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

(incorporated in Bermuda with limited liability)

(Stock Code: 750)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

The board of directors (the "Director") of China Shuifa Singyes Energy 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 2020.

FINANCIAL HIGHLIGHTS

	Year ended 31 December	
	2020	2019
	RMB'000	*RMB'000*
Revenue, include tariff adjustment	**5,597,551**	3,486,376
Profit/(loss) before tax	**202,965**	(976,452)
Income tax credit (expense)	**118,181**	(11,358)
Profit/(loss) attributable to owners of the Company	**301,418**	(995,228)
Profit/(loss) per share attributable to ordinary equity holders		
— Basic	**RMB0.120**	RMB(1.004)
— Diluted	**RMB0.120**	RMB(1.004)
Final dividend per share proposed	**HK$0.028**	Nil

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December	
		2020	2019
	Notes	***RMB'000***	*RMB'000*
Revenue	*3*	**5,400,999**	3,306,519
Cost of sales		**(4,716,308)**	(3,278,249)
Gross profit		**684,691**	28,270
Tariff adjustment	*3*	**196,552**	179,857
Other income and gains	*4*	**462,159**	161,563
Selling and distribution expenses		**(78,926)**	(125,575)
Administrative expenses		**(313,456)**	(332,509)
Impairment losses on:			
Financial and contract assets, net		**(262,955)**	(440,590)
Inventories, net		**—**	(4,236)
Property, plant and equipment, net		**(94,889)**	—
Investment properties, net		**(4,201)**	—
Right-of-use assets, net		**(1,582)**	—
Other expenses		**(18,808)**	(12,381)
Finance costs	*5*	**(353,000)**	(414,488)
Share of losses of associates		**(12,620)**	(16,363)
Profit/(loss) before tax	*6*	**202,965**	(976,452)
Income tax credit/(expense)	*7*	**118,181**	(11,358)
Profit/(loss) for the year		**321,146**	(987,810)
Other comprehensive income/(loss):			
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent years:			
Change in fair value of equity instruments at fair value through other comprehensive income		**(519)**	639
Exchange differences on translation of financial statements		**81,616**	(63,552)
Other comprehensive income/(loss) for the year		**81,097**	(62,913)
Total comprehensive income/(loss) for the year		**402,243**	(1,050,723)

		Year ended 31 December	
		2020	2019
	Notes	***RMB'000***	*RMB'000*
Profit/(loss) attributable to:			
Owners of the Company		**301,418**	(995,228)
Non-controlling interests		**19,728**	7,418
		321,146	(987,810)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**383,830**	(1,058,636)
Non-controlling interests		**18,413**	7,913
		402,243	(1,050,723)
Earnings/(loss) per share attributable to ordinary equity holders of the Company			
— Basic	*7*	**RMB0.120**	RMB(1.004)
— Diluted	*7*	**RMB0.120**	RMB(1.004)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2020	2019
	Notes	***RMB'000***	*RMB'000*
Non-current assets			
Property, plant and equipment		**4,068,355**	4,122,090
Investment properties		**333,141**	293,247
Right-of-use assets		**222,734**	209,088
Other intangible assets		**91,161**	1,605
Payments in advance		**21,725**	17,684
Investments in associates	*10*	**1,973**	17,825
Deferred tax assets		**241,047**	3,195
Equity investments designated at fair value through other comprehensive income		**10,530**	11,414
Goodwill		**10,542**	6,448
Total non-current assets		**5,001,208**	4,682,596
Current assets			
Inventories		**55,765**	171,799
Contract assets		**2,903,957**	2,007,873
Trade and bills receivables	*11*	**3,570,404**	3,136,464
Prepayments, deposits and other receivables	*11*	**852,068**	815,826
Financial assets at fair value through profit or loss		**—**	5,000
Pledged deposits		**47,169**	54,867
Cash and cash equivalents		**899,789**	1,082,835
Total current assets		**8,329,152**	7,274,664

		As at 31 December	
		2020	2019
	Notes	***RMB'000***	*RMB'000*
Current liabilities			
Trade and bills payables	*12*	**1,921,875**	1,438,054
Other payables and accruals	*12*	**2,107,913**	384,425
Contract liabilities		**131,361**	58,307
Bank advances for discounted bills		—	38,889
Interest-bearing bank and other loans		**1,181,190**	1,374,689
Tax payable		**102,010**	22,245
Lease liabilities		**3,506**	955
Provision		**737**	—
Total current liabilities		**5,448,592**	3,317,564
Net current assets/(liabilities)		**2,880,560**	3,957,100
Total assets less current liabilities		**7,881,768**	8,639,696
Non-current liabilities			
Senior notes	*13*	**1,488,096**	2,815,135
Interest-bearing bank and other loans		**1,633,685**	1,537,620
Lease liabilities		**22,694**	7,502
Deferred tax liabilities		**110,381**	86,860
Deferred income		**143,033**	155,843
Total non-current liabilities		**3,397,889**	4,602,960
Net assets		**4,483,879**	4,036,736
Equity attributable to owners of the Company			
Issued capital	*14*	**174,333**	174,333
Reserves		**4,040,224**	3,754,333
		4,214,557	3,928,666
Non-controlling interests		**269,322**	108,070
Total equity		**4,483,879**	4,036,736

1. CORPORATE AND GROUP INFORMATION

China Shuifa Singyes Energy Holdings Limited 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.

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").

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 2020. 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 Conceptual Framework for Financial Reporting 2018 and the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 3	*Definition of a Business*
Amendments to IFRS 9, IAS 39 and IFRS 7	*Interest Rate Benchmark Reform*
Amendments to IFRS 16	*Covid-19-Related Rent Concessions (early adopted)*
Amendments to IAS 1 and IAS 8	*Definition of Material*

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the revised IFRSs are described below:

(a) *Conceptual Framework for Financial Reporting 2018* (the "Conceptual Framework") sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for prepares of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.

(b) 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 service 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 has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any impact on the financial position and performance of the Group.

(c) Amendments to IFRS 9, IAS 39 and IFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with alternative risk-free rate ("RFR"). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of alternative RFR. 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 did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedging relationships.

(d) Amendments to IFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic ("Covid-19"). The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 January 2020 with earlier application permitted and shall be applied retrospectively.

During the year ended 31 December 2020, certain monthly lease payments for the leases of the Group's plant and machinery have been reduced or waived by the lessors upon reducing the scale of production as a result of the pandemic and there are no other changes to the terms of the leases. The Group has early adopted the amendment on 1 January 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessors as a result of the pandemic during the year ended 31 December 2020. Accordingly, a reduction in the lease payments arising from the rent concessions of RMB52,000 has been accounted for as a variable payment by derecognising part of the lease liabilities and crediting to profit or loss for the year ended 31 December 2020.

(e) 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 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, or both. The amendments did not have any significant impact on the financial position and 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	*Reference to the Conceptual Framework*[2]
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	*Interest Rate Benchmark Reform — Phase 2*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
IFRS 17	*Insurance Contracts*[3]
Amendments to IFRS 17	*Insurance Contracts*[3, 5]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*[3]
Amendments to IAS 1	*Disclosure of Accounting Policies*[3]
Amendments to IAS 8	*Definition of Accounting Estimates*[3]
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*[2]
Amendments to IAS 37	*Onerous Contracts - Cost of Fulfilling a Contract*[2]
Annual Improvements to IFRSs 2018-2020	*Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41*[2]

1 Effective for annual periods beginning on or after 1 January 2021

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

5 As a consequence of the amendments to IFRS 17 issued in June 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023

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

Amendments to IFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC-int 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC-int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group expects to adopt the amendments prospectively from 1 January 2022. Since the amendments apply prospectively to business combination for which the acquisition date is 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, IFRS 7, IFRS 4 and IFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest benchmark is replaced with an alternative RFR. The Phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to discloses additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments are effective for annual periods beginning on or after 1 January 2021 and shall be applied retrospectively, but entities are not required to restate the comparative information.

The Group had certain interest-bearing bank loans denominated in RMB based on the China Loan Prime Rate as at 31 December 2020. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings when the "economically equivalent" criterion is met and expects that no significant modification gain or loss will arise as a result of applying the amendments to these changes.

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 clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual improvements to IFRSs 2018-2020 sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's financial statements.

- IFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

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

	2020		2019	
	RMB'000	*%*	*RMB'000*	*%*
Revenue from contracts with customers				
Construction contracts	**3,705,739**	**68.6**	2,646,045	80.0
Sale of products	**1,357,419**	**25.1**	518,088	15.7
Sale of electricity	**129,140**	**2.4**	132,778	4.0
Rendering of design and consultation services	**19,992**	**0.4**	9,608	0.3
Thermal supply	**188,709**	**3.5**	—	—
Revenue	**5,400,999**	**100.0**	3,306,519	100.0
Tariff adjustment*	**196,552**		179,857	
	5,597,551		3,486,376	

* Tariff adjustment represents compensation receivable from the State Grid Corporation of China ("State Grid") in respect of the Group's solar photovoltaic power station operation business, which will be settled subsequent to State Grid's receipt of fund from the relevant government authorities.

Geographical markets

	2020		2019	
	RMB'000	*%*	*RMB'000*	*%*
Domestic — Mainland China*	**5,140,192**	**95.2**	3,077,302	93.1
Oceania	**187,395**	**3.5**	177,384	5.4
Macau	**1,941**	**0.0**	6,615	0.2
Malaysia	**23,959**	**0.4**	27,831	0.8
Hong Kong	**47,512**	**0.9**	17,387	0.5
	5,400,999	**100.0**	**3,306,519**	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.

	2020	2019
	RMB'000	*RMB'000*
Timing of revenue recognition		
Products transferred at a point in time	**1,675,268**	650,866
Services transferred over time	**3,725,731**	2,655,653
Total revenue from contracts with customers	**5,400,999**	3,306,519

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:

	2020	2019
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Construction contracts	**32,118**	56,137
Sale of products	**13,976**	42,667
	46,094	98,804

(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 billing.

Sale of Steam

The performance obligation is satisfied at the point in time upon transmission of steam to companies in Qilu Chemical Industrial Park in Zibo City, Shandong Province. The payment is generally due within 30 days from the date of billing.

Rendering of services

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

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 2020, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts was approximately RMB1,396,756,000 (31 December 2019: RMB1,297,045,000). 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

	2020		2019	
	RMB'000	*%*	*RMB'000*	*%*
Mainland China	**4,719,815**	**99.4**	**4,618,964**	99.3
Hong Kong	**14,235**	**0.3**	**15,813**	0.3
Oceania	**13,573**	**0.3**	**15,243**	0.3
Others	**35**	**0.0**	**142**	0.1
	4,747,658	**100.0**	**4,650,162**	100.0

The non-current asset information above is based on the locations of the assets and excludes investments in associates, deferred tax assets and 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:

	2020	2019
	RMB'000	*RMB'000*
Customer A	*	386,491
Customer B	*	380,828
Customer C	**615,709**	*

* Less than 10%

4. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	2020	2019
	RMB'000	*RMB'000*
Deferred income released to profit or loss over the expected useful lives of the related assets	**13,856**	13,373
Bank interest income	**2,360**	999
Gain on bargain purchase	**7,445**	—
Interest income on amounts due from related parties	**646**	—
Government grants*	**9,815**	24,840
Gain on disposal of associates	**31,768**	36,274
Gain on repurchase of senior notes	**209,444**	—
Gain on cancellation of senior notes	**1,655**	—
Waiver of interest on an other loan	**13,087**	—
Foreign exchange gain, net	**143,160**	12,070
Operating lease rental income	**13,891**	4,965
Compensation for performance commitment	**8,983**	—
Gain on debt restructuring	**1,780**	—
Gain on settlement of financial assets at fair value through profit or loss	**—**	1,003
Reversal of provision for compensation for breach of contracts	**—**	67,251
Others	**4,269**	788
	462,159	161,563

* There were no unfulfilled conditions or contingencies relating to these grants.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2020	2019
	RMB'000	*RMB'000*
Interest on bank and other loans	**175,642**	188,626
Interest on discounted bills receivable	**2,200**	2,067
Interest on senior notes	**146,660**	215,754
Interest on amounts due to related parties	**38,903**	—
Acceleration of unwinding interest	**8,856**	—
Interest on lease liabilities	**726**	510
Interest on convertible bonds	**—**	5,332
Others	**54**	2,199
	373,041	414,488
Less: interest capitalised	**(20,041)**	—
	353,000	414,488

6. PROFIT/(LOSS) BEFORE TAX

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

	2020	2019
	RMB'000	*RMB'000*
Cost of construction contracts and design services	**3,175,223**	2,704,899
Cost of inventories sold	**1,254,971**	427,829
Cost of electricity sold	**149,469**	145,521
Cost of thermal supply	**136,645**	—
Depreciation of property, plant and equipment	**192,572**	191,696
Depreciation of investment properties	**9,453**	4,560
Depreciation of right-of-use assets	**7,618**	10,089
Amortisation of other intangible assets	**5,272**	983
Total depreciation and amortisation	**214,915**	207,328
Employees benefit expense (including directors' and chief executive's remuneration)	**163,484**	174,065
Lease payments not included in the measurement of lease liabilities	**3,832**	6,316
Research costs	**37,746**	17,726
Auditors' remuneration	**9,664**	9,550
Impairment of financial and contract assets, net:		
Impairment of trade receivables	**31,006**	374,605
Impairment of contract assets	**149,811**	55,889
Impairment of financial assets included in prepayments, other receivables and other assets	**82,138**	10,096
	262,955	440,590
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)
Impairment loss on property, plant and equipment	**94,889**	—
Impairment loss on investment properties	**4,201**	—
Impairment an right-of-use assets	**1,582**	—
Loss/(gain) on disposal of items of property, plant and equipment	—	4,187
Gain on bargain trade	**(7,445)**	—
Gain on disposal of associates	**(31,768)**	(36,274)
Operating lease rental income	**(13,891)**	(4,965)
Exchange loss/(gain), net	**(143,160)**	(12,070)

7. 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:

	2020	2019
	RMB'000	*RMB'000*
Current — Charge for the year		
— Mainland China	**113,503**	13,775
— Hong Kong	**2,474**	41
Deferred tax credit	**(234,158)**	(2,458)
Total tax (credit)/charge for the year	**(118,181)**	11,358

8. DIVIDENDS

At a meeting of the Directors held on 25 March 2021, the Directors recommend a final dividend for the year ended 31 December 2020 of HK$0.028 per share (2019 final dividend: Nil).

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings (2019: loss) per share amount is based on the profit (2019: loss) for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 2,521,081,780 (2019: 991,219,200) in issue during the year.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 31 December 2020 and 2019 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.

10. INVESTMENTS IN ASSOCIATES

	2020	2019
	RMB'000	*RMB'000*
Unlisted investments, at cost	**1,200**	36,200
Share of profits/(losses) of associates	**773**	(18,375)
Aggregate carrying amount of the Group's investments in the associates	**1,973**	17,825

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:

		2020	2019
	Note	***RMB'000***	*RMB'000*
At beginning of year		**36,200**	40,820
Additions		**—**	35,000
Disposals	*(a)*	**(35,000)**	(39,620)
At end of year		**1,200**	36,200

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

		2020	2019
	Note	***RMB'000***	*RMB'000*
At beginning of year		**(18,375)**	(36,391)
Share of losses for the year		**(12,620)**	(16,363)
Disposals	*(a)*	**31,768**	34,379
At end of year		**773**	(18,375)

(a) During the year ended 31 December 2020, the Group disposed of its equity interests in two associates for a total consideration of RMB35,000,000 to an independent third party, which resulted in gains of RMB31,768,000 (2019: 36,274,000) (note 4). The considerations have been settled during the year.

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

	2020	2019
	RMB'000	*RMB'000*
Trade and bills receivables		
Trade receivables	**4,154,464**	3,706,413
Bills receivable	**49,244**	32,349
Less: impairment	**(633,304)**	(602,298)
	3,570,404	3,136,464

The Group's trade receivables include net carrying amounts due from the Group's associates of RMB378,000 (2019: RMB36,391,000), 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 RMB2,164,205,000 (2019: RMB2,169,056,000) to secure bank and other loans granted to the Group.

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:

	2020	2019
	RMB'000	*RMB'000*
Within 3 months	**1,167,198**	955,555
3 to 6 months	**264,723**	450,123
6 to 12 months	**430,680**	243,007
1 to 2 years	**922,715**	817,528
2 to 3 years	**517,135**	622,769
Over 3 years	**267,953**	47,482
	3,570,404	3,136,464

The movements in the loss allowance for impairment of trade receivables are as follows:

	2020	2019
	RMB'000	*RMB'000*
At beginning of year	**602,298**	227,693
Impairment losses, net	**31,006**	374,605
At end of year	**633,304**	602,298

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses ("ECLs"). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2020

		Past due			
	Current	**Less than 6 months**	**Less than 12 months**	**Over 12 months**	**Total**
ECLs rate	**2.30%**	5.01%	17.77%	30.46%	15.24%
Gross carrying amount *(RMB'000)*	**1,426,100**	442,280	930,914	1,355,170	4,154,464
ECLs *(RMB'000)*	**32,853**	22,170	165,445	412,836	633,304

As at 31 December 2019

		Past due			
	Current	**Less than 6 months**	**Less than 12 months**	**Over 12 months**	**Total**
ECLs rate	5.30%	15.25%	12.25%	27.62%	16.25%
Gross carrying amount *(RMB'000)*	1,379,871	309,283	489,406	1,527,853	3,706,413
ECLs *(RMB'000)*	73,169	47,170	59,963	421,996	602,298

	2020	2019
	RMB'000	*RMB'000*
Prepayments, deposits and other receivables		
Prepayments to subcontractors and suppliers	**173,583**	113,504
Deposits	**99,797**	47,491
Tariff adjustment receivables*	**497,882**	335,830
Amounts due from related parties	**29,270**	—
Compensation for performance commitment	**8,983**	—
Other receivables	**152,031**	346,341
	961,546	843,166
Impairment	**(109,478)**	(27,340)
	852,068	815,826

* The Group's tariff adjustment receivables from the sale of electricity are 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 RMB490,982,000 (2019: RMB322,290,000) to secure bank loans granted to the Group.

12. 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:

	2020	2019
	RMB'000	*RMB'000*
Trade and bills payables		
Within 3 months	**1,205,757**	715,387
3 to 6 months	**131,147**	292,124
6 to 12 months	**292,611**	228,644
1 to 2 years	**203,161**	147,537
2 to 3 years	**39,503**	32,708
Over 3 years	**49,696**	21,654
	1,921,875	1,438,054

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

As at 31 December 2020, the frozen deposits of RMB17,553,000 were frozen by courts according to the civil ruling to secure the Group's trade payables of RMB19,103,000 to certain suppliers. As at 31 December 2019, the machineries and frozen deposits of RMB7,408,000 and RMB25,464,000, respectively, were restricted by courts according to the civil ruling to secure the Groups trade payables of RMB101,507,000 to certain suppliers.

As at 31 December 2020, the Group's bills payable were secured by the pledged deposits amounting to RMB10,200,000 (31 December 2019: RMB11,811,000)

	2020	2019
	RMB'000	*RMB'000*
Other payable and accruals		
Tax and surcharge payables	**362,043**	166,769
Advance from tenants	**4,497**	—
Accrued expenses	**33,210**	31,523
Interest payables	**6,027**	38,680
Amount due to related parties	**1,491,961**	10,000
Other payables	**210,175**	137,453
	2,107,913	384,425

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

The Group's other payables and accruals included net carrying amounts of RMB1,000,000 (31 December 2019: nil) received from the Group's associates.

As at 31 December 2020, the Group has received deposits in relation to the sale of equity interests in Xinjiang Singyes Renewable Energy Technology Co., Ltd. and Wuwei Dongrun Solar Energy Development Co., Ltd. aggregating to RMB38,974,000 (2019: RMB38,974,000) while the transaction has not yet been fulfilled. Subsequent to 31 December 2020, a written agreement was signed between the Company and the Purchaser to extend the long stop date of the transaction to 31 December 2021.

As at 31 December 2020, the Group's leasehold land with a net carrying amount of RMB22,429,000 (31 December 2019: RMB 22,345,000) was pledged to guarantee the Group's other payables of RMB41,000,000 to an independent third party.

13. SENIOR NOTES

	2020	2019
	RMB'000	*RMB'000*
2022 Senior Notes	**1,488,096**	2,815,135

2022 Senior Notes

On 19 December 2019, the Company issued guaranteed senior notes with an aggregate nominal value of US$414,932,000, initially offered to eligible Scheme Creditors and the Holding Period Trustee (as defined in the Announcement dated 19 December 2019), and will mature on 19 December 2022 (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. 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 as at 31 December 2020:

	RMB'000
Carrying amount at 1 January 2020	2,815,135
Effective interest recognised for the Period	146,660
Interest payable during the Period	(40,031)
Repurchase of senior notes*	(1,321,065)
Acceleration of unwinding interest	8,856
Cancellation of senior notes	(1,655)
Exchange realignment	(119,804)
Carrying amount at 31 December 2020	1,488,096
Fair value of the 2022 Senior Notes**	1,431,125

* The Company repurchased the 2022 Senior Notes with an aggregate nominal value of US$191,644,000 during the Year. Particulars of the Company's repurchase of the 2022 Senior Notes have been set out in the Company's announcements dated 8 June 2020, 16 June 2020, 17 June 2020 and 14 December 2020. A net gain of RMB200,588,000, which can be further analysed as a gross gain of RMB209,444,000 after netting a loss on acceleration of unwinding interest of RMB8,856,000, was recognised for the repurchase of the 2022 Senior Notes.

** The fair value of the 2022 Senior Notes was determined based on the price quoted on the SGX on 31 December 2020.

14. SHARE CAPITAL

	2020	2019
	US$'000	*US$'000*
Shares		
Authorised		
3,200,000,000 (31 December 2019: 2,600,000,000) ordinary shares of US$0.01 each	**32,000**	26,000
Issued and fully paid:		
2,521,081,780 (2019: 2,521,081,780) ordinary share of US$0.01 each	**25,211**	25,211
Equivalent to RMB'000	**174,333**	174,333

15. COMMITMENTS

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

	2020	2019
	RMB'000	*RMB'000*
Contracted, but not provided for:		
Construction of buildings and solar photovoltaic power stations	**93,535**	127,403
Purchase of machinery	**—**	9,120
Capital contributions to be injected into associates	**26,500**	4,500
Purchase of office properties	**16,820**	—
	136,855	141,023

16. EVENTS AFTER THE REPORTING PERIOD

As at the date of approval of the financial statements, the Group has no significant event after the reporting period that needs to be disclosed.

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. Apart from the above, we also provide engineering design services and engage in the sale of curtain wall materials. 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 products. In 2020, the Group further diversified its business into Wind Power EPC and the sale of petrochemicals, the Group recognised approximately RMB1,377.4 million and RMB925.1 million, respectively. As announced by the Company on 11 September 2020, our Group also acquired Zibo Qilu Chemical Industry Zone Thermal Co., Ltd from the controlling shareholder of the Company, after this acquisition, the Group also entered into pipeline steam supply business, total revenue during the year was approximately RMB188.7 million. 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 2020, our curtain wall and green building construction business dropped slightly by RMB13.9 million or 1.2% as compared to RMB1,150.2 million in 2019. Despite the widely spread of COVID-19 inside Mainland China which brought negative impact to the Group's curtain wall business in first quarter 2020, a significant rebound of business activities from second quarter onwards were noted inside Mainland China. In addition, because of the improvement in liquidity and creditability of the Group after the debt restructuring in November 2019, the Group's revenue in curtain wall and green building business remain stable.

Solar EPC business

Solar EPC business dropped from RMB1,495.8 million in 2019 to RMB1,192.0 million in 2020, representing a decrease of RMB303.8 million or 20.3%. The drop was mainly because of the impact of COVID-19, most of the Group's projects were temporary suspended in first quarter 2020, the drop was also due to the progress of certain projects of our Group were slower than our original expectation.

Wind power EPC

In 2020, the Group involved in the EPC work on a number of Wind Power EPC projects, revenue in 2020 was approximately RMB1,377.4 million.

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.

In second quarter 2020, the Group started a new business line – sale of petrochemicals. Total sale in 2020 was approximately RMB925.1 million.

As announced by the Company on 11 September 2020, our Group also acquired Zibo Qilu Chemical Industry Zone Thermal Co., from the controlling shareholder of the Company, its main business is the supply of pipeline steam inside a industrial zone. Total revenue recognized during the year was approximately RMB188.7 million.

Self-develop solar projects

At 31 December 2020, the Group had around 447.4 MW of grid connected solar projects and 35.5 MW projects awaiting for grid connection.

BUSINESS AND FINANCIAL REVIEW

Revenue

The following table set out the breakdown of revenue:

	2020	2019
	RMB million	*RMB million*
Curtain walls and green buildings		
— Public work	**162.4**	148.5
— Commercial and industrial	**646.0**	648.9
— High-end residential	**327.9**	352.8
	1,136.3	1,150.2
Solar EPC		
— Public work	**24.8**	1,115.3
— Commercial and industrial	**1,167.2**	380.5
	1,192.0	1,495.8
Wind Power EPC		
— industrial and commercial	**1,377.4**	—
Total construction contracts	**3,705.7**	2,646.0
Sale of goods		
— Conventional materials	**213.3**	239.4
— Renewable energy goods	**120.0**	130.7
— New materials	**99.0**	148.0
— Petrochemicals	**925.1**	—
Total sale of goods	**1,357.4**	518.1
Sale of electricity, including tariff adjustment	**325.7**	312.6
Thermal supply	**188.7**	—
Rendering of design and other services	**20.0**	9.6
	5,597.5	3,486.3

Gross profit and gross profit margin

	2020		2019	
	RMB million	%	*RMB million*	%
Construction contracts				
— Curtain walls and green buildings	**138.0**	**12.1**	5.5	0.5
— Solar EPC	**144.4**	**12.1**	(60.1)	(4)
— Wind EPC	**260.3**	**18.9**	—	—
	542.7	**14.6**	(54.6)	(2.1)
Sale of goods				
— Conventional materials	**53.1**	**24.9**	36.0	15
— Renewable energy goods	**13.8**	**11.5**	(3.4)	(2.6)
— New materials	**23.6**	**23.9**	57.6	38.9
— Petrochemicals	**11.9**	**1.3**	—	—
	102.4	**7.5**	90.2	17.4
Sale of electricity, including tariff adjustment	**176.2**	**54.1**	167.1	53.5
Rendering of design and other services	**7.9**	**39.3**	5.4	55.8
Thermal supply	**52.0**	**27.6**	—	—
Total gross profit and gross profit margin including tariff adjustment	**881.2**	**15.7**	208.1	6.0

The Group's revenue (including tariff adjustment) increased by RMB2,111.2 million or 60.6%, from RMB3,486.3 million in 2019 to RMB5,597.5 million in 2020. Gross profit (including tariff adjustment) increased by RMB673.1 million or 323.4%, from RMB208.1 million in 2019 to RMB881.2 million in 2020.

1) Curtain wall and green building

Revenue from curtain wall and green building business in 2020 amounted to approximately RMB1,136.3 million, representing a slight decrease of RMB13.9 million or 1.2% compared with 2019. The drop was mainly came from the drop in offshore curtain wall EPC businesses because of the spread of COVID-19. Meanwhile, a gross profit of RMB138.0 million was recorded in 2020 (2019: gross profit of RMB5.5 million).

After the completion of debt restructuring in November 2019, the business of the Group has gradually been recovered, although the progress of some of the Group's projects were affected by the spread of COVID-19, our Group could still be able to mark a reasonable profit margin level in its curtain wall and green building EPC business.

2) Solar EPC

Solar EPC Revenue from Solar EPC dropped from RMB1,495.8 million to RMB1,192.0 million, representing a decrease of RMB303.8 million or 20.3%. Similar to curtain wall and green building EPC, the progress of Solar EPC was also impacted by the spread of COVID-19, in addition, certain Solar EPC's progress were slower than expectation, these were the main reason for the drop in Solar EPC revenue.

Gross profit on Solar EPC business was approximately RMB144.4 million (2019: gross loss of RMB60.1 million), as mentioned earlier, after the completion of the Restructuring, the business of our Group has gradually been recovered and the gross profit level has significantly been improved.

3) Wind Power EPC

The Group started to involve into Wind Power EPC business in second quarter 2020, revenue during the period amounted to RMB1,377.4 million, the gross profit margin of Wind Power EPC was about 18.9%.

4) Sale of products

(i) Sale of conventional materials accounted to RMB213.3 million, dropped by RMB26.1 million or 10.9% compared with 2019, it was mainly because of drop in material sale in domestic areas because of the spread of COVID-19, gross profit margin went up to 24.9%.

(ii) Sale of renewable energy goods recorded a decrease of RMB10.7 million or 8.2%, gross profit margin of 11.5% 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. As a result of the COVID-19 outbreak and related measures imposed inside Mainland China, the sales volume has dropped due to delays or cancellations of sales orders and reduction of demand for new sales orders during the year. Moreover, the gross profit margins declined because of the lower selling prices and the higher per-unit fixed costs.

(iv) During the year, the Group started the sale of petrochemicals to commercial customers, since the business segment is relatively new to the Group, and gross profit margin was around 1.3%.

(v) The Group further diversify its business, as announced by the Company on 11 September 2020, our Group acquired a pipeline thermal supply company from the Controlling Shareholder of the Company, revenue during the year amounted to RMB188.7 million.

(vi) The following table sets out the Group's self-invested solar power stations as at 31 December 2020.

Location	**On-grid**	**Pending grid connection**	**In-progress**	**Total**
	MW	*MW*	*MW*	*MW*
Guangdong province	190.3	7.0	61.4	258.7
Northwest China	113.0	28.5	—	141.5
Golden Sun/Distributed Power	142.1	—	—	142.1
Overseas	2.0	—	—	2.0
	447.4	35.5	61.4	544.3

The Group's accumulated on-grid capacity was 447.4 megawatts ("MW") at 31 December 2020, which comprised of 142.1 MW Golden Sun or distributed power stations, and 303.3 MW ground-mounted solar farms inside Mainland China and a 2.0 MW solar farm overseas. The sale of electricity, including tariff adjustment, amounted to RMB325.7 million in the year 2020 (2019: RMB312.6 million).

Revenue and gross profit contribution from different business sectors:

Revenue split (including tariff adjustment)

	2020		2019	
	RMB million	*%*	*RMB million*	*%*
Conventional business[1]	**1,369.6**	**24.5**	1,399.2	40.2
Renewable energy business[2]	**4,128.9**	**73.8**	1,939.1	55.6
New material business	**99.0**	**1.7**	148	4.2
	5,597.5	**100.0**	3,486.3	100.0

Gross profit split (including tariff adjustment)

	2020		2019	
	RMB million	*%*	*RMB million*	*%*
Conventional business[1]	**199.0**	**22.6**	46.9	22.5
Renewable energy business[2]	**658.6**	**74.7**	103.6	49.8
New material business	**23.6**	**2.7**	57.6	27.7
	881.2	**100.0**	208.1	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, sale of electricity and tariff adjustment, wind power EPC, sale of petrochemicals and thermal supply.

Other income and gains

Other income and gains mainly represented deferred income released, gain on repurchase of senior notes, foreign exchange gain, waiver of interest on other loan, government grants and compensation income.

Selling and distribution expenses

Selling and distribution expenses dropped by RMB46.6 million or 37.1%, the drop in selling and distribution was mainly because of the general cost saving policies implemented by the Group.

Administrative expenses dropped by RMB19.1 million as compared with the year 2019. The drop was mainly caused by the drop in staff cost.

Finance costs

The Group's finance costs decreased by RMB61.5 million or 14.8%. The drop in finance costs were mainly because of the drop in average interest rate and the average balance of senior notes.

Income tax expense

Income tax expense during the year included RMB116.0 million of taxation charge (2019: RMB13.8 million) and RMB234.2 million of deferred tax credit (2019: RMB2.5 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 as at 31 December 2020 was 1.53 (31 December 2019: 2.19). This is our Group's strategy to maintain a health current ratio in order to meet short term obligations of the Group.

Trade receivables/trade and bills payables turnover days

Turnover days	**At 31 December 2020** *Days*	At 31 December 2019 *Days*
Trade receivables	**266**	403
Trade and bills payables	**130**	130

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 2020 was 266 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 2020 was 130 days.

Liquidity and financial resources

The Group's primary source of funding included receives from construction contacts, product sale as well as income from electricity sale. As at 31 December 2020, the Group had outstanding bank and other loans of approximately RMB2,814.9 million and outstanding senior notes of approximately RMB1,488.1 million. Apart from that, the Group also got loans of Shuifa Group. As at 31 December 2020 the outstanding amount of the principal and interests were US$225,591,000 (equivalent to approximately RMB1,471,961,000), among which US$212,862,000 (equivalent to approximately RMB1,388,908,000) of the borrowings would be due on 31 December 2021, and the remaining US$12,729,000 (equivalent to approximately RMB83,053,000) would be due on 27 August 2021.

Capital expenditures

Capital expenditures of the Group amounted to RMB178.6 million for the year (2019: RMB67.8 million), these were mainly came from the acquisition and construction of self-invested solar power stations.

Borrowings and bank facilities

The outstanding borrowings comprised bank and other loans of RMB2,814.9 million with effective interest rates ranging from Hong Kong Inter Bank Offered Rate ("HIBOR") + 3.3% to 3.4% for loans in Hong Kong. Interest rates for domestic loans inside Mainland China were ranging from 4.45% to 24%.

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 recommend payment of a final dividend of HK$0.028 per share (2019: 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 2020, the Group had about 1,400 employees. Employee salary and other benefit expenses dropped to RMB163.5 million in the year 2020 compared with RMB174.1 million in the year 2019. It was generally because of the drop in number of employees, 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 2020, 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").

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 2020.

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 2020.

PURCHASE, SALES AND REDEMPTION OF COMPANY'S LISTED SECURITIES

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 2020.

Publication of Results Announcement

This annual results announcement is available for viewing on the websites of the Stock Exchange of Hong Kong Limited at http://www.hkexnews.hk and the Company's website at http://www.sfsyenergy.com and the 2020 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 in due course.

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

Hong Kong, 25 March 2021

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.