

## SUNPOWER GROUP LTD.

### Unaudited Financial Statements for Full Year Ended 31 December 2019

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

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

#### UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

(RMB'000)	Actual (WITH financial effects of Convertible Bonds and Warrants)			Actual (WITHOUT financial effects of Convertible Bonds and Warrants)		
	Full year ended		% change	Full year ended		% change
	31 December 2019 (Unaudited)	31 December 2018 (Audited)		31 December 2019 (Unaudited)	31 December 2018 (Audited)	
<b>Revenue</b>	3,604,632	3,262,893	10.5	3,604,632	3,262,893	10.5
Cost of sales	(2,716,075)	(2,569,081)	5.7	(2,716,075)	(2,569,081)	5.7
<b>Gross profit</b>	888,557	693,812	28.1	888,557	693,812	28.1
Other operating income	81,267	68,436	18.7	81,267	68,436	18.7
Selling and distribution expenses	(53,752)	(58,052)	(7.4)	(53,752)	(58,052)	(7.4)
Administrative expenses	(271,855)	(271,712)	0.1	(269,335)	(271,152)	(0.7)
Foreign exchange loss	(9,296)	(30,260)	(69.3)	(137)	(12,450)	(98.9)
Other operating expenses	(83,675)	(30,003)	178.9	(83,675)	(30,003)	178.9
Finance costs	(224,185)	(146,776)	52.7	(109,912)	(61,824)	77.8
Share of profit/ (loss) of associate	1,199	(1,033)	(216.1)	1,199	(1,033)	(216.1)
Fair value changes on convertible bonds	(91,288)	165,390	(155.2)	-	-	n.m.
Fair value changes on warrants	3,080	4,900	(37.1)	-	-	n.m.
<b>Profit before income tax</b>	<b>240,052</b>	<b>394,702</b>	(39.2)	<b>454,212</b>	<b>327,734</b>	38.6
Income tax expense	(90,708)	(62,147)	46.0	(90,708)	(62,147)	46.0
<b>Profit for the year</b>	<b>149,344</b>	<b>332,555</b>	(55.1)	<b>363,504</b>	<b>265,587</b>	36.9
<b>Other comprehensive income</b>						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange difference on translation of foreign operation	40	116	(65.5)	40	116	(65.5)
Net fair value gain/ (loss) on investments in equity instruments designated as at FVTOCI	500	(1,845)	(127.1)	500	(1,845)	(127.1)
Net fair value (loss)/ gain on investments in debt instruments classified as at FVTOCI	(569)	65	(975.4)	(569)	65	(975.4)
Other comprehensive loss for the year, net of tax	(29)	(1,664)	(98.3)	(29)	(1,664)	(98.3)
<b>Total comprehensive income for the year, net of tax</b>	<b>149,315</b>	<b>330,891</b>	(54.9)	<b>363,475</b>	<b>263,923</b>	37.7

(RMB'000)	Actual (WITH financial effects of Convertible Bonds and Warrants)			Actual (WITHOUT financial effects of Convertible Bonds and Warrants)		
	Full year ended			Full year ended		
	31 December 2019 (Unaudited)	31 December 2018 (Audited)	% change	31 December 2019 (Unaudited)	31 December 2018 (Audited)	% change
Profit for the year attributable to:						
Equity holders of the Company	138,042	320,520	(56.9)	352,202	253,552	38.9
Non-controlling interests	11,302	12,035	(6.1)	11,302	12,035	(6.1)
<b>Profit for the year</b>	<b>149,344</b>	<b>332,555</b>	<b>(55.1)</b>	<b>363,504</b>	<b>265,587</b>	<b>36.9</b>
Total comprehensive income for the year attributable to:						
Equity holders of the Company	137,834	318,856	(56.8)	351,994	251,888	39.7
Non-controlling interests	11,481	12,035	(4.6)	11,481	12,035	(4.6)
<b>Profit for the year</b>	<b>149,315</b>	<b>330,891</b>	<b>(54.9)</b>	<b>363,475</b>	<b>263,923</b>	<b>37.7</b>

*n.m. denotes not meaningful*

#### 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)		
	Full year ended			Full year ended		
	31 December 2019 (Unaudited)	31 December 2018 (Audited)	% change	31 December 2019 (Unaudited)	31 December 2018 (Audited)	% change
Depreciation of property, plant and equipment	87,958	63,366	38.8	87,958	63,366	38.8
Amortisation of land use rights	6,967	5,479	27.2	6,967	5,479	27.2
Amortisation of intangible assets	47,576	37,574	26.6	47,576	37,574	26.6
Interest expenses	224,185	146,776	52.7	109,912	61,824	77.8
Impairment allowance on trade and non-trade receivables	66,185	26,089	153.7	66,185	26,089	153.7
Reversal of impairment allowance on trade and non-trade receivables	(21,734)	(10,902)	99.4	(21,734)	(10,902)	99.4
Impairment allowance on (Reversal of) inventories - net of impairment (reversals)	1,459	(3,815)	(138.2)	1,459	(3,815)	(138.2)
Loss/ (gain) on disposal of property, plant and equipment	474	(381)	(224.4)	474	(381)	(224.4)
Foreign exchange loss - net	9,296	30,260	(69.3)	137	12,450	(98.9)
Fair value loss/ (gain) on convertible bonds	91,288	(165,390)	(155.2)	-	-	n.m.
Fair value gain on warrants	(3,080)	(4,900)	(37.1)	-	-	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)		
	Full year ended			Full year ended		
	31 December 2019 (Unaudited)	31 December 2018 (Audited)	% change	31 December 2019 (Unaudited)	31 December 2018 (Audited)	% change
Government grants	45,832	40,744	12.5	45,832	40,744	12.5
Interest income	3,799	6,145	(38.2)	3,799	6,145	(38.2)
Government rebates	4,181	-	n.m.	4,181	-	n.m.
Gain on disposal of property, plant and equipment	51	464	(89.0)	51	464	(89.0)
Reversal of impairment loss on trade and non-trade receivables subject to ECL	21,734	10,902	99.4	21,734	10,902	99.4
Indemnity insurance	-	5,344	(100.0)	-	5,344	(100.0)
Others	5,670	4,837	17.2	5,670	4,837	17.2
<b>Total</b>	<b>81,267</b>	<b>68,436</b>	<b>18.7</b>	<b>81,267</b>	<b>68,436</b>	<b>18.7</b>

\*There is no difference for other operating income with and without financial effects of Convertible Bonds or Warrants for the full year ended 31 December 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 31 December 2019 (Unaudited)	As at 31 December 2018 (Audited)	As at 31 December 2019 (Unaudited)	As at 31 December 2018 (Audited)
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	690,481	685,306	13,343	81,580
Pledged bank deposits	107,047	112,381	-	-
Trade receivables and contract assets	1,321,311	1,191,540	-	-
Other receivables, deposits and prepayments	444,798	390,179	29,708	27,144
Inventories	558,849	499,862	-	-
Land use rights	7,132	5,822	-	-
Financial assets at fair value through other comprehensive income	172,880	97,278	-	-
<b>Total current assets</b>	<b>3,302,498</b>	<b>2,982,368</b>	<b>43,051</b>	<b>108,724</b>
<b>Non-current assets:</b>				
Land use rights	294,217	285,513	-	-
Property, plant and equipment	1,012,861	869,813	-	-
Right-of-use assets	14,003	-	-	-
Other receivables, deposits and prepayments	10,342	12,667	83,366	198,800
Financial assets at fair value through other comprehensive income	12,291	11,718	-	-
Subsidiaries	-	-	1,045,183	955,558
Associate	10,453	9,257	-	-
Intangible assets	2,526,828	2,073,728	-	-
Deferred tax assets	40,011	28,671	-	-
Goodwill	415,582	335,769	-	-
Commitment fee	11,172	13,943	11,172	13,943
<b>Total non-current assets</b>	<b>4,347,760</b>	<b>3,641,079</b>	<b>1,139,721</b>	<b>1,168,301</b>
<b>Total assets</b>	<b>7,650,258</b>	<b>6,623,447</b>	<b>1,182,772</b>	<b>1,277,025</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Trade payables	1,619,104	1,717,110	25,958	-
Other payables	526,492	798,295	43,828	69,403
Borrowings	1,009,611	492,904	41,857	41,179
Warrants	5,917	8,997	5,917	8,997
Income tax payable	70,799	58,812	-	-
<b>Total current liabilities</b>	<b>3,231,923</b>	<b>3,076,118</b>	<b>117,560</b>	<b>119,579</b>
<b>Non-current liabilities:</b>				
Deferred tax liabilities	213,716	148,190	-	-
Borrowings	1,272,203	839,429	-	41,179
Convertible bonds	921,307	729,442	921,307	729,442
Finance leases	11,241	-	-	-
<b>Total non-current liabilities</b>	<b>2,418,467</b>	<b>1,717,061</b>	<b>921,307</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	156,912	117,892	-	-
Share option reserve	1,346	8,406	1,346	8,406
Foreign currency translation reserve	19	(21)	-	-
Fair value reserve	(3,212)	(2,964)	-	-
Retained earnings (Accumulated losses)	1,209,701	1,122,481	(219,063)	34,362
<b>Equity attributable to equity holders of the Company</b>	<b>1,726,388</b>	<b>1,589,851</b>	<b>143,905</b>	<b>386,825</b>
Non-controlling interests	273,480	240,417	-	-
<b>Total equity</b>	<b>1,999,868</b>	<b>1,830,268</b>	<b>143,905</b>	<b>386,825</b>
<b>Total liabilities and equity</b>	<b>7,650,258</b>	<b>6,623,447</b>	<b>1,182,772</b>	<b>1,277,025</b>

(RMB'000)	Actual (WITHOUT financial effects of Convertible Bonds and Warrants)			
	Group		Company	
	As at 31 December 2019 (Unaudited)	As at 31 December 2018 (Audited)	As at 31 December 2019 (Unaudited)	As at 31 December 2018 (Audited)
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	690,481	685,306	13,343	81,580
Pledged bank deposits	107,047	112,381	-	-
Trade receivables and contract assets	1,321,311	1,191,540	-	-
Other receivables, deposits and prepayments	444,798	390,179	29,708	27,144
Inventories	558,849	499,862	-	-
Land use rights	7,132	5,822	-	-
Financial assets at fair value through other comprehensive income	172,880	97,278	-	-
<b>Total current assets</b>	<b>3,302,498</b>	<b>2,982,368</b>	<b>43,051</b>	<b>108,724</b>
<b>Non-current assets:</b>				
Land use rights	294,217	285,513	-	-
Property, plant and equipment	1,012,861	869,813	-	-
Right-of-use assets	14,003	-	-	-
Other receivables, deposits and prepayments	10,342	12,667	83,366	198,800
Financial assets at fair value through other comprehensive income	12,291	11,718	-	-
Subsidiaries	-	-	1,045,183	955,558
Associate	10,453	9,257	-	-
Intangible assets	2,526,828	2,073,728	-	-
Deferred tax assets	40,011	28,671	-	-
Goodwill	415,582	335,769	-	-
Commitment fee	13,897	13,897	13,897	13,897
<b>Total non-current assets</b>	<b>4,350,485</b>	<b>3,641,033</b>	<b>1,142,446</b>	<b>1,168,255</b>
<b>Total assets</b>	<b>7,652,983</b>	<b>6,623,401</b>	<b>1,185,497</b>	<b>1,276,979</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Trade payables	1,619,102	1,717,110	25,956	-
Other payables	507,545	782,125	24,882	53,233
Borrowings	1,009,611	492,904	41,857	41,179
Warrants	13,897	13,897	13,897	13,897
Income tax payable	70,799	58,812	-	-
<b>Total current liabilities</b>	<b>3,220,954</b>	<b>3,064,848</b>	<b>106,592</b>	<b>108,309</b>
<b>Non-current liabilities:</b>				
Deferred tax liabilities	213,716	148,190	-	-
Borrowings	1,272,203	839,429	-	41,179
Convertible bonds	816,978	836,803	816,978	836,803
Finance leases	11,241	-	-	-
<b>Total non-current liabilities</b>	<b>2,314,138</b>	<b>1,824,422</b>	<b>816,978</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	156,912	117,892	-	-
Share option reserve	1,346	8,406	1,346	8,406
Foreign currency translation reserve	19	(21)	-	-
Fair value reserve	(3,212)	(2,964)	-	-
Retained earnings (Accumulated losses)	1,327,724	1,026,344	(101,041)	(61,775)
<b>Equity attributable to equity holders of the Company</b>	<b>1,844,411</b>	<b>1,493,714</b>	<b>261,927</b>	<b>290,688</b>
Non-controlling interests	273,480	240,417	-	-
<b>Total equity</b>	<b>2,117,891</b>	<b>1,734,131</b>	<b>261,927</b>	<b>290,688</b>
<b>Total liabilities and equity</b>	<b>7,652,983</b>	<b>6,623,401</b>	<b>1,185,497</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)	<u>As at 31 December 2019</u>		<u>As at 31 December 2018</u>	
	Secured	Unsecured	Secured	Unsecured
Borrowings	<u>512,225</u>	<u>497,386</u>	<u>218,124</u>	<u>274,780</u>

**Amount repayable after one year**

(RMB'000)	<u>As at 31 December 2019</u>		<u>As at 31 December 2018</u>	
	Secured	Unsecured	Secured	Unsecured
Borrowings	<u>1,184,203</u>	<u>88,000</u>	<u>686,750</u>	<u>152,679</u>

**Details of any collaterals:**

<u>Collaterals</u>	<u>As at 31 December 2019 (RMB' 000)</u>	<u>As at 31 December 2018 (RMB' 000)</u>
Secured by building and land use right of the subsidiary	1,187,728	645,375
Pledge of shares of subsidiaries	508,700	219,500
Guaranteed by the Company	<u>154,029</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.**

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FULL YEAR ENDED 31 DECEMBER 2019**

<b>(RMB'000)</b>	<b>Actual (WITH financial effects of Convertible Bonds and Warrants)</b>	
	<b>Full year ended</b>	
	<b>31 December 2019 (Unaudited)</b>	<b>31 December 2018 (Audited)</b>
<b>Operating activities</b>		
Profit before income tax	240,052	394,702
Adjustments for:		
Depreciation expense	87,958	63,366
Amortisation of intangible assets	47,576	37,574
Interest expense	224,185	146,776
Amortisation of land use rights	6,967	5,479
Exchange differences arising on foreign currency translation	524	(512)
Share of (profit)/ loss of associate	(1,199)	1,033
Loss/ (Gain) on disposal of property, plant and equipment	474	(381)
Interest income	(3,799)	(6,145)
Impairment loss on trade and other receivables subject to ECL, net	44,451	15,187
Impairment allowance on (Reversal of) inventories - net of reversals (impairment)	1,459	(3,815)
Amortisation of commitment fee	2,520	560
Exchange loss/ (gain) on warrants	252	(606)
Exchange loss on convertible bonds	8,907	18,416
Fair value loss/ (gain) on convertible bonds	91,288	(165,390)
Fair value gain on warrants	(3,080)	(4,900)
Operating cash flows before movements in working capital	748,535	501,344
Trade receivables	(235,410)	19,651
Other receivables, deposits and prepayments	(1,295)	(28,737)
Inventories	(53,715)	(138,963)
Trade payables	144,790	(59,858)
Other payables	(5,744)	32,546
Cash generated from operations	597,161	325,983
Income tax paid	(88,164)	(45,691)
Interest paid	(69,407)	(57,188)
Interest received	3,799	6,145
Net cash from operating activities	443,389	229,249
<b>Investing activities</b>		
Purchase of property, plant and equipment	(111,892)	(71,709)
Acquisition of intangible assets	(564,603)	(228,419)
Acquisition of subsidiary	(570,145)	(433,470)
Payment for land use rights acquired	-	(33,717)
Proceeds from disposal of property, plant and equipment	207	604
Net cash used in investing activities	(1,246,433)	(766,711)
<b>Financing activities</b>		
Acquisition of non-controlling interest in a subsidiary	(10,212)	-
Share buy-backs	(4,690)	-
Proceeds from new borrowings	1,577,204	837,798
Contribution from non-controlling interest holders	-	63,700
Proceeds from convertible bonds	-	123,416
Proceeds from exercise of share options	12,269	16,155
Pledged bank deposits	5,334	(23,905)
Payment of dividend to non-controlling interest of a subsidiary	-	(3,600)
Payment of dividend	(11,802)	(4,239)
Repayment of borrowings	(699,723)	(667,281)
Interest paid	(60,201)	(22,000)
Net cash from financing activities	808,179	320,044
Net increase (decrease) in cash and cash equivalents	5,135	(217,418)
Cash and cash equivalents at beginning of year	685,306	902,608
Effects of foreign exchange rate changes	40	116
<b>Cash and cash equivalents at end of year</b>	<b>690,481</b>	<b>685,306</b>

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

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FULL YEAR ENDED 31 DECEMBER 2019**

(RMB'000)	Actual (WITHOUT financial effects of Convertible Bonds and Warrants)	
	Full year ended	
	31 December 2019 (Unaudited)	31 December 2018 (Audited)
<b>Operating activities</b>		
Profit before income tax	454,212	327,734
Adjustments for:		
Depreciation expense	87,958	63,366
Amortisation of intangible assets	47,576	37,574
Interest expense	109,912	61,824
Amortisation of land use rights	6,967	5,479
Exchange differences arising on foreign currency translation	524	(512)
Share of (profit)/ loss of associate	(1,199)	1,033
Loss/ (Gain) on disposal of property, plant and equipment	474	(381)
Interest income	(3,799)	(6,145)
Impairment loss on trade and other receivables subject to ECL, net	44,451	15,187
Impairment allowance on (Reversal of) inventories, net of impairment (reversals)	1,459	(3,815)
Operating cash flows before movements in working capital	748,535	501,344
Trade receivables	(235,410)	19,253
Other receivables, deposits and prepayments	(1,295)	(27,389)
Inventories	(53,715)	(138,963)
Trade payables	144,790	(59,858)
Other payables	(5,744)	32,548
Cash generated from operations	597,161	326,935
Income tax paid	(88,164)	(46,641)
Interest received	3,799	6,145
Interest paid	(69,407)	(57,188)
Net cash generated from operating activities	443,389	229,251
<b>Investing activities</b>		
Purchase of property, plant and equipment	(111,892)	(71,709)
Acquisition of intangible assets	(564,603)	(228,419)
Acquisition of subsidiary	(570,145)	(433,470)
Payment for land use rights acquired	-	(33,717)
Proceeds from disposal of property, plant and equipment	207	604
Net cash used in investing activities	(1,246,433)	(766,711)
<b>Financing activities</b>		
Acquisition of non-controlling interest in a subsidiary	(10,212)	-
Share buy-backs	(4,690)	-
Contribution from non-controlling interest holders	-	63,698
Proceeds from new borrowings	1,577,204	837,798
Proceeds from convertible bonds	-	123,416
Pledged bank deposits	5,334	(23,905)
Payment of dividend	(11,802)	(4,239)
Payment of dividend to non-controlling interest of a subsidiary	-	(3,600)
Repayment of borrowings	(699,723)	(667,281)
Interest paid	(60,201)	(22,000)
Proceeds from exercise of share options	12,269	16,155
Net cash from financing activities	808,179	320,042
Net increase (decrease) in cash and cash equivalents	5,135	(217,418)
Cash and cash equivalents at beginning of year	685,306	902,608
Effects of foreign exchange rate changes	40	116
<b>Cash and cash equivalents at end of year</b>	<b>690,481</b>	<b>685,306</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>											
<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>Fair value reserve</b>	<b>Foreign currency translation 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>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>
Adoption of SFRS(I)-9	-	-	-	-	-	(1,184)	-	(1,636)	(2,820)	-	(2,820)
<b>Balance as at January 1, 2018</b>	<b>53,531</b>	-	<b>266,938</b>	<b>87,921</b>	<b>15,839</b>	<b>(1,184)</b>	<b>(137)</b>	<b>836,171</b>	<b>1,259,079</b>	<b>141,122</b>	<b>1,400,201</b>
<b>Total comprehensive income for the year</b>											
Profit for the year	-	-	-	-	-	-	-	320,520	320,520	12,035	332,555
Other comprehensive (loss) income for the year	-	-	-	-	-	(1,780)	116	-	(1,664)	-	(1,664)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,780)</b>	<b>116</b>	<b>320,520</b>	<b>318,856</b>	<b>12,035</b>	<b>330,891</b>
<b>Transactions with owners, recognised directly in equity</b>											
Dividend paid	-	-	-	-	-	-	-	(4,239)	(4,239)	-	(4,239)
Transfer to general reserves	-	-	-	29,971	-	-	-	(29,971)	-	-	-
Contribution from non-controlling interest holders	-	-	-	-	-	-	-	-	-	63,700	63,700
Dividends paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	(3,600)	(3,600)
Employee share option expenses	1,908	-	21,680	-	(7,433)	-	-	-	16,155	-	16,155
Non-controlling interests arising from acquisition of subsidiary	-	-	-	-	-	-	-	-	-	27,160	27,160
<b>Total</b>	<b>1,908</b>	<b>-</b>	<b>21,680</b>	<b>29,971</b>	<b>(7,433)</b>	<b>-</b>	<b>-</b>	<b>(34,210)</b>	<b>11,916</b>	<b>87,260</b>	<b>99,176</b>
<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>(2,964)</b>	<b>(21)</b>	<b>1,122,481</b>	<b>1,589,851</b>	<b>240,417</b>	<b>1,830,268</b>
<b>Total comprehensive income for the year</b>											
Profit for the year	-	-	-	-	-	-	-	138,042	138,042	11,302	149,344
Other comprehensive (loss) income for the year	-	-	-	-	-	(248)	40	-	(208)	179	(29)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(248)</b>	<b>40</b>	<b>138,042</b>	<b>137,834</b>	<b>11,481</b>	<b>149,315</b>
<b>Transactions with owners, recognised directly in equity</b>											
Dividend paid	-	-	-	-	-	-	-	(11,802)	(11,802)	-	(11,802)
Transfer to general reserves	-	-	-	39,020	-	-	-	(39,020)	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	(10,212)	(10,212)
Non-controlling interests arising from acquisition of subsidiary	-	-	-	-	-	-	-	-	-	31,794	31,794
Share buy-backs	-	(4,690)	-	-	-	-	-	-	(4,690)	-	(4,690)
Employee share option expenses	1,812	-	20,443	-	(7,060)	-	-	-	15,195	-	15,195
<b>Total</b>	<b>1,812</b>	<b>(4,690)</b>	<b>20,443</b>	<b>39,020</b>	<b>(7,060)</b>	<b>-</b>	<b>-</b>	<b>(50,822)</b>	<b>(1,297)</b>	<b>21,582</b>	<b>20,285</b>
<b>Balance as at December 31, 2019</b>	<b>57,251</b>	<b>(4,690)</b>	<b>309,061</b>	<b>156,912</b>	<b>1,346</b>	<b>(3,212)</b>	<b>19</b>	<b>1,209,701</b>	<b>1,726,388</b>	<b>273,480</b>	<b>1,999,868</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 (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>Fair value 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>
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	-	-	-	-	-	-	-	253,552	253,552	12,035	265,587
Other comprehensive income (loss) for the year	-	-	-	-	-	116	(1,780)	-	(1,664)	-	(1,664)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116</b>	<b>(1,780)</b>	<b>253,552</b>	<b>251,888</b>	<b>12,035</b>	<b>263,923</b>
<b>Transactions with owners, recognised directly in equity</b>											
Dividend paid	-	-	-	-	-	-	-	(4,239)	(4,239)	-	(4,239)
Transfer to general reserve	-	-	-	29,971	-	-	-	(29,971)	-	-	-
Contribution from non-controlling interest holders	-	-	-	-	-	-	-	-	-	63,700	63,700
Dividends paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	(3,600)	(3,600)
Employee share option expenses	1,908	-	21,680	-	(7,433)	-	-	-	16,155	-	16,155
Non-controlling interests arising from acquisition of subsidiary	-	-	-	-	-	-	-	-	-	27,160	27,160
<b>Total</b>	<b>1,908</b>	<b>-</b>	<b>21,680</b>	<b>29,971</b>	<b>(7,433)</b>	<b>-</b>	<b>-</b>	<b>(34,210)</b>	<b>11,916</b>	<b>87,260</b>	<b>99,176</b>
<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 the year</b>											
Profit for the year	-	-	-	-	-	-	-	352,202	352,202	11,302	363,504
Other comprehensive income (loss) for the year	-	-	-	-	-	40	(248)	-	(208)	179	(29)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>(248)</b>	<b>352,202</b>	<b>351,994</b>	<b>11,481</b>	<b>363,475</b>
<b>Transactions with owners, recognised directly in equity</b>											
Dividend paid	-	-	-	-	-	-	-	(11,802)	(11,802)	-	(11,802)
Transfer to general reserve	-	-	-	39,020	-	-	-	(39,020)	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	(10,212)	(10,212)
Non-controlling interests arising from acquisition of subsidiary	-	-	-	-	-	-	-	-	-	31,794	31,794
Share buy-backs	-	(4,690)	-	-	-	-	-	-	(4,690)	-	(4,690)
Employee share option expenses	1,812	-	20,443	-	(7,060)	-	-	-	15,195	-	15,195
<b>Total</b>	<b>1,812</b>	<b>(4,690)</b>	<b>20,443</b>	<b>39,020</b>	<b>(7,060)</b>	<b>-</b>	<b>-</b>	<b>(50,822)</b>	<b>(1,297)</b>	<b>21,582</b>	<b>20,285</b>
<b>Balance as at December 31, 2019</b>	<b>57,251</b>	<b>(4,690)</b>	<b>309,061</b>	<b>156,912</b>	<b>1,346</b>	<b>19</b>	<b>(3,212)</b>	<b>1,327,724</b>	<b>1,844,411</b>	<b>273,480</b>	<b>2,117,891</b>

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

<u>Company</u>	Share capital	Treasury shares	Share premium	Share option reserves	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, 2018</b>	<b>53,531</b>	<b>-</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>-</b>	<b>288,618</b>	<b>8,406</b>	<b>34,362</b>	<b>386,825</b>	<b>386,825</b>
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(246,123)	(246,123)	(246,123)
<u>Transactions with owners, recognised directly in equity</u>							
Employee share option expenses	1,812	-	20,443	(7,060)	-	15,195	15,195
Share buy-backs	-	(4,690)	-	-	-	(4,690)	(4,690)
Dividend paid	-	-	-	-	(7,302)	(7,302)	(7,302)
Total	1,812	(4,690)	20,443	(7,060)	(7,302)	3,203	3,203
<b>Balance as at December 31, 2019</b>	<b>57,251</b>	<b>(4,690)</b>	<b>309,061</b>	<b>1,346</b>	<b>(219,063)</b>	<b>143,905</b>	<b>143,905</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, 2018</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 loss 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 year, representing total comprehensive loss for the year	-	-	-	-	(31,964)	(31,964)	(31,964)
<u>Transactions with owners, recognised directly in equity</u>							
Employee share option expenses	1,812	-	20,443	(7,060)	-	15,195	15,195
Share buy-backs	-	(4,690)	-	-	-	(4,690)	(4,690)
Dividend paid	-	-	-	-	(7,302)	(7,302)	(7,302)
Total	1,812	(4,690)	20,443	(7,060)	(7,302)	3,203	3,203
<b>Balance as at December 31, 2019</b>	<b>57,251</b>	<b>(4,690)</b>	<b>309,061</b>	<b>1,346</b>	<b>(101,041)</b>	<b>261,927</b>	<b>261,927</b>

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

There was no change in share capital during the financial year ended 31 December 2018 and there was a change in share capital during the financial year ended 31 December 2019.

There were share buy-back transactions in 1Q2019. During the first quarter ended 31 March 2019, the total consideration for the treasury shares held under the share buy-back scheme was S\$ 934,366 for a total of 2,542,000 shares. The number of shares held as treasury shares by the Company represents 0.3% (31 December 2018: 0%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company as at 31 December 2019.

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 Green Investments ("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, the remaining 35,281,049 Warrants and 5,880,175 Warrants were issued to Blue Starry and 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 31 December 2019 and 31 December 2018 was 791,848,142 and 765,447,342 ordinary shares respectively.

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

The Company's total issued shares excluding treasury shares as at 31 December 2019 and 31 December 2018 was 789,306,142 and 765,447,342 ordinary shares respectively.

**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.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

Not applicable.

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

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 2018, except that the Group has adopted SFRS(I) 16 *Leases* on 1 January 2019. Please refer to paragraph 5 for detailed changes made in accordance to SFRS(I) 16.

**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)		Actual (WITHOUT financial effects of Convertible Bonds and Warrants)	
	Full year ended 31 December 2019	Full year ended 31 December 2018	Full year ended 31 December 2019	Full year ended 31 December 2018
Net profit attributable to equity holders of the Group (RMB'000)	138,042	320,520	352,202	253,552
Weighted average number of ordinary shares outstanding ('000)	781,323	765,447	781,323	765,447
Earnings per share - <i>basic</i> (RMB cent)	17.67	41.87	45.08	33.12

Basic earnings per share for the full year ended 31 December 2019 and 31 December 2018 have been calculated based on the weighted average number of ordinary share capital of 781,322,597 and 765,447,342 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)		Actual (WITHOUT financial effects of Convertible Bonds and Warrants)	
	Full year ended 31 December 2019	Full year ended 31 December 2018	Full year ended 31 December 2019	Full year ended 31 December 2018
Net profit attributable to equity holders of the Group (RMB'000)	252,315	405,474	352,202	253,552
Weighted average number of ordinary shares outstanding ('000)	1,225,692	1,087,280	1,225,692	1,087,280
Earnings per share - <i>diluted</i> (RMB cents)	20.59	37.29	28.73	23.32

Diluted earnings per share for the above periods have been calculated assuming the outstanding convertibles have been converted at S\$ 0.50 and S\$ 0.60 based on exercise prices of convertible bonds issued on 3 March 2017 and 15 October 2018 respectively, and that the warrants and share options granted have been exercised as at 31 December 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			
	31 December 2019	31 December 2018	31 December 2019	31 December 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)	218.02	207.70	232.92	195.14

	Company			
	31 December 2019	31 December 2018	31 December 2019	31 December 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)	18.17	50.54	33.08	37.98

The net asset values per share as at 31 December 2019 and 31 December 2018 have been computed based on shareholders' equity and the existing share capital of 791,848,142 and 765,447,342 ordinary shares as at 31 December 2019 and 31 December 2018 respectively.



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

**Review of the Group's performance for the year ended 31 December 2019 ("FY2019") as compared to that of the year ended 31 December 2018 ("FY2018")**

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

Revenue

The Group's revenue increased by approximately RMB 341.7 million or 10.5% from RMB 3.3 billion in FY2018 to RMB 3.6 billion in FY2019. This was attributed to the increase in revenue of RMB 418.5 million or 56.8% from FY2018, generated from the Green Investments ("GI") business, while the decrease in revenue generated from the Manufacturing and Services ("M&S") segment of RMB 76.8 million or 3.0% from FY2018 was due primarily to timing differences in deliveries based upon customer requirement.

Gross Profit

Gross profit increased by approximately RMB 194.7 million or 28.1% from RMB 693.8 million in FY2018 to RMB 888.6 million in FY2019. The increase was mainly attributable to the increase in the revenue of GI business and the increase in gross profit margin from 21.3% in FY2018 to 24.7% in FY2019.

Profit before Income Tax

Profit before tax decreased by approximately RMB 154.7 million or 39.2% from RMB 394.7 million in FY2018 to RMB 240.1 million in FY2019. The decrease was mainly attributable to the following factors:

- (a) Increase in fair value loss on Convertible Bonds of RMB 256.7 million as a result of the change in fair value on Convertible Bonds from a fair value gain of RMB 165.4 million in FY2018 as compared to a fair value loss of RMB 91.3 million in FY2019, due primarily to the fluctuation in share price during the financial year;
- (b) Increase in finance costs of RMB 77.4 million in line with the expansion of "BOT and TOT" projects;
- (c) Increase in other operating expenses of RMB 53.7 million due primarily to the increase in impairment allowance on trade and non-trade receivables; and

- (d) Decrease in foreign exchange loss of RMB 21.0 million as compared to foreign exchange loss in corresponding period caused mainly by the translation of USD Convertible Bonds to RMB as US dollar appreciated lesser against the RMB during this period.

The above-mentioned factors were offset by:

- (a) Increase in other operating income of RMB 12.8 million due primarily to the increase in non-recurring government grants during this period.

#### Income Tax Expense

Excluding the non-tax deductible effect of the Convertible Bonds and Warrants, the effective tax rate for FY2019 would have been 20.1%.

#### Profit for the Financial Year

As a result of the above, the Group's net profit attributable to the shareholders decreased by RMB 182.5 million or 56.9% from RMB 320.5 million in FY2018 to RMB 138.0 million in FY2019.

- (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 320.1 million or 10.7% from RMB 2,982.4 million as at 31 December 2018 to RMB 3,302.5 million as at 31 December 2019 mainly due to the following:

- (a) Increase in trade receivables and contract assets of RMB 129.8 million arising mainly from an aggregate increase in trade receivables from third parties and retention receivables.

Approximately 43.3% and 20.0% of the trade receivables at 31 December 2018 and 31 December 2019 respectively were collected as at 31 January 2020. 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;

- (b) Increase in financial assets at fair value through other comprehensive income of RMB 75.6 million resulting mainly from the increase in notes receivables held by the Group that were due as of 31 December 2019;

- (c) Increase in inventories of RMB 59.0 million due primarily to an increase in raw materials and consumable of RMB 13.9 million, finished goods of RMB 8.5 million and work-in-progress of RMB 38.0 million; and
- (d) Increase in other receivables, deposits and prepayments of RMB 54.6 million due to the increase in prepayments of RMB 9.3 million and the increase in other receivables of RMB 45.4 million.

The Group's total non-current assets increased by RMB 706.7 million or 19.4% from RMB 3,641.1 million as at 31 December 2018 to RMB 4,347.8 million as at 31 December 2019 mainly due to the following:

- (a) Increase in intangible assets of RMB 453.1 million mainly due to service concession arrangements relating to Shantou and Xintai projects on hand as at 31 December 2019 and acquisition of Suyuan project;
- (b) Increase in property, plant and equipment of RMB 143.0 million mainly resulting from the acquisition of GI projects;
- (c) Increase in goodwill of RMB 79.8 million resulting from newly-acquired GI projects; and
- (d) Increase in right-of-use assets by RMB 14.0 million in accordance to SFRS(I) 16 *Leases*.

The Group's total current liabilities increased by RMB 155.8 million or 5.1% from RMB 3,076.1 million as at 31 December 2018 to RMB 3,231.9 million as at 31 December 2019 mainly due to the following:

- (a) Increase in short-term borrowings of RMB 516.7 million due primarily to the financing of the acquisition of GI projects.

The above-mentioned factor was offset mainly by:

- (a) Decrease in other payables of RMB 271.8 million due primarily to the payment of considerations for the acquisition of Yongxing plant; and
- (b) Decrease in trade payables of RMB 98.0 million as a result of decrease in payable to third parties of RMB 190.5 million, offset by the aggregate increase in customer advances and notes payables to third parties of RMB 92.5 million, which is in line with the construction progress of "BOT, BOO and TOT" projects.

The Group's total non-current liabilities increased by approximately RMB 701.4 million from RMB 1,717.1 million as at 31 December 2018 to RMB 2,418.5 million as at 31 December 2019 mainly due to the following:

- (a) Increase in long term borrowings of RMB 432.8 million due primarily to the financing of the acquisition of GI projects;
- (b) Increase in fair value of Convertible Bonds of RMB 191.9 million in FY2019. *Please refer to Section 8 Financial Effects of Convertible Bonds*; and
- (c) Increase in deferred tax liabilities of RMB 65.5 million arising mainly from the financing of the acquisition of GI projects.

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

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

Net cash generated from operating activities amounted to approximately RMB 443.4 million, primarily due to operating cash flow before movements in working capital of approximately RMB 748.5 million that were derived from:

- (a) Decreased working capital requirements due to the decrease in trade receivables of RMB 235.4 million, decrease in other receivables of RMB 1.3 million, decrease in inventories of RMB 53.7 million, increase in trade payables of RMB 144.8 million and decrease in other payables of RMB 5.4 million; and
- (b) Interest and tax paid of RMB 157.6 million in aggregate.

Net cash used in investing activities amounted to RMB 1,246.4 million mainly due to the expenditure on intangible assets of 564.6 million, purchase of property, plant and equipment of RMB 111.9 million, and acquisition of subsidiary of RMB 570.1 million.

Net cash generated from financing activities amounted to RMB 808.2 million due to proceeds from bank loans of RMB 1,577.2 million and issuance of share options of RMB 12.3 million, which was offset by the repayment of bank loans of RMB 699.7 million and interest paid for convertible bonds and bank borrowings.

### **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 January 2020, 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) <sup>(2)</sup>
<b>Total Convertible Bonds Proceeds utilised</b>		<b>US\$ 123.8 million (approximately RMB 805.7 million)</b>

\*Note:

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

(2) It consists of (a) RMB42.7 million of remuneration for the development and management teams of GI; (b) RMB20.3 million of pre-development expenses of GI projects, such as costs expended for pre-investment due diligence activities, including project inspection, valuation and audit fees, communication costs and travel expenses etc; (c) RMB1.5 million of purchase of fixed assets for development teams of GI business; (d) RMB0.1 million of stamp duties for applicable GI transactions.

(3) With the first drawdown of US\$20 million in October 2018, the balance of Convertible Bonds proceeds of US\$50 million not yet drawn down has already been committed in the investment of the GI projects.

(4) 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**

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 98.6 million or 38.9% from RMB 253.6 million in FY2018 to RMB 352.2 million in FY2019.

**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.**

Driven by the outperformance of both the GI and M&S businesses, Sunpower achieved another record level of high-quality financial performance in 2019. Group revenue increased 10.5% YoY to RMB3,604.6 million, EBITDA increased 42.5% YoY to RMB706.6 million and underlying net profit increased 31.5% YoY to RMB352.2 million while underlying operating cash flow increased 87.8% YoY to RMB463.1 million.

GI revenue increased 56.8% YoY to RMB1,155.3 million and EBITDA increased 56.7% YoY to RMB432.9 million, while operating cashflow from GI projects increased 18.8% YoY to a robust RMB251.6 million. GI has significantly improved the Group's quality of earnings and cashflow through its long-term, recurring and high-quality contributions. As GI projects are still ramping up, the net present value (NPV) of their long-term cash flows is expected to considerably exceed their contributions in the latest reported period.<sup>1</sup>

The GI project portfolio performed at a high level in 2019 due to the continued ramp-up of operational projects, portfolio expansion and enhancement initiatives on acquired projects. Based on typically 30-year concessions, Sunpower's GI business supplies industrial steam to a wide range of diverse industries, such as chemical, printing & dyeing, paper making, F&B, building materials, pharmacy, paint, wood processing, chemical fertilizers, supported by structural demand. Additionally, it also provides pollution-free civil heating to a large base of households as well as electricity to the State Grid.

M&S achieved revenue of RMB2,449.3 million while profitability was further and substantially improved through the continuous enhancement of core competitive strengths, secured by technological innovations and sophisticated management. Focusing on the high-end market and

---

<sup>1</sup> Based on the company's long-term discounted cashflow forecasts. Latest reported period refers to the financial year ended 31 December 2019.

servicing reputable customers, Sunpower has delivered superior quality products and solutions to ~1,500 customers in >15 industries across 30 countries to date. Its large base of reputable customers include BASF, BP, Shell, CNOOC, CNPC, SINOPEC, Wanhua, and Hengli Petrochemical and ~70% of its customer base are repeat customers. The M&S order book was sustained at approximately RMB2.5 billion as at January 2020, despite a high level of delivery of orders in 2019. This is a strong testament to Sunpower’s leadership in the market and its strength as a top-tier supplier of environmental protection equipment and services.

Sunpower’s reliable and adaptable business model and strong execution capabilities have again been proven in 2019. It has just started to reap the rewards of its expansion into the long-term, recurring, high-quality income and cashflow GI business as well as the continuous enhancement of the core competitive strengths of the M&S business.

Sunpower has kicked off 2020 on a strong note with the decision to invest in Tongshan Project, a major new RMB420 million investment in a biomass cogeneration plant that will supply civil heating to households and electricity to the State Grid. Used as a natural gas replacement, biomass as a fuel source to supply heating will help the local government to address people’s livelihood issues while alleviating the cost of heating subsidies. Additionally, Tongshan Project will reduce environmental pollution and simultaneously realise energy conservation through the combustion of local agricultural waste. As such, Sunpower’s investment in Tongshan is fully aligned with China’s national development policies<sup>2</sup> and is expected to gain more support from the local government

As for the coronavirus, President Xi Jinping on 13 February 2020 pledged that China will definitely be able to minimise the impact of the coronavirus outbreak, maintain the development momentum of the economy and strive to achieve 2020’s development targets.<sup>2</sup> The Group is managing the situation in line with the guidelines of the local governments where its operations are located to gradually regain stable, orderly production.

Looking forward, Sunpower will continue to execute its business in a way that amplifies its strengths in order to improve earnings in quantity and quality. The Group expects the following business trends to benefit its 2020 results. Note that Sunpower’s financial results should be viewed on a 12-month basis to arrive at a balanced perspective.

<b>GI</b>	<p><b>New revenue drivers, including:</b></p> <ol style="list-style-type: none"> <li>1) Full-year contributions from newly-acquired GI plants that are well-positioned to capture new demand, and</li> <li>2) Anticipated additional contributions from Shantou Phase 1 and Xintai Zhengda’s new plant.</li> </ol>
	<p><b>Continued ramp-up of existing GI projects, driven by:</b></p> <ol style="list-style-type: none"> <li>1) Continuous connection of new customers following mandatory closures of small dirty boilers and/or mandatory relocation into industrial parks, and</li> <li>2) Organic growth of existing customers and industrial parks served by the Group’s GI plants.</li> </ol>
	<p><b>Potential earnings-accretive M&amp;A of brownfield GI plants.</b></p>

<sup>2</sup> For details, please refer to the Group’s Announcement of Tongshan Project on 20 February 2020.

<sup>2</sup> <https://www.channelnewsasia.com/news/asia/xi-jinping-china-coronavirus-covid-19-impact-mahathir-mohamad-12434234>



<b>M&amp;S</b>	1) Proven track record, order book remains strong and sustained at RMB2.5 billion. 2) Cutting-edge proprietary technologies and strong commercialization capabilities. 3) Diversified base of high-end customers across the globe. 70% are repeat customers. 4) Enhanced competitive advantages such as industry leadership, extensive experience and seasoned management. 5) Market reputation and brand awareness.
----------------	--

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

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

A first and final ordinary dividend has been recommended.

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

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

	<u>FY2019</u>	<u>FY2018</u>
Dividend Amount Per Share:	S\$ 0.0025 per ordinary share	S\$ 0.0019 per ordinary share
Par Value:	US\$ 0.01	US\$ 0.01
Dividend Type:	Cash	Cash

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

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

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

To be announced later.

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

To be announced later.

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

Not applicable.

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

The Company does not have an Interested Person Transaction mandate.

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

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

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

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

	<b>M &amp; S</b>	<b>Green Investments</b>	<b>Total</b>
<b><u>2019</u></b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Revenue</b>	2,449,311	1,155,321	3,604,632
<b>Result:</b>			
Segment result	265,227	326,260	591,487
Unallocated corporate expenses			(33,683)
Fair value effect of Convertible Bonds			(211,639)
Interest expense	(29,600)	(80,312)	(109,912)
Interest income	1,958	1,841	3,799
Profit before income tax			240,052
Income tax expense			(90,708)
Profit after income tax			149,344
<b><u>2018</u></b>			
<b>Revenue</b>	2,526,078	736,815	3,262,893
<b>Result:</b>			
Segment result	234,129	196,012	430,141
Unallocated corporate expenses			(47,289)
Fair value effect of Convertible Bonds			62,022
Financial effects of warrants			5,506
Interest expenses	(26,576)	(35,248)	(61,824)
Interest income	2,572	3,574	6,146
Profit before income tax			394,702
Income tax expense			(62,147)
Profit after income tax			332,555

	M & S	Green Investments	Total
<u>2019</u>	RMB'000	RMB'000	RMB'000
<b>Statement of Net Assets</b>			
<b>Assets:</b>			
Segment assets	3,233,519	4,362,824	7,596,343
Unallocated assets			53,915
Total assets			<u>7,650,258</u>
<b>Liabilities:</b>			
Segment liabilities	2,296,900	2,332,227	4,629,127
Unallocated liabilities			1,021,263
Total liabilities			<u>5,650,390</u>
<b><u>2018</u></b>			
<b>Statement of Net Assets</b>			
<b>Assets:</b>			
Segment assets	2,742,724	3,737,939	6,480,663
Unallocated assets			142,784
Total assets			<u>6,623,447</u>
<b>Liabilities:</b>			
Segment liabilities	1,938,778	1,956,793	3,895,571
Unallocated liabilities			897,608
Total liabilities			<u>4,793,179</u>

**Other Information**

	<b>M &amp; S</b>	<b>Green Investments</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>2019</b>			
Capital expenditure	24,557	359,302	383,859
- Property, plant and equipment	21,227	83,244	104,471
- Intangible assets	3,330	271,427	274,757
- Land use rights	-	4,631	4,631
Depreciation expenses	30,254	57,704	87,958
Impairment allowance on/ (Reversal of) trade and other receivables subject to ECL	44,224	227	44,451
Impairment allowance on inventories, net of improvement	1,459	-	1,459
Amortisation of trademark and intangible assets	180	47,396	47,576
Amortisation of land use rights	2,024	4,943	6,967
<b>2018</b>			
Capital expenditure	64,835	1,320,370	1,385,205
- Property, plant and equipment	64,835	394,564	459,399
- Intangible assets	-	827,576	827,576
- Land use rights	-	98,230	98,230
Depreciation expenses	27,478	35,888	63,366
Impairment losses, net of reversal, on trade and other receivables subject to ECL	13,917	1,270	15,187
Reversal of impairment allowance on inventories, net of improvement	(3,815)	-	(3,815)
Amortisation of trademark and intangible assets	572	37,002	37,574
Amortisation of land use rights	2,016	3,463	5,479

## Geographical information

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

	Revenue from External customer		Non-current assets	
	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
PRC	3,542,897	2,969,738	4,347,760	3,641,079
Canada	-	1,150	-	-
U.S.A.	42,204	168,940	-	-
Asia	18,450	29,745	-	-
South East Asia	915	54,950	-	-
Middle East	-	20,510	-	-
Europe	149	17,860	-	-
South America	17	-	-	-
Oceania	-	-	-	-
<b>Total</b>	<b>3,604,632</b>	<b>3,262,893</b>	<b>4,347,760</b>	<b>3,641,079</b>

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

Please refer to Paragraph 8.

### 17. A breakdown of sales

	Group		% change
	2019 RMB'000	2018 RMB'000	
(a) Sales reported for first half year	1,470,635	1,219,608	20.6
(b) Operating (loss)/ profit after tax before deducting non-controlling interest reported for first half year	(41,367)	350	(11,919.1)
(c) Sales reported for second half year	2,133,997	2,043,285	4.4
(d) Operating profit/loss after tax before deducting non-controlling interest reported for second half year	281,419	320,849	(12.3)

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

#### (a) Ordinary

	FY2019		FY2018	
	S\$	RMB	S\$	RMB
Final tax-exempt dividend paid per share	0.0019	0.010	0.0012	0.006
Number of shares	791,848,142	791,848,142	765,447,342	765,447,342
<b>Total</b>	<b>1,504,511</b>	<b>7,918,481</b>	<b>918,537</b>	<b>4,592,684</b>

**18. (b) Preference**

Not applicable.

**18. (c) Total**

Please refer to paragraph 18(a).

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

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

**BY ORDER OF THE BOARD**

Ma Ming  
Executive Director

27 February 2020