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The Combined Entity recognizes revenue when all of the following criteria are met: (i) persuasive evidence of an arrangement exists; (ii) delivery or performance has occurred; (iii) the sales price is fixed or determinable; and (iv) collectability is reasonably assured.

The Combined Entity's revenue-generating activity consists of long-term PPAs with the customer, under which the customer agrees to purchase all of the power generated. The Combined Entity has determined that PPAs should be accounted for as operating leases after evaluating the lease classification criteria. As customer payments under a power purchase agreement are dependent on power generation, they are considered contingent rentals and are excluded from future minimum annual lease payments. Revenue from PPAs is recognized based on the actual amount of power generated at rates specified under the contracts, assuming the other revenue recognition criteria discussed above are met.

l. Employee benefits

The Combined Entity's full-time PRC employees participate in government-mandated defined contribution plans pursuant to which certain pension benefits, medical care, unemployment insurance, employee housing fund and other welfare benefits are provided to employees. The Combined Entity accrues for these benefits based on a certain percentage of the employees' salaries as stipulated by PRC labor rules and regulations. The costs of the Combined Entity's obligations to the defined contribution plans are charged to the combined statements of comprehensive loss when the related employee service is provided and amounted to US\$174 and US\$202 for the years ended December 31, 2013 and 2014, respectively. The Combined Entity has no other obligation for the payment of employee benefits associated with these plans.

m. Government grants

Government grants are non-reciprocal transfers of monetary or non-monetary assets from the government to the Combined Entity.

A government grant is recognized when there is reasonable assurance that the grant will be received and that the Combined Entity will comply with the conditions attaching to the grant.

A government grant related to an asset is recognized initially as deferred income and amortized to profit or loss on a straight-line basis over the useful life of the asset. A grant that compensates the Combined Entity for expenses to be incurred in the future is recognized initially as deferred income, and released to profit or loss in the periods in which the expenses are recognized. A grant that compensates the Combined Entity for expenses already incurred is recognized in profit or loss immediately.

For the years ended December 31, 2013 and 2014, US\$848 and US\$859 representing the amortization of government grant of US\$16,715 related to the equipment purchased in prior years was credited against depreciation expense which is included in cost of revenues in the combined statements of comprehensive loss. As of December 31, 2013 and 2014, the balance of unamortized government grant was US\$14,173 and US\$13,263, respectively, of which the current portion of US\$910 and US\$859 was included in accrued expenses and other current liabilities, and the non-current portion US\$13,263 and US\$12,404 was included in other non-current liabilities in the combined balance sheets, respectively.

n. Operating leases

The Combined Entity leases premises for offices under non-cancellable operating leases. Leases with escalated rent provisions are recognized on a straight-line basis commencing with the beginning of the lease term. There are no capital improvement funding, other lease concessions or contingent rent in the lease agreements.

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