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

**(Stock Code: 01250)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017**

### **HIGHLIGHTS**

- The Group reported revenue of approximately HK\$10,039.5 million (2016: approximately HK\$2,890.2 million), representing an increase of 247% as compared to the corresponding period of last year.
- Profit attributable to the equity holders of the Company was approximately HK\$1,560.3 million (2016: approximately HK\$505.1 million), representing an increase of 209% as compared to the corresponding period of last year.
- EBITDA amounted to approximately HK\$2,847.8 million (2016: approximately HK\$889.2 million), representing an increase of 220% as compared to the corresponding period of last year.
- Basic and diluted earnings per share for the year were HK2.72 cents (2016: HK1.36 cents (restated)) and HK2.67 cents (2016: HK1.01 cents (restated)) respectively.
- The Board does not recommend the payment of a final dividend for the year ended 31 December 2017.

## 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 (collectively referred to as the “**Group**”) for the year ended 31 December 2017 and the consolidated statement of financial position of the Group as at 31 December 2017, together with comparative figures for the year ended 31 December 2016, as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the year ended 31 December 2017*

	<i>Notes</i>	<b>2017</b> <i>HK\$'000</i>	2016 <i>HK\$'000</i>
REVENUE	3	<b>10,039,549</b>	2,890,176
Cost of sales		<b>(7,414,587)</b>	(2,073,176)
Gross profit		<b>2,624,962</b>	817,000
Other income and gains, net	3	<b>182,994</b>	98,662
Gains on bargain purchase of subsidiaries	10	–	78,669
Selling and distribution expenses		<b>(3,655)</b>	(3,565)
Administrative expenses		<b>(476,697)</b>	(219,664)
Other operating expenses, net		<b>(10,998)</b>	(760)
Finance costs	5	<b>(469,983)</b>	(103,857)
Share of profits and losses of:			
Joint ventures		<b>(624)</b>	–
Associates		<b>16,234</b>	–
PROFIT BEFORE TAX	4	<b>1,862,233</b>	666,485
Income tax expense	6	<b>(285,907)</b>	(137,238)
PROFIT FOR THE YEAR		<b><u>1,576,326</u></b>	<u>529,247</u>
ATTRIBUTABLE TO:			
Equity holders of the Company		<b>1,560,348</b>	505,101
Non-controlling interests		<b>15,978</b>	24,146
		<b><u>1,576,326</u></b>	<u>529,247</u>
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	9		
Basic		<b><u>HK2.72 cents</u></b>	(Restated) <u>HK1.36 cents</u>
Diluted		<b><u>HK2.67 cents</u></b>	(Restated) <u>HK1.01 cents</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2017

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
PROFIT FOR THE YEAR	1,576,326	529,247
OTHER COMPREHENSIVE INCOME/(LOSS)		
<i>Items to be reclassified to profit or loss in subsequent periods:</i>		
Available-for-sale investment:		
Changes in fair value	49,952	7
Reclassification adjustment for gain included in the consolidated statement of profit or loss – gain on disposal	–	(499)
Exchange differences on translation of foreign operations	<u>648,706</u>	<u>(364,421)</u>
	<u>698,658</u>	<u>(364,913)</u>
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>		
Share of other comprehensive income of joint ventures	3,735	–
Share of other comprehensive income of associates	<u>27,004</u>	<u>–</u>
	<u>30,739</u>	<u>–</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	<u>729,397</u>	<u>(364,913)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>2,305,723</u></u>	<u><u>164,334</u></u>
ATTRIBUTABLE TO:		
Equity holders of the Company	2,271,072	141,785
Non-controlling interests	<u>34,651</u>	<u>22,549</u>
	<u><u>2,305,723</u></u>	<u><u>164,334</u></u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2017

	<i>Notes</i>	<b>2017</b> <b>HK\$'000</b>	2016 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>15,567,761</b>	9,412,975
Investment property		<b>175,000</b>	–
Prepaid land lease payments		<b>191,102</b>	130,059
Goodwill		<b>339,287</b>	167,568
Operating concessions		<b>1,060,563</b>	–
Operating rights		<b>516,882</b>	369,955
Other intangible assets		<b>8,751</b>	2,434
Investments in joint ventures		<b>94,228</b>	–
Investments in associates		<b>681,279</b>	–
Available-for-sale investment		<b>7,612</b>	–
Prepayments, deposits and other receivables	<i>12</i>	<b>1,451,629</b>	757,139
Other tax recoverables		<b>1,134,059</b>	862,575
Other non-current assets		<b>108,618</b>	270,784
Deferred tax assets		<b>27,122</b>	18,844
		<hr/>	<hr/>
Total non-current assets		<b>21,363,893</b>	11,992,333
<b>CURRENT ASSETS</b>			
Inventories		<b>21,164</b>	33,073
Amounts due from contract customers		<b>2,028,891</b>	550,784
Trade and bills receivables	<i>11</i>	<b>4,502,025</b>	1,295,107
Prepaid land lease payments		<b>5,318</b>	4,732
Prepayments, deposits and other receivables	<i>12</i>	<b>1,756,591</b>	1,386,711
Other tax recoverables		<b>707,811</b>	296,410
Restricted cash and pledged bank deposits		<b>497,340</b>	386,251
Cash and cash equivalents		<b>4,772,754</b>	1,633,214
		<hr/>	<hr/>
		<b>14,291,894</b>	5,586,282
Assets of a disposal group classified as held for sale	<i>7</i>	<b>339,895</b>	–
		<hr/>	<hr/>
Total current assets		<b>14,631,789</b>	5,586,282
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	<i>13</i>	<b>4,631,417</b>	1,144,347
Other payables and accruals	<i>14</i>	<b>4,043,342</b>	3,828,795
Interest-bearing bank and other borrowings		<b>1,349,295</b>	1,583,540
Finance lease payables		<b>1,390,624</b>	142,974
Income tax payables		<b>233,930</b>	114,441
		<hr/>	<hr/>
		<b>11,648,608</b>	6,814,097
Liabilities directly associated with the assets classified as held for sale	<i>7</i>	<b>99,172</b>	–
		<hr/>	<hr/>
Total current liabilities		<b>11,747,780</b>	6,814,097

	<b>2017</b> <i>HK\$'000</i>	2016 <i>HK\$'000</i>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	<b>2,884,009</b>	(1,227,815)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>24,247,902</b>	10,764,518
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing bank and other borrowings	<b>5,180,768</b>	3,244,597
Finance lease payables	<b>9,787,999</b>	2,663,202
Other non-current liabilities	<b>108,104</b>	271,459
Deferred tax liabilities	<b>167,002</b>	100,384
Total non-current liabilities	<b>15,243,873</b>	6,279,642
Net assets	<b>9,004,029</b>	4,484,876
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	<b>63,525</b>	49,995
Reserves	<b>8,497,381</b>	4,399,603
	<b>8,560,906</b>	4,449,598
<b>Non-controlling interests</b>	<b>443,123</b>	35,278
Total equity	<b>9,004,029</b>	4,484,876

## NOTES:

### 1.1 CORPORATE AND GROUP INFORMATION

Beijing Enterprises Clean Energy Group Limited (the “**Company**”) is a limited liability incorporated in the Cayman Islands. The registered office of the Company is located at P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands.

During the year, the Company and its subsidiaries (collectively referred to as the “**Group**”) were principally engaged in the investment, development, construction, operation and management of photovoltaic power businesses (the “**Photovoltaic Power Business**”), wind power businesses (the “**Wind Power Business**”) and clean heat supply businesses (the “**Clean Heat Supply Business**”) in the mainland (“**Mainland China**”) of the People’s Republic of China (the “**PRC**”).

On 14 August 2017, the Board decided to divest the business of the design, printing and sale of cigarette packages in the PRC (the “**Cigarette Packaging Business**”), the Group’s non-core business in order to focus the resources on the clean energy businesses. Subsequent to the reporting period, pursuant to an agreement entered into between the Company (as the seller) and Ms. Huang Li (as the purchaser) dated 10 January 2018, the Cigarette Packaging Business was disposed of by the Company to Ms. Huang Li for a consideration of HK\$258,868,000. The transaction was completed on 17 January 2018. Further details of the disposal of the Cigarette Packaging Business are set out in the Company’s announcements dated 14 August 2017 and 10 January 2018.

### 1.2 BASIS OF PREPARATION

#### 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 investment property, available-for-sale investment and financial guarantee contracts which have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. 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 2017. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has, rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

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.

### **1.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

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

Amendments to HKAS 7	<i>Disclosure Initiative</i>
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to HKFRS 12	<i>Disclosure of Interests in Other Entities: Clarification of</i>
included in <i>Annual Improvements to</i>	<i>the Scope of HKFRS 12</i>
<i>HKFRSs 2014-2016 Cycle</i>	

None of the above amendments to HKFRSs has had a significant financial effect on these financial statements.

## **2. OPERATING SEGMENT INFORMATION**

The Cigarette Packing Business, which represents the design, printing and sale of cigarette packages in the PRC and a reportable operating segment in the prior year's financial statements, is not a significant operating segment of the Group during the year ended 31 December 2017 in terms of revenue, operating performance, assets and liabilities. Accordingly, the Group did not report the Cigarette Packing Business segment as a reportable operating segment during the year ended 31 December 2017.

As a result, for management purposes, the Group has only one reportable operating segment which is the investment, development, construction, operation and management of clean energy businesses (i.e. the Photovoltaic Power Business, the Wind Power Business and the Clean Heat Supply Business) and therefore, no segment information is presented in these financial statements.

### **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) sale 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 and wind power businesses, net of value-added tax; (iii) the value of technical consultancy services rendered from photovoltaic and wind power businesses, net of value-added tax; (iv) the value of entrusted operations services of photovoltaic power businesses, net of value-added tax; (v) trading agency income from photovoltaic power businesses, net of value-added tax; (vi) the provision of clean heat supply services, net of value-added tax; and (vii) 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:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
<b>Revenue</b>		
Sale of electricity with tariff adjustment*		
Photovoltaic Power Business	1,466,739	214,643
Wind Power Business	65,771	21,031
Construction services	7,965,268	2,233,966
Technical consultancy services	205,788	109,628
Entrusted operations	136,678	114,332
Trading agency income	–	27,964
Provision of clean heat supply services	20,466	–
Sale of cigarette packages	178,839	168,612
	<u>10,039,549</u>	<u>2,890,176</u>
<b>Other income and gains, net</b>		
Bank interest income	17,756	4,967
Other interest income	72,183	–
Government grants <sup>#</sup>	54,075	78,874
Foreign exchange gains, net	–	10,548
Gains on disposal of subsidiaries	35,211	–
Fair value gain on disposal of available-for-sale investment (transfer from equity on disposal)	–	499
Others	3,769	3,774
	<u>182,994</u>	<u>98,662</u>

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

<sup>#</sup> *The government grants represent government subsidies and value-added tax and corporate income tax refunds. There are no unfulfilled conditions or contingencies relating to these grants.*

#### 4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Cost of sales of electricity	474,374	100,925
Cost of construction services	6,774,066	1,840,041
Cost of technical consultancy services	20,651	7,625
Cost of services in relation to entrusted operations	13,658	6,896
Cost of clean heat supply services	14,022	–
Cost of inventories sold of the Cigarette Packaging Business	117,816	117,689
Depreciation <sup>@</sup>	469,101	112,615
Amortisation of prepaid land lease payments*	26,636	1,216
Amortisation of operating rights*	19,104	4,869
Amortisation of other intangible assets <sup>#</sup>	792	127
Foreign exchange differences, net	8,112	(10,548)
	<u>8,112</u>	<u>(10,548)</u>

<sup>@</sup> Depreciation for the year amounted to HK\$459,896,000 and HK\$9,205,000 (2016: HK\$109,991,000 and HK\$2,624,000) are included in "Cost of sales" and "Administrative expenses" on the face of the consolidated statement of profit or loss, respectively.

\* 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.

<sup>#</sup> Amortisation of other intangible assets for the year is included in "Administrative expenses" on the face of the consolidated statement of profit or loss.

#### 5. FINANCE COSTS

An analysis of finance costs is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Interest on bank and other loans	195,258	96,374
Interest on finance leases	323,929	7,483
	<u>519,187</u>	<u>103,857</u>
Total interest expenses	519,187	103,857
Less: Interest capitalised	(49,204)	–
	<u>469,983</u>	<u>103,857</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 (2016: 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 period 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 because (i) these companies are engaged in the operation of photovoltaic and wind power plants and (ii) they have operations in the Tibet Autonomous Region of the PRC that are qualified for a 9% concessionary corporate income tax rate for a prescribed period of time pursuant to “*西藏自治區企業所得稅政策實施辦法*” (the “*Notice for the Implementation of the Corporate Income Tax Policies of the Tibet Autonomous Region*”\*) (Zang Zheng Fa [2014] No. 51) issued by the People's Government of the Tibet Autonomous Region of the PRC.

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Current – Mainland China	270,594	138,116
Current – Withholding tax	–	1,321
Deferred	15,313	(2,199)
	<u>285,907</u>	<u>137,238</u>
Total tax expense for the year	<u>285,907</u>	<u>137,238</u>

## 7. ASSETS AND LIABILITIES OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 14 August 2017, the Board decided to divest the Cigarette Packaging Business in order to focus the resources on the clean energy businesses.

Subsequent to the reporting period, on 10 January 2018, the Company announced the disposal of the Cigarette Packaging Business which comprised the following then wholly-owned subsidiaries of the Group:

- (1) 深圳大洋洲印務有限公司 (Shenzhen Oceania Printing Company Limited\*, the “**PRC Company**”);
- (2) Super Future Investments Limited (the immediate holding company of the PRC Company); and
- (3) Meteor River Limited (the immediate holding company of Super Future Investments Limited, which was wholly-owned by the Company before the disposal of the Cigarette Packaging Business).

Pursuant to an agreement entered into between the Company (as the seller) and Ms. Huang Li (as the purchaser) dated 10 January 2018, the Cigarette Packaging Business was disposed of by the Company to Ms. Huang Li for a consideration of HK\$258,868,000. The transaction was completed on 17 January 2018. Further details of the disposal of the Cigarette Packaging Business are set out in the Company's announcements dated 14 August 2017 and 10 January 2018.

As at 31 December 2017, the Cigarette Packaging Business was classified as a disposal group held for sale.

The major classes of assets and liabilities of the Cigarette Packaging Business classified as held for sale as at 31 December 2017 are as follows:

	<b>2017</b> <b>HK\$'000</b>
Assets:	
Property, plant and equipment	27,952
Prepayments, deposits and other receivables	187,391
Inventories	16,090
Trade and bills receivables	83,949
Restricted cash and pledged bank deposits	12,530
Cash and cash equivalents	11,983
	<hr/>
Assets classified as held for sale	339,895
Liabilities:	
Trade and bills payables	(62,718)
Other payables and accruals	(12,516)
Income tax payable	(10,628)
Deferred tax liabilities	(13,310)
	<hr/>
Liabilities directly associated with the assets classified as held for sale	(99,172)
Net assets directly associated with the disposal group	<u><u>240,723</u></u>

## **8. DIVIDEND**

The Directors do not recommend the payment of any dividend during year ended 31 December 2017 (2016: Nil).

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

The calculation of the basic earnings per share amounts is based on the profit attributable to the equity holders of the Company for the years ended 31 December 2017 and 2016, and the weighted average number of ordinary shares and convertible preference shares in issue during the years.

The calculation of the diluted earnings per share amounts for the years is based on the profit attributable to the equity holders of the Company for the years ended 31 December 2017 and 2016, and the weighted average number of ordinary shares and convertible preference shares in issue during the years 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 on the convertible preference shares. No adjustment has been made to the basic earnings per share amount for the year ended 31 December 2017 in respect of the outstanding share options of the Company due to the anti-dilutive effect on the earnings per share amount at the beginning of the year.

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

	<b>2017</b> <b>HK\$'000</b>	2016 <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>1,560,348</b></u>	<u>505,101</u>
	<b>2017</b>	2016 (Restated)
<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 ( <i>note</i> )	<b>57,304,086,649</b>	37,086,240,666
Effect of dilution – weighted average number of ordinary shares: Forward contract on convertible preference shares	<u><b>1,047,096,218</b></u>	<u>12,691,651,235</u>
Weighted average number of ordinary shares and convertible preference shares, used in the diluted earnings per share calculation ( <i>note</i> )	<u><b>58,351,182,867</b></u>	<u>49,777,891,901</u>
	<b>2017</b>	2016 (Restated)
Basic earnings per share	<u><b>HK2.72 cents</b></u>	<u>HK1.36 cents</u>
Diluted earnings per share	<u><b>HK2.67 cents</b></u>	<u>HK1.01 cents</u>

*Note:*

An open offer of one offer share for every seven existing ordinary shares of the Company held by members on the register of members on 15 August 2017 was made at a subscription price of HK\$0.17 per offer share, resulting in the issue of 7,820,619,687 ordinary shares of the Company on 11 September 2017 for a total cash consideration, before expenses, of HK\$1,329,505,000.

The weighted average number of ordinary shares of the Company and convertible preference shares of the Company adopted in the calculation of basic and diluted earnings per share amounts for the years ended 31 December 2017 and 2016 have been adjusted retrospectively to reflect the impact of the open offer.

## 10. BUSINESS COMBINATIONS

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Property, plant and equipment	3,315,576	7,800,259
Prepaid land lease payments	46,206	104,335
Property under development	136,606	–
Operating rights	147,676	391,555
Deferred tax assets	–	15,563
Inventories	5,727	3,288
Trade and bills receivables	271,760	382,482
Prepayments, deposits and other receivables	526,332	147,567
Other tax recoverables	397,690	873,499
Restricted cash and pledged bank deposits	–	40,897
Cash and cash equivalents	220,405	81,375
Trade and bills payables	(83,051)	(114,834)
Other payables and accruals	(2,725,937)	(8,779,442)
Interest-bearing bank borrowings	(34,591)	–
Finance lease payables	(1,584,248)	–
Income tax payables	–	(21)
Deferred tax liabilities	(51,730)	(97,889)
	<hr/>	<hr/>
Total identifiable net assets at fair value	588,421	848,634
Non-controlling interests	(45,813)	(13,183)
	<hr/>	<hr/>
	542,608	835,451
Goodwill	177,930	175,124
Gains on bargain purchase	–	(78,669)
	<hr/>	<hr/>
	<b>720,538</b>	<b>931,906</b>
	<hr/> <hr/>	<hr/> <hr/>

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

## 11. TRADE AND BILLS RECEIVABLES

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Trade and bills receivables	2,811,967	865,311
Tariff adjustment*	1,690,058	429,796
	<hr/>	<hr/>
Total trade and bills receivables	<b>4,502,025</b>	<b>1,295,107</b>
	<hr/> <hr/>	<hr/> <hr/>

The Group's trading terms with its customers are mainly on credit, except for certain new customers where payment in advance is normally required. The Group generally allows credit periods of 30 days to 90 days to its customers, and accepts settlement of certain trade receivables by bank bills with maturity periods from 90 days to 180 days.

An ageing 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:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Billed:		
Within 3 months	1,527,579	761,964
4 to 6 months	98,322	76,569
7 to 12 months	1,114,507	21,733
Over 1 year	71,559	5,045
	<u>2,811,967</u>	<u>865,311</u>
Unbilled*	1,690,058	429,796
	<u>4,502,025</u>	<u>1,295,107</u>

\* *Tariff adjustment receivables as at 31 December 2017 of HK\$1,690,058,000 (2016: HK\$429,796,000) represented the central government renewable energy subsidy receivable on behalf by the State Grid Corporation of China (the "State Grid") and payable to the Group by the State Grid, in respect of the Group's photovoltaic and wind power plant operations based on the existing government policies.*

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Neither past due nor impaired	1,318,574	596,013
Less than 1 month past due	84,932	117,914
1 to 3 months past due	270,259	118,859
4 to 6 months past due	633,741	25,505
7 months to 1 year past due	438,488	7,018
Over 1 year past due	65,973	2
	<u>2,811,967</u>	<u>865,311</u>

## 12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Prepayments	1,161,877	203,250
Deposits and other receivables	1,830,186	1,940,600
Due from a joint venture	45,333	–
Due from an associate	170,824	–
	<u>3,208,220</u>	<u>2,143,850</u>
Portion classified as current assets	(1,756,591)	(1,386,711)
Non-current portion	<u>1,451,629</u>	<u>757,139</u>

### 13. 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, is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Within 3 months	3,288,098	1,100,274
4 to 6 months	204,431	43,651
7 to 12 months	406,729	198
1 to 2 years	732,159	224
	<u>4,631,417</u>	<u>1,144,347</u>

The trade and bills payables are non-interest-bearing and are normally settled on terms of 60 days to 180 days.

### 14. OTHER PAYABLES AND ACCRUALS

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Deposits received	9,455	1,934
Other payables	3,961,246	3,807,785
Accruals	72,641	19,076
	<u>4,043,342</u>	<u>3,828,795</u>

### 15. EVENTS AFTER THE REPORTING PERIOD

- (a) Pursuant to the equity transfer agreement dated 10 January 2018 entered into between Champion South (Hong Kong) Limited (“**Champion South**”, a wholly-owned subsidiary of the Company) (as the purchaser) and two independent third parties of the Group (as the vendors), the vendors agreed to dispose of, and Champion South agreed to acquire, 20% equity interest in 北控風力發電有限公司 (Beijing Enterprises Wind Power Generation Company Limited\*, “**BE Wind Power**”, a 50%-owned subsidiary of the Company) for nil consideration. BE Wind Power becomes a 70%-owned subsidiary of the Company upon completion of the transaction. Further details of the acquisition are set out in the Company’s announcement dated 10 January 2018.
- (b) Pursuant to the agreement dated 10 January 2018 entered into between the Company (as the seller) and Ms. Huang Li (as the purchaser), the Cigarette Packaging Business was disposed of by the Company to Ms. Huang Li for a consideration of HK\$258,868,000. The disposal was completed on 17 January 2018. Further details of the disposal are set out in the Company’s announcement dated 10 January 2018.

### 16. COMPARATIVE AMOUNTS

The weighted average number of ordinary shares and convertible preference shares of the Company adopted in the calculation of basic and diluted earnings per share amounts for the year has been adjusted retrospectively to reflect the impact of open offer completed on 5 September 2017.



## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. Business Review

During the year ended 31 December 2017, the Group is principally engaged in the investment, development, construction, operation and management of photovoltaic power businesses (the “**Photovoltaic Power Business**”), wind power businesses (the “**Wind Power Business**”) and clean heat supply businesses (the “**Clean Heat Supply Business**”) in the PRC. It also had a non-core business in the design, printing and sale of cigarette packages (the “**Cigarette Packaging Business**”) in the PRC which was disposed of in January 2018.

On 14 August 2017, the Group decided to divest its Cigarette Packaging Business in order to focus the resources on the clean energy businesses. On 10 January 2018, the Company announced the disposal of the Cigarette Packaging Business and the disposal was completed on 17 January 2018. Further details of the disposal of the Cigarette Packaging Business are set out in the Company’s announcement dated 10 January 2018.

Financial highlights:

	<b>2017</b> <i>HK\$’000</i>	2016 <i>HK\$’000</i>	Change %
Revenue	<b>10,039,549</b>	2,890,176	247
Gross profit	<b>2,624,962</b>	817,000	221
Profit for the year	<b>1,576,326</b>	529,247	198
Profit attributable to the equity holders of the Company	<b>1,560,348</b>	505,101	209
Basic EPS ( <i>in HK cents</i> )	<b>2.72</b>	(restated) 1.36	100
EBITDA	<b>2,847,849</b>	889,169	220
Total assets	<b>35,995,682</b>	17,578,615	105
Equity	<b>9,004,029</b>	4,484,876	101
Cash and cash equivalents	<b>4,772,754</b>	1,633,214	192

The increases in the Group’s revenue, profit for the year and profit attributable to the equity holders of the Company during the year ended 31 December 2017 as compared to the year ended 31 December 2016 were mainly driven by the performance of (i) the sale of electricity in respect of the Photovoltaic Power Business and the Wind Power Business; and (ii) the provision of engineering, procurement and construction services for photovoltaic and wind power plant projects.

## ***1.1 Sale of Electricity and Entrusted Operations***

During the year, the Group expanded its operating capacity through the investment, development, construction, operation and management of (i) centralised photovoltaic power plant projects; (ii) distributed photovoltaic power plant projects; and (iii) wind power plant projects, and the aggregate revenue in respect of the sale of electricity and the provision of entrusted management services amounted to approximately HK\$1,669.2 million (2016: approximately HK\$350.0 million), representing an increase of 377% as compared to last year, which is illustrated below.

### ***1.1.1 Centralised Photovoltaic Power Plant Projects***

During the year ended 31 December 2017, the Group's centralised photovoltaic power business further expanded through acquisition of businesses from independent third parties and development and construction of photovoltaic power plants. The Group recorded revenue of approximately HK\$1,392.4 million (2016: approximately HK\$214.7 million) from the sale of electricity from the Group's centralised photovoltaic power plants, representing 14% (2016: 7%) of the Group's total revenue during the year.

As at 31 December 2017, the total capacity of centralised photovoltaic power plant projects held or under joint development by the Group in the PRC reached approximately 2,200 megawatt ("MW"), with 48 projects in aggregate covering 11 provinces and 3 autonomous regions in the PRC. These projects were mainly situated in photovoltaic resource areas 2 and 3 as promulgated by the National Development and Reform Commission of the PRC (the "NDRC"), locations considered by the management to be favourable for the development of the Group's Photovoltaic Power Business.

As at 31 December 2017, 43 (2016: 26) centralised photovoltaic power plants held by the Group in the PRC were in operation, and the aggregate on-grid capacity of these photovoltaic power plants reached 1,784MW (2016: 946MW), which is analysed below:

Location	Photovoltaic resource area	Number of plants	2017		2016		
			Approximate total on-grid capacity (MW)	Approximate electricity sales volume (note 1) (MWh)#	Approximate total on-grid capacity (MW)	Approximate electricity sales volume (note 1) (MWh)#	
Subsidiaries:							
Hebei Province	2/3	12	324	352,828	9	252	67,046
Henan Province	3	3	264	283,193	2	154	68,128
Anhui Province	3	7	249	220,645	5	175	23,848
Shandong Province	3	5	235	121,622	2	59	25,054
Shaanxi Province	2	2	160	210,088	2	160	6,012
Guizhou Province	3	3	155	–	–	–	–
Jiangxi Province	3	3	125	51,627	2	47	5,654
The Ningxia Hui Autonomous Region (note 3)	1	1	100	–	–	–	–
Hubei Province	3	2	43	20,901	1	27	13,240
Jilin Province	2	1	30	14,320	–	–	–
The Tibet Autonomous Region	3	1	30	35,472	1	30	4,470
Yunnan Province	2	1	22	32,005	1	22	–
Shanxi Province	3	1	20	29,960	1	20	8,524
		42	1,757	1,372,661	26	946	221,976
Joint venture:							
Hubei Province (note 2)	3	1	27	28,273	–	–	–
Total		43	1,784	1,400,934	26	946	221,976

# Megawatt-hour

*Note 1: It represented the approximate electricity sales volume of the projects from the later of (i) the dates of acquisition by the Group; (ii) the dates of commencement of operation; and (iii) 1 January 2017, to the end of the reporting period. Therefore, the above electricity sales volume does not reflect a full year performance of these operations.*

*Note 2: The project was jointly held by the Group and 北京北控蘇銀股權投資管理中心(有限合夥) (Beijing BE Suyin Equity Investment Management Centre (Limited Partnership)\*, “BE Suyin”), a limited partnership established during the year which was classified as a joint venture of the Group. The Group owned 65% subordinated interest in BE Suyin. Further details of the establishment of BE Suyin are set out in the Company’s announcement dated 9 August 2017.*

*Note 3: The project was acquired in late December 2017 and is situated in the photovoltaic resource area 1 as promulgated by the NDRC. According to information published by 國家能源局西北監管局 (the Northwest China Energy Regulatory Bureau of National Energy Administration of the PRC\*), the curtailment percentage in the Ningxia Hui Autonomous Region, the PRC was 6.4% during the year ended 31 December 2017, representing one of the regions with the lowest curtailment percentage among the five regions in the Northwest of the PRC (the average curtailment percentage in the Northwest of the PRC during the year ended 31 December 2017 was 14.1%). Having considered the above curtailment issue, the investment cost and overall performance of the project, investment return equivalent to other centralised photovoltaic power plant projects is expected to be generated.*

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 centralised photovoltaic power plants under the Top Runner Program with an aggregate designed capacity of 300MW. The Top Runner Program was approved by the National Energy Administration of the PRC and sets out advanced technology benchmarks for photovoltaic industry in the PRC. Securing the centralised 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. During the year, the projects situated in (i) Weishan County, Shandong Province, the PRC with designed capacity of 50MW; and (ii) Xintai City, Shandong Province, the PRC with designed capacity of 100MW were put into operation, and the remaining two projects under the Top Runner Program with an aggregate designed capacity of 150MW are expected to be constructed and put into operation in 2018.

In addition to the above-mentioned sale of electricity from the Group’s centralised photovoltaic power plants, the Group provided entrusted management services for centralised photovoltaic power plant projects in the PRC and revenue of approximately HK\$95.3 million (2016: approximately HK\$114.3 million) was recognised during the year.

In relation to international business, construction of the Group’s first overseas centralised photovoltaic power plant with an operating capacity of 6MW situated in Whyalla, Southern Australia, Australia commenced in the fourth quarter of 2017 and completed in January 2018. The project represents the first centralised photovoltaic power plant in Southern Australia developed by a Chinese renewable energy company, signifying the recognition of the Group’s technical strength.

### ***1.1.2 Distributed Photovoltaic Power Plant Projects***

The distributed photovoltaic power industry in the PRC enjoys a significant growth with the supportive government policies. During the year ended 31 December 2017, the Group had actively sought for business opportunities in relation to the distributed photovoltaic power business, aiming at developing the distributed photovoltaic power business with (i) solid location resources situated mainly in photovoltaic resource areas 2 and 3 as promulgated by the NDRC; and (ii) long-term customers with stable and concrete businesses.

With the strong development and investment strengths, the Group's distributed photovoltaic capacity achieved a remarkable growth during the year. As at 31 December 2017, the total installed capacity held and/or managed by the Group and in operation achieved 441MW, mainly locating in resource area 3 as promulgated by the NDRC (such as Henan Province, Anhui Province, Shandong Province, Jiangsu Province, Hebei Province).

The Group's sale of distributed photovoltaic power comprised the below business models:

(1) *Direct sale to the State Grid Corporation of China (the “State Grid”)*

Under this model, the Group develops distributed photovoltaic power plants in the idle resources (e.g. rooftop, greenbelt and other unused space) of the resources owners. Electricity was sold to the State Grid, a state-owned enterprise principally engaged in the development and operation of nationwide power network.

(2) *Direct sale to end users with excess electricity selling to the State Grid*

Under this model, the Group develops distributed photovoltaic power plants in the idle resources (e.g. rooftop, greenbelt and other unused space) of the resources owners. Electricity was sold to the end users with excess electricity sold to the State Grid. During the year ended 31 December 2017, the Group expands the capacity under this model through:

- (a) self-development on certain water plants of Beijing Enterprises Water Group Limited (“BEWG”), the controlling shareholder of the Company. Pursuant to the power purchase agreement entered into between the Company and BEWG, the Company provides distributed photovoltaic power generated by the distributed photovoltaic power plants in certain water plants of BEWG from 1 July 2017, details of which are set out in the Company's announcement dated 30 June 2017; and
- (b) self-development or joint development on the location resources of other customers.

During the year ended 31 December 2017, revenue of approximately HK\$74.3 million (2016: Nil) in respect of the sale of electricity was recognised.

In addition, the Group provided entrusted management services for distributed photovoltaic power plant projects in the PRC and revenue of approximately HK\$41.4 million (2016: Nil) was recognised during the year.

The Group will continue liaising with Beijing Enterprises Group Company Limited, other shareholders of the Company, and other long-term customers with stable and concrete businesses to expand the Group's distributed photovoltaic power business on their location resources.

### ***1.1.3 Wind Power Plant Projects***

The technology and cost improvements and the supportive government policies drive new business opportunities in the wind power industry, and in particular, in low-altitude regions such as the Central and Eastern regions of the PRC which in general do not have curtailment issue. With the Group's expertise on, among others, investing, developing and managing wind and other power businesses, the Group is optimistic on expanding its Wind Power Business to contribute its effort in building up a green future of the PRC.

As at 31 December 2017, the total capacity held or under joint development by the Group achieved 474MW, with a 48MW wind power plant locating in Shandong Province, the PRC, resource area 4 as promulgated by the NDRC, was held by the Group and in stable operation. Revenue of approximately HK\$65.8 million (2016: approximately HK\$21.0 million) from the sale of wind power electricity was recognised by the Group during the year ended 31 December 2017. Respective gross profit ratio was 60.2% (2016: 53.8%) during the year.

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

The Group is engaged in the provision of engineering, procurement and construction services for photovoltaic and wind power businesses 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 2017, a number of centralised and distributed photovoltaic power plant projects and wind power plant projects on engineering, procurement and construction services locating in the PRC were undergoing, and revenue of approximately HK\$6,952.1 million (2016: approximately HK\$2,234.0 million) in aggregate was recognised during the year ended 31 December 2017, representing 69.2% (2016: 77.3%) of the Group's total revenue during the year.

In addition to the above, during the year ended 31 December 2017, a centralised photovoltaic project on a build-operate-transfer (the “**BOT**”) basis under the Top Runner Program located in Xintai City, Shandong Province, the PRC and a clean heat supply project under the BOT basis were under construction. With reference to HK(IFRIC) Interpretation 12 *Service Concession Arrangements*, construction revenue of approximately HK\$1,013.2 million (2016: Nil) was recognised with reference to the fair value of construction services delivered during the construction phase. The fair value of such services is estimated on a cost-plus basis with reference to the prevailing market rate of gross margin at the inception date of the development agreement or the service concession agreement. Construction revenue is recognised based on the percentage-of-completion method.

In respect of the technical consultancy services, the Group successfully marketed the aforementioned qualification and experience to other industry participants. Revenue of approximately HK\$205.8 million (2016: approximately HK\$109.6 million) was recognised during the year ended 31 December 2017.

### **1.3 Clean Heat Supply Business**

Clean heat supply represents the production of low emission heat through the utilisation of clean energies such as natural gas, electricity, geothermal energy, biomass energy, photovoltaic power, industrial excess heat energy, clean coal (ultra-low emission) energy, etc., and the supply of such heat to end users. At present, 83% of the heat supply region in the Northern PRC adopts coal as the source of heat supply, and increasing the proportion of clean heat supply usage shall improve the air pollution issue in the PRC. With various supportive government policies issued including but not limited to the issuance of 《關於印發北方地區冬季清潔取暖規劃（2017-2021年）的通知》 (“the Winter Clean Heating Plan (2017 to 2021) of the Northern PRC”) jointly by ten government authorities in December 2017, the Clean Heat Supply Business shall have a favourable business prospects.

The Group commences to develop the Clean Heat Supply Business during the year ended 31 December 2017. As at 31 December 2017, through development and business acquisition, 6 projects in operation locating in Henan, Shanxi, Shaanxi and Jiangsu provinces were held and/or managed by the Group. Revenue of approximately HK\$20.4 million (2016: Nil) arising from the provision of clean heat supply services was recognised by the Group during the year.

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

The Group has been exploring other clean energy businesses such as multi-energy complement, energy storage, micro-grid technologies, distribution and sale of electricity, liquefied natural gas business and other business lines, and exploring international opportunities for strategic development and diversification.

In respect of the energy storage business, the Group has completed a photovoltaic energy storage demonstrative project with a capacity of 20MWh in the Tibet Autonomous Region, the PRC during the year, which represents the world's highest altitude energy storage project. It operates in a very stable manner, which signifies the Group's technical strengths in the energy storage business and in high altitude locations, and enables the Group to get prepared for the potential opportunities in the energy storage market.

#### **1.5 Cigarette Packaging Business**

With (i) the Group's effort in the expansion of the clean energy businesses; and (ii) the continued competitive environment, increased labour costs and the stringent government regulations and policies with respect to smoking, the contribution of the Cigarette Packaging Business to the Group was insignificant. Given that it had become a non-core business of the Group, the Board decided to divest its Cigarette Packaging Business in order to focus the resources on the clean energy businesses.

Pursuant to the agreement dated 10 January 2018 entered into between the Company (as the seller) and Ms. Huang Li (as the purchaser), the Cigarette Packaging Business was disposed of by the Company to Ms. Huang Li for a consideration of HK\$258,868,000. The disposal was completed on 17 January 2018 and gain on disposal is expected to be recognised in the Group's consolidated statement of profit or loss for the year ending 31 December 2018. Further details of the disposal are set out in the Company's announcement dated 10 January 2018. Assets and liabilities of the Cigarette Packaging Business were classified as assets and liabilities of a disposal group held for sale respectively in the consolidated statement of financial position as at 31 December 2017.



## 2. Financial Analysis

### 2.1 Revenue and gross profit margin

During the year ended 31 December 2017, the Group recorded revenue of approximately HK\$10,039.5 million (2016: approximately HK\$2,890.2 million). The increase was mainly attributable to the developments of the Photovoltaic Power Business and the Wind Power Business. In particular, (i) revenue from the sale of electricity and entrusted management services reached approximately HK\$1,669.2 million (2016: approximately HK\$350.0 million) in aggregate; and (ii) revenue from construction services achieved approximately HK\$7,965.3 million (2016: approximately HK\$2,234.0 million).

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

	2017			2016		
	Revenue (HK\$ million)	Gross profit ratio (%)	Gross profit (HK\$ million)	Revenue (HK\$ million)	Gross profit ratio (%)	Gross profit (HK\$ million)
Sale of electricity						
Photovoltaic Power Business	1,466.7	69.4	1,018.6	214.7	57.5	123.4
Wind Power Business	65.8	60.2	39.6	21.0	53.8	11.3
Construction services	7,965.3	15.0	1,191.3	2,234.0	17.6	394.0
Technical consultancy services	205.8	89.9	185.1	109.6	93.1	102.0
Entrusted operations	136.7	90.0	123.0	114.3	94.0	107.4
Trading agency income	–	N/A	–	28.0	N/A	28.0
Provision of clean heat supply services	20.4	31.4	6.4	–	–	–
Sale of cigarette packages	178.8	34.1	61.0	168.6	30.2	50.9
<b>Total</b>	<b>10,039.5</b>	<b>26.1</b>	<b>2,625.0</b>	<b>2,890.2</b>	<b>28.3</b>	<b>817.0</b>

Gross profit for the sale of electricity increased from approximately HK\$134.7 million for the year ended 31 December 2016 to approximately HK\$1,058.2 million during the year, representing 40.3% (2016: 16.5%) to the total gross profit of the Group. The increase in contribution of sale of electricity to the Group's total gross profit was attributable to the rapid expansion of the Group's operating capacity of the photovoltaic and wind power plant projects. On the other hand, contribution of construction services to the Group's total gross profit was 45.4% (2016: 48.2%) during the year, which remained relatively comparable to that of last year. Analysis of the above businesses are set out in the section headed "Business Review" in "Management Discussion and Analysis".

Gross profit ratio reduced from 28.3% during the year ended 31 December 2016 to 26.1% during the year ended 31 December 2017, which was mainly attributable to (i) the decrease in overall gross profit ratio of construction services; and (ii) the change in the mix of revenue during the year. Revenue from construction services contributed 79.3% (2016: 77.3%) to the Group's total revenue during the year. As the gross profit ratio of construction services of 15.0% was comparatively lower than that of other business sectors, overall gross profit ratio of the Group reduced.

## **2.2 Other income and gains, net**

The Group's other income and gains, net achieved approximately HK\$183.0 million (2016: approximately HK\$98.7 million) during the year. The increase was mainly attributable to the recognition of (i) interest income from other loan receivables of approximately HK\$72.2 million (2016: Nil); and (ii) gains on disposal of subsidiaries of HK\$35.2 million (2016: Nil) mainly derived from the disposals of a factory (not yet put into operation) of the Cigarette Packaging Business to independent third parties and a 27MW photovoltaic power plant project in Hubei Province to BE Suyin during the year.

## **2.3 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\$476.7 million (2016: approximately HK\$219.7 million) was mainly attributable to the increases in staff costs by approximately HK\$120.1 million and other administrative expenses during the year as a result of the expansion of the Photovoltaic Power Business, Wind Power Business and Clean Heat Supply Business.

## **2.4 Other operating expenses**

It mainly represented the net foreign exchange losses of approximately HK\$8.1 million (2016: net foreign exchange gains of approximately HK\$10.5 million recognised in other income and gains, net) recognised during the year.

## **2.5 Finance costs**

The increase in finance costs of the Group by approximately HK\$366.1 million to approximately HK\$470.0 million (2016: approximately HK\$103.9 million) was mainly attributable to the increase in the average balances of bank and other borrowings and finance lease payables of the Group during the year.

## **2.6 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 during the years.

## **2.7 Property, plant and equipment**

Property, plant and equipment mainly represented the carrying amounts of photovoltaic and wind power plant projects and clean heat supply projects held by the Group and in operation or under construction, and the increase during the year was mainly attributable to the acquisition and development of centralised and distributed photovoltaic power plant projects during the year.

## **2.8 Investment property**

The Group's investment property represented the fair value of an office in Hong Kong purchased by the Group during the year ended 31 December 2017. Pursuant to an agreement dated 5 September 2017 entered into between a wholly-owned subsidiary of the Group as the purchaser and two independent third parties as vendors, the Group purchased the entire equity interest in an entity holding an office for a consideration of HK\$174,800,000, which was satisfied by the allotment of 960,439,560 ordinary shares (the "**Ordinary Share(s)**") of the Company. The transaction was completed in October 2017 and the office is currently leased to an independent third party. Further details of the purchase of the entity and the office are set out in the Company's announcement dated 5 September 2017.

## **2.9 Prepaid land lease payments**

The increase of prepaid land lease payments was mainly attributable to the acquisition and development of photovoltaic power plant projects during the year.

## **2.10 Goodwill**

It was attributable to the acquisition of subsidiaries during the years ended 31 December 2017 and 2016.

### ***2.11 Operating concessions and operating rights***

Operating concessions and operating rights represented the rights to operate a photovoltaic power plant project and a clean heat supply project under the BOT basis, and the operating rights arising from the acquisition of photovoltaic and wind power businesses with reference to HKFRS 3 (Revised) *Business Combinations*, respectively. The increase in operating concessions was mainly attributable to the construction of a centralised photovoltaic project and a clean heat supply project on a BOT basis as detailed in the section headed “1.2 Engineering, Procurement and Construction Services, and Technical Consultancy Services” in “Management Discussion and Analysis”, and the increase in operating rights was attributable to the acquisition of photovoltaic power plant projects during the year.

### ***2.12 Investments in joint ventures***

It mainly represented the capital contributions made by the Group to the limited partnerships established in the PRC during the year.

### ***2.13 Investments in associates***

It represented (i) the Group’s investment in 四川金宇汽車城(集團)股份有限公司 (Sichuan Jinyu Automobile City (Group) Co., Ltd.\*, “**Sichuan Jinyu**”, a company established in the PRC and shares of which are listed on the Shenzhen Stock Exchange (stock code: SZ.000803)). Further details of which are set out in paragraph (c) of the section headed “Significant Investments, Material Acquisition and Disposal of Subsidiaries and Associated Companies” in “Management Discussion and Analysis”; and (ii) the Group’s investment in 北控城投控股集團有限公司 (Beijing Enterprises City Investment Holdings Group Co., Ltd\*), a 15%-owned investment of the Group which was principally engaged in the investment, development and operation of infrastructural and properties-related businesses in the PRC.

### ***2.14 Other non-current assets***

It represented materials and equipment sold and delivered to independent third parties for the development of photovoltaic power plant projects.

### ***2.15 Amounts due from contract customers***

Amounts due from contract customers as at 31 December 2017 of approximately HK\$2,028.9 million (2016: approximately HK\$550.8 million) was mainly attributable to the provision of engineering, procurement and construction services for photovoltaic and wind power plant projects by the Group, and the increase was attributable to the increase in the extent of engineering, procurement and construction services provided by the Group during the year ended 31 December 2017.

## ***2.16 Trade and bills receivables***

Trade and bills receivables of approximately HK\$4,502.0 million (2016: approximately HK\$1,295.1 million) as at 31 December 2017 were mainly derived from (i) the sale of electricity of the Photovoltaic Power Business and the Wind Power Business; and (ii) the provision of engineering, procurement and construction services of the Photovoltaic Power Business and the Wind Power Business. The increase was attributable to the significant expansion of the Photovoltaic Power Business and the Wind Power Business during the year.

Trade receivables for the sale of electricity of the Photovoltaic Power Business and the Wind Power Business of approximately HK\$1,965.0 million (2016: approximately HK\$521.6 million) mainly comprised (i) receivables from the sale of electricity to the State Grid; and (ii) central government renewable energy subsidies for photovoltaic and wind power plant projects receivable on behalf by the State Grid and payable to the Group by the State Grid. On the other hand, trade and bills receivables for the provision of engineering, procurement and construction services of the Photovoltaic Power Business and the Wind Power Business amounted to approximately HK\$2,485.3 million (2016: approximately HK\$507.6 million) as at 31 December 2017.

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

The increase in prepayments, deposits and other receivables and other tax recoverables by approximately HK\$1,747.3 million in aggregate to approximately HK\$5,050.1 million (2016: approximately HK\$3,302.8 million) in aggregate (non-current portion and current portion increased by approximately HK\$966.0 million and approximately HK\$781.3 million in aggregate respectively) was mainly attributable to the increases in prepayments to suppliers for the development of the Photovoltaic Power Business, investment deposits made for the acquisitions of certain photovoltaic power plant projects, and input value-added-tax recoverables arising from the acquisition and development of photovoltaic power plants.

## ***2.18 Cash and cash equivalents***

The increase in cash and cash equivalents by approximately HK\$3,139.6 million to approximately HK\$4,772.8 million (2016: approximately HK\$1,633.2 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 issuance of shares of the Company as detailed under the section headed “Equity fund raising of the Company” in “Management Discussion and Analysis”; (iii) cash outflow on developing and acquiring photovoltaic power plant projects; and (iv) receipts of trade receivables during the year ended 31 December 2017.

### ***2.19 Trade and bill payables***

Trade and bills payables of approximately HK\$4,631.4 million (2016: approximately HK\$1,144.3 million) increased by approximately HK\$3,487.1 million as compared to that of last year was mainly attributable to the increase in trade and bills payables in relation to the provision of engineering, procurement and construction services during the year.

### ***2.20 Other payables and accruals***

Other payables and accruals of approximately HK\$4,043.3 million (2016: approximately HK\$3,828.8 million) increased by approximately HK\$214.5 million as compared to that of last year was mainly due to the net effect of (i) settlement of construction and equipment payables to contractors and suppliers in relation to the projects held by the Group; and (ii) increase in the construction and equipment payable of projects acquired or under development by the Group during the year.

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

Interest-bearing bank and other borrowings and finance lease payables of approximately HK\$17,708.7 million (2016: approximately HK\$7,634.3 million) in aggregate increased by approximately HK\$10,074.4 million in aggregate (non-current portion and current portion increased by approximately HK\$9,061.0 million in aggregate and approximately HK\$1,013.4 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.

### ***2.22 Capital expenditures***

During the year ended 31 December 2017, the Group's total capital expenditures amounted to approximately HK\$8,564.6 million (2016: approximately HK\$9,970.1 million), comprising (i) construction and acquisition of photovoltaic and wind power plant projects, clean heat supply projects, other property, plant and equipment and operating concessions of approximately HK\$4,062.1 million (2016: approximately HK\$1,654.2 million) in aggregate; (ii) addition to prepaid land lease payments of approximately HK\$53.1 million (2016: approximately HK\$17.2 million); (iii) acquisition of other intangible assets of approximately HK\$7.2 million (2016: approximately HK\$2.6 million); (iv) investments in and acquisition of equity interests in subsidiaries, joint ventures, associates and an available-for-sale investment of approximately HK\$4,267.2 million (2016: approximately HK\$8,296.1 million); and (v) acquisition of an investment property of approximately HK\$175.0 million (2016: Nil).

## ***2.23 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 2017, the Group's cash and cash equivalents amounted to approximately HK\$4,772.8 million (2016: approximately HK\$1,633.2 million).

Developments of the Photovoltaic Power Business, the Wind Power Business and the Clean Heat Supply Business require material initial capital investments and the Group funds such developments during the year ended 31 December 2017 by means of (i) equity fund raising of the Company as detailed under the section headed “Equity fund raising of the Company” in “Management Discussion and Analysis”; and (ii) long-term bank and other borrowings and finance lease payables as illustrated below. Accordingly, the Group's net assets status improved. As at 31 December 2017, the Group recorded net current assets of approximately HK\$2,884.0 million (2016: net current liabilities of approximately HK\$1,227.8 million).

As at 31 December 2017, the Group's total borrowings of approximately HK\$17,708.7 million (2016: approximately HK\$7,634.3 million) comprised (i) bank and other borrowings of approximately HK\$6,530.1 million (2016: approximately HK\$4,828.1 million); and (ii) finance lease payables of approximately HK\$11,178.6 million (2016: approximately HK\$2,806.2 million). Save as a five-year term loan of RMB54.0 million (equivalent to approximately HK\$64.8 million) (2016: a one-year term loan of RMB15.0 million (equivalent to approximately HK\$16.8 million)) bears interest at a fixed rate and a revolving loan of HK\$450.0 million which is repayable on demand and bears interest at floating rate, the Group's bank and other borrowings and finance lease payables bear interest at floating rates with terms ranging from 1 to 20 years. 85% (2016: 77%) of the Group's borrowings are long-term borrowings.

The Group had unutilised banking facilities of approximately HK\$925.9 million (2016: approximately HK\$238.5 million) with terms ranging from repayable on demand to 10 years (2016: 1 to 12 years) as at 31 December 2017.

As at 31 December 2017, the Group's total equity amounted to approximately HK\$9,004.0 million (2016: approximately HK\$4,484.9 million). The increase was mainly attributable to (i) the issuance of convertible preference shares of the Company and the completion of open offer as detailed under the section headed "Equity fund raising of the Company" in "Management Discussion and Analysis" with aggregate net proceeds of approximately HK\$1,703.5 million received; (ii) the profit attributable to the equity holders of the Company of approximately HK\$1,560.3 million during the year ended 31 December 2017; and (iii) the increase in the Group's consolidated exchange fluctuation reserve attributable to the appreciation of RMB against HK\$ 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 144% as at 31 December 2017 (2016: 134%). The increase in gearing ratio was mainly due to the net effect of (i) increase in bank and other borrowings and finance lease payables for the purpose of funding the development of the Photovoltaic Power Business, the Wind Power Business and the Clean Heat Supply Business; and (ii) the increase in equity as above-mentioned.

## ***2.24 Equity fund raising of the Company***

### *(a) Issuance and conversion of the convertible preference shares*

#### *(i) Share subscription*

Pursuant to the principal subscription agreement dated 9 December 2014 (as supplemented by the first supplemental agreement dated 29 December 2014, the second supplemental agreement dated 31 January 2015 and the third supplemental agreement dated 30 April 2015) entered into between the Company and Fast Top Investment Limited, CPEChina Fund II, L.P. and CPEChina Fund IIA, L.P., 北京中信投資中心(有限合夥)(CITIC Private Equity Fund III (RMB)\*) and More Surplus Investments Limited, the subscription of 4,749,933,780 convertible preference shares (the "**Convertible Preference Share(s)**") of the Company (with an aggregate nominal value of HK\$4,749,934) at the subscription price of HK\$0.079 per Convertible Preference Share was completed on 8 May 2017 and net proceeds of approximately HK\$375.2 million were received. Further details of the subscription are set out in the Company's announcements dated 2 February 2015 and 6 May 2015, and the Company's circular dated 10 April 2015.

The net proceeds received from the share subscription were utilised for the investment, development, construction, operation and management of photovoltaic power plants and photovoltaic power-related businesses, and is consistent with the intended use of proceeds as disclosed in the Company's circular dated 10 April 2015.



(ii) Conversion of the Convertible Preference Shares

As at 31 December 2017, an aggregate of 33,362,884,900 Convertible Preference Shares had been converted into Ordinary Shares by holders of the Convertible Preference Shares, including 12,232,230,496 (2016: 20,759,396,144) Convertible Preference Shares which had been converted into 12,232,230,496 (2016: 20,759,396,144) Ordinary Shares during the year ended 31 December 2017. As at 31 December 2017, all Convertible Preference Shares were converted into Ordinary Shares.

(b) *The open offer*

On 25 July 2017, the Company proposed to raise approximately HK\$1,329,505,000, before expenses, by way of an open offer (the “**Open Offer**”), by issuing 7,820,619,687 new ordinary shares of the Company (the “**Offer Share(s)**”) at the subscription price of HK\$0.17 per Offer Share on the basis of one (1) Offer Share for every seven (7) existing ordinary shares of the Company held by the shareholder(s) whose names appear(s) on the register of members of the Company as at the close of business on 15 August 2017 (other than the Non-Qualifying Shareholders as defined in the Company’s prospectus dated 21 August 2017).

The Open Offer was completed in September 2017. The application of the net proceeds received of HK\$1,328,225,000 is consistent with the intended use of proceeds as disclosed in the Company’s prospectus dated 21 August 2017, which is, as to 50% for organic growth (i.e. self-development of photovoltaic power plant projects) and 50% for acquisitions (including the potential acquisitions of established project companies in relation to photovoltaic and wind power businesses). As at the date of this announcement, save as the unutilised net proceeds of approximately HK\$75.3 million to be utilised for the self-development of photovoltaic power plant projects in Anhui Province, the PRC, all the net proceeds were utilised as intended.

The Open Offer strengthens the Company’s capital base including improving its gearing level and enhance its financial position and net asset base. Further details are set out in the Company’s announcements dated 25 July 2017, 7 August 2017, 14 August 2017 and 8 September 2017, and the Company’s prospectus dated 21 August 2017.

### **3. Future Outlook**

Looking forward to 2018, the Chinese economy is transforming from the stage of rapid growing to high quality development, and winning the “blue sky defence battle” becomes one of the key tasks of the Chinese government. With the rapid improvement of technology in the clean energy industry, technical costs of wind power, photovoltaic power, energy storage, etc. become more and more competitive. Following the in-depth implementation of the new series of power structure reform, the switch of adopting clean and low-carbon energy is overwhelming and inevitable. The clean energy industry coincides with development opportunities of “high quality, new motivation and big room”, but is also facing challenges on delay in subsidy receipts and consumption of clean energy.

The Group principally focuses on the clean development and use of energy providing “clean energy plus” solutions, and aims at building up a clean energy business ecosystem featuring synergies on multi-energy and multi-businesses with multi-profit sources to become a leading integrated clean energy service provider. The Group will uphold the mission of “contributing our clean energy and building a green future” and the core values of “being responsible, having values and being sharing”, fully leverages the advantageous resources of shareholders, technologies, internal systems, etc. and be confident and down-to-earth, to grasp the business opportunities and be passionate on innovation, to achieve high quality development and provide stable and healthy results to shareholders.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2017, the Group employed 1,668 employees (2016: 831 employees) with total staff cost of approximately HK\$275.0 million incurred for the year ended 31 December 2017 (2016: approximately HK\$119.1 million). The Group’s remuneration packages are generally structured with reference to market terms and individual merits. Salaries are normally reviewed on an annual basis based on performance appraisals and other relevant factors.

## **CHARGE ON THE GROUP’S ASSETS**

The secured bank and other borrowings and finance lease payables of the Group as at 31 December 2017 are secured by:

- (a) pledges over certain of the Group’s property, plant and equipment and an operating concession;
- (b) pledges over certain of the Group’s trade receivables;

- (c) pledges over the Group's equity interests in certain subsidiaries;
- (d) guarantees given by the Company and/or its subsidiaries; and/or
- (e) pledges over certain of the Group's bank balances.

Save as disclosed above, at 31 December 2017, the Group did not have any charges on the Group's assets.

## **CONTINGENT LIABILITIES**

As at the end of the reporting period, the Group did not have any significant contingent liabilities (2016: Nil).

## **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 consolidated accounts. If RMB appreciates/depreciates against Hong Kong dollar, the Group would record a(n) increase/decrease in the Group's net asset value. During the year ended 31 December 2017, 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 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\$945,508,000). 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\$599,591,000). Further details are set out in the Company's announcement dated 16 February 2017.
- (c) During the year, the Group acquired 22,634,000 ordinary shares with a nominal value of RMB1 each in the issued share capital of Sichuan Jinyu through the open market of Shenzhen Stock Exchange for an aggregate consideration of RMB493,331,000 (equivalent to HK\$568,840,000), representing 17.72% of the total issued share capital of Sichuan Jinyu. Sichuan Jinyu was classified as an associate of the Company as at 31 December 2017.

- (d) On 22 December 2017, 天津富歡企業管理諮詢有限公司 (Tianjin Clean Energy Investment Company Limited\*, “**Tianjin Clean Energy**”) (as the purchaser) and three independent third parties (as the vendors, collectively the “**NXJX Vendors**”) entered into an equity transfer agreement, pursuant to which Tianjin Clean Energy agreed to acquire the entire equity interest in 寧夏錦繡龍騰新能源有限公司 (Ningxia Jinxiulongteng New Energy Co. Ltd.\*, “**NXJX**”) from the NXJX Vendors for a consideration of RMB169,351,000 (equivalent to HK\$195,272,000). On 22 December 2017, Tianjin Clean Energy, the NXJX Vendors, NXJX, 中寧縣興業錦繡新能源有限公司 (Zhongning County Xingyejinxiu New Energy Co. Ltd.\*, “**ZNXY**”) and an independent third party entered into a debt settlement agreement, pursuant to which Tianjin Clean Energy shall repay the liabilities for and on behalf of NXJX and ZNXY in an amount of RMB626,389,000 (equivalent to HK\$722,263,000). ZNXY is wholly-owned by NXJX and holds a 100MW photovoltaic power plant in 中寧縣 (Zhongning County\*), the Ningxia Hui Autonomous Region, the PRC. The equity transfer was completed in December 2017 and NXJX and ZNXY became indirect wholly-owned subsidiaries of the Company. Further details are set out in the Company’s announcement dated 22 December 2017.

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 2017.

## **FINAL DIVIDEND**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2017 (2016: Nil).

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining shareholders who are entitled to attend and vote at the forthcoming annual general meeting of the Company to be held on Thursday, 31 May 2018 (the “**AGM**”), the register of members of the Company will be closed from Friday, 25 May 2018 to Thursday, 31 May 2018 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s 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 Thursday, 24 May 2018.

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

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 2017.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Group is committed to maintaining high standards of corporate governance practices to enhance shareholders value and safeguard shareholders' interests. The Group's corporate governance principles emphasise the importance of a quality Board, effective internal controls and accountability to all the shareholders of the Company. Throughout the year ended 31 December 2017, 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 of the Listing Rules as the Company's code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all of the Directors, the Directors confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2017.

## **REVIEW OF ANNUAL RESULTS**

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 annual results of the Group for the year ended 31 December 2017 have been reviewed 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 THE COMPANY'S AUDITOR IN RESPECT OF THE PRELIMINARY ANNOUNCEMENT**

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 2017 as set out in the preliminary announcement have been agreed by the Company's auditor to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditor 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 the Company's auditor on the preliminary announcement.

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

This annual results announcement is published on the websites of the Company (www.bece.com.hk) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2017 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and made available on the abovementioned websites in due course.

## **APPRECIATION**

The Board would like to express its sincere thanks to our shareholders and business partners for their continuous support and our staff for their dedication and hard work throughout the reporting year.

On behalf of the Board  
**Beijing Enterprises Clean Energy Group Limited**  
**Mr. Hu Xiaoyong**  
*Chairman*

Hong Kong, 27 March 2018

*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*