**Sky Solar Holdings, Ltd. Reports Third Quarter 2016 Unaudited Financial Results and Provides General Business Update**

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HONG KONG, Feb. 08, 2017 (GLOBE NEWSWIRE) -- Sky Solar Holdings, Ltd. (NASDAQ:SKYS) ("Sky Solar" or "the Company"), a global developer, owner and operator of solar parks, today announced its financial results for the third quarter of 2016 ended September 30, 2016.

**Quarter Highlights:**

- **Q3 2016 total revenue of $23.4 million, up 93.4% over Q3 2015**
- **Q3 2016 electricity revenue of $17.9 million, up 58.8% over Q3 2015**
- **Q3 2016 Adjusted EBITDA of $21.4 million, compared to $3.8 million in Q3 2015, up 466.7% year-over-year; Q3 2016 annualized Adjusted EBITDA return on equity ratio of 56.2%[1]**
- **152.1 MW of solar parks assets in operation as of September 30, 2016.**
- **As of September 30, 2016, 90.7 MW under construction, 172.2 MW of shovel-ready projects, and 1.0 GW of solar parks in pipeline.**

**Business Updates (to date):**

- **Established partnership with a new strategic investor and closed on two transactions in Canada with this partner**
- **Closed on IDB financing to continue construction of remaining 62.5MW project in Uruguay**
- **Closed on refinancing term-loan for recently acquired 23MW portfolio in the US**
- **Recent sale of 23MW solar park in Greece for a total price of Euro39.7 million**

Mr. Weili Su, Founder, Chairman and Chief executive officer of Sky Solar, commented, "We are pleased with our quarterly results and remain focused on establishing new strategic partnerships, efficient utilization of capital and delivering growth in our key target markets. We are also pleased to report recent project financing with the Inter-American Development bank, sold preferred equity of our projects in Canada to new strategic investor, and closed on a refinancing of our operating portfolio in the US. We believe we are uniquely positioned and have a very bright future in the renewable energy industry and appreciate the support of our shareholders."

Mr. Sanjay Shrestha, Chief Investment Officer of Sky Solar, and President of Sky Capital America commented, "As Mr. Su highlighted, we are pleased with our continued success to reduce overall cost of capital, strategically utilizing capital and investing in core growth markets. As a result of our efforts to monetize certain solar parks to unlock shareholder value, given our recent sale of equity in our Canadian assets the sale of Greek assets, and refinancing of our existing portfolio, we believe we have sufficient liquidity to execute on our near term growth objectives. "

**Third Quarter 2016 Financial Results**

Revenue was $23.4 million, up 93.4% from $12.1 million in the same period of 2015.

Electricity sales were $17.9 million in the third quarter of 2016, up 58.8% from $11.3 million in the same period of 2015. The year-over-year growth in electricity sales was primarily due to the increase in the Company's operational IPP assets globally. Electricity sales in the third quarter of 2016 was up 14.7% from $15.6 million in the second quarter of 2016, due to seasonally higher solar irradiation across most of the Company's major geographic markets.

Systems and other sales were $5.4 million in the third quarter of 2016, up 599.2% from $775 thousand in the same period of 2015. The year-over-year increase in systems and other sales was primary due to the sales of solar parks in Canada. Systems and other sales in the third quarter of 2016 were up 299.3% from $1.4 million in the second quarter of 2016,

primarily due to the same reason.

The following table shows the Company's sequential and year-over-year change in revenue for each category, geographic region and period indicated.

| | Q3 2016 | *Sequential Change* | | Q2 2016 | *Year-Over-Year Change* | | Q3 2015 |
|---|---|---|---|---|---|---|---|
| | **(US$ in thousands, except percentages)** | | | | | | |
| **Asia** | **11,128** | **8.7** | **%** | **10,242** | **78.0** | **%** | **6,250** |
| Electricity Sales | 10,263 | 4.7 | % | 9,804 | 69.2 | % | 6,065 |
| System Sales and Other | 865 | 97.5 | % | 438 | 367.6 | % | 185 |
| **Europe** | **4,232** | **-4.6** | **%** | **4,436** | **-2.0** | **%** | **4,318** |
| Electricity Sales | 3,763 | -2.8 | % | 3,870 | 0.9 | % | 3,728 |
| System Sales and Other | 469 | -17.1 | % | 566 | -20.5 | % | 590 |
| **South America** | **119** | **-70.9** | **%** | **409** | | | |
| Electricity Sales | 111 | -12.9 | % | 127 | | | |
| System Sales and Other | 8 | -97.1 | % | 282 | | | |
| **North America** | **7,882** | **312.9** | **%** | **1,909** | **422.3** | **%** | **1,509** |
| Electricity Sales | 3,805 | 107 | % | 1,838 | 152.2 | % | 1,509 |
| System Sales and Other | 4,077 | 5,642 | % | 71 | 100 | % | - |
| **Electricity Sales** | **17,942** | **14.7** | **%** | **15,639** | **58.8** | **%** | **11,302** |
| **System Sales and Other** | **5,419** | **299.3** | **%** | **1,357** | **599.2** | **%** | **775** |

Cost of sales and services were $10.1 million, compared to $3.6 million in the same period in 2015. The increase was mainly a result of the increase of system sales in Canada during the third quarter of 2016.

Gross profit was $13.2 million, up 56.3% from $8.5 million in the same period in 2015. Gross margin decreased to 56.6% from 70.0% in the same period in 2015 because of the higher percentage of revenue contribution from system sales and others, which had lower margin compared to electricity sales.

Selling, general and administrative ("SG&A") expenses were $8.7 million, up 37.4% from $6.3 million in the same period in 2015 due to the increased professional service fee.

A gain on disposal of interest in subsidiaries was $9.8 million for the sale of preferred share interest in a manner that constituted the sale of a majority of the economic interests of 6MW solar parks in Canada to a new strategic investor.

Operating profit was $15.2 million in the third quarter of 2016, up 951.7% compared to $1.4 million in the same period in 2015 due to the increase of operating IPP assets and sale of preferred share interest in 6MW solar parks in Canada.

Finance costs were $2.4 million, compared to $1.1 million in the same period of 2015. The increase in finance costs was primarily due to the increased average balance of bank loans in the third quarter in 2016.

Other non-operating income was $500 thousand compared to other non-operating expense of $4.1 million in the same period of 2015. Other non-operating expenses for the third quarter of 2015 were primarily due to the fair value fluctuation of financial liabilities.

As a result of the above, the net profit for the third quarter of 2016 was $14.2 million, compared to a net loss of $5.6 million in the same period in 2015.

Basic earnings per share was $0.03 and diluted earnings per share was $0.04 compared to a loss per share of $0.01 in the same period in 2015. Basic and diluted earnings per ADS were $0.28 compared to a basic loss per ADS of $0.12 and diluted loss per ADS of $0.11 in the same period in 2015.

Adjusted EBITDA was $21.4 million, compared to $3.8 million in the same period in 2015.

**Pipeline Analysis**

As of September 30, 2016, the Company owned and operated 152.1 MW of IPP assets, compared to $133.1 MW as of June 30, 2016.

The Company had 90.7 MW of projects under construction as of September 30, 2016, comprised of a 28.2 MW project in Japan and 62.5 MW project in Uruguay. This compares to 27.9 MW under construction as of June 30, 2016.

In total, the Company had 1.2 GW of projects in various stages of development as of September 30, 2016, which included the projects under construction described above as well as 172.2 MW of shovel-ready projects and more than 1.0 GW of projects in pipeline. This does not include any incremental opportunities associated with project opportunities in the U.S.

**Balance Sheet and Liquidity**

As of September 30, 2016, the Company had bank balances and cash of $26.5 million, restricted cash of 55.6 million, trade and other receivables of $43.6 million and IPP solar park assets of $359.8 million. Total borrowing was $162.3 million, including $24.9 million of borrowing due within one year.

**Use of Non-IFRS Measures**

To provide investors with additional information regarding the Company's financial results, the Company has disclosed Adjusted EBITDA and annualized Adjusted EBITDA return on equity ratio, non-IFRS financial measures, below. The Company presents these non-IFRS financial measures because they are used by the Company's management to evaluate its operating performance. The Company also believes that these non-IFRS financial measures provide useful information to investors and others in understanding and evaluating the Company's consolidated results of operations in the same manner as the Company's management does and in comparing financial results across accounting periods and to those of its peers.

Adjusted EBITDA, as the Company presents it, represents profit or loss for the period before taxes, depreciation and amortization, adjusted to eliminate the impacts of share-based compensation expenses, impairment charges, interest expenses, fair value changes of financial liabilities, loss from hedge ineffectiveness on cash flow hedges and reversal of tax provision.

Annualized Adjusted EBITDA return on equity ratio is Adjusted EBITDA of the applicable quarter multiplied by four, and divided by total equity as of the applicable quarter end.

The use of Adjusted EBITDA and annualized Adjusted EBITDA return on equity ratio has limitations as an analytical tool, and you should not consider them in isolation or as substitutes for analysis of the Company's financial results as reported under IFRS. Some of these limitations are: (a) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements; (b) Adjusted EBITDA does not reflect changes in, or cash requirements for, the Company's working capital needs; (c) Adjusted EBITDA does not reflect the potentially dilutive impact of equity-based compensation; (d) Adjusted EBITDA does not reflect tax payments that may represent a reduction in cash available to the Company; and (e) other companies, including companies in the Company's industry, may calculate Adjusted EBITDA or similarly titled measures differently, which reduces their usefulness as a comparative measure. In addition, the annualized Adjusted EBITDA return on equity ratio does not take into account effects of seasonality from quarter to quarter. Because of these and other limitations, you

should consider Adjusted EBITDA and annualized Adjusted EBITDA return on equity alongside the Company's IFRS-based financial performance measures, such as profit (loss) for the period and the Company's other IFRS financial results.

The following table presents a reconciliation of Adjusted EBITDA to profit (loss) for the period, the most directly comparable IFRS measure, for each of the periods indicated:

| | **Three months ended September 30,** | |
|---|---|---|
| | **2016** | **2015** |
| | US$ in Thousands | |
| (Loss) profit for the period | 14,224 | (5,582) |
| Adjustments: | | |
| Income tax expense | (619) | 1,886 |
| Depreciation of property, plant and equipment | 4,491 | 2,576 |
| Share-based payment charged into profit or loss | 198 | 35 |
| Interest expenses | 2,398 | 1,067 |
| Impairment loss on IPP solar parks | 23 | 732 |
| Fair value changes of financial liabilities-FVTPL | 918 | 3,055 |
| Gain from hedge ineffectiveness on cash flow hedges | (273) | - |
| Adjusted EBITDA | 21,360 | 3,769 |

The following table presents a reconciliation of annualized Adjusted EBITDA return on equity to annualized profit (loss) return on equity for the period, the most directly comparable IFRS measure, for each of the periods indicated. Annualized profit (loss) return on equity is profit (loss) return of the applicable quarter multiplied by four, and divided by total equity as of the applicable quarter end.

| | **Three months ended September 30,** | | | |
|---|---|---|---|---|
| | **2016** | | **2015** | |
| | US$ in Thousands | | | |
| Annualized net (loss) profit return on equity | 36.5 | % | -17.9 | % |
| Adjustments: | | | | |
| Income tax expense | -1.6 | % | 6.0 | % |
| Depreciation of property, plant and equipment | 11.8 | % | 8.2 | % |
| Share-based payment charged into profit or loss | 0.5 | % | 0.1 | % |
| Interest expenses | 6.3 | % | 3.4 | % |
| Impairment loss on IPP solar parks | 0.1 | % | 2.3 | % |
| Fair value changes of financial liabilities-FVTPL | 2.4 | % | 9.8 | % |
| Gain from hedge ineffectiveness on cash flow hedges | -0.7 | % | - | |
| Annualized Adjusted EBITDA return on equity | 56.2 | % | 12.1 | % |

The Company believes that Adjusted EBITDA and annualized Adjusted EBITDA return on equity ratio are important measures for evaluating the results of its IPP business.

These measures are not intended to represent or substitute numbers as measured under IFRS. The submission of

non-IFRS numbers is voluntary and should be reviewed together with IFRS results.

**Project Capacities**

Unless specifically indicated or the context otherwise requires, megawatt capacity values in this earnings release refer to the attributable capacity of a solar park. We calculate the attributable capacity of a solar park by multiplying the percentage of our equity ownership in the solar park by the total capacity of the solar park.

[1] Adjusted EBITDA and annualized Adjusted EBITDA return on equity are non-IFRS measures used by the Company to better understand its results. Adjusted EBITDA represents profit or loss for the period before taxes, depreciation and amortization, adjusted to eliminate the impacts of share-based compensation expenses, interest expenses, impairment charges, fair value changes of financial liabilities, loss from hedge ineffectiveness on cash flow hedges and reversal of tax provision. Annualized Adjusted EBITDA return on equity ratio is Adjusted EBITDA of the applicable quarter multiplied by four, and divided by total equity as of the applicable quarter end. The Company urges you to study the reconciliations between IFRS net income and Adjusted EBITDA, and between annualized profit (loss) return on equity and annualized Adjusted EBITDA return on equity provided in this release.

**About Sky Solar Holdings, Ltd.**

Sky Solar is a global independent power producer ("IPP") that develops, owns and operates solar parks and generates revenue primarily by selling electricity. Since its inception, Sky Solar has focused on the downstream solar market and has developed projects in Asia, South America, Europe, North America and Africa. The Company's broad geographic reach and established presence across key solar markets are significant differentiators that provide global opportunities and mitigate country-specific risks. Sky Solar aims to establish operations in select geographies with highly attractive solar radiation, regulatory environments, power pricing, land availability, financial access and overall power market trends. As a result of its focus on the downstream photovoltaic segment, Sky Solar is technology agnostic and is able to customize its solar parks based on local environmental and regulatory requirements. As of September 30, 2016, the Company had developed 301 solar parks with an aggregate capacity of 284.7 MW and owned and operated 152.1 MW of solar parks.

**Safe-Harbor Statement**

This press release contains forward-looking statements. These statements constitute "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Among other things, the quotations from management in this press release and the Company's operations and business outlook contain forward-looking statements. Such statements involve certain risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. These risks and uncertainties include, but are not limited to the following: the reduction, modification or elimination of government subsidies and economic incentives; global and local risks related to economic, regulatory, social and political uncertainties; resources we may need to familiarize ourselves with the regulatory regimes, business practices, governmental requirements and industry conditions as we enter into new markets; our ability to successfully implement our on-going strategic review to unlock shareholder value; global liquidity and the availability of additional funding options; the delay between making significant upfront investments in the Company's solar parks and receiving revenue; expansion of the Company's business in US and into China; risk associated with the Company's limited operating history, especially with large-scale IPP solar parks; risk associated with development or acquisition of additional attractive IPP solar parks to grow the Company's project portfolio; and competition. Further information regarding these and other risks is included in Sky Solar's filings with the U.S. Securities and Exchange Commission, including its annual report on Form 20-F. Except as required by law, the Company does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

**Sky Solar Holdings Ltd.**

**Condensed Consolidated Statements of Operations**

**USD In Thousands, Except Per Share Amounts**

(Unaudited)

| | **Three Months Ended September 30** | | **Nine Months Ended September 30** | |
|---|---|---|---|---|
| | **2016** | **2015** | **2016** | **2015** |
| Revenue: | | | | |
| Electricity generation income | 17,942 | 11,302 | 43,519 | 27,583 |
| Solar energy system and other sales | 5,419 | 775 | 8,572 | 7,370 |
| Total revenue | 23,361 | 12,077 | 52,091 | 34,953 |
| Cost of sales and services | (10,139) | (3,618) | (21,946) | (10,961) |
| Gross profit | 13,222 | 8,459 | 30,145 | 23,992 |
| Impairment loss on IPP solar parks | (23) | (732) | (23) | (774) |
| Selling expenses | (215) | (251) | (607) | (859) |
| Administrative expenses | (8,472) | (6,072) | (19,665) | (15,440) |
| Other operating income | 880 | 38 | 2,922 | 155 |
| Gain on disposal of interest in subsidiaries | 9,773 | — | 9,773 | — |
| Reversal of tax provision | — | — | — | 6,025 |
| Profit from operations | 15,165 | 1,442 | 22,545 | 13,099 |
| Investment gains | 338 | 2 | 396 | 149 |
| Finance costs | (2,398) | (1,067) | (5,251) | (2,737) |
| Other non-operating income (expenses) | 500 | (4,073) | (3,302) | (5,465) |
| Profit before taxation | 13,605 | (3,696) | 14,388 | 5,046 |
| Income tax expense | 619 | (1,886) | (2,366) | 789 |
| Profit (loss) for the period | 14,224 | (5,582) | 12,022 | 5,835 |
| **Other comprehensive income (loss) that may be subsequently reclassified to profit or loss:** | - | | - | |
| Exchange differences on translation of financial statements of foreign operations | 4,538 | 3,907 | 11,268 | (6,928) |
| **Total comprehensive income (loss) for the period** | 18,762 | (1,675) | 23,290 | (1,093) |
| Profit (loss) for the period attributable to owners of the Company | 14,081 | (5,582) | 11,855 | 5,835 |
| Gains for the period attributable to non-controlling interests | 143 | — | 167 | — |
| | 14,224 | (5,582) | 12,022 | 5,835 |
| Total comprehensive income (loss) attributable to: | | | - | |
| Owners of the Company | 18,974 | (1,706) | 23,148 | (1,124) |
| Non-controlling interests | (212) | 30 | 142 | 30 |
| | 18,762 | (1,676) | 23,290 | (1,094) |
| Earning (loss) per share — Basic | 0.03 | (0.01) | 0.03 | 0.02 |

| | | | | |
|---|---|---|---|---|
| Earning (loss) per share — Diluted | 0.04 | (0.01 ) | 0.03 | 0.02 |
| Earning (loss) per ADS — Basic | 0.28 | (0.12 ) | 0.25 | 0.12 |
| Earning (loss) per ADS — Diluted | 0.28 | (0.11 ) | 0.25 | 0.12 |

**Sky Solar Holdings Ltd.**

**Condensed Consolidated Balance Sheets**

**USD In Thousands, Except Per Share Amounts**

(Unaudited)

| | **September 30, 2016** | **December 31, 2015** |
|---|---|---|
| | **Thousand** | **Thousand** |
| Current assets: | | |
| Bank balances and cash | 26,479 | 26,272 |
| Restricted cash | 55,653 | 5,560 |
| Amounts due from related parties | 13,281 | 14,794 |
| Trade and other receivables | 43,618 | 31,052 |
| Inventories | 2,690 | 3,294 |
| | 141,721 | 80,972 |
| Non-current assets: | | |
| IPP solar parks | 359,796 | 259,423 |
| Amounts due from related parties | 3,723 | 2,984 |
| Other non-current assets | 28,541 | 17,701 |
| | 392,060 | 280,108 |
| Total assets | 533,781 | 361,080 |
| | | |
| Current liabilities: | | |
| Trade and other payables | 57,796 | 47,912 |
| Amount due to related parties | 7,829 | 7,606 |
| Tax payable | 8,709 | 2,197 |
| Borrowings | 24,862 | 16,495 |
| | 99,196 | 74,210 |
| Non-current liabilities: | | |
| Borrowings | 137,441 | 84,671 |
| Other non-current liabilities | 145,225 | 89,480 |
| | 282,666 | 174,151 |
| Total liabilities | 381,862 | 248,361 |
| Total assets less total liabilities | 151,919 | 112,719 |
| Equity: | | |

| | | |
|---|---|---|
| Share capital | 5 | 5 |
| Reserves | 146,811 | 112,846 |
| Equity attributable to owners of the Company | 146,816 | 112,851 |
| Non-controlling interests | 5,103 | (132 ) |
| Total equity | 151,919 | 112,719 |
| Total liabilities and equity | 533,781 | 361,080 |

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Sky Solar Holdings Ltd.