



Solargig Energy Holdings Limited

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## 陽光能源控股有限公司

(Incorporated in the Cayman Islands)

(Stock Code: 757)

### ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### FINANCIAL HIGHLIGHTS

Revenue increased by 32.4% to MB3,999.616 (2016: MB3,020.976).

Profit before tax increased by 99.9% to MB657.873 (2016: MB329.077). Gross profit increased by 10.9% to MB1,077.462 (2016: MB977.462). Dividend per share of 16.4% for 2017 (2016: 16.4%) was approved on 31 December 2017.

Operating expenses decreased by 10.9% to MB239.149 (2016: MB269.149).

Other income and expenses decreased by 10.9% to MB3.35 (2016: MB7.45).

Profit after tax and minority interests decreased by 10.8% to MB433.734 (2016: MB483.734). Earnings per share (EPS) increased by 10.9% to MB130.913 (2016: MB118.913).

Net assets per share at the end of the year were HKD1.2375 (2016: HKD1.2375) (MB0.30 (HKD0.37) (2016: MB0.25)).

For further information, please refer to the annual report for 2017 (2016: N/A).



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*f t*

*31 D*

*2017*

**2017**  
***RMB'000***

2016  
*MB'000*

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*t 31 D 2017*

	<i>N t</i>	<b>2017</b> <b>RMB'000</b>	2016 MB'000
<b>Non-current assets</b>			
P		<b>1,531,099</b>	1,696,321
P		<b>14,245</b>	25,143
L		<b>146,233</b>	120,050
P	<i>10</i>	<b>55,298</b>	66,223
I		<b>5,251</b>	41,148
A	<i>11</i>	<b>2,430</b>	-
D		<b>34,763</b>	19,516
Ot	<i>12</i>	<b>-</b>	21,644
<b>Total non-current assets</b>		<b>1,789,319</b>	1,990,045
<b>Current assets</b>			
I		<b>403,531</b>	670,749
I	<i>13</i>	<b>1,648,608</b>	485,910
P	<i>14</i>	<b>347,327</b>	436,296
C		<b>12,143</b>	13,259
P		<b>219,097</b>	384,661
C		<b>191,185</b>	293,628
<b>Total current assets</b>		<b>2,821,891</b>	2,284,503
<b>Current liabilities</b>			
I	<i>15</i>	<b>1,922,322</b>	2,036,867
I	<i>16</i>	<b>1,055,536</b>	728,247
Ot	<i>17</i>	<b>134,476</b>	115,673
C		<b>3,618</b>	2,038
P		<b>46,539</b>	49,408
F		<b>8,000</b>	5,000
<b>Total current liabilities</b>		<b>3,170,491</b>	2,937,233
<b>Net current liabilities</b>		<b>(348,600)</b>	(652,730)
<b>Total assets less current liabilities</b>		<b>1,440,719</b>	1,337,315
<b>Non-current liabilities</b>			
I	<i>15</i>	<b>124,758</b>	179,780
D		<b>2,781</b>	2,851
D		<b>163,272</b>	180,963
F		<b>1,840</b>	10,840
Ot		<b>112,639</b>	84,193
<b>Total non-current liabilities</b>		<b>405,290</b>	458,627
<b>Net assets</b>		<b>1,035,429</b>	878,688
<b>Equity</b>			
<b>Equity attributable to equity holders of the Company</b>			
		<b>276,727</b>	276,727
		<b>673,612</b>	533,769
		<b>950,339</b>	810,496
<b>Non-controlling interests</b>		<b>85,090</b>	68,192
<b>Total equity</b>		<b>1,035,429</b>	878,688

# NOTES TO THE FINANCIAL INFORMATION

## 1. BASIS OF PREPARATION

The financial statements are prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Accounting Standards Board ("HKASB") and the Hong Kong Accounting Standards ("HKAS") issued by the Hong Kong Institute of Certified Accountants ("HKICPA").

The financial statements are prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. The historical cost basis is the original transaction price less any impairment, depreciation or amortisation. Fair value is the price that would be received from the sale of an asset or the settlement of a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the assumptions that market participants would use to develop the transaction price. The fair value measurement is based on the assumptions that market participants would use to develop the transaction price. The fair value measurement is based on the assumptions that market participants would use to develop the transaction price.

At 31 December 2017, the Group's total assets were HK\$348,600,000, total liabilities were HK\$191,185,000, and total equity was HK\$157,415,000. At 31 December 2018, the Group's total assets were HK\$461,790,000, total liabilities were HK\$206,000,000, and total equity was HK\$255,790,000. The Group's total assets, total liabilities, and total equity are presented in the accompanying financial statements.

The Group's financial statements are prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Accounting Standards Board ("HKASB") and the Hong Kong Accounting Standards ("HKAS") issued by the Hong Kong Institute of Certified Accountants ("HKICPA"). The financial statements are prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. The historical cost basis is the original transaction price less any impairment, depreciation or amortisation. Fair value is the price that would be received from the sale of an asset or the settlement of a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the assumptions that market participants would use to develop the transaction price. The fair value measurement is based on the assumptions that market participants would use to develop the transaction price. The fair value measurement is based on the assumptions that market participants would use to develop the transaction price.

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**(b) Geographic information**

	<b>2017</b>	2016
	<b>RMB'000</b>	MB'000
M C	<u><b>2,950,762</b></u>	<u>1,451,226</u>
E t		
– J	<b>895,486</b>	1,386,488
– I	<b>36,686</b>	95,316
– Ot A	<b>115,368</b>	80,826
– E	<b>714</b>	6,151
– A	<b>600</b>	969
–t t	<u><b>1,048,854</b></u>	<u>1,569,750</u>
I t	<u><b>3,999,616</b></u>	<u>3,020,976</u>
( ) N - t t		
	<b>2017</b>	2016
	<b>RMB'000</b>	MB'000
M C	<u><b>14,245</b></u>	<u>33,626</u>
O		
– I	<u><b>55,298</b></u>	<u>57,740</u>
–t t	<u><b>55,298</b></u>	<u>57,740</u>
I t	<u><b>69,543</b></u>	<u>91,366</u>

**4. OTHER INCOME AND GAINS, NET**

	<b>2017</b> <b><i>RMB'000</i></b>	2016 <i>MB'000</i>
<b>Other income</b>		
G    t    t	<b>29,089</b>	20,913
I t t f t		

5. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax	2017 <i>RMB'000</i>	2016 <i>MB'000</i>
(a) Staff costs# (including directors' and chief executive's remuneration)		
Costs of services provided to the Group	192,647	169,263
Cost of services provided to the Group	<u>27,356</u>	<u>25,640</u>
	<u><u>220,003</u></u>	<u><u>194,903</u></u>
	2017 <i>RMB'000</i>	2016 <i>MB'000</i>
(b) Auditor's remuneration		
Audit	2,641	2,790
Tax	52	50
Other	<u>335</u>	<u>225</u>
	<u><u>3,028</u></u>	<u><u>3,065</u></u>
	2017 <i>RMB'000</i>	2016 <i>MB'000</i>
(c) Other items		
Audit fee	3,862	4,409
Directors' remuneration	<u>193,273</u>	<u>219,362,000</u>

**6. FINANCE COSTS**

	<b>2017</b>	2016
	<b>RMB'000</b>	MB'000
Interest expense	<b>120,631</b>	116,532
Interest income	<b>1,071</b>	570
	<hr/>	<hr/>
Interest expense on financial assets	<b>121,702</b>	117,102
	<hr/> <hr/>	<hr/> <hr/>

**7. INCOME TAX**

	<b>2017</b>	2016
	<b>RMB'000</b>	MB'000
Current tax – the PRC		
Provision for current tax	<b>5,856</b>	13,442
Income tax expense	<b>601</b>	5
	<hr/>	<hr/>
Deferred tax	<b>6,457</b>	13,447
	<hr/>	<hr/>
Deferred tax expense	<b>(15,317)</b>	3,995
	<hr/>	<hr/>
Income tax expense/(income tax benefit)	<b>(8,860)</b>	17,442
	<hr/> <hr/>	<hr/> <hr/>

**8. DIVIDENDS**

For the year ended 31 December 2017 (2016: N/A).

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

**(a) Basic earnings/(loss) per share**

For the year ended 31 December 2017 (2016: N/A), the weighted average number of shares outstanding is 3,211,780,566 (2016: 3,211,780,566) shares.

**(b) Diluted earnings/(loss) per share**

For the year ended 31 December 2017 (2016: N/A), the weighted average number of shares outstanding is 3,211,780,566 (2016: 3,211,780,566) shares.

**10. PREPAYMENTS FOR RAW MATERIALS**

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**13. TRADE AND BILLS RECEIVABLES**

	<b>2017</b>	2016
	<b><i>RMB'000</i></b>	<i>MB'000</i>
Trade receivables	<b>1,345,780</b>	526,041
Bills receivable	<b>376,178</b>	17,117
Losses on bills receivable	<b>(73,350)</b>	(57,248)
	<b><u>1,648,608</u></b>	<u>485,910</u>

As at 31 December 2017, the carrying amount of trade receivables is RMB1,345,780,000 (2016: RMB526,041,000). The carrying amount of bills receivable is RMB376,178,000 (2016: RMB17,117,000). The carrying amount of losses on bills receivable is RMB73,350,000 (2016: RMB57,248,000).

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<p>N t t</p>	<p><b>1,368,439</b></p>	<p>272,491</p>
<p>L t l t t</p> <p>1 t 3 t t</p> <p>4 t 6 t t</p> <p>7 t 12 t t</p> <p>O 1 t</p>	<p><b>90,543</b></p> <p><b>118,350</b></p> <p><b>13,609</b></p> <p><b>10,516</b></p> <p><b>47,151</b></p>	<p>8,677</p> <p>30,997</p> <p>88,632</p> <p>55,620</p> <p>29,493</p>
	<p><b>1,648,608</b></p>	<p>485,910</p>

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t t- t t MB219,749,000 (31 D 2016:

MB4,000,000), f t t MB53,196,000 (31 D

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## 15. INTEREST-BEARING BORROWINGS

				2017		2016		
		Effective interest rate (%)	Maturity	MB'000	Effective interest rate (%)	MB'000		
<b>Current:</b>								
B	-	( ) 2.3744-7.14	2018	1,024,880	4-7.8	2017	1,105,045	
B	-	( ) 2.5-7.14	2018	895,763	1.3734-8	2017	763,458	
C	t	t	f	-t				
B	-	( ) -	-	-	5.39	2017	15,000	
B	-	( ) -	-	-	5.225	2017	33,000	
f	t	-	t	( ) 1.6-3.3	2018	3.3-6.15	2017	120,364
				<u>1,922,322</u>			<u>2,036,867</u>	
<b>Non-current:</b>								
B	-	( ) -	-	-	5.39	2018-2027	179,000	
B	-	( ) -	-	-	-	-	-	
f	t	-	t	( ) 1.6-6	2019-2020	3.3	2018-2020	780
				<u>124,758</u>			<u>179,780</u>	

( ) f MB1,024,880,000 (2016: MB1,299,045,000)  
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		2017	2016
		RMB'000	MB'000
A	t :		
B	:		
	t	1,920,643	1,916,503
	I t	-	16,000
	I t t t f f t ,	-	55,000
	B f	-	108,000
		<u>1,920,643</u>	<u>2,095,503</u>
Ot	:		
	t	1,679	120,364
	I t	122,994	364
	I t t t f f t ,	1,764	416
		<u>126,437</u>	<u>121,144</u>
		<u>2,047,080</u>	<u>2,216,647</u>

## 16. TRADE AND BILLS PAYABLES

	2017 <i>RMB'000</i>	2016 <i>MB'000</i>
Trade payables	611,729	546,813
Bills payable	443,807	181,434
	<u>1,055,536</u>	<u>728,247</u>

( ) 1,055,536 RMB'000 (2016: 728,247 MB'000)

	2017 <i>RMB'000</i>	2016 <i>MB'000</i>
Trade payables	413,868	311,257
Trade payables less than 3 months	285,633	119,240
Trade payables 3 to 6 months	292,278	218,125
Trade payables 6 to 12 months	18,226	61,451
Other payables	45,531	18,174
	<u>1,055,536</u>	<u>728,247</u>

( ) As at 31 December 2017, trade payables are denominated in RMB95,700,000 (2016: N/A). Other payables are denominated in RMB53,196,000 (31 December 2016: N/A).

## 17. OTHER PAYABLES AND ACCRUALS

	2017 <i>RMB'000</i>	2016 <i>MB'000</i>
Other payables	67,040	78,831
Other payables less than 3 months	23,444	13,103
Other payables 3 to 6 months	43,850	23,588
Other payables 6 to 12 months	142	151
	<u>134,476</u>	<u>115,673</u>

## 18. BUSINESS COMBINATION

On 31 March 2017, the Group acquired 63% of the equity interest of the subsidiary, Jilin Lianhe Chemical Co., Ltd. (Jilin Lianhe Chemical Co., Ltd.), a company incorporated in China. The acquisition is accounted for as a business combination under common control. The fair value of the identifiable intangible assets acquired is RMB53,000,000. The goodwill arising from the acquisition is RMB134,476,000. The goodwill is attributable to the synergies expected to be realized from the combination of the Group and the subsidiary.

\* Information on the acquisition of Jilin Lianhe Chemical Co., Ltd. is provided in Note 19.



**19. DISPOSAL OF A SUBSIDIARY**

On March 31, 2017, J. F. C. E. C., Ltd.\* (J. F. C. E. C.), a subsidiary of the Company, was disposed of.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Market Overview

In 2017, the total capacity of solar panels installed in China reached 102 GW (2016: 73 GW), an increase of 40% from 2016. According to the China Photovoltaic Industry Association (CPIA), the total capacity of solar panels installed in China reached 102 GW in 2017, an increase of 40% from 73 GW in 2016. The total capacity of solar panels installed in China reached 102 GW in 2017, an increase of 40% from 73 GW in 2016. The total capacity of solar panels installed in China reached 102 GW in 2017, an increase of 40% from 73 GW in 2016.

The total capacity of solar panels installed in China reached 102 GW in 2017, an increase of 40% from 73 GW in 2016. The total capacity of solar panels installed in China reached 102 GW in 2017, an increase of 40% from 73 GW in 2016. The total capacity of solar panels installed in China reached 102 GW in 2017, an increase of 40% from 73 GW in 2016. The total capacity of solar panels installed in China reached 102 GW in 2017, an increase of 40% from 73 GW in 2016. The total capacity of solar panels installed in China reached 102 GW in 2017, an increase of 40% from 73 GW in 2016.

The total capacity of solar panels installed in China reached 102 GW in 2017, an increase of 40% from 73 GW in 2016. The total capacity of solar panels installed in China reached 102 GW in 2017, an increase of 40% from 73 GW in 2016. The total capacity of solar panels installed in China reached 102 GW in 2017, an increase of 40% from 73 GW in 2016. The total capacity of solar panels installed in China reached 102 GW in 2017, an increase of 40% from 73 GW in 2016. The total capacity of solar panels installed in China reached 102 GW in 2017, an increase of 40% from 73 GW in 2016.

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1. 2017 年 1-9 月，公司实现营业收入 25.1 亿元，较上年同期增加 2.5 亿元，增幅 10.8%。其中，主营业务收入 23.6 亿元，较上年同期增加 2.3 亿元，增幅 10.8%。其他业务收入 1.5 亿元，较上年同期增加 0.2 亿元，增幅 15.4%。

2. 2018 年 1-9 月，公司实现营业收入 28.5 亿元，较上年同期增加 3.4 亿元，增幅 12.0%。其中，主营业务收入 26.8 亿元，较上年同期增加 3.2 亿元，增幅 12.0%。其他业务收入 1.7 亿元，较上年同期增加 0.2 亿元，增幅 12.5%。

3. 2018 年 1-9 月，公司营业成本 18.2 亿元，较上年同期增加 1.8 亿元，增幅 11.1%。其中，主营业务成本 16.5 亿元，较上年同期增加 1.6 亿元，增幅 10.9%。其他业务成本 1.7 亿元，较上年同期增加 0.2 亿元，增幅 11.8%。

4. 2018 年 1-9 月，公司期间费用 4.0 亿元，较上年同期增加 0.5 亿元，增幅 14.3%。其中，销售费用 2.2 亿元，较上年同期增加 0.3 亿元，增幅 15.8%；管理费用 1.8 亿元，较上年同期增加 0.2 亿元，增幅 12.5%；财务费用 0.0 亿元，较上年同期增加 0.0 亿元，增幅 0.0%。

5. 2018 年 1-9 月，公司资产减值损失 0.5 亿元，较上年同期增加 0.1 亿元，增幅 25.0%。其中，坏账损失 0.3 亿元，较上年同期增加 0.1 亿元，增幅 50.0%；存货跌价损失 0.2 亿元，较上年同期增加 0.0 亿元，增幅 0.0%。

6. 2018 年 1-9 月，公司公允价值变动收益 0.1 亿元，较上年同期增加 0.1 亿元，增幅 100.0%。

7. 2018 年 1-9 月，公司所得税费用 0.8 亿元，较上年同期增加 0.1 亿元，增幅 14.3%。

8. 2018 年 1-9 月，公司净利润 1.4 亿元，较上年同期增加 0.2 亿元，增幅 14.3%。







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**Construction and operation of photovoltaic system business**

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**Financial Review**

**Revenue**

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 f 32% f MB3,020.976 2016, t t t  
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**Cost of sales**

For the period ending 31 December 2017, the cost of sales was MB2,691.899, representing 83.6% of the net sales of MB3,341.743. The gross profit margin for 2017 was 16.4%, compared to 10.9% for 2016. The gross profit for 2017 was MB657.873, compared to MB329.077 for 2016. The gross profit margin for 2017 was 19.7%, compared to 10.9% for 2016. The gross profit margin for 2017 was 19.7%, compared to 10.9% for 2016.

**Gross profit and gross profit margin**

The gross profit for 2017 was MB657.873, representing 19.7% of the net sales of MB3,341.743. The gross profit margin for 2017 was 19.7%, compared to 10.9% for 2016. The gross profit for 2016 was MB329.077, representing 10.9% of the net sales of MB3,019.000. The gross profit margin for 2016 was 10.9%, compared to 16.4% for 2017.

(1) The gross profit for 2017 was MB657.873, representing 19.7% of the net sales of MB3,341.743. The gross profit margin for 2017 was 19.7%, compared to 10.9% for 2016. The gross profit for 2016 was MB329.077, representing 10.9% of the net sales of MB3,019.000. The gross profit margin for 2016 was 10.9%, compared to 16.4% for 2017.

(2) The gross profit for 2017 was MB657.873, representing 19.7% of the net sales of MB3,341.743. The gross profit margin for 2017 was 19.7%, compared to 10.9% for 2016. The gross profit for 2016 was MB329.077, representing 10.9% of the net sales of MB3,019.000. The gross profit margin for 2016 was 10.9%, compared to 16.4% for 2017.

(3) The gross profit for 2017 was MB657.873, representing 19.7% of the net sales of MB3,341.743. The gross profit margin for 2017 was 19.7%, compared to 10.9% for 2016. The gross profit for 2016 was MB329.077, representing 10.9% of the net sales of MB3,019.000. The gross profit margin for 2016 was 10.9%, compared to 16.4% for 2017.

(4) The gross profit for 2017 was MB657.873, representing 19.7% of the net sales of MB3,341.743. The gross profit margin for 2017 was 19.7%, compared to 10.9% for 2016. The gross profit for 2016 was MB329.077, representing 10.9% of the net sales of MB3,019.000. The gross profit margin for 2016 was 10.9%, compared to 16.4% for 2017.

**Selling and distribution expenses**

2017 MB30.471 2016. MB67.701

**Administrative expenses**

A 2017 MB410.995 2016. MB326.304

**Finance costs**

F 2016 MB117.102 2017, MB121.702

3.9%. A MB3,020.976 MB3,999.616

32.4%. G



**Liquidity and financial resources**

The Group's liquidity and financial resources are primarily provided by the Group's operating activities. At 31 December 2017, the Group's cash and cash equivalents were 0.89 million (31 December 2016: 0.78) million. The Group's total assets were 1,636.798 million (31 December 2016: 1,538.358) million, of which 191.185 million (31 December 2016: 293.628) million were non-current assets. The Group's total liabilities were 1,219.097 million (31 December 2016: 1,384.661) million, of which 1,922.322 million (31 December 2016: 2,036.867) million were non-current liabilities. The Group's net assets were 417.701 million (31 December 2016: 158.1%) million.

**Earnings before interest, taxes, depreciation and amortisation ("EBITDA")**

Earnings before interest, taxes, depreciation and amortisation (EBITDA) for the Group were 433.734 million (10.8% of revenue) for 2017, compared with 130.913 million (4.3% of revenue) for 2016. The Group's EBITDA margin was 10.8% for 2017, compared with 4.3% for 2016.

**Foreign currency risk**

The Group is exposed to foreign currency risk arising from its operations in various countries. The Group's revenue is primarily denominated in the local currencies of the countries in which it operates. The Group's expenses are primarily denominated in the local currencies of the countries in which it operates. The Group's assets and liabilities are primarily denominated in the local currencies of the countries in which they are held. The Group's foreign currency risk is primarily related to its revenue and expenses.


**Human resources**

At 31 December 2017, the Group had 3,565 employees (31 December 2016: 3,664).



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**1. Monocrystalline ingots and monocrystalline wafers**

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**2. Solar cells**

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**3. Photovoltaic modules**

As at 31 December 2017, the Group's photovoltaic modules business had a net asset value of approximately 10 million Hong Kong dollars. The Group's photovoltaic modules business is primarily engaged in the production and sale of photovoltaic modules. The Group's photovoltaic modules business is a subsidiary of the Group.

**4. Construction and Operating of Photovoltaic Systems Business**

The Group's construction and operating of photovoltaic systems business is primarily engaged in the construction and operation of photovoltaic systems. The Group's construction and operating of photovoltaic systems business is a subsidiary of the Group.

**AUDIT COMMITTEE**

The Audit Committee consists of three independent non-executive directors and one executive director. The independent non-executive directors are Mr. [Name], Mr. [Name] and Mr. [Name]. The executive director is Mr. [Name]. The Audit Committee has held [Number] meetings during the year ended 31 December 2017.

**DIVIDEND**

No dividend was declared for the year ended 31 December 2017 (2016: Nil). No dividend was declared for the year ended 31 December 2017 (2016: Nil).





**ANNUAL GENERAL MEETING**

It t t t t f t C 21 J  
 2018. N t f t t t

B O f t B  
**Solargiga Energy Holdings Limited**  
**Wang Junze**  
 (formerly known as Wang Chunwei)  
 E t D t

H K , 21 M 2018

A t t t f t t, M. I (C ), M. I  
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