

SUNPOWER GROUP LTD.

Unaudited Financial Statements for Full Year Ended 31 December 2020

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 2020

(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 2020 (Unaudited)	31 December 2019 (Audited)		31 December 2020 (Unaudited)	31 December 2019 (Audited)	
Revenue	4,058,803	3,604,632	12.6	4,058,803	3,604,632	12.6
Cost of sales	(3,077,310)	(2,716,075)	13.3	(3,077,310)	(2,716,075)	13.3
Gross profit	981,493	888,557	10.5	981,493	888,557	10.5
Other operating income	59,755	81,267	(26.5)	59,755	81,267	(26.5)
Selling and distribution expenses	(50,992)	(53,752)	(5.1)	(50,992)	(53,752)	(5.1)
Administrative expenses	(300,678)	(271,855)	10.6	(289,966)	(269,335)	7.7
Foreign exchange gain/ (loss)	45,346	(9,296)	(587.8)	(855)	(137)	524.1
Other operating expenses	(76,461)	(83,672)	(8.6)	(76,461)	(83,672)	(8.6)
Finance costs	(245,180)	(224,185)	9.4	(108,611)	(109,912)	(1.2)
Share of profit of associate	1,570	1,196	31.3	1,570	1,196	31.3
Fair value changes on convertible bonds	(337,412)	(91,288)	269.6	-	-	n.m.
Fair value changes on warrants	5,917	3,080	92.1	-	-	n.m.
Profit before income tax	83,358	240,052	(65.3)	515,933	454,212	13.6
Income tax expense	(111,523)	(90,708)	22.9	(111,523)	(90,708)	22.9
(Loss)/ Profit for the year	(28,165)	149,344	(118.9)	404,410	363,504	11.3
Other comprehensive income						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange difference on translation of foreign operation	(168)	40	(520.0)	(168)	40	(520.0)
Net fair value gain on investments in equity instruments classified as at FVTOCI	97	500	(80.6)	97	500	(80.6)
Net fair value loss on investments in debt instruments classified as at FVTOCI	(2,192)	(569)	285.2	(2,192)	(569)	285.2
Impairment on financial assets at FVTOCI	8,062	-	n.m.	8,062	-	n.m.
Total comprehensive (loss)/ income for the year, net of tax	(22,366)	149,315	(115.0)	410,209	363,475	12.9

(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 2020 (Unaudited)	31 December 2019 (Audited)	% change	31 December 2020 (Unaudited)	31 December 2019 (Audited)	% change
(Loss)/ Profit for the year attributable to:						
Equity holders of the Company	(55,551)	138,042	(140.2)	377,024	352,202	7.0
Non-controlling interests	27,386	11,302	142.3	27,386	11,302	142.3
(Loss)/ Profit for the year	(28,165)	149,344	(118.9)	404,410	363,504	11.3
Total comprehensive (loss)/ income for the year attributable to:						
Equity holders of the Company	(52,144)	137,834	(137.8)	380,431	351,993	8.1
Non-controlling interests	29,778	11,481	159.4	29,778	11,481	159.4
(Loss)/ Profit for the year	(22,366)	149,315	(115.0)	410,209	363,474	12.9

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 2020 (Unaudited)	31 December 2019 (Audited)	% change	31 December 2020 (Unaudited)	31 December 2019 (Audited)	% change
Depreciation of property, plant and equipment	93,802	87,959	6.6	93,802	87,959	6.6
Depreciation of right of use asset	4,187	2,535	65.2	4,187	2,535	65.2
Amortisation of land use rights	7,857	6,967	12.8	7,857	6,967	12.8
Amortisation of intangible assets	67,792	47,576	42.5	67,792	47,576	42.5
Impairment allowance on trade and non-trade receivables	62,280	66,192	(5.9)	62,280	66,192	(5.9)
Reversal of impairment allowance on trade and non-trade receivables	(27,347)	(21,734)	25.8	(27,347)	(21,734)	25.8
(Reversal of)/ Impairment allowance on inventories - net of impairment/ (reversals)	(2,628)	1,459	(280.1)	(2,628)	1,459	(280.1)
Impairment allowance on investment in unquoted equity	9,485	-	n.m.	9,485	-	n.m.
(Gain)/ Loss on disposal of property, plant and equipment	(406)	474	(185.7)	(406)	474	(185.7)
Foreign exchange (gain)/ loss - net	(45,346)	9,296	(587.8)	855	137	524.1
Interest expense	245,180	224,185	9.4	108,611	109,912	(1.2)
Fair value loss on convertible bonds	337,412	91,288	269.6	-	-	n.m.
Fair value gain on warrants	(5,917)	(3,080)	92.1	-	-	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 2020 (Unaudited)	31 December 2019 (Audited)	% change	31 December 2020 (Unaudited)	31 December 2019 (Audited)	% change
Government grants	15,580	45,832	(66.0)	15,580	45,832	(66.0)
Interest income	6,168	3,799	62.4	6,168	3,799	62.4
Government rebates	4,884	4,181	16.8	4,884	4,181	16.8
Gain on disposal of property, plant and equipment	866	51	1,598.0	866	51	1,598.0
Reversal of impairment allowance on trade and non-trade receivables	27,347	21,734	25.8	27,347	21,734	25.8
Others	4,910	5,670	(13.4)	4,910	5,670	(13.4)
Total	59,755	81,267	(26.5)	59,755	81,267	(26.5)

*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 2020.

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 2020 (Unaudited)	As at 31 December 2019 (Audited)	As at 31 December 2020 (Unaudited)	As at 31 December 2019 (Audited)
ASSETS				
Current assets:				
Cash and cash equivalents	534,491	690,481	12,337	13,343
Pledged bank deposits	208,767	107,047	-	-
Trade receivables and contract assets	1,452,343	1,352,243	-	-
Other receivables, deposits and prepayments	307,428	340,931	83,740	39,708
Inventories	541,003	545,015	-	-
Land use rights	8,994	7,132	-	-
Financial assets at fair value through other comprehensive income	310,387	191,532	-	-
Total current assets	3,363,413	3,234,381	96,077	53,051
Non-current assets:				
Land use rights	336,990	294,217	-	-
Property, plant and equipment	999,488	1,012,861	-	-
Right-of-use assets	9,816	14,003	-	-
Other receivables, deposits and prepayments	89,488	45,639	83,660	120,510
Financial assets at fair value through other comprehensive income	12,420	12,291	-	-
Subsidiaries	-	-	914,379	998,038
Associate	12,023	10,453	-	-
Intangible assets	3,007,078	2,526,828	-	-
Deferred tax assets	38,819	40,011	-	-
Goodwill	415,582	415,582	-	-
Commitment fees	-	11,172	-	11,172
Total non-current assets	4,921,704	4,383,057	998,039	1,129,720
Total assets	8,285,117	7,617,438	1,094,116	1,182,771
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables	1,752,493	1,586,284	-	-
Other payables	396,875	526,492	104,384	69,784
Lease liabilities	4,362	3,702	-	-
Borrowings	766,378	1,009,611	-	41,857
Warrants	-	5,917	-	5,917
Income tax payable	48,803	70,799	-	-
Total current liabilities	2,968,911	3,202,805	104,384	117,558
Non-current liabilities:				
Deferred tax liabilities	218,692	213,716	-	-
Borrowings	1,783,137	1,272,203	-	-
Other payables	-	-	-	-
Convertible bonds	1,326,284	921,307	1,326,284	921,307
Lease liabilities	3,622	7,539	-	-
Total non-current liabilities	3,331,735	2,414,765	1,326,284	921,307
Capital and reserves:				
Share capital	57,251	57,251	57,251	57,251
Treasury shares	(4,690)	(4,690)	(4,690)	(4,690)
Share premium	309,061	309,061	309,061	309,061
General reserves	295,978	183,165	-	-
Share option reserve	1,346	1,346	1,346	1,346
Foreign currency translation reserve	(149)	19	-	-
Fair value reserve	363	(3,212)	-	-
Retained earnings (Accumulated losses)	1,011,993	1,190,358	(699,520)	(219,062)
Equity attributable to equity holders of the Company	1,671,153	1,733,298	(336,552)	143,906
Non-controlling interests	313,318	266,570	-	-
Total equity	1,984,471	1,999,868	(336,552)	143,906
Total liabilities and equity	8,285,117	7,617,438	1,094,116	1,182,771

(RMB'000)	Actual (WITHOUT financial effects of Convertible Bonds and Warrants)			
	Group		Company	
	As at 31 December 2020 (Unaudited)	As at 31 December 2019 (Audited)	As at 31 December 2020 (Unaudited)	As at 31 December 2019 (Audited)
ASSETS				
Current assets:				
Cash and cash equivalents	534,491	690,481	12,337	13,343
Pledged bank deposits	208,767	107,047	-	-
Trade receivables and contract assets	1,452,343	1,352,243	-	-
Other receivables, deposits and prepayments	307,428	340,931	83,740	39,708
Inventories	541,003	545,015	-	-
Land use rights	8,994	7,132	-	-
Financial assets at fair value through other comprehensive income	310,387	191,532	-	-
Total current assets	3,363,413	3,234,381	96,077	53,051
Non-current assets:				
Land use rights	336,990	294,217	-	-
Property, plant and equipment	999,488	1,012,861	-	-
Right-of-use assets	9,816	14,003	-	-
Other receivables, deposits and prepayments	89,488	45,639	83,660	120,510
Financial assets at fair value through other comprehensive income	12,420	12,291	-	-
Subsidiaries	-	-	914,379	998,038
Associate	12,023	10,453	-	-
Intangible assets	3,007,078	2,526,828	-	-
Deferred tax assets	38,819	40,011	-	-
Goodwill	415,582	415,582	-	-
Commitment fees	-	13,897	-	13,897
Total non-current assets	4,921,704	4,385,782	998,039	1,132,445
Total assets	8,285,117	7,620,163	1,094,116	1,185,496
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables	1,752,493	1,586,284	-	25,956
Other payables	378,297	507,544	85,806	24,881
Lease liabilities	4,362	3,702	-	-
Borrowings	766,378	1,009,611	-	41,857
Warrants	-	13,897	-	13,897
Income tax payable	48,803	70,799	-	-
Total current liabilities	2,950,333	3,191,837	85,806	106,591
Non-current liabilities:				
Deferred tax liabilities	218,692	213,716	-	-
Borrowings	1,783,137	1,272,203	-	-
Other payables	-	-	-	-
Convertible bonds	794,265	816,978	794,265	816,978
Lease liabilities	3,622	7,539	-	-
Total non-current liabilities	2,799,716	2,310,436	794,265	816,978
Capital and reserves:				
Share capital	57,251	57,251	57,251	57,251
Treasury shares	(4,690)	(4,690)	(4,690)	(4,690)
Share premium	309,061	309,061	309,061	309,061
General reserves	295,978	183,165	-	-
Share option reserve	1,346	1,346	1,346	1,346
Foreign currency translation reserve	(149)	19	-	-
Fair value reserve	363	(3,212)	-	-
Retained earnings (Accumulated losses)	1,562,590	1,308,380	(148,923)	(101,041)
Equity attributable to equity holders of the Company	2,221,750	1,851,320	214,045	261,927
Non-controlling interests	313,318	266,570	-	-
Total equity	2,535,068	2,117,890	214,045	261,927
Total liabilities and equity	8,285,117	7,620,163	1,094,116	1,185,496

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 2020</u>		<u>As at 31 December 2019</u>	
	Secured	Unsecured	Secured	Unsecured
Borrowings	<u>725,378</u>	<u>41,000</u>	<u>512,225</u>	<u>497,386</u>

Amount repayable after one year:

(RMB'000)	<u>As at 31 December 2020</u>		<u>As at 31 December 2019</u>	
	Secured	Unsecured	Secured	Unsecured
Borrowings	<u>1,783,137</u>	<u>-</u>	<u>1,184,203</u>	<u>88,000</u>

Details of any collaterals:

<u>Collaterals</u>	<u>As at 31 December 2020 (RMB'000)</u>	<u>As at 31 December 2019 (RMB'000)</u>
Secured by building and land use right of the subsidiary	904,625	1,187,728
Pledge of shareholding	849,578	508,700
Guaranteed by the company	197,800	154,029
Guaranteed by the subsidiary	<u>556,512</u>	<u>-</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 2020

(RMB'000)	Actual (WITH financial effects of Convertible Bonds and Warrants)	
	Full year ended	
	31 December 2020 (Unaudited)	31 December 2019 (Audited)
Operating activities		
Profit before income tax	83,358	240,052
Adjustments for:		
Depreciation of property, plant and equipment	93,802	87,959
Depreciation of right of use asset	4,187	2,535
Amortisation of land use rights	7,857	6,967
Amortisation of intangible assets	67,792	47,576
Write off of intangible assets	-	2,160
Exchange differences arising on foreign currency translation	854	525
Share of profit of associate	(1,570)	(1,196)
Impairment allowance on trade and non-trade receivables, net	34,933	44,458
(Reversal of)/ Impairment allowance on inventories - net of impairment/ (reversals)	(2,628)	1,459
Impairment allowance on investment in unquoted equity	9,485	-
(Gain)/ Loss on disposal of property, plant and equipment	(406)	474
Fair value loss on convertible bonds	337,412	91,288
Fair value loss on warrants	(5,917)	(3,080)
Exchange loss on convertible bonds	(46,660)	8,907
Amortisation of commitment fees	10,712	2,520
Exchange loss on warrants	460	251
Interest income	(6,168)	(3,799)
Interest expense	245,180	224,185
Operating cash flows before movements in working capital	832,683	753,241
Trade receivables	(135,029)	(190,344)
Financial assets at fair value through other comprehensive income	(121,316)	(94,827)
Other receivables, deposits and prepayments	73,269	56,926
Inventories	6,640	(39,881)
Trade payables	12,408	111,969
Other payables	41,095	(12,158)
Cash generated from operations	709,750	584,926
Income tax paid	(128,537)	(83,421)
Interest paid	(74,229)	(68,746)
Interest received	6,168	3,799
Net cash from operating activities	513,152	436,558
Investing activities		
Purchase of property, plant and equipment	(80,505)	(104,871)
Prepayment for build-operate-transfer ("BOT") projects	(43,849)	(32,972)
Acquisition of land use rights	(52,492)	(4,631)
Acquisition of intangible assets	(434,012)	(518,821)
Proceeds from disposal of property, plant and equipment	1,479	207
Acquisition of non-controlling interest	-	(12,622)
Purchase of subsidiaries	(171,690)	(570,145)
Net cash used in investing activities	(781,069)	(1,243,855)
Financing activities		
Proceeds from new borrowings	1,598,496	1,577,204
Contribution from non-controlling interests	21,470	-
Share buy-backs	-	(4,690)
Repayment of bank loans	(1,334,679)	(699,723)
Repayment of lease liabilities	(3,257)	(5,959)
Proceeds from exercise of share options	-	12,268
Interest paid	(53,209)	(60,200)
Pledged bank deposits	(101,720)	5,334
Payment of dividend to non-controlling interest of a subsidiary	(5,005)	(4,500)
Payment of dividend	(10,001)	(7,302)
Net cash from financing activities	112,095	812,432
Net (decrease) increase in cash and cash equivalents	(155,822)	5,135
Cash and cash equivalents at beginning of year	690,481	685,306
Effects of foreign exchange rate changes	(168)	40
Cash and cash equivalents at end of year	534,491	690,481

(RMB'000)	Actual (WITHOUT financial effects of Convertible Bonds and Warrants)	
	Full year ended	
	31 December 2020 (Unaudited)	31 December 2019 (Audited)
Operating activities		
Profit before income tax	515,933	454,212
Adjustments for:		
Depreciation of property, plant and equipment	93,802	87,959
Depreciation of right of use asset	4,187	2,535
Amortisation of land use rights	7,857	6,967
Amortisation of intangible assets	67,792	47,576
Write off of intangible assets	-	2,160
Exchange differences arising on foreign currency translation	855	525
Share of profit of associate	(1,570)	(1,196)
Impairment allowance on trade and non-trade receivables, net (Reversal of)/ Impairment allowance on inventories - net of impairment/ (reversals)	34,933	44,458
Impairment allowance on investment in unquoted equity	(2,628)	1,459
(Gain)/ Loss on disposal of property, plant and equipment	9,485	-
Interest income	(406)	474
Interest expense	(6,168)	(3,799)
Operating cash flows before movements in working capital	108,611	109,912
Trade receivables	832,683	753,242
Financial assets at fair value through other comprehensive income	(135,029)	(190,344)
Other receivables, deposits and prepayments	(121,316)	(94,827)
Inventories	73,269	56,926
Trade payables	6,640	(39,881)
Other payables	12,408	111,969
Cash generated from operations	41,095	(12,158)
Income tax paid	709,750	584,926
Interest paid	(128,537)	(83,421)
Interest received	(74,229)	(68,746)
Net cash from operating activities	6,168	3,799
Investing activities		
Purchase of property, plant and equipment	(80,505)	(104,871)
Prepayment for BOT projects	(43,849)	(32,972)
Acquisition of land use rights	(52,492)	(4,631)
Acquisition of intangible assets	(434,012)	(518,821)
Proceeds from disposal of property, plant and equipment	1,479	207
Acquisition of non-controlling interest	-	(12,622)
Purchase of subsidiaries	(171,690)	(570,145)
Net cash used in investing activities	(781,069)	(1,243,855)
Financing activities		
Proceeds from new borrowings	1,598,496	1,577,204
Contribution from non-controlling interests	21,470	-
Share buy-backs	-	(4,690)
Repayment of bank loans	(1,334,679)	(699,723)
Repayment of lease liabilities	(3,257)	(5,959)
Proceeds from exercise of share options	-	12,268
Interest paid	(53,209)	(60,200)
Pledged bank deposits	(101,720)	5,334
Payment of dividend to non-controlling interest of a subsidiary	(5,005)	(4,500)
Payment of dividend	(10,001)	(7,302)
Net cash from financing activities	112,095	812,432
Net (decrease) increase in cash and cash equivalents	(155,822)	5,135
Cash and cash equivalents at beginning of year	690,481	685,306
Effects of foreign exchange rate changes	(168)	40
Cash and cash equivalents at end of year	534,491	690,481

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

Actual (WITH financial effects of Convertible Bonds and Warrants)											
Group	Share capital	Treasury shares	Share premium	General reserves	Share option reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at January 1, 2019	55,439	-	288,618	117,892	8,406	(21)	(2,964)	1,122,481	1,589,851	240,417	1,830,268
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	-	138,042	138,042	11,302	149,344
Other comprehensive loss for the year	-	-	-	-	-	40	(248)	-	(208)	179	(29)
Total	-	-	-	-	-	40	(248)	138,042	137,834	11,481	149,315
Transactions with owners, recognised directly in equity											
Dividend paid	-	-	-	-	-	-	-	(7,302)	(7,302)	-	(7,302)
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	(4,500)	(4,500)
Transfer to general reserves	-	-	-	62,863	-	-	-	(62,863)	-	-	-
Non-controlling interests arising from acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	31,794	31,794
Effects of acquiring part of non-controlling interest in a subsidiary	-	-	-	2,410	-	-	-	-	2,410	(12,622)	(10,212)
Share buy-backs	-	(4,690)	-	-	-	-	-	-	(4,690)	-	(4,690)
Employee share option expenses	1,812	-	20,443	-	(7,060)	-	-	-	15,195	-	15,195
Total	1,812	(4,690)	20,443	65,273	(7,060)	-	-	(70,165)	5,613	14,672	20,285
Balance as at December 31, 2019	57,251	(4,690)	309,061	183,165	1,346	19	(3,212)	1,190,358	1,733,298	266,570	1,999,868

Actual (WITH financial effects of Convertible Bonds and Warrants)

<u>Group</u>	Share capital	Treasury shares	Share premium	General reserves	Share option reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at January 1, 2020	57,251	(4,690)	309,061	183,165	1,346	19	(3,212)	1,190,358	1,733,298	266,570	1,999,868
<u>Total comprehensive loss for the year</u>											
Loss for the year	-	-	-	-	-	-	-	(55,551)	(55,551)	27,386	(28,165)
Other comprehensive income for the year	-	-	-	-	-	(168)	3,575	-	3,407	2,392	5,799
Total	-	-	-	-	-	(168)	3,575	(55,551)	(52,144)	29,778	(22,366)
<u>Transactions with owners, recognised directly in equity</u>											
Dividend paid	-	-	-	-	-	-	-	(10,001)	(10,001)	(4,500)	(14,501)
Transfer to general reserves	-	-	-	112,813	-	-	-	(112,813)	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	21,470	21,470
Total	-	-	-	112,813	-	-	-	(122,814)	(10,001)	16,970	6,969
Balance as at December 31, 2020	57,251	(4,690)	309,061	295,978	1,346	(149)	363	1,011,993	1,671,153	313,318	1,984,471

Actual (WITHOUT financial effects of Convertible Bonds and Warrants)

<u>Group</u>	Share capital	Treasury shares	Share premium	General reserves	Share option reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at January 1, 2019	55,439	-	288,618	117,892	8,406	(21)	(2,964)	1,026,344	1,493,714	240,417	1,734,131
<u>Total comprehensive income for the year</u>											
Profit for the year	-	-	-	-	-	-	-	352,201	352,201	11,302	363,503
Other comprehensive loss for the year	-	-	-	-	-	40	(248)	-	(208)	179	(29)
Total	-	-	-	-	-	40	(248)	352,201	351,993	11,481	363,474
<u>Transactions with owners, recognised directly in equity</u>											
Dividend paid	-	-	-	-	-	-	-	(7,302)	(7,302)	-	(7,302)
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	(4,500)	(4,500)
Transfer to general reserves	-	-	-	62,863	-	-	-	(62,863)	-	-	-
Acquisition of non-controlling interest	-	-	-	2,410	-	-	-	-	2,410	(12,622)	(10,212)
Non-controlling interests arising from acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	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
Total	1,812	(4,690)	20,443	65,273	(7,060)	-	-	(70,165)	5,613	14,672	20,285
Balance as at December 31, 2019	57,251	(4,690)	309,061	183,165	1,346	19	(3,212)	1,308,380	1,851,320	266,570	2,117,890

Actual (WITHOUT financial effects of Convertible Bonds and Warrants)

<u>Group</u>	Share capital	Treasury shares	Share premium	General reserves	Share option reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at January 1, 2020	57,251	(4,690)	309,061	183,165	1,346	19	(3,212)	1,308,380	1,851,320	266,570	2,117,890
<u>Total comprehensive income for the year</u>											
Profit for the year	-	-	-	-	-	-	-	377,024	377,024	27,386	404,410
Other comprehensive income for the year	-	-	-	-	-	(168)	3,575	-	3,407	2,392	5,799
Total	-	-	-	-	-	(168)	3,575	377,024	380,431	29,778	410,209
<u>Transactions with owners, recognised directly in equity</u>											
Dividend paid	-	-	-	-	-	-	-	(10,001)	(10,001)	(4,500)	(14,501)
Transfer to general reserves	-	-	-	112,813	-	-	-	(112,813)	-	-	-
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	21,470	21,470
Total	-	-	-	112,813	-	-	-	(122,814)	(10,001)	16,970	6,969
Balance as at December 31, 2020	57,251	(4,690)	309,061	295,978	1,346	(149)	363	1,562,590	2,221,750	313,318	2,535,068

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
Balance as at January 1, 2019	55,439	-	288,618	8,406	34,362	386,825	386,825
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(246,122)	(246,122)	(246,122)
<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
Balance as at December 31, 2019	57,251	(4,690)	309,061	1,346	(219,062)	143,906	143,906
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(470,457)	(470,457)	(470,457)
<u>Transactions with owners, recognised directly in equity</u>							
Employee share option expenses	-	-	-	-	-	-	-
Share buy-backs	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	(10,001)	(10,001)	(10,001)
Total	-	-	-	-	(10,001)	(10,001)	(10,001)
Balance as at December 31, 2020	57,251	(4,690)	309,061	1,346	(699,520)	(336,552)	(336,552)

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
Balance as at January 1, 2019	55,439	-	288,618	8,406	(61,775)	290,688	290,688
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
Balance as at December 31, 2019	57,251	(4,690)	309,061	1,346	(101,041)	261,927	261,927
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(37,881)	(37,881)	(37,881)
<u>Transactions with owners, recognised directly in equity</u>							
Employee share option expenses	-	-	-	-	-	-	-
Share buy-backs	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	(10,001)	(10,001)	(10,001)
Total	-	-	-	-	(10,001)	(10,001)	(10,001)
Balance as at December 31, 2020	57,251	(4,690)	309,061	1,346	(148,923)	214,045	214,045

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 a change in share capital during the financial year ended 31 December 2019 and there was no change in share capital during the financial year ended 31 December 2020.

There were no share buy-back transactions during financial year ended 31 December 2020. The number of shares held as treasury shares by the Company represents 0.3% (31 December 2019: 0.3%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company as at 31 December 2020.

On 3 March 2017, the Company had completed the issuance of the first tranche convertible bonds of an aggregate principal amount of US\$ 110 million ("Tranche 1 Convertible Bonds" or "CB1s") 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")).

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 (each an "Investor" and collectively, the "Investors") 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") to DCP and CDH to fund the Green Investments ("GI") related business of the Company.

The Company and the Investors have entered into an amendment agreement (the "Amendment Agreement") on 31 December 2020 to amend certain terms of the purchase agreements of the CB1s and CB2s. Accordingly, the maturity date of the CB1s and CB2s is extended by one (1) year and revised to 3 March 2023.

The Company shall issue up to 57,625,714 Warrants at the exercise price of S\$ 0.70 (if exercised before or on 31 December 2019) or S\$ 0.80 (if exercised between 1 January 2020 to 31 December 2020, both dates inclusive), based on an agreed fixed exchange rate S\$ 1.3446 to US\$ 1. Each Warrant carries the right to subscribe for one (1) common share in the capital of the Company if the Warrants were exercised ("Warrant Share(s)").

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. As of 31 December 2020, none of the Warrants has been exercised and all Warrants have expired on 31 December 2020.

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.

Assuming that all the outstanding CB1s and CB2s have been converted at S\$ 0.50 and S\$ 0.60 respectively and that the share options granted have been exercised as at 31 December 2020, the maximum number of shares that may be issued as at 31 December 2020 is 363,217,000 ordinary shares (31 December 2019: 420,842,714 ordinary shares, assuming that all the Warrants issued have been exercised as at 31 December 2019). The fully diluted shares (including treasury shares) as at 31 December 2020 and 31 December 2019 were 1,155,065,142 and 1,212,690,856 ordinary shares 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 2020 and 31 December 2019 was 791,848,142 ordinary shares.

The Company's total treasury shares as at 31 December 2020 and 31 December 2019 was 2,542,000 treasury shares.

The Company's total issued shares excluding treasury shares as at 31 December 2020 and 31 December 2019 was 789,306,142 ordinary shares.

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 2019, 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 2020	31 December 2019	Full year ended 31 December 2020	31 December 2019
Net (loss)/ profit attributable to equity holders of the Company (RMB'000)	(55,551)	138,042	377,024	352,201
Weighted average number of ordinary shares outstanding ('000)	789,306	779,268	789,306	779,268
(Loss)/ Earnings per share - basic (RMB cents)	(7.04)	17.71	47.77	45.20

Basic earnings per share for the full year ended 31 December 2020 and 31 December 2019 have been calculated based on the weighted average number of ordinary share capital (excluding treasury shares) of 789,306,142 and 779,268,037 ordinary shares respectively.

(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 2020	31 December 2019	Full year ended 31 December 2020	31 December 2019
Net (loss)/ profit attributable to equity holders of the Company (RMB'000)	(55,551)	138,042	377,024	352,201
Weighted average number of ordinary shares outstanding ('000)	789,306	783,173	793,224	783,173
(Loss)/ Earnings per share - diluted (RMB cents)	(7.04)	17.63	47.53	44.97

Diluted earnings per share for the above periods have been calculated by excluding treasury shares and 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 share options granted have been exercised as at 31 December 2020. The warrants issued along with the CB2s have expired on 31 December 2020. However, as the effect of the convertible bonds is antidilutive as at 31 December 2020 and 31 December 2019, the convertible bonds are not included in the diluted earnings per share calculation.

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 2020	31 December 2019	31 December 2020	31 December 2019
	<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)	251.42	253.37	321.18	268.32

	Company			
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	<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)	(42.64)	18.23	27.12	33.18

The net asset values per share as at 31 December 2020 and 31 December 2019 have been computed based on shareholders' equity and the existing share capital excluding treasury shares of 789,306,142 ordinary shares as at 31 December 2020 and 31 December 2019.

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 2020 ("FY2020") as compared to that of the year ended 31 December 2019 ("FY2019")

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

Revenue

The Group's revenue increased by approximately RMB 454.2 million or 12.6% from RMB 3.6 billion in FY2019 to RMB 4.1 billion in FY2020. This was attributed to the increase in revenue of RMB 274.3 million or 11.2% from the Manufacturing and Services ("M&S") segment, and RMB 179.8 million or 15.6% generated from the GI business.

Gross Profit

Gross profit increased by approximately RMB 92.9 million or 10.5% from RMB 888.6 million in FY2019 to RMB 981.5 million in FY2020. The increase was attributable to the increased revenue contributions from both M&S and GI segments. As a result, the gross profit of M&S and GI segment increased by RMB 48.6 million and RMB 44.3 million respectively.

Profit before Income Tax

Profit before tax decreased by approximately RMB 156.7 million or 65.3% from RMB 240.1 million in FY2019 to RMB 83.4 million in FY2020. The decrease was mainly attributable to the following factors:

- (a) Decrease in other operating income of RMB 21.5 million due primarily to the decrease in government grants;
- (b) Increase in administrative expenses of RMB 28.8 million due primarily to the increase in salaries, which is in line with the expansion of the business, and the increase in amortisation of commitment fees related to warrants and intermediary service fee related to the proposed disposal of the M&S business;
- (c) Increase in finance costs of RMB 21.0 million due to the increase in the amortisation interest of Convertible Bonds; and
- (d) Increase in fair value loss on Convertible Bonds of RMB 246.1 million from RMB 91.3 million in FY2019 to RMB 337.4 million in FY2020, due mainly to the increase in share price during the financial year from 1 January 2020 to 31 December 2020.

The above-mentioned factors were offset by:

- (a) Increase in foreign exchange gain of RMB 54.6 million as compared to foreign exchange loss in FY2019 caused mainly by the translation of USD Convertible Bonds to RMB as US dollar depreciated against the RMB during this period; and
- (b) Decrease in other operating expenses of RMB 7.2 million due primarily to the decrease in impairment allowance on trade receivables.

Income Tax Expense

Excluding the non-tax deductible effect of the Convertible Bonds and Warrants, the effective tax rate for FY2020 would have been 21.6%.

Profit for the Financial Year

As a result of the above, the Group's net profit attributable to the equity holders decreased by RMB 193.6 million or 140.2% from a net profit of RMB 138.0 million in FY2019 to a net loss of RMB 55.6 million in FY2020.

- (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 129.0 million or 4.0% from RMB 3,234.4 million as at 31 December 2019 to RMB 3,363.4 million as at 31 December 2020 mainly due to the following:

- (a) Increase in pledged bank deposits of RMB 101.7 million as collaterals were mainly required for the credit facilities granted;
- (b) Increase in trade receivables and contract assets of RMB 100.1 million arising mainly from an aggregate increase in trade receivables from third parties and retention receivables.

Approximately 49.6% and 14.9% of the trade receivables at 31 December 2019 and 31 December 2020 respectively were collected as at 31 January 2021. 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; and

- (c) Increase in financial assets at fair value through other comprehensive income of RMB 118.9 million resulting mainly from the increase in notes receivables held by the Group that were due as of 31 December 2020.

The above-mentioned factors were offset by:

- (a) Decrease in cash and cash equivalents of RMB 156.0 million, due primarily to the investment in BOT and TOT projects; and
- (b) Decrease in other receivables, deposits and prepayments of RMB 33.5 million due to the decrease in prepayments of RMB 77.4 million, offset by the increase in other receivables of RMB 43.9 million.

The Group's total non-current assets increased by RMB 538.6 million or 12.3% from RMB 4,383.1 million as at 31 December 2019 to RMB 4,921.7 million as at 31 December 2020 mainly due to the following:

- (a) Increase in land use rights of RMB 42.8 million mainly resulting from the acquisition of Tongshan and Xinjiang projects;
- (b) Increase in other receivables, deposits and prepayments of RMB 43.8 million due primarily to the increase in long-term prepaid expenses for GI projects; and
- (c) Increase in intangible assets of RMB 480.3 million due to service concession arrangements relating to Shantou, Xintai and Tongshan projects on hand as at 31 December 2020.

The above-mentioned factors were offset by:

- (a) Decrease in property, plant and equipment of RMB 13.4 million mainly due to the depreciation expenses incurred; and
- (b) Decrease in commitment fees of RMB 11.2 million as the Warrants granted to CB holders have expired as at 31 December 2020.

The Group's total current liabilities decreased by RMB 233.9 million or 7.3% from RMB 3,202.8 million as at 31 December 2019 to RMB 2,968.9 million as at 31 December 2020 mainly due to the following:

- (a) Decrease in other payables of RMB 129.6 million due primarily to the payment of considerations for the acquisition of Suyuan plant; and
- (b) Decrease in short-term borrowings of RMB 243.2 million due to the repayment of the said borrowings.

The above-mentioned factors were offset mainly by:

- (a) Increase in trade payables of RMB 166.2 million as a result of an aggregate increase in customer advances and note payables to third parties of RMB 213.5 million, offset by the decrease in payable to third parties of RMB 47.3 million.

The Group's total non-current liabilities increased by approximately RMB 917.0 million from RMB 2,414.8 million as at 31 December 2019 to RMB 3,331.7 million as at 31 December 2020 mainly due to the following:

- (a) Increase in long term borrowings of RMB 510.9 million due primarily to the financing of the acquisition of GI projects and the addition of new finance leases for Xintai and Shantou project; and
- (b) Increase in fair value of Convertible Bonds of RMB 405.0 million in FY2020. *Please refer to Section 8 Financial Effects of Convertible Bonds and Warrants.*

Review of the Group's cash flow statement

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

Net cash from operating activities amounted to approximately RMB 513.2 million in FY2020, primarily due to the following factors:

- (a) Increased working capital requirements due to the increase in trade receivables of RMB 135.0 million, increase in financial assets at fair value through other comprehensive income of RMB 121.3 million, decrease in other receivables and prepayments of RMB 73.3 million, decrease in inventories of RMB 6.6 million, increase in trade payables of RMB 12.4 million and increase in other payables of RMB 41.1 million; and
- (b) Interest and tax paid of RMB 202.8 million in aggregate.

Net cash used in investing activities amounted to RMB 781.1 million mainly due to the acquisition of intangible assets of RMB 434.0 million, purchase of property, plant and equipment of RMB 80.5 million, purchase of land use rights of RMB 52.5 million, prepayment for BOT projects of RMB 43.8 million and acquisition of subsidiaries of RMB 171.7 million.

Net cash from financing activities amounted to RMB 112.1 million mainly due to proceeds from bank loans of RMB 1,598.5 million, offset by repayment of bank loans of RMB 1,334.7 million, pledge of bank deposits of RMB 101.7 million and interest paid of RMB 53.2 million.

Use of Proceeds from Convertible Bonds

On 3 March 2017, the Company completed the issuance of the first tranche of convertible bonds with an aggregate principal amount of US\$ 110 million ("Tranche 1 Convertible Bonds" or "CB1s"), 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.).

On 10 January 2018, Glory Sky transferred US\$ 60 million in principal amount of CB1s 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 of CB1s of the Company, respectively.

On 6 September 2018, the Company obtained shareholders' approval for the issuance of the second tranche of convertible bonds with an aggregate principal amount of US\$ 70 million ("Tranche 2 Convertible Bonds or "CB2s") and warrants with an aggregate exercisable amount of US\$ 30 million (the "Warrants") to DCP and CDH to fund the GI related business of the Company. Subsequently, the Company completed the issuance of CB2s with an aggregate principal amount of US\$ 20 million on 15 October 2018 and completed the issuance of 57,625,714 Warrants on 21 December 2018. As at 31 December 2020, all 57,625,714 Warrants expired unexercised and ceased to be valid for any purpose.

On 31 December 2020, the Company and the Investors entered into an amendment agreement (the "Amendment Agreement") to amend certain terms of the purchase agreements of the CBs. The Amendment Agreement confirms that the aggregate principal amount of the Tranche 1 Convertible Bonds and Tranche 2 Convertible Bonds (collectively, the "Convertible Bonds" or "CBs") issued as at the date of the Amendment Agreement is US\$130 million, and proposes to extend the maturity date of the CBs by one (1) year to 3 March 2023¹.

The net proceeds raised from the issuance of CB1s is approximately US\$ 106.2 million after deducting transaction expenses of US\$ 3.8 million, while expected net proceeds from the issuance of CB2s will be approximately US\$ 67.6 million following the full issuance of CB2s to the Investors, after deducting transaction expenses of approximately US\$ 2.4 million. To date, the total net proceeds raised, after deducting transaction expenses, from the issuance of US\$130 million of CBs is US\$123.8 million.

The net proceeds have been and will be utilised for the expansion and further investment into Green Investments business, including by way of BOT/BOO/TOT models of centralised steam and electricity projects and other environmental protection related projects.

As of 31 January 2021, the Company has utilised an aggregate of US\$ 123.8 million of the net proceeds from CBs as per the schedule below.

Project	Use of Convertible Bonds Proceeds	Amount
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)

¹ For the full details, please refer to the Announcement that was released on 31 December 2020 regarding the Proposed Disposal of the Entire M&S business and the Proposed Amendments to the Convertible Bond Purchase Agreements.

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 Thermoelectric	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) ⁽¹⁾
Total Convertible Bonds Proceeds utilised		US\$ 123.8 million (approximately RMB 805.7 million)⁽²⁾

*Note:

(1) 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.

(2) 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 expense (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 24.8 million or 7.0% from RMB 352.2 million in FY2019 to RMB 377.0 million in FY2020.

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.

Despite the challenges of the pandemic in 2020, the Group's business remained healthy and reliable. With continuing strong operational execution, Sunpower outperformed with record FY2020 results that exceeded the convertible bond performance target of RMB370 million.

In FY2020, group revenue rose 12.6% YoY to RMB4,058.8 million, group EBITDA increased 13.0% YoY to RMB798.2 million and group PATMI² improved 7.0% YoY to RMB377.0 million, while underlying operating cashflow grew 17.4% YoY to RMB535.9 million.

As the primary value creator and growth driver of the Group, GI continued to grow its contributions to the Group and provide long-term, recurring, high-quality cashflows despite the challenges caused by the pandemic. Although the pandemic initially caused operating hours to be reduced in the early part of 2020, the Company achieved YoY growth due to its strong capability to rapidly resume and maintain normal operations after the pandemic came under control. As a result, GI revenue in FY2020 rose 15.6% YoY to RMB1,335.2 million while GI EBITDA grew 12.9% YoY to RMB488.7 million.

M&S revenue was up 11.2% YoY to RMB2,723.6 million in FY2020. This was driven by growing domestic market demand in 2020 bolstered by a series of supporting economic measures targeted at helping the economy to recover amidst the pandemic. The order book was RMB2.9 billion as at end-January 2021, compared to RMB2.8 billion as at end-September 2020.

² PATMI refers to the "Profit for the year attributable to equity holders" in the "WITHOUT financial effects of Convertible Bonds and Warrants" column of the P&L statement, which adjusts "Profit for the year attributable to equity holders" in the "WITH financial effects of Convertible Bonds and Warrants" column for amortised interest expenses, fair value adjustments and foreign exchange gains or losses associated with the Convertible Bonds and Warrants.

On 31 December 2020, the Group announced (the "Announcement") the entry into a sale and purchase agreement by Sunpower International Holding (Singapore) Pte. Ltd. ("Sunpower International") a wholly-owned subsidiary of the Company with Nanjing Sunpower Holdings Co., Ltd. (南京中圣控股有限责任公司) (the "Purchaser"), pursuant to which Sunpower International has agreed to sell, and the Purchaser has agreed to acquire, the entire issued and paid-up share capital of Sunpower Technology (Jiangsu) Co., Ltd. (中圣科技(江苏)有限公司), an indirect wholly-owned subsidiary of the Company, thereby disposing of the entire Manufacturing and Services (M&S) business of the Group and all of the Group's M&S Business Assets, for an aggregate consideration of RMB2.29 billion in cash (the "Proposed Disposal"). The Advance Payment of RMB229 million, being an amount equal to 10% of the Consideration, has been paid into the escrow account in accordance with the terms of the SPA.

As stated in the Announcement, the Board believes that the Proposed Disposal presents a good opportunity to unlock value for the Shareholders as it allows the Group to divest its investment in the M&S Business for an attractive consideration. To this end, subject to the Special Dividend Conditions, the Company intends to distribute a portion of the net proceeds arising from the Proposed Disposal to the Shareholders (as well as the Bondholders in accordance with the existing terms of the Convertible Bond Purchase Agreements) by declaring the Proposed Special Dividend in recognition of the support of the Shareholders and to enable them to enjoy the benefits from the Proposed Disposal. In addition, the Proposed Disposal will enable the Group to strategically focus on the Group's GI Business, which the Board believes has significant potential to deliver long-term benefit to the Group and build sustainable value for its Shareholders.³

China's economy did well in 2020 with annual GDP growth of 2.3%. According to the National Bureau of Statistics of China (NBSC), China is expected to be the world's only major economy to achieve positive growth in 2020. For 2021, NBSC pointed to the country's vast domestic market as one of the multiple factors that will help to sustain steady economic recovery.

At the recent Central Economic Work Conference in Beijing attended by President Xi Jinping and Premier Li Keqiang, it was emphasized that 2021 will be a year of special importance in China's modernization drive. An important task will be the formation of a strong domestic market as the mainstay support for the dual circulation development model. It was also emphasized that China must continue the fight against pollution and achieve the synergistic effect of reducing pollution and carbon, which Sunpower's efficient centralized GI plants assist to reduce.

Barring unforeseen circumstances, the Group expects the business trends summarised below to benefit the GI business in FY2021. Please note that Sunpower's financial results should be viewed on a 12-month basis to arrive at a balanced perspective.

(1) **Anticipated additional contributions from new plants, namely:**

³ All capitalised terms and expressions appearing shall, unless otherwise defined herein, bear the same meanings as ascribed to them in the Announcement that was released on 31 December 2020.

- Shantou Project, where Phase 1 is in commercial operation and expected to ramp up rapidly, while Phase 2 construction is expected to be completed in 2021.
- Xintai Zhengda Project, where part of the new facility is in commercial operation, and construction of the remaining part is expected to be completed in 2021.
- Tongshan Project, where construction of Phase 1 is expected to be completed in 2021.

(2) **Continued ramp-up of existing GI plants, mainly driven by:**

- Continuous connection of new customers, following mandatory closures of small dirty boilers, mandatory location and/or relocation of new factories into industrial parks, and/or organic growth of customers and industrial parks served by the Group's GI plants.
- Anticipated increase in demand for steam when Xinyuan Plant starts to supply clean heating to its new 2 million m² concession area in Jimo International Trade Park.
- Changrun Project starts to supply Sanli under its 25-year exclusive supply contract once the construction of the connecting pipeline network is completed in 2021.

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>FY2020</u>	<u>FY2019</u>
Dividend Amount Per Share:	S\$ 0.003 per ordinary share	S\$ 0.0025 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 7H) 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.**

	M & S	Green Investments	Total
	RMB'000	RMB'000	RMB'000
2020			
Revenue	2,723,636	1,335,167	4,058,803
Result:			
Segment result	321,846	341,867	663,713
Unallocated corporate expenses			(45,319)
Financial effects of Convertible Bonds			(427,321)
Financial effects of Warrants			(5,254)
Interest expense	(29,517)	(79,094)	(108,611)
Interest income	5,079	1,071	6,150
Profit before income tax			83,358
Income tax expense			(111,523)
Loss for the year			(28,165)
2019			
Revenue	2,449,311	1,155,321	3,604,632
Result:			
Segment result	265,227	326,260	591,487
Unallocated corporate expenses			(30,544)
Financial effects of Convertible Bonds			(214,468)
Financial effects of Warrants			(310)
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 for the year			149,344

	M & S	Green Investments	Total
	RMB'000	RMB'000	RMB'000
<u>2020</u>			
Statement of Net Assets			
Assets:			
Segment assets	3,006,570	5,261,713	8,268,283
Unallocated assets			16,834
Total assets			<u>8,285,117</u>
Liabilities:			
Segment liabilities	2,135,833	2,771,963	4,907,797
Unallocated liabilities			1,392,849
Total liabilities			<u>6,300,646</u>
<u>2019</u>			
Statement of Net Assets			
Assets:			
Segment assets	3,203,278	4,360,246	7,563,524
Unallocated assets			53,914
Total assets			<u>7,617,438</u>
Liabilities:			
Segment liabilities	2,266,659	2,329,650	4,596,309
Unallocated liabilities			1,021,261
Total liabilities			<u>5,617,570</u>

Other Information**2020**

	M & S	Green Investments	Total
	RMB'000	RMB'000	RMB'000
Capital expenditure			
- Property, plant and equipment	39,391	42,111	81,502
- Intangible assets	445	547,597	548,042
- Land use rights	-	52,492	52,492
Depreciation of property, plant and equipment	31,934	61,868	93,802
Depreciation of right of use asset	4,187	-	4,187
Impairment allowance on trade and non-trade receivables, net	33,965	968	34,933
Reversal of impairment allowance on inventories - net of impairment	(2,628)	-	(2,628)
Impairment allowance on investment in unquoted equity	9,485	-	9,485
Amortisation of trademark and intangible assets	220	67,572	67,792
Amortisation of land use rights	2,020	5,837	7,857

2019

Capital expenditure			
- Property, plant and equipment	21,227	210,416	231,643
- Intangible assets	3,330	499,506	502,836
- Land use rights	-	16,981	16,981
Depreciation of property, plant and equipment	30,254	57,705	87,959
Depreciation of right of use asset	2,535	-	2,535
Impairment allowance on trade and non-trade receivables, net	44,231	227	44,458
Impairment allowance on inventories - net of (reversals)	1,459	-	1,459
Amortisation of trademark and intangible assets	-	47,576	47,576
Amortisation of land use rights	2,024	4,943	6,967

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	
	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000
PRC	3,995,818	3,542,897	4,921,704	4,263,491
U.S.A.	728	42,221	-	-
Asia	14,119	18,450	-	-
South East Asia	2,073	915	-	-
Europe	43,387	149	-	-
North America	2,678	-	-	-
Total	4,058,803	3,604,632	4,921,704	4,263,491

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
	2020 RMB'000	2019 RMB'000	
(a) Sales reported for first half year	1,756,892	1,470,635	19.5
(b) Operating profit/ (loss) after tax before deducting non-controlling interests reported for first half year	242,930	(41,367)	(687.3)
(c) Sales reported for second half year	2,301,911	2,133,997	7.9
(d) Operating (loss)/ profit after tax before deducting non-controlling interests reported for second half year	(271,095)	190,711	(242.1)

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

	FY2020		FY2019	
	S\$	RMB	S\$	RMB
Final tax-exempt dividend paid per share	0.0025	0.012	0.0019	0.010
Number of shares	791,848,142	791,848,142	791,848,142	791,848,142
Total	1,979,620	9,502,178	1,504,511	7,918,481

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(10). If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10) 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

25 February 2021