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*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01250)**

## **FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

### **HIGHLIGHTS**

- The Group reported revenue of approximately HK\$2,890.2 million (2015: approximately HK\$288.9 million), representing an increase of approximately 900% as compared to the corresponding period of last year.
- Profit attributable to the equity holders of the Company was approximately HK\$505.1 million (2015: approximately HK\$38.5 million), representing an increase of approximately 1,212% as compared to the corresponding period of last year.
- EBITDA amounted to approximately HK\$889.2 million (2015: approximately HK\$78.1 million), representing an increase of 1,039% as compared to the corresponding period of last year.
- Basic and diluted earnings per share for the year were HK1.40 cents (2015: HK0.27 cents) and HK1.04 cents (2015: HK0.12 cents) respectively.
- The Board does not recommend the payment of a final dividend for the year ended 31 December 2016.

## RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Beijing Enterprises Clean Energy Group Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2016 and the consolidated statement of financial position of the Group as at 31 December 2016, with comparative figures for the year ended 31 December 2015, as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the year ended 31 December 2016*

	<i>Notes</i>	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
REVENUE	3	<b>2,890,176</b>	288,930
Cost of sales		<b>(2,073,176)</b>	(159,837)
Gross profit		<b>817,000</b>	129,093
Other income and gains, net	3	<b>98,662</b>	21,494
Gains on bargain purchase of subsidiaries	9	<b>78,669</b>	–
Selling and distribution expenses		<b>(3,565)</b>	(5,299)
Administrative expenses		<b>(219,664)</b>	(76,726)
Other operating expenses, net		<b>(760)</b>	(85)
Finance costs	5	<b>(103,857)</b>	(2,514)
PROFIT BEFORE TAX	4	<b>666,485</b>	65,963
Income tax expense	6	<b>(137,238)</b>	(27,471)
PROFIT FOR THE YEAR		<b>529,247</b>	38,492
ATTRIBUTABLE TO:			
Equity holders of the Company		<b>505,101</b>	38,492
Non-controlling interests		<b>24,146</b>	–
		<b>529,247</b>	38,492
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	8		
Basic		<b>HK1.40 cents</b>	HK0.27 cents
Diluted		<b>HK1.04 cents</b>	HK0.12 cents

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
PROFIT FOR THE YEAR	529,247	38,492
OTHER COMPREHENSIVE LOSS		
<i>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:</i>		
Available-for-sale investment:		
Changes in fair value	7	492
Reclassification adjustment for gain included in the consolidated statement of profit or loss – gain on disposal	<u>(499)</u>	<u>–</u>
	(492)	492
Exchange differences on translation of foreign operations	<u>(364,421)</u>	<u>(39,188)</u>
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	<u>(364,913)</u>	<u>(38,696)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u><u>164,334</u></u>	<u><u>(204)</u></u>
ATTRIBUTABLE TO:		
Equity holders of the Company	141,785	(204)
Non-controlling interests	<u>22,549</u>	<u>–</u>
	<u><u>164,334</u></u>	<u><u>(204)</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2016

	<i>Notes</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		9,412,975	397,666
Prepaid land lease payments		130,059	20,616
Goodwill		167,568	–
Operating rights		369,955	–
Other intangible asset		2,434	77
Available-for-sale investment		–	24,482
Prepayments, deposits and other receivables		757,139	235,874
Other tax recoverables		862,575	–
Other non-current assets		270,784	250,359
Deferred tax assets		18,844	–
		<hr/>	<hr/>
Total non-current assets		11,992,333	929,074
<b>CURRENT ASSETS</b>			
Inventories		33,073	29,601
Amounts due from contract customers		550,784	–
Trade and bills receivables	10	1,295,107	404,963
Prepaid land lease payments		4,732	494
Prepayments, deposits and other receivables		1,386,711	167,123
Other tax recoverables		296,410	134,267
Restricted cash and pledged bank deposits		386,251	15,857
Cash and cash equivalents		1,633,214	1,098,040
		<hr/>	<hr/>
Total current assets		5,586,282	1,850,345
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	11	1,144,347	185,820
Other payables and accruals		3,828,795	122,739
Interest-bearing bank and other borrowings		1,583,540	181,212
Finance lease payables		142,974	–
Income tax payables		114,441	18,456
		<hr/>	<hr/>
Total current liabilities		6,814,097	508,227
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<hr/> <b>(1,227,815)</b>	<hr/> 1,342,118
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/> <b>10,764,518</b>	<hr/> 2,271,192

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

31 December 2016

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing bank and other borrowings	3,244,597	147,444
Finance lease payables	2,663,202	–
Other non-current liabilities	271,459	–
Deferred tax liabilities	100,384	5,241
	<u>6,279,642</u>	<u>152,685</u>
Total non-current liabilities		
	<u>6,279,642</u>	<u>152,685</u>
Net assets	<u>4,484,876</u>	<u>2,118,507</u>
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	49,995	26,950
Reserves	4,399,603	2,091,557
	<u>4,449,598</u>	<u>2,118,507</u>
Non-controlling interests	35,278	–
Total equity	<u>4,484,876</u>	<u>2,118,507</u>

## NOTES:

### 1.1 BASIS OF PRESENTATION AND PREPARATION

#### **Basis of presentation**

Despite that the Group had net current liabilities of HK\$1,227.8 million, certain potential investments and capital commitments of HK\$2,368.0 million as at 31 December 2016, the directors consider that the Group will have adequate funds available to enable it to operate as a going concern, based on the Group's profit forecast and cash flow projection which, inter alia, take into account the historical operating performance of the Group and the following:

- (a) aggregate principal of RMB1,774.3 million (equivalent to HK\$1,983.6 million) received subsequent to the reporting period and up to the date of this announcement in respect of the completed finance lease arrangements entered into by the Group for terms ranging from 9 to 15 years, for the Group's photovoltaic and wind power plant businesses. The funds obtained were used to refinance the Group's current liabilities as at 31 December 2016;
- (b) the existing banking facilities available to the Group as at the date of this announcement and on the assumption that such facilities will continue to be available from the Group's bankers;
- (c) adequate financing will be obtained from banks or other financial institutions for future acquisitions and investments;
- (d) Beijing Enterprises Water Group Limited ("BEWG"), a substantial equity holder of the Company, has the intention to maintain directly or indirectly an equity interest in the Company of not less than 30% in the foreseeable future; and
- (e) certain of the above-mentioned potential investments and capital commitments are expected to be fulfilled by the Group after 2017 according to the Group's development plan.

Accordingly, these financial statements have been prepared on the going concern basis which assumes, among other things, the realisation of assets and satisfaction of liabilities in the normal course of business.

#### **Basis of preparation**

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for available-for-sale investment which has been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK\$") 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 (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has, rights, to variable returns, from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

- (a) the contractual arrangement with the other vote holders of the investee;

## 1.1 BASIS OF PRESENTATION AND PREPARATION (CONTINUED)

### Basis of preparation (Continued)

#### *Basis of consolidation (Continued)*

- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential 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.

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 has directly disposed of the related assets or liabilities.

## 1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	<i>Investment Entities: Applying the Consolidation Exception</i>
Amendments to HKFRS 11 HKFRS 14	<i>Accounting for Acquisitions of Interests in Joint Operations</i> <i>Regulatory Deferral Accounts</i>
Amendments to HKAS 1	<i>Disclosure Initiative</i>
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i>
Amendments to HKAS 27 (2011) <i>Annual Improvements 2012-2014 Cycle</i>	<i>Equity Method in Separate Financial Statements</i> Amendments to a number of HKFRSs

Except for the amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011), amendments to HKFRS 11, HKFRS 14, amendments to HKAS 16 and HKAS 41, amendments to HKAS 27 (2011), and certain amendments included in the *Annual Improvements 2012-2014 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the amendments are described below:

- (a) Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:
  - (i) the materiality requirements in HKAS 1;

## 1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

- (ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;
- (iii) that entities have flexibility as to the order in which they present the notes to financial statements; and
- (iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The amendments have had no significant impact on the Group's financial statements.

- (b) Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments have had no impact on the financial position or performance of the Group as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.
- (c) *Annual Improvements to HKFRSs 2012-2014 Cycle* issued in October 2014 sets out amendments to a number of HKFRSs. Details of the amendments are as follows:
  - *HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations*: Clarifies that changes to a plan of sale or a plan of distribution to owners should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. Accordingly, there is no change in the application of the requirements in HKFRS 5. The amendments also clarify that changing the disposal method does not change the date of classification of the non-current assets or disposal group held for sale. The amendments are to be applied prospectively. The amendments have had no impact on the Group as the Group did not have any disposal plan during the year.

## 2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- (a) investment, development, construction, operation and management of photovoltaic power plants, photovoltaic power-related businesses and wind power-related business; and
- (b) design, printing and sale of cigarette packages in the People's Republic of China ("PRC").

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that head office and corporate income/(expenses) and finance costs are excluded from this measurement.

## 2. OPERATING SEGMENT INFORMATION (CONTINUED)

### Years ended 31 December 2016 and 2015

	Photovoltaic and wind power businesses		Cigarette packaging business		Total	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Segment revenue:						
Sales to external customers	<u>2,721,564</u>	<u>49,243</u>	<u>168,612</u>	<u>239,687</u>	<u>2,890,176</u>	<u>288,930</u>
Segment results	<u>792,857</u>	<u>43,128</u>	<u>7,462</u>	<u>46,301</u>	<u>800,319</u>	<u>89,429</u>
<i>Reconciliation:</i>						
Unallocated gains					604	11
Corporate and other unallocated expenses					(30,581)	(20,963)
Finance costs					(103,857)	(2,514)
Profit before tax					666,485	65,963
Income tax expense					(137,238)	(27,471)
Profit for the year					<u>529,247</u>	<u>38,492</u>

### Geographical information

Geographical information is not presented since over 90% of the Group's revenue from external customers is generated in Mainland China and over 90% of the assets of the Group are located in Mainland China. Accordingly, in the opinion of the directors, the presentation of geographical information would provide no additional useful information to the users of these financial statements.

### 3. REVENUE, OTHER INCOME AND GAINS, NET

Revenue represents the aggregate of (i) sales of electricity with tariff adjustment from photovoltaic and wind power generation, net of value-added tax; (ii) an appropriate proportion of contract revenue of construction contracts relating to photovoltaic power-related businesses, net of value-added tax; (iii) the value of technical consultancy services rendered from photovoltaic power-related businesses, net of value-added tax; (iv) the value of entrusted operations services of photovoltaic power-related businesses, net of value-added tax; (v) trading agency income from photovoltaic power-related businesses, net of value-added tax; and (vi) the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of the Group's revenue, other income and gains, net is as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>Revenue</b>		
Photovoltaic power-related businesses:		
Sale of electricity with tariff adjustment*	214,643	–
Construction services	2,233,966	–
Technical consultancy services	109,628	26,415
Entrusted operations	114,332	–
Trading agency income	27,964	22,828
Wind power-related business:		
Sales of electricity with tariff adjustment*	21,031	–
Sales of cigarette packages	168,612	239,687
	<u>2,890,176</u>	<u>288,930</u>
<b>Other income and gains, net</b>		
Bank interest income	4,967	1,592
Government grants <sup>#</sup>	78,874	–
Foreign exchange gains, net	10,548	19,454
Reversal of write-down of inventories to net realisable value	–	72
Fair value gain on disposal of available-for-sale investment (transfer from equity on disposal)	499	–
Others	3,774	376
	<u>98,662</u>	<u>21,494</u>

\* *Tariff adjustment represents subsidy from the government authorities in respect of the Group's photovoltaic and wind power businesses.*

<sup>#</sup> *Government grants recognised during the year included, inter alia, an investment incentive of RMB66,400,000 (equivalent to HK\$77,588,000) provided by a local government in the Inner Mongolia Autonomous Region, the PRC, for an investment by the Group in the region.*

#### 4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Cost of sales of electricity	94,840	–
Cost of construction services	1,840,041	–
Cost of technical consultancy services in relation to photovoltaic power-related businesses	7,625	3,202
Cost of services in relation to entrusted operations	6,896	–
Cost of inventories sold in relation to cigarette packaging business	117,689	128,558
Depreciation	112,615	9,087
Amortisation of prepaid land lease payments*	1,216	514
Amortisation of operating rights*	4,869	–
Amortisation of other intangible asset#	127	6
	<u>          </u>	<u>          </u>

\* *Amortisation of prepaid land lease payments and operating rights for the year are included in “Cost of sales” on the face of the consolidated statement of profit or loss.*

# *Amortisation of other intangible asset for the year is included in “Administrative expenses” on the face of the consolidated statement of profit or loss.*

## 5. FINANCE COSTS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Interest on bank and other loans	96,374	2,514
Interest on finance leases	7,483	–
	<u>103,857</u>	<u>2,514</u>

## 6. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2015: Nil).

The PRC corporate income tax provision in respect of operations in Mainland China is calculated at the applicable tax rates on the estimated assessable profits for the year based on the prevailing legislation, interpretations and practices in respect thereof. In accordance with the relevant tax rules and regulations of Mainland China, a number of the Company's subsidiaries enjoy income tax exemptions and reductions, by reason that these companies are engaged in the operation of photovoltaic and wind power plants.

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current – Mainland China	138,116	25,568
Current – Withholding tax	1,321	889
Deferred	(2,199)	1,014
	<u>137,238</u>	<u>27,471</u>

## 7. DIVIDENDS

The Directors do not recommend the payment of any dividend during year ended 31 December 2016 (2015: Nil).

## 8. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to equity holders of the Company, and the weighted average number of ordinary shares and convertible preference shares in issue during the year.

The calculation of the diluted earnings per share amount for the year is based on the profit for the year attributable to equity holders of the Company, and the weighted average number of ordinary shares and convertible preference 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 as a result of the effect from the forward contract of the convertible preference shares.

The calculation of the basic and diluted earnings per share amounts is based on the following data:

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>Earnings</b>		
Profit for the year attributable to equity holders of the Company, used in the basic and diluted earnings per share calculation	<u><b>505,101</b></u>	<u>38,492</u>
	<b>2016</b>	2015
<b>Number of ordinary shares and convertible preference shares</b>		
Weighted average number of ordinary shares and convertible preference shares in issue during the year, used in the basic earnings per share calculation and adjusted for share subdivision ( <i>note</i> )	<b>36,065,518,446</b>	14,053,273,355
Effect of dilution – weighted average number of ordinary shares from forward contract on convertible preference shares	<u><b>12,342,339,733</b></u>	<u>18,854,225,211</u>
Weighted average number of ordinary shares and convertible preference shares, used in the diluted earnings per share calculation and adjusted for share subdivision ( <i>note</i> )	<u><b>48,407,858,179</b></u>	<u>32,907,498,566</u>
	<b>2016</b>	2015
Basic earnings per share	<u><b>HK1.40 cents</b></u>	<u>HK0.27 cents</u>
Diluted earnings per share	<u><b>HK1.04 cents</b></u>	<u>HK0.12 cents</u>

*Note:* Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 4 March 2015, each of the issued and unissued shares of HK\$0.010 each in the share capital of the Company was subdivided into ten shares of HK\$0.001 each with effect from 5 March 2015. As at the completion of the share subdivision, the authorised capital of the Company was HK\$20,000,000, divided into 20,000,000,000 ordinary shares of HK\$0.001 each, of which 3,200,000,000 ordinary shares were issued and fully paid or credited as fully paid.

## 9. BUSINESS COMBINATIONS

The provisional fair values of the identifiable assets and liabilities of the subsidiaries acquired during the year as at their respective dates of acquisition are set out as follows:

	<b>2016</b> <b>HK\$'000</b>
Property, plant and equipment	7,800,259
Prepaid land lease payments	104,335
Operating rights	391,555
Deferred tax assets	15,563
Inventories	3,288
Trade and bills receivables	382,482
Prepayments, deposits and other receivables	147,567
Other tax recoverables	873,499
Restricted cash and pledged bank deposits	40,897
Cash and cash equivalents	81,375
Trade and bills payables	(114,834)
Other payables and accruals	(8,779,442)
Income tax payables	(21)
Deferred tax liabilities	(97,889)
	<hr/>
Total identifiable net assets at fair value	848,634
Non-controlling interests	(13,183)
	<hr/>
	835,451
Goodwill	175,124
Gains on bargain purchase	(78,669)
	<hr/>
	<b>931,906</b>
	<hr/> <hr/>

Details of the Group's acquisitions of subsidiaries are set out in the "Significant Investments, Material Acquisition and Disposal of Subsidiaries and Associated companies" in "Management Discussion and Analysis" of this announcement.

## 10. TRADE AND BILLS RECEIVABLES

An aged analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade and bills receivables	865,311	404,963
Tariff adjustment*	<u>429,796</u>	<u>–</u>
Total trade and bills receivables	<u><u>1,295,107</u></u>	<u><u>404,963</u></u>
	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Billed:		
Within 3 months	761,964	397,912
4 to 6 months	76,569	4,955
7 to 12 months	21,733	2,094
Over 1 year	<u>5,045</u>	<u>2</u>
	865,311	404,963
Unbilled*	<u>429,796</u>	<u>–</u>
	<u><u>1,295,107</u></u>	<u><u>404,963</u></u>

\* *Tariff adjustment receivables represented the government subsidies on renewable energy from the State Grid Corporation of China based on the existing government policies. At 31 December 2016, tariff adjustment receivables of HK\$429,796,000 (2015: Nil) were arising from electricity generated for the year ended 31 December 2016.*

The aged analysis of the trade and bills receivables that are not individually nor collectively considered to be impaired is as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Neither past due nor impaired	596,013	317,770
Less than 1 month past due	117,914	27,813
1 to 3 months past due	118,859	52,328
4 to 6 months past due	25,505	5,991
7 months to 1 year past due	7,018	1,059
Over 1 year past due	<u>2</u>	<u>2</u>
	<u><u>865,311</u></u>	<u><u>404,963</u></u>

## 11. 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, is as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Within 3 months	1,100,274	178,881
3 to 6 months	43,651	6,698
6 to 12 months	198	–
1 to 2 years	224	–
2 to 3 years	–	241
	<u>1,144,347</u>	<u>185,820</u>

## 12. EVENTS AFTER THE REPORTING PERIOD

- (a) On 10 February 2017, the Company and 新泰市人民政府 (Xintai City People's Government\*) entered into a project development agreement in relation to the construction, development and management of a 100MW photovoltaic power plant in 新泰市 (Xintai City\*), Shandong Province, the PRC at a maximum total investment amount of RMB820,000,000 (equivalent to HK\$916,713,000). Further details are set out in the Company's announcement dated 10 February 2017.
- (b) On 16 February 2017, the Company and 微山縣人民政府 (Weishan County People's Government\*) entered into a project development agreement in relation to the construction, development and management of a 50MW photovoltaic power plant in 微山縣 (Weishan County\*), Shandong Province, the PRC at a maximum total investment amount of RMB520,000,000 (equivalent to HK\$581,330,000). Further details are set out in the Company's announcement dated 16 February 2017.

\* For identification purposes only

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. Business Review

During the year ended 31 December 2016, the Group is principally engaged in the investment, development, construction, operation and management of photovoltaic power plants, photovoltaic power-related businesses (the “**Photovoltaic Power Business**”) and wind power-related businesses (the “**Wind Power Business**”) and the design, printing and sale of cigarette packages (the “**Cigarette Packaging Business**”) in the PRC.

The Group’s revenue, net profit and profit attributable to the equity holders of the Company during the year ended 31 December 2016 were approximately HK\$2,890.2 million, HK\$529.2 million and HK\$505.1 million respectively, representing increases of approximately 900%, 1,275% and 1,212% respectively as compared to the year ended 31 December 2015, which were mainly driven by the performance of the Photovoltaic Power Business as illustrated in the section headed “Photovoltaic Power Business” below.

#### 1.1 Photovoltaic Power Business

The Photovoltaic Power Business during the year mainly involved (i) investment, development, construction, operation and management of centralised photovoltaic power plants; (ii) development and construction of distributed photovoltaic power stations; (iii) provision of engineering, procurement and construction services for photovoltaic power-related projects and technical consultancy services in relation to photovoltaic power-related businesses; and (iv) trading agency income.

##### 1.1.1 Centralised Photovoltaic Power Business

During the year ended 31 December 2016, the Group’s Photovoltaic Power Business expanded significantly through acquisition of businesses from independent third parties and development and construction of photovoltaic power plants. The Group recorded revenue of approximately HK\$214.7 million from the sale of electricity from the Group’s photovoltaic power plants, representing 7.4% of the Group’s total revenue during the year ended 31 December 2016.

As at 31 December 2016, the total capacity for photovoltaic power plant projects held and under joint development by the Group achieved over 2,000 megawatt (“**MW**”), with 43 projects in aggregate covering 10 provinces and 2 autonomous regions in the PRC. These projects were situated in photovoltaic resource areas 2 and 3 as promulgated by the National Development and Reform Commission of the PRC, locations considered by the management to be favourable for the development of the Group’s Photovoltaic Power Business.

As at 31 December 2016, 26 centralised photovoltaic power plants held by the Group were in operation, and the aggregate on-grid capacity of these photovoltaic power plants reached 945.88 MW, which is analysed below:

Location	Number of plants	Approximate total on-grid capacity (MW)	Approximate electricity sales volume (note) (MWh)#
Hebei Province	9	252.19	67,046
Anhui Province	5	175.32	23,848
Henan Province	2	154.00	68,128
Shandong Province	2	59.14	25,054
Shaanxi Province	2	159.48	6,012
Jiangxi Province	2	46.71	5,654
Hubei Province	1	26.66	13,240
Shanxi Province	1	20.14	8,524
The Tibet Autonomous Region	1	30.00	4,470
Yunnan Province	1	22.24	–
Total	<u>26</u>	<u>945.88</u>	<u>221,976</u>

# Megawatt-hour

*Note: It represented the approximate electricity sales volume (i) between the respective dates of acquisitions and the end of the reporting period for projects acquired by the Group; and (ii) between the respective dates of commencement of operations and the end of the reporting period for projects developed by the Group. As the Group's centralised photovoltaic power plants were mainly put into operation or acquired from independent third parties in the second half of 2016, the above electricity sales volume does not reflect a full year performance of these operations.*

In relation to the photovoltaic top runner program\* (領跑者計劃, the “**Top Runner Program**”), during the year ended 31 December 2016, the Group had awarded by several local governments for the constructions of four photovoltaic power plants under the Top Runner Program with an aggregate capacity of 300MW. The Top Runner Program was approved by the National Energy Administration of the PRC and set out advanced technology benchmarks for photovoltaic industry in the PRC. Securing the photovoltaic power plant projects under the Top Runner Program demonstrates the comprehensive technical strengths of the Group and signifies industry recognition and market leadership in the photovoltaic industry in the PRC.

In addition to the sale of electricity from the Group's photovoltaic power plants, the Group provided entrusted management services for photovoltaic power plant projects for independent third parties and revenue of approximately HK\$114.3 million was recognised during the year, representing 4.0% of the Group's total revenue during the year.

### **1.1.2 Distributed Photovoltaic Power Business**

During the year ended 31 December 2016, the Group had actively sought for business opportunities in relation to the distributed photovoltaic power business, aiming at developing the distributed photovoltaic power business based on long-term customers with stable businesses. In particular, in May 2016, three framework agreements were entered into between the Group and Beijing Enterprises Water Group Limited (“**BEWG**”), Beijing Properties (Holdings) Limited (“**BPHL**”) and 中國南山開發(集團)股份有限公司 (China Nanshan Development (Group) Incorporation\*, “**China Nanshan**”), respectively.

Pursuant to each of these agreements:

- (a) BEWG agreed to provide suitable plant pools, rooftops, greenbelts and other unused space in its water treatment plants for the investment, construction and operation of distributed photovoltaic power stations by the Group. At 30 June 2016, BEWG had 391 water treatment plants in the PRC and overseas, with coverage extended to 19 provinces, 2 autonomous regions and 4 municipalities across the PRC;
- (b) BPHL agreed to provide suitable location resources of approximately 410,000 square meters for the construction, operation and maintenance of distributed photovoltaic power stations by the Group. In the coming three years, BPHL intends to purchase and develop land of approximately 1,000,000 square meters and provide such land to the Group for the purposes of cooperation between BPHL and the Group if technology allows; and
- (c) China Nanshan agreed to provide suitable building rooftops, greenbelts and other unused space owned by China Nanshan and its affiliates to the Company for the investment, construction and operation of distributed photovoltaic power stations by the Company and at reasonable rental costs payable by the Company. In the coming three years, China Nanshan intends to develop and provide land of approximately 3,000,000 square meters to the Company for the purposes of cooperation between the Company and China Nanshan if technology allows.

Save as the above, the Group will also liaise with Beijing Enterprises Group Company Limited, CITIC Private Equity Funds Management Co., Ltd. and 啟迪控股股份有限公司 (Tus-Holdings Co., Ltd.,\* “**Tus-Holdings**”), shareholders of the Company, and other long-term customers with stable businesses, to expand its distributed photovoltaic power business on their location resources. As at the date of this announcement, the Group’s distributed photovoltaic power business is fully under way.

### ***1.1.3 Engineering, Procurement and Construction Services, and Technical Consultancy Services***

The Group is engaged in the provision of engineering, procurement and construction services for photovoltaic power-related businesses for independent third parties and has couples of qualification and extensive experience in the design, engineering and construction of photovoltaic and other power-related projects. During the year ended 31 December 2016, 18 photovoltaic power-related projects with an aggregate capacity of over 650MW on engineering, procurement and construction services locating in the PRC were undergoing, and revenue of approximately HK\$2,234.0 million in aggregate was recognised during the year ended 31 December 2016, representing 77.3% of the Group's total revenue during the year.

In respect of the technical consultancy services, the Group successfully marketed the aforementioned qualification and experience to other industry participants. Revenue of approximately HK\$109.6 million (2015: approximately HK\$26.4 million) was recognised during the year ended 31 December 2016, representing 3.8% of the Group's total revenue during the year.

### ***1.1.4 Trading Agency Income***

As a result of the expansion of the Photovoltaic Power Business, trading agency income increased by 22.5% to approximately HK\$28.0 million (2015: approximately HK\$22.8 million) as compared to the corresponding period of last year.

## ***1.2 Wind Power Business***

Apart from the Photovoltaic Power Business, the Group also actively explores business opportunities on other clean energy businesses. During the year ended 31 December 2016, the Group acquired 100% equity interest in a 48MW wind power plant business in Shandong Province, the PRC, from independent third parties, further details of which are set out in the Company's announcement dated 16 August 2016. The wind power plant was in full operation prior to the acquisition and revenue of approximately HK\$21.0 million from the sale of wind power electricity was recognised by the Group during the year ended 31 December 2016. Respective gross profit ratio was 53.9% during the year.

### ***1.3 Cigarette Packaging Business***

Products of the Group in the Cigarette Packaging Business mainly comprises paper cigarette packages for three cigarette brands, which are primarily sold to provincial tobacco industrial companies (“省級中煙工業公司”) which are state-owned cigarette manufacturers in the PRC. During the year, revenue and gross profit of the Cigarette Packaging Business decreased by 29.7% and 38.7%, respectively, as compared to the corresponding period of last year, which was mainly attributable to keen competitive environment and increasing labour costs and cost of production materials of the Cigarette Packaging Business.

### ***1.4 Other Clean Energy Businesses***

The Group has been exploring other emerging clean energy power generation businesses such as energy storage, micro-grid technologies, geothermal power generation, cold energy utilisation and regional energy systems, proactively plans on and facilitates business areas such as electricity sales, and exploring international opportunities for strategic development and diversification.

## **2. Financial Analysis**

### ***2.1 Revenue and gross profit margin***

During the year ended 31 December 2016, the Group recorded revenue of approximately HK\$2,890.2 million (2015: approximately HK\$288.9 million). The increase was attributable to the development of the Photovoltaic Power Business. In particular, (i) revenue from the sale of electricity and entrusted management services reached approximately HK\$329.0 million in aggregate; and (ii) construction revenue from the construction services provided to independent third parties achieved approximately HK\$2,234.0 million.

The gross profit ratio by each business nature is set out below:

	For the year ended 31 December 2016		For the year ended 31 December 2015	
	Revenue (HK\$ million)	Gross profit ratio (%)	Revenue (HK\$ million)	Gross profit ratio (%)
Photovoltaic Power Business:				
Sale of electricity	214.7	57.5	–	–
Construction services	2,234.0	17.6	–	–
Technical consultancy services	109.6	93.0	26.4	87.8
Entrusted operations	114.3	94.0	–	–
Trading agency income	28.0	N/A	22.8	N/A
Wind Power Business:				
Sale of electricity	21.0	53.9	–	–
Cigarette Packaging Business:				
Sales of cigarette packages	168.6	30.2	239.7	34.7
Total	<u>2,890.2</u>	<u>28.3</u>	<u>288.9</u>	<u>44.7</u>

Analysis of the above businesses are set out in the section headed “Business Review” in “Management Discussion and Analysis”.

Gross profit ratio reduced from 44.7% during the year ended 31 December 2015 to 28.3% during the year ended 31 December 2016, which was mainly attributable to the change in the mix of revenue during the year. In particular, revenue from construction services for the Photovoltaic Power Business contributed 77.3% to the total revenue during the year. As the gross profit ratio of such construction services was 17.6% which was comparatively lower than that of other business sectors, overall gross profit ratio of the Group reduced.

## 2.2 Gains on bargain purchase of subsidiaries

It was attributable to the acquisition of certain subsidiaries during the year. The fair value of the photovoltaic and wind power plant projects acquired by the Group during the year was assessed by independent professionally qualified valuers. When the considerations for the acquisitions of subsidiaries were lower than the fair values of the net assets acquired, the differences were recognised in the statement of profit or loss as gains on bargain purchase of subsidiaries.

## 2.3 Other income and gains, net

The Group’s other income and gains, net achieved approximately HK\$98.7 million (2015: approximately HK\$21.5 million) during the year. The increase was mainly attributable to an investment incentive of approximately HK\$77.6 million provided during the year by a local government in the Inner Mongolia Autonomous Region, the PRC, in relation to an investment by the Group in the region.

## **2.4 Selling and distribution expenses**

Selling and distribution expenses of the Group were derived from the Cigarette Packaging Business and mainly comprised delivery expenses, staff costs and travelling expenses. The ratio of the Group's selling and distribution expenses to revenue of the Cigarette Packaging Business for the years ended 31 December 2016 and 2015 remained comparable.

## **2.5 Administrative expenses**

Administrative expenses mainly consisted of staff costs and head office expenses such as legal and professional fees. The increase in administrative expenses to approximately HK\$219.7 million (2015: approximately HK\$76.7 million) was mainly attributable to the increases in staff costs by approximately HK\$57.5 million and other expenses during the year as a result of the expansion of the Photovoltaic Power Business.

## **2.6 Finance costs**

The increase in finance costs of the Group by approximately HK\$101.4 million to approximately HK\$103.9 million (2015: approximately HK\$2.5 million) was attributable to increase in the average balances of bank and other borrowings and finance lease payables of the Group during the year.

## **2.7 Income tax expense**

The Group conducted its principal activities in the PRC and the relevant standard corporate income tax rate was 25%. The Group's effective tax rate was lower than the standard corporate income tax rate in the PRC as certain of the Group's operating subsidiaries enjoyed tax concession benefits.

## **2.8 Property, plant and equipment**

Property, plant and equipment mainly represented the carrying amounts of photovoltaic power plant projects in operation and under construction, and the increase during the year was mainly attributable to the acquisition and development of photovoltaic power plant projects. Details of the significant investments made by the Group during the year are set out in the section headed "Significant Investments, Material Acquisition and Disposal of Subsidiaries and Associated Companies" in "Management Discussion and Analysis".

## **2.9 Prepaid land lease payments**

The increase was mainly attributable to the acquisition and development of photovoltaic power plant projects. Details of the significant investments made by the Group during the year are set out in the section headed "Significant Investments, Material Acquisition and Disposal of Subsidiaries and Associated Companies" in "Management Discussion and Analysis".

### **2.10 Goodwill**

Goodwill of the Group was attributable to the acquisition of subsidiaries during the year. Details of the material acquisitions are set out in the section headed “Significant Investments, Material Acquisition and Disposal of Subsidiaries and Associated Companies” in “Management Discussion and Analysis”.

### **2.11 Operating rights**

Operating rights represented the rights to operate photovoltaic and wind power plant projects. The increase was in line with the expansion of the Photovoltaic Power Business and the Wind Power Business.

### **2.12 Available-for-sale investment**

During the year, 深圳市鵬鼎創盈金融信息服務股份有限公司 (Shenzhen Peng Ding Chuang Ying Financial Information Services Stock Company Limited\*), a then unlisted equity investment of the Group, was disposed of by the Group to an independent third party for a consideration of RMB20.4 million (equivalent to approximately HK\$23.8 million). As a result of the disposal, a gain of HK\$499,000 was recognised in the Group’s consolidated financial statements.

### **2.13 Other non-current assets**

Other non-current assets as at 31 December 2016 amounted to approximately HK\$270.8 million (2015: approximately HK\$250.4 million). The increase of approximately HK\$20.4 million as compared to that of last year was mainly attributable to the increase in materials and equipment sold and delivered to independent third parties for the development of photovoltaic power plant projects.

### **2.14 Amounts due from contract customers**

Amounts due from contract customers as at 31 December 2016 of approximately HK\$550.8 million (2015: Nil) was mainly attributable to the construction services for photovoltaic power plant projects provided by the Group to independent third parties, and the increase was attributable to the increase in the extent of construction services provided by the Group during the year.

### ***2.15 Trade and bills receivables***

Trade and bills receivables of approximately HK\$1,295.1 million (2015: approximately HK\$405.0 million) as at 31 December 2016 were mainly derived from (i) the sale of electricity; and (ii) the construction services of the Photovoltaic Power Business. The increase was attributable to the business expansion during the year.

Trade receivables for the sale of electricity of the Photovoltaic Power Business of approximately HK\$494.5 million comprised (i) receivables from the sale of electricity to the State Grid Corporation of China (the “**State Grid**”), a state-owned enterprise principally engaged in the development and operation of nationwide power network; and (ii) central government renewable energy subsidies for centralised photovoltaic plant projects receivable on behalf by the State Grid and payable to the Group by the State Grid. On the other hand, trade receivables for the construction services of the Photovoltaic Power Business amounted to approximately HK\$507.6 million as at 31 December 2016.

### ***2.16 Prepayments, deposits and other receivables, and other tax recoverables***

The increase in prepayments, deposits and other receivables and other tax recoverables by approximately HK\$2,765.5 million in aggregate to approximately HK\$3,302.8 million (2015: approximately HK\$537.3 million) in aggregate (non-current portion and current portion increased by approximately HK\$1,383.8 million in aggregate and approximately HK\$1,381.7 million in aggregate respectively) was mainly attributable to the increase in prepayments to suppliers for the development of the Photovoltaic Power Business, investment deposits made for the potential acquisitions of certain photovoltaic power plant projects, sale proceeds receivables in relation to several finance lease arrangements, and input value-added-tax recoverables arising from the acquisition and development of photovoltaic power plants.

### ***2.17 Cash and cash equivalents***

The increase in cash and cash equivalents by approximately HK\$535.2 million to approximately HK\$1,633.2 million (2015: approximately HK\$1,098.0 million) was mainly attributable to net effect of (i) the net increase in bank and other borrowings and finance lease payables; (ii) net proceeds received from the issuances of ordinary shares and convertible preference shares of the Company as detailed in the paragraphs headed “2.22 Liquidity and financial resources” below; (iii) cash outflow on developing and acquiring photovoltaic and wind power plant projects as detailed in the section headed “Significant Investments, Material Acquisition and Disposal of Subsidiaries and Associated Companies” in “Management Discussion and Analysis”; and (iv) receipts of trade receivables during the year.

### **2.18 Trade and bill payables**

Trade and bills payables of approximately HK\$1,144.3 million (2015: approximately HK\$185.8 million) increased by approximately HK\$958.5 million as compared to that of last year was mainly attributable to the increase in trade and bills payables in relation to the construction services provided to independent third parties during the year.

### **2.19 Other payables and accruals**

Other payables and accruals of approximately HK\$3,828.8 million (2015: approximately HK\$122.7 million) increased by approximately HK\$3,706.1 million as compared to that of last year was mainly due to the increase in payables to contractors and suppliers arising from (i) the assumption of certain construction liabilities at acquisition of subsidiaries; and (ii) the development of photovoltaic power plant projects.

### **2.20 Interest-bearing bank and other borrowings and finance lease payables**

Interest-bearing bank and other borrowings and finance lease payables of approximately HK\$7,634.3 million (2015: approximately HK\$328.7 million) in aggregate increased by approximately HK\$7,305.6 million in aggregate (non-current portion and current portion increased by approximately HK\$5,760.3 million in aggregate and approximately HK\$1,545.3 million in aggregate respectively) as compared to that of last year was mainly attributable to the drawdown of bank and other borrowings and finance lease payables for the development of the Photovoltaic Power Business and the Wind Power Business.

### **2.21 Capital expenditures**

During the year, the Group's total capital expenditures amounted to approximately HK\$9,970.1 million (2015: approximately HK\$353.4 million), comprising (1) construction and acquisition of photovoltaic power plant projects and other property, plant and equipment of approximately HK\$1,654.2 million (2015: approximately HK\$353.3 million) in aggregate; (2) addition to prepaid land lease payments of approximately HK\$17.2 million (2015: Nil); (3) acquisition of other intangible asset of approximately HK\$2.6 million (2015: approximately HK\$0.1 million); and (4) acquisition of equity interests in subsidiaries of approximately HK\$8,296.1 million (2015: Nil).

### **2.22 Liquidity and financial resources**

The Group adopts conservative treasury policies and controls tightly over its cash and risk management. The Group's cash and cash equivalents are mainly denominated in Hong Kong dollars ("HK\$") and Renminbi ("RMB"). Surplus cash is generally placed in short term deposits denominated in HK\$ and RMB.

As at 31 December 2016, the Group's cash and cash equivalents amounted to approximately HK\$1,633.2 million (2015: approximately HK\$1,098.0 million).

Developments of the Photovoltaic Power Business and the Wind Power Business require material investments and the Group funds such developments by means of (i) internal resources of the Group (mainly from the net proceeds received from the issuance of the ordinary shares of the Company (the “**Ordinary Share(s)**”) and convertible preference shares of the Company (the “**Convertible Preference Share(s)**”); and (ii) long-term bank and other borrowings and finance lease payables as illustrated below.

As at 31 December 2016, the Group’s total borrowings amounted to approximately HK\$7,634.3 million (2015: approximately HK\$328.7 million) comprising (i) bank and other borrowings of approximately HK\$4,828.1 million (2015: approximately HK\$328.7 million); and (ii) finance lease payables of approximately HK\$2,806.2 million (2015: Nil). Save as a one-year term loan of RMB15.0 million (equivalent to approximately HK\$16.8 million) (2015: Nil) bears interest at a fixed rate, the Group’s bank and other borrowings and finance lease payables bear interest at floating rates with terms ranging from 1 to 15 years. Approximately 77% of the Group’s borrowings are long-term borrowings.

As at 31 December 2016, the Group had banking facilities of approximately HK\$238.5 million with terms ranging from 1 to 12 years, had not been utilised.

As at 31 December 2016, the Group’s total equity amounted to approximately HK\$4,484.9 million (2015: approximately HK\$2,118.5 million). The increase was mainly attributable to (i) the issuance of 18,999,735,120 Convertible Preference Shares in aggregate during the year and an aggregate net proceed of approximately HK\$1,501.0 million was received during the year; and (ii) the issuance of 4,045,000,000 Ordinary Shares to Tuspark Technology Innovation Ltd. (“**Tuspark Technology**”), a wholly-owned subsidiary of Tus-Holdings, during the year and net proceed of approximately HK\$687.7 million was received during the year.

The Group’s gearing ratio (defined as bank and other borrowings and finance lease payables, net of cash and cash equivalents, divided by the total equity) was approximately 134% as at 31 December 2016. No gearing ratio was presented as at 31 December 2015 as the Group’s cash and cash equivalents as at 31 December 2015 could not fully cover its bank borrowings. The increase in gearing ratio was mainly due to the increase in bank and other borrowings and finance lease payables for the purpose of funding the development of the Photovoltaic Power Business and the Wind Power Business.

### **3. Future Outlook**

Since the Paris Agreement went into force and the formulation of the “13th Five-year Plan”, China shall target the use of its non-fossil energy to be accounted for 15% of its total primary energy consumption by 2020. The Chinese government shall continue to provide huge support on the development of the clean energy industry, facilitate the low-carbon and recyclable development model, drive the energy revolution and accelerate the energy technological innovations, to build up a modern energy structure which is clean and low-carbon, and safe and effective. The Group’s development direction is highly in line with China’s strategic planning, and it will continue to seize such strategic opportunities and grasp the development direction under the new series of the structural reform of China’s power industry in order to write a new chapter on the clean energy development.

“Broaden the vision and mindset for a bigger picture and sustainable future”. 2017 is expected to be a year with robust development, challenges and changes in the clean energy sector. Facing the ever-changing market environment, the Group will hold on to the principles of “being responsible, having values and being sharing” and its development strategy on “focusing on the photovoltaic power business as the core business, supporting by other clean energy businesses to create synergy effects on the clean energy businesses”, and leverage our comprehensive capabilities to further develop our asset base with high quality centralised photovoltaic power plant projects and other clean-energy assets including wind power projects. In the meantime, we will facilitate the development of distributed photovoltaic power business, and proactively plan on and facilitate other clean energy businesses including energy storage, micro-grid technologies, electricity sales, geothermal power generation, cold energy utilisation and regional energy systems, in order to continue contributing our effort to build up a beautiful China and providing steady and growing returns to our shareholders.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2016, the Group employed 831 employees (2015: 425 employees) with total staff cost of approximately HK\$119.1 million incurred for the year ended 31 December 2016 (2015: HK\$54.8 million). The Group’s remuneration packages are generally structured with reference to market terms and individual merits.

The Company has also adopted a share option scheme as incentives to the Directors and eligible employees. From the adoption date of the share option scheme on 11 June 2013 up till 31 December 2016, no share option was granted, exercised, cancelled or lapsed, and there was no outstanding option under the share option scheme of the Company as at 31 December 2016.

## **CHARGE ON THE GROUP'S ASSETS**

The secured bank and other borrowings and finance lease payables of the Group as at 31 December 2016 are secured by:

- (i) pledges over certain of the Group's property, plant and equipment;
- (ii) pledges over certain of the Group's trade receivables;
- (iii) pledges over the Group's equity interests in certain subsidiaries;
- (iv) guarantees given by the Company and/or its subsidiaries; and/or
- (v) pledges over certain of the Group's bank balances.

Save as disclosed above, at 31 December 2016, the Group did not have any charges on the Group's assets.

## **CONTINGENT LIABILITIES**

As at the end of the reporting period, the Group had no significant contingent liabilities not provided for in the financial statements.

## **FOREIGN EXCHANGE EXPOSURE**

Majority of the subsidiaries of the Company operate in the PRC with most of the transactions denominated and settled in RMB. Fluctuations of exchange rates would impact the Group's net asset value due to currency translation in the preparation of the Group's consolidation accounts. If RMB appreciates/depreciates against Hong Kong dollar, the Group would record a(n) increase/decrease in the Group's net asset value. Currently, the Group has not used derivative financial instruments to hedge against its foreign currency risk.

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

- (a) On 16 February 2016, 北清清潔能源投資有限公司 (Beiqing Clean Energy Investment Company Limited\*, “BECI”, an indirect wholly-owned subsidiary of the Company), 江蘇迪盛四聯新能源投資有限公司 (Jiangsu Disheng Silian New Energy Investment Company Limited\*, “JDSNE”), 武小華 (Wu Xiaohua\*), 張鑫 (Zhang Xin\*) (collectively the “Owners”), 唐縣東昊新能源開發有限公司 (Tangxian Donghao New Energy Development Company Limited\*, “TDNE”) and 江蘇溧陽建設集團有限公司 (Jiangsu Liyang Construction Group Company Limited\*, “JLCG”) entered into a cooperation framework agreement pursuant to which the parties agreed to collaborate in relation to the construction of a 30MW photovoltaic power plant in the Hebei Province, the PRC. BECI and the Owners, subject to, among other things, full completion of the construction of the power plant with successful grid-connected power generation, shall enter into a sale and purchase agreement for the transfer of entire equity interest in TDNE from the Owners to BECI, and BECI will make the first prepayment of RMB68,250,000 to JDSNE and JLCG after signing of the cooperation framework agreement, and will make the second prepayment of RMB40,950,000 to JDSNE and JLCG upon successful grid-connected power generation of the power plant up to 15MW.

On 28 April 2016, BECI, the Owners, TDNE, JLCG and 中國能源建設集團西北電力建設甘肅工程有限公司 (China Energy Engineering Group Northwest Power Construction Gansu Engineering Corporation\*, “CEEG”) entered into a deed of novation pursuant to which all of the rights, benefits and obligations of JLCG under the cooperation framework agreement would be assumed by CEEG in substitution for JLCG. On 8 June 2016, BECI, the Owners, TDNE and CEEG entered into a supplemental agreement to amend certain terms of the cooperation framework agreement. Further details are set out in the Company’s announcements dated 16 February 2016, 28 April 2016 and 8 June 2016.

- (b) On 16 February 2016, BECI, 天津中興能源綠谷科技有限公司 (Tianjin Zhongxing Energy Lvgu Technologies Company Limited\*, “TZEL”), 曲陽綠谷能源科技有限公司 (Quyong Lvgu Energy Technologies Company Limited\*, “Quyong Lvgu”) and 重慶四聯新能源有限公司 (Chongqing Silian New Energy Company Limited\*, “CSNE”) entered into a cooperation framework agreement pursuant to which the parties agreed to collaborate in relation to the construction of a 30MW photovoltaic power plant in Hebei Province, the PRC, and, subject to, among other things, full completion of the construction of the power plant with successful grid-connected power generation, BECI and TZEL shall enter into a sale and purchase agreement for the transfer of entire equity interest in the Quyong Lvgu from TZEL to BECI. BECI will make the first prepayment of RMB40,725,000 to CSNE after signing of the cooperation framework agreement, and will make the second prepayment of RMB108,600,000 to CSNE upon successful grid-connected power generation of the power plant.

On 23 June 2016, BECI, TZEL, Quyang Lvgu and CSNE entered into a supplemental agreement pursuant to which the parties agreed to amend and supplement certain terms of the cooperation framework agreement. On 23 June 2016, TZEL and 天津富歡企業管理諮詢有限公司 (Tianjin Clean Energy Investment Company Limited\*, “Tianjin Clean Energy”, an indirect wholly-owned subsidiary of the Company), the nominee of BECI, entered into an equity transfer agreement pursuant to which TZEL agreed to dispose of, and Tianjin Clean Energy agreed to acquire, the entire equity interest in Quyang Lvgu at a consideration of RMB3,000,000. Quyang Lvgu holds a 32.2MW photovoltaic power plant in the Hebei Province, the PRC. The equity transfer was completed in June 2016 and Quyang Lvgu became an indirect wholly-owned subsidiary of the Company. Further details are set out in the Company’s announcements dated 16 February 2016 and 23 June 2016.

- (c) On 12 May 2016, Tianjin Clean Energy, 河南旭光商貿有限公司 (Henan Xuguang Commerce Co., Ltd.\*, “Henan Xuguang”), and 趙紅英 (Zhao Hongying\*) and 杜愛麗 (Du Aili\*) (collectively the “Owners of Henan Xuguang”) entered into a cooperation framework agreement in relation to the arrangement regarding the transfer of the entire equity interest in Henan Xuguang and the arrangement regarding the developments of two 100MW photovoltaic power plant projects in Henan Province, the PRC, which are held by Henan Xuguang.

On 12 May 2016, Tianjin Clean Energy and the Owners of Henan Xuguang entered into an equity transfer agreement pursuant to which Tianjin Clean Energy agreed to purchase, and the Owners of Henan Xuguang agreed to sell, the entire equity interest in Henan Xuguang at nil consideration. The equity transfer was completed in May 2016 and Henan Xuguang became an indirect wholly-owned subsidiary of the Company. Further details are set out in the Company’s announcements dated 15 October 2015, 16 October 2015 and 12 May 2016.

- (d) On 27 May 2016, 蔚縣北控新能源開發有限公司 (Yuxian Beijing Enterprises New Energy Development Company Limited\*, an indirect wholly-owned subsidiary of the Company) and 蔚縣人民政府 (Yuxian People’s Government\*) entered into a cooperation agreement in relation to the construction of a 25MW centralised poverty alleviation photovoltaic power plant in 蔚縣 (Yuxian\*), Hebei Province, the PRC at a total investment of RMB215,000,000. Further details are set out in the Company’s announcement dated 27 May 2016.
- (e) On 30 May 2016, 高青創贏農牧科技有限公司 (Gaoqing Chuangying Farming Technology Company Limited\*, an indirect wholly-owned subsidiary of the Company) and 高青縣人民政府 (Gaoqing County People’s Government\*) entered into a cooperation agreement in relation to the construction of a 30MW centralised poverty alleviation photovoltaic power plant in 高青縣 (Gaoqing County\*), Shandong Province, the PRC at a total investment of RMB324,000,000. Further details are set out in the Company’s announcement dated 30 May 2016.

- (f) On 21 June 2016, the Company and 金寨縣人民政府 (Jinzhai County People's Government\*) entered into a cooperation agreement in relation to the construction of a 200MW large-scale ground centralised photovoltaic power plant in 金寨縣 (Jinzhai County\*), Anhui Province, the PRC at a total investment of approximately RMB1,600,000,000. On 20 January 2017, 金寨金葉光伏科技有限公司 (Jinzhai Jinye Photovoltaic Technology Co., Ltd.\*, an indirect wholly-owned subsidiary of the Company and the nominee of the Company) and Jinzhai County People's Government entered into an agreement, pursuant to which the Group's total investment in the project was revised to approximately RMB1,400,000,000. Further details are set out in the Company's announcements dated 21 June 2016, 27 June 2016 and 20 January 2017, and the Company's circular dated 15 August 2016.
- (g) On 16 November 2015, 北京北控光伏科技發展有限公司 (Beijing Enterprises Photovoltaic Development Company Limited\*, "BENE", an indirect wholly-owned subsidiary of the Company), 山東國之晟能源有限公司 (Shandong Guozhicheng Energy Company Limited\*, "SGEC"), 濟南中晟新能源開發有限公司 (Jinan Zhongcheng New Energy Development Company Limited\*, "JZNE") and 中機國能電力工程有限公司 (Zhongji Guoneng Electricity Project Company Limited\*, "Zhongji Guoneng") entered into a cooperation agreement pursuant to which it was conditionally agreed, among other things, that SGEC and BENE (or its nominee) shall enter into a sale and purchase agreement for the transfer of the entire equity interest in JZNE from SGEC to BENE.

On 22 June 2016, BENE, Tianjin Clean Energy, SGEC, JZNE and Zhongji Guoneng entered into a supplemental agreement to amend and supplement certain terms of the cooperation agreement and the relevant engineering, procurement and construction contract dated 16 November 2015. In addition, on 22 June 2016, SGEC, BENE and Tianjin Clean Energy, the nominee of BENE, entered into an equity transfer agreement pursuant to which SGEC agreed to dispose of, and Tianjin Clean Energy agreed to acquire, the entire equity interest in JZNE at a consideration of approximately RMB840,000. JZNE holds a 40MW photovoltaic power plant in Shandong Province, the PRC. The equity transfer was completed in June 2016 and JZNE became an indirect wholly-owned subsidiary of the Company. Further details are set out in the Company's announcements dated 16 November 2015 and 22 June 2016.

- (h) On 1 February 2016, BECI, 廣東猛獅新能源科技股份有限公司 (Guangdong Dynavolt Renewable Energy Technology Co., Ltd.\*, "Guangdong Dynavolt") and 潤峰電力(鄖西)有限公司 (Runfeng Power (Yunxi) Company Limited\*, "Runfeng Power") entered into an investment framework agreement, which was further amended and supplemented by a supplemental agreement dated 29 June 2016 entered into between Tianjin Clean Energy, BECI, Guangdong Dynavolt and Runfeng Power. Pursuant to the terms of the investment framework agreement, as amended and supplemented by the supplemental agreement, Tianjin Clean Energy, shall, subject to the entering into of the definitive sale and purchase agreement, acquire the entire equity interest in Runfeng Power from Guangdong Dynavolt.

On 29 June 2016, Tianjin Clean Energy and Guangdong Dynavolt entered into an equity transfer agreement which was further amended and supplemented by the above-mentioned supplemental agreement, pursuant to which Tianjin Clean Energy agreed to acquire, and Guangdong Dynavolt agreed to dispose of, the entire equity interest in Runfeng Power at an aggregate consideration (including the settlement of outstanding payment obligation on behalf of Runfeng Power) of RMB207,909,000. Runfeng Power holds a 26.655MW photovoltaic power plant in 上津鎮 (Shangjinzhen\*), Hubei Province, the PRC. The equity transfer was completed in June 2016 and Runfeng Power became an indirect wholly-owned subsidiary of the Company. Further details are set out in the Company's announcement dated 29 June 2016.

- (i) On 16 August 2016, Tianjin Clean Energy, 南京創能電力科技開發有限公司 (Nanjing Chuangneng Electrical Technology Development Limited\*, "Nanjing Chuangneng"), 湖南博發新能源投資開發有限公司 (Hunan Bofa New Energy Investment Development Limited\*, "Hunan Bofa") and 山東魯薩風電有限公司 (Shandong Lusa Wind Power Limited\*, "Shandong Lusa") entered into an equity transfer agreement (as amended by a supplemental agreement dated 16 August 2016), pursuant to which Tianjin Clean Energy shall, subject to the fulfilment of certain conditions precedent, acquire 60% and 40% equity interests in Shandong Lusa from Nanjing Chuangneng and Hunan Bofa respectively, at a maximum aggregate consideration (including the settlement of outstanding payment obligation on behalf of Shandong Lusa) of RMB471,800,000. Shandong Lusa holds a 48MW wind power plant in Shandong Province, the PRC. The equity transfer was completed in September 2016 and Shandong Lusa became an indirect wholly-owned subsidiary of the Company. Further details are set out in the Company's announcement dated 16 August 2016.
- (j) In December 2015, BENE, 東方日升(寧波)電力開發有限公司 (Dongfang Risheng (Ningbo) Power Development Co., Ltd.\*, "Dongfang Risheng") and 河南日升光伏電力發展有限公司 (Henan Risheng Photovoltaic Power Development Co., Ltd.\*, "Henan Risheng") entered into a cooperation agreement, which was further amended and supplemented by a supplemental agreement dated 14 September 2016 entered into by the same parties. Pursuant to the terms of the cooperation agreement, as amended and supplemented by the supplemental agreement, BENE shall, subject to the entering into of a definitive sale and purchase agreement, acquire the entire equity interest in Henan Risheng from Dongfang Risheng.

On 14 September 2016, BENE and Dongfang Risheng entered into an equity transfer agreement pursuant to which BENE agreed to acquire and Dongfang Risheng agreed to dispose of the entire equity interest in Henan Risheng at an aggregate consideration (including the settlement of outstanding payment obligation on behalf of Henan Risheng) of RMB468,720,000 according to the terms set out in the cooperation agreement, as amended and supplemented by the supplemental agreement. Henan Risheng holds a 50MW (ground) and a 4MW (distributed) photovoltaic power plant in 淇縣 (Qi County\*), Henan Province, the PRC. The equity transfer was completed in September 2016 and Henan Risheng became an indirect wholly-owned subsidiary of the Company. Further details are set out in the Company's announcement dated 14 September 2016.

- (k) On 26 September 2016, Tianjin Clean Energy, 合肥聚能新能源科技有限公司 (Hefei Jintech New Energy Co., Ltd.\*, “HJNE”), 潁上聚安光伏發電有限公司 (Yingshang Ju An PV Power Generation Co., Ltd.\*, “Yingshang Juan”) and 潁上聚銘光伏發電有限公司 (Yingshang Juming PV Power Generation Company Limited\*) entered into a cooperation agreement pursuant to which, among other things, the parties agreed to collaborate in relation to phase one of a photovoltaic power plant in 阜陽市 (Fuyang City\*), Anhui Province, the PRC, which is constructed in two phases of 60MW and 90MW respectively, according to the terms set out therein. The parties also agreed that, subject to the fulfilment of certain conditions set out therein, HJNE and Tianjin Clean Energy shall enter into a sale and purchase agreement for the equity transfer of Yingshang Juan.

On 26 September 2016, HJNE and Tianjin Clean Energy entered into an equity transfer agreement pursuant to which HJNE agreed to dispose of, and Tianjin Clean Energy agreed to acquire, the entire equity interest in Yingshang Juan at an aggregate consideration (including the settlement of outstanding payment obligation on behalf of Yingshang Juan) of RMB477,600,000. Yingshang Juan holds a 60MW photovoltaic power plant in Fuyang City, Anhui Province, the PRC. The equity transfer was completed in September 2016 and Yingshang Juan became an indirect wholly-owned subsidiary of the Company. Further details are set out in the Company’s announcement dated 26 September 2016.

- (l) On 30 September 2016, 安徽同策新能源投資發展合夥企業 (有限合夥) (Anhui Tongce New Energy Investment Development Partnership (Limited Partnership)\*) and 方今 (Fang Jin\*) (collectively the “Lujiang Dongsheng Owners”), Tianjin Clean Energy and 廬江光福農業開發有限公司 (Lujiang Guangfu Agricultural Development Co., Ltd.\*, “Lujiang Guangfu”) entered into an equity transfer agreement. On 30 September 2016, the Lujiang Dongsheng Owners, Tianjin Clean Energy, 廬江東升太陽能開發有限公司 (Lujiang Dongsheng Solar Energy Development Co., Ltd.\*, “Lujiang Dongsheng”), Lujiang Guangfu, 中國水利水電第四工程局有限公司 (Sinohydro Engineering Bureau 4 Co., Ltd\*) and 中機國能電力工程有限公司 (China Sinogy Electric Engineering Co., Ltd\*) entered into a debt settlement agreement. Pursuant to the equity transfer agreement and the debt settlement agreement, the Lujiang Dongsheng Owners agreed to dispose of, and Tianjin Clean Energy agreed to acquire, the entire equity interest in Lujiang Dongsheng at an aggregate maximum consideration (including the settlement of outstanding payment obligation on behalf of Lujiang Dongsheng) of approximately RMB336,996,000. Lujiang Dongsheng holds two 20MW photovoltaic power plants in 廬江縣 (Lujiang County\*), Anhui Province, the PRC. The equity transfer was completed in September 2016 and Lujiang Dongsheng became an indirect wholly-owned subsidiary of the Company. Further details are set out in the Company’s announcement dated 30 September 2016.

- (m) On 9 November 2016, 東投能源投資有限公司 (Dongtou Energy Investment Corporation Limited\*), 北京恆陽新源科技有限公司 (Beijing Hengyangxinyuan Technology Corporation Limited\*) and 北京東投恆綠能源投資有限公司 (Beijing Dongtoughenglv Energy Investment Corporation Limited\*) (collectively the “Jingbian Dongtou Owners”), Tianjin Clean Energy, 靖邊縣東投能源有限公司 (Jingbian Dongtou Energy Corporation Limited\*, “Jingbian Dongtou”) and 深圳天寶天投新能源投資控股有限公司 (Shenzhen Tianbaotiantou New Energy Investment Holdings Corporation\*, “Shenzhen Tianbao”) entered into an equity transfer agreement. On the same date, the Jingbian Dongtou Owners, Tianjin Clean Energy, Jingbian Dongtou, Shenzhen Tianbao and 深圳市永聯科技股份有限公司 (Shenzhen Winline Technology Company Limited\*) entered into a debt settlement agreement. Pursuant to the equity transfer agreement and the debt settlement agreement, the Jingbian Dongtou Owners agreed to dispose of, and Tianjin Clean Energy agreed to acquire, the entire equity interest in Jingbian Dongtou at an aggregate consideration (including the settlement of outstanding payment obligation on behalf of Jingbian Dongtou) of RMB425,000,000. Jingbian Dongtou holds a 50MW photovoltaic power plant in 靖邊縣 (Jingbian County\*), Shaanxi Province, the PRC. The equity transfer was completed in November 2016 and Jingbian Dongtou became an indirect wholly-owned subsidiary of the Company. Further details are set out in the Company’s announcement dated 9 November 2016.
- (n) On 30 November 2016, Tianjin Clean Energy, 協合風電投資有限公司 (Century Concord Wind Power Investment Co., Ltd.\*, the “YCCS Owner”) and 榆林協合太陽能發電有限公司 (Yulin Century Concord Solar Power Co., Ltd.\*, “YCCS”) entered into an equity transfer agreement pursuant to which Tianjin Clean Energy agreed to acquire, and the YCCS Owner agreed to dispose of, the entire equity interest in YCCS at a maximum consideration of RMB358,976,000. YCCS holds a 100MW photovoltaic power plant in 陝西省榆林市小壕兔鄉 (Xiaohao Tu Xiang, Yulin City, Shaanxi Province\*), the PRC. The equity transfer was completed in December 2016 and YCCS became an indirect wholly-owned subsidiary of the Company. Further details are set out in the Company’s announcement dated 30 November 2016.
- (o) On 22 December 2016, 莊格 (Zhuang Ge\*) and 郭玉蘭 (Guo Yulan\*) (collectively the “Xingtai Wangyang Owners”), Tianjin Clean Energy and 邢台萬陽新能源開發有限公司 (Xingtai Wanyang New Energy Development Limited\*, “Xingtai Wangyang”) entered into an equity transfer agreement. On 22 December 2016, the Xingtai Wangyang Owners, Tianjin Clean Energy, Xingtai Wangyang and 湖南長高高壓開關集團股份有限公司 (Hunan Changgao Highvoltage Switchgear Group Co., Ltd.\*) entered into a debt settlement agreement. Pursuant to the equity transfer agreement and the debt settlement agreement, the Xingtai Wangyang Owners agreed to dispose of, and Tianjin Clean Energy agreed to acquire, the entire equity interest in Xingtai Wangyang at a maximum aggregate consideration (including the settlement of outstanding payment obligation on behalf of Xingtai Wangyang) of RMB482,633,000. Xingtai Wangyang holds a 50MW photovoltaic power plant in 邢台市 (Xingtai City\*), Hebei Province, the PRC. The equity transfer was completed in December 2016 and Xingtai Wangyang became an indirect wholly-owned subsidiary of the Company. Further details are set out in the Company’s announcement dated 22 December 2016.

Save as disclosed above, there were no significant investments, material acquisition and disposal of subsidiaries and associated companies by the Group for the year ended 31 December 2016.

## **PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

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

## **FINAL DIVIDEND**

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

## **CLOSURE OF REGISTER OF MEMBERS**

To determine who shall be eligible to attend and vote at the forthcoming annual general meeting of the Company to be held on Wednesday, 31 May 2017 (the "AGM"), the register of members of the Company will be closed from Thursday, 25 May 2017 to Wednesday, 31 May 2017 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the forthcoming AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 24 May 2017.

## **CORPORATE GOVERNANCE CODE**

During the year ended 31 December 2016, in the opinion of the Board, the Company has complied with all the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code") as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all of the Directors, the Company confirms that, during the year ended 31 December 2016, all Directors have complied with the required standard set out in the Model Code.

## **AUDIT COMMITTEE**

The audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors namely Mr. Li Fujun (the chairman of the Audit Committee), Mr. Xu Honghua and Mr. Chiu Kung Chik. The Audit Committee is primarily responsible for reviewing and providing supervision over the financial reporting procedure and risk management and internal control of the Company. The final results for the year ended 31 December 2016 have been reviewed and approved by the Audit Committee. The Audit Committee considers that appropriate accounting policies have been adopted, and the applicable requirements of the Listing Rules have been complied with, in the preparation of relevant results, and sufficient disclosures have been made.

## **SCOPE OF WORK OF ERNST & YOUNG**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2016 as set out in the preliminary announcement have been agreed by the Company’s auditors, Ernst & Young (“**EY**”), to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by EY in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by EY on the preliminary announcement.

## **PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT**

This announcement is published on the Company’s website ([www.bece.com.hk](http://www.bece.com.hk)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The annual report of the Company for the year ended 31 December 2016 will be dispatched to shareholders of the Company in April 2017 and will be published on the websites of the Company and the Stock Exchange, respectively, in due course.

## **APPRECIATION**

The Board would like to express its sincere thanks to all the employees of the Group for their continuous support and dedicated service.

By order of the Board  
**Beijing Enterprises Clean Energy Group Limited**  
**Mr. Hu Xiaoyong**  
*Chairman*

Hong Kong, 29 March 2017

*As at the date of this announcement, the Board comprises eight Directors, namely Mr. Hu Xiaoyong, Mr. Shi Xiaobei, Mr. Huang Weihua, Mr. Wang Ye and Mr. Wen Hui as executive Directors; and Mr. Li Fujun, Mr. Xu Honghua and Mr. Chiu Kung Chik as independent non-executive Directors.*

\* *for identification purpose only*