

Unaudited Financial Statements for the First Quarter Ended 31 March 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY 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 FIRST QUARTER ENDED 31 MARCH 2018

(RMB'000)	Actual (WITH financial effects of Convertible Bonds)			Actual (WITHOUT financial effects of Convertible Bonds)		
	First quarter ended		% change	First quarter ended		% change
	31 March 2018 (Unaudited)	31 March 2017 (Restated)		31 March 2018 (Unaudited)	31 March 2017 (Restated)	
Revenue	621,489	343,151	81.1	621,489	343,151	81.1
Cost of sales	(488,986)	(256,461)	90.7	(488,986)	(256,461)	90.7
Gross profit	132,503	86,690	52.9	132,503	86,690	52.9
Other operating income	8,616	5,557	55.0	8,616	5,557	55.0
Selling and distribution expenses	(8,857)	(8,852)	0.1	(8,857)	(8,852)	0.1
Administrative expenses	(59,384)	(39,644)	49.8	(59,384)	(39,644)	49.8
Exchange loss	(6,384)	(3,581)	78.3	(19,226) ⁽²⁾	-	n.m.
Other operating expenses	(2,194)	(765)	186.8	(2,194)	(765)	186.8
Finance costs	(25,830)	(10,616)	143.3	(13,322)	(5,338)	149.6
Fair value gain/(loss) on convertible bonds	51,128	(105,036)	(148.7)	-	-	
Share of loss of associate	(289)	-	n.m.	(289)	-	
Profit/(loss) before income tax	89,309	(76,247)	(217.1)	37,847	37,648	(0.5)
Income tax expense	(5,949)	(7,066)	(15.8)	(5,949)	(7,066)	(15.8)
Profit/(loss) for the period	83,360	(83,313)	(200.1)	31,898	30,582	4.3
Other comprehensive income						
Exchange difference on translation of foreign operation	(79)	(15)	426.7	(79)	(15)	426.7
Total comprehensive income/(loss) for the period	83,281	(83,328)	(199.9)	31,819	30,567	4.1
<u>Profit/(loss) for the period attributable to:</u>						
Equity holders of the Company	82,368	(83,498)	(198.7)	30,906 ⁽²⁾	30,397	1.7
Non-controlling interest	992	185	436.2	992	185	436.2
Profit/(loss) for the period	83,360	(83,313)	(200.1)	31,898	30,582	4.3
<u>Total comprehensive income/(loss) for the period attributable to:</u>						
Equity holders of the Company	82,289	(83,513)	(198.6)	30,827	30,382	(1.5)
Non-controlling interest	992	185	436.2	992	185	436.2
Profit/(loss) for the period	83,281	(83,328)	(199.9)	31,819	30,567	4.1

n.m. denotes not meaningful

Explanatory Notes for WITHOUT financial effects of Convertible Bonds:

- (1) 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.
- (2) Included in the foreign exchange loss of RMB 19.2 million was foreign exchange translation loss of RMB 15.4 million arising from unutilised 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. Hence, profit attributable to equity holders (after excluding foreign exchange loss) for 1Q2018 was RMB 46.3 million, a 52.4% increase from 1Q2017.

1(a) (ii) Other information:

(RMB'000)	Actual (WITH financial effects of Convertible Bonds)			Actual (WITHOUT financial effects of Convertible Bonds)		
	First quarter ended			First quarter ended		
	31 March 2018 (Unaudited)	31 March 2017 (Unaudited)	% change	31 March 2018 (Unaudited)	31 March 2017 (Unaudited)	% change
Depreciation expense	13,788	7,171	92.3	13,788	7,171	92.3
Amortisation of intangible assets	6,662	245	2,619.2	6,662	245	2,619.2
Interest expense	25,830	10,616	143.3	13,322	5,338	149.6
Amortisation of land use rights	961	568	69.2	961	568	69.19
Loss on disposal of property, plant and equipment	44	(1)	n.m	44	(1)	n.m
Employee share option expense	-	1,956	(100)	-	1,956	(100)
Provision of impairment allowance on trade receivables	500	548	(8.8)	500	548	(8.8)
Impairment allowance on trade receivables - net	(1,864)	(2,448)	(23.9)	(1,864)	(2,448)	(23.9)
Exchange loss	6,384	3,581	78.3	19,226	-	n.m
Fair value (gain)/loss on convertible bonds	(51,128)	105,036	(148.7)	-	-	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)		
	First quarter ended			First quarter ended		
	31 March 2018 (Unaudited)	31 March 2017 (Unaudited)	% change	31 March 2018 (Unaudited)	31 March 2017 (Unaudited)	% change
Government grant	4,390	872	403.4	4,390	872	403.4
Interest income	1,199	902	32.9	1,199	902	32.9
Scrap sales	20	711	(97.2)	20	711	(97.2)
Gain on disposal of plant and equipment	-	48	(100.0)	-	48	(100.0)
Reversal of impairment allowance on trade and non-trade receivables	1,864	2,448	(23.9)	1,864	2,448	(23.9)
Others	1,143	576	98.4	1,143	576	98.4
Total	8,616	5,557	55.0	8,616	5,557	55.0

n.m. denotes not meaningful

*** There is no difference for other operating income with and without financial effects of Convertible Bonds for the first quarter ended 31 March 2018.**

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION

(RMB'000)	Actual (WITH financial effects of Convertible Bonds)			
	Group		Company	
	(Unaudited) 31 March 2018	(Audited) 31 December 2017	(Unaudited) 31 March 2018	(Audited) 31 December 2017
ASSETS				
Current assets:				
Cash and cash equivalents	645,864	902,608	42,352	62,334
Pledged bank deposits	105,593	88,476	-	-
Trade receivables	1,232,024	1,264,156	-	-
Other receivables, deposits and prepayments	431,462	363,804	125	28,347
Inventories	412,924	342,762	-	-
Land use rights	4,594	4,594	-	-
Total current assets	<u>2,832,461</u>	<u>2,966,400</u>	<u>42,477</u>	<u>90,681</u>
Non-current assets:				
Land use rights	194,987	193,990	-	-
Property, plant and equipment	483,018	474,003	-	-
Other receivables, deposits and prepayments	26,065	23,804	-	29,603
Investment in unquoted equity	9,782	9,782	-	-
Investment in subsidiaries	-	-	1,008,497	951,902
Investment in associate	10,004	10,290	-	-
Intangible assets	1,392,758	1,283,726	-	-
Goodwill	24,114	24,114	-	-
Deferred tax assets	21,177	14,194	-	-
Total non-current assets	<u>2,161,905</u>	<u>2,033,903</u>	<u>1,008,497</u>	<u>981,505</u>
Total assets	<u>4,994,366</u>	<u>5,000,303</u>	<u>1,050,974</u>	<u>1,072,186</u>
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables	1,461,399	1,376,195	-	-
Other payables	204,329	379,515	34,827	48,583
Borrowings	538,400	517,200	-	-
Income tax payable	36,848	33,099	-	-
Total current liabilities	<u>2,240,976</u>	<u>2,306,009</u>	<u>34,827</u>	<u>48,583</u>
Non-current liabilities:				
Deferred tax liabilities	36,792	36,401	-	-
Borrowings	570,616	567,616	6,616	6,616
Convertible bonds	634,199	687,256	634,199	687,256
Total non-current liabilities	<u>1,241,607</u>	<u>1,291,273</u>	<u>640,815</u>	<u>693,872</u>
Capital and reserves:				
Share capital	53,531	53,531	53,531	53,531
Share premium	266,938	266,938	266,938	266,938
General reserves	90,390	87,921	-	-
Share option reserve	15,839	15,839	15,839	15,839
Foreign currency translation reserve	45	124	-	-
Retained earnings (Accumulated losses)	917,445	837,546	39,024	(6,577)
Equity attributable to equity holders of the Company	<u>1,344,188</u>	<u>1,261,899</u>	<u>375,332</u>	<u>329,731</u>
Non-controlling interest	167,595	141,122	-	-
Total equity	<u>1,511,783</u>	<u>1,403,021</u>	<u>375,332</u>	<u>329,731</u>
Total liabilities and equity	<u>4,994,366</u>	<u>5,000,303</u>	<u>1,050,974</u>	<u>1,072,186</u>

(RMB'000)	Actual (WITHOUT financial effects of Convertible Bonds)			
	Group		Company	
	(Unaudited) 31 March 2018	(Audited) 31 December 2017	(Unaudited) 31 March 2018	(Audited) 31 December 2017
ASSETS				
Current assets:				
Cash and cash equivalents	645,864	902,608	42,352	62,334
Pledged bank deposits	105,593	88,476	-	-
Trade receivables	1,232,024	1,264,156	-	-
Other receivables, deposits and prepayments	431,462	363,804	125	28,347
Inventories	412,924	342,762	-	-
Land use rights	4,594	4,594	-	-
Total current assets	<u>2,832,461</u>	<u>2,966,400</u>	<u>42,477</u>	<u>90,681</u>
Non-current assets:				
Land use rights	194,987	193,990	-	-
Property, plant and equipment	483,018	474,003	-	-
Other receivables, deposits and prepayments	26,065	23,804	-	29,603
Investment in unquoted equity	9,782	9,782	-	-
Investment in subsidiaries	-	-	1,008,497	951,902
Investment in associate	10,004	10,290	-	-
Intangible assets	1,392,758	1,283,726	-	-
Goodwill	24,114	24,114	-	-
Deferred tax assets	21,177	14,194	-	-
Total non-current assets	<u>2,161,905</u>	<u>2,033,903</u>	<u>1,008,497</u>	<u>981,505</u>
Total assets	<u>4,994,366</u>	<u>5,000,295</u>	<u>1,050,974</u>	<u>1,072,186</u>
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables	1,461,399	1,376,195	-	-
Other payables	202,888	364,272	33,386	33,340
Borrowings	538,400	517,200	-	-
Income tax payable	36,848	33,099	-	-
Total current liabilities	<u>2,239,535</u>	<u>2,290,766</u>	<u>33,386</u>	<u>33,340</u>
Non-current liabilities:				
Deferred tax liabilities	36,792	36,401	-	-
Borrowings	570,616	567,616	6,616	6,616
Convertible bonds liability	716,270	731,667	716,270	731,667
Total non-current liabilities	<u>1,323,678</u>	<u>1,335,684</u>	<u>722,886</u>	<u>738,283</u>
Capital and reserves:				
Share capital	53,531	53,531	53,531	53,531
Share premium	266,938	266,938	266,938	266,938
General reserves	90,390	87,921	-	-
Share option reserve	15,839	15,839	15,839	15,839
Foreign currency translation reserve	45	124	-	-
Accumulated profits/(losses)	836,815	837,546	(41,606)	(35,745)
Equity attributable to equity holders of the Company	<u>1,263,558</u>	<u>1,261,899</u>	<u>294,702</u>	<u>300,563</u>
Non-controlling interest	167,595	141,122	-	-
Total equity	<u>1,431,153</u>	<u>1,403,021</u>	<u>294,702</u>	<u>300,563</u>
Total liabilities and equity	<u>4,994,366</u>	<u>5,000,303</u>	<u>1,050,974</u>	<u>1,072,186</u>

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 March 2018		As at 31 December 2017	
	Secured	Unsecured	Secured	Unsecured
Borrowings	140,000	398,400	192,200	325,000

Amount repayable after one year

(RMB'000)	As at 31 March 2018		As at 31 December 2017	
	Secured	Unsecured	Secured	Unsecured
Borrowings	564,000	6,616	543,000	24,616

Details of any collaterals:

<u>Collaterals</u>	31 March 2018	31 December 2017
	RMB'000	RMB'000
Land use rights and buildings of a subsidiary	664,000	640,200
Pledge of shareholding	40,000	-

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 FIRST QUARTER ENDED 31 MARCH 2018

(RMB'000)	Actual (WITH financial effects of Convertible Bonds)	
	Full year ended	
	31 March 2018 (Unaudited)	31 March 2017 (Restated)
Operating activities		
Profit before income tax	89,309	(76,247)
Adjustments for:		
Depreciation expense	13,788	7,171
Amortisation of intangible assets	6,662	245
Interest expense	25,830	10,616
Amortisation of land use rights	961	568
Share of profit/loss of associate	286	-
Loss / (Gain) on disposal of property, plant and equipment	44	(1)
Employee share option expense	-	1,956
Interest income	(1,199)	(902)
Impairment allowance / (reversal of) on trade and non-trade receivables - net	(1,364)	(1,900)
Exchange (gain) / loss on Convertible Bond	(12,842)	3,581
Fair value (gain) / loss on Convertible Bonds	(51,128)	105,036
Operating cash flows before movements in working capital	<u>70,347</u>	<u>50,123</u>
Trade receivables	33,496	53,921
Other receivables, deposits and prepayments	(64,241)	(21,051)
Inventories	(70,162)	(35,282)
Trade payables	64,172	15,445
Other payables	(49,415)	(41,727)
Cash generated from operations	<u>(15,803)</u>	<u>21,429</u>
Income tax paid	(8,792)	(9,552)
Interest received	1,199	902
Interest paid	(30,687)	(5,338)
Net cash (used in)/generated from operating activities	<u>(54,083)</u>	<u>7,441</u>
Investing activities		
Purchase of property, plant and equipment	(22,949)	(7,495)
Prepayment for build-operate-transfer ("BOT") projects	(2,261)	(4,794)
Acquisition of land use rights	(2,018)	-
Acquisition of intangible assets	(98,019)	(129,053)
Proceeds from disposal of property, plant and equipment	102	120
Payment of deferred consideration relating to acquisition of subsidiaries	(110,000)	-
Net cash used in investing activities	<u>(235,145)</u>	<u>(141,222)</u>
Financing activities		
Proceeds from new borrowings	149,400	603,000
Contribution from minority interest	25,480	-
(Payment for) / Proceed from convertible bonds	-	731,667
Repayment of borrowings	(125,200)	(203,500)
Pledged bank deposits	(17,117)	(44,346)
Payment of dividend	-	-
Net cash generated from financing activities	<u>32,563</u>	<u>1,086,821</u>
Net (decrease) / increase in cash and cash equivalents	(256,665)	953,040
Cash and cash equivalents at beginning of period	902,608	281,277
Effects of foreign exchange rate changes	(79)	(15)
Cash and cash equivalents at end of period	<u>645,864</u>	<u>1,234,302</u>

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 FIRST QUARTER ENDED 31 MARCH 2018

(RMB'000)	Actual (WITHOUT financial effects of Convertible Bonds)	
	Full year ended	
	31 March 2018 (Unaudited)	31 March 2017 (Restated)
Operating activities		
Profit before income tax	37,847	37,648
Adjustments for:		
Depreciation expense	13,788	7,171
Amortisation of intangible assets	6,662	245
Interest expense	13,322	5,338
Amortisation of land use rights	961	568
Share of profit/loss of associate	286	-
Loss / (Gain) on disposal of property, plant and equipment	44	(1)
Employee share option expense	-	1,956
Interest income	(1,199)	(902)
Impairment allowance / (Reversal of) on trade and non-trade receivables - net	(1,364)	(1,900)
Operating cash flows before movements in working capital	70,347	50,123
Trade receivables	33,496	53,921
Other receivables, deposits and prepayments	(64,241)	(21,051)
Inventories	(70,162)	(35,282)
Trade payables	64,172	15,445
Other payables	(49,415)	(41,727)
Cash generated from operations	(15,803)	21,429
Income tax paid	(8,792)	(9,552)
Interest received	1,199	902
Interest paid	(30,687)	(5,338)
Net cash (used in)/generated from operating activities	(54,083)	7,441
Investing activities		
Purchase of property, plant and equipment	(22,949)	(7,495)
Prepayment for build-operate-transfer ("BOT") projects	(2,261)	(4,794)
Acquisition of land use rights	(2,018)	-
Acquisition of intangible assets	(98,019)	(129,053)
Proceeds from disposal of property, plant and equipment	102	120
Payment of deferred consideration relating to acquisition of subsidiaries	(110,000)	-
Net cash used in investing activities	(235,145)	(141,222)
Financing activities		
Proceeds from new borrowings	149,400	603,000
Contribution from minority interest	25,480	-
(Payment for) / Proceed from convertible bonds	-	731,667
Repayment of borrowings	(125,200)	(203,500)
Pledged bank deposits	(17,117)	(44,346)
Net cash generated from financing activities	32,563	1,086,821
Net (decrease) / increase in cash and cash equivalents	(256,665)	953,040
Cash and cash equivalents at beginning of period	902,608	281,277
Effects of foreign exchange rate changes	(79)	(15)
Cash and cash equivalents at end of period	645,864	1,234,302

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
Balance at January 1, 2017	53,531	266,938	70,508	12,828	261	713,976	1,118,042	25,693	1,143,735
Adoption of SFRS(I) 1	-	-	-	-	(261)	261	-	-	-
Balance at January 1, 2017	53,531	266,938	70,508	12,828	-	714,237	1,118,042	25,693	1,143,735
<u>Total comprehensive income for January to March 2017</u>									
Profit for January to March 2017	-	-	-	-	-	(83,498)	(83,498)	185	(83,313)
Other comprehensive income for January to March 2017	-	-	-	-	(15)	-	(15)	-	(15)
Total	-	-	-	-	(15)	(83,498)	(83,513)	185	(83,328)
<u>Transactions with owners, recognised directly in equity</u>									
Transfer to general reserve	-	-	3,506	-	-	(3,506)	-	-	-
Employee share option expense	-	-	-	1,956	-	-	1,956	-	1,956
Total	-	-	3,506	1,956	-	(3,506)	1,956	-	1,956
Balance at March 31, 2017	53,531	266,938	74,014	14,784	(15)	627,233	1,036,485	25,878	106,618
Profit for April to December 2017	-	-	-	-	-	229,268	229,268	4,894	234,162
Other comprehensive income for April to December 2017	-	-	-	-	(122)	-	(122)	-	(122)
Total	-	-	-	-	(122)	229,268	229,146	4,894	234,040
<u>Transactions with owners, recognised directly in equity</u>									
Dividend paid	-	-	-	-	-	(4,393)	(4,393)	-	(4,393)
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	(3,195)	(3,195)
Transfer to general reserve	-	-	14,301	-	-	(14,301)	-	-	-
Contribution from non-controlling interest holders	-	-	-	-	-	-	-	63,700	63,700
Non-controlling interests arising from acquisition of subsidiaries	-	-	-	-	-	-	-	50,450	50,450
Effects of acquiring part of non-controlling interests in a subsidiary	-	-	(394)	-	-	-	(394)	(605)	(999)
Employee share option expenses	-	-	-	1,055	-	-	1,055	-	1,055
Total	-	-	13,907	1,055	-	(18,694)	(3,732)	110,350	106,618
Balance at December 31, 2017	53,531	266,938	87,921	15,839	(137)	837,807	1,261,899	141,122	1,403,021

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
<u>Total comprehensive income for January to March 2018</u>									
Profit for January to March 2018	-	-	-	-	-	82,368	82,368	992	83,360
Other comprehensive income from January to March 2018	-	-	-	-	(79)	-	(79)	-	(79)
Total	-	-	-	-	(79)	82,368	82,289	992	83,281
<u>Transactions with owners, recognised directly in equity</u>									
Dividends paid	-	-	-	-	-	-	-	-	-
Transfer to general reserve	-	-	2,469	-	-	(2,469)	-	-	-
Contribution from non-controlling interest holders	-	-	-	-	-	-	-	25,481	25,481
Total	-	-	2,469	-	-	(2,469)	-	25,481	25,481
Balance at March 31, 2018	53,531	266,938	90,390	15,839	(216)	917,706	1,344,188	167,595	1,511,783

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>	<u>Share capital</u>	<u>Share Premium</u>	<u>General reserves</u>	<u>Share option reserve</u>	<u>Foreign currency translation reserve</u>	<u>Accumulated profits</u>	<u>Equity attributable to equity holders of the Company</u>	<u>Non-controlling interest</u>	<u>Total</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Balance at January 1, 2017	53,531	266,938	70,508	12,828	261	713,976	1,118,042	25,693	1,143,735
Adoption of SFRS(I) 1	-	-	-	-	(261)	261	-	-	-
Balance at January 1, 2017	53,531	266,938	70,508	12,828	-	714,237	1,118,042	25,693	1,143,735
Profit for January to March 2017	-	-	-	-	-	30,397	30,397	185	30,582
Other comprehensive income for January to March 2017	-	-	-	-	(15)	-	(15)	-	(15)
Total	-	-	-	-	(15)	30,397	30,382	185	30,567
Transfer to general reserve	-	-	3,506	-	-	(3,506)	-	-	-
Employee share option expense	-	-	-	1,956	-	-	1,956	-	1,956
Total	-	-	3,506	1,956	-	(3,506)	1,956	-	1,956
Balance at March 31, 2017	53,531	266,938	74,014	14,784	(15)	741,128	1,150,380	25,878	1,176,258
Profit for April to December 2017	-	-	-	-	-	86,205	86,205	4,894	91,099
Other comprehensive income for April to December 2017	-	-	-	-	(122)	-	(122)	-	(122)
Total	-	-	-	-	(122)	86,205	86,083	4,894	90,977
<u>Transactions with owners, recognised directly in equity</u>									
Non-controlling interests arising from acquisition of subsidiaries	-	-	-	-	-	-	-	50,450	50,450
Effects of acquiring part of non-controlling interests in a subsidiary	-	-	(394)	-	-	-	(394)	(605)	(999)
Ordinary shares issued	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	(4,393)	(4,393)	(3,195)	(7,588)
Transfer to general reserve	-	-	14,301	-	-	(14,301)	-	-	-
Contribution from non-controlling interest holders	-	-	-	-	-	-	-	63,700	63,700
Employee share option expense	-	-	-	1,055	-	-	1,055	-	1,055
Total	-	-	13,907	1,055	-	(18,694)	(3,732)	110,350	106,618
Balance at December 31, 2017	53,531	266,938	87,921	15,839	(137)	808,639	1,232,731	141,122	1,373,853

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
<u>Total comprehensive income for January to March 2018</u>									
Profit for January to March 2018	-	-	-	-	-	30,906	30,906	992	31,898
Other comprehensive income from January to March 2018	-	-	-	-	(79)	-	(79)	-	(79)
Total	-	-	-	-	(79)	30,906	30,827	992	31,819
<u>Transactions with owners, recognised directly in equity</u>									
Ordinary shares issued	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Transfer to general reserve	-	-	2,469	-	-	(2,469)	-	-	-
Contribution from non-controlling interest holders	-	-	-	-	-	-	-	25,481	25,481
Total	-	-	2,469	-	-	(2,469)	-	25,481	25,481
Balance at March 31, 2018	53,531	266,938	90,390	15,839	(216)	837,076	1,263,558	167,595	1,431,153

Actual (WITH) financial effects of Convertible Bonds)

<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
Balance at 1 January 2017	53,531	266,938	12,828	(8,219)	325,078	325,078
Loss for the period, representing total comprehensive loss for January to March 2017	-	-	-	(116,945)	(116,945)	(116,945)
<u>Transactions with owners, recognized directly in equity</u>						
Employee share option expense	-	-	1,956	-	1,956	1,956
Balance at 31 March 2017	53,531	266,938	14,784	(125,164)	210,089	210,089
Gain for the period, representing total comprehensive gain for April to December 2017	-	-	-	122,980	122,980	122,980
<u>Transactions with owners, recognised directly in equity</u>						
Dividends paid	-	-	-	(4,393)	(4,393)	(4,393)
Employee share option expenses	-	-	1,055	-	1,055	1,055
Total	-	-	1,055	118,587	118,587	118,587
Balance at 31 December 2017	53,531	266,938	15,839	(6,577)	329,731	329,731
Gain for the period, representing total comprehensive gain for January to March 2018	-	-	-	45,601	45,601	45,601
Total	-	-	-	45,601	45,601	45,601
Balance at 31 March 2018	53,531	266,938	15,839	39,024	375,332	375,332

Actual (WITHOUT) financial effects of Convertible Bonds)

<u>Company</u>	<u>Share capital</u>	<u>Share premium</u>	<u>Share option reserve</u>	<u>Accumulated profits</u>	<u>Equity attributable to equity holders of the Company</u>	<u>Total</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Balance at 1 January 2017	53,531	266,938	12,828	(8,219)	325,078	325,078
Loss for the period, representing total comprehensive loss for January to March 2017	-	-	-	(3,050)	(3,050)	(3,050)
<u>Transactions with owners, recognized directly in equity</u>						
Employee share option expense	-	-	1,956	-	1,956	1,956
Balance at 31 March 2017	53,531	266,938	14,784	(11,269)	323,984	323,984
Loss for the period, representing total comprehensive loss for April to December 2017	-	-	-	(20,083)	(20,083)	(20,083)
<u>Transactions with owners, recognised directly in equity</u>						
Ordinary shares issued	-	-	-	-	-	-
Employee share option expenses	-	-	1,055	-	1,055	1,055
Dividends paid	-	-	-	(4,393)	(4,393)	(4,393)
Total	-	-	1,055	(24,476)	(23,421)	(23,421)
Balance at 31 December 2017	53,531	266,938	15,839	(35,745)	300,563	300,563
Loss for the period, representing total comprehensive loss for January to March 2018	-	-	-	(5,861)	(5,861)	(5,861)
<u>Transactions with owners, recognised directly in equity</u>						
Employee share option expenses	-	-	-	-	-	-
Total	-	-	-	-	-	-
Balance at 31 March 2018	53,531	266,938	15,839	(41,606)	294,702	294,702

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 first quarter ended 31 March 2018 and 31 March 2017.

There were no outstanding convertibles or treasury shares held as at 31 March 2018.

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.

Subsequently on 10 January 2018, Glory Sky transferred US\$ 60 million Convertible Bonds to DCP Capital Partners L.P. and DCP Group (together, "DCP"), as a result of which, DCP and CDH now holds US\$ 60 million and US\$ 50 million Convertible Bonds of the Company, respectively.

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 March 2018 and 31 March 2017 was 737,657,142 ordinary shares.

There were no shares held as treasury shares as at 31 March 2018, 31 December 2017 and 31 March 2017.

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 consistently applied the same accounting policies and methods of computation in the Group's financial statements for the current reporting period and year compared with the audited financial statements for the year ended 31 December 2017, except that the Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 January 2018.

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.**

In applying SFRS(I) 1, the Group elected to reset its cumulative translation difference for foreign operations to zero at the date of transition at 1 January 2017. As a result, has reclassified an amount of RMB 261,000 of foreign currency translation reserve to the opening retained earnings as at 1 January 2017.

Other than the effect of the matter as described above, the adoption of new and revised standards did not have any material effect on the profit or loss and financial position of the Group.

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)	
	First quarter ended 31 March 2018	31 March 2017	First quarter ended 31 March 2018	31 March 2017
Net profit / (loss) attributable to equity holders of the Group (RMB'000)	82,368	(83,498)	30,906	30,397
Weighted average number of ordinary shares outstanding ('000)	737,657	737,657	737,657	737,657
Earnings / (Losses) per share – basic (RMB cents)	11.17	(11.32)	4.19	4.12

Basic earnings per share for the first quarter ended 31 March 2018 and 31 March 2017 have been calculated based on the issued share capital of 737,657,142 ordinary shares.

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)	
	First quarter ended 31 March 2018	31 March 2017	First quarter ended 31 March 2018	31 March 2017
Net profit / (loss) attributable to equity holders of the Group (RMB'000)	82,368	(83,498)	30,906	30,397
Interest in convertible loans (RMB'000)	12,508	-	12,508	-
Earnings / (Losses) for the purposes of diluted earnings per share (RMB'000)	94,876	(83,498)	43,414	30,397
Weighted average number of ordinary shares outstanding ('000)	1,095,249	796,877	1,095,249	796,877
Earnings / (Losses) per share – basic (RMB cents)	8.66	(10.48)	3.96	3.81

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 1Q2018.

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.

	Group			
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	<i>(WITH financial effects of Convertible Bonds)</i>		<i>(WITHOUT financial effects of Convertible Bonds)</i>	
Net asset value per share (RMB cents)	182.22	171.07	171.29	165.91

	Company			
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	<i>(WITH financial effects of Convertible Bonds)</i>		<i>(WITHOUT financial effects of Convertible Bonds)</i>	
Net asset value per share (RMB cents)	50.88	44.70	39.95	40.75

The net asset value per share for 31 March 2018 and 31 December 2017 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 March 2018 and 31 December 2017.

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

The Group's performance for the first quarter ended 31 March 2018 ("1Q2018") as compared to that of the first quarter ended 31 March 2017 ("1Q2017")

Based on actual financial performance WITH financial effects of Convertible Bonds

Revenue

The Group's revenue increased by approximately RMB 278.3 million or 81.1% from RMB 343.2 million in 1Q2017 to RMB 621.5 million in 1Q2018. This was attributed to (a) Green Investment (GI) business revenue increased by RMB125.3 million mainly from Changrun and Xinyuan projects; and (b) Manufacturing and Services (M&S) revenue increased by RMB153.0 million as order book increase.

Gross Profit

Gross profit increased by approximately RMB 45.8 million or 52.9% from RMB 86.7 million in 1Q2017 to RMB 132.5 million in 1Q2018. However, gross profit margin decreased from 25.3% for 1Q2017 to 21.3 % for 1Q2018 mainly due to increased competition and higher raw material price in the manufacturing business.

Profit before Income Tax

Profit before tax increased by RMB 165.6 million from a loss before tax of RMB 76.2 million in 1Q2017 to RMB 89.3 million in 1Q2018. The increase was mainly attributable to the following factors:

- (a) Increase in gross profit of RMB 45.8 million;
- (b) Increase in fair value changes on Convertible Bonds of RMB 156.2 million from 1Q2017 to 1Q2018.

The above increase was offset by:

- (a) Increase in administrative expenses of RMB 19.7 million largely due to increases in personnel expenses to support the Group's Green Investment ("GI") segment expansion;
- (b) Increase in foreign exchange loss of RMB 2.8 million due to unutilized Convertible Bonds; and

- (c) Increase in finance costs of RMB 15.2 million due to accrued effective interest of Convertible Bonds and interest expense from operated GI projects.

Income Tax Expense

Excluding the non-taxable effect of the fair value gain on the Convertible Bonds, the effective tax rate for 1Q2018 would have been 15.7% (1Q2017: 18.8%).

Profit for the Financial Period

The Group's net profit attributable to shareholders increased by RMB 165.9 million or 198.7% from loss of RMB 83.5 million in 1Q2017 to RMB 82.4 million in 1Q2018.

- (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 decreased by RMB 133.9 million or 4.5% from RMB 2,966.4 million as at 31 December 2017 to RMB 2,832.5 million as at 31 March 2018 mainly due:

- (a) Decrease in cash and cash equivalents of RMB 256.7 million, primarily due to the usage of funds for BOT and GI projects during the first three months ended 1Q2018;
- (b) Increase in pledged bank deposits of RMB 17.1 million as more collaterals were required for the credit facilities granted;
- (c) Decrease in trade receivables of RMB 32.1 million primarily as a result of collection from customers.

Approximately 26.9% and 8.0% of the trade receivables at 31 December 2017 and 31 March 2018 respectively were collected as at 30 April 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 67.7 million due to the increase in advance payment for purchases to fulfil the orders on hand as at 31 March 2018; and

- (e) Increase in inventories of RMB 70.2 million primarily due to an aggregate increase in work-in-progress and raw materials and consumables of RMB 70.2 million for project use.

The Group's total non-current assets increased by RMB 128.0 million or 6.3% from RMB 2,033.9 million as at 31 December 2017 to RMB 2,161.9 million as at 31 March 2018 mainly due to:

- (a) Increase in other receivables, deposits and prepayments of RMB 2.3 million resulting from prepayments made to subcontractors for work done for the "BOT, BOO, TOT" projects on hand as at 31 March 2018; and
- (b) Increase in intangible assets of RMB 109.0 million mainly due to service concession arrangements relating to "BOT, BOO, TOT" projects on hand as at 31 March 2018.

The Group's total current liabilities decreased by RMB 65.0 million or 2.8% from RMB 2,306.0 million as at 31 December 2017 to RMB 2,241.0 million as at 31 March 2018 mainly due to:

- (a) Decrease in other payables of RMB 175.2 million primarily due to the decreased payables for acquisition of subsidiaries of RMB 110.0 million, and the aggregate decrease in accrued payroll costs and interest payable of RMB 58.3 million;

The above decrease was mitigated by:

- (b) Increase in trade payables of RMB 85.2 million as a result of the increase in trade payables with third parties of RMB 138.5 million, offset by the aggregate decrease in customer advances and notes payables with third parties of RMB 53.3 million.

The Group's total non-current liabilities decreased by approximately RMB 49.7 million from RMB 1,291.3 million as at 31 December 2017 to RMB 1,241.6 million as at 31 March 2018 mainly due to decrease in derivative component of Convertible Bonds of RMB 53.1 million.

Review of the Group's cash flow statement for the first quarter ended 31 March 2018

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

Net cash used in operating activities amounted to approximately RMB 54.1 million, primarily due to operating cash flows before movements in working capital of approximately RMB 70.3 million that were derived from:

- (a) Decrease in trade receivables of RMB 33.5 million, increase in other receivables and prepayments of RMB 64.2 million and increase in inventories of RMB 70.2 million;
- (b) Increase in trade payables of RMB 64.2 million and decrease in other payables of RMB 49.4 million; and

(c) Interest and tax paid of RMB 39.5 million in aggregate.

Net cash used in investing activities amounted to RMB 235.1 million mainly due to an increase in expenditure on intangible assets of RMB 98.0 million and the decreased payables for the acquisition of subsidiaries acquired during second half of FY2017 for RMB 110.0 million.

Net cash generated from financing activities amounted to RMB 32.6 million due to cash inflow arising from the proceeds from new borrowings and contribution from minority interests of RMB 149.4 million and RMB 25.5 million respectively, which was offset by the repayment of borrowings and pledged bank deposits of RMB 125.2 million and RMB 17.1 million respectively.

Use of Proceeds from Convertible Bonds

On 3 March 2017, the Company 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 ("Glory Sky", ultimately indirectly and beneficially owned by CDH Fund V, L.P.). The Convertible Bonds will mature in March 2022.

Subsequently on 10 January 2018, Glory Sky transferred US\$ 60 million Convertible Bonds to DCP, as a result of which, DCP and CDH now holds US\$ 60 million and US\$ 50 million Convertible Bonds of the Company, respectively.

The net proceeds raised from the Convertible Bonds is approximately US\$ 106.2 million (equivalent to RMB 731.7 million based on exchange rate of RMB 6.89: US\$ 1 as at 3 March 2017) after deducting the transaction expenses of US\$ 3.8 million (equivalent to RMB 26.2 million). The net proceeds have been and 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 30 April 2018, the Company has utilised an aggregate of RMB 286.4 million (or approximately US\$ 45.2 million) of the net proceeds as per schedule below:

Project	Use of Convertible Bonds Proceeds	Amount ⁽¹⁾
Shantou	Registered capital	RMB 92.8 million (approximately US\$ 14.7 million)
Liutuan	Registered capital	RMB 1.5 million (approximately US\$ 0.2 million)
Jining JVC	Registered capital	RMB 10.3 million (approximately US\$ 1.6 million)
Shandong Yangguang Institute	Purchase consideration of the acquisition	RMB 68.0 million (approximately US\$ 10.7 million)

Xinyuan Thermal Power	Purchase consideration of first tranche of the acquisition	RMB 63.8 million (approximately US\$ 10.1 million)
Xintai Zhengda Thermoelectric	Purchase consideration of first tranche of the acquisition	RMB 23.9 million (approximately US\$ 3.8 million)
General	Administrative and general expenses for business expansion of Green Investment related business	RMB 26.1 million (approximately US\$ 4.1 million)
Total Convertible Bonds Proceeds utilised		RMB 286.4 million (approximately US\$ 45.2 million)
Balance of Convertible Bonds Proceeds available for use		RMB 445.3 million (approximately US\$ 70.4 million)

(1) Based on the exchange rate of RMB 6.33: US\$ 1 as at 30 April 2018.

Each of the above utilisation of the proceeds from the Convertible Bonds 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 March 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 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 165.9 million or (198.7)% from a net loss of RMB 83.5 million in 1Q2017 to a net profit of RMB 82.4 million in 1Q2018.

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 1Q2018, Sunpower achieved year-on-year (“YoY”) growth of 81.1% in revenue and 198.7% in net profit attributable to shareholders, largely due to increased contributions from the GI business. Despite the impact of seasonality caused by the Spring Festival, revenue and EBITDA generated from 5 operating GI projects during the quarter was RMB 125.3 million and RMB 35 million, respectively. The long-term net present value of GI project cash flows is expected to far exceed the EBITDA contributions of the latest quarter.

Sunpower currently has 5 projects in operation, another 5 projects in the construction or design phases, and a deal pipeline of 28 projects under evaluation. RMB 3.4 billion (40% equity/60% debt) has been invested and committed in projects that can command an attractive double-digit IRR.

GI will form the bulk of the value of Sunpower in time. The Group is working to establish healthy, long-term, recurring cash flows through GI on the back of:

- Fundamental demand - Increasingly stringent enforcement of smog-related policies by the government has forced industrial users that used to operate “dirty” on-site steam boilers to switch to “clean” centralized steam providers such as Sunpower.
- Industrial park expansion – The organic expansion of the user base in the industrial parks will also drive demand for steam higher as more factories are built and relocated in.
- Exclusive supplier – Sunpower has been granted 30-year concession rights (with right of first refusal to renew) to be the exclusive steam supplier in the relevant industrial parks.
- Proprietary technology - The Group's ability to reduce temperature and pressure loss that lowers operating costs, and Sunpower can cover a larger area through its long distance steam distribution pipelines which achieves economies of scale;

The M&S segment also continued to grow strongly in 1Q2018 with a revenue increase of 44.6% YoY. It is expected to benefit from a record order book of RMB 2.0 billion as at end-March 2018, as it rides on the recovery and growing stability in crude oil prices. Sunpower has a proven track record of over 13 years in delivering solid results and stable margins in this segment. To date, the Group has served approximately 1,500 customers in over 15 industries globally. With its established market reputation and leadership in the industry, Sunpower has built a reputable customer base that includes a variety of leading conglomerates, namely, BASF, BP, Shell, CNOOC, CNPC and SINOPEC etc.

Going forward, Sunpower will remain focused on building a high-quality portfolio of GI assets that is expected to deliver long-term recurring cash flows. With its strong capital position, advanced proprietary technologies and experienced management team, Sunpower will accelerate the process to take advantage of its first-mover leadership for superior IRR. Management believes this GI strategy will benefit all stakeholders.

As at 31 March 2018, the total orders on hand amounted to RMB 2 billion, a record high for the Group and higher than the RMB 1.9 billion recorded at the end of 2017, after taking into account contract deliveries in 1Q2018.

11. If a decision regarding dividend has been made:

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

None.

**(b) *(i) Amount per share in cents
(ii) Previous corresponding period in cents***

None.

(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).*

Not applicable.

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

Not applicable.

(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.*

Not applicable.

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

No dividend has been declared or recommended for the second quarter ended 31 March 2018.

- 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).**

We do hereby confirm on behalf of the Board of Directors of the Company (“the Board”) that, to the best of our knowledge, nothing has come to the attention of the Board which may render the financial statements for the second quarter ended 31 March 2018 to be false or misleading in any material aspect.

- 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.

For and on behalf of the
Board of Directors of
SUNPOWER GROUP LTD.

Guo Hong Xin
Executive Chairman

Ma Ming
Executive Director

BY ORDER OF THE BOARD

Ma Ming
Executive Director

14 May 2018