China Singyes Solar Technologies Holdings Limited
中國興業太陽能技術控股有限公司
(incorporated in Bermuda with limited liability)
(Stock Code: 750)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

The board of directors (the "Director") of China Singyes Solar Technologies Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2019.

FINANCIAL HIGHLIGHTS

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Revenue, include tariff adjustment	**3,486,376**	4,580,584
Loss before tax	**(976,452)**	(562,959)
Income tax expense	**11,358**	109,268
Loss attributable to owners of the Company	**(995,228)**	(678,801)
Loss per share attributable to ordinary equity holders		
— Basic	**RMB(1.004)**	RMB(0.814)
— Diluted	**RMB(1.004)**	RMB(0.814)
Final dividend per share proposed	**Nil**	Nil

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December	
		2019	2018
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Audited)
Revenue, include tariff adjustment	*3*	**3,486,376**	4,580,584
Cost of sales		**(3,278,249)**	(3,795,662)
Gross profit, include tariff adjustment		**208,127**	784,922
Other income and gains		**161,563**	58,574
Selling and distribution expenses		**(125,575)**	(101,774)
Administrative expenses		**(332,509)**	(358,076)
Impairment losses on financial and contract assets, net		**(440,590)**	(325,561)
Impairment losses on inventories, net		**(4,236)**	—
Other expenses		**(12,381)**	(149,673)
Finance costs		**(414,488)**	(477,243)
Share of profits/(losses) of associates		**(16,363)**	5,872
Loss before tax	*4*	**(976,452)**	(562,959)
Income tax expense	*5*	**(11,358)**	(109,268)
Loss for the year		**(987,810)**	(672,227)
Other comprehensive loss:			
Other comprehensive loss that will not be reclassified to profit or loss in subsequent years:			
Change in fair value of equity instruments at fair value through other comprehensive income		**(1,551)**	(7,915)
Exchange differences on translation of financial statements		**(63,552)**	(112,339)
Other comprehensive loss for the year		**(65,103)**	(120,254)
Total comprehensive loss for the year		**(1,052,913)**	(792,481)

	Notes	Year ended 31 December **2019** ***RMB'000*** **(Unaudited)**	 2018 *RMB'000* (Audited)
Loss attributable to:			
Owners of the Company		**(995,228)**	(678,801)
Non-controlling interests		**7,418**	6,574
		(987,810)	(672,227)
Total comprehensive loss attributable to:			
Owners of the Company		**(1,060,826)**	(800,117)
Non-controlling interests		**7,913**	7,636
		(1,052,913)	(792,481)
Loss per share attributable to ordinary equity holders of the Company			
— Basic	*7*	**RMB(1.004)**	RMB(0.814)
— Diluted	*7*	**RMB(1.004)**	RMB(0.814)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2019	2018
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Audited)
Non-current assets			
Property, plant and equipment		**4,122,090**	4,475,179
Investment properties		**286,124**	74,344
Right-of-use assets		**216,211**	—
Prepaid land lease payments		**—**	211,413
Other intangible assets		**1,605**	2,058
Payments in advance		**17,684**	13,513
Investments in associates	*8*	**17,825**	4,429
Investment in a joint venture		**—**	6,370
Deferred tax assets		**3,195**	1,557
Equity investments designated at fair value through other comprehensive income		**9,224**	5,657
Financial assets at fair value through profit or loss		**—**	24,265
Goodwill		**6,448**	6,448
Total non-current assets		**4,680,406**	4,825,233
Current assets			
Inventories		**171,799**	69,592
Contract assets		**2,007,873**	2,119,517
Trade and bills receivables	*9*	**3,136,464**	3,389,476
Prepayments, deposits and other receivables	*9*	**815,826**	596,568
Financial assets at fair value through profit or loss		**5,000**	—
Pledged deposits		**103,533**	180,590
Cash and cash equivalents		**1,034,169**	216,151
Total current assets		**7,274,664**	6,571,894

	Notes	As at 31 December 2019 RMB'000 (Unaudited)	2018 RMB'000 (Audited)
Current liabilities			
Trade and bills payables	*10*	**1,438,054**	901,520
Other payables and accruals	*10*	**384,425**	449,257
Contract liabilities		**58,307**	105,067
Bank advances for discounted bills		**38,889**	—
Interest-bearing bank and other loans		**1,254,689**	2,956,804
Tax payable		**22,245**	20,317
Convertible bonds	*11*	**—**	96,000
Senior notes	*12*	**—**	2,850,012
Lease liabilities		**955**	—
Provision		**—**	81,289
Total current liabilities		**3,197,564**	7,460,266
Net current assets/(liabilities)		**4,077,100**	(888,372)
Total assets less current liabilities		**8,757,506**	3,936,861
Non-current liabilities			
Senior notes	*12*	**2,815,135**	—
Interest-bearing bank and other loans		**1,657,620**	—
Lease liabilities		**7,502**	—
Deferred tax liabilities		**86,860**	87,680
Deferred income		**155,843**	157,449
Total non-current liabilities		**4,722,960**	245,129
Net assets		**4,034,546**	3,691,732
Equity attributable to owners of the Company			
Issued capital	*13*	**174,333**	55,785
Reserves		**3,752,143**	3,535,106
		3,926,476	3,590,891
Non-controlling interests		**108,070**	100,841
Total equity		**4,034,546**	3,691,732

1. CORPORATE AND GROUP INFORMATION

China Singyes Solar Technologies Holdings Limited (the "Company") was incorporated as an exempted company with limited liability in Bermuda on 24 October 2003. The registered office of the Company is located at 4th Floor, North Cedar House, 41 Cedar Avenue, Hamilton, HM12, Bermuda. The principal place of business of the Company is located at Unit 3108, 31st Floor, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in the design, manufacture, supply and installation of conventional curtain walls and building integrated solar photovoltaic systems, as well as the manufacture and sale of solar power products. There were no significant changes in the nature of the Group's principal activities during the year.

On 28 November 2019, the Company issued and allotted an aggregate of 1,687,008,585 subscription shares to Water Development (HK) Holding Co., Ltd. ("Water Development") at the subscription price of HK$0.92 per subscription share under the specific mandate granted by independent shareholders at the Company's SGM held on 31 October 2019 (the "Subscription"). Particulars of the Subscription has been set out in the Company's announcement dated 28 November 2019.

In the opinion of the directors of the Company (the "Directors"), the holding company and the ultimate holding company of the Company are Water Development, which is incorporated in Hongkong, and Shuifa Group Co., Ltd (水發集團有限公司, "Shuifa Group"), which is incorporated in the People's Republic of China (the "PRC").

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise standards and interpretations approved by the International Accounting Standards Board (the "IASB") and International Accounting Standards ("IASs") and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect and the disclosure requirements of the Hong Kong companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments, conversion rights of convertible bonds, and certain financial assets and equity investments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2019. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IFRS 9	*Prepayment Features with Negative Compensation*
IFRS 16	*Leases*
Amendments to IAS 19	*Plan Amendment, Curtailment or Settlement*
Amendments to IAS 28	*Long-term Interests in Associates and Joint Ventures*
IFRIC 23	*Uncertainty over Income Tax Treatments*
Annual Improvements to IFRSs 2015–2017 Cycle	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

Other than as explained below regarding the impact of IFRS 16 and IFRIC 23, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

Further information about IFRS 16 and IFRIC 23 applied by the Group is described below:

(a) IFRS 16 replaces IAS 17 Leases, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC 15 *Operating Leases — Incentives* and SIC 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in IAS 17. IFRS 16 did not have any significant impact on leases where the Group is the lessor.

The Group has adopted IFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised as an adjustment to the opening balance of retained profits at 1 January 2019, and the comparative information for 2018 was not restated and continued to be reported under IAS 17 and related interpretations.

New definition of a lease

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee — Leases previously classified as operating leases

Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of plant, office premises, and land use rights. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under IFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less ("short-term leases") (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

Impacts on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate ("IBR") at 1 January 2019 and included in interest-bearing bank and other loans. The right-of-use assets for most leases were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019.

All these assets were assessed for any impairment based on IAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

The Group has used the following elective practical expedients when applying IFRS 16 at 1 January 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease

Financial impact at 1 January 2019

	RMB'000 (Unaudited)
Assets	
Increase in right-of-use assets	222,135
Decrease in prepaid land lease payments	(211,413)
Increase in total assets	10,722
Liabilities	
Increase in total liabilities	10,722
Increase in retained profits	—

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 is as follows:

	RMB'000 (Unaudited)
Operating lease commitments as at 31 December 2018	11,636
Weighted average IBR as at 1 January 2019	4.75%-5.70%
Discounted operating lease commitments as at 1 January 2019	8,311
Less: commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 December 2019	86
Add: payments for optional extension periods not recognised as at 31 December 2018	2,497
Lease liabilities as at 1 January 2019	10,722

(b) IFRIC 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. Upon adoption of the interpretation, the Group considered whether it has any uncertain tax positions arising from the transfer pricing on its intergroup sales. Based on the Group's tax compliance and transfer pricing study, the Group determined that it is probable that its transfer pricing policy will be accepted by the tax authorities. Accordingly, the interpretation did not have any impact on the financial position or performance of the Group.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 3	*Definition of a Business*[1]
Amendments to IFRS 9, IAS 39 and IFRS 7	*Interest Rate Benchmark Reform*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*[2]
IFRS 17	*Insurance Contracts*[3]
Amendments to IAS 1 and IAS 8	*Definition of Material*[1]

1 Effective for annual periods beginning on or after 1 January 2020
2 Effective for annual periods beginning on or after 1 January 2022
3 Effective for annual periods beginning on or after 1 January 2023
4 No mandatory effective date yet determined but available for adoption

Further information about those IFRSs that are expected to be applicable to the Group is described below.

Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to IFRS 9, IAS 39 and IFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments are effective for annual periods beginning on or after 1 January 2020. Early application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION AND REVENUE

Revenue represents an appropriate proportion from contract revenue of construction contracts; net of government surcharges; and invoiced value of goods and electricity sold, and net of value-added tax and government surcharges.

The Group's revenue and contribution to profit for the year were mainly derived from the construction and installation of curtain walls (including solar power products), and operation and management of solar photovoltaic power stations, which are regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for the purpose of resource allocation and performance assessment. In addition, the principal assets employed by the Group are located in Mainland China. Accordingly, no segment analysis is presented other than entity-wide disclosures.

(a) Revenue from contracts with customers

(i) Disaggregated revenue information

	2019		2018	
	RMB'000	*%*	*RMB'000*	*%*
	(Unaudited)		(Audited)	
Revenue from contracts with customers				
Construction contracts	**2,646,045**	**75.9**	3,604,165	78.7
Sale of products	**518,088**	**14.9**	665,678	14.5
Rendering of design and consultation services	**9,608**	**0.3**	13,983	0.3
Rendering of operation and maintenance service	**—**	**—**	13,119	0.3
Sale of electricity	**132,778**	**3.8**	119,618	2.6
Tariff adjustment*	**179,857**	**5.1**	164,021	3.6
Revenue	**3,486,376**	**100.0**	4,580,584	100.0

* Tariff adjustment represents subsidies receivable from the government authorities in respect of the Group's solar photovoltaic power station business.

Geographical markets

	2019		2018	
	RMB'000	*%*	*RMB'000*	*%*
	(Unaudited)		(Audited)	
Domestic — Mainland China*	**3,257,159**	**93.4**	4,374,114	95.5
Oceania	**177,384**	**5.1**	162,338	3.5
Macau	**6,615**	**0.2**	17,462	0.4
Malaysia	**27,831**	**0.8**	13,987	0.3
Hong Kong	**17,387**	**0.5**	9,380	0.2
Others	**—**	**—**	3,303	0.1
	3,486,376	**100.0**	4,580,584	100.0

* The place of domicile of the Group's principal operating subsidiaries is Mainland China. The principal revenues of the Group are generated in Mainland China.

	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Timing of revenue recognition		
Products transferred at a point in time	**830,723**	949,317
Services transferred over time	**2,655,653**	3,631,267
Total revenue from contracts with customers	**3,486,376**	4,580,584

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Construction contracts	**56,137**	57,240
Sale of products	**42,667**	47,975
	98,804	105,215

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of products

The performance obligation is satisfied upon delivery of the products and payment is generally due within 90 to 180 days from delivery, except for small and new customers, where payment is normally expected to be settled shortly after delivery of goods. No credit period is set by the Group for small and new customers.

Sale of electricity

The performance obligation is satisfied at the point in time upon transmission of electricity to purchasing companies or grid companies. The payment is generally due within 30 days from delivery.

Tariff adjustment

Tariff adjustment represents subsidies receivable from the government authorities in respect of the Group's solar photovoltaic power station business. The payment is generally due in accordance with the prevailing government policies.

Rendering of services

The performance obligation is satisfied over time as services are rendered and payment is generally due upon completion.

Construction services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 180 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

As at 31 December 2019, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts was approximately RMB1,297,045,000 (31 December 2018: RMB1,284,231,000). This amount represents revenue expected to be recognised in the future from construction services and sale of products entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the construction work and sale of products are completed, which is expected to occur within 2 years.

(b) Non-current assets

	2019		2018	
	RMB'000	*%*	*RMB'000*	*%*
	(Unaudited)		(Audited)	
Mainland China	**4,618,964**	**99.3**	4,744,979	99.2
Hong Kong	**15,813**	**0.3**	18,567	0.4
Oceania	**15,243**	**0.3**	15,840	0.3
Others	**142**	**0.1**	3,569	0.1
	4,650,162	**100.0**	4,782,955	100.0

The non-current asset information above is based on the locations of the assets and excludes investments in associates, investment in a joint venture, deferred tax assets, financial assets at fair value through profit or loss and equity investments designated at fair value through other comprehensive income.

Information about major customers

Revenue derived from sales to a single customer including sales to a group of entities which are known to be under common control of that customer, which amounted to 10% or more of the total revenue, is set out below:

	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Customer A	**386,491**	1,331,272
Customer B	**380,828**	*

* Less than 10%

4. LOSS BEFORE TAX

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

	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Cost of construction contracts and design services	**2,704,899**	3,127,337
Cost of inventories sold	**427,829**	544,800
Cost of electricity sold	**145,521**	117,270
Cost of operation and maintenance services	**—**	6,255
Depreciation of property, plant and equipment	**191,696**	184,248
Depreciation of investment properties	**4,488**	1,589
Depreciation of right-of-use assets	**10,161**	—
Amortisation of prepaid land lease payments	**—**	8,744
Amortisation of other intangible assets	**983**	984
Total depreciation and amortisation	**207,328**	195,565
Employees benefit expense (including directors' and chief executive's remuneration)	**174,065**	222,194
Minimum lease payments under operating leases	**—**	7,632
Lease payments not included in the measurement of lease liabilities	**6,316**	—
Research costs	**17,726**	21,765
Auditors' remuneration	**9,550**	9,550
Impairment of financial and contract assets, net:		
Impairment of trade receivables	**374,605**	185,998
Impairment of contract assets	**55,889**	124,411
Impairment of financial assets included in prepayments, other receivables and other assets	**10,096**	15,152
	440,590	325,561
Write-down of inventories to net realisable value	**4,236**	—
Gain on settlement of financial assets at fair value through profit or loss	**(1,003)**	—
Gain on settlement of derivative financial instruments	**—**	(4,916)
Interest income from financial assets at fair value through profit or loss	**—**	(2,602)
Fair value gain on financial assets at fair value through profit or loss	**—**	(776)
Loss/(gain) on disposal of items of property, plant and equipment	**4,187**	(11,927)
Loss on disposal of subsidiaries	**—**	15,367
Operating lease rental income	**(4,965)**	(2,491)
Exchange loss/(gain), net	**(12,070)**	40,871

5. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the respective countries or jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of Bermuda, Samoa and the British Virgin Islands, the Group is not subject to any income tax in Bermuda, Samoa and the British Virgin Islands.

No provision for Macau, Malaysia, Singapore and Nigeria profits tax has been made as the Group had no assessable profits derived from or earned in Macau, Malaysia, Singapore and Nigeria during the year.

Mainland China profits tax has been provided at the respective corporate income tax ("CIT") rates applicable to the subsidiaries located in Mainland China as determined in accordance with the relevant income tax rules and regulations of the PRC for the year.

The major components of income tax expense for the year are as follows:

	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Current — Charge for the year		
— Mainland China	**13,775**	63,720
— Hong Kong	**41**	—
Deferred	**(2,458)**	45,548
Total tax charge for the year	**11,358**	109,268

6. DIVIDENDS

At a meeting of the Directors held on 30 March 2020, the Directors did not recommend a final dividend for the year ended 31 December 2019 (2018 final dividend: Nil).

7. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss (2018: loss) per share amount is based on the loss (2018: loss) for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 991,291,200 (2018: 834,073,195) in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2019 and 2018 in respect of a dilution as the exercise prices of the Company's outstanding share options were higher than the average market prices for the Company's shares during the current and prior years.

8. INVESTMENTS IN ASSOCIATES

	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Unlisted investments, at cost	**36,200**	40,820
Share of losses of associates	**(18,375)**	(36,391)
Aggregate carrying amount of the Group's investments in the associates	**17,825**	4,429

In the opinion of the Directors, there were no material associates of the Group during the year.

The Group's shareholdings in the associates are held through subsidiaries of the Company.

The movements of unlisted investments are as follows:

		2019	2018
		RMB'000	*RMB'000*
		(Unaudited)	(Audited)
At beginning of year		**40,820**	40,820
Additions	(a)	**35,000**	—
Disposals	(b)	**(39,620)**	—
At end of year		**36,200**	40,820

The movements of share of losses/(profits) of associates are as follows:

		2019	2018
		RMB'000	*RMB'000*
		(Unaudited)	(Audited)
At beginning of year		**36,391**	42,263
Share of losses/(profits) for the year		**16,363**	(5,872)
Disposals	(b)	**(34,379)**	—
At end of year		**18,375**	36,391

(a) During the year ended 31 December 2019, the Group invested a total of RMB35,000,000 in Weining Xinye Renewable Energy Technology Co., Ltd. and Hezhang Xinye Renewable Energy Technology Co., Ltd. on their incorporation.

(b) During the year ended 31 December 2019, the Group disposed of its equity interests in three associates for total considerations of RMB41,515,000 to different independent third parties, which resulted in disposal gains of RMB36,274,000. The considerations of RMB41,222,000 were not received and recognised in other receivables.

No further losses (2018: RMB15,790,000) were not recognised in profit or loss during the year due to the share of losses of an associate exceeded the Group's capital contribution, for which the Group has no obligation.

9. TRADE AND BILLS RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade and bills receivables		
Trade receivables	**3,706,413**	3,590,244
Bills receivable	**32,349**	26,925
Less: impairment	**(602,298)**	(227,693)
	3,136,464	3,389,476

The Group's trade receivables include net carrying amounts due from the Group's associates of RMB36,391,000 (2018: RMB272,054,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

The Group has pledged trade receivables of approximately RMB2,169,056,000 (2018: RMB19,588,000) to secure bank and other loans granted to the Group.

Credit terms granted to the Group's major customers are as follows:

Sale of products

For the sale of products, the Group normally grants credit periods ranging from three to six months to major customers. Trade receivables from small and new customers are normally expected to be settled shortly after delivery of goods. No credit period is set by the Group for small and new customers.

Sale of electricity

The Group's trade receivables from the sale of electricity are mainly receivables from the State Grid Corporation of China ("State Grid"). Generally, trade receivables are usually settled within 30 days from the date of billing.

Construction service

The Group does not have a standardised and universal credit period granted to its construction contract customers. The credit periods for individual construction contract customers are considered on a case-by-case basis and set out in the construction contracts, as appropriate. In the event that a project contract does not specify the credit period, the usual practice of the Group is to allow a credit period of 30 to 180 days.

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the billing date and net of impairment, is as follows:

	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**955,555**	426,591
3 to 6 months	**450,123**	445,343
6 to 12 months	**243,007**	1,052,722
1 to 2 years	**817,528**	1,374,077
2 to 3 years	**622,769**	90,154
Over 3 years	**47,482**	589
	3,136,464	3,389,476

	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Prepayments, deposits and other receivables		
Prepayments to subcontractors and suppliers	**113,504**	69,133
Deposits	**47,491**	58,601
Tariff adjustment receivables*	**335,830**	194,844
Other receivables	**346,341**	293,720
	843,166	616,298
Impairment	**(27,340)**	(19,730)
	815,826	596,568

* The Group's tariff adjustment receivables from the sale of electricity are mainly receivables from the State Grid. Tariff adjustment receivables represented the government subsidies on renewable energy for ground projects to be received from the State Grid based on the prevailing government policies.

The Group has pledged tariff adjustment receivables of approximately RMB322,290,000 (2018: RMB182,340,000) to secure bank loans granted to the Group.

10. TRADE AND BILLS PAYABLES, OTHER PAYABLES AND ACCRUALS

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date or issuance date, where appropriate, is as follows:

	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**715,387**	414,373
3 to 6 months	**292,124**	259,914
6 to 12 months	**228,644**	137,542
1 to 2 years	**147,537**	43,808
2 to 3 years	**32,708**	22,021
Over 3 years	**21,654**	23,862
	1,438,054	901,520

The trade and bills payables are non-interest-bearing and are normally settled within one to six months.

As at 31 December 2019, the Group's bills payable were secured by the pledged deposits amounting to RMB11,811,000 (2018: RMB49,663,000).

		2019	2018
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Audited)
Other payable and accruals			
Tax and surcharge payables		**166,769**	149,323
Accrued expenses		**31,523**	30,668
Interest payables		**38,680**	116,433
Amount due to the Controlling Shareholder	(a)	**10,000**	—
Other payables	(b)/(c)	**137,453**	152,833
		384,425	449,257

Other payables and accruals are unsecured, non-interest-bearing and have no fixed terms of repayment.

(a) The balance as at 31 December 2019 represented an interest-free loan granted by Shuifa Energy Group Limited (the "Controlling Shareholder"), which is repayable on demand.

(b) As a result of the initial application of IFRS 16, no accrued lease payments previously included in "Other payables and accruals" were adjusted to the lease liabilities recognised at 1 January 2019. Refer to note 2.2 to the financial statements for further details.

(c) As at 31 December 2019, the Group has received deposits in relation to the sale of equity interests in the Target Subsidiaries aggregated to RMB38,974,000 (2018: RMB38,974,000) while the transaction has not yet been fulfilled. Subsequent to 31 December 2019, a written agreement was signed between the Company and the Purchaser to extend long stop date of the transaction to 31 December 2020.

11. CONVERTIBLE BONDS

	Notes	2019 RMB'000 (Unaudited)	2018 RMB'000 (Audited)
Convertible bonds, liability component	*(a)*	**—**	96,000
Fair value of embedded derivatives	*(b)*	**—**	—
		—	96,000

On 8 August 2014, the Company issued 930 units 5% of convertible bonds in the denomination of RMB1,000,000 each due 8 August 2019 with a nominal value of RMB930,000,000. The Company has repurchased 114 units and redeemed 720 units of these convertible bonds in previous years.

On 19 December 2019, the Offshore Notes and its Restructuring (as defined in the Company's announcement dated 19 July 2019 (the "Announcement")) was effected whereby the Group's Offshore Notes were exchanged for 2.00% cash-pay and 4.00% pay-in-kind guaranteed senior notes with an aggregate nominal value of US$414,932,000 (equivalent to approximately RMB2,905,559,000) at face value, which will mature in 19 December 2022 (the "2022 Senior Notes"). For those exchanges with substantially different terms, the Offshore Notes were derecognised and the 2022 Senior Notes were recognised at their fair values at the effective date.

(a) Liability component

	2019 RMB'000 (Unaudited)	2018 RMB'000 (Audited)
Liability component at 1 January	**96,000**	80,819
Effective interest recognised for the year	**5,332**	13,815
Acceleration of unwinding interest	**—**	6,166
Interest payable during the year	**(5,332)**	(4,800)
Repurchase of convertible bonds	**(96,000)**	—
As at 31 December	**—**	96,000

(b) Conversion rights

The fair value of conversion rights as at 31 December 2018 was nil. No fair value change of conversion right was recognised during the year.

The related interest expense of the liability component of the convertible bonds for the year amounted to RMB5,332,000 (2018: RMB19,981,000).

12. SENIOR NOTES

	Notes	2019 RMB'000 (Unaudited)	2018 RMB'000 (Audited)
2018 USD Senior Notes	*(a)*	—	1,065,583
2019 Senior Notes	*(b)*	—	1,784,429
2022 Senior Notes	*(c)*	**2,815,135**	—
		2,815,135	2,850,012

(a) 2018 USD Senior Notes

On 11 October 2017, the Company issued 6.75% senior notes with an aggregate nominal value of US$160,000,000 (equivalent to approximately RMB1,053,070,000) at face value, which matured in October 2018 (the "2018 USD Senior Notes"). The net proceeds, after deducting the issuance costs, amounted to approximately RMB1,039,118,000. The effective interest rate is approximately 8.32% per annum after the adjustment for transaction costs.

As mentioned in note 11, the Group's Offshore Notes were exchanged for the 2022 Senior Notes.

The 2018 USD Senior Notes recognised in the consolidated statement of financial position are calculated as follows:

	2019 RMB'000 (Unaudited)	2018 RMB'000 (Audited)
Carrying amount at 1 January	**1,065,583**	1,030,807
Effective interest recognised for the year	**70,825**	83,033
Interest payable during the year	**(70,825)**	(74,123)
Repurchase of senior notes	**(1,087,208)**	(31,367)
Exchange realignment	**21,625**	57,233
Carrying amount at 31 December	—	1,065,583
Fair value of the 2018 USD Senior Notes	**N/A**	N/A

(b) 2019 Senior Notes

On 15 February 2017, the Company issued 7.95% senior notes with an aggregate nominal value of US$260,000,000 (equivalent to approximately RMB1,785,350,000) at face value, which matured in February 2019 (the "2019 Senior Notes"). The 2019 Senior Notes are only offered outside the United States in compliance with Regulation S under the United States Securities Act of 1933, as amended ("Regulation S"). The 2019 Senior Notes initially were sold to a small number of financial institutions, none of which was offered to the public in Hong Kong or to any connected persons of the Company, and they have been listed on the HKSE (stock code: 5372). The net proceeds, after deducting the issuance costs, amounted to approximately RMB1,749,691,000.

The effective interest rate is approximately 9.27% per annum after the adjustment for transaction costs.

As mentioned in note 11, the Group's Offshore Notes were exchanged for the 2022 Senior Notes.

The 2019 Senior Notes recognised in the consolidated statement of financial position are calculated as follows:

	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Carrying amount at 1 January	**1,784,429**	1,677,498
Effective interest recognised for the year	**138,541**	153,632
Interest payable during the year	**(138,541)**	(141,862)
Acceleration of unwinding interest	**—**	3,918
Repurchase of senior notes	**(1,820,650)**	—
Exchange realignment	**36,221**	91,243
Carrying amount at 31 December	**—**	1,784,429
Fair value of the 2019 Senior Notes	**N/A**	990,360

(c) 2022 Senior Notes

On 19 December 2019, the Company issued the 2022 Senior Notes. The 2022 Senior Notes are only offered outside the United States in compliance with Regulation S under the United States Securities Act of 1933, as amended ("Regulation S"). The 2022 Senior Notes initially were offered to eligible Scheme Creditors and the Holding Period Trustee (as defined in the Announcement dated 19 December 2019). The 2022 Senior Notes have been listed on the Singapore Exchange Securities Trading Limited (the "SGX").

The major terms and conditions of the 2022 Senior Notes are as follows:

(i) Interest payment election

The Company may, at its discretion at any time, elect to pay interest on the principal amount of the 2022 Senior Notes on each interest payment date (i) in cash (a "Cash Coupon Election") at the rate of 2.00% per annum prior to a Cash Coupon Election and thereafter at 6.00% per annum (the "Cash Interest") and (ii) by increasing the principal amount of the 2022 Senior Notes or by issuing any 2.00% cash-pay and 4.00% pay-in-kind guaranteed senior notes due 2022 (the "Additional Notes") in a principal amount equal to 4.00% of the aggregate principal amount of the note then outstanding (the "PIK Interest"). The Cash Coupon Election shall be irrevocable.

(ii) Mandatory redemption of the Company

On 19 June 2022 (the "Initial Mandatory Redemption Date"), the Company shall redeem 40% of the 2022 Senior Notes outstanding on the Initial Mandatory Redemption Date (including, for the avoidance of doubt, any Additional Notes that have been issued as PIK Interest and added to the principal amount of the Notes) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest thereon (at the rate of 6.00% per annum, corresponding to the aggregate of the interest ordinarily payable in cash and the interest ordinarily payable in kind) to, but excluding, the Initial Mandatory Redemption Date.

(iii) Redemption at the option of the Company

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

As the estimated fair value of the early redemption right is insignificant at initial recognition, the embedded derivative is not separately accounted for. The effective interest rate is approximately 7.23% per annum after the adjustment for transaction costs.

The 2022 Senior Notes recognised in the consolidated statement of financial position are calculated as follows:

	RMB'000 (Unaudited)
Nominal value of 2022 Senior Notes	2,905,559
Issuance costs	(83,137)
Fair value at date of issuance	2,822,422
Effective interest recognised for the year	6,388
Interest payable during the year	(1,898)
Exchange realignment	(11,777)
Carrying amount at 31 December 2019	2,815,135
Fair value of the 2022 Senior Notes*	2,523,987

* The fair values of the 2022 Senior Notes are determined based on the price quoted on the SGX on 31 December 2019.

13. SHARE CAPITAL

	2019	2018
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Shares		
Authorised		
2,600,000,000 ordinary shares of US$0.01 each	**26,000**	12,000
Issued and fully paid:		
2,521,081,780 (2018: 834,073,195) ordinary share of US$0.01 each	**25,211**	8,341
Equivalent to RMB'000	**174,333**	55,785

During the year, the movements in issued capital were as follows:

	Number of shares in issue	**Issued capital** *RMB'000* (Unaudited)
At 31 December 2018 and 1 January 2019	834,073,195	55,785
Subscription of shares *(note)*	1,687,008,585	118,548
At 31 December 2019	2,521,081,780	174,333

Note:

On 28 November 2019, the Company issued and allotted an aggregate of 1,687,008,585 subscription shares to Water Development at the subscription price of HK$0.92 per subscription share under the specific mandate granted by independent shareholders at the SGM held on 31 October 2019 (the "Subscription"). The net proceeds from the Subscription are approximately HK$1,550,000,000 (equivalent to approximately RMB1,393,165,000), of which RMB118,548,000 and RMB1,274,617,000 were credited to the issued share capital and share premium account of the Company, respectively. Particulars of the Subscription has been set out in the Company's announcement dated 28 November 2019.

14. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Contracted, but not provided for:		
Construction of buildings and solar photovoltaic power stations	**127,403**	134,257
Purchase of machinery	**9,120**	1,045
Capital contributions to be injected into associates	**4,500**	12,000
Purchase of patent	**—**	14,400
Purchase of office property	**—**	12,792
	141,023	174,494

(a) Operating lease commitments as at 31 December 2018

The Group leased certain of its office premises and land from certain grantees of the land use rights under operating lease arrangements. Leases for office premises were negotiated for terms ranging from one to five years, and those for land from certain grantees of the land use rights was for terms of twenty-five years.

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2018
	RMB'000
	(Audited)
Within one year	3,447
In the second to fifth years, inclusive	2,416
After five years	5,773
	11,636

15. EVENTS AFTER THE REPORTING PERIOD

Impact of the recent coronavirus situation

Up to the date of this announcement, the management has not been aware of any cases of COVID-19 infection among the Group's staff and the outbreak did not have any significant impact on the Group's operations. The Directors currently have an appropriate response plan in place and will continue to monitor and assess the ongoing development and respond accordingly.

MANAGEMENT DISCUSSION AND ANALYSIS

Business overview

We are a professional renewable energy solution provider and building contractor. Our main businesses are design, fabrication and installation of curtain wall, green building and solar projects. Solar projects included Building Integrated Photovoltaic System ("BIPV") system, roof top solar system and ground mounted solar system (collectively "Solar EPC"); we also engaged in the manufacturing and sale of renewable energy goods. Our BIPV system involves (i) the integration of photovoltaic technology into the architectural design of buildings and structures and (ii) conversion of solar energy into electricity for use. Our system allows the electricity generated from solar panels to be connected to the power grid of a building and the electricity generated from sun power will be consumed simultaneously. No extra electricity storage cost is required. In addition, we also engage in the production and sale of renewable energy goods, including smart grid system and solar thermal system. In 2011, we also started a new business called Indium Tin Oxide ("ITO") business or "New Material" business. Leveraging on our track record and extensive experience in our curtain wall business, we will further strengthen and develop our renewable energy business in respect of BIPV systems and renewable energy goods. Apart from the above, we also provide engineering design services and engage in the sale of curtain wall materials. Our Group will endeavour to continue our focus on solar business. In the long run, we will aspire and strive to grow into an enterprise with a focus on renewable energy business.

Curtain wall and green building business

In 2019, our curtain wall and green building construction business dropped by RMB352.1 million or 23.4% as compared to RMB1,502.3 million in 2018. The Group's business both inside or outside Mainland China had significantly been affected after the Company failed to redeem its 2018 Senior Notes, details of which has been set out in the announcement of the Company dated 19 October 2018 the "Default".

Solar EPC business

Due to the tightening of the lending environment inside Mainland China, and also because of the Default, the Group's ability in getting new financing had been impacted significantly. Since the initial working capital requirement for Solar EPC is high, majority of the Group's Solar EPC projects were suspended or delayed. Therefore, our solar EPC revenue dropped by RMB606.1 million or 28.8%.

Development of renewable energy goods

Apart from Solar EPC, we also produce different kind of renewable energy goods. Renewable energy goods include solar photovoltaic materials and solar thermal products. Solar thermal products include air-source heat pump, solar heat collectors and solar heating system.

Self-develop solar projects

At 31 December 2019, the Group had around 431.6 MW of grid connected solar projects and 42.4 MW projects awaiting for grid connection.

BUSINESS AND FINANCIAL REVIEW

Revenue

The following table set out the breakdown of revenue:

	2019	2018
	RMB million	*RMB million*
	(Unaudited)	(Audited)
Curtain walls and green buildings		
— Public work	**148.5**	384.9
— Commercial and industrial	**648.9**	696.5
— High-end residential	**352.8**	420.9
	1,150.2	1,502.3
Solar EPC		
— Public work	**1,115.3**	1,070.3
— Commercial and industrial	**380.5**	1,031.6
	1,495.8	2,101.9
Total construction contracts	**2,646.0**	3,604.2
Sale of goods		
— Conventional materials	**239.4**	217.8
— Renewable energy goods	**130.7**	321.9
— New materials	**148.0**	126.0
Total sale of goods	**518.1**	665.7
Sale of electricity, including tariff adjustment	**312.6**	283.6
Rendering of design and other services	**9.6**	14.0
Rendering of operation and maintenance service	**—**	13.1
	3,486.3	4,580.6

Gross profit and gross profit margin

	2019		2018	
	RMB million	*%*	*RMB million*	*%*
	(Unaudited)		(Audited)	
Construction contracts				
— Curtain walls and green buildings	**5.5**	**0.5**	113.7	7.6
— Solar EPC	**(60.1)**	**(4)**	365.9	17.4
	(54.6)	**(2.1)**	479.6	13.3
Sale of goods				
— Conventional materials	**36.0**	**15**	37.8	17.3
— Renewable energy goods	**(3.4)**	**(2.6)**	27.2	8.4
— New materials	**57.6**	**38.9**	55.9	44.4
	90.2	**17.4**	120.9	18.2
Sale of electricity, including tariff adjustment	**167.1**	**53.5**	166.3	58.7
Rendering of design and other services	**5.4**	**55.8**	11.2	80.4
Rendering of operation and maintenance service	**—**	**—**	6.9	52.3
Total gross profit and gross profit margin including tariff adjustment	**208.1**	**6.0**	784.9	17.1

The Group's revenue (including tariff adjustment) decreased by RMB1,094.3 million or 23.9%, from RMB4,580.6 million in 2018 to RMB3,486.3 million in 2019. Gross profit (including tariff adjustment) decreased by RMB576.8 million or 73.5%, from RMB784.9 million in 2018 to RMB208.1 million in 2019.

1) Curtain wall and green building

Revenue from curtain wall and green building business in 2019 amounted to approximately RMB1,150.2 million, representing a decrease of RMB352.1 million or 23.4% compared with 2018. The drop was mainly because of the decrease in onshore and offshore curtain wall EPC businesses due to the lack of liquidity resources after the Defaults. Meanwhile, a gross profit of RMB5.5 million was recorded in 2019 (2018: gross profit of RMB113.7 million).

In 2019, because of the Defaults, the Group lack of liquid cash to finance the material procurement costs as well as labour cost for its curtain wall projects, as a results, the Group sometime failed to meet the original scheduled construction deadline, in order to maintain customer relationship, we had to accept unfavorable contract prices, at the same time, extra costs were usually be incurred because of the increase in project execution time.

2) Solar EPC

Revenue from solar EPC amounted to RMB1,495.8 million, representing a decrease of RMB606.1 million or 28.8% from RMB2,101.9 million in 2018. Since second half of 2018, because of the tightening in lending market in Mainland China and Hong Kong and also because of the default of various senior notes, the liquidity position of the Group had significantly be affected and hence the Group's ability to continue its existing projects in a normal way and obtaining new projects also been deteriorated. Majority of the Group's solar EPC projects cannot be delivered in accordance with the original schedule, the Group was not be able to get a favourable contract price from customers, also because of the increase in cost, gross margin in vast majority of the Group's projects were therefore negatively affected.

3) Sale of products

(i) Sale of conventional materials accounted to RMB239.4 million, increased by RMB21.6 million or 9.9% compared with 2018, it was mainly because of increase in material sale in some oversea areas, gross profit margin went down to 15%.

(ii) Sale of renewable energy goods recorded a decrease of RMB191.2 million or 59.4%, gross loss margin of 2.6% was recorded during the year.

(iii) New Material business represented sale of Indium Tin Oxide ("ITO") film and its products. ITO film can be processed into touch-screen ITO film and switchable ITO film, while the switchable ITO film can further be processed into smart light-adjusting glass and smart light-adjusting projection system. ITO film and smart light-adjusting products are relatively new to the consumers in China and therefore, the market penetration is currently quite low. Riding on the increasing sales volume generated by our Group's successful marketing strategies, revenue in 2019 increased by RMB22 million or 17.5% while gross profit margin decreased to 38.9% (2018: 44.4%).

(iv) The following table sets out the Group's self-invested solar power stations as at 31 December 2019.

Location	**On-grid** *MW*	**Pending grid connection** *MW*	**In-progress** *MW*	**Total** *MW*
Guangdong province	178.6	13.9	67.5	260
Northwest China	113	28.5	—	141.5
Golden Sun/Distributed Power	138	—	—	138
Overseas	2	—	—	2
	431.6	42.4	67.5	541.5

The Group's accumulated on-grid capacity was 541.5 megawatts ("MW") at 31 December 2019, which comprised of 138 MW Golden Sun or distributed power stations, and 401.5 MW ground-mounted solar farms inside Mainland China and a 2 MW solar farm overseas. The sale of electricity, including tariff adjustment, amounted to RMB312.6 million in the year 2019 (2018: RMB283.6 million).

Revenue and gross profit contribution from different business sectors:

Revenue split (including tariff adjustment)

	2019 ***RMB million*** **(Unaudited)**	***%***	2018 *RMB million* (Audited)	*%*
Conventional business[1]	**1,399.2**	**40.2**	1,734.1	37.9
Renewable energy business[2]	**1,939.1**	**55.6**	2,720.5	59.4
New material business	**148**	**4.2**	126.0	2.7
	3,486.3	**100.0**	4,580.6	100.0

Gross profit split (including tariff adjustment)

	2019		2018	
	RMB million	*%*	*RMB million*	*%*
	(Unaudited)		(Audited)	
Conventional business[1]	**46.9**	**22.5**	162.7	20.7
Renewable energy business[2]	**103.6**	**49.8**	566.3	72.2
New material business	**57.6**	**27.7**	55.9	7.1
	208.1	**100.0**	784.9	100.0

1. Included curtain wall and green building construction contracts, sale of conventional materials and rendering of design and other services.

2. Included solar EPC construction contracts, sale of renewable energy goods and sale of electricity and tariff adjustment.

Other income and gains

Other income and gains mainly represented deferred income released, gain on disposal of property, plant and equipment, government grants and compensation income.

An analysis of major items of other income and gains is as follows:

	2019	2018
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Deferred income released to profit or loss over the expected useful lives of the related assets	**13,373**	10,118
Bank interest income	**999**	5,479
Government grants	**24,840**	10,615
Gain on disposal of items of property, plant and equipment	**—**	11,927
Gain on disposal of associates	**36,274**	—
Gain on settlement of derivative financial instruments	**—**	4,916
Compensation income	**—**	7,342
Foreign exchange gains, net	**12,070**	—
Reversal of provision compensation for breach of contracts	**67,251**	—
Others	**6,756**	8,177
	161,563	58,574

Selling and distribution expenses

Selling and distribution expenses increased by RMB23.8 million or 23.4%, the increase in selling and distribution was mainly because of the expense incurred to source new contracts in 2020.

Administrative expenses

Administrative expenses dropped by RMB25.6 million as compared with the year 2018. The drop was mainly caused by the drop in staff cost.

Other expenses

Other expenses in 2019 mainly represented bank charges and loss on disposal of items of property, plant and equipment.

Finance costs

The Group's finance costs decreased by RMB62.8 million or 13.2%. The drop in finance costs were mainly because of the drop in average balance in bank and other loans in 2019.

Income tax expense

Income tax expense during the year included RMB13.8 million of taxation charge (2018: RMB63.8 million) and RMB2.5 million of deferred tax credit (2018: RMB45.5 million of deferred tax charge).

The taxation charges mainly represented the income tax provision for subsidiaries inside Mainland China. No deferred tax charges on dividend withholding tax based on 5% of the net profits in the operating subsidiaries located inside Mainland China were provided for both years.

Current ratio

The current ratio being, current assets over current liabilities at 31 December 2019 was 2.28; and a net current liabilities of RMB888.4 million was noted at 31 December 2018, this was mainly because of the Group was unable to re-finance its senior notes in 2018 which resulted in defaults and cross defaults of certain bank and other loans, and which would become immediately repayable if requested by the lenders.

A debt restructuring has been completed in 2019, majority of the Group's bank and other loans were extended. Apart from that, the Company issued approximately US$414 million of new senior notes in December 2019 to refinance the original convertible bonds, 2018 senior notes and 2019 senior notes. The liquidity position of the Group had significantly been improved.

Trade receivables/trade and bills payables turnover days

Turnover days	**At 31 December 2019** ***Days*** **(Unaudited)**	At 31 December 2018 *Days* (Audited)
Trade receivables	**403**	288
Trade and bills payables	**130**	106

Trade receivables turnover days is calculated based on the average of the beginning and ending balance of trade receivables for the year divided by the revenue (excluding tariff adjustment) during the year and multiplied by the number of days during the year. Trade receivables turnover days at 31 December 2019 was 403 days. Trade and bills payables turnover days is calculated based on the average of the beginning and ending balance of trade and bills payables for the year divided by the cost of sales during the year. Trade and bills payables turnover days at 31 December 2019 was 130 days.

Liquidity and financial resources

The Group's primary source of funding included receivables from construction contracts and material sale, as well as income from electricity sale. Apart from that, in previous years, the Group also use bank and loans and offshore senior unsecured notes as an alternative source of financing for its capital expenditure and working capital. In 2018, the Group was unable to re-finance certain of its debts. The Group had completed a series of steps to re-finance those debts and the steps taken were summarised as follows:

The Company's offshore senior notes include the 2018 USD Senior Notes, the 2019 Senior Notes and the 2019 Convertible Bonds. As of 31 December 2018, the total outstanding principal amounts of the 2018 USD Senior Notes, the 2019 Senior Notes and the 2019 Convertible Bonds are US$155.26 million, US$260 million and RMB96 million, respectively. The Company announced on the HKSE on 18 October 2018 that it had defaulted on its 2018 USD Senior Notes and Admiralty Harbour Capital Limited and Kirkland & Ellis were appointed as the Company's financial and legal advisers to assist it with a potential offshore debt restructuring.

The 2019 Senior Notes and the 2019 Convertible Bonds subsequently payment-defaulted in February 2019. On 5 June 2019, the Company announced the share subscription agreement with Shuifa Energy Group. Pursuant to the subscription agreement, the Company conditionally agreed to allot and issue to the subscriber 1,687,008,585 ordinary shares at the price of HK$0.92 per share. The subscription shares would represent approximately 66.92% of the issued share capital of the Company (the "Subscription"). The gross proceeds from the Subscription are expected to be approximately HK$1.552 billion. It is intended that the proceeds from the Subscription will be used for restructuring of existing debts, fees and expenses related to the overall restructuring exercise and providing general working capital and normalised funding levels for the Company's ongoing operations. The Subscription and the offshore debt structuring are said to be inter-conditional on one another.

On 19 July 2019, the Company announced its Restructuring Support Agreement (RSA) following its signing of such with certain bondholders. The RSA contained proposed restructuring terms to be implemented through schemes of arrangements in the required jurisdictions, which will need to be approved by the requisite majority of scheme creditors, and sanctioned by the relevant courts at a later stage. On 14 August 2019, the Company announced that holders holding approximately 98.39% of the aggregate outstanding principal amount of the Offshore Notes had acceded to the RSA.

As announced by the Company on 15 October 2019, subject to certain conditions, the Company has conditionally agreed to allot and issue to Shuifa Energy Group, and Shuifa Energy Group agreed to subscribe for, at Completion, 1,687,008,585 Subscription Shares at the Subscription Price of HK$0.92 per Subscription Share. The aggregate amount of the consideration for the Subscription Shares is approximately HK$1,552 million. The Subscription has subsequently been completed on 28 November 2019 pursuant to an announcement of the Company on the same date.

On 1 November 2019, the Company issued a notice of scheme meeting in Hong Kong High Court to the Scheme Creditors of the Company, and pursuant to the announcement of the Company dated 25 November 2019, the scheme meeting was duly held on 25 November 2019. The Scheme Creditors present and voting (in person and/or by proxy) at the Scheme Meeting unanimously passed a resolution approving the Hong Kong Scheme and the Bermuda Scheme. And by an order dated 4 December 2019, the Supreme Court of Bermuda sanctioned the Bermuda Scheme ("Bermuda Sanction Order"), and an office copy of the Bermuda Sanction Order was delivered to the Bermuda Registrar of Companies on 11 December 2019. By an order dated 5 December 2019, the High Court of Hong Kong sanctioned the Hong Kong Scheme ("Hong Kong Sanction Order") and an office copy of the Hong Kong Sanction Order was registered with the Hong Kong Registrar of Companies on 16 December 2019.

On 19 December 2019, a 2.00% cash-pay and 4.00% pay-in-kind guaranteed senior notes due 2022 with the amount of USD414,931,692 (the "2022 Senior Notes") issued was issued by the Company to refinance fully outstanding amount and unpaid accrued interest of the 2018 USD Senior Notes, 2019 Senior Notes and the Convertible Bonds. The 2022 Senior notes is listed in Singapore Exchange Securities Trading Limited.

Capital expenditures

Capital expenditures of the Group amounted to RMB68.0 million for the year (2018: RMB578.2 million) and were mainly for the acquisition and construction of self-invested solar power stations.

Borrowings and bank facilities

The outstanding borrowings comprised bank and other loans of RMB2,912.3 million with effective interest rates ranging from Hong Kong Inter Bank Offered Rate ("HIBOR") + 1.3% to 15% for property mortgage loan and revolving loans in Hong Kong. Interest rates for domestic loans inside Mainland China were ranging from 4.78% to 24%.

Foreign currency risk

The Group's principal businesses are located in Mainland China and most of the transactions are conducted in RMB. Most of the Group's assets and liabilities are denominated in RMB, except for those of the overseas subsidiaries which functional currencies are currencies other than RMB and certain items of cash and cash equivalents that are denominated in HK$, US$ and other currencies.

If RMB strengthens/weakens against HK$ as a reasonable possible change of 5%, the loss before tax of the Group will increase/decrease by approximately RMB82,189,000 (2018: the loss before tax of the Group will increase/decrease by approximately RMB13,697,000), due to changes in fair values of monetary assets and liabilities. The Group does not consider that it has any significant exposure to the risk of fluctuation in the exchange rate between US$ and RMB as a reasonable possible change of 5% in RMB against US$ would have no significant financial impact on the Group's loss.

Credit risk

The Group trades only with recognised and creditworthy third parties and its associates. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

At the end of the reporting period, the Group had certain concentrations of credit risk as 8.00% and 27.88% of the Group's trade receivables were due from the Group's largest customer and the five largest customers, respectively. All of these customers have good credit quality by taking into account of their credit history, and a long-term business relationship has been established by both parties. The Group has delegated a team responsible for determination of credit limits and monitoring procedures to ensure that there will be follow-up action to recover overdue debts.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g. trade receivables) and projected cash flows from operations.

The liquidity of the Group is primarily dependent on its ability to maintain a balance between continuity of funding and flexibility through the settlement from customers and the payment to vendors.

Dividend

The Directors of the Company do not recommend payment of a final dividend (2018: nil). The actual dividend payout ratio in each year will depend on the actual performance of the Group, the general industry and economic environment.

HUMAN RESOURCES

As at 31 December 2019, the Group had about 1,440 employees. Employee salary and other benefit expenses dropped to RMB169.5 million in the year 2019 compared with RMB211.4 million in the year 2018. It was generally because of the drop in number of employees, and the average salary and bonus. The Group's remuneration policies are formulated on the performance of individual employees, which will be reviewed regularly every year. Apart from provident fund scheme (according to the provisions of Mandatory Provident Fund Schemes for Hong Kong employees) or the state-managed retirement pension scheme (for Mainland China employees) and medical insurance, discretionary bonus are also awarded to employees according to the assessment of individual performance.

CORPORATE GOVERNANCE

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Company and its subsidiaries (the "Group") so as to achieve effective accountability. The Directors consider that for the year ended 31 December 2019, the Company has applied the principles and complied with the Corporate Governance Code (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), except for the deviation from provision A.2 of the Code as described below.

Mr. Liu Hongwei, was the chairman of the Group from 1 January 2019 to 28 November 2019 during the year and was responsible for the leading and effective running of the Board, ensuring that all material issues are decided by the Board in a conducive manner. Mr. Liu Hongwei was also the chief executive officer of the Group in the same period and is responsible for running business and implementing strategies of the Group. With effective from 28 November 2019, Mr. Zheng Qingtao was appointed as the Chairman of the Group and the Group is fully complied with the Corporate Governance Code thereafter.

Model Code for Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the standard for securities transactions by Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they had complied with the required standards set out in the Model Code and its code of conduct regarding directors' securities transactions for the year ended 31 December 2019.

Audit Committee

The Company has established an audit committee in compliance with Rules 3.21 to 3.23 of the Listing Rules and paragraph C.3 of the Code. The primary duties of the audit committee are to oversee the financial reporting process and internal control procedure of the Group, to review the financial information of the Group and to consider issues relating to the external auditor. The audit committee consists of the three independent non-executive directors, Mr. Yick Wing Fat, Simon is the chairman of the audit committee. The Audit Committee has reviewed the Group's consolidated financial results for the year ended 31 December 2019.

PURCHASE, SALES AND REDEMPTION OF COMPANY'S LISTED SECURITIES

As announced by the Company on 28 November 2019, save as the issue of 1,687,008,585 shares to Water Development (HK) Holding Co., Limited, there were no purchase, sale or redemption by the Company and any of its subsidiaries, of the Company's listed securities during the year ended 31 December 2019.

REVIEW OF UNAUDITED ANNUAL RESULTS

The unaudited annual results contained herein have not been agreed with the Company's auditors.

The auditing process for the annual results for the year ended December 31, 2019 has not been completed because of the epidemic prevention measures implemented in the PRC to combat the COVID-19 coronavirus outbreak. In particular, owing to the epidemic prevention measures implemented by the Zhuhai local government, auditors and members of staff in the finance department of the Company have had very limited access to the Zhuhai office.

After discussion with the auditor, the Company currently expects the annual results for the year ended December 31, 2019 to be agreed with the auditors no later than April 30, 2020, subject to any further epidemic prevention measures in the PRC. An announcement relating to the audited results will be made when the auditing process has been completed in accordance with Hong Kong Standards on Auditing issued by Hong Kong Institute of Certified Public Accountants.

The unaudited annual results contained herein have been reviewed by the Audit Committee, with terms of reference in compliance with the Listing Rules. The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Company and the Group and discussed matters in relation to internal control and financial reporting with the management, including the review of the unaudited consolidated financial results of the Group for the year ended December 31, 2019.

Further Announcements

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.singyessolar.com).

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to the audited results for the year ended December 31, 2019 as agreed by the Company's auditors and the adjustments (if any) to the unaudited annual results contained herein. In addition, the Company will issue further announcement as and when necessary if there are other material development in the completion of the auditing process.

The annual report for the year ended December 31, 2019 of the Company containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

The financial information contained herein in respect of the annual results of the Group have not been audited and have not been agreed with the auditors. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
China Singyes Solar Technologies Holdings Limited
Zheng Qingtao
Chairman

Hong Kong, 30 March 2020

As at the date of this announcement, the executive Directors are Mr. Zheng Qingtao (Chairman), Mr. Liu Hongwei (Vice Chairman), Mr. Wang Dongwei and Mr. Chen Fushan; the non-executive Directors are Ms. Wang Suhui and Mr. Zhang Jianyuan; and the independent non-executive Directors are Dr. Wang Ching, Mr. Yick Wing Fat, Simon and Dr. Tan Hongwei.