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# China Shuifa Singyes Energy Holdings Limited
# 中國水發興業能源集團有限公司

*(Formerly known as 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)**

## FURTHER ANNOUNCEMENT OF AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the announcement of China Shuifa Singyes Energy Holdings Limited (the "Company" and together with its subsidiaries, the "Group") dated 30 March 2020 in connection with the unaudited annual results for the year ended 31 December 2019 (the "Unaudited Annual Results Announcement"). Unless otherwise required, capitalized terms used in this announcement shall have the same meanings as those defined in the Unaudited Annual Results Announcement.

## AUDITOR'S AGREEMENT ON THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

The board of directors of the Company (the "Board") is pleased to announce that the Group's auditor, Ernst & Young, has completed its audit of the annual results of the Group for the year ended 31 December 2019 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants, including the financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the notes to the consolidated financial statements as set out thereto. The audited annual results for the year ended 31 December 2019 were reviewed by the Audit Committee and were approved by the Board both on 28 April 2020, details of which are set out below.

## FINANCIAL HIGHLIGHTS

| | Year ended 31 December | |
|---|---|---|
| | **2019** | 2018 |
| | ***RMB'000*** | *RMB'000* |
| 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* |
| Revenue | *3* | **3,306,519** | 4,416,563 |
| Cost of sales | | **(3,278,249)** | (3,795,662) |
| Gross profit | | **28,270** | 620,901 |
| Tariff adjustment | *3* | **179,857** | 164,021 |
| 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 and 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 | | **639** | (7,915) |
| Exchange differences on translation of financial statements | | **(63,552)** | (112,339) |
| Other comprehensive loss for the year | | **(62,913)** | (120,254) |
| Total comprehensive loss for the year | | **(1,050,723)** | (792,481) |

| | Notes | Year ended 31 December **2019** *RMB'000* | 2018 *RMB'000* |
|---|---|---|---|
| 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 | | **(1,058,636)** | (800,117) |
| Non-controlling interests | | **7,913** | 7,636 |
| | | **(1,050,723)** | (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* |
| **Non-current assets** | | | |
| Property, plant and equipment | | **4,122,090** | 4,475,179 |
| Investment properties | | **293,247** | 74,344 |
| Right-of-use assets | | **209,088** | — |
| 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 | | **11,414** | 5,657 |
| Financial assets at fair value through profit or loss | | — | 24,265 |
| Goodwill | | **6,448** | 6,448 |
| Total non-current assets | | **4,682,596** | 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 | | **54,867** | 180,590 |
| Cash and cash equivalents | | **1,082,835** | 216,151 |
| **Total current assets** | | **7,274,664** | 6,571,894 |

| | | As at 31 December | |
|---|---|---|---|
| | | **2019** | 2018 |
| | *Notes* | ***RMB'000*** | *RMB'000* |
| **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 | | **1,374,689** | 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** | | **3,317,564** | 7,460,266 |
| **Net current assets/(liabilities)** | | **3,957,100** | (888,372) |
| **Total assets less current liabilities** | | **8,639,696** | 3,936,861 |
| **Non-current liabilities** | | | |
| Senior notes | *12* | **2,815,135** | — |
| Interest-bearing bank and other loans | | **1,537,620** | — |
| Lease liabilities | | **7,502** | — |
| Deferred tax liabilities | | **86,860** | 87,680 |
| Deferred income | | **155,843** | 157,449 |
| **Total non-current liabilities** | | **4,602,960** | 245,129 |
| **Net assets** | | **4,036,736** | 3,691,732 |
| **Equity attributable to owners of the Company** | | | |
| Issued capital | *13* | **174,333** | 55,785 |
| Reserves | | **3,754,333** | 3,535,106 |
| | | **3,928,666** | 3,590,891 |
| **Non-controlling interests** | | **108,070** | 100,841 |
| **Total equity** | | **4,036,736** | 3,691,732 |

## 1. CORPORATE AND GROUP INFORMATION

China Shuifa Singyes Energy Holdings Limited (formerly known as "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 HK") 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 have 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, the intermediate holding company and the ultimate holding company of the Company are Water Development HK, which is incorporated in Hong Kong, Shuifa Energy Group Limited (水發能源集團有限公司, "Shuifa Energy") and Shuifa Group Co., Ltd. (水發集團有限公司, "Shuifa Group"), which are incorporated in the People's Republic of China (the "PRC").

Pursuant to the special resolution passed by the shareholders of the Company on 6 February 2020, the name of the Company and the dual foreign name in Chinese of the Company have been changed from "China Singyes Solar Technologies Holdings Limited 中國興業太陽能技術控股有限公司" to "China Shuifa Singyes Energy Holdings Limited 中國水發興業能源集團有限公司" effective from 12 February 2020 pursuant to the Certificate of Incorporation on Change of Name and the Certificate of Secondary Name issued by the Registrar of Companies in Bermuda. The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 30 March 2020 confirming the registration of the new names of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong).

## 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* |
|---|---|
| **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* |
|---|---|
| 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 December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

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

## 3. OPERATING SEGMENT INFORMATION AND REVENUE

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

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* | *%* |
| ***Revenue from contracts with customers*** | | | | |
| Construction contracts | **2,646,045** | **80.0** | 3,604,165 | 81.6 |
| Sale of products | **518,088** | **15.7** | 665,678 | 15.1 |
| Sale of electricity | **132,778** | **4.0** | 119,618 | 2.7 |
| Rendering of design and consultation services | **9,608** | **0.3** | 13,983 | 0.3 |
| Rendering of operation and maintenance service | **—** | **—** | 13,119 | 0.3 |
| Revenue | **3,306,519** | **100.0** | 4,416,563 | 100.0 |
| Tariff adjustment* | **179,857** | | 164,021 | |

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

*Geographical markets*

| | **2019** | | 2018 | |
|---|---|---|---|---|
| | ***RMB'000*** | *%* | *RMB'000* | *%* |
| Domestic — Mainland China* | **3,077,302** | **93.1** | 4,210,093 | 95.3 |
| Oceania | **177,384** | **5.4** | 162,338 | 3.7 |
| 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 |
| | **3,306,519** | **100.0** | 4,416,563 | 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* |
| **Timing of revenue recognition** | | |
| Products transferred at a point in time | **650,866** | 785,296 |
| Services transferred over time | **2,655,653** | 3,631,267 |
| Total revenue from contracts with customers | **3,306,519** | 4,416,563 |

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

| | 2019 | 2018 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| 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.

*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 the 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* | *%* |
| 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, an 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* |
| 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* |
| 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 | **4,560** | 1,589 |
| Depreciation of right-of-use assets | **10,089** | — |
| 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 |
| Gain on disposal of associates (note 8(b)) | **(36,274)** | — |
| 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**<br>***RMB'000*** | 2018<br>*RMB'000* |
|---|---|---|
| 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* |
| 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 |
|---|---|---|---|
| | *Notes* | *RMB'000* | *RMB'000* |
| 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 |
|---|---|---|---|
| | *Note* | *RMB'000* | *RMB'000* |
| 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 a total consideration of RMB41,515,000 to different independent third parties, which resulted in a gain on disposal of RMB36,274,000 (note 4). The considerations of RMB41,222,000 were not received and recognised in other receivables as at 31 December 2019 and RMB29,720,000 has been received subsequent to the reporting date.

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* |
| **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 were 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 (the "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 loss allowance, is as follows:

| | **2019** | 2018 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| 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* |
| **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* |
| **Trade and bills payables** | | |
| 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, certain machinery with a net carrying amount of approximately RMB7,408,000 (31 December 2018: RMB10,886,000) and frozen deposits of RMB25,464,000 (31 December 2018: RMB19,993,000) were restricted by courts according to the civil ruling to secure the Group's trade payables of RMB101,507,000 (31 December 2018: RMB16,956,000) to certain suppliers.

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* |
| **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 intermediate holding company | *(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, 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** | 2018 RMB'000 |
|---|---|---|---|
| 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. No gain or loss representing the difference between the carrying amount of the related Offshore Notes derecognised and the fair value of the 2022 Senior Notes was recognised.

### (a) Liability component

| | **2019** **RMB'000** | 2018 RMB'000 |
|---|---|---|
| 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 | 2018 RMB'000 |
|---|---|---|---|
| 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. No gain or loss representing the difference between the carrying amount of the related Offshore Notes derecognised and the fair value of the 2022 Senior Notes was recognised.

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

| | 2019 RMB'000 | 2018 RMB'000 |
|---|---|---|
| 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 the 2019 Senior Notes 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. No gain or loss representing the difference between the carrying amount of the related Offshore Notes derecognised and the fair value of the 2022 Senior Notes was recognised.

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

| | **2019** | 2018 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| 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* |
|---|---|
| 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* |
| **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* |
| 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 HK 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 have been set out in the Company's announcement dated 28 November 2019.

## 14. COMMITMENTS

### (a) The Group had the following capital commitments at the end of the reporting period:

| | **2019** | 2018 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| 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 |

### (b) 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 were 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* |
| 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 approval of the financial statements, 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.

**Change of the Company name**

Pursuant to the special resolution passed by the shareholders of the Company on 6 February 2020, the name of the Company and the dual foreign name in Chinese of the Company have been changed from "China Singyes Solar Technologies Holdings Limited 中國興業太陽能技術控股有限公司" to "China Shuifa Singyes Energy Holdings Limited 中國水發興業能源集團有限公司" effective from 12 February 2020 pursuant to the Certificate of Incorporation on Change of Name and the Certificate of Secondary Name issued by the Registrar of Companies in Bermuda. The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 30 March 2020 confirming the registration of the new names of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong).

## MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED ANNUAL RESULTS

Since financial information contained in the Unaudited Annual Results announcement was neither audited nor agreed with Ernst & Young as at the date of its publication and subsequent adjustments have been made to such information, shareholders and potential investors of the Company are advised to pay attention to certain differences between the financial information of the unaudited and audited annual results of the Group. Set forth below are principal details and reasons for the material differences in such financial information in accordance with Rule 13.49(3)(ii)(b) of the Listing Rules.

| **Item for the year ended 31 December 2019** | **Disclosure in this further announcement** *RMB'000* | **Disclosure in the Unaudited Annual Results Announcement** *RMB'000* | **Difference** *RMB'000* | *Notes* |
|---|---|---|---|---|
| **Consolidated statement of profit or loss and other comprehensive income** | | | | |
| Revenue, include tariff adjustment | — | 3,486,376 | (3,486,376) | *1* |
| Revenue | 3,306,519 | — | 3,306,519 | *1* |
| Gross profit, include tariff adjustment | — | 208,127 | (208,127) | *1* |
| Gross profit | 28,270 | — | 28,270 | *1* |
| Tariff adjustment | 179,857 | — | 179,857 | *1* |
| Change in fair value of equity instruments at fair value through other comprehensive income | 639 | (1,551) | 2,190 | *2* |
| Other comprehensive loss for the year | (62,913) | (65,103) | 2,190 | *2* |
| Total comprehensive loss for the year | (1,050,723) | (1,052,913) | 2,190 | *2* |
| Total comprehensive loss attributable to: | | | | |
| Owners of the Company | (1,058,636) | (1,060,826) | 2,190 | *2* |
| **Consolidated statement of financial position** | | | | |
| Investment properties | 293,247 | 286,124 | 7,123 | *3* |
| Right-of-use assets | 209,088 | 216,211 | (7,123) | *3* |
| Equity investments designated at fair value through other comprehensive income | 11,414 | 9,224 | 2,190 | *2* |
| Total non-current assets | 4,682,596 | 4,680,406 | 2,190 | *2* |
| Pledged deposits | 54,867 | 103,533 | (48,666) | *4* |
| Cash and cash equivalents | 1,082,835 | 1,034,169 | 48,666 | *4* |
| Interest-bearing bank and other loans-current proportion | 1,374,689 | 1,254,689 | 120,000 | *5* |
| Total current liabilities | 3,317,564 | 3,197,564 | 120,000 | *5* |
| Net current assets/(liabilities) | 3,957,100 | 4,077,100 | (120,000) | *5* |
| Total assets less current liabilities | 8,639,696 | 8,757,506 | (117,810) | *2, 5* |
| Interest-bearing bank and other loans – non-current proportion | 1,537,620 | 1,657,620 | (120,000) | *5* |
| Total non-current liabilities | 4,602,960 | 4,722,960 | (120,000) | *5* |
| Net assets | 4,036,736 | 4,034,546 | 2,190 | *2* |
| Reserves | 3,754,333 | 3,752,143 | 2,190 | *2* |
| Total equity | 4,036,736 | 4,034,546 | 2,190 | *2* |

*Notes:*

1. The difference is due to the reclassification among revenue, include tariff adjustment, revenue and tariff adjustment.

2. The difference is due to the increase in fair value of equity instruments at fair value through other comprehensive income.

3. The difference is due to the reclassification between right-of-use assets and investment properties.

4. The difference is due to the reclassification between pledged deposits and cash and cash equivalents.

5. The difference is due to the reclassification between current and non-current proportion of interest-bearing bank and other loans.

## SCOPE OF WORK OF AUDITORS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2019 as set out in this announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditor on this announcement.

## PUBLICATION OF RESULTS ANNOUNCEMENT

This further announcement is available for viewing on the websites of the Stock Exchange of Hong Kong Limited at http://www.hkexnews.hk and the Company's website at http://www.singyessolar.com and the 2019 annual report of the Company containing all the information required by the Listing Rules will be despatched to the shareholders and published on the respective websites of the Company and the Stock Exchange of Hong Kong Limited on or before 15 May 2020.

By order of the Board
**China Shuifa Singyes Energy Holdings Limited**
**Zheng Qingtao**
*Chairman*

Hong Kong, 28 April 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.*