

**Unaudited Financial Statements for the Second Quarter Ended 30 June 2019**

**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 SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2019**

(RMB'000)	Actual (WITH financial effects of Convertible Bonds)						Actual (WITHOUT financial effects of Convertible Bonds)					
	Second quarter ended			Six months ended			Second quarter ended			Six months ended		
	30 June 2019	30 June 2018	% change	30 June 2019	30 June 2018	% change	30 June 2019	30 June 2018	% change	30 June 2019	30 June 2018	% change
<b>Revenue</b>	659,032	598,119	10.2	1,470,635	1,219,608	20.6	659,032	598,119	10.2	1,470,635	1,219,608	20.6
Cost of sales	(487,257)	(485,623)	0.3	(1,127,408)	(974,609)	15.7	(487,257)	(485,623)	0.3	(1,127,408)	(974,609)	15.7
<b>Gross profit</b>	<b>171,775</b>	<b>112,496</b>	52.7	<b>343,227</b>	<b>244,999</b>	40.1	<b>171,775</b>	<b>112,496</b>	52.7	<b>343,227</b>	<b>244,999</b>	40.1
Other operating income	7,881	9,084	(13.2)	22,031	17,700	24.5	7,881	9,084	(13.2)	22,031	17,700	24.5
Selling and distribution expenses	(12,548)	(14,100)	(11.0)	(24,145)	(22,957)	5.2	(12,548)	(14,100)	(11.0)	(24,145)	(22,957)	5.2
Administrative expenses	(61,794)	(60,291)	2.5	(126,845)	(119,675)	6.0	(61,149)	(60,291)	1.4	(125,551)	(119,675)	4.9
Exchange (loss)/gain	(9,113)	(13,269)	(31.3)	(1,454)	(19,653)	(92.6)	1,752	5,125	(65.8)	(84)	(14,101) <sup>(2)</sup>	(99.4)
Other operating expenses	(12,559)	(6,158)	103.9	(20,424)	(8,352)	144.5	(12,559)	(6,158)	103.9	(20,424)	(8,352)	144.5
Finance costs	(57,096)	(41,340)	38.1	(100,151)	(67,170)	49.1	(29,298)	(16,116)	81.8	(47,809)	(29,438)	62.4
Share of profit/(loss) of associate	349	(144)	(342.4)	627	(433)	(244.8)	349	(144)	(342.4)	627	(433)	(244.8)
Fair value changes on convertible bonds	(25,802)	(64,708)	(60.1)	(103,570)	(13,580)	662.7	-	-	-	-	-	--
Fair value changes on warrants	9,382	-	n.m.	767	-	n.m.	-	-	-	-	-	-
<b>Profit/(Loss) before income tax</b>	<b>10,475</b>	<b>(78,430)</b>	(113.4)	<b>(9,937)</b>	<b>10,879</b>	(191.3)	<b>66,203</b>	<b>29,896</b>	121.4	<b>147,872</b>	<b>67,743</b>	118.3
Income tax expense	(13,138)	(4,580)	186.9	(31,430)	(10,529)	198.5	(13,138)	(4,580)	186.9	(31,430)	(10,529)	198.5
<b>(Loss)/Profit for the period</b>	<b>(2,663)</b>	<b>(83,010)</b>	(96.8)	<b>(41,367)</b>	<b>350</b>	n.m.	<b>53,065</b>	<b>25,316</b>	109.6	<b>116,442</b>	<b>57,214</b>	103.5
Exchange difference on translation of foreign operation	(230)	118	(294.9)	(15)	39	(138.5)	(230)	118	(294.9)	(15)	39	(138.5)
Net fair value loss on investments in equity instruments classified as at FVTOCI	119	-	n.m.	293	-	n.m.	119	-	n.m.	293	-	n.m.
Net fair value gain on investments in debt instruments classified as at FVTOCI	(478)	-	n.m.	454	-	n.m.	(478)	-	n.m.	454	-	n.m.
<b>Total comprehensive (loss)/income for the period</b>	<b>(3,252)</b>	<b>(82,892)</b>	(96.1)	<b>(40,635)</b>	<b>389</b>	(10,546.0)	<b>52,476</b>	<b>25,434</b>	106.3	<b>117,174</b>	<b>57,253</b>	104.7

(RMB'000)	Actual (WITH financial effects of Convertible Bonds)						Actual (WITHOUT financial effects of Convertible Bonds)					
	Second quarter ended			Six months ended			Second quarter ended			Six months ended		
	30 June 2019	30 June 2018	% change	30 June 2019	30 June 2018	% change	30 June 2019	30 June 2018	% change	30 June 2019	30 June 2018	% change
(Loss)/Profit for the period attributable to:												
Equity holders of the Company	(5,244)	(81,001)	(93.5)	(46,792)	1,367	(3,523.0)	50,484	27,325	84.8	111,017	58,231 <sup>(2)</sup>	90.6
Non-controlling interest	2,581	(2,009)	(228.5)	5,425	(1,017)	(633.4)	2,581	(2,009)	(228.5)	5,425	(1,017)	(633.4)
<b>(Loss)/Profit for the period</b>	<b>(2,663)</b>	<b>(83,010)</b>	(96.8)	<b>(41,367)</b>	<b>350</b>	(11,919.1)	<b>53,065</b>	<b>25,316</b>	109.6	<b>116,442</b>	<b>57,214</b>	103.5
Total comprehensive (loss)/income for the period attributable to:												
Equity holders of the Company	(5,870)	(80,883)	(92.7)	(46,339)	1,406	(3,395.8)	49,858	27,443	81.7	111,470	58,270	91.3
Non-controlling interest	2,618	(2,009)	(230.3)	5,704	(1,017)	(660.9)	2,618	(2,009)	(230.3)	5,704	(1,017)	(660.9)
<b>(Loss)/Profit for the period</b>	<b>(3,252)</b>	<b>(82,892)</b>	(96.1)	<b>(40,635)</b>	<b>389</b>	(10,546.0)	<b>52,476</b>	<b>25,434</b>	106.3	<b>117,174</b>	<b>57,253</b>	104.7

*n.m. denotes not meaningful*

#### Explanatory Notes for WITHOUT financial effects of Convertible Bonds and Warrants:

- (1) Financial effects of Convertible Bonds and Warrants consist of fair value change, unrealised foreign exchange translation and amortised interest costs of Convertible Bonds and Warrants.
- (2) Included in the 1H2019 and 1H2018 profit attributable to equity holders of the Company is foreign exchange loss (net) of RMB 0.1 million and RMB 14.1 million respectively, of which RMB Nil million and RMB 14.2 million exchange loss relate to the unutilised proceeds from the issuance of the Convertible Bonds on 3 March 2017. Hence, net profit attributable to equity holders (after excluding foreign exchange loss of unutilised Convertible Bonds) for 1H2019 and 1H2018 was RMB 111.0 million and RMB 72.5 million respectively, a 53.2% increase year-on-year. As at 31 December 2018, the Company transferred all unutilised proceeds from its USD account to a RMB account. Accordingly, there will be no further foreign exchange differences arising from the unutilised proceeds.

1(a)(ii) Other information:

(RMB'000)	Actual (WITH financial effects of Convertible Bonds and Warrants)						Actual (WITHOUT financial effects of Convertible Bonds and Warrants)					
	Second quarter ended			Six months ended			Second quarter ended			Six months ended		
	30 June 2019	30 June 2018	% change	30 June 2019	30 June 2018	% change	30 June 2019	30 June 2018	% change	30 June 2019	30 June 2018	% change
Depreciation expense	27,223	16,098	69.1	47,532	29,886	59.0	27,223	16,098	69.1	47,532	29,886	59.0
Amortisation of land use rights	2,016	1,793	12.4	3,538	2,754	28.5	2,016	1,793	12.4	3,538	2,754	28.5
Amortisation of intangible assets	11,389	8,915	27.8	22,776	15,577	46.2	11,389	8,915	27.8	22,776	15,577	46.2
Impairment loss on trade and non-trade receivables	12,309	4,973	147.5	19,172	5,473	250.3	12,309	4,973	147.5	19,172	5,473	250.3
Allowance for stocks	(31)	-	n.m.	(402)	-	n.m.	(31)	-	n.m.	(402)	-	n.m.
Reversal of impairment allowance on trade and non-trade receivables	(4,143)	(2,875)	44.1	(14,006)	(4,739)	195.5	(4,143)	(2,875)	44.1	(14,006)	(4,739)	195.5
Loss/(gain) on disposal of property, plant and equipment	320	-	n.m.	389	44	784.1	320	-	n.m.	389	44	784.1
Foreign exchange loss/(gain) - net	9,113	13,269	(31.3)	1,454	19,653	(92.6)	(1,752)	(5,125)	(65.8)	84	14,101	(99.4)
Interest expense	57,096	41,340	38.1	100,151	67,170	49.1	29,298	16,116	81.8	47,809	29,438	62.4
Fair value loss on convertible bonds	25,802	64,708	(60.1)	103,570	13,580	662.7	-	-	-	-	-	-
Fair value gain on warrants	(9,382)	-	n.m.	(767)	-	n.m.	-	-	-	-	-	-

*n.m. denotes not meaningful*

Other operating income comprises:

(RMB'000)	Actual (WITH financial effects of Convertible Bonds and Warrants)						Actual (WITHOUT financial effects of Convertible Bonds and Warrants)					
	Second quarter ended			Six months ended			Second quarter ended			Six months ended		
	30 June 2019	30 June 2018	% change	30 June 2019	30 June 2018	% change	30 June 2019	30 June 2018	% change	30 June 2019	30 June 2018	% change
Government grant	2,397	1,692	41.7	4,374	6,082	(28.1)	2,397	1,692	41.7	4,374	6,082	(28.1)
Interest income	565	2,703	(79.1)	1,487	3,902	(61.9)	565	2,703	(79.1)	1,487	3,902	(61.9)
Gain on disposal of plant and equipment	5	1	400.0	38	1	3,700	5	1	400.0	38	1	3,700
Reversal of impairment loss on trade and non-trade receivables	4,143	2,875	44.1	14,006	4,739	195.5	4,143	2,875	44.1	14,006	4,739	195.5
Others	771	1,813	(57.5)	2,126	2,976	(28.6)	771	1,813	(57.5)	2,126	2,976	(28.6)
Total	7,881	9,084	(13.2)	22,031	17,700	24.5	7,881	9,084	(13.2)	22,031	17,700	24.5

*n.m. denotes not meaningful*

\*There is no difference for other operating income with and without financial effects of Convertible Bonds and Warrants for second quarter and half year ended 30 June 2019.

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)	Actual (WITH financial effects of Convertible Bonds and Warrants)			
	Group		Company	
	As at 30 June 2019 (Unaudited)	As at 31 December 2018 (Audited)	As at 30 June 2019 (Unaudited)	As at 31 December 2018 (Audited)
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	455,139	685,306	17,141	81,580
Pledged bank deposits	239,976	112,381	-	-
Trade receivables and contract assets	1,273,353	1,191,540	-	-
Other receivables, deposits and prepayments	490,357	390,179	29,353	27,144
Inventories	618,120	499,862	-	-
Land use rights	5,822	5,822	-	-
Financial assets at fair value through other comprehensive income	76,160	97,278	-	-
<b>Total current assets</b>	<b>3,158,927</b>	<b>2,982,368</b>	<b>46,494</b>	<b>108,724</b>
<b>Non-current assets:</b>				
Land use rights	281,975	285,513	-	-
Property, plant and equipment	838,471	869,813	-	-
Right-of-use assets	15,447	-	-	-
Other receivables, deposits and prepayments	27,604	12,667	83,314	198,800
Financial assets at fair value through other comprehensive income	12,063	11,718	-	-
Subsidiaries	-	-	1,063,369	955,558
Associate	9,884	9,257	-	-
Intangible assets	2,152,152	2,073,728	-	-
Deferred tax assets	28,005	28,671	-	-
Goodwill	335,769	335,769	-	-
Commitment fee	12,178	13,943	12,178	13,943
<b>Total non-current assets</b>	<b>3,713,548</b>	<b>3,641,079</b>	<b>1,158,861</b>	<b>1,168,301</b>
<b>Total assets</b>	<b>6,872,475</b>	<b>6,623,447</b>	<b>1,205,355</b>	<b>1,277,025</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Trade payables	1,911,847	1,717,110	-	-
Other payables	344,401	798,295	42,335	69,403
Borrowings	719,373	492,904	41,248	41,179
Warrants	8,230	8,997	8,230	8,997
Income tax payable	37,293	58,812	-	-
<b>Total current liabilities</b>	<b>3,021,144</b>	<b>3,076,118</b>	<b>91,813</b>	<b>119,579</b>
<b>Non-current liabilities:</b>				
Deferred tax liabilities	149,161	148,190	-	-
Borrowings	1,020,274	839,429	20,624	41,179
Convertible bonds	875,066	729,442	875,066	729,442
Finance leases	15,401	-	-	-
<b>Total non-current liabilities</b>	<b>2,059,902</b>	<b>1,717,061</b>	<b>895,690</b>	<b>770,621</b>
<b>Capital and reserves:</b>				
Share capital	57,251	55,439	57,251	55,439
Treasury shares	(4,690)	-	(4,690)	-
Share premium	309,061	288,618	309,061	288,618
General reserves	127,796	117,892	-	-
Share option reserve	1,346	8,406	1,346	8,406
Foreign currency translation reserve	(36)	(21)	-	-
Revaluation reserve	(2,496)	(2,964)	-	-
Retained earnings (Accumulated losses)	1,058,483	1,122,481	(145,116)	34,362
<b>Equity attributable to equity holders of the Company</b>	<b>1,546,715</b>	<b>1,589,851</b>	<b>217,852</b>	<b>386,825</b>
Non-controlling interests	244,714	240,417	-	-
<b>Total equity</b>	<b>1,791,429</b>	<b>1,830,268</b>	<b>217,852</b>	<b>386,825</b>
<b>Total liabilities and equity</b>	<b>6,872,475</b>	<b>6,623,447</b>	<b>1,205,355</b>	<b>1,277,025</b>

(RMB'000)	<b>Actual (WITHOUT financial effects of Convertible Bonds and Warrants)</b>			
	<b>Group</b>		<b>Company</b>	
	<b>As at 30 June 2019 (Unaudited)</b>	<b>As at 31 December 2018 (Audited)</b>	<b>As at 30 June 2019 (Unaudited)</b>	<b>As at 31 December 2018 (Audited)</b>
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	455,139	685,306	17,141	81,580
Pledged bank deposits	239,976	112,381	-	-
Trade receivables and contract assets	1,273,353	1,191,540	-	-
Other receivables, deposits and prepayments	490,357	390,179	29,353	27,144
Inventories	618,120	499,862	-	-
Land use rights	5,822	5,822	-	-
Financial assets at fair value through other comprehensive income	76,160	97,278	-	-
<b>Total current assets</b>	<b>3,158,927</b>	<b>2,982,368</b>	<b>46,494</b>	<b>108,724</b>
<b>Non-current assets:</b>				
Land use rights	281,975	285,513	-	-
Property, plant and equipment	838,471	869,813	-	-
Right-of-use assets	15,447	-	-	-
Other receivables, deposits and prepayments	27,604	12,667	83,314	198,800
Financial assets at fair value through other comprehensive income	12,063	11,718	-	-
Subsidiaries	-	-	1,063,369	955,558
Associate	9,884	9,257	-	-
Intangible assets	2,152,152	2,073,728	-	-
Deferred tax assets	28,005	28,671	-	-
Goodwill	335,769	335,769	-	-
Commitment fee	13,897	13,897	13,897	13,897
<b>Total non-current assets</b>	<b>3,715,267</b>	<b>3,641,033</b>	<b>1,160,580</b>	<b>1,168,255</b>
<b>Total assets</b>	<b>6,874,194</b>	<b>6,623,401</b>	<b>1,207,074</b>	<b>1,276,979</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Trade payables	1,911,847	1,717,110	-	-
Other payables	336,869	782,125	34,803	53,233
Borrowings	719,373	492,904	41,248	41,179
Warrants	13,897	13,897	13,897	13,897
Income tax payable	37,293	58,812	-	-
<b>Total current liabilities</b>	<b>3,019,279</b>	<b>3,064,848</b>	<b>89,948</b>	<b>108,309</b>
<b>Non-current liabilities:</b>				
Deferred tax liabilities	149,161	148,190	-	-
Borrowings	1,020,274	839,429	20,624	41,179
Convertible bonds	816,978	836,803	816,978	836,803
Finance leases	15,401	-	-	-
<b>Total non-current liabilities</b>	<b>2,001,814</b>	<b>1,824,422</b>	<b>837,602</b>	<b>877,982</b>
<b>Capital and reserves:</b>				
Share capital	57,251	55,439	57,251	55,439
Treasury shares	(4,690)	-	(4,690)	-
Share premium	309,061	288,618	309,061	288,618
General reserves	127,796	117,892	-	-
Share option reserve	1,346	8,406	1,346	8,406
Foreign currency translation reserve	(36)	(21)	-	-
Revaluation reserve	(2,496)	(2,964)	-	-
Retained earnings (Accumulated losses)	1,120,155	1,026,344	(83,444)	(61,775)
<b>Equity attributable to equity holders of the Company</b>	<b>1,608,387</b>	<b>1,493,714</b>	<b>279,524</b>	<b>290,688</b>
Non-controlling interests	244,714	240,417	-	-
<b>Total equity</b>	<b>1,853,101</b>	<b>1,734,131</b>	<b>279,524</b>	<b>290,688</b>
<b>Total liabilities and equity</b>	<b>6,874,194</b>	<b>6,623,401</b>	<b>1,207,074</b>	<b>1,276,979</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 30 June 2019		As at 31 December 2018	
	Secured	Unsecured	Secured	Unsecured
Borrowings	<u>282,725</u>	<u>436,648</u>	<u>218,124</u>	<u>274,780</u>

### Amount repayable after one year

(RMB'000)	As at 30 June 2019		As at 31 December 2018	
	Secured	Unsecured	Secured	Unsecured
Borrowings	<u>915,651</u>	<u>104,623</u>	<u>686,750</u>	<u>152,679</u>

### Details of any collaterals:

<u>Collaterals</u>	30 June	31 December
	2019	2018
	RMB'000	RMB'000
Secured by building and land use right of the subsidiary	655,876	645,375
Pledge of shareholding	542,500	219,500
Guaranteed by the company	<u>118,000</u>	<u>70,000</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 SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2019**

(RMB'000)	<b>Actual (WITH financial effects of Convertible Bonds and Warrants)</b>			
	<b>Second quarter ended</b>		<b>Six months ended</b>	
	<b>30 June 2019</b>	<b>30 June 2018</b>	<b>30 June 2019</b>	<b>30 June 2018</b>
<b>Operating activities</b>				
Profit/(Loss) before income tax	10,475	(78,430)	(9,937)	10,879
Adjustments for:				
Depreciation expense	27,223	16,098	47,532	29,886
Amortisation of intangible assets	11,389	8,915	22,776	15,577
Interest expense	57,096	41,340	100,151	67,170
Amortisation of land use rights	2,016	1,793	3,538	2,754
Share of (profit)/loss of associate	(349)	147	(627)	433
Impairment allowance on inventories – net	(31)	-	(402)	-
Loss on disposal of property, plant and equipment	320	-	389	44
Interest income	(565)	(2,680)	(1,487)	(3,879)
Impairment loss on trade and non-trade receivables - net	8,166	2,098	5,166	734
Amortisation of commitment fee	645	-	1,294	-
Exchange (gain)/loss on Warrants	(294)	-	471	-
Fair value (gain)/loss on Warrants	(9,382)	-	(767)	-
Exchange loss/(gain) on Convertible Bonds	11,159	18,394	899	5,552
Fair value loss/(gain) on Convertible Bonds	25,802	64,708	103,570	13,580
Operating cash flows before movements in working capital	143,670	72,383	272,566	142,730
Trade receivables	(65,377)	(58,015)	(65,452)	(24,519)
Other receivables, deposits and prepayments	(57,284)	(63,241)	(75,185)	(127,482)
Inventories	(85,156)	30,521	(117,856)	(39,641)
Trade payables	152,763	48,956	194,737	113,128
Other payables	28,339	88,207	54,790	38,792
Cash generated from operations	116,955	118,811	263,600	103,008
Income tax paid	(12,886)	(10,355)	(51,312)	(19,147)
Interest received	565	2,680	1,487	3,879
Interest paid	(44,234)	(16,115)	(82,441)	(46,802)
Net cash from operating activities	60,400	95,021	131,334	40,938
<b>Investing activities</b>				
Purchase of property, plant and equipment	(9,471)	(3,726)	(16,637)	(26,675)
Prepayment for build-operate-transfer (“BOT”) projects	-	2,261	-	-
Acquisition of land use rights	-	(197)	-	(2,215)
Acquisition of intangible assets	622	(10,495)	(101,200)	(108,514)
Proceeds from disposal of property, plant and equipment	(484)	-	12	102
Payment of deferred consideration relating to acquisition of subsidiaries	(25,000)	(81,420)	(522,250)	(191,420)
Net cash used in investing activities	(34,333)	(93,577)	(640,075)	(328,722)
<b>Financing activities</b>				
Proceeds from new borrowings	180,797	371,133	667,797	520,533
Issuance of stock, net of issue cost	9,344	-	12,269	-
Share buyback	-	-	(4,690)	-
Contribution from minority interest	(1,407)	-	(1,407)	25,480
Repayment of borrowings	(207,627)	(225,000)	(260,483)	(350,200)
Pledged bank deposits	(120,052)	(33,894)	(127,595)	(51,011)
Payment of dividend	(7,302)	(4,239)	(7,302)	(4,239)
Net cash used in financing activities	(146,247)	108,000	278,589	140,563
Net (decrease)/increase in cash and cash equivalents	(120,180)	109,444	(230,152)	(147,221)
Cash and cash equivalents at beginning of period	575,549	645,864	685,306	902,608
Effects of foreign exchange rate changes	(230)	118	(15)	39
<b>Cash and cash equivalents at end of period</b>	<b>455,139</b>	<b>755,426</b>	<b>455,139</b>	<b>755,426</b>



(RMB'000)	<b>Actual (WITHOUT financial effects of Convertible Bonds and Warrants)</b>			
	<b>Second quarter ended</b>		<b>Six months ended</b>	
	<b>30 June 2019</b>	<b>30 June 2018</b>	<b>30 June 2019</b>	<b>30 June 2018</b>
<b>Operating activities</b>				
Profit before income tax	66,203	29,896	147,872	67,743
Adjustments for:				
Depreciation expense	27,223	16,098	47,532	29,886
Amortisation of intangible assets	11,389	8,915	22,776	15,577
Interest expense	29,298	16,116	47,809	29,438
Amortisation of land use rights	2,016	1,793	3,538	2,754
Share of (profit)/loss of associate	(349)	147	(627)	433
Impairment allowance on inventories – net	(31)	-	(402)	-
Interest income	(565)	(2,680)	(1,487)	(3,879)
Loss on disposal of property, plant and equipment	320	-	389	44
Impairment loss on trade and non-trade receivables – net	8,166	2,098	5,166	734
Operating cash flows before movements in working capital	143,670	72,383	272,566	142,730
Trade receivables	(65,377)	(58,015)	(65,452)	(24,519)
Other receivables, deposits and prepayments	(57,284)	(63,241)	(75,185)	(127,482)
Inventories	(85,156)	30,521	(117,856)	(39,641)
Trade payables	152,763	48,956	194,737	113,128
Other payables	28,339	88,207	54,790	38,792
Cash generated from operations	116,955	118,811	263,600	103,008
Income tax paid	(12,886)	(10,355)	(51,312)	(19,147)
Interest received	565	2,680	1,487	3,879
Interest paid	(44,234)	(16,115)	(82,441)	(46,802)
Net cash from operating activities	60,400	95,021	131,334	40,938
<b>Investing activities</b>				
Purchase of property, plant and equipment	(9,471)	(3,726)	(16,637)	(26,675)
Prepayment for build-operate-transfer (“BOT”) projects	-	2,261	-	-
Acquisition of land use rights	-	(197)	-	(2,215)
Acquisition of intangible assets	622	(10,495)	(101,200)	(108,514)
Proceeds from disposal of property, plant and equipment	(484)	-	12	102
Payment of deferred consideration relating to acquisition of subsidiaries	(25,000)	(81,420)	(522,250)	(191,420)
Net cash used in investing activities	(34,333)	(93,577)	(640,075)	(328,722)
<b>Financing activities</b>				
Proceeds from new borrowings	180,797	371,133	667,797	520,533
Issuance of stock, net of issue cost	9,344	-	12,269	-
Share buyback	-	-	(4,690)	-
Contribution from minority interest	(1,407)	-	(1,407)	25,480
Repayment of borrowings	(207,627)	(225,000)	(260,483)	(350,200)
Pledged bank deposits	(120,052)	(33,894)	(127,595)	(51,011)
Payment of dividend	(7,302)	(4,239)	(7,302)	(4,239)
Net cash used in financing activities	(146,247)	108,000	278,589	140,563
Net (decrease)/increase in cash and cash	(120,180)	109,444	(230,152)	(147,221)
Cash and cash equivalents at beginning of period	575,549	645,864	685,306	902,608
Effects of foreign exchange rate changes	(230)	118	(15)	39
<b>Cash and cash equivalents at end of period</b>	<b>455,139</b>	<b>755,426</b>	<b>455,139</b>	<b>755,426</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.**

<b>Actual (WITH financial effects of Convertible Bonds and Warrants)</b>											
<u>Group</u>	Share capital	Treasury shares	Share premium	General reserves	Share option reserve	Foreign currency translation reserve	Revaluation reserve	Retained earnings	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	RMB'000	RMB'000
<b>Balance as at December 31, 2017</b>	<b>53,531</b>	-	<b>266,938</b>	<b>87,921</b>	<b>15,839</b>	<b>(137)</b>	-	<b>837,807</b>	<b>1,261,899</b>	<b>141,122</b>	<b>1,403,021</b>
Effects of adoption of SFRS(I)-9	-	-	-	-	-	-	(1,184)	(1,636)	(2,820)	-	(2,820)
<b>Balance as at January 1, 2018 (Restated)</b>	<b>53,531</b>	-	<b>266,938</b>	<b>87,921</b>	<b>15,839</b>	<b>(137)</b>	<b>(1,184)</b>	<b>836,171</b>	<b>1,259,079</b>	<b>141,122</b>	<b>1,400,201</b>
<u>Total comprehensive income for the year</u>											
Profit for the year	-	-	-	-	-	-	-	320,520	320,520	12,035	332,555
Other comprehensive loss for the year	-	-	-	-	-	116	(1,780)	-	(1,664)	-	(1,664)
Total	-	-	-	-	-	116	(1,780)	320,520	318,856	12,035	330,891
<u>Transactions with owners, recognised directly in equity</u>											
Dividend paid	-	-	-	-	-	-	-	(4,239)	(4,239)	-	(4,239)
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	(3,600)	(3,600)
Transfer to general reserves	-	-	-	29,971	-	-	-	(29,971)	-	-	-
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	63,700	63,700
Non-controlling interests arising from acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	27,160	27,160
Employee share option expenses	1,908	-	21,680	-	(7,433)	-	-	-	16,155	-	16,155
Total	1,908	-	21,680	29,971	(7,433)	-	-	(34,210)	11,916	87,260	99,176
<b>Balance as at December 31, 2018</b>	<b>55,439</b>	-	<b>288,618</b>	<b>117,892</b>	<b>8,406</b>	<b>(21)</b>	<b>(2,964)</b>	<b>1,122,481</b>	<b>1,589,851</b>	<b>240,417</b>	<b>1,830,268</b>
<u>Total comprehensive income for January to March 2019</u>											
Loss for January to March 2019	-	-	-	-	-	-	-	(41,548)	(41,548)	2,844	(38,704)
Other comprehensive income for January to March 2019	-	-	-	-	-	215	864	-	1,079	242	1,321
Total	-	-	-	-	-	215	864	(41,548)	(40,469)	3,086	(37,383)
<u>Transactions with owners, recognised directly in equity</u>											
Transfer to general reserves	-	-	-	4,368	-	-	-	(4,368)	-	-	-
Share buyback	-	(4,690)	-	-	-	-	-	-	(4,690)	-	(4,690)
Employee share option expenses	340	-	3,937	-	(1,352)	-	-	-	2,925	-	2,925
Total	340	(4,690)	3,937	4,368	(1,352)	-	-	(4,368)	(1,765)	-	(1,765)
<b>Balance as at March 31, 2019</b>	<b>55,779</b>	<b>(4,690)</b>	<b>292,555</b>	<b>122,260</b>	<b>7,054</b>	<b>194</b>	<b>(2,100)</b>	<b>1,076,565</b>	<b>1,547,617</b>	<b>243,503</b>	<b>1,791,120</b>

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

<b>Group</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Share premium</b>	<b>General reserves</b>	<b>Share option reserve</b>	<b>Foreign currency translation reserve</b>	<b>Revaluation reserve</b>	<b>Retained earnings</b>	<b>Equity attributable to equity holders of the Company</b>	<b>Non-controlling interest</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b><u>Total comprehensive income for April to June 2019</u></b>											
Loss for April to June 2019	-	-	-	-	-	-	-	(5,244)	(5,244)	2,581	(2,663)
Other comprehensive loss for April to June 2019	-	-	-	-	-	(230)	(396)	-	(626)	37	(589)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(230)</b>	<b>(396)</b>	<b>(5,244)</b>	<b>(5,870)</b>	<b>2,618</b>	<b>(3,252)</b>
<b><u>Transactions with owners, recognised directly in equity</u></b>											
Dividend paid	-	-	-	-	-	-	-	(7,302)	(7,302)	-	(7,302)
Transfer to general reserves	-	-	-	5,536	-	-	-	(5,536)	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	(1,407)	(1,407)
Employee share option expenses	1,472	-	16,506	-	(5,708)	-	-	-	12,270	-	12,270
<b>Total</b>	<b>1,472</b>	<b>-</b>	<b>16,506</b>	<b>5,536</b>	<b>(5,708)</b>	<b>-</b>	<b>-</b>	<b>(12,838)</b>	<b>4,968</b>	<b>(1,407)</b>	<b>3,561</b>
<b>Balance as at June 30, 2019</b>	<b>57,251</b>	<b>(4,690)</b>	<b>309,061</b>	<b>127,796</b>	<b>1,346</b>	<b>(36)</b>	<b>(2,496)</b>	<b>1,058,483</b>	<b>1,546,715</b>	<b>244,714</b>	<b>1,791,429</b>

<b>Actual (WITHOUT financial effects of Convertible Bonds and Warrants)</b>											
<b>Group</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Share premium</b>	<b>General reserves</b>	<b>Share option reserve</b>	<b>Foreign currency translation reserve</b>	<b>Revaluation reserve</b>	<b>Retained earnings</b>	<b>Equity attributable to equity holders of the Company</b>	<b>Non-controlling interest</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Balance as at December 31, 2017</b>	<b>53,531</b>	<b>-</b>	<b>266,938</b>	<b>87,921</b>	<b>15,839</b>	<b>(137)</b>	<b>-</b>	<b>808,639</b>	<b>1,232,731</b>	<b>141,122</b>	<b>1,373,853</b>
Effects of adoption of SFRS(I)-9	-	-	-	-	-	-	(1,184)	(1,636)	(2,820)	-	(2,820)
<b>Balance as at January 1, 2018 (Restated)</b>	<b>53,531</b>	<b>-</b>	<b>266,938</b>	<b>87,921</b>	<b>15,839</b>	<b>(137)</b>	<b>(1,184)</b>	<b>807,003</b>	<b>1,229,911</b>	<b>141,122</b>	<b>1,371,033</b>
<b>Total comprehensive income for the year</b>											
Profit for the year	-	-	-	-	-	-	-	253,551	253,551	12,035	265,586
Other comprehensive loss for the year	-	-	-	-	-	116	(1,780)	-	(1,664)	-	(1,664)
Total	-	-	-	-	-	116	(1,780)	253,551	251,887	12,035	263,922
<b>Transactions with owners, recognised directly in equity</b>											
Dividend paid	-	-	-	-	-	-	-	(4,239)	(4,239)	-	(4,239)
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	(3,600)	(3,600)
Transfer to general reserves	-	-	-	29,971	-	-	-	(29,971)	-	-	-
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	63,700	63,700
Non-controlling interests arising from acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	27,160	27,160
Employee share option expenses	1,908	-	21,680	-	(7,433)	-	-	-	16,155	-	16,155
Total	1,908	-	21,680	29,971	(7,433)	-	-	(34,210)	11,916	87,260	99,176
<b>Balance as at December 31, 2018</b>	<b>55,439</b>	<b>-</b>	<b>288,618</b>	<b>117,892</b>	<b>8,406</b>	<b>(21)</b>	<b>(2,964)</b>	<b>1,026,344</b>	<b>1,493,714</b>	<b>240,417</b>	<b>1,734,131</b>
<b>Total comprehensive income for January to March 2019</b>											
Profit for January to March 2019	-	-	-	-	-	-	-	60,533	60,533	2,844	63,377
Other comprehensive income for January to March 2019	-	-	-	-	-	215	864	-	1,079	242	1,321
Total	-	-	-	-	-	215	864	60,533	61,612	3,086	64,698
<b>Transactions with owners, recognised directly in equity</b>											
Transfer to general reserves	-	-	-	4,368	-	-	-	(4,368)	-	-	-
Share buyback	-	(4,690)	-	-	-	-	-	-	(4,690)	-	(4,690)
Employee share option expenses	340	-	3,937	-	(1,352)	-	-	-	2,925	-	2,925
Total	340	(4,690)	3,937	4,368	(1,352)	-	-	(4,368)	(1,765)	-	(1,765)
<b>Balance as at March 31, 2019</b>	<b>55,779</b>	<b>(4,690)</b>	<b>292,555</b>	<b>122,260</b>	<b>7,054</b>	<b>194</b>	<b>(2,100)</b>	<b>1,082,509</b>	<b>1,553,561</b>	<b>243,503</b>	<b>1,797,064</b>

<b>Actual (WITHOUT financial effects of Convertible Bonds and Warrants)</b>											
<b>Group</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Share premium</b>	<b>General reserves</b>	<b>Share option reserve</b>	<b>Foreign currency translation reserve</b>	<b>Revaluation reserve</b>	<b>Retained earnings</b>	<b>Equity attributable to equity holders of the Company</b>	<b>Non-controlling interest</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<u>Total comprehensive income for April to June 2019</u>											
Profit for April to June 2019	-	-	-	-	-	-	-	50,484	50,484	2,581	53,065
Other comprehensive loss for April to June 2019	-	-	-	-	-	(230)	(396)	-	(626)	37	(589)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(230)</b>	<b>(396)</b>	<b>50,484</b>	<b>49,858</b>	<b>2,618</b>	<b>52,476</b>
<u>Transactions with owners, recognised directly in equity</u>											
Dividend paid	-	-	-	-	-	-	-	(7,302)	(7,302)	-	(7,302)
Transfer to general reserves	-	-	-	5,536	-	-	-	(5,536)	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	(1,407)	(1,407)
Employee share option expenses	1,472	-	16,506	-	(5,708)	-	-	-	12,270	-	12,270
<b>Total</b>	<b>1,472</b>	<b>-</b>	<b>16,506</b>	<b>5,536</b>	<b>(5,708)</b>	<b>-</b>	<b>-</b>	<b>(12,838)</b>	<b>4,968</b>	<b>(1,407)</b>	<b>3,561</b>
<b>Balance as at June 30, 2019</b>	<b>57,251</b>	<b>(4,690)</b>	<b>309,061</b>	<b>127,796</b>	<b>1,346</b>	<b>(36)</b>	<b>(2,496)</b>	<b>1,120,155</b>	<b>1,608,387</b>	<b>244,714</b>	<b>1,853,101</b>

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

<u>Company</u>	Share capital	Treasury shares	Share premium	Share option reserve	Retained earnings	Equity attributable to equity holders of the Company	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance as at January 1, 2017</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>
Profit for the year, representing total comprehensive income 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
Dividend paid	-	-	-	-	(4,393)	(4,393)	(4,393)
Total	-	-	-	3,011	(4,393)	(1,382)	(1,382)
<b>Balance as at December 31, 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>
Profit for the year, representing total comprehensive income for the year	-	-	-	-	45,178	45,178	45,178
<u>Transactions with owners, recognised directly in equity</u>							
Employee share option expenses	1,908	-	21,680	(7,433)	-	16,155	16,155
Dividend paid	-	-	-	-	(4,239)	(4,239)	(4,239)
Total	1,908	-	21,680	(7,433)	(4,239)	11,916	11,916
<b>Balance as at December 31, 2018</b>	<b>55,439</b>	-	<b>288,618</b>	<b>8,406</b>	<b>34,362</b>	<b>386,825</b>	<b>386,825</b>
Loss for the period, representing total comprehensive loss for January to March 2019	-	-	-	-	(112,497)	(112,497)	(112,497)
<u>Transactions with owners, recognised directly in equity</u>							
Employee share option expenses	340	-	3,937	(1,352)	-	2,925	2,925
Share buyback	-	(4,690)	-	-	-	(4,690)	(4,690)
Total	340	(4,690)	3,937	(1,352)	-	(1,765)	(1,765)
<b>Balance as at March 31, 2019</b>	<b>55,779</b>	<b>(4,690)</b>	<b>292,555</b>	<b>7,054</b>	<b>(78,135)</b>	<b>272,563</b>	<b>272,563</b>

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

<u>Company</u>	Share capital	Treasury shares	Share premium	Share option reserve	Retained earnings	Equity attributable to equity holders of the Company	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Loss for the period, representing total comprehensive loss for April to June 2019	-	-	-	-	(59,679)	(59,679)	(59,679)
<u>Transactions with owners, recognised directly in equity</u>							
Employee share option expenses	1,472	-	16,506	(5,708)	-	12,270	12,270
Dividend paid	-	-	-	-	(7,302)	(7,302)	(7,302)
Total	1,472	-	16,506	(5,708)	(7,302)	4,968	4,968
<b>Balance as at June 30, 2019</b>	<b>57,251</b>	<b>(4,690)</b>	<b>309,061</b>	<b>1,346</b>	<b>(145,116)</b>	<b>217,852</b>	<b>217,852</b>

**Actual (WITHOUT financial effects of Convertible Bonds and Warrants)**

<u>Company</u>	Share capital	Treasury shares	Share premium	Share option reserve	Retained earnings	Equity attributable to equity holders of the Company	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance as at January 1, 2017</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 income for the year	-	-	-	-	(23,133)	(23,133)	(23,133)
<u>Transactions with owners, recognised directly in equity</u>							
Employee share option expenses	-	-	-	3,011	-	3,011	3,011
Dividend paid	-	-	-	-	(4,393)	(4,393)	(4,393)
Total	-	-	-	3,011	(4,393)	(1,382)	(1,382)
<b>Balance as at December 31, 2017</b>	<b>53,531</b>	-	<b>266,938</b>	<b>15,839</b>	<b>(35,745)</b>	<b>300,563</b>	<b>300,563</b>
Loss for the year, representing total comprehensive income for the year	-	-	-	-	(21,791)	(21,791)	(21,791)
<u>Transactions with owners, recognised directly in equity</u>							
Employee share option expenses	1,908	-	21,680	(7,433)	-	16,155	16,155
Dividend paid	-	-	-	-	(4,239)	(4,239)	(4,239)
Total	1,908	-	21,680	(7,433)	(4,239)	11,916	11,916
<b>Balance as at December 31, 2018</b>	<b>55,439</b>	-	<b>288,618</b>	<b>8,406</b>	<b>(61,775)</b>	<b>290,688</b>	<b>290,688</b>
Loss for the period, representing total comprehensive loss for January to March 2019	-	-	-	-	(10,416)	(10,416)	(10,416)
<u>Transactions with owners, recognised directly in equity</u>							
Employee share option expenses	340	-	3,937	(1,352)	-	2,925	2,925
Share buyback	-	(4,690)	-	-	-	(4,690)	(4,690)
Total	340	(4,690)	3,937	(1,352)	-	(1,765)	(1,765)
<b>Balance as at March 31, 2019</b>	<b>55,779</b>	<b>(4,690)</b>	<b>292,555</b>	<b>7,054</b>	<b>(72,191)</b>	<b>278,507</b>	<b>278,507</b>



**Actual (WITHOUT financial effects of Convertible Bonds and Warrants)**

<u>Company</u>	Share capital	Treasury shares	Share premium	Share option reserve	Retained earnings	Equity attributable to equity holders of the Company	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Loss for the period, representing total comprehensive loss for April to June 2019	-	-	-	-	(3,951)	(3,951)	(3,951)
<u>Transactions with owners, recognised directly in equity</u>							
Employee share option expenses	1,472	-	16,506	(5,708)	-	12,270	12,270
Dividend paid	-	-	-	-	(7,302)	(7,302)	(7,302)
Total	1,472	-	16,506	(5,708)	(7,302)	4,968	4,968
<b>Balance as at June 30, 2019</b>	<b>57,251</b>	<b>(4,690)</b>	<b>309,061</b>	<b>1,346</b>	<b>(83,444)</b>	<b>279,524</b>	<b>279,524</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 second quarter ended 30 June 2018 and there was a change in share capital during the second quarter ended 30 June 2019.

There were no share buy-back transactions in 2Q2019.

On 6 June 2019, the Company issued and allotted an aggregate of 21,347,600 ordinary shares in the capital of the Company, at an exercise price of S\$0.116 each, pursuant to the exercise of options granted under the Sunpower Employee Share Option Scheme 2015.

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

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 hold US\$ 60 million and US\$ 50 million Convertible Bonds of the Company, respectively.

On 6 September 2018, the Company obtained shareholders' approval for the issuance of a second tranche convertible bonds of an aggregate principal amount of US\$ 70 million ("Tranche 2 Convertible Bonds or "CB2s") and warrants exercisable at an aggregate amount of US\$ 30 million (the "Warrants" or the "Warrant Shares") to DCP and CDH to fund the GI related business of the Company.

Subsequently on 15 October 2018, CB2s of an aggregate amount of US\$ 20 million and 16,464,490 Warrants were issued to Blue Starry and Glory Sky. On 21 December 2018, remaining 35,281,049 Warrants and 5,880,175 Warrants were issued to Blue Starry and to Glory Sky 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 30 June 2019, 31 December 2018 and 30 June 2018 were 770,500,542, 765,447,342 and 737,657,142 ordinary shares respectively.

The Company's total treasury shares as at 30 June 2019 was 2,542,000 shares and there were no shares held as treasury shares as at 31 December 2018 and 30 June 2018.

**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.**

SFRS(I) 16 Leases is effective for financial years beginning on 1 January 2019. The Group has applied the simplified transition approach and will not restate comparatives for the year prior to first application.

Other than the adjustments to leases being recognised on the balance sheet of the Group as at 1 January 2019, the adoption of new and revised standards did not have any material effect on the financial statements 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 and Warrants)			
	Second quarter ended		Six months ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Net (loss)/profit attributable to equity holders of the Group (RMB'000)	(5,244)	(81,001)	(46,792)	1,367
Weighted average number of ordinary shares outstanding ('000)	754,529	737,657	754,529	737,657
Earnings per share – <b>basic</b> (RMB cents)	(0.70)	(10.98)	(6.20)	0.19

	Actual (WITHOUT financial effects of Convertible Bonds and Warrants)			
	Second quarter ended		Six months ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Net profit attributable to equity holders of the Group (RMB'000)	50,484	27,325	111,017	58,231
Weighted average number of ordinary shares outstanding ('000)	754,529	737,657	754,529	737,657
Earnings per share – <b>basic</b> (RMB cents)	6.69	3.70	14.71	7.89

Basic earnings per share for second quarter and half year ended 30 June 2019 and 30 June 2018 have been calculated based on the weighted average number of ordinary issued share capital of 754,529,463 and 737,657,142 ordinary shares respectively.

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

	Actual (WITH financial effects of Convertible Bonds and Warrants)			
	Second quarter ended		Six months ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Net profit/(loss) attributable to equity holders of the Group (RMB'000)	22,554	(55,777)	5,550	30,099
Weighted average number of ordinary shares outstanding ('000)	1,133,281	1,094,470	1,133,281	1,094,470
Earnings/(Loss) per share – <b>diluted</b> (RMB cents)	1.99	(5.10)	0.49	3.57

	Actual (WITHOUT financial effects of Convertible Bonds and Warrants)			
	Second quarter ended		Six months ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Net profit/(loss) attributable to equity holders of the Group (RMB'000)	50,480	27,325	111,017	58,231
Weighted average number of ordinary shares outstanding ('000)	1,133,281	1,094,470	1,133,281	1,094,470
Earnings per share – <b>diluted</b> (RMB cents)	4.45	2.50	9.80	5.32

Diluted earnings per share for the above periods have been calculated assuming the outstanding convertibles bonds have been converted at the exercise prices of S\$ 0.50 and S\$ 0.60 based on

convertible bonds issued on 3 March 2017 and 15 October 2018 respectively, warrants and share options granted, have been exercised as at 30 June 2019.

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			
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	<i>(WITH financial effects of Convertible Bonds and Warrants)</i>		<i>(WITHOUT financial effects of Convertible Bonds and Warrants)</i>	
Net asset value per share (RMB cents)	195.33	170.68	203.12	174.44

  

	Company			
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	<i>(WITH financial effects of Convertible Bonds and Warrants)</i>		<i>(WITHOUT financial effects of Convertible Bonds and Warrants)</i>	
Net asset value per share (RMB cents)	27.51	29.25	35.30	39.17

The net asset values per share as at 30 June 2019 and 31 December 2018 have been computed based on shareholders' equity and the existing share capital of 791,848,142 and 737,657,142 ordinary shares as at 30 June 2019 and 31 December 2018.

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 second quarter ended 30 June 2019 ("2Q2019") as compared to that of the second quarter ended 30 June 2018 ("2Q2018")**

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

#### Revenue

The Group's revenue increased by approximately RMB 60.9 million or 10.2% from RMB 598.1 million in 2Q2018 to RMB 659.0 million in 2Q2019. This was attributed to the increase in the Green

Investment (GI) business revenue of RMB 158.7 million, contributed mainly from the Changrun and Yongxing projects.

#### Gross Profit

Gross profit increased by approximately RMB 59.3 million or 52.7% from RMB 112.5 million in 2Q2018 to RMB 171.8 million in 2Q2019. The increase was mainly attributable to the increased revenue contributions from the Green Investment (GI) segment, which contributed RMB 70.2 million in gross profit.

Gross profit margin for 2Q2019 was 26.1%, which represents an increase from 18.8% in 2Q2018 mainly due to the growth in GI business.

#### Profit before Income Tax

Profit before tax increased by RMB 88.9 million from a loss before tax of RMB 78.4 million in 2Q2018 to a profit before tax of RMB 10.5 million in 2Q2019. The increase was mainly due to the following factors:

- (a) Decrease in fair value loss on Convertible Bonds of RMB 38.6 million from a loss of RMB 64.7 million in 2Q2018 to a loss of RMB 25.8 million in 2Q2019, due primarily to the fluctuation in share price during the quarter;
- (b) Increase in fair value gain on Warrants of RMB 9.4 million in 2Q2019 as there was nil recognised in 2Q2018; and
- (c) Decrease in foreign exchange loss in 2Q2019 of RMB 4.2 million as compared to foreign exchange loss in corresponding period caused mainly by the translation of USD Convertible Bonds to RMB as US dollar depreciated against the RMB during this period.

The above-mentioned factors were offset by:

- (a) Increase in finance costs of RMB 15.8 million in line with the expansion of “BOT and TOT” projects; and
- (b) Increase in other operating expenses of RMB 6.4 million, due primarily to the increase in impairment allowance on trade and non-trade receivables

#### Income Tax Expense

Excluding the non-tax deductible effect of the Convertible Bonds and Warrants, the effective tax rate for 2Q2019 would have been 19.8%.

### Loss for the Financial Period

As a result of the above, the Group's net loss attributable to the shareholders decreased by RMB 75.8 million from a loss of RMB 81.0 million in 2Q2018 to a loss of RMB 5.2 million in 2Q2019, which was mainly due to the fair value loss of Convertible Bonds and Warrants.

- (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 and Warrants\**

The Group's total current assets increased by RMB 176.6 million or 5.9% from RMB 2,982.4 million as at 31 December 2018 to RMB 3,158.9 million as at 30 June 2019 mainly due to the following:

- (a) Increase in pledged bank deposits of RMB 127.6 million as collaterals were mainly required for the credit facilities granted;
- (b) Increase in trade receivables of RMB 81.8 million arising from an aggregate increase in trade receivables and retention receivables;

Approximately 31.5% and 11.6% of the trade receivables at 31 December 2018 and 30 June 2019 respectively were collected as at 31 July 2019. 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;

- (c) Increase in other receivables and prepayments of RMB 100.2 million mainly due to the increase in advance payment for purchases to fulfil the orders on hand as at 30 June 2019; and
- (d) Increase in inventories of RMB 118.3 million primarily due to an aggregate increase of RMB 26.8 million in raw materials and RMB 91.0 million in work-in-progress for project use.

The above increase was mitigated by the following:

- (a) Decrease in cash and cash equivalents of RMB 230.2 million, mainly due to the usage of funds for BOT and TOT projects; and

- (b) Decrease in financial assets at fair value through other comprehensive income resulted mainly from less notes receivables held by the Group that were due as of 30 June 2019.

The Group's total non-current assets increased by RMB 72.5 million or 2.0% from RMB 3,641 million as at 31 December 2018 to RMB 3,713.5 million as at 30 June 2019 caused mainly by the following:

- (a) Increase in intangible assets of RMB 78.4 million due to service concession arrangements relating to "BOT, BOO, TOT" projects on hand as at 30 June 2019;
- (b) Increase in right-of-use assets by RMB 15.4 million in accordance to SFRS(I) 16 Leases; and
- (c) Increase in other receivables, deposits and prepayments of RMB 14.9 million mainly due to the increase in long-term prepaid expenses for GI projects.

The above-mentioned factors were outweighed by the following:

- (a) Decrease in property, plant and equipment and land use right of RMB 31.3 million and RMB 3.5 million respectively, mainly due to depreciation and amortisation expenses incurred.

The Group's total current liabilities decreased by RMB 55.0 million or 1.8% from RMB 3,076.1 million as at 31 December 2018 to RMB 3,021.1 million as at 30 June 2019 mainly due to:

- (a) Decrease in other payables of RMB 453.9 million as a result of the aggregate decrease in accruals, accruals for payroll of RMB 398.9 million and RMB 27.3 million primarily due to the payment of considerations for the acquisition of Yongxing project.

The above decrease was mitigated by:

- (a) Increase in short-term borrowings of RMB 226.5 million mainly due to financing the acquisition of GI projects; and
- (b) Increase in trade payables of RMB 194.7 million as a result of an increase in customer advances of RMB 246.2 million and notes payable to third parties of RMB 105.9 million, offset by the aggregate decrease in payable to outside parties of RMB 157.3 million.

The Group's total non-current liabilities increased by approximately RMB 342.8 million or 20.0% from RMB 1,717.1 million as at 31 December 2018 to RMB 2,060 million as at 30 June 2019 mainly due to:

- (a) Increase in long-term borrowings of approximately RMB 180.8 million arising mainly from financing the acquisition of GI projects; and



- (b) Increase in fair value of Convertible Bonds of RMB 145.6 million in 2Q2019. *Please refer to Section 8 Financial Effects of Convertible Bonds.*

### **Review of the Group's cash flow statement for the second quarter ended 30 June 2019**

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

Net cash generated from operating activities amounted to approximately RMB 60.4 million, primarily due to the following factors:

- (a) Increased working capital requirements due to increase in trade receivables of RMB 65.3 million, other receivables and prepayments of RMB 57.3 million and inventories of RMB 85.2 million;
- (b) Lower working capital requirements due to the increase in trade payables of RMB 152.8 million and increase in other payables of RMB 28.3 million; and
- (c) Interest and tax paid of RMB 57.1 million in aggregate.

Net cash used in investing activities amounted to RMB 34.3 million mainly due to an increase in acquisition of property, plant and equipment of RMB 9.5 million and prepayment for acquisition of subsidiaries of RMB 25.0 million.

Net cash outflow from financing activities amounted to RMB 146.2 million due to repayment of borrowings and pledged bank deposits of RMB 207.6 million and RMB 120.1 million respectively, offset by proceeds from new borrowings of RMB 180.8 million.

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

On 3 March 2017, the Company completed the issuance of first tranche convertible bonds of an aggregate principal amount of US\$ 110 million ("Tranche 1 Convertible Bonds" or "CB1"), 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.).

Subsequently on 10 January 2018, Glory Sky transferred US\$ 60 million in principal amount of the CB1 to DCP. As a result of which, DCP and CDH (each an "Investor" and collectively, the "Investors") holds US\$ 60 million and US\$ 50 million convertible bonds issued under CB1 of the Company, respectively.

On 6 September 2018, the Company obtained shareholders' approval for the issuance of a second tranche convertible bonds of an aggregate principal amount of US\$ 70 million ("Tranche 2 Convertible Bonds or "CB2") and warrants exercisable at an aggregate amount of US\$ 30 million

(the “Warrants” or the “Warrant Shares”) to DCP and CDH to fund the GI related business of the Company.

Following the issuance of CB2 to the Investors, DCP and CDH will each hold up to US\$ 120 million and US\$ 60 million of CB1 and CB2 (collectively, the “Convertible Bonds”) of the Company, respectively, convertible into fully paid ordinary shares in the capital of Company. The total aggregate principal amount of Convertible Bonds issued by the Company will be up to US\$ 180 million. The Convertible Bonds will mature in March 2022.

The net proceeds raised from CB1 is approximately US\$ 106.2 million after deducting transaction expenses of US\$ 3.8 million, while expected net proceeds from the issuance of CB2 will be approximately US\$ 67.6 million, after deducting transaction expenses of approximately US\$ 2.4 million. The Company completed the issuance of CB2 of an aggregate principal amount of US\$ 20 million on 15 October, 2018 and has completed the issuance of 57,625,714 warrants by 21 December, 2018.

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 31 July 2019, the Company has utilised an aggregate of US\$ 123.8 million of the net proceeds from Convertible Bonds as per schedule below.

<b>Project</b>	<b>Use of Convertible Bonds Proceeds</b>	<b>Amount</b>
Shantou	Project construction and equipment procurement	US\$ 20.4 million (approximately RMB 132.6 million)
Liutuan	Registered capital	US\$ 0.8 million (approximately RMB 5.2 million)
Jining JVC	Installation of steam distribution pipeline	US\$ 1.6 million (approximately RMB 10.3 million)
Xinjiang	Registered capital	US\$ 1.4 million (approximately RMB 9.0 million)
Yingtian	Registered capital	US\$ 0.1 million (approximately RMB 0.5 million)
Shandong Yangguang Institute	Purchase consideration of the acquisition	US\$ 4.3 million (approximately RMB 28.0 million)
Xinyuan Thermal Power	Purchase consideration of the acquisition	US\$ 13.1 million (approximately RMB 85.0 million)

Xintai Zhengda Thermolectric	Purchase consideration of the acquisition and construction of new facilities	US\$ 22.0 million (approximately RMB 145.0 million)
Yongxing Thermal Power	Purchase consideration of the acquisition	US\$ 50.2 million (approximately RMB 325.5 million)
General	Administrative and general expenses for business expansion of Green Investment related business	US\$ 9.9 million (approximately RMB 64.6 million)
<b>Total Convertible Bonds Proceeds utilised</b>		<b>US\$ 123.8 million (approximately RMB 805.7 million)</b>

\*Note:

The Company paid the transaction expenses of approximately US\$2.4 million related to the issuance of CB2.

The balance of Convertible Bonds proceeds of US\$50 million not yet drawn down has already been committed in the investment of the GI project with the first drawdown of US\$20 million in October 2018.

The exchange rate is based on the actual settlement conditions.

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.

### **Financial Effects of Convertible Bonds and Warrants**

Convertible Bonds were issued on 3 March 2017 and 15 October 2018 with the carrying amount of the Convertible Bonds currently stated at fair value as at 31 March 2017 and 15 October 2018 respectively. In accordance with SFRS(I), the financial effects on profit or loss associated with the issuance of compound financial instruments are as follows: (i) fair value change arising from fair valuation relating to the conversion option and Warrants and (ii) amortised interest charge relating to the amortised cost liability component of the Convertible Bonds and commitment fee of Warrants. 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 and 21 August 2018 respectively.

The fair value change of the Convertible Bonds and Warrants 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 and Warrants consist of unrealised foreign exchange translation, amortised interest expenses (inclusive of interest charges) and fair value gain/(loss) of Convertible Bonds and Warrants. Excluding the financial effects of the Convertible Bonds and Warrants, net profit attributable to equity holders of the Company increased by RMB 23.2 million or 84.7% from RMB 27.3 million in 2Q2018 to RMB 50.5 million in 2Q2019.

**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.**

Sunpower maintained a robust growth rate in 1H2019 as it continues to expand the long-term, recurring, high-quality income and cashflow GI business. Driven by strong performance of GI, group revenue grew by 20.6% YoY to RMB1,470.6 million, and group EBITDA grew by 85.4% YoY to RMB269.5 million, resulting in the underlying net profit<sup>1</sup> increasing by 53.2% YoY to RMB111.0 million. Underlying operating cash inflow<sup>2</sup> was RMB151.0 million in 1H2019, up 108.0% YoY.

Despite that the GI projects are still ramping up, revenue, EBITDA and segment results<sup>3</sup> generated by GI totalled RMB531.7 million, RMB175.4 million and RMB110.9 million, up 151.3%, 189.4% and 701.5% YoY, respectively, accounting for 36.2%, 65.1% and 53.3% of the Group. GI projects recorded operating cash flow of RMB121.3 million in 1H2019, benefiting from strong tariff collections due to the ability to require prepayments by customers. Sunpower's GI business supplies steam to diverse industries including chemical, printing & dyeing, paper making, F&B, building materials, pharmacy, paint, wood processing, and chemical fertilizer etc.

The M&S segment, the foundation business for the Group, recorded revenue of RMB939.0 million with improved margins due to the Group's technological strength, focus on higher-value contracts and holistic internal improvements. Capacity remained almost fully utilised and total orders on hand were maintained at RMB2.5 billion in July 2019, after accounting for contract deliveries in 1H2019. 70% of Sunpower's M&S customers are repeat customers, and includes a large base of reputable global names, such as BASF, BP, Shell, CNOOC, CNPC, SINOPEC etc, that spans more than 15 industries in 30 countries.

Looking ahead, there is still much to be done to meet the central government's pollution reduction targets. President Xi Jinping is leading the fight to conserve the environment as one of the key priorities to rejuvenate China.<sup>4</sup> The Ministry of Ecology and Environment emphasized that combating air pollution still remains urgent and warned a number of city governments against the rising concentration of PM2.5 fine particulate matter and ambient air quality composite index in their cities in 1H 2019<sup>5</sup>. Such top-level official backing and stringent enforcement will continue to drive

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<sup>1</sup> Underlying net profit is the true operating performance of the Group, after adjusting net profit attributable to shareholders (including effects of Convertible Bonds and Warrants) for amortised interest expenses and fair value gains or losses as well as foreign exchange gains or losses associated with the Convertible Bonds and Warrants.

<sup>2</sup> Excluding payment of interest in relation to Convertible Bonds

<sup>3</sup> Segment results reflect the operating income of each business segment of the Group, before interest, tax and unallocated corporate expenses as well as fair value change and foreign exchange gains or losses of the Convertible Bonds and Warrants.

<sup>4</sup> <https://www.scmp.com/news/china/politics/article/2185635/chinas-xi-jinping-goes-back-marx-and-classics-push-modern-green>

<sup>5</sup> <http://huanbao.bjx.com.cn/news/20190731/996568.shtml>

the long-term prospects of China's environmental protection industry, particularly the anti-smog services sector that Sunpower's GI business is targeting.

To-date, the Group has invested and committed equity investments of more than RMB1.6 billion to build up its GI portfolio, and is on track to invest a total of RMB2.5 billion in equity by 2021. Sunpower's GI projects have attractive double-digit internal rate of return (IRR), supported by exclusive concessions of typically 30 years. The net present value (NPV) of long-term GI cash flows is expected to considerably exceed their current contributions<sup>6</sup>. The Group currently has 8 projects in operation following the recent completion of the acquisition of Suyuan Plant, and it has announced plans to construct Phase 2 of Shantou Project.

With GI as the growth driver and value creator, the Group has grown into a company driven by long-term, recurring, high-quality income and cashflows. Barring unforeseen circumstances, Sunpower is well placed to further improve earnings growth and quality in the next phase. It expects the continued ramp-up of existing GI operations, acquisition of Suyuan Plant, potential securing of more earnings-accretive M&As, trial production of Shantou Phase 1 in 2H2019 and the focus on the higher-value M&S contracts and holistic internal improvements to benefit future earnings.

**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.

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<sup>6</sup> Based on the company's long-term discounted cashflow forecasts.

- 12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended by the Board of Directors of the Company for the quarter ended 30 June 2019. It is not the Company's practise to declare dividends during the first quarter of the financial year.

- 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 30 June 2019 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 August 2019