XINYI SOLAR HOLDINGS LIMITED

信義光能控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00968)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL HIGHLIGHTS

	Year Ended 31 December		
	2020	2019	Change
	HK$' million	*HK$' million*	
Revenue	**12,315.8**	9,096.1	+35.4%
Profit attributable to equity holders of the Company	**4,560.9**	2,416.5	+88.7%
Earnings per share - Basic	**55.40 HK cents**	30.28 HK cents	+83.0%
Proposed final dividend per share	**17.0 HK cents**	8.5 HK cents	

The Board (the "**Board**") of Directors (the "**Directors**") of Xinyi Solar Holdings Limited (the "**Company**" or "**Xinyi Solar**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2020, together with the comparative figures for the year ended 31 December 2019, as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	**2020** *HK$'000*	2019 *HK$'000*
Revenue	3	**12,315,829**	9,096,101
Cost of sales	6	**(5,732,238)**	(5,184,554)
Gross profit		**6,583,591**	3,911,547
Other income	4	**190,608**	130,593
Other losses, net	5	**(51,146)**	(5,434)
Selling and marketing expenses	6	**(316,610)**	(281,533)
Administrative and other operating expenses	6	**(548,216)**	(427,156)
Impairment losses on trade receivables	6, 11(b)	**(5,029)**	(14,429)
Operating profit		**5,853,198**	3,313,588
Finance income	7	**60,532**	49,088
Finance costs	7	**(190,954)**	(303,507)
Share of profits of a joint venture		**35,821**	39,371
Share of losses of associates		**(203)**	(5,886)
Profit before income tax		**5,758,394**	3,092,654
Income tax expense	8	**(735,268)**	(294,059)
Profit for the year		**5,023,126**	2,798,595
Profit for the year attributable to:			
– the equity holders of the Company		**4,560,853**	2,416,462
– non-controlling interests		**462,273**	382,133
		5,023,126	2,798,595
Earnings per share attributable to the equity holders of the Company			
(Expressed in HK cents per share)			
– Basic	10(a)	**55.40**	30.28
– Diluted	10(b)	**55.32**	30.27

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	HK$'000	*HK$'000*
Profit for the year	**5,023,126**	2,798,595
Other comprehensive income/(loss) for the year, net of tax:		
Items that may be reclassified to profit or loss		
Currency translation differences	**1,879,552**	(427,391)
Share of other comprehensive income/(loss) of a joint venture accounted for under equity method		
– Share of currency translation differences	**25,680**	(9,292)
Total comprehensive income for the year	**6,928,358**	2,361,912
Total comprehensive income for the year attributable to:		
– the equity holders of the Company	**6,013,549**	2,086,000
– non-controlling interests	**914,809**	275,912
	6,928,358	2,361,912

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	**2020**	2019
		HK$'000	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**20,406,175**	16,710,968
Right-of-use assets		**1,407,700**	1,249,116
Intangible assets		**24,777**	10,471
Prepayments for land use rights and property, plant and equipment	12	**809,271**	319,143
Finance lease receivables		**211,521**	189,944
Interests in a joint venture		**365,751**	334,860
Investments in associates		**69,034**	69,237
Deferred income tax assets		**251,119**	46,091
Total non-current assets		**23,545,348**	18,929,830
Current assets			
Inventories		**728,277**	410,480
Contract assets		**51,296**	39,620
Trade receivables	11	**5,297,159**	4,242,392
Bills receivables	11	**2,838,874**	1,194,111
Prepayments, deposits and other receivables	12	**1,662,164**	1,347,567
Finance lease receivables		**8,281**	6,335
Amount due from a joint venture		**796**	5,630
Cash and cash equivalents		**9,291,194**	2,221,055
Total current assets		**19,878,041**	9,467,190
Total assets		**43,423,389**	28,397,020
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital		**880,925**	808,186
Share premium and other reserves		**13,107,452**	4,217,941
Retained earnings		**12,533,429**	9,150,719
		26,521,806	14,176,846
Non-controlling interests		**5,502,712**	4,396,283
Total equity		**32,024,518**	18,573,129

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

	Note	**2020** *HK$'000*	2019 *HK$'000*
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**11,936**	11,533
Bank borrowings	14	**2,703,109**	3,879,527
Lease liabilities		**646,458**	585,442
Other payables		**312,123**	57,337
Total non-current liabilities		**3,673,626**	4,533,839
Current liabilities			
Bank borrowings	14	**3,410,143**	2,803,618
Trade and other payables	13	**3,377,600**	2,220,441
Contract liabilities		**181,402**	31,889
Lease liabilities		**48,519**	41,053
Amounts due to related companies		**167,118**	90,732
Current income tax liabilities		**540,463**	102,319
Total current liabilities		**7,725,245**	5,290,052
Total liabilities		**11,398,871**	9,823,891
Total equity and liabilities		**43,423,389**	28,397,020

NOTES:

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) Amendments to standards and conceptual framework adopted by the Group

The Group has applied the following amendments to standards and conceptual framework for the first time for their annual reporting period commencing 1 January 2020:

- Amendments to HKAS 1 and HKAS 8, "Definition of Material"
- Amendments to HKAS 39, HKFRS 7 and HKFRS 9, "Hedge Accounting"
- Amendments to HKFRS 3, "Definition of a Business"
- Conceptual Framework for Financial Reporting 2018, "Revised Conceptual Framework for Financial Reporting"

The amendments and conceptual framework listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New standard and amendments to standards have been issued but are not effective for the accounting period beginning on 1 January 2020 and have not been early adopted:

		Effective for accounting periods beginning on or after
Amendments to HKFRS 16	Covid-19-Related Rent Concessions	1 June 2020
Amendments to HKFRS 3, HKAS 16 and HKAS 37	Narrow-scope Amendments	1 January 2022
Annual Improvements Project	Annual Improvements to HKFRSs 2018-2020	1 January 2022
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
HKFRS 17	Insurance Contracts	1 January 2023
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

These new standard and amendments to standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Executive Directors that are used to make strategic decisions.

The Executive Directors consider the business from product type perspective. Generally, the Executive Directors consider the performance of business of each product type within the Group separately. Thus, the performance of each product type within the Group is an individual operating segment.

For the year ended 31 December 2020, there are two operating segments based on business type: (1) sales of solar glass and (2) solar farm business which includes solar farm development, solar power generation and engineering, procurement and construction ("**EPC**") services. The operating segments, solar farm business (which includes solar farm development and solar power generation) and EPC services, were separately disclosed for the year ended 31 December 2019. As the Executive Directors no longer consider the performance of these two business segments separately, they are aggregated as "solar farm business" for the year ended 31 December 2020. Certain comparative figures have been re-presented to conform to current year presentation.

The Executive Directors assess the performance of the operating segments based on a measure of gross profit. The Group does not allocate operating costs to its segments as this information is not reviewed by the Executive Directors.

The revenue from external parties reported to the Executive Directors is measured in a manner consistent with that in the consolidated income statement.

The segment information provided to the Executive Directors for the reportable segments is as follows:

	Year ended 31 December 2020		
	Sales of solar glass	**Solar farm business**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Segment revenue			
Recognised at a point in time	**9,992,290**	**2,230,860**	**12,223,150**
Recognised over time	**—**	**92,679**	**92,679**
Revenue from external customers	**9,992,290**	**2,323,539**	**12,315,829**
Cost of sales	**(5,092,121)**	**(640,117)**	**(5,732,238)**
Gross profit	**4,900,169**	**1,683,422**	**6,583,591**
Segment revenue by geographical area			
The PRC	**7,646,345**	**2,232,063**	**9,878,408**
Other countries	**2,345,945**	**91,476**	**2,437,421**
	9,992,290	**2,323,539**	**12,315,829**

	Year ended 31 December 2019		
	Sales of solar glass	Solar farm business	Total
	HK$'000	*HK$'000*	*HK$'000*
Segment revenue			
Recognised at a point in time	6,767,427	2,227,571	8,994,998
Recognised over time	—	101,103	101,103
Revenue from external customers	6,767,427	2,328,674	9,096,101
Cost of sales	(4,593,921)	(590,633)	(5,184,554)
Gross profit	2,173,506	1,738,041	3,911,547
Segment revenue by geographical area			
The PRC	4,906,517	2,243,769	7,150,286
Other countries	1,860,910	84,905	1,945,815
	6,767,427	2,328,674	9,096,101

	Other segment information		
	Sales of solar glass	**Solar farm business**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Year ended 31 December 2020			
Depreciation charge of property, plant and equipment	**368,602**	**486,768**	**855,370**
Depreciation charge of right-of-use assets	**17,230**	**31,180**	**48,410**
Amortisation charge of intangible assets	**504**	**—**	**504**
Additions to non-current assets (other than finance lease receivables and deferred income tax assets)	**2,141,571**	**1,907,954**	**4,049,525**
Year ended 31 December 2019			
Depreciation charge of property, plant and equipment	334,606	460,721	795,327
Depreciation charge of right-of-use assets	13,192	26,913	40,105
Additions to non-current assets (other than finance lease receivables and deferred income tax assets)	1,147,342	1,774,189	2,921,531

	Assets and liabilities			
	Sales of solar glass	**Solar farm business**	**Unallocated**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
At 31 December 2020				
Total assets	**21,567,416**	**21,409,160**	**446,813**	**43,423,389**
Total liabilities	**2,908,726**	**4,235,910**	**4,254,235**	**11,398,871**
At 31 December 2019				
Total assets	9,550,312	18,426,699	420,009	28,397,020
Total liabilities	1,156,483	3,935,313	4,732,095	9,823,891

Reportable segment assets/(liabilities) are reconciled to total assets/(liabilities) as follows:

	Assets		Liabilities	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets/(liabilities)	**42,976,576**	27,977,011	**(7,144,636)**	(5,091,796)
Unallocated:				
Property, plant and equipment	**354**	1,333	**—**	—
Interests in a joint venture	**365,751**	334,860	**—**	—
Investments in associates	**69,034**	69,237	**—**	—
Prepayments, deposit and other receivables	**650**	1,000	**—**	—
Cash and cash equivalents	**1,293**	3,372	**—**	—
Deferred income tax assets	**9,731**	10,207	**—**	—
Other payables	**—**	—	**(4,084)**	(1,918)
Bank borrowings	**—**	—	**(4,250,151)**	(4,730,177)
Total assets/(liabilities)	**43,423,389**	28,397,020	**(11,398,871)**	(9,823,891)

A reconciliation of segment gross profit to profit before income tax is provided as follows:

	2020	2019
	HK$'000	*HK$'000*
Segment gross profit	**6,583,591**	3,911,547
Unallocated:		
Other income	**190,608**	130,593
Other losses, net	**(51,146)**	(5,434)
Selling and marketing expenses	**(316,610)**	(281,533)
Administrative and other operating expenses	**(548,216)**	(427,156)
Impairment losses on trade receivables	**(5,029)**	(14,429)
Finance income	**60,532**	49,088
Finance costs	**(190,954)**	(303,507)
Share of profits of a joint venture	**35,821**	39,371
Share of losses of associates	**(203)**	(5,886)
Profit before income tax	**5,758,394**	3,092,654

An analysis of the Group's revenue by segment of its customers is as follows:

For the year ended 31 December 2020, revenue of approximately HK$1,428,558,000 (2019: HK$1,460,322,000) were derived from customer A from solar farm business, which accounted for more than 10% of the Group's revenue for the year.

Revenue of approximately HK$1,474,873,000 and HK$1,453,163,000 were derived from customer B and customer C from solar glass business, which accounted for more than 10% of the Group's revenue for the year. (2019: Revenue of approximately HK$1,080,258,000 was derived from customer B from solar glass business, which accounted for more than 10% of the Group's revenue).

An analysis of the Group's non-current assets other than deferred income tax assets and finance lease receivables by geographical area in which the assets are located is as follows:

	2020	2019
	HK$'000	*HK$'000*
The PRC	**21,587,384**	17,157,609
Other countries	**1,495,324**	1,536,186
	23,082,708	18,693,795

4 OTHER INCOME

	2020	2019
	HK$'000	*HK$'000*
Government grants (Note (i))	**134,100**	70,434
Scrap sales	**25,385**	20,144
Tariff adjustments for electricity generation from self-used solar power system	**17,250**	26,800
Rental income	**2,422**	2,970
Others (Note (ii))	**11,451**	10,245
	190,608	130,593

Notes:

(i) Government grants mainly represent grants received from the PRC government in subsidising the Group's general operations and certain tax payments.

(ii) It mainly represents repairs and maintenance income, compensation of insurance claims and other miscellaneous income.

5 OTHER LOSSES, NET

	2020	2019
	HK$'000	*HK$'000*
Foreign exchange losses, net	**(19,176)**	(1,329)
Loss on disposal of property, plant and equipment	**(31,970)**	(4,105)
	(51,146)	(5,434)

6 EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing expenses, administrative and other operating expenses and impairment losses on trade receivables are analysed as follows:

	2020	2019
	HK$'000	*HK$'000*
Auditors' remuneration		
– Audit services	**3,210**	3,210
– Non-audit services	**—**	2,011
Amortisation charge of intangible assets	**504**	—
Depreciation charge of property, plant and equipment	**855,370**	795,327
Depreciation charge of right-of-use assets	**48,410**	40,105
Employee benefit expenses (including directors' emoluments)	**466,509**	374,620
Raw material and consumables used	**4,802,443**	4,018,420
Changes in inventories	**(317,797)**	19,096
Cost of inventories sold	**4,484,646**	4,037,516
Construction contracts costs	**59,096**	67,696
Impairment losses on trade receivables	**5,029**	14,429
Impairment of inventories	**—**	9,109
Transportation costs	**290,155**	259,356
Research and development expenditures	**261,628**	194,946
Other expenses	**127,536**	109,347
	6,602,093	5,907,672

7 FINANCE INCOME AND COSTS

	2020	2019
	HK$'000	*HK$'000*
Finance income		
Interest income from bank deposits	**60,532**	49,088
Finance costs		
Interest for lease liabilities	**35,774**	38,509
Interest on bank borrowings	**193,211**	303,020
Less: Amounts capitalised on qualifying assets	**(38,031)**	(38,022)
	190,954	303,507

8 INCOME TAX EXPENSE

	2020	2019
	HK$'000	*HK$'000*
Current income tax		
– Hong Kong profits tax (Note (ii))	**(72)**	184
– PRC corporate income tax ("**CIT**") (Note (iii))	**698,778**	334,265
– Overseas income tax (Note (iv))	**239,222**	150
	937,928	334,599
Deferred income tax	**(202,660)**	(40,540)
Income tax expense	**735,268**	294,059

Notes:

(i) The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and, accordingly, is exempted from payment of the Cayman Islands income tax.

(ii) Hong Kong profits tax has been provided at the two-tiered rate of 8.25% for the first HK$2 million of the estimated assessable profits for one of the Group's subsidiaries in Hong Kong and 16.5% on the remaining estimated assessable profits for the year (2019: same).

(iii) The Group's operations in the PRC are subject to the corporate income tax of the PRC (the "**PRC corporate income tax**"). The standard PRC corporate income tax rate is 25% (2019: 25%). The applicable CIT rate for Xinyi PV Products (Anhui) Holdings Limited, a subsidiary established in the PRC, was 15% (2019: 15%) for the year as it enjoyed high-tech enterprise income tax benefit. Solar farm companies of the Group in the PRC enjoyed tax holiday and the profits are fully exempted from the CIT for three years starting from its first year of revenue generation, followed by 50% reduction in the CIT in next three years. However, the government grants and insurance claims received during the year are subject to the CIT with the statutory income tax rate of 25%.

(iv) Taxation on overseas profits mainly include Malaysia income tax which has been calculated on the estimated assessable profits for the year at the standard Malaysia corporate income tax rate of 24% (2019: 24%). A subsidiary of the Group in Malaysia is entitled to investment tax allowance ("**ITA**") on its qualifying capital expenditure incurred during the eligible period to be utilised against its assessable profit, subject to fulfillment of certain conditions ("**ITA conditions**") by 31 December 2020. During the year, Malaysia Investment Development Authority (MIDA) issued a letter to the subsidiary in Malaysia to approve the extension of fulfilment of the ITA conditions from 31 December 2020 to 31 December 2022 along with the imposition of certain additional conditions ("**ITA additional conditions**"). Accordingly, the subsidiary could utilise the ITA against its assessable profit only when all ITA conditions and ITA additional conditions are met. ITA allowance previously claimed against taxable income in prior years was reversed during the year, resulting in additional current tax provision. The available ITA allowance is recognised as deferred tax assets as the Group expects all conditions can be met within the required timeframe and it is probable that taxable profit will be available against the deferred tax assets recognised.

9 DIVIDENDS

	2020	2019
	HK\$'000	*HK\$'000*
Interim dividend of 8.5 HK cents (2019: 5.5 HK cents) per share (Note (a))	**694,069**	443,183
Proposed final dividend of 17.0 HK cents (2019: final dividend of 8.5 HK cents) per share (Note (b))	**1,497,573**	687,029

Notes:

(a) An interim dividend of 8.5 HK cents per share (2019: 5.5 HK cents) was partially paid in cash and partially settled by the issuance of shares in respect of scrip dividend for 2020 interim dividend (2019 interim dividend: same) whose names appeared on the Register of Members of the Company on 24 August 2020 (2019: 26 August 2019).

(b) A final dividend in respect of the year ended 31 December 2020 of 17.0 HK cents per share (2019: 8.5 HK cents), amounting to a total dividend of HK$1,497,573,000 (2019: HK$687,029,000) is to be proposed at the forthcoming annual general meeting. The amount of 2020 proposed final dividend is based on 8,809,253,702 shares in issue as at 31 December 2020. These financial statements do not reflect the proposed final dividend for the year ended 31 December 2020. The amount of 2019 final dividend represents the aggregated dividend partially paid in cash and partially settled by the issuance of shares in respect of scrip dividend based on 8,082,696,476 shares in issue as at the record date for the dividend entitlement.

Shareholder will be given an option to receive the 2020 final dividend in cash or wholly or partly in new and fully paid shares of the Company in lieu of cash by scrip dividend (the "**Scrip Dividend Scheme**"). The Scrip Dividend Scheme is subject to the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") granting the listing of and permission to deal in the shares to be allotted and issued under the Scrip Dividend Scheme (2019: same).

For the purpose of calculating the number of the scrip shares (the "**Scrip Shares**") under the Scrip Dividend Scheme, the market value of the Scrip Shares has been fixed at 95% of the average closing price per share as quoted on the Stock Exchange for the five consecutive trading days commenced on 1 June 2021 until 7 June 2021 (both days inclusive) rounded down to two decimal places. Further details of the Scrip Dividend Scheme will be announced later.

10 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year and considering for scrip dividend issued in June and September 2020.

	2020	2019
Profit attributable to equity holders of the Company (HK$'000)	**4,560,853**	2,416,462
Weighted average number of shares in issue (thousands)	**8,233,323**	7,981,305
Basic earnings per share (HK cents)	**55.40**	30.28

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has dilutive potential ordinary shares from share options. The calculation for share options is determined by the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share for the year) for the same total proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share.

	2020	2019
Profit attributable to equity holders of the Company (HK$'000)	**4,560,853**	2,416,462
Weighted average number of ordinary shares in issue (thousands)	**8,233,323**	7,981,305
Adjustments for share options (thousands)	**11,252**	2,750
	8,244,575	7,984,055
Diluted earnings per share (HK cents)	**55.32**	30.27

11 TRADE AND BILLS RECEIVABLES

	2020	2019
	HK$'000	*HK$'000*
Trade receivables (Note (a))	**5,316,373**	4,257,049
Less: Loss allowance of trade receivables (Note (b))	**(19,214)**	(14,657)
Trade receivables, net	**5,297,159**	4,242,392
Bills receivables (Note (a))	**2,838,874**	1,194,111
Trade and bills receivables, net	**8,136,033**	5,436,503

Notes:

(a) Trade and bills receivables

Breakdown of trade receivables by segment is as follows:

	Sales of solar glass *HK$'000*	Solar farm Business *HK$'000*	Total *HK$'000*
At 31 December 2020			
Sales of solar glass	**1,217,287**	**—**	**1,217,287**
Sales of electricity	**—**	**112,183**	**112,183**
Tariff adjustment	**—**	**3,885,545**	**3,885,545**
EPC service revenue	**—**	**101,358**	**101,358**
Total	**1,217,287**	**4,099,086**	**5,316,373**
At 31 December 2019			
Sales of solar glass	1,156,796	—	1,156,796
Sales of electricity	—	94,677	94,677
Tariff adjustment	—	2,862,525	2,862,525
EPC service revenue	—	143,051	143,051
Total	1,156,796	3,100,253	4,257,049

The credit terms granted by the Group to its customers in respect of sales of solar glass are generally from 30 to 90 days.

Receivables from sales of electricity were usually settled on a monthly basis by the state grid companies. Tariff adjustment receivables represented the government subsidies on renewable energy to be received from the state grid companies in accordance with the prevailing government policies.

The ageing analysis of the trade receivables based on invoice date is as follows:

	2020 *HK$'000*	2019 *HK$'000*
0 to 90 days	**5,204,358**	4,124,075
91 days to 180 days	**14,849**	49,027
181 days to 365 days	**16,539**	52,631
1 to 2 years	**72,697**	13,727
Over 2 years	**7,930**	17,589
	5,316,373	4,257,049

The ageing analysis of the trade receivables from solar farm power generation business based on the Group's revenue recognition policy is as follows:

	2020	2019
	HK$'000	*HK$'000*
0 to 90 days	**428,398**	383,191
91 days to 180 days	**415,786**	483,518
181 days to 365 days	**737,492**	674,521
1 to 2 years	**1,599,708**	1,152,600
Over 2 years	**816,344**	263,372
	3,997,728	2,957,202

The maturity of the bills receivables is within 1 year.

The carrying amounts of the trade and bills receivables are denominated in the following currencies:

	2020	2019
	HK$'000	*HK$'000*
RMB	**7,875,573**	5,126,171
US$	**167,386**	236,984
Other currencies	**112,288**	88,005
	8,155,247	5,451,160

(b) Loss allowance of trade receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables by segment.

Sales of solar glass

The closing loss allowances for trade receivables from sales of solar glass as at 31 December 2020 reconcile to the opening loss allowances as follows:

	2020	2019
	HK$'000	*HK$'000*
Opening loss allowance	**14,657**	355
Increase in loss allowance recognised in consolidated income statement during the year	**5,029**	14,429
Receivables written off during the year as uncollectible	**(472)**	(127)
Closing loss allowance	**19,214**	14,657

Sales of electricity

Given the track record of regular repayment of receivables from sales of electricity, all trade receivables from sales of electricity were expected to be recoverable. For tariff adjustment receivables, they are settled in accordance with prevailing government policies and prevalent payment trends of the Ministry of Finance. As at 31 December 2020, the Group has 18 ground-mounted solar farms with aggregate capacity of 1,484MW successfully enlisted on the Renewable Energy Power Generation Project List ("**Project List**").

During the year ended 31 December 2020, the Group received aggregate payment of RMB551,442,000 (equivalent to approximately HK$625,194,000) for the subsidies in relation to the solar power generation by the solar farm projects enlisted on the Project List. The Ministry of Finance does not set out a rigid timetable for the settlement of tariff adjustment receivables. However, given the collection of tariff adjustment receivables is well supported by the government policy, all tariff adjustment receivables were expected to be recoverable. As the collection of tariff adjustment receivables is expected in the normal operating cycle, they are classified as current assets. Consequently, no loss allowance of trade receivables was recognised as at 31 December 2020 (2019: Nil).

As of 31 December 2020, except a loss allowance of trade receivables of HK$19,214,000 (2019: HK$14,657,000), all other trade receivables were expected to be recoverable.

12 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2020	2019
	HK$'000	*HK$'000*
Prepayments	**1,468,661**	715,231
Deposits and other receivables	**219,456**	139,417
Other tax receivables (Note)	**783,318**	812,062
	2,471,435	1,666,710
Less: Non-current portion:		
Prepayments for land use rights and property, plant and equipment	**(809,271)**	(319,143)
Current portion	**1,662,164**	1,347,567

Note: Other tax receivables mainly represent value added tax recoverable.

13 TRADE AND OTHER PAYABLES

	2020	2019
	HK$'000	*HK$'000*
Trade payables	**667,734**	533,472
Retention payables for EPC services	**352**	2,629
Trade payables and retention payable for EPC services (Note (a))	**668,086**	536,101
Bills payables (Note (b))	**381,584**	140,435
Trade, retention and bills payables (Note (c))	**1,049,670**	676,536
Accruals and other payables (Note (d))	**2,327,930**	1,543,905
	3,377,600	2,220,441

Notes:

(a) The ageing analysis of the trade payables and retention payables for EPC services based on invoice date is as follows:

	2020	2019
	HK$'000	*HK$'000*
0 to 90 days	**609,737**	413,328
91 days to 180 days	**26,199**	15,117
181 days to 365 days	**5,538**	87,892
Over 1 year	**26,612**	19,764
	668,086	536,101

(b) The maturity of the bills payables is within 6 months.

(c) The carrying amounts of the trade, retention and bills payables are denominated in the following currencies:

	2020	2019
	HK$'000	*HK$'000*
RMB	**1,003,025**	631,707
Other currencies	**46,645**	44,829
	1,049,670	676,536

(d) Details of accruals and other payables are as follows:

	2020	2019
	HK$'000	*HK$'000*
Payables for property, plant and equipment	**1,766,901**	1,091,748
Accruals for employee benefits and welfare	**144,375**	86,749
Payables for transportation costs and other operating expenses	**105,927**	73,583
Provision for value added tax and other taxes in the PRC	**152,767**	173,053
Payables for utilities	**74,652**	44,706
Others	**83,308**	74,066
	2,327,930	1,543,905

(e) The carrying amounts of trade and other payables approximate their fair values.

14 BANK BORROWINGS

The bank borrowings are unsecured and repayable as follows:

	2020	2019
	HK$'000	*HK$'000*
Repayable on demand and within 1 year	**3,410,143**	2,803,618
Between 1 and 2 years	**1,615,136**	2,985,701
Between 2 and 5 years	**1,087,973**	893,826
	6,113,252	6,683,145
Less: Non-current portion	**(2,703,109)**	(3,879,527)
Current portion	**3,410,143**	2,803,618

15 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On 21 September 2020, Xinyi Energy Holdings Limited ("**Xinyi Energy**"), a non-wholly owned subsidiary of the Company, issued and allotted 357,520,000 new ordinary shares at a placing price of HK$2.50 each pursuant to a placing agreement dated 12 September 2020 (the "**XYE Placing**"). The gross proceeds and net proceeds were approximately HK$893.8 million and HK$893.2 million respectively. Immediately after completion of the XYE Placing, the Company's indirect interest in Xinyi Energy had been reduced from 52.70% to 50.05%. The Group recognised an increase in equity attributable to owners of the Company of HK$202.4 million and an increase in non-controlling interests of HK$690.8 million.

On 30 September 2020, the Group completed the disposal (the "**Disposal**") of the entire equity interest in Xinyi Solar Farm (Group 3) Limited ("**Xinyi Solar Farm (3)**") to Xinyi Energy at a cash consideration of HK$82.9 million pursuant to a sale and purchase agreement dated 16 March 2020 entered into with Xinyi Energy. Xinyi Solar Farm (3), through its subsidiaries, owns and operates four solar farm projects with an aggregated approved capacity of 230MW in the PRC. Immediately after completion of the Disposal, the Company's indirect equity interest in Xinyi Solar Farm (3) had been reduced from 100% to 50.05% without a loss of control. Hence, the Group recognised a transaction with non-controlling interests of HK$36.1 million in relation to the fair value adjustment of the Disposal attributable to the non-controlling interests.

The effect of XYE Placing and the Disposal on the equity attributable to equity holders of the Company during the year ended 31 December 2020 is summarised as follows:

	XYE Placing *HK$'000*	**Disposal** *HK$'000*	**Total** *HK$'000*
Increase in equity attributable to equity holders of the Company	**202,350**	**29,640**	**231,990**
Increase/(decrease) in non-controlling interests	**690,824**	**(36,087)**	**654,737**
Increase/(decrease) in total equity	**893,174**	**(6,447)**	**886,727**

16 BUSINESS COMBINATION

To speed up its development pace and build up a more diversified solar farm investment portfolio, the Group acquired 100% equity interest of five project companies which own solar farms with aggregate approved grid-connected capacity of approximately 330MW in the PRC at a cash consideration of RMB2,460,000 (equivalent to approximately HK$2,790,000) from independent third parties. In relation to the projects with aggregate capacity of 220MW, the Group has provided financial support and involved in the overall planning and coordination of the construction work. Details of the business combination are as follows:

Name of the project company	**Month of acquisition in 2020**	**Equity interest acquired (%)**	**Location**	**Approved grid-connection capacity of the solar farm (MW)**
Wuwei Rihao Renewable Energy Limited	April	100%*	Anhui, the PRC	20
Qingyang County Hewu New Energy Technology Company Limited	June	100%	Anhui, the PRC	70
Zaoqiang County Fraser New Energy Company Limited	June	100%	Hebei, the PRC	100
Heshan County Hongde New Energy Company Limited	December	100%	Guangdong, the PRC	50
Anlu Jingshun Renewable Energy Limited	December	100%*	Hubei, the PRC	90

* Acquired by Xinyi Energy, a non-wholly owned subsidiary of the Company.

Details of the financial information as at acquisition date is presented as follows:

	Total
	HK$'000
Purchases consideration	
Cash consideration	2,790
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	538,389
Right-of-use assets	47,305
Deferred income tax assets	74
Trade and other receivables and prepayments (Note (ii))	75,231
Cash and cash equivalents	1,320
Deferred income tax liabilities	(182)
Lease liabilities	(43,825)
Other payables and accruals	(617,606)
Total identifiable net assets	706
Goodwill (Note (iii))	2,084
	2,790
Net cash inflow arising from the acquisitions	
Cash and cash equivalents acquired	1,320
Less: Cash consideration paid	(218)
	1,102

Notes:

(i) Revenue and profits contribution

The revenue and the profits included in the consolidated income statement since acquisition date contributed by the acquired businesses during the year are approximately HK$19,703,000 and HK$10,848,000 respectively.

If the acquisition had occurred on 1 January 2020, the consolidated income statement would show pro-forma revenue of approximately HK$12,317,933,000 and profit of HK$5,024,963,000.

(ii) Acquired receivables

The fair values of trade receivables acquired were HK$555,000.The gross contractual amount of these trade receivables due in aggregate was HK$555,000, of which no balance was expected to be uncollectible.

(iii) Goodwill

The Group recognised goodwill of approximately HK$2,084,000 in the consolidated balance sheet in connection with the acquisition of these five companies. The goodwill is attributable to the synergies expected to arise after the acquisition because of the close proximity of these projects to other solar farms currently operated by the Group as well as the potential of repowering to increase the electricity generation efficiency in future.

(iv) Acquisition-related costs

No acquisition-related costs were incurred.

17 SUBSEQUENT EVENT

On 6 January 2021, Xinyi Power (BVI) Limited ("**Xinyi Power (BVI)**"), a wholly owned subsidiary of the Company, entered into two sale and purchase agreements ("**S&P Agreements**") with Xinyi Energy in respect of the proposed disposals of the entire equity interest in Xinyi Solar Farm (Group 6) Limited and Xinyi Solar Farm (Group 7) Limited, respectively by Xinyi Power (BVI) to Xinyi Energy for a consideration to be calculated based on the formula respectively set forth in the S&P Agreements. Through their respective subsidiaries, Xinyi Solar Farm (Group 6) Limited and Xinyi Solar Farm (Group 7) Limited respectively owns and operates solar farms with an aggregated approved capacity of 250MW and 270MW in the PRC. The disposal of the entire equity interest in Xinyi Solar Farm (Group 6) Limited was completed on 11 February 2021 for a cash consideration of HK$530.9 million, and the disposal of the entire equity interest in Xinyi Solar Farm (Group 7) Limited is expected to be completed on or before 31 December 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The year of 2020 was a year of challenges and surprises. The photovoltaic ("**PV**") market witnessed sharp ups and downs due to the epidemic situation. Despite the delay in the construction progress of PV projects because of the novel coronavirus (the "**COVID-19**") pandemic during the first half of 2020, the global PV deployment continued to remain strong and resilient in the whole year of 2020. To cope with the rapidly changing and uncertain market environment, the Group has adopted flexible business strategies, strengthened cost control measures and enriched its product portfolios to sharpen its competitive edge.

With both price and sales volume rising quickly in the second half of 2020, the profit contribution from the Group's solar glass business increased significantly in the year of 2020, driving the Group's profit to record another historic high. During the year, the Group achieved consolidated revenue of HK$12,315.8 million, representing an increase of 35.4% as compared to 2019. Profit attributable to the equity holders of the Company increased by 88.7% to HK$4,560.9 million. Basic earnings per share were 55.40 HK cents for 2020, as compared to 30.28 HK cents for 2019. A final dividend of 17.0 HK cents per share has been proposed, which is subject to approval by the shareholders of the Company (the "**Shareholders**") at the forthcoming annual general meeting ("**AGM**").

BUSINESS REVIEW

Solar sector remained resilient during the COVID-19 pandemic

In the first half of 2020, the lockdown measures and restrictions implemented by different countries as a result of the COVID-19 pandemic caused supply chain disruptions and construction delays of PV projects. With project developers and manufacturers adjusting their operations to adapt the ongoing social-distancing measures, the equipment supplies and the construction activities have gradually returned to close to normal levels since the middle of the year.

Although the pandemic situation in many countries has yet to be stabilised and new uncertainties are looming, COVID-19 has accelerated the policy support and the investments in solar energy as part of the recovery plan of some countries. This latest development, combined with rising sustainability awareness, has provided strong support for the future development of solar technology and enhanced the importance of solar power in the energy mix of different countries.

Generally speaking, the COVID-19 pandemic had no material impact on the business operations of the Group in 2020. As for the Group's solar glass business, the overall operation remained unaffected during the year. There was no disruption to raw glass production as all furnaces continued to run on a non-stop (24 hours/day) basis. Although certain processing works (like tempering and coating) were delayed in the first quarter of 2020 as some workers could not promptly return to the workplace because of the movement and quarantine restrictions, the impact was short term and minimal. There was no material delay in the supply of raw materials and delivery of finished products because of the epidemic. As for the Group's solar farm business, the development and construction works of some new solar farm projects were halted in the first quarter of 2020, but have gradually resumed since the second quarter of 2020 after the lifting of the movement and quarantine restrictions in certain cities of China. For the Group's solar farms in operation, because of their inherent nature (which would not be suspended even through there is pandemic), their daily operation and electricity generation were unaffected by the epidemic.

Global PV installations sustained growth even amid COVID-19 pandemic

PV installations outside China were also unaffected in the first quarter of 2020, but largely suspended during the second quarter because of the rampant spread of COVID-19 around the world starting in late March and the full or partial lockdown measures implemented by most major countries. Overseas solar demand thus slumped until the gradual easing of the restrictions in mid-May. The actual impact of the restriction measures varied from country to country.

The United States (the "**U.S.**") recorded year-on-year increase in its new PV capacity installations in 2020 despite the impact of the COVID-19 pandemic. Work stoppages have mostly affected the relatively smaller distributed solar projects, but not the utility scale ground-mounted market. PV installations in the European Union ("**EU**") did not decrease but rather increased notably in 2020. According to SolarPower Europe, EU member states installed 18.2 gigawatts ("**GW**") of solar power capacity in 2020, an 11% improvement over the 16.2GW installed in the previous year. Among the top five PV markets in EU, three countries (Germany, Netherlands and Poland) recorded a year-on-year increase in PV capacity additions and two countries (Spain and France) recorded a year-on-year decrease in 2020. India, a key growth market, has taken the biggest hit from COVID-19. Its solar capacity additions were poised to record a substantial year-on-year drop in 2020 due to compounding issues such as slowing growth in power demand, high counterparty risks, and transmission bottlenecks.

Driven by the demands from the major PV markets including China, the U.S. and the EU, global PV installation has sustained growth in 2020, though dampened by the COVID-19 wave.

China's PV installations have exhibited robust recovery

As a manufacturing hub of the global solar industry and with the largest annual PV capacity additions in the world, China continued to play a vital role in global PV development during the year.

In the first few months of 2020, PV installations in China remained very low. Construction activities were affected because of the reduced workforce, supply chain disruptions and quarantine restrictions. New PV capacity additions showed a 24% year-on-year decrease in the first quarter of 2020, amounting to 3.95GW only. However, with the gradual removal of restrictions in late March and the installation rush before the June 30 deadline for incomplete competitive bidding projects brought forward from 2019, the recovery started to emerge in the second quarter of 2020. For the first half of 2020, China added 11.5GW of PV capacity, roughly the same as that in the same period last year.

Since the second quarter of 2020, China has gradually gained control of the COVID-19 virus and PV installations in the country have subsequently exhibited a robust recovery. 48.2GW of PV capacity were installed in 2020, more than three quarters of which were added in the second half of the year.

Upsurge in demand led to solar glass shortage in second half of 2020

The decrease in the solar component costs because of weakened demand in the first half of 2020, together with developers rushing to complete installations ahead of the deadline, triggered a strong and quick recovery of PV demand in the second half of 2020. The sharp increase in demand resulted in tremendous pressure on the supply chain of the PV industry, especially for solar glass. Not only did the sudden upsurge in demand largely outpace the solar glass supply capacity, but the changes in the industry standard – switching to bifacial and large format solar modules, also posed additional challenges to the industry.

The excessive demand drove up the price of solar glass by more than 70% in the second half of 2020 and affected the production and delivery capabilities of some solar module manufacturers. There has been, however, no quick fix to the situation as the construction of a new solar glass production line normally takes one to two years.

Continuous capacity expansion and product development

To strengthen its market-leading position, the Group has enhanced its economies of scale through strategic expansion, which has included the establishment of a new production complex in Guangxi Zhuang Autonomous Region during the year. Two new solar glass production lines with a daily melting capacity of 1,000 tonnes each were added in June and August 2020, increasing the Group's aggregate melting capacity to 9,800-tonne/day. The timely expansion of production capacities has helped the Group to capture the business opportunities arising from the market recovery in the second half year. Moreover, the diversification of production base will enhance the Group's flexibility in fulfilling customers' orders from different regions.

As a measure to mitigate the rising raw material costs, the Group has developed its first low-iron silica sand mine, which is located near its production complex in Guangxi. This mine has commenced operation since the third quarter of 2020, which can help the Group to ensure more stable supply of raw materials in future.

As for product development, the Group has successfully developed and launched a wide range of solar glass products (including thin glass and large format glass) during the year for different applications of solar modules. Concurrently, the Group has adopted flexible pricing and proactive marketing strategies.

Solar farm development in the midst of transitioning towards grid parity

For self-developed/constructed ground-mounted PV projects, despite the delay caused by the epidemic in the first quarter of 2020, the Group was able to increase 720 megawatts ("**MW**") of grid-connected capacity in 2020, which exceeded the annual installation target of 600MW it previously set.

Due to the declining proportion of subsidies and the simplified application procedures under the grid parity policy, the Group has commenced the shift of its development focus towards non-subsidised (grid parity) projects. New solar farm projects, with no subsidy and lower feed-in-tariff ("**FiT**"), would reduce the weighted average FiT and provide less revenue contribution per kilowatt-hour ("**kWh**") of electricity generation. However, such reduced reliance on subsidies could enable these projects to provide a more predictable and stable cash flow to the Group. During the year, the Group completed grid connection for 560MW of non-subsidised solar farm projects in different provinces/regions of China, including Guangxi, Guangdong, Anhui and Hebei. Leveraging the experience obtained from its in-house engineering, procurement and construction ("**EPC**") team over the years and continuously declining PV costs, the Group is confident that the development of non-subsidised projects can be quickly extended to more different areas.

In 2020, the Group also participated in subsidised ground-mounted PV projects and completed 160MW of grid connection for this type of project during the year. For the auction of new subsidised PV projects, the bidding mechanism is similar to that of last year. According to the bidding results released by National Energy Administration in June 2020, a total of 434 subsidised PV projects with the total capacity of about 26GW were approved, and among them the Group secured a 60MW project in Guangxi. Qualified projects were required to commence grid connection by the end of 2020. A delay of a quarter in completion would cause a reduction in FiT by RMB0.01 per kWh. Projects that fail to be completed before 30 June 2021 will not be qualified for the subsidies.

Stable contributions from solar power electricity generation

During the year, the Group added nine solar farms with an aggregate grid-connected capacity of 830MW, of which 720MW were developed and constructed by its own EPC team. Solar farm projects with a total capacity of 110MW were acquired by Xinyi Energy Holdings Limited ("**Xinyi Energy**") and its subsidiaries (collectively the "**Xinyi Energy Group**") from independent third parties. Notwithstanding the increase in the total grid-connected capacity, the revenue contribution from the Group's solar farm business showed only marginal growth and even some setbacks in 2020. Revenue from solar power generation increased 0.1% year-on-year during the year. This was mainly due to torrential rain and severe flooding in middle and lower reaches of the Yangtze River which reduced the power output of the Group's solar farms during summer – the usual peak period with highest electricity generation in a year.

As at 31 December 2020, the accumulated approved grid-connected capacity of the Group's solar farm projects was 3,470MW, of which 3,304MW was for utility-scale ground-mounted projects and 166MW was for rooftop distributed generation projects (with electricity generated for self-consumption and for sale to the grid). In terms of the ownership, solar farm projects with a capacity of 1,834MW were held through Xinyi Energy Group (of which 1,734MW were 50.05% owned and 100MW were 47.55% owned by Xinyi Solar); solar farm projects with a capacity of 1,536MW were held through the wholly-owned subsidiaries and a solar farm project with a capacity of 100MW was held by a joint-venture (50% owned by the Group).

As at 31 December 2020, out of the 3,304MW utility-scale ground-mounted solar farm projects owned by the Group, solar farms projects with a capacity of 1,584MW have already been enlisted on the Renewable Energy Power Generation Project List and solar farm projects with a capacity of 1,040MW are grid parity projects.

During the year, the Group has also strived to enhance the operational efficiency of its solar farms by monitoring the operating statistics on a real-time basis, performing regular cleaning, and implementing timely maintenance to minimise the risk of mechanical breakdown.

FINANCIAL REVIEW

In 2020, the COVID-19 pandemic had a widespread negative effect on many industries. The PV industry was also affected to a certain extent, especially in the first half year when solar installations around the world were severely curtailed. Even though the COVID-19 situation continues to unfold, solar installation activities have gradually adapted to the “new normal” and showed robust growth during the second half year. The rapid recovery of downstream demand has driven the substantial growth in revenue and profit contributions of the Group’s solar glass segment.

For the year ended 31 December 2020, the Group achieved consolidated revenue of HK$12,315.8 million, representing a 35.4% increase when compared to 2019. Profit attributable to equity holders of the Company increased by 88.7% to HK$4,560.9 million. Basic earnings per share were 55.40 HK cents for 2020, as compared to 30.28 HK cents for 2019.

Revenue

Revenue for the year ended 31 December 2020 was mainly derived from two business segments, namely, (a) sales of solar glass and (b) solar farm business which includes solar farm development, solar power generation and EPC services. The revenue growth for the year was mainly due to the solar glass segment.

Revenue – By Product

	Year Ended 31 December					
	2020		2019		Increase/(Decrease)	
	HK$ million	***% of revenue***	*HK$ million*	*% of revenue*	*HK$ million*	*%*
Sales of solar glass	**9,992.3**	**81.1**	6,767.4	74.4	3,224.9	47.7
Solar farm business	**2,323.5**	**18.9**	2,328.7	25.6	(5.2)	(0.2)
Total external revenue*	**12,315.8**	**100.0**	9,096.1	100.0	3,219.7	35.4

* Because of rounding off, the sum of the individual amounts may not be the same as the actual total amount.

Solar Glass Revenue – By Geographical Market

	Year Ended 31 December					
	2020		2019		Increase/(Decrease)	
	HK$ million	***% of revenue***	*HK$ million*	*% of revenue*	*HK$ million*	*%*
The People's Republic of China ("**PRC**")	**7,646.3**	**76.5**	4,906.5	72.5	2,739.8	55.8
Other countries	**2,345.9**	**23.5**	1,860.9	27.5	485.0	26.1
Total solar glass revenue*	**9,992.3**	**100.0**	6,767.4	100.0	3,224.9	47.7

* Because of rounding off, the sum of the individual amounts may not be the same as the actual total amount.

For the year ended 31 December 2020, solar glass sales revenue increased significantly by 47.7% to HK$9,992.3 million. The increase was primarily due to higher sales volume, increased average selling price ("**ASP**") and more thin glass sales.

Solar glass market witnessed a weak first half and a strong second half in 2020. Impacted by reduced demand due to the COVID-19 outbreak, the market price of mainstream solar glass product (3.2mm) declined by about 17% during the second quarter when compared to the beginning of the year. Despite the steady rise in PV installations in China around the middle of May, prices continued to stay at a relatively low level until July as suppliers needed to sell off their inventory backlog brought forward from the first half year. The continuous improvement in both domestic and overseas demand provided strong support for the recovery in the second half, leading to a price rebound from trough to peak of more than 70%. As a whole, the 2020 annual average market price of mainstream solar glass product (3.2mm) was about 12% higher than 2019.

The Group added a total of two new solar glass production lines in June and August 2020. This increased its aggregate daily melting capacity to 9,800 tonnes from 7,800 tonnes in the first half year and enabled it to benefit more from the market rebound in the second half year. In 2020, the Group's total solar glass sales volume (in terms of tonnage) grew by 19.6% year-on-year.

In view of the increasing demand for thin glass (for application in double-glass and bifacial solar modules) and large format glass (for application in 182mm and 210mm solar modules), the Group has adopted flexible production and marketing strategies to increase its market share of these types of products.

For sales of solar glass, the Group recorded year-on-year revenue growth of 55.8% and 26.1% in the PRC domestic market and overseas market, respectively. Overseas sales accounted for 23.5% (2019: 27.5%) of the Group's total solar glass sales in 2020.

Revenue from electricity generation for the year ended 31 December 2020 was derived from the Group's solar farms in the PRC as set forth below:

	Approved grid-connected capacity		
	As at 31 December 2020	As at 30 June 2020	As at 31 December 2019
	MW	*MW*	*MW*
Utility-scale ground-mounted solar farms			
Anhui	**1,460**	1,460	1,370
Hubei	**450**	360	260
Guangxi	**400**	—	—
Others (Tianjin, Henan, Hebei, etc.)	**894**	844	744
Sub-total	**3,204**	2,664	2,374
Commercial distributed generation projects	**38**	38	38
Total	**3,242**	2,702	2,412
Total number of solar farms	**41**	36	32
Weighted average FiT * (RMB/kWh)	**0.74**	0.83	0.88

* The weighted average FiT rate is proportionately weighted in accordance with the approved grid-connection capacity of each solar farm.

Revenue from the solar farm segment decreased slightly by 0.2% from HK$2,328.7 million in 2019 to HK$2,323.5 million in 2020. Revenue from solar power generation amounted to HK$2,230.9 million, representing 0.1% increase compared to HK$2,227.6 million in 2019 and EPC revenue decreased by 8.3% from HK$101.1 million in 2019 to HK$92.7 million in 2020.

During the year, the rainy season started earlier than normal in the regions along the Yangtze River, including Anhui, Fujian and major parts of Hubei. Moreover, heavy rainfall in June and July substantially reduced the electricity generation of solar farms located in these regions. It is worth noting as well that power generation from solar farms newly added in 2020 was modest as their installations were mostly delayed amid the COVID-19 pandemic.

Similar to other solar farm operators in the PRC, the Group has also experienced delays in subsidy collection in relation to electricity generation of its subsidised solar farm projects. As at 31 December 2020, the outstanding tariff adjustment (subsidy) receivable of the Group amounted to HK$3,885.5 million. Receivables from sales of electricity are generally settled on a monthly basis by state grid companies, while tariff adjustment (subsidy) receivables are settled in accordance with prevailing government policies. In 2020, the Group received tariff adjustment (subsidy) payments of RMB551.4 million (equivalent to approximately HK$625.2 million).

Because of the one-off and ad-hoc nature of EPC projects, the Group believes that focusing efforts on self-owned solar farm developments can ensure more efficient utilisation of resources. Therefore, the Group's EPC revenue in 2020 was mainly derived from a 60%-owned subsidiary, Polaron Solartech Corp, which specialises in developing residential and commercial distributed generation PV projects in different provinces of Canada. Since EPC business is not a core business, the importance which the Group attaches to it is expected to decrease gradually.

Gross profit

Gross profit increased by HK$2,672.1 million, or 68.3%, from HK$3,911.5 million in 2019 to HK$6,583.6 million in 2020. Overall gross profit margin rose to 53.5% (2019: 43.0%). The enhanced gross profit performance was mainly the result of significant improvements in the solar glass business.

In 2020, gross profit margin of the solar glass business increased by 16.9 percentage points to 49.0% (2019: 32.1%). The remarkable increase in margin was mainly attributable to: (i) a higher ASP compared to last year (despite the declines in the second quarter of 2020, the annual average market price of mainstream solar glass products (3.2mm) still rose by about 12% year-on-year in 2020); (ii) reduction in the purchase costs of certain raw materials and energy (like soda ash and natural gas); (iii) continuous improvements in production efficiency; and (iv) increased revenue and profit contributions derived from thin glass products (2.5/2.0 mm).

Gross profit contribution from the solar farm business decreased by 3.1% in 2020 to HK$1,683.4 million (2019: HK$1,738.0 million) and accounted for 25.6% (2019: 44.4%) of the total gross profit of the Group. The decline in gross profit contribution was mainly due to the drop in electricity generation revenue of certain solar farms and increase in repair and maintenance charges. Gross profit margin of this segment slipped from 74.6% in 2019 to 72.5% in 2020.

Other income

During the year, the Group's other income increased by HK$60.0 million to HK$190.6 million, as compared to HK$130.6 million recorded in 2019. The increase was principally due to the additional government grants received by the Group.

Other losses, net

Other losses, net increased by HK$45.7 million to HK$51.1 million in 2020 from HK$5.4 million in 2019. Other losses, net in 2020 comprised: (i) foreign exchange losses of HK$19.2 million, of which HK$13.7 million was related to the realised losses for converting Hong Kong dollar ("**HKD**") into Renminbi ("**RMB**") to effect fund transfers between different subsidiaries within the Group during the year; and (ii) losses on disposal of property, plant and machinery of HK$32.0 million, which was mainly related to the replacement, upgrade and modification of certain solar glass processing facilities of the Group so as to further enhance overall production efficiency.

Selling and marketing expenses

Selling and marketing expenses increased by 12.5% from HK$281.5 million in 2019 to HK$316.6 million in 2020. The percentage increase in selling and marketing expenses was lower than the percentage increase in solar glass sales volume because higher sales growth was recorded in the PRC domestic market than the overseas market in 2020 and hence lowered the increase in transportation cost during the year. Selling and marketing expenses to revenue ratio dropped from 3.1% in 2019 to 2.6% in 2020, mainly due to the upsurge in the selling prices of solar glass products.

Administrative and other operating expenses

Administrative expenses increased by HK$121.1 million, or 28.3%, from HK$427.2 million in 2019 to HK$548.2 million in 2020. The increase was mainly attributable to the increase in research and development expenses of HK$66.7 million and employee benefit expenses of HK$48.0 million. Because of the increased revenue and certain expenses being relatively fixed, the ratio of administrative and other operating expenses to revenue decreased from 4.7% in 2019 to 4.5% in 2020.

Finance costs

Finance costs decreased from HK$303.5 million (or HK$341.5 million before capitalisation) in 2019 to HK$191.0 million (or HK$229.0 million before capitalisation) in 2020. The decrease was mainly attributable to declining interest rates and reduction in average bank borrowings of the Group. During the year, interest expense of HK$38.0 million (2019: HK$38.0 million) was capitalised into the construction costs of different solar farm projects and solar glass production facilities. The capitalised amounts will depreciate together with relevant assets over their estimated useful lives.

Share of profit in joint venture

In 2020, the Group recorded a share of profit in a joint venture of HK$35.8 million (2019: HK$39.4 million), attributable to contributions from Xinyi Solar (Lu'an) Company Limited, a 50%-owned joint venture that engages in the management and operation of a 100MW solar farm in Lu'an, Anhui Province, the PRC.

Income tax expense

Income tax expense increased from HK$294.1 million in 2019 to HK$735.3 million in 2020. The increase was primarily attributable to the net impact of: (i) increased profit from the solar glass business; (ii) corporate income tax ("**CIT**") exemption/reduction period of certain solar farms had expired during the year; and (iii) recognition of deferred tax assets in relation to the investment tax allowance on qualifying capital expenditure of a subsidiary of the Group in Malaysia.

The Group's solar farms are eligible for CIT exemption in the first three years from the year they started recording revenue after offsetting prior year losses, and a 50% tax reduction in the subsequent three years.

EBITDA and net profit

In 2020, the Group's EBITDA (earnings before interest, taxation, depreciation and amortisation) reached HK$6,853.6 million, representing an increase of 62.0% as compared to HK$4,231.6 million in 2019. The EBITDA margin (calculated based on total revenue for the year) was 55.6% in 2020 as compared to 46.5% in 2019.

Net profit attributable to equity holders of the Company in 2020 was HK$4,560.9 million, representing an increase of 88.7%, as compared to HK$2,416.5 million in 2019. Net profit margin attributable to equity holders of the Company increased to 37.0% in 2020 from 26.6% in 2019, mainly due to the net impact of: (i) enhanced profitability of the solar glass business; (ii) lower finance costs; and (iii) reduction in profit sharing from Xinyi Energy Group due to the dilution impact resulting from the spin-off of Xinyi Energy Group in May 2019, the disposals of 540MW and 230MW solar farm projects to Xinyi Energy in June 2019 and September 2020, respectively, and the placing of new shares by Xinyi Energy in September 2020.

Financial resources and liquidity

In 2020, total assets of the Group increased by 52.9% to HK$43,423.4 million and shareholders' equity increased by 87.1% to HK$26,521.8 million. Current ratio as at 31 December 2020 was 2.6, compared to 1.8 as at 31 December 2019. The improvement in current ratio was primarily due to: (i) improved cash flows of the solar glass business; (ii) increase in cash and cash equivalents as a result of the placing of new shares by Xinyi Solar and Xinyi Energy during the year; and (iii) decrease in bank borrowings.

The confluence of the cash flow generated from the Group's business operations and equity fund raising has substantially strengthened the Group's financial position. As at 31 December 2020, total cash and cash equivalents of the Group stood at HK$9,291.2 million, 318.3% higher than the corresponding figure at 31 December 2019. For the year ended 31 December 2020, net cash inflow from operating activities amounted to HK$4,284.5 million (2019: HK$1,582.8 million). The increase was primarily attributable to the strong business and cash flow performance of the solar glass segment. Net cash used for investing activities amounted to HK$3,194.8 million in 2020 (2019: HK$2,262.4 million). The increase was primarily due to capital expenditures in relation to solar glass capacity expansion and investments in new solar farm projects. Net cash generated from financing activities amounted to HK$5,887.0 million in 2020 (2019: HK$2,126.8 million). During the year, the Group secured new bank borrowings of HK$2,508.4 million, and repaid bank borrowings of HK$3,096.5 million. Through the placing of new shares, Xinyi Solar and Xinyi Energy raised net proceeds of HK$6,521.4 million and HK$893.2 million, respectively, in 2020.

The Group was in a net cash position as at 31 December 2020. As at 31 December 2019, the Group's net debt gearing ratio (calculated as bank borrowings less cash and cash equivalents divided by total equity) was 24.0%. The change in the Group's gearing level was primarily due to: (i) increase in cash and cash equivalents; and (ii) decrease in bank borrowings.

BUSINESS OUTLOOK

The outbreak of COVID-19 at the beginning of 2020 sent the world into lockdowns. However, its impact on the solar sector has gradually subsided despite certain virus containment measures remaining in place in some countries. Massive cost reductions in recent years have enabled solar power to compete directly with other energy sources. In addition, policy support and sustainability initiatives have provided extra push. All signs suggest that PV installations will continue to achieve robust growth in 2021.

Greater commitment to green and clean energy by different countries will further foster the growth of solar power. Among which China, the U.S. and the EU will lead the growth in the coming years. In the U.S., after rejoining the Paris Agreement to fight against climate change, the new administration is expected to accelerate the introduction of renewables policies and promote more deployment of solar power in the country. In the EU, COVID-19 has accelerated policy support, with 30% of the funding of the recovery package made available for the green transition. And for China, it plans to speed up and push forward green and low-carbon development, aiming to hit peak carbon emissions before 2030 and achieve carbon neutrality by 2060. As such, it has to undertake a nationwide transformation of its energy mix and substantially increase investment in renewable energy.

Rapid growth of PV installations would continue to create additional demand for solar glass. However, as new solar glass capacities generally need about two years to fully come online, the market supply of solar glass is expected to remain tight in the near term. As for the supply in the longer run, industrial policies on capacity expansion will have an important bearing on the future of PV development in China. According to an exposure draft published by the Ministry of Industry and Information Technology in December 2020, the authority is planning to ease restrictions on investments in new solar glass production capacity. Under the proposed new regulations, solar glass manufacturers intending to add new capacity will not have to submit capacity replacement plans, but need to obtain technology, energy consumption and environmental accreditation by qualified industrial and professional agencies beforehand. This arrangement not only helps to remove a potential bottleneck for the future growth of the PV industry, but may also facilitate technological innovation and efficiency improvement in the solar glass industry.

Looking ahead, with PV installations increasing around the globe and the rising demand for thin glass due to the higher penetration of double-glass and bifacial modules, the market demand for solar glass is expected to stay high. In light of this, the Group will expedite construction work on capacity additions in 2021. For the four new solar glass production lines in Anhui with a daily melting capacity of 1,000 tonnes each, the previous timetable was to start a new line per quarter, but now the schedule has been advanced. The first line has already started trial run in late January. The second line and the two remaining lines are expected to commence operation by the end of March and the middle of the year, respectively. As a medium-term plan, the Group has started the planning and construction work for sixteen new solar glass production lines with a daily melting capacity of 1,000 each in Zhangjiagang (Jiangsu province) and Anhui. The construction of the four new production lines in Zhangjiagang is expected to complete in 2022. The Group will continuously review and adjust its expansion plan to adapt to the changing market conditions.

Soaring selling prices and increasing demand have triggered capacity expansion of some solar glass producers. Notwithstanding the increasingly fierce competition brought by the forthcoming rise in industrial supply, the Directors remain optimistic about the future growth of the Group's solar glass business as its scale advantage, product innovation, well-established operation system and continuous efficiency improvements will further enhance the Group's overall competitiveness.

Driven by the growing preference for bifacial solar modules and larger panels, the growth potential for thin glass and large format glass is expected to remain high. The Group will continue to step up efforts in investing in new product development and focusing on the niche areas in which it has a competitive advantage.

As for the solar farm business, the Group will continue to actively explore opportunities in different regions of China so as to boost its project pipeline and establish a more diversified solar farm portfolio. The annual installation target of the Group is set at 600MW for 2021.

The COVID-19 pandemic has brought unprecedented challenges to the global economy and business environment. Its future development and ultimate impact on different industries are not yet clear. However, it is believed that the PV industry would show stronger resilience despite the COVID-19 crisis as ongoing cost reductions and increasing awareness of sustainability will further drive the solar power market growth. The short-term setback has presented a good chance for policy makers to increase their commitments to solar power in their post-crisis economic stimulus packages, and through which to speed up the transition process to clean energy. As a leading company in the solar value chain, the Group will grasp the opportunities to promote the parallel development of the solar glass and solar farm businesses to further its business growth.

CAPITAL EXPENDITURES AND COMMITMENTS

The Group incurred capital expenditures of HK$3,288.0 million for the year ended 31 December 2020 which was primarily used in the development of the solar farm projects as well as the expansion, upgrade and modification of solar glass production capacities. Capital commitments contracted for but not incurred by the Group as at 31 December 2020 amounted to HK$1,391.1 million, which were mainly related to the development and construction of the solar farm projects and the addition of new solar glass production facilities.

PLEDGE OF ASSETS

No assets of the Group were pledged as security for bank borrowings as of 31 December 2020.

CONTINGENT LIABILITIES

As at 31 December 2020, the Group did not have any significant contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

Save as disclosed in notes 15 and 16 above, there was no material acquisition and disposal of subsidiaries and associated companies during the year ended 31 December 2020.

USE OF PROCEEDS OF PLACING

The Company raised net proceeds of approximately HK$2,645.6 million and approximately HK$3,875.8 million from the placing of 282,000,000 new shares and 300,000,000 new shares in September and December 2020, respectively.

The table below sets out the proposed application of the net proceeds and actual utilisation up to 31 December 2020.

	Proposed application of the net proceeds	Amount utilised up to 31 December 2020	Unutilised balance up to 31 December 2020	Expected timeline for the application of the unutilised net proceeds (Note)
	HK$ million	*HK$ million*	*HK$ million*	
Placing in September 2020				
Solar glass production capacity expansion	2,116.5	868.1	1,248.4	End of 2021
General working capital	529.1	529.1	—	
Total	2,645.6	1,397.2	1,248.4	
Placing in December 2020				
Solar glass production capacity expansion	1,937.9	—	1,937.9	End of 2021
Development and construction of new solar farm projects	1,162.7	6.3	1,156.4	End of 2021
General working capital	775.2	775.2	—	
Total	3,875.8	781.5	3,094.3	

Note: The expected timeline for the application of the unutilised net proceeds is based on the latest estimation made by the Group. It may be subject to change in accordance with the future development of market conditions.

EVENTS AFTER THE REPORTING PERIOD

On 6 January 2021, Xinyi Power (BVI) Limited ("**Xinyi Power (BVI)**"), a wholly-owned subsidiary of the Company, entered into two sale and purchase agreements ("**S&P Agreements**") with Xinyi Energy in respect of the proposed disposals of the entire equity interest in Xinyi Solar Farm (Group 6) Limited and Xinyi Solar Farm (Group 7) Limited by Xinyi Power (BVI) to Xinyi Energy, respectively for a consideration to be calculated based on the formula respectively set forth in the S&P Agreements. Through their respective subsidiaries, Xinyi Solar Farm (Group 6) Limited and Xinyi Solar Farm (Group 7) Limited respectively owns and operates solar farms with an aggregated approved capacity of 250MW and 270MW in the PRC. The disposal of the entire equity interest in Xinyi Solar Farm (Group 6) Limited was completed on 11 February 2021 at a cash consideration of HK$530.9 million, and the disposal of the entire equity interest in Xinyi Solar Farm (Group 7) Limited is expected to be completed on or before 31 December 2021.

Save as disclosed above, no significant event has taken place subsequent to 31 December 2020 and up to the date of this announcement.

TREASURY POLICIES AND EXPOSURE TO FLUCTUATION IN FOREIGN EXCHANGE RATES

The Group mainly operates in China with most of its significant transactions denominated and settled in RMB and US Dollar ("**USD**"). Given the pegged exchange rate between HKD and USD, the Directors do not foresee that the Group is subject to significant foreign exchange risk for transactions conducted in HKD or USD. However, exchange rate fluctuations between RMB and HKD or RMB and USD could affect the Group's performance and asset value. The Group also has solar glass production facilities and production activities in Malaysia. Exchange rate fluctuations between Malaysian Ringgit and HKD could also affect the Group's performance and asset value.

Because of the rebound in the exchange rate between RMB and HKD in 2020, the Group reported non-cash translation gains — an increase in the reserve of its consolidated balance sheet — when translating RMB-denominated assets into HKD. For the year ended 31 December 2020, exchanges gains of HK$1,452.7 million were recorded as the exchange reserve movement. As a result, the Group's consolidated exchange reserve account recorded a credit balance of HK$294.4 million as of 31 December 2020 as compared to a debit balance of HK$1,158.3 million as of 31 December 2019.

For the Group's solar farm business, the revenue from solar power electricity generation is denominated in RMB whilst its bank borrowings are denominated in HKD. As part of the treasury policies, the Group would strike a balance to minimise the risk of currency mismatch between the source of revenue with bank borrowings and the advantage of the lower borrowing rates of HKD as compared to those of the RMB. As at 31 December 2020, all the bank borrowings of the Group were denominated in HKD.

The Group has not experienced any material difficulties and liquidity problems resulting from currency exchange fluctuations. During the year ended 31 December 2020, the Group did not use any financial instrument for hedging purpose.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2020, the Group had about 5,079 full-time employees of whom 4,241 were based in Mainland China and 838 were based in Hong Kong, Malaysia and Canada. The total staff costs, including the emoluments of the Directors, amounted to HK$466.5 million for the year ended 31 December 2020.

The Group maintains good working relationship with its employees and provides training when necessary to keep its employees informed of the latest information on developments of its products and production processes. Remuneration packages offered to the Group's employees are generally consistent with the prevailing levels in the market and are reviewed on a regular basis. Apart from basic remuneration and the statutory retirement benefit scheme, discretionary bonuses may be provided to selected employees taking into consideration the Group's performance and the performance of the individual employee.

SHARE OPTION SCHEME

Pursuant to the share option scheme adopted by the Company in June 2014, 8,589,000 share options were granted to selected employees and an executive director in March 2020. The validity period of the options is from 31 March 2020 to 31 March 2024. One third of the options will vest on each of the year-end date of 2020, 2021 and 2022 if each grantee has met the conditions of vesting as stated in the letter of grant.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

For the year ended 31 December 2020, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the applicable Code Provisions in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") as set forth in Appendix 14 to the Listing Rules for the year ended 31 December 2020.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted The Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set forth in Appendix 10 to the Listing Rules as the code of conduct for securities transactions by the Directors. The Company has made specific enquiry with the Directors and all Directors have confirmed that they complied with the Model Code throughout the year ended 31 December 2020.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, the Company has maintained sufficient public float with at least 25% of the shares held by the public as required under the Listing Rules.

REVIEW BY AUDIT COMMITTEE

The Company has established an audit committee, comprising three independent non-executive Directors, namely Mr. CHENG Kwok Kin, Paul, Mr. LO Wan Sing, Vincent, and Mr. KAN E-ting, Martin. The audit committee has reviewed the audited consolidated financial statements of the Group for the year ended and as of 31 December 2020.

PUBLICATION OF FINAL RESULTS

This announcement is published on the websites of the Stock Exchange and the Company. The annual report of the Company for the year ended 31 December 2020 containing all the information required by Appendix 16 to the Listing Rules and other applicable laws and regulations will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

At the meeting of the board of Directors held on 1 March 2021, the Directors proposed a final dividend (the "**Final Dividend**") of 17.0 HK cents per share for 2020. The recommendation of the payment of the Final Dividend are subject to the approval of the Shareholders at the AGM of the Company to be held on 28 May 2021. If approved by the Shareholders, it is expected that the Final Dividend will be paid on or about Wednesday, 7 July 2021 to Shareholders whose names appear on the register of members of the Company on Monday, 7 June 2021.

The register of members of the Company will be closed from Thursday, 3 June 2021 to Monday, 7 June 2021, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the Final Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited, the Company's branch share registrar in Hong Kong, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 2 June 2021.

Shareholders will be given an option to receive the Final Dividend in cash or wholly or partly in new and fully paid shares of the Company in lieu of cash by scrip dividend. The Scrip Dividend Scheme is subject to the Stock Exchange granting the listing of and permission to deal in the new shares to be allotted and issued under the Scrip Dividend Scheme.

For the purpose of calculating the number of the Scrip Shares under the Scrip Dividend Scheme, the market value of the Scrip Shares has been fixed at 95% of the average closing price per share as quoted on the Stock Exchange for the five consecutive trading days commenced on Tuesday, 1 June 2021 until Monday, 7 June 2021 (both days inclusive) rounded down to two decimal places. Further details of the Scrip Dividend Scheme will be announced later.

ANNUAL GENERAL MEETING

The AGM of the Company will be held on 28 May 2021. The register of members of the Company will be closed from Tuesday, 25 May 2021 to Friday, 28 May 2021, both days inclusive, during which period no transfer of shares will be effected in order to determine the entitlement to attend and vote at the AGM. All share transfers accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 24 May 2021 for such purpose. A notice convening the AGM will be published on the websites of the Stock Exchange and the Company and dispatched to the shareholders on or about 22 April 2021.

On behalf of the Board
Xinyi Solar Holdings Limited
Dr. LEE Yin Yee, B.B.S.
Chairman

Hong Kong, 1 March 2021

As of the date of this announcement, the Board comprises four executive Directors, namely Dr. LEE Yin Yee, B.B.S. (Chairman of the Board), Mr. LEE Yau Ching, Mr. LI Man Yin, and Mr. CHEN Xi, two non-executive Directors, namely Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M, J.P. and Mr. LEE Shing Put, B.B.S., and three independent non-executive Directors, namely Mr. CHENG Kwok Kin, Paul, Mr. LO Wan Sing, Vincent and Mr. KAN E-ting, Martin.

This announcement will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.xinyisolar.com.