

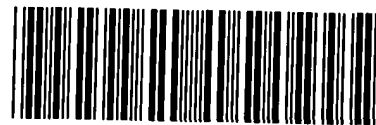
Registered number: 11165861

## CANADIAN SOLAR ARGENTINA INVESTMENT HOLDING LTD

### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JANUARY 2019

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# **CANADIAN SOLAR ARGENTINA INVESTMENT HOLDING LTD**

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## CANADIAN SOLAR ARGENTINA INVESTMENT HOLDING LTD

### COMPANY INFORMATION

<b>Directors</b>	J M Bernal-Antelo H Chen I Guerrero-Arias
<b>Company secretary</b>	JD Secretariat Limited
<b>Registered number</b>	11165861
<b>Registered office</b>	1 Lumley Street Mayfair London United Kingdom W1K 6TT
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Atrium 1 Harefield Rd Uxbridge United Kingdom UB8 1EX

## **CANADIAN SOLAR ARGENTINA INVESTMENT HOLDING LTD**

### **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 JANUARY 2019**

The directors present their annual report and the audited financial statements of Canadian Solar Argentina Investment Holding Ltd (the "Company") for the period ended 31 January 2019.

The Company was incorporated on 23 January 2018 and this is the first period for which the financial statements have been prepared. As a consequence these financial statements refer to a 53 week period.

#### **Directors**

The directors who served during the period and up to the date of signing the financial statements, unless otherwise stated, were:

J M Bernal-Antelo (appointed 9 October 2018)  
H Chen (appointed 18 July 2019)  
I Guerrero-Arias (appointed 18 July 2019)  
Y Liu (appointed 19 February 2019, resigned 20 July 2019)  
G Prearo (appointed 23 January 2018, resigned 19 February 2019)  
R Scognamiglio (appointed 23 January 2018, resigned 19 September 2018)

#### **Going concern**

Although the Company had a net current liabilities of £319,991 at 31 January 2019, the directors believe that the Company is well placed to manage its business risks successfully. Having reviewed the Company's current position and given the existent financial support provided by the company's ultimate parent Canadian Solar Inc., the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the directors' report and financial statements. The financial support by Canadian Solar Inc. has been confirmed for a period of not less than 12 months from the date of signing these financial statements.

#### **Qualifying third-party and pension scheme indemnity provisions**

The Company did not have any qualifying third-party indemnity provision and/or qualifying pension scheme indemnity provision for any of the directors, during the financial year and up to the date of approval of the Directors Report.

## **CANADIAN SOLAR ARGENTINA INVESTMENT HOLDING LTD**

### **DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 JANUARY 2019**

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial 53 week period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

#### **Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

#### **Small companies exemption**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

**CANADIAN SOLAR ARGENTINA INVESTMENT HOLDING LTD**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 JANUARY 2019**

This report was approved by the board and signed on its behalf by:



**I Guerrero-Arias**  
Director

Date: 20/12/2013

## CANADIAN SOLAR ARGENTINA INVESTMENT HOLDING LTD

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANADIAN SOLAR ARGENTINA INVESTMENT HOLDING LTD

## Report on the audit of the financial statements

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### Opinion

In our opinion, Canadian Solar Argentina Investment Holding Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2019 and of its loss for the 53 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 January 2019; the Statement of Income and Retained Earnings for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

## CANADIAN SOLAR ARGENTINA INVESTMENT HOLDING LTD

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANADIAN SOLAR ARGENTINA INVESTMENT HOLDING LTD (CONTINUED)

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the period ended 31 January 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### *Responsibilities of the directors for the financial statements*

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### *Auditors' 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 auditors' 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 ISAs (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

##### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



**CANADIAN SOLAR ARGENTINA INVESTMENT HOLDING LTD**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANADIAN SOLAR ARGENTINA  
INVESTMENT HOLDING LTD (CONTINUED)**

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**Other required reporting**

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**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

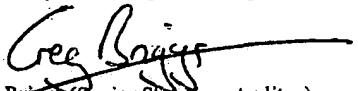
- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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**Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

  
Gregory Briggs (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Uxbridge  
Date: 20<sup>th</sup> December 2019

**CANADIAN SOLAR ARGENTINA INVESTMENT HOLDING LTD**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE PERIOD ENDED 31 JANUARY 2019**

	Period ended 31 January 2019 £
Administrative expenses	(711,773)
<b>Operating loss</b>	<b>(711,773)</b>
Foreign exchange differences	50,243
<b>Loss before taxation</b>	<b>(661,530)</b>
Tax on loss	-
<b>Loss for the financial period</b>	<b>(661,530)</b>
<b>Accumulated losses:</b>	
Accumulated losses at the beginning of the financial period	-
Loss for the financial period	(661,530)
<b>Accumulated losses at the end of the financial period</b>	<b>(661,530)</b>

The Statement of Income and retained earnings has been prepared on the basis that all operations are continuing operations.

The notes on pages 10 to 15 form part of these financial statements.

**CANADIAN SOLAR ARGENTINA INVESTMENT HOLDING LTD**  
**REGISTERED NUMBER: 11165861**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JANUARY 2019**

	Note	31 January 2019 £
<b>Fixed assets</b>		
Investments	5	12,452,379
<b>Current assets</b>		
Debtors: amounts falling due within one year	6	5,601,948
Cash at bank and in hand		110,881
		<u>5,712,829</u>
Creditors: amounts falling due within one year	7	<u>(6,042,820)</u>
<b>Net current liabilities</b>		<u>(329,991)</u>
<b>Total assets less current liabilities</b>		<u>12,122,388</u>
<b>Capital and reserves</b>		
Called up share capital		12,783,918
Profit and loss account		(661,530)
<b>Total shareholders' funds</b>		<u>12,122,388</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements on pages 8 to 15 were approved and authorised for issue by the board and were signed on its behalf by:



**I Guerrero-Arias**  
Director

Date: 20/12/2019

The notes on pages 10 to 15 form part of these financial statements.

## CANADIAN SOLAR ARGENTINA INVESTMENT HOLDING LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JANUARY 2019

#### 1. General Information

Canadian Solar Argentina Investment Holding Ltd (the "Company") is a private company limited by shares and is incorporated in the United Kingdom and registered in England and Wales. The Company is a holding company.

The Company's registered office is 1 Lumley Street, Mayfair, London, W1K 6TT.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied consistently throughout the year:

##### 2.2 Exemption from preparing consolidated financial statements

The Company is a wholly owned subsidiary of Canadian Solar Inc. It is included in the consolidated financial statements of Canadian Solar Inc., which are publicly available. Therefore the Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

The Company and its subsidiaries are consolidated into the financial statements of Canadian Solar Inc., the ultimate parent undertaking, as of 31 December 2018.

##### 2.3 Going concern

Although the Company had a net current liabilities of £319,991 at 31 January 2019, the directors believe that the Company is well placed to manage its business risks successfully. Having reviewed the Company's current position and given the existent financial support provided by the company's ultimate parent Canadian Solar Inc., the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the directors' report and financial statements. The financial support by Canadian Solar Inc has been confirmed for a period of not less than 12 months from the date of signing these financial statements.

**CANADIAN SOLAR ARGENTINA INVESTMENT HOLDING LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 JANUARY 2019**

**2. Accounting policies (continued)**

**2.4 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'foreign exchange differences'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

**2.5 Interest income**

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

## CANADIAN SOLAR ARGENTINA INVESTMENT HOLDING LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JANUARY 2019

#### 2. Accounting policies (continued)

##### 2.6 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

##### 2.7 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## CANADIAN SOLAR ARGENTINA INVESTMENT HOLDING LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JANUARY 2019

#### 2. Accounting policies (continued)

##### 2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, amounts owed by/to group undertakings and accruals.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 3. Auditors' remuneration

	Period ended 31 January 2019 £
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	<u>6,000</u>

#### 4. Employees

The Company has no employees other than the directors, who did not receive any remuneration.

# **CANADIAN SOLAR ARGENTINA INVESTMENT HOLDING LTD**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JANUARY 2019**

### **5. Investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
On incorporation	-
Additions	12,452,379
At 31 January 2019	<u>12,452,379</u>

### **Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
FieldFare Argentina S.R.L	Solar power project development	Ordinary	98%
Canadian Solar Services Argentina S.R.L	Provide payroll service for Energy business in Argentina	Ordinary	98%

### **6. Debtors: amounts falling due within one year**

	31 January 2019 £
Amounts owed by group undertakings	<u>5,601,948</u>

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

### **7. Creditors: amounts falling due within one year**

	31 January 2019 £
Trade creditors	45,166
Amounts owed to group undertakings	5,987,687
Accruals and deferred income	9,967
	<u>6,042,820</u>

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.



## **CANADIAN SOLAR ARGENTINA INVESTMENT HOLDING LTD**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JANUARY 2019**

#### **8. Ultimate parent undertaking and controlling party**

At the period end, the immediate parent company is Canadian Solar UK Project Ltd, a company incorporated in England & Wales, and the ultimate parent company is Canadian Solar Inc., a company incorporated in Canada. The parent undertaking of the largest and smallest group of which the Company is a member and consolidated financial statements are prepared in Canadian Solar Inc. Copies of the consolidated financial statements can be obtained from 545 Speedvale Avenue West, Guelph, Ontario, Canada, N1K 1E6, which is its registered office.