



Solargiga Energy

Solargiga Energy Holdings Limited
陽光能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)
Stock Code 股份編號 : 757

2020
中期業績報告
Interim Report

To Create
BRIGHT FUTURE 共創**未來**

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Corporate Information

公司資料

Board of Directors

Executive Directors

Mr. TAN Wenhua (Chairman)
Mr. TAN Xin
Mr. WANG Junze

Non-executive Director

Mr. HSU You Yuan

Independent Non-executive Directors

Dr. WONG Wing Kuen, Albert
Ms. FU Shuangye
Ms. Feng Wenli

Company Secretary

Mr. Yuen Kin Shan

Audit Committee

Dr. Wong Wing Kuen, Albert (Chairman)
Ms. Fu Shuangye
Ms. Feng Wenli

Remuneration Committee

Ms. Fu Shuangye (Chairman)
Dr. Wong Wing Kuen, Albert
Mr. Tan Wenhua
Ms. Feng Wenli

Nomination Committee

Ms. Feng Wenli (Chairman)
Dr. Wong Wing Kuen, Albert
Ms. Fu Shuangye
Mr. Hsu You Yuan

Auditor

Ernst & Young
Certified Public Accountants

董事會

執行董事

譚文華先生(主席)
譚鑫先生
王鈞澤先生

非執行董事

許祐淵先生

獨立非執行董事

王永權博士
符霜葉女士
馮文麗女士

公司秘書

袁建山先生

審核委員會

王永權博士(主席)
符霜葉女士
馮文麗女士

薪酬委員會

符霜葉女士(主席)
王永權博士
譚文華先生
馮文麗女士

提名委員會

馮文麗女士(主席)
王永權博士
符霜葉女士
許祐淵先生

核數師

安永會計師事務所
執業會計師

Corporate Information 公司資料

Principal Bankers

Jinzhou Rural Commercial Bank
Bank of Jinzhou
Entie Commercial Bank
Taiwan Cooperative Bank
China Merchants Bank
China Zheshang Bank

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

Room 1402, Harbour Centre
25 Harbour Road
Wanchai
Hong Kong

Principal Share Registrar

SMP Partners (Cayman) Limited
3rd Floor, Royal Bank House
24 Shedden Road, P.O. Box 1586
Grand Cayman, KY1-1110
Cayman Islands

Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited
Rooms 1712-16, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Authorised Representatives

Mr. Wang Junze
Mr. Yuen Kin Shan

Corporate Website

www.solargiga.com

主要往來銀行

錦州農村商業銀行股份有限公司
錦州銀行
安泰商業銀行
合作金庫銀行
招商銀行
浙商銀行

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

香港總辦事處暨主要營業地址

香港
灣仔
港灣道25號
海港中心1402室

股份過戶登記總處

SMP Partners (Cayman) Limited
3rd Floor, Royal Bank House
24 Shedden Road, P.O. Box 1586
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Cayman Islands

香港股份過戶登記處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
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法定代表

王鈞澤先生
袁建山先生

企業網站

www.solargiga.com

Company Profile

公司簡介

Solargiga Energy Holdings Limited (the “Company”, together with its subsidiaries, the “Group”, Hong Kong stock code: 757), is a leading supplier of upstream and downstream vertically integrated solar energy services. Its products are not only sold to customers in the upstream and mid-stream industries, but also directly to end users.

During the period, the Group was mainly engaged in four main businesses:

- (a) the manufacture of, trading of and provision of processing services for monocrystalline silicon solar ingots/wafers;
- (b) the manufacture and trading of monocrystalline silicon solar cells;
- (c) the manufacture and trading of photovoltaic modules; and
- (d) the construction and operating of photovoltaic power plants.

The Group previously focused on the vertical integration of photovoltaic products, where its production line covered the upstream photovoltaic mono-crystalline silicon ingots and wafers, mid-stream solar cells and downstream photovoltaic modules. The scale of solar cell production was relatively small and outdated. It was no longer in line with the economic scale production efficiency. As a result, during the period, the Group adjusted its strategy. It sells self-produced mono-crystalline silicon wafers to a number of professional solar cell manufacturers, and purchases solar cells from these solar cell manufacturers, and, with these solar cells, the Group assembles the photovoltaic modules for sales to external module customers. This brings into play the Group’s existing production advantages of mono-crystalline silicon ingots, mono-crystalline silicon wafers and photovoltaic modules.

Currently, our integrated business model includes monocrystalline silicon solar ingot production with annual capacity of 3.6GW, solar wafer production with annual capacity of 3.6GW and modules production with annual capacity of 3.5GW, respectively.

The Group focuses on mono-crystalline silicon products in photovoltaic products and has industry-leading production technology of mono-crystalline products. The focus is on the production of upstream mono-crystalline silicon ingots and silicon wafers, and planning the downstream module production capacity, in order to focus on the production of upstream niche products, mono-crystalline silicon ingots and wafers, the Group not only maintains direct contact with downstream module customers with huge market power, establishes stable supply and demand relations but also keeps a finger on the pulse of the end-user market, and can also bring out the upstream high-end mono-crystalline silicon ingot and wafer products. Through the potential of continuous improvement in production costs of the upstream high-end mono-crystalline ingot and wafer products, the Group’s innate advantage will be demonstrated.

陽光能源控股有限公司（「本公司」，連同其附屬公司統稱「本集團」，香港股份代號：757）為上下游垂直整合太陽能服務的領先供應商。其產品不僅向上游及中游工業客戶出售，而且直接向終端客戶出售。

回顧期內，本集團主要從事的四項主要業務分別為：

- (a) 太陽能單晶硅棒／硅片製造、買賣及提供太陽能單晶硅棒／硅片加工服務；
- (b) 製造及買賣太陽能單晶硅電池；
- (c) 製造及買賣光伏組件；及
- (d) 興建及經營光伏電站。

本集團原專注於光伏產品垂直一體化生產，生產線涵蓋上游單晶硅棒、單晶硅片、電池與組件，惟因電池產能規模較小且產線較為老舊，並不符合經濟規模生產效益。因此，本集團調整策略，將透過深化與中游的第三方專業電池生產大廠所形成之戰略夥伴關係，以銷售自產單晶硅片該等專業電池生產大廠，再向該等電池廠採購電池，以利用各自的長處建立了穩固的合作基礎。

目前，本集團的整合業務模式包括年產能3.6吉瓦的太陽能單晶硅棒生產業務、年產能3.6吉瓦的太陽能硅片生產業務以及年產能3.5吉瓦的組件生產業務。

本集團專注於單晶產品製造，擁有行業領先的單晶產品生產技術。本集團重點投資於上游利基產品單晶硅棒／單晶硅片的生產製造，並拓展下游組件產能，透過顯著的組件產能，不但已與更具規模與市場影響力的下游組件客戶建立了直接且穩定的供銷關係，以緊貼終端市場脈搏，亦可將上游高端單晶硅棒與單晶硅片產品帶出，且通過單晶硅棒與單晶硅片更優化的外部生產條件與內部技術提升，已強化了生產效益，得以顯示本集團既有優勢。

Financial Highlights

財務摘要

- Although the average selling price during the period continuously declined compared to that of last year, as a result of successful customer development, the size of the customer base and the purchases by individual customers are showing continuous growing trends. The external shipment volume increased significantly by 78% compared to the same period last year. The Group has also continued to maintain its growing trend and recorded revenue of RMB2,599.661 million for the first half of 2020, a 41% increase from RMB1,847.235 million in the corresponding period of 2019.
- The Group recorded a gross profit of RMB279.135 million and a gross profit margin of 10.7% in the first half of 2020, as compared to a gross profit of RMB91.266 million and a gross profit margin of 4.9% in the corresponding period of 2019. Both gross profit and the gross profit margin recorded significant growths.
- The Group achieved a turnaround for the period without taking into account the asset impairment losses incurred by the elimination of outdated production capacity of solar cells. However, the Group still recorded a loss after the recognition of the abovementioned asset impairment loss. The loss attributable to equity shareholders of the Company for the period under review was RMB54.493 million (corresponding period of 2019: attributable loss of RMB184.206 million).
- Net cash inflow from operating activities during the period under review increased from RMB57.602 million in the corresponding period of last year to RMB130.920 million.
- Basic loss per share amounted to RMB1.71 cents (corresponding period of 2019: RMB5.74 cents loss per share).
- The board of directors of the Company does not recommend the distribution of any interim dividend for the six months ended 30 June 2020 (corresponding period of 2019: Nil).
- 回顧期間，雖然期內銷售單價較去年持續下降，但因為客戶開發有成，客戶需求量穩定成長，不僅總出貨量較前一年同期成長78%，亦使得本集團二零二零年上半年的收益人民幣2,599.661百萬元較二零一九年同期人民幣1,847.235百萬元增加約41%，繼續維持穩定成長趨勢。
- 本集團二零二零年上半年錄得人民幣279.135百萬元的毛利，毛利率為10.7%，對比二零一九年同期的4.9%毛利率及人民幣91.266百萬元毛利，毛利總額與毛利率皆錄得顯著增長。
- 期內本集團於不認列淘汰落後電池產能所造成的資產減值損失前，本集團已轉虧為盈，惟因考慮認列前述資產減值損失後最終雖仍錄得虧損，使得本公司回顧期內之權益股東應佔虧損為人民幣54.493百萬元（二零一九年同期：應佔虧損人民幣184.206百萬元）。
- 回顧期內營業活動產生淨現金流入由去年同期人民幣57.602百萬元上升至人民幣130.920百萬元。
- 每股基本虧損為人民幣1.71分（二零一九年同期：每股虧損人民幣5.74分）。
- 本公司董事會不建議就截至二零二零年六月三十日止六個月派發任何中期股息（二零一九年同期：無）。

Management Discussion and Analysis

管理層討論及分析

Market Overview

According to the estimates of the international analysis agency IHS Markit, due to the outbreak of the novel coronavirus epidemic, global year-on-year new photovoltaic installations in 2020 will be lower than it was estimated before the epidemic. Market demand should, however, only be delayed and will not disappear. The momentum of medium to long-term demand will remain strong. Currently, the order of the top photovoltaic markets in the world are: China continues to rank first, followed by the United States and India, and up to seventeen GW-level countries or regions. The global photovoltaic market will continue to show growth from 2020 to 2025.

In the Chinese market, the photovoltaic policy of 2020 has continued the overall framework of 2019, entering the final year of the parallel development of grid parity and subsidised bidding projects. The photovoltaic market continues to undergo a structural change, which includes improvement in both quality and efficiency in production capacity and products, and promotion of high-end high-efficiency products, in order to advance technology and lower electricity generation costs. Further, through the policy of gradual reduction of government subsidies, the industry has moved towards high-quality development and has accelerated the goal of achieving full grid parity. The National Energy Administration (國家能源局) and the National Development and Reform Commission (國家發改委) issued the “Notice on Issues Related to the Construction of Photovoltaic Power Generation Projects in 2020” (《2020年光伏發電項目建設有關事項的通知》) and the “Notice on Issues Related to the 2020 Photovoltaic Power Generation On-grid Tariff Policy” (《關於2020年光伏發電上網電價政策有關事項的通知》), which clarified the subsidy budget for new photovoltaic power generation projects in 2020, which has been reduced by half when compared with the total subsidy paid in 2019. 2020 is the final year where state subsidies will be enjoyed. It is foreseeable that competition for photovoltaic bidding projects will be more intense during the year. Starting from 2021, although government subsidies under photovoltaic poverty alleviation policies will continue, subsidies for centralised power stations or distributed industrial and commercial power stations are expected to be completely withdrawn. During the period, the Chinese market was affected by the novel coronavirus epidemic, customer demand was delayed, and overall market shipments were lower than expected. However, since the novel coronavirus epidemic in China has been effectively controlled, China’s domestic photovoltaic market demand has gradually recovered. Demand is expected to recover in the second half of the year. Therefore, it is expected that the annual new installed capacity can still reach 40–50 GW, and the boom is expected to continue into 2021.

市場概覽

依據國際分析機構IHS Markit預計，由於新冠疫情的爆發，雖然使得二零二零年全球同比新增光伏裝機量較疫情前的估計而有所下滑，但市場需求應只會遞延而不會消失，而光伏組件價格下降的經濟性刺激作用仍會維持，故中長期光伏市場需求向上的勢頭仍然強勁。目前全球位於前列的光伏市場依次為：中國繼續位居第一，隨後為美國及印度，吉瓦級的國家或地區達到17個。全球光伏市場將於二零二零年至二零二五年將仍然呈現增長。

在中國市場方面，二零二零年光伏政策延續二零一九年的整體框架，但進入到平價上網和補貼競價項目兩者並行發展的最後一年，而光伏市場亦繼續進行結構性的轉變，其中包含了產能和產品提質增效，鼓勵高端高效產品，以推進技術進步而降低發電成本。此外，透過逐漸減少政府補貼的政策，行業已朝向高質量發展，並加速達至全面平價上網的目標。國家能源局及國家發改委下發了《2020年光伏發電項目建設有關事項的通知》及《關於2020年光伏發電上網電價政策有關事項的通知》，明確了二零二零年新建光伏發電專案補貼預算，相較於二零一九年的補貼總額縮減了一半。二零二零年是有國家補貼的最後一年，可以預見的是，今年光伏競價項目的競爭將會更加激烈，從二零二一年開始，雖然光伏扶貧政策的政府補貼仍然會繼續，但集中式電站或工商業分佈式電站的補貼則將預期完全退出。期內，中國市場受到新冠肺炎疫情影響，部分客戶需求遞延，市場整體出貨量較原預期為低。但自中國新冠疫情得到有效控制之際，目前中國國內光伏市場需求已逐漸回暖，下半年需求有望復甦，故預期全年新增裝機仍可達到40–50吉瓦，且景氣度有望持續至二零二一年。

Management Discussion and Analysis

管理層討論及分析

Market Overview (Continued)

In the U.S. market, according to a report jointly issued by Wood Mackenzie Power & Renewables and the Solar Energy Industries Association (SEIA), the first quarter of 2020 was the strongest first quarter on record in terms of U.S. PV installed capacity. In the first quarter this year, a total of 2.3 GW was connected to the grid. They were mainly large-scale power station projects. However, due to the outbreak of the novel coronavirus epidemic, the installed capacity of distributed rooftop photovoltaics fell by more than 30% compared with the previous estimates. In summary, strong growth in large-scale photovoltaic projects throughout 2020 will continue to make up the overall industry growing trend and US photovoltaic installations is expected to reach 113 GW in the next five years. In addition, regarding the tariff under clause 201 introduced in 2018 on imported photovoltaic solar cells and modules, where tariffs were at 30% in the first year (decreases by 5% each year for four years), although Chinese manufacturers were greatly affected when the tariff first came into effect, as the US photovoltaic market grows rapidly, level of imports of photovoltaic products from China will still rise.

The novel coronavirus epidemic in the first half of 2020 led to lockdowns in the Indian market, which caused interruptions in supply and labour. Construction of many photovoltaic power generation installations has been delayed. Therefore, estimates of the installed capacity of photovoltaic power in India has been adjusted downward to 8.9 GW. Since there were fears that India's epidemic situation may not be effectively controlled immediately, economic prospects faces greater uncertainty. Hence, it is estimated that India's photovoltaic installations in the next five years may be reduced from 43 GW to 35 GW.

In other regions, travel restrictions between countries are expected to be lifted gradually, the demand for photovoltaic markets in Europe, America, Australia, Japan and South Korea has begun to slowly recover. Global photovoltaic market has begun to show improved trends of demand by the end of the second quarter this year.

市場概覽 (續)

在美國市場方面，根據Wood Mackenzie Power & Renewables與美國太陽能產業協會(SEIA: Solar Energy Industries Association)聯合發布的報告，美國二零二零年第一季度光伏裝機量是有紀錄以來最強勁的第一季度。今年第一季度，共有2.3吉瓦上網，但主要是大型電站項目，而分佈式屋頂光伏則因新冠疫情爆發，安裝量較原預期下降30%以上。總括來說，二零二零年全年藉由大型光伏項目強勢增長，預估整體行業仍會維持成長趨勢，且在未來五年中，預估美國光伏安裝量將達113吉瓦。另外，針對美國於二零一八年的201條款就進口光伏電池與組件第一年課征30% (為期4年但逐年降5%)的關稅政策，雖然該政策剛推出時對中國生產商影響較大，但隨著美國光伏市場的快速成長，其自中國進口光伏產品的數量應仍會增加。

在印度市場方面，由於二零二零上半年因為新冠疫情所造成的封鎖，進而導致供應和勞動力中斷，許多光伏發電裝置的建設已被推遲，故預估二零二零年印度光伏裝機量下調至8.9吉瓦。由於印度的疫情狀況恐無法立即有效控制，經濟前景將面臨較大的不確定性，所以預估了印度在未來五年內的光伏裝置量，恐由43吉瓦下調至35吉瓦。

在其他地區方面，各國之間的旅行限制開始相繼解除，歐洲、美洲、澳洲、日韓等光伏市場的需求量已經開始緩步恢復，全球光伏市場在今年第二季度末開始呈現了需求向好的態勢。

Management Discussion and Analysis

管理層討論及分析

Operations Review

The Group focuses on the manufacture and sales of photovoltaic mono-crystalline silicon ingots and wafers and photovoltaic modules. It sells self-produced mono-crystalline silicon wafers to a number of professional solar cell manufacturers, and purchases solar cells from these solar cell manufacturers, and, with these solar cells, the Group assembles the photovoltaic modules for sales to external module customers. This brings into play the Group's existing production advantages of mono-crystalline silicon ingots, mono-crystalline silicon wafers and photovoltaic modules. In addition, the Group also engages in the installation of photovoltaic system and the development, design, construction, operation and maintenance of photovoltaic generation plants, providing an one-stop photovoltaic generation solution.

From 2020, with the substantial increase in customer demand for the Group's terminal modules, the technological upgrading of existing production capacity has been completed. Added to that the advance production capacity of upstream mono-crystalline silicon ingots and wafers and downstream photovoltaic modules has been put into large scale production, the Group has increased its annual production capacity of mono-crystalline silicon ingots and mono-crystalline wafers to 3.6GW. The annual production capacity of photovoltaic modules has also been increased to 3.5GW. Through the deployment strategies of focusing on upstream mono-crystalline silicon ingots and wafers and increasing downstream module production capacity, the Group has formed strategic partnerships between the Group and large external manufacturers focusing on the production of mid-stream solar cells. These external solar cell manufacturers purchase mono-crystalline silicon wafers from the Group and in turn sell the solar cells they manufactured to the Group for the Group to manufacture the downstream modules for external customers. This will also drive the demand for upstream niche self-produced mono-crystalline silicon ingots and wafers.

營運回顧

本集團專注於光伏單晶硅棒，單晶硅片與光伏組件之製造及銷售，以銷售自產單晶硅片給多家專業電池片生產大廠，並向該等電池片廠購回電池片後，再由本集團自行生產為組件，以銷售予外部組件客戶，充分發揮了本集團既有之單晶硅棒、單晶硅片及組件的生產優勢。另外本集團亦從事光伏系統安裝及光伏電站之開發、設計、建設、運營及維護的一站式光伏發電行業解決方案。

自二零二零年起，隨著本集團終端組件客戶需求大幅增加，上游單晶硅棒和單晶硅片與下游光伏組件的先進產能大量投產，加之既有產能的技術升級改造完成，本集團已將單晶硅棒和單晶硅片年產能提升至3.6吉瓦，而光伏組件年產能亦提升至3.5吉瓦。透過著重於上游單晶硅棒與單晶硅片及下游組件產能大幅增加的配置策略，本集團已與多家位於產業中游的外部電池大廠策略合作，即由本集團銷售自產單晶硅片予該等外部電池廠，再由該等外部電池廠銷售其所製造的電池片予本集團，除了可進而滿足本集團繼續生產下游組件給外部組件客戶之外，亦可拉動上游利基型自產單晶硅棒／單晶硅片的銷售。

Management Discussion and Analysis

管理層討論及分析

Operations Review (Continued)

Secondly, by adopting a dual-track strategy of continuous development of upstream mono-crystalline silicon ingots and wafer niche products and downstream module products, it effectively focuses the Group's resources and withstands the fluctuations in upstream mono-crystalline silicon wafer market or mitigates any instability in the supply of mid-stream solar cells. For example, strategic partnership was formed between the Group and external manufacturers focusing on the production of mid-stream solar cells. In the event of a poor sales market for mono-crystalline silicon wafers, the Group can outsource these mono-crystalline silicon wafers to these strategic partners and work them into solar cells, which is then returned to the Group for continued production into modules, and then sold to downstream third-party large module customers. On the other hand, if the sales market for mono-crystalline silicon wafers is good, the Group can directly sell the mono-crystalline silicon wafers to these strategic partners, and then purchase solar cells from these strategic partners in order to meet the production needs of the downstream modules of the Group. Therefore, in the market situation where the industry is changing drastically, the Group can properly arrange the use of self-produced mono-crystalline silicon wafers, and the solar cells required for the Group's module production can also be fully guaranteed. In summary, the Group can not only give full demonstrate to the existing manufacturing advantages of upstream mono-crystalline silicon ingots and silicon wafers niche products, but also establish a stable sales channel for the terminal module market, so that the advantages of vertical integration of mono-crystalline products can be fully realised.

Regarding the production of upstream mono-crystalline silicon ingot and wafer products, the Group's low-cost high-efficiency production capacity located in Yunnan Qujing has completed its adjustment phase in 2019. Its results are now showing gradually. Further, after the Group's transformation and upgrading work performed on the original production bases in Jinzhou, Liaoning and Xining, Qinghai, they are demonstrating their advantages in production capacity increase and cost reduction from 2020 onwards, which can further improve the Group's overall gross profit margin.

營運回顧 (續)

其次，由於本集團是採取發展上游單晶硅棒／單晶硅片利基產品與下游組件產品之雙軌併進策略，除了使得集團既有資源可有效集中利用之外，亦可抵禦上游單晶硅片市場銷售波動及降低中游電池片供給不穩定的風險。例如，本集團與專注於生產中游電池片的外部大廠形成策略夥伴關係，若遇單晶硅片銷售市場不佳時，本集團可將所生產的單晶硅片委由該等策略夥伴代工為電池片，再交回予本集團以繼續生產為組件後，始銷售給下游第三方大型組件客戶。反之，若遇到單晶硅片銷售市場較好時，本集團則可直接銷售單晶硅片給該等策略夥伴，再同時自該等策略夥伴採購電池，藉以因應本集團生產下游組件產品所需。因此，在產業劇烈變化的市場情勢下，本集團皆可妥善安排自產之單晶硅片的運用，且對於集團生產組件時所需的電池片，亦可得到充分的供貨保障。綜上所述，本集團不但可充分發揮上游單晶硅棒與單晶硅片利基產品之既有製造優勢，亦可建立穩固的組件終端市場之銷售管道，使得單晶產品上下游整合的優勢能充分發揮。

在上游單晶硅棒與單晶硅片方面，本集團於雲南曲靖所新建的低本高效單晶硅棒與單晶硅片生產基地，經過二零一九年的生產調適後，目前已開始展現成效，而原遼寧錦州與青海西寧的生產基地，經本集團技術改造與提升後，亦已於二零二零年起彰顯其產量提升與成本降低的優勢，以持續改善集團整體毛利率。

Management Discussion and Analysis

管理層討論及分析

Operations Review (Continued)

Regarding the downstream photovoltaic modules, since our photovoltaic module customers are mostly domestic state-owned enterprises or large multinational corporations, the market position and strength possessed by these module customers are the most powerful in the overall photovoltaic industry chain. Therefore, the Group has established a direct supply relationship with large module customers through significant module production capacity, which not only maintains a more stable terminal product estuary, but also drives the utilisation rate of each production segment of the Group from the bottom up. As such, in order to meet the needs of module customers, in addition to the 2.3GW module capacity owned by its wholly-owned subsidiaries, the newly-established module manufacturing base of 1.2GW in Yancheng, Jiangsu has commenced production. The Group's effective module production capacity has been increased to 3.5GW in 2020, and have reached full production, which can greatly increase the economic scale advantage of module products.

In terms of operating results, reaping the benefits of the results from strengthening the customer relationship of downstream module products over the years, the Group's high-end photovoltaic products continued to be welcomed by domestic state-owned enterprises and multinational corporations. Total shipment increased from 1,602MW in the first half of 2019 to 2,863MW in the first half of 2020, a growth reaching 78%.

As a clean energy source, photovoltaic power generation replacing traditional petrochemical energy sources has become a global trend. Even though the current coronavirus pandemic has delayed demands temporarily, the trend of rapid growth in the demand for photovoltaic products is unwavering. Following the comprehensive upgrade of the Group's existing production capacity and the commissioning of the high-efficiency new equipment, capacity utilisation rate has gradually increased, the advantages of production efficiency and economic scale have since reappeared. For the period ended 30 June 2020, the Group's gross profit and gross profit margin has improved, gross profit increased from 4.9% in the first half of 2019 to 10.7% in the first half of 2020. Operating activities has turned around, where operating loss of RMB90.587 million in the first half of 2019 has been turned around into operating profit of RMB98.163 million in the first half of 2020.

營運回顧 (續)

在下游光伏組件方面，由於光伏組件客戶多為國內央企或是國外大型跨國企業，故在於光伏產業中，組件客戶所佔有的市場地位和實力是整體光伏產業鏈中最強大的。因此，本集團透過顯著的組件產能，已與大型組件客戶建立直接供貨關係，不僅可保有更穩固的終端產品出口，亦可自下而上帶動集團上游單晶硅棒和硅片的銷售。因此，為了滿足組件客戶的需求，本集團除了由遼寧錦州全資子公司所擁有的2.3吉瓦組件產能之外，江蘇鹽城新設的1.2吉瓦組件製造基地亦已經全面投入生產，故本集團組件產能已於二零二零年起提升至3.5吉瓦並大量開出，已顯著增加組件產品的經濟規模優勢。

在具體的營運實績方面，本集團憑藉著多年來深化下游組件產品客戶群合作關係的成果，高端光伏產品受國內央企及海外跨國企業歡迎，期內總出貨量由二零一九上半年的1,602兆瓦提高至二零二零年上半年的2,863兆瓦，成長幅度達78%。

清潔能源的光伏發電取代傳統的石化能源已成為世界的潮流，即使目前受到新冠病毒的影響而造成部分需求的短暫遞延，但未來光伏產品需求的急速成長仍是既定的趨勢。繼本集團既有產能的全面升級與高效新設備的量產，產能利用率逐漸提升，生產效益及經濟規模優勢亦重新顯現。截止二零二零年六月三十日止期間，本集團毛利及毛利率得到改善，毛利率由二零一九年上半年的4.9%上升至二零二零年上半年的10.7%，經營活動扭虧為盈，由二零一九年上半年的經營虧損人民幣90.587百萬元，扭轉為二零二零年上半年的經營利潤人民幣98.163百萬元。

Management Discussion and Analysis

管理層討論及分析

Operations Review (Continued)

Following on, a net loss of RMB42.702 million was recorded in the first half of 2020, which was a significant decrease in amount as compared to the net loss of RMB177.111 million in the first half of 2019. The reason for the net loss during the period was mainly: (1) as the Group previously focused on the vertical integration of photovoltaic products, where its production line covered the upstream photovoltaic mono-crystalline silicon ingots and wafers, mid-stream solar cells and downstream photovoltaic modules. The scale of solar cell production was relatively small and outdated. It was no longer in line with the economic scale production efficiency. As a result, during the period, the Group adjusted its strategy. It sells self-produced mono-crystalline silicon wafers to a number of professional solar cell manufacturers, and purchases solar cells from these solar cell manufacturers, and, with these solar cells, the Group assembles the photovoltaic modules for sales to external module customers. This brings into play the Group's existing production advantages of mono-crystalline silicon ingots, mono-crystalline silicon wafers and photovoltaic modules. Since the Group is not expected to produce solar cells on its own in the short term, it recognised an impairment loss on the outdated production machinery and equipment in its solar cell production line during the period; and (2) the Group's new high-efficiency production capacity for mono-crystalline silicon ingots, wafers and modules has been officially commissioned during the period. Although revenue and gross profit have increased significantly compared with the same period last year, due to the impact of the novel coronavirus pandemic during the period, customer demand delayed and as a result, shipments during the period were still lower than expected. Production costs also increased due to the pandemic, which in turn compressed the increase in gross profit margin.

Relying on (1) the new production base having low external electricity costs, which directly and indirectly reduces the production costs; (2) the commencement of mass production by the new equipment and the completion of upgrades to the old equipment; (3) technological integration advantages of its various product lines; and (4) strong client base in China and overseas. It is expected that the production advantage of economies of scale could be used to increase the demand of new and old customers, and thus, the Group expects its gross profits to return to be further improved.

營運回顧(續)

承上，二零二零年上半年錄得淨虧損人民幣42.702百萬元，較二零一九年上半年的淨虧損人民幣177.111百萬元大幅下降。而本集團於期內錄得淨虧損的主要原因為：(1)本集團原本專注於光伏產品垂直一體化生產，生產線涵蓋上游單晶硅棒、單晶硅片、中游電池與下游組件，惟因電池產能規模較小且產線較為老舊，並不符合經濟規模生產效益。因此，本集團於期內調整策略，以銷售自產硅片給多家專業電池生產大廠供貨，並向該等電池廠採購電池，由本集團自行生產為組件後作銷售予組件客戶，以充分發揮本集團既有之單晶硅棒、單晶硅片與組件的生產優勢，由於預期本集團短期內不會再自行生產電池，故期內將原老舊電池產線之相關機器設備淨值皆賬列為資產減值損失；以及(2)本集團新建單晶硅棒與硅片與組件的高效產能已於期內正式大幅開出，雖然營業收入及毛利率較去年同期都大幅成長，惟因期內受到新冠肺炎疫情影響，客戶需求遞延而造成期內出貨量仍較原預期為低，生產成本亦因疫情而有所增加，進而壓縮毛利率的增幅。

本集團憑藉著(1)新生產基地具有較低的外部電費成本所帶動的直接與間接的生產成本大幅降低；(2)新設備已大量量產，既有設備亦已升級改造完成；(3)長期以來各產品線多元化的技術疊加優勢；加上(4)國內外堅實的客戶基礎，預期可透過經濟規模的生產優勢與新舊客戶的需求增加，使得集團毛利再進一步提升。

Management Discussion and Analysis

管理層討論及分析

Operations Review (Continued)

While maintaining its own leading technological advantage in mono-crystalline products, through external customer demand for the Group's downstream modules driving the internal demand of its upstream mono-crystalline wafers, also through further strengthening its strategic partnerships with third party mid-stream solar cell manufacturers, the Group and its partners will be able to leverage their respective strengths and experiences in laying a solid foundation for broader co-operation in the future.

Silicon ingot and wafer business

The Group's mono-crystalline silicon ingot products are mostly used for the internal production of mono-crystalline silicon wafers within the Group, and are less engaged in external sales. Mono-Crystalline silicon wafer products of the Group are mostly sold to third-party professional solar cell manufacturers. During the period, with the advantages in application of mono-crystalline products over multi-crystalline products in photovoltaic power generation, the market share of mono-crystalline products has continued to increase rapidly. As such, demand for what the Group has been focusing on all along, mono-crystalline products, has continued to increase. Its market share is fast growing. Further, in addition to the traditional mono-crystalline P-type products, shipment volume of mono-crystalline N-type products with higher conversion efficiencies are also increasing. With the continued realisation of advantages in better improvement in conversion efficiency, more stable decay rate in its photovoltaic systems, continued reduction in unit costs, etc. of mono-crystalline products, it is expected that the advantages of mono-crystalline products will become more obvious in the field of photovoltaic power generation. Guided by this advantageous environment in the industry, through its long-term strategic partnerships with well-known solar cell-focused manufacturers, the Group does not only enjoys priority distribution channels for the sales of its mono-crystalline wafers, but also ensures the long-term stable utilisation of the Group's capacity and shipment volume. The benefits of the Group's upstream and downstream vertical integration are fully realised.

營運回顧 (續)

本集團將繼續保持自身在單晶產品中的技術領先優勢，依靠下游組件客戶的外部需求進而拉動上游單晶硅棒與單晶硅片的產出，且透過深化與中游的第三方專業電池生產大廠所形成之戰略夥伴關係，利用各自的長處及經驗為未來更廣泛的合作奠定穩固基礎。

單晶硅棒及單晶硅片業務

本集團單晶硅棒產品多作為集團內部生產單晶硅片之用，而較少從事外部銷售，目前單晶硅片主要是銷售給外部第三方專業電池大廠。期內，由於單晶產品相比多晶產品於光伏發電上的應用更見優勢，單晶產品的市場份額持續快速增加，故本集團之單晶硅片需求量亦不斷成長。此外，集團除了傳統的單晶P型產品外，亦有更高轉換效率的單晶N型產品出貨。隨著單晶產品光電轉換效率的潛在提升空間較大、光伏系統衰減率較穩定、生產技術大幅提升所造成的單位成本持續下降等等優勢浮現，在此有利的產業環境引領下，本集團透過長期戰略聯盟，與專注於生產電池片的大廠形成戰略夥伴，除了集團所生產的單晶硅棒與單晶硅片將可得到優先的出貨口之外，亦可自該等戰略夥伴取得更穩定的電池片供貨，以作為集團生產下游組件，使得本集團上下游光伏產品整合效益得以充分發揮。

Management Discussion and Analysis

管理層討論及分析

Operations Review (Continued)

Silicon ingot and wafer business (Continued)

The Group has consolidated its leading position in the mono-crystalline silicon solar ingot and wafer manufacture industry in terms of technology and product quality. The quality stability of its mono-crystalline silicon products is amongst those of the industry leaders. During the period, since most of the ingot products have been reserved for internal use, the external shipment volume of mono-crystalline silicon ingots was 217.3MW (214.1MW in the first half of 2019). Conversely, external shipment volume of mono-crystalline silicon wafers has rose significantly to 1,435.6MW (618.5MW in the first half of 2019). Major customers of external sales included Aikosolar Group (愛旭太陽能集團), TW Solar Group (通威太陽能集團), Sumin New Energy Group (蘇民新能源集團) and huge state-owned enterprises in China, such as State Power Investment Corporation (中國國家電力投資集團公司) ("SPIC").

In addition, the Group has completed the testing and adjustments of its newly invested low-cost high-efficiency mono-crystalline silicon solar ingot and wafer project, located in Qujing, Yunnan. It not only commenced manufacturing in scale from 2020 onwards. With the lower local electricity costs, being lower than that at previous major production base in Jinzhou, Liaoning, by more than 50%, it lifted the Group's overall gross profit and gross profit margin. Therefore, The Group is currently actively planning the expansion of the mono-crystalline silicon solar ingot and wafer capacities in Yunnan, Qujing, in order to take advantage of the local external production environment, and enable the Group to fully demonstrate its current technological advantages in production.

營運回顧(續)

單晶硅棒及單晶硅片業務(續)

本集團擁有行業領先的太陽能單晶硅棒及硅片製造技術，其產品品質優良及質量穩定皆位於同業領先位置。期內，由於大部分的硅棒多供集團內部後續生產自用，單晶硅棒對外付運量為217.3兆瓦(二零一九年上半年為214.1兆瓦)。反之，硅片對外付運量則大幅上升，為1,435.6兆瓦(二零一九年上半年為618.5兆瓦)。對外銷售的主要客戶為愛旭太陽能集團、通威太陽能集團、蘇民新能源集團及國內大型央企，如中國國家電力投資集團公司(「國電投」)。

其次，本集團位於中國雲南省曲靖市新增投資之低本高效單晶硅棒及硅片項目已調適完畢，自二零二零年起大規模量產，加之當地電費較原遼寧錦州生產基地降低達50%以上，皆可帶動集團整體毛利金額與毛利率的提升。此外，目前集團亦正積極籌備於雲南曲靖再持續擴充單晶硅棒與硅片產能，以期進一步充分利用當地所擁有較佳的外部生產環境，使得集團現已具有的生產技術優勢更能充分發揮。

Management Discussion and Analysis

管理層討論及分析

Operations Review (Continued)

Solar cell and module businesses

As mentioned above, the Group previously focused on the vertical integration of photovoltaic products, where its production line covered the upstream photovoltaic mono-crystalline silicon ingots and wafers, mid-stream solar cells and downstream photovoltaic modules. The scale of solar cell production was relatively small and outdated. It was no longer in line with the economic scale production efficiency. As a result, during the period, the Group adjusted its strategy. It sells self-produced mono-crystalline silicon wafers to a number of professional solar cell manufacturers, and purchases solar cells from these solar cell manufacturers, and, with these solar cells, the Group assembles the photovoltaic modules for sales to external module customers. This brings into play the Group's existing production advantages of mono-crystalline silicon ingots, mono-crystalline silicon wafers and photovoltaic modules. Since the Group is not expected to produce solar cells on its own in the short term, it recognised an impairment loss on the outdated production machinery and equipment in its solar cell production line during the period, amounted to around RMB68.587 million.

Regarding photovoltaic module business, in order to meet the needs of module customers, the Group's newly-established module manufacturing base of 1.2GW in Yancheng, Jiangsu has commenced production in 2020. From 1 April 2020 onwards, this project has been included in the Group's consolidated financial statements, and hence the Group's effective module production capacity has been increased to 3.5GW. This will greatly increase the economic scale advantage of module products, and allow a more stable outlet for the Group's 3.6GW production capacity of upstream mono-crystalline silicon ingots and wafers.

營運回顧 (續)

電池及組件業務

如上所述，本集團原專注於光伏產品垂直一體化生產，生產線涵蓋上游單晶硅棒、單晶硅片、電池與組件，惟因電池產能規模較小且產線較為老舊，並不符合經濟規模生產效益。因此，本集團調整策略，將透過深化與中游的第三方專業電池生產大廠所形成之戰略夥伴關係，以銷售自產單晶硅片該等專業電池生產大廠，再向該等電池廠採購電池，以利用各自的長處建立了穩固的合作基礎。由於預期本集團短期內不會再自行生產電池，故期內將原老舊電池產線之相關機器設備淨值皆賬列為資產減值損失，約為人民幣68.587百萬元。

關於組件業務方面，為了滿足組件客戶的需求，本集團於江蘇鹽城參與新設1.2吉瓦組件製造基地，已於二零二零年大量投入生產，於二零二零年四月一日起此項目已被包括入本集團合併報表中，故本集團有效使用組件產能已提升至3.5吉瓦，可大幅增加組件產品的經濟規模優勢，亦可使得本集團上游單晶硅棒與硅片之3.6吉瓦產能有更穩定的出海口。

Management Discussion and Analysis 管理層討論及分析

Operations Review (Continued)

Solar cell and module businesses (Continued)

During the period, the Group recorded external shipments of photovoltaic modules of 1,185.8MW, which grew by 48% when compared to external shipments of 800.6MW in the first half of 2019. Although the market prices has continued to drop from that of previous years, the Group's module sales of the year still increased from RMB1,435.479 million in the corresponding period of last year to RMB1,815.54 million in the first half of 2020. Excellent product quality and price competitiveness, combined with the commencement of large scale production by its new high-efficiency equipment and technical transformation and equipment upgrades on the existing module manufacturing capacity, led to continued rapid growth in external shipments and total sales. External sales was mainly made to huge Chinese state-owned enterprises and international multinational enterprises, such as SPIC, China Huadian Corporation (中國華電集團公司) ("Huadian"), Beijing Enterprises Holdings Limited (北京控股集團有限公司) ("BEGCL"), and SHARP Corporation ("SHARP"), etc.

On the other hand, following the increasing awareness of the benefits of higher conversion efficiency and more competitive costs offered by the Group's focused monocrystalline photovoltaic modules, and responding to the opportunity offered by grid parity, market share of monocrystalline module products continues to grow quickly. Demands for N-type mono-crystalline and P-type PERC photovoltaic modules have surged. In addition to flexibly supporting the manufacturing of mono- and multi-crystalline photovoltaic modules, the Group will continue to expand and strengthen the development and sales of monocrystalline silicon high-efficiency module products such as N-type double-sized glass photovoltaic modules, half-cell photovoltaic modules, P-type monocrystalline solar cell Passivate Emitter and Rear Cell (PERC), smart photovoltaic modules, and related high-end products. Among them, our BS modules of N-type monocrystalline IBC solar cell, which produces higher current output, open circuit voltage, fill factor and other electrical performance advantages, utilises this first in the country and internationally-leading FPC manufacturing technique. SHARP, the Group's key strategic partner, is being its major sales customer.

營運回顧(續)

電池及組件業務(續)

回顧期內，本集團對外付運量為1,185.8兆瓦，較二零一九年上半年對外付運量800.6兆瓦增長48%，即使期內市場價格較去年同期持續下滑，但集團今年組件銷售總額仍由去年同期的人民幣1,435.479百萬元上升至二零二零年上半年的人民幣1,815.54百萬元。本集團憑藉著優良的產品品質與價格競爭力，加上高效新設備大幅產量與既有設備全面技術升級完成，使得對外付運量以及銷售總額都再持續錄得快速增長。組件對外銷售的主要客戶為國內大型央企和國際跨國企業，如中國國家電力投資集團公司(「國電投」)、中國華電集團公司(「華電」)、北京控股集團有限公司(「北控」)、日本夏普(SHARP Corporation「SHARP」)等。

跟隨市場意識到本集團所專注的單晶組件產品的光電轉換效率較高且成本較有競爭力之利基，呼應著平價上網的機遇，單晶組件產品的市場份額不斷快速提升，N型單晶及P型PERC等組件等高端組件產品市場需求亦水漲船高。本集團除靈活配套單多晶光伏組件生產，亦將持續拓展並強化單晶高效組件產品的開發與銷售，如N型雙面玻璃組件、半片電池組件、P型PERC (Passivated Emitter and Rear Cell)組件、智能光伏組件等等相關高端產品。其中，可令組件呈現出較高的輸出電流、開路電壓、填充因子等電性能優勢的N型單晶IBC電池產品BS組件，採用國際領先且國內首家率先採用的FPC組件封裝技術，主要銷售客戶為本集團戰略夥伴SHARP。

Management Discussion and Analysis

管理層討論及分析

Operations Review (Continued)

Solar cell and module businesses (Continued)

As a company focusing on monocrystalline silicon photovoltaic products, equipped with high-quality, self-produced upstream mono-crystalline silicon ingots and mono-crystalline silicon wafers, customers' demand for the Group's mono-crystalline modules has always remained high. Currently, proportion of sales of the Group's mono-crystalline silicon photovoltaic modules has reached up to 90% and the market share of mono-crystalline silicon photovoltaic products is expected to rise continuously.

In summary, through customer demand for the Group's downstream modules, it has not only driven the demand for the Group's upstream mono-crystalline ingots and mono-crystalline wafers, but also helps to realise the benefits arising from the Group's vertical integration strategy, and to better mitigate the market risks arising from fluctuant sales of upstream silicon wafers or unstable supply of mid-stream solar cells.

Construction and operation of photovoltaic system business

The Group actively expanded the business of end-user market apart from its efforts in stabilising its upstream and midstream business development, thereby driving demand for products from downstream to upstream. As such, in respect of the business opportunity derived from the construction of distributed power plants, apart from establishing internal photovoltaic power plant system companies of the Group, the Group also plans to establish joint venture companies with companies from other industries in order to share the profits and also provide extra distribution channels for the Group's module sales.

營運回顧 (續)

電池及組件業務 (續)

本集團作為專注於單晶光伏產品製造商，配套著高品質自家生產的上游單晶硅棒和單晶硅片，使得客戶對本集團的單晶組件的需求高企，目前單晶組件銷售比例已經達到90%的水平，預期單晶組件市場份額會持續上揚。

綜上所述，本集團藉由下游組件客戶需求的拉動，不僅可帶動了本集團上游單晶硅棒與單晶硅片的需求，以充分發揮本集團銷售上下游光伏產品的整合效益，亦可增強抵禦上游硅片銷售波動或中游電池片供給不穩定的風險。

興建及經營光伏系統業務

在穩固上中游業務發展的同時，本集團積極多方開拓終端电站建設業務，期以由下而上拉動產品需求。因此，針對分佈式电站建設商機，除了透過集團內部光伏电站系統開發的子公司之外，本集團亦計劃透過合資方式與異業合作而設立新的系統開發公司，以擴展各地區的分佈式光伏系統建設商機，分享系統開發業務利潤，亦可增加本集團組件銷售的渠道。

Management Discussion and Analysis

管理層討論及分析

Financial Review

Revenue

The cost of photovoltaic power generation is likely to continue to decline as technology continues to improve in order to replace traditional petrochemical energy in a larger scale and to effectively achieve the goal of green and clean energy. As such, although the average selling price during the period continuously declined compared to that of last year, as a result of successful customer development, the size of the customer base and the purchases by individual customers are showing continuous growing trends. The external shipment volume increased significantly by 78% compared to the same period last year. The Group has also continued to maintain its growing trend and recorded revenue of RMB2,599.661 million for the first half of 2020, a 41% increase from RMB1,847.235 million in the corresponding period of 2019.

Cost of sales

In the first half of 2020, cost of sales increased from RMB1,755.969 million in the first half of last year to RMB2,320.526 million, representing an increase of 32%, which was mainly resulted from the increase in shipment volume. Cost of sales represented 89.3% of total revenue, representing a decrease of 5.8 percentage points from the corresponding period of 2019. The decrease in this ratio was mainly due to the commencement of mass production by the new capacity and the completion of the upgrading and transformation work done to the existing capacity, which led to the gradual reduction in manufacturing costs. Production utilisation rate has hence improved and the Group's advantages of economies of scale is demonstrated.

財務回顧

收益

光伏發電成本必須隨著技術不斷創新而持續下降，才能大規模取代傳統石化能源，以有效實現綠色清潔能源的目標。因此，雖然期內銷售單價較去年持續下降，但因為客戶開發有成，客戶需求量穩定成長，不僅總出貨量較前一年同期成長78%，亦使得二零二零年上半年，本集團的收益為人民幣2,599.661百萬元，較二零一九年同期人民幣1,847.235百萬元增加約41%，繼續維持穩定成長趨勢。

銷售成本

二零二零年上半年，銷售成本由去年上半年的人民幣1,755.969百萬元增加至人民幣2,320.526百萬元，升幅為32%，主要因為出貨量增加所致。銷售成本佔總營業額的89.3%，較二零一九年同期下降5.8%。比例的下降主要是新建產能的量產與既有產能升級改造完成，生產成本逐步降低，產能利用率亦有所提升，集團經濟規模優勢開始展現所致。

Management Discussion and Analysis

管理層討論及分析

Financial Review (Continued)

Gross profit and gross profit margin

The Group recorded a gross profit of RMB279.135 million and a gross profit margin of 10.7% in the first half of 2020, as compared to a gross profit of RMB91.266 million and a gross profit margin of 4.9% in the corresponding period in 2019. Both gross profit and the gross profit margin recorded growths. In 2019, under the situation where the adjustment to the Group's low-cost and high-efficiency production capacity located in Yunnan Qujing led to the inability in mass production, and the then existing production capacity being arranged upgrading and transformation affected actual output, the Group's economic scale was not demonstrated. Since 2020, the benefits of the significant reduction in production costs is gradually appearing. Increase in customer demand leading to improved capacity utilisation rate followed. Advantages of the Group's economic scale started to show. Hence, even though the market prices in 2020 continued to decline comparing to the same period last year, the Group was still able to improve its gross profit and gross profit margin. Further, although the delay in customer demands has led to lower-than-expected external shipment during the period due to the coronavirus pandemic, the Group still recorded growth in both total sales and external shipment, which also helped improve the Group's gross profit and gross profit margin.

Selling and distribution expenses

Selling and distribution expenses mainly comprised packaging expenses, freight charges and insurance expenses. Selling and distribution expenses increased to RMB63.153 million in the first half of 2020 from RMB42.343 million in the first half of 2019. The increase in selling and distribution expense was mainly due to the increase in volume of external shipment in 2020.

Administrative expenses

Administrative expenses mainly comprised staff costs and research and development expenses. The administrative expenses in the first half of 2020 amounted to RMB184.029 million, as compared to RMB172.819 million in the first half of 2019. The increase was mainly due to the commissioning of the new Yunnan Qujing project in 2019 and continued investment in related research and development expenses.

財務回顧(續)

毛利及毛利率

本集團二零二零年上半年錄得人民幣279.135百萬元毛利，毛利率為10.7%，對比二零一九年同期的4.9%毛利率及人民幣91.266百萬元毛利，毛利總額與毛利率皆錄得增長。二零一九年內，由於新產能調適而未能大幅量產，與既有產能升級改造而影響實際產出的情形下，集團經濟規模優勢未能展現。而二零二零年起，生產成本大幅降低的效益已逐漸顯現，隨之客戶需求增加所帶動產能利用率的提升，集團經濟規模優勢開始展現，故縱使二零二零年市場價格繼續較去年同期持續下滑，集團毛利及毛利率仍得到改善。其次，二零二零年新冠疫情爆發，本集團之客戶需求雖然出現遞延而使得本期出貨量較原估計為低，但銷售及出貨量仍可錄得增長，亦有助於改善集團毛利及毛利率。

銷售及分銷開支

銷售分銷開支主要包括包裝開支、運費及保險費。銷售及分銷開支由二零一九年上半年的人民幣42.343百萬元，增加至二零二零年上半年的人民幣63.153百萬元。銷售及分銷開支上升主要是二零二零年對外付運量大幅上升所致。

行政開支

行政開支主要包括員工成本及研發開支。由較二零一九年上半年人民幣172.819百萬元，增加至二零二零年上半年的人民幣184.029百萬元，上升主要原因是二零一九年雲南曲靖上游產能的大量投產與相關研發費用的持續投入所致。

Management Discussion and Analysis

管理層討論及分析

Financial Review (Continued)

Finance costs

Finance costs represented mainly bank loan interests. The Group's finance costs increased from RMB58.476 million in the first half of 2019 to RMB65.742 million in the first half of 2020, an increase of 12%. As mentioned above, external shipment of the Group has grown significantly by 78%. With an increase in amount of relevant purchases, the Group's finance cost, however, did not increase correspondingly. This was due to the Group's continued better financial control on the use of funds during the year. The Group expects to control its finance costs effectively, and will obtain various different financing channels in the future.

Income tax

Income tax expense was RMB6.379 million in the first half of 2020, while an income tax expense amounted to RMB22.957 million was recorded in the first half of 2019. The income tax expense in the first half of 2020 was mainly due to the provision of income tax for the profitable subsidiaries of the Group. The decrease in income tax expenses compared with the figure of last year was mainly due to the Group reversing the deferred tax assets recognised in previous years.

Loss attributable to the equity holders

In the first half of 2020, the Group recorded a loss attributable to the equity shareholders of RMB54.493 million, as compared to a loss attributable to the equity shareholders of RMB184.206 million in the first half of 2019.

Inventory turnover days

In order to replace traditional petrochemical energy in a larger scale and to effectively achieve the ultimate goal of green and clean energy, continuous technological advancement has driven down the prices of photovoltaic products over the years. This led to declining trends in prices of many related raw and auxiliary materials for production and finished products. Hence, in terms of inventory reserve strategy, the Group has been focusing its efforts in raising inventory turnover and lowering the inventory turnover days in order to mitigate the risk of a sudden decline in inventory prices, help reduce committed capital and, at the same time, further strengthen the Group's operation working capital. However, as customer demands has been delayed due to the novel coronavirus pandemic during the period, inventory levels has risen at period end. The Group's inventory turnover days has hence increased slightly to 40 days during the period, which was still being maintained at a reasonable level (31 December 2019: 33 days).

財務回顧 (續)

融資成本

融資成本主要為銀行貸款的利息。本集團的融資成本由二零一九年上半年的人民幣58.476百萬元上升至二零二零年上半年的人民幣65.742百萬元，上升12%。然而，誠如前述所提，本集團出貨總量成長78%，故在其相應的採購金額亦有所增長之下，本集團融資成本總額卻無同步增加，其原因係為年內集團對資金用途繼續保持較佳財務控制。本集團未來將可持續有效控管融資成本，且取得更多不同的融資管道。

所得稅

二零二零年上半年的所得稅支出為人民幣6.379百萬元，而二零一九年上半年的所得稅支出為人民幣22.957百萬元。二零二零年上半年的所得稅支出乃主要為本集團盈利子公司計提所得稅所致。所得稅支出較上年減少主要由於上一年度的回沖遞延稅項資產所致。

權益持有人應佔虧損

二零二零年上半年，本集團錄得權益股東應佔虧損人民幣54.493百萬元，而二零一九年上半年，本集團錄得權益股東應佔虧損人民幣184.206百萬元。

存貨週轉日

為了快速取代傳統石化能源，以有效實現綠色清潔能源的最終目標，隨著技術不斷創新，光伏產品售價與生產所需的原輔材料大多呈現走跌的趨勢，因此，本集團在存貨的儲備策略上，主要是提高存貨周轉率而降低存貨集團周轉天期，以避免存貨價格快速下跌的風險，同時亦可減少資金積壓而可進一步充實營運周轉金，然而，由於期內受到新冠疫情影響致使客戶需求遞延而造成期末存貨金額增加，期內存貨周轉日雖微幅提高至40日，但仍能維持較理想的水平。(二零一九年十二月三十一日：33日)。

Management Discussion and Analysis

管理層討論及分析

Financial Review (Continued)

Trade receivables turnover days

Responding to the needs of the Group's customers in the terminal photovoltaic module market, module sales have continued to grow substantially in recent years, and the current module sales account for more than 70% of the Group's overall sales. According to the terms of the industry's general module sales contract, the recovery of module receivable depends on the construction progress of the photovoltaic power plant. For instance, some trade receivables can only be recovered after the customer's photovoltaic power plant is connected to the grid. In addition, 10% of the total amount of receivables are retained as warranties. These warranties will generally be recovered in around one year. As a result, the trade receivables turnover days of module business are generally longer. Hence, even in the situations where the levels of trade receivables increased, due to the continuously effective management of accounts receivable, the collection has been improved, resulting in the Group's trade receivables turnover days being reduced to 104 days (31 December 2019: 113 days).

Trade payables turnover days

The trade payables turnover day was 139 days, which was similar comparing to 130 days of last year, was mainly due to the strategic partnerships established with our major suppliers, under stable and frequent co-operations, and the suppliers have gradually increased our lines of credits and payment terms.

Liquidity and financial resources

The principal sources of working capital of the Group during the year were cash flows from bank borrowings. As at 30 June 2020, the current ratio (current assets divided by current liabilities) of the Group was 0.82 (31 December 2019: 0.79). The Group had net borrowings of RMB1,060.761 million as at 30 June 2020 (31 December 2019: RMB1,010.194 million), including cash in bank and on hand of RMB298.996 million (31 December 2019: RMB396.854 million), pledged deposits of RMB764.775 million (31 December 2019: RMB403.191 million), bank loans due within one year of RMB1,999.108 million (31 December 2019: RMB1,680.914 million) and non-current bank and other loans of RMB125.424 million (31 December 2019: RMB129.325 million). The net debt to equity ratio (net debt divided by total equity) was 233.6% (31 December 2019: 221.7%).

財務回顧(續)

應收貿易賬款週轉日

自本集團為了因應終端光伏組件市場的客戶需求，近年來組件銷售持續大幅成長，目前組件銷售比重已佔集團整體銷售之70%以上。根據行業一般組件銷售合同條款，組件應收賬款的回收需取決於電站建設的進度，例如：部分應收賬款不僅需於客戶的電站併網後始能收回，且尚需留有應收賬款總額的10%以上作為質保金，而此質保金多需於約一年才能回收，故組件業務之應收賬款天期普遍較長。即使如此，憑藉著持續應收賬款的有效管理，收款情況得到優化，故縱在應收賬款水平有所提升的情況下，期內本集團應收貿易賬款週轉日仍能維持較理想的水平，約為104日（二零一九年十二月三十一日：113日）。

應付貿易賬款週轉日

本年應付貿易賬款週轉日為139日較去年130日相當，主係本集團與主要供應商已形成策略夥伴關係，在穩定與頻繁的合作下，供應商逐漸提高對本集團的授信額度與賬期。

流動資金及財務資源

本集團於年內主要營運資金來源為銀行借貸所得款項。於二零二零年六月三十日，本集團的流動比率（流動資產除流動負債）為0.82（二零一九年十二月三十一日：0.79）。本集團於二零二零年六月三十日有借貸淨額人民幣1,060.761百萬元（二零一九年十二月三十一日：人民幣1,010.194百萬元），其中包括銀行及手頭現金人民幣298.996百萬元（二零一九年十二月三十一日：人民幣396.854百萬元）、已抵押存款人民幣764.775百萬元（二零一九年十二月三十一日：人民幣403.191百萬元）、一年內到期銀行貸款人民幣1,999.108百萬元（二零一九年十二月三十一日：人民幣1,680.914百萬元）以及非流動銀行及其他貸款人民幣125.424百萬元（二零一九年十二月三十一日：人民幣129.325百萬元）。淨借貸權益比率（借貸淨額除權益總額）為233.6%（二零一九年十二月三十一日：221.7%）。

Management Discussion and Analysis

管理層討論及分析

Financial Review (Continued)

Earnings before interest, taxes, depreciation and amortisation

During the period, earnings before interest, taxes, depreciation and amortisation (“EBITDA”) was RMB159.634 million (6.1% to revenue) (corresponding period of 2019: RMB23.894 million, 1.3% to revenue). The main reason for the increase in EBITDA was due to the Group’s manufacturing efficiency during the year.

Foreign currency risk

The Group is exposed to foreign currency risk primarily through sales and purchases, cash, bank deposits and bank loans that are denominated in a currency other than the functional currency, Renminbi, of the operations to which they relate. The currencies giving rise to this risk are primarily the US Dollar and Euro. The Directors do not expect any significant impact from the change in exchange rates since the Group uses foreign currencies received from customers to settle the foreign loans and the amounts due to suppliers which naturally mitigates the exchange rate risk. In addition, the Group will consider the difference in interest rates and fluctuations in the exchange rates of foreign currency denominated and local currency-denominated loan balance, and the need to mitigate the risk through low-risk forward contracts, in order to strike a balance between the exposure to the variations in interest costs and fluctuations in foreign exchange rates.

Human resources

As at 30 June 2020, the Group had 4,297 (31 December 2019: 4,036) employees.

Emolument policy

The emolument policy of the employees of the Group is set out by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Company’s operating results, individual performance and comparable market statistics.

財務回顧(續)

未計利息、稅項、折舊及攤銷前盈利

期內，本集團錄得未計利息、稅項、折舊及攤銷前盈利(「稅息折舊及攤銷前利潤」)為人民幣159.634百萬元(收益之6.1%)(二零一九年同期：人民幣23.894百萬元(收益之1.3%))。稅息折舊及攤銷前利潤改善的主要原因是本集團期內生產效益已逐漸開始顯現。

外幣風險

本集團所承受的外匯風險主要來自以相關業務的功能貨幣人民幣以外貨幣進行的買賣交易以及現金、銀行存款及銀行貸款，當中主要來自美元及歐元。由於本集團可將自國外客戶所收取的外幣應收賬款，用以清償外幣借款和外幣應付賬款以形成匯率的自然避險，故董事預期匯率變動不會構成重大影響。此外，本集團亦會考慮外幣與本幣借款利息成本差異性及匯率變化，擇機搭配風險較低的遠期外匯合約交易來避險，在利息成本高低和匯率變化風險中取得平衡。

人力資源

於二零二零年六月三十日，本集團的僱員數目為4,297名(二零一九年十二月三十一日：4,036名)。

薪酬政策

薪酬委員會按照僱員表現、資歷及能力，制定本集團僱員之薪酬政策。

薪酬委員會參照本公司的營運業績、董事個別表現及可比較市場統計數據，決定董事的薪酬。

Management Discussion and Analysis

管理層討論及分析

Financial Review (Continued)

Training schemes

Training and development always serve as the key factors for business success. During the reporting period, the Group has provided various tailor-made training programs covering corporate culture, occupational safety, laws and regulations, professional skills and other aspects for employees from different departments to cope with their business needs. The training programs are evaluated regularly to review the effectiveness and compared to the business needs. During the reporting period, the Group has also updated its employees from time to time on the latest information of the industry and laws and regulations which is essential to the Group's operations and their job responsibilities.

Future prospects and strategies

As a clean energy source, photovoltaic power generation replacing traditional petrochemical energy sources has become a global trend. The market is now undergoing a structural transformation. In addition to the technological advantages of mono-crystalline silicon products, which has been the Group's focus, being proven to be superior to multi-crystalline products, through the continued reduction of government subsidies, or even without subsidies, it is also advancing technological progress and reducing power generation costs, to promote the acceleration of the industry in the achievement of comprehensive grid parity.

After years of rapid development, the Chinese photovoltaic industry is leading its peers in the world. Its annual output in China has exceeded RMB400 billion, and it has provided millions of jobs. It has made a significant contribution to China's economic growth. It is expected that the Chinese government will continue its long-term support to the photovoltaic industry. In 2020, China's photovoltaic policy has continued the overall framework of 2019, entering the final year of the parallel development of grid parity and subsidised bidding projects. Affected by the novel coronavirus pandemic, the demand for newly installed capacity in China and around the globe in 2020 may be lower than expected. However, the impact of this short-term delay in demand should be limited. The momentum of the Chinese and global medium to long-term demand will remain strong.

As for the technology of photovoltaic products, due to the advantages of high conversion ratios, stable decay rate in its photovoltaic systems, continued reduction in unit cost, etc. of mono-crystalline products are highlighted, market share of monocrystalline products will continue to rise. Therefore, monocrystalline products has become the popular choice in solar project. Hence, the proportion of solar plants installing mono-crystalline photovoltaic systems and the mono-crystalline products used by distributed power plants have been increasing as a result.

財務回顧(續)

培訓計劃

培訓及發展一直為業務成功的關鍵因素。本集團為不同部門僱員度身設計不同的培訓計劃，涵蓋企業文化、職業安全、法律法規、專業技能及其他方面，以應付其業務需要。我們定期評估培訓計劃的成效，並與業務需要互相比較。本集團亦不時向僱員提供對本集團營運及其職責至為重要的最新行業及法律法規信息。

未來展望及策略

作為清潔能源的光伏發電大幅取代傳統石化能源是全世界未來的趨勢，而現階段光伏市場正在經歷一個結構性的轉變，除了我集團所專注的單晶產品技術路線已證明優於多晶產品之外，而藉由政府補貼的持續降低，甚至沒有補貼，更是推進技術進步，降低發電成本，以推動行業加速達至全面的平價上網的方式。

經過多年的快速發展，光伏產業是中國具有全球領先優勢的行業之一，其在中國的年產值已超過人民幣4,000億，並帶動百萬人就業，對中國經濟成長有重大的貢獻，中國政府對於光伏產業將會繼續給予長遠的支持。二零二零年，中國光伏政策延續二零一九年的整體框架，進入到平價上網和競價項目有補貼的並行發展的最後一年。然而，受到新冠病毒疫情蔓延影響，雖然造成二零二零年中國及全球新增裝機量的需求恐較預期為低，但此需求短暫遞延的影響應屬有限，中國及全球中長期需求向上的勢頭仍然強勁。

至於光伏產品技術路線方面，由於單晶產品高轉換率及系統衰減率較穩定、單位成本持續下降等優點備受關注，單晶產品市場份額將持續快速擴張。因此，單晶產品已成為太陽能項目的熱門選擇，安裝單晶產品的集中式光伏系統與分布式電站皆不斷增加。

Management Discussion and Analysis

管理層討論及分析

Financial Review (Continued)

Future prospects and strategies (Continued)

The Group focuses on mono-crystalline silicon products in photovoltaic products and has industry-leading production technology of mono-crystalline products. After the adjustment in strategy, the focus is on the production of upstream mono-crystalline silicon ingots and silicon wafers, and planning the downstream module production capacity, in order to focus on the production of upstream niche products, mono-crystalline silicon ingots and wafers, the Group not only maintains direct contact with downstream module customers with huge market power, establishes stable supply and demand relations but also keeps a finger on the pulse of the end-user market, and can also bring out the upstream high-end mono-crystalline silicon ingot and wafer products. Through the potential of continuous improvement in production costs of the upstream high-end mono-crystalline ingot and wafer products, the Group's innate advantage will be demonstrated.

Although the average unit selling price of the product in the future is still expected to gradually decline with the advent of grid parity, the Group can rely on (1) the new production base having low external electricity costs, which directly and indirectly reduces the production costs; (2) the commencement of mass production by the new equipment and the completion of upgrades to the old equipment; (3) technological integration advantages of its various product lines; and (4) strong client base in China and overseas. It is expected to lead to continuous growth in the Group's future external shipment volume and revenue, it is also expected that the magnitude of decrease in cost of the Group's products will be greater than that of the decrease in unit selling price, hence continuously driving up the Group's gross profit ratios.

The road to grid parity may be a painful change, but the expected explosive growth in the market after reaching grid parity will provide an opportunity for the industry. The Group is fully prepared and will do its utmost, to embrace the growth and development in the photovoltaic industry in the good times after reaching grid parity.

Dividend

The Directors do not recommend the payment of an interim dividend for six months ended 30 June 2020 (for six months ended 30 June 2019: Nil).

財務回顧(續)

未來展望及策略(續)

本集團專注於單晶產品製造，擁有行業領先的單晶產品生產技術。經調整後，本集團整體策略為：重點投資於上游利基產品單晶硅棒／單晶硅片的生產製造，並拓展下游組件產能，透過顯著的組件產能，不但已與更具規模與市場影響力的下游組件客戶建立了直接且穩定的供銷關係，以緊貼終端市場脈搏，亦可將上游高端單晶硅棒與單晶硅片產品帶出，且通過單晶硅棒與單晶硅片更優化的外部生產條件與內部技術提升，已強化了生產效益，得以顯示本集團既有優勢。

雖然未來市場平均產品銷售單價仍將隨著全面平價上網的來臨而逐漸降低，但憑藉著(1)新生產基地具有較低的外部成本所帶動的直接與間接的生產成本大幅降低(2)新設備已大規模投入量產，既有設備亦已技術改造完成(3)長期以來各產品線多元化的技術疊加優勢，加上(4)國內外堅實的客戶基礎，本集團預期未來對外付運量以及銷售總額都將再持續增長，生產成本降幅亦可較銷售價格降幅更多，毛利率亦將持續提高。

平價上網前的道路是痛苦蛻變，但平價上網後市場需求必定會出現爆發性的巨幅成長，這正是光伏行業新生的契機，本集團已經做好準備，將全力以赴，擁抱平價上網後行業蓬勃發展的美好時代。

股息

董事不建議就截至二零二零年六月三十日止六個月派發中期股息(截至二零一九年六月三十日止六個月：無)。

Disclosure of Interests

權益披露

Interest and Short Positions of the Directors and the Chief Executives of the Company in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 30 June 2020, so far as the Directors are aware, the Directors and the chief executives of the Company and their associates had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (“Stock Exchange”) pursuant to the Model Code:

董事及本公司最高行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉

於二零二零年六月三十日，據董事所知悉，董事及本公司最高行政人員及彼等的聯繫人士於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債券中，擁有已記錄於根據證券及期貨條例第352條規定存置的登記冊或已根據標準守則知會本公司及香港聯合交易所有限公司（「聯交所」）的權益如下：

Name of Director 董事姓名	Nature of interest 權益性質	Number of ordinary shares held (Note 1) 所持普通股數目 (附註1)	Approximate percentage of shareholding (%) 概約持股 百分比(%)
Mr. TAN Wenhua 譚文華先生	Beneficial interest (Note 2) 實益權益(附註2)	556,924,443 (L)	17.72%
	Interest of a controlled corporation (Note 2) 受控法團權益(附註2)	155,320,308 (L)	4.94%
Mr. WANG Junze 王鈞澤先生	Beneficial interest 實益權益	100,500 (L)	Less than 0.01% 少於0.01%
Mr. HSU You Yuan 許祐淵先生	Beneficial interest 實益權益	15,591,016 (L)	0.50%

Notes:

- (1) The letter “L” denotes the person’s long position in such securities.
- (2) As at 30 June 2020, Mr. Tan Wenhua is interested in an aggregate of 712,244,751 Shares, of which 556,924,443 Shares are directly held by Mr. Tan Wenhua and 155,320,308 Shares are held by You Hua Investment Corporation, which is wholly-owned by Mr. Tan Wenhua.

附註：

- (1) 字母「L」指該人士於該等證券的好倉。
- (2) 於二零二零年六月三十日，譚文華先生合共於712,244,751股股份中擁有權益，當中556,924,443股股份由譚文華先生直接持有，而155,320,308股股份由譚文華先生全資擁有的佑華投資有限公司持有。

Disclosure of Interests 權益披露

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2020, so far as the Directors are aware, save as disclosed above, the substantial shareholders (not being a Director or chief executive of the Company) who had interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO or had otherwise notified to the Company were as follows:

Name Capacity 名稱／姓名	Nature of interest 身分	Number of ordinary shares held (Note 1) 所持普通股數目 (附註1)	Approximate Percentage of shareholding (%) 概約持股 百分比(%)
Hiramatsu International Corp.	Beneficial owner 實益擁有人	304,261,692 (L)	9.68%
Hiramatsu Hiroharu (Note 2) Hiramatsu Hiroharu (附註2)	Interest of a controlled corporation 受控法團權益	304,261,692 (L)	9.68%

Notes:

- The letter "L" denotes the person's long position in such securities.
- To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Hiramatsu International Corp. is wholly-owned by Hiramatsu Hiroharu as at the date of this report. By virtue of the SFO, Hiramatsu Hiroharu is deemed to be interested in the Shares held by Hiramatsu International Corp.

主要股東於股份及相關股份的權益及淡倉

於二零二零年六月三十日，據董事所知悉，除上文披露者外，以下主要股東（並非董事或本公司最高行政人員）於本公司股份及相關股份中，擁有已記錄於根據證券及期貨條例第336條規定存置的登記冊或已知會本公司的權益或淡倉：

Name Capacity 名稱／姓名	Nature of interest 身分	Number of ordinary shares held (Note 1) 所持普通股數目 (附註1)	Approximate Percentage of shareholding (%) 概約持股 百分比(%)
Hiramatsu International Corp.	Beneficial owner 實益擁有人	304,261,692 (L)	9.68%
Hiramatsu Hiroharu (Note 2) Hiramatsu Hiroharu (附註2)	Interest of a controlled corporation 受控法團權益	304,261,692 (L)	9.68%

附註：

- 字母「L」指該人士於該等證券的好倉。
- 據董事於作出一切合理查詢後所深知、全悉及確信，於本報告日期，Hiramatsu International Corp.由Hiramatsu Hiroharu 全資擁有。根據證券及期貨條例，Hiramatsu Hiroharu被視為於Hiramatsu International Corp.持有的股份中擁有權益。

Disclosure of Interests 權益披露

Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2020, so far as the Directors are aware, save as disclosed above, the other persons or corporations (not being a Director, chief executive or substantial shareholder of the Company) who had interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO or had otherwise notified to the Company were as follows:

Name Capacity 名稱／姓名	Nature of interest 身分	Number of ordinary shares held (Note 1) 所持普通股數目 (附註1)	Approximate Percentage of shareholding (%) 概約持股 百分比(%)
Wafer Works Investment Corp. ("WWIC")	Beneficial owner 實益擁有人	248,759,822 (L)	7.91%
Wafer Works Corp. ("WWX") (Note 2) 合晶科技股份有限公司(「合晶科技」)(附註2)	Interest of a controlled corporation 受控法團權益	248,759,822 (L)	7.91%

Notes:

- The letter "L" denotes the person's long position in such securities.
- To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, WWIC is wholly-owned by WWX as at the date of this report. By virtue of the SFO, WWX is deemed to be interested in the Shares held by WWIC.

Save as disclosed above, as at 30 June 2020, the Directors are not aware of any other person or corporation having an interest or short position in shares and underlying shares of the Company which fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO.

其他人士於股份及相關股份的權益及淡倉

於二零二零年六月三十日，據董事所知悉，除上文披露者外，以下其他人士或法團(並非董事、本公司最高行政人員或主要股東)於本公司股份及相關股份中，擁有已記錄於根據證券及期貨條例第336條規定存置的登記冊或已知會本公司的權益或淡倉：

Name Capacity 名稱／姓名	Nature of interest 身分	Number of ordinary shares held (Note 1) 所持普通股數目 (附註1)	Approximate Percentage of shareholding (%) 概約持股 百分比(%)
Wafer Works Investment Corp. ("WWIC")	Beneficial owner 實益擁有人	248,759,822 (L)	7.91%
Wafer Works Corp. ("WWX") (Note 2) 合晶科技股份有限公司(「合晶科技」)(附註2)	Interest of a controlled corporation 受控法團權益	248,759,822 (L)	7.91%

附註：

- 字母「L」指該人士於該等證券的好倉。
- 據董事於作出一切合理查詢後所深知、全悉及確信，於本報告日期，合晶科技全資擁有WWIC。根據證券及期貨條例，合晶科技被視為於WWIC持有的股份中擁有權益。

除上文披露者外，截至二零二零年六月三十日，董事並不知悉有任何其他人士或法團於本公司的股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須予披露的權益或淡倉。

Corporate Governance and Other Information

企業管治及其他資料

Corporate Governance

The Company has complied with the requirements set out in the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2020.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions (the “Model Code”) as set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the Directors. Specific enquiries have been made by the Company to confirm that all Directors have complied with the Model Code for the six months ended 30 June 2020.

Purchase, Sale and Redemption of the Company’s Listed Securities

68,009,433 units of TDRs representing 68,009,433 ordinary shares of the Company had been repurchased by the Company pursuant to the relevant rules of the Taiwan Stock Exchange and the underlying ordinary shares represented by such TDRs were cancelled on 2 June 2020. Save as disclosed above, there was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company’s listed securities during the six months ended 30 June 2020.

Audit Committee

The Audit Committee of the Company, comprising three independent non-executive Directors, has reviewed the accounting principles and practices adopted by the Group and such matters as internal controls and financial reporting with the management of the Company, including the review of the interim results for the six months ended 30 June 2020.

By Order of the Board

Solargiga Energy Holdings Limited

Wang Junze

Executive Director

Hong Kong, 28 August 2020

企業管治

本公司於截至二零二零年六月三十日止六個月已遵守上市規則附錄十四所載企業管治常規守則(「守則」)所載的規定。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載證券交易的標準守則(「標準守則」)，作為董事進行證券交易的操守守則。本公司已作出特定查詢，以確認全體董事已於截至二零二零年六月三十日止六個月遵守標準守則。

購買、出售及贖回本公司的上市證券

本公司已根據台灣證券交易所的有關規定購回代表本公司普通股68,009,433股股份的68,009,433份台灣存託憑證。該等代表普通股股份的台灣存託憑證已於二零二零年六月二日註銷。除上述內容外，截至二零二零年六月三十日止六個月，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

審核委員會

本公司審核委員會(成員包括三名獨立非執行董事)已審閱本集團採納的會計原則及慣例，並已與本公司管理層檢討內部監控及財務報告等事宜，包括審閱截至二零二零年六月三十日止六個月的中期業績。

承董事會命

陽光能源控股有限公司

執行董事

王鈞澤

香港，二零二零年八月二十八日

Report on Review of Interim Condensed Consolidated Financial Statements

中期簡明綜合財務報表審閱報告



Report on review of interim condensed consolidated financial statements
To the board of directors of Solargiga Energy Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim condensed consolidated financial statements set out on pages 30 to 68, which comprise the interim condensed consolidated statement of financial position of Solargiga Energy Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2020 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

中期簡明綜合財務報表審閱報告
致陽光能源控股有限公司董事會
(於開曼群島註冊成立之有限公司)

引言

我們已審閱列載於第30至68頁的陽光能源控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的中期簡明綜合財務報表，當中包括於二零二零年六月三十日的中期簡明綜合財務狀況表、截至該日止六個月期間的有關中期簡明綜合損益表、全面收入表、權益變動表及現金流量表以及附註解釋。香港聯合交易所有限公司證券上市規則規定必須遵照上市規則中的相關規定及香港會計師公會頒佈的香港會計準則第34號*中期財務報告*(「香港會計準則第34號」)的規定編製中期財務資料報告。貴公司董事須負責根據香港會計準則第34號編製及列報該等中期簡明綜合財務報表。我們的責任是根據我們的審閱對該等中期簡明綜合財務報表作出結論。根據雙方協定的應聘條款，我們的報告僅向閣下全體作出報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

審閱範圍

我們已根據香港會計師公會頒佈的香港審閱委聘準則第2410號*實體的獨立核數師對中期財務信息的審閱*進行審閱。中期財務資料審閱工作包括主要向負責財務及會計事項的人員詢問，並作出分析和其他審閱程序。由於審閱的範圍遠較按照香港審計準則進行審核的範圍為小，所以不能保證我們會注意到在審核中可能會被發現的所有重大事項。因此，我們不會發表任何審核意見。

Report on Review of Interim Condensed Consolidated Financial Statements 中期簡明綜合財務報表審閱報告

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young
Certified Public Accountants

22/F, CITIC Tower
1 Tim Mei Avenue, Central
Hong Kong

28 August 2020

結論

根據我們的審閱工作，我們並沒有注意到任何事項，使我們相信中期簡明綜合財務報表沒有在所有重大方面按照香港會計準則第34號編製。

安永會計師事務所
執業會計師

香港
中環添美道1號
中信大廈22樓

二零二零年八月二十八日

Interim Condensed Consolidated Statement of Profit or Loss

中期簡明綜合損益表

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月
(Expressed in Renminbi) (以人民幣列值)

		Six months ended 30 June 截至六月三十日止六個月		
		Notes 附註	2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Revenue	收益	4	2,599,661	1,847,235
Cost of sales	銷售成本		(2,320,526)	(1,755,969)
Gross profit	毛利		279,135	91,266
Other income and gains, net	其他收入及收益，淨額	5	66,210	33,309
Selling and distribution expenses	銷售及分銷開支		(63,153)	(42,343)
Administrative expenses	行政開支		(184,029)	(172,819)
Operating profit/(loss)	經營利潤／(虧損)		98,163	(90,587)
Share of losses of associates	應佔聯營公司虧損		(157)	(608)
Impairment losses on interests in an associate	聯營公司權益減值虧損	7	—	(4,104)
Other investment loss	其他投資虧損		—	(379)
Impairment losses on property, plant and equipment	物業、廠房及設備減值	7	(68,587)	—
Finance costs	融資成本	6	(65,742)	(58,476)
Loss before tax	除稅前虧損	7	(36,323)	(154,154)
Income tax expense	所得稅開支	8	(6,379)	(22,957)
Loss for the period	期間虧損		(42,702)	(177,111)
Attributable to:	以下人士應佔：			
Equity holders of the Company	本公司權益持有人		(54,493)	(184,206)
Non-controlling interests	非控制性權益		11,791	7,095
Loss for the period	期間虧損		(42,702)	(177,111)
BASIC AND DILUTED LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (RMB cents)	本公司普通股權益持有人應佔每股基本及攤薄虧損(人民幣分)	9	(1.71)	(5.74)

Interim Condensed Consolidated Statement of Comprehensive Income

中期簡明綜合全面收入表

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月
(Expressed in Renminbi) (以人民幣列值)

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Loss for the period	期間虧損	(42,702)	(177,111)
Other comprehensive (loss)/income for the period, net of tax:	期間其他全面(虧損)/收入 (扣除稅項後):		
Items that may be reclassified subsequently to profit or loss:	可於後期被重分類至損益的項目:		
— Currency translation differences	— 貨幣換算差額	(3,545)	3,073
Total comprehensive loss for the period, net of tax	期間全面虧損總額 (扣除稅項後)	(46,247)	(174,038)
Attributable to:	以下人士應佔:		
Equity holders of the Company	本公司權益持有人	(58,038)	(181,133)
Non-controlling interests	非控制性權益	11,791	7,095
Total comprehensive loss for the period	期間全面虧損總額	(46,247)	(174,038)

Interim Condensed Consolidated Statement of Financial Position

中期簡明綜合財務狀況表

As at 30 June 2020 於二零二零年六月三十日
(Expressed in Renminbi) (以人民幣列值)

	Notes 附註	At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Non-current assets			
Property, plant and equipment	10	1,509,313	1,407,159
Prepayments for acquisition of property, plant and equipment		24,867	29,447
Right-of-use assets		176,053	151,136
Intangible assets, net		359	—
Investments in associates		—	157
Equity investments designated at fair value through other comprehensive income		190	1,800
Deferred tax assets		23,356	16,573
		1,734,138	1,606,272
Current assets			
Inventories	11	630,578	394,110
Trade and bills receivables	12	1,722,112	1,274,604
Contract assets	13	1,296	313
Prepayments, deposits and other receivables	14	275,892	350,476
Current tax recoverable		538	3,360
Pledged deposits	15	764,775	403,191
Cash and cash equivalents	16	298,996	396,854
		3,694,187	2,822,908
Current liabilities			
Interest-bearing borrowings	17	1,999,108	1,680,914
Trade and bills payables	18	2,071,907	1,502,624
Other payables and accruals	19	250,448	68,736
Contract liabilities		134,210	265,979
Current tax payable		13,191	10,476
Current portion of lease liabilities		9,531	376
Provision for inventory purchase commitments	20	—	49,687
		4,478,395	3,578,792
Net current liabilities		(784,208)	(755,884)
Total assets less current liabilities		949,930	850,388

Interim Condensed Consolidated Statement of Financial Position

中期簡明綜合財務狀況表

As at 30 June 2020 於二零二零年六月三十日
(Expressed in Renminbi) (以人民幣列值)

		Notes	At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Non-current liabilities	非流動負債			
Interest-bearing borrowings	計息借貸	17	125,424	129,325
Deferred tax liabilities	遞延稅項負債		2,527	2,564
Deferred income	遞延收入	21	211,378	134,509
Lease liabilities	租賃負債		19,568	1,012
Other non-current liabilities	其他非流動負債	22	136,946	127,412
			495,843	394,822
NET ASSETS	資產淨值		454,087	455,566
EQUITY	權益			
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益			
Share capital	股本	23	270,867	276,727
Reserves	儲備		93,318	156,967
			364,185	433,694
Non-controlling interests	非控制性權益		89,902	21,872
TOTAL EQUITY	權益總額		454,087	455,566

Interim Condensed Consolidated Statement of Changes in Equity

中期簡明綜合權益變動表

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月
(Expressed in Renminbi) (以人民幣列值)

		Share capital	Share premium	General reserve fund	Capital reserve	Exchange reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
As at 1 January 2020	於二零二零年一月一日	276,727	1,731,645	228,367	42,768	(50,848)	8,880	(1,803,845)	433,694	21,872	455,566
(Loss)/profit for the period	期間(虧損)/收益	—	—	—	—	—	—	(54,493)	(54,493)	11,791	(42,702)
Other comprehensive loss for the period:	期間其他全面收入:										
Exchange differences on translation of foreign operations	有關外國業務的外匯差額	—	—	—	—	(3,545)	—	—	(3,545)	—	(3,545)
Total comprehensive (loss)/income	全面(虧損)/收入總額	—	—	—	—	(3,545)	—	(54,493)	(58,038)	11,791	(46,247)
Acquisition of a subsidiary (note 25)	收購一間附屬公司(附註25)	—	—	—	—	—	—	—	—	88,291	88,291
Taiwan Depository Receipts ("TDR") shares repurchased and cancelled (note 23(b))	回購和註銷台灣存託憑證(附註23(b))	(5,860)	(5,611)	—	—	—	—	—	(11,471)	—	(11,471)
Capital contribution from non-controlling interests	非控制性權益出資	—	—	—	—	—	—	—	—	900	900
Dividends paid to non-controlling shareholders	給非控股公司股東的股息支付	—	—	—	—	—	—	—	—	(32,952)	(32,952)
As at 30 June 2020 (unaudited)	於二零二零年六月三十日 (未經審核)	270,867	1,726,034	228,367	42,768	(54,393)	8,880	(1,858,338)	364,185	89,902	454,087
As at 1 January 2019	於二零一九年一月一日	276,727	1,731,645	222,390	42,768	(50,765)	(64,663)	(1,442,376)	715,726	92,265	807,991
(Loss)/profit for the period	期間(虧損)/收益	—	—	—	—	—	—	(184,206)	(184,206)	7,095	(177,111)
Other comprehensive income for the period:	期間其他全面收入:										
Exchange differences related to foreign operations	有關外國業務的外匯差額	—	—	—	—	3,073	—	—	3,073	—	3,073
Total comprehensive (loss)/income	全面(虧損)/收入總額	—	—	—	—	3,073	—	(184,206)	(181,133)	7,095	(174,038)
Capital contribution from non-controlling interests	非控制性權益出資	—	—	—	—	—	—	—	—	900	900
Transfer of partial interests of subsidiaries	轉讓附屬公司的部分權益	—	—	—	—	—	(60)	—	(60)	60	—
As at 30 June 2019 (unaudited)	於二零一九年六月三十日 (未經審核)	276,727	1,731,645	222,390	42,768	(47,692)	(64,723)	(1,626,582)	534,533	100,320	634,853

Interim Condensed Consolidated Statement of Cash Flows

中期簡明綜合現金流量表

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月
(Expressed in Renminbi) (以人民幣列值)

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)
		Note 附註	
Cash flows from operating activities	經營活動現金流量		
Loss before tax	除稅前虧損	(36,323)	(154,154)
Adjustments for:	調整：		
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備的(收益)/虧損	(1,415)	1,511
Depreciation and amortisation	折舊及攤銷	130,215	119,572
Impairment losses on interest in an associate	有關聯營公司權益的減值虧損	—	4,104
Investment loss from disposal of equity investments designated at fair value through other comprehensive income	出售以公允價值計量且其變動計入其他綜合收益的權益投資的投資虧損	—	379
Write-down of inventories	存貨撇減	3,570	3,248
Impairment of trade receivables and contract assets	應收貿易賬款及合約資產減值損失的計提	19	2,449
Impairment losses on property, plant and equipment	物業、廠房及設備減值	68,587	—
Finance costs	融資成本	65,742	58,476
Interest income	利息收入	(4,658)	(2,010)
Gain on remeasurement of fair value of investments	重新計量投資公允價值的收益	(1,278)	—
Provision for warranty	保用成本的撥備	9,534	7,698
Share of losses of associates	應佔聯營公司虧損	157	608
Increase in inventories	存貨增加	(125,037)	(127,842)
Increase in trade receivables, prepayments, other receivables and other assets	應收貿易賬款、預付款及其他應收款項增加	(132,807)	(208,500)
(Increase)/decrease in contract assets	合約資產(增加)/減少	(983)	10,233
Increase in prepayments for raw materials	原材料的預付款項增加	—	(1,559)
Increase in trade and other payables	應付貿易賬款及其他應付款項增加	120,540	342,411
Increase in deferred income	遞延收入增加	43,952	3,974
Foreign exchange gain	匯兌收益	(1,235)	(19)
Cash generated from operations	經營活動所得現金	138,580	60,579
PRC enterprise income tax paid	中國企業所得稅	(7,660)	(2,977)
Net cash flows generated from operating activities	經營活動所得現金流量淨額	130,920	57,602

Interim Condensed Consolidated Statement of Cash Flows

中期簡明綜合現金流量表

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月
(Expressed in Renminbi) (以人民幣列值)

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)
		Note 附註	
Cash flows from investing activities	投資活動現金流量		
Payment for the acquisition of property, plant and equipment	就購置物業、廠房及設備支付的款項	(53,257)	(165,303)
Net cash outflow from acquisition of a subsidiary	收購一間附屬公司的現金淨流出	(28,210)	—
Additions to other intangible assets	其他無形資產的增加	(262)	—
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備所得款項	4,295	640
Purchases of equity investments designated at fair value through other comprehensive income	購買公允價值計量且其變動計入其他綜合收益的權益投資	(190)	—
Proceeds from disposal of equity investments designated at fair value through other comprehensive income	出售以公允價值計量且其變動計入其他綜合收益的權益投資所得款項	—	2,051
Interest received	已收利息	4,658	2,010
Net cash flows used in investing activities	投資活動所用現金流量淨額	(72,966)	(160,602)
Cash flows from financing activities	融資活動現金流量		
TDR shares repurchased	回購台灣存託憑證	(12,120)	—
Repayment of bank loans and other loans	償還銀行貸款及其他貸款	(1,099,435)	(832,138)
Proceeds from bank loans and other loans	銀行貸款及其他貸款所得款項	1,413,727	956,394
Placement of pledged deposits	置存已抵押存款	(361,584)	(47,525)
Dividend paid to non-controlling shareholders	非控股股東的股息支付	(32,952)	—
Principal portion of lease payments	主要部分租賃款項	(2,021)	(575)
Capital contribution from non-controlling interests	非控制性權益出資	900	900
Interest paid	已付利息	(65,121)	(58,476)
Net cash flows (used in)/generated from financing activities	融資活動(所用)/所得現金流量淨額	(158,606)	18,580
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(100,652)	(84,420)
Effect of exchange rate changes	匯率變動的影響淨額	2,794	169
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	396,854	239,712
Cash and cash equivalents at 30 June	於六月三十日的現金及現金等價物	298,996	155,461
		16	

Notes to Interim Condensed Consolidated Financial Statements

中期簡明綜合財務報表附註

30 June 2020 於二零二零年六月三十日
(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

1 Corporate Information

Solargiga Energy Holdings Limited (the “Company”, together with its subsidiaries, the “Group”; Hong Kong stock code: 757) is a leading supplier of upstream and downstream vertically integrated solar energy services. During the period, the Group was mainly engaged in the following four main businesses:

- (a) the manufacture of, trading of and provision of processing services for monocrystalline silicon solar ingots/wafers;
- (b) the manufacture and trading of monocrystalline silicon solar cells;
- (c) the manufacture and trading of photovoltaic modules; and
- (d) the construction and operation of photovoltaic power plants.

2 Basis of Preparation and Changes in Accounting Policies and Disclosures

2.1 Basis of preparation

These interim condensed consolidated financial statements for the six months ended 30 June 2020 are prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

As at 30 June 2020, the Group’s current liabilities exceeded its current assets by RMB784,208,000. The liquidity of the Group is primarily dependent on its ability to maintain adequate cash flows from operations, to renew its short-term bank loans and to obtain adequate external financing to support its working capital and meet its obligations and commitments when they become due.

1 公司資料

陽光能源控股有限公司(「本公司」，連同其附屬公司統稱「本集團」；香港股份代號：757)為上下游垂直整合太陽能服務的領先供應商。期內，本集團主要從事以下四項主要業務：

- (a) 多晶硅和太陽能單晶硅棒／硅片製造、買賣及提供太陽能單晶、硅棒／硅片加工服務；
- (b) 製造及買賣太陽能單晶硅電池；
- (c) 製造及買賣光伏組件；及
- (d) 興建及經營光伏電站。

2 編製基準及會計政策變動與披露

2.1 編製基準

截至二零二零年六月三十日止六個月的本中期簡明綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈的香港會計準則(「香港會計準則」)第34號*中期財務報告*編製。中期簡明綜合財務報表並不包括年度財務報表規定的所有資料及披露事項，並應與根據香港財務報告準則(「香港財務報告準則」)編製的截至二零一九年十二月三十一日止年度的年度財務報表一併閱覽。

於二零二零年六月三十日，本集團的流動負債超逾其流動資產人民幣784,208,000元。本集團流動資金主要依靠其於經營中維持足夠營運現金流量、重續其短期銀行貸款及取得適合外部融資以支持其營運資金及於到期時履行其責任及承擔的能力。

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30 June 2020 於二零二零年六月三十日
(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 Basis of Preparation and Changes in Accounting Policies and Disclosures

(continued)

2.1 Basis of preparation (continued)

The Group has carried out a review of its cash flow forecast for the twelve months ending 30 June 2021. Based on such forecast, the directors believe that adequate sources of liquidity exist to fund the Group's working capital and capital expenditure requirements, and to meet its short-term debt obligations and other liabilities and commitments as they become due in the twelve months ending 30 June 2021. In preparing the cash flow forecast, management has considered historical cash requirements of the Group, as well as other key factors, including unutilised banking facilities as at 30 June 2020 from the Group's major banks with an amount of RMB1,512,519,000.

Based on the above factors, the directors are confident that the Group will have sufficient funding to enable the Group to operate as a going concern and meet its financial obligations as and when they fall due for at least twelve months from the reporting date. Accordingly, the interim consolidated financial statements have been prepared on a going concern basis.

2.2 Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendment to HKFRS 16	<i>Covid-19-Related Rent Concessions (early adopted)</i>
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>

2 編製基準及會計政策變動與披露 (續)

2.1 編製基準(續)

本集團已對其截至二零二一年六月三十日止十二個月的現金流量預測進行審閱。按照該預測，董事認為有足夠流動資金資源可撥付本集團的營運資金及資本開支需求及於截至二零二一年六月三十日止十二個月到期時履行其短期債務責任及其他負債與承擔。就編製現金流量預測而言，管理層已考慮本集團過往現金需求及其他主要因素，包括於二零二零年六月三十日從本集團主要銀行獲得的未動用銀行融資為數人民幣1,512,519,000元。

基於上文因素，董事有信心，本集團將擁有充裕資金，以讓其能持續經營，並滿足本集團於報告日期起最少十二個月的財務責任。因此，中期綜合財務報表乃按持續經營基準編製。

2.2 會計政策變動與披露

編製未經審核中期簡明綜合財務資料所採納的會計政策與編製本集團截至二零一九年十二月三十一日止年度之全年綜合財務報表所應用者一致，惟以下就本期間財務資料首次採納的香港財務報告準則（「香港財務報告準則」）除外。

香港財務報告準則第3號的修訂本	業務的定義
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號的修訂本	利率基準改革
香港財務報告準則第16號的修訂本	與新型冠狀病毒相關的租金優惠 (提前採納)
香港會計準則第1號及香港會計準則第8號的修訂本	重大的定義

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2 Basis of Preparation and Changes in Accounting Policies and Disclosures (continued)

2.2 Changes in accounting policies and disclosures (continued)

The nature and impact of the revised Hong Kong Financial Reporting Standards are as follows:

- (a) Amendments to HKFRS 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 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.
- (b) Amendments to HKFRS 9, HKAS 39 and HKFRS 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 did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedge relationships.

2 編製基準及會計政策變動與披露 (續)

2.2 會計政策變動與披露(續)

經修訂香港財務報告準則的性質及影響如下：

- (a) 香港財務報告準則第3號修訂對業務定義進行了澄清並提供指引。該項修訂澄清，倘一組整合的活動和資產要構成業務，其必須至少包括一項投入和一項實質性過程，並共同顯著促進創造產出的能力。業務可以不具備所有創造出所需的投入和過程。該修訂刪除了對市場參與者是否有能力購買業務並能持續創造產出的評估，轉而重點關注所取得的投入和所取得的實質性過程是否共同顯著促進創造產出的能力。該修訂縮小了產出的定義範圍，重點關注向顧客提供商品或服務、投資收益或其他日常活動收入。此外，該修訂為企業評估所取得的過程是否為實質性過程提供指引並引入可選的公允價值集中度測試，以允許對所取得的一組整合活動和資產是否不構成業務進行簡化評估。本集團採用未來適用法將修正案應用於二零二零年一月一日或之後發生的交易或其他事件。修訂案對本集團的財務狀況和業績沒有任何重大影響。
- (b) 香港財務報告準則第9號，香港會計準則第39號及香港財務報告準則第7號之修訂旨在解決銀行同業拆息改革對財務報告之影響。該等修訂提供可在替換現有利率基準前之不確定期限內繼續進行套期會計處理之暫時性補救措施。此外，該等修訂規訂公司須向投資者提供有關直接受該等不確定因素影響之套期關係之額外數據。由於本集團無利率套期關係，修訂案對本集團的財務狀況和業績沒有任何重大影響。

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2 Basis of Preparation and Changes in Accounting Policies and Disclosures

(continued)

2.2 Changes in accounting policies and disclosures (continued)

- (c) Amendment to HKFRS 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. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 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 retrospectively for annual periods beginning on or after 1 June 2020 with earlier application permitted. During the period ended 30 June 2020, the Group had no material rent concessions granted by the lessors. Therefore the amendments did not have any impact on the Group's interim condensed consolidated financial information.
- (d) Amendments to HKAS 1 and HKAS 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. The amendments did not have any impact on the Group's interim condensed consolidated financial information.

2 編製基準及會計政策變動與披露 (續)

2.2 會計政策變動與披露(續)

- (c) 香港財務報告準則第16號之修訂，為承租人提供了一種簡化方法，來核算因新冠疫情而產生的租金減讓，而不採用租賃變更的方法進行會計處理。簡化方法僅適用於因新冠疫情而產生的租金減讓，且僅當(i)減讓安排下租賃合同的整體租金不高於原合同的租金；(ii)租金的減免為原定於二零二一年六月三十日前到期的租賃付款額；以及(iii)租賃的其他條款和條件沒有實質性變化。修訂案適用於二零二零年一月一日或之後開始的年度，允許提前適用。鑒於截至二零二零年六月三十日止六個月期間本集團未發生租金減讓事件，修訂案對本集團的財務狀況和業績沒有任何重大影響。
- (d) 香港會計準則第1號及香港會計準則第8號之修訂為重大一詞提供新定義。根據新定義，倘可合理預期漏報、錯報或掩蓋個別信息將可影響使用財務報表作一般目的之主要使用者基於相關財務報表作出之決定，則該資料為重大。修訂指明，重大性取決於信息之性質及重要性。修訂案對本集團中期簡要合併財務資料沒有任何重大影響。

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3 Segment Reporting

In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified four reportable segments: (i) the manufacture of, trading of, and provision of processing services for monocrystalline silicon solar ingots/wafers ("Segment A"); (ii) the manufacture and trading of photovoltaic modules ("Segment B"); (iii) the manufacture and trading of monocrystalline silicon solar cells ("Segment C"); and (iv) the construction and operation of photovoltaic power plants ("Segment D"). No operating segments have been aggregated to form these reportable segments. Revenue, costs and expenses are allocated to the reportable segments with reference to sales generated by those segments and the costs and expenses incurred by those segments.

(a) Segment results, assets and liabilities

For the purpose of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the basis as they are presented in the Group's financial statements. Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the period is set out below:

3 分部報告

就資源分配及表現評估而言，本集團按照與本集團最高級行政管理人員內部呈報資料一致的方式，確認四個可報告分部：(i)太陽能單晶硅棒／硅片的製造及買賣及提供太陽能單晶硅棒／硅片加工服務(「分部A」)；(ii)製造及買賣光伏組件(「分部B」)；(iii)製造及買賣太陽能單晶硅電池(「分部C」)；及(iv)興建及經營光伏電站(「分部D」)。並無合併經營分部以組成此等可報告分部。分配予該等可報告分部的收益、成本及開支乃參考該等分部產生的銷售及該等分部產生的成本及開支計算。

(a) 分部業績、資產及負債

為評估分部表現及於分部間分配資源，本集團最高級行政管理人員會監察各可報告分部應佔的業績、資產及負債(按照本集團財務報表呈列的基準)。期內向本集團最高級行政管理人員提供的有關本集團可報告分部的資料載列如下：

		Six months ended 30 June 2020 截至二零二零年六月三十日止六個月				
		Segment A 分部A	Segment B 分部B	Segment C 分部C	Segment D 分部D	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
		(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)
Revenue from external customers	來自外界客戶的收益	767,451	1,815,544	13,815	2,851	2,599,661
Intersegment revenue	分部間收益	103,866	775,363	311,531	4,678	1,195,438
Reportable segment revenue	可報告分部收益	871,317	2,590,907	325,346	7,529	3,795,099
Reportable segment profit/(loss)	可報告分部利潤／(虧損)	18,704	26,499	(85,214)	(2,691)	(42,702)

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3 Segment Reporting (continued)

(a) Segment results, assets and liabilities (continued)

3 分部報告 (續)

(a) 分部業績、資產及負債(續)

		At 30 June 2020 於二零二零年六月三十日				
		Segment A 分部A	Segment B 分部B	Segment C 分部C	Segment D 分部D	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
		(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)
Reportable segment assets	可報告分部資產	2,012,958	2,724,469	497,099	193,799	5,428,325
Reportable segment liabilities	可報告分部負債	2,073,726	2,461,449	333,497	105,566	4,974,238
		Six months ended 30 June 2019 截至二零一九年六月三十日止六個月				
		Segment A 分部A	Segment B 分部B	Segment C 分部C	Segment D 分部D	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
		(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Unaudited) (未經審核)
Revenue from external customers	來自外界客戶的收益	373,899	1,435,479	31,495	6,362	1,847,235
Inter-segment revenue	分部間收益	286,174	712,665	322,541	1,420	1,322,800
Reportable segment revenue	可報告分部收益	660,073	2,148,144	354,036	7,782	3,170,035
Reportable segment loss	可報告分部虧損	(124,472)	(26,851)	(17,127)	(8,661)	(177,111)
		At 31 December 2019 於二零一九年十二月三十一日				
		Segment A 分部A	Segment B 分部B	Segment C 分部C	Segment D 分部D	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
		(Audited) (經審核)	(Audited) (經審核)	(Audited) (經審核)	(Audited) (經審核)	(Audited) (經審核)
Reportable segment assets	可報告分部資產	1,697,870	2,019,642	521,575	190,093	4,429,180
Reportable segment liabilities	可報告分部負債	1,712,727	1,885,913	270,664	104,310	3,973,614

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3 Segment Reporting (continued)

(a) Segment results, assets and liabilities (continued)

Other segment information:
其他分部報告：

	Six months ended 30 June 截至六月三十日止六個月										
	Segment A 分部A		Segment B 分部B		Segment C 分部C		Segment D 分部D		Total 總計		
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Interest income from bank deposits	自銀行存款的利息收入	2,413	531	2,010	1,177	205	275	30	27	4,658	2,010
Finance costs	融資成本	(31,812)	(32,043)	(23,359)	(17,508)	(7,273)	(6,508)	(3,298)	(2,417)	(65,742)	(58,476)
Depreciation and amortisation	折舊及攤銷	(78,882)	(73,571)	(41,178)	(30,147)	(10,142)	(15,717)	(13)	(137)	(130,215)	(119,572)
Impairment losses on property, plant and equipment	物業、廠房及設備減值	—	—	—	—	(68,587)	—	—	—	(68,587)	—
Impairment losses on interests in an associate	聯營公司權益減值	—	—	—	(4,104)	—	—	—	—	—	(4,104)
Reversal of/(impairment losses on) trade receivables and contract assets	財務及合約資產 回沖/(減值)	7,268	1,054	(6,960)	(3,966)	(301)	1,698	(26)	(1,235)	(19)	(2,449)
(Write-down)/reversal of inventories	存貨(撇減)/回沖	(1,526)	(16,967)	(4,519)	13,049	2,474	681	1	(11)	(3,570)	(3,248)
Capital expenditure	資本開支	76,541	136,257	55,508	27,639	35	—	—	—	132,084	163,896
Investments in associates	聯營公司的投資	—	—	—	879	—	—	—	—	—	879

(b) For the six months ended 30 June 2020, revenue from the major customers, each of which amounted to 10% or more of the Group's total revenue, is set out below:

(b) 截至二零二零年六月三十日止六個月，各自佔總收益10%或以上的主要客戶如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Customer A	客戶A		
— From segment B	— 來自分部B	298,550	289,089
Customer B	客戶B		
— From segment A	— 來自分部A	120,174	9,276
— From segment B	— 來自分部B	321,654	139,060

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3 Segment Reporting (continued)

(c) Geographic information

The following table sets out information about the Group's revenue from external customers by geographical location. The geographical location of a customer is based on the location to which the goods were delivered or in which the services were provided.

3 分部報告 (續)

(c) 地區資料

下表載列有關本集團來自外界客戶的收益所在地的資料。客戶所在地以交付貨品或提供服務的地點為依據。

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Mainland China (place of domicile)	中國大陸(註冊地點)	1,916,510	1,197,373
Export sales	出口銷售		
— Japan	— 日本	554,771	352,857
— South East Asia	— 東南亞	93,641	289,089
— Europe	— 歐洲	31,991	7,909
— Others	— 其他	2,748	7
Sub-total	小計	683,151	649,862
Total	總計	2,599,661	1,847,235

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4 Revenue

The principal activities of the Group are the manufacture of, trading of and provision of processing services for monocrystalline silicon solar ingots/wafers, the manufacture and trading of monocrystalline silicon solar cells, the manufacture and trading of photovoltaic modules, and the construction and operation of photovoltaic power plants.

Revenue represents the sales value of goods and electricity supplied to customers less value-added tax or other sales taxes and trade discounts and income from the provision of processing services. The amount of revenue recognised for each significant category during the period is as follows:

4 收入

本集團主要業務為太陽能單晶硅棒／硅片的製造、買賣及提供太陽能單晶硅棒／硅片加工服務，製造及買賣太陽能單晶硅電池及光伏組件與興建及經營光伏電站。

收益指供應予客戶貨物及電力的銷售值(減增值稅或其他銷售稅及貿易折扣)以及提供加工服務所得收入。期內確認的各項重大收入類別的金額如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Revenue	收入		
Sales of monocrystalline silicon solar ingots/wafers	銷售太陽能單晶硅棒／硅片	765,718	337,398
Sales of monocrystalline silicon solar cells	銷售太陽能單晶硅電池	13,815	31,495
Sales of photovoltaic modules	銷售光伏組件	1,657,971	1,296,418
Construction and operation of photovoltaic power plants	銷售電力	2,851	6,362
Rendering of services	提供服務	159,306	175,562
		2,599,661	1,847,235

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4 Revenue (continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

For the six months ended 30 June 2020

4 收入(續)

來自客戶合同之收入

(i) 分類收入信息

截至二零二零年六月三十日止六個月

		Monocrystalline silicon solar ingots/wafers 太陽能單晶 硅棒/硅片 RMB'000 人民幣千元	Photovoltaic modules 光伏組件 RMB'000 人民幣千元	Monocrystalline silicon solar cells 太陽能單晶 硅電池 RMB'000 人民幣千元	Construction and operation of photovoltaic power plants 興建及經營 光伏電站 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Types of goods and service	商品和服務的類型					
Sales of industrial products	銷售工業產品	765,718	1,657,971	13,815	—	2,437,504
Processing service	代工服務	1,732	157,574	—	—	159,306
Construction services	興建服務	—	—	—	2,851	2,851
Total	總計	767,450	1,815,545	13,815	2,851	2,599,661
Geographic market	地區性市場					
Mainland China	中國	764,611	1,135,233	13,815	2,851	1,916,510
Japan	日本	21	554,750	—	—	554,771
South Asia	南亞	—	93,641	—	—	93,641
Europe	歐洲	70	31,921	—	—	31,991
Others	其他	2,748	—	—	—	2,748
Total	總計	767,450	1,815,545	13,815	2,851	2,599,661
Timing of revenue recognition	收入確認時間					
Goods transferred at a point of time	貨物在某個時間點轉移	765,718	1,657,971	13,815	—	2,437,504
Service transferred over time	服務隨時間轉移	1,732	157,574	—	2,851	162,157
Total	總計	767,450	1,815,545	13,815	2,851	2,599,661

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(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

4 Revenue (continued)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

For the six months ended 30 June 2019

4 收入(續)

來自客戶合同之收入(續)

(i) 分類收入信息(續)

截至二零一九年六月三十日止六個月

		Monocrystalline silicon solar ingots/wafers 太陽能單晶 硅棒/硅片 RMB'000 人民幣千元	Photovoltaic modules 光伏組件 RMB'000 人民幣千元	Monocrystalline silicon solar cells 太陽能單晶 硅電池 RMB'000 人民幣千元	Construction and operation of photovoltaic power plants 興建及經營 光伏電站 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Types of goods and service	商品和服務的類型					
Sales of industrial products	銷售工業產品	337,398	1,296,418	31,495	—	1,665,311
Processing service	代工服務	36,501	139,061	—	—	175,562
Construction services	興建服務	—	—	—	6,362	6,362
Total	總計	373,899	1,435,479	31,495	6,362	1,847,235
Geographic market	地區性市場					
Mainland China	中國	373,807	816,926	278	6,362	1,197,373
Japan	日本	7	321,633	31,217	—	352,857
South Asia	南亞	—	289,089	—	—	289,089
Europe	歐洲	85	7,824	—	—	7,909
Others	其他	—	7	—	—	7
Total	總計	373,899	1,435,479	31,495	6,362	1,847,235
Timing of revenue recognition	收入確認時間					
Goods transferred at a point of time	貨物在某個時間點轉移	337,398	1,296,418	31,495	—	1,665,311
Service transferred over time	服務隨時間轉移	36,501	139,061	—	6,362	181,924
Total	總計	373,899	1,435,479	31,495	6,362	1,847,235

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5 Other Income and Gains, Net

5 其他收入及收益，淨額

Six months ended 30 June
截至六月三十日止六個月

		2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Other income	其他收入		
Government grants	政府補貼	19,008	27,328
Interest income from bank deposits	銀行存款的利息收入	4,658	2,010
		23,666	29,338
Other gains, net	其他收益，淨額		
Net foreign exchange gain	外匯收益淨額	3,172	3,845
Net gains/(loss) on disposal of property, plant and equipment	出售物業、廠房及設備的 收益/(虧損)淨額	1,415	(1,511)
Gain from sales of other materials	銷售其他材料收益	6,219	96
Others	其他	31,738	1,541
		42,544	3,971

6 Finance Costs

6 融資成本

Six months ended 30 June
截至六月三十日止六個月

		2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Interest on bank and other borrowings	銀行及其他借貸利息	65,122	57,716
Interest on lease liabilities	租賃負債利息	620	—
Interest on finance leases	融資租賃利息	—	760
		65,742	58,476

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7 Loss Before Tax

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

7 除稅前虧損

本集團除稅前虧損已扣除／(轉回)：

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Salaries, wages and other benefits	薪金、工資及其他福利	105,408	91,007
Depreciation of right-of-use assets	使用權資產的折舊	4,193	2,621
Depreciation of property, plant and equipment	物業、廠房及設備的折舊	126,022	116,951
Write-down of inventories	存貨撇減	3,570	3,248
Impairment losses on property, plant and equipment	物業、廠房及設備減值	68,587	—
Research and development costs	研究及開發成本	98,250	93,396
Provision for warranty	保用成本的撥備	9,534	7,698
Impairment losses on trade receivables and contract assets	應收貿易賬款及合約資產減值損失計提	19	2,449
Impairment losses on interests in an associate	聯營公司權益減值虧損	—	4,014
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備的(收益)／虧損	(1,415)	1,511
Gain on remeasurement of fair value of investment	重新計量投資公允價值的收益	(1,278)	—
Cost of inventories sold*	已售貨品成本*	2,167,982	1,590,953
Cost of services rendered*	已提供服務成本*	152,544	165,016

* Included in cost of inventories sold and cost of services rendered, amount of RMB214,780,000 and RMB161,379,000 in aggregate for the six months ended 30 June 2020 and 2019, respectively, relating to salaries, wages and other benefits, depreciation and provision for warranty cost which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

* 已售貨品成本及已提供服務成本包括薪金、工資及其他福利、折舊及保用成本的撥備相關的金額，於截至二零二零年及二零一九年六月三十日止六個月合共分別為人民幣214,780,000元及人民幣161,379,000元，此金額亦計入於上文單獨披露的該等各類別開支的各項總金額內。

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8 Income Tax Expense

8 所得稅開支

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Current tax – the PRC	即期稅項－中國		
Provision for the period	期間撥備	18,927	963
Provision adjustment in respect of prior years	過往年度調整	(5,728)	690
		13,199	1,653
Deferred tax	遞延稅項	(6,820)	21,304
Income tax expense for the period	期間所得稅開支	6,379	22,957

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits of the Company's subsidiaries incorporated in Hong Kong for the six months ended 30 June 2020 and 2019. No provision for Hong Kong profits tax has been made as the subsidiaries either did not have any assessable profits subject to Hong Kong profits tax or had accumulated tax losses brought forward from previous years to offset the estimated profits for the period.

The Company and its subsidiaries incorporated in the British Virgin Islands and the Cayman Islands are not subject to any income tax pursuant to the local rules and regulations.

The statutory tax rate applicable to the Company's subsidiary incorporated in Germany was 15% for the six months ended 30 June 2020 and 2019. No provision for Germany income tax has been made as the subsidiary did not have any taxable profits for the period.

The statutory tax rate applicable to the Company's subsidiary incorporated in Ghana was 35% for the six months ended 30 June 2020 and 2019. No provision for Ghana income tax has been made as the subsidiary did not have any taxable profits for the period.

截至二零二零年及二零一九年六月三十日止六個月，香港利得稅按本公司於香港註冊成立的附屬公司的估計應課稅利潤的16.5%計算。由於附屬公司並無任何應繳納香港利得稅的應課稅利潤或過往年度承前累計稅項虧損可抵銷期內估計利潤，故並無作出香港利得稅撥備。

本公司及其於英屬處女群島及開曼群島註冊成立的附屬公司毋須根據當地法律及法規繳納任何所得稅。

截至二零二零年及二零一九年六月三十日止六個月，本公司於德國註冊成立的附屬公司適用的法定稅率為15%。由於該附屬公司並無任何應課稅利潤，故並無於期內作出德國所得稅撥備。

截至二零二零年及二零一九年六月三十日止六個月，本公司於迦納註冊成立的附屬公司適用的法定稅率為35%。由於該附屬公司並無任何應課稅利潤，故並無於期內作出迦納所得稅撥備。

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8 Income Tax Expense (continued)

The income tax rate of the Company's PRC subsidiaries is 25% except for the subsidiaries mentioned below:

Jinzhou Yangguang Energy Co., Ltd. ("Jinzhou Yangguang") has been accredited as "High and New Technology Enterprise" by the relevant government authority in 2012 for a term of three years, and has been registered with the local tax authority to be eligible for a reduced income tax rate of 15%. Jinzhou Yangguang has renewed the "High and New Technology Enterprise" certificate in 2018 effective for the three years from 2018 to 2020. Accordingly, Jinzhou Yangguang was entitled to the 15% income tax rate for the six months ended 30 June 2020 and 2019.

Solargiga Energy (Qinghai) Co., Ltd. ("Qinghai Yangguang") has been accredited as "High and New Technology Enterprise" by the relevant government authority in 2016 for a term of three years, and has been registered with the local tax authority to be eligible for a reduced income tax rate of 15%. Qinghai Yangguang renewed the "High and New Technology Enterprise" certificate in 2019 effective for the three years from 2019 to 2021. Accordingly, Qinghai Yangguang was entitled to the 15% income tax rate for the six months ended 30 June 2020 and 2019.

Jinzhou Yangguang Jinmao Photovoltaic Technology Co., Ltd. ("Jinzhou Jinmao") has been accredited as "High and New Technology Enterprise" by the relevant government authority in 2016 for a term of three years, and has been registered with the local tax authority to be eligible for a reduced income tax rate of 15%. Jinmao renewed the "High and New Technology Enterprise" certificate in 2019 effective for the three years from 2019 to 2021. Accordingly, Jinzhou Jinmao was entitled to the 15% income tax rate for the six months ended 30 June 2020 and 2019.

Qujing Yangguang Energy Silicon Materials Co., Ltd ("Qujing Yangguang"), in accordance with the "Catalogue of Industries Encouraged to Develop in the Western Region", has been registered with the local tax authority to be eligible for a reduced income tax rate of 15%. Accordingly, Qujing Yangguang was entitled to the 15% income tax rate for the six months ended 30 June 2020 and 2019.

8 所得稅開支(續)

本公司的中國附屬公司的所得稅稅率為25%，惟下述附屬公司除外：

錦州陽光能源有限公司(「錦州陽光」)於二零一二年獲有關政府當局授予「高新科技企業」地位，為期三年，並已向當地稅務機關登記，符合資格減按15%的稅率繳付所得稅。二零一八年，錦州陽光更新「高新科技」證書，有效期為三年，自二零一八年起至二零二零年止。因此，錦州陽光於截至二零二零年及二零一九年六月三十日止六個月可按15%所得稅率繳稅。

陽光能源(青海)有限公司(「青海陽光」)於二零一六年獲有關政府當局授予「高新科技企業」地位，為期三年，並已向當地稅務機關登記，符合資格減按15%的稅率繳付所得稅。二零一九年，青海陽光更新「高新科技」證書，有效期為三年，自二零一九年起至二零二一年止。因此，青海陽光於截至二零二零年及二零一九年六月三十日止六個月可按15%所得稅率繳稅。

錦州錦懋光伏科技有限公司(「錦州錦懋」)於二零一六年獲有關政府當局授予「高新科技企業」地位，為期三年，並已向當地稅務機關登記，符合資格減按15%的稅率繳付所得稅。二零一九年，錦州錦懋更新「高新科技」證書，有效期為三年，自二零一九年起至二零二一年止。因此錦州錦懋於截至二零二零年及二零一九年六月三十日止六個月可按15%所得稅率繳稅。

曲靖陽光能源硅材料有限公司(「曲靖陽光」)按照「西部地區鼓勵類產業目錄」向當地稅務機關登記，符合資格減按15%的稅率繳付所得稅。因此曲靖陽光於截至二零二零年及二零一九年六月三十日止六個月可按15%所得稅率繳稅。

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9 Basic and Diluted Loss per Share Attributable to Ordinary Equity Holders of the Company

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity holders of the Company of RMB54,493,000 (six months ended 30 June 2019: loss of RMB184,206,000) and the weighted average of 3,180,391,597 ordinary shares of the Company in issue during the period (six months ended 30 June 2019: 3,211,780,566).

(b) Diluted loss per share

The Company had no dilutive potential ordinary shares in issue for the six months ended 30 June 2020 and 2019.

10 Property, Plant and Equipment

During the six months ended 30 June 2020, the Group acquired property, plant and equipment at a total cost of RMB132,084,000 (six months ended 30 June 2019: RMB163,896,000), excluding property, plant and equipment acquired through a business combination disclosed in note 25 to the interim condensed consolidated financial information.

Assets with a net book value of RMB11,697,000 were disposed of by the Group during the six months ended 30 June 2020 (six months ended 30 June 2019: RMB2,151,000), resulting in a net gain on disposal of items of property, plant and equipment of RMB1,415,000 (six months ended 30 June 2019: net loss of RMB1,511,000).

Jinzhou Huachang Photovoltaic Technology Co. Ltd. (“Jinzhou Huachang”), a subsidiary engages in the manufacture and trading of photovoltaic solar cells of the Group, suspended production in this period. In view of the Group’s business strategy, the Group does not expect to manufacture any solar cells in the foreseeable future, therefore the net amount of existing outmoded production line for solar cells and related machinery equipment was accounted for as asset impairment loss. As a result, an impairment loss of RMB68,587,000 was fully provided to machinery and construction in progress of Jinzhou Huachang in profit or loss during the period (for the six months ended 30 June 2019: no impairment loss provided).

9 本公司普通股權益持有人應佔每股基本及攤薄虧損

(a) 每股基本虧損

每股基本虧損乃根據本公司普通股權益持有人應佔虧損人民幣54,493,000元(截至二零一九年六月三十日止六個月：虧損人民幣184,206,000元)及期內本公司已發行普通股加權平均股數3,180,391,597股(截至二零一九年六月三十日止六個月：3,211,780,566股)計算。

(b) 每股攤薄虧損

於截至二零二零年及二零一九年六月三十日止期間，本公司並無潛在攤薄的已發行普通股。

10 物業、廠房及設備

於截至二零二零年六月三十日止六個月，除中期簡明綜合財務報表附註25披露的通過企業合併獲得的物業、廠房及設備外，本集團以總成本人民幣132,084,000元(截至二零一九年六月三十日止六個月：人民幣163,896,000元)添置物業、廠房及設備。

本集團於截至二零二零年六月三十日止六個月期間處置賬面淨值為人民幣11,697,000元(截至二零一九年六月三十日止六個月：人民幣2,151,000元)的資產，因而產生處置物業、廠房及設備項目利潤淨額人民幣1,415,000元(截至二零一九年六月三十日止六個月：虧損淨值人民幣1,511,000元)。

錦州華昌光伏科技有限公司(「錦州華昌」)，本集團一間從事光伏太陽能電池片生產和貿易的子公司於本期停產。從集團業務戰略角度，由於本集團預期短期內不會再自行生產電池片，故期內將原過時電池片產線之相關機器設備淨值皆帳列為資產減值損失。因此，錦州華昌的機械及在建工程已於期內全數計提減值虧損為人民幣68,587,000元(截至二零一九年六月三十日止六個月：無減值虧損)。

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11 Inventories

11 存貨

		As at 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Materials and supplies	材料及供應品	278,781	248,263
Finished goods	製成品	371,185	161,665
Less: Write-down of inventories to net realisable value	減：存貨撇減至可變現淨值	(19,388)	(15,818)
		630,578	394,110

12 Trade and Bills Receivables

12 應收貿易賬款及票據

		As at 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Trade receivables	應收貿易賬款	1,650,614	1,286,963
Bills receivable	應收票據	164,008	80,310
Less: Impairment	減：減值	(92,510)	(92,669)
		1,722,112	1,274,604

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(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

12 Trade and Bills Receivables (continued)

The ageing analysis of trade and bills receivables (net of allowance for doubtful debts) at the end of reporting period based on invoice date is as follows:

		As at 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 1 month	一個月內	634,468	410,124
1 to 3 months	一至三個月	330,023	109,485
4 to 6 months	四至六個月	133,445	73,823
7 to 12 months	七至十二個月	169,918	377,952
Over 1 year	超過一年	454,258	303,220
		1,722,112	1,274,604

The Group normally allows a credit period of 30 to 90 days for its customers. However, regarding domestic photovoltaic module sales, some trade receivables are granted longer credit periods of up to 180 days depending on the construction period of photovoltaic power plants. In addition, 10% of the total amount of receivables is retained as warranties in some domestic contracts, and will generally be recovered in around one year. As a result, the turnover days of trade receivables for module sales are generally longer.

As at 30 June 2020, bills receivable amounting to RMB77,500,000 (31 December 2019: RMB52,828,000), together with pledged deposits amounting to RMB508,294,000 (31 December 2019: RMB298,489,000) had been pledged as security to banks for issuing bills payable to suppliers amounting to RMB656,922,000 (31 December 2019: RMB377,194,000), and for issuing letters of guarantee amounting to RMB19,791,000 (31 December 2019: RMB32,042,000).

12 應收貿易賬款及票據(續)

於報告期間結算日，扣除呆賬撥備後的應收貿易賬款及票據的賬齡按發票日期分析如下：

本集團一般授予其客戶30至90日的信貸期。但針對國內之組件銷售，部分應收帳款的回收需取決於電站建設的工程週期，賬款信貸期較長，達180天。此外，亦需留有應收帳款總額的10%作為一些國內合同之質保金，此質保金一般在一年內收回。故此，組件銷售之應收貿易賬款週轉日一般較長。

於二零二零年六月三十日，應收票據人民幣77,500,000元(二零一九年十二月三十一日：人民幣52,828,000元)以及已抵押存款人民幣508,294,000元(二零一九年十二月三十一日：人民幣298,489,000元)已抵押作為銀行用以開具應付供應商的票據人民幣656,922,000元(二零一九年十二月三十一日：人民幣377,194,000元)及人民幣19,791,000元(二零一九年十二月三十一日：人民幣32,042,000元)的擔保函。

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13 Contract Assets

13 合約資產

		As at 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Contract assets arising from:	合約資產來自：		
Processing services	加工服務	—	351
Construction services	工程服務	1,523	11
Less: Impairment	減：減值	(227)	(49)
		1,296	313

14 Prepayments, Deposits and Other Receivables

14 預付款項、按金及其他應收款項

		As at 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Prepayments for raw materials	原材料的預付款項	196,248	262,112
Deductible value-added tax	可扣減增值稅	46,891	61,198
Other receivables	其他應收款項	32,753	33,966
Less: Impairment	減：減值	—	(6,800)
		275,892	350,476

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(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

15 Pledged Deposits

Certain of the Group's bank deposits were pledged to secure bank loans and other banking facilities granted to the Group as follows:

15 已抵押存款

本集團若干銀行存款已就本集團獲授的銀行貸款及其他銀行融資作出抵押，載列如下：

		As at 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Pledged as security for bank loans	抵押作為銀行貸款的抵押品	215,068	63,426
Others	其他	549,707	339,765
		764,775	403,191

16 Cash and Cash Equivalents

16 現金及現金等價物

		As at 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Cash and cash equivalents	現金及現金等價物	298,996	396,854

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(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

17 Interest-bearing Borrowings

17 計息借貸

Group	本集團	Notes 附註	30 June 2020 二零二零年六月三十日			31 December 2019 二零一九年十二月三十一日		
			Effective interest rate (%) 實際利率(%)	Maturity 到期	RMB'000 人民幣千元 (Unaudited) (未經審核)	Effective interest rate (%) 實際利率(%)	Maturity 到期	RMB'000 人民幣千元 (Audited) (經審核)
Current:	流動							
Bank loans — secured	銀行貸款 — 有抵押	(a)	5.400–7.500	2021	534,074	5.655–9.000	2020	862,881
Bank loans — guaranteed	銀行貸款 — 已擔保	(b)	2.625–9.000	2021	1,439,869	4.440–7.140	2020	799,615
Other loans — guaranteed	其他貸款 — 已擔保		5.000–5.475	2021	16,480	5.475–5.475	2020	10,464
Current portion of long-term borrowings:	長期借貸的流動部分:							
Other loans — guaranteed	其他貸款 — 已擔保	(b)	1.600–7.500	2021	8,685	1.600–7.500	2020	7,954
Total	合計				1,999,108			1,680,914
Non-current:	非流動:							
Other loans — guaranteed	其他貸款 — 已擔保	(b)	1.600–7.500	2021–2023	125,424	1.600–7.500	2021–2023	129,325
Total	合計				125,424			129,325

(a) The bank borrowings are secured, among which RMB534,074,000 (31 December 2019: RMB862,881,000) was secured by certain of the Group's bills receivable, property, plant and equipment and right-of-use assets with a net book value of RMB810,400,000 (31 December 2019: RMB819,306,000).

(b) Certain subsidiaries' borrowings are guaranteed by other subsidiaries of the Group.

(a) 銀行借貸為有抵押，其中人民幣534,074,000元(二零一九年十二月三十一日：人民幣862,881,000元)以本集團賬面淨值為人民幣810,400,000元(二零一九年十二月三十一日：人民幣819,306,000元)的若干應收票據、物業、廠房及設備以及使用權資產作抵押。

(b) 若干附屬公司的借貸乃由本集團其他附屬公司提供擔保。

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18 Trade and Bills Payables

18 應付貿易賬款及票據

		As at 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Trade payables	應付貿易賬款	978,158	694,660
Bills payable	應付票據	1,093,749	807,964
		2,071,907	1,502,624

(a) The ageing analysis of trade and bills payables at the end of the reporting period based on the invoice date is as follows:

(a) 於報告期間結算日，應付貿易賬款及票據的賬齡按發票日期分析如下：

		As at 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 1 month	一個月內	985,171	263,656
1 to 3 months	一至三個月	394,281	470,864
4 to 6 months	四至六個月	567,651	604,466
7 to 12 months	七至十二個月	105,178	137,950
Over 1 year	超過一年	19,626	25,688
		2,071,907	1,502,624

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(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

18 Trade and Bills Payables (continued)

- (b) As at 30 June 2020, the Group's bills payable of RMB656,922,000 (31 December 2019: RMB377,194,000) were secured by the Group's bills receivable of RMB77,500,000 (31 December 2019: RMB52,828,000) (Note 12) and by the Group's pledged deposits of RMB508,294,000 (31 December 2019: RMB298,489,000).

18 應付貿易賬款及票據(續)

- (b) 於二零二零年六月三十日，本集團人民幣656,922,000元(二零一九年十二月三十一日：人民幣377,194,000元)的應付票據以本集團人民幣77,500,000元(二零一九年十二月三十一日：人民幣52,828,000元)的應收票據(附註12)以及人民幣508,294,000元(二零一九年十二月三十一日：人民幣298,489,000元)的已抵押存款作抵押。

19 Other Payables and Accruals

19 其他應付款項及應計開支

		As at 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Other payables and accrued expenses	其他應付款項及應計開支	240,522	38,548
Other tax payables	其他應付稅項	6,219	30,036
Dividends payable	應付股息	3,707	152
		250,448	68,736

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20 Provision for Inventory Purchase Commitments

A subsidiary of the Group entered into a long-term supply contract (the "Supply Contract") with one of its suppliers in 2011, and made a non-refundable prepayment of US\$11,500,000 in 2012. As at 31 December 2014, the subsidiary recognised an impairment of US\$11,500,000 (equivalent to RMB70,369,000 on 31 December 2014) for the non-refundable prepayment and recognised a provision of US\$7,122,375 (equivalent to RMB43,582,000 on 31 December 2014) for the onerous contract.

On 27 April 2018, the supplier filed a complaint and a claim of a sum totalling approximately US\$391,000,000 against the subsidiary for the above alleged breach of the Supply Contract. In May 2020, the Group reached a confidential settlement agreement with the supplier and executed the settlement agreement on 13 May 2020. Among the legally bound clauses in the agreement, the dispute has been settled and the related impact has been fully recognised in the financial statements.

21 Deferred Income

Various government grants have been received by the Group for generating export sales, participating in the high-tech industry and constructing various manufacture and photovoltaic power plants in Jinzhou, Liaoning Province, Jiangsu Province, Yunnan Province and Qinghai Province, the PRC.

Those government grants related to assets are recognised in the statement of financial position initially as deferred income and are amortised to profit or loss as other income over the useful lives of the assets.

20 存貨購買承擔撥備

本集團一間附屬公司與其供應商之一於二零一一年訂立長期供應合約(「供應合約」)，該附屬公司於二零一二年已向供應商支付不可退回的預付款項11,500,000美元。於二零一四年十二月三十一日，該附屬公司就不可退還的預付款項確認減值11,500,000美元(相當於二零一四年十二月三十一日人民幣70,369,000元)及並就有償合約確認撥備7,122,375美元(二零一四年十二月三十一日：人民幣43,582,000元)。

於二零一八年四月二十七日，供應商就上述涉嫌違反供應合約的附屬公司提出了申訴和總額約為391,000,000美元的索賠。於二零二零年五月，本集團與供應商達成保密和解協議，並於二零二零年五月十三日簽署和解協議。在協議中具有法律約束力的條款中，爭議已得到解決，相關影響已在財務報表中充分確認。

21 遞延收入

本集團因產生出口銷售、從事高科技行業及在中國遼寧省錦州、江蘇省、雲南省和青海省興建多個製造廠房及光伏電站而獲得不同的政府補貼。

該等與資產相關的政府補貼最初於財務狀況表中確認為遞延收入，並按資產可使用年期於損益內攤銷為其他收入。

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22 Other Non-current Liabilities

The Group's photovoltaic modules were typically sold with a 2-year or 5-year warranty for defects in materials and workmanship and a 10-year and 25-year minimum power output warranty, against declines of more than 10% and 20%, respectively, of initial power generation capacity from the date of delivery. The Group has the obligation to repair or replace solar modules, under the terms of the warranty policy. The Group maintains warranty reserves to cover potential liabilities that could arise under these warranties.

The Group has adopted the equivalent of 1% of photovoltaic modules' revenues to estimate the warranty obligation, which is consistent with the practice of the solar industry. Based on the historical experience and best estimation, the Group believes that the average selling price of solar modules over the past two years would reflect the estimated warranty cost liability. The Group increased the warranty provision of RMB9,534,000 for the six months ended 30 June 2020 (six months ended 30 June 2019: increased RMB7,698,000).

22 其他非流動負債

本集團的光伏組件出售時一般附帶自交付日期起2年或5年物料損壞及人工保用，以及10年及25年最低電力輸出保證，分別保證電力輸出下降幅度不會多於初步發電產能10%及20%。根據保用政策條款，本集團有責任對太陽能組件進行維修或置換。本集團設有保用儲備以覆蓋該等保用項下的潛在負債。

本集團已採用相當於1%的光伏組件的收益用於估算保用義務，其符合太陽能行業的做法。並根據歷史經驗和最佳估算，相較以現在和過去的現貨價格為基準，以過去兩年太陽能組件的平均銷售價格為基準，能反映估算保用成本責任。截至二零二零年六月三十日止六個月，本集團增加了人民幣9,534,000元的保用撥備(截至二零一九年六月三十日止六個月：增加人民幣7,698,000元)。

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(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

23 Capital, Reserves and Dividends

(a) Dividends

The directors did not recommend the payment of a dividend in respect of the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).

(b) Share capital

The information about the Company's ordinary shares is set out below:

23 資本、儲備及股息

(a) 股息

董事不建議就截至二零二零年六月三十日止六個月派付股息(截至二零一九年六月三十日止六個月：無)。

(b) 股本

本公司的普通股載列如下：

		Amount 金額
	No. of shares 股份數目	RMB'000 人民幣千元
As at 31 December 2019 (Audited)	於二零一九年 十二月三十一日(經審核)	276,727
Repurchase of TDRs and cancellation of the underlying shares of such repurchased TDRs (Note)	購回台灣存託憑證及註銷該 等已購回台灣存託憑證之 相關股份(附註)	(5,860)
As at 30 June 2020 (Unaudited)	於二零二零年六月三十日 (未經審核)	270,867

Note:

The Company received a notice from the Taiwan Stock Exchange Corporation (the "Taiwan Stock Exchange") on 2 October 2019, whereby the Taiwan Stock Exchange indicated that it shall require the Taiwan Depository Receipts (the "TDRs") of the Company to be delisted with effect from 12 November 2019 pursuant to the relevant rules of the Taiwan Stock Exchange as the net assets value of the Group fell below one-third of the sum of the share capital and the share premium of the Company as set out in the unaudited consolidated interim financial results of the Company for the six months ended 30 June 2019, which was determined pursuant to the relevant rules of the Taiwan Stock Exchange. Pursuant to the Taiwan Stock Exchange Corporation Procedures for Applications by TWSE Listed Companies for the Delisting of Securities (台灣證券交易所股份有限公司上市公司申請有價證券終止上市處理程序), the Company is obliged to repurchase 68,009,433 units of TDRs at an aggregate price of NTD51,211,098. Such 68,009,433 units of TDRs so repurchased by the Company have been surrendered to and cancelled by Mega International Commercial Bank Co., Ltd (兆豐國際商業銀行股份有限公司) as the depository agent. The 68,009,433 underlying shares represented by such surrendered TDRs were transferred to the Company on 7 April 2020, and were cancelled accordingly on 2 June 2020.

附註：

本公司於二零一九年十月二日收到台灣證券交易所的通知，根據台灣證券交易所的有關規定，由於本集團截至二零一九年六月三十日止六個月的本公司未經審核綜合中期財務業績中的資產淨值低於本公司股本和股份溢價之和的三分之一，台灣證券交易所要求本公司之台灣存託憑證於二零一九年十一月十二日起終止上市。根據台灣證券交易所股份有限公司上市公司申請有價證券終止上市處理程序，本公司有義務以總回購價新台幣51,211,098元回購68,009,433份台灣存託憑證。該68,009,433份被本公司回購的台灣存託憑證均已交還給存託機構，兆豐國際商業銀行股份有限公司。而經由台灣存託憑證兌換的68,009,433股股份則已於二零二零年四月七日被轉讓給本公司，並於二零二零年六月二日註銷。

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(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

24 Capital Commitments

24 資本承擔

	As at 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Contracted but not provided for	83,213	9,907
已訂約但未計提撥備		

25 Business Combination

In July 2019, a wholly-owned subsidiary of the Company, Jinzhou Yangguang Energy Co., Ltd ("Jinzhou Yangguang") together with other investors ("other investors") established Jiangsu Yueyang Photovoltaic Technology Co., Ltd ("Jiangsu Yueyang"). Jiangsu Yueyang is a photovoltaic product manufacturer located in Yancheng, Jiangsu Province. The registered capital of Jiangsu Yueyang is RMB100,000,000, of which the Jinzhou Yangguang invested RMB1,800,000 in cash, and holds 6% of equity interest in Jiangsu Yueyang. In October 2019, one of the shareholders, transferred part of its equity interest to the Jinzhou Yangguang and other two fund companies. As of 31 December 2019, the Jinzhou Yangguang's equity interests increased from 6% to 15%. According to the articles of association of Jiangsu Yueyang, the directors of the Company considered that the Company did not have control, joint control or significant influence over Jiangsu Yueyang, which was accounted for as an equity investment at fair value through other comprehensive income since its investment. On 31 March 2020, the Jinzhou Yangguang's accumulated investment to Jiangsu Yueyang amounting to RMB33,000,000, representing 28% equity interest in Jiangsu Yueyang.

On 1 April 2020, Jinzhou Yangguang entered into an acting-in-concert agreement which became effective on 1 April 2020. According to the acting-in-concert agreement, other investors agreed to exercise the board members' and shareholder's vote in concert with the Company. Accordingly, the directors of the Company considered that the Company has obtained control over Jiangsu Yueyang and have consolidated Jiangsu Yueyang's financial position and performance into the Group's consolidated financial statements since 1 April 2020.

25 業務合併

於二零一九年七月，本公司的一間全資附屬公司，錦州陽光能源有限公司（以下簡稱「錦州陽光」）與其他投資者（「其他投資者」）共同成立江蘇悅陽光伏科技有限公司（「江蘇悅陽」）。江蘇悅陽是一家光伏產品製造商，位於江蘇省鹽城市。江蘇悅陽的註冊資本為人民幣100,000,000元，其中錦州陽光現金出資人民幣1,800,000元並持有江蘇悅陽6%的股權。於二零一九年十月，其中一位股東將其部分股權轉讓給錦州陽光和其他兩家基金公司。截至二零一九年十二月三十一日，錦州陽光之股權由6%增加至15%。根據江蘇悅陽的公司章程，本公司董事認為，本公司對江蘇悅陽並無控制權，共同控制權或重大影響力，江蘇悅陽自投資之日起以公允價值計量且其變動計入其他綜合收益。於二零二零年三月三十一日，錦州陽光對江蘇悅陽的累計投資額達人民幣33,000,000元，其在江蘇悅陽的股權為28%。

錦州陽光於二零二零年四月一日簽訂了一致行動人協議，該協議於二零二零年四月一日生效。根據一致行動協議，其他投資者同意與本公司共同行使董事會成員和股東的投票權。因此，本公司董事認為，自二零二零年四月一日起，本公司已取得對江蘇悅陽的控制權，並將江蘇悅陽的財務狀況和業績合併到本集團的合併財務報表中。

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30 June 2020 於二零二零年六月三十日
(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

25 Business Combination (continued)

The fair values of the identifiable assets and liabilities of Jiangsu Yueyang as at the acquisition date were as follows:

25 業務合併(續)

江蘇悅陽之可識別資產和負債於購買日的公允價值如下：

		1 April 2020 二零二零年 四月一日 Fair value 公允價值 RMB'000 人民幣千元 (Unaudited) (未經審核)
Property, plant and equipment	物業、廠房及設備	122,000
Right-of-use assets	使用權資產	18,406
Construction in progress	在建工程	54,341
Intangible assets, net	無形資產，淨值	98
Accounts receivable and bills receivable	應收貿易賬款及票據	145,344
Inventories	存貨	115,001
Prepayments and other receivables	預付款項及其他應收款項	99,278
Cash and bank balances	現金及現金等價物	2,990
Accounts payable	應付貿易賬款	(262,243)
Accruals and other payables	其他應付款項及應計開支	(121,323)
Deferred income	遞延收入	(32,917)
Lease liabilities	租賃負債	(18,406)
Total identifiable net assets at fair value	可識別淨資產總額之公允價值	122,569
Non-controlling interests	非控制性權益	(88,291)
Share of net assets acquired	所購淨資產份額	34,278
Satisfied by:	結付：	
Cash	現金	—
Fair value of previously held equity interest	過去持有的股權的公允價值	34,278

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25 Business Combination (continued)

Details of the 28% equity interest held by the Company before the acquisition of Jiangsu Yueyang and the profit from the investment are as follows:

25 業務合併(續)

本公司在收購江蘇悅陽前所持28%的股權及投資收益的詳情如下：

		1 April 2020 二零二零年 四月一日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Initial investment cost	首次投資成本	33,000
Share of profit accumulated under the equity method	權益法下應佔累計利潤	—
Book value of the investment in 28% equity of Jiangsu Yueyang on the acquisition date	江蘇悅陽28%股權於收購日期的投資賬面價值	33,000
Fair value of the investment in 28% equity of Jiangsu Yueyang on the acquisition date (Note)	江蘇悅陽28%股權於收購日期的投資公允價值(附註)	34,278
Gain on previously held equity interest remeasured at acquisition-date fair value	於購買日按公允價值重新計量過去持有的股權的收益	1,278

Note: The fair value was determined based on the valuation report issued by an independent qualified valuer.

附註：公允價值是根據獨立合資格評估師的評估報告確認。

An analysis of the cash flows in respect of the acquisition of Jiangsu Yueyang is as follows:

有關收購江蘇悅陽的現金流量的分析如下：

		RMB'000 人民幣千元 (Unaudited) (未經審核)
Cash consideration	現金代價	—
Cash and bank balances acquired	獲得之現金和銀行結餘	2,990
Net inflow of cash and cash equivalents included in cash flows from investing activities	投資活動產生的現金流量中包括的現金及現金等價物淨流入	2,990

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30 June 2020 於二零二零年六月三十日
(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

26 Material Related Party Transactions and Balances

(a) Significant related party transactions

26 重大關連方交易及結餘

(a) 重大關連方交易

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)
		Note 附註	
Sales of goods to: The entities controlled by the directors of the Company or close family members of the directors	銷售貨品予： 本公司董事或董事的近親所控制的實體	(i)	—
Purchases of goods from: The entities controlled by the directors of the Company or close family members of the directors	向下列各方購買貨品： 本公司董事或董事的近親所控制的實體	(i)	655

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26 Material Related Party Transactions and Balances (continued)

(b) Outstanding balances with related parties

26 重大關連方交易及結餘(續)

(b) 與關連方之間的尚未償還結餘

		Note	As at 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Trade and bills receivables: Associates of the Group Entities controlled by the directors of the Company or close family members of the directors	應收貿易賬款及票據： 本集團聯營公司 本公司董事或董事的近 親所控制的實體	(ii)	103	103
			—	17
			103	120
Prepayments and other receivables: Entities controlled by the directors of the Company or close family members of the directors	預付及其他應收款項： 本公司董事或董事的近 親所控制的實體	(ii)	3,000	3,000
			3,000	3,000
Trade payables: Entities controlled by the directors of the Company or close family members of the directors	應付貿易賬款： 本公司董事或董事的近 親所控制的實體	(ii)	366	340
			366	340
Short-term loan: A director of the Company	短期借款： 本公司的董事	(iii)	12,871	—
			12,871	—

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26 Material Related Party Transactions and Balances (continued)

(b) Outstanding balances with related parties (continued)

Notes:

- (i) In the opinion of the directors, the transactions between the Group and the related parties were conducted in the ordinary and usual course of business and on normal commercial terms, and the pricing terms were at the prevailing market prices.
- (ii) The above balances are unsecured, non-interest-bearing and repayable on demand. Trade receivables from and trade payables to related parties are repayable or to be settled on the respective credit terms.
- (iii) On 2 June 2020, Solargiga Energy (Hong Kong) Company Limited, a subsidiary of the Group, received a loan with a 5% interest rate from a director of the company, Mr. Tan.

27 Events after the Reporting Period

No significant events after the reporting period are noted.

28 Approval of the Interim Condensed Consolidated Financial Statements

The interim condensed consolidated financial statements were approved and authorised for issue by the board of the directors on 28 August 2020.

26 重大關連方交易及結餘(續)

(b) 與關連方之間的尚未償還結餘(續)

附註：

- (i) 董事認為，本集團與關連方之間的交易是在一般及日常業務過程中按正常商業條款進行，定價條款乃按照當前的市場慣例。
- (ii) 上述結餘為無抵押、免息及須按要求償還。應收及應付關連方的貿易賬款均按各自的信貸條款償還或清償。
- (iii) 於二零二零年六月二日，本集團一間附屬公司陽光能源(香港)有限公司從本公司董事譚文華先生收到5%利率的貸款。

27 報告期間後事項

並無注意到報告期間後有任何重大事項。

28 批准中期簡明綜合財務報表

董事會已於二零二零年八月二十八日核准並許可發出中期簡明綜合財務報表。



Solargiga Energy



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