

Condensed Interim Financial Statements for the Six Months and Full Year Ended 31 December 2021

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

(RMB'000)	Note	Actual (WITH financial effects of Convertible Bonds and Warrants)						Actual (WITHOUT financial effects of Convertible Bonds and Warrants)					
		Six months ended			Full year ended			Six months ended			Full year ended		
		31 December 2021 ^A	31 December 2020	% change	31 December 2021 ^A	31 December 2020	% change	31 December 2021 ^A	31 December 2020	% change	31 December 2021 ^A	31 December 2020	% change
(Unaudited)	(Restated)*		(Unaudited)	(Restated)*		(Unaudited)	(Restated)*		(Unaudited)	(Restated)*			
Continuing operations													
Revenue	5	1,955,714	823,702	137.4	2,862,297	1,335,133	114.4	1,955,714	823,702	135.6	2,862,297	1,335,133	114.4
Cost of sales		(1,861,566)	(580,890)	220.5	(2,557,549)	(948,919)	169.5	(1,861,566)	(580,890)	217.8	(2,557,549)	(948,919)	167.9
Gross profit		94,148	242,812	(61.2)	304,748	386,214	(21.1)	94,148	242,812	(61.2)	304,748	386,214	(21.1)
Other operating income	6	117,752	8,881	1,225.9	125,453	13,840	806.5	117,752	8,881	1,225.9	125,453	13,840	806.5
Administrative expenses		(100,669)	(56,717)	77.5	(131,255)	(96,521)	36.0	(100,669)	(51,379)	95.9	(131,255)	(85,809)	53.0
Foreign exchange gain/(loss)		10,209	58,894	(82.7)	17,550	45,470	(61.4)	98	(160)	(161.3)	(153)	(730)	(79.0)
Other operating expenses		(40,522)	(2,290)	1,669.5	(42,660)	(4,505)	846.9	(40,522)	(2,290)	1,669.5	(42,660)	(4,505)	846.9
Finance costs		(284,921)	(111,995)	154.4	(638,612)	(212,625)	200.3	(235,360)	(42,569)	452.9	(530,216)	(76,056)	597.1
Gain on disposal of discontinued operations		358	-	n.m.	934,334	-	n.m.	358	-	n.m.	934,334	-	n.m.
Share of profit of associate		733	901	(18.6)	1,939	1,570	23.5	733	901	(18.6)	1,939	1,570	23.5
Fair value changes on convertible bonds		531,247	(484,457)	(209.7)	486,212	(337,411)	(244.1)	-	-	n.m.	-	-	n.m.
Fair value changes on warrants		-	1,757	(100.0)	-	5,917	(100.0)	-	-	n.m.	-	-	n.m.
Profit/(Loss) before income tax from continuing operations	7	328,335	(342,214)	(195.9)	1,057,709	(198,051)	(634.1)	(163,462)	156,196	(204.7)	662,190	234,524	182.4
Income tax expense	8	(5,926)	(52,049)	(88.6)	(241,914)	(75,309)	221.2	(5,926)	(52,049)	(88.6)	(241,914)	(75,309)	221.2
Profit/(Loss) for the period from continuing operations, net of tax		322,409	(394,263)	(181.8)	815,795	(273,360)	(398.4)	(169,388)	104,147	(262.6)	420,276	159,215	164.0
Discontinued operations													
Profit for the period from discontinued operations, net of tax	9	1,928	123,170	(98.4)	27,559	245,197	(88.8)	1,928	123,170	(98.4)	27,559	245,197	(88.8)
Profit/(Loss) for the period		324,337	(271,093)	(219.6)	843,354	(28,163)	(3,094.5)	(167,460)	227,317	(173.7)	447,835	404,412	10.7

* The comparative financial statements for the six months and full year ended 31 December 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)					
	Six months ended			Full year ended			Six months ended			Full year ended		
	31 December 2021 [^] (Unaudited)	31 December 2020 (Restated)*	% change	31 December 2021 [^] (Unaudited)	31 December 2020 (Restated)*	% change	31 December 2021 [^] (Unaudited)	31 December 2020 (Restated)*	% change	31 December 2021 [^] (Unaudited)	31 December 2020 (Restated)*	% change
Other comprehensive income												
<i>Items that may be reclassified subsequently to profit or loss</i>												
Exchange difference on translation of foreign operation	10	(204)	(104.9)	(41)	(168)	(75.6)	10	(204)	(104.9)	(41)	(168)	(75.6)
Net fair value (loss)/gain on investments in equity instruments classified as at FVTOCI	(165)	97	(270.1)	(165)	97	(270.1)	(165)	97	(270.1)	(165)	97	(270.1)
Net fair value gain/(loss) on investments in debt instruments classified as at FVTOCI	1,842	(2,830)	(165.1)	(573)	(2,192)	(73.9)	1,842	(2,830)	(165.1)	(573)	(2,192)	(73.9)
Impairment on financial assets at FVTOCI	-	8,062	(100.0)	-	8,062	(100.0)	-	8,062	(100.0)	-	8,062	(100.0)
Total comprehensive income/(loss) for the period	326,024	(265,968)	(222.6)	842,575	(22,364)	(3,867.6)	(165,773)	232,442	(171.3)	447,056	410,211	9.0
<u>Profit/(Loss) for the period attributable to:</u>												
Equity holders of the Company	325,082	(294,926)	(210.2)	831,341	(55,549)	(1,596.6)	(166,715)	203,484	(181.9)	435,822	377,026	15.6
Non-controlling interests	(745)	23,833	(103.1)	12,013	27,386	(56.1)	(745)	23,833	(103.1)	12,013	27,386	(56.1)
Profit/(Loss) for the period	324,337	(271,093)	(219.6)	843,354	(28,163)	(3,094.5)	(167,460)	227,317	(173.7)	447,835	404,412	10.7
<u>Total comprehensive income/(loss) for the period attributable to:</u>												
Equity holders of the Company	326,776	(292,023)	(211.9)	830,527	(52,142)	(1,692.8)	(165,021)	206,387	(180.0)	435,008	380,433	14.3
Non-controlling interests	(752)	26,055	(102.9)	12,048	29,778	(59.5)	(752)	26,055	(102.9)	12,048	29,778	(59.5)
Total comprehensive income/(loss) for the period	326,024	(265,968)	(222.6)	842,575	(22,364)	(3,867.6)	(165,773)	232,442	(171.3)	447,056	410,211	9.0

n.m. denotes not meaningful

* The comparative financial statements for the six months and full year ended 31 December 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 Condensed 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.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		Actual (WITH financial effects of Convertible Bonds and Warrants)			
		Group		Company	
(RMB'000)	Note	As at 31 December 2021 (Unaudited)	As at 31 December 2020 (Audited)	As at 31 December 2021 (Unaudited)	As at 31 December 2020 (Audited)
ASSETS					
Current assets:					
Cash and cash equivalents		401,399	534,491	39,795	12,337
Pledged bank deposits		57,790	208,767	-	-
Trade receivables and contract assets	12	422,864	1,452,343	-	-
Other receivables, deposits and prepayments		359,804	307,428	1,652,106	83,740
Inventories	13	122,706	541,003	-	-
Financial assets at fair value through other comprehensive income	14	3,010	310,387	-	-
Total current assets		1,367,573	3,354,419	1,691,901	96,077
Non-current assets:					
Property, plant and equipment		689,163	999,488	-	-
Right-of-use assets		246,713	355,800	-	-
Other receivables, deposits and prepayments		16,956	89,488	83,660	83,660
Financial assets at fair value through other comprehensive income	14	2,683	12,420	-	-
Subsidiaries		-	-	914,379	914,379
Associate		20,761	12,023	-	-
Intangible assets		3,820,994	3,007,078	-	-
Deferred tax assets		24,301	38,819	-	-
Goodwill	15	415,582	415,582	-	-
Total non-current assets		5,237,153	4,930,698	998,039	998,039
Total assets		6,604,726	8,285,117	2,689,940	1,094,116
LIABILITIES AND EQUITY					
Current liabilities:					
Trade payables and contract liabilities		358,475	1,752,494	-	-
Other payables		490,896	396,874	1,738,803	104,384
Lease liabilities		1,652	4,362	-	-
Borrowings	16	594,006	766,378	-	-
Income tax payable		31,445	48,803	-	-
Total current liabilities		1,476,474	2,968,911	1,738,803	104,384
Non-current liabilities:					
Deferred tax liabilities		219,498	218,692	-	-
Borrowings	16	2,142,726	1,783,137	-	-
Convertible bonds	14, 17	909,727	1,326,284	909,727	1,326,284
Lease liabilities		5,506	3,622	-	-
Total non-current liabilities		3,277,457	3,331,735	909,727	1,326,284
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		187,724	295,978	-	-
Share option reserve		319	1,346	319	1,346
Foreign currency translation reserve		(190)	(149)	-	-
Revaluation reserve		(1,209)	363	-	-
Retained earnings (Accumulated losses)		1,044,506	1,011,993	(314,383)	(699,520)
Equity attributable to equity holders of the Company		1,586,624	1,671,153	41,410	(336,552)
Non-controlling interests		264,171	313,318	-	-
Total equity		1,850,795	1,984,471	41,410	(336,552)
Total liabilities and equity		6,604,726	8,285,117	2,689,940	1,094,116

Actual (WITHOUT financial effects of Convertible Bonds and Warrants)					
(RMB'000)	Note	Group		Company	
		As at	As at	As at	As at
		31 December 2021 (Unaudited)	31 December 2020 (Audited)	31 December 2021 (Unaudited)	31 December 2020 (Audited)
ASSETS					
Current assets:					
		401,399	534,491	39,795	12,337
		57,790	208,767	-	-
	12	422,864	1,452,343	-	-
		359,804	307,428	1,652,106	83,740
	13	122,706	541,003	-	-
	14	3,010	310,387	-	-
		1,367,573	3,354,419	1,691,901	96,077
Non-current assets:					
		689,163	999,488	-	-
		246,713	355,800	-	-
		16,956	89,488	83,660	83,660
	14	2,683	12,420	-	-
		-	-	914,379	914,379
		20,761	12,023	-	-
		3,820,994	3,007,078	-	-
		24,301	38,819	-	-
	15	415,582	415,582	-	-
		5,237,153	4,930,698	998,039	998,039
		6,604,726	8,285,117	2,689,940	1,094,116
LIABILITIES AND EQUITY					
Current liabilities:					
		358,475	1,752,494	-	-
		472,324	378,296	1,720,231	85,806
		1,652	4,362	-	-
	16	594,006	766,378	-	-
		31,445	48,803	-	-
		1,457,902	2,950,333	1,720,231	85,806
Non-current liabilities:					
		219,498	218,692	-	-
	16	2,142,726	1,783,137	-	-
	14, 17	773,221	794,265	773,221	794,265
		5,506	3,622	-	-
		3,140,951	2,799,716	773,221	794,265
Capital and reserves:					
		57,662	57,251	57,662	57,251
		-	(4,690)	-	(4,690)
		297,812	309,061	297,812	309,061
		187,724	295,978	-	-
		319	1,346	319	1,346
		(190)	(149)	-	-
		(1,209)	363	-	-
		1,199,584	1,562,590	(159,305)	(148,923)
		1,741,044	2,221,750	196,488	214,045
		264,171	313,318	-	-
		2,005,873	2,535,068	196,488	214,045
		6,604,726	8,285,117	2,689,940	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.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

(RMB'000)	Note	Actual (WITH financial effects of Convertible Bonds and Warrants)	
		Full year ended	
		31 December 2021	31 December 2020
Operating activities			
Profit/(Loss) before income tax		1,091,004	83,358
Adjustments for:			
Depreciation of property, plant and equipment		61,080	93,803
Amortisation of land use rights		-	7,857
Amortisation of intangible assets		110,261	67,792
Finance costs		646,735	245,180
Depreciation of right-of-use assets		7,580	4,187
Exchange differences arising on foreign currency translation		(544)	854
Gain on disposal of discontinued operations		(934,334)	-
Expenses on disposal of subsidiary		52,070	-
Share of profit of associate		(1,939)	(1,570)
Impairment loss/(Reversal of) impairment loss on inventories, net		1,759	(2,628)
Impairment loss on investment in unquoted equity		-	9,485
Gain on disposal of property, plant and equipment		(72,053)	(406)
Interest income		(4,982)	(6,168)
Impairment loss on trade and other receivables subject to ECL, net		15,143	34,933
Amortisation of commitment fee		-	10,712
Exchange loss on warrants		-	460
Fair value gain on warrants		-	(5,917)
Exchange gain on convertible bonds		(17,703)	(46,662)
Fair value (gain)/loss on convertible bonds		(486,212)	337,411
Operating cash flows before movements in working capital		467,865	832,681
Trade receivables and contract assets		(574,383)	(135,033)
Financial assets at fair value through other comprehensive income		(247,484)	(121,316)
Other receivables, deposits and prepayments		(66,470)	73,272
Inventories		(428,984)	6,640
Trade payables and contract liabilities		573,183	12,411
Other payables		709,878	40,590
Cash generated from operations		433,605	709,245
Income tax paid		(83,033)	(128,537)
Interest received		4,981	6,168
Interest paid		(133,209)	(74,230)
Net cash from operating activities		222,344	512,646
Investing activities			
Purchase of property, plant and equipment		(134,563)	(80,507)
Prepayment for build-operate-transfer ("BOT") projects		-	(43,849)
Acquisition of right-of-use assets		-	(52,492)
Acquisition of intangible assets		(831,449)	(434,012)
Proceeds from disposal of property, plant and equipment and intangible assets		83,357	1,480
Acquisition of non-controlling interest		(1,504)	-
Payment of deferred consideration relating to acquisition of subsidiaries		(6,637)	(171,690)
Investment in associate		(6,800)	-
Proceeds from disposal of discontinued operations, net of cash disposed	18	1,403,070	-
Net cash from/(used in) investing activities		505,474	(781,070)

(RMB'000)	Note	Actual (WITH financial effects of Convertible Bonds and Warrants)	
		Full year ended	
		31 December 2021	31 December 2020
Financing activities			
Proceeds from new borrowings		2,265,473	1,598,496
Contribution from non-controlling interest holders		-	21,470
Repayment of borrowings		(1,731,256)	(1,334,679)
Pledged bank deposits		(8,248)	(101,720)
Proceeds from exercise of share options		2,962	-
Proceeds from placement of treasury shares		4,520	-
Payment of dividends to non-controlling interest of a subsidiary		(3,026)	(4,500)
Payment of dividends	11	(936,609)	(10,001)
Repayment of lease liabilities		(1,372)	(3,257)
Payment of excess cash dividends to bondholders*		(403,316)	-
Interest paid		(49,997)	(53,207)
Net cash (used in)/from financing activities		(860,869)	112,602
Net decrease in cash and cash equivalents		(133,051)	(155,822)
Cash and cash equivalents at beginning of period		534,491	690,481
Effects of foreign exchange rate changes		(41)	(168)
Cash and cash equivalents at end of period		401,399	534,491

(RMB'000)	Note	Actual (WITHOUT financial effects of Convertible	
		Full year ended	
		31 December 2021	31 December 2020
Operating activities			
Profit before income tax		695,484	515,935
Adjustments for:			
Depreciation of property, plant and equipment		61,080	93,803
Amortisation of land use rights		-	7,857
Amortisation of intangible assets		110,261	67,792
Finance costs		538,340	108,611
Depreciation of right-of-use assets		7,580	4,187
Exchange differences arising on foreign currency translation		(544)	854
Gain on disposal of discontinued operations		(934,334)	-
Expenses on disposal of subsidiary		52,070	-
Share of profit of associate		(1,939)	(1,570)
Impairment loss/(Reversal of) impairment loss on inventories, net		1,759	(2,628)
Impairment loss on investment in unquoted equity		-	9,485
Interest income		(4,982)	(6,168)
Gain on disposal of property, plant and equipment		(72,053)	(406)
Impairment loss on trade and other receivables subject to ECL, net		15,143	34,933
Operating cash flows before movements in working capital		467,865	832,685
Trade receivables and contract assets		(574,383)	(135,033)
Financial assets at fair value through other comprehensive income		(247,484)	(121,316)
Other receivables, deposits and prepayments		(66,470)	73,272
Inventories		(428,984)	6,640
Trade payables and contract liabilities		573,183	12,411
Other payables		709,878	40,590
Cash generated from operations		433,605	709,249
Income tax paid		(83,033)	(128,537)
Interest received		4,981	6,168
Interest paid		(133,209)	(74,230)
Net cash from operating activities		222,344	512,650
Investing activities			
Purchase of property, plant and equipment		(134,563)	(80,507)
Prepayment for build-operate-transfer ("BOT") projects		-	(43,849)
Acquisition of right-of-use assets		-	(52,492)
Acquisition of intangible assets		(831,449)	(434,012)
Proceeds from disposal of property, plant and equipment and intangible assets		83,357	1,480
Acquisition of non-controlling interest		(1,504)	-
Payment of deferred consideration relating to acquisition of subsidiaries		(6,637)	(171,690)
Investment in associate		(6,800)	-
Proceeds from disposal of discontinued operations, net of cash disposed	18	1,403,070	-
Net cash from/(used in) investing activities		505,474	(781,070)

(RMB'000)	Note	Actual (WITHOUT financial effects of Convertible Bonds and Warrants)	
		Full year ended	
		31 December 2021	31 December 2020
Financing activities			
Proceeds from new borrowings		2,265,473	1,598,496
Contribution from non-controlling interest holders		-	21,470
Repayment of borrowings		(1,731,256)	(1,334,679)
Repayment of lease liabilities		(1,372)	(3,257)
Pledged bank deposits		(8,248)	(101,720)
Payment of excess cash dividends to bondholders*		(403,316)	-
Proceeds from placement of treasury shares		4,520	-
Proceeds from exercise of share options		2,962	-
Payment of dividends to non-controlling interest of a subsidiary		(3,026)	(4,500)
Payment of dividends	11	(936,609)	(10,001)
Interest paid		(49,997)	(53,207)
Net cash (used in)/from financing activities		(860,869)	112,602
Net decrease in cash and cash equivalents		(133,051)	(155,818)
Cash and cash equivalents at beginning of period		534,491	690,481
Effects of foreign exchange rate changes		(41)	(168)
Cash and cash equivalents at end of period		401,399	534,495

* The excess cash dividends 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.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FULL YEAR ENDED 31 DECEMBER 2021

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	Revaluation reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at January 1, 2020	57,251	(4,690)	309,061	183,165	1,346	19	(3,212)	1,190,358	1,733,298	266,570	1,999,868
<u>Total comprehensive loss for the year</u>											
Loss for the year	-	-	-	-	-	-	-	(55,551)	(55,551)	27,386	(28,165)
Other comprehensive income for the year	-	-	-	-	-	(168)	3,575	-	3,407	2,392	5,799
Total	-	-	-	-	-	(168)	3,575	(55,551)	(52,144)	29,778	(22,366)
<u>Transactions with owners, recognised directly in equity</u>											
Dividends paid (Note 11)	-	-	-	-	-	-	-	(10,001)	(10,001)	-	(10,001)
Dividends paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	(4,500)	(4,500)
Transfer to general reserves	-	-	-	112,813	-	-	-	(112,813)	-	-	-
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	21,470	21,470
Total	-	-	-	112,813	-	-	-	(122,814)	(10,001)	16,970	6,969
Balance as at December 31, 2020	57,251	(4,690)	309,061	295,978	1,346	(149)	363	1,011,993	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	Revaluation 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 the year</u>											
Profit for the year	-	-	-	-	-	-	-	831,342	831,342	12,013	843,355
Other comprehensive loss for the year	-	-	-	-	-	(41)	(737)	-	(778)	35	(743)
Total	-	-	-	-	-	(41)	(737)	831,342	830,564	12,048	842,612
<u>Transactions with owners, recognised directly in equity</u>											
Dividends paid (Note 11)	-	-	-	-	-	-	-	(936,609)	(936,609)	-	(936,609)
Dividends paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	(3,026)	(3,026)
Transfer to general reserves	-	-	-	42,641	-	-	-	(42,641)	-	-	-
Acquisition of non-controlling interests	-	-	12,851	-	-	-	-	-	12,851	(13,483)	(632)
Disposal of discontinued operations	-	-	(28,691)	(150,895)	-	-	(835)	180,421	-	(44,686)	(44,686)
Placement of treasury shares	161	4,690	(329)	-	-	-	-	-	4,522	-	4,522
Employee share option expenses	250	-	4,920	-	(1,027)	-	-	-	4,143	-	4,143
Total	411	4,690	(11,249)	(108,254)	(1,027)	-	(835)	(798,829)	(915,093)	(61,195)	(976,288)
Balance as at December 31, 2021	57,662	-	297,812	187,724	319	(190)	(1,209)	1,044,506	1,586,624	264,171	1,850,795

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	Revaluation reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at January 1, 2020	57,251	(4,690)	309,061	183,165	1,346	19	(3,212)	1,308,380	1,851,320	266,570	2,117,890
<u>Total comprehensive income for the year</u>											
Profit for the year	-	-	-	-	-	-	-	377,024	377,024	27,386	404,410
Other comprehensive income for the year	-	-	-	-	-	(168)	3,575	-	3,407	2,392	5,799
Total	-	-	-	-	-	(168)	3,575	377,024	380,431	29,778	410,209
<u>Transactions with owners, recognised directly in equity</u>											
Dividends paid (Note 11)	-	-	-	-	-	-	-	(10,001)	(10,001)	-	(10,001)
Dividends paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	(4,500)	(4,500)
Transfer to general reserves	-	-	-	112,813	-	-	-	(112,813)	-	-	-
Contribution from non-controlling	-	-	-	-	-	-	-	-	-	21,470	21,470
Total	-	-	-	112,813	-	-	-	(122,814)	(10,001)	16,970	6,969
Balance as at December 31, 2020	57,251	(4,690)	309,061	295,978	1,346	(149)	363	1,562,590	2,221,750	313,318	2,535,068

Actual (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	Revaluation 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 the year</u>											
Profit for the year	-	-	-	-	-	-	-	435,823	435,823	12,013	447,836
Other comprehensive loss for the year	-	-	-	-	-	(41)	(737)	-	(778)	35	(743)
Total	-	-	-	-	-	(41)	(737)	435,823	435,045	12,048	447,093
<u>Transactions with owners, recognised directly in equity</u>											
Dividends paid (Note 11)	-	-	-	-	-	-	-	(936,609)	(936,609)	-	(936,609)
Dividends paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	(3,026)	(3,026)
Transfer to general reserves	-	-	-	42,641	-	-	-	(42,641)	-	-	-
Acquisition of non-controlling interests	-	-	12,851	-	-	-	-	-	12,851	(13,483)	(632)
Disposal of discontinued operations	-	-	(28,691)	(150,895)	-	-	(835)	180,421	-	(44,686)	(44,686)
Placement of treasury shares	161	4,690	(329)	-	-	-	-	-	4,522	-	4,522
Employee share option expenses	250	-	4,920	-	(1,027)	-	-	-	4,1453	-	4,143
Total	411	4,690	(11,249)	(108,254)	(1,027)	-	(835)	(798,829)	(915,093)	(61,195)	(976,288)
Balance as at December 31, 2021	57,662	-	297,812	187,724	319	(190)	(1,209)	1,199,584	1,741,702	264,171	2,005,873

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
Loss for the period, representing total comprehensive loss for the year	-	-	-	-	(470,457)	(470,457)	(470,457)
<u>Transactions with owners, recognised directly in equity</u>							
Dividends paid	-	-	-	-	(10,001)	(10,001)	(10,001)
Balance as at December 31, 2020	57,251	(4,690)	309,061	1,346	(699,520)	(336,552)	(336,552)

Actual (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 loss for the year	-	-	-	-	1,321,746	1,321,746	1,321,746
<u>Transactions with owners, recognised directly in equity</u>							
Employee share option expenses	250	-	4,920	(1,027)	-	4,143	4,143
Placement of treasury shares	161	4,690	(329)	-	-	4,522	4,522
Disposal of discontinued operation	-	-	(15,840)	-	-	(15,840)	(15,840)
Dividends paid	-	-	-	-	(936,609)	(936,609)	(936,609)
Total	411	4,690	(11,249)	(1,027)	(936,609)	(943,784)	(943,784)
Balance as at December 31, 2021	57,662	-	297,812	319	(314,383)	41,410	41,410

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	(101,040)	261,928	261,928
Loss for the period, representing total comprehensive loss for the year	-	-	-	-	(37,882)	(37,882)	(37,882)
<u>Transactions with owners, recognised directly in equity</u>							
Dividends paid	-	-	-	-	(10,001)	(10,001)	(10,001)
Balance as at December 31, 2020	57,251	(4,690)	309,061	1,346	(148,923)	214,045	214,045

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
Profit for the period, representing total comprehensive income for the year	-	-	-	-	926,227	926,277	926,227
<u>Transactions with owners, recognised directly in equity</u>							
Employee share option expenses	250	-	4,920	(1,027)	-	4,143	4,143
Placement of treasury shares	161	4,690	(329)	-	-	4,522	4,522
Disposal of discontinued operation	-	-	(15,840)	-	-	(15,840)	(15,840)
Dividends paid	-	-	-	-	(936,609)	(936,609)	(936,609)
Total	411	4,690	(11,249)	(1,027)	(936,609)	(943,784)	(943,784)
Balance as at December 31, 2021	57,662	-	297,812	319	(159,305)	196,488	196,488

Notes to Condensed 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 condensed 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 condensed interim financial statements for the six months and full year ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed 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 six months and full year ended 31 December 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 condensed interim financial statements for the six months and full year ended 31 December 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 balanced 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		Full year ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	RMB'000	RMB'000	RMB'000	RMB'000
CONTINUING OPERATIONS – GI				
Revenue	1,940,282	823,702	2,846,865	1,335,133
RESULT FOR CONTINUING OPERATIONS				
Segment result	60,226	176,806	254,529	304,430
Unallocated corporate expenses	239,669	16,480	-	-
Gain on disposal of discontinued operations	358	-	934,334	-
Financial effects of convertible bonds	541,358	(561,725)	503,916	(427,321)
Financial effects of warrants	-	(3,828)	-	(5,254)
Interest expense	(516,354)	24,574	(638,612)	(76,056)
Interest income	3,077	5,479	3,641	6,150
Profit before income tax from continuing operations	328,334	(342,214)	1,057,708	(198,051)
Income tax expense	(5,926)	(52,049)	(241,914)	(75,309)
Profit for the period from continuing operations	322,408	(394,263)	815,794	(273,360)
DISCONTINUED OPERATIONS – M&S				
Revenue	25,436	1,478,209	556,533	2,723,670
RESULT FOR DISCONTINUED OPERATIONS				
Segment result	-	150,320	40,079	308,887
Interest expense	-	(17,451)	(8,124)	(32,555)
Interest income	-	2,752	1,340	5,079
Profit before income tax from discontinued operations	-	135,621	33,295	281,411
Income tax expense	-	(12,451)	(5,735)	(36,214)
Profit for the period from discontinued operations	-	123,170	27,560	245,197

4. Segment Information (Cont'd)

	Continuing operations – GI	Discontinued operations - M&S	Total
<u>As at 31 December 2021</u>	RMB'000	RMB'000	RMB'000
Statement of Net Assets			
Assets:			
Total assets	6,605,507	-	6,605,507
Liabilities:			
Total liabilities	4,754,712	-	4,754,712
 <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><u>8,285,117</u></u>
Liabilities:			
Segment liabilities	2,771,964	2,135,833	4,907,797
Unallocated liabilities			1,392,849
Total liabilities			<u><u>6,300,646</u></u>

5. Disaggregation of Revenue

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

	Six months ended 31 December 2021			Six months ended 31 December 2020		
	Continuing operations – GI	Discontinued operations – M&S	Total	Continuing operations – GI	Discontinued operations – M&S	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or service:						
Sales of goods				43,322	793,503	836,825
Construction contracts	-	17,624	17,624	-	511,506	511,506
Revenue from service concession arrangements	855,024		855,024	-	173,200	173,200
Provision of utilities	1,058,071	-	1,058,071	762,063		762,063
Provision of other services	42,619	7,812	50,431	18,317		35,728
Total revenue	1,955,714	25,436	1,981,150	823,702	1,478,209	2,301,911
Timing of revenue recognition:						
At a point of time:						
- Sales of goods				43,322	793,503	836,825
- Provision of utilities	1,058,071	-	1,058,071	762,063		762,063
Over time:						
- Construction contracts	-	17,624	17,624	-	511,506	511,506
- Provision of other services	42,619	7,812	50,431	18,317		18,317
- Revenue from service concession arrangements	839,592		855,024	-	173,200	173,200
Total revenue	1,955,714	25,436	1,981,150	823,702	1,478,209	2,301,911
Geographical information:						
PRC	1,955,714	25,436	1,981,150	823,702	1,454,689	2,278,391
U.S.A.	-	-	-	-	728	728
Asia	-	-	-	-	14,076	14,076
South East Asia	-	-	-	-	223	223
Europe	-	-	-	-	5,815	5,815
North America	-	-	-	-	2,678	2,678
Total revenue	1,955,714	25,436	1,981,150	823,702	1,478,209	2,301,911

5. Disaggregation of Revenue (Cont'd)

	Full year ended 31 December 2021			Full year ended 31 December 2020		
	Continuing operations – GI	Discontinued operations – M&S	Total	Continuing operations – GI	Discontinued operations – M&S	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or service:						
Sales of goods	-	250,493	250,493	43,322	1,569,812	1,569,812
Construction contracts	-	153,307	153,307	-	819,435	819,435
Revenue from service concession arrangements	839,592	144,921	984,513	-	377,745	377,745
Provision of utilities	1,930,019	-	1,930,019	1,256,083	-	1,256,083
Provision of other services	77,254	7,812	85,066	35,728	-	35,728
Total revenue	2,846,865	556,533	3,403,398	1,335,133	2,723,670	4,058,803
Timing of revenue recognition:						
At a point of time:						
- Sales of goods	-	250,493	250,493	43,322	1,526,490	1,569,812
- Provision of utilities	1,930,019	-	1,930,019	1,256,083	-	1,256,083
Over time:						
- Construction contracts	-	153,307	153,307	-	819,435	819,435
- Provision of other services	77,254	7,812	85,066	35,728	-	35,728
- Revenue from service concession arrangements	839,592	144,921	984,513	-	377,745	377,745
Total revenue	2,846,865	556,533	3,403,398	1,335,133	2,723,670	4,058,803
Geographical information:						
PRC	2,846,865	513,796	3,360,661	1,335,133	2,660,685	3,995,818
USA	-	2,142	2,142	-	728	728
Asia	-	8,881	8,881	-	14,119	14,119
South East Asia	-	-	-	-	2,073	2,073
Europe	-	31,714	31,714	-	43,387	43,387
North America	-	-	-	-	2,678	2,678
Total revenue	2,846,865	556,533	3,403,398	1,335,133	2,723,670	4,058,803

6. Other Operating Income

(RMB'000)	Actual (WITH financial effects of Convertible Bonds and Warrants)						Actual (WITHOUT financial effects of Convertible Bonds and Warrants)					
	Six months ended			Full year ended			Six months ended			Full year ended		
	31 December 2021 [^]	31 December 2020 (Restated)*	% change	31 December 2021 [^]	31 December 2020 (Restated)*	% change	31 December 2021 [^]	31 December 2020 (Restated)*	% change	31 December 2021 [^]	31 December 2020 (Restated)*	% change
Continuing operations												
Government grants	2,815	6,167	(54.4)	7,181	8,154	(11.9)	2,815	6,167	(54.4)	7,181	8,154	(11.9)
Reversal of impairment allowance on trade and other receivables, subject to ECL	461	103	347.6	705	103	584.5	461	103	347.6	705	103	584.5
Interest income	2,651	398	566.1	3,641	1,089	234.3	2,651	398	566.1	3,641	1,089	234.3
Government rebates	487	1,996	(75.6)	1,924	3,808	(49.5)	487	1,996	(75.6)	1,924	3,808	(49.5)
Waiver of a payable owed to a third-party creditor	23,972	-	n.m.	23,972	-	n.m.	23,972	-	n.m.	23,972	-	n.m.
Gain on disposal of plant and equipment and intangible assets	72,693	36	n.m.	72,726	36	n.m.	72,693	36	n.m.	72,726	36	n.m.
Others	6,043	181	3,238.7	15,304	650	2,254.5	6,043	181	3,238.7	15,304	650	2,254.5
Total	117,752	8,881	1,225.9	125,453	13,840	806.5	117,752	8,881	1,225.9	125,453	13,840	806.5
Discontinued operations												
Government grants	(66)	4,742	(101.4)	2,137	7,426	(71.2)	(66)	4,742	(101.4)	2,137	7,426	(71.2)
Reversal of impairment allowance on trade and other receivables, subject to ECL	(2,761)	20,905	(113.2)	10,343	27,244	(62.0)	(2,761)	20,905	(113.2)	10,343	27,244	(62.0)
Interest income	-	2,752	(100.0)	1,340	5,079	(73.6)	-	2,752	(100.0)	1,340	5,079	(73.6)
Government rebates	216	961	(77.5)	208	1,076	(80.7)	216	961	(77.5)	208	1,076	(80.7)
Gain on disposal of plant and equipment and intangible assets	-	258	(100.0)	-	830	(100.0)	-	258	(100.0)	-	830	(100.0)
Others	(150)	3,409	(104.4)	957	4,260	(77.5)	(150)	3,409	(104.4)	957	4,260	(77.5)
Total	(2,762)	33,027	(108.4)	14,984	45,915	(67.4)	(2,762)	33,027	(108.4)	14,984	45,915	(67.4)

n.m. denotes not meaningful

* The comparative financial statements for the six months and full year ended 31 December 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 full year ended 31 December 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)					
	Six months ended			Full year ended			Six months ended			Full year ended		
	31 December 2021 [^]	31 December 2020 (Restated)*	% change	31 December 2021 [^]	31 December 2020 (Restated)*	% change	31 December 2021 [^]	31 December 2020 (Restated)*	% change	31 December 2021 [^]	31 December 2020 (Restated)*	% change
Continuing operations												
Depreciation of property, plant and equipment	22,635	37,452	(39.6)	50,371	71,367	(29.4)	22,635	37,452	(39.6)	50,371	71,367	(29.4)
Depreciation of right-of-use assets	3,195	216	1,379.2	5,529	2,672	106.9	3,195	216	1,379.2	5,529	2,672	106.9
Amortisation of intangible assets	55,522	40,186	38.2	110,149	67,475	63.2	55,522	40,186	38.2	110,149	67,475	63.2
Impairment loss on trade and other receivables subject to ECL	19,192	217	8,744.2	20,360	1,072	1,799.3	19,192	217	8,744.2	20,360	1,072	1,799.3
Impairment loss/(Reversal of) impairment loss on inventories, net	1,759	-	n.m.	1,759	-	n.m.	1,759	-	n.m.	1,759	-	n.m.
Reversal of impairment loss on trade and other receivables subject to ECL	(461)	(103)	347.6	(705)	(103)	584.5	(461)	(103)	347.6	(705)	(103)	584.5
(Gain)/Loss on disposal of property, plant and equipment and intangible assets	(72,491)	29	n.m.	(72,444)	(3)	n.m.	(72,491)	29	n.m.	(72,444)	(3)	n.m.
Foreign exchange (gain)/loss - net	(10,210)	(58,894)	(82.7)	(17,550)	(45,470)	(61.4)	(98)	160	(161.3)	153	730	(79.0)
Finance costs	284,921	111,995	154.4	638,612	212,625	200.3	235,360	42,569	452.9	530,216	76,056	597.1
Fair value changes on convertible bonds	(531,247)	484,458	(209.7)	(486,212)	337,412	(244.1)	-	-	n.m.	-	-	n.m.
Fair value changes on warrants	-	(1,757)	(100.0)	-	(5,917)	(100.0)	-	-	n.m.	-	-	n.m.
Discontinued operations												
Depreciation of property, plant and equipment	(251)	7,512	(103.3)	10,709	22,436	(52.3)	(251)	7,512	(103.3)	10,709	22,436	(52.3)
Depreciation of right-of-use assets	1,396	505	176.4	2,051	1,515	35.4	1,396	505	176.4	2,051	1,515	35.4
Amortisation of intangible assets	-	83	(100.0)	113	317	(64.4)	-	83	(100.0)	113	317	(64.4)
Impairment loss on trade and other receivables subject to ECL	(1,611)	53,434	(103.0)	5,830	61,208	(90.5)	(1,611)	53,434	(103.0)	5,830	61,208	(90.5)
Reversal of impairment loss on trade and other receivables subject to ECL	2,761	(20,905)	(113.2)	(10,343)	(27,244)	(62.0)	2,761	(20,905)	(113.2)	(10,343)	(27,244)	(62.0)
Reversal of impairment loss on inventories, net	-	(893)	(100.0)	-	(2,628)	(100.0)	-	(893)	(100.0)	-	(2,628)	(100.0)
(Gain)/Loss on disposal of property, plant and equipment and intangible assets	-	(758)	(100.0)	390	(403)	(196.8)	-	(758)	(100.0)	390	(403)	(196.8)
Foreign exchange loss/(gain) - net	-	898	(100.0)	(697)	124	(662.1)	-	898	(100.0)	(697)	124	(662.1)
Finance costs	-	17,451	(100.0)	8,124	32,555	(75.0)	-	17,451	(100.0)	8,124	32,555	(75.0)

n.m. denotes not meaningful

** The comparative financial statements for the six months and full year ended 31 December 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	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2020	31 December 2020
Tax expense comprises:						
Current tax expense	7,085	49,372	693	8,327	7,778	57,699
Deferred tax	(1,159)	2,677	572	4,124	(587)	6,801
Total tax expense	5,926	52,049	1,265	12,451	7,191	64,500

(RMB'000)	Continuing operations		Discontinued operations		Total	
	Full year ended		Full year ended		Full year ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2020	31 December 2020
Tax expense comprises:						
Current tax expense	248,934	72,761	6,417	33,780	255,351	106,541
Deferred tax	(7,020)	2,548	(682)	2,434	(7,702)	4,982
Total tax expense	241,914	75,309	5,735	36,214	247,649	111,523

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)					
		Six months ended			Full year ended			Six months ended			Full year ended		
		31 December 2021*	31 December 2020	% change	31 December 2021*	31 December 2020	% change	31 December 2021*	31 December 2020	% change	31 December 2021*	31 December 2020	% change
Revenue	5	25,436	1,478,209	(98.3)	556,533	2,723,670	(79.6)	25,436	1,478,209	(98.3)	556,533	2,723,670	(79.6)
Cost of sales		(20,933)	(1,150,463)	(98.2)	(430,440)	(2,128,391)	(79.8)	(20,933)	(1,150,463)	(98.2)	(430,440)	(2,128,391)	(79.8)
Gross profit		4,503	327,746	(98.6)	126,093	595,279	(78.8)	4,503	327,746	(98.6)	126,093	595,279	(78.8)
Other operating income	6	(2,761)	33,027	(108.4)	14,985	45,915	(67.4)	(2,761)	33,027	(108.4)	14,985	45,915	(67.4)
Selling and distribution expenses		-	(31,218)	(100.0)	(17,260)	(50,992)	(66.2)	-	(31,218)	(100.0)	(17,260)	(50,992)	(66.2)
Administrative expenses		(160)	(113,358)	(99.9)	(76,192)	(204,156)	(62.7)	(160)	(113,358)	(99.9)	(76,192)	(204,156)	(62.7)
Foreign exchange (loss)/gain		-	(898)	(100.0)	697	(124)	(660.3)	-	(898)	(100.0)	697	(124)	(660.3)
Other operating expenses		1,611	(62,227)	(102.6)	(6,905)	(71,956)	(90.4)	1,611	(62,227)	(102.6)	(6,905)	(71,956)	(90.4)
Finance costs		-	(17,451)	(100.0)	(8,124)	(32,555)	(75.0)	-	(17,451)	(100.0)	(8,124)	(32,555)	(75.0)
Profit before income tax from discontinued operations	7	3,193	135,621	(97.6)	33,294	281,411	(88.2)	3,193	135,621	(97.6)	33,294	281,411	(88.2)
Income tax expense	8	(1,265)	(12,451)	(89.8)	(5,735)	(36,214)	(84.2)	(1,265)	(12,451)	(89.8)	(5,735)	(36,214)	(84.2)
Profit for the period from discontinued operations, net of tax		1,928	123,170	(98.4)	27,559	245,197	(88.8)	1,928	123,170	(98.4)	27,559	245,197	(88.8)

*The results of discontinued operations for the six months and full year ended 31 December 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 full year ended 31 December 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	
	31 December 2021	31 December 2020
	RMB'000	RMB'000
Staff costs and benefits	-	758
Rental expense	1,276	4,377
Purchase of raw materials	-	758
Sale of PPE	253	-
Purchase construction services	265,948	-
Sale of services	4,176	-
Sale of utilities	73	-

11. Dividends

	Full year ended	
	31 December 2021	31 December 2020
	RMB'000	RMB'000
Ordinary dividends paid:		
First and final tax-exempt dividends of S\$0.003 per ordinary share in respect on the financial year ended 31 December 2020 (2020: First and final tax-exempt dividends of S\$0.0025 per ordinary share in respect on the financial year ended 31 December 2019)	11,464	14,501
Special dividends paid:		
Net proceeds from the disposal of M&S business	925,145	-
Total dividends	936,609	14,501

12. Trade Receivables and Contract Assets

	Group	
	As at 31 December 2021	As at 31 December 2020
	RMB'000	RMB'000
Outside parties	422,958	1,119,114
Contract assets	-	445,122
Loss allowance	(94)	(111,893)
Total	422,864	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
	< 6 months	7 - 12 months	1 - 2 years	2 - 3 years	3 - 4 years	> 4 years	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
As at 31 December 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	400,717	801	16,219	4,483	594	145	422,958
Lifetime ECL	-	-	-	-	(81)	(14)	(95)
							422,863
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:

<u>Group</u>	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	60	(60)	-
Amounts recovered	(3,651)	(6,421)	(10,072)
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	15,327	5,615	20,942
Write-off	(24,168)	(139)	(24,307)
Disposal of trade receivables and contract assets due to disposal of M&S business	(79,347)	(19,014)	(98,361)
Balance as at December 31, 2021	95	-	95

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 31 December 2021 RMB'000	As at 31 December 2020 RMB'000
Raw materials and consumables	122,706	155,713
Work-in-progress	-	385,290
Total	122,706	541,003

Inventories are stated net of allowance.

	Group	
	As at 31 December 2021 RMB'000	As at 31 December 2020 RMB'000
Movements in allowance for inventories:		
At beginning of period/ year	17,751	20,379
Charge to profit or loss	1,759	3,675
Reversal of allowance, upon sale*	-	(6,303)
Disposal of inventories due to disposal of M&S business	(15,047)	-
At end of period/ year	4,463	17,751

**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 31 December 2021 RMB'000	As at 31 December 2020 RMB'000	
Financial assets at fair value through other comprehensive income - unquoted equity shares	2,683	12,420	Level 3
Financial assets at fair value through other comprehensive income - notes receivables	3,010	310,387	Level 3
Financial liabilities at fair value through profit or loss - convertible bonds - derivative liability component	150,656	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 31 December 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 based on the impairment testing, the carrying amount of the goodwill as at 31 December 2021 was lower than the recoverable amount.

16. Borrowings

Amount repayable in one year or less, or on demand

(RMB'000)	As at 31 December 2021		As at 31 December 2020	
	Secured	Unsecured	Secured	Unsecured
Borrowings	<u>271,731</u>	<u>322,276</u>	<u>725,378</u>	<u>41,000</u>

Amount repayable after one year

(RMB'000)	As at 31 December 2021		As at 31 December 2020	
	Secured	Unsecured	Secured	Unsecured
Borrowings	<u>2,132,726</u>	<u>10,000</u>	<u>1,783,137</u>	<u>-</u>

Details of any collaterals:

<u>Collaterals</u>	31 December 2021	31 December 2020
	RMB'000	RMB'000
Secured by building and land use rights of the subsidiary	1,252,779	904,625
Pledge of shareholding	893,678	849,578
Guaranteed by the company	321,776	197,800
Guaranteed by the subsidiary	<u>268,500</u>	<u>556,512</u>

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	As at
	31 December 2021	31 December 2020
	RMB'000	RMB'000
Debt host liability component, at amortised cost	759,072	689,417
Derivative liability component, at fair value	150,656	636,867
Total	909,728	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	As at
	31 December 2021	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	(45,836)	(30,879)
Cumulative interest accrued	447,993	355,404
Fair value (gain)/loss on CB	(265,977)	164,352
Total	867,694	1,220,391
Less: Interest payables included in accruals	(16,470)	(16,475)
Less: Interest paid to bondholders	(72,814)	(55,008)
Debt host and derivative liability component at end of period/ year	778,410	1,148,908

17. Convertible Bonds (Cont'd)

	Group and Company	
	As at	As at
	31 December 2021	31 December 2020
	RMB'000	RMB'000
<u>CB2</u>		
Nominal value of CB issued	138,285	138,285
Less: Transaction costs	(15,001)	(15,001)
Net value of CB issued	123,284	123,284
Foreign exchange gain	(9,259)	(6,513)
Cumulative interest accrued	54,421	38,614
Fair value (gain)/loss on CB	(26,263)	29,619
Total	142,182	185,004
Less: Interest payables included in accruals	(2,863)	(2,864)
Less: Interest paid to bondholders	(8,001)	(4,764)
Debt host and derivative liability component at end of period/ year	131,318	177,376

Management estimates that the carrying amount of the liability component of CB1 and CB2 as at 31 December 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	1,592,994
Other receivables, deposits and prepayments	262,529
Inventories	845,522
Financial assets at fair value through other comprehensive income	373,163
Total current assets	3,860,564
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	23,902
Total non-current assets	548,372
Total assets	4,408,936
<u>LIABILITIES AND EQUITY</u>	
Current liabilities:	
Trade payables and contract liabilities	745,423
Advances from customers	1,221,779
Other payables	530,275
Lease liabilities	3,453
Borrowings	269,000
Total current liabilities	2,769,930
Non-current liabilities:	
Deferred tax liabilities	1,423
Borrowings	233,000
Lease liabilities	3,744
Total non-current liabilities	238,167
Net assets	1,400,839
Non-controlling interests	(44,686)
Identified net assets	1,356,153
Gain on disposal of discontinued operations	934,334
Reclassified from other comprehensive income to profit or loss arising from restructure under common control, net of tax	(487)
Cash proceeds from disposal	2,290,000
Net cash outflows arising from the disposal of discontinued operations:	
Transaction cost and withholding tax	(259,798)
Cash and cash equivalents disposed off	(627,132)
Proceeds from disposal of discontinued operations, net of cash disposed	1,403,070

Other Information Required by Listing Rule Appendix 7.2

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

	GROUP AND COMPANY	
	As at 31 December 2021	As at 31 December 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	1,338,000	-
At the end of the period	<u>795,686,142</u>	<u>791,848,142</u>
Total number of treasury shares (Note A)	-	2,542,000
Total number of issued shares excluding treasury shares	<u>795,686,142</u>	<u>789,306,142</u>
Total number of issued shares	<u>795,686,142</u>	<u>791,848,142</u>

Note A

The number of shares held as treasury shares by the Company represents 0% (31 December 2020: 0.3%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company as at 31 December 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 31 December 2021, the maximum number of shares that may be issued as at 31 December 2021 is 359,379,000 ordinary shares (31 December 2020: 363,217,000 ordinary shares). The fully diluted shares (including treasury shares) as at 31 December 2021 and 31 December 2020 were 1,155,065,142 ordinary shares.

1d(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31 December 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

1d(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1d(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

These figures have neither been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

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.

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.

None.

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)			
	Six months ended		Full year ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<u>From continuing and discontinued operations:</u>				
Net profit/(loss) attributable to equity holders of the Group (RMB'000)	325,082	(294,926)	831,341	(55,549)
Weighted average number of ordinary shares outstanding ('000)	793,886	789,306	793,886	789,306
Earnings/(Loss) per share – basic (RMB cents)	40.95	(37.37)	104.72	(7.04)
<u>From continuing operations:</u>				
Net profit/(loss) attributable to equity holders of the Group (RMB'000)	323,154	(407,180)	804,902	(290,538)
Weighted average number of ordinary shares outstanding ('000)	793,886	789,306	793,886	789,306
Earnings/(Loss) per share – basic (RMB cents)	40.71	(51.59)	101.39	(36.81)

	Actual (WITHOUT financial effects of Convertible Bonds and Warrants)			
	Six months ended		Full year ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<u>From continuing and discontinued operations:</u>				
Net (loss)/profit attributable to equity holders of the Group (RMB'000)	(166,715)	203,484	435,822	377,026
Weighted average number of ordinary shares outstanding ('000)	793,886	789,306	793,886	789,306
(Loss)/Earnings per share – basic (RMB cents)	(21.00)	25.78	54.90	47.77
<u>From continuing operations:</u>				
Net (loss)/profit attributable to equity holders of the Group (RMB'000)	(168,936)	91,230	409,090	142,037
Weighted average number of ordinary shares outstanding ('000)	793,886	789,306	793,886	789,306
(Loss)/Earnings per share – basic (RMB cents)	(21.28)	11.56	51.53	18.00

Basic earnings per share for six months and full year ended 31 December 2021 and 31 December 2020 have been calculated based on the weighted average number of ordinary shares issued (excluding treasury shares) at 793,885,649 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)			
	Six months ended		Full year ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<u>From continuing and discontinued operations:</u>				
Net (loss)/profit attributable to equity holders of the Group (RMB'000)	(166,715)	(294,926)	435,822	(55,549)
Weighted average number of ordinary shares outstanding ('000)	1,152,074	789,306	1,152,803	789,306
(Loss)/Earnings per share – diluted (RMB cents)	(14.47)	(37.37)	37.81	(7.04)
<u>From continuing operations:</u>				
Net (loss)/profit attributable to equity holders of the Group (RMB'000)	(168,643)	(407,180)	409,383	(290,538)
Weighted average number of ordinary shares outstanding ('000)	1,152,074	789,306	1,152,803	789,306
(Loss)/Earnings per share – diluted (RMB cents)	(14.64)	(51.59)	35.51	(36.81)

	Actual (WITHOUT financial effects of Convertible Bonds and Warrants)			
	Six months ended		Full year ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<u>From continuing and discontinued operations:</u>				
Net (loss)/profit attributable to equity holders of the Group (RMB'000)	(166,715)	203,484	435,822	377,026
Weighted average number of ordinary shares outstanding ('000)	793,886	791,681	794,615	791,681
(Loss)/Earnings per share – diluted (RMB cents)	(21.00)	25.70	54.85	47.62
<u>From continuing operations:</u>				
Net (loss)/profit attributable to equity holders of the Group (RMB'000)	(168,936)	91,230	409,090	142,037
Weighted average number of ordinary shares outstanding ('000)	793,886	791,681	794,615	791,681
(Loss)/Earnings per share – diluted (RMB cents)	(21.28)	11.52	51.48	17.94

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 31 December 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			
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(WITH financial effects of Convertible Bonds and Warrants)		(WITHOUT financial effects of Convertible Bonds and Warrants)	
Net asset value per share (RMB cents)	232.60	251.42	252.09	321.18

	Company			
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(WITH financial effects of Convertible Bonds and Warrants)		(WITHOUT financial effects of Convertible Bonds and Warrants)	
Net asset value per share (RMB cents)	5.20	(42.64)	24.69	27.12

The net asset value per share for 31 December 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 31 December 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 full year ended 31 December 2021 ("FY2021") as compared to that of the full year ended 31 December 2020 ("FY2020")

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

Revenue

The Group's revenue from continuing operations related to revenue generated from GI business. The revenue of GI business increased by approximately RMB 1,527.1 million or 114.4% from RMB 1,335.1 million in FY2020 to RMB 2,862.9 million in FY2021, which were mainly contributed by:

- (i) The newly operating plants such as Shantou phase 1;
- (ii) Existing plants continuing ramping up; and
- (iii) The construction service revenue from service concession arrangements of RMB 855.0M in accordance with *IFRIC 12 Service Concession Arrangements*.

Gross Profit

Gross profit from continuing operations decreased by approximately RMB 81.5 million or 21.1% from RMB 386.2 million in FY2020 to RMB 304.7 million in FY2021, due to significant increase in the feedstock price in FY2021.

Profit Before Income Tax from Continuing Operations

Profit before tax from continuing operations increased by RMB 1,255.8 million or 634.1% from a loss before tax of RMB 198.1 million in FY2020 to a profit before tax of RMB 1,057.7 million in FY2021. The increase was mainly attributable to the following factors:

- (a) Increase in fair value gain on Convertible Bonds of RMB 823.6 million from a loss of RMB 337.4 million in FY2020 to a gain of RMB 486.2 million in FY2021, due mainly to the decrease in share price during the financial period from 1 January 2021 to 31 December 2021; and
- (b) Gain on disposal of discontinued operations of RMB 934.3 million arising from the disposal of M&S segment.

- (c) Other income increased by RMB 111.6 million, mainly benefit from compensation of from mandatory relocation plan by the local government of Xintai old plant about RMB 66.0 million and waiver of a payable owed to a third-party creditor of RMB 23.0 million.

The above-mentioned factors were offset by:

- (a) Increase in finance costs of RMB 426.0 million mainly arising from excess cash dividends paid to Convertible Bond holders of RMB 403.3 million as well as the increase in finance cost in line with the borrowings for BOT projects; and
- (b) Increase in other operating expenses of RMB 38.2 million mainly relating to provisions of trade and other receivables of RMB 19.3 million; and
- (c) Increase in administrative expenses of RMB 34.7 million mainly due to transaction costs paid for disposal of M&S business of RMB 42.0 million.

Income Tax Expense for Continuing Operations

The income tax expense for continuing operations increased by RMB 166.6 million or 221.2% from RMB 75.3 million in FY2020 to RMB 241.9 million in FY2021, 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 1,089.2 million or 398.4% from a net loss of RMB 273.4 million in FY2020 to a net profit of RMB 815.8 million in FY2021. Excluding the (1) profit from financial effects of the Convertible Bonds of RMB 395.5 million, (2) gain on disposal of M&S segment of RMB 934.3 million, (3) adding back the excess cash dividends paid to bondholders of RMB 403.3 million, (4) adding back the transaction costs incurred after tax of RMB 41.1 million relating to the disposal of discontinued operations, (5) adding back the withholding tax and stamp tax of RMB 208.9 million, the net profit from continuing operations for FY2021 was RMB 139.3 million.

Profit for the Financial Period – Discontinued Operations

The results of discontinued operations for FY2021 consist of results up to 30 April 2021 only. Net profit from discontinued operations decreased by RMB 217.6 million or 88.8% from net profit of RMB 245.2 million in FY2020 to RMB 27.6 million in FY2021, 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 2,167.1 million or 79.6% from RMB 2,723.7 million in FY2020 to RMB 556.5 million in FY2021, which was mainly attributable to the accounting cut-off date for the Disposal is taken as 30 April 2021.

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 886.9 million or 1,596.6% from net loss of RMB 55.5 million in FY2020 to net profit of RMB 831.3 million in FY2021.

- (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 1,986.8 million or 59.2% from RMB 3,354.4 million as at 31 December 2020 to RMB 1,367.6 million as at 31 December 2021. The decrease was mainly due to:

- (a) Decrease in cash and cash equivalents of RMB 133.1 million, mainly due to investment in BOT projects related to the expansion of GI business;
- (b) Decrease in pledged bank deposits of RMB 151.0 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;
- (c) Decrease in trade receivables and contract assets of RMB 1,029.5 million arising mainly from the disposal of trade receivables and contract assets of RMB 1,192.8 million held by M&S segment.

Approximately 92.9% and 35.20% of the trade receivables at 31 December 2020 and 31 December 2021 respectively were collected as at 31 January 2022. Most of the trade receivables are due from customers that are state-owned enterprises which 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;

- (d) Decrease in inventories of RMB 418.3 million due mainly to the disposal of work-in-progress and raw materials and consumables held under M&S segment amounting to RMB 463.6 million; and
- (e) Decrease in financial assets at fair value through other comprehensive income of RMB 307.4 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 were outweighed by the following:

- (a) Increase in other receivables, deposits and prepayments of RMB 52.4 million, mainly due to the increase in compensation of mandatory relocation plan of Xintai old plant yet to be received of RMB 74.5 million, the increase of value-added tax to be deducted of BOT projects of 27.4 million and prepayment for feedstock of GI business of RMB 26.7 million, offset by the disposal of RMB 91.5 million held by M&S segment.

The Group's total non-current assets increased by RMB 307.2 million or 6.2% from RMB 4,930.7 million as at 31 December 2020 to RMB 5,237.9 million as at 31 December 2021. The increase was mainly due to:

- (a) Increase in intangible assets of RMB 813.9 million due to service concession arrangements relating to Shantou phase 2, Xintai phase 2, Tongshan, Xinjiang projects on hand as at 31 December 2021.

The above-mentioned factor was offset by:

- (a) Decrease in property, plant and equipment of RMB 310.3 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 109.1 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 72.5 million due primarily to the disposal of other receivables, deposits and prepayments of RMB 41.8 million held by M&S segment, and recognition of service concession arrangement assets approximately RMB 47.7 million; and
- (d) Decrease in deferred tax assets of RMB 13.7 million mainly arising from the disposal of deferred tax assets of M&S segment.

The Group's total current liabilities decreased by RMB 1,491.7 million or 50.2% from RMB 2,968.9 million as at 31 December 2020 to RMB 1,477.3 million as at 31 December 2021, mainly due to the following:

- (a) Decrease in trade payables and contract liabilities of RMB 1,394.0 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, offset by increase in an aggregate effect of increase in notes payables and trade payables to third parties of RMB 149.0 million and customer advances of RMB 16.7 million; and
- (b) Decrease in short-term borrowings of RMB 172.4 million due to the disposal of borrowings held under M&S companies.

The above-mentioned factors were offset by:

- (a) Increase in other payables of RMB 94.0 million primarily due to the payables for BOT construction relating to Tongshan, Shantou phase 2, Xintai phase 2 and Xinjiang 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 decreased by approximately RMB 54.3 million or 1.6% from RMB 3,331.7 million as at 31 December 2020 to RMB 3,277.5 million as at 31 December 2021. The decrease was due to:

- (a) Decrease in fair value of Convertible Bonds of RMB 416.6 million at this period end. *Please refer to Section 8 Financial Effects of Convertible Bonds and Warrants.*

The above-mentioned factor was offset by:

- (a) Increase in long-term borrowings of RMB 359.6 million due primarily to the financing of the Xintai, Shantou, Tongshan projects, offset by the disposal of long-term borrowings of RMB 133.5 million held under M&S companies.

Review of the Group's cash flow statement for the full year ended 31 December 2021

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

Net cash generating from operating activities amounted to approximately RMB 222.3 million in FY2021, primarily due to the following factors:

- (a) Increased working capital requirements due to the increase in trade receivables of RMB 574.4 million, increase in financial assets at fair value through other comprehensive income of RMB 247.5 million, increase in other receivables and prepayments of RMB 66.5 million, increase in inventories of RMB 429.0 million, increase in trade payables of RMB 573.2 million and increase in other payables of RMB 709.9 million; and
- (b) Interest and tax paid of RMB 216.0 million in aggregate.

Net cash generating from investing activities amounted to RMB 505.5 million mainly due to proceeds from disposal of discontinued operation of RMB 1,403.1 million, proceeds from disposal of property, plant and equipment of RMB 83.3 million, offset by the acquisition of intangible assets of RMB 831.4 million and purchase of property, plant and equipment of RMB 134.6 million

Net cash used in financing activities amounted to RMB 860.9 million due to repayment of bank loans of RMB 1,731.3 million, payment of excess cash dividends to bondholders of RMB 403.3 million and payment of dividends of RMB 936.6 million, offset by proceeds from bank loans of RMB 2,265.5 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 January 2022, 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 ⁽¹⁾	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) ⁽²⁾
Total Convertible Bonds Proceeds utilised		US\$ 123.8 million (approximately RMB 805.7 million)

*Note:

(1) Yingtian Sunpower Clean Energy Co., Ltd. was cancelled after the comprehensive evaluation of the Company.

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

(3) 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 had 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 56.7 million, the net proceeds from the disposal of the M&S business was RMB 2,024.4 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 January 2022	Use of Proceeds (RMB'000)
Proposed Special Dividends	(925,144) ⁽¹⁾
Bondholder's Special Dividends	(403,316) ⁽¹⁾⁽²⁾
Changrun Project - used for the acquisition of a 25-year exclusive right to supply steam to Sanli	(100,000)
Progress payment for construction of Shanxi Xinjiang Project	(64,652)
Progress payment for construction of Tongshan Project	(20,176)
Progress payment for construction of Xintai new plant	(95,464)
Pipeline construction for Xintai, Changrun Projects	(37,157)
Feedstock procurement for operation	(9,943)
Construction costs due	(104,922)
Subtotal of net disposal proceeds used	(1,760,774)
Use of Proceeds balance	263,680

Note:

- (1) On 18 June 2021 and 21 July 2021, a Special Dividends of RMB 925.1 million and RMB 403.3 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\$845,096.37 (the "Net Proceeds"), after deducting expenses of S\$90,359.63 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 31 January 2022, 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 58.1 million or 15.4% from net profit of RMB 377.0 million in 2020 to RMB 435.2 million in 2021, the net profit from continuing operations attributable to equity holders of the Company increased by RMB 266.4 million or 187.6% from net profit of RMB 142.0 million in 2020 to RMB 408.4 million in 2021.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There is no variance between the actual results and the forecast, or prospect statement previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Sunpower's GI business saw robust demand for industrial steam in FY2021. Total steam sales volume grew 45.2% YoY to a record high of 7.93 million tons due to the successful expansion of the customer base and the continued ramping-up of the GI projects.

As a result, GI recurring revenue¹ grew 50.3% YoY to RMB2,007.3 million, driven by the strong ramp-up of existing projects including Shantou Project Phase 1². GI recurring EBITDA³ was RMB469.0 million, while GI recurring PATMI⁴ stayed positive at RMB135.7 million for FY2021. GI operating cashflow⁵ grew 44.0% YoY to RMB270.6 million. Despite the extraordinary rise of the feedstock price in FY2021, the GI results were achieved due to the Group's strong operational management capabilities, implementation of mitigation measures and the price formation mechanism that links the cost of feedstock to the price of steam.

The M&S business was deconsolidated on 30 April 2021 following the disposal.⁶ Including the substantial gain on disposal recorded in 1H 2021, and expenses incurred by the Company in connection with the disposal such as the excess cash dividends paid to Convertible Bond holders which was recognised as finance cost, project adviser fees and withholding taxes, group PATMI without financial effects of CBs rose 15.6% YoY to RMB435.8 million in FY2021. Excluding these items, group PATMI without financial effects of CBs in FY2021 was RMB154.8 million, which reflects the operating results of the Group. Group underlying operating cash flow was a robust RMB243.4 million.

¹ GI recurring revenue refers to recurring revenue generated by the GI business. It excludes one-time contributions from internal EPC services for BOT projects that are provided by the Group's internal project management department, recognised under IFRIC 12 Service Concession Arrangements.

² Shantou Phase 1 became operational in 4Q 2020.

³ GI recurring EBITDA refers to the recurring Earnings before Interest, Tax, Depreciation and Amortisation of the GI Business. It excludes gains or costs incurred by way of the M&S disposal such as excess cash dividends, gain on disposal, withholding tax, etc.; one-time contributions from internal EPC services for BOT projects that are provided by the Group's internal project management department, recognised under IFRIC 12 Service Concession Arrangements; as well as 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.

⁴ GI recurring PATMI refers to the recurring Profit After Tax and Minority Interests of the GI Business. It excludes gains or costs incurred by way of the M&S disposal such as excess cash dividends, gain on disposal, withholding tax, etc.; one-time revenue contributions from internal EPC services for BOT projects that are provided by the Group's internal project management department, recognised under IFRIC 12 Service Concession Arrangements; as well as 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 profit of GI business attributable to the Group.

⁵ GI operating cashflow refers to cashflow generated by operating activities of the GI Business.

⁶ Due to the disposal, the M&S business contributed 4 months to the group financial results in FY2021 vs 12 months in FY2020.

The National Development and Reform Commission (NDRC) and National Energy Administration (NEA) recently met with key industry players to require them to stabilise feedstock prices.⁷ With such efforts ongoing, more market forecasters now expect a better supply and demand structure for feedstock and for future price increases to be limited and price volatility to narrow.⁸ Further, the pandemic remains under control in China due to its dynamic Covid-19 control policy which has seen swift, prompt and precise measures taken to keep local outbreaks under control.

The Group remains in a strong position to benefit from the long-term development of industrial parks as it has a strong supplier role in the provision of steam, a non-discretionary production input, to industrial users. The Group expects to continue to generate a high Net Present Value (NPV) of high-quality, recurring income and cashflows over the long term.

Barring unforeseen circumstances, the Group expects the business trends summarized below to benefit its business in FY2022. Please note that Sunpower's financial results⁹ should be viewed on a 12-month basis to arrive at a balanced perspective.

(1) Continued ramp-up and enhancement of each existing GI plant, namely:

- Continuous connection of new customers, following mandatory closures of small dirty boilers, mandatory location and/or relocation of new factories into industrial parks, expansion of coverage area, and/or organic growth of customers and industrial parks served by the Group's GI plants.

(2) Additional contributions from expansion of existing plants and new plants, namely:

- Expected production launch of Shantou Project Phase 2.
- Xintai Zhengda Project where two additional boilers have commenced operation in early 2022.
- Tongshan Project which has commenced trial production.
- Shanxi Xinjiang Project which is expected to start operations in 2022.

(3) Continued execution of holistic strategy to further enhance profitability, namely:

- Leverage on the cost pass-through mechanism with greater flexibility and reduction of feedstock price volatility to achieve a new equilibrium in profitability.
- Continue to deploy cost-reduction strategy using measures such as controlling unit material consumption, stocking up more when the feedstock price is conducive, diversification of feedstock mix including blended consumption of sludge and other wastes, and optimisation in steam transmission efficiency.

⁷ https://www.cs.com.cn/zzqh2020/202202/t20220210_6241293.html

⁸ Research reports by Shengang Securities and Far East Research

⁹ Under the terms of the Amendments to the Convertible Bond Purchase Agreements, the performance target for the financial year ended 31 December 2021 ("FY2021") has been replaced with a new performance target for the financial year ended 31 December 2022 ("FY2022"). Refer to the 31 March 2021 circular to shareholders for more details.

11. If a decision regarding dividend has been made:

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

Two special dividends related to M&S Disposal were declared during the financial year ended 31 December 2021.

(b) (i) Amount per share in cents

(ii) Previous corresponding period in cents

	<u>FY2021</u>	<u>FY2020</u>
Dividend Amount Per Share:	S\$ 0.2412 per ordinary share	S\$ 0.003 per ordinary share
Par Value:	US\$ 0.01	US\$ 0.01
Dividend Type:	Cash	Cash

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

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

(d) The date the dividend is payable.

Tranche 1 and Tranche 2 special dividends were paid on 18 June 2021 and 21 July 2021 respectively.

(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.

Not applicable.

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

The 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 full year ended 31 December 2021 are outlined as follows:

Name of Entity At Risk Related Party	Name of Interested Person	Nature of Relationship	Nature of Transaction	FY2021	
				Aggregate value of all interested person transactions for the full year ended 31 December 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 full year ended 31 December 2021 (excluding transactions less than \$100,000) RMB'000
Jiangsu Sunpower Clean Energy Co., Ltd.	Jiangsu Sunpower Pressure Vessels Equipment Manufacturing Co., Ltd.	Associate of controlling shareholders	Fee received for providing catering services in staff canteen	1,841	N.A.
Jiangsu Sunpower Clean Energy Co., Ltd.	Sunpower Technology (Jiangsu) Co., Ltd.	Associate of controlling shareholders	Fee received for providing catering services in staff canteen	1,204	N.A.
Jiangsu Sunpower Clean Energy Co., Ltd.	Jiangsu Sunpower Pipe-Line Engineering Technology Co., Ltd.	Associate of controlling shareholders	Fee received for providing catering services in staff canteen	137	N.A.
Jiangsu Sunpower Clean Energy Co., Ltd.	Jiangsu Sunpower Technology Co., Ltd.	Associate of controlling shareholders	Lease of office buildings	N.A.	1,276
				FY2021	

Name of Entity At Risk Related Party	Name of Interested Person	Nature of Relationship	Nature of Transaction	Aggregate value of all interested person transactions for the full year ended 31 December 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 full year ended 31 December 2021 (excluding transactions less than \$100,000) RMB'000
Jiangsu Sunpower Clean Energy Co., Ltd.	Jiangsu Sunpower Technology Co., Ltd.	Associate of controlling shareholders	Fee received for providing catering services in staff canteen	47	N.A.
Jiangsu Sunpower Clean Energy Co., Ltd.	Nanjing Shengnuo Heat Pipe Co., Ltd.	Associate of controlling shareholders	Fee received for providing catering services in staff canteen	4	N.A.

Voluntary Disclosure - Non-IPT as contracts were signed before 30 April 2021 for the financial period from 30 April to 31 December 2021:

Name of Entity At Risk Related Party	Name of Non-Interested Person	Nature of Relationship	Nature of Transaction	Aggregate value of all interested person transactions for the full year ended 31 December 2021 (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) RMB'000
Shantou Sunpower Keying Thermal Power Co., Ltd.	Jiangsu Sunpower Technology Co., Ltd.	Associate of controlling shareholders	One-off provision of service for test program	943
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	1,134
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	20,974
Hebei Changrun Environmental Ltd.	Jiangsu Sunpower Pipe-Line Engineering Technology Co., Ltd.	Associate of controlling shareholders	Development cost for heating pipe network extension project	5,771
Hebei Changrun Environmental Ltd.	Jiangsu Sunpower Technology Co., Ltd.	Associate of controlling shareholders	Equipment cost paid for waste heat utilisation project	3,310
Xuzhou Sunpower Clean Energy Co., Ltd.	Shandong Yangguang Engineering Design Institute Co., Ltd.	Associate of controlling shareholders	Construction fee paid for EPC contract	42,074
Xinjiang Sunpower Clean Energy Co., Ltd.	Shandong Yangguang Engineering Design Institute Co., Ltd.	Associate of controlling shareholders	Construction fee paid for EPC contract	120,655

Voluntary Disclosure - Non-IPT as contracts were signed before 30 April 2021 for the financial period from 30 April to 31 December 2021 (cont'd):

Name of Entity At Risk Related Party	Name of Non-Interested Person	Nature of Relationship	Nature of Transaction	Aggregate value of all interested person transactions for the full year ended 31 December 2021 (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) RMB'000
Xinjiang Sunpower Clean Energy Co., Ltd.	Jiangsu Sunpower Pipe-Line Engineering Technology Co., Ltd.	Associate of controlling shareholders	Construction fee paid for EPC contract	12,264
Xintai Zhengda Thermoelectric Co., Ltd.	Shandong Yangguang Engineering Design Institute Co., Ltd.	Associate of controlling shareholders	Equipment cost paid for EPC contract	57,883
Xintai Zhengda Thermoelectric Co., Ltd.	Jiangsu Sunpower Technology Co., Ltd.	Associate of controlling shareholders	Service fee paid for waste heat utilisation project	660
Quanjiao Sunpower Clean Energy Co., Ltd.	Jiangsu Sunpower Pipe-Line Engineering Technology Co., Ltd.	Associate of controlling shareholders	Development cost for heating pipe network extension project	1,417

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

Not applicable.

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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

Please refer to Paragraph 4 and Paragraph 5.

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

Please refer to Paragraph 8.

18. **A breakdown of sales**

	Group		% change
	2021	2020	
	RMB'000	RMB'000	
(a) Sales reported for first half year	1,437,680	1,756,892	(18.2)
(b) Operating profit/ (loss) after tax before deducting non-controlling interests reported for first half year	519,017	242,930	113.6
(c) Sales reported for second half year	1,965,718	2,301,911	(14.6)
(d) Operating (loss)/ profit after tax before deducting non-controlling interests reported for second half year	324,337	(271,093)	(219.6)

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

(a) Ordinary

	FY2021		FY2020	
	S\$	RMB	S\$	RMB
Final tax-exempt dividends paid per share	0.2442	1.1771	0.0025	0.012
Number of shares	795,686,142	795,686,142	791,848,142	791,848,142
Total	194,306,556	936,609,000	1,979,620	9,502,178

19. (b) Preference

Not applicable.

19. (c) Total

Please refer to paragraph 19(a).

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company wishes to advise that none of the persons occupying managerial positions in the Company or any of its principal subsidiaries are related to a director, chief executive officer or substantial shareholder of the Company.

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

Ma Ming
Executive Director and Chief Executive Officer

Yang Zheng
Lead Independent Director

BY ORDER OF THE BOARD

Ma Ming
Executive Director and Chief Executive Officer

27 February 2022