

Auditor's Report

Trina Solar Co., Ltd

RSM CHINA CPA LLP

CHINA·BEIJING

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Auditor's Report

To the Trina Solar Co., Ltd.

Opinion

We have audited the financial statements of Trina Solar Co., Ltd (hereafter referred to as “the Company”), which comprises the consolidated and the parent company’s statement of financial position as at 31 December 2020, the consolidated and the parent company’s statement of profit or loss and other comprehensive income, the consolidated and the parent company’s statement of cash flows, the consolidated and the parent company’s statement of changes in equity for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying the Company’s financial statements present fairly, in all material respects, the consolidated and the company’s financial position as at 31 December 2020 and of their financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

Basis for Opinion

We conducted our audit in accordance with Chinese Standards on Auditing (CSAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Revenue recognition

(i) Descriptions

Please refer to Note 3.26 for principle and measurement of revenue recognition and Note 5.44 for Revenue and Cost of Sales.

The main business structure of Trina Solar and its subsidiaries includes three segments: photovoltaic products, photovoltaic systems and smart energy.

The photovoltaic products business includes the research and development, production and sales of single polycrystalline silicon-based photovoltaic modules;

The photovoltaic system business includes the photovoltaic power station project construction management business;

The smart energy business includes photovoltaic power generation, operation and maintenance services of photovoltaic power stations, development and sales of intelligent micro grid and multi-energy systems, and operation of energy cloud platform.

The annual revenue amount in 2020 is RMB 29,417,973,429.28.

Revenue is one of the key performance indicators of the Company, there is an inherent risk that the management of Trina Solar (hereinafter referred to as the "Management") manipulates the timing of recognising the revenue in order to achieve specific goals or expectations, so we identify revenue recognition of the Company as a key audit matter.

(ii) Audit response

In the audit of financial statements, we have carried out the following procedures for the reasonableness of assumptions and estimates of the revenue recognition:

- ① Understand and evaluate the design and operation effectiveness of key internal control related to revenue recognition of management;
- ② Select samples to check the sales contract and the interview with the management, identify the contract terms and conditions related to the risk and reward transfer on the ownership of goods, analyze and evaluate the significant risks and reward transfer time points related to sales revenue recognition, and evaluate whether the revenue recognition time points of the company meet the requirements of Accounting Standards for Business Enterprises;
- ③ Analyze the revenue and gross profit based on the product type to determine whether the revenue amount fluctuates abnormally in the reporting period;
- ④ Select samples of revenue transactions recorded in the reporting period, check the sales contract or order, delivery order, logistics order, receipt, statement and invoice, and evaluate whether the relevant revenue recognition conforms to the accounting policies for revenue recognition of the company;
- ⑤ Carry out the cut-off test on the sales revenue recognized before and after the balance sheet date;

⑥Select samples, and carry out letter confirmation procedures for the balance of accounts receivable and the amount of sales revenue.

(b) Measurement of expected credit losses in accounts receivable

(i) Descriptions

Please refer to Note 3.10 Financial Instruments and Note 5.3 Accounts Receivable.

As of 31 December 2020, the accounts receivable disclosed is RMB4,231,668,038.65, the provision for bad debts of accounts receivable is RMB557,647,385.85.

The bad debts provision of accounts receivable reflects the best estimate of expected credit losses by the management at the balance sheet date. In the estimation, the management shall take into account the credit default record of previous years and recoverability rate, implement the judgment to estimate the creditworthiness of debtors and forward-looking economic indicators. The above matters involve material accounting estimates and management judgment, and the expected credit loss of accounts receivable is important to financial statements, so we recognize the bad debts provision of accounts receivable of the Company as a key audit matter.

(ii) Audit response

In the audit of financial statements, we have carried out the following procedures for the reasonableness of expected credit losses in accounts receivable:

- ①According to credit policy of the Company, evaluate and test the design of internal controls and effectiveness of accounts receivable management;
- ②Examine the measurement model of expected credit loss and evaluate the rationality of the major assumptions and key parameters in the model and the appropriateness of the division method of credit risk group;
- ③Assess the appropriateness of management's forecast of credit losses over the entire duration by selecting and examining the credit history, historical payment history, recoverability and considering forward-looking information of customers in credit risk group;
- ④Sample inspection on the key data of the expected credit loss model, including historical data, to assess its completeness and accuracy;
- ⑤Select samples, and carry out letter confirmation procedures for the balance of accounts receivable and the amount of sales revenue.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting Standards of Business Enterprises, and for the design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our Objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Consolidated Statement of Financial Position
as at 31 December 2020

Prepared by: Trina Solar Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	2020/12/31	2019/12/31	Item	Note	2020/12/31	2019/12/31
Current assets:				Current liabilities:			
Cash and cash equivalents	5.1	9,429,357,046.49	5,827,449,548.21	Short-term borrowings	5.23	5,067,682,762.45	6,040,774,904.22
Held-for-trading financial assets	5.2	914,709,238.85	1,733,947,291.38	Held-for-trading financial liabilities	5.24	23,559,939.00	41,702.93
Derivative financial assets		-	-	Derivative financial liabilities		-	-
Notes receivable		-	-	Notes payable	5.25	9,649,794,186.01	4,693,785,705.22
Accounts receivable	5.3	4,231,668,038.65	4,660,378,035.66	Accounts payable	5.26	5,381,266,886.46	4,483,214,091.63
Accounts receivable financing	5.4	1,614,996,704.71	1,198,685,017.02	Advances from customers	5.27	-	1,825,660,229.89
Advances to suppliers	5.5	1,039,219,925.43	712,925,447.55	Contract liabilities	5.28	1,120,402,703.52	N/a.
Other receivables	5.6	1,651,718,685.37	1,554,916,100.18	Employee benefits payable	5.29	445,057,967.67	319,269,179.67
Including: Interests receivable		2,895,751.26	-	Taxes payable	5.30	468,717,969.24	429,710,356.74
Dividends receivable		1,274,376.51	67,773,086.19	Other payables	5.31	1,445,100,111.32	899,535,045.34
Inventories	5.7	7,120,403,437.07	5,609,755,661.86	Including: Interests payable		-	42,722,756.37
Contract assets	5.8	620,110,753.27	N/a.	Dividends payable		-	-
Assets classified as held for sale	5.9	-	28,037,481.48	Liabilities classified as held for sale		-	-
Non-current assets maturing within one year	5.10	663,889.96	70,100,172.55	Non-current liabilities maturing within one year	5.32	610,446,640.22	815,331,645.47
Other current assets	5.11	1,693,870,665.03	935,960,137.44	Other current liabilities	5.33	33,189,302.86	-
Total current assets		28,316,718,384.83	22,332,154,893.33	Total current liabilities		24,245,218,468.75	19,507,322,861.11
Non-current assets:				Non-current liabilities:			
Debt investments		-	-	Long-term borrowings	5.34	4,108,253,652.66	2,604,201,896.48
Other debt investments	5.12	43,341,214.97	43,341,214.97	Bonds payable		-	-
Long-term receivables	5.13	621,662,397.99	343,750,331.42	Including: Preference share		-	-
Long-term equity investments	5.14	444,288,716.77	476,216,426.05	Perpetual capital securities		-	-
Other equity instrument investments	5.15	129,449,500.00	110,000,000.00	Long-term payables	5.35	405,836,859.51	441,000,315.60
Other non-current financial assets		-	-	Long-term employee benefits payable	5.36	-	9,513,375.56
Investment properties		-	-	Estimated liabilities	5.37	979,299,332.64	934,237,549.57
Fixed assets	5.16	10,011,900,553.24	9,951,345,645.78	Deferred income	5.38	128,172,332.89	69,881,866.28
Construction in progress	5.17	2,330,285,561.61	842,544,208.74	Deferred tax liabilities	5.21	24,902,198.70	18,434,616.48
Productive biological assets		-	-	Other non-current liabilities		-	-
Oil and gas assets		-	-	Total non-current liabilities		5,646,464,376.40	4,077,269,619.97
Intangible assets	5.18	649,203,312.30	582,459,759.51	Total liabilities		29,891,682,845.15	23,584,592,481.08
Research and development expenditure		-	-	Owners' equity:			
Goodwill	5.19	160,394,750.97	152,889,892.14	Share capital	5.39	2,068,026,375.00	1,757,826,375.00
Long-term deferred expenses	5.20	66,507,424.48	71,667,990.77	Other equity instruments		-	-
Deferred tax assets	5.21	1,097,384,377.86	987,336,568.57	Including: Preference shares		-	-
Other non-current assets	5.22	1,721,325,155.85	389,308,516.16	Perpetual capital securities		-	-
Total non-current assets		17,275,742,966.04	13,950,860,554.11	Capital reserves	5.40	11,161,262,613.48	9,232,147,086.83
				Less: Treasury stock		-	-
				Other comprehensive income	5.41	-251,846,509.50	-121,690,199.76
				Specific reserves		-	-
				Surplus reserves	5.42	90,346,375.26	62,975,937.23
				Retained earnings	5.43	2,013,393,693.48	1,025,040,191.36
				Owner's equity attributable to parent company		15,081,182,547.72	11,956,299,390.66
				Minority interests		619,595,958.00	742,123,575.70
				Total owners' equity		15,700,778,505.72	12,698,422,966.36
Total assets		45,592,461,350.87	36,283,015,447.44	Total liabilities and owners' equity		45,592,461,350.87	36,283,015,447.44

Legal Representative:

Chief Financial Officer:

Finance Manager:

**Consolidated Statement of Profit or Loss and Other
Comprehensive Income
for the year ended 31 December 2020**

Prepared by: Trina Solar Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	2020	2019
I. Revenue		29,417,973,429.28	23,321,695,860.30
Including: operating revenue	5.44	29,417,973,429.28	23,321,695,860.30
II. Cost of sales		27,841,626,944.62	22,339,284,589.72
Including: operating cost	5.44	24,718,988,909.31	19,253,889,104.71
Taxes and surcharges	5.45	96,555,877.57	131,641,572.07
Selling and distribution expenses	5.46	1,015,210,429.07	1,381,708,838.96
General and administrative expenses	5.47	1,109,044,516.47	924,344,988.16
Research and development expenses	5.48	363,486,752.98	293,772,742.94
Finance costs	5.49	538,340,459.22	353,927,342.88
Including: Interest expense		429,292,425.28	443,275,665.18
Interest income		94,222,766.13	80,979,620.43
Add: Other income	5.50	82,603,383.83	50,035,699.64
Investment income/(losses)	5.51	385,521,100.26	102,649,599.01
Including: Investment income from associates and joint ventures		86,863,105.42	177,568,894.26
Gains/(losses) from derecognition of financial assets measured at amortised cost		-	-
Income/(losses) from net exposure hedging		-	-
Gains/(losses) from changes in fair values	5.52	14,999,639.99	23,926,893.98
Impairment loss of credit	5.53	-219,780,218.99	-245,327,164.96
Impairment loss of asset	5.54	-328,886,479.96	-72,792,870.04
Gains/(losses) from disposal of assets	5.55	-77,364,985.98	-3,614,360.72
III. Profit/(loss) from operations		1,433,438,923.81	837,289,067.49
Add: Non-operating income	5.56	30,583,786.11	44,516,290.42
Less: Non-operating expenses	5.57	57,131,977.98	11,992,993.02
IV. Profit/(loss) before tax		1,406,890,731.94	869,812,364.89
Less: Income tax expenses	5.58	173,750,987.14	167,567,096.32
V. Net profit/(loss) for the year		1,233,139,744.80	702,245,268.57
(I) Net profit/(loss) by continuity			
Net profit/(loss) from continuing operation		1,233,139,744.80	702,245,268.57
Net profit/(loss) from discontinued operation		-	-
(II) Net profit/(loss) by ownership attribution			
Attributable to owners of the parent		1,229,276,756.49	640,595,151.46
Attributable to non-controlling interests		3,862,988.31	61,650,117.11
VI. Other comprehensive income for the year, after tax		-138,234,542.59	34,875,125.21
(a) Attributable to owners of the parent		-130,156,309.74	32,273,552.07
(i) Items that will not be reclassified subsequently to profit or loss		-	-
1. Exchange differences on translating foreign operations of parent		-	-
(ii) Items that may be reclassified subsequently to profit or loss		-130,156,309.74	32,273,552.07
1. Exchange differences on translating foreign operations of subsidiaries		-130,156,309.74	32,273,552.07
(b) Attributable to non-controlling interests		-8,078,232.85	2,601,573.14
VII. Total comprehensive income for the year		1,094,905,202.21	737,120,393.78
Attributable to owners of the parent		1,099,120,446.75	672,868,703.53
Attributable to non-controlling interests		-4,215,244.54	64,251,690.25
VIII. Earnings per share:			
Basic earnings per share		0.64	0.36
Diluted earnings per share		0.64	0.36

For business combination under common control, net profit of the acquiree before the combination is: RMB -379,542.49, net profit of acquiree in last reporting period is : RMB 0.

Legal Representative:

Chief Financial Officer:

Finance Manager:

Consolidated Statement of Cash Flows for the year ended 31 December 2020

Prepared by: Trina Solar Co., Ltd.

Unit: Yuan Currency: RMB

Items	Note	2020	2019
I. Cash flows from operating activities			
Cash received from the sale of goods and the rendering of services		27,707,590,415.29	23,287,732,942.47
Cash received from tax refund		1,346,782,220.71	1,736,906,916.20
Other cash received relating to operating activities	5.60	2,336,621,017.18	1,253,012,479.52
Subtotal of cash inflows from operating activities		31,390,993,653.18	26,277,652,338.19
Cash payments for goods purchased and services received		19,751,361,445.54	14,523,068,334.64
Cash payments to and on behalf of employees		2,016,946,334.78	1,996,918,353.24
Payments of taxes		555,708,653.52	820,661,907.85
Other cash payments relating to operating activities	5.60	6,069,431,899.26	3,695,700,132.08
Subtotal of cash outflows from operating activities		28,393,448,333.10	21,036,348,727.81
Net cash flows from operating activities		2,997,545,320.08	5,241,303,610.38
II. Cash flows from investing activities			
Cash received from disposal and redemption of investments		4,799,134,562.82	1,444,549,338.19
Cash received from returns on investments		250,069,501.23	27,921,742.59
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		45,205,592.71	54,785,935.10
Net cash received from disposals of subsidiaries and other business units		1,577,733.36	6,534,627.31
Other cash received relating to investing activities	5.60	283,460,568.47	66,699,277.78
Subtotal of cash inflows from investing activities		5,379,447,958.59	1,600,490,920.97
Cash payments to acquire fixed, intangible and other long-term assets		4,731,992,551.69	3,855,714,415.27
Cash payments to acquire investments		4,635,387,897.22	2,736,171,637.40
Net cash payments to acquire subsidiaries and other business units		-	24,445,937.63
Other cash payments relating to investing activities	5.60	-	183,803,555.33
Subtotal of cash outflows from investing activities		9,367,380,448.91	6,800,135,545.63
Net cash flows from investing activities		-3,987,932,490.32	-5,199,644,624.66
III. Cash flows from financing activities			
Cash received from capital contributions		2,310,062,620.53	8,240,909.59
Including: Cash received from absorbing minority shareholders' equity investment by subsidiaries		-	8,240,909.59
Cash received from borrowings		12,174,744,307.72	11,852,408,007.59
Other cash received relating to financing activities		351,055,840.98	821,360,064.18
Subtotal of cash inflows from financing activities		14,835,862,769.23	12,682,008,981.36
Cash repayments of debts		11,909,350,267.60	10,770,847,188.82
Cash payments for dividends, distribution of profit and interest expenses		576,389,707.30	543,909,791.34
Including: Dividends, distribution of profit paid by subsidiaries to minority shareholders		-	-
Other cash payments relating to financing activities	5.60	687,917,650.61	261,662,364.41
Subtotal of cash outflows from financing activities		13,173,657,625.51	11,576,419,344.57
Net cash flows from financing activities		1,662,205,143.72	1,105,589,636.79
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-334,456,815.04	139,422,666.22
V. Net increase / (decrease) in cash and cash equivalents		337,361,158.44	1,286,671,288.73
Plus: Cash and cash equivalents at the beginning of the period		3,835,265,177.46	2,548,593,888.73
VI. Cash and cash equivalents at the end of the period		4,172,626,335.90	3,835,265,177.46

Legal Representative:

Chief Financial Officer:

Finance Manager:

**Consolidated Statement of Changes in Owners' Equity
for the year ended 31 December 2020**

Prepared by: Trina Solar Co., Ltd.

Unit: Yuan Currency: RMB

Item	2020												
	Owners' equity attributable to the parent company										Non-controlling interests	Total owners' equity	
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserves	Surplus reserves	General risk reserves			Retained earnings
	Preference shares	Perpetual capital securities	Others										
I. Balance at 31 December 2019	1,757,826,375.00	-	-	-	9,232,147,086.83	-	-121,690,199.76	-	62,975,937.23	1,025,040,191.36	11,956,299,390.66	742,123,575.70	12,698,422,966.36
Add: Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Business combination under common control	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at 1 January 2020	1,757,826,375.00	-	-	-	9,232,147,086.83	-	-121,690,199.76	-	62,975,937.23	1,025,040,191.36	11,956,299,390.66	742,123,575.70	12,698,422,966.36
III. Changes in equity during the reporting period	310,200,000.00	-	-	-	1,929,115,526.65	-	-130,156,309.74	-	27,370,438.03	988,353,502.12	3,124,883,157.06	-122,527,617.70	3,002,355,539.36
(i) Total comprehensive income	-	-	-	-	-	-	-130,156,309.74	-	-	1,229,276,756.49	1,099,120,446.75	-4,215,244.54	1,094,905,202.21
(ii) Capital contributions or withdrawals by owners	310,200,000.00	-	-	-	1,929,115,526.65	-	-	-	-	-	2,239,315,526.65	-116,379,069.53	2,122,936,457.12
1. Ordinary shares contributed by shareholders	310,200,000.00	-	-	-	1,999,862,620.52	-	-	-	-	-	2,310,062,620.52	-	2,310,062,620.52
2. Ordinary shares withdrawled by shareholders	-	-	-	-	-	-	-	-	-	-	-	-116,379,069.53	-116,379,069.53
3. Capital invested by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Equity settlement share based payment transferred to employee compensation	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Combination under common control	-	-	-	-	2,182,600.00	-	-	-	-	-6,750,178.84	-4,567,578.84	-	-4,567,578.84
6. Others	-	-	-	-	-72,929,693.87	-	-	-	-	-	-72,929,693.87	-	-72,929,693.87
(iii) Profit distribution	-	-	-	-	-	-	-	-	27,370,438.03	-234,173,075.53	-206,802,637.50	-1,933,303.63	-208,735,941.13
1. Withdrawal of surplus reserves	-	-	-	-	-	-	-	-	27,370,438.03	-27,370,438.03	-	-	-
2. Profit distribution to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-206,802,637.50	-206,802,637.50	-1,933,303.63	-208,735,941.13
3. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Transfer between owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Capital reserves transfer to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Surplus reserves transfer to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserves used to cover accumulated deficits	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Defined benefit plan transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income carried forward to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
(v) Specific reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal during the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Usage during the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Others	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance at 31 December 2020	2,068,026,375.00	-	-	-	11,161,262,613.48	-	-251,846,509.50	-	90,346,375.26	2,013,393,693.48	15,081,182,547.72	619,595,958.00	15,700,778,505.72

Legal Representative:

Chief Financial Officer:

Finance Manager:

**Consolidated Statement of Changes in Owners' Equity
for the year ended 31 December 2019**

Prepared by: Trina Solar Co., Ltd.

Unit: Yuan Currency: RMB

Item	2019												
	Owners' equity attributable to the parent company										Non-controlling interests	Total owners' equity	
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserves	Surplus reserves	General risk reserves			Retained earnings
Preference shares	Perpetual capital securities	Others	Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserves	Surplus reserves	General risk reserves	Retained earnings	Non-controlling interests	Total owners' equity		
I. Balance at 31 December 2018	1,757,826,375.00	-	-	-	9,134,542,525.97	-	-153,963,751.83	-	40,235,578.69	574,178,904.07	11,352,819,631.90	689,374,199.54	12,042,193,831.44
Add: Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Business combination under common control	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at 1 January 2019	1,757,826,375.00	-	-	-	9,134,542,525.97	-	-153,963,751.83	-	40,235,578.69	574,178,904.07	11,352,819,631.90	689,374,199.54	12,042,193,831.44
III. Changes in equity during the reporting period	-	-	-	-	97,604,560.86	-	32,273,552.07	-	22,740,358.54	450,861,287.29	603,479,758.76	52,749,376.16	656,229,134.92
(i) Total comprehensive income	-	-	-	-	-	-	32,273,552.07	-	-	640,595,151.46	672,868,703.53	64,251,690.25	737,120,393.78
(ii) Capital contributions or withdrawals by owners	-	-	-	-	92,071,381.45	-	-	-	-	-	92,071,381.45	-11,502,314.09	80,569,067.36
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-	-	2,781,713.98	2,781,713.98
2. Ordinary shares withdrawn by shareholders	-	-	-	-	-	-	-	-	-	-	-	-14,284,028.07	-14,284,028.07
3. Capital invested by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Equity settlement share based payment transferred to employee compensation	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Others	-	-	-	-	92,071,381.45	-	-	-	-	-	92,071,381.45	-	92,071,381.45
(iii) Profit distribution	-	-	-	-	-	-	-	-	22,740,358.54	-189,733,864.17	-166,993,505.63	-	-166,993,505.63
1. Withdrawal of surplus reserves	-	-	-	-	-	-	-	-	22,740,358.54	-22,740,358.54	-	-	-
2. Profit distribution to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-166,993,505.63	-166,993,505.63	-	-166,993,505.63
3. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Transfer between owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Capital reserves transfer to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Surplus reserves transfer to share capital	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserves used to cover accumulated deficits	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Defined benefit plan transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income carried forward to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-
(v) Specific reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal during the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Usage during the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Others	-	-	-	-	5,533,179.41	-	-	-	-	-	5,533,179.41	-	5,533,179.41
IV. Balance at 31 December 2020	1,757,826,375.00	-	-	-	9,232,147,086.83	-	-121,690,199.76	-	62,975,937.23	1,025,040,191.36	11,956,299,390.66	742,123,575.70	12,698,422,966.36

Legal Representative:

Chief Financial Officer:

Finance Manager:

Statement of Financial Position
as at 31 December 2020

Prepared by: Trina Solar Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	2020/12/31	2019/12/31	Item	Note	2020/12/31	2019/12/31
Current assets:				Current liabilities:			
Cash and cash equivalents		4,883,239,559.22	2,900,700,383.22	Short-term borrowings		3,722,394,473.77	4,845,067,280.10
Held-for-trading financial assets		778,170,758.29	1,683,681,979.17	Held-for-trading financial liabilities		14,154,787.73	41,702.93
Derivative financial assets		-	-	Derivative financial liabilities		-	-
Notes receivable		-	-	Notes payable		7,032,126,628.52	3,885,008,066.57
Accounts receivable	14.1	4,775,666,818.19	5,619,133,917.88	Accounts payable		2,540,872,058.91	3,260,490,654.70
Accounts receivable financing		1,230,229,953.65	874,434,833.91	Advances from customers		-	330,454,241.37
Advances to suppliers		1,488,333,529.44	806,039,630.50	Contract liabilities		152,162,793.24	N/a.
Other receivables	14.2	6,210,698,835.44	5,952,224,007.31	Employee benefits payable		127,386,852.17	115,211,998.36
Including: Interests receivable		2,895,751.26	-	Taxes payable		11,000,709.53	14,487,933.53
Dividends receivable		220,279,952.11	53,845,177.93	Other payables		1,033,663,641.05	1,185,666,235.77
Inventories		581,358,388.23	735,831,044.33	Including: Interests payable		-	27,012,061.69
Contract assets		-	N/a.	Dividends payable		-	-
Assets classified as held for sale		-	-	Liabilities classified as held for sale		-	-
Non-current assets maturing within one year		-	-	Non-current liabilities maturing within one year		167,174,155.55	69,778,518.72
Other current assets		679,139,863.05	194,207,919.42	Other current liabilities		13,425,753.23	-
Total current assets		20,626,837,705.51	18,766,253,715.74	Total current liabilities		14,814,361,853.70	13,706,206,632.05
Non-current assets:				Non-current liabilities:			
Debt investments		-	-	Long-term borrowings		825,945,786.06	56,700,273.80
Other debt investments		-	-	Bonds payable		-	-
Long-term receivables		-	-	Including: Preference share		-	-
Long-term equity investments	14.3	6,150,210,282.37	4,051,187,412.43	Perpetual capital securities		-	-
Other equity instrument investments		-	-	Long-term payables		-	4,865,192.67
Other non-current financial assets		-	-	Long-term employee benefits payable		-	4,295,177.56
Investment properties		-	-	Estimated liabilities		362,000,351.50	398,472,112.23
Fixed assets		1,533,821,623.49	2,268,776,235.17	Deferred income		3,527,777.84	3,180,738.09
Construction in progress		511,434,971.74	47,205,249.15	Deferred tax liabilities		-	-
Productive biological assets		-	-	Other non-current liabilities		-	-
Oil and gas assets		-	-	Total non-current liabilities		1,191,473,915.40	467,513,494.35
Intangible assets		165,503,191.85	170,213,294.42	Total liabilities		16,005,835,769.10	14,173,720,126.40
Research and development expenditure		-	-	Owners' equity:			
Goodwill		-	-	Share capital		2,068,026,375.00	1,757,826,375.00
Long-term deferred expenses		2,625,530.22	2,836,666.62	Other equity instruments		-	-
Deferred tax assets		233,170,316.31	242,057,597.22	Including: Preference shares		-	-
Other non-current assets		648,305,660.96	10,590,184.36	Perpetual capital securities		-	-
Total non-current assets		9,245,071,576.94	6,792,866,639.37	Capital reserves		11,266,806,973.77	9,163,235,431.84
				Less: Treasury stock		-	-
				Other comprehensive income		-	-
				Specific reserves		-	-
				Surplus reserves		90,346,375.26	62,975,937.23
				Retained earnings		440,893,789.32	401,362,484.64
				Owner's equity attributable to parent company		13,866,073,513.35	11,385,400,228.71
				Total owners' equity		13,866,073,513.35	11,385,400,228.71
Total assets		29,871,909,282.45	25,559,120,355.11	Total liabilities and owners' equity		29,871,909,282.45	25,559,120,355.11

Legal Representative:

Chief Financial Officer:

Finance Manager:

**Statement of Profit or Loss and Other
Comprehensive Income
for the year ended 31 December 2020**

Prepared by: Trina Solar Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	2020	2019
I. Operating revenue	14.4	21,617,761,811.40	20,221,847,758.66
Less: Operating cost	14.4	20,691,430,917.44	18,925,895,668.43
Taxes and surcharges		36,440,624.45	69,112,999.20
Selling and distribution expenses		284,241,023.82	615,099,907.00
General and administrative expenses		336,192,157.32	213,459,570.13
Research and development expenses		280,157,926.72	242,430,699.43
Finance costs		153,917,337.98	217,988,118.12
Including: Interest expense		248,513,032.01	285,984,523.18
Interest income		117,344,869.61	59,133,346.63
Add: Other income		14,408,702.65	28,177,576.10
Investment income/(losses)	14.5	483,820,323.21	216,301,769.23
Including: Investment income from associates and joint ventures		86,631,955.31	171,408,742.79
Gains/(losses) from derecognition of financial assets measured at amortised cost		-	-
Income/(losses) from net exposure hedging		-	-
Gains/(losses) from changes in fair values		18,140,257.14	23,875,713.42
Impairment loss of credit		15,079,426.46	22,339,300.48
Impairment loss of asset		-60,555,664.85	-36,800,120.13
Gains/(losses) from disposal of assets		-12,244,370.12	9,654,493.74
III. Profit/(loss) from operations		294,030,498.16	201,409,529.19
Add: Non-operating income		11,609,033.95	31,005,904.51
Less: Non-operating expenses		6,724,527.44	2,920,968.15
IV. Profit/(loss) before tax		298,915,004.67	229,494,465.55
Less: Income tax expenses		25,210,624.46	2,090,880.12
V. Net profit/(loss) for the year		273,704,380.21	227,403,585.43
(I) Net profit/(loss) by continuity		273,704,380.21	227,403,585.43
(II) Net profit/(loss) by ownership attribution		-	-
VI. Other comprehensive income for the year, after tax		-	-
(i) Items that will not be reclassified subsequently to profit or loss		-	-
1. Exchange differences on translating foreign operations of parent		-	-
(ii) Items that may be reclassified subsequently to profit or loss		-	-
1. Exchange differences on translating foreign operations of subsidiaries		-	-
VII. Total comprehensive income for the year		273,704,380.21	227,403,585.43
VIII. Earnings per share:			
Basic earnings per share		-	-
Diluted earnings per share		-	-

Legal Representative:

Chief Financial Officer:

Finance Manager:

Statement of Cash Flows
for the year ended 31 December 2020

Prepared by: Trina Solar Co., Ltd.

Unit: Yuan Currency: RMB

Items	Note	2020	2019
I. Cash flows from operating activities			
Cash received from the sale of goods and the rendering of services		19,541,420,120.76	21,303,078,911.66
Cash received from tax refund		876,258,128.09	975,161,469.87
Other cash received relating to operating activities		533,809,775.12	638,346,987.54
Subtotal of cash inflows from operating activities		20,951,488,023.97	22,916,587,369.07
Cash payments for goods purchased and services received		16,540,431,100.82	13,580,558,061.30
Cash payments to and on behalf of employees		600,680,609.46	643,083,940.34
Payments of taxes		56,611,078.94	72,400,365.65
Other cash payments relating to operating activities		2,552,895,103.12	6,074,496,291.83
Subtotal of cash outflows from operating activities		19,750,617,892.34	20,370,538,659.12
Net cash flows from operating activities		1,200,870,131.63	2,546,048,709.95
II. Cash flows from investing activities			
Cash received from disposal and redemption of investments		4,666,134,562.82	1,094,541,490.89
Cash received from returns on investments		229,136,259.66	246,160,937.68
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		44,166,447.32	317,310,624.78
Net cash received from disposals of subsidiaries and other business units		-	-
Other cash received relating to investing activities		274,683,704.45	59,133,346.63
Subtotal of cash inflows from investing activities		5,214,120,974.25	1,717,146,399.98
Cash payments to acquire fixed, intangible and other long-term assets		982,205,314.95	328,912,676.10
Cash payments to acquire investments		4,717,043,368.70	2,303,900,000.00
Net cash payments to acquire subsidiaries and other business units		2,171,000,000.00	89,790,000.00
Other cash payments relating to investing activities		8,166.67	10,701,094.92
Subtotal of cash outflows from investing activities		7,870,256,850.32	2,733,303,771.02
Net cash flows from investing activities		-2,656,135,876.07	-1,016,157,371.04
III. Cash flows from financing activities			
Cash received from capital contributions		2,413,771,541.94	-
Cash received from borrowings		8,799,894,320.30	7,121,496,944.57
Other cash received relating to financing activities		85,037,183.47	54,278,315.14
Subtotal of cash inflows from financing activities		11,298,703,045.71	7,175,775,259.71
Cash repayments of debts		9,051,015,680.00	7,590,045,824.00
Cash payments for dividends, distribution of profit and interest expenses		466,142,782.12	398,866,503.88
Other cash payments relating to financing activities		428,173,787.99	105,696,708.56
Subtotal of cash outflows from financing activities		9,945,332,250.11	8,094,609,036.44
Net cash flows from financing activities		1,353,370,795.60	-918,833,776.73
IV. Effect of foreign exchange rate changes on cash and cash equivalents			
		-5,242,139.91	8,423,250.08
V. Net increase / (decrease) in cash and cash equivalents			
		-107,137,088.75	619,480,812.26
Plus: Cash and cash equivalents at the beginning of the period		1,807,149,560.61	1,187,668,748.35
VI. Cash and cash equivalents at the end of the period			
		1,700,012,471.86	1,807,149,560.61

Legal Representative:

Chief Financial Officer:

Finance Manager:

**Statement of Changes in Owners' Equity
for the year ended 31 December 2020**

Prepared by: Trina Solar Co., Ltd.

Unit: Yuan Currency: RMB

Item	2020										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserves	Surplus reserves	Retained earnings	Total owners' equity
		Preference shares	Perpetual capital securities	Others							
I. Balance at 31 December 2019	1,757,826,375.00	-	-	-	9,163,235,431.84	-	-	-	62,975,937.23	401,362,484.64	11,385,400,228.71
Add: Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
II. Balance at 1 January 2020	1,757,826,375.00	-	-	-	9,163,235,431.84	-	-	-	62,975,937.23	401,362,484.64	11,385,400,228.71
III. Changes in equity during the reporting period	310,200,000.00	-	-	-	2,103,571,541.93	-	-	-	27,370,438.03	39,531,304.68	2,480,673,284.64
(i) Total comprehensive income	-	-	-	-	-	-	-	-	-	273,704,380.21	273,704,380.21
(ii) Capital contributions or withdrawals by owners	310,200,000.00	-	-	-	2,103,571,541.93	-	-	-	-	-	2,413,771,541.93
1. Ordinary shares contributed by shareholders	310,200,000.00	-	-	-	1,999,862,620.52	-	-	-	-	-	2,310,062,620.52
2. Ordinary shares withdrawn by shareholders	-	-	-	-	-	-	-	-	-	-	-
3. Capital invested by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	103,708,921.41	-	-	-	-	-	103,708,921.41
(iii) Profit distribution	-	-	-	-	-	-	-	-	27,370,438.03	-234,173,075.53	-206,802,637.50
1. Withdrawal of surplus reserves	-	-	-	-	-	-	-	-	27,370,438.03	-27,370,438.03	-
2. Profit distribution to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-206,802,637.50	-206,802,637.50
3. Others	-	-	-	-	-	-	-	-	-	-	-
(iv) Transfer between owners' equity	-	-	-	-	-	-	-	-	-	-	-
1. Capital reserves transfer to share capital	-	-	-	-	-	-	-	-	-	-	-
2. Surplus reserves transfer to share capital	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserves used to cover accumulated deficits	-	-	-	-	-	-	-	-	-	-	-
4. Defined benefit plan transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income carried forward to retained earnings	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-
(v) Specific reserves	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal during the reporting period	-	-	-	-	-	-	-	-	-	-	-
2. Usage during the reporting period	-	-	-	-	-	-	-	-	-	-	-
(vi) Others	-	-	-	-	-	-	-	-	-	-	-
IV. Balance at 31 December 2019	2,068,026,375.00	-	-	-	11,266,806,973.77	-	-	-	90,346,375.26	440,893,789.32	13,866,073,513.35

Legal Representative:

Chief Financial Officer:

Finance Manager:

**Statement of Changes in Owners' Equity
for the year ended 31 December 2019**

Prepared by: Trina Solar Co., Ltd

Unit: Yuan Currency: RMB

Item	2019										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserves	Surplus reserves	Retained earnings	Total owners' equity
		Preference shares	Perpetual capital securities	Others							
I. Balance at 31 December 2018	1,757,826,375.00	-	-	-	9,071,164,050.39	-	-	-	40,235,578.69	363,692,763.38	11,232,918,767.46
Add: Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
II. Balance at 1 January 2019	1,757,826,375.00	-	-	-	9,071,164,050.39	-	-	-	40,235,578.69	363,692,763.38	11,232,918,767.46
III. Changes in equity during the reporting period	-	-	-	-	92,071,381.45	-	-	-	22,740,358.54	37,669,721.26	152,481,461.25
(i) Total comprehensive income	-	-	-	-	-	-	-	-	-	227,403,585.43	227,403,585.43
(ii) Capital contributions or withdrawals by owners	-	-	-	-	92,071,381.45	-	-	-	-	-	92,071,381.45
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-	-
2. Ordinary shares withdrawn by shareholders	-	-	-	-	-	-	-	-	-	-	-
3. Capital invested by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	92,071,381.45	-	-	-	-	-	92,071,381.45
(iii) Profit distribution	-	-	-	-	-	-	-	-	22,740,358.54	-189,733,864.17	-166,993,505.63
1. Withdrawal of surplus reserves	-	-	-	-	-	-	-	-	22,740,358.54	-22,740,358.54	-
2. Profit distribution to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-166,993,505.63	-166,993,505.63
3. Others	-	-	-	-	-	-	-	-	-	-	-
(iv) Transfer between owners' equity	-	-	-	-	-	-	-	-	-	-	-
1. Capital reserves transfer to share capital	-	-	-	-	-	-	-	-	-	-	-
2. Surplus reserves transfer to share capital	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserves used to cover accumulated deficits	-	-	-	-	-	-	-	-	-	-	-
4. Defined benefit plan transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income carried forward to retained	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-
(v) Specific reserves	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal during the reporting period	-	-	-	-	-	-	-	-	-	-	-
2. Usage during the reporting period	-	-	-	-	-	-	-	-	-	-	-
(vi) Others	-	-	-	-	-	-	-	-	-	-	-
IV. Balance at 31 December 2019	1,757,826,375.00	-	-	-	9,163,235,431.84	-	-	-	62,975,937.23	401,362,484.64	11,385,400,228.71

Legal Representative:

Chief Financial Officer:

Finance Manager:

Trina Solar Co., Ltd
Notes to the Financial Statements
For the year ended 31 December 2020
(All amounts are expressed in Renminbi (“RMB”) unless otherwise stated)

1. BASIC INFORMATION ABOUT THE COMPANY

1.1 Corporate Information

Trina Solar Co., Ltd (hereinafter referred to as “Trina Solar”, “Company” or “the Company”) was established on 26 December 1997, and overall transformed to the company limited by shares in December 2017. On 29 April 2020, as the document “CSRC XK [2020] No. 816”, China Securities Regulatory Commission (CSRC) approved the Company's application for registration of the issue. On 4 June 2020, the Company issued 310,200,000 ordinary shares (A Share) at price of RMB 8.16 per share and face value of RMB 1 to the public investors. The total monetary fund raised was RMB 2,531,232,000.00, deducting the expenses related to the issue of RMB 221,169,379.48, the actual net fund raised by the Company was RMB 2,310,062,620.52, all of which is monetary contribution. On 10 June 2020, the Company was listed on the SSE STAR Market successfully.

The total share capital of the Company is RMB 2,068,026,375.00. The registered address is No.2 Trina Road, Xinbei District, Changzhou. The legal representative of the Company is Jifan Gao.

The principal business structure of the Company includes photovoltaic products, photovoltaic systems and smart energy. The photovoltaic products business includes research and development, manufacture and sales of monocrystalline silicon-based photovoltaic modules; the photovoltaic systems business includes power station business and construction and management of photovoltaic power station projects, etc.; smart energy business includes photovoltaic power generation, operation and management of photovoltaic power station, research and sales of smart micro grid and multi-energy systems, and operation of energy cloud platform, etc.

The financial statements were approved and authorised to issue, upon the resolution of the Company's Board of Directors meeting on 29 March 2021.

1.2 Scope of consolidation and changes

For details of acquirement and disposal of the subsidiaries, please refer to Note 6 CHANGES IN THE SCOPE OF CONSOLIDATION. For relevant information of the subsidiaries, please refer to Note 7 INTERESTS IN OTHER ENTITIES.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis of Preparation

Based on going concern, according to actually occurred transactions and events, the Company prepares its financial statements in accordance with the Accounting Standards for Business Enterprises,

Accounting Standards for Business Enterprises - Application Guidelines, Accounting Standards for Business Enterprises - Interpretations and other relevant provisions. In addition, the Company discloses relevant financial information in accordance with Information Disclosure and Presentation Rules for Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reporting (Revised in 2014).

2.2 Going Concern

The Company has assessed its ability to continually operate for the next twelve months from the end of the reporting period, and no any matters that may result in doubt on its ability as a going concern were noted. Therefore, it is reasonable for the Company to prepare financial statements on the going concern basis.

3.SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The following significant accounting policies and accounting estimates of the Company are formulated in accordance with the Accounting Standards for Business Enterprises. Businesses not mentioned are complied with relevant accounting policies of the Accounting Standards for Business Enterprises.

3.1 Statement of Compliance with the Accounting Standards for Business Enterprises

The Company prepares its financial statements in accordance with the requirements of the Accounting Standards for Business Enterprises, truly and completely reflecting the Company's financial position, and its operating results, changes in shareholders' equity, cash flows and other related information for the year then ended.

3.2 Accounting Period

The accounting year of the Company is from January 1 to December 31 in calendar year.

3.3 Operating Cycle

The Company takes the period from the acquisition of assets for processing to until the ultimate realization of cash or cash equivalents as a normal operating cycle. The operating cycle of the Company is usually less than 12 months.

3.4 Functional Currency

The Company takes Renminbi ("RMB") as the functional currency since 1 January 2017. Some overseas subsidiaries of the Company choose currencies other than RMB. The Company choose RMB as the functional currency. The Company and its overseas subsidiaries choose the currency, mainly based on the primary economic environment in which they operate. The financial statements in year 2019 and 2020 are converted based on the accounting policies set out in Note 3.9.

3.5 Accounting Treatment of Business Combinations under and not under Common Control

(a) Business combinations under common control

The assets and liabilities that the Company obtains in a business combination under common control shall be measured at their carrying amount of the acquired entity at the combination date. If the accounting policy adopted by the acquired entity is different from that adopted by the acquiring entity, the acquiring entity shall, according to accounting policy it adopts, adjust the relevant items in the financial statements of the acquired party based on the principal of materiality. As for the difference between the carrying amount of the net assets obtained by the acquiring entity and the carrying amount of the consideration paid by it, the capital reserve (capital premium or share premium) shall be adjusted. If the capital reserve (capital premium or share premium) is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

(b) Business combinations not under common control

The assets and liabilities that the Company obtains in a business combination not under common control shall be measured at their fair value at the acquisition date. If the accounting policy adopted by the acquired entity is different from that adopted by the acquiring entity, the acquiring entity shall, according to accounting policy it adopts, adjust the relevant items in the financial statements of the acquired entity based on the principal of materiality. On the date of consolidation, where the combination cost exceeds the acquirer's interest in the fair value of the acquiree's identifiable assets and liabilities, the difference is recognized as goodwill; where the combination cost is less than the acquirer's interest in the fair value of the acquiree's identifiable assets and liabilities, first reassess the combination cost and acquirer's interest in the fair value of the acquiree's identifiable assets and liabilities, if such situation remains, the difference is recognized in profit or loss for the current period after reassessment.

3.6 Method of Preparing the Consolidated Financial Statements

(a) Scope of consolidation

The scope of consolidated financial statements shall be determined on the basis of control. It not only includes subsidiaries determined based on voting power (or similar) or other arrangement, but also structured entities under one or several contract arrangements.

Control means that the Company has the right to the investee, gains variable returns by participating in the relevant activities of the investee, and has the ability to use the right to affect its return amount. Subsidiaries are the entities that controlled by the Company (including enterprise, a divisible part of the investee, and structured entity controlled by the enterprise). A structured entity (sometimes called a Special Purpose Entity) is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity.

(b) Method of preparing the consolidated financial statements

The consolidated financial statements shall be prepared by the Company based on the financial statements of the Company and its subsidiaries, and using other related information.

When preparing consolidated financial statements, the Company shall consider the entire group as an accounting entity, adopt uniform accounting policies and apply the requirements of Accounting Standard for Business Enterprises related to recognition, measurement and presentation. The consolidated financial statements shall reflect the overall financial position, operating results and cash flows of the Company.

(i) Like items of assets, liabilities, equity, income, expenses and cash flows of the parent are combined with those of the subsidiaries.

(ii) The carrying amount of the parent's investment in each subsidiary is eliminated (off-set) against the parent's portion of equity of each subsidiary.

(iii) Eliminate the impact of intragroup transactions between the Company and the subsidiaries or between subsidiaries, and when intragroup transactions indicate an impairment of related assets, the losses shall be recognised in full.

(iv) Make adjustments to special transactions from the perspective of the Company.

(c) Method of preparation of the consolidated financial statements when subsidiaries are acquired or disposed in the reporting period

(i) Acquisition of subsidiaries or business

Subsidiaries or business acquired through business combination under common control

When preparing consolidated statements of financial position, the opening balance of the consolidated balance sheet shall be adjusted. Related items of comparative financial statements shall be adjusted as well, deeming that the combined entity has always existed ever since the ultimate controlling party began to control.

Incomes, expenses and profits of the subsidiary incurred from the beginning of the reporting period to the end of the reporting period shall be included into the consolidated statement of profit or loss. Related items of comparative financial statements shall be adjusted as well, deeming that the combined entity has always existed ever since the ultimate controlling party began to control.

Cash flows from the beginning of the reporting period to the end of the reporting period shall be included into the consolidated statement of cash flows. Related items of comparative financial statements shall be adjusted as well, deeming that the combined entity has always existed ever since the ultimate controlling party began to control.

Subsidiaries or business acquired through business combination not under common control

When preparing the consolidated statements of financial position, the opening balance of the consolidated statements of financial position shall not be adjusted.

Incomes, expenses and profits of the subsidiary incurred from the acquisition date to the end of the reporting period shall be included into the consolidated statement of profit or loss.

Cash flows from the acquisition date to the end of the reporting period shall be included into the consolidated statement of cash flows.

(ii) Disposal of subsidiaries or business

When preparing the consolidated statements of financial position, the opening balance of the consolidated statements of financial position shall not be adjusted.

Incomes, expenses and profits incurred from the beginning of the subsidiary to the disposal date shall be included into the consolidated statement of profit or loss.

Cash flows from the beginning of the subsidiary to the disposal date shall be included into the consolidated statement of cash flows.

(d) Special consideration in consolidation elimination

(i) Long-term equity investment held by the subsidiaries to the Company shall be recognised as treasury stock of the Company, which is offset with the owner's equity, represented as "treasury stock" under "owner's equity" in the consolidated statement of financial position.

Long-term equity investment held by subsidiaries between each other is accounted for taking long-term equity investment held by the Company to its subsidiaries as reference. That is, the long-term equity investment is eliminated (off-set) against the portion of the corresponding subsidiary's equity.

(ii) Due to not belonging to paid-in capital (or share capital) and capital reserve, and being different from retained earnings and undistributed profit, "Specific reserves" and "General risk provision" shall be recovered based on the proportion attributable to owners of the parent company after long-term equity investment to the subsidiaries is eliminated with the subsidiaries' equity.

(iii) If temporary timing difference between the book value of the assets and liabilities in the consolidated statement of financial position and their tax basis is generated as a result of elimination of unrealized inter-company transaction profit or loss, deferred tax assets of deferred tax liabilities shall be recognised, and income tax expense in the consolidated statement of profit or loss shall be adjusted simultaneously, excluding deferred taxes related to transactions or events directly recognised in owner's equity or business combination.

(iv) Unrealised inter-company transactions profit or loss generated from the Company selling assets to its subsidiaries shall be eliminated against "net profit attributed to the owners of the parent company" in full. Unrealized inter-company transactions profit or loss generated from the subsidiaries selling assets to the Company shall be eliminated between "net profit attributed to the owners of the parent company" and "non-controlling interests" pursuant to the proportion of the Company in the related subsidiaries. Unrealized inter-company transactions profit or loss generated from the assets sales between the subsidiaries shall be eliminated between "net profit attributed to the owners of the parent company" and "non-controlling interests" pursuant to the proportion of the Company in the selling subsidiaries.

(v) If loss attributed to the minority shareholders of a subsidiary in current period is more than the proportion of non-controlling interest in this subsidiary at the beginning of the period, non-controlling interest is still to be written down.

(e) Accounting for Special Transactions

(i) Purchasing of non-controlling interests

Where, the Company purchases non-controlling interests of its subsidiary, in the separate financial statements of the Company, the cost of the long-term equity investment obtained in purchasing non-controlling interests is measured at the fair value of the consideration paid. In the consolidated financial statements, difference between the cost of the long-term equity investment newly obtained in purchasing non-controlling interests and share of the subsidiary's net assets from the acquisition date or combination date continuingly calculated pursuant to the newly acquired shareholding proportion shall be adjusted into capital reserve (capital premium or share premium). If capital reserve is not enough to be offset, surplus reserve and undistributed profit shall be offset in turn.

(ii) Gaining control over the subsidiary in stages through multiple transactions

Business combination under common control in stages through multiple transactions

In the case of “a single transaction”, each transaction occurred by the Company is recognized as one single transaction which acquired the control of subsidiary. On the combination date, in the individual financial statement, initial cost of the long-term equity investment is determined according to the share of carrying amount of the acquiree's net assets in the ultimate controlling entity's consolidated financial statements after combination. The difference between the initial cost of the long-term equity investment and the carrying amount of the long-term investment held prior of control plus book value of additional consideration paid at acquisition date is adjusted into capital reserve (capital premium or share premium). If the capital reserve is not enough to absorb the difference, any excess shall be adjusted against surplus reserve and undistributed profit in turn. In the subsequent measurement, the long-term equity investment is accounted according to the cost method, but it does not involve the preparation of consolidated financial statements. In the consolidated financial statements, the assets and liabilities acquired during the combination should be recognized at their carrying amount in the ultimate controlling entity's consolidated financial statements on the combination date. The difference between the carrying amount of the investment held prior of control plus book value of additional consideration paid on the acquisition date and the net assets acquired through the combination is adjusted into capital reserve (capital premium or share premium). If the capital reserve is not enough to absorb the difference, any excess shall be written down surplus reserve and undistributed profit in turn adjusted. If the acquiring entity holds equity investment in the acquired entity prior to the combination date and the equity investment is accounted for under the equity method, related profit or loss, other comprehensive income and other changes in equity which have been recognised during the period from the later of the date of the Company obtaining original equity interest and the date of both the acquirer and the acquiree under common control of the same

ultimate controlling party to the combination date should be offset against the opening balance of retained earnings at the comparative financial statements period respectively.

When terms and conditions as well as economic impacts of transactions satisfying one or above following conditions, usually considered such multiple transaction as “a single transaction” and adopt relevant accounting treatment:

- (a) Such transactions are made at the same time or considering the influence between each transactions;
- (b) A complete business outcome could only be achieved by such transactions as a whole;
- (c) The occurrence of one transaction is determined by occurrence of another or more transactions;
- (d) It is not economic when considering one individual transaction, while economy when considering such transaction with other transactions together.

In the case other than “a single transaction”, in every transaction before the date of combination, each transaction occurred by the Company is recognized as financial assets according to the fair value of consideration paid (financial assets at fair value through profit or loss or available-for-sale financial assets) or as long-term equity investment according to equity method. On the date of combination, in individual financial statement of the Company, the initial investment cost of long-term equity investment on the date of combination is determined by portion of carrying amount of subsidiary’s net assets entitled in the consolidated financial statement of the ultimate controller after combination. The difference between initial investment cost on the date of combination and carrying amount of long-term equity investment before reaching consolidation plus carrying amount of new consideration paid for further acquisition of equity on the date of combination, shall be adjust to capital reserve (share/capital premium), if the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against surplus reserve and retained earnings.

In consolidated financial statement, adjust regarding all parties involving in the combination remains current condition when ultimate controller started to control; in preparation of consolidated financial statements, to the limit of point no earlier than acquirer or acquiree under control from ultimate controller, consolidate the assets, liabilities of the acquiree into comparative financial statement of the acquirer, and adjust net assets increased from business combination against relevant item under owner’s equity in comparative financial statement for. If the capital reserve (share/capital premium) of the acquirer is not sufficient to recover the overall portion in consolidated financial statement of retained earnings belong to acquirer realized in acquiree’s retained earnings before combination, the Company would make special notice in notes to the financial statements, including amount of acquiree’s retained earnings realized before combination, amount belong to the Company, and amount failed to transfer to retained earnings on consolidated balance sheet due to not sufficient remaining amount of capital reserve.

If equity investment held by the acquirer before acquisition control of acquire and calculated via equity method, relevant profit or loss, other comprehensive income and other changes in owner’s equity between

the latter of the date acquisition of original equity and the date both acquirer and acquiree under the same ultimate control and the date of combination, shall offset the opening retained earnings in comparative financial statements respectively.

Business combination not under common control in stages through multiple transactions

In the case of “a single transaction”, the Company treat each transactions as one single transaction which acquired the control of subsidiary. In individual financial statement, in every transaction before the date of combination, the equity investment is recognized as long-term equity investment and its initial investment is determined by the fair value of consideration paid. In subsequent measurement, long-term equity is calculated via cost method, but not involving preparation of consolidated financial statements. On the date of combination, in individual financial statements, the initial investment cost of long-term equity investment on the date of combination is the carrying amount of long-term equity investment originally held plus additional investment cost (the fair value of consideration paid for further acquisition of equity). In the consolidated financial statement, initial investment cost and portion of fair value of subsidiary’s identifiable net assets entitled shall be eliminated, and the difference shall be recognized as goodwill or accounted into profit or loss of consolidation.

In the case other than “a single transaction”, in every transaction before the date of combination, each transaction occurred by the Company is recognized as financial assets according to the fair value of consideration paid (financial assets at fair value through profit or loss or available-for-sale financial assets) or as long-term equity investment according to equity method. On the date of combination, in individual financial statements, the initial investment cost of long-term equity investment after switching to cost method is the carrying amount of long-term equity investment originally held (financial assets or long-term equity investment calculated via equity method) plus additional investment cost. In the consolidated financial statement, the equity of acquiree held before the date of acquisition shall be remeasured according to the fair value of such equity on the date of acquisition, and the difference between the fair value and carrying amount is accounted into investment income of current period; if the equity of acquiree held before the date of acquisition involving other comprehensive income under equity method, the relevant other comprehensive income shall be transferred to profit or loss on the date of acquisition, while except for the other comprehensive income arose from acquiree remeasurement of changes in net assets or net liabilities from defined benefit plans. The Company would disclose in the notes to the financial statements the fair value of acquiree’s equity held before the date of acquisition on the date of acquisition, the amount of relevant gain or loss arose from remeasurement in fair value.

(iii) Disposal of investment in subsidiaries without a loss of control

For partial disposal of the long-term equity investment in the subsidiaries without a loss of control, when the Company prepares consolidated financial statements, difference between consideration received from the disposal and the corresponding share of subsidiary’s net assets cumulatively calculated from the acquisition date or combination date shall be adjusted into capital reserve (capital premium or share

premium). If the capital reserve is not enough to absorb the difference, any excess shall be offset against retained earnings.

(iv) Disposal of investment in subsidiaries with a loss of control

Disposal through one transaction

If the Company loses control in an investee through partial disposal of the equity investment, when the consolidated financial statements are prepared, the retained equity interest should be re-measured at fair value at the date of loss of control. The difference between i) the fair value of consideration received from the disposal plus non-controlling interest retained; ii) share of the former subsidiary's net assets cumulatively calculated from the acquisition date or combination date according to the original proportion of equity interest, shall be recognised in current investment income when control is lost.

Moreover, other comprehensive income and other changes in equity related to the equity investment in the former subsidiary shall be transferred into current investment income when control is lost, excluding other comprehensive income resulted from the remeasurement of the movement of net assets or net liabilities under defined benefit plan.

Disposal in stages

In the consolidated financial statements, whether the transactions should be accounted for as “a single transaction” needs to be decided firstly.

If the disposal in stages should not be classified as “a single transaction”, in the separate financial statements, for transactions prior of the date of loss of control, carrying amount of each disposal of long-term equity investment need to be recognized, and the difference between consideration received and the carrying amount of long-term equity investment corresponding to the equity interest disposed should be recognized in current investment income; in the consolidated financial statements, the disposal transaction should be accounted for according to related policy in “Disposal of long-term equity investment in subsidiaries without a loss of control”.

If the disposal in stages should be classified as “a single transaction”, these transactions should be accounted for as a single transaction of disposal of subsidiary resulting in loss of control. In the separate financial statements, for each transaction prior of the date of loss of control, difference between consideration received and the carrying amount of long-term equity investment corresponding to the equity interest disposed should be recognised as other comprehensive income firstly, and transferred to profit or loss as a whole when control is lost; in the consolidated financial statements, for each transaction prior of the date of loss of control, difference between consideration received and proportion of the subsidiary's net assets corresponding to the equity interest disposed should be recognised in profit or loss as a whole when control is lost.

(v) Diluting equity share of parent company in its subsidiaries due to additional capital injection by the subsidiaries' minority shareholders.

Other shareholders (minority shareholders) of the subsidiaries inject additional capital in the subsidiaries, which resulted in the dilution of equity interest of parent company in these subsidiaries. In the consolidated financial statements, difference between share of the corresponding subsidiaries' net assets calculated based on the parent's equity interest before and after the capital injection shall be adjusted into capital reserve (capital premium or share premium). If the capital reserve is not enough to absorb the difference, any excess shall be adjusted against retained earnings.

3.7 Classification of Joint Arrangements and Accounting for Joint Operation

A joint arrangement is an arrangement of which two or more parties have joint control. Joint arrangement of the Company is classified as a joint venture.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Company accounts for its investment in the joint venture by applying the equity method of long-term equity investment.

3.8 Cash and Cash Equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents include short-term (generally within three months of maturity at acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.9 Foreign Currency Transactions and Translation of Foreign Currency Financial Statements

(a) Determination of the exchange rate for foreign currency transactions

Foreign currency transactions are translated to the functional currency of the Company at the spot exchange rates or rates approximate to the spot exchange rates on the dates of the transactions.

(b) Translation of monetary items denominated in foreign currency on the balance sheet date

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences between the spot exchange rate on balance sheet date and the spot exchange rate on initial recognition or on the previous balance sheet date are recognized in profit or loss.

(c) Translation of foreign currency financial statements

Before translating the financial statements of foreign operations, the accounting period and accounting policy shall be adjusted so as to conform to the Company. The adjusted foreign operation financial statements denominated in foreign currency (other than functional currency) shall be translated in accordance with the following method:

(i) The asset and liability items in the statement of financial position shall be translated at the spot

exchange rates at the date of that statement of financial position. The owners' equity items except undistributed profit shall be translated at the spot exchange rates when they are incurred.

(ii) Income and expenses of foreign operation are translated to Renminbi at the spot exchange rates or rates approximate to the spot exchange rates at the transaction dates.

(iii) The differences arising from the translation of foreign currency financial statements shall be presented separately as "other comprehensive income" under the owners' equity items of the consolidated statement of financial position.

(iv) Foreign currency cash flow and cash flow from overseas subsidiaries are translated to Renminbi at the spot exchange rates or rates approximate to the spot exchange rates at the cash flow occurrence dates. Effect of foreign exchange rate changes on cash and cash equivalents is presented separately in the cash flow statement.

3.10 Financial Instruments

Effective at 1st January 2019

Financial instrument is any contract which gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Recognition and derecognition of financial instrument

A financial asset or a financial liability should be recognised in the statement of financial position when, and only when, an entity becomes party to the contractual provisions of the instrument.

A financial asset can only be derecognised when meets one of the following conditions:

(i) The rights to the contractual cash flows from a financial asset expire

(ii) The financial asset has been transferred and meets one of the following derecognition conditions:

Financial liabilities (or part thereof) are derecognised only when the liability is extinguished—i.e., when the obligation specified in the contract is discharged or cancelled or expires. An exchange of the Company (borrower) and lender of debt instruments that carry significantly different terms or a substantial modification of the terms of an existing liability are both accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Purchase or sale of financial assets in a regular-way shall be recognised and derecognised using trade date accounting. A regular-way purchase or sale of financial assets is a transaction under a contract whose terms require delivery of the asset within the time frame established generally by regulations or convention in the market place concerned. Trade date is the date at which the entity commits itself to purchase or sell an asset.

(b) Classification and measurement of financial assets

At initial recognition, the Company classified its financial asset based on both the business model for

managing the financial asset and the contractual cash flow characteristics of the financial asset: financial asset at amortised cost, financial asset at fair value through profit or loss (FVTPL) and financial asset at fair value through other comprehensive income (FVTOCI). Reclassification of financial assets is permitted if, and only if, the objective of the entity's business model for managing those financial assets changes. In this circumstance, all affected financial assets shall be reclassified on the first day of the first reporting period after the changes in business model; otherwise the financial assets cannot be reclassified after initial recognition.

Financial assets shall be measured at initial recognition at fair value. For financial assets measured at FVTPL, transaction costs are recognised in current profit or loss. For financial assets not measured at FVTPL, transaction costs should be included in the initial measurement. Notes receivable or accounts receivable that arise from sales of goods or rendering of services are initially measured at the transaction price defined in the accounting standard of revenue where the transaction does not include a significant financing component.

Subsequent measurement of financial assets will be based on their categories:

(i) Financial asset at amortised cost

The financial asset at amortised cost category of classification applies when both the following conditions are met: the financial asset is held within the business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding. These financial assets are subsequently measured at amortised cost by adopting the effective interest rate method. Any gain or loss arising from derecognition according to the amortization under effective interest rate method or impairment are recognised in current profit or loss.

(ii) Financial asset at fair value through other comprehensive income (FVTOCI)

The financial asset at FVTOCI category of classification applies when both the following conditions are met: the financial asset is held within the business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payment of principle and interest on the principal amount outstanding. All changes in fair value are recognised in other comprehensive income except for gain or loss arising from impairment or exchange differences, which should be recognised in current profit or loss. At derecognition, cumulative gain or loss previously recognised under OCI is reclassified to current profit or loss. However, interest income calculated based on the effective interest rate is included in current profit or loss.

The Company make an irrevocable decision to designate part of non-trading equity instrument investments as measured through FVTOCI. All changes in fair value are recognised in other comprehensive income except for dividend income recognised in current profit or loss. At derecognition, cumulative gain or loss are reclassified to retained earnings.

(iii) Financial asset at fair value through profit or loss (FVTPL)

Financial asset except for above mentioned financial asset at amortised cost or financial asset at fair value through other comprehensive income (FVTOCI), should be classified as financial asset at fair value through profit or loss (FVTPL). These financial assets should be subsequently measured at fair value. All the changes in fair value are included in current profit or loss.

(c) Classification and measurement of financial liabilities

The Company classified the financial liabilities as financial liabilities at fair value through profit or loss (FVTPL), loan commitments at a below-market interest rate and financial guarantee contracts and financial asset at amortised cost.

Subsequent measurement of financial assets will be based on the classification:

(i) Financial liabilities at fair value through profit or loss (FVTPL)

Held-for-trading financial liabilities (including derivatives that are financial liabilities) and financial liabilities designated at FVTPL are classified as financial liabilities at FVTP. After initial recognition, any gain or loss (including interest expense) are recognised in current profit or loss except for those hedge accounting is applied. For financial liability that is designated as at FVTPL, changes in the fair value of the financial liability that is attributable to changes in the own credit risk of the issuer shall be presented in other comprehensive income. At derecognition, cumulative gain or loss previously recognised under OCI is reclassified to retained earnings.

(ii) Financial liabilities at amortised cost

After initial recognition, the Company measured other financial liabilities at amortised cost using the effective interest method.

Except for special situation, financial liabilities and equity instrument should be classified in accordance with the following principles:

(i) If the Company has no unconditional right to avoid delivering cash or another financial instrument to fulfill a contractual obligation, this contractual obligation meets the definition of financial liabilities. Some financial instruments do not comprise terms and conditions related to obligations of delivering cash or another financial instrument explicitly, they may include contractual obligation indirectly through other terms and conditions.

(ii) If a financial instrument must or may be settled in the Company's own equity instruments, it should be considered that the Company's own equity instruments are alternatives of cash or another financial instrument, or to entitle the holder of the equity instruments to sharing the remaining rights over the net assets of the issuer. If the former is the case, the instrument is a liability of the issuer; otherwise, it is an equity instrument of the issuer. Under some circumstances, it is regulated in the contract that the financial instrument must or may be settled in the Company's own equity instruments, where, amount of contractual rights and obligations are calculated by multiplying the number of the equity instruments to be available

or delivered by its fair value upon settlement. Such contracts shall be classified as financial liabilities, regardless that the amount of contractual rights and liabilities is fixed, or fluctuate totally or partially with variables other than market price of the entity's own equity instruments (such as interest rate, price of some kind of goods or some kind of financial instrument).

(d) Derivatives and embedded derivatives

At initial recognition, derivatives shall be measured at fair value at the date of derivative contracts are signed and subsequently measured at fair value. The derivative with a positive fair value shall be recognized as an asset, and with a negative fair value shall be recognised as a liability.

Gains or losses arising from the changes in fair value of derivatives shall be recognised directly into current profit or loss except for the effective portion of cash flow hedges which shall be recognised in other comprehensive income and reclassified into current profit or loss when the hedged items affect profit or loss.

An embedded derivative is a component of a hybrid contract with a financial asset as a host, the Company shall apply the requirements of financial asset classification to the entire hybrid contract. If a host that is not a financial asset and the hybrid contract is not measured at fair value with changes in fair value recognised in profit or loss, and the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host, and a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, the embedded derivative shall be separated from the hybrid instrument and accounted for as a separate derivative instrument. If the Company is unable to measure the fair value of the embedded derivative at the acquisition date or subsequently at the balance sheet date, the entire hybrid contract is designated as financial assets or financial liabilities at fair value through profit or loss.

(e) Impairment of financial instrument

The Company shall recognise a loss allowance based on expected credit losses on a financial asset that is measured at amortised cost, a debt investment at fair value through other comprehensive income, a contract asset, a lease receivable, a loan commitment and a financial guarantee contract.

(i) Measurement of expected credit losses

Expected credit losses are the weighted average of credit losses of the financial instruments with the respective risks of a default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the

expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date (or the expected lifetime, if the expected life of a financial instrument is less than 12 months).

At each reporting date, the Company classifies financial instruments into three stages and makes provisions for expected credit losses accordingly. A financial instrument of which the credit risk has not significantly increased since initial recognition is at stage 1. The Company shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. A financial instrument with a significant increase in credit risk since initial recognition but is not considered to be credit-impaired is at stage 2. The Company shall measure the loss allowance for that financial instrument at an amount equal to the lifetime expected credit losses. A financial instrument is considered to be credit-impaired as at the end of the reporting period is at stage 3. The Company shall measure the loss allowance for that financial instrument at an amount equal to the lifetime expected credit losses.

The Company may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date and measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For financial instrument at stage 1, stage 2 and those have low credit risk, the interest revenue shall be calculated by applying the effective interest rate to the gross carrying amount of a financial asset (i.e., impairment loss not been deducted). For financial instrument at stage 3, interest revenue shall be calculated by applying the effective interest rate to the amortised cost after deducting of impairment loss.

For notes receivable, accounts receivable and accounts receivable financing, no matter it contains a significant financing component or not, the Company shall measure the loss allowance at an amount equal to the lifetime expected credit losses.

Receivables

For the notes receivable, accounts receivable, other receivables, accounts receivable financing and long-term receivables which are demonstrated to be impaired by any objective evidence, or applicable for individual assessment, the Company shall individually assess for impairment and recognise the loss allowance for expected credit losses. If the Company determines that no objective evidence of impairment exists for notes receivable, accounts receivable, other receivables, accounts receivable financing and long-term receivables, or the expected credit loss of a single financial asset cannot be assessed at reasonable cost, such notes receivable, accounts receivable, other receivables, accounts receivable financing and long-term receivables shall be divided into several groups with similar credit risk characteristics and collectively calculated the expected credit loss. The determination basis of groups is as following:

Determination basis of accounts receivable is as following:

Group 1: Accounts receivables due from customers

Group 2: Accounts receivables due from related parties

Determination basis of other receivables is as following:

Group 1: Deposit and guarantee receivable

Group 2: Petty cash receivable and export rebates

Group 3: Accounts receivables due from related parties in scope of consolidation

Group 4: Accounts receivables due from related parties outside scope of consolidation

Group 5: Others

Determination basis of accounts receivable financing is as following:

Group 1: Notes receivable - Bank acceptance bills

Group 2: Notes receivable - Commercial acceptance bills

For bank acceptance bills and related parties in scope of consolidation, the risk of default is lower and no bad debt provision is accrued by the Company based on historical credit losses and current conditions.

Except for bank acceptance bills and related parties in scope of consolidation, for the group of accounts receivable, other receivables accounts receivable financing and contract assets, the Company calculates expected credit losses and compiles a table providing the aging of accounts receivable with the expected credit loss rate in the entire duration, taking reference to historical experience for credit losses and considering current condition and expectation for the future economic situation.

The provision for credit losses rate based on historical credit losses is as follows:

Aging	Provision for credit losses rate (%)		
	Notes receivable- Commercial acceptance bills	Accounts receivable	Other receivables
Within 1 year			
Including: 0-6 months	0.50	0.50	0.50
7-12months	5.00	5.00	5.00
1-2 years	10.00	10.00	10.00
2-3 years	30.00	30.00	30.00
3-4 years	50.00	50.00	50.00
Over 4 years	100.00	100.00	100.00

(ii) Low credit risk

If the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its

contractual cash flow obligations.

(iii) Significant increase in credit risk

The Company shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition, using the change in the risk of a default occurring over the expected life of the financial instrument, through the comparison of the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition.

To make that assessment, the Company shall consider reasonable and supportable information, that is available without undue cost or effort, and that is indicative of significant increases in credit risk since initial recognition, including forward-looking information. The information considered by the Company are as following:

- Significant changes in internal price indicators of credit risk as a result of a change in credit risk since inception
- Existing or forecast adverse change in the business, financial or economic conditions of the borrower that results in a significant change in the borrower's ability to meet its debt obligations;
- An actual or expected significant change in the operating results of the borrower; An actual or expected significant adverse change in the regulatory, economic, or technological environment of the borrower;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the borrower's economic incentive to make scheduled contractual payments or to otherwise have an effect on the probability of a default occurring;
- Significant change that are expected to reduce the borrower's economic incentive to make scheduled contractual payments;
- Expected changes in the loan documentation including an expected breach of contract that may lead to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees, or other changes to the contractual framework of the instrument;
- Significant changes in the expected performance and behavior of the borrower;
- Contractual payments are more than 30 days past due.

Depending on the nature of the financial instruments, the Company shall assess whether the credit risk has increased significantly since initial recognition on an individual financial instrument or a group of financial instruments. When assessed based on a group of financial instruments, the Company can group financial instruments on the basis of shared credit risk characteristics, for example, past due information and credit risk rating.

Generally, the Company shall determine the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. The Company can only rebut this presumption if the Company has reasonable and supportable information that is available without undue cost or effort, that demonstrates that the credit risk has not increased significantly since initial recognition even though the contractual payments are more than 30 days past due.

(iv) Credit-impaired financial asset

The Company shall assess at each reporting date whether the credit impairment has occurred for financial asset at amortised cost and debt investment at fair value through other comprehensive income. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidences that a financial asset is credit-impaired include observable data about the following events:

Significant financial difficulty of the issuer or the borrower; a breach of contract, such as a default or past due event; the lender(s) of the borrower, for economic or contractual reasons relating to the borrower(s) financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; the disappearance of an active market for that financial asset because of financial difficulties; the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

(f) Transfer of financial assets

Transfer of financial assets refers to following two situations:

- Transfers the contractual rights to receive the cash flows of the financial asset;
- Transfers the entire or a part of a financial asset and retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

(i) Derecognition of transferred assets

If the Company transfers substantially all the risks and rewards of ownership of the financial asset, or neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset, the financial asset shall be derecognised.

Whether the Company has retained control of the transferred asset depends on the transferee's ability to sell the asset. If the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, the Company has not retained control.

The Company judges whether the transfer of financial asset qualifies for derecognition based on the substance of the transfer.

If the transfer of financial asset qualifies for derecognition in its entirety, the difference between the

following shall be recognised in profit or loss:

- The carrying amount of transferred financial asset;
- The sum of consideration received and the part derecognised of the cumulative changes in fair value previously recognised in other comprehensive income (The financial assets involved in the transfer are classified as financial assets at fair value through other comprehensive income).

If the transferred asset is a part of a larger financial asset and the part transferred qualifies for derecognition, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognised (For this purpose, a retained servicing asset shall be treated as a part that continues to be recognised) and the part that is derecognised, based on the relative fair values of those parts on the date of the transfer. The difference between following two amounts shall be recognised in profit or loss:

- The carrying amount (measured at the date of derecognition) allocated to the part derecognised;
- The sum of the consideration received for the part derecognised and part derecognised of the cumulative changes in fair value previously recognised in other comprehensive income (The financial assets involved in the transfer are classified as financial assets at fair value through other comprehensive income).

(ii) Continuing involvement in transferred assets

If the Company neither transfers nor retains substantially all the risks and rewards of ownership of a transferred asset, and retains control of the transferred asset, the Company shall continue to recognise the transferred asset to the extent of its continuing involvement and also recognise an associated liability.

The extent of the Company's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset.

(iii) Continue to recognise the transferred assets

If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company shall continue to recognise the transferred asset in its entirety and the consideration received shall be recognised as a financial liability.

The financial asset and the associated financial liability shall not be offset. In subsequent accounting period, the Company shall continuously recognise any income (gain) arising from the transferred asset and any expense (loss) incurred on the associated liability. If the transferred financial assets are measured at the amortized cost, the recognized related liabilities shall not be designated as the financial liabilities at fair value through profit or loss (FVTPL).

(g) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities shall be presented separately in the statement of financial position and shall not be offset. When meets the following conditions, financial assets and financial liabilities shall be offset and the net amount presented in the statement of financial position:

The Company currently has a legally enforceable right to set off the recognised amounts;

The Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the Company shall not offset the transferred asset and the associated liability.

(h) Determination of fair value of financial instruments

Determination of financial assets and financial liabilities please refer to Note 3.11

3.11 Fair Value Measurement

The Company determines fair value of the related assets and liabilities based on market value in the principal market, or in the absence of a principal market, in the most advantageous market price for the related asset or liability.

The principal market is the market in which transactions for an asset or liability take place with the greatest volume and frequency. The most advantageous market is the market which maximizes the value that could be received from selling the asset and minimizes the value which is needed to be paid in order to transfer a liability, considering the effect of transport costs and transaction costs both.

● Valuation techniques

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, including the market approach, the income approach and the cost approach. The Company shall use valuation techniques consistent with one or more of those approaches to measure fair value. If multiple valuation techniques are used to measure fair value, the results shall be evaluated considering the reasonableness of the range of values indicated by those results. A fair value measurement is the point within that range that is most representative of fair value in the circumstances.

When using the valuation technique, the Company shall give the priority to relevant observable inputs. The unobservable inputs can only be used when relevant observable inputs is not available or practically would not be obtained. Observable inputs refer to the information which is available from market and reflects the assumptions that market participants would use when pricing the asset or liability. Unobservable Inputs refer to the information which is not available from market and it has to be developed using the best information available in the circumstances from the assumptions that market participants would use when pricing the asset or liability.

● Fair value hierarchy

To Company establishes a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to Level 1 inputs and second to the Level 2 inputs and the lowest priority to Level 3 inputs. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are

observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

3.12 Contract Cost

Adopted from 1 January 2020

Costs for a contract include costs to fulfill the contract and costs to obtain the contract.

An asset is recognised for the costs incurred to fulfill a contract on if those costs meet all of the following criteria:

- (i) The costs are directly associated with a contract or an anticipated contract, explicitly chargeable to the client under the contract, incurred only for the contract;
- (ii) The costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and
- (iii) the costs are expected to be recovered.

An asset is recognised for the costs incurred to obtain a contract with a client if those costs are expected to be recovered.

An asset recognised for the costs of a contract are amortised on a systematic basis that is consistent with recognition of revenue arising from the contract.

Where the costs incurred to obtain a contract would be amortised for a period less than one year should they be recognised as an asset, the costs are recognised in the current profit or loss as incurred.

An impairment is recognised for an asset recognised for the costs of a contract to the extent that the carrying amount of the asset exceeds:

- (i) The remaining amount of consideration that is expected to be received in exchange for the goods or services to which the asset relates; less
- (ii) The costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Upon recognition of the impairment, further consideration is given for provision for an onerous contract, in necessary. The reversal of some or all of an impairment loss previously recognised for an asset for the costs of a contract when the impairment conditions no longer exist or have improved.

The increased carrying amount of the asset is capped by the amount that would have been determined (net of amortisation) if no impairment loss had been recognised previously. An asset recognised for the costs to fulfill a contract is presented in inventories if its amortisation is not longer than 1 year or an operating cycle upon initial recognition; otherwise, it is presented in other non-current assets. An asset recognised for the costs to obtain a contract is presented in other current assets if its amortisation is not

longer than 1 year or an operating cycle upon initial recognition; otherwise, it is presented in other non-current assets.

3.13 Inventories

(a) Classification of inventories

Inventories are finished goods or products held for sale in the ordinary course of business, in the process of production for such sale, or in the form of materials or supplies to be consumed in the production process or in the rendering of services, including raw materials, work in progress, semi-finished goods, finished goods, goods in stock, work performed but not yet settled under construction contracts, turnover material, etc.

The cost of inventories used or sold is determined on the weighted average basis. The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In addition to purchase cost of raw materials, work in process and finished goods also include direct labor and production and manufacturing expenses allocated in an appropriate proportion.

For the determination and accountant arrangement method of contract cost, please refer to Note 3.12.

(b) Measurement method of cost of inventories sold or used

The cost of inventories used or sold is determined on the weighted average basis.

(c) Inventory system

The perpetual inventory system is adopted. The inventories should be counted at least once a year, and surplus or losses of inventory stocktaking shall be included in current profit and loss.

(d) Provision for impairment of inventory

Inventories are stated at the lower of cost and net realizable value. The excess of cost over net realizable value of the inventories is recognised as provision for impairment of inventory, and recognised in current profit or loss.

Net realizable value of the inventory should be determined on the basis of reliable evidence obtained, and factors such as purpose of holding the inventory and impact of post balance sheet event shall be considered.

(i) In normal operation process, finished goods, products and materials for direct sale, their net realizable values are determined at estimated selling prices less estimated selling expenses and relevant taxes and surcharges; for inventories held to execute sales contract or service contract, their net realizable values are calculated on the basis of contract price. If the quantities of inventories specified in sales contracts are less than the quantities held by the Company, the net realizable value of the excess portion of inventories shall be based on general selling prices. Net realizable value of materials held for sale shall be measured based on market price.

(ii) For materials in stock need to be processed, in the ordinary course of production and business, net

realisable value is determined at the estimated selling price less the estimated costs of completion, the estimated selling expenses and relevant taxes. If the net realisable value of the finished products produced by such materials is higher than the cost, the materials shall be measured at cost; if a decline in the price of materials indicates that the cost of the finished products exceeds its net realisable value, the materials are measured at net realisable value and differences shall be recognised at the provision for impairment.

(iii) Provisions for inventory impairment are generally determined on an individual basis. For inventories with large quantity and low unit price, the provisions for inventory impairment are determined on a category basis.

(iv) If any factor rendering write-downs of the inventories has been eliminated at the reporting date, the amounts written down are recovered and reversed to the extent of the inventory impairment, which has been provided for. The reversal shall be included in profit or loss.

(e) Amortisation method of low-value consumables

(i) Low-value consumables: One-off writing off method is adopted.

(ii) Package material: One-off writing off method is adopted.

(f) Photovoltaic power station

A. Presentation

For photovoltaic power station, the Company shall decide to sell or hold for operation at the project approval stage, and classify the photovoltaic power station held for sale as "inventories" and the photovoltaic power station held for operation as "fixed assets".

The specific classifying standards of "inventories" and "fixed assets" are as follows: the photovoltaic power station for transfer restricted by policy and self-produced and self-used by the Company's roof shall be classified as "fixed assets"; the photovoltaic power station mainly for sell clearly mentioned in the project approval document shall be classified as "inventories", the photovoltaic power station mainly for operation clearly mentioned in the project approval document shall be classified as "fixed assets".

The principle reference of the classifying standards is the policy and project approval document for photovoltaic power station. The project approval document indicates the operating cost and fees of power station sales plan estimated by the Company, related financial analysis and evaluation, and the holding intention to sale or operate the power station.

B. Initial measurement

The cost of photovoltaic power station includes purchase cost, construction cost and other costs attributable to the cost.

Freight fee, handling charges, insurance fee and other expenses attributable to the purchase cost shall be attributed to purchase cost. The cost and expenses related to construction shall be attributed to

construction cost. Land use right fee, design fee, survey fee and supervision fee, etc. shall be attributed to other costs. After the unrealised gross profit of purchase of power station components within the Company is offset against the cost and expenses mentioned above, the photovoltaic power station held for sale shall be classified as "inventories", and the photovoltaic power station held for operation shall be classified as "construction in progress", "fixed assets", and "intangible assets" in the consolidated financial statements.

C. Subsequent measurement

The generating income during the operating period of photovoltaic power station shall be recognised as "revenue from principle activities", For the details please refer to Note 26 REVENUE.

In individual financial statement, the Company calculates the depreciation of photovoltaic power station on a straight-line basis. Generally, the Company begins to depreciate the photovoltaic power station from the next month after it is available for intended as the cost of generating income during the operating period; in consolidation financial statement, after offset the unrealised gross profit of power station components, the photovoltaic power station held for sale shall be classified as "inventories", and the photovoltaic power station held for operation shall be classified as "fixed assets" and "intangible assets".

D. Sales and transfers

The Company usually sells the photovoltaic power station held for sale by means of equity transfer, which is the essence of the transaction. For the relevant accounting policies of revenue recognition, please refer to Note 26 REVENUE.

If the Company sells the photovoltaic power station held for sale by disposal of equity of subsidiaries but losing the right of control over the investees, the difference between the disposal price and the net assets of the project company at the corresponding consolidated financial statement shall be included in investment income. For details refer to Note 3.6 Method of Preparing the Consolidated Financial Statements.

E. Relevant cash flow

For the photovoltaic power station attributed to "inventories", the cash flow related to the construction and sales of photovoltaic power station is recognised as "cash inflows from operating activities" in the consolidated statement of cash flows based on its actual situation;

For the photovoltaic power station attributed to "fixed assets", the cash flow related to the construction and sales of photovoltaic power station is recognised as "cash flows from investing activities" in the consolidated statement of cash flows based on its actual situation.

3.14 Contract assets and contract liabilities

Adopted from 1 January 2020

Contract assets and contract liabilities are recognised on the basis of fulfilment of performance obligations and payment received from clients. A right to receive a promised consideration from a client resulting from goods transferred to or services provided to the client (where the right to consideration is dependent on factors other than the passage of time) is recognised a contract asset. A payment received from a client for which goods shall be transferred to or services shall be provided to the client is recognised as a contract liability.

Contract assets and contract liabilities are presented as line items on the statement of financial position. A contract asset and contract liability arising from one contract are presented in net; while the net amount is a debit balance, it is presented in contract assets or other non-current assets depending on liquidity; while the net amount is a credit balance, it is presented in contract liabilities or other non-current liabilities depending on liquidity. Contract assets and contract liabilities arising from different contracts are not be offset.

3.15 Long-term Equity Investments

Long-term equity investments refer to equity investments where an investor has control of, or significant influence over, an investee, as well as equity investments in joint ventures. Associates of the Company are those entities over which the Company has significant influence.

(a) Determination basis of joint control or significant influence over the investee

Joint control is the relevant agreed sharing of control over an arrangement, and the arranged relevant activity must be decided under unanimous consent of the parties sharing control. In assessing whether the Company has joint control of an arrangement, the Company shall assess first whether all the parties, or a group of the parties, control the arrangement. When all the parties, or a group of the parties, considered collectively, are able to direct the activities of the arrangement, the parties control the arrangement collectively. Then the Company shall assess whether decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement. If two or more groups of the parties could control the arrangement collectively, it shall not be assessed as have joint control of the arrangement. When assessing the joint control, the protective rights are not considered.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. In determination of significant influence over an investee, the Company should consider not only the existing voting rights directly or indirectly held but also the effect of potential voting rights held by the Company and other entities that could be currently exercised or converted, including the effect of share warrants, share options and convertible corporate bonds that issued by the investee and could be converted in current period.

If the Company holds, directly or indirectly 20% or more but less than 50% of the voting power of the investee, it is presumed that the Company has significant influence of the investee, unless it can be clearly demonstrated that in such circumstance, the Company cannot participate in the decision-making in the production and operating of the investee.

(b) Determination of initial investment cost

(i) Long-term equity investments generated in business combinations

For a business combination involving enterprises under common control, if the Company makes payment in cash, transfers non-cash assets or bears liabilities as the consideration for the business combination, the share of carrying amount of the owners' equity of the acquiree in the consolidated financial statements of the ultimate controlling party is recognised as the initial cost of the long-term equity investment on the combination date. The difference between the initial investment cost and the carrying amount of cash paid, non-cash assets transferred and liabilities assumed shall be adjusted against the capital reserve; if capital reserve is not enough to be offset, undistributed profit shall be offset in turn.

For a business combination involving enterprises under common control, if the Company issues equity securities as the consideration for the business combination, the share of carrying amount of the owners' equity of the acquiree in the consolidated financial statements of the ultimate controlling party is recognised as the initial cost of the long-term equity investment on the combination date. The total par value of the shares issued is recognised as the share capital. The difference between the initial investment cost and the carrying amount of the total par value of the shares issued shall be adjusted against the capital reserve; if capital reserve is not enough to be offset, undistributed profit shall be offset in turn.

For business combination not under common control, the assets paid, liabilities incurred or assumed and the fair value of equity securities issued to obtain the control of the acquiree at the acquisition date shall be determined as the cost of the business combination and recognised as the initial cost of the long-term equity investment. The audit, legal, valuation and advisory fees, other intermediary fees, and other relevant general administrative costs incurred for the business combination, shall be recognised in profit or loss as incurred.

(ii) Long-term equity investments acquired not through the business combination, the investment cost shall be determined based on the following requirements:

For long-term equity investments acquired by payments in cash, the initial cost is the actually paid purchase cost, including the expenses, taxes and other necessary expenditures directly related to the acquisition of long-term equity investments.

For long-term equity investments acquired through issuance of equity securities, the initial cost is the fair value of the issued equity securities.

For the long-term equity investments obtained through exchange of non-monetary assets, if the exchange has commercial substance, and the fair values of assets traded out and traded in can be measured reliably, the initial cost of long-term equity investment traded in with non-monetary assets are determined based on the fair values of the assets traded out together with relevant taxes. Difference between fair value and book value of the assets traded out is recorded in current profit or loss. If the exchange of non-monetary assets does not meet the above criterion, the book value of the assets traded out and relevant taxes are

recognised as the initial investment cost.

For long-term equity investment acquired through debt restructuring, the book value is determined based on the fair value of waived debts and the taxes and other costs directly attributable to the assets. Difference between fair value and carrying amount of waived debts shall be recorded in current profit or loss.

(c) Subsequent measurement and recognition of profit or loss

Long-term equity investment to an entity over which the Company has ability of control shall be accounted for at cost method. Long-term equity investment to a joint venture or an associate shall be accounted for at equity method.

(i) Cost method

For Long-term equity investment at cost method, cost of the long-term equity investment shall be adjusted when additional amount is invested or a part of it is withdrawn. The Company recognises its share of cash dividends or profits which have been declared to distribute by the investee as current investment income.

(ii) Equity method

If the initial cost of the investment is in excess of the share of the fair value of the net identifiable assets in the investee at the date of investment, the difference shall not be adjusted to the initial cost of long-term equity investment; if the initial cost of the investment is in short of the share of the fair value of the net identifiable assets in the investee at the date investment, the difference shall be included in the current profit or loss and the initial cost of the long-term equity investment shall be adjusted accordingly.

The Company recognises the share of the investee's net profits or losses, as well as its share of the investee's other comprehensive income, as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. The carrying amount of the investment shall be reduced by the share of any profit or cash dividends declared to distribute by the investee. The investor's share of the investee's owners' equity changes, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution, shall be recognised in the investor's equity, and the carrying amount of the long-term equity investment shall be adjusted accordingly. The Company recognises its share of the investee's net profits or losses after making appropriate adjustments of investee's net profit based on the fair values of the investee's identifiable net assets at the investment date. If the accounting policy and accounting period adopted by the investee is not in consistency with the Company, the financial statements of the investee shall be adjusted according to the Company's accounting policies and accounting period, based on which, investment income or loss and other comprehensive income, etc., shall be adjusted. The unrealized profits or losses resulting from inter-company transactions between the Company and its associate or joint venture are eliminated in proportion to the Company's equity interest in the investee, based on which investment income or losses shall be recognised. Any losses resulting from inter-company transactions between the investor and the investee, which belong to asset impairment, shall be recognised in full.

Where the Company obtains the power of joint control or significant influence, but not control, over the investee, due to additional investment or other reason, the relevant long-term equity investment shall be accounted for by using the equity method, initial cost of which shall be the fair value of the original investment plus the additional investment. Where the original investment is classified as available-for sale investment, difference between its fair value and the carrying value, in addition to the cumulative changes in fair value previously recorded in other comprehensive income, shall be recognised into current profit or loss using equity method.

If the Company loses the joint control or significant influence of the investee for some reasons such as disposal of equity investment, the retained interest shall be measured at fair value and the difference between the carrying amount and the fair value at the date of loss the joint control or significant influence shall be recognised in profit or loss. When the Company discontinues the use of the equity method, the Company shall account for all amounts previously recognised in other comprehensive income under equity method in relation to that investment on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities.

3.16 Fixed Assets

Fixed assets refer to the tangible assets with higher unit price held for the purpose of producing commodities, rendering services, renting or business management with useful lives exceeding one year.

(a) Recognition criteria of fixed assets

Fixed assets will only be recognised at the actual cost paid when obtaining as all the following criteria are satisfied:

- (i) It is probable that the economic benefits relating to the fixed assets will flow into the Company;
- (ii) The costs of the fixed assets can be measured reliably.

Subsequent expenditure for fixed assets shall be recorded in cost of fixed assets, if recognition criteria of fixed assets are satisfied, otherwise the expenditure shall be recorded in current profit or loss when incurred.

(b) Depreciation methods of fixed assets

The Company begins to depreciate the fixed asset from the next month after it is available for intended use using the straight-line-method. The estimated useful life and annual depreciation rates which are determined according to the categories, estimated economic useful lives and estimated net residual rates of fixed assets are listed as followings:

Category	Depreciation method	Estimated useful life (year)	Residual rates (%)	Annual depreciation rates (%)
Buildings and constructions	straight-line-method	20	10.00	4.50
Machinery equipment	straight-line-method	5-10	5.00-10.00	9.00-19.00
Office and other equipment	straight-line-method	3-10	10.00	9.00-30.00

Category	Depreciation method	Estimated useful life (year)	Residual rates (%)	Annual depreciation rates (%)
Vehicles	straight-line-method	3-5	10.00	18.00-30.00
Photovoltaic power station	straight-line-method	20	10.00	4.50

For the fixed assets with impairment provided, the impairment provision should be excluded from the cost when calculating depreciation.

At the end of reporting period, the Company shall review the useful life, estimated net residual value and depreciation method of the fixed assets. Estimated useful life of the fixed assets shall be adjusted if it is changed compared to the original estimation.

(c) Recognition criteria, valuation and depreciation methods of fixed assets obtained through a finance lease

If the entire risk and rewards related to the leased assets have been substantially transferred, the Company shall recognise the lease as a finance lease. The cost of the fixed assets obtained through a finance lease is determined at the lower of the fair value of the leased assets and the present value of the minimum lease payment on the date of the lease. The fixed assets obtained by a finance lease are depreciated in the method which is consistent with the self-owned fixed assets of the Company. For fixed assets obtained through a finance lease, if it is reasonably certain that the ownership of the leased assets will be transferred to the lessee by the end of the lease term, they shall be depreciated over their remaining useful lives; otherwise, the leased assets shall be depreciated over the shorter of the lease terms or their remaining useful lives.

3.17 Construction in Progress

(a) Classification in progress is measured on an individual project basis.

(b) Recognition criteria and timing of transfer from construction in progress to fixed assets

The initial book values of the fixed assets are stated at total expenditures incurred before they are ready for their intended use, including construction costs, original price of machinery equipment, other necessary expenses incurred to bring the construction in progress to get ready for its intended use and borrowing costs of the specific loan for the construction or the proportion of the general loan used for the constructions incurred before they are ready for their intended use. The construction in progress shall be transferred to fixed asset when the installation or construction is ready for the intended use. For construction in progress that has been ready for their intended use but relevant budgets for the completion of projects have not been completed, the estimated values of project budgets, prices, or actual costs should be included in the costs of relevant fixed assets, and depreciation should be provided according to relevant policies of the Company when the fixed assets are ready for intended use. After the completion of budgets needed for the completion of projects, the estimated values should be substituted by actual costs, but depreciation already provided is not adjusted.

3.18 Borrowing Costs

(a) Recognition criteria and period for capitalization of borrowing costs

The Company shall capitalize the borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets when meet the following conditions:

- (i) Expenditures for the asset are being incurred;
- (ii) Borrowing costs are being incurred, and;
- (iii) Acquisition, construction or production activities that are necessary to prepare the assets for their intended use or sale are in progress.

Other borrowing cost, discounts or premiums on borrowings and exchange differences on foreign currency borrowings shall be recognized into current profit or loss when incurred.

Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted abnormally and the interruption is for a continuous period of more than 3 months.

Capitalization of such borrowing costs ceases when the qualifying assets being acquired, constructed or produced become ready for their intended use or sale. The expenditure incurred subsequently shall be recognised as expenses when incurred.

(b) Capitalization rate and measurement of capitalized amounts of borrowing costs

When funds are borrowed specifically for purchase, construction or manufacturing of assets eligible for capitalization, the Company shall determine the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income on bank deposit or investment income on the temporary investment of those borrowings.

Where funds allocated for purchase, construction or manufacturing of assets eligible for capitalization are part of a general borrowing, the eligible amounts are determined by the weighted-average of the cumulative capital expenditures in excess of the specific borrowing multiplied by the general borrowing capitalization rate. The capitalization rate will be the weighted average of the borrowing costs applicable to the general borrowing.

3.19 Intangible Assets

(a) Measurement method of intangible assets

The intangible assets are listed in Balance Sheet by the cost less accumulated amortisation (only for intangible assets with finite useful lives) and impairment provision (refer to Note 3.21)

(b) The useful life and amortisation of intangible assets

- (i) The estimated useful lives of the intangible assets with finite useful lives are as follows:

Category	Estimated useful life	Basis
Land use right	50 years	Legal life
Software	3-10 years	The service life is determined by reference to the period that can bring economic benefits to the Company
Patent rights	10 years	The service life is determined by reference to the period that can bring economic benefits to the Company
Trademark rights	10 years	The service life is determined by reference to the period that can bring economic benefits to the Company
Orders and others	2-5 years	The service life is determined by reference to the period that can bring economic benefits to the Company

For intangible assets with finite useful life, the estimated useful life and amortisation method are reviewed annually at the end of each reporting period and adjusted when necessary. No change incurs in current year in the estimated useful life and amortisation method upon review.

(ii) Assets of which the period to bring economic benefits to the Company are unforeseeable are regarded as intangible assets with indefinite useful lives. The Company reassesses the useful lives of those assets at every year end. If the useful lives of those assets are still indefinite, impairment test should be performed on those assets at the balance sheet date.

(iii) Amortisation of the intangible assets

For intangible assets with finite useful lives, their useful lives should be determined upon their acquisition and systematically amortised on a straight-line basis over the useful life. The amortisation amount shall be recognized into current profit or loss according to the beneficial items. The amount to be amortised is cost deducting residual value. For intangible assets which has impaired, the cumulative impairment provision shall be deducted as well. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless: there is a commitment by a third party to purchase the asset at the end of its useful life; or there is an active market for the asset and residual value can be determined by reference to that market; and it is probable that such a market will exist at the end of the asset's useful life.

Intangible assets with indefinite useful lives shall not be amortised. The Company reassesses the useful lives of those assets at every year end. If there is evidence to indicate that the useful lives of those assets become finite, the useful lives shall be estimated and the intangible assets shall be amortised systematically and reasonably within the estimated useful lives.

(c) Criteria of classifying expenditures on internal research and development projects into research phase and development phase

(i) Preparation activities related to materials and other relevant aspects undertaken by the Company for the purpose of further development shall be treated as research phase. Expenditures incurred during the research phase of internal research and development projects shall be recognised in profit or loss when incurred.

(ii) Development activities after the research phase of the Company shall be treated as development phase.

(d) Criteria for capitalization of qualifying expenditures during the development phase

Expenditures arising from development phase on internal research and development projects shall be recognised as intangible assets only if all of the following conditions have been met:

- (i) Technical feasibility of completing the intangible assets so that they will be available for use or sale;
- (ii) Its intention to complete the intangible asset and use or sell it;
- (iii) The method that the intangible assets generate economic benefits, including the Company can demonstrate the existence of a market for the output of the intangible assets or the intangible assets themselves or, if it is to be used internally, the usefulness of the intangible assets;
- (iv) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (v) Its ability to measure reliably the expenditure attributable to the intangible asset.

3.20 Goodwill

The initial cost of goodwill formed from business combination not under common control is the difference of the consolidation cost higher than the attributable fair value of net identifiable assets from acquire entitle.

The Company would not amortize the goodwill, while disclose in balance sheet as cost less impairment provision (please refer to Note 3.21). The goodwill is transferred out when relevant assets or assets group are disposal, and accounted into profit or loss of current period.

3.20 Impairment of Long-Term Assets

(a) Impairment of long-term equity investments

At the balance sheet date, the Company check for each of the long-term equity investments, and determine whether there is any evidence of impairment according to various changes of the business policy, legal environment, market demand, industry situation and profitability of the invested entities. If the recoverable amount of long-term equity investments is less than the carrying amount, the difference between recoverable amount and carrying amount is recognised as provision for impairment of long-term equity investments. The mentioned impairment loss will not be reversed in subsequent accounting period once it had been recognised.

(b) Impairment of fixed assets

At the balance sheet date, the Company check for each of the fixed assets, if there is any evidence of impairment that the recoverable amount is less than its carrying amount, the carrying amount of the assets shall be reduced to its recoverable amount as losses from disposal and be recognised in profit and loss, meanwhile the provision for impairment loss of assets shall be recognised accordingly. The mentioned impairment loss will not be reversed in subsequent accounting period once it had been recognised. The provision for impairment of fixed assets is recognised in full and assessed individually, if impairment indication exists as followings:

- (i) the non-transferable value fixed assets that are long-term idle, and won't be used in the foreseeable

future;

- (ii) the unusable fixed assets due to technology advancement;
- (iii) the usable fixed assets but producing a large amount of defective goods after used;
- (iv) the destroyed fixed assets that no longer have usable value and transfer value; and
- (v) the other fixed assets that will not bring any economic benefit to the Company.

(c) Impairment of construction in progress

At the balance sheet date, the Company check the construction in progress, if there is any evidence of impairment that the recoverable amount is less than its carrying amount, the carrying amount of the assets shall be reduced to its recoverable amount as losses from disposal and be recognised in profit and loss, meanwhile the provision for impairment loss of assets shall be recognised accordingly. The mentioned impairment loss will not be reversed in subsequent accounting period once it had been recognised. The provision for impairment of fixed assets is recognised in full and assessed individually, if impairment indication exists as followings:

- (i) the construction in progress that has been suspended for a long time and is not expected to resume in the next 3 years;
- (ii) the construction in progress that has lagged behind in both performance and technology, and the economic benefits brought to the Company are of great uncertainty; and
- (iii) other evidence supports the impairment in the construction in progress.

(d) Impairment of intangible assets

If the recoverable amount of intangible assets is less than its carrying amount, the carrying amount of the assets shall be reduced to its recoverable amount as losses from disposal and be recognised in profit and loss, meanwhile the provision for impairment loss of intangible assets shall be recognised accordingly. The mentioned impairment loss will not be reversed in subsequent accounting period once it had been recognised. The provision for impairment of fixed assets is recognised in full and assessed individually, if impairment indication exists as followings:

- (i) the intangible asset has been replaced by other new technologies, which has a significant adverse impact on its profitability for the Company;

(ii) the market price of the intangible asset declined dramatically in the current period, and may not rise again in the remaining years; and

(iii) other evidence supports that the carrying amount of intangible assets exceeds the recoverable amount.

(e) Impairment of goodwill

For goodwill formed from business combination, the Company performs impairment test for goodwill annually. When conducting impairment test upon assets or assets group which including goodwill, if there is indication that such assets or asset groups are impaired, shall conduct in following steps:

First of all, conduct impairment test upon assets or asset groups excluding goodwill and calculating recoverable amount, and comparing such value with carrying amount and recognize relevant impairment loss. Secondly, conduct impairment test upon assets or asset groups including goodwill, comparing the carrying amount (including carrying amount of goodwill allocated) and their recoverable amount, if the recoverable amount is lower than the carrying amount, the impairment loss shall be recognized at the amount of difference. The amount of impairment loss shall first deduct against the carrying amount of goodwill allocated to relevant assets or assets group, then according to the proportion of carrying amount other than goodwill of such assets or asset group deduct the carrying amount of corresponding assets.

3.22 Long-term Deferred Expenses

Long-term deferred expenses are various expenses already incurred, which shall be amortised over current and subsequent periods with the amortisation period exceeding one year.

Long-term deferred expenses are evenly amortised over the beneficial period and the amortised period for each expense are as following:

Item	Amortisation period
Improvement expenses for operating lease	3-10 years
Long-term land rental expense	5-25 years
Membership of Boao forum for Asia	16 years
Financing Service Fee	6-8 years

3.23 Employee Benefits

Employee benefits refer to all forms of consideration or compensation given by the Company in exchange for service rendered by employees or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided to an employee's spouse, children, dependents, family members of deceased employees, or other beneficiaries are also employee benefits.

(a) Short-term employee benefits

(i) Employee basic salary (salary, bonus, allowance, subsidy)

The Company recognises, in the accounting period in which an employee provides service, actually occurred short-term employee benefits as a liability, with a corresponding charge to current profit except

for those recognised as capital expenditure based on the requirement of accounting standards.

(ii) Employee welfare

The Company shall recognise the employee welfare based on actual amount when incurred into current profit or loss or related capital expenditure. Employee welfare shall be measured at fair value as it is a non-monetary benefits.

(iii) Social insurance such as medical insurance, work injury insurance and maternity insurance, housing funds, labor union fund and employee education fund

Payments made by the Company of social insurance for employees, such as medical insurance, work injury insurance and maternity insurance, payments of housing funds, and labor union fund and employee education fund accrued in accordance with relevant requirements, in the accounting period in which employees provide services, is calculated according to required accrual bases and accrual ratio in determining the amount of employee benefits and the related liabilities, which shall be recognised in current profit or loss or the cost of relevant asset.

(iv) Short-term paid absences

The Company shall recognise the related employee benefits arising from accumulating paid absences when the employees render service that increases their entitlement to future paid absences. The additional payable amounts shall be measured at the expected additional payments as a result of the unused entitlement that has accumulated. The Company shall recognise relevant employee benefit of non-accumulating paid absences when the absences actually occurred.

(v) Short-term profit-sharing plan

The Company shall recognise the related employee benefits payable under a profit-sharing plan when all of the following conditions are satisfied:

- (i) The Company has a present legal or constructive obligation to make such payments as a result of past events; and
- (ii) A reliable estimate of the amounts of employee benefits obligation arising from the profit-sharing plan can be made.

(b) Post-employment benefits

Defined contribution plans

The Company shall recognise, in the accounting period in which an employee provides service, the contribution payable to a defined contribution plan as a liability, with a corresponding charge to the current profit or loss or the cost of a relevant asset.

When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, they shall be discounted using relevant discount rate (market yields at the end of the reporting period on high quality corporate bonds in active market or government bonds with the currency and term which

shall be consistent with the currency and estimated term of the defined contribution obligations) to measure employee benefits payable.

(c) Termination benefits

The Company providing termination benefits to employees shall recognise an employee benefits liability for termination benefits, with a corresponding charge to the profit or loss of the reporting period, at the earlier of the following dates:

- (i) When the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal.
- (ii) When the Company recognises costs or expenses related to a restructuring that involves the payment of termination benefits.

If the termination benefits are not expected to be settled wholly before twelve months after the end of the annual reporting period, the Company shall discount the termination benefits using relevant discount rate (market yields at the end of the reporting period on high quality corporate bonds in active market or government bonds with the currency and term which shall be consistent with the currency and estimated term of the defined benefit obligations) to measure the employee benefits.

(d) Other long-term employee benefits

When other long-term employee benefits provided by the Company to the employees satisfies the conditions for classifying as a defined contribution plan, all those benefits payable shall be accounted for as employee benefits payable at their discounted value.

3.25 Estimated Liabilities

(a) Recognition criteria of estimated liabilities

The Company recognises the estimated liabilities when obligations related to contingencies satisfy all the following conditions:

- (i) That obligation is a current obligation of the Company;
- (ii) It is likely to cause any economic benefit to flow out of the Company as a result of performance of the obligation; and
- (iii) The amount of the obligation can be measured reliably.

(b) Measurement method of estimated liabilities

The estimated liabilities of the Company are initially measured at the best estimate of expenses required for the performance of relevant present obligations. The Company, when determining the best estimate, has had a comprehensive consideration of risks with respect to contingencies, uncertainties and the time value of money. The carrying amount of the estimated liabilities shall be reviewed at the end of every

reporting period. If conclusive evidences indicate that the carrying amount fails to be the best estimate of the estimated liabilities, the carrying amount shall be adjusted based on the updated best estimate.

3.26 Revenue

(i) General principle

Revenue is the gross inflow of economic benefits arising from the ordinary operating activities of the Company that will result in an increase in Stockholders' equity and is unrelated to the capital invested by Stockholders.

The company recognises revenue when the performance obligation of the contract with the customer is fulfilled, that is, when the customer obtains control of the relevant commodity. Control of the relevant commodity refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from the commodity.

If the contract contains two or more performance obligations, the Company shall, on the commencement date of the contract, allocate the contract price in proportion to the stand-alone selling prices of the distinct good or service underlying each performance obligation in the contract and recognize revenue according to the transaction price apportioned to each individual performance obligation.

The transaction price is the amount of consideration the Company is expected to be entitled to receive for the transfer of goods or services to a Customer, excluding payments received on behalf of third parties. When determining the transaction price of the contract, if there is a variable consideration, the Company shall determine the best estimate of the variable consideration according to the expected value or the most likely amount, and shall include in the transaction price some or all of an amount of variable consideration estimated to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. In the circumstances where the contract contains a significant financing component, the Company shall recognise revenue at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when the customer obtains the control of the commodity. The difference between the transaction price and the contract consideration is amortised in the contract period using effective rate method. The Company does not consider the financing component if the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service is one year or less.

If one of the following conditions is met, the performance obligation is satisfied over time. Otherwise, the performance obligation is satisfied at a certain point:

(a) the client simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;

(b) the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or III. the entity's performance does not create an asset with an alternative use to the entity

and the entity has an enforceable right to payment for performance completed to date. For the performance obligations over time, the Company shall recognize revenue in accordance with the performance progress during that period, except where the performance progress cannot be reasonably determined. The progress of completion can be measured using either the input method or output method. Where the progress of completion cannot be reliably measured but the entity expects to recover the costs incurred, revenue is measured to the extent of the costs incurred until such time that the progress of completion can be reliably measured.

For performance obligations performed at a certain point, the Company recognizes revenue at the point when the Customer obtains control of the relevant commodity. In determining whether a customer has acquired control of goods or services, the Company will consider the following indications:

- (a) the entity has a present right to payment for the asset, ie. the client is presently obliged to pay for an asset;
- (b) the legal title to the asset has been transferred to the client, ie. the client has the legal title to the asset;
- (c) the entity has transferred physical possession of the asset to the client, ie. the client has physical possession of the asset;
- (d) the entity has transferred substantially significant risks and rewards of ownership of the asset, ie. the client has the significant risks and rewards of ownership of the asset;
- (e) the client has accepted the asset.

(ii) Specific Method

The specific methods of revenue recognition of the Company are as follows:

(a) Photovoltaic products

The sales contract between the Company and the customer contains performance obligations for the sales of photovoltaic products, which is satisfied at a certain point.

The Company sells solar photovoltaic products (photovoltaic modules and related products), according to the sales contract signed between the Company and the customer, ① if the Company transports the goods to the delivery place designated by the customer, the revenue shall be recognised when the relevant goods arrive and the customer signs the receipt; ② If the Company transports the goods to the port of shipment or the port of destination, the revenue shall be recognised when the relevant goods arrive and maritime bill of lading is obtained; ③ if the Customer picks up the goods on site, the revenue shall be recognized when the relevant goods are delivered to the carrier designated by the customer and the customer signs the receipt. When at the above-mentioned time point, the revenue shall be recognized by the contract price received, receivable or fair value of the agreement price.

(b) Photovoltaic systems

① System products

The sales contract between the Company and the customer contains performance obligations for the sales of photovoltaic system products, which is satisfied at a certain point.

The revenue of system products (including commercial and household photovoltaic systems and relevant products) shall be recognized by the sales contract signed between the Company and customers, and similar method for photovoltaic products mentioned above.

② Power station business

A. Sales of power station

The sales contract between the Company and the customer contains performance obligations for the sales of power station, which is satisfied at a certain point.

The photovoltaic power station held for sale by the Company are used for seeking for third-party buyer in the market, and sales of power station is the daily operation activities and extension of photovoltaic products of the Company.

According to market condition, the current transfer of photovoltaic power stations is mostly carried out in the way of equity transfer, and the essence of the transaction is to sell power station assets in the form of equity transfer. The revenue shall be recognized once completing equity delivery and industrial and commercial change, at the same time according to irrevocable sales contract confirming relevant risk and reward have substantially transferred to corresponding customer.

Principle of revenue recognition: the Company sells the photovoltaic power station by means of equity transfer, the amount of revenue is recognised on the basis of value of equity transfer and the corresponding liabilities of power station project company, minus the remaining assets of the power station project company other than the power station, in order to revert the equity consideration to the power station assets consideration. The Company identifies the power station assets as the cost.

B. Construction contract

The photovoltaic power station construction project management of the Company can be divided into construction mode and transfer-construction mode.

Construction mode is a mode of construction service, which can be classified into three stages of "design", "procurement" and "construction". The Company, as the general contractor of the project, accepts the commission of the owners, to carry out the whole or several processes contract for the survey, design, procurement, construction and trial operation, etc., is responsible for the quality, safety, time limit, and cost, etc., and eventually delivers the owners with the photovoltaic power station that meets the contract agreement, the use conditions and the use functions.

Transfer-construction mode is a mode of service including two stages of "development" and "construction". Firstly, the Company acquired the power station development license and accepts or establishes the project company, then transfers the project company to the third-party buyer, and carries out the whole process contract for the survey, design, procurement, construction, trial operation, etc. of the power station, is responsible for the quality, safety, time limit, cost and other aspects of the contracted construction project, and eventually delivers the owners with the photovoltaic power station that meets the contract agreement, the use conditions and the use functions.

When the Company carries out the EPC business under transfer-construction mode, the equity transfer agreement, development agreement and project construction management agreement signed with customers shall be determined in accordance with "a single transaction". At the beginning of the project, the related implementation expenditure has been incurred and the construction activities has begun, which is the necessary expenditure for the project to reach the final expected sellable state. The Company shall include the development cost into the total estimated contract cost.

Principle of revenue recognition: both the mode of photovoltaic power station construction management service is to provide the customers with one-stop services for construction of power station. Because the customers can take control of the products in progress, the sales contract between the Company and the customer contains performance obligations for the photovoltaic construction contract, which is satisfied at a certain point, and recognised by the performance progress, except for the one cannot be estimated reliably. The Company determines the performance progress by the input method. The performance progress is determined by the proportion of the actual contract cost incurred for the contract to the estimated total contract cost or the proportion of the completed contract workload to the estimated total contract workload. At the balance sheet date, the Company reestimates the completed progress or services performance progress in order to reflect the changes in performance.

(c) Smart energy

① Smart micro grid and multi-energy system

The sales contract between the Company and the customer contains performance obligations for the sales of smart micro grid and multi-energy system, which is satisfied at a certain point.

The revenue for smart micro grid and multi-energy system (including micro grid and energy storage system product) is recognised according to the sales contract signed between the Company and customer, adopting the similar revenue recognition policy for sales of photovoltaic product.

② Operation and maintenance of photovoltaic power station

For each accounting period, the Company recognizes the revenue generated by the construction and operation of photovoltaic power station projects by electricity meter readings or power-generation confirmation letters from power companies and customers, along with the unit price in relevant power sales contracts (including the renewable energy power price-added subsidy related to selling electricity to

the buyers according to power sales contracts).

The sales contract between the Company and the customer contains performance obligations for the sales of operation and maintenance of photovoltaic power station. As the customers obtain and consume the economic benefits brought by the performance progress at the same time, the Company regards the performance obligation to be satisfied over time, and the revenue of which will be confirmed equally cross the services period.

3.27 Government Grants

(a) Recognition of government grants

A government grant shall not be recognised until there is reasonable assurance that:

- ① The Company will comply with the conditions attaching to them; and
- ② The grants will be received.

(b) Measurement of government grants

Monetary grants from the government shall be measured at amount received or receivable.

(c) Accounting for government grants

① Government grants related to assets

Government grants pertinent to assets mean the government grants that are obtained by the Company used for purchase or construction, or forming the long-term assets by other ways. Government grants pertinent to assets shall be recognised as deferred income, and should be recognised in profit or loss on a systematic basis over the useful lives of the relevant assets. Grants measured at their nominal value shall be directly recognised in profit or loss of the period when the grants are received. When the relevant assets are sold, transferred, written off or damaged before the assets are terminated, the remaining deferred income shall be transferred into profit or loss of the period of disposing relevant assets.

② Government grants related to income

Government grants other than related to assets are classified as government grants related to income. Government grants related to income are accounted for in accordance with the following principles:

If the government grants related to income are used to compensate the enterprise's relevant expenses or losses in future periods, such government grants shall be recognised as deferred income and included into profit or loss (or write down related expenses) in the same period as the relevant expenses or losses are recognised;

If the government grants related to income are used to compensate the enterprise's relevant expenses or losses incurred, such government grants are directly recognised into current profit or loss.

For government grants comprised of part related to assets as well as part related to income, each part is accounted for separately; if it is difficult to identify different part, the government grants are accounted

for as government grants related to income as a whole.

Government grants related to daily operation activities are recognised in other income (or write down related expenses) in accordance with the nature of the activities, and government grants irrelevant to daily operation activities are recognised in non-operating income.

③ Loan interest subsidy

When loan interest subsidy is allocated to the bank, and the bank provides a loan at lower-market rate of interest to the Company, the loan is recognised at the actual received amount, and the interest expense is calculated based on the principal of the loan and the lower-market rate of interest.

When loan interest subsidy is directly allocated to the Company, the subsidy shall be recognised as offsetting the relevant borrowing cost.

④ Repayment of the government grants

Repayment of the government grants shall be recorded by increasing the carrying amount of the asset if the book value of the asset has been written down, or reducing the balance of relevant deferred income if deferred income balance exists, any excess will be recognised into current profit or loss; or directly recognised into current profit or loss for other circumstances.

3.28 Deferred Tax Assets and Deferred Tax Liabilities

Temporary differences are differences between the carrying amount of an asset or liability in the statement of financial position and its tax base at the balance sheet date. The Company recognise and measure the effect of taxable temporary differences and deductible temporary differences on income tax as deferred tax liabilities or deferred tax assets using liability method. Deferred tax assets and deferred tax liabilities shall not be discounted.

(a) Recognition of deferred tax assets

In terms of deductible temporary difference, the amount of impact is calculated by the income tax rate in the expected reversal period, and recognize such amount of impact as deferred tax assets; while to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, deductible losses and tax credits can be utilized.

The amount of impact for deductible temporary difference upon income tax arose from transactions or events with following characteristics at the same time or due to initial recognition of assets and liabilities shall not be recognized as deferred tax assets:

- (i) Is not a business combination; and
- (ii) At the time of the transaction, affects neither accounting profit nor taxable profit (tax loss)

The Company shall recognise a deferred tax asset for all deductible temporary differences arising from investments in subsidiaries, associates and joint ventures, only to the extent that, it is probable that:

- (i) The temporary difference will reverse in the foreseeable future; and

(ii) Taxable profit will be available against which the deductible temporary difference can be utilised.

At the end of each reporting period, if there is sufficient evidence that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, the Company recognises a previously unrecognised deferred tax asset.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting period. The Company shall reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

(b) Recognition of deferred tax liabilities

A deferred tax liability shall be recognised for all taxable temporary differences at the tax rate that are expected to apply to the period when the liability is settled.

(i) No deferred tax liability shall be recognised for taxable temporary differences arising from:

- The initial recognition of goodwill; or
- The initial recognition of an asset or liability in a transaction which: is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss)

(ii) An entity shall recognise a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures, except to the extent that both of the following conditions are satisfied:

- The Company is able to control the timing of the reversal of the temporary difference; and
- It is probable that the temporary difference will not reverse in the foreseeable future.

(c) Recognition of deferred tax liabilities or assets involved in special transactions or events

(i) Deferred tax liabilities or assets related to business combination

For the taxable temporary difference or deductible temporary difference arising from a business combination not under common control, a deferred tax liability or a deferred tax asset shall be recognised, and simultaneously, goodwill recognised in the business combination shall be adjusted based on relevant deferred tax expense (income).

(ii) Items directly recognised in equity

Current tax and deferred tax related to items that are recognised directly in equity shall be recognised in equity. Such items include: other comprehensive income generated from fair value fluctuation of available for sale investments; an adjustment to the opening balance of retained earnings resulting from either a change in accounting policy that is applied retrospectively or the correction of a prior period (significant) error; amounts arising on initial recognition of the equity component of a compound financial instrument

that contains both liability and equity component.

(iii) Unused tax losses and unused tax credits

Unused tax losses and unused tax credits generated from daily operation of the Company itself

Deductible loss refers to the loss calculated and permitted according to the requirement of tax law that can be offset against taxable income in future periods. The criteria for recognising deferred tax assets arising from the carryforward of unused tax losses and tax credits are the same as the criteria for recognising deferred tax assets arising from deductible temporary differences. The Company recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Company. Income taxes in current profit or loss shall be deducted as well.

Unused tax losses and unused tax credits arising from a business combination

Under a business combination, the acquiree's deductible temporary differences which do not satisfy the criteria at the acquisition date for recognition of deferred tax asset shall not be recognised. Within 12 months after the acquisition date, if new information regarding the facts and circumstances exists at the acquisition date and the economic benefit of the acquiree's deductible temporary differences at the acquisition is expected to be realised, the Company shall recognise acquired deferred tax benefits and reduce the carrying amount of any goodwill related to this acquisition. If goodwill is reduced to zero, any remaining deferred tax benefits shall be recognised in profit or loss. All other acquired deferred tax benefits realised shall be recognised in profit or loss.

(iv) Temporary difference generated in consolidation elimination

When preparing consolidated financial statements, if temporary difference between carrying value of the assets and liabilities in the consolidated financial statements and their taxable bases is generated from elimination of inter-company unrealized profit or loss, deferred tax assets or deferred tax liabilities shall be recognised in the consolidated financial statements, and income taxes expense in current profit or loss shall be adjusted as well except for deferred tax related to transactions or events recognised directly in equity and business combination.

(v) Share-based payment settled by equity

If tax authority permits tax deduction that relates to share-based payment, during the period in which the expenses are recognised according to the accounting standards, the Company estimates the tax base in accordance with available information at the end of the accounting period and the temporary difference arising from it. Deferred tax shall be recognised when criteria of recognition are satisfied. If the amount of estimated future tax deduction exceeds the amount of the cumulative expenses related to share-based payment recognised according to the accounting standards, the tax effect of the excess amount shall be recognised directly in equity.

3.29 Operating Leases and Finance Leases

The Company classifies the lease that substantially transfers all the risks and rewards incidental to ownership of an underlying asset as a finance lease. Other lease shall be classified as an operating lease.

(a) Accounting for operating leases

(i) When the Company as a lessee, the lease payments should be recognised into profit or loss of the reporting period over the lease terms on a straight-line basis or the amount of usage. If the lessor provides the rent-free period, the Company shall allocate total lease payment over the entire lease terms including the rent-free period using straight-line basis or other reasonable method. Lease expense and the corresponding liabilities shall be recognised during the rent-free period. If expenses relating to lease which should be borne by the Company are paid by the lessor of the assets, they shall be deducted from the total lease expenses and the balances shall be amortised over the lease terms by the Company.

Initial direct costs relating to lease transactions incurred by the Company shall be recognised into current profit or loss. Contingent rental, if included in the lease contract, shall be recognised into profit or loss upon occurrence.

(ii) When the Company as a lessor, lease income should be recognised over the lease terms on a straight-line basis. If the lessor provides the rent-free period, the Company shall allocate total lease income over the entire lease terms including the rent-free period using straight-line basis or other reasonable method. Lease income shall be recognised during the rent-free period. If expenses relating to leases which should be borne by the lessee of the assets are paid by the Company, they shall be deducted from the total lease income and the balances shall be amortised over the lease terms by the Company.

Initial direct costs relating to lease transactions incurred by the Company shall be recognised into current profit or loss; if the amounts are material, they shall be capitalised and amortised over the lease terms on the same basis as the recognition of lease income. Contingent rental, if included in the lease contract, shall be recognised into profit or loss upon occurrence.

(b) Accounting for finance leases

(i) When the Company as a lessee, at commencement of the lease, assets obtained through finance leases should be recorded at the lower of their fair values and the present values of the minimum lease payments. The Company shall recognise long-term payables at amounts equal to the minimum lease payments, and the differences shall be recognised as unrecognised finance charges, which shall be amortised over the lease terms as finance expenses by using effective interest rate method and recognised into finance cost.

Initial direct costs are recorded in the value of the leased assets.

The Company adopts the same depreciation policy for the leased assets as its self-owned fixed assets. Depreciation period is determined according to the lease contract. If it is reasonably certain that the Company will obtain the ownership of the assets at the expiration of the lease, the depreciation period will be the useful lives of the leased assets. If it is not certain that the Company will obtain the ownership of the asset at the expiration of the lease, the depreciation period is the shorter of the lease period and their useful lives.

(ii) When the Company as a lessor, at commencement of the lease, lease receivables shall be measured at

minimum lease receivables plus initial direct costs relating to lease transactions and recognised as long-term receivable in the statement of financial position. Unguaranteed residual values are recorded simultaneously. The differences between the total of minimum lease receivable, initial direct cost and unguaranteed residual values and their present value shall be recognised as unearned finance income, and shall be amortised over the lease terms as lease income at the effective interest rate method.

3.30 Held for sale

(i) Classification of non-current assets or disposal group as held for sale

The Company classifies a non-current asset (or disposal group) as held for sale if the following requirements are met simultaneously:

- ① The asset or disposal group must be available for immediate sale in its present condition subject only to the terms that are usual and customary for sales of such assets (or disposal groups).
- ② Its sale must be highly probable, i.e, the Company must be committed to a plan to sell the asset (or disposal group) and obtain definite purchase commitment, and the sale is expected to complete within one year. If the relevant regulations require the approval from the relevant power organisations or supervision departments of the Company before they can be sold, the approval has been obtained.

When the Company acquires a non-current asset (or disposal group) exclusively with a view to its subsequent disposal, it shall classify the non-current asset (or disposal group) as held for sale at the acquisition date only if the one-year requirement is met and it is highly probable that any other criteria that are not met at that date will be met within a short period following the acquisition (usually within three months).

The Company that is committed to dispose its equity investment in a subsidiary which will lead to its loss of control of the subsidiary shall classify the investment as held for sale in the separate financial statements of the Company, and classify all the assets and liabilities of that subsidiary as held for sale in the consolidated financial statements of the Company, when the above criteria are met, regardless of whether the Company will remain part of equity investment in the subsidiary.

(ii) Measurement of non-current assets or disposal group as held for sale

The principal of measurement of non-current assets (or disposal groups) held for sale does not apply to the following assets: investment properties that are measured in accordance with the fair value model, biological assets that are measured at fair value less costs to sell, assets arising from employee benefits, deferred tax assets, financial assets within the scope of relevant accounting standards related to financial instruments and contractual rights under insurance contracts as defined in accounting standards related to insurance contracts.

When the non-current assets (or disposal groups) as held for sale are initially measured or subsequently measured at balance sheet date, if the carrying amount of the asset (or disposal group) is higher than the fair value less cost to sell, it shall be written-down to its fair value less cost to sell, and the difference shall be recognised as impairment loss into current profit or loss, and provision for asset impairment shall be recognised simultaneously. At subsequent reporting date, if there is any increase in fair value less costs to sell of a non-current asset (or disposal group), the impairment loss recognised in previously shall be reversed to the extent of impairment loss recognised after the asset has been classified as held-for-sale

and included in profit or loss. An impairment loss recognised for goodwill shall not be reversed in a subsequent period.

When the assets (or disposal groups) ceases to be classified as held for sale or the non-current assets are removed from disposal groups since the criteria for held for sale are no longer met, the assets shall be measured at the lower of:

- ① Its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale, and
- ② Its recoverable amount.

(iii) Presentation

An entity shall present a non-current asset classified as held for sale and the assets of a disposal group classified as held for sale separately from other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale shall be presented separately from other liabilities in the statement of financial position. Those assets and liabilities shall not be offset and presented as a single amount.

3.31 Distribution of dividend

After balance sheet date, dividend or profit to be allocated from approved profit distribution scheme, shall not be recognized as liability on balance sheet date, and separately disclosed in the notes to the financial statements.

3.32 Related party

The related parties are one party control, jointly control another party or significant influent upon another party, and two or more parties controlled or jointly controlled by one party. The related party could be person or entity. Entity controlled by the same county without any other relationship is not related parties.

Moreover, the Company determines related parties according to Notice of management of information disclosure for listed company published by China Securities Regulatory Commission.

3.33 Segment report

The Company determines the operating segments according to internal organization structure, management demand and internal reporting system. If two or more operating segment have similar economic characteristic at the same time the aspects about nature of individual product or service, nature of production process, classification of customer of product or service, method for selling product or rendering service, and influence by law and regulations for production of goods and rendering service are same or similar, could be combined as one operating segment. The Company determine reporting segment on the base of materiality of operating segment.

In preparation of segment report, the transaction income between segments are measured at actual at actual transaction price. The accounting policies of the segment report shall be consistent to preparation of

Group's financial statements.

3.34 Significant accounting estimates

In preparation of financial statements, the estimations and assumptions used by the management would make influence on application of accounting policies and amount of assets, liabilities, income and expense. The actual situation might be different from above estimations. The management of the Company shall continue to evaluate the significant assumption relevant to estimation and judgment upon uncertainty, and recognize the impact of changes in accounting estimates in current and subsequent period.

Except for accounting estimates relevant to depreciation and amortization of fixed assets, intangible assets and other assets (please refer to Note 3.16, 19, and 22) and impairment of various assets (please refer to Note 5.3, 4, 6, 7, 12, 13, 14, 15, 16, 17, 18, 19 and 20 and Note 14.1, 2, 3 and 4), other significant accounting estimates are as follow:

- (1) Note 5.21 Recognition of deferred tax assets;
- (2) Note 5.37 Product quality warranty;
- (3) Note 8 Financial instruments;

3.35 Changes in Significant Accounting Policies and Accounting Estimates

(a) Changes in accounting policies

Changes in significant accounting policies in 2020

The Ministry of Finance issued the revised Accounting Standards for Business Enterprises No. 14 - Revenue (Caikuai [2017] No. 22) on 5 July 2017 (hereinafter referred to as the "new revenue standards"), requiring domestic listed enterprises to implement the new revenue standards from 1 January 2020. The Company implemented the new revenue standards on 1 January 2020, and made adjustments to the relevant contents. Please refer to Note 3.26 for details.

The new revenue standards require that the amount of early retained earnings and other related items should be adjusted on the basis of the amount of cumulative impact from the beginning of the first execution year (i.e. 1 January 2020) without adjustment for comparable period. Under the new revenue standards, the Company only adjusts the amount of cumulative impact for the contracts that have not yet been completed on the first execution date.

The Ministry of Finance issued the revised Accounting Standards for Business Enterprises No. 16 - Government grants (revised) on 10 May 2017, requiring domestic listed enterprises to implement the standards from 12 June 2017. The Company changes the government grants accounting policy this year. For those government grants that meet the accounting conditions of the net method, the Company changes to the net method and adjusts the relevant content of the relevant accounting policy. Please refer to Note 3.27 for details, and the Company changes the presentation of relevant financial statements by retroactive adjustment method.

The impacts of above changes in accounting policies are as follow:

Impacted subjects	Impacted items	Impacted amount	
		2020.12.31	2019.12.31
Government grants	Inventories	-6,662,661.67	-7,072,803.31
	Fixed assets	-979,934,228.28	-167,011,140.17
	Intangible assets	-41,518,454.12	-13,000,000.00
	Long-term deferred expenses	-26,546,600.57	-21,135,279.71
	Total asset	-1,054,661,944.64	-208,219,223.19
	Deferred income	-1,054,661,944.64	-208,219,223.19
	Total liabilities	-1,054,661,944.64	-208,219,223.19
	Net asset		
	Cost of sales	-34,011,158.16	-13,026,855.94
	General and administrative expenses	-3,335,920.04	-2,191,627.14
	Research and development expenses	-5,558,054.50	-4,662,587.45
	Finance costs	-9,886,852.00	-
	Gains on changes in fair values	-2,913,357.50	-
	Other income	-55,705,342.20	-19,881,070.53
	Net profit		-

(b) Significant changes in accounting estimates

The Company has no significant changes in accounting estimates for the reporting period.

(c) Adjustments of the financial statements at the beginning of the reporting period for the first year adoption of new revenue standards.

Consolidated Financial Statements

Unit: Yuan Currency: RMB

Items	31 December 2019	1 January 2020	Adjustment
Inventories	5,609,755,661.86	5,177,702,299.55	-432,053,362.31
Contracts assets	N/a	526,829,076.25	526,829,076.25
Advances from customers	1,825,660,229.89	-	-1,825,660,229.89
Contracts liabilities	N/a	1,892,190,274.82	1,892,190,274.82
Other current liability	-	28,245,669.01	28,245,669.01

Financial Statements of Parent Company

Unit: Yuan Currency: RMB

Items	31 December 2019	1 January 2020	Adjustment
Advances from customers	330,454,241.37	-	-330,454,241.37
Contracts liabilities	N/a	311,414,223.14	311,414,223.14
Other current liability	-	19,040,018.23	19,040,018.23

4. TAXATION

4.1 Major Categories of Tax and Tax Rates Applicable to the Company

Categories of tax	Tax rate (%)	Basis of tax assessment
Value added tax (VAT)	17、16、13、11、9、6、5、3、etc. (note (1))	The VAT payable is based on output tax deducted by deductible input tax. According to tax laws, output tax is calculated by income of sales of goods and provision of taxable services, and the self-operated export tax is subject to "exemption, deduction and refund" method.
Urban maintenance and construction tax	7、5、1	VAT payable deducted by export rebates
Educational surcharge	3	VAT payable deducted by export rebates
Local educational surcharge	2	VAT payable deducted by export rebates
Corporate income tax	25、15、0、etc. (note(2))	Taxable income

Note (1): In terms of different VAT rates among subsidiaries, please refer to Note 4.3 for VAT in overseas subsidiaries.

Note (2): In terms of different corporate income tax rate among subsidiaries, please refer to Note 4.3 for corporate income tax rate of overseas subsidiaries.

4.2 Tax preferential treatments

Income tax preference for important subsidiaries:

Entity Name	Corporate income tax rate of 2019	Corporate income tax rate of 2020	Reason of preferential
Chang Zhou Trina Solar Energy Co.,Ltd	15.00%	15.00%	High & New technology
Trina Solar (Changzhou) Science & Technology Co.,Ltd	15.00%	15.00%	High & New technology
Yancheng Trina Solar Guoneng Science & Technology Co.,Ltd	15.00%	15.00%	High & New technology
Trina Solar Science & Technology (Thailand) Ltd.	0.00%	0.00%	Thailand investment promotion
Jiangsu Trina Solar Electric Power Development Co., Ltd.	12.50%	12.50%	State supported key public infrastructure project
Yingshang Runneng New Energy Co., Ltd	0.00%	0.00%	State supported key public infrastructure project

Entity Name	Corporate income tax rate of 2019	Corporate income tax rate of 2020	Reason of preferential
Tai Xing Yongneng PV Electricity Generation Co., Ltd.	0.00%	0.00%	State supported key public infrastructure project
Pingshun Guohe Photovoltaic Power Generation Co. Ltd	0.00%	0.00%	State supported key public infrastructure project
Tibet Trina Solar PV System Integration Co, Ltd	9%	9%	The grand western development campaign exemption and reduction, local refund

4.3 Statutory income tax rate and VAT or other similar tax rate for important overseas subsidiaries:

Name of overseas subsidiaries	Registration	Income tax rate	VAT or other similar tax rate
Trina Solar (Singapore) Science & Technology Pte. Ltd	Singapore	17.00%	7.00%
Trina Solar Science & Technology (Thailand) Ltd.	Thailand	0.00%	0.00%
Trina Solar (Vietnam) Science & Technology Co., Ltd	Vietnam	0%, 20.00%	0.00%
Trina Solar (Australia) Pty Ltd.	Australia	30.00%	10.00%
Trina Solar Energy Development Pte. Ltd.	Singapore	5%、17%	7.00%
Trina Solar Japan Energy Co.,Ltd	Japan	≥30.62%	8.00%
Trina Solar (Schweiz) AG	Switzerland	9.90%	7.70%
Trina Solar (Spain) S.L.U.	Spain	25.00%	21.00%
TRINA SOLAR (LUXEMBOURG) OVERSEAS SYSTEMS S.àr.l.	Luxembourg	26.01%	17.00%
Trina Solar (Netherlands) B.V.	Netherlands	25.00%	21.00%
Nclave Renewable, S.L.	Spain	25.00%	21.00%
Trina Solar (U.S.), Inc.	U.S.A	>21%	0.00%

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.1 Cash and Cash Equivalents

Items	31 December 2020	31 December 2019
Cash on hand	257,753.28	371,161.98
Cash in bank	4,172,368,582.62	3,834,894,015.48
Other monetary funds	5,256,730,710.59	1,992,184,370.75
Total	9,429,357,046.49	5,827,449,548.21
Including: The total amount deposited overseas	2,031,259,291.74	2,093,680,639.11

Details of other monetary funds:

Items	31 December 2020	31 December 2019
Bank acceptance deposit	3,721,609,215.25	737,857,085.96
Loan deposit	194,200,103.33	323,255,944.31
Banker's letter of guarantee	992,505,696.55	856,873,515.68
L/C Guarantee deposits	171,866,875.33	21,155,028.42
Others restricted funds accounts	176,548,820.13	53,042,796.38
Total	5,256,730,710.59	1,992,184,370.75

5.2 Held-for-trading financial assets

Items	31 December 2020	31 December 2019
Financial Assets at Fair Value through Profit or Loss	914,709,238.85	1,733,947,291.38
Including: Foreign currency forward contract	47,143,555.33	14,480,221.92
Bank financial product	867,565,683.52	1,719,467,069.46
Total	914,709,238.85	1,733,947,291.38

As of 31 December 2020, the Company has bank financial products of RMB 867,334,917.62 that are pledged to bank as guarantee for issue bank acceptance bills and banker's letter (31 December 2019: RMB 1,317,981,680.55).

5.3 Accounts Receivable

(a) Accounts receivable by bad debt provision method

(i) At 31 December 2020 (Provision using simple model)

Category	31 December 2020				Carrying amount
	Book balance		Provision for bad debt		
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debt recognised individually	201,124,902.16	4.20	167,579,960.03	83.32	33,544,942.13
Provision for bad debt recognised collectively	4,588,190,522.34	95.80	390,067,425.82	8.50	4,198,123,096.52
Group 1: Accounts receivables due from customers	4,588,190,522.34	95.80	390,067,425.82	8.50	4,198,123,096.52
Total	4,789,315,424.50	100.00	557,647,385.85	11.64	4,231,668,038.65

(ii) At 31 December 2019 (Provision using simple model)

Category	31 December 2019				Carrying amount
	Book balance		Provision for bad debt		
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debt recognised individually	235,817,137.33	4.58	196,752,207.19	83.43	39,064,930.14
Provision for bad debt recognised collectively	4,907,594,134.31	95.42	286,281,028.79	5.83	4,621,313,105.52
Group 1: Accounts receivables due from customers	4,907,594,134.31	95.42	286,281,028.79	5.83	4,621,313,105.52
Total	5,143,411,271.64	100.00	483,033,235.98	9.39	4,660,378,035.66

(i) At 31 December 2020, accounts receivable with provision for bad debt recognised individually:

Entity name	31 December 2019			
	Accounts receivable	Provision for bad debt	Provision ratio (%)	Reason
Hunan Red Sun New Energy Technology Co., Ltd	40,816,565.84	8,163,313.17	20.00	The win lawsuit is in stage of execution
Zhongsheng photoelectric energy Co., Ltd	1,114,611.78	222,922.36	20.00	
MAR SOLAR PANEL IMALATI VE ELEKTRIK URT. DAG. PRJ. HIZ. SAN. VE TIC. A.S.	14,448,449.20	14,448,449.20	100.00	Unrecoverable risk of customer credit reduction
Shandong Weineng Environmental Power Technology Co., Ltd	9,276,471.20	9,276,471.20	100.00	Unrecoverable risk of customer credit reduction
ITEC Solar GmbH	24,378,209.46	24,378,209.46	100.00	Unrecoverable risk of customer credit reduction
Green Tower VIII GmbH & Co. KG	40,285,488.12	40,285,488.12	100.00	Unrecoverable risk of customer credit reduction
Wuhan Guangyi Amperex Technology Limited	15,447,787.89	15,447,787.89	100.00	Unrecoverable risk of customer credit reduction
Alternativa Energetica 3000 S.L.	6,251,284.49	6,251,284.49	100.00	Unrecoverable risk of customer credit reduction
SOLAR SPRINT s.r.o.	10,495,303.65	10,495,303.65	100.00	Unrecoverable risk of customer credit reduction
ELEKTRO-PLZEN spol s.r.o.	15,114,699.09	15,114,699.09	100.00	Unrecoverable risk of customer credit reduction
JRC Services, LLC	11,916,189.97	11,916,189.97	100.00	Unrecoverable risk of customer credit reduction
Total	189,642,302.30	156,097,360.21	-	-

At 31 December 2020, accounts receivable with bad debt provision recognised by group 1 (Accounts receivables due from customers)

Aging	31 December 2020		
	Accounts receivable	Provision for bad debt	Provision ratio (%)
Within 1 year			
Including: within 6 months	2,993,129,723.29	14,965,651.92	0.50
7-12 months	478,726,691.43	23,936,334.57	5.00
Subtotal	3,471,856,414.72	38,901,986.49	1.12
1-2 years	323,648,483.47	32,364,848.35	10.00
2-3 years	615,422,392.20	184,626,717.65	30.00
3-4 years	86,178,717.24	43,089,358.62	50.00
Over 4 years	91,084,514.71	91,084,514.71	100.00
Total	4,588,190,522.34	390,067,425.82	8.50

As at 31 December 2020, the Company pledged accounts receivable of RMB 642,134,178.59 (31 December 2019: RMB1,745,453,789.71) as guarantee for loans and finance leases.

(b) Addition, recovery or reversals of provision for bad debts:

Items	2019.12.31	Changes during the reporting period				2020.12.31
		Provision	Recovery or reversal	Write-off	Other changes	
Provision for bad debts	483,033,235.98	126,068,046.11	30,470,142.05	21,794,744.78	810,990.59	557,647,385.85
Total	483,033,235.98	126,068,046.11	30,470,142.05	21,794,744.78	810,990.59	557,647,385.85

(c) Accounts receivable write-off during the reporting period

Year	Items	Amount
2020	Accounts receivable write-off	21,794,744.78
2019	Accounts receivable write-off	1,660,247.27

Including: Accounts receivable with significant balance write-off during the reporting period

Year	Entity name	Nature	Amount	Reason	Procedure	Due from related parties or not
2020	UGL Engineering Pty Ltd	Accounts receivables due from customers	13,294,224.69	Consensual compensation	Approved	N
Total			13,294,224.69	-	-	-

(d) Recovering the receivables written off in previous years in the current period

Year	Item	Written-off amount
2020	Accounts receivable written off in previous years are recovered in current period.	155,433.21
2019	Accounts receivable written off in previous years are recovered in current period.	189,048.00

(e) Top five closing balances by entity

31 December 2020

Entity name	Balance at 31 December 2020	Proportion of the balance to the total accounts receivable (%)	Provision for bad debt
Customer 1	773,487,761.89	16.15	87,724,637.82
Customer 2	292,100,998.07	6.10	81,701,808.93
Customer 3	259,082,941.80	5.41	3,534,756.63
Customer 4	179,480,802.14	3.75	897,404.01
Customer 5	150,813,471.71	3.15	754,067.36
Total	1,654,965,975.61	34.56	174,612,674.75

5.4 Accounts Receivable Financing**(a) Accounts receivable financing by category**

Items	2020.12.31	2019.12.31
Notes receivable	1,614,996,704.71	1,198,685,017.02
Total	1,614,996,704.71	1,198,685,017.02

(b) Notes receivable by loss allowance provision method

Category	31 December 2020			
	Basis of provision	Lifetime expected credit losses rate(%)	Provision for loss allowance	Comments
Provision for loss allowance recognised individually	-	-	-	-
Provision for loss allowance recognised collectively	1,615,492,640.55	0.03	495,935.84	-
Including, Group 1: Notes receivable - Bank acceptance bills	1,604,078,303.80	-	-	-
Group 2: Notes receivable - Commercial acceptance bills	11,414,336.75	4.34	495,935.84	-
Total	1,615,492,640.55	0.03	495,935.84	-

(continued)

Category	31 December 2019			
	Basis of provision	Lifetime expected credit losses rate(%)	Provision for loss allowance	Comments
Provision for loss allowance recognised individually	-	-	-	-
Provision for loss allowance recognised collectively	1,201,719,909.52	0.25	3,034,892.50	-
Including, Group 1: Notes receivable - Bank acceptance bills	1,192,622,059.50	-	-	-
Group 2: Notes receivable - Commercial acceptance bills	9,097,850.02	33.36	3,034,892.50	-
Total	1,201,719,909.52	0.25	3,034,892.50	-

(c) Changes of provision for loss allowance during the reporting period

Category	2019.12.31	Changes during the reporting period			2020.12.31
		Provision	Recovery or reversal	Write-off	
Notes receivable	3,034,892.50	495,935.84	3,034,892.50	-	495,935.84
Total	3,034,892.50	495,935.84	3,034,892.50	-	495,935.84

(d) Notes receivable pledged

As at 31 December 2020, the Company pledged notes receivable of RMB 801,655,296.44 (31 December 2019: RMB 64,220,000.00) for banks as guarantee for issuing bank acceptance bill.

5.5 Advances to Suppliers

(a) Advances to suppliers by category

Items	31 December 2020	31 December 2019
Third parties	998,167,574.27	712,925,447.55
Related parties	41,052,351.16	-
Total	1,039,219,925.43	712,925,447.55

(b) Advances to suppliers by aging

Aging	31 December 2020		31 December 2019	
	Amount	Proportion (%)	Amount	Proportion (%)
Within one year	1,030,479,659.00	99.16	694,425,891.58	97.41
1 to 2 years	3,991,441.44	0.38	15,020,202.18	2.10
2 to 3 years	1,890,388.48	0.18	3,174,195.13	0.45

Aging	31 December 2020		31 December 2019	
	Amount	Proportion (%)	Amount	Proportion (%)
Over 3 years	2,858,436.51	0.28	305,158.66	0.04
Total	1,039,219,925.43	100.00	712,925,447.55	100.00

Advances to supplies mainly include prepaid silicon materials, battery sheet payment in the long-term supply agreement signed with a specific supplier. The relevant amount is expected to be settled as current assets within 1 year, and the rest is listed as long-term assets. The above aging is calculated from the confirmation date of the prepayment.

(c) Top five closing balances by entity

31 December 2020

Entity name	Balance at 31 December 2020	Proportion of the balance to the total accounts receivable (%)
Supplier 1	303,547,880.60	29.21
Supplier 2	115,600,446.00	11.12
Supplier 3	113,196,133.20	10.89
Supplier 4	49,244,077.32	4.74
Supplier 5	41,052,351.16	3.95
Total	622,640,888.28	59.91

5.6 Other Receivables

(a) Other receivables by category

Items	31 December 2020	31 December 2019
Interests receivable	2,895,751.26	-
Dividend receivable	1,274,376.51	67,773,086.19
Other receivables*	1,647,548,557.60	1,487,143,013.99
Total	1,651,718,685.37	1,554,916,100.18

* Other receivables represent other receivables except interests and dividend receivable.

(b) Interests receivable

(i) Interests receivable by category

项 目	2020.12.31	2019.12.31
Bond investment	2,895,751.26	-
Total	2,895,751.26	-

(c) Dividends receivable**(i) Dividends receivable by category**

Items	31 December 2020	31 December 2019
Xiangshui Hengneng Solar Power Co., Ltd	-	45,673,693.34
Xiangshui Yongneng Solar Power Co., Ltd	-	19,439,834.29
Suqian Tianlan photovoltaic power Co., Ltd	1,274,376.51	1,274,376.51
Shanghai Xuanhe photovoltaic power Co., Ltd	-	1,225,558.42
Shanghai Zhijie New Energy Technology Co., Ltd	-	159,623.63
Total	1,274,376.51	67,773,086.19

(d) Other Receivables by bad debt provision method**(i) At 31 December 2020 (Provision using simple model)**

Category	31 December 2020				Carrying amount
	Book balance		Provision for bad debt		
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debt recognised individually	27,187,256.96	1.38	27,187,256.96	100.00	-
Provision for bad debt recognized collectively	1,936,843,287.23	98.62	289,294,729.63	14.94	1,647,548,557.60
Group 1: Deposit and guarantee receivable	1,641,326,218.68	83.57	280,145,296.04	17.07	1,361,180,922.64
Group 2: Petty cash receivable and export rebates	97,619,540.12	4.97	564,952.13	0.58	97,054,587.99
Group 4: Accounts receivables due from related parties outside scope of consolidation	129,632,115.61	6.60	3,009,388.13	2.32	126,622,727.48
Group 5: Others	68,265,412.82	3.48	5,575,093.33	8.17	62,690,319.49
Total	1,964,030,544.19	100.00	316,481,986.59	16.11	1,647,548,557.60

(Continued)

Category	31 December 2019				
	Book balance		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debt recognised individually	133,484,004.63	7.44	133,484,004.63	100.00	—
Provision for bad debt recognized collectively	1,661,314,712.42	92.56	174,171,698.43	10.48	1,487,143,013.99
Group 1: Deposit and guarantee receivable	1,239,408,039.82	69.06	146,674,198.64	11.83	1,092,733,841.18
Group 2: Petty cash receivable and export rebates	3,015,016.65	0.17	326,580.53	10.83	2,688,436.12
Group 4: Accounts receivables due from related parties outside scope of consolidation	254,999,295.28	14.21	9,240,160.16	3.62	245,759,135.12
Group 5: Others	163,892,360.67	9.13	17,930,759.10	10.94	145,961,601.57
Total	1,794,798,717.05	100.00	307,655,703.06	17.14	1,487,143,013.99

(ii) At 31 December 2020, provision for bad debt recognised individually

Entity name	2020.12.31			
	Book balance	Provision for bad debt	Provision ratio (%)	Reason
Xinjiang Guoshun Energy Technology Co. Ltd	26,426,846.72	26,426,846.72	100.00	Unrecoverable risk caused by reducing credit
Total	26,426,846.72	26,426,846.72	100.00	

At 31 December 2020, other receivables with bad debt provision

Aging	31 December 2020		
	Accounts receivable	Provision for bad debt	Provision ratio (%)
Within 1 year			
Including: within 6 months	846,728,427.54	4,233,642.24	0.50
7-12 months	254,593,844.54	12,729,692.23	5.00
Subtotal	1,101,322,272.08	16,963,334.47	1.54
1-2 years	236,759,922.83	23,675,991.98	10.00
2-3 years	318,586,234.62	95,575,870.49	30.00
3-4 years	254,190,650.02	127,095,325.01	50.00
Over 4 years	25,984,207.68	25,984,207.68	100.00
Total	1,936,843,287.23	289,294,729.63	14.94

(iii) Individually significant balance and provision for bad debt recognised individually:

Entity name	31 December 2019			Reason
	Book balance	Provision for bad debt	Provision ratio (%)	
Solaricos Trading Ltd.	55,766,261.54	55,766,261.54	100.00	Unrecoverable amount risk caused by reducing credit
Xinjiang Guoshun Energy Technology Co. Ltd	26,700,000.00	26,700,000.00	100.00	Unrecoverable amount risk caused by reducing credit
OslenHoman	7,540,700.43	7,540,700.43	100.00	Low possibility of recovery caused by trade disputes
ALTERNATE ENERGY SOLUTIONS INC.	7,185,486.00	7,185,486.00	100.00	Low possibility of recovery caused by trade disputes
SIB SOLAR TRADE CO.,LTD	6,638,013.29	6,638,013.29	100.00	Low possibility of recovery caused by trade disputes
Total	103,830,461.26	103,830,461.26	—	

(iv) Other receivables with bad debt provision recognised by aging analysis

Aging	31 December 2019		
	Accounts receivable	Provision for bad debt	Provision ratio (%)
Within 1 year			
Including: within 6 months	612,558,581.90	3,064,534.87	0.50
7-12 months	200,922,454.67	10,046,122.75	5.00
Subtotal	813,481,036.57	13,110,657.62	1.61
1-2 years	519,143,728.28	51,914,372.83	10.00
2-3 years	293,826,580.84	88,147,974.25	30.00
3-4 years	27,729,346.00	13,864,673.00	50.00
Over 4 years	7,134,020.73	7,134,020.73	100.00
Total	1,661,314,712.42	174,171,698.43	10.48

(v) Addition, recovery or reversals of provision for bad debts:

Bad debt provision	Phase One	Phase Two	Phase Three	Total
	Expected credit losses in the next 12 months	Expected credit losses for the entire extension (without credit	Expected credit losses for the entire extension (with credit impairment)	
Balance on 1 January 2020	13,110,657.62	161,061,040.81	133,484,004.63	307,655,703.06
Balance of the current period on 1 January 2020				-
--Transfer to phase two	-7,502,814.59	7,502,814.59	-	-
--Transfer to phase three	-	-	-	-

Bad debt provision	Phase One	Phase Two	Phase Three	Total
	Expected credit losses in the next 12 months	Expected credit losses for the entire extension (without credit)	Expected credit losses for the entire extension (with credit impairment)	
--Reverse to phase two	-	-	-	-
--Reverse to phase one	-	-	-	-
Provisions	16,939,321.89	124,123,518.83	-	141,062,840.72
Recovery or reversal	5,607,843.03	8,733,726.10	-	14,341,569.13
Write-off	-	2,131,146.44	100,514,792.28	102,645,938.72
Other changes	24,012.58	-9,491,106.53	-5,781,955.39	-15,249,049.34
Balance on 31 December 2020	16,963,334.47	272,331,395.16	27,187,256.96	316,481,986.59

(vi) Other receivable write-off during the reporting period

Year	Item	Written-off amount
2020	Other receivable write-off	102,645,938.72
2019	Other receivable write-off	4,094,225.01

Including: Other receivables with significant balance write-off during the reporting period:

Entity name	Nature	Amount	Reason	Procedure	Due from related parties or not
Solaricos Trading Ltd.	Current account	52,584,734.05	Bankruptcy	Approved written-off	N
Oslén Homan	Current account	7,110,495.05	Unrecoverable amount	Approved written-off	N
ALTERNATE ENERGY SOLUTIONS INC.	Current account	6,775,546.00	Unrecoverable amount	Approved written-off	N
SIB SOLAR TRADE CO.,LTD	Current account	6,434,882.12	Cancellation	Approved written-off	N
Total	—	72,905,657.22	—	—	—

(vii) Top five closing balances by entity

31 December 2020

Entity name	Nature	Balance at 31 December 2020	Aging	Proportion of the balance to the total other receivables (%)	Provision for bad debt
Company 1	Double anti deposit	1,557,206,040.47	0 to 4 years	79.29	269,566,744.33
Company 2	Amount due to related parties	94,049,768.88	within 6 months	4.79	470,248.84
Company 3	Amount due to related parties (note (1))	83,700,466.62	within 6 months	4.26	418,502.33
Company 4	Current payment	26,426,846.72	over 4 years	1.35	26,426,846.72
Company 5	Amount due to related parties	26,064,431.12	0 to 2 years	1.33	2,491,154.32
Total	—	1,787,447,553.81	—	91.02	299,373,496.54

Note (1): The compensation for performance commitment in this period.

(viii) Other receivables categorized by nature

Items	31 December 2020	31 December 2019
Double anti deposit (note(1))	1,557,206,040.47	1,104,977,601.26
Amount due to related parties	129,632,115.61	254,999,295.28
Current payment	46,393,821.63	198,578,589.85
Margin and deposit	85,270,178.22	134,730,438.55
Advances for project	1,594,224.56	36,139,197.29
Employee reserve fund	2,668,638.08	3,015,016.65
VAT export tax rebate	94,100,902.03	-
Others	47,164,623.59	62,358,578.17
Total	1,964,030,544.19	1,794,798,717.05

Note (1): From 2011 to 2020, the Company paid anti-subsidy and anti-dumping deposits ("double anti deposit") to the U.S. Customs for part of solar modules it provided to the U.S. market. Such deposit is calculated based on the corresponding anti-subsidy and anti-dumping advance deposit rate announced effective by the U.S. Department of Commerce when the goods are imported to the U.S. Customs.

According to the laws and relevant procedures of the United States, the U.S. Department of Commerce conducts a series of evidence collection and calculation on the imported goods with double anti deposit, and publish the final anti subsidy and anti-dumping rates respectively. If the relevant final tax rate is higher or lower than the advance deposit rate mentioned above, US Customs will settle with the Company according to the principle of "balance will be paid to either side" for the import amount of goods during the relevant period.

According to the difference between the advance deposit rate and the final tax rate and the actual transaction amount during the respective applicable periods, the Company determined the relevant double anti deposit that should be returned. As of 31 December 2020 and 31 December 2019, the balance of double anti deposit receivable from the U.S. Customs is as follows:

Items	31 December 2020	31 December 2019
Double anti deposit	1,557,206,040.47	1,104,977,601.26
Less: bad debt provision	269,566,744.33	130,781,863.03
Total	1,287,639,296.14	974,195,738.23

The above deposit shall be included in the inventory cost at the time of prepayment and shall be included in the operating cost at the time of sale of the corresponding inventory. After the determination of the final tax rate, the balance paid to either side shall be offset or included in the operating cost of the year in which the final tax rate is determined.

5.7 Inventories

(a) Inventories by category

Items	31 December 2020			31 December 2019		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Raw materials	1,089,822,883.35	71,308,301.83	1,018,514,581.52	686,020,544.94	41,493,318.53	644,527,226.41
Work in process	770,887,919.28	54,846,049.62	716,041,869.66	533,966,253.46	6,689,484.49	527,276,768.97
Finished goods	1,967,823,062.79	52,853,223.91	1,914,969,838.88	1,595,453,456.93	22,249,118.02	1,573,204,338.91
Photovoltaic power station	1,778,726,695.15	-	1,778,726,695.15	1,440,548,417.90	-	1,440,548,417.90
Contract performance cost	1,419,426,310.11	-	1,419,426,310.11	1,236,845,219.24	-	1,236,845,219.24
Goods sold	272,724,141.75	-	272,724,141.75	187,353,690.43	-	187,353,690.43
Total	7,299,411,012.43	179,007,575.36	7,120,403,437.07	5,680,187,582.90	70,431,921.04	5,609,755,661.86

As at 31 December 2020, the Company mortgaged inventories of RMB1,100,151,654.23 (31 December 2019: RMB952,526,409.06) as guarantee for loans or finance leases.

(b) Provision for impairment

Items	2019.12.31	Increase from combinaiton	Addition or recovery	Reversals	Translation differences of foreign currency statements	2020.12.31
Raw materials	41,493,318.53	-	53,031,672.23	23,217,872.68	1,183.75	71,308,301.83

Work in process	6,689,484.49	-	54,240,208.14	5,887,640.75	-196,002.26	54,846,049.62
Finished goods	22,249,118.02	-	49,483,114.61	18,747,416.90	-131,591.82	52,853,223.91
Total	70,431,921.04	-	156,754,994.98	47,852,930.33	-326,410.33	179,007,575.36

5.8 Contract assets

Items	2020.12.31		
	Book balance	Provision	Carrying amount
Completed and not settled assets due to construction contracts	620,110,753.27	-	620,110,753.27
Total	620,110,753.27	-	620,110,753.27

5.9 Assets held for sale

(a) non-current asset (or disposal group) classified as held for sale at the end of period

Items	Carrying Amount at 31 December 2020	Fair value at 31 December 2019	Cost to sell	Time schedule
No assets held for sale in this period	-	-	-	-
Total	-	-	-	-

(Continued)

Items	Carrying Amount at 31 December 2019	Fair value at 31 December 2019	Cost to sell	Time schedule
Real estate - Trina Solar (Netherlands) Real Estate B.V.	28,037,481.48	33,215,875.00	743,275.07	January 2020
Total	28,037,481.48	33,215,875.00	743,275.07	

5.10 Non-current Assets Maturing within One Year

Items	31 December 2020	31 December 2019
Long-term receivables maturing within one year	663,889.96	70,100,172.55
Total	663,889.96	70,100,172.55

5.11 Other Current Assets

Items	31 December 2020	31 December 2019
Deductible VAT	999,021,620.74	773,676,131.76
Deferred and prepaid expenses	39,144,810.19	112,325,868.59
Short-term bond investment	632,928,397.22	-
Prepaid corporate income tax	22,544,885.88	43,984,627.00
Other	230,951.00	5,973,510.09
Total	1,693,870,665.03	935,960,137.44

Note: As of 31 December 2020, the short-term bond investment of the Company is RMB 632,928,397.22, which is pledged to banks as guarantee for issuing bank acceptance bill.

5.12 Other debt investments

(a) General information of other debt investments

Items	Fair value at 31 December 2019	Adjustment of interest during the reporting period	Changes of fair value during the reporting period	Fair value at 31 December 2020	Cost	Cumulative changes in fair value	Cumulative loss allowance recognized in the other comprehensive income	Note
Corporate bonds	43,341,214.97	-	-	43,341,214.97	43,341,214.97	-	-	
Less: other debt investment maturing within one year	-	-	-	-	-	-	-	
Total	43,341,214.97	-	-	43,341,214.97	43,341,214.97	-	-	

Notes: The investees are non-listed companies, the comparable value of which is unavailable directly from stock market, and there is no such transfer of creditor's rights that can be used as a reference to determine the fair value in the near future. In addition, according to the available information, there is no big change in the internal and external environment of the investees since the beginning of the year, so the year-end fair value is equal to the cost.

(b) Other debt investments by aging

Items	31 December 2020				
	Book balance		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debt recognised individually	43,341,214.97	100.00	-	-	43,341,214.97
Including: Univergy 100 G.K.	43,341,214.97	100.00	-	-	43,341,214.97
Total	43,341,214.97	100.00	-	-	43,341,214.97

(Continued)

名称	31 December 2020			
	Other debt investments	Proportion	Provision ratio (%)	Reason of provision
Univergy 100 G.K.	43,341,214.97	-	-	No sign of impairment
Total	43,341,214.97	-	-	

5.13 Long-term Receivables

(a) General information of long-term receivables

Items	31 December 2020			31 December 2019			Discount rate range (%)
	Book balance	Provision for bad debt	Carrying amount	Book balance	Provision for bad debt	Carrying amount	
Sales of goods with installment receipts	395,552,361.41	-	395,552,361.41	395,552,361.41	-	395,552,361.41	4.90
Including: unearned finance income	52,881,231.20	-	52,881,231.20	68,887,794.98	-	68,887,794.98	4.90
Rendering of service with installment receipts	364,138,355.86	-	364,138,355.86	99,151,500.00	-	99,151,500.00	4.90
Including: unearned finance income	84,483,198.12	-	84,483,198.12	11,965,562.46	-	11,965,562.46	4.90
Subtotal	622,326,287.95	-	622,326,287.95	413,850,503.97	-	413,850,503.97	-
Less: Long-term receivable due within 1 year	663,889.96	-	663,889.96	70,100,172.55	-	70,100,172.55	-
Total	621,662,397.99	-	621,662,397.99	343,750,331.42	-	343,750,331.42	-

Notes: The long-term receivables formed by the sale of goods by installment are formed after the part of the receivables agreed by the Company to sell the power station and the customer are collected after 5 years. The long-term receivables formed by the instalment collection of labor services are formed by the construction service receivables provided by the Company for EPC projects and the long-term payment plan agreed by the customers.

5.14 Long-term Equity Investments

Investees	Balance at 1 January 2020	Changes during the reporting period				
		Increase during the reporting period	Decrease during the reporting period	Investment income recognized under the equity method	Adjustments in other comprehensive income	Change in other equity investments
I. Joint ventures						
Projekt 28 GmbH & Co. KG	177,716.65	-	-	-151,807.05	1,740.52	-
Greenrock Trina GmbH	1,220,911.07	-	-	786,086.45	48,382.58	-
EPC 17 GmbH	1,583,230.62	-	-	-424,572.43	33,984.10	-
PSM 30 GmbH & Co.KG	-	-	-	-	-	-
PSM 50 GmbH & Co.KG	-	-	-	-	-	-
Promoenercol Solar S.A.S.	566,306.93	-	-	-	-	-
Subtotal	3,548,165.27	-	-	209,706.97	84,107.20	-
II. Associates						
Lijiang Longji Silicon Materials Co., Ltd.	376,274,556.53	-	-	86,631,955.31	-	-
Bright Solar Renewable Energy Private Limited	14,862,162.18	-	-	169,245.45	-13,385.48	-
Beijing Zhizhong Energy Internet Research Institute Co., Ltd.	34,818,869.06	-	-	2,686,827.43	-	-
Zhangzhoujiao American Power Investment New Energy Development Co., Ltd.	1,651,793.07	-	1,891,433.69	239,640.62	-	-
Shenzhen Quantum Power Energy Internet Co., Ltd.	23,940,000.00	-	-	-1,624,297.78	-	-
Jiangsu Tianhui Lithium Battery Co., Ltd	21,120,879.94	32,340,000.00	-	-1,401,235.63	-	-
Changzhou Ganghua Trina Smart Energy Co., Ltd. (former name: Changzhou Smart Energy Management Co., Ltd.)	-	9,300,000.00	-	-48,736.95	-	-

Subtotal	472,668,260.78	41,640,000.00	1,891,433.69	86,653,398.45	-13,385.48	-
Total	476,216,426.05	41,640,000.00	1,891,433.69	86,863,105.42	70,721.72	-

(Continued)

Investees	Changes during the reporting period			Balance at 31 December 2020	Provision for impairment at 31 December 2019
	Declaration of cash dividends or distribution of profit	Provision for impairment	Others		
I. Joint ventures					
Projekt 28 GmbH & Co. KG	-	-	-	27,650.12	-
Greenrock Trina GmbH	-	-	-	2,055,380.10	-
EPC 17 GmbH	-	-	-	1,192,642.29	-
PSM 30 GmbH & Co.KG	-	-	-	-	-
PSM 50 GmbH & Co.KG	-	-	-	-	-
Promoenercol Solar S.A.S.	-	-	-	566,306.93	-
Subtotal	-	-	-	3,841,979.44	-
II. Associates					
Lijiang Longji Silicon Materials Co., Ltd.	158,609,085.37	-	-	304,297,426.47	-
Bright Solar Renewable Energy Private Limited	-	-	-	15,018,022.15	-
Beijing Zhizhong Energy Internet Research Institute Co., Ltd.	-	-	-	37,505,696.49	-
Zhangzhoujiao American Power Investment New Energy Development Co., Ltd.	-	-	-	-	-
Shenzhen Quantum Power Energy Internet Co., Ltd.	-	-	-	22,315,702.22	-
Jiangsu Tianhui Lithium Battery Co., Ltd	-	-	-	52,059,644.31	-
Changzhou Ganghua Trina Smart Energy Co., Ltd. (former name: Changzhou Smart Energy Management Co., Ltd.)	-	-	-1,017.36	9,250,245.69	-

Investees	Changes during the reporting period			Balance at 31 December 2020	Provision for impairment at 31 December 2019
	Declaration of cash dividends or distribution of profit	Provision for impairment	Others		
Subtotal	158,609,085.37	-	-1,017.36	440,446,737.33	-
Total	158,609,085.37	-	- 1,017.36	444,288,716.77	

Notes: As of 31 December 2019, the longt-term equity investments of PSM 30 Gmbh & Co.KG、PSM 50 Gmbh & Co.KG were reduced to RMB 0 due to excess loss.

5.15 Other equity instrument investment

(a) General information of other equity instrument investment

Items	31 December 2020	31 December 2019
Non-listed equity instruments investment	-	-
Beijing Sino US Green Investment Center (limited partnership)	100,000,000.00	100,000,000.00
Suzhou JingZhan Semiconductor Co., Ltd	10,000,000.00	10,000,000.00
Suzhou Yubang New Material Co., Ltd	12,949,500.00	-
Changzhou listed reserve enterprise equity investment fund (limited partnership)	6,500,000.00	-
Total	129,449,500.00	110,000,000.00

Notes: The investees are non-listed companies, the comparable value of which is not available directly from the stock market, and there is no such assignment of creditor's rights that can be used as a reference to determine the fair value in the near future. In addition, the according to the available information, there is no major change in the internal and external environment of the investees since the beginning of the year, so the year-end fair value is equal to the cost.

(b) General information of non-trading equity instrument investment

Items	Dividend income recognised during the reporting period	Cumulative gains	Cumulative losses	Amount of other comprehensive income transfer to retained earnings	Reason for designated as fair value through other comprehensive income	Reason for other comprehensive income transfer to retained earnings
Beijing Sino US Green Investment Center (limited partnership)	16,892,753.67	20,944,272.20	-	-	-	-
Total	16,892,753.67	20,944,272.20	-	-	-	-

5.16 Fixed Assets

(a) Fixed assets by category

Items	31 December 2020	31 December 2019
Fixes assets	10,011,900,553.24	9,951,345,645.78
Total	10,011,900,553.24	9,951,345,645.78

(b) Fixed assets**(i) General information of fixed assets**

Items	Buildings & constructions	Machinery equipments	Office & other equipment	Vehicles	Photovoltaic power station	Total
Initial cost:						
Balance at 31 December 2019	2,278,108,794.42	8,773,419,345.82	792,212,958.30	20,643,930.04	3,298,614,105.49	15,162,999,134.07
Increase during the reporting period	604,449,805.53	2,390,688,457.49	42,975,916.39	3,854,616.70	660,054,693.66	3,702,023,489.77
(i) Transfer from construction in progress	604,449,805.53	2,333,455,776.78	41,991,085.88	3,854,616.70	660,054,693.66	3,643,805,978.55
(ii) Business combination	-	-	115,701.06	-	-	115,701.06
(iii) Lease of financing sale and leaseback	-	57,232,680.71	869,129.45	-	-	58,101,810.16
Decrease during the reporting period	275,515,006.13	2,553,808,306.83	52,307,679.29	2,698,312.31	-	2,884,329,304.56
(i) Disposal	4,040.37	385,531,530.24	19,565,915.16	2,413,402.20	-	407,514,887.97
(ii) Transfer to construction in progress	19,532,241.74	1,477,046,585.68	26,433,984.99	284,910.11	-	1,523,297,722.52
(iii) Write-downs by net method	255,978,724.02	596,936,224.80	3,119,359.08	-	-	856,034,307.90
(iv) Disposal of financing sale and leaseback	-	94,293,966.11	3,188,420.06	-	-	97,482,386.17
Foreign currency statement translation difference	-12,808,296.29	-112,258,378.73	-1,000,497.02	-70,914.99	-45,761.42	-126,183,848.45
Balance at 31 December 2020	2,594,235,297.53	8,498,041,117.75	781,880,698.38	21,729,319.44	3,958,623,037.73	15,854,509,470.83
Accumulated depreciation:						
Balance at 31 December 2019	717,353,646.97	3,389,187,721.36	640,285,395.79	13,830,577.88	188,357,773.98	4,949,015,115.98
Increase during the reporting period	110,373,336.22	765,252,711.25	39,720,224.59	1,685,615.97	175,552,428.16	1,092,584,316.19
(i) Provision	110,373,336.22	765,252,711.25	39,672,974.13	1,685,615.97	175,552,428.16	1,092,537,065.73
(ii) Business combination	-	-	47,250.46	-	-	47,250.46
Decrease during the reporting period	4,005,085.42	430,158,464.93	31,888,460.60	1,807,348.51	-	467,859,359.46
(i) Disposal	-	133,046,315.83	17,284,085.52	1,684,162.10	-	152,014,563.45
(ii) Transfer to construction in progress	4,005,085.42	260,050,863.70	12,285,084.47	123,186.41	-	276,464,220.00
(iii) Disposal of financing sale and leaseback	-	37,061,285.40	2,319,290.61	-	-	39,380,576.01

Foreign currency statement translation difference	-2,544,637.38	-27,896,967.12	-516,624.47	-55,813.79	960,583.86	-30,053,458.90
Balance at 31 December 2019	821,177,260.39	3,696,385,000.56	647,600,535.31	13,653,031.55	364,870,786.00	5,543,686,613.81
Provision for impairment:						
Balance at 31 December 2019	-	257,067,268.22	5,315,493.64	255,610.45	-	262,638,372.31
Increase during the reporting period	-	139,330,122.76	2,876,648.77	111,125.94	29,813,587.51	172,131,484.98
(i) Provision	-	139,330,122.76	2,876,648.77	111,125.94	29,813,587.51	172,131,484.98
Decrease during the reporting period	-	133,940,925.66	283,933.99	13,005.68	-	134,237,865.33
(i) Disposal	-	133,355,194.28	108,625.15	13,005.68	-	133,476,825.11
(ii) Transfer to construction in progress	-	585,731.38	175,308.84	-	-	761,040.22
Foreign currency statement translation difference	-	9,245.14	167.96	-	-1,619,101.28	-1,609,688.18
Balance at 31 December 2020	-	262,465,710.46	7,908,376.38	353,730.71	28,194,486.23	298,922,303.78
Carrying amount:						
Balance at 31 December 2020	1,773,058,037.14	4,539,190,406.73	126,371,786.69	7,722,557.18	3,565,557,765.50	10,011,900,553.24
Balance at 31 December 2019	1,560,755,147.45	5,127,164,356.24	146,612,068.87	6,557,741.71	3,110,256,331.51	9,951,345,645.78

(ii) Idle fixed assets

As at 31 December 2020, the Company has no idle fixed assets.

(iii) Fixed assets acquired under finance leases

As at 31 December 2020, the book balance of the fixed assets leasing out under operating leases is RMB12,105,892.95 (31 December 2019: RMB13,511,738.54).

(iv) Fixed assets leasing out under operating leases

31 December 2020

Items	Initial cost	Accumulated depreciation:	Provision for impairment:	Carrying amount
Machinery	46,860,724.26	10,871,671.20	-	35,989,053.06
Total	46,860,724.26	10,871,671.20	-	35,989,053.06

(v) Fixed assets without certificate of title

As at 31 December 2020, the Company has some property rights certificates of factories and buildings under processing, the book balance of which is RMB340,513,535.23 (31 December 2019: RMB26,312,290.35).

(vi) Fixed assets with limited ownership

Part of factories, buildings and machinery and equipment of the Company have been pledged to the bank as guarantee credit line or borrowings for the Company. As at 31 December 2020 and 31 December 2019, the book balance of the pledged fixed assets is RMB5,259,862,196.67 and RMB5,374,042,333.67, respectively.

5.17 Construction in Progress

(a) Construction in progress by category

Items	31 December 2020	31 December 2019
Fixes assets	2,330,285,561.61	842,544,208.74
Total	2,330,285,561.61	842,544,208.74

(b) Construction in progress

(i) General information of construction in progress

Projects	31 December 2020			31 December 2019		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Leader photovoltaic power station project	195,845,755.42	-	195,845,755.42	354,282,073.03	-	354,282,073.03
Trina Solar perc high efficiency battery and half cut module technical transformation project	-	-	-	108,366,862.14	-	108,366,862.14
Trina Solar Thai perc high efficiency battery technology transformation project	39,264,264.68	-	39,264,264.68	14,303,936.24	-	14,303,936.24
Yancheng Trina new production line and MBB half cut component technical transformation project	36,058,758.04	-	36,058,758.04	98,795,537.40	-	98,795,537.40
Trina Solar Suqian new component project	93,826,005.38	-	93,826,005.38	203,801,786.28	-	203,801,786.28
Trina Solar Suqian new battery project	271,501,544.78	-	271,501,544.78	10,382,589.76	-	10,382,589.76
Trina Solar Yiwu new component project	69,250,931.05	-	69,250,931.05	33,712,710.18	-	33,712,710.18
Trina Solar Vietnam new production line and perc high efficiency battery technical transformation project	58,017,212.62	-	58,017,212.62	-	-	-
Trina Solar 166 upgrading project	523,848,376.12	-	523,848,376.12	-	-	-
Trina Solar Vietnam phase II new component project	456,795.20	-	456,795.20	-	-	-
10GW / a high efficiency solar cell project (5GW in Suqian phase II)	161,182,132.33	-	161,182,132.33	-	-	-
Trina technology 166 upgrading project	354,824,761.85	-	354,824,761.85	-	-	-
Yancheng Trina H3 battery upgrading project	159,177,304.10	-	159,177,304.10	-	-	-

Projects	31 December 2020			31 December 2019		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Yancheng Trina phase VI new component project	278,500,859.94	-	278,500,859.94	-	-	-
Others	88,530,860.10	-	88,530,860.10	18,898,713.71	-	18,898,713.71
Total	2,330,285,561.61	-	2,330,285,561.61	842,544,208.74	-	842,544,208.74

As at 31 December 2020, the Company mortgaged construction in progress of RMB884,865,889.50 (31 December 2019: RMB165,419,536.46) as guarantee for loans or finance leases.

Projects	2020.12.31		
	Book balance	Provision for impairment	Carrying amount
Trina Solar 166 upgrading project	376,605,275.00	-	376,605,275.00
Trina Solar 166 upgrading project	350,010,073.18	-	350,010,073.18
Yancheng Trina H3 battery upgrading project	158,250,541.32	-	158,250,541.32
Total	884,865,889.50	-	884,865,889.50

(ii) Changes in significant projects of construction in progress

Projects	Budget	2020.01.01	Increase during the reporting period	Transfer to fixed asset	Foreign currency financial translation difference	2020.12.31
Leader photovoltaic power station project	869,109,000.00	354,282,073.03	501,618,376.05	660,054,693.66	-	195,845,755.42

Projects	Budget	2020.01.01	Increase during the reporting period	Transfer to fixed asset	Foreign currency financial translation difference	2020.12.31
Trina Solar PERC high efficiency battery and half cut module technical transformation project	210,634,200.00	108,366,862.14	102,267,307.21	210,634,169.35	-	-
Trina Thai PERC high efficiency battery technology transformation project	74,735,600.00	14,303,936.24	52,357,991.53	24,985,806.92	-2,411,856.17	39,264,264.68
Yancheng Trina new production line and MBB half cut component technical transformation project	321,913,385.47	98,795,537.40	197,721,879.79	260,458,659.15	-	36,058,758.04
Trina Solar Suqian new component project	1,311,790,900.00	203,801,786.28	511,461,489.00	621,437,269.90	-	93,826,005.38
Trina Solar Suqian new battery project	1,748,450,000.00	10,382,589.76	1,548,805,015.78	1,287,686,060.76	-	271,501,544.78
Trina Solar Yiwu new component project	1,027,318,200.00	33,712,710.18	538,584,711.32	503,046,490.45	-	69,250,931.05
Trina Vietnam new production line and PERC high efficiency battery technical transformation project	96,387,000.00	-	95,026,671.59	33,551,947.77	-3,457,511.20	58,017,212.62
Trina Solar 166 upgrading project	611,312,500.00	-	545,312,547.87	21,464,171.75	-	523,848,376.12

Projects	Budget	2020.01.01	Increase during the reporting period	Transfer to fixed asset	Foreign currency financial translation difference	2020.12.31
Trina Solar Vietnam phase II new component project	1,580,050,000.00	-	483,027.27	-	-26,232.07	456,795.20
10GW / a high efficiency solar cell project (5GW in Suqian phase II)	1,850,026,200.00	-	161,182,132.33	-	-	161,182,132.33
Trina technology 166 upgrading project	397,714,300.00	-	354,824,761.85	-	-	354,824,761.85
Yancheng Trina H3 battery upgrading project	388,000,000.00	-	159,177,304.10	-	-	159,177,304.10
Yancheng Trina phase VI new component project	483,667,500.00	-	278,500,859.94	-	-	278,500,859.94
Others		18,898,713.71	93,729,732.72	20,486,708.84	-3,610,877.49	88,530,860.10
Total		842,544,208.74	5,141,053,808.35	3,643,805,978.55	-9,506,476.93	2,330,285,561.61

(Continued)

Projects	Proportion of project input to budgets (%)	Rate of progress	Cumulative amount of interest capitalisation	Including: interest capitalised during the reporting period	Interest capitalisation rate during the reporting period (%)	Source of funds
Leader photovoltaic power station project	98.48%	Partial conversion to fixed assets	4,700,599.97	4,700,599.97	3.97	Own funds & Bank borrowings
Trina Solar perc high efficiency battery and half cut module technical transformation project	100.00%	Whole conversion to fixed assets	-	-	N/a.	Own funds

Trina Thai perc high efficiency battery technology transformation project	89.20%	Partial conversion to fixed assets	-	-	N/a.	Own funds
Yancheng Trina new production line and MBB half cut component technical transformation project	92.11%	Partial conversion to fixed assets	-	-	N/a.	Own funds
Trina Suqian new component project	54.53%	Partial conversion to fixed assets	-	-	N/a.	Own funds & Bank borrowings
Trina Solar Suqian new battery project	89.18%	Partial conversion to fixed assets	-	-	N/a.	Own funds & Bank borrowings & Raised funds
Trina Yiwu new component project	55.71%	Partial conversion to fixed assets	-	-	N/a.	Own funds & Bank borrowings
Trina Vietnam new production line and perc high efficiency battery technical transformation project	98.59%	Partial conversion to fixed assets	-	-	N/a.	Own funds
Trina Solar 166 upgrading project	89.20%	Partial conversion to fixed assets	-	-	N/a.	Own funds
Trina Vietnam phase II new component project	0.03%	Construction in progress	-	-	N/a.	Own funds
10GW / a high efficiency solar cell project (5GW in Suqian phase II)	8.71%	Construction in progress	-	-	N/a.	Own funds & Bank borrowings
Trina technology 166 upgrading project	89.22%	Construction in progress	-	-	N/a.	Own funds
Yancheng Trina H3 battery upgrading project	41.03%	Construction in progress	-	-	N/a.	Own funds
Yancheng Trina phase VI new component project	57.58%	Construction in progress	-	-	N/a.	Own funds
Other			-	-	N/a.	Own funds
Total			4,700,599.97	4,700,599.97		

5.18 Intangible Assets

(a) General information of intangible assets

Items	Software	Land use rights	Patent rights	Trademark right	Orders	Others	Total
Initial cost:							
Balance at 31 December 2019	167,126,721.64	497,575,612.07	14,588,617.42	53,513,961.44	31,891,440.00	27,204,904.08	791,901,256.65
Increase during the reporting period	19,715,172.19	131,618,114.44	-	-	-	-	151,333,286.63
(i) Acquisition	19,715,172.19	131,618,114.44	-	-	-	-	151,333,286.63
Decrease during the reporting period	-	28,050,000.00	-	-	-	-	28,050,000.00
(i) Disposal	-	28,050,000.00	-	-	-	-	28,050,000.00
Foreign currency statement translation difference	260,683.22	-5,909,692.71	6,393.27	-	-	-	-5,642,616.22
Balance at 31 December 2020	187,102,577.05	595,234,033.80	14,595,010.69	53,513,961.44	31,891,440.00	27,204,904.08	909,541,927.06
Accumulated amortisation:							
Balance at 31 December 2019	95,904,081.57	63,892,625.84	10,946,155.80	8,646,420.12	25,247,390.00	4,804,823.81	209,441,497.14
Increase during the reporting period	22,938,357.04	10,117,237.57	642,879.24	5,332,812.58	6,644,050.00	4,977,795.61	50,653,132.04
(i) Provision	22,938,357.04	10,117,237.57	642,879.24	5,332,812.58	6,644,050.00	4,977,795.61	50,653,132.04
Decrease during the reporting period	-	-	-	-	-	-	-
Foreign currency statement translation difference	262,843.32	-24,833.39	5,975.65	-	-	-	243,985.58
Balance at 31 December 2020	119,105,281.93	73,985,030.02	11,595,010.69	13,979,232.70	31,891,440.00	9,782,619.42	260,338,614.76
Provision for impairment:	-	-	-	-	-	-	-
Carrying amount:							
Balance at 31 December 2020	67,997,295.12	521,249,003.78	3,000,000.00	39,534,728.74	-	17,422,284.66	649,203,312.30
Balance at 31 December 2019	71,222,640.07	433,682,986.23	3,642,461.62	44,867,541.32	6,644,050.00	22,400,080.27	582,459,759.51

(b) Land use rights without certificate of title

As at 31 December 2020, the Company has part of land use rights under processing, the book balance of which is RMB215,717.76 (31 December 2019: RMB1,713,467.34).

(c) Land use rights with limited ownership

Part of land use right of the Company have been mortgaged to the bank as guarantee credit line or borrowings for the Company. As at 31 December 2020 and 31 December 2019, the book balance is RMB35,369,192.34 and RMB41,580,669.51 respectively.

5.19 Goodwill

Investees or matters that goodwill arising from	31 December 2019	Increase due to business combination during the reporting period	31 December 2020
Tanagra Solar Energiaki S.A.	2,679,814.64	-	2,679,814.64
S AETHER ENERGY S.A.	3,417,296.53	-	3,417,296.53
Changzhou Trina Solar Hezhong Optoelectronics Co., Ltd.	3,724,620.42	-	3,724,620.42
NClave Renewable, S.L. (note (1))	143,068,160.55	-	143,068,160.55
Shuangliao Trina Solar Electric Power Development Co. Ltd. (note (2))	-	7,504,858.83	7,504,858.83
Total	152,889,892.14	7,504,858.83	160,394,750.97

Note (1): The Company paid a total consideration of RMB 151,174,227.79 (EUR19,909,159.22) by cash and contingent consideration of RMB 37,988,779.6 (EUR5,003,000.00) to acquire a 51% interest in NClave Renewable, S.L. at a total consideration of RMB 189,163,007.39. The difference between the acquisition consideration (RMB 189,163,007.39) and net fair value of NClave Renewable, S.L.'s identifiable assets and liabilities obtained on a pro rata (RMB 46,094,846.84) was RMB 143,068,160.55, which was confirmed as a goodwill related to NClave Renewable, S.L.

Note (2): Jiangsu Trina Solar Electric Power Development co., Ltd., one of the subsidiaries of the Company, acquired 100% of the equity of Shuangliao Trina Solar Electric Power Development co., Ltd., which was held by changzhou jiuzhou new world asset management co., Ltd., with RMB 5 million, and gained the control of the company. The difference between the acquisition consideration (RMB 5,000,000.00) and the net fair value (RMB -2,504,858.83) of the identifiable assets and liabilities of Shuangliao Trina Solar Electric Power Development co., Ltd., is RMB 7,504,858.83, which is recognized as goodwill related to Shuangliao Trina Solar Electric Power Development co., Ltd.

5.20 Long-term Deferred Expenses

Items	31 December 2019	Increase during the reporting period	Amortisation during the reporting period	Write-off assets under net method	Foreign currency financial transaction difference	31 December 2020
Improvement expenses for operating lease	26,673,140.49	12,281,931.32	12,435,047.74	8,176,830.38	7,309.42	18,350,503.11
Long-term land leases	37,171,011.12	7,881,962.16	8,751,919.12	-	-	36,301,054.16
Membership of Boao forum for Asia	2,750,000.00	-	187,500.00	-	-	2,562,500.00
Finance service fee	5,073,839.16	5,664,017.07	1,330,894.70	-	-113,594.32	9,293,367.21
Total	71,667,990.77	25,827,910.55	22,705,361.56	8,176,830.38	-106,284.90	66,507,424.48

5.21 Deferred Tax Assets and Deferred Tax Liabilities

(a) Deferred tax assets before offsetting

Items	31 December 2020		31 December 2019	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment loss	1,181,501,142.57	232,688,672.91	1,058,174,439.86	206,511,162.16
Unrealised profit from internal transaction	1,276,466,582.97	258,913,177.51	1,226,953,043.47	231,838,033.75
Deductible losses	1,704,271,191.71	335,595,373.98	1,541,616,238.56	289,529,530.19
Estimated liabilities	831,258,657.68	126,233,145.47	862,983,522.48	131,119,376.35
Deferred income	1,143,378,307.33	264,824,694.95	276,593,089.39	50,750,543.19
Accrued deductible expenses	389,324,712.56	73,990,291.85	191,029,715.16	32,938,936.73
Billed but incomplete construction contracts projects	56,248,525.46	21,664,594.88	196,663,937.93	75,754,948.89
Changes in fair value of derivative financial assets	14,154,787.73	2,123,218.16	41,702.93	6,255.44
Accrued employee benefits not deducted before tax	-	-	21,637,447.33	1,427,006.33
Unrealised finance income	115,439,831.84	28,859,957.96	80,853,357.44	20,213,339.36
Total	6,712,043,739.85	1,344,893,127.67	5,456,546,494.55	1,040,089,132.39

(b) Deferred tax liabilities before offsetting

Items	31 December 2020		31 December 2019	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Revaluation of assets due to business combinations not under common control	68,997,454.93	17,230,538.19	79,917,753.51	18,434,616.48
Change in fair value of held-for-trading financial assets	45,091,799.00	6,763,769.85	14,480,221.92	2,172,033.29
Accelerated depreciation of fixed asset	1,077,973,731.05	248,416,640.47	337,203,536.88	50,580,530.53
Total	1,192,062,984.98	272,410,948.51	431,601,512.31	71,187,180.30

(c) Net balance of deferred tax liabilities and deferred tax assets after offsetting

Items	Offset amount at 31 December 2020	Net balance after offsetting at 31 December 2020	Offset amount at 31 December 2019	Net balance after offsetting at 31 December 2019
Deferred tax assets	247,508,749.81	1,097,384,377.86	52,752,563.82	987,336,568.57
Deferred tax liabilities	247,508,749.81	24,902,198.70	52,752,563.82	18,434,616.48

(d) Unrecognized deferred tax assets

Items	31 December 2020	31 December 2019
Deductible temporary differences	195,026,402.21	38,836,356.94
Deductible losses	1,113,000,545.83	1,049,231,473.32
Total	1,308,026,948.04	1,088,067,830.26

(e) Deductible losses not recognised as deferred tax assets will expire in the following periods:

Year	31 December 2020	31 December 2019
2020	-	30,179,267.31
2021	10,138,301.81	17,240,716.34
2022	1,342,567.10	1,342,567.10
2023	106,787,349.79	76,263,424.27
2024	162,595,398.17	75,060,458.76
2025 and beyond	832,136,928.96	849,145,039.54
Total	1,113,000,545.83	1,049,231,473.32

(f) Unrecognised deferred tax liabilities

According to the tax regulations of relevant countries and regions, if the subsidiaries of the Company directly or indirectly distribute dividends to the Company, some subsidiaries need to pay income tax to other competent tax authorities. As of 31 December 2020, the undistributed profit of these subsidiaries was RMB 3,114,523,052.03 (RMB1,677,771,436.08 in 2019). As the Company is able to control the dividend policy of these subsidiaries and has decided that the undistributed profits are unlikely to be distributed to the Company for the foreseeable future, the deferred income tax liabilities has not been recognised in respect of the income tax payable for the distribution of the retained earnings.

5.22 Other Non-current Assets

Items	31 December 2020	31 December 2019
Prepayment for construction	458,202,708.22	156,627,599.46
Advance to customers of long-term raw material purchase	717,534,569.70	-
Financial lease deposit	170,596,374.64	84,509,775.36

Items	31 December 2020	31 December 2019
Deductible VAT- long term	176,001,826.18	60,796,542.82
Unrealised rent-back profit or loss	83,972,106.94	87,114,917.67
Performance guarantee	60,000,000.00	-
Others	55,017,570.17	259,680.85
Total	1,721,325,155.85	389,308,516.16

5.23 Short-term Borrowings

(a) Disclosure of short-term borrowings by category

Items	31 December 2020	31 December 2019
Credit loans	302,638,239.53	38,728,581.61
Guarantee loans	2,463,035,209.30	1,965,222,500.00
Pledge and mortgage loans	2,249,080,191.48	3,978,023,822.61
Indorsed notes	35,000,000.00	58,800,000.00
Interests payable	17,929,122.14	-
Total	5,067,682,762.45	6,040,774,904.22

(b) Overdue short-term borrowings

The Company has no overdue short-term borrowings at 31 December 2020 and 31 December 2019.

(c) Notes of short-term borrowings

Please refer to Note 5.63 for Restricted Assets.

5.24 Held-for-Trading Financial Liabilities

Items	31 December 2020	31 December 2019
Held-for-trading financial liabilities	23,559,939.00	41,702.93
Including: foreign exchange forward contracts	23,559,939.00	41,702.93
Total	23,559,939.00	41,702.93

5.25 Notes Payable

Category	31 December 2020	31 December 2019
Bank acceptance bills	6,810,275,681.73	1,974,298,229.26
Commercial acceptance bills	2,839,518,504.28	2,719,487,475.96
Total	9,649,794,186.01	4,693,785,705.22

As of 31 December 2020, the Company has no notes payable to related parties (31 December 2019: RMB 0.00).

5.26 Accounts Payable

Items	31 December 2020	31 December 2019
Third parties	5,381,266,886.46	4,405,888,848.37
Related parties	-	77,325,243.26
Total	5,381,266,886.46	4,483,214,091.63

(a) Accounts payable by nature

Items	31 December 2020	31 December 2019
Payments for goods	3,516,128,673.25	2,918,088,374.78
Payments for machinaries and constructions	1,865,138,213.21	1,565,125,716.85
Total	5,381,266,886.46	4,483,214,091.63

(b) Significant accounts payable with aging of over one year

Items	31 December 2020	Reason
TBEA Xinjiang New Energy Co., Ltd	19,087,798.88	Project final payment
Esso (suzhou) synthetic materials co., LTD	17,828,332.05	note (1)
Shenzhen Jiejiawei Innovative Energy Equipment Co., Ltd	16,286,178.64	Warranty final payment
Wuhan Dier Laser Technology Co., Ltd	14,318,025.13	Not reach the settlement period
Jiangsu Zhongtian Technology Co., Ltd	12,208,958.40	note (2)
Total	79,729,293.10	

Note (1): As of 31 December 2020, the issue about products from suppliers was still under negotiation between the Company and the other party, and the payment of relevant payables was suspended.

Note (2): As of 31 December 2020, due to the defects of the goods from the supplier, the Company negotiated on the relevant issues and agreed to pay RMB 9,520,904.64 in January 2021.

5.27 Advances from Customers

Items	31 December 2020	31 December 2019
Advances for goods	—	1,656,661,354.63
Advances for construction	—	168,998,875.26
Total	—	1,825,660,229.89

5.28 Contract liabilities

Items	31 December 2020	31 December 2019
Advances for goods	992,826,002.67	—
Advances for construction	127,576,700.85	—
Total	1,120,402,703.52	—

5.29 Employee Benefits Payable

(a) Details of employee benefits payable

Items	31 December 2019	Increase during the reporting period	Other increase	Decrease during the reporting period	Increase/decrease due to change in scope of business combination	Foreign currency financial transaction difference	31 December 2020
Short-term employee benefits	311,995,468.37	2,000,549,648.77	11,225,709.16	1,881,857,374.07	—	-3,520,895.75	438,392,556.48
Post-employment benefits-defined contribution plans	7,273,711.30	115,971,005.35	—	116,638,604.41	—	11,148.95	6,617,261.19
Termination benefits	—	24,287,708.77	—	24,236,126.69	—	-3,432.08	48,150.00
Total	319,269,179.67	2,140,808,362.88	11,225,709.16	2,022,732,105.17	—	-3,513,178.88	445,057,967.67

(b) Short-term employee benefits

Items	31 December 2019	Increase during the reporting period	Other increase	Decrease during the reporting period	Increase/decrease due to change in scope of business combination	Foreign currency financial transaction difference	31 December 2020
Salaries, bonuses, allowances and subsidies	258,753,183.25	1,823,033,392.14	—	1,671,323,034.62	—	-3,362,473.33	407,101,067.44
Employee benefits	40,014,736.37	21,656,921.13	11,225,709.16	56,309,539.52	—	-141,267.31	16,446,559.83
Social insurance	1,949,132.51	54,189,029.53	—	54,514,762.49	—	-21,780.99	1,601,618.56
Including: Health insurance	897,340.92	46,312,795.53	—	46,571,187.52	—	-21,829.08	617,119.85
Injury insurance	847,293.86	2,368,143.11	—	2,382,471.90	—	353.23	833,318.30
Birth insurance	204,497.73	5,508,090.89	—	5,561,103.07	—	-305.14	151,180.41
Housing accumulation fund	4,685,960.67	54,496,511.02	—	53,938,904.42	—	—	5,243,567.27

Labour union funds and employee education funds	4,515,874.99	26,754,004.56	—	26,343,353.18	—	-2,808.77	4,923,717.60
Non-monetary benefits	—	13,190,109.91	—	13,190,109.91	—	—	—
Other short-term employee benefits	2,076,580.58	7,229,680.48	—	6,237,669.93	—	7,434.65	3,076,025.78
Total	311,995,468.37	2,000,549,648.77	11,225,709.16	1,881,857,374.07	—	-3,520,895.75	438,392,556.48

(c) Defined contribution plans

Items	31 December 2019	Increase during the reporting period	Decrease during the reporting period	Increase/decrease due to change in scope of business combination	Foreign currency financial transaction difference	31 December 2020
1. Basic endowment insurance	7,207,299.67	113,549,528.76	114,210,922.83	—	11,326.16	6,557,231.76
2. Unemployment insurance	66,411.63	2,421,476.59	2,427,681.58	—	-177.21	60,029.43
Total	7,273,711.30	115,971,005.35	116,638,604.41	—	11,148.95	6,617,261.19

5.30 Taxes Payable

Items	31 December 2020	31 December 2019
Value-added tax(VAT)	45,173,057.72	63,402,302.95
Corporate income tax	386,478,684.09	327,713,441.44
Individual income tax	7,326,969.64	5,217,933.60
City construction tax	1,899,519.23	8,849,381.21
Educational surcharge	1,380,668.01	6,418,391.17
Property tax	6,922,506.71	4,595,536.35
Land use tax	1,853,365.17	1,520,391.41
Stamp duty	6,968,682.46	2,708,382.71
Others	10,714,516.21	9,284,595.90
Total	468,717,969.24	429,710,356.74

5.31 Other Payables

(a) Other payables by category

Items	31 December 2020	31 December 2019
Interest payable	-	42,722,756.37
Other payables	1,445,100,111.32	856,812,288.97
Total	1,445,100,111.32	899,535,045.34

(b) Interest payable

Items	31 December 2020	31 December 2019
Interest on long-term borrowings with installment interest payments and the repayment of the principal at maturity	-	14,810,246.04
Interest on short-term borrowings	-	27,912,510.33
Total	-	42,722,756.37

(c) Other payables

(i) Other payables by nature

Items	31 December 2020	31 December 2019
Double anti deposit payables	221,407,669.39	218,883,217.43
Freight payables	505,533,512.93	255,177,147.73
Margin deposit payables	69,974,592.17	75,271,445.32
Professional service fee payables	96,878,825.55	58,278,408.29
Utilities and office fee payables	85,300,420.43	39,842,553.34
201 customs duties payables	121,340,477.20	17,107,536.44
Rental fee payables	21,134,930.34	17,418,267.68

Travel expense payables	23,459,467.08	13,041,196.90
Promotion payables	28,292,691.69	16,707,170.80
Insurance payables	22,565,284.66	13,745,614.82
Payment to related parties	8,933,022.03	9,435,213.22
Installation service fee payable	53,229,529.70	-
Other payables	187,049,688.15	121,904,517.00
Total	1,445,100,111.32	856,812,288.97

(ii) Significant other payables with aging over one year

Items	31 December 2020	Reasons for long aging
U.S. Customs and Border Protection	184,094,395.43	Waiting for the case to be closed
Total	184,094,395.43	

5.32 Non-current Liabilities Maturing within One Year

Items	31 December 2020	31 December 2019
Long-term borrowings due within one year (note (1))	388,613,220.33	664,753,534.00
Long-term payables due within one year	221,833,419.89	150,578,111.47
Total	610,446,640.22	815,331,645.47

Note (1): Long-term borrowings due within one year

Items	31 December 2020	31 December 2019
Credit loans	7,850,311.32	-
Guarantee loans	188,437,099.84	400,000.00
Pledge and mortgage loans	192,325,809.17	664,353,534.00
Total	388,613,220.33	664,753,534.00

5.33 Other Current Liabilities

Items	31 December 2020	31 December 2019
VAT to be exported	33,189,302.86	-
Total	33,189,302.86	-

5.34 Long-term Borrowings

(a) Long-term borrowings by category

Items	31 December 2020	Range of interest rates (%)	31 December 2019	Range of interest rates (%)
Credit loans	87,074,179.26	0.00-1.90	15,000,000.00	0.00-1.15
Guarantee loans	975,382,885.90	5.46	49,400,000.00	5.46
Pledge and mortgage loans	3,421,935,407.06	3.2010-6.1750	3,204,555,430.48	3.925-6.175
Interests payable	12,474,400.77	-	-	-
Subtotal	4,496,866,872.99	-	3,268,955,430.48	-
Less: Long-term borrowings due within one year	388,613,220.33	-	664,753,534.00	-
Total	4,108,253,652.66	-	2,604,201,896.48	-

(b) Notes of long-term borrowings

Please refer to Note 5.63 for Restricted Assets.

5.35 Long-term Payable

(a) Long-term payables by category

Items	31 December 2020	31 December 2019
Financial leasing payables (note (1))	627,670,279.40	591,578,427.07
Subtotal	627,670,279.40	591,578,427.07
Less: Long-term payables due within one year	221,833,419.89	150,578,111.47
Total	405,836,859.51	441,000,315.60

Note (1): Details of financial lease payables in long-term payables.

The minimum financial lease payments to be paid by the Company at each balance sheet date are as follows:

Items	31 December 2020	31 December 2019
Within one year	260,843,582.61	187,829,939.55
1-2 years	138,316,001.29	180,556,466.49
2-3 years	101,186,937.40	98,888,485.23
Over 3 years	235,225,923.97	234,801,457.09
Subtotal	735,572,445.27	702,076,348.36
Less: unrecognised finance charges	107,902,165.87	110,497,921.29
Total	627,670,279.40	591,578,427.07

(c) Notes of long-term payable

Please refer to Note 5.63 for Restricted Assets.

5.36 Long-term Employee Benefits Payable

Item	31 December 2020	31 December 2019
Other long-term employee benefits	11,225,709.16	28,457,833.21
Less: Payment within one year	11,225,709.16	18,944,457.65
Total	-	9,513,375.56

The Company substituted the original share-based payment arrangement with a long-term employee benefits payable arrangement in March 2017. According to the new arrangement, if the employee does not resign within the agreed time limit, he/she may receive a corresponding fixed amount of cash reward at the end of the period. The Company makes the best estimate of the number and value of employees who are expected to receive a fixed amount of cash incentives based on the latest information such as the annual turnover rate. The movement of long-term employee benefits payable is as follows:

Item	31 December 2020	31 December 2019
Balance at the beginning of the reporting period	28,457,833.21	45,104,277.31
Plus: Increase during the reporting period	895,524.73	4,388,763.28
Less: Payment during the reportin period	18,127,648.78	21,035,207.38
Subtotal	11,225,709.16	28,457,833.21
Less: Payment within one year	11,225,709.16	18,944,457.65
Total	-	9,513,375.56

5.37 Estimated Liabilities

Items	31 December 2020	31 December 2019	Reason
Product warranties	950,665,292.41	910,719,321.66	(note (1))
Outstanding litigations	11,494,854.60	12,289,905.55	(note (2))
Contingent consideration not under the same control	-	11,228,322.36	(note (3))
Guarantee	17,139,185.63	-	(note (4))
Total	979,299,332.64	934,237,549.57	

The important assumptions and estimates of significant estimated liabilities:

Note (1): Relevant product warranties terms are stipulated in the Company's sales contract of solar modules. According to industry experience and historical situation, 1% of sales revenue of modules shall be withdrawn as the product warranties.

Note (2): In response to the US Department of Commerce's final decision on anti-dumping and countervailing administrative review, Solar World Americas, Inc. and the relevant parties involved in the appeal filed an appeal in the US Court of International Trade or the US Court of Appeals for the Federal Circuit. For arbitration decisions that are still pending in judicial proceedings as of December 31, 2019,

the company relies on information available, including but not limited to 1) relevant US laws and regulations, 2) double anti-litigation lawyers' specific assessment of the case, 3) results of the recent rulings in the US double-reverse case were evaluated. Based on the results of the assessment, the company accrued the estimated liabilities of the pending litigation in accordance with 5% of the amount of the double-return margin litigation.

Note (3): Nclave renewable, S. L. (hereinafter referred to as "Nclave"), not under common control of the Company, generated contingent consideration, which was implemented up to 31 December 2020.

Note (4): Due to the needs of selling household photovoltaic systems, the Company provides guarantee for dealers and "hire purchase" users, and accrues estimated liabilities at 2% to 5% of the sales consideration of the products.

5.38 Deferred Income

(a) General information of deferred income

Items	31 December 2019	Increase during the reporting period	Decrease during the reporting period	31 December 2020	Reason
Infrastructure grant	17,000,000.00	947,558,435.00	862,446,709.75	102,111,725.25	Government grant
Other project subsidies	33,803,473.00	7,057,613.00	33,167,388.89	7,693,697.11	Government grant
Financial leasing related	19,078,393.28	454,827.70	1,166,310.45	18,366,910.53	Sale and leaseback
Total	69,881,866.28	955,070,875.70	896,780,409.09	128,172,332.89	

(b) Items related to government grants

Items	31 December 2019	Increase during the reporting period	Recognised in non-operating income during the reporting period	Recognised in other income during the reporting period	Written down assets value during the reporting period	Other changes	31 December 2020	Related to assets/ Related to profit or loss
Funding for early warning workstation of photovoltaic Association	50,000.00	-	-	-	-	-50,000.00	-	Assets
Construction project of smart microgrid with light storage of diesel oil research platform	1,074,627.00	-	-	-	-	-1,074,627.00	-	Assets
Jiangsu Industrial Technology Research Institute fund 100W / Zhu Yili	861,111.20	-	-	-	-	-333,333.36	527,777.84	Assets
Provincial key R&D plan (R&D of key technologies of off grid microgrid system based on photovoltaic)	900,000.00	300,000.00	-	-	740,000.00	-460,000.00	-	Assets
Cloud computing power generation system	295,000.00	-	-	-	-	-295,000.00	-	Assets
Government subsidy for Suqian Economic and Technological Development Zone (mechanical and electrical engineering subsidy)	11,531,386.93	-	-	-	8,176,830.38	-	3,354,556.55	Assets
Government subsidy for Suqian Economic and Technological Development Zone (phase I equipment subsidy)	17,583,347.87	50,000,000.00	-	-	67,583,347.87	-	-	Assets

Items	31 December 2019	Increase during the reporting period	Recognised in non-operating income during the reporting period	Recognised in other income during the reporting period	Written down assets value during the reporting period	Other changes	31 December 2020	Related to assets/ Related to profit or loss
Industrial Subsidy for Yiwu high efficiency solar cell module production base project	17,000,000.00	30,000,000.00	-	-	47,000,000.00	-	-	Assets
Project subsidy of Ministry of science and technology	1,508,000.00	400,000.00	-	-	-	-1,140,000.00	768,000.00	Assets
Equipment subsidy of Trina Solar Suqian Industrial Park Phase II	-	79,240,000.00	-	-	75,230,012.55	-	4,009,987.45	Assets
Subsidies for civil engineering and mechanical and electrical decoration of Trina Solar Suqian Industrial Park Phase II	-	124,620,000.00	-	-	124,192,416.70	-	427,583.30	Assets
Subvention for photovoltaic cell phase I equipment and facilities of Trina Solar Suqian base	-	243,275,000.00	-	-	178,000,461.50	-	65,274,538.50	Assets
Solar energy subsidy for photovoltaic cell decoration and Suqian	-	299,000,000.00	-	-	290,486,271.00	-	8,513,729.00	Assets
Support for industrial land use of photovoltaic cell phase I of Trina Solar Suqian base	-	28,050,000.00	-	-	28,050,000.00	-	-	Assets
Equipment subsidy for 1.2gw photovoltaic module project in Yancheng Economic and Technological Development Zone	-	23,000,000.00	-	-	23,000,000.00	-	-	Assets

Items	31 December 2019	Increase during the reporting period	Recognised in non-operating income during the reporting period	Recognised in other income during the reporting period	Written down assets value during the reporting period	Other changes	31 December 2020	Related to assets/ Related to profit or loss
Special fund for transformation and upgrading of provincial industry and information industry in 2019	-	150,000.00	-	-	150,000.00	-	-	Assets
Subsidy for equipment of high efficiency solar module production base project	-	35,206,700.00	-	-	35,206,700.00	-	-	Assets
Special fund for industrial and information transformation and upgrading in 2020	-	4,319,900.00	-	-	4,319,900.00	-	-	Assets
Subsidy for 500MW photovoltaic cell project in Yancheng Economic and Technological Development Zone	-	6,269,061.00	-	-	6,269,061.00	-	-	Assets
2020 municipal special fund for strategic emerging industries	-	1,120,000.00	-	-	1,120,000.00	-	-	Assets
Project subsidy of special fund for strategic emerging industry development of provincial development and Reform Commission	-	3,000,000.00	-	-	-	-	3,000,000.00	Assets
Technical transformation project of solar perc battery and cut half module	-	2,591,000.00	-	-	2,547,637.28	-	43,362.72	Assets
"Three in one" special funds to speed up the effective investment of enterprise project subsidies	-	188,500.00	-	-	188,500.00	-	-	Assets

Items	31 December 2019	Increase during the reporting period	Recognised in non-operating income during the reporting period	Recognised in other income during the reporting period	Written down assets value during the reporting period	Other changes	31 December 2020	Related to assets/ Related to profit or loss
Yancheng Economic and Technological Development Zone 4gw photovoltaic module project plant construction node Award	-	23,885,887.00	-	-	-	-	23,885,887.00	Assets
Total	50,803,473.00	954,616,048.00	-	-	892,261,138.28	-3,352,960.36	109,805,422.36	

5.39 Share Capital

Items	2020.01.01	Change during the period (+ / -)					2020.12.31
		Issue new share	Stock bonus	Reserve fund share conversion	Others	Subtotal	
Share capital	1,757,826,375.00	310,200,000.00	-	-	-	310,200,000.00	2,068,026,375.00

Notes: On 29 April 2020, as the document “CSRC XK [2020] No. 816”, China Securities Regulatory Commission (CSRC) approved the Company's application for registration of the issue. On 4 June 2020, the Company issued 310,200,000 ordinary shares (A Share) at price of RMB 8.16 per share and face value of RMB 1 to the public investors. On 10 June 2020, the Company was listed on the SSE STAR Market successfully.

5.40 Capital Reserves

Items	31 December 2019	Increase during the reporting period	Decrease during the reporting period	31 December 2020
Stock premium	9,232,142,685.91	2,105,818,875.17	176,703,348.52	11,161,258,212.56
Other capital reserves	4,400.92	-	-	4,400.92
Total	9,232,147,086.83	2,105,818,875.17	176,703,348.52	11,161,262,613.48

Note (1): On 4 June 2020, the Company issued 310,200,000 ordinary shares (A Share) at price of RMB 8.16 per share and face value of RMB 1 to the public investors. The total monetary fund raised was RMB 2,531,232,000.00, deducting the expenses related to the issue of RMB 221,169,379.48, the actual net fund raised by the Company was RMB 2,310,062,620.52, the stock premium increased by RMB 1,999,862,620.52.

Note (2): On 8 October 2017, the Company signed "Performance Commitment Compensation Agreement" with Trina Xingyuan Investment Development Co., Ltd, the original shareholder of Trina Solar Intelligence Energy Investment Development (Jiangsu) Co.,Ltd., which promised the annual net profit of Jiangsu Trina energy storage Co., Ltd., (the main subsidiary of Trina Intelligent Energy Investment Development (Jiangsu) Co., Ltd.) from 2018 to 2022, and if the accumulated actual net profit of Jiangsu Trina energy storage Co., Ltd. at the end of the current period is lower than the accumulated committed net profit at the end of the current period during the compensation period, Trina Xingyuan Investment Development Co., Ltd. and Jifan Gao shall make the compensation in cash according to the proportion agreed in the agreement. The agreed compensation amount of this period is RMB 103,708,921.41.

Note (3): In 2020, the Company acquired 49% minority shareholders' equity of Nclave Renewable, S.L., with EUR 42,727,780.00. The difference between the purchase cost and the fair value of the identifiable net assets as of 31 August 2020 was recorded as the Capital reserves - stock premium, resulting in a total

reduction of RMB 176,703,348.52 in Capital reserves.

5.41 Other Comprehensive Income

Items	1 January 2020	Changes during the reporting period						31 December 2020
		Amount before tax	Less: Items previously recognized in other comprehensive income being reclassified to current profit or loss	Less: Income tax expenses	Attributable to owners of the Company	Attributable to non-controlling interest	Impact of changing the bookkeeping base currency	
Other comprehensive income will not be reclassified into profit or loss	—	—	—	—	—	—	—	—
Other comprehensive income will be reclassified into profit or loss	-121,690,199.76	-138,234,542.59	—	—	-130,156,309.74	-8,078,232.85	—	-251,846,509.50
Including: -Translation differences arising from translation of foreign currency financial statements of subsidiary	-121,690,199.76	-138,234,542.59	—	—	-130,156,309.74	-8,078,232.85	—	-251,846,509.50
Total	-121,690,199.76	-138,234,542.59	—	—	-130,156,309.74	-8,078,232.85	—	-251,846,509.50

5.42 Surplus Reserves

Items	2019.12.31	Changes in Accounting Policies	2020.01.01	Increase during the reporting period	Decrease during the reporting period	2020.12.31
Statutory surplus reserves	62,975,937.23	-	62,975,937.23	27,370,438.03	-	90,346,375.26
Total	62,975,937.23	-	62,975,937.23	27,370,438.03	-	90,346,375.26

5.43 Retained Earnings

Items	2020	2019
Balance at the end of last period before adjustments	1,025,040,191.36	574,178,904.07
Adjustments for the opening balance (increase /(decrease))	-	-
Balance at the beginning of the reporting period after adjustments	1,025,040,191.36	574,178,904.07
Add: net profit attributable to owners of the parent company for the reporting period	1,229,276,756.49	640,595,151.46
Business combination under common control	-6,750,178.84	-
Less: appropriation to statutory surplus reserves	27,370,438.03	22,740,358.54
Payment of ordinary share dividends	206,802,637.50	166,993,505.63
Balance at the end of the reporting period	2,013,393,693.48	1,025,040,191.36

Distribution of cash dividends:

- ① In accordance with the resolution of the board of direction on 13 March 2019, the Company declared the cash dividends of RMB166,993,505.63, which was distributed in May 2019.
- ② In accordance with the resolution of the first extraordinary general meeting of shareholders on 16 July 2020, the Company took the total capital share before the implementation of the resolution (2,068,026,375 shares) as the base, declared the cash dividends of RMB 0.1 (tax included) per share and the total cash dividends of RMB206,802,637.5, which was distributed in July 2020.

5.44 Revenue and Cost of Sales

Items	2020		2019	
	Revenue	Costs of sales	Revenue	Costs of sales
Principal activities	29,066,912,176.14	24,404,076,945.65	22,611,203,775.55	18,621,670,899.54
Other activities	351,061,253.14	314,911,963.66	710,492,084.75	632,218,205.17
Total	29,417,973,429.28	24,718,988,909.31	23,321,695,860.30	19,253,889,104.71

Details of revenue and cost from principal activities:

Items	2020		2019	
	Revenue	Costs of sales	Revenue	Costs of sales
Principal activities	29,066,912,176.14	24,404,076,945.65	22,611,203,775.55	18,621,670,899.54
Photovoltaic products				
- Photovoltaic modules	22,052,946,440.24	18,767,538,706.89	16,395,195,484.93	13,559,517,420.97
Subtotal	22,052,946,440.24	18,767,538,706.89	16,395,195,484.93	13,559,517,420.97
Photovoltaic systems				
- Photovoltaic system products	3,993,046,946.14	3,410,910,587.16	1,170,058,866.63	992,464,158.37
- Power station business	2,103,389,260.78	1,865,547,323.13	4,387,685,481.33	3,786,747,427.06
Subtotal	6,096,436,206.92	5,276,457,910.29	5,557,744,347.96	4,779,211,585.43
Smart energy				
- Intelligent micro grid and multi-function system	43,211,970.39	36,348,438.78	35,978,025.22	36,913,084.44
- Electricity generation, management and operation	874,317,558.59	323,731,889.69	622,285,917.44	246,028,808.70
Subtotal	917,529,528.98	360,080,328.47	658,263,942.66	282,941,893.14
Total	29,066,912,176.14	24,404,076,945.65	22,611,203,775.55	18,621,670,899.54

Note: Revenue from power station held for sale in power station business

Items	2020	2019
Equity consideration (A)	-	595,399,782.17
The amount of liabilities (B)	-	1,004,926,972.57
Remaining assets except for power station assets (C)	-	542,078,471.03
Others (D)	-	-
Total sales revenue (E=A+B-C-D)	-	1,058,248,283.71

5.45 Taxes and Surcharges

Items	2020	2019
City construction tax	19,938,956.74	45,638,385.35
Educational surcharge and local educational surcharge	14,300,906.44	32,808,796.05
Stamp duty	21,963,184.05	19,136,481.98
Property tax	23,428,546.12	19,771,718.65
Land use tax	8,552,563.63	8,378,112.62
Others	8,371,720.59	5,908,077.42
Total	96,555,877.57	131,641,572.07

5.46 Selling and Distribution Expenses

Items	2020	2019
Freight and storage charges (note)	78,396,845.54	687,871,171.48
Payroll	371,036,323.98	285,723,586.75
Product warranties	286,912,962.55	191,891,216.32
Promotion fee	121,135,100.28	65,233,683.18
Travel expense	19,544,341.43	31,259,734.07
Insurance expenses	20,326,850.57	19,565,411.91
Material consumption	10,906,338.48	14,776,550.18
Rental fee	6,569,486.58	7,962,730.37
Business entertainment	10,752,440.08	6,938,759.47
Depreciation and amortization	817,992.57	623,312.02
Others	88,811,747.01	69,862,683.21
Total	1,015,210,429.07	1,381,708,838.96

Note: On 1 January 2020, the Company adopted the revised Accounting Standards for Business Enterprises No. 14 - Revenue (Caikuai [2017] No. 22) in 2017. The freight and storage charges of the selling and distribution expenses are mainly the freight transportation expenses for domestic sales, as well as the freight transportation expenses of the territory of the goods to the port specified by customers under overseas FOB sales mode. Therefore, the freight charges belong to the contract performance cost, and were confirmed as operating costs from 2020, but the storage charges were still listed in the selling and distribution expenses.

5.47 General and Administrative Expenses

Items	2020	2019
Payroll	542,744,572.39	493,597,607.21
Depreciation and amortization	109,025,110.32	90,923,677.92
Legal, audit and other intermediary service	150,927,166.51	99,541,676.01
Office expense	45,232,378.62	51,300,975.80
Insurance expense	58,523,996.42	46,449,079.81
Rental expense	43,944,944.74	38,170,495.63
Travel expense	17,872,183.81	33,370,977.24
Entertainment expense	16,139,509.44	11,602,348.35
Hiring fee	5,335,067.64	3,407,730.46
Material consumption	6,593,747.28	5,701,843.77
Others	112,705,839.30	50,278,575.96
Total	1,109,044,516.47	924,344,988.16

5.48 Research and Development Expenses

Items	2020	2019
Material consumption	124,500,608.41	121,699,856.04
Payroll	112,948,204.97	91,833,138.06
Depreciation and amortization	37,450,617.37	38,402,147.00
Utilities fee	10,629,293.22	11,481,693.77
Testing fee	8,208,550.82	5,574,094.29
Travel expense	2,435,179.50	3,230,469.76
Certification fee	16,152,404.05	5,363,064.78
Consulting fee	2,569,962.01	2,855,371.06
Repair charge	5,874,342.39	517,165.10
Others	42,717,590.24	12,815,743.08
Total	363,486,752.98	293,772,742.94

5.49 Finance Costs

Items	2020	2019
Interest expenses	433,993,025.25	466,186,983.54
Less: capitalization of interests (note(1))	4,700,599.97	22,911,318.36
Interest income	94,222,766.13	80,979,620.43
Net interest expenses	335,069,659.15	362,296,044.75
Foreign exchange losses/gains	133,761,672.58	-47,994,007.56
Bank charges	69,509,127.49	48,804,527.56
Cash discount	-	-9,179,221.87
Total	538,340,459.22	353,927,342.88

Note (1): The capitalized borrowing costs have been recognized in inventories and construction in progress. In 2020, the ending balance of subjects above includes the capitalized borrowing costs of RMB4,700,599.97; In 2019, the ending balance of subjects above includes the capitalized borrowing costs of RMB22,911,318.36. The interest rate per annum, at which the borrowing costs were capitalized by the Company, was 3.97% (2019: 4.64%) for the year.

5.50 Other Income

Items	2020	2019	Related to assets/income
Science and technology funds and awards	4,991,310.36	17,144,924.00	Related to income
VAT refund	55,716.52	1,698,613.44	Related to income
Patent award	107,400.00	961,798.00	Related to income
Development of foreign trade	607,700.00	4,829,100.00	Related to income
Steady post subsidies	3,726,365.16	1,107,556.59	Related to income
Income tax refund	-	73,601.73	Related to income
Tax Subsidies	2,742,147.68	10,000.00	Related to income
ECI (export credit insurance)	2,477,800.00	-	Related to income
Key laboratory project subsidy	1,573,000.00	1,738,125.63	Related to income
Performance award of the policies for inviting outside investment	50,000,000.00	-	Related to income
Others	16,321,944.11	22,471,980.25	Related to income
Total	82,603,383.83	50,035,699.64	

5.51 Investment Income

Items	2020	2019
Investment income from long-term equity investments under equity method (note(1))	86,863,105.42	177,568,894.26
Disposal of investment income from long-term equity investments	-314,717.69	2,968,354.54
Yield on forward foreign exchange contracts	207,512,296.67	-106,215,446.11
Dividends earned during the holding period of investment in other equity instruments	16,892,753.67	4,051,518.53
Revenue from financial products	71,687,553.53	24,276,277.79
Bond investment income	2,895,751.26	-
Discount charge of bills	-15,642.60	-
Total	385,521,100.26	102,649,599.01

Note (1): The long-term investment income under equity method of Lijiang Longji silicon material Co., Ltd is RMB86,631,955.31 in 2020.

5.52 Gains on Changes in Fair Values

Sources of gains on changes in fair value	2020	2019
Trading financial assets	14,999,639.99	23,926,893.98
Including: Earnings from fair value changes in forward foreign exchange contracts	9,145,097.35	14,438,518.99
Bank financial products	5,854,542.64	9,488,374.99
Total	14,999,639.99	23,926,893.98

5.53 Impairment Loss of Credit

Items	2020	2019
Bad debt of accounts receivable	-95,597,904.06	-100,114,257.02
Bad debt of other receivables	-126,721,271.59	-142,178,015.44
Loss on bad debts receivable	2,538,956.66	-3,034,892.50
Total	-219,780,218.99	-245,327,164.96

5.54 Impairment Loss of Assets

Items	2020	2019
Loss on inventory valuation	-156,754,994.98	-61,872,649.06
Impairment loss of fixed assets	-172,131,484.98	-10,920,220.98
Total	-328,886,479.96	-72,792,870.04

5.55 Gains/ (losses) from Disposal of Assets

Items	2020	2019
Gains/(losses) from disposal of fixed assets	-77,364,985.98	-3,614,360.72
Total	-77,364,985.98	-3,614,360.72

5.56 Non-operating Income

(i) Details of non-operating income

Items	2020	2019	Amount confirmed as extraordinary gains or losses during this period
Government grants	—	23,012,552.49	—
Insurance indemnity and other income	30,425,783.11	14,196,244.72	30,425,783.11
Gains from debt restructuring	—	4,299,673.95	—
Compensation and overdue income from suppliers	158,003.00	3,007,819.26	158,003.00
Total	30,583,786.11	44,516,290.42	30,583,786.11

(ii) Details of government grants

Items	2020 (government grants not related to the daily activities of the enterprise)	2019 (government grants not related to the daily activities of the enterprise)	Related to assets/income
Reorganization grants	-	23,000,000.00	Related to income
Others	-	12,552.49	Related to income
Total	-	23,012,552.49	

5.57 Non-operating Expenses

Items	2020	2019	Amount included into extraordinary gains or losses during this period
Compensation	—	4,122,600.00	
Fine and overdue fees	1,180,482.73	1,563,813.23	1,180,482.73
Donations	2,867,999.33	350,000.00	2,867,999.33
Losses from debt restructuring	—	233,900.00	—
Retirement of fixed assets	27,490,402.20	—	27,490,402.20
Others	25,593,093.72	5,722,679.79	25,593,093.72
Total	57,131,977.98	11,992,993.02	57,131,977.98

5.58 Income Tax Expenses

(a) Details of income tax expenses

Items	2020	2019
Current income tax expense	308,466,844.17	338,545,734.77
Deferred tax expenses	-111,387,140.50	-177,271,468.90
Income tax settlement difference	-23,328,716.53	6,292,830.45
Total	173,750,987.14	167,567,096.32

(b) Reconciliation of accounting profit and income tax expenses

Items	2020
Profits before tax	1,406,890,731.94
Income tax expense at the applicable tax rate	211,033,609.79
Effects of different tax rates applied to subsidiaries	-149,269,811.22
Adjustments of impact from prior period income tax	-23,328,716.53
Effect of gains or losses from joint ventures and associates accounted under equity method	-13,502,796.55
Effect of non-deductible costs, expenses and losses	32,504,018.56
Effect on opening balance of deferred tax due to changes in tax rate	11,717,078.56
Effect of previously unrecognized deductible losses recognised as deferred tax assets	-21,382,791.53

Items	2020
Effect of deductible temporary differences and deductible losses not recognised as deferred tax assets	78,120,822.76
R&D expenses plus deduction	-16,413,645.88
Unrecognized effect of deductible temporary differences or deductible losses on deferred income tax assets in previous years	64,273,219.18
Income tax expenses	173,750,987.14

5.59 Other comprehensive income

For other comprehensive income items, the income tax impact, transfer into profit and loss, and adjustment of other comprehensive income, please refer to Note 5.40 Other Comprehensive Income.

5.60 Notes to the Statement of Cash Flow

(a) Other cash received relating to operating activities

Items	2020	2019
Bank acceptance bills, letter of credit and other deposits	928,837,926.31	1,011,703,429.56
Government subsidies	1,036,079,431.83	193,288,884.28
Other income	371,703,659.04	48,020,165.68
Total	2,336,621,017.18	1,253,012,479.52

(b) Other cash payments relating to operating activities

Items	2020	2019
Bank acceptance bills, letter of credit and other deposits	4,322,440,107.14	1,668,928,426.44
Freight and storage expenses	85,539,467.18	605,978,468.54
Utilities	699,128,012.10	573,053,221.71
Intermediary service fee	50,284,115.93	130,268,860.55
Warranty	179,200,241.44	191,891,216.32
Promotion fee	109,549,579.39	73,858,972.92
Others	623,290,376.08	451,720,965.60
Total	6,069,431,899.26	3,695,700,132.08

Note: On 1 January 2020, the Company adopted the revised Accounting Standards for Business Enterprises No. 14 - Revenue (Caikui [2017] No. 22) in 2017. The freight and storage charges of the selling and distribution expenses are mainly the freight transportation expenses for domestic sales, as well as the freight transportation expenses of the territory of the goods to the port specified by customers under overseas FOB sales mode. Therefore, the freight charges belong to the contract performance cost,

and were confirmed as operating costs from 2020, but the storage charges were still listed in the selling and distribution expenses.

(c) Other cash received relating to investing activities

Items	2020	2019
Interest income	56,676,517.34	31,974,524.47
Refund of related party lending to banks	-	7,952,247.94
Interest of related party lending to banks	17,968,289.11	26,772,505.37
Investment income from the disposal of financial assets measured at FVTPL	207,512,296.67	-
Net cash received from acquisition of subsidiaries and other business units	1,303,465.35	-
Total	283,460,568.47	66,699,277.78

(d) Other cash payments relating to investing activities

Items	2020	2019
Related party lending to banks	-	77,588,109.22
Loss on foreign exchange hedging	-	106,215,446.11
Total	-	183,803,555.33

(e) Other cash received relating to financing activities

Items	2020	2019
Payments received from finance leases	222,000,000.00	374,100,000.00
Loan guarantees	129,055,840.98	443,260,064.18
Discounted notes	-	4,000,000.00
Total	351,055,840.98	821,360,064.18

(f) Other cash payments relating to financing activities

Items	2020	2019
Financial lease expense	260,387,260.43	183,866,148.95
Financial lease deposit	63,677,845.00	-
Credit and loan commitment expense	55,808,994.26	71,354,101.72
Purchase of non-controlling interests	308,043,550.92	6,442,113.74
Total	687,917,650.61	261,662,364.41

Note: The purchase of non-controlling interests is the rest (49%) of the equity of Nclave Renewable, S.L acquired by the Company in 2020.

5.61 Supplementary Information to the Statement of Cash Flows

(a) Supplementary information to the statement of cash flows

Supplementary information	2020	2019
(i) Adjustments of net profit to cash flows from operating activities:		
Net profit	1,233,139,744.80	702,245,268.57
Add: Provisions for impairment of assets and credit	548,666,698.95	318,120,035.00
Depreciation of fixed assets	1,092,537,065.73	803,366,320.50
Amortisation of intangible assets	50,653,132.04	53,138,133.05
Amortisation of long-term deferred expenses	22,705,361.56	28,360,153.26
Losses on disposal of fixed assets (“-“ for gain)	104,855,388.18	3,614,360.72
Losses on changes in fair value (“-“ for gain)	-14,999,639.99	-23,926,893.98
Finance costs (“-“ for gain)	379,276,379.55	409,273,381.21
Investment losses (“-“ for gain)	-385,521,100.26	-102,649,599.01
Decreases in deferred tax assets (“-“ for increase)	-110,047,809.29	-158,038,536.01
Increases in deferred tax liabilities (“-“ for decrease)	6,467,582.22	-7,354,092.28
Decreases in inventories and contract liabilities (“-“ for increase)	-2,038,243,416.29	-196,641,610.57
Decreases in operating receivables (“-“ for increase)	-4,707,269,479.84	-1,582,835,447.72
Increases in operating payables (“-“ for decrease)	6,815,325,412.72	4,994,632,137.64
Net cash flows from operating activities	2,997,545,320.08	5,241,303,610.38
(ii) Significant investing activities not involving cash receipts and payments:		
Fixed assets leased through financing	35,989,053.06	229,311,576.79
(iii) Significant financing activities not involving cash receipts and payments:		
(iv) Significant operating activities not involving cash receipts and payments:		
Endorsed notes (note (1))	-	5,140,722,906.68
Reconciliation of current accounts	5,072,023,371.64	54,795,162.35
Net liability that buyer suffered through selling power stations (note (2))	13,294,224.69	462,848,501.54
(v) Net changes in cash and cash equivalents:		
Cash at the end of the reporting period	4,172,626,335.90	3,835,265,177.46
Less: Cash at the beginning of the reporting period	3,835,265,177.46	2,548,593,888.73
Net increase in cash and cash equivalents	337,361,158.44	1,286,671,288.73

Note (1): The Company receives a large number of bank acceptance bills from customers, which are highly liquid and can be transferred by endorsement to the builders, equipment and raw material suppliers of the construction in progress.

Note (2): As mentioned in Notes 3.26(2)(ii), according to commercial practices, the current sale of photovoltaic power stations is mostly traded in the form of equity transfers. When the industrial and commercial change of the equity delivery is completed and according to the irrevocable sales contracts,

the main risks and rewards of the relevant power stations are recognized to be transferred to relevant customers, it will confirm revenue from sale of photovoltaic power stations. The sales revenue of the photovoltaic power station is confirmed in accordance with the agreed receivable price and the fair value of the liability borne by the buyers. The transfer price received by the Company as cash received for the sale of goods and the provision of services shall be reflected in the notes of consolidated cash flow statement as significant business activities that do not involve cash receipts and payments.

(b) Net cash received from disposal subsidiaries during the year

Items	2020
Cash or cash equivalents received by the disposal of subsidiaries during the year	946,600.00
Less: Cash and cash equivalents held by the company on days of loss of control	672,250.22
Net cash received by disposal subsidiaries	274,349.78

(d) The components of cash and cash equivalents

Items	2020	2019
(i) Cash	4,172,626,335.90	3,835,265,177.46
Including: Cash on hand	257,753.28	371,161.98
Cash in bank available for immediate use	4,172,368,582.62	3,834,894,015.48
(ii) Cash equivalents	—	—
Including: Bond investments maturing within three months	—	—
(iii) Cash and cash equivalents at the end of the reporting period	4,172,626,335.90	3,835,265,177.46

5.62 Government grants

Items	Amount	Recognised in current profit or loss
Written-off government grants but not been amortized	1,054,661,944.64	-
Government grants not been written off or amortized	109,805,422.36	-
Effect: general and administrative expenses	3,335,920.04	3,335,920.04
Effect: cost of sales	34,011,158.16	34,011,158.16
Effect: research and development expense	5,558,054.50	5,558,054.50
Effect: gains/ (losses) from Disposal of Assets	2,913,357.50	2,913,357.50
Less: finance costs	9,886,852.00	9,886,852.00
Into: other income	82,603,383.83	82,603,383.83
Total		138,308,726.03

5.64 Assets with restrictive ownership title or right of use

Items	Carrying amount at 31 December 2020	Reason
Cash and cash equivalents	5,256,730,710.59	Guarantee deposit
Held-for-trading financial assets	867,334,917.62	Pledge
Accounts receivable	642,134,178.59	Pledge
Accounts receivable financing	801,655,296.44	Pledge
Inventories	1,100,151,654.23	Mortgage
Other current assets	632,928,397.22	Pledge
Fixed assets	5,259,862,196.67	Mortgage
Construction in progress	884,865,889.50	Mortgage
Intangible assets	35,369,192.34	Mortgage
Total	15,481,032,433.20	

Note: On 31 December 2020, the Company pledged some of its subsidiaries' shares to banks or financial leasing companies for the loans of photovoltaic power station projects, the details are as follows:

Pledgee	Items	Amount	Inception date	Maturity date
CITIC Financial Leasing Co., Ltd	100% equity of Wujiaqu Juneng Weiye New Energy Investment Co., Ltd	90,400,504.86	2016/4/28	2025/4/28
Shanghai Electric Leasing Co., Ltd	Suizhou Yuanjing Solar Power Development Co., Ltd	14,572,033.00	2016/4/9	2026/4/8
China Financial Leasing Co., Ltd	100% equity of Yecheng Yuanguang Energy Co., Ltd	137,634,156.92	2016/10/28	2026/11/1
Suzhou Financial Leasing Co., Ltd	100% equity of Suzhou xinmeilan photovoltaic power Co., Ltd	5,048,425.92	2019/7/29	2029/7/29
Suzhou Financial Leasing Co., Ltd	100% equity of Hunan Trina Solar Power Development Co., Ltd	44,330,936.64	2019/7/25	2029/7/22
Suzhou Financial Leasing Co., Ltd	100% equity of Hangzhou yourui Electric Power Technology Co., Ltd.	98,442,966.73	2019/9/29	2027/9/19
Suzhou Financial Leasing Co., Ltd	100% equity of Xuzhou Xuyang new energy power generation Co., Ltd	22,357,391.20	2019/9/24	2029/9/19
Suzhou Financial Leasing Co., Ltd	Linqu xinshunfeng Photoelectric Technology Co., Ltd	45,120,467.05	2020/1/16	2028/1/15
Suzhou Financial Leasing Co., Ltd	100% equity of Hongze Heyuan photovoltaic power Co., Ltd	27,579,787.68	2020/12/25	2026/12/15
Suzhou Financial Leasing Co., Ltd	100% equity of Changzhou Jintan Trina photovoltaic power generation Co., Ltd	19,812,595.00	2020/12/25	2025/12/15
China Resources Finance Leasing Co. Ltd	100% equity of Yishui xinshunfeng Optoelectronic Technology Co., Ltd	58,294,986.67	2020/3/30	2027/3/30
Huaneng Tiancheng Finance Leasing Co., Ltd	Tumed Right Banner Tianhui new energy power generation Co., Ltd	141,900,000.00	2019/9/6	2021/3/10
Huaneng Tiancheng Finance Leasing Co., Ltd	100% equity of Pingshun Guohe photovoltaic power generation Co., Ltd	1,048,790,000.00	2019/9/12	2031/9/10

Huaneng Tiancheng Finance Leasing Co., Ltd	100% equity of Yijun Tianxing new energy Co., Ltd	800,001,498.70	2019/7/31	2031/7/10
Export Import Bank of China Jiangsu Branch	100% equity of Changzhou Tiansui new energy Co., Ltd	156,000,000.00	2019/12/20	2030/12/12
Export Import Bank of China Jiangsu Branch	100% equity of Yuxian Tiansheng photovoltaic power generation Co., Ltd	219,000,000.00	2019/9/12	2031/8/23
China Development Bank Jiangsu Branch	100% equity of Tanagra Solar Energiaki S.A. 100% and 100% of S AETHER ENERGY S.A.	74,632,500.00	2014/3/26	2026/11/20

Note: On 31 December 2019, the Company pledged some of its subsidiaries' shares to banks or financial leasing companies for the loans of photovoltaic power station projects, the details are as follows:

Pledgee	Items	Amount	Inception date	Maturity date
Huaneng Tiancheng Finance Leasing Co., Ltd	Tumote Right Banner Tianhui New Energy Generation Co., Ltd. 100% equity	41,900,000.00	2019/3/8	2020/9/10
		100,000,000.00	2019/9/6	2021/3/10
	100% equity of Yingshang runneng new energy Co., Ltd	570,000,000.00	2019/5/15	2021/4/30
China Development Bank Jiangsu Branch	100% equity of Tanagra Solar Energiaki S.A. 100% and 100% of S AETHER ENERGY S.A.	84,407,400.00	2014/03/26	2026/11/20
Huaneng Tiancheng Finance Leasing Co., Ltd	100% equity of Yijun Tianxing new energy Co., Ltd	230,000,000.00	2019/8/12	2031/8/10
Huaneng Tiancheng Finance Leasing Co., Ltd	99.86% equity of Pingshun Guohe photovoltaic power generation Co., Ltd	401,930,000.00	2019/9/12	2031/9/24
Export Import Bank of China Jiangsu Branch	100% equity of Yuxian Tiansheng photovoltaic power generation Co., Ltd	239,000,000.00	2019/9/12	2031/8/23
Huaneng Tiancheng Finance Leasing Co., Ltd	100% equity of Yijun Tianxing new energy Co., Ltd	126,400,000.00	2019/10/25	2031/10/10
Export Import Bank of China	100% equity of Changzhou Tiansui new energy Co., Ltd	172,000,000.00	2019/12/20	2030/12/12
Huaneng Tiancheng Finance Leasing Co., Ltd	100% equity of Yijun Tianxing new energy Co., Ltd	291,600,000.00	2019/11/15	2031/11/10
Huaneng Tiancheng Finance Leasing Co., Ltd	100% equity of Yijun Tianxing new energy Co., Ltd	152,001,498.70	2019/12/27	2031/12/10
CITIC Financial Leasing Co., Ltd	100% equity of Wujiagu Juneng Weiye New Energy Investment Co., Ltd	110,489,505.94	2016/04/28	2025/04/28
Shanghai Electric Leasing Co., Ltd	Suizhou Yuanjing Solar Power Development Co., Ltd	19,231,596.00	2016/04/09	2026/04/08
China Financial Leasing Co., Ltd	100% equity of Yecheng Yuanguang Energy Co., Ltd	165,204,902.01	2016/10/28	2026/11/01

Suzhou Financial Leasing Co., Ltd	100% equity of Suzhou xinmeilan photovoltaic power Co., Ltd	5,994,818.28	2019/07/29	2029/07/29
Suzhou Financial Leasing Co., Ltd	100% equity of Hunan Trina Solar Power Development Co., Ltd	52,642,799.76	2019/07/25	2029/07/22
Suzhou Financial Leasing Co., Ltd	Hangzhou yourui Electric Power Technology Co., Ltd. has 100% equity	124,123,479.79	2019/09/29	2027/09/19
Suzhou Financial Leasing Co., Ltd	100% equity of Bozhou Xuyang new energy power generation Co., Ltd	26,422,189.60	2019/09/24	2029/09/19

5.63 Foreign Currency Monetary Items

(a) Foreign currency monetary items at 31 December 2020:

Items	Carrying amount at foreign currency	Exchange rate	Carrying amount at RMB
Cash and cash equivalents			
Including: USD	117,873,189.16	6.5249	769,110,771.95
EUR	7,315,083.65	8.0250	58,703,546.29
GBP	51,226.30	8.8903	455,417.17
JPY	73,103,507.00	0.0632	4,622,773.37
Held-for-trading financial assets			
Including: USD	4,469.12	6.5249	29,160.57
Accounts receivable			
Including: USD	13,609,368.46	6.5249	88,799,768.26
EUR	3,320,102.64	8.0250	26,643,823.69
JPY	4,000,000.00	0.0632	252,944.00
Rufiyaa	2,629,984.23	0.4244	1,116,176.80
Other receivables			
Including: USD	286,045.89	6.5249	1,866,420.83
EUR	6,353.35	8.0250	50,985.63
Short-term borrowing and long-term borrowing due within one year			
Including: USD	107,400,000.00	6.5249	700,774,260.00
Accounts payable			
Including: USD	1,926,371.74	6.5249	12,569,382.97
EUR	2,325,277.05	8.0250	18,660,348.33
JPY	15,989,400.00	0.0632	1,011,105.70
Other payables			
Including: USD	18,140,234.26	6.5249	118,363,214.53
EUR	217,490.96	8.0250	1,745,364.97
JPY	24,104,891.04	0.0632	1,524,296.89

(b) The accounting standard currencies of the reports of overseas important operating entities are as follows:

No.	Entity name	Operation place	Standard currency	Selection basis
1	Trina Solar Energy Development Pte Ltd	Singapore	USD	Daily business operations are settled in US dollars
2	Trina Solar (Schweiz) AG	Switzerland	EUR	Daily business operations are settled in euros
3	TRINA SOLAR (VIETNAM) SCIENCE&TECHNOLOGY COMPANYLIMITED	Vietnam	USD	Daily business operations are settled in US dollars
4	TRINA SOLAR (SINGAPORE) SCIENCE&TECHNOLOGY PTE.LTD	Singapore	USD	Daily business operations are settled in US dollars
5	Trina Solar (U.S.),Inc.	United States	USD	Daily business operations are settled in US dollars
6	Trina Solar Science&Technology (Thailand) Ltd	Thailand	USD	Daily business operations are settled in US dollars
7	Trina Solar Japan Energy Co.,Ltd	Japan	JPY	Daily business operations are settled in Japanese yen

6. CHANGES IN THE SCOPE OF CONSOLIDATION

6.1 Business Combination not Under Common control

(a) Business combination not under common control during the reporting period

Name of the acquirees	Date of acquiring the equity interests	Acquisition costs	Equity acquired (%)	Ways to acquire the equity interests
Shuangliao Trina Solar Electric Power Development Co., Ltd	2020.10.30	5,000,000.00	100.00	Agreement of equity transfer

Notes: Shuangliao Trina Solar Electric Power Development Co., Ltd. is a limited liability company established in Shuanglia, Jilin Province on 20 November 2013, which is mainly engaged in the investment and development of solar energy, wind power and new energy power; power generation and sales; sales and maintenance of new energy equipment and technical consultation and service; livestock breeding (operated with license of laws and regulations). The controlling shareholder is Changzhou Jiuzhou new world asset management Co., Ltd. On 23 October 2020, Jiangsu Trina Solar Electric Power Development Co., Ltd., a subsidiary of the company, acquired 100% of the equity of the company held by Changzhou Jiuzhou new world Asset Management Co., Ltd. with RMB 5 million and obtained the control right of the company.

(b) Combination costs and goodwill

Combination costs	Shuangliao Trina Solar Power Development Co., Ltd
—Cash	5,000,000.00
— Fair value of contingent considerations	-
Total combination costs	5,000,000.00
Less: Fair value of the share of net identifiable assets acquired	-2,504,858.83
Goodwill	7,504,858.83

(c) Identifiable assets and liabilities of the acquirees as at the acquisition date

Items	Shuangliao Trina Solar Electric Power Development Co., Ltd	
	Fair value on the acquisition date	Carrying amount on the acquisition date
Assets:		
Current assets	48,609,624.71	46,223,375.98
Non-current assets	168,694,884.98	141,015,548.43
Including: fixed assets	164,717,415.84	137,038,079.29
Total assets	217,304,509.69	187,238,924.41
Liabilities:		
Current liabilities	212,292,972.20	212,292,972.20
Non-current liabilities	7,516,396.32	-
Including: deferred tax liabilities	7,516,396.32	-
Total liabilities	219,809,368.52	212,292,972.20
Net asset	-2,504,858.83	-25,054,047.79
Less: minority equity	-	-
Net assets acquired	-2,504,858.83	-25,054,047.79

(i) Method for determining the fair value of identifiable assets and liabilities:

If the above identifiable assets exist in an active market, the fair value is determined according to the quotation in the active market; if there is no active market, but the same or similar assets exist in the active market, the fair value is determined by reference to the market price of similar or similar assets; Where there is no active market for similar assets, their fair value is determined by valuation techniques.

The above identifiable liabilities are based on the present value of the amount payable or the amount payable as its fair value.

6.2 Business Combination under Common Control

(a) Business combination under common control during the reporting period

Name of the combined party	Percentage of equity interest acquired during the combination (%)	Basis for the determination of business combination under common control	Combination date	Basis for the determination of the combination date
Jiangsu Green Building Industry Technology Research Institute Co. Ltd	100.00	Actual acquisition of control over the combined party	30 August 2020	Actual acquisition of control over the combined party

Description: In August 2020, Jiangsu Trina Solar Power Development Co., Ltd. acquired 100% equity of Jiangsu Green Building Industry Technology Research Institute Co., Ltd., the shareholders' information before acquisition: Jiangsu Tianrenheyi living environment development Co., Ltd. holds 65% of equity, Jiangsu Youze Technology Group Co., Ltd. holds 35% of equity, and the actual controller is Jifan Gao. Therefore, the transaction is a business combination under the same control.

(b) Business combination costs

Combination costs	Jiangsu Green Building Industry Technology Research Institute Co. Ltd
- Total consideration paid by the company	5,117,400.00

(c) Carrying amount of assets and liabilities of the combined entity as at combination date

Items	Jiangsu Green Building Industry Technology Research Institute Co. Ltd	
	Combination date	31 December 2019
Current assets:		
Cash and cash equivalents	89,358.51	61,289.20
Advance to suppliers	150.00	
Other receivable	911,816.43	50,000.00
Other current assets		96,642.08
Total current assets	1,001,324.94	207,931.28
Liabilities:		
Non-current assets:		
Fixed assets	56,042.44	72,948.04
Total non-current assets	56,042.44	72,948.04
Total assets	1,057,367.38	280,879.32
Current liabilities:		
Accounts payable	2,280.25	2,280.25
Employee benefits payable	1,271.07	86,559.60
Taxes payable	-83,105.23	13,272.37
Other payables	966,642.62	876,356.55
Total current liabilities	887,088.71	978,468.77
Total non-current liabilities	-	-
Total liabilities	887,088.71	978,468.77
Net assets	170,278.67	-697,589.45
Less: Non-controlling interests	-	-
Acquired net assets	170,278.67	-697,589.45

6.3 Disposal of Subsidiaries

No significant subsidiaries were disposed during the reporting period.

7. INTERESTS IN OTHER ENTITIES

7.1 Interests in Subsidiaries

(a) Composition of corporate group

By the end of 2020, the Company directly and indirectly held a total of 388 subsidiaries, including 161 domestic subsidiaries and 227 overseas subsidiaries, 14 directly held subsidiaries and 374 indirectly held subsidiaries, among which the important subsidiaries are as follows:

Entity name	Principal place of business	Registration place	Nature	Shareholding (%)	Acquisition method
Trina Solar (Changzhou) Science & Technology Co.,Ltd	Changzhou, Jiangsu	Changzhou, Jiangsu	Component production and sales	100	Merger acquisition of enterprises under the same control
Trina Solar Energy (Shanghai) Co.,Ltd	Minhang District, Shanghai	Minhang District, Shanghai	Component sales	100	Merger acquisition of enterprises under the same control
Yancheng Trina Solar Guoneng Science & Technology Co.,Ltd	Yancheng, Jiangsu	Yancheng, Jiangsu	Component production and sales	51	Merger acquisition of enterprises under the same control
Changzhou Trina PV Electricity Generation Sys Ltd	Changzhou, Jiangsu	Changzhou, Jiangsu	EPC	100	Merger acquisition of enterprises under the same control
Jiangsu Trina Solar Electric Power Development Co., Ltd.	Changzhou, Jiangsu	Changzhou, Jiangsu	Investment holding	100	Merger acquisition of enterprises under the same control
Jiangsu Trina Solar Electric Power Development Holdings Ltd.	Changzhou, Jiangsu	Changzhou, Jiangsu	Investment holding	100	Merger acquisition of enterprises under the same control

Yingshang Runneng New Energy Co., Ltd	Fuyang, Anhui	Fuyang, Anhui	Power station project development	100	Merger acquisition of enterprises under the same control
Tibet Trina Solar PV System Integration Co;Ltd	Lhasa, Tibet	Lhasa, Tibet	Power station project development	100	Establishment
Hefei Trina Solar Technology Co., Ltd	Hefei, Anhui	Hefei, Anhui	Component production and sales	100	Merger acquisition of enterprises under the same control
Yijun Tianxing new energy Co., Ltd	Tongchuan, Shaanxi	Tongchuan, Shaanxi	Power station project development	100	Establishment
Pingshun Guohe photovoltaic power generation Co., Ltd	Changzhi, Shanxi	Changzhi, Shanxi	Power station project development	99.86	Establishment
SuQian Tianlan PV Electricity Co., LTD	Suqian, Jiangsu	Suqian, Jiangsu	Component production and sales	100	Establishment
Trina Solar (Singapore) Science & Technology Pte. Ltd	Singapore	Singapore	Investment holding	100	Merger acquisition of enterprises under the same control
Trina Solar Science & Technology (Thailand) Ltd.	Thailand	Thailand	Production and sale of batteries	100	Merger acquisition of enterprises under the same control
Trina Solar (Vietnam) Science & Technology Co., Ltd	Vietnam	Vietnam	Production and sale of components and batteries	100	Merger acquisition of enterprises under the same control
Trina Solar (Australia) Pty Ltd.	Australia	Australia	Component sales	100	Merger acquisition of enterprises under the same control
Trina Solar Energy Development Pte. Ltd.	Singapore	Singapore	Component sales	100	Merger acquisition of enterprises under the same control
Trina Solar Japan Energy Co.,Ltd	Japan	Japan	Power station project development	100	Merger acquisition of enterprises under the same control

Trina Solar (Schweiz) AG	Switzerland	Switzerland	Component sales	100	Merger acquisition of enterprises under the same control
Trina Solar (Spain) S.L.U.	Spain	Spain	Component sales	100	Merger acquisition of enterprises under the same control
TRINA SOLAR (LUXEMBOURG) OVERSEAS SYSTEMS S. à.r.l.	Luxembourg	Luxembourg	Investment holding	100	Merger acquisition of enterprises under the same control
Trina Solar (Netherlands) B.V.	Netherlands	Netherlands	Production and sale of batteries	100	Merger acquisition of enterprises under the same control
Nclave Renewable, S.L.	Spain	Spain	Production and sale of holder	100	Merger Acquisition of Enterprises under Different Control
Trina Solar (U.S.), Inc.	U.S.A	U.S.A	Component sales	100	Merger acquisition of enterprises under the same control
Trina Solar (Suqian) photoelectric Co., Ltd	Suqian, Jiangsu	Suqian, Jiangsu	R&D, manufacturing and sales of solar cells and modules;	100	Establishment
Yancheng Trina Solar Guoneng Science & Technology Co.,Ltd	Yancheng, Jiangsu	Yancheng, Jiangsu	Component production and sales	51	Merger acquisition of enterprises under the same control
Trina Solar (Yiwu) Technology Co., Ltd	Yiwu, Zhejiang	Yiwu, Zhejiang	Component research and development, production and sales	100	Establishment

(b) Significant non-wholly owned subsidiaries

Name of subsidiary	Shareholding ratio of minority shareholders (%)	Profit or loss attributable to minority shareholders during the reporting period	Dividends declared to distribute to minority shareholders during the reporting period	Ending balance of minority equity
Yancheng Trina Solar Guoneng Science & Technology Co.,Ltd	49.00	16,735,646.02		325,862,085.39

(c) Main financial information of significant non-wholly owned subsidiaries

Name of subsidiary	31 December 2020					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Yancheng Trina Solar Guoneng Science & Technology Co.,Ltd	1,464,560,336.93	1,207,436,071.42	2,671,996,408.35	1,844,662,470.72	162,309,273.57	2,006,971,744.29

(Continued)

Name of subsidiary	31 December 2019					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Yancheng Trina Solar Guoneng Science & Technology Co.,Ltd	1,648,568,066.01	888,492,148.75	2,537,060,214.76	1,644,302,808.07	261,887,122.26	1,906,189,930.33

(Continued)

Name of subsidiary	2020		
	Revenue	Net profit/(loss)	Total comprehensive income
Yancheng Trina Solar Guoneng Science & Technology Co.,Ltd	4,128,622,436.57	34,154,379.63	34,154,379.63

(Continued)

Name of subsidiary	2019		
	Revenue	Net profit/(loss)	Total comprehensive income
Yancheng Trina Solar Guoneng Science & Technology Co.,Ltd	3,360,032,030.80	42,677,197.39	42,677,197.39

7.2 Information about joint ventures and associates of the Company

(a) Important associates of the Company:

(i) Important associates of the Company in 2020:

Company name	Principal place of business	Registered address	Nature of business	Proportion of equity interest by the Company (%)		Measurement methods
				Direct	Indirect	
Associates						
Lijiang Longji silicon material Co., Ltd	Lijiang, Yunnan	Lijiang, Yunnan	Manufacturing and sales of silicon rod	25.00		Equity method

(ii) Important associates of the Company in 2019:

Items	30 September 2020 / 1.1-9.30 2020	30 December 2019 / 2019
	Lijiang Longji silicon material Co., Ltd	Lijiang Longji silicon material Co., Ltd
Current assets	1,678,991,332.81	1,565,944,558.63
Non-current assets	1,053,419,047.10	1,082,766,809.32
Total assets	2,732,410,379.91	2,648,711,367.95
Current liabilities	625,051,590.14	778,131,598.99
Non-current liabilities	255,732,742.40	365,481,542.82
Total liabilities	880,784,332.54	1,143,613,141.81
Non-controlling interests	740,650,418.95	602,039,290.46
Total owner's equity attributable to parent company	1,110,975,628.42	903,058,935.68
Share of net assets calculated by shareholding ratio	462,906,511.84	376,274,556.54
Revenue	2,153,201,675.22	3,041,951,877.56
Net profit/(loss)	345,918,235.75	685,103,982.55
Other comprehensive income	-	-
Total comprehensive income	345,918,235.75	685,103,982.55
Dividends received from the joint venture	158,609,085.37	-

Note (1): On 16 October 2020, the board of directors of Lijiang Longji silicon material Co., Ltd. made the "Proposal on the deliberation of the transfer of shares of Lijiang Longji silicon material Co., Ltd. by Trina Solar Energy Co., Ltd.", which agreed that the amount of the audited net assets deducting the dividends as of 30 September 2020 would be taken as the pricing base, and multiplied by the proportion of the equity held by it as the consideration for equity transfer. Since 1 October 2020, the Company no

longer has any rights of shareholders or undertakes any obligations of shareholders, so the main financial information disclosure of important joint ventures in this period is up to 30 September 2020 and January to September 2020.

Note (2): the non-controlling interests of Lijiang Longji silicon material Co., Ltd. is held by the company and Sichuan Yongxiang Co., Ltd. by 25% and 15% respectively.

In 2020 and 2019, the Company has no interests in joint ventures or associates.

(b) Contingent liability relating to investments in joint ventures or associates

On 31 December 2020 and 31 December 2019, the company has no contingent liabilities related to its investment in joint ventures or associates.

8. RISKS RELATED TO FINANCIAL INSTRUMENTS

Risks related to the financial instruments of the Company arise from the recognition of various financial assets and financial liabilities during its operation, including credit risk, liquidity risk and market risk (including exchange rate risk and interest rate risk).

The following is a discussion of the above-mentioned exposures and their causes, as well as the changes that have taken place this year, risk management objectives, policies and procedures, and the methods used to measure risks, as well as the changes that have taken place this year.

The goal of Group in risk management is to achieve an appropriate balance between risk and return, and strive to reduce the adverse impact of financial risks on the Company's financial performance. Based on the risk management objectives, the Company has developed a risk management policy to identify and analyze the risks faced by the Company, set an appropriate level of risks acceptability and design corresponding internal control procedures to monitor the risk level of the Company. These risk management policies and related internal control systems are regularly reviewed by the Company to adapt to changes in market conditions or the Company's business activities.

8.1 Credit Risk

For receivables, the Company's credit control department has formulated credit policies according to the actual situation, and conducted credit assessment on customers to determine the credit limit and credit term. Credit evaluation is mainly based on the customer's financial status, external rating and bank credit record (if possible). Debtors whose receivables are more than three months overdue will be required to pay off all outstanding balances before they can obtain further credit lines. In general, the Company will not require customers to provide collateral.

The Company adopts the method of separate measurement and combination to evaluate the bad debt provision, and the provision of bad debt on 31 December 2020 and 31 December 2019 has been disclosed in Notes 5.3, 5.4 and 5.6.

The Company's credit risk is mainly affected by the characteristics of each customer, rather than the

industry or country and region of the customer. Therefore, the concentration of significant credit risks mainly comes from the existence of significant receivables for individual customers of the Company. On the balance sheet date, the accounts receivable of the top five customers of the Company accounted for the total accounts receivable and other accounts receivable of the Company, which were disclosed in Note 5.3 and 5.6 respectively. In addition, the receivables of the Company that are neither overdue nor impaired are mainly related to a large number of customers with no recent default records.

The maximum credit exposure of the Company is the carrying amount of each financial asset (including derivative financial instruments) in the balance sheet. Except for the financial guarantees made by the Company to related parties as set forth in Note 10.5 (3), the Company does not provide any other guarantees that may expose the Company to credit risks.

As at 31 December, the financial assets that have been overdue or impaired by the Company are as follows:

(1) Aging analysis of overdue unimpaired financial assets: None.

(2) Analysis of financial assets with single impairment

Items	31 December 2020		31 December 2019	
	Book value	Provision of impairment	Book value	Provision of impairment
Accounts receivable	201,124,902.16	167,579,960.03	235,817,137.33	196,752,207.19
Other receivables	27,187,256.96	27,187,256.96	133,484,004.63	133,484,004.63
Total	228,312,159.12	194,767,216.99	369,301,141.96	330,236,211.82

8.2 Liquidity Risk

Items	31 December 2020				
	Within 1 year	1-2 years	2-3 years	Above 3 years	Total
Short-term loans	5,067,682,762.45	-	-	-	5,067,682,762.45
Held-for-trading financial assets	23,559,939.00	-	-	-	23,559,939.00
Notes payable	9,649,794,186.01	-	-	-	9,649,794,186.01
Accounts payable	5,381,266,886.46	-	-	-	5,381,266,886.46
Interest payable	-	-	-	-	-
Other payables	1,445,100,111.32	-	-	-	1,445,100,111.32
Long-term loans due within one year	388,613,220.33	338,575,180.50	1,244,783,790.15	2,524,894,682.01	4,496,866,872.99
Long-term payables due within one year	221,833,419.89	112,221,560.61	82,057,152.31	211,558,146.59	627,670,279.40
Total	22,177,850,525.46	450,796,741.11	1,326,840,942.46	2,736,452,828.60	26,691,941,037.63

Liquidity risk is the risk of shortage of funds when fulfilling the obligation of settlement by delivering cash or other financial assets. The Company is responsible for the capital management of all of its subsidiaries, including short-term investment of cash surplus and dealing with forecasted cash demand by raising loans. The Company's policy is to monitor the demand for short-term and long-term floating capital and whether the requirement of loan contracts is satisfied so as to ensure to maintain adequate cash and cash equivalents.

As at 31 December, the maturity profile of the Company's financial liabilities is as follows:
(Continued)

Items	31 December 2019				
	Within 1 year	1-2 years	2-3 years	Above 3 years	Total
Short-term loans	6,040,774,904.22	-	-	-	6,040,774,904.22
Held-for-trading financial assets	41,702.93	-	-	-	41,702.93
Notes payable	4,693,785,705.22	-	-	-	4,693,785,705.22
Accounts payable	4,483,214,091.63	-	-	-	4,483,214,091.63
Interests payable	42,722,756.37	-	-	-	42,722,756.37
Other payables	856,812,288.97	-	-	-	856,812,288.97
Long-term loans due within one year	664,753,534.00	510,591,047.78	138,090,988.70	1,955,519,860.00	3,268,955,430.48
Long-term payables due within one year	150,578,111.47	153,104,840.21	80,155,021.14	207,740,454.25	591,578,427.07
Total	16,932,683,094.81	663,695,887.99	218,246,009.84	2,163,260,314.25	19,977,885,306.89

8.3 Market Risk

(a) Foreign currency risk

For foreign currency assets and liabilities, such as monetary funds, accounts receivable and payables, short-term borrowings and other foreign currency assets and liabilities that are not denominated in the functional currency, the Company will buy and sell foreign currencies at market exchange rates if there is a short-term imbalance, to ensure that net exposure is maintained at an acceptable level.

As at 31 December, the main foreign exchange exposure of the Company's foreign currency asset and liability items is as follows (for presentation reasons, the amounts exposed are listed in RMB and converted at the spot exchange rate on the balance sheet date):

(i) The analysis of the exchange rate exposure and sensitivity to foreign currency assets and liabilities as at 31 December in RMB as the functional currency is as follows:

A. RMB as the functional currency, foreign currency assets and liabilities item exchange rate exposure

Items	2020.12.31		2019.12.31	
	Foreign currency	RMB	Foreign currency	RMB
Cash and cash equivalents				
-USD	117,873,189.16	769,110,771.95	205,586,453.50	1,434,212,216.91
-EUR	7,315,083.65	58,703,546.29	7,137,614.24	55,784,024.09
-GBP	51,226.30	455,417.17	132,350.89	1,211,023.88
-JPY	73,103,507.00	4,622,773.37	47,171,851.94	3,023,055.30
Held-for-trading financial assets				
-USD	4,469.12	29,160.57	-	-
Accounts receivable				
-USD	13,609,368.46	88,799,768.26	26,699,476.71	186,260,889.42
-EUR	3,320,102.64	26,643,823.69	3,049,881.37	23,836,347.85
-JPY	4,000,000.00	252,944.00	-	-
-Rufiyaa	2,629,984.23	1,116,176.80	2,629,984.22	1,185,452.21
Other receivables				
-USD	286,045.89	1,866,420.83	14,624,219.48	102,021,479.94
-EUR	6,353.35	50,985.63	393,758.34	3,077,418.31
-JPY	-	-	631,199.95	40,451.08
Short-term borrowings and long-term borrowings due with one year				
-EUR			15,000,000.00	117,232,500.00
-USD	107,400,000.00	700,774,260.00	364,400,000.00	2,542,127,280.00
Accounts payable				
-USD	1,926,371.74	12,569,382.97	667,513.18	4,656,705.45
-EUR	2,325,277.05	18,660,348.33	-	-
-JPY	15,989,400.00	1,011,105.70	11,735,718.50	752,095.26
Other payable				
-USD	18,140,234.26	118,363,214.53	7,080,466.93	49,394,753.40
-EUR	217,490.96	1,745,364.97	13,244.23	103,510.28
-JPY	24,104,891.04	1,524,296.89	23,894,609.74	1,531,309.96

B. Sensitivity analysis:

If the RMB fluctuates against the USD, EUR, GBP, JPY and rufiyaa on 31 December depreciate by 1% without any change in other risk variables, will result in a reduction of RMB18,062,997.62 in owners' equity and net profit of the Company in 2020 (2019: RMB9,051,457.95). On 31 December, under the premise that other variables remain unchanged, If the RMB fluctuates against the USD, EUR, GBP, JPY and rufiyaa on 31 December rise up 1%, will cause the change of owners' equity and net profit to be the same as the amount listed in the above table, but in the opposite direction.

(ii)The analysis of the exchange rate exposure and sensitivity to foreign currency assets and liabilities as at 31 December in USD as the functional currency is as follows:

A. USD as the functional currency, foreign currency assets and liabilities item exchange rate exposure

Items	2020.12.31		2019.12.31	
	Foreign currency	RMB	Foreign currency	RMB
Cash and cash equivalents				
-RMB			8,741,225.09	8,741,225.09
-EUR	14,613,928.49	117,276,776.13	9,698,248.07	75,796,657.79
-GBP	-	-	-	-
-JPY	39,336,543.00	2,487,485.63	40,663,597.00	2,605,967.28
-THB	44,742,768.43	9,748,729.39	32,497,175.36	7,564,871.59
-rufiyaa	14,701,524.08	6,239,391.09	13,271,793.95	5,982,194.62
Accounts receivable				
-RMB	17,689,701.15	17,689,701.15	17,659,278.03	17,659,278.03
-EUR	695,923.25	5,584,784.08	695,923.25	5,438,988.16
-JPY	-	-	60,238,519.26	3,860,445.75
Other receivables				
-RMB			433,572.64	433,572.64
-THB	8,167,894.00	1,779,652.69	34,175,762.92	7,955,622.45
Accounts payable				
-RMB	159,239.00	159,239.00	6,662.20	6,662.20
-EUR	3,568,085.80	28,633,888.55	374,500.00	2,926,904.75
-THB	174,554,931.05	38,032,711.14	91,104,797.44	21,207,876.87
Other payable				
-RMB	416,754.95	416,754.95	64,899.17	64,899.17
-EUR	6,770.89	54,336.43	-	-
-THB	124,450,381.55	27,115,735.91	95,571,450.87	22,247,649.07

B. Sensitivity analysis:

If the USD fluctuates against the RMB, EUR, THB, JPY and rufiyaa on 31 December depreciate by 1% without any change in other risk variables, will result in a increasion of RMB2,552,191.86 in owners' equity and net profit of the Company in 2020 (2019: RMB895,848.31). On 31 December, under the premise that other variables remain unchanged, If the USD fluctuates against the RMB, EUR, THB, JPY and rufiyaa on 31 December rise up 1%, will cause the change of owners' equity and net profit to be the same as the amount listed in the above table, but in the opposite direction.

(ii)The analysis of the exchange rate exposure and sensitivity to foreign currency assets and liabilities as at 31 December in EUR as the functional currency is as follows:

A. EUR as the functional currency, foreign currency assets and liabilities item exchange rate exposure

Items	2020.12.31		2019.12.31	
	Foreign currency	RMB	Foreign currency	RMB
Cash and cash equivalents				
-RMB	3,936,201.49	3,936,201.49	19,435,829.35	19,435,829.35
-USD	45,165,690.62	294,701,614.75	42,121,175.88	293,845,747.17
-GBP	44,512.92	395,733.21	410,067.78	3,752,161.19
-SF	654,731.78	4,845,408.01	628,448.14	4,526,586.26
Accounts receivable				
-USD	50,256,526.77	327,918,811.52	33,420,945.91	233,151,202.86
-GBP	38,660.10	343,699.89	39,765.51	363,858.39
Other receivables				
-USD	182,699.45	1,192,095.64	11,249,024.57	78,475,445.21
-GBP			-	-
-SF	121,000.00	895,472.60	6,229.24	44,867.97
Accounts payable				
-RMB	-	-	30,000.00	30,000.00
-USD	275,205.34	1,795,687.32	3,180,665.93	22,188,961.66
Other payable				
-USD	201,611.60	1,315,495.56	565,556.23	3,945,433.37
-SF	11,455.00	101,838.37	392.67	2,828.32
-GBP	14,010.60	103,686.85		

B. Sensitivity analysis:

If the EUR fluctuates against the RMB, USD, GBP, Rand, SF and INR on 31 December depreciate by 1% without any change in other risk variables, will result in a incresation of RMB6,375,457.45 in owners' equity and net profit of the Company in 2020 (2019: RMB6,074,284.75). On 31 December, under the premise that other variables remain unchanged, If the EUR fluctuates against the RMB, USD, GBP, Rand, SF and INR on 31 December rise up 1%, will cause the change of owners' equity and net profit to be the same as the amount listed in the above table, but in the opposite direction.

(ii)The analysis of the exchange rate exposure and sensitivity to foreign currency assets and liabilities as at 31 December in JPY as the functional currency is as follows:

A. JPY as the functional currency, foreign currency assets and liabilities item exchange rate exposure

Items	2020.12.31		2019.12.31	
	Foreign currency	RMB	Foreign currency	RMB
Cash and cash equivalents				
-USD	87,112.92	568,403.09	3,539,788.96	24,694,275.74
Accounts receivable				
-USD	4,856,270.71	31,686,680.76	7,687,870.10	53,632,119.39

Items	2020.12.31		2019.12.31	
	Foreign currency	RMB	Foreign currency	RMB
Accounts payable				
-USD	48,312.00	315,230.97		
Other payable				
-USD	13,250.00	86,454.92	-	-
-EUR			23,714.99	185,344.50

B. Sensitivity analysis:

If the JPY fluctuates against the USD on 31 December depreciate by 1% without any change in other risk variables, will result in a increase of RMB326,567.70 in owners' equity and net profit of the Company in 2020 (2019: RMB781,410.51). On 31 December, under the premise that other variables remain unchanged, If the JPY fluctuates against the USD on 31 December rise up 1%, will cause the change of owners' equity and net profit to be the same as the amount listed in the above table, but in the opposite direction.

The above sensitivity analysis is based on the assumption of a change in the balance sheet day exchange rate at which the balance sheet is held by the Japanese Group at a rate of exchange that is subject to exchange rate risk. The above analysis does not include differences in translation of foreign currency statements. Previous year analyses are based on the same assumptions and methods.

(b) Interest rate risk

The interest rate risk of the Company is mainly generated from long-term and short-term bank loans and other financial assets. The financial liability of floating interest rate makes the Company face the interest risk of cash flow, while the financial liability of fixed interest rate makes the Company face the interest risk of fair value. The Company determines the relative proportions of fixed and floating rate contracts in accordance with prevailing market environment.

The financial department of the Company headquarters continuously monitors the interest rate of the company. A rise in interest rates will increase the cost of new interest-bearing debt and the interest expense of the Company's outstanding interest-bearing debt at a floating rate, and will have a material adverse effect on the Company's financial performance. The management will make timely adjustments based on the latest market conditions.

As at 31 December, with other risk variables remaining unchanged, if the interest rate on that day is reduced by 100 basis points, the Company's net profit in 2020 will increase by RMB 2,679,700(2019: RMB17,771,200), which is mainly due to the reduction in the interest expense of variable interest rate borrowing. In the case that other risk variables remain unchanged, if the interest rate rises by 100 basis points on the same day, the Company's net profit in 2020 will be reduced by RMB 2,679,700 (2019: RMB17,771,200).

9. FAIR VALUE DISCLOSURES

9.1 Assets and Liabilities Measured at Fair Value at 31 December

Items	Fair value at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
(a) Held-for-trading financial assets	-	914,709,238.85	-	914,709,238.85
(i) Financial assets at fair value through profit or loss				
(1) Derivatives	-	47,143,555.33	-	47,143,555.33
(2) Bank financial products	-	867,565,683.52	-	867,565,683.52
(b) Accounts receivable financing	-	-	1,614,996,704.71	1,614,996,704.71
(c) Other debt investments	-	43,341,214.97	-	43,341,214.97
(d) Other equity instrument investment	-	129,449,500.00	-	129,449,500.00
Total assets measured at fair value on a recurring basis		1,087,499,953.82	1,614,996,704.71	2,702,496,658.53
(d) Held-for-trading financial liabilities		23,559,939.00	-	23,559,939.00
Derivatives		23,559,939.00	-	23,559,939.00
Total liabilities measured at fair value on a recurring basis		23,559,939.00	-	23,559,939.00

9.2 Valuation Technique(s), Qualitative and Quantitative Information about the Significant Inputs Used for Fair Value Measurement in Level 2 on a Recurring or Nonrecurring Basis

The fair value of forward foreign exchange contracts in derivative financial assets is determined by discounting the difference between the exercise price of forward foreign exchange contracts and the market forward price. The discount rate used is the Treasury yield curve related to the end of the reporting period.

The fair value of bank financial products is determined according to the fair value identification documents issued by the bank.

The fair value of other debt investment and other equity instrument investment is adjusted according to its recent financing or transfer price.

9.3 Valuation Technique(s), Qualitative and Quantitative Information about the Significant Inputs Used for Fair Value Measurement in Level 3 on a Recurring or Nonrecurring Basis

The accounts receivable financing is discounted as fair value according to the future cash flow. If the expiry date of the contract is short and the cash flow is not discounted within 12 months, the accounts receivable financing cost is taken as fair value.

9.4 Reasons for conversion and the policy for determining the conversion time point for the one on a recurring basis and conversing among different levels in the reporting period

In 2020 and 2019, there is no conversion among the above levels of assets and liabilities measured at fair value on a recurring basis.

10. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

10.1 Information about the ultimate controller of the Company

The ultimate controller of the Company is Mr. Jifan Gao, a natural person. As of 31 December 2020, Jifan Gao (including persons acting in concert) controls 40.86% of the Company's equity directly and indirectly, including 17% direct stake, 19.19% indirect stake through controlled companies Jiangsu Panji Investment Co., Ltd., Jiangsu Qinghai Investment Co., Ltd. and Trina Xingyuan Investment Development Co., Ltd, and 4.67% stake through persons acting in concert Changzhou Ruichuang and investment partnership (limited partnership), Changzhou Xiechuang investment partnership (limited partnership), Changzhou YingChuang investment partnership (limited partnership), Changzhou coagulation and investment partnership (limited partnership), Changzhou Tianchuang enterprise management consulting partnership (limited partnership), Chunyan Wu, and Jiangsu Youze Technology Group Co., Ltd.

10.2 General Information of Subsidiaries

Details of the subsidiaries please refer to *Notes 7 INTERESTS IN OTHER ENTITIES*.

10.3 Joint Ventures and Associates of the Company

(a) General information of significant joint ventures and associates

(i) Information about important associates of the Company:

Entity name of associates	Relationship with the Company
Lijiang Longji Silicon Materials Co., Ltd.	Associate of the Company

(ii) Information about other joint ventures and associates of the Company:

Entity name of joint ventures or associates	Relationship with the Company
Beijing Zhizhong Energy Internet Research Institute Co., Ltd.	Associate of a subsidiary of the Company
Shenzhen Quantum Power Energy Internet Co., Ltd.	Associate of a subsidiary of the Company
Bright Solar Renewable Energy Private Limited	Associate of a subsidiary of the Company
Jiangsu Tianhui Lithium Battery Co. Ltd	Associate of a subsidiary of the Company
Changzhou Ganghua Trina Smart Energy Co., Ltd.	Associate of a subsidiary of the Company
Greenrock Trina GmbH	Joint venture of a subsidiary of the Company
EPC 17 GmbH	Joint venture of a subsidiary of the Company
Projekt 28 GmbH & Co. KG	Joint venture of a subsidiary of the Company
PSM 30 GmbH & Co.KG	Joint venture of a subsidiary of the Company

Entity name of joint ventures or associates	Relationship with the Company
PSM 50 GmbH & Co.KG	Joint venture of a subsidiary of the Company
Promoenercol Solar S.A.S.	Joint venture of a subsidiary of the Company

10.4 Information about other related parties

Entity name of other related parties	Relationship with the Company
Chunyan Wu	The spouse of Jifan Gao, the actual controller of the Company
Jiqing Gao	Brother of Jifan Gao, senior manager of the Company
Weizhong Wu	Brother of Chunyan Wu
Weifeng Wu	Brother of Chunyan Wu
Directors, supervisors and senior managers	Key Management Personnel
Jiangsu Youze Technology Group Co., Ltd.	Controlled by Chunyan Wu, Weizhong Wu and Weifeng Wu
Jiangsu Youze International Logistics Co., Ltd.	Subsidiary of Jiangsu Youze Technology Group Co., Ltd.
Jiangsu Sun City Architectural Design Institute Co. Ltd	Controlled by the same ultimate actual controller of the Company
Yancheng Guoneng Investment Co., Ltd.	Minority shareholders of important subsidiaries of the Company
Toksun County Trina Solar Energy Co., Ltd	Once controlled by the Company
Changzhou Jiuling New Energy Technology Co. Ltd	A company controlled by Weizhong Wu
Changzhou Junhe Technology Co., Ltd	A company controlled by Weifeng Wu
Trina Xingyuan Investment Development Co., Ltd	Controlled by the same ultimate actual controller of the Company
Changzhou Trina Rural Agriculture Development Co., Ltd	Controlled by the same ultimate actual controller of the Company
Trina Solar Limited	Controlled by the same ultimate actual controller of the Company
Trina Solar Korea Limited	Controlled by the same ultimate actual controller of the Company
Trina Solar (Hong Kong) Second Holdings Limited	Controlled by the same ultimate actual controller of the Company
ESJ Renewable I, S. de R.L.de C.V.	joint stock company of the subsidiaries of the company
Mitre Calera Solar, S. de R.L. de C.V.	Once joint stock company of the subsidiaries of the company
Mega Solar1408-L G.K.	Once controlled by the company
Sirius Solar Japan 30 G.K.	Once controlled by the company
Sirius Solar Japan 34 G.K.	Once controlled by the company
Qinhuangdao bosuo Photoelectric Equipment Co., Ltd	Vice chairman, also the independent director of the company
Shuntai Finance Leasing Co., Ltd	Legal representative and chairman, also the supervisor of the company
Changjia finance leasing (Shanghai) Co., Ltd	Legal representative and chairman, also the supervisor of the company

10.5 Related Party Transactions

(a) Purchases or sales of goods, rendering or receiving of services

Purchases of goods, receiving of services:

Related parties	Nature of the transaction(s)	2020	2019
Qinhuangdao bosuo Photoelectric Equipment Co., Ltd	Purchases of goods	—	3,103.45
Lijiang Longji silicon material Co., Ltd	Purchases of goods	707,305,988.24	448,148,675.98
Changzhou Fangshuo equipment installation engineering Co., Ltd	Purchases of goods	—	73.39
Shenzhen Quantum Power Energy Internet Co. Ltd	Purchases of goods		37,055.00
Jiangsu Sun City Architectural Design Institute Co., Ltd.	Receiving of services	3,479,403.17	—
Yancheng Guoneng Investment Co., Ltd	Receiving of services	216,117.99	—
Jiangsu Youze International Logistics Co., Ltd	Receiving of services	2,729,677.94	—
Jiangsu Youze Technology Group Co., Ltd	Receiving of services	1,417,466.15	—

Sales of goods and rendering of services:

Related parties	Nature of the transaction(s)	2020	2019
Beijing Zhizhong energy Internet Research Institute Co., Ltd	Sales of goods	—	138.75
EPC 17 GmbH	Sales of goods	—	1,880,265.73
GreenRock Trina GmbH	Sales of goods	—	12,995,599.26
Yancheng Yunshan photovoltaic power generation Co., Ltd	rendering of services	—	61,646.28
ESJ RENOVBABLE I, S. DE R.L. DE C.V.	rendering of services	18,591.76	457,739,570.38
Mitre Calera Solar, S. de R.L. de C.V.	rendering of services	13,058,500.00	436,176,015.05
Changzhou Juhe New Material Co., Ltd	rendering of services		12,264.16
Huai'an Zhongchuang Energy Development Co., Ltd	rendering of services		162,578.61
Huai An huangma Trina Solar Electricity Generation Pte Ltd	rendering of services		158,333.33

Related parties	Nature of the transaction(s)	2020	2019
Huai An Yiheng Electricity Generation Pte Ltd	rendering of services		129,716.98
Huai'an Tianfeng Solar Power Generation Co., Ltd	rendering of services		157,232.71
Yanqi Huaguang power generation Co., Ltd	rendering of services		471,698.11
TuLufan Zhongfuwang PV Electricity Generation Co., Ltd.	rendering of services		314,465.41
Shanshan AnPeiqi Co., Ltd.	rendering of services		327,358.49
Hefei Bright Vision PV Electricity Co., LTD	rendering of services		393,605.66
Guyuan Guanghui new energy power generation Co., Ltd	rendering of services		377,358.49
Ushuaguang Power Generation Co., Ltd	rendering of services		628,930.82
Huang Gang Yuanjing Electric Power Development Co., Ltd.	rendering of services		636,635.22
CEC (Ulanhot) photovoltaic power generation Co., Ltd	rendering of services		471,698.11
Hongze Heyuan Photovoltaic power Co., Ltd.	rendering of services		78,616.35
Huang Gang Yuanjing Electric Power Development Co., Ltd.	rendering of services		786,163.52
Hami Honghua Solar Energy Technology Co., Ltd	rendering of services		314,779.87
Huang Gang Yuanjing Electric Power Development Co., Ltd.	rendering of services		103,616.35
Ganzhou Huadian New Energy Technology Co., Ltd.	rendering of services		67,610.06
Rong Cheng Yuancheng Solar Power Co., Ltd.	rendering of services		178,773.59
Yineng Trina Solar Electricity Generation Pte Ltd	rendering of services		1,572,327.05
Yunnan Metallurgical New Energy Co.,Ltd	rendering of services		8,352,416.21
Shanghai Xuanhe Photovoltaic power Co., Ltd.	rendering of services		180,588.95
Hangzhou Guangshun Power Technology Co., Ltd	rendering of services		520,754.71
SuQian Tianlan PV Electricity Co., LTD	rendering of services		810,255.63
TuoKexun Trina Solar Co., Ltd	rendering of services	1,416,657.68	4,782,768.40

Related parties	Nature of the transaction(s)	2020	2019
Yancheng Tianqi Solar Power Co., Ltd	rendering of services		15,047.17
Sirius Solar Japan 22 G.K.	rendering of services		13,824.02
Sirius Solar Japan 13 G.K.	rendering of services		21,386.72
Sirius Solar Japan 12 G.K.	rendering of services		30,968.08
Sirius Solar Japan 18 G.K.	rendering of services		29,443.01
Sirius Solar Japan 25 G.K.	rendering of services		445,729.86
Sirius Solar Japan 29 G.K.	rendering of services		196,740.07
Sirius Solar Japan 32 G.K.	rendering of services		72,024.47
Sirius Solar Japan 34 G.K.	rendering of services	960.24	21,452.33
Sirius Solar Japan 36 G.K.	rendering of services		225,399.18
Univergy 82 GK	rendering of services		384,901.22
Sirius Solar Japan 37 G.K.	rendering of services		244,117.83
Sirius Solar Japan 30 G.K.	rendering of services	32,585.04	5,415,939.73
MegaSolar 1408-L G.K.	rendering of services	8,756.72	136,156.90
Jiangsu Sun City Architectural Design Institute Co. Ltd	rendering of services	212,600.00	

(b) Leases

(i) Financial leases

The Company as lessee:

The lessor	Currency	Type of assets	Inception date	Maturity date
Shuntai Finance Leasing Co., Ltd	RMB	4,000,000.00	2017-4-15	2021-4-15

(ii) Operating leases

The Company as lessor:

The lessee	Type of assets	2020	2019
Changzhou Trina Garden Agriculture Development Co., Ltd.	Irrigation equipment such as greenhouses	619,469.03	1,318,851.08

The Company as lessee:

The lessor	Type of assets	2020	2019
Jiangsu Youze International Logistics Co., Ltd.	Factory building	4,973,571.43	7,957,714.32

(c) Guarantees

As the guarantor:

During the reporting period, the Company did not act as a guarantor to provide guarantees for related party companies.

As the guarantee holder:

Guarantee	Currency	Amount guaranteed	Inception date of guarantee	Maturity date of guarantee	Entity guaranteed	Guarantee expired (Y/N)
Trina Solar Limited	RMB	420,000,000.00	2015-10-12	2021-10-11	Trina Solar Co., Ltd	N
Trina Solar Limited	EUR	5,000,000.00	2013-7-22	-	Trina Solar (Schweiz) AG	Y
Trina Solar Limited	EUR	20,850,000.00	2014-3-26	2019-5-30	Trina Solar (Luxembourg) Overseas System S.a.r.l	Y
Trina Solar Limited	RMB	690,000,000.00	2016-1-25	2019-1-25	Trina Solar Co., Ltd	Y
Trina Solar Limited	RMB	140,000,000.00	2016-3-29	2024-3-28	Jiangsu Trina Solar Electric Power Development Holdings Ltd.	Y (note 1)
Jifan Gao, Chunyan Wu	RMB	400,000,000.00	2018-9-12	2019-9-3	Trina Solar Co., Ltd	Y
Jifan Gao, Chunyan Wu	USD	100,000,000.00	2018-8-29	2019-8-28	Trina Solar Co., Ltd	Y
Jifan Gao, Chunyan Wu	USD	100,000,000.00	2018-11-12	2019-11-11	Trina Solar Co., Ltd	Y
Jifan Gao, Chunyan Wu	USD	100,000,000.00	2018-9-17	2019-9-16	Trina Solar Co., Ltd	Y
Jifan Gao, Chunyan Wu	USD	80,000,000.00	2018-11-15	2019-11-14	Trina Solar Co., Ltd	Y
Trina Xingyuan Investment Development Co., Ltd	RMB	4,000,000.00	2016-12-13	2023-4-15	Jiangsu Trina Energy Management Co., Ltd	N
Jifan Gao, Chunyan Wu	RMB	2,000,000,000.00	2019-3-15	2020-3-13	Trina Solar Co., Ltd	Y
Jifan Gao, Chunyan Wu	RMB	400,000,000.00	2019-12-3	2020-11-10	Trina Solar Co., Ltd	Y

Guarantee	Currency	Amount guaranteed	Inception date of guarantee	Maturity date of guarantee	Entity guaranteed	Guarantee expired (Y/N)
Jifan Gao, Chunyan Wu	USD	70,000,000.00	2019-10-11	2020-9-29	Trina Solar Co., Ltd	Y
Jifan Gao, Chunyan Wu	USD	40,000,000.00	2019-10-24	2020-9-29	Trina Solar Co., Ltd	Y
Jifan Gao, Chunyan Wu	USD	30,000,000.00	2019-10-24	2020-10-23	Trina Solar Co., Ltd	Y
Jifan Gao, Chunyan Wu	USD	100,000,000.00	2019-11-22	2020-11-20	Trina Solar Co., Ltd	Y
Jifan Gao, Chunyan Wu	USD	20,000,000.00	2019-12-30	2020-12-29	Trina Solar Co., Ltd	Y
Jifan Gao, Chunyan Wu	USD	60,000,000.00	2020-1-2	2020-12-29	Trina Solar Co., Ltd	Y
Jifan Gao, Chunyan Wu	RMB	470,000,000.00	2019-11-25	2020-11-6	Trina Solar Co., Ltd	Y
Jifan Gao, Chunyan Wu	RMB	300,000,000.00	2020-2-21	2020-9-11	Trina Solar Co., Ltd	Y
Jifan Gao, Chunyan Wu	RMB	300,000,000.00	2020-3-3	2020-9-2	Trina Solar Co., Ltd	Y
Jifan Gao, Chunyan Wu	RMB	200,000,000.00	2020-11-24	2023-11-23	Trina Solar Co., Ltd	N
Jifan Gao, Chunyan Wu	RMB	476,000,000.00	2020-12-7	2021-12-6	Trina Solar Co., Ltd	N
Jifan Gao, Chunyan Wu	RMB	204,000,000.00	2020-12-7	2023-12-6	Trina Solar Co., Ltd	N
Jifan Gao, Chunyan Wu	RMB	500,000,000.00	2020-12-31	2021-12-22	Trina Solar Co., Ltd	N

Note: Jiangsu Trina Solar Electric Power Development Holdings Ltd., a subsidiary of the company, repaid the loan under the guarantee in advance on 10 January 2017, and the guarantee has been fulfilled.

(d) Borrowings and lendings

Lending

Related parties	Currency	Amount	Starting date	Expiring date
ESJ Renovable I,S.de R.L.de C.V.	USD	3,757,168.62	2018-6-15	Returned
ESJ Renovable I,S.de R.L.de C.V.	USD	5,882,649.07	2018-6-15	Returned
ESJ Renovable I,S.de R.L.de C.V.	USD	1,382,210.75	2018-6-15	Returned
ESJ Renovable I,S.de R.L.de C.V.	USD	167,956.87	2018-6-15	Returned
Greenrock Trina GmbH	EUR	1,029,000.00	2019-3-15	—
Greenrock Trina GmbH	EUR	1,380,000.00	2019-6-7	—
Greenrock Trina GmbH	EUR	640,000.00	2019-6-24	—
EPC 17 GMBH	EUR	219,920.00	2018-10-25 (note 1)	—

Note (1): In October 2018, the Company signed a loan contract with EPC 17 GMBH and lent USD 219,920.00 in 2019. As of 31 December 2020, EPC 17 GMBH has returned EUR 219,401.38.

(e) Transfers of assets and debt restructuring

Related parties	Type of transactions	2020
Jiangsu Tianrenheyi living environment development Co., Ltd	Equity transfer	3,781,300.00
Jiangsu youze Technology Group Co., Ltd	Equity transfer	1,336,100.00

(f) Remuneration of key management personnel

Items	2020	2019
Remuneration of key management personnel	29,085,475.98	22,597,813.59

(g) Other related party transactions**(i) Interest expense**

Related parties	Type of transactions	2020	2019
Shuntai Finance Leasing Co., Ltd	Interest expense	58,280.51	121,098.78

(ii) Interest income

Related parties	Type of transactions	2020	2019
ESJ Renovable I, S. de R.L.de C.V.	Interest income	2,907,574.38	2,193,646.72

Related parties	Type of transactions	2020	2019
Yancheng Tianqi Solar Power Co., Ltd	Interest income	—	52,627.00
Toxon Trina Solar Co., Ltd	Interest income	—	374,772.50
Xiangshui Yongneng Solar Power Co., Ltd	Interest income	—	927,968.93
Xiangshui hengneng Solar Power Co., Ltd	Interest income	—	4,788,144.53
Suqian Tianlan photovoltaic power Co., Ltd	Interest income	—	352,992.95

(ii) Related party sales loan

Related parties	Type of transactions	2020	2019
Changjia Financial Leasing (Shanghai) Co., Ltd.	Sales loan	538,000.00	51,479,000.00

10.6 Receivables and Payables with Related Parties

(a) Receivables

Items	Related parties	31 December 2020		31 December 2019	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	TuoKexun Trina Solar Co., Ltd	-	-	4,453,333.33	22,266.67
Accounts receivable	SuQian Tianlan PV Electricity Co., LTD	-	-	858,870.97	14,419.35
Accounts receivable	EPC 17 GmbH	501,678.94	50,167.89	1,544,237.37	77,211.87
Accounts receivable	GreenRock Trina GmbH	9,607,285.32	960,728.53	13,264,228.31	525,365.34
Accounts receivable	Sirius Solar Japan 25 G.K.	-	-	212,597.37	1,062.99
Accounts receivable	Sirius Solar Japan 29 G.K.	-	-	2,298,779.39	11,493.90
Accounts receivable	Sirius Solar Japan 32 G.K.	-	-	16,145.04	80.73
Accounts receivable	Sirius Solar Japan 34 G.K.	-	-	19,492.65	958.77
Accounts receivable	Sirius Solar Japan 36 G.K.	-	-	23,463.18	117.32
Accounts receivable	Sirius Solar Japan 37 G.K.	-	-	52,245.52	261.23
Accounts receivable	SOLAR FIELD 1 G.K.	-	-	762,733.82	38,136.69
Accounts receivable	Univergy 82 GK	-	-	211,079.00	1,055.39
Accounts receivable	Sirius Solar Japan 30 G.K.	-	-	116,196.24	1,579.27
Accounts receivable	Mega Solar 1408-L G.K.	-	-	123,748.81	618.74
Accounts receivable	Changzhou Ganghua Trina Smart Energy Co., Ltd.	2,070,297.40	10,351.49	-	-
Total accounts receivable		12,179,261.66	1,021,247.91	23,957,151.00	694,628.26
Other receivables	Top Energy International			719,172.06	215,751.62

Items	Related parties	31 December 2020		31 December 2019	
		Book balance	Bad debt provision	Book balance	Bad debt provision
	Limited				
Other receivables	Jifan Gao			17,499,018.38	88,009.79
Other receivables	Trina Xingyuan Investment Development Co., Ltd			74,577,818.98	372,889.09
Other receivables	ESJ Renovable I,S.de R.L.de C.V.			87,243,593.86	4,818,998.78
Other receivables	Xiaozhong Yang			624	3.12
Other receivables	Zhiqiang Feng			31,068.16	744.96
Other receivables	Rongfang Yin			58,604.40	293.02
Other receivables	Greenrock Trina GmbH			23,940,830.38	1,197,041.52
Other receivables	EPC 17 GMBH			2,523,403.93	126,170.20
Other receivables	SuQian Tianlan PV Electricity Co., LTD			47,327,432.78	2,366,371.64
Other receivables	Changzhou Hewei Photovoltaic Material Co., Ltd.			552,557.17	27,627.86
Other receivables	Mori Tianhui PV Electricity Generation Co., Ltd.			525,171.18	26,258.56
Total other receivables		129,632,115.61	3,009,388.13	254,999,295.28	9,240,160.16
Advance to suppliers	Lijiang Longji Silicon Material Co. Ltd	41,052,351.16		-	-
Total Advance to suppliers		41,052,351.16			
Dividends receivables	SuQian Tianlan PV Electricity Co., LTD		-	1,274,376.51	-
Total dividends receivable			-	1,274,376.51	-

(b) Payables

Items	Related parties	31 December 2020	31 December 2019
Notes payables	Lijiang Longji silicon material Co., Ltd	416,744,835.17	144,931,035.74
Total notes payables		416,744,835.17	144,931,035.74
Accounts payable	Changzhou Jiuling New Energy Technology Co., Ltd	-	104,736.71
Accounts payable	Jiangsu youze Technology Group Co., Ltd	-	5,583.20
Accounts payable	Qinhuangdao bosuo Photoelectric Equipment Co., Ltd	-	5,811.97
Accounts payable	Lijiang Longji silicon material Co., Ltd	-	77,172,056.38
Accounts payable	Shenzhen Quantum Power Energy Internet Co. Ltd	-	37,055.00
Total accounts payable		-	77,341,883.26

Items	Related parties	31 December 2020	31 December 2019
Advances from customers	Changzhou Jiuling New Energy Technology Co., Ltd	4,063.23	5,111.90
Advances from customers	Beijing Zhizhong energy Internet Research Institute Co., Ltd	660.90	660.90
Advances from customers	ESJ Renewable I, S. de R.L.de C.V.	-	15,003,181.56
Advances from customers	Green Mega Solar G.K.	-	6,996,194.56
Advances from customers	Changzhou Ganghua Trina Intelligent Energy Co., Ltd	17,571,000.00	-
Total advances from customers		17,575,724.13	22,005,148.92
Other payables	Trina Solar (Hong Kong) Second Holdings Limited	6,524,900.00	6,976,200.00
Other payables	Trina Solar Korea Limited	354,520.13	356,572.98
Other payables	Jiangsu youze International Logistics Co., Ltd	680,447.92	697,414.46
Other payables	Changzhou JUNHE Technology Co., Ltd	63,000.00	63,000.00
Other payables	Changzhou Trina Rural Agricultural Development Co., Ltd	1,350.00	1,400.00
Other payables	Qinhuangdao bosuo Photoelectric Equipment Co., Ltd	22,525.81	22,525.81
Other payables	Shuntai Financial Leasing Co., Ltd	8,501.43	-
Other payables	Yancheng Tianqi Solar Power Co., Ltd	—	62,292.30
Other payables	Changjia financial leasing (Shanghai) Co., Ltd	1,213,184.90	1,213,184.90
Other payables	Yancheng Guoneng Investment Co., Ltd	64,591.84	
Total other payables		8,933,022.03	9,392,590.45
Non-current liabilities maturing within one year	Shuntai Financial Leasing Co., Ltd	554,441.26	1,059,736.91
Total non-current liabilities maturing within one year		554,441.26	1,059,736.91
Long-term payables	Shuntai Financial Leasing Co., Ltd	-	554,441.26
Total long-term payables		-	554,441.26

11. COMMITMENTS AND CONTINGENCIES

11.1 Significant Commitments

(a) Capital commitments

Items	31 December 2020	31 December 2019
Contracts for the purchase of fixed assets that have been signed or are in preparation for performance	3,165,419,961.56	1,791,049,935.75

(b) Operating lease commitments

According to the operating lease agreement for housing and land, the minimum lease payments to be paid by the Company after 31 December 2020 and 31 December 2019 are as follows:

Items	31 December 2020	31 December 2019
Within 1 year	47,434,489.55	31,971,016.59
1-2 years	29,553,647.64	20,874,685.58
2-3 years	25,599,555.88	19,230,483.58
Over 3 years	291,506,071.39	280,336,504.25
Total	394,093,764.46	352,412,690.00

11.2 Contingencies

(a) Contingent liabilities arising from outstanding litigations and the corresponding financial effects

No.	Plaintiff	Defendant	Cause of action	Court	Amount of the subject matter	Status of the suit
1	Tianjin Beicheng New energy Technology Co., Ltd.	Changzhou Trina Intelligent Energy Engineering Co., Ltd.	Construction Contract disputes	Wuqing District People's Court of Tianjin	RMB11.6241 million	In the first instance trial
2	Renelux Renewables LLC	S. Aether Energy S.A. (subsidiary of the Company)	Construction Contract disputes	Athens court of first instance	EUR2.8188 million	Trina Solar won the first trial, and the plaintiff filed an appeal, which is currently in the process of trial
3	Jasmin Solar Pty Ltd	Trina Solar (Australia) Pty Ltd., Trina Solar (U.S.), Inc.	Module Payment disputes	Federal court of Australia	AUD4.1685 million	Suspension of proceedings
4	Servicios & Soluciones Electromecánicas, S.A. de C.V.	T.S. EPC DE MEXICO S.A. de C.V	EPC Contract disputes	Mexico City Civil Court	USD3.7 million	Trina Solar won the first trial, and the plaintiff filed an appeal, which is currently in the process of trial

Instructions:

(i) Tianjin Beicheng New Energy Technology co., Ltd. sued Trina solar Smart Energy Engineering co., Ltd., for the compensation for the loss of RMB 11.6241 million for the project. In July 2019, the People's Court of Wuqing District of Tianjin entrusted the third-party forensic appraisal center to conduct judicial appraisal on the appraisal matters. In April 2020, the judicial appraisal certificate was obtained, and the case is being tried in the first instance.

(ii) Due to a dispute over the EPC Construction Contract, Renelux renewables LLC sued S. Aether energy S.A. (a subsidiary of S. Aether energy S.A.). The plaintiff claimed compensation of EUR2.8188 million due to the termination of the EPC contract breached by the latter. The first level court issued the ruling in July 2019, and S. Aether energy S.A. won the first trial. On 16 December 2019, Renelux only appealed on the basis of procedural issues that it did not participate in the trial, and the case is in the process of trial.

(iii) In May 2015, the subsidiary Trinasolar (U.S.), Inc. (hereinafter referred to as "Trina Solar America") filed an arbitration with the International Arbitration Commission of the international dispute settlement center in the United States for the default of payment by JRC Services LLC (hereinafter referred to as "JRC") and Jasmin solar Pty Ltd (hereinafter referred to as "Jasmin"). In January 2016, the Arbitration Commission ruled that JRC and Jasimn should jointly pay USD1.3051 million and corresponding interest to Trina Solar America. In April 2016, Trina Solar America applied to the Southern District Court of New York State for confirmation and enforcement of the arbitration award. Moreover, Jasmin filed a lawsuit in Australia in October 2015, and claimed that Trina Solar (Australia) Pty Ltd. (hereinafter referred to as "Trina Solar Australia") and Trina Solar America should compensate the indirect profits loss of USD33.4079 million. The case is currently suspended because the court of appeal for the second circuit has yet to make a final judgment.

(iv) Servicios & soluciones Electromecánicas, S.A. de C.V. sued T.S. EPC de Mexico S.A. de C.V. (a subsidiary) for compensation of USD3.7 million in respect of the EPC Construction contract dispute. The civil court of Mexico City issued the ruling that T.S. EPC de Mexico S.A. de C.V. (a subsidiary) won the case. The plaintiff appealed the judgment, which is currently in the process of trial.

12. EVENTS AFTER THE REPORTING PERIOD

12.1 Equity transfer of associated enterprises

The Company signed *the Equity Transfer Agreement of Lijiang Longji Silicon Material Co. Ltd* with Longji Green Energy Technology Co., Ltd. and Sichuan Yong Xiang Co., Ltd. The Company transferred the 25% equity of Lijiang Longji Silicon Material Co., Ltd. to Longji Green Energy Technology Co., Ltd. at the price of RMB 226,465,823.43 according to the audited net assets deducting the dividends on 30 September 2020.

12.2 Profit distribution

In accordance with Profit distribution plan for 2020 adopted at the fourth meeting of the second board of directors on 29 March 2021, the Company took the total capital share of 2,068,026,375 shares on 31 December 2020 as the base, and distributed the cash dividends of RMB 1.8 (tax included) every 10 shares, and the total cash dividends was RMB372,244,747.50 (tax included). The Company does not distribute shares this year, and does not transfer capital reserve funds into additional share capital for allocation. The above profit distribution plan would be submitted to the 2020 AGM for deliberation.

The Company has nothing more EVENTS AFTER THE REPORTING PERIOD to be disclosed up to 29 March 2021.

13. OTHER SIGNIFICANT MATTERS

13.1 Segment Information

(a) Basis of identification and accounting policies of reportable segments

The Company identifies operating segments according to its internal organization structure, management requirements and internal reporting systems. Then the reportable segments are to be determined based on the operating segments.

The operating segment refers to the components of the Company that meet the following conditions: (1) the component can generate income and expenses in daily activities; (2) the management of the Company can regularly evaluate the operating results of the component. In order to allocate resources to them and evaluate their performance; (3) The Company is able to obtain relevant accounting information such as financial status, operating results and cash flow of the components.

The Company defines operating segments, which include:

- A. Photovoltaic products;
- B. Photovoltaic systems;
- C. Photovoltaic power station construction and management;

D. Sales of photovoltaic power station;

E. Smart energy

The financial information of these reportable segments are disclosed based on the accounting policies and measurement criteria adopted by each segment when it reports to the management, which are the same as that of the Company.

(b) Financial information of reportable segments

2020

Unit: 10,000 Yuan

Items	Photovoltaic products	Photovoltaic systems	Photovoltaic power station construction and management	Sales of photovoltaic power station	Smart energy	Elimination	Total
Revenue	2,337,599.50	399,304.69	210,338.93	-	91,752.95	-97,198.73	2,941,797.34
Including: Revenue from overseas transaction	2,240,400.77	399,304.69	210,338.93	-	91,752.95	-	2,941,797.34
Revenue from transaction between segments	97,198.73	-	-	-	-	-97,198.73	-
Costs of sales	1,990,228.05	341,091.06	186,554.73	-	36,008.03	-81,982.98	2,471,898.89
Taxes and Surcharges	8,779.84	210.93	217.61	60.89	386.32	-	9,655.59
Operating expenses	88,597.03	8,023.65	2,334.48	-	2,685.40	-119.52	101,521.04
General and administrative expenses (including research and development expense)	109,669.33	1,880.40	26,033.16	237.32	9,608.50	-175.58	147,253.13
Impairment loss of assets (including impairment loss of credit)	42,448.72	82.20	1,776.52	2,536.08	8,023.15	-	54,866.67
Profit before tax	104,228.19	48,818.30	-11,337.77	1,077.02	17,737.38	-19,834.05	140,689.07
Income tax expenses	12,872.18	6,029.06	-1,400.21	133.01	2,190.57	-2,449.51	17,375.10
Net profit	91,356.01	42,789.24	-9,937.55	944.01	15,546.82	-17,384.56	123,313.97
Total assets	4,446,059.57	103,656.53	1,091,991.96	368,119.54	1,107,170.31	-2,557,751.77	4,559,246.14
Total liabilities	2,806,210.00	90,863.36	1,086,569.62	238,247.71	926,988.97	-2,159,711.38	2,989,168.28

(c) Geographical information

The information of the Company's external transaction revenue and non-current assets (excluding financial assets, independent account assets, deferred income tax assets, the same below) listed in different regions are shown in the table below. External transaction revenue is divided by the location of the customer who accepts the service or purchases the product. Non-current assets are classified according to the physical location of the asset.

A. Information of the external transaction revenue classified by location

Country or region	External transaction revenue	
	2020	2019
China	8,738,433,966.49	7,232,934,963.01
Europe	6,227,315,293.97	4,151,447,600.88
Japan	1,177,315,112.27	2,463,792,683.40
America	5,970,655,078.41	3,212,603,844.28
Others	7,304,253,978.14	6,260,916,768.73
Total	29,417,973,429.28	23,321,695,860.30

B. Information of the non-current assets classified by location

Country or region	Non-current assets	
	31 December 2020	31 December 2019
China	13,474,748,848.12	10,387,789,147.76
Thailand	812,790,639.58	938,341,587.06
Vietnam	739,005,218.95	702,505,817.03
Others	637,938,541.07	565,847,759.35
Total	15,664,483,247.73	12,594,484,311.20

14. NOTES TO THE MAIN ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

14.1 Accounts receivable

(a) Accounts receivable by category

Category	31 December 2020				Carrying amount
	Book balance		Provision for bad debt		
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debt recognised individually	51,202,213.01	1.05	14,605,282.87	28.52	36,596,930.14
Provision for bad debt recognised collectively	4,823,708,361.60	98.95	84,638,473.55	1.75	4,739,069,888.05
Group 1: Accounts receivables due from customers	1,161,627,106.01	23.83	84,638,473.55	7.29	1,076,988,632.46
Group 2: Accounts receivables due from related parties	3,662,081,255.59	75.12	-	-	3,662,081,255.59
Total	4,874,910,574.61	100.00	99,243,756.42	2.04	4,775,666,818.19

(Continued)

Category	31 December 2019				Carrying amount
	Book balance		Provision for bad debt		
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debt recognised individually	55,558,374.83	0.97	16,493,444.69	29.69	39,064,930.14
Provision for bad debt recognised collectively	5,668,546,573.37	99.03	88,477,585.63	1.56	5,580,068,987.74
Group 1: Accounts receivables due from customers	675,904,572.84	11.81	88,477,585.63	13.09	587,426,987.21
Group 2: Accounts receivables due from related parties	4,992,642,000.53	87.22	-	-	4,992,642,000.53
Total	5,724,104,948.20	100.00	104,971,030.32	1.83	5,619,133,917.88

(i) At 31 December 2020, accounts receivable with provision for bad debt recognised individually:

Entity name	31 December 2020			
	Accounts receivable	Provision for bad debt	Provision ratio (%)	Reason
Zhongsheng photoelectric energy Co., Ltd	1,114,611.78	222,922.36	20.00	The win lawsuit is in stage of execution
Hunan Red Sun New Energy Technology Co., Ltd	40,816,565.84	8,163,313.17	20.00	The win lawsuit is in stage of execution

At 31 December 2020, accounts receivable with bad debt provision recognised by group 1 (Accounts receivables due from customers)

Aging	31 December 2020		
	Accounts receivable	Provision for bad debt	Provision ratio (%)
Within 1 year			
Including: within 6 months	833,317,273.08	4,166,586.33	0.50
7-12 months	202,761,430.01	10,138,071.50	5.00
Subtotal	1,036,078,703.09	14,304,657.83	1.38
1-2 years	44,621,602.41	4,462,160.24	10.00
2-3 years	10,560,517.57	3,168,155.27	30.00
3-4 years	15,325,565.46	7,662,782.73	50.00
Over 4 years	55,040,717.48	55,040,717.48	100.00
Total	1,161,627,106.01	84,638,473.56	7.29

(ii) No accounts receivable with individually significant balance and provision for bad debt recognised individually at 31 December 2019 and 31 December 2020.

Aging	31 December 2019		
	Accounts receivable	Provision for bad debt	Provision ratio (%)
Within 1 year			
Including: within 6 months	493,116,231.17	2,465,581.16	0.50
7-12 months	24,292,194.57	1,214,609.73	5.00
Subtotal	517,408,425.74	3,680,190.89	0.71
1-2 years	69,804,994.92	6,980,499.49	10.00
2-3 years	15,297,780.70	4,589,334.21	30.00
3-4 years	331,620.88	165,810.44	50.00
Over 4 years	73,061,750.60	73,061,750.60	100.00
Total	675,904,572.84	88,477,585.63	13.09

(b) Addition, recovery or reversals of provision for bad debts:

(c) Accounts receivable write-off during the reporting period

Year	Items	Amount
2020	Accounts receivable write-off	556,838.40
2019	Accounts receivable write-off	21,059.47

No accounts receivable with significant balance write-off during the reporting period.

(d) Top five closing balances by entity

31 December 2020

Entity name	Balance at 31 December 2020	Proportion of the balance to the total accounts receivable (%)	Provision for bad debt
Customer 1	562,180,882.04	11.53	-
Customer 2	560,017,493.83	11.49	-
Customer 3	292,269,332.92	6.00	-
Customer 4	290,866,202.84	5.97	-
Customer 5	275,702,567.11	5.66	-
Total	1,981,036,478.74	40.64	-

14.2 Other Receivables

(a) Other receivables by category

Items	31 December 2020	31 December 2019
Interests receivable	2,895,751.26	-
Dividend receivable	220,279,952.11	53,845,177.93
Other receivables*	5,987,523,132.07	5,898,378,829.38
Total	6,210,698,835.44	5,952,224,007.31

* Other receivables represent other receivables except interest receivable and dividend receivable.

(b) Interests receivable

① Interests receivable by category

Items	2020.12.31	2019.12.31
Bond investment	2,895,751.26	-
Total	2,895,751.26	-

(c) Dividends receivable**(i) Dividends receivable by category**

Items (or the investees)	31 December 2020	31 December 2019
Tibet Trina photovoltaic system integration Co., Ltd	150,000,000.00	
Jiangsu Trina Solar Electric Power Development Holdings Ltd.	18,000,000.00	18,000,000.00
Yuxian Tiansheng photovoltaic power generation Co., Ltd	52,279,952.11	35,845,177.93
Total	220,279,952.11	53,845,177.93

(d) Other receivables**(i) Other receivable by nature**

Items	31 December 2020	31 December 2019
Other receivables due from related parties inside scope of consolidation	5,849,761,903.61	5,778,789,659.25
Other receivables due from related parties outside scope of consolidation	103,333,909.42	92,148,613.46
Current account	-	106,296,747.67
Margin and deposit	30,787,149.88	23,896,302.49
Staff petty cash	483,701.15	1,102,928.57
others	6,876,699.81	8,738,952.17
Total	5,991,243,363.87	6,010,973,203.61

(ii) Other Receivables by bad debt provision method

Category	31 December 2020				Carrying amount
	Book balance		Provision for bad debt		
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debt recognised individually	-	-	-	-	-
Provision for bad debt recognized collectively	5,991,243,363.87	100.00	3,720,231.80	0.06	5,987,523,132.07
Group 1: Deposit and guarantee receivable	30,787,149.88	0.51	2,817,985.87	9.15	27,969,164.01
Group 2: Petty cash receivable and export rebates	483,701.15	0.01	25,504.31	5.27	458,196.84
Group 3: other receivables due from related parties in scope of consolidation	5,849,761,903.61	97.64	-	-	5,849,761,903.61

Group 4: other receivables due from related parties outside scope of consolidation	103,333,909.41	1.72	516,669.55	0.50	102,817,239.86
Group 5: Others	6,876,699.82	0.11	360,072.07	5.24	6,516,627.75
Total	5,991,243,363.87	100.00	3,720,231.80	0.06	5,987,523,132.07

(Continued)

Category	31 December 2019				
	Book balance		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debt recognised individually	106,296,747.67	1.77	106,296,747.67	100.00	-
Provision for bad debt recognized collectively	5,904,676,455.94	98.23	6,297,626.56	0.11	5,898,378,829.38
Group 1: Deposit and guarantee receivable	23,896,302.49	0.40	4,677,676.89	19.57	19,218,625.60
Group 2: Petty cash receivable and export rebates	1,102,928.57	0.02	118,426.76	10.74	984,501.81
Group 3: other receivables due from related parties in scope of consolidation	5,778,789,659.25	96.14	-	-	5,778,789,659.25
Group 4: other receivables due from related parties outside scope of consolidation	92,148,613.46	1.53	460,743.06	0.50	91,687,870.40
Group 5: Others	8,738,952.17	0.15	1,040,779.85	11.91	7,698,172.32
Total	6,010,973,203.61	100.00	112,594,374.23	1.87	5,898,378,829.38

At 31 December 2020, other receivables with bad debt provision except Group 3 (Accounts receivables due from related parties in scope of consolidation)

Aging	31 December 2020		
	Accounts receivable	Provision for bad debt	Provision ratio (%)
Within 1 year			
Including: within 6 months	122,881,996.14	614,409.98	0.50
7-12 months	7,413,815.06	370,690.75	5.00
Subtotal	130,295,811.20	985,100.73	0.76
1-2 years	8,243,119.13	824,311.91	10.00
2-3 years	1,261,004.04	378,301.21	30.00
3-4 years	298,015.88	149,007.94	50.00
Over 4 years	1,383,510.01	1,383,510.01	100.00
Total	141,481,460.26	3,720,231.80	2.63

(iii) Addition, recovery or reversals of provision for bad debts:

Bad debt provision	Phase One	Phase Two	Phase Three	Total
	Expected credit losses in the next 12 months	Expected credit losses for the entire extension (without credit	Expected credit losses for the entire extension (with credit impairment)	
Balance on 1 January 2020	601,325.68	5,696,300.88	106,296,747.67	112,594,374.23
Balance of the current period on 1 January 2020				-
--Transfer to phase two	-52,153.30	52,153.30		-
--Transfer to phase three	-	-	-	-
--Reverse to phase two	-	-	-	-
--Reverse to phase one	-	-	-	-
Provisions	985,100.73	1,217,243.06	-	2,202,343.79
Recovery or reversal	549,172.38	8,544,618.63		9,093,791.01
Write-off	-	1,467,902.93	100,514,792.28	101,982,695.21
Other changes	-	5,781,955.39	-5,781,955.39	-
Balance on 31 December 2020	985,100.73	2,735,131.07	-	3,720,231.80

(vi) Other receivable write-off during the reporting period

Year	Item	Written-off amount
2020	Other receivable write-off	101,982,695.21
2019	Other receivable write-off	-

Including: Other receivables with significant balance write-off during the reporting period:

Entity name	Nature	Amount	Reason	Procedure	Due from related parties or not
Solaricos Trading Ltd.	Current account	52,584,734.05	Bankruptcy	Approved written-off	N
Oslen Homan	Current account	7,110,495.05	Unrecoverable amount	Approved written-off	N
ALTERNATE ENERGY SOLUTIONS INC.	Current account	6,775,546.00	Unrecoverable amount	Approved written-off	N
SIB SOLAR TRADE CO.,LTD	Current account	6,434,882.12	Cancellation	Approved written-off	N
Total	—	72,905,657.22	—	—	—

(iii) Top five closing balances by entity

31 December 2020

Entity name	Nature	Balance at 31 December 2020	Aging	Proportion of the balance to the total other receivable (%)	Provision for bad debt
No. 1	Other receivables due from related parties in scope of consolidation	1,763,390,092.84	0-4 years	29.43	-
No. 2	Other receivables due from related parties in scope of consolidation	1,692,485,712.79	Within 6 months	28.25	-
No. 3	Other receivables due from related parties in scope of consolidation	1,492,587,008.95	1-2 years	24.91	-
No. 4	Other receivables due from related parties in scope of consolidation	393,358,484.90	0-2 years	6.57	-
No. 5	Other receivables due from related parties in scope of consolidation	344,768,393.82	1-2 years	5.75	-
Total		5,686,589,693.30		94.91	-

14.3 Long-term Equity Investments

Items	31 December 2020			31 December 2019		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investments on Subsidiaries	5,845,912,855.90	-	5,845,912,855.90	3,674,912,855.90	-	3,674,912,855.90
Investments on Joint ventures and Associates	304,297,426.47	-	304,297,426.47	376,274,556.53	-	376,274,556.53
Total	6,150,210,282.37	-	6,150,210,282.37	4,051,187,412.43	-	4,051,187,412.43

(i) Investments on Subsidiaries

Investee	Balance at 1 January 2020	Increase during the reporting period	Decrease during the reporting period	Translation differences of foreign currency statements	Balance at 31 December 2020	Provision for impairment in the current period	Balance of impairment of provision at the end of the year
Hubei Trina Solar CO.,Ltd	114,984,715.56	-	-	-	114,984,715.56	-	-
Tulufan Trina Solar Energy Co.,Ltd	33,820,555.04	-	-	-	33,820,555.04	-	-
Trina Solar (Changzhou) photoelectric equipment Co., Ltd	10,091,557.46	446,000,000.00	-	-	456,091,557.46	-	-
Trina Solar (Beijing) System Integration Co., Ltd	23,051,122.87	-	-	-	23,051,122.87	-	-
Jiangsu Trina Solar Residential PV technology Co ,Ltd	72,094,967.35	-	-	-	72,094,967.35	-	-
Trina Solar (Changzhou) Science & Technology Co.,Ltd	2,868,785,019.19	1,700,000,000.00	-	-	4,568,785,019.19	-	-
Jiangsu Trina Solar Electric Power Development Holdings Ltd.	167,509,059.32	-	-	-	167,509,059.32	-	-

Tibet Trina Solar PV System Integration Co;Ltd	153,200,000.00	-	-	-	153,200,000.00	-	-
Yuxian Tiansheng photovoltaic power generation Co., Ltd	118,500,000.00	-	-	-	118,500,000.00	-	-
Tumd Right Banner Tianhui New Energy Electricity Co;Ltd	44,800,000.00	-	-	-	44,800,000.00	-	-
Trina smart energy investment and development (Jiangsu) Co., Ltd	68,075,859.11	-	-	-	68,075,859.11	-	-
Yancheng Tianchuang Photovoltaic Technology Co., Ltd	-	25,000,000.00	-	-	25,000,000.00	-	-
Total	3,674,912,855.90	2,171,000,000.00	-	-	5,845,912,855.90	-	-

(ii) Investments on Joint ventures and Associates

Investee	Balance at 1 January 2020	Movements during the year				
		Increase in capital	Decrease in capital	Investment income recognised under equity method	Other comprehensive income	Other equity movements
Associates						
Lijiang Longji Silicon Materials Co., Ltd.	376,274,556.53	-	-	86,631,955.31	—	—
Total	376,274,556.53	-	-	86,631,955.31	—	—

(Continued)

Investee	Movements during the year			Balance at 31 December 2020	Balance of impairment of provision at the end of the year
	Declared distribution of cash dividends or profits	Provision for impairment	Other		
Associates					
Lijiang Longji Silicon Materials Co., Ltd.	158,609,085.37	-	-	304,297,426.47	—

Investee	Movements during the year			Balance at 31 December 2020	Balance of impairment of provision at the end of the year
	Declared distribution of cash dividends or profits	Provision for impairment	Other		
Total	158,609,085.37	-	-	304,297,426.47	—

14.4 Revenue and Cost of Sales

Items	2020		2019	
	Revenue	Costs of sales	Revenue	Costs of sales
Principal activities	20,415,337,973.21	19,371,322,424.46	18,673,243,257.65	17,315,105,662.48
Other activities	1,202,423,838.19	1,320,108,492.98	1,548,604,501.01	1,610,790,005.95
Total	21,617,761,811.40	20,691,430,917.44	20,221,847,758.66	18,925,895,668.43

14.5 Investment Income

Items	2020	2019
Investment income from long-term equity investments under cost method	166,434,774.18	41,029,432.60
Investment income from long-term equity investments under equity method	86,631,955.31	171,408,742.79
Investment income from disposal of the long-term equity investments	-	-322,000.00
Yield on forward foreign exchange contracts	157,338,834.84	-10,701,094.91
Revenue from financial products	70,527,174.29	14,886,688.75
Bond investment income	2,895,751.26	-
Discount charge of bills	-8,166.67	-
Total	483,820,323.21	216,301,769.23

15. SUPPLEMENTARY INFORMATION

15.1 Extraordinary Gains or Losses

Items	2020	2019
Gains /(losses) on disposal of non-current assets	-108,083,463.37	-646,006.18
Government grants recognised in current profit or loss (except government grants that is closely related to operations and determined based on a fixed scale according to the national unified standard)	138,308,726.03	92,929,322.66
Profit and loss from rendering others to invest or manage assets	77,542,096.17	33,764,652.76
Gains /(losses) on debt restructuring	-	4,065,773.95
Net gains /(losses) of subsidiaries arising from business combination under common control from the beginning of the reporting period till the combination date	-379,542.49	-

Gains /(losses) arising from changes in fair value of held-for-trading financial assets and held-for-trading financial liabilities during the holding period and investment income arising from disposal of held-for-trading financial assets and held-for-trading financial liabilities and available-for-sale financial assets except effective hedging transactions related to the Company's principal activities	-	-91,776,927.12
Reversal of provision for impairment of accounts receivable tested for impairment individually	12,974,629.19	-
Other non-operating income/expenses except for items mentioned above	942,210.33	5,444,970.96
Subtotal	121,304,655.86	43,781,787.03
Less: tax effect	23,156,052.74	7,792,720.58
Non-controlling interests effect	-18,972,000.20	6,574,970.35
Total	117,120,603.32	29,414,096.10

15.2 Return on Net Assets and Earnings Per Share (“EPS”)

Profit for the reporting period	Weighted average return on net assets (%)	EPS	
		Basic	Diluted
Net profit attributable to ordinary shareholders	8.94	0.64	0.64
Net profit attributable to ordinary shareholders after extraordinary gains and losses	8.08	0.58	0.58

Company: Trina Solar Co., Ltd