or the Notes, unless:
- (a) the Holder has previously given the Trustee written notice of a continuing Event of Default;

- (b) the Holders of at least 25% in aggregate principal amount of Outstanding Notes have made a written request to the Trustee to pursue the remedy;
- (c) such Holder or Holders have offered to the Trustee security and/or indemnity and/or pre-funding satisfactory to the Trustee against any costs, liability or expense;
- (d) the Trustee does not comply with the request within 60 days after receipt of the written request and the offer of indemnity and/or security and/or pre-funding satisfactory to it; and
- (e) during such 60-day period, the Holders of a majority in aggregate principal amount of the Outstanding Notes do not give the Trustee a written direction that is inconsistent with the request.

6.7 **Rights of Holders to Receive Payment.** Notwithstanding anything to the contrary, the contractual right expressly set forth in this Indenture of a Holder of a Note to receive payment of the principal of, premium, if any, or interest on, such Note, or to bring suit for the enforcement of any such payment on or after the due date expressed in the Notes, including without limitation any suit under any Subsidiary Guarantee or JV Subsidiary Guarantee, shall not be impaired, or affected or amended without the consent of that Holder, *provided that* a Subsidiary Guarantor or a JV Subsidiary Guarantor may be released from its Subsidiary Guarantee or its JV Subsidiary Guarantee, as applicable, with the consent of Holders representing no less than 90% of then Outstanding aggregate principal amount of the Notes in accordance with Section 9.2(b).

6.8 **Collection Suit by Trustee.** If an Event of Default in payment specified in clause (a) or (b) of Section 6.1 occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust for the whole amount of principal, premium (if any) and accrued interest remaining unpaid, together with interest on overdue principal or premium and, to the extent lawful, overdue installments of interest, in each case at the rate specified in the Notes, and such further amount as is sufficient to cover the costs and expenses of collection, including the properly incurred compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and any other amounts due the Trustee hereunder.

6.9 **Trustee May File Proofs of Claim.** The Trustee may file proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee hereunder) and the Holders allowed in any judicial proceedings relating to the Company or any Subsidiary Guarantor or JV Subsidiary Guarantor or their respective creditors or property, and is entitled and empowered to collect, receive and distribute any money, securities or other property payable or deliverable upon conversion or exchange of the Notes or upon any such claims. Any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, if the Trustee consents to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the properly incurred compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee hereunder. Nothing in this Indenture will be deemed to empower the Trustee to authorize or consent to, or accept or adopt on behalf of any Holder, any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

6.10 **Priorities.** If the Trustee collects any money pursuant to this Article 6, it shall hold such money on trust and pay out the money in the following order:

First: to the Trustee for all amounts due hereunder (including indemnity payments, if any) and to the Agents for all unpaid fees, costs and expenses (including indemnity payments, if any);

Second: to Holders for amounts then due and unpaid for principal of and interest on the Notes, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium (if any) and interest; and

Third: to the Company or as a court of competent jurisdiction may direct.

The Trustee, upon written notice to the Company, may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10.

- 6.11 **Restoration of Rights and Remedies.** If the Trustee or any Holder has instituted a proceeding to enforce any right or remedy under this Indenture and the proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to the Holder, then, subject to any determination in the proceeding, the Company, any Subsidiary Guarantors, any JV Subsidiary Guarantors, the Trustee and the Holders will be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Company, any Subsidiary Guarantors, any JV Subsidiary Guarantors, the Trustee and the Holders will continue as though no such proceeding had been instituted.
- 6.12 **Undertaking for Costs.** In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court may require any party litigant in such suit (other than the Trustee) to file an undertaking to pay the costs of the suit, and the court may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant (other than the Trustee) in the suit having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.12 does not apply to a suit instituted by the Trustee or by a Holder to enforce payment of principal of or interest on any Note on the respective due dates, or a suit instituted by Holders of more than 10% in principal amount of the Outstanding Notes.
- 6.13 **Rights and Remedies Cumulative.** No right or remedy conferred or reserved to the Trustee or to the Holders under this Indenture is intended to be exclusive of any other right or remedy, and all such rights and remedies are, to the extent permitted by law, cumulative and in addition to every other right and remedy hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or exercise of any right or remedy hereunder, or otherwise, will not prevent the concurrent assertion or exercise of any other right or remedy.
- 6.14 **Delay or Omission Not Waiver.** No delay or omission of the Trustee or of any Holder to exercise any right or remedy accruing upon any Event of Default will impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article 6 or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.
- 6.15 **Waiver of Stay, Extension or Usury Laws.** The Company and each Subsidiary Guarantor (if any) and JV Subsidiary Guarantor (if any) covenants, to the extent that it may lawfully do so, that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law that would prohibit or forgive the Company, such Subsidiary Guarantor or such JV Subsidiary Guarantor from paying all or any portion of the principal of, or premium or interest on the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force, or that may affect the covenants or the performance of this Indenture. The Company and each Subsidiary Guarantor and JV Subsidiary Guarantor hereby expressly waives, to the extent that it may lawfully do so, all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.
- 6.16 **Compliance Certificate.** The Company will submit an Officers' Certificate to the Trustee, in substantially the form attached hereto as Exhibit H, on or before a date not more than 120 days

after the end of each fiscal year, and upon the request of the Trustee at any other time, that a review has been conducted of the activities of the Company and its Restricted Subsidiaries and the Company's and its Restricted Subsidiaries' performance under this Indenture and that each of the Company and the Subsidiary Guarantors has fulfilled all obligations hereunder, or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof. The Company will also be obligated to notify the Trustee in writing of any Default, Event of Default and default or defaults in the performance of any covenants or agreements under this Indenture.

7 THE TRUSTEE

7.1 General.

- (a) The duties and responsibilities of the Trustee are as set forth herein. Whether or not expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee is subject to this Article 7.
- (b) Except during the continuance of an Event of Default, the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations will be read into this Indenture against the Trustee. In case an Event of Default has occurred and is continuing, the Trustee shall exercise those rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. During the continuance of an Event of Default, the Trustee shall act upon the written direction of the Holders of at least 25% of the aggregate principal amount then outstanding, subject to its receiving indemnity and/or security and/or pre-funding to its satisfaction.
- (c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own grossly negligent action, its own grossly negligent failure to act or its own fraud or willful misconduct.
- (d) Notwithstanding anything herein to the contrary, the Trustee shall not be responsible for recitals, statements, warranties or representations of any party contained in this Indenture or any other agreement or other document entered into in connection herewith and shall assume the accuracy and correctness thereof and shall not be responsible for the execution, legality, effectiveness, adequacy, genuineness, validity or enforceability or admissibility in evidence of any such agreement or other document or any trust or security thereby constituted or evidenced. The Trustee shall not be bound to investigate or make any enquiry into whether or not any Default, Event of Default or failure has occurred, or is or was known to the Trustee or might be, or might have been, discovered upon examination, inquiry or investigation and whether or not capable of remedy. Notwithstanding the generality of the foregoing, each Holder shall be solely responsible for making its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Company, any Subsidiary Guarantor and any JV Subsidiary Guarantor, and the Trustee shall not at any time have any responsibility for the same and each Holder shall not rely on the Trustee in respect thereof.
- (e) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any of the provisions in this Indenture or the financial performance of the Company, the Subsidiary Guarantors (if any) and the JV Subsidiary Guarantors (if any), and shall be entitled to assume that the Company, the Subsidiary Guarantors (if any) and the JV Subsidiary Guarantors (if any) are in compliance with all the provisions of this Indenture, including each of the exhibits attached hereto, unless notified to the contrary in writing.

- (f) The Trustee shall not be liable for errors in judgment made in good faith by a Responsible Officer of the Trustee unless it shall be proved (by a non-appealable final judgment of a court of competent jurisdiction which is binding on the Trustee) that the Trustee was grossly negligent in ascertaining pertinent facts.

7.2 Certain Rights of Trustee. Subject to Section 7.1:

- (a) In the absence of bad faith on its part, the Trustee may conclusively rely, and will be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document (whether in original or facsimile form) believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document, but, in the case of any document which is specifically required to be furnished to the Trustee pursuant to any provision hereof, the Trustee shall examine the document to determine whether it conforms to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein). The Trustee, in its sole discretion, may make further inquiry or investigation into such facts or matters as it sees fit.
- (b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel conforming to Sections 11.3 and 11.4 and the Trustee will not be liable for any action it takes or omits to take in good faith in reliance on the certificate or opinion.
- (c) The Trustee may delegate duties to, and may act through its attorneys, agents or receiver and will not be responsible for the misconduct or negligence of any attorney or agent appointed with due care by it hereunder. To the extent an agent has been named by the Trustee in connection with this Indenture, the parties hereto shall cooperate to ensure that such agent can perform the duties for which it was appointed. Upon a Default or an Event of Default, the Trustee shall be entitled to require all agents (including, the Agents) to act solely in accordance with its directions; provided, however, that the liability of the Trustee to the Agents shall be limited to the amounts held by the Trustee or trust under this Indenture. The Trustee may by notice in writing to the Company, the Subsidiary Guarantors and any JV Subsidiary Guarantors require them to make all subsequent payments in respect of the Notes to or to the order of the Trustee with effect from the issue of any such notice to the Company, until such notice is withdrawn.
- (d) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders, unless such Holders have offered to the Trustee security and/or indemnity and/or prefunding satisfactory to it against any cost, expense and liability that might be incurred by it in compliance with such request or direction. The Trustee shall not be bound to enforce any provision of this Indenture unless it is directed in writing by the requisite number of Holders to do so and unless it has received pre-funding, security and/or indemnity satisfactory to it.
- (e) The Trustee will not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within its rights or powers or for any action it takes or omits to take in accordance with the direction of the Holders in accordance with Section 6.5 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.
- (f) The Trustee may consult with counsel or other professional advisors of its selection, and the written advice or report of or any information obtained from such counsel or advisors or any Opinion of Counsel (whether obtained by the Company, the Trustee or otherwise, whether or not addressed to the Trustee, and whether or not the advice contains a monetary

or other limit on liability or limits the scope and/or basis of such advice) will be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon (even if it contains an error or is not authentic). Any such advice, opinion or information may be sent or obtained by letter, email, electronic communication or fax.

- (g) No provision of this Indenture will require the Trustee to take any action contrary to law or to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or in the exercise of its rights or powers, unless it receives indemnity and/or security and/or prefunding satisfactory to it against any loss, liability or expense.
- (h) In no event and notwithstanding any provision to the contrary, shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit, business, goodwill reputation, anticipated saving or opportunity) whether or not foreseeable and irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action. The provisions of this sub-section 7.2(h) shall survive the termination or discharge of this Indenture, repayment of the Notes and the resignation or removal of the Trustee.
- (i) If any Subsidiary Guarantor or JV Subsidiary Guarantor is substituted to make payments on behalf of the Company pursuant to Article 10, the Company shall promptly notify the Trustee and any clearing house through which the Notes are traded of such substitution and such Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be.
- (j) In connection with the exercise by it of its trusts, powers, authorities or discretions (in including, without limitation, any modification, waiver, authorization or determination), the Trustee shall have regard to the general interests of the Holders as a class but shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and in particular, but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers, authorities or discretions for individual Holders (whatever their number) resulting from their being for any purposes domiciled or resident in, or otherwise connected with, or subject to the jurisdiction or, any country, state or territory and a Holder shall not be entitled to require, nor shall any Holder be entitled to claim, from the Company, the Trustee or any other Person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders except to the extent already provided in Section 4.21 and/or any undertaking given in addition to, or in substitution for, Section 4.21 pursuant to this Indenture.
- (k) The Trustee shall have the right to participate in defense of any claim against it, even if defense assumed by an indemnifying party.
- (l) The Trustee may call for any certificate or other document to be issued by Euroclear or Clearstream (or any alternative clearing system on behalf of whom a Global Note may be held) as to the principal amount of Notes evidenced by such Global Note standing to the account of any Holder. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding insofar as the Holders are concerned for all purposes. The Trustee shall not be liable to any Holders or the Company by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by Euroclear or Clearstream (or any such alternative clearing system) and subsequently found to be forged or not authentic or not to be correct.
- (m) Notwithstanding anything to the contrary in this Indenture, the Trustee shall not in any event be liable for any loss or damage, or any failure or delay in the performance of its obligations hereunder if it is prevented from so performing its obligations by any reason

which is beyond the control of the Trustee, including but not limited to, any existing or future law or regulation, any existing or future act of governmental authority, act of God, flood, war whether declared or undeclared, terrorism, riot, rebellion, civil commotion, strike, lockout, other industrial action, general failure of electricity or other supply, aircraft collision, technical failure, accidental or mechanical or electrical breakdown, computer failure or failure of any money transmission system or any event where performance of any duty or obligation under or pursuant to this Indenture would or may be illegal or would result in the Trustee being in breach of any law, rule, regulation, or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar action (whether or not having the force of law) of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organization to which the Trustee is subject.

- (n) The Trustee should be entitled to take any action or to refuse to take any action which the Trustee regards as necessary for the Trustee to comply with any applicable law, regulation or fiscal requirement, court order, or the rules, operating procedures or market practice of any relevant stock exchange or other market or clearing system.
- (o) The Trustee and the Paying Agent shall be entitled to deduct withholding as required under the FATCA and shall have no obligation to gross up any payment hereunder or to pay any additional amount as a result of such FATCA withholding.
- (p) Each of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors covenants that it will not, directly or indirectly, use the proceeds hereof, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person, (i) to fund any activities or business of or with any person, or in any country or territory, that, at the time of such funding, is, or whose government is, the target or subject of Sanctions or (ii) in any other manner that would result in a violation of Sanctions by any person.
- (q) [RESERVED].
- (r) The Trustee should not be bound to make any investigation into any statement, warranty or representation, or the facts or matters stated in any resolution, certificate, statement, instrument, opinion, notice, request, direction, consent, order, bond or other paper or document made or in connection with this Indenture.
- (s) The Trustee shall be entitled to refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its reasonable opinion, be contrary to any law, directive or regulation of that jurisdiction or any directive or regulation of any agency of any such state or jurisdiction and may without liability do anything which is necessary to comply with any such law, directive or regulation.
- (t) The Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors acknowledge that the Trustee and the Agents and their respective affiliates (collectively, the **“Trustee Parties”**) may have interests in, or may be providing or may in the future provide financial or other services to, other parties with interests which any of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors may regard as conflicting with their respective interests, and may possess information (whether or not material to any of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors) other than as a result of the Trustee and/or the Agents acting as the trustee and/or the agents hereunder that the Trustee and/or the Agents may not be entitled to share with any of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors. The Trustee Parties shall not disclose confidential information obtained from any of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (without their respective written consent) to any of the Trustee and/or the Agent’s such other customers or affiliates nor shall they

use on any of the Company's, the Subsidiary Guarantors' and the JV Subsidiary Guarantors' behalf any confidential information obtained from any such other customer. Without prejudice to the foregoing, each of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors agrees that the Trustee Parties may deal (whether for their own or their customers' account) in, or advise on, securities of such other customers and that such dealing or giving of advice shall not constitute a conflict of interest for the purposes of the Notes, the Subsidiary Guarantees or this Indenture.

- 7.3 **Individual Rights of Trustee.** The Trustee, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not the Trustee and nothing herein shall obligate the Trustee to account for any profits earned from any business or transactional relationship. Any Agent may do the same with like rights.
- 7.4 **Trustee's Disclaimer.** The Trustee (a) makes no representation as to the validity or adequacy of this Indenture, the Notes or the Guarantee of any Subsidiary Guarantor or JV Subsidiary Guarantor, (b) is not accountable for the Company's use or application of the proceeds from the Notes, (c) is not responsible for any statement in the Notes other than the Registrar's certificate of authentication and (d) shall not have any responsibility for the Company's or any Holder's compliance with any state or U.S. federal securities law in connection with the Notes.
- 7.5 **Notice of Default.** If any Default occurs and is continuing and is known to the Trustee, the Trustee will send notice of the Default to each Holder within 90 days after it occurs, or, if later, within 15 days after written notice is provided to a Responsible Officer unless the Default has been cured and written notice of the same is provided to the Trustee. The Trustee shall not be deemed to have knowledge of a Default or Event of Default unless and until a Responsible Officer of the Trustee obtains actual knowledge of such Default or Event of Default through written notification describing the circumstances of such, and identifying the circumstances constituting such Default or Event of Default.
- 7.6 **Compensation and Indemnity.**
- (a) The Company, the Subsidiary Guarantors and any JV Subsidiary Guarantors agree to be jointly and severally responsible for and will pay the Trustee compensation as agreed upon in writing for its services. The compensation of the Trustee is not limited by any law on compensation of a Trustee of an express trust. The Company, the Subsidiary Guarantors and any JV Subsidiary Guarantors agree to be jointly and severally responsible for and will reimburse the Trustee upon request for all properly incurred out-of-pocket expenses, disbursements and advances (including the fees and expenses of legal counsel and the costs of collection) properly incurred or made by the Trustee, including the properly incurred compensation and expenses of the Trustee's agents and counsel and other Persons not regularly within its employ in relation to this Indenture and other transaction documents, including but not limited to legal and travel expenses, and any stamp issue, registration, documentary and other taxes or duties paid or payable by the Trustee in connection with any action taken or contemplated by or on behalf of the Trustee for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, this Indenture or the other transaction documents. If an Event of Default shall have occurred and is continuing or if the Trustee is requested by the Company to undertake duties which are outside the scope of the Trustee's normal duties under this Indenture, the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors shall jointly and severally pay such additional remuneration as they may agree or, failing such agreement as to any of the matters in this Section 7.6 as determined by an independent international investment bank (acting as an expert) selected by the Trustee and approved by the Company. The expenses involved in such nomination and such investment bank's fee will be paid by the Company. The determination of such investment bank will be conclusive and binding on the Company, the Trustee and the holders of the Notes.

- (b) Without prejudice to the right of indemnity given by law to the Trustee, the Company, the Subsidiary Guarantors and any JV Subsidiary Guarantors agree to be jointly and severally responsible for and will indemnify the Trustee or any predecessor Trustee and their agents, employees, officers and directors (each an “**indemnified person**”) for, and hold each indemnified person harmless against, any loss, damages, claims, penalties, fees, actions, suits, judgment, costs or liabilities or expenses (including any taxes payable), of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the Trustee or incurred by it without gross negligence or willful misconduct on its part arising out of or in connection with the acceptance or administration of this Indenture and its duties under this Indenture and the Notes, including the costs and expenses of defending itself against any claim or liability (whether asserted by the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors or the Holders or otherwise) and of complying with any process served upon it or any of its officers in connection with the exercise or performance of any of its powers, trusts, rights, authorities, discretions or duties under this Indenture and the Notes.
- (c) To secure the Company’s payment obligations in this Section 7.6, the Trustee will have a Lien prior to the Notes on all money or property held or collected by the Trustee, in its capacity as Trustee, except money or property held in trust to pay principal of, and interest on particular Notes.
- (d) All payments made by the Company, Subsidiary Guarantors (if any) and JV Subsidiary Guarantors (if any) under this Article 7 to the Trustee for the sole account of the Trustee under this Indenture shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature (including related penalties, interest and other liabilities) (hereinafter, “**Taxes**”) imposed or levied by or on behalf of the government of the Relevant Jurisdiction or any political subdivision or any authority or agency therein or thereof having power to tax, or any other jurisdiction in which the Company or any Subsidiary Guarantor is organized or is otherwise resident for tax purposes, or any jurisdiction from or through which payment is made. If the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor is so required by law or by regulation or governmental policy having the force of law to withhold or deduct any amount for or on account of Taxes imposed by a Relevant Taxing Jurisdiction from any payment made under or with respect to such payments to the Trustee, the Company, any Subsidiary Guarantors and any JV Subsidiary Guarantors shall pay such additional amounts as may be necessary so that the net amount received by the Trustee (including such additional amounts) after such withholding or deduction will not be less than the amount the Trustee would have received if such Taxes had not been withheld or deducted.
- (e) Notwithstanding the satisfaction or discharge of this Indenture, the redemption or maturity of the Notes and the termination of the appointment of the Trustee, the obligations of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors to the Trustee under this Section 7.6 shall survive.

7.7 **Replacement of Trustee.**

- (a)
 - (i) The Trustee may resign at any time by written notice to the Company.
 - (ii) The Holders of a majority in principal amount of the Outstanding Notes may remove the Trustee by written notice to the Trustee.
 - (iii) The Company may remove the Trustee if: (i) the Trustee is adjudged a bankrupt or an insolvent; (ii) a receiver or other public officer takes charge of the Trustee or its property; or (iii) the Trustee becomes incapable of acting.

A resignation or removal of the Trustee and appointment of a successor Trustee will

become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.7.

- (b) If the Trustee has been removed by the Holders, Holders of a majority in principal amount of the Notes may appoint a successor Trustee with the consent of the Company unless an Event of Default has occurred and is continuing in which case the consent of the Company is not required. Otherwise, if the Trustee resigns or is removed, or if a vacancy exists in the office of Trustee for any reason, the Company will promptly appoint a successor Trustee. If the successor Trustee does not deliver its written acceptance within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee shall be entitled (but not obligated) (at the expense of the Company) to appoint a successor trustee or the retiring Trustee, the Company or the Holders of a majority in the aggregate principal amount of the Outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.
- (c) Upon delivery by the successor Trustee of a written acceptance of its appointment to the retiring Trustee and to the Company, (i) the retiring Trustee will transfer all property and documents held by it as Trustee to the successor Trustee, subject to the Lien provided for in Section 7.6, (ii) the resignation or removal of the retiring Trustee will become effective, and (iii) the successor Trustee will have all the rights, powers and duties of the Trustee under this Indenture. Upon request of any successor Trustee, the Company and each Subsidiary Guarantor (if any) and JV Subsidiary Guarantor (if any) will execute any and all instruments for fully vesting in and confirming to the successor Trustee all such rights, powers and trusts. The Company will give notice of any resignation and any removal of the Trustee and each appointment of a successor Trustee to all Holders, and include in the notice the name of the successor Trustee and the address of its Corporate Trust Office.
- (d) Notwithstanding replacement of the Trustee pursuant to this Section 7.7, the Company's obligations under Section 7.6 will continue for the benefit of the retiring Trustee.

7.8 **Successor Trustee by Consolidation, Merger, Conversion or Transfer.** If the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business or assets (including the administration of the trust created by this Indenture) to, another corporation or national banking association, the resulting, surviving or transferee corporation or national banking association without any further act will be the successor Trustee with the same effect as if the successor Trustee had been named as the Trustee in this Indenture.

7.9 **Money Held in Trust.** The Trustee will not be liable for interest on any money received by it except as it may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law and except for money held in trust under Article 8.

8 DEFEASANCE AND DISCHARGE

8.1 Defeasance and Discharge of Indenture.

- (a) The Company shall be deemed to have paid and shall be discharged from any and all obligations in respect of the Notes on the 183rd day after the deposit referred to in clause (i) of this Section 8.1(a) has been made, and the provisions of this Indenture will no longer be in effect with respect to the Notes (except for, among other matters, certain obligations to register the transfer or exchange of the Notes, to replace stolen, lost or mutilated Notes, to maintain paying agencies and to hold monies for payment in trust) if, among other things:
 - (i) the Company (a) has deposited with the Trustee, in trust, money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of

this Indenture and the Notes and (b) delivers to the Trustee an Opinion of Counsel or a certificate of an internationally-recognized firm of independent accountants to the effect that the amount deposited by the Company is sufficient to provide payment for the principal of, premium, if any, and accrued interest on, the Notes on the Stated Maturity of such payment in accordance with the terms of this Indenture;

- (ii) the Company has delivered to the Trustee an Opinion of Counsel of recognized standing internationally to the effect that the creation of the defeasance trust does not violate the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”), and after the passage of 123 days following the deposit, the trust fund will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15 of the New York Debtor and Creditor Law; and
- (iii) immediately after giving effect to such deposit on a pro forma basis, no Event of Default, or event that after the giving of notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing on the date of such deposit or during the period ending on the 183rd day after the date of such deposit, and such defeasance shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company or any of its Restricted Subsidiaries is a party or by which the Company or any of its Restricted Subsidiaries is bound.

- (b) In the case of either discharge or defeasance pursuant to this Section 8.1, the Subsidiary Guarantees and the JV Subsidiary Guarantees shall terminate.

8.2 **Covenant Defeasance.**

- (a) The Company may omit to comply with any term, provision or condition set forth in, and this Indenture shall no longer be in effect with respect to clauses (iii), (iv), (v)(A) and (vii) of Section 5.1(a), clauses (iii), (iv), (v)(A) and (vi) of Section 5.1(b), and all the covenants in Article 4 (other than Sections 4.3 and 4.18) and clause (c) of Section 6.1 with respect to clauses (iii), (iv), (v)(A) and (vii) of Section 5.1(a) and clauses (iii), (iv), (v)(A) and (vi) of Section 5.1(b) and with respect to the other events set forth in such clause (c), clause (d) of Section 6.1 with respect to such other covenants and clauses (e) and (f) of Section 6.1 shall be deemed not to be Events of Default; *provided* the following conditions have been satisfied:
 - (i) the Company has deposited with the Trustee, in trust, of money that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of this Indenture and the Notes;
 - (ii) the Company has delivered to the Trustee an Opinion of Counsel of recognized international standing to the effect that the creation of the defeasance trust does not violate the Investment Company Act, and after the passage of 123 days following the deposit, the trust fund will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15 of the New York Debtor and Creditor Law; and
 - (iii) the Company has delivered to the Trustee of an Opinion of Counsel of recognized international standing with respect to United States federal income tax matters to the effect that the beneficial owners of the Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such deposit and defeasance of certain covenants and Events of Default and will be subject to

United States federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred.

- (b) Except as specifically stated in Section 8.2(a) above, none of the Company's obligations under this Indenture will be discharged.

8.3 **Application of Trust Money.** Subject to Section 8.4, the Trustee shall hold in trust the money deposited with it pursuant to Sections 8.1 or 8.2, and apply the deposited money to the payment of principal of and premium or interest on the Notes in accordance with the Notes and this Indenture. Such money shall be held in an account in the Trustee's name and shall be maintained with the Trustee or an Affiliate. The Trustee needs only account for an amount of interest equal to that payable to an independent customer.

8.4 **Repayment to Company.** Subject to Sections 7.6, 8.1 and 8.2, the Trustee shall promptly pay to the Company upon written request by the Company in the form of an Officers' Certificate any excess money held by the Trustee at any time and thereupon be relieved from all liability with respect to such money. The Trustee shall pay to the Company upon request any money held for payment with respect to the Notes that remains unclaimed for six years, *provided that* before making such payment the Trustee may at the expense of the Company publish once in a newspaper of general circulation in Hong Kong, or send to each Holder entitled to such money, notice that the money remains unclaimed and that after a date specified in the notice (at least 30 days after the date of the publication or notice) any remaining unclaimed balance of money will be repaid to the Company. After payment to the Company, Holders entitled to such money must look solely to the Company for payment, unless applicable law designates another Person, and all liability of the Trustee with respect to such money shall cease.

8.5 **Reinstatement.** If and for so long as the Trustee is unable to apply any money held in trust pursuant to Section 8.1 or 8.2 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture and the Notes shall be reinstated as though no such deposit in trust had been made. If the Company makes any payment of principal of, premium (if any) or interest on any Notes because of the reinstatement of its obligations, it shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money held in trust.

9 AMENDMENTS, SUPPLEMENTS AND WAIVERS

9.1 Amendments Without Consent of Holders.

- (a) The Company, the Subsidiary Guarantors (if any), the JV Subsidiary Guarantors (if any) and the Trustee may amend or supplement this Indenture, the Notes, the Subsidiary Guarantees (if any) or the JV Subsidiary Guarantees (if any) without notice to or the consent of any Holder, to:
- (i) cure any ambiguity, defect or inconsistency in this Indenture, the Notes, the Subsidiary Guarantees (if any) or the JV Subsidiary Guarantees (if any) in a manner that does not materially and adversely affect the rights of any Holder;
 - (ii) comply with Section 5.1;
 - (iii) evidence and provide for the acceptance of an appointment hereunder by a successor Trustee;
 - (iv) add any Subsidiary Guarantor or JV Subsidiary Guarantor or any Subsidiary Guarantee or JV Subsidiary Guarantee or release any Subsidiary Guarantor or JV Subsidiary Guarantor from any Subsidiary Guarantee or JV Subsidiary

Guarantee, as the case may be, as provided or permitted by the terms of this Indenture;

- (v) provide for the issuance of Additional Notes in accordance with the limitations set forth in this Indenture;
- (vi) add collateral to secure the Notes or any Subsidiary Guarantee or JV Subsidiary Guarantee and create or register Liens on such collateral or release any such collateral as provided or permitted by the terms of this Indenture;
- (vii) make any other change that does not adversely affect the rights of any Holder;
- (viii) in any other case where a supplemental indenture to this Indenture is required or permitted to be entered into pursuant to the provisions of this Indenture without the consent of any Holder; or
- (ix) effect any changes to this Indenture in a manner necessary to comply with the procedures of Euroclear, Clearstream or any successor clearing system.

9.2 Amendments With Consent of Holders.

- (a) The Company, the Subsidiary Guarantors (if any), the JV Subsidiary Guarantors (if any) and the Trustee may amend this Indenture, the Notes, the Subsidiary Guarantees (if any) or the JV Subsidiary Guarantees (if any) with the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Notes, and the Holders of a majority in principal amount of the Outstanding Notes may waive future compliance by the Company with any provision of this Indenture, the Notes, the Subsidiary Guarantees (if any) or the JV Subsidiary Guarantees (if any).
- (b) Notwithstanding the provisions of paragraph (a), without the consent of each Holder affected thereby (or, in the case of clause (vii) below, Holders representing not less than 90% of the then Outstanding aggregate principal amount of the Notes affected thereby), an amendment or waiver may not:
 - (i) change the Stated Maturity of the principal of, or any installment of interest on, any Note;
 - (ii) reduce the principal amount of, or premium, if any, or interest on, any Note;
 - (iii) change the place, currency or time of payment of principal of, or premium, if any, or interest on, any Note;
 - (iv) impair the contractual right to institute suit for the enforcement of any payment on or after the Stated Maturity (or, in the case of a redemption, on or after the redemption date) of any Note or any Subsidiary Guarantee or any JV Subsidiary Guarantee;
 - (v) reduce the above stated percentage of Outstanding Notes the consent of whose Holders is necessary to modify or amend this Indenture;
 - (vi) waive a default in the payment of principal of, premium, if any, or interest on the Notes;
 - (vii) release any Subsidiary Guarantor or JV Subsidiary Guarantor from its Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be, except as provided in this Indenture;

- (viii) release any collateral, except as provided or permitted by the terms of this Indenture;
 - (ix) reduce the percentage or aggregate principal amount of Outstanding Notes the consent of whose Holders is necessary for waiver of compliance with certain provisions of this Indenture or for waiver of certain defaults;
 - (x) amend, change or modify any Subsidiary Guarantee or JV Subsidiary Guarantee in a manner that adversely affects the Holders;
 - (xi) reduce the amount payable upon a Change of Control Offer or an Offer to Purchase with the Excess Proceeds from any Asset Sale or, change the time or manner by which a Change of Control Offer or an Offer to Purchase with the Excess Proceeds or other proceeds from any Asset Sale may be made or by which the Notes must be repurchased pursuant to a Change of Control Offer or an Offer to Purchase with the Excess Proceeds or other proceeds from any Asset Sale;
 - (xii) change the redemption date or the redemption price of the Notes from that stated under Section 3.1;
 - (xiii) amend, change or modify the obligation of the Company or any Subsidiary Guarantor or any JV Subsidiary Guarantor to pay Additional Amounts; or
 - (xiv) amend, change or modify any provision of this Indenture or the related definition affecting the ranking of the Notes or any Subsidiary Guarantee or any JV Subsidiary Guarantee as to contractual right of payment in a manner which adversely affects the Holders.
- (c) It is not necessary for Holders to approve the particular form of any proposed amendment, supplement or waiver, but is sufficient if their consent approves the substance thereof.
- (d) An amendment, supplement or waiver under this Section will become effective on receipt by the Trustee of written consents from the Holders of the requisite percentage in principal amount of the Outstanding Notes. After an amendment, supplement or waiver under this Section becomes effective, the Company will send to the Holders affected thereby a notice briefly describing the amendment, supplement or waiver. The Company will send supplemental indentures to Holders upon request. Any failure of the Company to send such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such supplemental indenture or waiver.

9.3 **Effect of Consent.**

- (a) After an amendment, supplement or waiver becomes effective, it will bind every Holder unless it is of the type requiring the consent of each Holder affected. If the amendment, supplement or waiver is of the type requiring the consent of each Holder affected, the amendment, supplement or waiver will bind each Holder that has consented to it and every subsequent Holder of a Note that evidences the same debt as the Note of the consenting Holder.
- (b) If an amendment, supplement or waiver changes the terms of a Note, the Trustee may require the Holder to deliver it to the Trustee so that the Trustee may place an appropriate notation of the changed terms on the Note and return it to the Holder, or exchange it for a new Note that reflects the changed terms. The Trustee may also place an appropriate notation on any Note thereafter authenticated. However, the effectiveness of the amendment, supplement or waiver is not affected by any failure to annotate or exchange Notes in this fashion.

- 9.4 **Trustee's Rights and Obligations.** The Trustee is entitled to receive, and will be fully protected in relying upon, an Opinion of Counsel stating that the execution of any amendment, supplement or waiver authorized pursuant to this Article 9 is authorized or permitted by this Indenture and that such amendment, supplement or waiver constitutes the legal, valid and binding obligations of the party or parties executing such amendment, supplement or waiver and enforceable against such party or parties in accordance with its terms (subject to customary exceptions), and an Officers' Certificate stating that all conditions precedent have been complied with. If the Trustee has received such an Opinion of Counsel, it shall sign the amendment, supplement or waiver so long as the same does not adversely affect the rights of the Trustee. The Trustee may, but is not obligated to, execute any amendment, supplement or waiver that affects the Trustee's own rights, duties or immunities under this Indenture.
- 9.5 **Payments for Consents.** Neither the Company nor any of its Subsidiaries or Affiliates may, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes unless such consideration is offered to be paid or agreed to be paid to all Holders of the Notes that consent, waive or agree to amend such term or provision within the time period set forth in the solicitation documents relating to the consent, waiver or amendment.

10 SUBSIDIARY GUARANTEES AND JV SUBSIDIARY GUARANTEES

- 10.1 **The Subsidiary Guarantees.** Subject to the provisions of this Article 10, each of the Subsidiary Guarantors and JV Subsidiary Guarantors (whether originally a signatory hereto or added pursuant to a supplemental indenture) hereby, jointly and severally, Guarantees as principal obligor to each Holder of a Note authenticated by the Registrar and to the Trustee and its successors and assigns the due and punctual payment of the principal of, premium (if any) and interest on, and all other amounts payable under, the Notes and this Indenture, *provided that* any JV Subsidiary Guarantee will be limited to the JV Entitlement Amount.
- 10.2 **Guarantee Unconditional.** The obligations of each Subsidiary Guarantor (if any) and JV Subsidiary Guarantor (if any) hereunder are unconditional and absolute and, without limiting the generality of the foregoing, will not be released, discharged or otherwise affected by:
- (a) any extension, renewal, settlement, compromise, waiver or release in respect of any obligation of the Company under this Indenture or any Note, by operation of law or otherwise;
 - (b) any modification or amendment of or supplement to this Indenture or any Note;
 - (c) any change in the corporate existence, structure or ownership of the Company, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Company or its assets or any resulting release or discharge of any obligation of the Company contained in this Indenture or any Note;
 - (d) the existence of any claim, set off or other rights which such Subsidiary Guarantor or JV Subsidiary Guarantor may have at any time against the Company, the Trustee or any other Person, whether in connection with this Indenture or any unrelated transactions, *provided that* nothing herein prevents the assertion of any such claim by separate suit or compulsory counterclaim;
 - (e) any invalidity, irregularity, or unenforceability relating to or against the Company for any reason of this Indenture or any Note, or
 - (f) any other act or omission to act or delay of any kind by the Company, the Trustee or any other Person or any other circumstance whatsoever which might, but for the provisions

of this paragraph, constitute a legal or equitable discharge of or defense to such Subsidiary Guarantor's or JV Subsidiary Guarantor's obligations hereunder.

- 10.3 **Discharge; Reinstatement.** Each Subsidiary Guarantor's and JV Subsidiary Guarantor's obligations hereunder will remain in full force and effect until the principal of, premium, if any, and interest on the Notes and all other amounts payable by the Company under this Indenture have been paid in full. If at any time any payment of the principal of, premium, if any, or interest on any Note or any other amount payable by the Company under this Indenture is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of the Company or otherwise, each Subsidiary Guarantor's and any JV Subsidiary Guarantor's obligations hereunder with respect to such payment will be reinstated as though such payment had been due but not made at such time. All payments under any Subsidiary Guarantees and any JV Subsidiary Guarantees will be made in U.S. dollars.
- 10.4 **Waiver by the Subsidiary Guarantors and the JV Subsidiary Guarantors.** Each Subsidiary Guarantor and JV Subsidiary Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against the Company or any other Person. In particular, each Subsidiary Guarantor and JV Subsidiary Guarantor irrevocably waives its right to require the Trustee to pursue or exhaust the Trustee's legal or equitable remedies against the Company prior to exercising the Trustee's rights under its Subsidiary Guarantee or JV Subsidiary Guarantee, as the case may be.
- 10.5 **Subrogation and Contribution.** Upon making any payment with respect to any obligation of the Company under this Article 10, the Subsidiary Guarantor or JV Subsidiary Guarantor making such payment will be subrogated to the rights of the payee against the Company with respect to such obligation, *provided that* the Subsidiary Guarantor or JV Subsidiary Guarantor may not enforce either any right of subrogation, or any right to receive payment in the nature of contribution, or otherwise, from any other Subsidiary Guarantor (if any) or JV Subsidiary Guarantor (if any), as the case may be, with respect to such payment so long as any amount payable by the Company hereunder or under the Notes remains unpaid.
- 10.6 **Stay of Acceleration.** If acceleration of the time for payment of any amount payable by the Company under this Indenture or the Notes is stayed upon the insolvency, bankruptcy or reorganization of the Company, all such amounts otherwise subject to acceleration under the terms of this Indenture are nonetheless payable by the Subsidiary Guarantors (if any) or JV Subsidiary Guarantors (if any) hereunder forthwith on demand by the Trustee or the Holders.
- 10.7 **Limitation on Amount of Subsidiary Guarantee.** Notwithstanding anything to the contrary in this Article 10, each Subsidiary Guarantor (if any) and each JV Subsidiary Guarantor (if any), and by its acceptance of Notes, each Holder, hereby confirms that it is the intention of all such parties that the Subsidiary Guarantee of such Subsidiary Guarantor or the JV Subsidiary Guarantee of such JV Subsidiary Guarantor not constitute a fraudulent conveyance under applicable fraudulent conveyance provisions of the United States Bankruptcy Code or any comparable law of any other jurisdiction. To effectuate that intention, the Trustee, the Holders, the Subsidiary Guarantors and the JV Subsidiary Guarantors hereby irrevocably agree that the obligations of each Subsidiary Guarantor under its Subsidiary Guarantee and of each JV Subsidiary Guarantor under its JV Subsidiary Guarantee are limited in an amount not to exceed the maximum amount that can be guaranteed by the applicable Subsidiary Guarantor without rendering the Subsidiary Guarantee, as it relates to such Subsidiary Guarantor, or the applicable JV Subsidiary Guarantor without rendering the JV Subsidiary Guarantee, as it relates to such JV Subsidiary Guarantor, as the case may be, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.
- 10.8 **Ranking of Subsidiary Guarantees and JV Subsidiary Guarantees.** If any is provided, the Subsidiary Guarantee of each Subsidiary Guarantor: (a) will be a general obligation of such Subsidiary Guarantor; (b) will be effectively subordinated to the secured obligations of such

Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor; (c) will be senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee; and (d) will rank at least *pari passu* in right of payment with all other unsecured, unsubordinated Indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsecured, unsubordinated Indebtedness pursuant to applicable law).

If any is provided, the JV Subsidiary Guarantee of each JV Subsidiary Guarantor: (a) will be a general obligation of such JV Subsidiary Guarantor; (b) will be enforceable only up to the JV Entitlement Amount; (c) will be effectively subordinated to secured obligations of such JV Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor; (d) will be limited to the JV Entitlement Amount, and will be senior in right of payment to all future obligations of such JV Subsidiary Guarantor expressly subordinated in right of payment to such JV Subsidiary Guarantee; and (e) will be limited to the JV Entitlement Amount, and will rank at least *pari passu* in right of payment with all other unsecured, unsubordinated Indebtedness of such JV Subsidiary Guarantor (subject to any priority rights of such unsecured, unsubordinated Indebtedness pursuant to applicable law).

10.9 Further Subsidiary Guarantors and JV Subsidiary Guarantors.

- (a) The Company will calculate the Net Asset Value and Capital for each Restricted Subsidiary (other than a PRC Restricted Subsidiary, a Subsidiary Guarantor or a JV Subsidiary Guarantor) on 30 April each year (each such date, a “**Determination Date**”) by reference to standalone audited financial statements for the fiscal year ending immediately prior to the relevant Determination Date and shall promptly deliver an Officer’s Certificate to the Trustee substantially in the form of Exhibit N in which the Company shall confirm whether any Restricted Subsidiary (other than a PRC Restricted Subsidiary, a Subsidiary Guarantor or a JV Subsidiary Guarantor) had a Net Asset Value or Capital of at least RMB25 million as of the last day of such fiscal year (each such Restricted Subsidiary, an “**Acceding Subsidiary**”). The Company will cause each Acceding Subsidiary to execute and deliver to the Trustee a supplemental indenture to this Indenture, pursuant to which such Acceding Subsidiary will guarantee the payment of the Notes as either a Subsidiary Guarantor or a JV Subsidiary Guarantor (as applicable), as soon as practicable and in any event by not later than 45 (forty-five) days following the applicable Determination Date. Notwithstanding the foregoing, the Company may elect to have any future Restricted Subsidiary (and its Restricted Subsidiaries) organized outside the PRC not provide a Subsidiary Guarantee or JV Subsidiary Guarantee (each a “**New Offshore Non-Guarantor Subsidiary**,” together with the Initial Offshore Non-Guarantor Subsidiaries, the “**Offshore Non-Guarantor Subsidiaries**”), *provided that*, after giving effect to the Consolidated Assets of such Restricted Subsidiary and its Subsidiaries (other than any Unrestricted Subsidiaries), the Consolidated Assets of all Restricted Subsidiaries organized outside the PRC that are not Subsidiary Guarantors or JV Subsidiary Guarantors do not account for more than 5% of the Total Assets of the Company.
- (b) Each Restricted Subsidiary that Guarantees the Notes after the Original Issue Date is referred to as a “**Future Subsidiary Guarantor**” or “**Future JV Subsidiary Guarantor**” and upon execution of the applicable supplemental indenture to this Indenture will be a Subsidiary Guarantor or JV Subsidiary Guarantor.
- (c) In the case of a Restricted Subsidiary (i) that is, or is proposed by the Company or any of its Restricted Subsidiaries to be, established after the Original Issue Date, (ii) that is incorporated in any jurisdiction other than the PRC and (iii) in respect of which the Company or any of its Restricted Subsidiaries (x) is proposing to sell, whether through the sale of existing shares or the issuance of new shares, no less than 20.0% and no more than 49.9% of the Capital Stock of such Restricted Subsidiary or (y) is proposing to purchase no less than 50.1% of the Capital Stock of an Independent Third Party and

designate such entity as a Restricted Subsidiary, the Company may, concurrently with the consummation of such sale, issuance or purchase, provide a JV Subsidiary Guarantee (as defined below) instead of a Subsidiary Guarantee for (A) such Restricted Subsidiary and (B) the Restricted Subsidiaries of such Restricted Subsidiary that are organized in any jurisdiction other than the PRC, if the following conditions, in the case of both (A) and (B), are satisfied:

- (i) as of the date of execution of the JV Subsidiary Guarantee, no document exists that is binding on the Company or any of the Restricted Subsidiaries that would have the effect of (i) prohibiting the Company or any of the Restricted Subsidiaries from providing such JV Subsidiary Guarantee or (ii) requiring the Company or any of the Restricted Subsidiaries to deliver or keep in place a Guarantee on terms that are more favorable to the recipients of such Guarantee than the JV Subsidiary Guarantee;
- (ii) such sale or issuance of Capital Stock is made to, or such purchase of Capital Stock is purchased from, an Independent Third Party at a consideration that is not less than the appraised value of such Capital Stock by an independent appraisal firm of recognized international standing appointed by the Company;
- (iii) all capital contributions (by way of transfer of cash or other property or any payment for property or services for the use of others or otherwise) to be made into a JV Subsidiary Guarantor from the date of the sale of existing Capital Stock or issuance of new Capital Stock as referred to above, shall be made directly or by contribution of assets or services having an equivalent Fair Market Value by (i) the Company and its Restricted Subsidiaries and (ii) such Independent Third Party that purchased or subscribed for Capital Stock in the JV Subsidiary Guarantor in proportion to their respective direct or indirect ownership percentages of the Capital Stock of such JV Subsidiary Guarantor or on a basis more favorable to the Company; and
- (iv) concurrently with providing the JV Subsidiary Guarantee, the Company shall or shall cause such JV Subsidiary Guarantor to deliver to the Trustee:
 - (A) (A) a duly executed JV Subsidiary Guarantee of such JV Subsidiary Guarantor (the “**JV Subsidiary Guarantee**”) and each Restricted Subsidiary of such JV Subsidiary Guarantor that is not organized under the laws of the PRC, and (B) a duly executed supplemental indenture to this Indenture pursuant to which such JV Subsidiary Guarantor will Guarantee the payment of the Notes, each of which provides, among other things, that the aggregate claims of the Trustee under such JV Subsidiary Guarantee and all JV Subsidiary Guarantees provided by the Restricted Subsidiaries of such JV Subsidiary Guarantor will be limited to the applicable JV Entitlement Amount;
 - (B) an Officers’ Certificate certifying a copy of the Board Resolution to the effect that such JV Subsidiary Guarantee has been approved by a majority of the disinterested members of the Board of Directors; and
 - (C) a legal opinion by a law firm of recognized international standing confirming that under New York law such JV Subsidiary Guarantees are valid, binding and enforceable against the JV Subsidiary Guarantors providing such JV Subsidiary Guarantees (subject to customary qualifications and assumptions).

10.10 Execution and Delivery of Subsidiary Guarantees and JV Subsidiary Guarantees.

The execution by each Subsidiary Guarantor of this Indenture (or by each Subsidiary Guarantor or any JV Subsidiary Guarantor of a supplemental indenture to this Indenture in the form of Exhibit G) evidences the Subsidiary Guarantee of such Subsidiary Guarantor or JV Subsidiary Guarantee of such JV Subsidiary Guarantor, as applicable, whether or not the person signing as an officer of the Subsidiary Guarantor or JV Subsidiary Guarantor still holds that office at the time of authentication of any Note. The delivery of any Note by the Registrar after authentication constitutes due delivery of the Subsidiary Guarantee and JV Subsidiary Guarantee set forth in this Indenture on behalf of each Subsidiary Guarantor and JV Subsidiary Guarantor.

10.11 Release of the Subsidiary Guarantees and JV Subsidiary Guarantees.

- (a) A Subsidiary Guarantee given by a Subsidiary Guarantor or a JV Subsidiary Guarantee given by a JV Subsidiary Guarantor will be released upon,
 - (i) repayment in full of the Notes;
 - (ii) a defeasance as provided in Section 8.1;
 - (iii) the designation by the Company of a Subsidiary Guarantor or JV Subsidiary Guarantor as an Unrestricted Subsidiary in compliance with the terms of this Indenture;
 - (iv) the sale, merger or disposition of such Subsidiary Guarantor or JV Subsidiary Guarantor in compliance with the terms of this Indenture (including Sections 4.11, 4.14 and 5.1) resulting in such Subsidiary Guarantor or JV Subsidiary Guarantor no longer being a Restricted Subsidiary, so long as (i) such Subsidiary Guarantor or JV Subsidiary Guarantor is simultaneously released from its obligations in respect of any of the Company's other Indebtedness or any Indebtedness of any other Restricted Subsidiary and (ii) the proceeds from such sale, merger or disposition are used for the purposes permitted or required by this Indenture;
 - (v) in the case of a Subsidiary Guarantee, upon the replacement of such Subsidiary Guarantee with a JV Subsidiary Guarantee; or
 - (vi) in the case of any Subsidiary Guarantor or JV Subsidiary Guarantor that becomes a New Offshore Non-Guarantor Subsidiary, in compliance with the terms of this Indenture.
- (b) No release and discharge of a Subsidiary Guarantee or a JV Subsidiary Guarantee will be effective against the Trustee, any Agent or the Holders of Notes (i) if a Default or Event of Default shall have occurred and be continuing under this Indenture as of the time of such proposed release and discharge until such time as such Default or Event of Default is cured or waived and (ii) until the Company shall have delivered to the Trustee an Officers' Certificate stating that all conditions precedent provided for in this Indenture relating to such release and discharge have been complied with and that such release and discharge is authorized and permitted under this Indenture. At the request of the Company, the Trustee will execute and deliver an instrument evidencing such release and discharge and do all such other acts and things necessary to release the Subsidiary Guarantor(s) or JV Subsidiary Guarantor(s) from its (or their) obligations hereunder.

10.12 Replacement of Subsidiary Guarantees with JV Subsidiary Guarantees.

A Subsidiary Guarantee given by a Subsidiary Guarantor may be released following the sale or issuance by the Company or any of its Restricted Subsidiaries of Capital Stock in (a) such Subsidiary Guarantor or (b) any other Subsidiary Guarantor that, directly or indirectly, owns a majority of the Capital Stock of such Subsidiary Guarantor, in each case where such sale or

issuance, whether through the sale of existing shares or the issuance of new shares, is for no less than 20.0% and no more than 49.9% of the issued Capital Stock of the relevant Subsidiary Guarantor, *provided that* the following conditions are satisfied or complied with:

- (a) as of the date of such proposed release, no document exists that is binding on the Company or any of the Restricted Subsidiaries that would have the effect of (i) prohibiting the Company or any of the Restricted Subsidiaries from releasing such Subsidiary Guarantee, (ii) prohibiting the Company or any of the Restricted Subsidiaries from providing such JV Subsidiary Guarantee, or (iii) requiring the Company or any of the Restricted Subsidiaries to deliver or keep in force a replacement Guarantee on terms that are more favorable to the recipients of such Guarantee than the JV Subsidiary Guarantee;
- (b) such sale or issuance of Capital Stock is made to an Independent Third Party at a consideration that is not less than the appraised value of such Capital Stock by an independent appraisal firm of recognized international standing appointed by the Company;
- (c) all capital contributions (by way of transfer of cash or other property or any payment for property or services for the use of others or otherwise) to be made into a JV Subsidiary Guarantor from the date of the sale of existing Capital Stock or issuance of new Capital Stock as referred to above, shall be made directly or by contribution of assets or services having an equivalent Fair Market Value by (i) the Company and its Restricted Subsidiaries and (ii) such Independent Third Party that purchased or subscribed for Capital Stock in the JV Subsidiary Guarantor in proportion to their respective direct or indirect ownership percentages of the Capital Stock of such JV Subsidiary Guarantor or on a basis more favorable to the Company; and
- (d) concurrently with the release of such Subsidiary Guarantee, the Company shall or shall cause such JV Subsidiary Guarantor to deliver to the Trustee:
 - (i) (A) a duly executed JV Subsidiary Guarantee of such JV Subsidiary Guarantor and each Restricted Subsidiary of such JV Subsidiary Guarantor that is not organized under the laws of the PRC and (B) a duly executed supplemental indenture to this Indenture pursuant to which such JV Subsidiary Guarantor will Guarantee the payment of the Notes, each of which provides, among other things, that the aggregate claims of the Trustee under such JV Subsidiary Guarantee and all JV Subsidiary Guarantees provided by the Restricted Subsidiaries and shareholders of such JV Subsidiary Guarantor will be limited to the applicable JV Entitlement Amount;
 - (ii) an Officers' Certificate certifying a copy of a Board Resolution to the effect that such JV Subsidiary Guarantee has been approved by a majority of the disinterested members of the Board of Directors; and
 - (iii) a legal opinion by a law firm of recognized international standing confirming that under New York law such JV Subsidiary Guarantee is valid, binding and enforceable against the JV Subsidiary Guarantor providing such JV Subsidiary Guarantee (subject to customary qualifications and assumptions).

11 MISCELLANEOUS

- 11.1 **Ranking.** The Notes are: (a) general obligations of the Company; (b) Guaranteed by the Subsidiary Guarantors, if any, and the JV Subsidiary Guarantors, if any, on a senior basis, subject to certain limitations set forth in Article 10; (c) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes, (d) at least *pari passu* in right of payment with all other unsecured, unsubordinated Indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated Indebtedness

pursuant to applicable law); (e) effectively subordinated to the secured obligations (if any) of the Company and the Subsidiary Guarantors and the JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor; and (f) effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

11.2 Notices.

- (a) All notices or demands required or permitted by the terms of the Notes or this Indenture to be given to or by the Holders are required to be in writing (in English) and may be given or served by being sent by prepaid courier or by being deposited, first-class postage prepaid, in mails of the relevant jurisdiction (if intended for the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor) addressed to the Company, such Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be at Unit 3108, 31/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong (facsimile: +852 2548 8817, attention: Mr. Yu Chon Man Jimmy), or (if intended for the Trustee), to the Corporate Trust Office of the Trustee (facsimile: +44 1202 689660, attention: Corporate Trust Administration - China Singyes Solar Technologies Holdings Limited/Project Helios) with a copy to The Bank of New York Mellon, Hong Kong Branch, at Level 24, Three Pacific Place, 1 Queen's Road East, Hong Kong (facsimile: +852 2295 3283, attention: Corporate Trust - China Singyes Solar Technologies Holdings Limited/Project Helios); and (if intended for any Holder) addressed to such Holder at such Holder's last address as it appears in the Note register. The Company or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications. Notices to the Trustee shall only be effective upon actual receipt.
- (b) Any such notice or demand will be deemed to have been sufficiently given or served when so sent or deposited except that notices to the Trustee shall only be effective upon actual receipt and, if to the Holders, when delivered in accordance with the applicable rules and procedures of Euroclear or Clearstream. Any such notice shall be deemed to have been delivered on the day such notice is delivered to Euroclear or Clearstream, or if by mail, when so sent or deposited.
- (c) Where this Indenture provides for notice, the notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and the waiver will be the equivalent of the notice. Waivers of notice by Holders must be filed with the Trustee, but such filing is not a condition precedent to the validity of any action taken in reliance upon such waivers.

11.3 Certificate and Opinion as to Conditions Precedent.

- (a) Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company will furnish to the Trustee at the Trustee's request:
 - (i) an Officers' Certificate stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with;
 - (ii) an Opinion of Counsel stating that all such conditions precedent have been complied with; and
 - (iii) an incumbency certificate giving the names and specimen signatures of Authorized Officers for any such Authorized Officers who have not previously provided specimen signatures to the Trustee.
- (b) In any case where several matters are required to be certified by, or covered by an Opinion of Counsel of, any specified Person, it is not necessary that all such matters be certified

by, or covered by the Opinion of Counsel of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an Opinion of Counsel with respect to some matters and one or more such Persons as to other matters, and any such Person may certify or give an Opinion of Counsel as to such matters in one or several documents.

- (c) Any certificate of an Officer of the Company or any Subsidiary Guarantor or JV Subsidiary Guarantor may be based, insofar as it relates to legal matters, upon an Opinion of Counsel, unless such Officer knows, or in the exercise of reasonable care should know, that such Opinion of Counsel with respect to the matters upon which his certificate is based are erroneous. Any Opinion of Counsel may be based, and may state that it is so based, insofar as it relates to factual matters, upon a certificate of, or representations by, an officer or officers of the Company or a Subsidiary Guarantor or JV Subsidiary Guarantor stating that the information with respect to such factual matters is in the possession of the Company or such Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or representations with respect to such matters are erroneous.
- (d) Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

11.4 Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture must include:

- (a) a statement that each person signing the certificate or opinion has read the covenant or condition and the related definitions;
- (b) a brief statement as to the nature and scope of the examination or investigation upon which the statement or opinion contained in the certificate or opinion is based;
- (c) a statement that, in the opinion of each such person, that person has made such examination or investigation as is necessary to enable the person to express an informed opinion as to whether or not such covenant or condition has been complied with; and
- (d) a statement as to whether or not, in the opinion of each such person, such condition or covenant has been complied with, *provided that* an Opinion of Counsel may rely on an Officers' Certificate or certificates of public officials with respect to matters of fact.

11.5 Governing Law, Consent to Jurisdiction; Waiver of Immunities.

- (a) Each of the Notes, the Subsidiary Guarantees (if any) the JV Subsidiary Guarantees (if any) and this Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.
- (b) The Company and each of the Subsidiary Guarantors (if any) and JV Subsidiary Guarantors (if any) hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of any New York State or United States Federal court sitting in the Borough of Manhattan, New York City, New York over any suit, action or proceeding arising out of or relating to this Indenture, any Note or any Subsidiary Guarantee or JV Subsidiary Guarantee and any transaction contemplated hereby. The Company and each of the Subsidiary Guarantors (if any) and JV Subsidiary Guarantors (if any) irrevocably and unconditionally waive, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. To the extent that the Company or any Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be,

has or hereafter may acquire any sovereign or other immunity from jurisdiction of any court or from any legal process with respect to itself or its property, Company or such Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, irrevocably waives such immunity in respect of its obligations hereunder or under any Note, or any Subsidiary Guarantee or JV Subsidiary Guarantee, as applicable. The Company and each of the Subsidiary Guarantors and JV Subsidiary Guarantors agree that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding upon the Company or the Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, and, to the extent permitted by applicable law, may be enforced in any court to the jurisdiction of which the Company or any of the Subsidiary Guarantors or JV Subsidiary Guarantors, as the case may be, is subject by a suit upon such judgment or in any manner provided by law, *provided that* service of process is effected upon the Company or any of the Subsidiary Guarantors or JV Subsidiary Guarantors, as the case may be, in the manner specified in the following subsection or as otherwise permitted by applicable law.

- (c) As long as any of the Notes remain Outstanding, the Company and each of the Subsidiary Guarantors and JV Subsidiary Guarantors will at all times have an authorized agent in New York City, New York, upon whom process may be served in any legal action or proceeding arising out of or relating to this Indenture, any Note or any Subsidiary Guarantee or JV Subsidiary Guarantee. Service of process upon such agent and written notice of such service mailed or delivered to the Company or any Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, shall to the fullest extent permitted by applicable law be deemed in every respect effective service of process upon the Company or such Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, in any such legal action or proceeding. The Company and each of the Subsidiary Guarantors and JV Subsidiary Guarantors hereby appoint [Law Debenture Corporate Services Inc. as its agent for such purpose, and covenant and agree that service of process in any suit, action or proceeding may be made upon it at the office of such agent at 801 2nd Avenue, Suite 403, New York, NY10017.] Notwithstanding the foregoing, the Company or any Subsidiary Guarantor or JV Subsidiary Guarantor may, with prior written notice to the Trustee, terminate the appointment of [Law Debenture Corporate Services Inc.] and appoint another agent for the above purposes so that the Company and the Subsidiary Guarantors and JV Subsidiary Guarantors shall at all times have an agent for the above purposes in New York City, New York. The Company and each of the Subsidiary Guarantors and JV Subsidiary Guarantors hereby agree to take any and all action as may be necessary to maintain the designation and appointment of an agent in full force and effect until the Maturity Date (or earlier, if the Notes are prepaid in full).
- (d) The Company and each of the Subsidiary Guarantors and JV Subsidiary Guarantors hereby irrevocably waives, to the fullest extent permitted by applicable law, any requirement or other provision of law, rule, regulation or practice which requires or otherwise establishes as a condition to the institution, prosecution or completion of any suit, action or proceeding (including appeals) arising out of or relating to this Indenture or any Note or any Subsidiary Guarantee or JV Subsidiary Guarantee, the posting of any bond or the furnishing, directly or indirectly, of any other security.
- (e) Each party hereto waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation directly or indirectly arising out of, under or in connection with this Indenture.

11.6 **No Adverse Interpretation of Other Agreements.** This Indenture may not be used to interpret another indenture or loan or debt agreement of the Company or any Subsidiary of the Company, and no such indenture or loan or debt agreement may be used to interpret this Indenture. In addition, no other agreement or document may be used to interpret this Indenture with regard to any rights, duties or obligations of the Trustee created hereunder.

- 11.7 **Successors.** All agreements of the Company or any Subsidiary Guarantor or JV Subsidiary Guarantor in this Indenture and the Notes will bind its successors. All agreements of the Trustee in this Indenture will bind its successor.
- 11.8 **Counterparts.** The parties may sign this Indenture in one or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.
- 11.9 **Separability.** In case any provision in this Indenture or in the Notes is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.
- 11.10 **Table of Contents and Headings.** The Table of Contents and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and in no way modify or restrict any of the terms and provisions of this Indenture.
- 11.11 **No Personal Liability of Incorporators, Stockholders, Directors, Officers, Directors, or Employees.** No recourse for the payment of the principal of, premium, if any, or interest on any of the Notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company or any of the Subsidiary Guarantors (if any) or JV Subsidiary Guarantors (if any) in this Indenture, or in any of the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees, or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, stockholder, officer, director, employee or controlling person of the Company or any of the Subsidiary Guarantors or the JV Subsidiary Guarantors or of any successor Person thereof. Each Holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes, the Subsidiary Guarantees (if any) and the JV Subsidiary Guarantees (if any).

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SIGNATURES

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the date first written above.

**CHINA SINGYES SOLAR TECHNOLOGIES
HOLDINGS LIMITED**

By: _____
Name: LIU Hongwei
Title: Director

**SINGYES GREEN ENERGY INVESTMENTS
LIMITED**

as Subsidiary Guarantor

By: _____
Name: LIU Hongwei
Title: Director

THE BANK OF NEW YORK MELLON, LONDON
BRANCH
as Trustee

By: _____
Name:
Title:

EXHIBIT A
FORM OF FACE OF CERTIFICATED NOTE

CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS LIMITED

THIS NOTE AND THE SUBSIDIARY GUARANTEES (IF ANY) AND THE JV SUBSIDIARY GUARANTEES (IF ANY) RELATED TO THIS NOTE (COLLECTIVELY, THE “SECURITIES”) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NONE OF THE SECURITIES NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, [in the case of Rule 144A Notes: REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT)] [in the case of Regulation S Notes: REPRESENTS THAT IT IS ACQUIRING THIS NOTE IN AN “OFFSHORE TRANSACTION” PURSUANT TO REGULATION S UNDER THE SECURITIES ACT] [in the case of IAI Global Notes: REPRESENTS THAT IT IS AN INSTITUTIONAL “ACCREDITED INVESTOR” (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT)] AND AGREES, ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, [in the case of the Rule 144A Notes and the IAI Global Notes: BEFORE THE RESALE RESTRICTION TERMINATION DATE, WHICH IS ONE YEAR AFTER THE LATER OF THE ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY)] [in the case of the Regulation S Notes: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE DATE ON WHICH THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S) IN RELIANCE ON REGULATION S], ONLY (A) TO THE COMPANY OR ONE OF ITS SUBSIDIARIES, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”), TO A PERSON IT REASONABLY BELIEVES IS A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) TO AN INSTITUTIONAL “ACCREDITED INVESTOR” WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT, BEFORE SUCH TRANSFER, DELIVERS TO THE TRANSFER AGENT A DULY COMPLETED AND SIGNED CERTIFICATE (THE FORM OF WHICH MAY BE OBTAINED FROM THE TRANSFER AGENT) RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS SECURITY, (E) OUTSIDE THE UNITED STATES TO NON U.S. PERSONS IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, OR (F) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSAL OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS, AND FURTHER SUBJECT TO THE COMPANY’S AND THE TRANSFER AGENT’S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES THAT IT SHALL NOT TRANSFER THE SECURITIES IN AN AMOUNT LESS THAN US\$150,000.

EACH PURCHASER OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

No.

US\$ _____

CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS LIMITED

2.00% CASH-PAY AND 4.00% PAY-IN-KIND GUARANTEED SENIOR

NOTES DUE 2022

Certificated Note

[Unconditionally Guaranteed by

the Signatories listed to the Subsidiary Guarantee [and the JV Subsidiary
Guarantee] hereto]

CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS LIMITED, a corporation

incorporated under the laws of Bermuda (the “**Company**”), for value received, hereby promises to pay to
_____ or registered assigns, upon surrender hereof the principal sum of
_____ U.S. DOLLARS (US\$ _____)
on [MATURITY DATE], or on such earlier date as the principal hereof may become due in accordance
with the provisions hereof.

Interest Rate: 2.00% Cash Interest and 4.00% PIK Interest per annum (subject to the Company’s right to
elect to pay PIK Interest in cash following which Cash Interest will accrue at 6.00% per annum)

Interest Payment Dates: [●] and [●], commencing on [●], 2020.

Interest Record Dates: [●] and [●], immediately preceding to an Interest Payment Date.

Reference is hereby made to the further provisions set forth on the reverse hereof. Such further provisions
shall for all purposes have the same effect as though fully set forth at this place.

This Note shall not be valid or obligatory until the certificate of authentication hereon shall have been duly
signed by the Registrar acting under the Indenture.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS
LIMITED

By: _____

Name:

Title:

CERTIFICATE OF AUTHENTICATION

This is one of the 2.00% Cash-Pay and 4.00% Pay-In-Kind Guaranteed Senior Notes Due 2022 described in the Indenture referred to in this Note.

Date: [●]

THE BANK OF NEW YORK MELLON SA/NV,
LUXEMBOURG BRANCH
as Registrar

By: _____

Name:

Title:

FORM OF REVERSE OF CERTIFICATED NOTE

CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS LIMITED
2.00% Cash-Pay and 4.00% Pay-In-Kind Guaranteed Senior Notes Due 2022

1 Principal and Interest.

The Company promises to pay the principal of this Note on [●], 2022.

The Company promises to pay interest on the principal amount of this Note on each Interest Payment Date, as set forth on the face of this Note, (i) in cash at the rate of 2.00% per annum prior to a Cash Coupon Election (as defined below) and thereafter at 6.00% per annum (each being “**Cash Interest**”, as applicable) and (ii) by increasing the principal amount of this Note or by issuing Additional Notes in a principal amount equal to 4.00% of the aggregate principal amount of this Note then outstanding (“**PIK Interest**”) in accordance with Section 2.14 of the Indenture, *provided that* the Company may, at its discretion at any time, elect to pay all PIK Interest due on this Note entirely in cash (a “**Cash Coupon Election**”) by delivering an Officer’s Certificate to the Trustee and the Paying Agent substantially in the form of Exhibit L to the Indenture (the “**Cash Coupon Election Certificate**”) by no later than 10 Business Days prior to an Interest Payment Date. Following a Cash Coupon Election, all accrued interest due on the aggregate principal amount of this Note then outstanding shall be payable entirely in cash from and including the Interest Payment Date immediately preceding the date of the Cash Coupon Election Certificate (the “**Cash Coupon Effective Date**”) to the Maturity Date and the Notes shall bear interest in cash at the rate of 6.00% per annum from the Cash Coupon Effective Date.

Interest will be payable semi-annually in arrear (to the holders of record of the Notes at the close of business on [●] or [●] immediately preceding an Interest Payment Date) on each Interest Payment Date, commencing [●], 2020.

Interest on this Note will accrue from the most recent date to which interest has been paid on this Note (or, if there is no existing default in the payment of interest and if this Note is authenticated between an Interest Record Date and the next Interest Payment Date, from such Interest Payment Date) or, if no interest has been paid, from the Issue Date. If any Interest Payment Date would otherwise fall on a day which is not a Business Day, such Interest Payment Date shall be postponed to and become the next day which is a Business Day. For the avoidance of doubt, no Noteholder shall be entitled to any interest or other payment for any delay if payment is made in accordance with this paragraph. The period beginning on and including [●], 2019 and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an “**Interest Period**.” Interest on the Notes will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The Company shall pay default interest at a rate of 2.00% per annum above the applicable rate of Cash Interest on and following the date on which an Event of Default occurs pursuant to Section 6.1(a) or (b) of the Indenture up to but excluding the date on which such Event of Default ceases to be in effect or, if applicable, is waived by the Holders in accordance with the Indenture to the extent lawful.

2 Indenture.

This is one of the Notes issued under an Indenture, dated as of [●], 2019 (as amended from time to time, the “**Indenture**”) among China Singyes Solar Technologies Holdings Limited, a corporation incorporated under the laws of Bermuda, as the Company, the Initial Subsidiary Guarantors listed in Schedule 1 thereto, and The Bank of New York Mellon, London Branch, as

Trustee. Capitalized terms used herein are used as defined in the Indenture unless otherwise indicated. The terms of the Notes include those stated in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of all such terms. To the extent permitted by applicable law, in the event of any inconsistency between the terms of this Note and the terms of the Indenture, the terms of the Indenture will control.

The Notes are general obligations of the Company. The Indenture limits the original aggregate principal amount of the Initial Notes to US\$[●], but Additional Notes may be issued pursuant to the Indenture for the purpose of making any payment of PIK Interest and issuing DB New Notes (if any) in accordance with the terms of the Schemes of Arrangement, and the Initial Notes and all such Additional Notes shall vote together for all purposes as a single class. This Note is guaranteed by the Subsidiary Guarantors, as set forth in the Indenture.

The Indenture limits, among other things, the ability of the Company to Incur or guarantee additional Indebtedness and issue Disqualified or Preferred Stock, declare dividends on its Capital Stock or purchase or redeem Capital Stock, make Investments or other specified Restricted Payments, issue or sell Capital Stock of Restricted Subsidiaries, guarantee Indebtedness, sell assets, create any Liens, enter into certain Sale and Leaseback Transactions, enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends, transfer assets or make intercompany loans, enter into transactions with equity holders or Affiliates or effect a consolidation or merger.

3 Registered Form; Denominations; Transfer; Exchange.

The Notes are in registered form without coupons in denominations of US\$150,000 principal amount and any multiple of US\$1 in excess thereof. A Holder may register the transfer or exchange of Notes in accordance with the Indenture. The Trustee may require a Holder to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. Pursuant to the Indenture, there are certain periods during which the Trustee will not be required to issue, register the transfer of or exchange any Note or certain portions of a Note.

4 Optional Redemption.

On and after the Original Issue Date, the Company may at any time, upon not less than 30 nor more than 60 days' notice to the Holders, the Trustee and the Paying Agent (each such date, an "**Optional Redemption Date**"), redeem the Notes Outstanding on the applicable Optional Redemption Date (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the Notes) in whole or in part at a redemption price equal to 100% of the aggregate principal amount thereof together with accrued and unpaid interest thereon (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind) to, but excluding, the applicable Optional Redemption Date.

5 Mandatory Redemption.

- (a) On [●]³, 2022 (the "**Initial Mandatory Redemption Date**"), the Company shall redeem 40% of the Notes Outstanding on the Initial Mandatory Redemption Date (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the Notes) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest thereon (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in

³ Insert the date that is 2.5 years after the Original Issue Date.

cash and the interest ordinarily payable in kind) to, but excluding, the Initial Mandatory Redemption Date.

- (b) Not later than 5 days following the date of a Delisting, the Company shall give notice to redeem all of the Notes Outstanding (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the Notes) on the Business Day falling 30 days following the date on which such notice is given (the “**Delisting Mandatory Redemption Date**”) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest thereon (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind) to, but excluding, the Delisting Mandatory Redemption Date.
- (c) Unless previously redeemed, purchased or cancelled, the Notes (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the Notes) will be redeemed on the Maturity Date at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind), up to the Maturity Date.

6 Redemption for Taxation Reasons.

The Notes may be redeemed, at the option of the Company or a Surviving Person with respect to the Company, as a whole but not in part, upon giving not less than 30 days’ nor more than 60 days’ notice to the Holders (which notice shall be irrevocable), the Paying Agent and the Trustee, at a redemption price equal to 100% of the principal amount thereof (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the Notes as at the Tax Redemption Date), together with accrued and unpaid interest thereon (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind), if any, to the date (but not including) fixed by the Company or the Surviving Person, as the case may be, for redemption (the “**Tax Redemption Date**”) if, as a result of:

- (a) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) or treaties of a Relevant Taxing Jurisdiction affecting taxation; or
- (b) any change in the existing official position or the stating of an official position regarding the application or interpretation of such laws, regulations or rulings or treaties (including a holding, judgment, or order by a court of competent jurisdiction), which change or amendment becomes effective (A) with respect to the Company or any Initial Subsidiary Guarantor, on or after the Original Issue Date or (B) with respect to a Future Subsidiary Guarantor, JV Subsidiary Guarantor or Surviving Person, on or after the date such Future Subsidiary Guarantor, JV Subsidiary Guarantor or Surviving Person becomes a Subsidiary Guarantor, JV Subsidiary Guarantor or Surviving Person assumes its obligations under or in respect of the Notes, with respect to any payment due or to become due under the Notes or the Indenture, the Company, a Surviving Person or a Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the taking of reasonable measures by the Company, a Surviving Person or a Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be; *provided that* in the case of any Additional Amounts payable in respect of taxes imposed by the PRC, such Additional Amounts must be in excess of the Additional Amounts that the Company, a Surviving Person or a Subsidiary Guarantor or a JV Subsidiary Guarantor, as the case may be, would be required to pay if payments in respect of the

Notes were subject to deduction or withholding for PRC taxes at a rate of 10%; *provided, further, that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company, a Surviving Person or a Subsidiary Guarantor or a JV Subsidiary Guarantor, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due.

7 Repurchase of Notes upon a Change of Control.

If a Change of Control occurs, each Holder will have the right to require the Company to repurchase all Outstanding Notes at a purchase price equal to 101% of the principal amount thereof (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the Notes as at the Offer to Purchase Payment Date), plus accrued and unpaid interest thereon (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind), if any, to (but not including) the Offer to Purchase Payment Date, as provided in, and subject to the terms of, the Indenture.

8 Defaults and Remedies.

If an Event of Default, as defined in the Indenture, occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the Notes may declare all the Notes to be due and payable. If a bankruptcy or insolvency default with respect to the Company occurs and is continuing, the Notes automatically become immediately due and payable. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may require security and/or indemnity and/or pre-funding satisfactory to it before it enforces the Indenture or the Notes. Subject to certain limitations, Holders of a majority in principal amount of the Notes then Outstanding may direct the Trustee in its exercise of remedies.

9 Amendment and Waiver.

Subject to certain exceptions, the Indenture and the Notes may be amended, or default may be waived, with the consent of the Holders of a majority in principal amount of the Outstanding Notes. Without notice to or the consent of any Holder, the Company and the Trustee may amend or supplement the Indenture or the Notes to, among other things, cure any ambiguity, defect or inconsistency, or make any other change that does not materially and adversely affect the rights of any Holder.

10 Authentication.

This Note is not valid until the Registrar signs the certificate of authentication on the other side of this Note.

11 Governing Law.

This Note shall be governed by, and construed in accordance with, the laws of the State of New York.

12 Abbreviations.

Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian) and U/G/M/A/ (= Uniform Gifts to Minors Act).

The Company will furnish a copy of the Indenture to any Holder upon written request and without

charge.

OPTION OF HOLDER TO ELECT PURCHASE

If you wish to have all of this Note purchased by the Company pursuant to Section 4.13 or Section 4.14 of the Indenture, check the box: ☐

If you wish to have a portion of this Note purchased by the Company pursuant to Section 4.13 or Section 4.14 of the Indenture, state the amount (in original principal amount) below: US\$_____.

Date: _____

Your Signature: _____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee⁴:

⁴ Signatures must be guaranteed by an “**eligible guarantor institution**” meeting the requirements of the Trustee and the Agents, which requirements include membership or participation in the Securities Transfer Association Medallion Program (“**STAMP**”) or such other “**signature guarantee program**” as may be determined by the Trustee and the Agents in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934.

TRUSTEE, PAYING AGENT, TRANSFER AGENT AND REGISTRAR

Trustee and Paying Agent

The Bank of New York Mellon, London Branch

One Canada Square, London E14 5AL, United Kingdom

Transfer Agent and Registrar

The Bank of New York Mellon SA/NV, Luxembourg Branch

Vertigo Building – Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg

EXHIBIT B
FORM OF GLOBAL NOTE

CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS LIMITED

THIS NOTE AND THE SUBSIDIARY GUARANTEES (IF ANY) AND THE JV SUBSIDIARY GUARANTEES (IF ANY) RELATED TO THIS NOTE (COLLECTIVELY, THE “SECURITIES”) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NONE OF THE SECURITIES NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, [in the case of the Rule 144A Global Note: REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT)] [in the case of the Regulation S Global Note: REPRESENTS THAT IT IS ACQUIRING THIS NOTE IN AN “OFFSHORE TRANSACTION” PURSUANT TO REGULATION S UNDER THE SECURITIES ACT] [in the case of the IAI Global Note: REPRESENTS THAT IT IS AN INSTITUTIONAL “ACCREDITED INVESTOR” (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT)] AND AGREES, ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, [in the case of the Rule 144A Global Note and the IAI Global Note: BEFORE THE RESALE RESTRICTION TERMINATION DATE, WHICH IS ONE YEAR AFTER THE LATER OF THE ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY)] [in the case of the Regulation S Global Note: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE DATE ON WHICH THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S) IN RELIANCE ON REGULATION S], ONLY (A) TO THE COMPANY OR ONE OF ITS SUBSIDIARIES, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”), TO A PERSON IT REASONABLY BELIEVES IS A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) TO AN INSTITUTIONAL “ACCREDITED INVESTOR” WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT, BEFORE SUCH TRANSFER, DELIVERS TO THE TRANSFER AGENT A DULY COMPLETED AND SIGNED CERTIFICATE (THE FORM OF WHICH MAY BE OBTAINED FROM THE TRANSFER AGENT) RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS SECURITY, (E) OUTSIDE THE UNITED STATES TO NON U.S. PERSONS IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, OR (F) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSAL OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS, AND FURTHER SUBJECT TO THE COMPANY’S AND THE TRANSFER AGENT’S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (F) TO REQUIRE THE DELIVERY OF AN OPINION

OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES THAT IT SHALL NOT TRANSFER THE SECURITIES IN AN AMOUNT LESS THAN US\$150,000.

EACH PURCHASER OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLEAR BANK SA/NV ("EUROCLEAR") OR CLEARSTREAM BANKING S.A. ("CLEARSTREAM") TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF ITS AUTHORIZED NOMINEE OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM (AND ANY PAYMENT IS MADE TO ITS AUTHORIZED NOMINEE OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, ITS AUTHORIZED NOMINEE, HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF EUROCLEAR OR CLEARSTREAM OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE.

Common Code: [●]⁵

ISIN Code: [●]⁶

US\$ _____

CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS LIMITED

2.00% CASH-PAY AND 4.00% PAY-IN-KIND GUARANTEED SENIOR NOTES
DUE 2022

[Regulation S/IAI/Rule 144A] Global Note [Unconditionally Guaranteed by
the Signatories listed to the Subsidiary Guarantee [and the JV Subsidiary Guarantee] hereto]

No: _____

CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS LIMITED, a corporation incorporated under the laws of Bermuda (the “**Company**”), for value received, hereby promises to pay to The Bank of New York Depository (Nominees) Limited, as nominee of the Common Depository for Euroclear and Clearstream or registered assigns, upon surrender hereof the principal sum of _____ U.S. DOLLARS (US\$ _____) on [●], 2022, or on such earlier date as the principal hereof may become due in accordance with the provisions hereof.

Interest Rate: 2.00% Cash Interest and 4.00% PIK Interest per annum (subject to the Company’s right to elect to pay PIK Interest in cash following which Cash Interest will accrue at 6.00% per annum)

Interest Payment Dates: [●] and [●], commencing on [●], 2020.

Interest Record Dates: One Clearing System Business Day immediately preceding to an Interest Payment Date.

Reference is hereby made to the further provisions set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Note shall not be valid or obligatory until the certificate of authentication hereon shall have been duly signed by the Registrar acting under the Indenture.

⁵ Regulation S: 206808845; Rule 144A: 206808888; IAI: 206809043

⁶ Regulation S: XS2068088454; Rule 144A: XS2068088884; IAI: XS2068090435

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed. Date:

CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS
LIMITED

By: _____
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This is one of the 2.00% Cash-Pay and 4.00% Pay-In-Kind Guaranteed Senior Notes Due 2022 described in the Indenture referred to in this Note.

Date: [●]

THE BANK OF NEW YORK MELLON SA/NV
LUXEMBOURG BRANCH
as Registrar

By: _____
Name:
Title:

FORM OF REVERSE OF THE GLOBAL NOTE

CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS LIMITED

2.00% Cash-Pay and 4.00% Pay-In-Kind Guaranteed Senior Notes Due 2022

1 Principal and Interest.

The Company promises to pay the principal of this Note on [●], 2022.

The Company promises to pay interest on the principal amount of this Note on each Interest Payment Date, as set forth on the face of this Note, (i) in cash at the rate of 2.00% per annum prior to a Cash Coupon Election (as defined below) and thereafter at 6.00% per annum (each being “**Cash Interest**”, as applicable) and (ii) by increasing the principal amount of this Note or by issuing Additional Notes in a principal amount equal to 4.00% of the aggregate principal amount of this Note then outstanding (“**PIK Interest**”) in accordance with Section 2.14 of the Indenture, *provided that* the Company may, at its discretion at any time, elect to pay all PIK Interest due on this Note entirely in cash (a “**Cash Coupon Election**”) by delivering an Officer’s Certificate to the Trustee and the Paying Agent substantially in the form of Exhibit L to the Indenture (the “**Cash Coupon Election Certificate**”) by no later than 10 Business Days prior to an Interest Payment Date. Following a Cash Coupon Election, all accrued interest due on the aggregate principal amount of this Note then outstanding shall be payable entirely in cash from and including the Interest Payment Date immediately preceding the date of the Cash Coupon Election Certificate (the “**Cash Coupon Effective Date**”) to the Maturity Date and the Notes shall bear interest in cash at the rate of 6.00% per annum from the Cash Coupon Effective Date.

Interest will be payable semi-annually in arrear (to the holders of record of the Notes at the close of business on One Clearing System Business Day immediately preceding an Interest Payment Date) on each Interest Payment Date, commencing [●], 2020.

Interest on this Note will accrue from the most recent date to which interest has been paid on this Note (or, if there is no existing default in the payment of interest and if this Note is authenticated between an Interest Record Date and the next Interest Payment Date, from such Interest Payment Date) or, if no interest has been paid, from the Issue Date. If any Interest Payment Date would otherwise fall on a day which is not a Business Day, such Interest Payment Date shall be postponed to and become the next day which is a Business Day. For the avoidance of doubt, no Noteholder shall be entitled to any interest or other payment for any delay if payment is made in accordance with this paragraph. The period beginning on and including [●], 2019 and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an “**Interest Period**.” Interest on the Notes will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The Company shall pay default interest at a rate of 2.00% per annum above the applicable rate of Cash Interest on and following the date on which an Event of Default occurs pursuant to Section 6.1(a) or (b) of the Indenture up to but excluding the date on which such Event of Default ceases to be in effect or, if applicable, is waived by the Holders in accordance with the Indenture to the extent lawful.

2 Indenture.

This is one of the Notes issued under an Indenture, dated as of [●], 2019 (as amended from time

to time, the “**Indenture**”) among China Singyes Solar Technologies Holdings Limited, a corporation incorporated under the laws of Bermuda, as the Company, the Initial Subsidiary Guarantors listed in Schedule 1 thereto, and Bank of New York Mellon, London Branch, as Trustee. Capitalized terms used herein are used as defined in the Indenture unless otherwise indicated. The terms of the Notes include those stated in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of all such terms. To the extent permitted by applicable law, in the event of any inconsistency between the terms of this Note and the terms of the Indenture, the terms of the Indenture will control.

The Notes are general obligations of the Company. The Indenture limits the original aggregate principal amount of the Initial Notes to US\$[●], but Additional Notes may be issued pursuant to the Indenture for the purpose of making any payment of PIK Interest and issuing DB New Notes (if any) in accordance with the terms of the Schemes of Arrangement, and the Initial Notes and all such Additional Notes shall vote together for all purposes as a single class. This Note is guaranteed by the Subsidiary Guarantors, as set forth in the Indenture.

The Indenture limits, among other things, the ability of the Company to Incur or guarantee additional Indebtedness and issue Disqualified or Preferred Stock, declare dividends on its Capital Stock or purchase or redeem Capital Stock, make Investments or other specified Restricted Payments, issue or sell Capital Stock of Restricted Subsidiaries, guarantee Indebtedness, sell assets, create any Liens, enter into certain Sale and Leaseback Transactions, enter into agreements that restrict the Restricted Subsidiaries’ ability to pay dividends, transfer assets or make intercompany loans, enter into transactions with equity holders or Affiliates or effect a consolidation or merger.

3 Registered Form; Denominations; Transfer; Exchange.

The Notes are in registered form without coupons in denominations of US\$150,000 principal amount and any multiple of US\$1 in excess thereof. A Holder may register the transfer or exchange of Notes in accordance with the Indenture. The Trustee may require a Holder to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. Pursuant to the Indenture, there are certain periods during which the Trustee will not be required to issue, register the transfer of or exchange any Note or certain portions of a Note.

4 Optional Redemption.

On and after the Original Issue Date, the Company may at any time, upon not less than 30 nor more than 60 days’ notice to the Holders, the Trustee and the Paying Agent (each such date, an “**Optional Redemption Date**”), redeem the Notes Outstanding on the applicable Optional Redemption Date (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the Notes) in whole or in part at a redemption price equal to 100% of the aggregate principal amount thereof together with accrued and unpaid interest thereon (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind) to, but excluding, the applicable Optional Redemption Date.

5 Mandatory Redemption.

- (a) On [●]⁷, 2022 (the “**Initial Mandatory Redemption Date**”), the Company shall redeem 40% of the Notes Outstanding on the Initial Mandatory Redemption Date (including, for

⁷ Insert the date that is 2.5 years after the Original Issue Date.

the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the Notes) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest thereon (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind) to, but excluding, the Initial Mandatory Redemption Date.

- (b) Not later than 5 days following the date of a Delisting, the Company shall give notice to redeem all of the Notes Outstanding (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the Notes) on the Business Day falling 30 days following the date on which such notice is given (the “**Delisting Mandatory Redemption Date**”) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest thereon (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind) to, but excluding, the Delisting Mandatory Redemption Date.
- (c) Unless previously redeemed, purchased or cancelled, the Notes (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the Notes) will be redeemed on the Maturity Date at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind), up to the Maturity Date.

6 Redemption for Taxation Reasons.

The Notes may be redeemed, at the option of the Company or a Surviving Person with respect to the Company, as a whole but not in part, upon giving not less than 30 days’ nor more than 60 days’ notice to the Holders (which notice shall be irrevocable), the Paying Agent and the Trustee, at a redemption price equal to 100% of the principal amount thereof (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the Notes as at the Tax Redemption Date), together with accrued and unpaid interest thereon (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind), if any, to the date (but not including) fixed by the Company or the Surviving Person, as the case may be, for redemption (the “**Tax Redemption Date**”) if, as a result of:

- (a) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) or treaties of a Relevant Taxing Jurisdiction affecting taxation; or
- (b) any change in the existing official position or the stating of an official position regarding the application or interpretation of such laws, regulations or rulings or treaties (including a holding, judgment, or order by a court of competent jurisdiction), which change or amendment becomes effective (A) with respect to the Company or any Initial Subsidiary Guarantor, on or after the Original Issue Date or (B) with respect to a Future Subsidiary Guarantor, JV Subsidiary Guarantor or Surviving Person, on or after the date such Future Subsidiary Guarantor, JV Subsidiary Guarantor or Surviving Person becomes a Subsidiary Guarantor, JV Subsidiary Guarantor or Surviving Person assumes its obligations under or in respect of the Notes, with respect to any payment due or to become due under the Notes or the Indenture, the Company, a Surviving Person or a Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the taking of reasonable measures by the Company, a Surviving

Person or a Subsidiary Guarantor or JV Subsidiary Guarantor, as the case may be; *provided that* in the case of any Additional Amounts payable in respect of taxes imposed by the PRC, such Additional Amounts must be in excess of the Additional Amounts that the Company, a Surviving Person or a Subsidiary Guarantor or a JV Subsidiary Guarantor, as the case may be, would be required to pay if payments in respect of the Notes were subject to deduction or withholding for PRC taxes at a rate of 10%; *provided, further, that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company, a Surviving Person or a Subsidiary Guarantor or a JV Subsidiary Guarantor, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due.

7 Repurchase of Notes upon a Change of Control.

If a Change of Control occurs, each Holder will have the right to require the Company to repurchase all Outstanding Notes at a purchase price equal to 101% of the principal amount thereof (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the Notes as at the Offer to Purchase Payment Date), plus accrued and unpaid interest thereon (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind), if any, to (but not including) the Offer to Purchase Payment Date, as provided in, and subject to the terms of, the Indenture.

8 Defaults and Remedies.

If an Event of Default, as defined in the Indenture, occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the Notes may declare all the Notes to be due and payable. If a bankruptcy or insolvency default with respect to the Company occurs and is continuing, the Notes automatically become immediately due and payable. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee may require security and/or indemnity and/or pre-funding satisfactory to it before it enforces the Indenture or the Notes. Subject to certain limitations, Holders of a majority in principal amount of the Notes then Outstanding may direct the Trustee in its exercise of remedies.

9 Amendment and Waiver.

Subject to certain exceptions, the Indenture and the Notes may be amended, or default may be waived, with the consent of the Holders of a majority in principal amount of the Outstanding Notes. Without notice to or the consent of any Holder, the Company and the Trustee may amend or supplement the Indenture or the Notes to, among other things, cure any ambiguity, defect or inconsistency, or make any other change that does not materially and adversely affect the rights of any Holder.

10 Authentication.

This Note is not valid until the Registrar signs the certificate of authentication on the other side of this Note.

11 Governing Law.

This Note shall be governed by, and construed in accordance with, the laws of the State of New York.

12 Abbreviations.

Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian) and U/G/M/A/ (= Uniform Gifts to Minors Act).

The Company will furnish a copy of the Indenture to any Holder upon written request and without charge.

OPTION OF HOLDER TO ELECT PURCHASE

If you wish to have all of this Note purchased by the Company pursuant to Section 4.13 or Section 4.14 of the Indenture, check the box: ☐

If you wish to have a portion of this Note purchased by the Company pursuant to Section 4.13 or Section 4.14 of the Indenture, state the amount (in original principal amount) below: US\$ _____

Date: _____

Your Signature: _____

(Sign exactly as your name appears on the other side of this Note) Signature

Guarantee⁸: _____

⁸ Signatures must be guaranteed by an “**eligible guarantor institution**” meeting the requirements of the Trustee and the Agents, which requirements include membership or participation in the Securities Transfer Association Medallion Program (“**STAMP**”) or such other “**signature guarantee program**” as may be determined by the Trustee and the Agents in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934.

SCHEDULE OF INCREASES AND DECREASES IN THE GLOBAL NOTES

The following changes in the aggregate principal amount of Notes represented by this Global Note have been made:

Date	Amount of decrease in aggregate principal amount of Notes	Amount of increase in aggregate principal amount of Notes	Outstanding Balance

TRUSTEE, PAYING AGENT, TRANSFER AGENT AND REGISTRAR

Trustee and Paying Agent

The Bank of New York Mellon, London Branch

One Canada Square, London E14 5AL, United Kingdom

Transfer Agent and Registrar

The Bank of New York Mellon SA/NV, Luxembourg Branch

Vertigo Building – Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg

EXHIBIT C-1
FORM OF AUTHORIZATION CERTIFICATE – SUBSIDIARY GUARANTORS
AND JV SUBSIDIARY GUARANTORS

Reference is hereby made to the Indenture, dated as of [●], 2019, as amended, supplemented or modified from time to time (the “**Indenture**”), among China Singyes Solar Technologies Holdings Limited, a corporation incorporated under the laws of Bermuda, and The Bank of New York Mellon, London Branch, as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

I, [Name], [Title], of [_____], a [Subsidiary Guarantor/JV Subsidiary Guarantor], hereby certify that:

- (A) the persons listed below are (i) Authorized Officers for purposes of the Indenture, (ii) duly elected or appointed, qualified and acting as the holder of the respective office or offices set forth opposite his name and (iii) the duly authorized person who executed or will execute the Indenture and the [Subsidiary Guarantee(s)/JV Subsidiary Guarantee(s)] endorsed on the Notes by his manual or facsimile signature and was at the time of such execution, duly elected or appointed, qualified and acting as the holder of the office set forth opposite his name; and
- (B) each signature appearing below is the person’s genuine signature.

Authorized Officers:

Name	Title	Signature

IN WITNESS WHEREOF, I have hereunto signed my name.

Date: _____

By: _____

Name:

Title:

EXHIBIT C-2
FORM OF AUTHORIZATION CERTIFICATE - COMPANY

Reference is hereby made to the Indenture, dated as of [●], 2019, as amended, supplemented or modified from time to time (the “**Indenture**”), among China Singyes Solar Technologies Holdings Limited, a corporation incorporated under the laws of Bermuda (the “**Company**”), and The Bank of New York Mellon, London Branch, as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

I, [Name], [Title], acting on behalf of the Company, hereby certify that:

- (A) the persons listed below are (i) Authorized Officers for purposes of the Indenture, (ii) duly elected or appointed, qualified and acting as the holder of the respective office or offices set forth opposite his name and (iii) the duly authorized person who executed or will execute the Indenture and the Notes by his manual or facsimile signature and was at the time of such execution, duly elected or appointed, qualified and acting as the holder of the office set forth opposite his name;
- (B) each signature appearing below is the person’s genuine signature; and
- (C) the persons listed below have the authority to receive call backs at the telephone number(s) noted below upon the request of The Bank of New York Mellon, London Branch as the Common Depositary in connection with the Notes.

Authorized Officers:

Name	Title	Signature	Telephone Number

IN WITNESS WHEREOF, I have hereunto signed my name.

Date: _____

By: _____

Name:

Title:

EXHIBIT D
FORM OF PAYING AGENT, TRANSFER AGENT AND
REGISTRAR APPOINTMENT LETTER

_____, _____

THE BANK OF NEW YORK MELLON, LONDON BRANCH, a banking corporation organized and existing under the laws of the State of New York with limited liability and operating through its branch in London at One Canada Square, London E14 5AL, United Kingdom (as the Paying Agent)

THE BANK OF NEW YORK MELLON SA/NV, LUXEMBOURG BRANCH, Vertigo Building – Polaris – 2, 2-4 rue Eugene Ruppert, L-2453 Luxembourg (as Transfer Agent and Registrar)

Re: 2.00% Cash-Pay and 4.00% Pay-In-Kind Guaranteed Senior Notes Due 2022 of China Singyes Solar Technologies Holdings Limited

Reference is hereby made to the Indenture dated as of [●], 2019 (the “**Indenture**”) among China Singyes Solar Technologies Holdings Limited, a corporation incorporated under the laws of Bermuda (the “**Company**”), the Initial Subsidiary Guarantors listed in Schedule 1 thereto, and The Bank of New York Mellon, London Branch, as Trustee. Terms used herein are used as defined in the Indenture.

The Company hereby appoints The Bank of New York Mellon, London Branch as the paying agent (the “**Paying Agent**”) with respect to the Notes and the Paying Agent hereby accepts such appointment. The Company hereby appoints The Bank of New York Mellon SA/NV, Luxembourg Branch as the transfer agent (the “**Transfer Agent**”) and the registrar (the “**Registrar**” and together with the Paying Agent and the Transfer Agent, the “**Agents**”) with respect to the Notes and the Transfer Agent and the Registrar hereby accepts such appointment. By accepting such appointment, each Agent agrees to be bound by and to perform the services with respect to itself set forth in the terms and conditions set forth in the Indenture and the Notes, as well as the following terms and conditions to all of which the Company agrees and to all of which the rights of the holders from time to time of the Notes shall be subject:

- (a) The Company, no later than 9:00 a.m. (London time) on the Business Day immediately preceding each date on which a payment in respect of the Notes becomes due, shall (i) transfer (or cause to be transferred) to the Paying Agent in the currency of United States of America immediately available funds such amount as may be required for the purposes of such payment and (ii) notify the Paying Agent of such transfer. The Company, no later than 9:00 a.m. (London time) on the third Business Day immediately preceding each date on which any payment in respect of the Notes becomes due, shall confirm such payment to the Paying Agent, who shall promptly notify the relevant agents upon such confirmation. The Paying Agent shall not be bound to make payment until funds in such amount as may be required for the purpose of such payment have been received from the Company.
- (b) Each Agent shall be entitled to the compensation to be agreed upon with the Company, any Subsidiary Guarantor and any JV Subsidiary Guarantor, jointly and severally, for all services rendered by it under the Indenture, and the Company, any Subsidiary Guarantors and any JV Subsidiary Guarantors, jointly and severally, agree promptly to pay such compensation and to reimburse each Agent for its out-of-pocket expenses (including fees and expenses of counsel), disbursements and advances incurred by it or made in connection with the services

rendered by it under this letter and the Indenture. The Company, any Subsidiary Guarantors and any JV Subsidiary Guarantors shall jointly and severally indemnify, defend and hold harmless each Agent and its officers, directors, employees, representatives and agents, from and against and reimburse such Agent for any and all claims, expenses, obligations, liabilities, losses, damages, injuries (to person, property, or natural resources), penalties, stamp or other similar taxes, actions, suits, judgments, properly incurred costs and expenses (including fees and expenses of counsel) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against such Agent directly or indirectly relating to, or arising from, claims against such Agent by reason of its participation in the transactions contemplated hereby, including without limitation all properly incurred costs required to be associated with claims for damages to persons or property, and properly incurred attorneys' and consultants' fees and expenses and court costs except to the extent caused by such Agent's gross negligence or willful misconduct. The obligations of the Company and any Subsidiary Guarantors under this paragraph (b) shall survive the payment of the Notes, the termination or expiry of the Indenture or this letter and the resignation or removal of the Agents. Under no circumstances will any Agent be liable for any indirect or consequential loss or damage of any kind whatsoever (including, but not limited to loss of business, goodwill, opportunity or profit) or punitive or special damages, whether or not foreseeable, even if advised of the possibility of such loss or damage and regardless of the form of action. The foregoing provision shall survive the payment of the Notes, the termination or expiry of the Indenture or this letter and the resignation or removal of the Agents.

- (c) In acting under the Indenture and in connection with the Notes, each Agent is acting solely as agent of the Company and does not assume any obligation towards or relationship of agency or trust for or with any of the owners or holders of the Notes, except that all funds held by the Paying Agent for the payment of principal interest or other amounts (including Additional Amounts) on, the Notes shall, subject to the provisions of the Indenture, be held by the Paying Agent and applied as set forth in the Indenture and in the Notes, but need not be segregated from other funds held by the Paying Agent, except as required by law.
- (d) Any Agent may consult (at the expense of the Company) with counsel and other professional advisors satisfactory to it and any advice or written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it under the Indenture in good faith and in accordance with such advice or opinion.
- (e) The Agents may conclusively rely and shall be fully protected and shall incur no liability for or in respect of any action taken or omitted to be taken or thing suffered by them in reliance upon any Note, notice, direction, consent, certificate, affidavit, statement or other paper or document reasonably believed by it to be genuine and to have been presented or signed by the proper party or parties.
- (f) Any Agent and any of their Affiliates, agents, officers, directors and employees in their individual capacity or any other capacity, may become the owner of, or acquire any interest in, any Notes or other obligations of the Company with the same rights that each of them would have if they were not an Agent, and may engage or be interested in any financial or other transaction with the Company, and may act on, or as depository, Trustee or agent for, any committee or body of holders of Notes or other obligations of the Company, as freely as if they were not an Agent and shall not be required to account to any profit or compensation pursuant to such obligations.
- (g) The Paying Agent will hold all sums received by it as such for the payment of the principal of, or premium or interest on, the Notes (whether such sums have been paid to it by or on behalf of the Company or by any other obligor on the Notes or any Subsidiary Guarantee)

for the benefit of the Holders or the Trustee. The Paying Agent shall give the Trustee written notice of any failure by the Company (or by any other obligor on the Notes or the Subsidiary Guarantees (if any)) to make any payment of the principal, or premium or interest on, the Notes and any other payments to be made on behalf of the Company under the Indenture, when the same shall be due and payable and at any time during the continuance of any such failure the Paying Agent will pay any such sums so held by it to the Trustee upon the Trustee's written request.

- (h) The Paying Agent shall be entitled to deal with money paid to it by the Company for the purposes of this letter and the Indenture in the same manner as money paid to a bank except (i) it shall not exercise any lien, right of set-off or similar claim in respect of the money and (ii) it shall not be under any liability for interest on any monies received by it pursuant to any of the provisions of the Indenture or the Notes.
- (i) Each Agent shall be obligated to perform such duties and only such duties as are in the Indenture and the Notes specifically set forth, and no implied duties or obligation shall be read into the Indenture or the Notes against any Agent. No Agent shall be under any obligation to expend its own funds or take any action under this letter and the Indenture which may tend to involve it in any expense or liability (financial or otherwise), the payment of which within a reasonable time is not, in its reasonable opinion, assured to it.
- (j) An Agent may at any time resign by giving written notice of its resignation to the Company and the Trustee and specifying the date on which its resignation shall become effective; *provided that* such date shall be at least 45 days after the date on which such notice is given unless the Company agrees to accept shorter notice. Upon receiving such notice of resignation, if required by the Indenture the Company shall promptly appoint a successor paying agent, transfer agent or registrar, as the case may be, by written instrument substantially in the form hereof in triplicate signed on behalf of the Company, one copy of which shall be delivered to the resigning Agent, one copy to the successor paying agent, transfer agent or registrar, as the case may be, and one copy to the Trustee. Upon the effectiveness of the appointment of a successor paying agent, transfer agent or registrar, as the case may be, the retired Agent shall have no further obligations under this letter or the Indenture. If the Company has not appointed a successor paying agent, transfer agent or registrar (as the case may be) after 30 days after it is given notice to resign, the Paying Agent, Transfer Agent or Registrar (as the case may be) may (at the expense of the Company) appoint a successor on its behalf or the retiring Paying Agent, Transfer Agent or Registrar (as the case may be) or the Company may petition a court of competent jurisdiction for the appointment of a successor paying agent, transfer agent or registrar (as the case may be) or for other appropriate relief. The costs and expenses (including its attorneys' fees and expenses) incurred by the Agents in connection with such proceeding shall be paid by the Company.

Such resignation shall become effective upon the earlier of (i) the effective date of such resignation and (ii) the acceptance of appointment by the successor paying agent, transfer agent or registrar, as the case may be, as provided below. The Company may, at any time and for any reason, remove an Agent and appoint a successor paying agent, transfer agent or registrar, as the case may be, by written instrument in triplicate signed on behalf of the Company, one copy of which shall be delivered to the Agent being removed, one copy to the successor paying agent, transfer agent or registrar, as the case may be, and one copy to the Trustee. Any removal of an Agent and any appointment of a successor paying agent, transfer agent or registrar, as the case may be, shall become effective upon acceptance of appointment by the successor paying agent as provided below. Upon its resignation or removal, such Agent shall be entitled to the payment by the Company of its compensation for the services rendered hereunder and to the reimbursement of all properly incurred out-

of-pocket expenses incurred in connection with the services rendered by it hereunder.

The Company shall remove an Agent and appoint a successor paying agent, transfer agent or registrar, as the case may be, if such Agent (i) shall become incapable of acting, (ii) shall be adjudged bankrupt or insolvent, (iii) shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, (iv) shall consent to, or shall have had entered against it a court order for, any such relief or to the appointment of or taking possession by any such official in any involuntary case or other proceedings commenced against it, (v) shall make a general assignment for the benefit of creditors or (vi) shall fail generally to pay its debts as they become due.

Any successor paying agent, transfer agent or registrar, as the case may be, appointed as provided herein shall execute and deliver to its predecessor and to the Company and the Trustee an instrument accepting such appointment (which may be in the form of an acceptance signature to the letter of the Company appointing such agent) and thereupon such successor paying agent, transfer agent or registrar, as the case may be, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Agent and such predecessor shall pay over to such paying agent, transfer agent or registrar, as the case may be, all monies or other property at the time held by it hereunder.

- (k) Each Agent shall at all times be a responsible financial institution which is authorized by law to exercise its respective powers and duties hereunder and under the Indenture and the Notes.
- (l) [RESERVED].
- (m) Each of the Agents may act through its attorneys and agents and will not be responsible for the misconduct or negligence of any attorney or agent appointed with due care by it hereunder.
- (n) Notwithstanding anything to the contrary in this Indenture, none of the Agents shall in any event be liable for any loss or damage, or any failure or delay in the performance of its obligations hereunder if it is prevented from so performing its obligations by any reason which is beyond the control of the Agent, including but not limited to, any existing or future law or regulation, any existing or future act of governmental authority, act of God, flood, war whether declared or undeclared, terrorism, riot, rebellion, civil commotion, strike, lockout, other industrial action, general failure of electricity or other supply, aircraft collision, technical failure, accidental or mechanical or electrical breakdown, computer failure or failure of any money transmission system or any event where performance of any duty or obligation under or pursuant to this letter or the Indenture would or may be illegal or would result in the Agent being in breach of any law, rule, regulation, or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar action (whether or not having the force of law) of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organization to which the Agent is subject.
- (o) The Agents shall, on demand by the Trustee by notice in writing given to them and the Company at any time after an Event of Default has occurred, until notified by the Trustee to contrary, to the extent permitted by applicable law, deliver all monies, documents and records held by them in respect of the Notes to the Trustee or as the Trustees shall direct in

such notice or subsequently, *provided that* this paragraph shall not apply to any documents or records which an Agent is obliged not to release by any law or regulation to which it is subject.

- (p) The obligations hereunder of the Paying Agent, Transfer Agent and Registrar with respect to its duties as paying agent, transfer agent and registrar shall be several, not joint.
- (q) Any notice or communication to the Agents will be deemed given when sent by facsimile transmission, with transmission confirmed. Any notice to the Agents will be effective only upon receipt. The notice or communication should be addressed to the Paying Agent and Transfer Agent at:

Paying Agent:

The Bank of New York Mellon, London Branch
One Canada Square, London E14 5AL, United Kingdom
Fax: +44 1202 689660
Attn: Corporate Trust Administration - China Singyes Solar Technologies Holdings Limited/Project Helios

With a copy to:

The Bank of New York Mellon, Hong Kong Branch
Level 24, Three Pacific Place
1 Queen's Road East, Hong Kong
Facsimile: +852 2295 3283
Attention: Corporate Trust - China Singyes Solar Technologies Holdings Limited/Project Helios

Transfer Agent and Registrar:

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building – Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg
Fax: +352 24 52 4204
Attn: Corporate Trust Administration - China Singyes Solar Technologies Holdings Limited/Project Helios

With a copy to:

The Bank of New York Mellon, Hong Kong Branch
Level 24, Three Pacific Place
1 Queen's Road East, Hong Kong
Facsimile: +852 2295 3283
Attention: Corporate Trust - China Singyes Solar Technologies Holdings Limited/Project Helios

Any notice to the Company or the Trustee shall be given as set forth in the Indenture.

- (r) Any corporation into which an Agent may be merged or converted or any corporation with which such Agent may be consolidated or any corporation resulting from any merger, conversion or consolidation to which such Agent shall be a party or any corporation succeeding to the business of such Agent shall be the successor to such Agent hereunder (provided that such corporation shall be qualified as aforesaid) without the execution or filing of any document or any further act on the part of any of the parties hereto.

- (s) Any amendment, supplement or waiver under Sections 9.1 and 9.2 of the Indenture that adversely affects an Agent shall not affect such Agent's rights, powers, obligations, duties or immunities, unless such Agent has consented thereto.
- (t) The Company and the Subsidiary Guarantors (if any) agree that the provisions of Section 11.5 of the Indenture shall apply hereto, mutatis mutandis.
- (u) This letter may be executed in counterparts, each of which shall be an original which together shall constitute one and same instrument.
- (v) The Agents shall be entitled to take any action or to refuse to take any action which the Agents regards as necessary for the Agents to comply with any applicable law, regulation or fiscal requirement, court order, or the rules, operating procedures or market practice of any relevant stock exchange or other market or clearing system.
- (w) Notwithstanding any other provision of this letter or the Indenture, each Agent shall be entitled to make a deduction or withholding from any payment which it makes under the Indenture or the Notes for or on account of any present or future taxes, duties, assessments or government charges if and to the extent so required by applicable law, in which event such Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so withheld or deducted.
- (x) The Company agrees to pay any and all stamp and other documentary taxes or duties (including any interest and penalties thereon or in connection therewith) which may be payable in connection with the execution, delivery, performance and enforcement of the Indenture by any Agent.
- (y) [RESERVED].
- (z) [Any Agent may take and/or instruct any delegate or agent to take any action which it in its sole discretion considers appropriate so as to comply with any applicable law, regulation, request of a public or regulatory authority which relates to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to sanctioned persons or entities. Such action may include but is not limited to the interception and investigation of transactions on the depositor's accounts (particularly those involving the international transfer of funds) including the source of the intended recipient of fund paid into or out of the depositor's accounts. In certain circumstances, such action may delay or prevent the processing of the depositor's instructions, the settlement of transactions over the depositor's accounts or such Agent's performance of its obligations under this letter, the Indenture or the Notes. Neither such Agent nor any delegate or agent will be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) caused in whole or in part by any actions which are taken by such Agent or any delegate or agent pursuant to this paragraph (z).]
- (aa) The Company shall, within ten business days of a written request by any Agent, supply to that Agent such forms, documentation and other information relating to it, its operations, or the Notes as that the Agent reasonably requests for the purposes of that the Agent's compliance with Applicable Law and shall notify the Agent reasonably promptly in the event that the Company becomes aware that any of the forms, documentation or other information provided by the Company is (or becomes) inaccurate in any material respect; provided, however, that the Company shall not be required to provide any forms, documentation or other information pursuant to this paragraph (aa) to the extent that: (i) any such form, documentation or other information (or the information required to be provided on such form or documentation) is not reasonably available to the Company and cannot be obtained by the

Company using reasonable efforts; or (ii) doing so would or might in the reasonable opinion of the Company constitute a breach of any: (a) Applicable Law; (b) fiduciary duty; or (c) duty of confidentiality. For purposes of this paragraph (aa), “Applicable Law” shall be deemed to include (i) any rule or practice of any Authority by which any Party is bound or with which it is accustomed to comply; (ii) any agreement between any Authorities; and (iii) any agreement between any Authority and any Party that is customarily entered into by institutions of a similar nature.

- (bb) The Company shall notify each Agent in the event that it determines that any payment to be made by any Agent under the Notes is a payment which could be subject to FATCA Withholding if such payment were made to a recipient that is generally unable to receive payments free from FATCA Withholding, and the extent to which the relevant payment is so treated, provided, however, that the Company’s obligation under this paragraph (bb) shall apply only to the extent that such payments are so treated by virtue of characteristics of the Company, the Notes, or both.
- (cc) Notwithstanding any other provision of this Agreement, each Agent shall be entitled to make a deduction or withholding from any payment which it makes under the Notes for or on account of any Tax, if and only to the extent so required by Applicable Law, in which event the Agent shall make such payment after such deduction or withholding has been made and shall account to the relevant Authority within the time allowed for the amount so deducted or withheld or, at its option, shall reasonably promptly after making such payment return to the Company the amount so deducted or withheld, in which case, the Company shall so account to the relevant Authority for such amount. For the avoidance of doubt, FATCA Withholding is a deduction or withholding which is deemed to be required by Applicable Law for the purposes of this paragraph (cc).

For the purposes of paragraphs (aa) to (cc), capitalized terms shall have the following meaning:

“**Applicable Law**” means any law or regulation.

“**Authority**” means any competent regulatory, prosecuting, Tax or governmental authority in any jurisdiction.

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended.

“**FATCA Withholding**” means any withholding or deduction required pursuant to an agreement described in section 1471(b) of the Code, or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

“**Tax**” means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Authority having power to tax.

- (dd) [The Company hereby represents and warrants that neither it nor any of its Affiliates or Subsidiaries: (a) is an individual or entity (“**Person**”) that is, or is owned or controlled by Persons that are the subject of sanctions administered or enforced by the U.S. Department of the Treasury’s Office of Foreign Assets Control, the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty’s Treasury, or other relevant sanctions authority (collectively, “**Sanctions**” and each such Person a “**Sanctioned Person**”); (b) is located, incorporated, organized, or resident in a country or territory that is, or whose government is, the subject of Sanctions (including, without limitation, the Crimea

Region of Ukraine, Cuba, Iran, North Korea, Sudan and Syria) (each a “**Sanctioned Country**”); and (c) has any business affiliation or commercial dealings with or investments in any Sanctioned Country or Sanctioned Person. The Company covenants that it will not take any action, omit to take any action, or engage in any activity which would render any of the foregoing representations or warranties untrue at any time and will promptly notify each party if any of the foregoing representations and warranties are no longer true.]

- (ee) [In order to comply with laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including those relating to the funding of terrorist activities and money laundering (“**Applicable Law**”), each Agent is required to obtain, verify and record certain information relating to individuals and entities which maintain a business relationship with such Agent. Accordingly, each of the parties agrees to provide to such Agent upon its request from time to time such identifying information and documentation as may be available for such party in order to enable such Agent to comply with Applicable Law.]
- (ff) No Agent shall be liable for any action taken or omitted or for any loss or injury resulting from its actions or its performance or lack of performance of its duties hereunder except for its own willful misconduct or gross negligence or that of its respective officers, directors or employees.
- (gg) The Agents shall have no duty to determine whether a Default or an Event of Default (as defined in the Indenture) has occurred or is continuing unless it has received express written notice thereof from the Company or the Subsidiary Guarantors (if any).
- (hh) Each of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors covenants that it will not, directly or indirectly, use the proceeds hereof, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person, (i) to fund any activities or business of or with any person, or in any country or territory, that, at the time of such funding, is, or whose government is, the target or subject of Sanctions or (ii) in any other manner that would result in a violation of Sanctions by any person.
- (ii) Notwithstanding and to the exclusion of any other term of this Agreement or any other agreements, arrangements, or understanding between The Bank of New York Mellon SA/NV, Luxembourg Branch and each counterparty, each counterparty acknowledges and accepts that a BRRD Liability arising under this Agreement may be subject to the exercise of Bail-in Powers by the Relevant Resolution Authority, and acknowledges, accepts, and agrees to be bound by:
 - (i) the effect of the exercise of Bail-in Powers by the Relevant Resolution Authority in relation to any BRRD Liability of The Bank of New York Mellon SA/NV, Luxembourg Branch to each counterparty under this agreement, that (without limitation) may include and result in any of the following, or some combination thereof:
 - (A) the reduction of all, or a portion, of the BRRD Liability or outstanding amounts due thereon;
 - (B) the conversion of all, or a portion, of the BRRD Liability into shares, other securities or other obligations of The Bank of New York Mellon SA/NV, Luxembourg Branch or another person, and the issue to or conferral on each counterparty of such shares, securities or obligations;

- (C) the cancellation of the BRRD Liability;
- (D) the amendment or alteration of any interest, if applicable, thereon, the maturity or the dates on which any payments are due, including by suspending payment for a temporary period;
- (ii) the variation of the terms of this Agreement, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of Bail-in Powers by the Relevant Resolution Authority.

For the purposes of paragraph (kk), capitalized terms shall have the following meanings:

“Bail-in Legislation” means in relation to a member state of the European Economic Area which has implemented, or which at any time implements, the BRRD, the relevant implementing law, regulation, rule or requirement as described in the EU Bail-in Legislation Schedule from time to time.

“Bail-in Powers” means any Write-down and Conversion Powers as defined in the EU Bail-in Legislation Schedule, in relation to the relevant Bail-in Legislation.

“BRRD” means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

“BRRD Liability” means a liability in respect of which the relevant Write Down and Conversion Powers in the applicable Bail-in Legislation may be exercised.

“EU Bail-in Legislation Schedule” means the document described as such, then in effect, and published by the Loan Market Association (or any successor person) from time to time at <http://www.lma.eu.com/pages.aspx?p=499>.

“Relevant Resolution Authority” means the resolution authority with the ability to exercise any Bail-in Powers in relation to The Bank of New York Mellon SA/NV, Luxembourg Branch.

- (jj) Each Agent shall have the benefit of all of the rights, protections, indemnities, immunities and privileges of an Agent set forth in the Indenture and the Indenture shall govern in the event of any inconsistency between this letter and the Indenture.
- (kk) Each Agent shall be entitled to refrain from taking any action if it receives conflicting, unclear or equivocal instructions.

The agreement set forth in this letter shall be construed in accordance with and governed by the laws of the State of New York.

CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS
LIMITED

By: _____
Name:
Title:

[NAMES OF SUBSIDIARY GUARANTORS]

By: _____
Name:
Title:

Agreed and accepted:

THE BANK OF NEW YORK MELLON, LONDON BRANCH
as Paying Agent

By:_____

Name:

Title:

The BANK OF NEW YORK MELLON SA/NV, LUXEMBOURG BRANCH
as Transfer Agent and Registrar

By:_____

Name:

Title:

Acknowledged by:

THE BANK OF NEW YORK MELLON, LONDON BRANCH
as Trustee

By:_____

Name:

Title:

EXHIBIT E
FORM OF TRANSFER CERTIFICATE

[Date]

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building – Polaris, 2-4 rue Eugène Ruppert, L-2453
Luxembourg

as Registrar

Re: China Singyes Solar Technologies Holdings Limited
2.00% Cash-Pay and 4.00% Pay-In-Kind Guaranteed Senior Notes Due
2022 (the “**Notes**”)

Dear Sirs:

Reference is hereby made to the Indenture, dated as of [●], 2019, as amended, supplemented or modified from time to time (the “**Indenture**”), among China Singyes Solar Technologies Holdings Limited, a corporation incorporated under the laws of Bermuda (the “**Company**”), the Initial Subsidiary Guarantors listed in Schedule 1 thereto (the “**Subsidiary Guarantors**”), and The Bank of New York Mellon, London Branch, as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____ (the “**Transferor**”) owns and proposes to transfer the Note[s] or beneficial interest in Note[s] specified in Annex A hereto, in the principal amount of US\$_____ in such Note[s] or beneficial interests (the “**Transfer**”), to _____ (the “**Transferee**”), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK]

1. ☐ The amount of the Transfer is equal to or greater than US\$150,000.

The Transferor further certifies that:

[CHECK ALL THAT APPLY]

1. ☐ **Check if Transferee will take delivery of a beneficial interest in the Rule 144A Global Note or a Certificated Note pursuant to Rule 144A.** The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and, accordingly, the Transferor hereby further certifies that the beneficial interest or Certificated Note is being transferred to a Person that the Transferor or any Person acting on its behalf reasonably believed and believes is purchasing the beneficial interest or Certificated Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and not with a view to, or for offer or sale in connection with, any distribution in violation of the Securities Act, and such Person and each such account is a “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act to whom notice has been given that the transfer is being made in reliance on Rule 144A in a transaction meeting the requirements of Rule 144A under the Securities Act and such Transfer is in compliance with all applicable securities laws of any other jurisdiction. Upon consummation of the proposed Transfer in

accordance with the terms of the Indenture, the transferred beneficial interest or Certificated Note will be subject to the restrictions on transfer enumerated in the legend printed on the Rule 144A Global Note and/or the Certificated Note and in the Indenture and the Securities Act.

2. ☐ **Check if Transferee will take delivery of a beneficial interest in the IAI Global Note or a Certificated Note pursuant to Rule 506.** The Transferor hereby certifies that the beneficial interest or the Certificated Note is being transferred to a Person that is an institutional “accredited investor” (“IAI”) within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act that has provided the attached duly executed IAI Investment Letter (annexed as Annex B hereto) pursuant to an exemption from the registration requirements in the Securities Act and in compliance with all applicable securities laws of any other jurisdiction. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Certificated Note will be subject to the restrictions on transfer enumerated in the legend printed on the IAI Global Note and/or the Certificated Note and in the Indenture and the Securities Act.

3. ☐ **Check if Transferee will take delivery of a beneficial interest in the Regulation S Global Note or a Certificated Note pursuant to Regulation S.** The Transfer is being effected pursuant to and in accordance with Regulation S under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and such Transferor or any person acting on its behalf does not know that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in connection with the Transfer in contravention of the requirements of Rule 903(a)(2) or Rule 904(a)(2) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act, and (iv) such Transfer is in compliance with all applicable securities laws of any other jurisdiction. If the Transferee is a person in a member state of the European Economic Area which has implemented the Prospectus Directive, the Transferor further certifies that it reasonably believes such person to be a “qualified investor” within the meaning of the law in the relevant member state implementing article 2(1)(e) of the Prospectus Directive. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Certificated Note will be subject to the restrictions on transfer enumerated in the legend printed on the Regulation S Global Note and/or the Certificated Note and in the Indenture and the Securities Act.

4. ☐ **Check and complete if Transferee will take delivery of a beneficial interest in a Global Note or a Certificated Note pursuant to any other exemption provision of the Securities Act.** The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Global Notes and Certificated Notes and pursuant to and in accordance with the Securities Act and all applicable securities laws of any other jurisdiction.

You, the Company and the Subsidiary Guarantors [and the JV Subsidiary Guarantors] are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,
[Name of Transferor]

By: _____
Authorized Signature

ANNEX A TO TRANSFER CERTIFICATE

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE]

- (a) a beneficial interest in the:
- (i) ☐ Rule 144A Global Note ([ISIN]/[Common Code]); or
 - (ii) ☐ IAI Global Note ([ISIN]/[Common Code]); or
 - (iii) ☐ Regulation S Global Note ([ISIN]/[Common Code]); or
- (b) ☐ a Certificated Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

- (a) a beneficial interest in the:
- (i) ☐ Rule 144A Global Note ([ISIN]/[Common Code]); or
 - (ii) ☐ IAI Global Note ([ISIN]/[Common Code]); or
 - (iii) ☐ Regulation S Global Note ([ISIN]/[Common Code]); or
- (b) ☐ a Certificated Note,

in accordance with the terms of the Indenture.

**ANNEX B TO TRANSFER CERTIFICATE
FORM OF IAI INVESTMENT LETTER**

[DATE]

To: China Singyes Solar Technologies Holdings Limited (as Company)

The Bank of New York Mellon SA/NV, Luxembourg Branch (as Registrar)

Dear Sirs or Madams,

Reference is hereby made to the Indenture, dated as of [●], 2019, as amended, supplemented or modified from time to time (the “**Indenture**”), among China Singyes Solar Technologies Holdings Limited, a corporation incorporated under the laws of Bermuda (the “**Company**”), the Initial Subsidiary Guarantors listed in Schedule 1 thereto (the “**Subsidiary Guarantors**”), and The Bank of New York Mellon, London Branch, as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture. In connection with our proposed purchase of *[insert Specified Currency and nominal amount of Notes]* aggregate nominal amount of Notes, we represent and warrant as follows:

1. We have received such information as we deem necessary in order to make our investment decision.
2. We understand that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in the Indenture and the Notes and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with, such restrictions and conditions and the United States Securities Act of 1933, as amended (the “**Securities Act**”).
3. We understand that the offer and sale of the Notes have not been registered under the Securities Act, and that the Notes may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, not to offer, sell or otherwise transfer such Notes except (A) to the Company or one of its subsidiaries, (B) pursuant to a registration statement which has been declared effective under the Securities Act, (C) for so long as the Notes are eligible for resale pursuant to Rule 144A under the Securities Act (“**Rule 144A**”), to a person we reasonably believe is a “qualified institutional buyer” as defined in Rule 144A that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that the transfer is being made in reliance on Rule 144A, (D) to an institutional “accredited investor” within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act that, before such transfer, furnishes to the Company a signed letter, substantially identical to this letter, containing certain representations and agreements relating to the transfer of the Notes, (E) outside the United States in compliance with Regulation S of the Securities Act, or (F) pursuant to any other available exemption from the registration requirements of the Securities Act, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction. We understand that, on any proposed resale of any Notes, we and each subsequent holder will be required to deliver to the transferee of the Notes or any interest or participation therein a notice substantially to the foregoing effect.
4. We understand that, on any proposed resale of any Notes, we will be required to furnish to the Company such certifications, legal opinions, and other information (including a letter substantially similar to this one from any purchaser who is an institutional accredited investor) as it may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Notes purchased by us will bear a legend to substantially the foregoing effect.
5. We invest or purchase securities similar to the Notes in the normal course of our business.
6. We are an institution that is an accredited investor within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act and have such knowledge and experience in financial and business

matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any accounts for which we act are each able to bear the economic risk of our own or of any such accounts' investment for an indefinite period of time.

7. We are acquiring the Notes for our own account or for one or more accounts (each of which is an institutional accredited investor) as to each of which we exercise in our sole investment discretion and not with a view to any distribution of the Notes in violation of the Securities Act, subject, nevertheless, to the understanding that the disposition of our property will at all times be and remain within our control.
8. We are acquiring the Notes having at least the minimum purchase price set forth in the applicable terms under the IAI Global Note and/or IAI Certificated Note.

[Insert name of Transferee]

By: _____

Name: _____

Title: _____

EXHIBIT F
FORM OF CERTIFICATE OF EXCHANGE

The Bank of New York Mellon SA/NV, Luxembourg Branch

as Registrar

Re: China Singyes Solar Technologies Holdings Limited
2.00% Cash-Pay and 4.00% Pay-In-Kind Guaranteed Senior Notes Due
2022 (the “**Notes**”)

Dear Sirs:

Reference is hereby made to the Indenture, dated as of [●], 2019, as amended, supplemented or modified from time to time (the “**Indenture**”), among China Singyes Solar Technologies Holdings Limited, a corporation incorporated under the laws of Bermuda (the “**Company**”), the Initial Subsidiary Guarantors listed in Schedule 1 thereto (the “**Subsidiary Guarantors**”), and The Bank of New York Mellon, London Branch, as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____ (the “**Owner**”) owns and proposes to exchange the Note[s] or beneficial interest in Note[s] specified in Annex A hereto, in the principal amount of US\$_____ in such Note[s] or beneficial interests (the “**Exchange**”). In connection with the Exchange, the Owner hereby certifies that:

[CHECK]

1. ☐ **Check if Exchange is from beneficial interest in a Global Note for Certificated Notes.** In connection with the Exchange of the Owner’s beneficial interest in a Global Note for Certificated Notes in an equal amount, the Owner hereby certifies that such Definitive Registered Notes are being acquired for the Owner’s own account without transfer. The Certificated Notes issued pursuant to the Exchange will bear the Private Placement Legend and will be subject to restrictions on transfer enumerated in the Indenture and the U.S. Securities Act of 1933, as amended (the “**Securities Act**”).

2. ☐ **Check if Exchange is from Certificated Notes for beneficial interest in a Global Note.** In connection with the Exchange of the Owner’s Certificated Notes for beneficial interest in a Global Note in an equal amount, the Owner hereby certifies that such beneficial interest in a Global Note is being acquired for the Owner’s own account without transfer. The beneficial interest transferred in exchange will be subject to restrictions on transfer enumerated in the Indenture and the Securities Act.

You, the Company and the Subsidiary Guarantors [and the JV Subsidiary Guarantors] are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,
[Name of Transferor]

By: _____
Authorized Signature

ANNEX A TO CERTIFICATE OF EXCHANGE

1. The Owner owns and proposes to exchange the following:

[CHECK ONE]

(a) a beneficial interest held through Euroclear/Clearstream Account No. _____ in the:

- (i) ☐ Rule 144A Global Note ([ISIN]/[Common Code]); or
- (ii) ☐ IAI Global Note ([ISIN]/[Common Code]); or
- (iii) ☐ Regulation S Global Note ([ISIN]/[Common Code]); or

(b) ☐ a Certificated Note.

2. After the Exchange the Owner will hold:

[CHECK ONE]

(a) a beneficial interest held through Euroclear/Clearstream Account No. _____ in the:

- (i) ☐ Rule 144A Global Note ([ISIN]/[Common Code]); or
- (ii) ☐ IAI Global Note ([ISIN]/[Common Code]); or
- (iii) ☐ Regulation S Global Note ([ISIN]/[Common Code]); or

(b) ☐ a Certificated Note,

in accordance with the terms of the Indenture.

EXHIBIT G
FORM OF SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE

dated as of _____, _____

among

CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS LIMITED

and

THE BANK OF NEW YORK MELLON, LONDON BRANCH
as Trustee

2.00% Cash-Pay and 4.00% Pay-In-Kind Guaranteed Senior Notes Due 2022

THIS SUPPLEMENTAL INDENTURE (this “**Supplemental Indenture**”), entered into as of _____, ____ among China Singyes Solar Technologies Holdings Limited, a corporation incorporated under the laws of Bermuda (the “**Company**”), the Initial Subsidiary Guarantors listed in the Indenture (as defined below) and [*insert each new Guarantor executing this Supplemental Indenture and its jurisdiction of incorporation*] (each an “**Undersigned**”), and The Bank of New York Mellon, London Branch, a banking corporation organized and existing under the laws of the State of New York with limited liability and operating through its branch in London at One Canada Square, London E14 5AL United Kingdom, as trustee (the “**Trustee**”). Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

RECITALS

WHEREAS, the Company, the Subsidiary Guarantors party thereto and the Trustee, entered into the Indenture, dated as of [●], 2019 (as amended or supplemented to the date hereof, the “**Indenture**”), relating to the Company’s 2.00% Cash-Pay and 4.00% Pay-In-Kind Guaranteed Senior Notes Due 2022 (the “**Notes**”);

WHEREAS, pursuant to Sections 10.9 and 10.10 of the Indenture each new Subsidiary Guarantor or JV Subsidiary Guarantor, as applicable, is required to enter into a supplemental indenture which supplemental indenture may be entered into without the consent of the Holders pursuant to Section 9.1(a)(iv).

WHEREAS, the Company agreed pursuant to Section 10.9 of the Indenture to cause each of its Restricted Subsidiaries (other than a PRC Restricted Subsidiary) to provide a Subsidiary Guarantee or JV Subsidiary Guarantee, as applicable, as soon as practicable following the date on which it can be determined that any Restricted Subsidiary had a Net Asset Value or Capital of at least RMB25 million as of the last day of its previous fiscal year.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and intending to be legally bound, the parties to this Supplemental Indenture hereby agree as follows:

- 1** Capitalized terms used herein and not otherwise defined herein are used as defined in the Indenture.
- 2** Each Undersigned, by its execution of this Supplemental Indenture, agrees to be a [Subsidiary Guarantor/JV Subsidiary Guarantor] under (i) the Indenture and to be bound by the terms of the Indenture applicable to [Subsidiary Guarantors/JV Subsidiary Guarantors], including, but not limited to, Article 10 thereof and (ii) the Paying Agent, Transfer Agent and Registrar Appointment Letter and to be bound by all the terms of such letter.
- 3** This Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York.
- 4** This Supplemental Indenture may be signed in various counterparts which together will constitute one and the same instrument.
- 5** This Supplemental Indenture is an amendment supplemental to the Indenture and the Indenture and this Supplemental Indenture will henceforth be read together.
- 6** Notwithstanding anything contained herein, nothing in this Supplemental Indenture shall relieve the Company, the Subsidiary Guarantors or the Trustee of any of their obligations under the Indenture, as amended and supplemented by this Supplemental Indenture, and the Notes.

7 All of the provisions of the Indenture shall remain in full force and effect as set forth therein.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

CHINA SINGYES SOLAR TECHNOLOGIES
HOLDINGS LIMITED
for itself and on behalf of all the Subsidiary
Guarantors

By: _____
Name:
Title:

THE BANK OF NEW YORK MELLON, LONDON
BRANCH, as Trustee

By: _____
Name:
Title:

[NAME OF NEW SUBSIDIARY GUARANTOR/JV
SUBSIDIARY GUARANTOR]

By: _____
Name:
Title:

EXHIBIT H
FORM OF COMPLIANCE CERTIFICATE

This Compliance Certificate is delivered pursuant to Section 6.16 of the Indenture, dated as of [●], 2019, as amended, supplemented or modified from time to time (the “**Indenture**”), among China Singyes Solar Technologies Holdings Limited, a company incorporated with limited liability under the laws of Bermuda (the “**Company**”), the entities listed on Schedule 1 thereto (the “**Subsidiary Guarantors**”) and The Bank of New York Mellon, London Branch, as trustee. Terms defined in the Indenture are used herein as therein defined.

The undersigned hereby certifies to the Trustee as follows:

- 1** I am the duly elected, qualified and acting [Officer] of the Company.
- 2** I have reviewed and am familiar with the contents of this Compliance Certificate.
- 3** I have reviewed the terms of the Indenture. Such review did not disclose the existence during or at the end of the annual period covered by this Compliance Certificate [, except as set forth below].
- 4** Since the Original Issue Date: neither the Company [nor any Subsidiary Guarantor [nor any JV Subsidiary Guarantor]] has changed its jurisdiction of organization, name, identity or corporate structure to such an extent that any financing statement would become misleading.
- 5** That a review has been conducted of the activities of the Company and its Restricted Subsidiaries and the Company’s and its Restricted Subsidiaries’ performance under the Indenture, in each case since the Original Issue Date, [and that the Company [and the Subsidiary Guarantors] [has/have] been since the Original Issue Date and are in compliance with all of [its/their] respective obligations under the Indenture]/[if there has been a default in the fulfillment of any obligation under the Indenture, specifying each such default and the nature and status thereof.]

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of the date set forth below.

CHINA SINGYES SOLAR TECHNOLOGIES
HOLDINGS LIMITED

By:_____

Name:

Title:

Date:_____, 20____

EXHIBIT I
FORM OF SUBSIDIARY GUARANTEE

Each of the undersigned (the “**Subsidiary Guarantors**”) hereby, jointly and severally, guarantees as principal obligor to each Holder of a Note authenticated by the Registrar and to the Trustee and its successors and assigns the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes and the Indenture. The obligations of each Subsidiary Guarantor are unconditional and absolute and, without limiting the generality of the foregoing, will not be released, discharged or otherwise affected by: (1) any extension, renewal, settlement, compromise, waiver or release in respect of any obligation of the Company under the Indenture or any Note, by operation of law or otherwise; (2) any modification or amendment of or supplement to the Indenture or any Note; (3) any change in the corporate existence, structure or ownership of the Company, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Company or its assets or any resulting release or discharge of any obligation of the Company contained in the Indenture or any Note; (4) the existence of any claim, set off or other rights which the Subsidiary Guarantor may have at any time against the Company, the Trustee or any other Person, whether in connection with the Indenture or any unrelated transactions, *provided that* nothing herein prevents the assertion of any such claim by separate suit or compulsory counterclaim; (5) any invalidity, irregularity, or unenforceability relating to or against the Company for any reason of the Indenture or any Note; or (6) any other act or omission to act or delay of any kind by the Company, the Trustee or any other Person or any other circumstance whatsoever which might, but for the provisions of this paragraph, constitute a legal or equitable discharge of or defense to such Subsidiary Guarantor’s obligations hereunder.

This Subsidiary Guarantee will not be discharged with respect to any Note except by payment in full of the principal of, premium, if any, and interest on the Notes and all other amounts payable, in respect of any Subsidiary Guarantor, as otherwise contemplated in the Indenture. In case of the failure of the Company punctually to pay any such principal of, premium, if any, and interest on the Notes and all such other amounts payable, each of the Subsidiary Guarantors hereby agrees to cause any such payment to be made punctually when and as the same shall become due and payable, whether at the Stated Maturity, by acceleration, call for redemption or otherwise, and as if such payment were made by the Company.

Subject to certain exceptions as set forth in the Indenture, each of the Subsidiary Guarantors hereby further agrees that all payments of, or in respect of, principal of, and premium (if any) and interest in respect of this Subsidiary Guarantee will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which the Company, the Surviving Person (as defined in the Indenture) or the applicable Subsidiary Guarantor is organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, each Subsidiary Guarantor severally agrees to pay such additional amounts as will result in receipt by the holder of this Subsidiary Guarantee of such amounts as would have been received by such holder had no such withholding or deduction been required.

The obligations of the Subsidiary Guarantors to the holder of this Note and to the Trustee pursuant to this Subsidiary Guarantee and the Indenture are expressly set forth in Article 10 of the Indenture, and reference is hereby made to such Article and Indenture for the precise terms of the Subsidiary Guarantee.

This Subsidiary Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication on the Note upon which this Subsidiary Guarantee is endorsed shall have been executed by the Registrar under the Indenture by manual signature of one of its authorized officers.

[NAME AND SIGNATURE BLOCK FOR EACH
SUBSIDIARY GUARANTOR]

[NAME]

By: _____
Name:
Title:

EXHIBIT J

FORM OF JV SUBSIDIARY GUARANTEE

Each of the undersigned (the “**JV Subsidiary Guarantors**”) hereby, jointly and severally, guarantees as principal obligor to each Holder of a Note authenticated by the Registrar and to the Trustee and its successors and assigns the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes and the Indenture. The obligations of each JV Subsidiary Guarantor are unconditional and absolute and, without limiting the generality of the foregoing, will not be released, discharged or otherwise affected by: (1) any extension, renewal, settlement, compromise, waiver or release in respect of any obligation of the Company under the Indenture or any Note, by operation of law or otherwise; (2) any modification or amendment of or supplement to the Indenture or any Note; (3) any change in the corporate existence, structure or ownership of the Company, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Company or its assets or any resulting release or discharge of any obligation of the Company contained in the Indenture or any Note; (4) the existence of any claim, set off or other rights which the JV Subsidiary Guarantor may have at any time against the Company, the Trustee or any other Person, whether in connection with the Indenture or any unrelated transactions, *provided that* nothing herein prevents the assertion of any such claim by separate suit or compulsory counterclaim; (5) any invalidity, irregularity, or unenforceability relating to or against the Company for any reason of the Indenture or any Note; or (6) any other act or omission to act or delay of any kind by the Company, the Trustee or any other Person or any other circumstance whatsoever which might, but for the provisions of this paragraph, constitute a legal or equitable discharge of or defense to such JV Subsidiary Guarantor’s obligations hereunder.

This JV Subsidiary Guarantee will not be discharged with respect to any Note except by payment in full of the principal of, premium, if any, and interest on the Notes and all other amounts payable, in respect of any JV Subsidiary Guarantor, or as otherwise contemplated in the Indenture. In case of the failure of the Company punctually to pay any such principal of, premium, if any, and interest on the Notes and all such other amounts payable, each of the JV Subsidiary Guarantors hereby agrees to cause any such payment to be made punctually when and as the same shall become due and payable, whether at the Stated Maturity, by acceleration, call for redemption or otherwise, and as if such payment were made by the Company; provided, that such payment does not exceed the JV Entitlement amount as defined in the Indenture.

Subject to certain exceptions as set forth in the Indenture, each of the JV Subsidiary Guarantors hereby further agrees that all payments of, or in respect of, principal of, and premium (if any) and interest in respect of this JV Subsidiary Guarantee will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which the Company, the Surviving Person (as defined in the Indenture) or the applicable JV Subsidiary Guarantor is organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, each JV Subsidiary Guarantor severally agrees to pay such additional amounts as will result in receipt by the holder of this JV Subsidiary Guarantee of such amounts as would have been received by such holder had no such withholding or deduction been required.

The obligations of the JV Subsidiary Guarantors to the holder of this Note and to the Trustee pursuant to this JV Subsidiary Guarantee and the Indenture are expressly set forth in Article 10 of the Indenture, and reference is hereby made to such Article and Indenture for the precise terms of the JV Subsidiary Guarantee.

This JV Subsidiary Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication on the Note upon which this JV Subsidiary Guarantee is endorsed shall have been executed by the Registrar under the Indenture by manual signature of one of its authorized officers.

[NAME AND SIGNATURE BLOCK FOR EACH JV
SUBSIDIARY GUARANTOR]

[NAME]

By: _____
Name:
Title:

EXHIBIT K

TRUSTEE, PAYING AGENT, TRANSFER AGENT AND REGISTRAR

Trustee and Paying Agent

The Bank of New York Mellon, London Branch

One Canada Square, London E14 5AL, United Kingdom

Transfer Agent and Registrar

The Bank of New York Mellon SA/NV, Luxembourg Branch

Vertigo Building – Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg

EXHIBIT L

FORM OF CASH COUPON ELECTION CERTIFICATE

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL, United Kingdom
as Trustee and Paying Agent

With a copy to:

The Bank of New York Mellon, Hong Kong Branch
Level 24, Three Pacific Place
1 Queen's Road East, Hong Kong
Facsimile: +852 2295 3283
Attention: Corporate Trust - China Singyes Solar Technologies Holdings
Limited/Project Helios

Date: _____

Dear Sirs:

Cash Coupon Election with respect to the 2.00% Cash-Pay and 4.00% Pay-In-Kind Guaranteed Senior Notes Due 2022 issued by China Singyes Solar Technologies Holdings Limited

Reference is hereby made to the Indenture, dated as of [●], 2019, as amended, supplemented or modified from time to time (the “**Indenture**”), among China Singyes Solar Technologies Holdings Limited, a corporation incorporated under the laws of Bermuda (the “**Company**”), and The Bank of New York Mellon, London Branch, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

In accordance with Section 2.13 of the Indenture, the Company hereby:

- (a) irrevocably elects to pay all PIK Interest due on the Notes wholly in cash;
- (b) confirms that all accrued interest due on the aggregate principal amount of the Notes from time to time outstanding shall be payable entirely in cash from and including [date]⁹ to the Maturity Date at the rate of 6.00%; and
- (c) confirms that it will give notice to the Holders of its Cash Coupon Election promptly following the delivery of this certificate.

⁹ The Interest Payment Date immediately preceding the date of the Cash Coupon Election Certificate.

CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS
LIMITED

By: _____
Name:
Title:

EXHIBIT M

Form of PIK Notice

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL, United Kingdom
as Trustee and Paying Agent

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg
as Registrar

With a copy to:

The Bank of New York Mellon, Hong Kong Branch
Level 24, Three Pacific Place
1 Queen's Road East, Hong Kong
Facsimile: +852 2295 3283
Attention: Corporate Trust - China Singyes Solar Technologies Holdings
Limited/Project Helios

Date: [_____]¹⁰

Dear Sirs:

PIK Notice with respect to the 2.00% Cash-Pay and 4.00% Pay-In-Kind Guaranteed Senior Notes Due 2022 issued by China Singyes Solar Technologies Holdings Limited

Reference is hereby made to the Indenture, dated as of [●], 2019, as amended, supplemented or modified from time to time (the “**Indenture**”), among China Singyes Solar Technologies Holdings Limited, a corporation incorporated under the laws of Bermuda (the “**Company**”), and The Bank of New York Mellon, London Branch, as Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

In accordance with Section 2.14 of the Indenture, the Company hereby instructs the Paying Agent and the Registrar to [either] [increase the outstanding principal amount of the relevant Global Notes by US\$[●]¹¹ by making the appropriate amendments to the Schedule of Increases or Decreases in the Global Notes]¹² [or] [authenticate and deliver US\$[●]¹³ in aggregate principal amount of Additional Notes to the Holders]¹⁴.

¹⁰ Such date should be at least 10 Business Days prior to the relevant Interest Payment Date.

¹¹ The amount of PIK Interest due on the relevant Interest Payment Date.

¹² Include if the Notes are represented by one or more Global Notes.

¹³ The amount of PIK Interest due on the relevant Interest Payment Date.

¹⁴ Include if the Notes are represented by Certificated Notes.

CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS
LIMITED

By: _____
Name:
Title:

EXHIBIT N

Form of Officer's Certificate with respect to Acceding Subsidiaries

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL, United Kingdom
as Trustee

With a copy to:

The Bank of New York Mellon, Hong Kong Branch
Level 24, Three Pacific Place
1 Queen's Road East, Hong Kong
Facsimile: +852 2295 3283
Attention: Corporate Trust - China Singyes Solar Technologies Holdings
Limited/Project Helios

Date: [_____] ¹⁵

Dear Sirs:

Officer's Certificate with respect to the 2.00% Cash-Pay and 4.00% Pay-In-Kind Guaranteed Senior Notes Due 2022 issued by China Singyes Solar Technologies Holdings Limited

Reference is hereby made to the Indenture, dated as of [●], 2019, as amended, supplemented or modified from time to time (the "**Indenture**"), among China Singyes Solar Technologies Holdings Limited, a corporation incorporated under the laws of Bermuda (the "**Company**"), and The Bank of New York Mellon, London Branch, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

In accordance with Section 10.9(a) of the Indenture, the Company hereby confirms that:

- (a) the Company has calculated the Net Asset Value and Capital for each Restricted Subsidiary (other than a PRC Restricted Subsidiary, a Subsidiary Guarantor [or a JV Subsidiary Guarantor]) on _____ 20[●] (the "**Determination Date**"); and
- (b) [[*either*] as of the last day of the 20[●] fiscal year, no Restricted Subsidiary (other than the Subsidiary Guarantors [and the JV Subsidiary Guarantors]) had a Net Asset Value or Capital of at least RMB25 million.]

[[*or*] as of the last day of the 20[●] fiscal year, the following Restricted Subsidiaries had a Net Asset Value or Capital of at least RMB25 million:

[insert names of Acceding Subsidiaries]

the Company will cause each Acceding Subsidiary to execute and deliver to the Trustee a supplemental indenture to the Indenture, pursuant to which such Acceding Subsidiary will

¹⁵ Such date to be promptly following a Determination Date.

guarantee the payment of the Notes as either a Subsidiary Guarantor or a JV Subsidiary Guarantor (as applicable), as soon as practicable following the Determination Date.]

CHINA SINGYES SOLAR TECHNOLOGIES HOLDINGS
LIMITED

By: _____
Name:
Title:

Schedule 1
Initial Subsidiary Guarantors

Singyes Green Energy Investments Ltd.