

Unaudited Interim Financial Statements for the Second Quarter and Six Months Ended 30 June 2021

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY AND SIX MONTHS 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 SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2021

(RMB'000)	Note	Actual (WITH financial effects of Convertible Bonds and Warrants)						Actual (WITHOUT financial effects of Convertible Bonds and Warrants)					
		Second quarter ended			Six months ended			Second quarter ended			Six months ended		
		30 June 2021 [^]	30 June 2020 (Restated)*	% change	30 June 2021 [^]	30 June 2020 (Restated)*	% change	30 June 2021 [^]	30 June 2020 (Restated)*	% change	30 June 2021 [^]	30 June 2020 (Restated)*	% change
Continuing operations													
Revenue	5	488,986	252,348	93.8	906,583	511,431	77.3	488,986	252,348	93.8	906,583	511,431	77.3
Cost of sales		(357,440)	(165,823)	115.6	(695,983)	(369,417)	88.4	(357,440)	(165,823)	115.6	(695,983)	(369,417)	88.4
Gross profit		131,546	86,525	52.0	210,600	142,014	48.3	131,546	86,525	52.0	210,600	142,014	48.3
Other operating income	6	4,888	2,293	113.2	7,701	4,959	55.3	4,888	2,293	113.2	7,701	4,959	55.3
Administrative expenses		(20,717)	(23,830)	(13.1)	(30,586)	(39,804)	(23.2)	(20,717)	(18,997)	9.1	(30,586)	(34,430)	(11.2)
Foreign exchange gain/(loss)		12,265	4,114	198.1	7,341	(13,424)	(154.7)	(46)	(174)	(73.1)	(251)	(570)	(55.9)
Other operating expenses		(722)	(1,905)	(62.2)	(2,138)	(2,215)	3.6	(722)	(1,905)	(62.2)	(2,138)	(2,215)	3.6
Finance costs		(285,946)	(54,450)	425.2	(353,691)	(100,630)	251.5	(263,279)	(17,085)	1,441.0	(294,856)	(33,487)	780.5
Gain on disposal of discontinued operations		933,976	-	n.m.	933,976	-	n.m.	933,976	-	n.m.	933,976	-	n.m.
Share of profit of associate		766	434	76.5	1,206	669	80.3	766	434	76.5	1,206	669	80.3
Fair value changes on convertible bonds		(111,365)	(61,864)	80.0	(45,035)	147,046	(130.6)	-	-	n.m.	-	-	n.m.
Fair value changes on warrants		-	(1,303)	(100.0)	-	4,160	(100.0)	-	-	n.m.	-	-	n.m.
Profit/(Loss) before income tax from continuing operations	7	664,690	(49,986)	(1,429.8)	729,374	142,775	410.9	786,411	51,091	1,439.2	825,652	76,940	973.1
Income tax expense	8	(223,878)	(18,959)	1,080.9	(235,988)	(23,260)	914.6	(223,878)	(18,959)	1,080.9	(235,988)	(23,260)	914.6
Profit/(Loss) for the period from continuing operations, net of tax		440,812	(68,945)	(739.4)	493,386	119,515	312.8	562,533	32,132	1,650.7	589,664	53,680	998.5
Discontinued operations													
(Loss)/Profit for the period from discontinued operations, net of tax	9	(7,887)	91,045	(108.7)	25,631	123,415	(79.2)	(7,887)	91,045	(108.7)	25,631	123,415	(79.2)
Profit for the period		432,925	22,100	1,858.9	519,017	242,930	113.6	554,646	123,177	350.3	615,295	177,095	247.4

* The comparative financial statements for the second quarter and six months ended 30 June 2020 have been restated to reflect the discontinued operations of the Group's disposal of the entire M&S business.

(RMB'000)	Actual (WITH financial effects of Convertible Bonds and Warrants)						Actual (WITHOUT financial effects of Convertible Bonds and Warrants)					
	Second quarter ended			Six months ended			Second quarter ended			Six months ended		
	30 June 2021 ^	30 June 2020	% change	30 June 2021 ^	30 June 2020	% change	30 June 2021 ^	30 June 2020	% change	30 June 2021 ^	30 June 2020	% change
		(Restated)*			(Restated)*			(Restated)*			(Restated)*	
Other comprehensive income												
<i>Items that may be reclassified subsequently to profit or loss</i>												
Exchange difference on translation of foreign operation	(66)	(3)	2,066.7	(51)	36	(238.9)	(66)	(3)	2,066.7	(51)	36	(238.9)
Net fair value (loss)/gain on investments in debt instruments classified as at FVTOCI	(1,887)	427	(541.9)	(2,415)	638	(478.5)	(1,887)	427	(541.9)	(2,415)	638	(478.5)
Total comprehensive income for the period	430,972	22,524	1,813.4	516,551	243,604	112.0	552,693	123,601	347.2	612,829	177,769	244.7
<u>Profit for the period attributable to:</u>												
Equity holders of the Company	421,072	21,393	1,868.3	506,259	239,377	111.5	542,793	122,470	343.2	602,537	173,542	247.2
Non-controlling interests	11,853	707	1,576.5	12,758	3,553	259.1	11,853	707	1,576.5	12,758	3,553	259.1
Profit for the period	432,925	22,100	1,858.9	519,017	242,930	113.6	554,646	123,177	350.3	615,295	177,095	247.4
<u>Total comprehensive income for the period attributable to:</u>												
Equity holders of the Company	419,137	21,791	1,823.4	503,751	239,881	110.0	540,858	122,868	340.2	600,029	174,046	244.8
Non-controlling interests	11,835	733	1,514.6	12,800	3,723	243.8	11,835	733	1,514.6	12,800	3,723	243.8
Total comprehensive income for the period	430,972	22,524	1,813.4	516,551	243,604	112.0	552,693	123,601	347.2	612,829	177,769	244.7

n.m. denotes not meaningful

* The comparative financial statements for the second quarter and six months ended 30 June 2020 have been restated to reflect the discontinued operations of the Group's disposal of the entire M&S business.
^ On 16 April 2021, the Group had completed the disposal of the entire M&S business to the Purchaser. As there are no major transactions between 16 April 2021 and 30 April 2021, the accounting cut-off date for the Disposal is taken as 30 April 2021.

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

(1) Financial effects of Convertible Bonds and Warrants consist of fair value change, unrealised foreign exchange translation and amortised interest costs of Convertible Bonds and Warrants.

1(a)(ii) Other information:

Please refer to Notes to Unaudited Interim Financial Statements.

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)	Note	Actual (WITH financial effects of Convertible Bonds and Warrants)			
		Group		Company	
		As at 30 June 2021 (Unaudited)	As at 31 December 2020 (Audited)	As at 30 June 2021 (Unaudited)	As at 31 December 2020 (Audited)
ASSETS					
Current assets:					
		864,560	534,491	245,519	12,337
		67,284	208,767	-	-
	12	342,761	1,452,343	-	-
		933,371	307,428	62,171	83,740
	13	64,871	541,003	-	-
		118,053	-	-	-
	14	24,075	310,387	-	-
		<u>2,414,975</u>	<u>3,354,419</u>	<u>307,690</u>	<u>96,077</u>
Non-current assets:					
		601,717	999,488	-	-
		241,181	355,800	-	-
		46,444	89,488	83,660	83,660
	14	2,935	12,420	-	-
		-	-	914,379	914,379
		13,228	12,023	-	-
		3,482,272	3,007,078	-	-
		18,955	38,819	-	-
	15	415,582	415,582	-	-
		<u>4,822,314</u>	<u>4,930,698</u>	<u>998,039</u>	<u>998,039</u>
		7,237,289	8,285,117	1,305,729	1,094,116
LIABILITIES AND EQUITY					
Current liabilities:					
		272,057	1,752,494	-	-
		572,808	396,874	1,128,007	104,384
		-	4,362	-	-
	16	607,308	766,378	-	-
		25,411	48,803	-	-
		<u>1,477,584</u>	<u>2,968,911</u>	<u>1,128,007</u>	<u>104,384</u>
Non-current liabilities:					
		214,798	218,692	-	-
	16	2,219,210	1,783,137	-	-
	14, 17	1,411,975	1,326,284	1,411,975	1,326,284
		-	3,622	-	-
		<u>3,845,983</u>	<u>3,331,735</u>	<u>1,411,975</u>	<u>1,326,284</u>
Capital and reserves:					
		57,662	57,251	57,662	57,251
		-	(4,690)	-	(4,690)
		297,812	309,061	297,812	309,061
		307,522	295,978	-	-
		319	1,346	319	1,346
		(200)	(149)	-	-
		(395)	363	-	-
		984,872	1,011,993	(1,590,046)	(699,520)
		<u>1,647,592</u>	<u>1,671,153</u>	<u>(1,234,253)</u>	<u>(336,552)</u>
		266,130	313,318	-	-
		<u>1,913,722</u>	<u>1,984,471</u>	<u>(1,234,253)</u>	<u>(336,552)</u>
		7,237,289	8,285,117	1,305,729	1,094,116

		Actual (WITHOUT financial effects of Convertible Bonds and Warrants)			
		Group		Company	
(RMB'000)	Note	As at 30 June 2021 (Unaudited)	As at 31 December 2020 (Audited)	As at 30 June 2021 (Unaudited)	As at 31 December 2020 (Audited)
ASSETS					
Current assets:					
Cash and cash equivalents		864,560	534,491	245,519	12,337
Pledged bank deposits		67,284	208,767	-	-
Trade receivables and contract assets	12	342,761	1,452,343	-	-
Other receivables, deposits and prepayments		933,371	307,428	62,171	83,740
Inventories	13	64,871	541,003	-	-
Assets held for sale		118,053	-	-	-
Financial assets at fair value through other comprehensive income	14	24,075	310,387	-	-
Total current assets		2,414,975	3,354,419	307,690	96,077
Non-current assets:					
Property, plant and equipment		601,717	999,488	-	-
Right-of-use assets		241,181	355,800	-	-
Other receivables, deposits and prepayments		46,444	89,488	83,660	83,660
Financial assets at fair value through other comprehensive income	14	2,935	12,420	-	-
Subsidiaries		-	-	914,379	914,379
Associate		13,228	12,023	-	-
Intangible assets		3,482,272	3,007,078	-	-
Deferred tax assets		18,955	38,819	-	-
Goodwill	15	415,582	415,582	-	-
Total non-current assets		4,822,314	4,930,698	998,039	998,039
Total assets		7,237,289	8,285,117	1,305,729	1,094,116
LIABILITIES AND EQUITY					
Current liabilities:					
Trade payables and contract liabilities		272,057	1,752,494	-	-
Other payables		564,685	378,296	1,119,884	85,806
Lease liabilities		-	4,362	-	-
Borrowings	16	607,308	766,378	-	-
Income tax payable		25,411	48,803	-	-
Total current liabilities		1,469,461	2,950,333	1,119,884	85,806
Non-current liabilities:					
Deferred tax liabilities		214,798	218,692	-	-
Borrowings	16	2,219,210	1,783,137	-	-
Convertible bonds	14, 17	773,223	794,265	773,223	794,265
Finance leases		-	3,622	-	-
Total non-current liabilities		3,207,231	2,799,716	773,223	794,265
Capital and reserves:					
Share capital		57,662	57,251	57,662	57,251
Treasury shares		-	(4,690)	-	(4,690)
Share premium		297,812	309,061	297,812	309,061
General reserves		307,522	295,978	-	-
Share option reserve		319	1,346	319	1,346
Foreign currency translation reserve		(200)	(149)	-	-
Fair value reserve		(395)	363	-	-
Retained earnings (Accumulated losses)		1,631,747	1,562,590	(943,171)	(148,923)
Equity attributable to equity holders of the Company		2,294,467	2,221,750	(587,378)	214,045
Non-controlling interests		266,130	313,318	-	-
Total equity		2,560,597	2,535,068	(587,378)	214,045
Total liabilities and equity		7,237,289	8,285,117	1,305,729	1,094,116

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

- (A) the amount repayable in one year or less, or on demand;**
- (B) the amount repayable after one year;**
- (C) whether the amounts are secured or unsecured; and**
- (D) details of any collaterals.**

Please refer to Note 16.

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2021

(RMB'000)	Note	Actual (WITH financial effects of Convertible Bonds and Warrants)			
		Second quarter ended		Six months ended	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020
Operating activities					
Profit before income tax		656,433	56,330	759,475	289,953
Adjustments for:					
Depreciation of property, plant and equipment		13,947	23,752	38,697	48,839
Amortisation of intangible assets		27,718	13,565	54,740	27,523
Finance costs		288,038	62,255	361,815	115,734
Depreciation of right-of-use assets		1,110	1,593	2,989	3,466
Exchange differences arising on foreign currency translation		47	-	(445)	-
Gain on disposal of discontinued operations		(933,976)	-	(933,976)	-
Share of profit of associate		(766)	(434)	(1,206)	(669)
Reversal of impairment loss on inventories, net		-	(1,735)	-	(1,735)
Loss on disposal of property, plant and equipment		258	128	437	323
Interest income		(957)	(1,802)	(2,330)	(3,020)
Impairment loss on trade and other receivables subject to ECL, net		(1,874)	244	(4,738)	2,290
Amortisation of commitment fee		-	4,833	-	5,374
Exchange (gain)/loss on warrants		-	(223)	-	212
Fair value loss/(gain) on warrants		-	1,303	-	(4,160)
Exchange (gain)/loss on convertible bonds		(12,311)	(4,065)	(7,592)	12,642
Fair value loss/(gain) on convertible bonds		111,365	61,864	45,035	(147,046)
Operating cash flows before movements in working capital		149,032	217,609	312,901	349,727
Trade receivables and contract assets		(328,377)	74,065	(203,565)	69,801
Financial assets at fair value through other comprehensive income		(147,531)	-	(200,720)	-
Other receivables, deposits and prepayments		155,015	(36,441)	(92,297)	(512)
Inventories		(263,089)	(51,339)	(390,322)	1,269
Trade payables and contract liabilities		(242,246)	(64,527)	237,214	(189,615)
Other payables		812,815	64,658	724,412	108
Cash generated from operations		135,619	204,024	387,623	230,777
Income tax paid		(58,253)	(4,724)	(82,069)	(61,767)
Interest received		957	1,801	2,330	3,019
Interest paid		(36,409)	(16,828)	(63,420)	(33,506)
Net cash from operating activities		41,914	184,273	244,464	138,523
Investing activities					
Purchase of property, plant and equipment		-	(26,870)	(35,528)	(35,303)
Prepayment for build-operate-transfer ("BOT") projects		52,585	27,054	(23,608)	(8,643)
Acquisition of land use rights		-	(29,411)	-	(29,411)
Acquisition of intangible assets		(137,173)	(77,876)	(547,161)	(187,866)
Proceeds from disposal of property, plant and equipment		912	335	3,198	282
Payment of deferred consideration relating to acquisition of subsidiaries		(37)	-	(6,885)	(171,690)
Proceeds from disposal of discontinued operations, net of cash disposed	18	755,880	-	755,880	-
Net cash from/(used in) investing activities		672,167	(106,768)	145,896	(432,631)
Financing activities					
Proceeds from new borrowings		157,809	301,500	2,042,179	1,039,852
Contribution from non-controlling interest holders		-	7,750	-	7,750
Repayment of borrowings		(170,126)	(244,372)	(1,269,178)	(781,701)
Pledged bank deposits		2,408	3,174	(17,742)	4,268
Proceeds from exercise of share options		-	-	1,945	-
Proceeds from placement of treasury shares		4,520	-	4,520	-
Payment of dividend to non-controlling interest of a subsidiary		(1,526)	-	(1,526)	-
Payment of dividend	11	(552,053)	-	(552,053)	-
Repayment of lease liabilities		144	-	(787)	-
Payment of excess cash dividend to bondholders*		(231,433)	-	(231,433)	-
Interest paid		(7,575)	(8,063)	(36,165)	(37,797)
Net cash (used in)/from financing activities		(797,832)	59,989	(60,240)	232,372
Net (decrease)/increase in cash and cash equivalents		(83,751)	137,494	330,120	(61,736)
Cash and cash equivalents at beginning of period		948,377	491,290	534,491	690,481
Effects of foreign exchange rate changes		(66)	(3)	(51)	36
Cash and cash equivalents at end of period		864,560	628,781	864,560	628,781

		Actual (WITHOUT financial effects of Convertible Bonds and Warrants)			
		Second quarter ended		Six months ended	
(RMB'000)	Note	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Operating activities					
Profit before income tax		778,153	157,407	855,752	224,118
Adjustments for:					
Depreciation of property, plant and equipment		13,947	23,752	38,697	48,839
Amortisation of intangible assets		27,718	13,565	54,740	27,523
Finance costs		265,371	24,890	302,980	48,591
Depreciation of right-of-use assets		1,110	1,593	2,989	3,466
Exchange differences arising on foreign currency translation		47	-	(445)	-
Gain on disposal of discontinued operations		(933,976)	-	(933,976)	-
Share of profit of associate		(766)	(434)	(1,206)	(669)
Reversal of impairment loss on inventories, net			(1,735)		(1,735)
Interest income		(957)	(1,801)	(2,330)	(3,019)
Loss on disposal of property, plant and equipment		258	128	437	323
Impairment loss on trade and other receivables subject to ECL, net		(1,874)	244	(4,738)	2,290
Operating cash flows before movements in working capital		149,031	217,609	312,900	349,727
Trade receivables and contract assets		(328,377)	74,065	(203,565)	69,801
Financial assets at fair value through other comprehensive income		(147,531)	-	(200,720)	-
Other receivables, deposits and prepayments		155,015	(36,441)	(92,297)	(512)
Inventories		(263,089)	(51,339)	(390,322)	1,269
Trade payables and contract liabilities		(242,246)	(64,528)	237,214	(189,615)
Other payables		812,816	64,658	724,413	108
Cash generated from operations		135,619	204,024	387,623	230,777
Income tax paid		(58,253)	(4,724)	(82,069)	(61,767)
Interest received		957	1,801	2,330	3,019
Interest paid		(36,409)	(16,828)	(63,420)	(33,506)
Net cash from operating activities		41,914	184,273	244,464	138,523
Investing activities					
Purchase of property, plant and equipment		-	(26,870)	(35,528)	(35,303)
Prepayment for build-operate-transfer ("BOT") projects		52,585	27,054	(23,608)	(8,643)
Acquisition of land use rights		-	(29,411)	-	(29,411)
Acquisition of intangible assets		(137,173)	(77,876)	(547,161)	(187,866)
Proceeds from disposal of property, plant and equipment		912	335	3,198	282
Payment of deferred consideration relating to acquisition of subsidiaries		(37)	-	(6,885)	(171,690)
Proceeds from disposal of discontinued operations, net of cash disposed	18	755,880	-	755,880	-
Net cash from/(used in) investing activities		672,167	(106,768)	145,896	(432,631)
Financing activities					
Proceeds from new borrowings		157,809	301,500	2,042,179	1,039,852
Contribution from non-controlling interest holders		-	7,750	-	7,750
Repayment of borrowings		(170,126)	(244,372)	(1,269,178)	(781,701)
Repayment of lease liabilities		144	-	(787)	-
Pledged bank deposits		2,408	3,174	(17,742)	4,268
Payment of excess cash dividend to bondholders*		(231,433)	-	(231,433)	-
Proceeds from placement of treasury shares		4,520	-	4,520	-
Proceeds from exercise of share options		-	-	1,945	-
Payment of dividend to non-controlling interest of a subsidiary		(1,526)	-	(1,526)	-
Payment of dividend	11	(552,053)	-	(552,053)	-
Interest paid		(7,575)	(8,063)	(36,165)	(37,797)
Net cash (used in)/from financing activities		(797,832)	59,989	(60,240)	232,372
Net (decrease)/increase in cash and cash equivalents		(83,751)	137,494	330,120	(61,736)
Cash and cash equivalents at beginning of period		948,377	491,290	534,491	690,481
Effects of foreign exchange rate changes		(66)	(3)	(51)	36
Cash and cash equivalents at end of period		864,560	628,781	864,560	628,781

* The excess cash dividend paid to Convertible Bonds holders is treated as finance costs.

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, 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 income for January to March 2020</u>											
Profit for January to March 2020	-	-	-	-	-	-	-	217,984	217,984	2,846	220,830
Other comprehensive income for January to March 2020	-	-	-	-	-	39	68	-	107	144	251
Total	-	-	-	-	-	39	68	217,984	218,091	2,990	221,081
<u>Transaction with owners, recognized directly in equity</u>											
Transfer to general reserves	-	-	-	5,634	-	-	-	(5,634)	-	-	-
Contribution from non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	3,000	3,000
Total	-	-	-	5,634	-	-	-	(5,634)	-	3,000	3,000
Balance as at March 31, 2020	57,251	(4,690)	309,061	188,799	1,346	58	(3,144)	1,402,708	1,951,389	272,560	2,223,949
<u>Total comprehensive income for April to June 2020</u>											
Profit for April to June 2020	-	-	-	-	-	-	-	21,393	21,393	707	22,100
Other comprehensive income for April to June 2020	-	-	-	-	-	(3)	400	-	397	26	423
Total	-	-	-	-	-	(3)	400	21,393	21,790	733	22,523
<u>Transactions with owners, recognised directly in equity</u>											
Dividend paid	-	-	-	-	-	-	-	(10,001)	(10,001)	-	(10,001)
Transfer to general reserves	-	-	-	10,354	-	-	-	(10,354)	-	-	-
Contribution from non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	4,750	4,750
Total	-	-	-	10,354	-	-	-	(20,355)	(10,001)	4,750	(5,251)
Balance as at June 30, 2020	57,251	(4,690)	309,061	199,153	1,346	55	(2,744)	1,403,746	1,963,178	278,043	2,241,221

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 July 1, 2020	57,251	(4,690)	309,061	199,153	1,346	55	(2,744)	1,403,746	1,963,178	278,043	2,241,221
<u>Total comprehensive income for July to September 2020</u>											
Profit for July to September 2020	-	-	-	-	-	-	-	36,568	36,568	4,983	41,551
Other comprehensive loss for July to September 2020	-	-	-	-	-	(80)	(1,235)	-	(1,315)	(108)	(1,423)
Total	-	-	-	-	-	(80)	(1,235)	36,568	35,253	4,875	40,128
<u>Transaction with owners, recognized directly in equity</u>											
Dividend paid	-	-	-	-	-	-	-	-	-	-	-
Transfer to general reserves	-	-	-	38,676	-	-	-	(38,676)	-	-	-
Total	-	-	-	38,676	-	-	-	(38,676)	-	-	-
Balance as at September 30, 2020	57,251	(4,690)	309,061	237,829	1,346	(25)	(3,979)	1,401,638	1,998,431	282,918	2,281,349
<u>Total comprehensive loss for October to December 2020</u>											
Loss for October to December 2020	-	-	-	-	-	-	-	(331,496)	(331,496)	18,850	(312,646)
Other comprehensive income for October to December 2020	-	-	-	-	-	(124)	4,342	-	4,218	2,330	6,548
Total	-	-	-	-	-	(124)	4,342	(331,496)	(327,278)	21,180	(306,098)
<u>Transactions with owners, recognised directly in equity</u>											
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	(4,500)	(4,500)
Transfer to general reserves	-	-	-	58,149	-	-	-	(58,149)	-	-	-
Contribution from non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	13,720	13,720
Total	-	-	-	58,149	-	-	-	(58,149)	-	9,220	9,220
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 (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, 2021	57,251	(4,690)	309,061	295,978	1,346	(149)	363	1,011,993	1,671,153	313,318	1,984,471
<u>Total comprehensive income for January to March 2021</u>											
Profit for January to March 2021	-	-	-	-	-	-	-	85,187	85,187	905	86,092
Other comprehensive loss for January to March 2021	-	-	-	-	-	15	(588)	-	(573)	60	(513)
Total	-	-	-	-	-	15	(588)	85,187	84,614	965	85,579
<u>Transactions with owners, recognised directly in equity</u>											
Transfer to general reserves	-	-	-	6,156	-	-	-	(6,156)	-	-	-
Acquisition of non-controlling interest	-	-	15,881	-	-	-	-	-	15,881	(15,010)	871
Employee share option expenses	162	-	3,631	-	(669)	-	-	-	3,124	-	3,124
Total	162	-	19,512	6,156	(669)	-	-	(6,156)	19,005	(15,010)	3,995
Balance as at March 31, 2021	57,413	(4,690)	328,573	302,134	677	(134)	(225)	1,091,024	1,774,772	299,273	2,074,045
<u>Total comprehensive income for April to June 2021</u>											
Profit for April to June 2021	-	-	-	-	-	-	-	421,072	421,072	11,853	432,925
Other comprehensive loss for April to June 2021	-	-	-	-	-	(66)	(1,869)	-	(1,935)	(18)	(1,953)
Total	-	-	-	-	-	(66)	(1,869)	421,072	419,137	11,835	430,972
<u>Transactions with owners, recognised directly in equity</u>											
Dividend paid (Note 11)	-	-	-	-	-	-	-	(552,053)	(552,053)	-	(552,053)
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	(1,526)	(1,526)
Transfer to general reserves	-	-	-	5,388	-	-	-	(5,388)	-	-	-
Acquisition of non-controlling interests	-	-	(15,881)	-	-	-	-	-	(15,881)	-	(15,881)
Disposal of discontinued operations	-	-	(15,840)	-	-	-	1,699	30,217	16,076	(43,452)	(27,376)
Placement of treasury shares	161	4,690	(331)	-	-	-	-	-	4,520	-	4,520
Employee share option expenses	88	-	1,291	-	(358)	-	-	-	1,021	-	1,021
Total	249	4,690	(30,761)	5,388	(358)	-	1,699	(527,224)	(546,317)	(44,978)	(591,295)
Balance as at June 30, 2021	57,662	-	297,812	307,522	319	(200)	(395)	984,872	1,647,592	266,130	1,913,722

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 January to March 2020</u>											
Profit for January to March 2020	-	-	-	-	-	-	-	51,072	51,072	2,846	53,918
Other comprehensive income for January to March 2020	-	-	-	-	-	39	68	-	107	144	251
Total	-	-	-	-	-	39	68	51,072	51,179	2,990	54,169
<u>Transactions with owners, recognised directly in equity</u>											
Transfer to general reserves	-	-	-	5,634	-	-	-	(5,634)	-	-	-
Contribution from non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	3,000	3,000
Total	-	-	-	5,634	-	-	-	(5,634)	-	3,000	3,000
Balance as at March 31, 2020	57,251	(4,690)	309,061	188,799	1,346	58	(3,144)	1,353,818	1,902,499	272,560	2,175,059
<u>Total comprehensive income for April to June 2020</u>											
Profit for April to June 2020	-	-	-	-	-	-	-	122,470	122,470	707	123,177
Other comprehensive income for April to June 2020	-	-	-	-	-	(3)	400	-	397	26	423
Total	-	-	-	-	-	(3)	400	122,470	122,867	733	123,600
<u>Transactions with owners, recognised directly in equity</u>											
Dividend paid	-	-	-	-	-	-	-	(10,001)	(10,001)	-	(10,001)
Transfer to general reserves	-	-	-	10,354	-	-	-	(10,354)	-	-	-
Contribution from non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	4,750	4,750
Total	-	-	-	10,354	-	-	-	(20,355)	(10,001)	4,750	(5,251)
Balance as at June 30, 2020	57,251	(4,690)	309,061	199,153	1,346	55	(2,744)	1,455,933	2,015,364	278,043	2,293,408

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 interest	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 July 1, 2020	57,251	(4,690)	309,061	199,153	1,346	55	(2,744)	1,455,933	2,015,364	278,043	2,293,408
<u>Total comprehensive income for July to September 2020</u>											
Profit for July to September 2020	-	-	-	-	-	-	-	105,167	105,167	4,983	110,150
Other comprehensive loss for July to September 2020	-	-	-	-	-	(80)	(1,235)	-	(1,315)	(108)	(1,423)
Total	-	-	-	-	-	(80)	(1,235)	105,167	103,852	4,875	108,727
<u>Transactions with owners, recognised directly in equity</u>											
Dividend paid	-	-	-	-	-	-	-	-	-	-	-
Transfer to general reserves	-	-	-	38,676	-	-	-	(38,676)	-	-	-
Total	-	-	-	38,676	-	-	-	(38,676)	-	-	-
Balance as at September 30, 2020	57,251	(4,690)	309,061	237,829	1,346	(25)	(3,979)	1,522,424	2,119,217	282,918	2,402,135
<u>Total comprehensive income for October to December 2020</u>											
Profit for October to December 2020	-	-	-	-	-	-	-	98,315	98,315	18,850	117,165
Other comprehensive income for October to December 2020	-	-	-	-	-	(124)	4,342	-	4,218	2,330	6,548
Total	-	-	-	-	-	(124)	4,342	98,315	102,533	21,180	123,713
<u>Transactions with owners, recognised directly in equity</u>											
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	(4,500)	(4,500)
Transfer to general reserves	-	-	-	58,149	-	-	-	(58,149)	-	-	-
Contribution from non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	13,720	13,720
Total	-	-	-	58,149	-	-	-	(58,149)	-	9,220	9,220
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 (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, 2021	57,251	(4,690)	309,061	295,978	1,346	(149)	363	1,562,590	2,221,750	313,318	2,535,068
<u>Total comprehensive income for January to March 2021</u>											
Profit for January to March 2021	-	-	-	-	-	-	-	59,744	59,744	905	60,649
Other comprehensive loss for January to March 2021	-	-	-	-	-	15	(588)	-	(573)	60	(513)
Total	-	-	-	-	-	15	(588)	59,744	59,171	965	60,136
<u>Transactions with owners, recognised directly in equity</u>											
Transfer to general reserves	-	-	-	6,156	-	-	-	(6,156)	-	-	-
Acquisition of non-controlling interest	-	-	15,881	-	-	-	-	-	15,881	(15,010)	871
Employee share option expenses	162	-	3,631	-	(669)	-	-	-	3,124	-	3,124
Total	162	-	19,512	6,156	(669)	-	-	(6,156)	19,005	(15,010)	3,995
Balance as at March 31, 2021	57,413	(4,690)	328,573	302,134	677	(134)	(225)	1,616,178	2,299,926	299,273	2,599,199
<u>Total comprehensive income for April to June 2021</u>											
Profit for April to June 2021	-	-	-	-	-	-	-	542,793	542,793	11,853	554,646
Other comprehensive loss for April to June 2021	-	-	-	-	-	(66)	(1,869)	-	(1,935)	(18)	(1,953)
Total	-	-	-	-	-	(66)	(1,869)	542,793	540,858	11,835	552,693
<u>Transactions with owners, recognised directly in equity</u>											
Dividend paid (Note 11)	-	-	-	-	-	-	-	(552,053)	(552,053)	-	(552,053)
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	(1,526)	(1,526)
Transfer to general reserves	-	-	-	5,388	-	-	-	(5,388)	-	-	-
Acquisition of non-controlling interests	-	-	(15,881)	-	-	-	-	-	(15,881)	-	(15,881)
Disposal of discontinued operations	-	-	(15,840)	-	-	-	1,699	30,217	16,076	(43,452)	(27,376)
Placement of treasury shares	161	4,690	(331)	-	-	-	-	-	4,520	-	4,520
Employee share option expenses	88	-	1,291	-	(358)	-	-	-	1,021	-	1,021
Total	249	4,690	(30,761)	5,388	(358)	-	1,699	(527,224)	(546,317)	(44,978)	(591,295)
Balance as at June 30, 2021	57,662	-	297,812	307,522	319	(200)	(395)	1,631,747	2,294,467	266,130	2,560,597

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, 2020	57,251	(4,690)	309,061	1,346	(219,062)	143,906	143,906
Profit for the period, representing total comprehensive income for January to March 2020	-	-	-	-	161,214	161,214	161,214
Balance as at March 31, 2020	57,251	(4,690)	309,061	1,346	(57,848)	305,120	305,120
Loss for the period, representing total comprehensive loss for April to June 2020	-	-	-	-	(110,355)	(110,355)	(110,355)
<u>Transactions with owners, recognised directly in equity</u>							
Dividend paid	-	-	-	-	(10,001)	(10,001)	(10,001)
Balance as at June 30, 2020	57,251	(4,690)	309,061	1,346	(178,204)	184,764	184,764
Loss for the period, representing total comprehensive loss for July to September 2020	-	-	-	-	(77,089)	(77,089)	(77,089)
Balance as at September 30, 2020	57,251	(4,690)	309,061	1,346	(255,293)	107,675	107,675
Loss for the period, representing total comprehensive loss for October to December 2020	-	-	-	-	(444,227)	(444,227)	(444,227)
Balance as at December 31, 2020	57,251	(4,690)	309,061	1,346	(699,520)	(336,552)	(336,552)

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, 2021	57,251	(4,690)	309,061	1,346	(699,520)	(336,552)	(336,552)
Profit for the period, representing total comprehensive income for January to March 2021	-	-	-	-	21,699	21,699	21,699
<u>Transactions with owners, recognised directly in equity</u>							
Employee share option expenses	162	-	3,631	(669)	-	3,124	3,124
Balance as at March 31, 2021	57,413	(4,690)	312,692	677	(677,821)	(311,729)	(311,729)
Loss for the period, representing total comprehensive loss for April to June 2021	-	-	-	-	(360,172)	(360,172)	(360,172)
<u>Transactions with owners, recognised directly in equity</u>							
Employee share option expenses	88	-	1,291	(358)	-	1,021	1,021
Placement of treasury shares	161	4,690	(331)	-	-	4,520	4,520
Disposal of discontinued operation	-	-	(15,840)	-	-	(15,840)	(15,840)
Dividend paid	-	-	-	-	(552,053)	(552,053)	(552,053)
Total	249	4,690	(14,880)	(358)	(552,053)	(562,352)	(562,352)
Balance as at June 30, 2021	57,662	-	297,812	319	(1,590,046)	(1,234,253)	(1,234,253)

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, 2020	57,251	(4,690)	309,061	1,346	(101,041)	261,927	261,927
Loss for the period, representing total comprehensive loss for January to March 2020	-	-	-	-	(5,697)	(5,697)	(5,697)
Balance as at March 31, 2020	57,251	(4,690)	309,061	1,346	(106,738)	256,230	256,230
Loss for the period, representing total comprehensive loss for April to June 2020	-	-	-	-	(9,278)	(9,278)	(9,278)
<u>Transactions with owners, recognised directly in</u>							
Dividend paid	-	-	-	-	(10,001)	(10,001)	(10,001)
Balance as at June 30, 2020	57,251	(4,690)	309,061	1,346	(126,017)	236,951	236,951
Loss for the period, representing total comprehensive loss for July to September 2020	-	-	-	-	(8,490)	(8,490)	(8,490)
Balance as at September 30, 2020	57,251	(4,690)	309,061	1,346	(134,507)	228,461	228,461
Loss for the period, representing total comprehensive loss for October to December 2020	-	-	-	-	(14,416)	(14,416)	(14,416)
Balance as at December 31, 2020	57,251	(4,690)	309,061	1,346	(148,923)	214,045	214,045

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, 2021	57,251	(4,690)	309,061	1,346	(148,923)	214,045	214,045
Loss for the period, representing total comprehensive loss for January to March 2021	-	-	-	-	(3,744)	(3,744)	(3,744)
<u>Transactions with owners, recognised directly in equity</u>							
Employee share option expenses	162	-	3,631	(669)	-	3,124	3,124
Balance as at March 31, 2021	57,413	(4,690)	312,692	677	(152,667)	213,425	213,425
Loss for the period, representing total comprehensive loss for April to June 2021	-	-	-	-	(238,451)	(238,451)	(238,451)
<u>Transactions with owners, recognised directly in equity</u>							
Employee share option expenses	88	-	1,291	(358)	-	1,021	1,021
Placement of treasury shares	161	4,690	(331)	-	-	4,520	4,520
Disposal of discontinued operation	-	-	(15,840)	-	-	(15,840)	(15,840)
Dividend paid	-	-	-	-	(552,053)	(552,053)	(552,053)
Total	249	4,690	(14,880)	(358)	(552,053)	(562,352)	(562,352)
Balance as at June 30, 2021	57,662	-	297,812	319	(943,171)	(587,378)	(587,378)

Notes to Unaudited Interim Financial Statements

1. Corporate Information

The Company is incorporated in Bermuda, under the Companies Act 1981 of Bermuda, with its registered office at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda and principal place of business at No. 2111 Chengxin Road, Nanjing Jiangning Science Park, Nanjing, China 211112. The Company is listed on the Singapore Exchange Securities Trading Limited. The unaudited interim financial statements are presented in Chinese Renminbi (“RMB”), which is the functional currency of the Company, and all figures are expressed in thousands unless stated otherwise.

The Company is an environmental protection specialist involved in the investment, development and operation of Green Investments (“GI”) projects in the anti-smog sector. As the Group’s value creator and growth driver, GI business invests in and operates centralised facilities that supply industrial steam, electricity and heating.

2. Basis of Preparation

The unaudited interim financial statements for the second quarter and six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The unaudited interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements for the year ended 31 December 2020.

The Group has consistently applied the same accounting policies and methods of computation for the current reporting period compared with the audited financial statements for the year ended 31 December 2020, except that the comparative financial statements for the second quarter and six months ended 30 June 2020 have been restated to reflect the discontinued operations of the Group’s disposal of the entire M&S business under SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* during the current reporting period.

2.1. Adoption of New and Revised Financial Standards

The Group has adopted SFRS(I) 1-34 *Interim Financial Reporting* on 30 June 2021 for the preparation of the unaudited interim financial statements for the second quarter and six months ended 30 June 2021, in accordance with SGX Listing Rule 705(3A) which is effective for any interim financial period or any financial year ending on or after 30 June 2021.

At the 30 June 2021, the following SFRS(I)s and amendments to SFRS(I)s that are relevant to the Group and the Company were issued but not effective:

Effective for annual periods beginning on or after 1 January 2022

- Amendments to SFRS(I) 3 *Business Combinations: Reference to the Conceptual Framework*
- Amendments to SFRS 1-16 *Property, Plant and Equipment: Proceeds before Intended Use*
- Annual improvement to SFRS(I)s 2018-2020

Effective for annual periods beginning on or after 1 January 2023

- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements: Classification of liabilities as Current or Non-current*

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 *Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between Investor and its Associate or Joint Venture*

2. Basis of Preparation (Cont'd)

2.1. Adoption of New and Revised Financial Standards (Cont'd)

Management anticipates that the adoption of the above amendments to SFRS(I) in future periods will not have a material impact on the financial statements in the period of their initial adoption.

2.2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements for the year ended 31 December 2020.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

There are no critical judgements in applying the Group's accounting policies, apart from those involving estimations.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- Note 12 - Calculation of loss allowance
- Note 17 - Fair value measurement of derivative liabilities

3. Seasonality of Interim Operations

Demand for industrial steam is not impacted significantly by cyclical factors while central heating is affected by seasonal differences in the weather. In general, peak sales of central heating occur in the winter months. Please note that the Company's financial results should be viewed on a 12-month basis to arrive at a balances perspective.

4. Segment Information

The Group determines its operating segments based on components of the Group's business which are reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The Group has the following business segments with the segmental analysis used to allocate resources and to assess performance:

- 1) Manufacturing & services ("M&S") - this segment includes highly efficient heat exchangers and pressure vessels, heat pipes and heat pipe exchangers, pipeline energy saving products and related environmental protection products. This segment also provide solutions for flare and flare gas recovery system, desulphurisation and denitrification system, zero liquid discharge system, petrochemical engineering and energy saving system.
- 2) GI - this segment focus on the development and operation of centralised heat, steam and electricity generation plants and investment.

Following the disposal of the entire M&S business on 16 April 2021, the Group's remaining core business relates to the GI business. As there are no major transactions between 16 April 2021 and 30 April 2021, the accounting cut-off date for the Disposal is taken as 30 April 2021.

Segment information about the Group's operating segments are presented below:

	Six months ended	
	30 June 2021	30 June 2020
	RMB'000	RMB'000
CONTINUING OPERATIONS – GI		
Revenue	906,583	511,431
RESULT FOR CONTINUING OPERATIONS		
Segment result	194,203	126,236
Unallocated corporate expenses	(239,669)	(16,480)
Gain on disposal of discontinued operations	933,976	-
Financial effects of convertible bonds	(96,277)	67,261
Financial effects of warrants	-	(1,426)
Interest expense	(63,423)	(33,487)
Interest income	564	671
Profit before income tax from continuing operations	729,374	142,775
Income tax expense	(235,988)	(23,260)
Profit for the period from continuing operations	493,386	119,515
DISCONTINUED OPERATIONS – M&S		
Revenue	531,097	1,245,461
RESULT FOR DISCONTINUED OPERATIONS		
Segment result	36,885	159,955
Interest expense	(8,124)	(15,104)
Interest income	1,340	2,327
Profit before income tax from discontinued operations	30,101	147,178
Income tax expense	(4,470)	(23,763)
Profit for the period from discontinued operations	25,631	123,415

4. Segment Information (Cont'd)

	Continuing operations – GI	Discontinued operations - M&S	Total
<u>As at 30 June 2021</u>	RMB'000	RMB'000	RMB'000
Statement of Net Assets			
Assets:			
Total assets	7,237,289	-	7,237,289
Liabilities:			
Total liabilities	5,323,567	-	5,323,567
 <u>As at 31 December 2020</u>			
Statement of Net Assets			
Assets:			
Segment assets	5,261,713	3,006,570	8,268,283
Unallocated assets			16,834
Total assets			<u>8,285,117</u>
Liabilities:			
Segment liabilities	2,771,964	2,135,833	4,907,797
Unallocated liabilities			1,392,849
Total liabilities			<u>6,300,646</u>

5. Disaggregation of Revenue

A disaggregation of the Group's revenue are presented below as follows:

	Six months ended 30 June 2021		
	Continuing operations – GI	Discontinued operations – M&S	Total
	RMB'000	RMB'000	RMB'000
Types of goods or service:			
Sales of goods	34,635	345,096	379,731
Construction contracts	-	106,314	106,314
Revenue from service concession arrangements	-	79,687	79,687
Provision of utilities	871,948	-	871,948
Total revenue	906,583	531,097	1,437,680
Timing of revenue recognition:			
At a point of time:			
- Sales of goods	34,635	345,096	379,731
- Provision of utilities	871,948	-	871,948
Over time:			
- Construction contracts	-	106,314	106,314
- Revenue from service concession arrangements	-	79,687	79,687
Total revenue	906,583	531,097	1,437,680
Geographical information:			
PRC	906,583	530,278	1,436,861
Asia	-	816	816
Europe	-	3	3
Total revenue	906,583	531,097	1,437,680

5. Disaggregation of Revenue (Cont'd)

	Six months ended 30 June 2020		
	Continuing operations – GI	Discontinued operations – M&S	Total
	RMB'000	RMB'000	RMB'000
Types of goods or service:			
Sales of goods	17,411	732,987	750,398
Construction contracts	-	308,336	308,336
Revenue from service concession arrangements	-	204,138	204,138
Provision of utilities	494,020	-	494,020
Total revenue	511,431	1,245,461	1,756,892
Timing of revenue recognition:			
At a point of time:			
- Sales of goods	17,411	732,987	750,398
- Provision of utilities	494,020	-	494,020
Over time:			
- Construction contracts	-	308,336	308,336
- Revenue from service concession arrangements	-	204,138	204,138
Total revenue	511,431	1,245,461	1,756,892
Geographical information:			
PRC	511,431	1,205,996	1,717,427
Asia	-	43	43
South East Asia	-	1,850	1,850
Europe	-	37,572	37,572
Total revenue	511,431	1,245,461	1,756,892

6. Other Operating Income

(RMB'000)	Actual (WITH financial effects of Convertible Bonds and Warrants)						Actual (WITHOUT financial effects of Convertible Bonds and Warrants)					
	Second quarter ended			Six months ended			Second quarter ended			Six months ended		
	30 June 2021 [^]	30 June 2020 (Restated)*	% change	30 June 2021 [^]	30 June 2020 (Restated)*	% change	30 June 2021 [^]	30 June 2020 (Restated)*	% change	30 June 2021 [^]	30 June 2020 (Restated)*	% change
Continuing operations												
Government grants	3,438	351	878.4	4,366	1,987	119.8	3,438	351	878.4	4,366	1,987	119.8
Reversal of impairment allowance on trade and other receivables, subject to ECL	233	-	n.m.	244	-	n.m.	233	-	n.m.	244	-	n.m.
Interest income	623	611	2.0	989	691	43.1	623	611	2.0	989	691	43.1
Government rebates	304	873	(65.2)	1,437	1,812	(20.7)	304	873	(65.2)	1,437	1,812	(20.7)
Gain on disposal of plant and equipment	33	-	n.m.	33	-	n.m.	33	-	n.m.	33	-	n.m.
Others	257	458	(43.9)	631	469	34.6	257	458	(43.9)	631	469	34.6
Total	4,888	2,293	113.2	7,701	4,959	55.3	4,888	2,293	113.2	7,701	4,959	55.3
Discontinued operations												
Government grants	907	1,183	(23.4)	2,203	2,684	(17.9)	907	1,183	(23.4)	2,203	2,684	(17.9)
Reversal of impairment allowance on trade and other receivables, subject to ECL	2,618	2,966	(11.7)	13,104	6,338	106.7	2,618	2,966	(11.7)	13,104	6,338	106.7
Interest income	333	1,190	(72.0)	1,340	2,327	(42.4)	333	1,190	(72.0)	1,340	2,327	(42.4)
Government rebates	-	99	(100.0)	(8)	115	(107.2)	-	99	(100.0)	(8)	115	(107.2)
Gain on disposal of plant and equipment	-	569	(100.0)	-	572	(100.0)	-	569	(100.0)	-	572	(100.0)
Others	230	3	7,761.6	1,107	851	30.2	230	3	7,761.6	1,107	851	30.2
Total	4,088	6,010	(32.0)	17,746	12,888	37.7	4,088	6,010	(32.0)	17,746	12,888	37.7

n.m. denotes not meaningful

* The comparative financial statements for the second quarter and six months ended 30 June 2020 have been restated to reflect the discontinued operations of the Group's disposal of the entire M&S business.
[^] On 16 April 2021, the Group had completed the disposal of the entire M&S business to the Purchaser. As there are no major transactions between 16 April 2021 and 30 April 2021, the accounting cut-off date for the Disposal is taken as 30 April 2021.

Note: There is no difference for other operating income with and without financial effects of Convertible Bonds and Warrants for the six months ended 30 June 2021.

7. Profit/(Loss) Before Income Tax

(RMB'000)	Actual (WITH financial effects of Convertible Bonds and Warrants)						Actual (WITHOUT financial effects of Convertible Bonds and Warrants)					
	Second quarter ended			Six months ended			Second quarter ended			Six months ended		
	30 June 2021 [^]	30 June 2020 (Restated)*	% change	30 June 2021 [^]	30 June 2020 (Restated)*	% change	30 June 2021 [^]	30 June 2020 (Restated)*	% change	30 June 2021 [^]	30 June 2020 (Restated)*	% change
Continuing operations												
Depreciation of property, plant and equipment	10,878	17,901	(39.2)	26,341	33,915	(22.3)	10,878	17,901	(39.2)	26,341	33,915	(22.3)
Depreciation of right-of-use assets	946	1,118	(15.4)	2,334	2,456	(5.0)	946	1,118	(15.4)	2,334	2,456	(5.0)
Amortisation of intangible assets	27,689	13,332	107.7	54,627	27,289	100.2	27,689	13,332	107.7	54,627	27,289	100.2
Impairment loss on trade and other receivables subject to ECL	(57)	731	(107.8)	1,168	855	36.6	(57)	731	(107.8)	1,168	855	36.6
Reversal of impairment loss on trade and other receivables subject to ECL	(233)	-	n.m.	(244)	-	n.m.	(233)	-	n.m.	(244)	-	n.m.
(Gain)/Loss on disposal of property, plant and equipment - net	(76)	399	(119.0)	(33)	32	(203.3)	(76)	399	(119.0)	(33)	32	(203.3)
Foreign exchange (gain)/loss - net	(12,264)	(4,115)	198.0	(7,340)	13,424	(154.7)	47	173	(72.9)	252	570	(55.8)
Finance costs	285,945	54,450	425.2	353,691	100,630	251.5	263,278	17,085	1,441.0	294,856	33,487	780.5
Fair value changes on convertible bonds	111,365	61,864	80.0	45,035	(147,046)	(130.6)	-	-	-	-	-	-
Fair value changes on warrants	-	1,303	(100.0)	-	(4,160)	(100.0)	-	-	-	-	-	-
Discontinued operations												
Depreciation of property, plant and equipment	3,069	5,851	(47.6)	12,356	14,924	(17.2)	3,069	5,851	(47.6)	12,356	14,924	(17.2)
Depreciation of right-of-use assets	164	475	(65.6)	655	1,010	(35.2)	164	475	(65.6)	655	1,010	(35.2)
Amortisation of intangible assets	29	234	(87.6)	113	234	(51.5)	29	234	(87.6)	113	234	(51.5)
Impairment loss on trade and other receivables subject to ECL	1,033	2,480	(58.3)	7,441	7,774	(4.3)	1,033	2,480	(58.3)	7,441	7,774	(4.3)
Reversal of impairment loss on trade and other receivables subject to ECL	(2,618)	(2,967)	(11.8)	(13,104)	(6,339)	106.7	(2,618)	(2,967)	(11.8)	(13,104)	(6,339)	106.7
Reversal of impairment loss on inventories, net	-	(1,735)	(100.0)	-	(1,735)	(100.0)	-	(1,735)	(100.0)	-	(1,735)	(100.0)
Loss/(Gain) on disposal of property, plant and equipment - net	255	(529)	(148.1)	390	(357)	(209.4)	255	(529)	(148.1)	390	(357)	(209.4)
Foreign exchange gain - net	-	(464)	(100.0)	(697)	(774)	(9.9)	-	(464)	(100.0)	(697)	(774)	(9.9)
Finance costs	2,093	7,805	(73.2)	8,124	15,104	(46.2)	2,093	7,805	(73.2)	8,124	15,104	(46.2)

n.m. denotes not meaningful

* The comparative financial statements for the second quarter and six months ended 30 June 2020 have been restated to reflect the discontinued operations of the Group's disposal of the entire M&S business.

[^] On 16 April 2021, the Group had completed the disposal of the entire M&S business to the Purchaser. As there are no major transactions between 16 April 2021 and 30 April 2021, the accounting cut-off date for the Disposal is taken as 30 April 2021.

8. Income Tax Expense

Income tax recognised in profit or loss:

(RMB'000)	Continuing operations		Discontinued operations		Total	
	Six months ended		Six months ended		Six months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Tax expense comprises:						
Current tax expense	241,849	23,389	5,724	25,453	247,573	48,842
Deferred tax	(5,861)	(129)	(1,254)	(1,690)	(7,115)	(1,819)
Total tax expense	235,988	23,260	4,470	23,763	240,458	47,023

9. Results from Discontinued Operations

The Group had on 16 April 2021 completed the disposal of the entire M&S business to Nanjing Sunpower Holdings Co., Ltd. (the "Purchaser") at the consideration of RMB 2.29 billion (the "Disposal"). As there are no major transactions between 16 April 2021 and 30 April 2021, the accounting cut-off date for the Disposal is taken as 30 April 2021. Results of the disposed M&S business are shown as follows:

(RMB'000)	Note	Actual (WITH financial effects of Convertible Bonds and Warrants)						Actual (WITHOUT financial effects of Convertible Bonds and Warrants)					
		Second quarter ended			Six months ended			Second quarter ended			Six months ended		
		30 June 2021*	30 June 2020	% change	30 June 2021*	30 June 2020	% change	30 June 2021*	30 June 2020	% change	30 June 2021*	30 June 2020	% change
Revenue	5	65,849	831,861	(92.1)	531,097	1,245,461	(57.4)	65,849	831,861	(92.1)	531,097	1,245,461	(57.4)
Cost of sales		(52,618)	(661,849)	(92.0)	(409,507)	(976,540)	(58.1)	(52,618)	(661,849)	(92.0)	(409,507)	(976,540)	(58.1)
Gross profit		13,231	170,012	(92.2)	121,590	268,921	(54.8)	13,231	170,012	(92.2)	121,590	268,921	(54.8)
Other operating income	6	4,088	6,010	(32.0)	17,746	12,888	37.7	4,088	6,010	(32.0)	17,746	12,888	37.7
Selling and distribution expenses		(5,650)	(10,601)	(46.7)	(17,260)	(19,774)	(12.7)	(5,650)	(10,601)	(46.7)	(17,260)	(19,774)	(12.7)
Administrative expenses		(17,063)	(48,778)	(65.0)	(76,032)	(90,797)	(16.3)	(17,063)	(48,778)	(65.0)	(76,032)	(90,797)	(16.3)
Foreign exchange gain		-	464	(100.0)	697	774	(9.9)	-	464	(100.0)	697	774	(9.9)
Other operating expenses		(770)	(2,987)	(74.2)	(8,516)	(9,729)	(12.5)	(770)	(2,987)	(74.2)	(8,516)	(9,729)	(12.5)
Finance costs		(2,093)	(7,805)	(73.2)	(8,124)	(15,104)	(46.2)	(2,093)	(7,805)	(73.2)	(8,124)	(15,104)	(46.2)
(Loss)/Profit before income tax from discontinued operations	7	(8,257)	106,316	(107.8)	30,101	147,178	(79.5)	(8,257)	106,316	(107.8)	30,101	147,178	(79.5)
Income tax expense	8	370	(15,271)	(102.4)	(4,470)	(23,763)	(81.2)	370	(15,271)	(102.4)	(4,470)	(23,763)	(81.2)
(Loss)/Profit for the period from discontinued operations, net of tax		(7,887)	91,045	(108.7)	25,631	123,415	(79.2)	(7,887)	91,045	(108.7)	25,631	123,415	(79.2)

*The results of discontinued operations for the second quarter and six months ended 30 June 2021 consist of results up to 30 April 2021 only.

Note: There is no difference for results from discontinued operations with and without financial effects of Convertible Bonds and Warrants for the six months ended 30 June 2021.

10. Related Party Transactions

Related parties comprise entities over which two of the Company's directors have significant influence or control, and non-controlling shareholders of partially held subsidiaries.

On 16 April 2021, the Group had completed the disposal of the entire M&S business to the Purchaser (see Note 18).

Significant related party transactions:

	Group	
	30 June 2021	30 June 2020
	RMB'000	RMB'000
Purchase construction services	58,534	-
Rental expense	1,432	2,178
Staff costs and benefits	-	360
Purchase of raw materials	-	349

11. Dividends

	Six months ended	
	30 June 2021	30 June 2020
	RMB'000	RMB'000
Ordinary dividend paid:		
First and final tax-exempt dividend of S\$0.003 per ordinary share in respect on the financial year ended 31 December 2020 (2020: First and final tax-exempt dividend of S\$0.0025 per ordinary share in respect on the financial year ended 31 December 2019)	11,464	-
Special dividend paid:		
Net proceeds from the disposal of M&S business	540,589	-
Total dividends	552,053	-

12. Trade Receivables and Contract Assets

	Group	
	As at 30 June 2021 RMB'000	As at 31 December 2020 RMB'000
Outside parties	342,878	1,119,114
Contract assets	-	445,122
Loss allowance	(117)	(111,893)
Total	342,761	1,452,343

Loss allowance for trade receivables and contract assets has always been measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables and contract assets are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

The following table details the risk profile of trade receivables and contract assets based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on aging profile from invoice dates is not further distinguished between the Group's different customer base.

	Group						Total RMB'000
	< 6 months RMB'000	7 - 12 months RMB'000	1 - 2 years RMB'000	2 - 3 years RMB'000	3 - 4 years RMB'000	> 4 years RMB'000	
As at 30 June 2021							
Expected credit loss rate	0%	0% - 5%	0% - 12.50%	1.50% - 50%	12.50% - 75%	50% - 100%	
Estimated total gross carrying amount at default	247,905	43,275	27,749	23,340	513	96	342,878
Lifetime ECL	-	-	(1)	(14)	(57)	(45)	(117)
							342,761
As at 31 December 2020							
Expected credit loss rate	0%	0% - 5%	0% - 12.50%	1.50% - 50%	12.50% - 75%	50% - 100%	
Estimated total gross carrying amount at default	1,168,063	105,418	141,422	97,231	26,428	25,674	1,564,236
Lifetime ECL	(1,404)	(408)	(17,423)	(59,751)	(9,135)	(23,772)	(111,893)
							1,452,343

12. Trade Receivables and Contract Assets (Cont'd)

The table below shows the movement in lifetime ECL that has been recognised for trade receivables and contract assets in accordance with the simplified approach set out in SFRS(I) 9:

Group	Lifetime ECL credit-impaired		Total RMB'000
	Individually assessed RMB'000	Collectively assessed RMB'000	
Balance as at December 31, 2019	59,957	29,173	89,130
Transfer of credit-impaired from collective to individual	6,142	(6,142)	-
Amounts written off	(4,014)	(7,008)	(11,022)
Amounts recovered	(17,797)	(8,597)	(26,394)
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	47,586	12,593	60,179
Balance as at December 31, 2020	91,874	20,019	111,893
Transfer of credit-impaired from collective to individual	57	(57)	-
Amounts recovered	(5,447)	(7,623)	(13,070)
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	624	6,719	7,343
write-off	(7,664)	(24)	(7,688)
Disposal of trade receivables and contract assets due to disposal of M&S business	(79,347)	(19,014)	(98,361)
Balance as at June 30, 2021	97	20	117

13. Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of selling expenses.

Slow moving or aged inventories are identified by management. This is followed by an assessment of sales or usage prospects and a comparison of estimated net realisable values with carrying cost. Allowance is made for cost of inventories which are not expected to be recovered through usage or sales. Physical counts of inventories are carried out on a periodic basis and any identified defective inventory are written off.

	Group	
	As at 30 June 2021	As at 31 December 2020
	RMB'000	RMB'000
Raw materials and consumables	64,871	155,713
Work-in-progress	-	385,290
Total	64,871	541,003

Inventories are stated net of allowance.

	Group	
	As at 30 June 2021	As at 31 December 2020
	RMB'000	RMB'000
Movements in allowance for inventories:		
At beginning of period/ year	17,750	20,379
Charge to profit or loss	-	3,675
Reversal of allowance, upon sale*	-	(6,304)
Disposal of inventories due to disposal of M&S business	(15,047)	-
At end of period/ year	2,703	17,750

**Previous write-downs have been reversed as a result of inventories sold above carrying amounts*

14. Financial Instruments

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The following table presented the financial assets and financial liabilities of the Group measured at fair value:

	Group		Fair value hierarchy
	As at 30 June 2021	As at 31 December 2020	
	RMB'000	RMB'000	
Financial assets at fair value through other comprehensive income - unquoted equity shares	2,935	12,420	Level 3
Financial assets at fair value through other comprehensive income - notes receivables	24,075	310,387	Level 3
Financial liabilities at fair value through profit or loss - convertible bonds - derivative liability component	681,903	636,867	Level 2

15. Goodwill

Goodwill is allocated to each cash generating units (“CGU”) identified that are expected to benefit from the business combination. The carrying amounts of goodwill of each CGU are as follows:

	Group	
	As at 30 June 2021 RMB'000	As at 31 December 2020 RMB'000
Hebei Changrun Environmental Ltd.	5,483	5,483
Qingdao Xinyuan Thermal Power Co., Ltd.	20,423	20,423
Zhangjiagang Yongxing Thermal Power Co., Ltd.	309,863	309,863
Changshu Suyuan Thermal Power Co., Ltd.	79,813	79,813
Total	415,582	415,582

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group’s cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the cash generating units, are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates and expected order book and direct costs during the period. Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the cash generating units. Expected order book and direct costs are based on past practices and expectations of future changes in the market.

The Group has assessed the subsidiaries’ financial performance and no indicators of impairment of goodwill are identified as at 30 June 2021.

16. Borrowings

Amount repayable in one year or less, or on demand

(RMB'000)	<u>As at 30 June 2021</u>		<u>As at 31 December 2020</u>	
	Secured	Unsecured	Secured	Unsecured
Borrowings	<u>587,308</u>	<u>20,000</u>	<u>725,378</u>	<u>41,000</u>

Amount repayable after one year

(RMB'000)	<u>As at 30 June 2021</u>		<u>As at 31 December 2020</u>	
	Secured	Unsecured	Secured	Unsecured
Borrowings	<u>2,219,210</u>	<u>-</u>	<u>1,783,137</u>	<u>-</u>

Details of any collaterals:

<u>Collaterals</u>	<u>30 June</u>	<u>31 December</u>
	<u>2021</u>	<u>2020</u>
	<u>RMB'000</u>	<u>RMB'000</u>
Secured by building and land use rights of the subsidiary	1,560,340	904,625
Pledge of shareholding	893,878	849,578
Guaranteed by the company	64,000	197,800
Guaranteed by the subsidiary	288,300	556,512

17. Convertible Bonds

The Group's convertible bonds comprise a derivative liability component that is measured at fair value for financial reporting purposes. Management engages a third-party qualified valuer to perform the valuation and works closely with the valuer to determine the appropriate valuation techniques and inputs for the valuation. In estimating the fair value of the derivative liability component, market-observable data is used to the extent it is available. Where Level 1 inputs are not available, management establishes inputs that are appropriate to the circumstances.

	Group and Company	
	As at 30 June 2021	As at 31 December 2020
	RMB'000	RMB'000
Debt host liability component, at amortised cost	730,072	689,417
Derivative liability component, at fair value	681,903	636,867
Total	1,411,975	1,326,284

The net proceeds received from the issue of the bonds have been split between the liability element and derivative component, representing the fair value of the embedded option to convert the liability into derivative of the Group, as follows:

	Group and Company	
	As at 30 June 2021	As at 31 December 2020
	RMB'000	RMB'000
CB1		
Nominal value of CB issued	757,856	757,856
Less: Transaction costs	(26,342)	(26,342)
Net value of CB issued	731,514	731,514
Foreign exchange gain	(37,291)	(30,879)
Cumulative interest accrued	405,655	355,404
Fair value loss on CB	205,557	164,352
Total	1,305,435	1,220,391
Less: Interest payables included in accruals	(7,628)	(16,475)
Less: Interest paid to bondholders	(72,814)	(55,008)
Debt host and derivative liability component at end of period/ year	1,224,993	1,148,908

17. Convertible Bonds (Cont'd)

	Group and Company	
	As at	As at
	30 June 2021	31 December 2020
	RMB'000	RMB'000
<u>CB2</u>		
Nominal value of CB issued	138,285	138,285
Less: Transaction costs	(15,000)	(15,000)
Net value of CB issued	123,285	123,285
Foreign exchange gain	(7,692)	(6,514)
Cumulative interest accrued	47,197	38,614
Fair value loss on CB	33,449	29,619
Total	196,239	185,004
Less: Interest payables included in accruals	(1,256)	(2,864)
Less: Interest paid to bondholders	(8,001)	(4,764)
Debt host and derivative liability component at end of period/ year	186,982	177,376

Management estimates that the carrying amount of the liability component of CB1 and CB2 as at 30 June 2021 and 31 December 2020 approximates its fair value.

18. Analysis of Assets and Liabilities of Discontinued Operations

(RMB'000)	Discontinued Operations
	As at 30 April 2021
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	627,132
Pledged bank deposits	159,225
Trade receivables and contract assets	1,318,694
Other receivables, deposits and prepayments	262,529
Inventories	866,454
Financial assets at fair value through other comprehensive income	373,163
Total current assets	3,607,196
Non-current assets:	
Property, plant and equipment	290,874
Right-of-use assets	74,511
Other receivables, deposits and prepayments	66,652
Financial assets at fair value through other comprehensive income	9,485
Intangible assets	82,948
Deferred tax assets	23,952
Total non-current assets	548,422
Total assets	4,155,619
<u>LIABILITIES AND EQUITY</u>	
Current liabilities:	
Trade payables and contract liabilities	1,717,469
Other payables	548,490
Lease liabilities	3,453
Borrowings	151,500
Income tax payable	(20,925)
Total current liabilities	2,399,987
Non-current liabilities:	
Deferred tax liabilities	1,423
Borrowings	350,500
Lease liabilities	3,744
Total non-current liabilities	355,667
Net assets	1,399,965
Non-controlling interests	(43,452)
Identified net assets	1,356,513
Gain on disposal of discontinued operations	933,976
Reclassified from other comprehensive income to profit or loss arising from restructure under common control, net of tax	(489)
Cash proceeds from disposal	2,290,000
Net cash outflows arising from the disposal of discontinued operations:	
Transaction cost and withholding tax	(219,988)
Deferred consideration to be received	(687,000)
Cash and cash equivalents disposed off	(627,132)
Proceeds from disposal of discontinued operations, net of cash disposed	755,880

Other Information Required by Listing Rule Appendix 7.2

- 1(i) 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.

	GROUP AND COMPANY	
	As at 30 June 2021	As at 30 June 2020
	<u>Number of ordinary shares</u>	
<u>Issued and fully paid up:</u>		
At the beginning of the period	791,848,142	791,848,142
Add: Exercise of share options during first quarter	2,500,000	-
Add: Exercise of share options during second quarter (Note A)	1,338,000	-
At the end of the period	795,686,142	791,848,142
Total number of treasury shares (Note B)	-	2,542,000
Total number of issued shares excluding treasury shares	795,686,142	789,306,142
Total number of issued shares	795,686,142	791,848,142

Note A

On 12 April 2021, the Company issued and allotted an aggregate of 1,338,000 ordinary shares in the capital of the Company, of which, 1,128,000 ordinary shares at an exercise price of S\$0.116 each and 210,000 ordinary shares at an exercise price of S\$0.379 each, pursuant to the exercise of options granted under the Sunpower Employee Share Option Scheme 2015 ("ESOS").

Note B

On 1 June 2021, the Company has allotted and issued a total of 2,542,000 treasury shares (each a "Placement Share"), at an issue price of S\$0.368 each, to the key employees of the Company (the "Placees"), pursuant to the placement letters entered into by the Company with the Placees on 29 March 2021. The purpose of the placement of 2,542,000 treasury shares is to reward and incentivise the Placees in recognition of their contributions made and importance to the Company, as part of the Company's overall remuneration framework for the Key Employees to incentivise and retain talent. Following the allotment and issuance of Placement Shares, the number of treasury shares held by the Company is nil.

The number of shares held as treasury shares by the Company represents 0% (30 June 2020: 0.3%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company as at 30 June 2021.

Total number of shares that may be issued on conversion of all the outstanding convertibles

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.

Assuming that all the outstanding CB1s and CB2s have been converted at S\$ 0.50 and S\$ 0.60 respectively and that all the share options granted have been exercised as at 30 June 2021, the maximum number of shares that may be issued as at 30 June 2021 is 359,379,000 ordinary shares (30 June 2020: 413,639,500 ordinary shares, assuming that all the Warrants issued have been exercised as at 30 June 2020). The fully diluted shares (including treasury shares) as at 30 June 2021 and 30 June 2020 were 1,155,065,142 and 1,205,487,642 ordinary shares respectively.

- 1(ii) 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.**

	As at 30 June 2021	As at 31 December 2020
Total number of issued shares	795,686,142	791,848,142
Less: Total number of treasury shares	-	(2,542,000)
Total number of issued shares excluding treasury shares	795,686,142	789,306,142

- 1(iii) 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.**

On 1 June 2021, the Company has allotted and issued a total of 2,542,000 treasury shares at an issue price of S\$0.368 each, to the key employees of the Company. Please refer to paragraph 1(d)(ii) for detailed explanation.

- 1(iv) 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.

- 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 2020, except that the Group has adopted SFRS(I) 1-34 *Interim Financial Reporting* on 30 June 2021 for the preparation of unaudited interim financial statements for the second quarter and six months ended 30 June 2021. Please refer to paragraph 5 for detailed changes made in accordance to SFRS(I) 1-34.

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.**

Pursuant to the Guidance Note to Accounting Standards for Financial Statements released by SGX on 4 May 2021, Listing Rule 705(3A) specifically requires issuers that announce its financial statements under Rule 705 in accordance with Appendix 7.2 to also prepare such financial statements in accordance with SFRS(I) 1-34 *Interim Financial Reporting* which is effective for any interim financial period or any financial year ending on or after 30 June 2021.

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

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

	Actual (WITH financial effects of Convertible Bonds and Warrants)			
	Second quarter ended		Six months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
<u>From continuing and discontinued operations:</u>				
Net profit attributable to equity holders of the Group (RMB'000)	421,072	21,393	506,259	239,377
Weighted average number of ordinary shares outstanding ('000)	792,055	789,306	792,055	789,306
Earnings per share – basic (RMB cents)	53.16	2.71	63.92	30.33
<u>From continuing operations:</u>				
Net profit/(loss) attributable to equity holders of the Group (RMB'000)	430,245	(69,032)	481,748	115,254
Weighted average number of ordinary shares outstanding ('000)	792,055	789,306	792,055	789,306
Earnings/(Loss) per share – basic (RMB cents)	54.32	(8.75)	60.82	14.60

	Actual (WITHOUT financial effects of Convertible Bonds and Warrants)			
	Second quarter ended		Six months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
<u>From continuing and discontinued operations:</u>				
Net profit attributable to equity holders of the Group (RMB'000)	542,793	122,470	602,537	173,542
Weighted average number of ordinary shares outstanding ('000)	792,055	789,306	792,055	789,306
Earnings per share – basic (RMB cents)	68.53	15.52	76.07	21.99
<u>From continuing operations:</u>				
Net profit attributable to equity holders of the Group (RMB'000)	551,966	32,045	578,026	49,419
Weighted average number of ordinary shares outstanding ('000)	792,055	789,306	792,055	789,306
Earnings per share – basic (RMB cents)	69.69	4.06	72.98	6.26

Basic earnings per share for second quarter and six months ended 30 June 2021 and 30 June 2020 have been calculated based on the weighted average number of ordinary shares issued (excluding treasury shares) at 792,055,313 and 789,306,142 ordinary shares respectively.

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

	Actual (WITH financial effects of Convertible Bonds and Warrants)			
	Second quarter ended		Six months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
<u>From continuing and discontinued operations:</u>				
Net profit attributable to equity holders of the Group (RMB'000)	542,793	21,393	602,536	172,116
Weighted average number of ordinary shares outstanding ('000)	1,150,985	789,306	1,150,985	1,149,578
Earnings/(Loss) per share – diluted (RMB cents)	47.16	2.71	52.35	14.97
<u>From continuing operations:</u>				
Net profit/(loss) attributable to equity holders of the Group (RMB'000)	551,966	(69,032)	578,025	47,993
Weighted average number of ordinary shares outstanding ('000)	1,150,985	789,306	1,150,985	1,149,578
Earnings/(Loss) per share – diluted (RMB cents)	47.96	(8.75)	50.22	4.17

	Actual (WITHOUT financial effects of Convertible Bonds and Warrants)			
	Second quarter ended		Six months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
<u>From continuing and discontinued operations:</u>				
Net profit attributable to equity holders of the Group (RMB'000)	542,793	122,470	602,537	173,542
Weighted average number of ordinary shares outstanding ('000)	792,797	791,390	792,797	791,390
Earnings per share – <i>diluted</i> (RMB cents)	68.47	15.48	76.00	21.93
<u>From continuing operations:</u>				
Net profit attributable to equity holders of the Group (RMB'000)	551,966	32,045	578,026	49,419
Weighted average number of ordinary shares outstanding ('000)	792,797	791,390	792,797	791,390
Earnings per share – <i>diluted</i> (RMB cents)	69.62	4.05	72.91	6.24

Diluted earnings per share for the above periods have been calculated by 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 all share options granted have been exercised as at 30 June 2021. The warrants issued along with the CB2s have expired on 31 December 2020.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
- (a) **current financial period reported on; and**
- (b) **immediately preceding financial year.**

	Group			
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	<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)	240.51	251.42	321.81	321.18

	Company			
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	<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)	(155.12)	(42.64)	(73.82)	27.12

The net asset value per share for 30 June 2021 and 31 December 2020 have been computed based on shareholders' equity as at these dates and the existing share capital of 795,686,142 and 789,306,142 ordinary shares as at 30 June 2021 and 31 December 2020 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**

The Group's performance for the second quarter ended 30 June 2021 ("2Q2021") as compared to that of the second quarter ended 30 June 2020 ("2Q2020")

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

On 16 April 2021, the Group had completed the disposal of the entire M&S business to the Purchaser. As there are no major transactions between 16 April 2021 and 30 April 2021, the accounting cut-off date for the Disposal is taken as 30 April 2021. The assets and liabilities associated with M&S business have been removed from the Company's Consolidated Balance Sheet as of the cut-off date of the divestment. The results of operations for M&S business are included in the Consolidated Statement of Profit or Loss up to the cut-off date of the divestment.

Revenue

The Group's revenue from continuing operations related to revenue generated from GI business. The revenue of GI business increased by approximately RMB 236.6 million or 93.8% from RMB 252.3 million in 2Q2020 to RMB 489.0 million in 2Q2021, which were mainly contributed by:

- (i) The ramping-up of new plants such as Shantou Project;
- (ii) The connections to some new customers; and
- (iii) The expansion of existing customers' already-resilient businesses.

Gross Profit

Gross profit from continuing operations increased by approximately RMB 45.0 million or 52.0% from RMB 86.5 million in 2Q2020 to RMB 131.5 million in 2Q2021, which was in line with the increase in revenue from GI segment.

Profit before Income Tax from Continuing Operations

Profit before tax from continuing operations increased by RMB 714.7 million or 1,429.8% from a loss before tax of RMB 50.0 million in 2Q2020 to a profit before tax of RMB 664.7 million in 2Q2021. The increase was mainly attributable to the following factor:

- (a) Gain on disposal of discontinued operations of RMB 934.0 million arising from the disposal of M&S segment.

The above-mentioned factor was offset by:

- (a) Increase in finance costs of RMB 231.5 million mainly arising from the following factors:

- (i) Excess cash dividend paid to Convertible Bond holders of RMB 231.0 million;
 - (ii) Increase in bank borrowings and interest expensed to finance cost instead of capitalised to the cost of assets for the completed Shantou Phase 1 and Xintai Phase 1 projects of RMB 14.8 million; and
 - (iii) Offset by the decrease in amortised interest expense of Convertible Bonds of RMB 14.7 million, due mainly to the one-year extension of maturity date of Convertible Bonds, with effect from 31 December 2020; and
- (b) Increase in fair value loss on Convertible Bonds of RMB 49.5 million from RMB 61.9 million in 2Q2020 to RMB 111.4 million in 2Q2021, due mainly to the one-year extension of maturity date of Convertible Bonds, with effect from 31 December 2020.

Income Tax Expense for Continuing Operations

The income tax expense for continuing operations increased by RMB 204.9 million or 1,080.9% from RMB 19.0 million in 2Q2020 to RMB 223.9 million in 2Q2021, which was primarily contributed by PRC withholding tax of RMB 208.9 million relating to the disposal of discontinued operations.

Profit for the Financial Period - Continuing Operations

As a result of the above, the net profit from continuing operations increased by RMB 509.8 million or 739.4% from a net loss of RMB 68.9 million in 2Q2020 to a net profit of RMB 440.8 million in 2Q2021. Excluding the (1) gain on disposal of discontinued operations of RMB 934.0 million, (2) excess cash dividend paid to bondholders of RMB 231.4 million, (3) withholding tax expenses of RMB 208.9 million relating to the disposal of discontinued operations, and (4) financial effects of the Convertible Bonds of RMB 121.7 million, the net profit from continuing operations for 2Q2021 was RMB 68.9 million.

Profit for the Financial Period – Discontinued Operations

The results of discontinued operations for the second quarter and six months ended 30 June 2021 consist of results up to 30 April 2021 only. Net loss from discontinued operations decreased by RMB 98.9 million or 108.7% from net profit of RMB 91.0 million in 2Q2020 to net loss of RMB 7.9 million in 2Q2021, which, other than the difference in the span of financial period, was mainly attributable to the following factor:

- (a) Revenue from discontinued operations related to revenue generated from M&S business. The revenue of M&S business decreased by approximately RMB 766.0 million or 92.1% from RMB 831.9 million in 2Q2020 to RMB 65.8 million in 2Q2021, which was mainly attributable to the decrease in delivery of orders from customers in April 2021 as the orders are still in production.

Total Profit for the Financial Period

As a result of the above, the Group's net profit attributable to the equity holders increased by RMB 399.7 million or 1,868.3% from RMB 21.4 million in 2Q2020 to RMB 421.1 million in 2Q2021.

- (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 decreased by approximately RMB 939.4 million or 28.0% from RMB 3,354.4 million as at 31 December 2020 to RMB 2,415.0 million as at 30 June 2021. The decrease was mainly due to:

- (a) Decrease in pledged bank deposits of RMB 141.5 million, due primarily to the disposal of pledged deposits of RMB 141.5 million held under M&S segment as a result of the Disposal;
- (b) Decrease in trade receivables and contract assets of RMB 1,109.6 million arising mainly from the disposal of trade receivables and contract assets of RMB 1,192.8 million held by M&S segment.

Approximately 90.90% and 27.20% of the trade receivables at 31 December 2020 and 30 June 2021 respectively were collected as at 31 July 2021. Most of the trade receivables are due from customers that are state-owned enterprises, the Group's customers are credit worthy. Loss allowances for trade receivables and contract assets are based on the expected credit loss model estimated by reference to past default experience of debtors, including historical and forward-looking information.

Collection efforts have been consistently maintained by the management through constant reminder to customers on their obligation including seeking legal action if necessary;

- (c) Decrease in inventories of RMB 476.1 million due mainly to the disposal of work-in-progress and raw materials and consumables held under M&S segment amounting to RMB 463.5 million; and
- (d) Decrease in financial assets at fair value through other comprehensive income of RMB 286.3 million resulting mainly from the disposal of notes receivables of RMB 232.5 million held by M&S segment as a result of the Disposal.

The above decrease was outweighed by the following:

- (a) Increase in cash and cash equivalents of RMB 330.1 million, mainly due to the proceeds from bank loans, offset by the disposal of cash and cash equivalents of RMB 354.4 million held by M&S companies due to the Disposal;

- (b) Increase in other receivables, deposits and prepayments of RMB 625.9 million mainly due to the second tranche of consideration receivable of RMB 687.0 million arising from the disposal of M&S business, offset by the disposal of other receivables of M&S companies of RMB 91.5 million; and
- (c) Assets held for sale of RMB 118.1 million pertain to an old plant of Xintai project to be disposed, pursuant to the mandatory relocation plan by the local government.

The Group's total non-current assets decreased by RMB 108.4 million or 2.2% from RMB 4,930.7 million as at 31 December 2020 to RMB 4,822.3 million as at 30 June 2021. The decrease was mainly due to:

- (a) Decrease in property, plant and equipment of RMB 397.8 million due mainly to the disposal of property, plant and equipment of M&S segment, and the depreciation expenses incurred;
- (b) Decrease in right-of-use assets of RMB 114.6 million primarily resulting from the disposal of right-of-use assets held by M&S segment, and the depreciation expenses incurred;
- (c) Decrease in other receivables, deposits and prepayments of RMB 43.0 million due primarily to the disposal of other receivables, deposits and prepayments of RMB 41.8 million, offset by the increase in long-term prepaid expenses for GI projects; and
- (d) Decrease in deferred tax assets of RMB 19.9 million mainly arising from the disposal of deferred tax assets of M&S segment, as a result of the Disposal.

The above-mentioned factors were offset by:

- (a) Increase in intangible assets of RMB 475.2 million due to service concession arrangements relating to Shantou, Xintai and Tongshan projects on hand as at 30 June 2021.

The Group's total current liabilities decreased by RMB 1,491.3 million or 50.2% from RMB 2,968.9 million as at 31 December 2020 to RMB 1,477.6 million as at 30 June 2021, mainly due to the following:

- (a) Decrease in trade payables and contract liabilities of RMB 1,480.4 million primarily as a result of the disposal of trade payables and customer advances held under M&S segment of RMB 1,559.9 million; and
- (b) Decrease in short-term borrowings of RMB 159.1 million due to the disposal of borrowings held under M&S companies, as a result of the Disposal.

The above-mentioned factors were offset by:

- (a) Increase in other payables of RMB 175.9 million primarily due to the payables for BOT construction relating to Tongshan, Shantou and Xintai projects, offset by the disposal of other payables of RMB 165.8 million held by M&S segment.

The Group's total non-current liabilities increased by approximately RMB 514.2 million or 15.4% from RMB 3,331.7 million as at 31 December 2020 to RMB 3,846.0 million as at 30 June 2021. The increase was due to:

- (a) Increase in long-term borrowings of RMB 436.1 million due primarily to the financing of the Xintai, Shantou and Tongshan projects, offset by the disposal of long-term borrowings of RMB 133.5 million held under M&S companies; and
- (b) Increase in fair value of Convertible Bonds of RMB 85.7 million in 2Q2021. *Please refer to Section 8 Financial Effects of Convertible Bonds and Warrants.*

Review of the Group's cash flow statement for the second quarter ended 30 June 2021

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

Net cash from operating activities amounted to approximately RMB 41.9 million in 2Q2021, primarily due to the following factors:

- (a) Increased working capital requirements due to the increase in trade receivables of RMB 328.4 million, increase in financial assets at fair value through other comprehensive income of RMB 147.5 million, decrease in other receivables and prepayments of RMB 155.0 million, increase in inventories of RMB 263.1 million, decrease in trade payables of RMB 242.2 million and increase in other payables of RMB 812.8 million; and
- (b) Interest and tax paid of RMB 94.7 million in aggregate.

Net cash from investing activities amounted to RMB 672.2 million mainly due to the proceeds from disposal of discontinued operations of RMB 755.9 million, prepayment for BOT projects of RMB 52.6 million, offset by purchase of intangible assets of RMB 137.2 million.

Net cash used in financing activities amounted to RMB 797.8 million due to repayment of bank loans of RMB 170.1 million, interest paid of RMB 7.6 million, payment of excess cash dividend to bondholders of RMB 231.4 million, payment of dividend of RMB 552.1 million, offset by proceeds from bank loans of RMB 157.8 million.

Use of Proceeds from Convertible Bonds

On 3 March 2017, the Company completed the issuance of first tranche 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 a 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. 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 net proceeds from the issuance of CB2s is expected to be approximately US\$ 67.6 million after the CB2s are fully issued to the Investors, after deducting transaction expenses of approximately US\$ 2.4 million.

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. To-date, the Company’s completed issuance of Convertible Bonds (both Tranche 1 and Tranche 2) is an aggregate principal amount of US\$ 130 million, and the net proceeds raised from the issuance of Convertible Bonds is US\$ 123.8 million.

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 stipulated that the maturity date of the CBs is extended by one (1) year to 3 March 2023¹.

The net proceeds have been and will be utilised for the expansion and further investment into Green Investments business, including by way of BOT/BOO/TOT models of centralised steam and electricity projects and other environmental protection related projects. As at 31 July 2021, the Company has utilised an aggregate of US\$ 123.8 million of the net proceeds from Convertible Bonds 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)

¹ For the full details, please refer to the circular to shareholders that was released on 31 March 2021.

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

*Note:

(1) 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.

(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.

Use of Proceeds from Disposal of M&S Business

The Company announced the proposed disposal of the M&S business on 31 December 2020. On 16 April 2021, the proposed disposal was approved by shareholders of the Company at a Special General Meeting.

On 21 May 2021 and 2 July 2021, the Company announced that it has received the Tranche 1 and Tranche 2 Consideration of RMB 1,603.0 million and RMB 687.0 million respectively, for an aggregate amount of RMB 2,290.0 million. After accounting for the expenses incurred by the Company in connection with the disposal, including capital gains tax and stamp duties, of RMB 208.9 million and project adviser fees of RMB 59.0 million, the net proceeds from the proposed disposal of the M&S was RMB 2,022.1 million.

Unless otherwise defined, all capitalised terms and references used herein shall bear the same meaning ascribed to them in the circular to shareholders dated 3 May 2021.

As of 31 July 2021	Use of Proceeds (RMB'000)
Proposed Special Dividend	(925,144) ⁽¹⁾
Bondholder's Special Dividend	(403,641) ⁽¹⁾⁽²⁾
Changrun Project - used for the acquisition of a 25-year exclusive right to supply steam to Sanli	(40,000)
Construction of Shanxi Xinjiang Project	(38,570)
Construction of Tongshan Project	(20,176)
Subtotal of net disposal proceeds used	(1,427,531)
Use of Proceeds balance	594,596

Note:

- (1) On 18 June 2021 and 21 July 2021, a Special Dividend of RMB 925.1 million and RMB 403.6 million was paid to the shareholders and bondholders of the Company respectively.
- (2) Based on the actual exchange rate utilised by the Company to exchange RMB into USD.

Use of Proceeds from Placement of Treasury Shares

On 19 May 2021, the Shareholders in a Special General Meeting approved the proposed placement of 2,542,000 treasury shares (the "Placement Shares") to the Placees at a price of S\$0.368 for each Placement Share, on and subject to the terms of the Placement Letters (the "Proposed Placement"), as stated in the circular to shareholders dated 3 May 2021 (the "Circular").

On 1 June 2021, the Company allotted and issued a total of 2,542,000 treasury shares, being the aggregate number of Placement Shares, to the Placees in the proportion set out in Paragraph 2.4 of the Circular.

The gross proceeds arising from the Proposed Placement are S\$935,456.00, while the amount of actual net proceeds from the Proposed Placement are S\$877,944.73 (the “Net Proceeds”), after deducting expenses of S\$57,511.27 comprising (a) legal and regulatory fees and (b) miscellaneous expenses.

Unless otherwise defined, all capitalised terms and references used herein shall bear the same meaning ascribed to them in the Circular.

The Company intends to use all of the net proceeds for its general working capital purposes, such as the procurement of raw materials required for operation of GI plants. As at 30 July 2021, the Net Proceeds have not been used.

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 fees 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, total net profit attributable to equity holders of the Company increased by RMB 420.3 million or 343.2% from RMB 122.5 million in 2Q2020 to RMB 542.8 million in 2Q2021, while the net profit from continuing operations attributable to equity holders of the Company increased by RMB 519.9 million or 1,622.5% from RMB 32.0 million in 2Q2020 to RMB 552.0 million in 2Q2021.

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.

The excellent 1H 2021 performance proved the recurring, high-quality nature of Sunpower's GI development strategy that is creating sustainable value growth for the Group in the long-term.

In 1H 2021, GI revenue grew 77.3% YoY to RMB906.6 million. GI EBITDA² and GI PATMI³ grew 50.0% YoY and 37.0% YoY respectively to RMB281.3 million and RMB91.8 million due to Sunpower's sophisticated management and strong operational capabilities. GI operating cashflow⁴ increased to RMB156.0 million, demonstrating clearly the cash generation capability of GI.

Total steam sales volume grew 73.2% to 3.9 million tons, boosted by (a) robust ramping-up of new plants such as Shantou Phase 1; (b) connections to new customers; and (c) organic expansion of existing customers' already-resilient businesses.

Following the disposal, the M&S business was deconsolidated on 30 April 2021. A substantial gain on disposal of RMB934.0 million was recorded, boosting group PATMI to RMB602.5 million in 1H 2021, up 247.2% YoY. Group underlying operating cash flow rose 64.7% YoY to RMB265.5 million.

With a stronger balance sheet following the disposal of the M&S business, Sunpower is well positioned to take the GI business to even greater heights. GI is expected to continue to generate 100%-recurring, long-term, high-quality income and cashflows for the Group.

China's GDP grew 7.9% YoY in 2Q 2021 and 12.7% YoY in 1H 2021 to RMB53.2 trillion. Overall, the economy of China improved in a stable way⁵, and the recovery of the global economy has also led to greater external demand⁶. However, due to the global economic recovery and the impact of easing monetary policy, commodity prices have been continuously increasing this year⁷ which pushes up the cost of raw materials and adds pressure to the production and operation of some downstream enterprises⁸. The Chinese government has rolled out a series of measures to secure supply and stabilise the prices of commodities⁹.

The recently-issued "14th Five-Year Plan for Circular Economy Development" by the National Development and Reform Commission (NDRC) promotes the circular economy and centralized steam facilities as part of China's efforts to achieve its carbon peak and carbon neutral goals.

² GI EBITDA refers to Earnings before Interest, Tax, Depreciation and Amortisation of the GI Business. It excludes the expenses incurred by the Company that are not related to the running of the GI Business, such as listing-related expenses and remuneration of the employees at the group level, etc., which reflects the true operating results of the GI business.

³ GI PATMI refers to Profit After Tax and Minority Interests of the GI Business, which reflects the profit of GI business attributable to the Group. It excludes the expenses incurred by the Company that are not related to the running of the GI Business, such as listing-related expenses and remuneration of the employees at the group level, etc.

⁴ GI Operating Cashflow refers to cashflow generated by operating activities of the GI Business.

⁵ http://wap.stats.gov.cn/tb/202107/t20210715_1819461.html

⁶ http://www.stats.gov.cn/english/PressRelease/202107/t20210715_1819447.html

⁷ <https://m.gmw.cn/baijia/2021-05/07/1302276639.html>

⁸ <http://enapp.globaltimes.cn/article/1223660>

⁹ <https://baijiahao.baidu.com/s?id=1707784145390518922&wfr=spider&for=pc>

Sunpower is well positioned to benefit as it is already a pioneer in circular economy and centralized steam facilities through its GI plants.

Barring unforeseen circumstances, the Group expects the business trends summarized below to benefit its 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:

- Shantou Project, where Phase 1 is in commercial operation and will continue 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 and enhancement of existing GI plants, namely:

- 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 has recently started to supply Sanli under its 25-year exclusive supply contract in May 2021 following the completion of the connecting pipeline.

11. If a decision regarding dividend has been made:

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

None.

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

None.

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended by the Board of Directors of the Company for the quarter ended 30 June 2021. It is not the Company's practise to declare dividends during the second quarter of the financial year.

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

The Group has obtained a general mandate from shareholders for IPTs. The IPT mandate shall continue in force until the conclusion of the next annual general meeting in the calendar year 2022. The IPTs for the six months ended 30 June 2021 are outlined as follows:

Name of Entity At Risk Related Party	Name of Interested Person	Nature of Relationship	Nature of Transaction	1H2021	
				Aggregate value of all interested person transactions for the six months ended 30 June 2021 (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) RMB'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual for the six months ended 30 June 2021 (excluding transactions less than \$100,000) RMB'000
Hebei Changrun Environmental Ltd.	Jiangsu Sunpower Pipe-Line Engineering Technology Co., Ltd. <u>AND</u> Shandong Yangguang Engineering Design Institute Co., Ltd.	Associate of controlling shareholders	Design fee paid for pipeline construction project	N.A.	20,272
Shantou Sunpower Keying Thermal Power Co., Ltd.	Shandong Yangguang Engineering Design Institute Co., Ltd.	Associate of controlling shareholders	Construction fee paid for Engineering, Procurement and Construction ("EPC") contract	N.A.	(3,813)*
Xuzhou Sunpower Clean Energy Co., Ltd.	Shandong Yangguang Engineering Design Institute Co., Ltd.	Associate of controlling shareholders	Construction fee paid for EPC contract	N.A.	42,074

*Negative transaction amount pertains to reversal of over-accrued construction costs to Shandong Yangguang Engineering Design Institute Co., Ltd.

14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

We do hereby confirm on behalf of the Board of Directors of the Company (“the Board”) that, to the best of our knowledge nothing has come to the attention of the Board which may render the unaudited interim financial statements for the second quarter and six months ended 30 June 2021 to be false or misleading in any material aspect.

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

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

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

Ma Ming
Executive Director

Yang Zheng
Lead Independent Director

BY ORDER OF THE BOARD

Ma Ming
Executive Director

11 August 2021