

## SUNPOWER GROUP LTD.

### Unaudited Financial Statements for Full Year Ended 31 December 2017

#### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

(RMB'000)	Actual (WITH financial effects of Convertible Bonds)			Actual (WITHOUT financial effects of Convertible Bonds)		
	Full year ended			Full year ended		
	31 December 2017 (Unaudited)	31 December 2016 (Audited)	% change	31 December 2017 (Unaudited)	31 December 2016 (Audited)	% change
<b>Revenue</b>	1,965,470	1,626,168	20.9	1,965,470	1,626,168	20.9
Cost of sales	(1,557,687)	(1,217,883)	27.9	(1,557,687)	(1,217,883)	27.9
<b>Gross profit</b>	407,783	408,285	(0.1)	407,783	408,285	(0.1)
Other operating income	73,848	31,869	131.7	73,848	31,869	131.7
Selling and distribution expenses	(48,252)	(37,560)	28.5	(48,252)	(37,560)	28.5
Administrative expenses	(193,903)	(164,344)	18.0	(193,903)	(164,344)	18.0
Foreign exchange (loss)#	(12,695)	(422)	n.m.	(30,749)	(422)	n.m.
Other operating expenses	(26,509)	(35,283)	(24.9)	(26,509)	(35,283)	(24.9)
Finance costs	(91,775)	(24,873)	269.0	(33,551)	(24,873)	34.9
Fair value changes on Convertible Bond	69,338	-	n.m.	-	-	n.m.
<b>Profit before income tax</b>	<b>177,835</b>	<b>177,672</b>	0.1	<b>148,667</b>	<b>177,672</b>	(15.4)
Income tax expense	(26,986)	(31,996)	(15.7)	(26,986)	(31,996)	(15.7)
<b>Profit for the year</b>	<b>150,849</b>	<b>145,676</b>	3.6	<b>121,681</b>	<b>145,676</b>	(16.5)
<b>Other comprehensive income</b>						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange difference on translation of foreign operation	(137)	150	(191.3)	(137)	150	(191.3)
<b>Total comprehensive income for the year</b>	<b>150,712</b>	<b>145,826</b>	3.4	<b>121,544</b>	<b>145,826</b>	(16.7)
Profit for the year attributable to:						
Equity holders of the Company	145,770	142,173	2.5	116,602	142,173	(18.0)
Non-controlling interest	5,079	3,503	45.0	5,079	3,503	45.0
<b>Profit for the year</b>	<b>150,849</b>	<b>145,676</b>	4.9	<b>121,681</b>	<b>145,676</b>	(16.5)
Total comprehensive income for the year attributable to:						
Equity holders of the Company	145,633	142,323	2.3	116,465	142,323	(18.2)
Non-controlling interest	5,079	3,503	45.0	5,079	3,503	45.0
<b>Profit for the year</b>	<b>150,712</b>	<b>145,826</b>	3.4	<b>121,544</b>	<b>145,826</b>	(16.7)

n.m. denotes not meaningful

# refer explanatory notes in page 2

1(a) (ii) Other information:

(RMB'000)	Actual (WITH financial effects of Convertible Bonds)			Actual (WITHOUT financial effects of Convertible Bonds)		
	Full year ended			Full year ended		
	31 December 2017 (Unaudited)	31 December 2016 (Audited)	% change	31 December 2017 (Unaudited)	31 December 2016 (Audited)	% change
Depreciation expense	34,414	29,484	16.7	34,414	29,484	16.7
Amortisation of intangible assets	12,933	981	1,218.3	12,933	981	1,218.3
Interest expense	91,775	24,873	269.0	33,551	24,873	34.9
Amortisation of land use rights	2,730	1,755	55.6	2,730	1,755	55.6
Exchange differences arising on foreign currency translation	137	(823)	(116.6)	137	(823)	(116.6)
Loss on disposal of property, plant and equipment	20	214	(90.7)	20	214	(90.7)
Share option expense	3,011	7,931	(62.0)	3,011	7,931	(62.0)
Impairment allowance on inventories	(4,115)	5,596	(173.5)	(4,115)	5,596	(173.5)
Impairment allowance on trade and non-trade receivables – net	(15,265)	7,879	(293.7)	(15,265)	7,879	(293.7)
Exchange gain on Convertible Bond	(18,054)	-	n.m.	-	-	n.m.
Fair value gain on Convertible Bond	(69,338)	-	n.m.	-	-	n.m.

n.m. denotes not meaningful

Other operating income comprises:

(RMB'000)	Actual (WITH financial effects of Convertible Bonds)			Actual (WITHOUT financial effects of Convertible Bonds)		
	Full year ended			Full year ended		
	31 December 2017 (Unaudited)	31 December 2016 (Audited)	% change	31 December 2017 (Unaudited)	31 December 2016 (Audited)	% change
Government grant	22,994	3,617	535.7	22,994	3,617	535.7
Interest income	12,236	1,196	923.1	12,236	1,196	923.1
Gain on disposal of plant and equipment	146	-	n.m.	146	-	n.m.
Reversal of impairment allowance on trade and non-trade receivables	33,384	25,696	29.9	33,384	25,696	29.9
Others	5,088	1,360	274.1	5,088	1,360	274.1
<b>Total</b>	<b>73,848</b>	<b>31,869</b>	<b>131.7</b>	<b>73,848</b>	<b>31,869</b>	<b>131.7</b>

\*There is no difference for other operating income with and without financial effects of Convertible Bonds for the full year ended 31 December 2017.\*

**Explanatory Notes:**

Financial effects of Convertible Bonds consist of unrealised foreign exchange translation, amortised interest expenses (inclusive of interest charges) and fair value gain / (loss) of Convertible Bonds.

# Foreign exchange loss of RMB 30.75 million in FY2017 arose from foreign exchange translation loss relating to the unused proceeds from the issuance of the Convertible Bonds on 3 March 2017. These bonds are denominated in US Dollar and have depreciated against the RMB; thus resulting in the foreign exchange loss.

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement at the end of the immediately preceding financial year.**

**UNAUDITED STATEMENTS OF FINANCIAL POSITION**

(RMB'000)	<b>Actual (WITH financial effects of Convertible Bonds)</b>			
	<b>Group</b>		<b>Company</b>	
	<b>(Unaudited) As at 31 December 2017</b>	<b>(Audited) As at 31 December 2016</b>	<b>(Unaudited) As at 31 December 2017</b>	<b>(Audited) As at 31 December 2016</b>
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	902,608	281,277	62,334	3,522
Pledged bank deposits	88,476	69,218	-	-
Trade receivables	1,264,156	1,018,281	-	-
Other receivables and prepayments	363,804	117,650	47,950	14,764
Inventories	342,762	209,769	-	-
Land use rights	4,594	3,748	-	-
Total current assets	<u>2,966,400</u>	<u>1,699,943</u>	<u>110,284</u>	<u>18,286</u>
<b>Non-current assets:</b>				
Land use rights	193,990	170,466	-	-
Property, plant and equipment	474,003	250,208	-	-
Investment in subsidiaries	-	-	951,902	325,476
Investment in associate	10,290	-	-	-
Other receivables and prepayments	23,804	8,535	10,000	20,000
Available for sale investment	9,782	-	-	-
Intangible assets	1,283,726	635,369	-	-
Goodwill	24,114	5,483	-	-
Deferred tax assets	14,194	13,227	-	-
Total non-current assets	<u>2,033,903</u>	<u>1,083,288</u>	<u>961,902</u>	<u>345,476</u>
<b>Total assets</b>	<b><u>5,000,303</u></b>	<b><u>2,783,231</u></b>	<b><u>1,072,186</u></b>	<b><u>363,762</u></b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Trade payables	1,376,195	846,801	-	-
Other payables	379,515	187,681	48,583	38,684
Borrowings	517,200	401,000	-	-
Income tax payable	33,099	30,894	-	-
Total current liabilities	<u>2,306,009</u>	<u>1,466,376</u>	<u>48,583</u>	<u>38,684</u>
<b>Non-current liabilities:</b>				
Deferred tax liabilities	36,401	16,120	-	-
Borrowings	567,616	157,000	6,616	-
Convertible Bonds	687,256	-	687,256	-
Total non-current liabilities	<u>1,291,273</u>	<u>173,120</u>	<u>693,872</u>	<u>-</u>
<b>Capital and reserves :</b>				
Share capital	53,531	53,531	53,531	53,531
Share premium	266,544	266,938	266,938	266,938
General reserve	82,617	70,508	-	-
Share option reserve	15,839	12,828	15,839	12,828
Foreign currency translation reserve	124	261	-	-
Accumulated profits (losses)	834,351	713,976	(6,577)	(8,219)
<b>Equity attributable to equity holders of the Company</b>	<b><u>1,253,006</u></b>	<b><u>1,118,042</u></b>	<b><u>329,731</u></b>	<b><u>325,078</u></b>
Non-controlling interest	150,015	25,693	-	-
Total equity	<u>1,403,021</u>	<u>1,143,735</u>	<u>329,731</u>	<u>325,078</u>
<b>Total liabilities and equity</b>	<b><u>5,000,303</u></b>	<b><u>2,783,231</u></b>	<b><u>1,072,186</u></b>	<b><u>363,762</u></b>

(RMB'000)	<b>Actual (WITHOUT financial effects of Convertible Bonds)</b>			
	Group		Company	
	(Unaudited) As at 31 December 2017	(Audited) As at 31 December 2016	(Unaudited) As at 31 December 2017	(Audited) As at 31 December 2016
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	902,608	281,277	62,334	3,522
Pledged bank deposits	88,476	69,218	-	-
Trade receivables	1,264,156	1,018,281	-	-
Other receivables and prepayments	363,804	117,650	47,950	14,764
Inventories	342,762	209,769	-	-
Land use rights	4,594	3,748	-	-
Total current assets	<u>2,966,400</u>	<u>1,699,943</u>	<u>110,284</u>	<u>18,286</u>
<b>Non-current assets:</b>				
Land use rights	193,990	170,466	-	-
Property, plant and equipment	474,003	250,208	-	-
Investment in associate	10,290	-	951,902	325,476
Other receivables and prepayments	23,804	8,535	10,000	20,000
Available for sale investment	9,782	-	-	-
Intangible assets	1,283,726	635,369	-	-
Goodwill	24,114	5,483	-	-
Deferred tax assets	14,194	13,227	-	-
Total non-current assets	<u>2,033,903</u>	<u>1,083,288</u>	<u>961,902</u>	<u>345,476</u>
<b>Total assets</b>	<b><u>5,000,295</u></b>	<b><u>2,783,231</u></b>	<b><u>1,072,186</u></b>	<b><u>363,762</u></b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Trade payables	1,376,195	846,801	-	-
Other payables	364,272	187,681	33,340	38,684
Borrowings	517,200	401,000	-	-
Income tax payable	33,099	30,894	-	-
Total current liabilities	<u>2,290,766</u>	<u>1,466,376</u>	<u>33,340</u>	<u>38,684</u>
<b>Non-current liabilities:</b>				
Deferred tax liabilities	36,401	16,120	-	-
Borrowings	567,616	157,000	6,616	-
Convertible Bonds	731,667	-	731,667	-
Total non-current liabilities	<u>1,335,684</u>	<u>173,120</u>	<u>738,283</u>	<u>-</u>
<b>Capital and reserves :</b>				
Share capital	53,531	53,531	53,531	53,531
Share premium	266,544	266,938	266,938	266,938
General reserve	82,617	70,508	-	-
Share option reserve	15,839	12,828	15,839	12,828
Foreign currency translation reserve	124	261	-	-
Accumulated profits (losses)	805,183	713,976	(35,745)	(8,219)
<b>Equity attributable to equity holders of the Company</b>	<b><u>1,223,838</u></b>	<b><u>1,118,042</u></b>	<b><u>300,563</u></b>	<b><u>325,078</u></b>
Non-controlling interest	150,015	25,693	-	-
Total equity	<u>1,373,843</u>	<u>1,143,735</u>	<u>300,563</u>	<u>325,078</u>
<b>Total liabilities and equity</b>	<b><u>5,000,303</u></b>	<b><u>2,783,231</u></b>	<b><u>1,072,186</u></b>	<b><u>363,762</u></b>

## 1(b)(ii) Aggregate amount of group borrowings and debt securities

### Amount repayable in one year or less, or on demand

(RMB'000)	As at 31 December 2017		As at 31 December 2016	
	Secured	Unsecured	Secured	Unsecured
Borrowings	192,200	325,000	65,000	336,000

### Amount repayable after one year

(RMB'000)	As at 31 December 2017		As at 31 December 2016	
	Secured	Unsecured	Secured	Unsecured
Borrowings	543,000	24,616	94,000	63,000

### Details of any collaterals:

<u>Collaterals</u>	<u>FY2017</u> <u>(RMB' 000)</u>	<u>FY2016</u> <u>(RMB' 000)</u>
Letters of credit	-	25,000
Land use rights and buildings of subsidiaries	246,437	134,000
Concession rights	984,519	-

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FULL YEAR ENDED 31 DECEMBER 2017**

<b>Actual (WITH financial effects of Convertible Bonds)</b>		
(RMB'000)	Full year ended	
	31 December 2017 (Unaudited)	31 December 2016 (Restated)
<b>Operating activities</b>		
Profit before income tax	177,835	177,672
Adjustments for:		
Depreciation expense	34,414	29,484
Amortisation of intangible assets	12,933	981
Interest expense	91,775	24,873
Amortisation of land use rights	2,730	1,755
Exchange differences arising on foreign currency translation	137	(823)
Loss on disposal of property, plant and equipment	20	214
Share option expense	3,011	7,931
Impairment on inventories – net of reversals	(4,115)	5,596
Interest income	(12,236)	(1,196)
Impairment allowance/(reversal of) on trade and non-trade receivables - net	(15,265)	7,879
Exchange gain on Convertible Bonds	(18,054)	-
Fair value gain on Convertible Bonds	(69,338)	-
Operating cash flows before movements in working capital	203,847	254,366
Trade receivables	(228,145)	235,799
Other receivables, deposits and prepayments	(117,321)	(22,510)
Inventories	(105,254)	19,458
Trade payables	385,427	(308,834)
Other payables	(517)	3,821
Cash generated from operations	138,037	182,100
Income tax paid	(21,668)	(12,301)
Interest paid	(33,551)	(24,873)
Interest received	12,236	1,196
Net cash generated from operating activities	95,054	146,122
<b>Investing activities</b>		
Purchase of property, plant and equipment	(52,368)	(12,311)
Prepayment for projects	(15,269)	(8,535)
Purchase of land use rights	(993)	(30,000)
Expenditure on intangible assets	(521,803)	(308,811)
Proceeds from disposal of property, plant and equipment	750	67
Purchase of subsidiary	(102,749)	-
Increase in an associate	(10,290)	-
Contribution from non-controlling interest holders	63,700	1,501
Net cash (used in) investing activities	(639,022)	(358,089)
<b>Financing activities</b>		
Proceeds from new borrowings	903,616	677,000
Proceeds from Convertible Bonds	731,667	-
Repayment of bank loans	(443,000)	(573,000)
Pledged bank deposits	(19,258)	(4,152)
Payment of dividend	(7,588)	(4,281)
Net cash generated from financing activities	1,165,437	95,567
Net increase / (decrease) in cash and cash equivalents	621,469	(116,400)
Cash and cash equivalents at beginning of year	281,277	397,527
Effects of foreign exchange rate changes	(137)	150
<b>Cash and cash equivalents at end of year</b>	<b>902,609</b>	<b>281,277</b>

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FULL YEAR ENDED 31 DECEMBER 2017**

<b>Actual (WITHOUT financial effects of Convertible Bonds)</b>		
<b>(RMB'000)</b>	<b>Full year ended</b>	
	<b>31 December 2017 (Unaudited)</b>	<b>31 December 2016 (Restated)</b>
<b>Operating activities</b>		
Profit before income tax	148,667	177,672
Adjustments for:		
Depreciation expense	34,414	29,484
Amortisation of intangible assets	12,933	981
Interest expense	33,551	24,873
Amortisation of land use rights	2,730	1,755
Exchange differences arising on foreign currency translation	137	(823)
Loss on disposal of property, plant and equipment	20	214
Share option expense	3,011	7,931
Impairment on inventories – net of reversals	(4,115)	5,596
Interest income	(12,236)	(1,196)
Impairment (reversal of) / allowance on trade and non-trade receivables - net	(15,265)	7,879
Exchange gain on Convertible Bonds	-	-
Fair value gain on Convertible Bonds	-	-
Operating cash flows before movements in working capital	203,847	254,366
Trade receivables	(228,145)	235,799
Other receivables, deposits and prepayments	(117,321)	(22,510)
Inventories	(105,254)	19,458
Trade payables	385,427	(308,834)
Other payables	(517)	3,821
Cash generated from operations	138,037	182,100
Income tax paid	(21,668)	(12,301)
Interest paid	(33,551)	(24,873)
Interest received	12,236	1,196
Net cash generated from operating activities	95,054	146,122
<b>Investing activities</b>		
Purchase of property, plant and equipment	(52,368)	(12,311)
Prepayment for projects	(15,269)	(8,535)
Purchase of land use rights	(993)	(30,000)
Expenditure on intangible assets	(521,803)	(308,811)
Proceeds from disposal of property, plant and equipment	750	67
Purchase of subsidiary	(102,749)	-
Increase in an associate	(10,290)	-
Contribution from non-controlling interest holders	63,700	1,501
Net cash (used in) investing activities	(639,022)	(358,089)
<b>Financing activities</b>		
Proceeds from new borrowings	903,616	677,000
Proceeds from Convertible Bonds	731,667	-
Repayment of bank loans	(443,000)	(573,000)
Pledged bank deposits	(19,258)	(4,152)
Payment of dividend	(7,588)	(4,281)
Net cash generated from financing activities	1,165,437	95,567
Net increase / (decrease) in cash and cash equivalents	621,469	(116,400)
Cash and cash equivalents at beginning of year	281,277	397,527
Effects of foreign exchange rate changes	(137)	150
<b>Cash and cash equivalents at end of year</b>	<b>902,609</b>	<b>281,277</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Actual (WITH financial effects of Convertible Bonds)**

<u>Group</u>	Share capital	Share Premium	General reserves	Share option reserve	Foreign currency translation reserve	Accumulated profits	Equity attributable to equity holders of the Company	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2016</b>	<b>53,531</b>	<b>266,938</b>	<b>56,466</b>	<b>4,897</b>	<b>111</b>	<b>590,126</b>	<b>972,069</b>	<b>20,689</b>	<b>992,758</b>
<u>Total comprehensive income for the year</u>									
Profit for the year	-	-	-	-	-	142,173	142,173	3,503	145,676
Other comprehensive income for the year	-	-	-	-	150	-	150	-	150
Total	-	-	-	-	150	142,173	142,323	3,503	145,826
<u>Transactions with owners, recognised directly in equity</u>									
Dividends paid	-	-	-	-	-	(4,281)	(4,281)	-	(4,281)
Transfer to general reserve	-	-	14,042	-	-	(14,042)	-	-	-
Contribution from non-controlling interest Holders	-	-	-	-	-	-	-	1,501	1,501
Employee share option expense	-	-	-	7,931	-	-	7,931	-	7,931
Total	-	-	14,042	7,931	-	(18,323)	3,650	1,501	5,151
<b>Balance at 31 December 2016</b>	<b>53,531</b>	<b>266,938</b>	<b>70,508</b>	<b>12,828</b>	<b>261</b>	<b>713,976</b>	<b>1,118,042</b>	<b>25,693</b>	<b>1,143,735</b>
<u>Total comprehensive income for the year</u>									
Profit for the year	-	-	-	-	-	145,770	145,770	5,079	150,849
Other comprehensive income for the year	-	-	-	-	(137)	-	(137)	-	(137)
Total	-	-	-	-	(137)	145,770	145,633	5,079	150,712
<u>Transactions with owners, recognised directly in equity</u>									
Ordinary shares issued	-	(394)	(5,698)	-	-	-	(6,092)	55,543	49,451
Dividends paid	-	-	-	-	-	(7,588)	(7,588)	-	(7,588)
Transfer to general reserve	-	-	17,807	-	-	(17,807)	-	-	-
Contribution from non-controlling interest holders	-	-	-	-	-	-	-	63,700	63,700
Employee share option expense	-	-	-	3,011	-	-	3,011	-	3,011
Total	-	(394)	12,109	3,011	-	(25,395)	(10,669)	119,243	108,574
<b>Balance at 31 December 2017</b>	<b>53,531</b>	<b>266,544</b>	<b>82,617</b>	<b>15,839</b>	<b>124</b>	<b>834,351</b>	<b>1,253,006</b>	<b>150,015</b>	<b>1,403,021</b>



1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Actual (WITHOUT financial effects of Convertible Bonds)

<u>Group</u>	Share capital	Share Premium	General reserves	Share option reserve	Foreign currency translation reserve	Accumulated profits	Equity attributable to equity holders of the Company	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2016</b>	<b>53,531</b>	<b>266,938</b>	<b>56,466</b>	<b>4,897</b>	<b>111</b>	<b>590,126</b>	<b>972,069</b>	<b>20,689</b>	<b>992,758</b>
<u>Total comprehensive income for the year</u>									
Profit for the year	-	-	-	-	-	142,173	142,173	3,503	145,676
Other comprehensive income for the year	-	-	-	-	150	-	150	-	150
Total	-	-	-	-	150	142,173	142,323	3,503	145,826
<u>Transactions with owners, recognised directly in equity</u>									
Dividends paid	-	-	-	-	-	(4,281)	(4,281)	-	(4,281)
Transfer to general reserve	-	-	14,042	-	-	(14,042)	-	-	-
Contribution from non-controlling interest Holders	-	-	-	-	-	-	-	1,501	1,501
Employee share option expense	-	-	-	7,931	-	-	7,931	-	7,931
Total	-	-	14,042	7,931	-	(18,323)	3,650	1,501	5,151
<b>Balance at 31 December 2016</b>	<b>53,531</b>	<b>266,938</b>	<b>70,508</b>	<b>12,828</b>	<b>261</b>	<b>713,976</b>	<b>1,118,042</b>	<b>25,693</b>	<b>1,143,735</b>
<u>Total comprehensive income for the year</u>									
Profit for the year	-	-	-	-	-	116,602	116,602	5,079	121,681
Other comprehensive income for the year	-	-	-	-	(137)	-	(137)	-	(137)
Total	-	-	-	-	(137)	116,602	116,465	5,079	121,544
<u>Transactions with owners, recognised directly in equity</u>									
Ordinary shares issued	-	(394)	(5,698)	-	-	-	(6,092)	55,543	49,451
Dividends paid	-	-	-	-	-	(7,588)	(7,588)	-	(7,588)
Transfer to general reserve	-	-	17,807	-	-	(17,807)	-	-	-
Contribution from non-controlling interest holders	-	-	-	-	-	-	-	63,700	63,700
Employee share option expense	-	-	-	3,011	-	-	3,011	-	3,011
Total	-	(394)	12,109	3,011	-	(25,548)	(10,669)	119,243	108,574
<b>Balance at 31 December 2017</b>	<b>53,531</b>	<b>266,544</b>	<b>82,617</b>	<b>15,839</b>	<b>124</b>	<b>805,183</b>	<b>1,223,838</b>	<b>150,015</b>	<b>1,373,853</b>

<b>Actual (WITH financial effects of Convertible Bonds)</b>
---

<u>Company</u>	Share capital	Share premium	Share option reserve	Accumulated profits	Equity attributable to equity holders of the Company	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2016</b>	<b>53,531</b>	<b>266,938</b>	<b>4,897</b>	<b>18,485</b>	<b>343,851</b>	<b>343,851</b>
Loss for the year, representing total comprehensive loss for the year	-	-	-	(22,423)	(22,423)	(22,423)
<u>Transactions with owners, recognised directly in equity</u>						
Employee share option expense	-	-	7,931	-	7,931	7,931
Dividends paid	-	-	-	(4,281)	(4,281)	(4,281)
Total	-	-	7,931	(4,281)	3,650	3,650
<b>Balance at 31 December 2016</b>	<b>53,531</b>	<b>266,938</b>	<b>12,828</b>	<b>(8,219)</b>	<b>325,078</b>	<b>325,078</b>
Loss for the year, representing total comprehensive loss for the year	-	-	-	6,035	6,035	6,035
<u>Transactions with owners, recognised directly in equity</u>						
Employee share option expenses	-	-	3,011	-	3,011	3,011
Dividends paid	-	-	-	(4,393)	(4,393)	(4,393)
Total	-	-	3,011	(4,393)	(1,382)	(1,382)
<b>Balance at 31 December 2017</b>	<b>53,531</b>	<b>266,938</b>	<b>15,839</b>	<b>(6,577)</b>	<b>329,731</b>	<b>329,731</b>

<b>Actual (WITHOUT financial effects of Convertible Bonds)</b>
--

<u>Company</u>	Share capital	Share premium	Share option reserve	Accumulated profits	Equity attributable to equity holders of the Company	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2016</b>	<b>53,531</b>	<b>266,938</b>	<b>4,897</b>	<b>18,485</b>	<b>343,851</b>	<b>343,851</b>
Loss for the year, representing total comprehensive loss for the year	-	-	-	(22,423)	(22,423)	(22,423)
<u>Transactions with owners, recognised directly in equity</u>						
Employee share option expense	-	-	7,931	-	7,931	7,931
Dividends paid	-	-	-	(4,281)	(4,281)	(4,281)
Total	-	-	7,931	(4,281)	3,650	3,650
<b>Balance at 31 December 2016</b>	<b>53,531</b>	<b>266,938</b>	<b>12,828</b>	<b>(8,219)</b>	<b>325,078</b>	<b>325,078</b>
Loss for the year, representing total comprehensive loss for the year	-	-	-	(22,074)	(22,074)	(22,074)
<u>Transactions with owners, recognised directly in equity</u>						
Ordinary shares issued	-	-	-	(891)	(891)	(891)
Employee share option expenses	-	-	3,011	-	3,011	3,011
Dividends paid	-	-	-	(4,393)	(4,393)	(4,393)
Total	-	-	3,011	(5,284)	(2,273)	(2,273)
<b>Balance at 31 December 2017</b>	<b>53,531</b>	<b>266,938</b>	<b>15,839</b>	<b>(35,577)</b>	<b>300,731</b>	<b>300,731</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in share capital during the financial year ended 31 December 2017.

There were no outstanding convertibles or treasury shares held as at 31 December 2017.

On 3 March 2017, the Company had completed the issuance of Convertible Bonds of an aggregate principal amount of US\$ 110 million which are convertible into fully paid ordinary shares in the capital of the Company (which will potentially represent approximately 28.2% to 51.4% of share capital on a diluted basis) to Glory Sky Vision Limited (ultimately indirectly and beneficially-owned by CDH Fund V, L. P.). The Convertible Bonds will mature in March 2022.

**1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The Company's total issued shares as at 31 December 2017 and 31 December 2016 was 737,657,142 ordinary shares.

There were no shares held as treasury shares as at 31 December 2017 and 31 December 2016.

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

These figures have neither been audited nor reviewed.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRSs") and Interpretations of FRS ("INT FRSs") that are relevant to its operations and effective for annual periods beginning on or after January 1, 2017. The adoption of the new/revised FRSs, INT FRSs and amendments to FRSs have no material effect on the financial statements.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.**

Not applicable.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**

(a) **Based on the weighted average number of ordinary shares on issue; and**

	Actual (WITH financial effects of Convertible Bonds)		Actual (WITHOUT financial effects of Convertible Bonds)	
	Full Year ended 31 December 2017	31 December 2016	Full Year ended 31 December 2017	31 December 2016
Net profit attributable to equity holders of the Group (RMB'000)	145,770	142,173	116,602	142,173
Weighted average number of ordinary shares outstanding ('000)	737,657	737,657	737,657	737,657
Earnings per share - basic (RMB cent)	19.76	19.27	15.81	19.27

Basic earnings per share for the full year ended 31 December 2017 and 31 December 2016 have been calculated by dividing the net profit attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding.

6 (b) On a fully diluted basis (detailing any adjustments made to the earnings)

	Actual (WITH financial effects of Convertible Bonds)		Actual (WITHOUT financial effects of Convertible Bonds)	
	Full Year ended 31 December 2017	31 December 2016	Full Year ended 31 December 2017	31 December 2016
Net profit attributable to equity holders of the Group (RMB'000)	145,770	142,173	116,602	142,173
Interest in convertible loans (RMB'000)	58,224	0	58,224	0
<b>Earnings for the purposes of diluted earnings per share (RMB'000)</b>	<b>203,994</b>	<b>142,173</b>	<b>174,826</b>	<b>142,173</b>
Weighted average number of ordinary shares outstanding ('000)	1,044,916	755,735	1,044,916	755,735
Earnings per share - basic (RMB cents)	19.52	18.81	16.73	18.81

Diluted earnings per share for the above periods have been calculated assuming the outstanding convertibles have been converted at S\$ 0.50 and share options granted have been exercised during FY2017.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

(a) current financial period reported on; and

(b) immediately preceding financial year.

	<u>Group</u>			
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	<i>(WITH financial effects of Convertible Bonds)</i>		<i>(WITHOUT financial effects of Convertible Bonds)</i>	
Net asset value per share (RMB cents)	169.86	151.57	165.91	151.57

	<u>Company</u>			
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	<i>(WITH financial effects of Convertible Bonds)</i>		<i>(WITHOUT financial effects of Convertible Bonds)</i>	
Net asset value per share (RMB cents)	44.70	44.07	40.75	44.07

The net asset value per share for 31 December 2017 and 31 December 2016 have been computed based on shareholders' equity as at these dates and the existing share capital of 737,657,142 ordinary shares as at 31 December 2017 and 31 December 2016.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) **Any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**Review of the Group's performance for the year ended 31 December 2017 ("FY2017") as compared to that of the year ended 31 December 2016 ("FY2016")**

*\*Based on actual financial performance WITH financial effects of Convertible Bonds\**

Revenue

The Group's revenue increased by approximately RMB 339.3 million or 20.9% from RMB 1,626.2 million in FY2016 to RMB 1,965.5 million in FY2017. The increase was attributed to an increase of RMB 313.5 million from the Environmental Equipment Manufacturing (EEM) segment and an increase of RMB 152.1 million from the Green Investments (GI) segment.

Gross Profit

The Group's gross profit decreased by approximately RMB 0.5 million or 0.1% from RMB 408.3 million in FY2016 to RMB 407.8 million in FY2017. Gross profit margin decreased from 25.1% for FY2016 to 20.8% for FY2017 mainly due to the increase of the manufacturing cost in EEM segments as a result of increase in prices of raw materials in 2017.

Profit before Income Tax

Profit before tax increased by RMB 0.1 million or 0.1% from RMB 177.7 million in FY2016 to RMB 177.8 million in FY2017. The increase was mainly attributable to the following factors:

- (a) Increase in fair value gain on Convertible Bonds of RMB 69.3 million between 3 March 2017 and 31 December 2017;
- (b) Increase in other operating income of RMB 42.0 million mainly due to an increase in government grants and interest income;

The above-mentioned factors were offset mainly by:

- (a) Increase in administrative expenses of RMB 40.1 million in FY2017 largely due to increases in personnel expenses to support the Group's expansion;
- (b) Increase in foreign exchange losses due to unutilized Convertible Bonds; and

- (c) Increase in finance costs of RMB 66.9 million in FY2017 mainly due to accrued effective interest of Convertible Bonds.

#### Income Tax Expense

Excluding the non-tax deductible effect of the Convertible Bonds, the effective tax rate for FY2017 would have been 18.0%.

The Group's effective income tax rate is 15.1% for FY2017.

#### Profit for the Year

The Group's net profit attributable to shareholders increased by RMB 7.1 million or 4.9% from RMB 145.7 million in FY2016 to RMB 152.8 million in FY2017.

- (b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

#### Review of the Group's Financial Position

*\*Based on the statement of financial position WITH financial effects of Convertible Bonds\**

The Group's total current assets increased by approximately RMB 1,266.5 million or 74.5% from RMB 1,699.9 million as at 31 December 2016 to RMB 2,966.4 million as at 31 December 2017. The increase was mainly due to:

- (a) Increase in cash and cash equivalents of RMB 621.3 million, primarily due to the issuance of Convertible Bonds;
- (b) Increase in pledged bank deposits of RMB 19.3 million as more collaterals were required for the credit facilities granted;
- (c) Increase in trade receivables of RMB 245.9 million arising mainly from an aggregate increase in trade receivables and notes receivables from third parties of RMB 253.9 million

Approximately 50.9% and 9.7% of the trade receivables at 31 December 2016 and 31 December 2017 respectively were collected as at 14 February 2018. Most of the trade receivables are due from customers that are state-owned enterprises, listed companies or multinational corporations. Overall, the Group's customers are credit-worthy but payments remain slow due to tightening credit in China.



- (d) Increase in other receivables and prepayments of RMB 246.2 million which resulted from increased advance payment for purchases to fulfil the orders on hand and taxes deductible arising from the construction of “BOT, BOO, TOT” projects; and
- (e) Increase in inventories of RMB 133.0 million primarily due to an aggregate increase of RMB 134.8 million in work-in-progress and raw materials and consumables for project use.

The Group’s total non-current assets increased by RMB 950.6 million or 87.8% from RMB 1,083.3 million as at 31 December 2016 to RMB 2,033.9 million as at 31 December 2017. The increase was mainly due to:

- (a) Increase in property, plant and equipment of RMB 223.8 million mainly due to the expansion of business in Green Investment;
- (b) Increase in other receivables, deposits and prepayments of RMB 15.3 million resulting from prepayments made to subcontractors for work done for the “BOT, BOO, TOT” projects on hand as at 31 December 2017; and
- (c) Increase in intangible assets of RMB 648.4 million mainly due to service concession arrangements relating to “BOT and TOT” projects on hand.

The Group’s total current liabilities increased by RMB 837.9 million or 57.1% from RMB 1,466.4 million as at 31 December 2016 to RMB 2,304.3 million as at 31 December 2017. The increase was mainly due to:

- (a) Increase in trade payables of RMB 529.4 million as a result of the increase in trade payables with third parties of RMB 376.3 million and the increase in customer advances of RMB 153.1 million; and
- (b) Increase in other payables of RMB 190.1 million primarily due payables for equity acquisition;

The above increases were partly offset by the decrease in notes payable to third parties RMB 14.6 million and value-added taxes and other tax liabilities of RMB 11.4 million.

The Group’s total non-current liabilities increased by approximately RMB 1,118.2 million from RMB 173.1 million as at 31 December 2016 to RMB 1,291.3 million as at 31 December 2017. The increase was mainly due to:

- (a) Increase in long-term borrowings of approximately RMB 410.6 million as a result of an increase in borrowing in relation to the BOT projects; and
- (b) Increase in issuance of Convertible Bonds of RMB 687.3 million in 1Q2017. *Please refer to Section 8 Financial Effects of Convertible Bonds.*

The Group's total liabilities increased by RMB 1,956.1 million or 119.3% from RMB 1,639.5 million as at 31 December 2016 to RMB 3,595.6 million as at 31 December 2017. The increase was mainly due to the increase in long-term borrowings for BOT projects and the increase in issuance of Convertible Bonds in 1Q2017.

### **Review of the Group's cash flow statement**

*\*Based on the cash flow statement WITH financial effects of Convertible Bonds\**

Net cash generated from operating activities amounted to approximately RMB 95.1 million in FY2017, primarily due to operating cash flows before movements in working capital of approximately RMB 203.8 million that were derived from:

- (a) Higher working capital requirements due to the increase in trade receivables of RMB 228.1 million, increase in other receivables and prepayments of RMB 117.3 million and increase in inventories of RMB 105.3 million respectively;
- (b) Lower working capital requirements due to the increase in trade payables of RMB 385.4 million and increase in other payables of RMB 0.5 million respectively.
- (c) Interest and tax paid of RMB 55.2 million in aggregate.

Net cash used in investing activities amounted to RMB 639.0 million mainly due to an increase in expenditure on intangible assets of RMB 521.8 million and purchase of property, plant and equipment of RMB 0.8 million respectively.

Net cash generated from financing activities amounted to RMB 1,165.4 million due to proceeds of borrowings of RMB 903.6 million and Convertible Bonds of RMB 731.7 million which is offset by repayment of bank loans of RMB 443.0 million.

### **Use of Proceeds from Convertible Bonds**

On 3 March 2017, the Company has completed the issuance of Convertible Bonds of an aggregate principal amount of US\$ 110 million ("Convertible Bonds"), which are convertible into fully paid ordinary shares in the capital of the Company to Glory Sky Vision Limited (ultimately indirectly and beneficially owned by CDH Fund V, L. P.). The Convertible Bonds will mature in March 2022.

The net proceeds raised from the Convertible Bonds is approximately US\$ 106.21 million (equivalent to RMB 731.79 million based on exchange rate of RMB 6.89: US\$ 1 as at 3 March 2017) after deducting the transaction expenses of US\$ 3.79 million (equivalent to RMB 26.11 million). The net proceeds will be utilised for the expansion and further investment into Green Investments business, including by way of BOT/BOO/TOT models of centralised steam and electricity projects and other environmental protection related projects.

As at 31 January 2018, the Company has utilised an aggregate of RMB 267.69 million (or approximately US\$ 42.63 million) of the net proceeds as per schedule below:

<b>Project</b>	<b>Use of Convertible Bonds Proceeds</b>	<b>Amount <sup>(1)</sup></b>
Shantou	Registered capital in respect of the Shantou Project	RMB 92.82 million (approximately US\$14.78 million)
Liutuan	Registered capital in respect of the Liutuan Project	RMB 1.50 million (approximately US\$0.24 million)
Jining JVC	Registered capital in respect of the Jining Project	RMB 10.29 million (approximately US\$1.64 million)
Shandong Yangguang Institute	Purchase consideration of the acquisition	RMB 68.00 million (approximately US\$10.83 million)
Xinyuan Thermal Power	Purchase consideration of first tranche of the acquisition	RMB 63.75 million (approximately US\$10.15 million)
Xintai Zhengda Thermolectric	Purchase consideration of first tranche of the acquisition	RMB 10.00 million (approximately US\$1.59 million)
General	Administrative and general expenses for business expansion of Green Investment related business	RMB 21.33 million (approximately US\$3.40 million)
<b>Total Convertible Bonds Proceeds utilised</b>		<b>RMB 267.69 million</b> (approximately US\$42.63 million)
<b>Balance of Convertible Bonds Proceeds available for use</b>		<b>RMB 464.10 million</b> (approximately US\$ 73.90 million)

(1) Based on the exchange rate of RMB 6.28:US\$ 1 as at 31 January 2018.

Each of the above utilisation of Convertible Bonds Proceeds is consistent with the intended use as disclosed in the Company's circular to shareholders dated 13 February 2017.

### **Financial Effects of Convertible Bonds**

Convertible Bonds were issued on 3 March 2017 with the carrying amount of the Convertible Bonds currently stated at fair value as at 31 December 2017. In accordance with Singapore Financial Reporting standards associated with the issuance of compound financial instruments, fair value change will affect the statement of profit and loss arising from (i) fair valuation relating to the conversion option and (ii) amortised interest charge relating to the amortised cost liability component of the Convertible Bonds. The fair value change is an accounting treatment arising from the compliance with the accounting standards and has no cash flow effect and no financial impact on the performance targets in relation to the Convertible Bonds as stipulated in the Convertible Bonds Agreement stated in the circular dated 13 February 2017.

The fair value change of the Convertible Bonds and the related financial effects to the statement of profit or loss and other statements have no operational effects to the financial performance of the Group. Financial effects of Convertible Bonds consist of unrealised foreign exchange translation, amortised interest expenses (inclusive of interest charges) and fair value gain/ (loss) of Convertible Bonds. Excluding the financial effects of the Convertible Bonds, net profit attributable to equity holders of the Company increased by RMB 5.0 million or 3.5% from RMB 142.3 million in FY2016 to RMB 147.3 million in FY2017.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

There is no variance between the actual results and the forecast, or prospect statement previously disclosed to shareholders.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

In FY2017, the Group achieved a 20.9% and 3.6% year-on-year (“y-o-y”) growth in revenue and net profit attributable to shareholders respectively. The revenue generated from its Green Investment (“GI”) business was about RMB 152.1 million or 7.7% of the Group’s revenue.

Looking forward to 2018, the global economy is expected to maintain its recovery momentum and the IMF forecasted China’s economic growth in 2018 to be 6.6%<sup>[1]</sup>. Environmental protection, especially smog governance, will remain top on the Chinese government’s agenda. The growth prospects in this industry are expected to remain strong in the year ahead.

Following the operations of the Group’s Hebei Changrun, Quanjiao, Lianshui and Xinyuan projects in 2017, our GI business has started to contribute additional recurring income as anticipated. The Group also has other GI projects either under construction or design and these projects will contribute recurring income once commissioned in the near future. The Group has accumulated a robust GI project pipeline and it is expected to become a major contributor to our growth in 2018 and beyond.

Our EEM business segment recorded growth in 2017 with a revenue increase of over 30% y-o-y and rounded off the year with a strong order book despite the downturn in the oil and gas industry in recent years due to our brand name and competitive strengths. Last year, the Group secured two major EEM supply contracts worth a total of RMB 150 million from a single customer in the US market, which further solidified our position in overseas markets. We further consolidated our market leading position in the solar industry after successfully winning a total of RMB 500 million worth of EEM and EPC contracts from GCL-Poly and other polysilicon companies.

<sup>[1]</sup> IMF, World Economic Outlook Update, <https://www.imf.org/en/Publications/WEO/Issues/2018/01/11/world-economic-outlook-update-january-2018>

In 2018, the Group will continue to take advantage of favourable policies and leverage the synergies of our GI, EEM and EPC business segments to drive us towards our growth targets. We will continue our efforts to expand our GI segment for additional recurring income based on 20-30 years of concession to drive shareholders' value in the long run.

As at 31 December 2017, the total orders on hand amounted to approximately RMB 1.9 billion, a record high for the Group and a significant increase from the RMB 1.1 billion recorded a year ago. Barring unforeseen circumstances and excluding the fair value change and related financial effects of the Convertible Bonds as detailed in "Financial Effects of Convertible Bonds" in Section 8, the Group expects to remain profitable in FY2018.

**11. If a decision regarding dividend has been made:**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended)**

A first and final ordinary dividend has been recommended.

**(b) (i) Amount per share in cents**

**(ii) Previous corresponding period in cents**

	<u>FY2017</u>	<u>FY2016</u>
Dividend Amount Per Share:	S\$ 0.0012 per ordinary share	S\$ 0.0012 per ordinary share
Par Value:	US\$ 0.01	US\$ 0.01
Dividend Type:	Cash	Cash

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

The dividend is tax exempt and is not taxable in the hands of shareholders.

**(d) The date the dividend is payable.**

To be announced later.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

To be announced later.

**12. If no dividend has been declared (recommended), a statement to that effect.**

Not applicable.

- 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company does not have an Interested Person Transaction mandate.

- 14. Negative Confirmation Pursuant to Rule 705 (5). (Not Required for announcement on full year results).**

Not applicable.

- 15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rules 720(1).**

The Company has obtained undertakings from all directors and executive officers.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

16. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	<b>Environmental Equipment Manufacturing</b>	<b>EPC Integrated Solutions</b>	<b>Green Investments</b>	<b>Total</b>
<b><u>2017</u></b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Revenue</b>	1,343,529	469,820	152,121	1,965,470
<b>Result:</b>				
Segment result	114,441	58,310	46,801	219,552
Unallocated corporate expenses				(49,570)
Fair value effect of Convertible Bonds				29,168
Interest income	6,190	1,472	4,574	12,236
Finance cost	(20,351)	(1,877)	(11,322)	(33,551)
Profit before income tax				177,835
Income tax expense				(26,986)
Profit after income tax				150,849
<b><u>2016</u></b>				
<b>Revenue</b>	1,030,002	596,166	-	1,626,168
<b>Result:</b>				
Segment result	138,425	94,824	(5,023)	228,226
Unallocated corporate expenses				(26,877)
Interest income	798	291	107	1,196
Finance cost	(20,804)	(4,070)	-	(24,873)
Profit before income tax				177,672
Income tax expense				(31,996)
Profit after income tax				145,676

	<b>Environmental Equipment Manufacturing</b>	<b>EPC Integrated Solutions</b>	<b>Green Investments</b>	<b>Total</b>
<b><u>2017</u></b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Statement of Net Assets</b>				
<b>Assets:</b>				
Segment assets	2,203,590	313,918	2,411,030	4,928,538
Unallocated assets				71,765
Total assets				<u>5,000,303</u>
<b>Liabilities:</b>				
Segment liabilities	1,226,845	419,683	1,219,998	2,866,526
Unallocated liabilities				730,756
Total liabilities				<u>3,597,282</u>
<b><u>2016</u></b>				
<b>Statement of Net Assets</b>				
<b>Assets:</b>				
Segment assets	1,547,456	462,270	768,166	2,777,892
Unallocated assets				5,339
Total assets				<u>2,783,231</u>
<b>Liabilities:</b>				
Segment liabilities	832,827	412,866	369,540	1,615,233
Unallocated liabilities				24,262
Total liabilities				<u>1,639,495</u>



**Other Information**

	<b>Environmental Equipment Manufacturing</b>	<b>EPC Integrated Solutions</b>	<b>Green Investments</b>	<b>Total</b>
<b>2017</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Capital expenditure				
- Property, plant and equipment	35,390	2,637	220,952	258,979
- Intangible assets	-	-	521,803	521,803
- Land use rights	993	-	27,197	28,190
Depreciation expenses	29,096	888	4,430	34,414
Impairment allowance on /(Reversal of)				
- trade and non-trade receivables-net	(15,255)	(10)	-	(15,265)
- inventories	(4,115)	-	-	(4,115)
Amortisation of intangible assets	-	981	11,952	12,933
Amortisation of land use rights	1,531	499	1,790	3,820
<b>2016</b>				
Capital expenditure				
- Property, plant and equipment	8,593	3,235	483	12,311
- Intangible assets	-	-	594,465	594,465
- Land use rights	16,330	-	13,670	30,000
Depreciation expenses	28,510	974	-	29,484
Impairment allowance on				
- trade and non-trade receivables-net	7,804	75	-	7,879
- inventory	5,596	-	-	5,596
Amortisation of intangible assets	-	981	-	981
Amortisation of land use rights	1,256	499	1,740	3,495

### **Geographical information**

The geographical locations of the customers of the Group principally comprise the People's Republic of China ("PRC"), United States of America ("USA"), Europe, Middle East, Asia (except PRC), South East Asia and South America.

	Revenue from External customer		Non-current assets	
	2017 RMB'000	2016 RMB'000	2017 RMB'000	2016 RMB'000
PRC	1,811,363	1,448,371	2,033,894	1,083,288
Canada	550	-	-	-
U.S.A.	34,904	9,007	-	-
Asia	-	9,540	-	-
South East Asia	42,420	78,969	-	-
Middle East	21,679	55,146	-	-
Europe	54,642	14,881	-	-
South America	-	6,278	-	-
Oceania	(88)	3,976	-	-
<b>Total</b>	<b>1,965,470</b>	<b>1,626,168</b>	<b>2,033,894</b>	<b>1,083,288</b>

### **17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to Paragraph 8.

### **18. A breakdown of sales**

	Group		% change
	2017 RMB'000	2016 RMB'000	Total
16(a) Sales reported for first half year	719,075	684,017	5.1
16(b) Operating profit/(loss) after tax before deducting non-controlling interest reported for first half year	(52,527)	60,333	(187.1)
16(c) Sales reported for second half year	1,246,395	942,151	32.3
16(d) Operating profit/loss after tax before deducting non-controlling interest reported for second half year	205,067	85,343	140.3

### **19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	FY2017		2016	
	S\$	RMB	S\$	RMB
Final tax-exempt dividend paid per share	0.0012	0.006	0.0012	0.006
Number of shares	737,657,142	737,657,142	737,657,142	737,657,142
<b>Total</b>	<b>885,189</b>	<b>4,425,943</b>	<b>885,189</b>	<b>4,425,943</b>

- 20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company wishes to advise that none of the persons occupying managerial positions in the Company or any of its principal subsidiaries are related to a director, chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

Ma Ming  
Executive Director

27 February 2018