

Unaudited Interim Financial Statements for the Second Quarter and Six Months Ended 30 June 2022

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY AND SIX MONTHS RESULTS

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

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2022

(RMB'000)	Note	Actual (WITH financial effects of Convertible Bonds)						Actual (WITHOUT financial effects of Convertible Bonds)					
		Second quarter ended			Six months ended			Second quarter ended			Six months ended		
		30 June 2022	30 June 2021^	% change	30 June 2022	30 June 2021^	% change	30 June 2022	30 June 2021^	% change	30 June 2022	30 June 2021^	% change
Continuing operations													
Revenue	5	780,882	500,693	56.0	1,519,364	924,332	64.4	780,882	500,693	56.0	1,519,364	924,332	64.4
Cost of sales		(629,206)	(357,440)	76.0	(1,261,893)	(695,983)	81.3	(629,206)	(357,440)	76.0	(1,261,893)	(695,983)	81.3
Gross profit		151,676	143,253	5.9	257,471	228,349	12.8	151,676	143,253	5.9	257,471	228,349	12.8
Other operating income	6	3,176	4,888	(35.0)	6,233	7,701	(19.1)	3,176	4,888	(35.0)	6,233	7,701	(19.1)
Selling and distribution expenses		(15,037)	(11,707)	n.m.	(25,206)	(17,749)	-	(15,037)	(11,707)	n.m.	(25,206)	(17,749)	n.m.
Administrative expenses		(21,654)	(20,717)	4.5	(41,163)	(30,586)	34.6	(21,654)	(20,717)	4.5	(41,163)	(30,586)	34.6
Foreign exchange (loss)/gain		(43,907)	12,265	n.m.	(41,331)	7,341	n.m.	772	(46)	n.m.	(88)	(251)	(64.9)
Other operating expenses		(328)	(722)	(54.6)	(422)	(2,138)	(80.3)	(328)	(722)	(54.6)	(422)	(2,138)	(80.3)
Finance costs		(65,204)	(285,946)	(77.2)	(119,562)	(353,691)	(66.2)	(46,299)	(263,279)	(82.4)	(82,344)	(294,856)	(72.1)
Gain on disposal of discontinued operations		-	933,976	n.m.	-	933,976	n.m.	-	933,976	n.m.	-	933,976	n.m.
Share of profit of associate		594	766	(22.5)	1,527	1,206	26.6	594	766	(22.5)	1,527	1,206	26.6
Fair value changes on convertible bonds		87,865	(111,365)	(178.9)	121,394	(45,035)	n.m.	-	-	-	-	-	-
Profit before income tax from continuing operations	7	97,181	664,690	(85.4)	158,941	729,374	(78.2)	72,900	786,411	(90.7)	116,008	825,652	(85.9)
Income tax expense	8	(12,423)	(223,878)	(94.5)	(24,404)	(235,988)	(89.7)	(12,423)	(223,878)	(94.5)	(24,404)	(235,988)	(89.7)
Profit for the period from continuing operations, net of tax		84,758	440,812	(80.8)	134,537	493,386	(72.7)	60,477	562,533	(89.2)	91,604	589,664	(84.5)
Discontinued operations													
(Loss)/Profit for the period from discontinued operations, net of tax	9	-	(7,887)	n.m.	-	25,631	n.m.	-	(7,887)	n.m.	-	25,631	n.m.
Profit for the period		84,758	432,925	(80.4)	134,537	519,017	(74.1)	60,477	554,646	(89.1)	91,604	615,295	(85.1)

(RMB'000)	Actual (WITH financial effects of Convertible Bonds)						Actual (WITHOUT financial effects of Convertible Bonds)					
	Second quarter ended			Six months ended			Second quarter ended			Six months ended		
	30 June 2022	30 June 2021 [^]	% change	30 June 2022	30 June 2021 [^]	% change	30 June 2022	30 June 2021 [^]	% change	30 June 2022	30 June 2021 [^]	% change
Other comprehensive income												
<i>Items that may be reclassified subsequently to profit or loss</i>												
Exchange difference on translation of foreign operation	362	(66)	n.m.	358	(51)	n.m.	362	(66)	n.m.	358	(51)	n.m.
Net fair value gain/(loss) on investments in debt instruments classified as at FVTOCI	126	(1,885)	n.m.	(269)	(2,414)	(88.9)	126	(1,885)	n.m.	(269)	(2,414)	(88.9)
Total comprehensive income for the period	85,246	430,974	(80.2)	134,626	516,552	(73.9)	60,965	552,695	(89.0)	91,693	612,830	(85.0)
<u>Profit for the period attributable to:</u>												
Equity holders of the Company	74,342	421,072	(82.3)	115,435	506,259	(77.2)	50,061	542,793	(90.8)	72,502	602,537	(88.0)
Non-controlling interests	10,416	11,853	(12.1)	19,102	12,758	49.7	10,416	11,853	(12.1)	19,102	12,758	49.7
Profit for the period	84,758	432,925	(80.4)	134,537	519,017	(74.1)	60,477	554,646	(89.1)	91,604	615,295	(85.1)
<u>Total comprehensive income for the period attributable to:</u>												
Equity holders of the Company	74,803	419,139	(82.2)	115,540	503,752	(77.1)	50,522	540,858	(90.7)	72,607	600,030	(87.9)
Non-controlling interests	10,443	11,835	(11.8)	19,086	12,800	49.1	10,443	11,835	(11.8)	19,086	12,800	49.1
Total comprehensive income for the period	85,246	430,974	(80.2)	134,626	516,552	(73.9)	60,965	552,693	(89.0)	91,693	612,830	(85.0)
<i>n.m. denotes not meaningful</i>												

[^] 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:

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

1(a)(ii) Other information:

Please refer to Notes to Unaudited Interim Financial Statements.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement at the end of the immediately preceding financial year.

UNAUDITED STATEMENTS OF FINANCIAL POSITION

(RMB'000)	Note	Actual (WITH financial effects of Convertible Bonds)			
		Group		Company	
		As at 30 June 2022 (Unaudited)	As at 31 December 2021 (Audited)	As at 30 June 2022 (Unaudited)	As at 31 December 2021 (Audited)
ASSETS					
Current assets:					
		526,473	398,399	10,126	39,795
		220,106	60,790	-	-
	12	526,596	422,864	-	-
		292,350	359,803	318,471	303,106
	13	81,104	122,706	-	-
	14	35,716	3,010	-	-
		1,682,345	1,367,572	328,597	342,901
Non-current assets:					
		622,609	647,163	-	-
		243,162	246,713	-	-
		50,331	58,956	84,118	83,660
	14	2,683	2,683	-	-
		-	-	914,379	914,379
		32,289	20,762	-	-
		4,051,201	3,820,994	-	-
		25,823	24,301	-	-
	15	415,582	415,582	-	-
		5,443,680	5,237,154	998,497	998,039
		7,126,025	6,604,726	1,327,094	1,340,940
LIABILITIES AND EQUITY					
Current liabilities:					
		347,065	358,475	-	-
		539,635	490,896	389,804	389,803
		1,605	1,652	-	-
	16	572,529	594,006	-	-
	14, 17	861,492	-	861,492	-
		19,570	31,445	-	-
		2,341,896	1,476,474	1,251,296	389,803
Non-current liabilities:					
		219,243	219,498	-	-
	16	2,572,990	2,142,726	-	-
	14, 17	-	909,727	-	909,727
		6,491	5,506	-	-
		2,798,724	3,277,457	-	909,727
Capital and reserves:					
		57,662	57,662	57,662	57,662
		313,652	313,652	313,652	313,652
		194,643	187,724	-	-
		319	319	319	319
		168	(190)	-	-
		(1,478)	(1,209)	-	-
		1,137,182	1,028,666	(295,834)	(330,223)
		1,702,148	1,586,624	75,799	41,410
		283,257	264,171	-	-
		1,985,405	1,850,795	75,799	41,410
		7,126,025	6,604,726	1,327,094	1,340,940

		Actual (WITHOUT financial effects of Convertible Bonds)			
		Group		Company	
(RMB'000)	Note	As at 30 June 2022 (Unaudited)	As at 31 December 2021 (Audited)	As at 30 June 2022 (Unaudited)	As at 31 December 2021 (Audited)
ASSETS					
Current assets:					
Cash and cash equivalents		526,473	398,399	10,126	39,795
Pledged bank deposits		220,106	60,790	-	-
Trade receivables and contract assets	12	526,596	422,864	-	-
Other receivables, deposits and prepayments		292,350	359,803	318,471	303,106
Inventories	13	81,104	122,706	-	-
Financial assets at fair value through other comprehensive income	14	35,716	3,010	-	-
Total current assets		1,682,345	1,367,572	328,597	342,901
Non-current assets:					
Property, plant and equipment		622,609	647,163	-	-
Right-of-use assets		243,162	246,713	-	-
Other receivables, deposits and prepayments		50,331	58,956	84,118	83,660
Financial assets at fair value through other comprehensive income	14	2,683	2,683	-	-
Subsidiaries		-	-	914,379	914,379
Associate		32,289	20,762	-	-
Intangible assets		4,051,201	3,820,994	-	-
Deferred tax assets		25,823	24,301	-	-
Goodwill	15	415,582	415,582	-	-
Total non-current assets		5,443,680	5,237,154	998,497	998,039
Total assets		7,126,025	6,604,726	1,327,094	1,340,940
LIABILITIES AND EQUITY					
Current liabilities:					
Trade payables and contract liabilities		347,065	358,475	-	-
Other payables		527,182	472,324	377,351	371,231
Lease liabilities		1,605	1,652	-	-
Borrowings	16	572,529	594,006	-	-
Convertible bonds	14, 17	761,799	-	761,799	-
Income tax payable		19,570	31,445	-	-
Total current liabilities		2,229,750	1,457,902	1,139,150	371,231
Non-current liabilities:					
Deferred tax liabilities		219,243	219,498	-	-
Borrowings	16	2,572,990	2,142,726	-	-
Convertible bonds	14, 17	-	773,221	-	773,221
Finance leases		6,491	5,506	-	-
Total non-current liabilities		2,798,724	3,140,951	-	773,221
Capital and reserves:					
Share capital		57,662	57,662	57,662	57,662
Share premium		313,652	313,652	313,652	313,652
General reserves		194,643	187,724	-	-
Share option reserve		319	319	319	319
Foreign currency translation reserve		168	(190)	-	-
Revaluation reserve		(1,478)	(1,209)	-	-
Retained earnings (Accumulated losses)		1,249,327	1,183,744	(183,689)	(175,145)
Equity attributable to equity holders of the Company		1,814,294	1,741,702	187,944	196,488
Non-controlling interests		283,257	264,171	-	-
Total equity		2,097,551	2,005,873	187,944	196,488
Total liabilities and equity		7,126,025	6,604,726	1,327,094	1,340,940

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

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

Please refer to Note 16.

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2022

(RMB'000)	Note	Actual (WITH financial effects of Convertible Bonds)			
		Second quarter ended		Six months ended	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
Operating activities					
Profit before income tax		97,181	656,433	158,941	759,475
Adjustments for:					
Depreciation of property, plant and equipment		13,088	13,947	25,817	38,697
Amortisation of intangible assets		33,230	27,718	66,783	54,740
Finance costs		65,204	288,038	119,562	361,815
Depreciation of right-of-use assets		1,957	1,110	2,395	2,989
Exchange differences arising on foreign currency translation		(860)	47	-	(445)
Gain on disposal of discontinued operations		-	(933,976)	-	(933,976)
Share of profit of associate		(594)	(766)	(1,527)	(1,206)
Loss on disposal of property, plant and equipment		20	258	29	437
Interest income		(500)	(957)	(1,099)	(2,330)
Reversal of trade and other receivables subject to ECL, net		(86)	(1,874)	(131)	(4,738)
Exchange loss/(gain) on convertible bonds		44,679	(12,311)	41,243	(7,592)
Fair value (gain)/loss on convertible bonds		(87,865)	111,365	(121,394)	45,035
Operating cash flows before movements in working capital		165,454	149,032	290,619	312,901
Trade receivables and contract assets		7,932	(328,377)	(103,826)	(203,565)
Financial assets at fair value through other comprehensive income		2,644	(147,531)	(32,706)	(200,720)
Other receivables, deposits and prepayments		139,228	155,015	112,524	(92,297)
Inventories		(21,025)	(263,089)	41,602	(390,322)
Trade payables and contract liabilities		(2,180)	(242,246)	(11,410)	237,214
Other payables		7,458	812,815	(4,769)	724,413
Cash generated from operations		299,511	135,619	292,034	387,623
Income tax paid		(9,836)	(58,253)	(38,056)	(82,069)
Interest received		501	957	1,099	2,330
Interest paid		(32,797)	(36,409)	(64,004)	(63,420)
Net cash from operating activities		257,379	41,914	191,073	244,464
Investing activities					
Purchase of property, plant and equipment		(7,655)	(158,344)	(24,265)	(193,872)
Prepayment for build-operate-transfer ("BOT") projects		-	52,585	(42,996)	(23,608)
Payment of deferred consideration relating to acquisition of subsidiaries		(4,101)	(37)	(7,183)	(6,885)
Investment in associate		(21,478)	-	(31,478)	-
Proceeds from disposal of property, plant and equipment		856	912	940	3,198
Expenditure on IA		(60,015)	21,171	(183,878)	(385,619)
Proceeds from disposal of discontinued operations, net of cash disposed	18	-	755,880	-	755,880
Net cash (used in)/from investing activities		(92,393)	672,167	(288,860)	145,896
Financing activities					
Proceeds from new borrowings		842,550	157,809	1,114,619	2,042,179
Repayment of borrowings		(576,584)	(170,126)	(705,832)	(1,269,178)
Pledged bank deposits		(159,316)	2,408	(159,316)	(17,742)
Proceeds from exercise of share options		-	-	-	1,945
Proceeds from placement of treasury shares		-	4,520	-	4,520
Payment of dividend to non-controlling interest of a subsidiary		-	(1,526)	-	(1,526)
Payment of dividend	11	-	(552,053)	-	(552,053)
Repayment of lease liabilities		-	144	-	(787)
Payment of excess cash dividend to bondholders*		-	(231,433)	-	(231,433)
Interest paid		(5,814)	(7,575)	(23,522)	(36,165)
Net cash from/(used in) financing activities		100,836	(797,832)	225,949	(60,240)
Net increase/(decrease) in cash and cash equivalents		265,822	(83,751)	128,162	330,120
Cash and cash equivalents at beginning of period		259,875	948,377	398,399	534,491
Effects of foreign exchange rate changes		776	(66)	(88)	(51)
Cash and cash equivalents at end of period		526,473	864,560	526,473	864,560

(RMB'000)	Note	Actual (WITHOUT financial effects of Convertible Bonds)			
		Second quarter ended		Six months ended	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
Operating activities					
Profit before income tax		72,900	778,153	116,008	855,752
Adjustments for:					
Depreciation of property, plant and equipment		13,088	13,947	25,817	38,697
Amortisation of intangible assets		33,230	27,718	66,783	54,740
Finance costs		46,299	265,371	82,344	302,980
Depreciation of right-of-use assets		1,957	1,110	2,395	2,989
Exchange differences arising on foreign currency translation		(860)	47	-	(445)
Gain on disposal of discontinued operations		-	(933,976)	-	(933,976)
Share of profit of associate		(594)	(766)	(1,527)	(1,206)
Interest income		(500)	(957)	(1,099)	(2,330)
Loss on disposal of property, plant and equipment		20	258	29	437
Impairment loss on trade and other receivables subject to ECL, net		(86)	(1,874)	(131)	(4,738)
Operating cash flows before movements in working capital		165,454	149,031	290,619	312,900
Trade receivables and contract assets		7,932	(328,377)	(103,826)	(203,565)
Financial assets at fair value through other comprehensive income		2,644	(147,531)	(32,706)	(200,720)
Other receivables, deposits and prepayments		139,228	155,015	112,524	(92,297)
Inventories		(21,025)	(263,089)	41,602	(390,322)
Trade payables and contract liabilities		(2,180)	(242,246)	(11,410)	237,214
Other payables		7,458	812,816	(4,769)	724,413
Cash generated from operations		299,511	135,619	292,034	387,623
Income tax paid		(9,836)	(58,253)	(38,056)	(82,069)
Interest received		501	957	1,099	2,330
Interest paid		(32,797)	(36,409)	(64,004)	(63,420)
Net cash from operating activities		257,379	41,914	191,073	244,464
Investing activities					
Purchase of property, plant and equipment		(7,655)	(158,344)	(24,265)	(193,872)
Prepayment for build-operate-transfer ("BOT") projects		-	52,585	(42,996)	(23,608)
Payment of deferred consideration relating to acquisition of subsidiaries		(4,101)	(37)	(7,183)	(6,885)
Investment in associate		(21,478)	-	(31,478)	-
Proceeds from disposal of property, plant and equipment		856	912	940	3,198
Expenditure on IA		(60,015)	21,171	(183,878)	(385,619)
Proceeds from disposal of discontinued operations, net of cash disposed	18	-	755,880	-	755,880
Net cash (used in)/from investing activities		(92,393)	672,167	(288,860)	145,896
Financing activities					
Proceeds from new borrowings		842,550	157,809	1,114,619	2,042,179
Repayment of borrowings		(576,584)	(170,126)	(705,832)	(1,269,178)
Pledged bank deposits		(159,316)	2,408	(159,316)	(17,742)
Proceeds from exercise of share options		-	-	-	1,945
Proceeds from placement of treasury shares		-	4,520	-	4,520
Payment of dividend to non-controlling interest of a		-	(1,526)	-	(1,526)
Payment of dividend	11	-	(552,053)	-	(552,053)
Repayment of lease liabilities		-	144	-	(787)
Payment of excess cash dividend to bondholders*		-	(231,433)	-	(231,433)
Interest paid		(5,814)	(7,575)	(23,522)	(36,165)
Net cash from/(used in) financing activities		100,836	(797,832)	225,949	(60,240)
Net increase/(decrease) in cash and cash equivalents		265,822	(83,751)	128,162	330,120
Cash and cash equivalents at beginning of period		259,875	948,377	398,399	534,491
Effects of foreign exchange rate changes		776	(66)	(88)	(51)
Cash and cash equivalents at end of period		526,473	864,560	526,473	864,560

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

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

Actual (WITH financial effects of Convertible Bonds)											
Group	Share capital	Treasury shares	Share premium	General reserves	Share option reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at January 1, 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>Transaction with owners, recognized directly in equity</u>											
Dividend paid	-	-	-	-	-	-	-	(936,609)	(936,609)	-	(936,609)
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	(3,026)	(3,026)
Transfer to general reserves	-	-	-	42,641	-	-	-	(42,641)	-	-	-
Acquisition of non-controlling interest of a subsidiary	-	-	-	12,851	-	-	-	-	12,851	(13,483)	(632)
Disposal of discontinued operations	-	-	-	(163,746)	-	-	(835)	164,581	-	(44,686)	(44,686)
Placement of treasury shares	161	4,690	(331)	-	-	-	-	-	4,520	-	4,520
Employee share option expenses	250	-	4,922	-	(1,027)	-	-	-	4,145	-	4,145
Total	411	4,690	4,591	(108,254)	(1,027)	-	(835)	(814,669)	(915,093)	(61,195)	(976,288)
Balance as at December 31, 2021	57,662	-	313,652	187,724	319	(190)	(1,209)	1,028,666	1,586,624	264,171	1,850,795
<u>Total comprehensive income for January to March 2022</u>											
Profit for January to March 2022	-	-	-	-	-	-	-	41,093	41,093	8,686	49,779
Other comprehensive loss for January to March 2022	-	-	-	-	-	(4)	(368)	-	(372)	(43)	(415)
Total	-	-	-	-	-	(4)	(368)	41,093	40,721	8,643	49,364
<u>Transactions with owners, recognised directly in equity</u>											
Transfer to general reserves	-	-	-	2,290	-	-	-	(2,290)	-	-	-
Total	-	-	-	2,290	-	-	-	(2,290)	-	-	-
Balance as at March 31, 2022	57,662	-	313,652	190,014	319	(194)	(1,577)	1,067,469	1,627,345	272,814	1,900,159

Actual (WITH financial effects of Convertible Bonds)

<u>Group</u>	Share capital	Treasury shares	Share premium	General reserves	Share option reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at April 1, 2022	57,662		313,652	190,014	319	(194)	(1,577)	1,067,469	1,627,345	272,814	1,900,159
<u>Total comprehensive income for April to June 2022</u>											
Profit for April to June 2022	-	-	-	-	-	-	-	74,342	74,342	10,416	84,758
Other comprehensive income for April to June 2022	-	-	-	-	-	362	99	-	461	27	488
Total	-	-	-	-	-	362	99	74,342	74,803	10,443	85,246
<u>Transactions with owners, recognized directly in equity</u>											
Transfer to general reserves	-	-	-	4,629	-	-	-	(4,629)	-	-	-
Total	-	-	-	4,629	-	-	-	(4,629)	-	-	-
Balance as at June 30, 2022	57,662	-	313,652	194,643	319	168	(1,478)	1,137,182	1,702,148	283,257	1,985,405

Actual (WITHOUT financial effects of Convertible Bonds)

<u>Group</u>	Share capital	Treasury shares	Share premium	General reserves	Share option reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at January 1, 2021	57,251	(4,690)	309,061	295,978	1,346	(149)	363	1,562,590	2,221,750	313,318	2,535,068
<u>Total comprehensive income for 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>											
Dividend paid	-	-	-	-	-	-	-	(936,609)	(936,609)	-	(936,609)
Dividend 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	-	-	-	(163,746)	-	-	(835)	164,581	-	(44,686)	(44,686)
Placement of treasury shares	161	4,690	(331)	-	-	-	-	-	4,520	-	4,520
Employee share option expenses	250	-	4,922	-	(1,027)	-	-	-	4,145	-	4,145
Total	411	4,690	4,591	(108,254)	(1,027)	-	(835)	(814,669)	(915,093)	(61,195)	(976,288)
Balance as at December 31, 2021	57,662	-	313,652	187,724	319	(190)	(1,209)	1,183,744	1,741,702	264,171	2,005,873
<u>Total comprehensive income for January to March 2022</u>											
Profit for January to March 2022	-	-	-	-	-	-	-	22,441	22,441	8,686	31,127
Other comprehensive loss for January to March 2022	-	-	-	-	-	(4)	(368)	-	(372)	(43)	(415)
Total	-	-	-	-	-	(4)	(368)	22,441	22,069	8,643	30,712
<u>Transactions with owners, recognised directly in equity</u>											
Transfer to general reserves	-	-	-	2,290	-	-	-	(2,290)	-	-	-
Total	-	-	-	2,290	-	-	-	(2,290)	-	-	-
Balance as at March 31, 2022	57,662	-	313,652	190,014	319	(194)	(1,577)	1,203,895	1,763,771	272,814	2,036,585

Actual (WITHOUT financial effects of Convertible Bonds)

<u>Group</u>	Share capital	Treasury shares	Share premium	General reserves	Share option reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at April 1, 2022	57,662		313,652	190,014	319	(194)	(1,577)	1,203,895	1,763,771	272,814	2,036,585
<u>Total comprehensive income for April to June 2022</u>											
Profit for April to June 2022	-	-	-	-	-	-	-	50,061	50,061	10,416	60,477
Other comprehensive income for April to June 2022	-	-	-	-	-	362	99	-	461	27	488
Total	-	-	-	-	-	362	99	50,061	50,522	10,443	60,965
<u>Transactions with owners, recognized directly in equity</u>											
Transfer to general reserves	-	-	-	4,629	-	-	-	(4,629)	-	-	-
Total	-	-	-	4,629	-	-	-	(4,629)	-	-	-
Balance as at June 30, 2022	57,662	-	313,652	194,643	319	168	(1,478)	1,249,327	1,814,294	283,257	2,097,551

Actual (WITH financial effects of Convertible Bonds)

<u>Company</u>	Share capital	Treasury shares	Share premium	Share option reserve	Retained earnings	Equity attributable to equity holders of the Company	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at January 1, 2021	57,251	(4,690)	309,061	1,346	(699,520)	(336,552)	(336,552)
Profit for the period, representing total comprehensive income for the year	-	-	-	-	1,305,905	1,305,905	1,305,905
<u>Transactions with owners, recognised directly in equity</u>							
Employee share option expenses	250	-	4,922	(1,027)	-	4,145	4,145
Placement of treasury shares	161	4,690	(331)	-	-	4,520	4,520
Dividends paid	-	-	-	-	(936,609)	(936,609)	(936,609)
Total	411	4,690	4,591	(1,027)	(936,609)	(927,944)	(927,944)
Balance as at December 31, 2021	57,662		313,652	319	(330,224)	41,409	41,409
Profit for the period, representing total comprehensive income for January to March 2022	-	-	-	-	14,952	14,952	14,952
Balance as at March 31, 2022	57,622	-	313,652	319	(315,272)	56,361	56,361
Profit for the period, representing total comprehensive income for April to June 2022	-	-	-	-	19,438	19,438	19,438
Balance as at June 30, 2022	57,622		313,652	319	(295,834)	75,799	75,799

Actual (WITHOUT financial effects of Convertible Bonds)

<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	(101,041)	261,927	261,927
Profit for the year, representing total comprehensive profit for the year	-	-	-	-	910,386	910,386	910,386
<u>Transactions with owners, recognised directly in equity</u>							
Employee share option expenses	250	-	4,922	(1,027)	-	4,145	4,145
Placement of treasury shares	161	4,690	(331)	-	-	4,520	4,520
Dividend paid	-	-	-	-	(936,609)	(936,609)	(936,609)
Total	411	4,690	4,591	(1,027)	(936,609)	(927,944)	(927,944)
Balance as at December 31, 2021	57,662	-	313,652	319	(175,146)	196,487	196,487
Loss for the period, representing total comprehensive loss for January to March 2022	-	-	-	-	(3,700)	(3,700)	(3,700)
Balance as at March 31, 2022	57,662	-	313,652	319	(178,846)	192,787	192,787
Loss for the period, representing total comprehensive loss for April to June 2022	-	-	-	-	(4,843)	(4,843)	(4,843)
Balance as at June 30, 2022	57,662	-	313,652	319	(183,689)	187,944	187,944

Notes to Unaudited Interim Financial Statements

1. Corporate Information

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

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

2. Basis of Preparation

The unaudited interim financial statements for the second quarter and six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The unaudited interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements for the year ended 31 December 2021.

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 2021.

2.1. Adoption of New and Revised Financial Standards

The Group has adopted SFRS(I) 1-34 *Interim Financial Reporting* on 30 June 2021 for the preparation of the unaudited interim financial statements for the second quarter and six months ended 30 June 2022, 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 2022, 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 April 2021

- Amendments to SFRS(I) 16 *Leases: Covid-19-Related Rent Concessions beyond June 30, 2021*

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*
- Amendments to SFRS(I) 1-37 *Onerous Contracts – Cost of Fulfilling a Contract*
- 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*
- Amendments to SFRS (I) 1 and SFRS(I) *Practice Statement 2: Disclosure of Accounting Policies*
- Amendments to SFRS (I) 1- 8: *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

2. Basis of Preparation (Cont'd)

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

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*

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 2021.

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:

(a) Service concession arrangements Under SFRS(I) INT 12 Service Concession Arrangements, revenue and cost are recognised during the construction phase based on the output method; and during the subsequent operating of facilities and supplying of steam and electricity. Intangible assets arise from cost incurred during the construction phase which are projected to be recoverable during the operating period. Significant estimates and judgement include the following:

- Projection of total revenue which can be billed to end users during the operating period.
- Evaluation of estimated profit margins for each of the construction and operating phases.
- Allocation of revenue between the construction and service elements of the project.
- Recoverable amount of intangible assets which represent cost recoverable from future operations.

Management has evaluated all aspects of the above estimates and considered that the estimates of intangible assets and the recognition of revenue and cost from the construction phase to be best estimates; and that the intangible assets will be recoverable. The revenue

(b) Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

2. Basis of Preparation (Cont'd)

2.2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Cont'd)

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.

Based on the most current assessment, management is of the view that the loss allowances made for trade receivables and contract assets, and other receivables are adequate and the carrying amount of the trade receivables and contract assets, and other receivables as disclosed in Notes 8 and 9 of the financial statements are recoverable.

(c) Recoverable amounts of 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.

Based on the most current assessment, management is of the view that the allowances made for inventories are adequate and the carrying amount of the inventories as disclosed in Note 10 to the financial statements is recoverable.

(d) Revenue and costs of construction for long term contracts Revenue and costs associated with a project are recognised as revenue and expenses respectively by reference to the progress towards complete satisfaction at the end of the reporting period except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer. When it is probable that the total project costs will exceed the total project revenue, the expected loss is recognised as an expense immediately. These computations are based on the presumption that the outcome of a project can be estimated reliably.

Total cost to completion is subject to judgement and estimation by management. Management performed cost studies, taking into account the costs to date and estimated cost to complete each project. Management also reviewed the status and the physical proportion of work completed for projects. Based on these procedures, management is satisfied that estimates of cost to complete projects are realistic, and the estimates of total project costs compared with expected revenues indicate full project recovery.

(e) Fair value measurement of derivative liabilities

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. As at 30 June 2022, the fair value of derivative liability component of the convertible bonds amounted to RMB 29,262,167.62 (2021 : RMB150,655,000) as disclosed in Note 22 to the financial statements.

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	
	30 June 2022	30 June 2021
	RMB'000	RMB'000
CONTINUING OPERATIONS – GI		
Revenue	1,519,363	924,332
RESULT FOR CONTINUING OPERATIONS		
Segment result	197,253	194,203
Unallocated corporate expenses	-	(239,669)
Gain on disposal of discontinued operations		933,976
Financial effects of convertible bonds	42,933	(96,277)
Interest expense	(82,344)	(63,423)
Interest income	1,099	564
Profit before income tax from continuing operations	158,941	729,374
Income tax expense	(24,404)	(235,988)
Profit for the period from continuing operations	134,537	493,386
DISCONTINUED OPERATIONS – M&S		
Revenue	-	531,097
RESULT FOR DISCONTINUED OPERATIONS		
Segment result	-	36,885
Interest expense	-	(8,124)
Interest income	-	1,340
Profit before income tax from discontinued operations	-	30,101
Income tax expense	-	(4,470)
Profit for the period from discontinued operations	-	25,631

4. Segment Information (Cont'd)

	Continuing operations – GI	Discontinued operations - M&S	Total
<u>As at 30 June 2022</u>	RMB'000	RMB'000	RMB'000
Statement of Net Assets			
Assets:			
Total assets	7,126,025	-	7,126,025
Liabilities:			
Total liabilities	5,140,620	-	5,140,620

As at 31 December 2021

Statement of Net Assets

Assets:			
Total assets	6,604,726	-	6,604,726
Liabilities:			
Total liabilities	4,753,931	-	4,753,931

5. Disaggregation of Revenue

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

	Six months ended 30 June 2022		
	Continuing operations – GI	Discontinued operations – M&S	Total
	RMB'000	RMB'000	RMB'000
Types of goods or service:			
Provision of utilities	1,339,726	-	1,339,726
Revenue from service concession arrangements	160,221	-	160,221
Provision of other services	19,416	-	19,416
Total revenue	1,519,363	-	1,519,363
Timing of revenue recognition:			
At a point of time:			
Provision of utilities	1,339,726	-	1,339,726
Provision of other services	19,416	-	19,416
Total revenue	1,359,142	-	1,359,142
Over time			
Revenue from service concession arrangements	160,221	-	160,221
Geographical information:			
PRC	1,519,363	-	1,519,363
Total revenue	1,519,363	-	1,519,363

5. Disaggregation of Revenue (Cont'd)

	Six months ended 30 June 2021		
	Continuing operations – GI	Discontinued operations – M&S	Total
	RMB'000	RMB'000	RMB'000
Types of goods or service:			
Sales of goods	34,635	345,096	379,731
Construction contracts	-	106,314	106,314
Revenue from service concession arrangements	-	79,687	79,687
Provision of utilities	889,697	-	889,697
Total revenue	924,332	531,097	1,455,429
Timing of revenue recognition:			
At a point of time:			
- Sales of goods	34,635	345,096	379,731
- Provision of utilities	889,697	-	889,697
Over time:			
- Construction contracts	-	106,314	106,314
- Revenue from service concession arrangements	-	79,687	79,687
Total revenue	924,332	531,097	1,455,429
Geographical information:			
PRC	924,332	530,278	1,454,610
Asia	-	816	816
Europe	-	3	3
Total revenue	924,332	531,097	1,455,429

6. Other Operating Income

(RMB'000)	Actual (WITH financial effects of Convertible Bonds)						Actual (WITHOUT financial effects of Convertible Bonds)					
	Second quarter ended			Six months ended			Second quarter ended			Six months ended		
	30 June 2022	30 June 2021 [^]	% change	30 June 2022	30 June 2021 [^]	% change	30 June 2022	30 June 2021 [^]	% change	30 June 2022	30 June 2021 [^]	% change
Continuing operations												
Government grants	1,877	3,438	(45.4)	3,858	4,366	(11.6)	1,877	3,438	(45.4)	3,858	4,366	(11.6)
Reversal of impairment allowance on trade and other receivables, subject to ECL	86	233	(60.1)	167	244	(31.6)	86	233	(60.1)	167	244	(31.6)
Interest income	501	623	(19.6)	1,099	989	11.0	501	623	(19.6)	1,099	989	11.0
Government rebates	219	304	n.m.	449	1,437	n.m.	219	304	n.m.	449	1,437	n.m.
Gain on disposal of plant and equipment	29	33	(12.1)	29	33	(11.0)	29	33	(12.1)	29	33	(11.0)
Others	464	256	81.3	631	631	0	464	258	81.3	631	631	0
Total	<u>3,176</u>	<u>4,888</u>	35.0	<u>6,233</u>	<u>7,701</u>	(19.1)	<u>3,176</u>	<u>4,888</u>	35.0	<u>6,233</u>	<u>7,701</u>	(19.1)
Discontinued operations												
Government grants	-	907	n.m.	-	2,203	n.m.	-	907	n.m.	-	2,203	n.m.
Reversal of impairment allowance on trade and other receivables, subject to ECL	-	2,618	n.m.	-	13,104	n.m.	-	2,618	n.m.	-	13,104	n.m.
Interest income	-	333	n.m.	-	1,340	n.m.	-	333	n.m.	-	1,340	n.m.
Government rebates	-	-	n.m.	-	(8)	n.m.	-	-	n.m.	-	(8)	n.m.
Others	-	230	n.m.	-	1,107	n.m.	-	230	n.m.	-	1,107	n.m.
Total	<u>-</u>	<u>4,088</u>	n.m.	<u>-</u>	<u>17,746</u>	n.m.	<u>-</u>	<u>4,088</u>	n.m.	<u>-</u>	<u>17,746</u>	n.m.

n.m. denotes not meaningful

[^] 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 for the second quarter and six months ended 30 June 2022.

7. Profit/(Loss) Before Income Tax

(RMB'000)	Actual (WITH financial effects of Convertible Bonds)						Actual (WITHOUT financial effects of Convertible Bonds)					
	Second quarter ended			Six months ended			Second quarter ended			Six months ended		
	30 June 2022	30 June 2021 [^]	% change	30 June 2022	30 June 2021 [^]	% change	30 June 2022	30 June 2021 [^]	% change	30 June 2022	30 June 2021 [^]	% change
Continuing operations												
Depreciation of property, plant and equipment	13,088	10,878	20.3	25,817	26,341	(2.0)	13,088	10,878	20.3	25,817	26,341	(2.0)
Depreciation of right-of-use assets	1,957	946	n.m.	2,395	2,334	n.m.	1,957	946	n.m.	2,395	2,334	n.m.
Amortisation of intangible assets	33,230	27,689	24.6	66,783	54,627	22.3	33,230	27,689	24.6	66,783	54,627	22.3
Impairment loss on trade and other receivables subject to ECL	-	(57)	n.m.	36	1,168	n.m.	-	(57)	n.m.	36	1,168	n.m.
Reversal of impairment loss on trade and other receivables subject to ECL	(86)	(233)	(170.9)	(167)	(244)	(46.1)	(86)	(233)	118.9	(167)	(244)	(46.1)
(Gain)/Loss on disposal of property, plant and equipment - net	(20)	(76)	(88.2)	(29)	(33)	n.m.	(20)	(76)	(88.2)	(29)	(33)	n.m.
Foreign exchange loss/(gain) - net	43,907	(12,265)	n.m.	41,331	(7,340)	n.m.	(772)	46	n.m.	88	251	(64.9)
Finance costs	65,204	285,946	n.m.	119,562	353,691	n.m.	46,299	263,279	(82.4)	82,344	294,856	(72.1)
Fair value changes on convertible bonds	(87,865)	111,365	n.m.	(121,394)	45,035	n.m.	-	-	n.m.	-	-	n.m.
Discontinued operations												
Depreciation of property, plant and equipment	-	3,069	n.m.	-	12,356	n.m.	-	3,069	n.m.	-	12,356	n.m.
Depreciation of right-of-use assets	-	164	n.m.	-	655	n.m.	-	164	n.m.	-	655	n.m.
Amortisation of intangible assets	-	29	n.m.	-	113	n.m.	-	29	n.m.	-	113	n.m.
Impairment loss on trade and other receivables subject to ECL	-	1,033	n.m.	-	7,441	n.m.	-	1,033	n.m.	-	7,441	n.m.
Reversal of impairment loss on trade and other receivables subject to ECL	-	(2,618)	n.m.	-	(13,104)	n.m.	-	(2,618)	n.m.	-	(13,104)	n.m.
Loss on disposal of property, plant and equipment - net	-	255	n.m.	-	390	n.m.	-	255	n.m.	-	390	n.m.
Foreign exchange gain - net	-	-	n.m.	-	(697)	n.m.	-	-	n.m.	-	(697)	n.m.
Finance costs	-	2,093	n.m.	-	8,124	n.m.	-	2,093	n.m.	-	8,124	n.m.

n.m. denotes not meaningful

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

8. Income Tax Expense

Income tax recognised in profit or loss:

(RMB'000)	Continuing operations		Discontinued operations		Total	
	Six months ended		Six months ended		Six months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Tax expense comprises:						
Current tax expense	26,181	241,849	-	5,724	26,181	247,573
Deferred tax	(1,777)	(5,861)	-	(1,254)	(1,777)	(7,115)
Total tax expense	24,404	235,988	-	4,470	24,404	240,458

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)						Actual (WITHOUT financial effects of Convertible Bonds)					
		Second quarter ended			Six months ended			Second quarter ended			Six months ended		
		30 June 2022	30 June 2021*	% change	30 June 2022	30 June 2021*	% change	30 June 2022	30 June 2021*	% change	30 June 2022	30 June 2021*	% change
Revenue	5	-	65,849	n.m.	-	531,097	n.m.	-	65,849	n.m.	-	531,097	n.m.
Cost of sales		-	(52,618)	n.m.	-	(409,507)	n.m.	-	(52,618)	n.m.	-	(409,507)	n.m.
Gross profit		-	13,231	n.m.	-	121,590	n.m.	-	13,231	n.m.	-	121,590	n.m.
Other operating income	6	-	4,088	n.m.	-	17,746	n.m.	-	4,088	n.m.	-	17,746	n.m.
Selling and distribution expenses		-	(5,650)	n.m.	-	(17,260)	n.m.	-	(5,650)	n.m.	-	(17,260)	n.m.
Administrative expenses		-	(17,063)	n.m.	-	(76,032)	n.m.	-	(17,063)	n.m.	-	(76,032)	n.m.
Foreign exchange gain		-	-	n.m.	-	697	n.m.	-	-	n.m.	-	697	n.m.
Other operating expenses		-	(770)	n.m.	-	(8,516)	n.m.	-	(770)	n.m.	-	(8,516)	n.m.
Finance costs		-	(2,093)	n.m.	-	(8,124)	n.m.	-	(2,093)	n.m.	-	(8,124)	n.m.
(Loss)/Profit before income tax from discontinued operations	7	-	(8,257)	n.m.	-	30,101	n.m.	-	(8,257)	n.m.	-	30,101	n.m.
Income tax expense	8	-	370	n.m.	-	(4,470)	n.m.	-	370	n.m.	-	(4,470)	n.m.
(Loss)/Profit for the period from discontinued operations, net of tax		-	(7,887)	n.m.	-	25,631	n.m.	-	(7,887)	n.m.	-	25,631	n.m.

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

Note: There is no difference for results from discontinued operations with and without financial effects of Convertible Bonds for the second quarter and six months ended 30 June 2022.

10. Related Party Transactions

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

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

Significant related party transactions:

	Group	
	30 June 2022	30 June 2021
	RMB'000	RMB'000
Disposal of M&S segment	-	2,290,000
Provision of catering services in staff canteen	2,080	-
Lease of office buildings	1,143	1,276
Purchase construction services	208,248	265,948
Equipment procurement	2,069	-

11. Dividends

	Six months ended	
	30 June 2022	30 June 2021
	RMB'000	RMB'000
Ordinary dividend paid:		
First and final tax-exempt dividend of S\$0.003 per ordinary share in respect on the financial year ended 31 December 2020	-	11,464
Special dividend paid:		
Net proceeds from the disposal of M&S business	-	540,589
Total dividends	-	552,053

12. Trade Receivables and Contract Assets

	Group	
	As at 30 June 2022	As at 31 December 2021
	RMB'000	RMB'000
Outside parties	526,596	422,958
Loss allowance	-	(94)
Total	526,596	422,864

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						
	< 6 months	7 – 12 months	1 – 2 years	2 – 3 years	3 – 4 years	> 4 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 30 June 2022							
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	484,215	21,167	5,507	15,194	-	513	526,596
Lifetime ECL	-	-	-	-	-	-	-
							526,596
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)	(13)	(94)
							422,864

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

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

Group	Lifetime ECL credit-impaired		Total RMB'000
	Individually assessed RMB'000	Collectively assessed RMB'000	
Balance as at December 31, 2020	91,874	20,019	111,893
Transfer of credit-impaired from collective to individual	60	(60)	-
Amounts written off	(24,168)	(139)	(24,307)
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	15,326	5,615	20,941
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	94	-	94
Amounts recovered	(94)	-	(94)
Balance as at June 30, 2022	-	-	-

13. Inventories

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

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

	Group	
	As at 30 June 2022	As at 31 December 2021
	RMB'000	RMB'000
Raw materials and consumables	81,104	122,706
Total	81,104	122,706

Inventories are stated net of allowance.

	Group	
	As at 30 June 2022	As at 31 December 2021
	RMB'000	RMB'000
Movements in allowance for inventories:		
At beginning of period/ year	4,463	17,751
Charge to profit or loss	-	1,759
Disposal of inventories due to disposal of M&S business	-	(15,047)
At end of period/ year	4,463	4,463

14. Financial Instruments

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

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

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

	Group		Fair value hierarchy
	As at 30 June 2022	As at 31 December 2021	
	RMB'000	RMB'000	
Financial assets at fair value through other comprehensive income - unquoted equity shares	2,683	2,683	Level 3
Financial assets at fair value through other comprehensive income - notes receivables	35,716	3,010	Level 3
Financial liabilities at fair value through profit or loss - convertible bonds - derivative liability component	29,262	150,656	Level 2

15. Goodwill

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

	Group	
	As at 30 June 2022 RMB'000	As at 31 December 2021 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 30 June 2022 was lower than the recoverable amount.

16. Borrowings

Amount repayable in one year or less, or on demand

(RMB'000)	As at 30 June 2022		As at 31 December 2021	
	Secured	Unsecured	Secured	Unsecured
Borrowings	216,075	356,454	271,731	322,276

Amount repayable after one year

(RMB'000)	As at 30 June 2022		As at 31 December 2021	
	Secured	Unsecured	Secured	Unsecured
Borrowings	2,572,990	-	2,132,726	10,000

Details of any collaterals:

<u>Collaterals</u>	30 June	31 December
	2022	2021
	RMB'000	RMB'000
Secured by building and land use rights of the subsidiary	1,522,975	1,252,779
Pledge of shareholding	933,688	893,878
Guaranteed by the company	332,402	321,776
Guaranteed by the subsidiary	356,454	268,500

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
	30 June 2022	31 December 2021
	RMB'000	RMB'000
Debt host liability component, at amortised cost	832,230	759,072
Derivative liability component, at fair value	29,262	150,655
Total	861,492	909,727

17. Convertible Bonds (Cont'd)

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
	30 June 2022	31 December 2021
	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	(10,969)	(45,836)
Cumulative interest accrued	479,030	447,993
Fair value (gain)/loss on CB	(376,047)	(265,977)
Total	823,527	867,694
Less: Interest payables included in accruals	(10,530)	(16,470)
Less: Interest paid to bondholders	(82,357)	(72,814)
Debt host and derivative liability component at end of period/year	730,640	778,410

	Group and Company	
	As at	As at
	30 June 2022	31 December 2021
	RMB'000	RMB'000
CB2		
Nominal value of CB issued	138,285	138,285
Less: Transaction costs	(15,000)	(15,000)
Net value of CB issued	123,285	123,285
Foreign exchange gain	(2,882)	(9,259)
Cumulative interest accrued	59,696	54,420
Fair value (gain)/loss on CB	(37,588)	(26,264)
Total	142,511	142,182
Less: Interest payables included in accruals	(1,922)	(2,864)
Less: Interest paid to bondholders	(9,737)	(8,001)
Debt host and derivative liability component at end of period/year	130,852	131,317

Management estimates that the carrying amount of the liability component of CB1 and CB2 as at 30 June 2022 and 31 December 2021 approximates its fair value.

18. Analysis of Assets and Liabilities of Discontinued Operations

(RMB'000)	Discontinued Operations
	As at 30 April 2021
ASSETS	
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
LIABILITIES AND EQUITY	
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 in the first half year:	
Transaction cost and withholding tax	(219,988)
Deferred Tranche2 consideration to be received	(687,000)
Cash and cash equivalents disposed off	(627,132)
As at 30 June 2021, proceeds from disposal of discontinued operations, net of cash disposed	755,880
Net cash outflows/(inflows) arising from the disposal of discontinued operations in the second half year:	
Transaction cost and withholding tax	(39,810)
Receipt of Tranche2 consideration	687,000
As at 31 Dec 2021, 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 30 June 2022	As at 30 June 2021
	<u>Number of ordinary shares</u>	
<u>Issued and fully paid up:</u>		
At the beginning of the period	795,686,142	791,848,142
Add: Exercise of share options during first quarter	-	2,500,000
Add: Exercise of share options during second quarter (Note A)	-	1,338,000
At the end of the period	795,686,142	795,686,142
Total number of treasury shares (Note B)	-	-
Total number of issued shares excluding treasury shares	795,686,142	795,686,142
Total number of issued shares	795,686,142	795,686,142

Note A

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

Note B

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

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

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

On 3 March 2017, the Company had completed the issuance of the first tranche convertible bonds of an aggregate principal amount of US\$ 110 million (“Tranche 1 Convertible Bonds” or “CB1s”) which are convertible into fully paid ordinary shares in the capital of the Company (which will potentially represent approximately 28.2% to 51.4% of share capital on a diluted basis) to Glory Sky Vision Limited (“Glory Sky”) (ultimately indirectly and beneficially owned by CDH Fund V, L. P. (“CDH”).

On 10 January 2018, Glory Sky transferred US\$ 60 million Convertible Bonds to DCP Capital Partners L.P. and DCP Group (together, “DCP”), as a result of which, DCP and CDH (each an “Investor” and collectively, the “Investors”) now hold US\$ 60 million and US\$ 50 million Convertible Bonds of the Company, respectively.

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

The Company and the Investors have entered into an amendment agreement (the “Amendment Agreement”) on 31 December 2020 to amend certain terms of the purchase agreements of the CB1s and CB2s. Accordingly, the maturity date of CB1s and CB2s which was initially on 3 March 2023, is elected by the Bondholders to be the 15th Business Day after the date on which the Issuer’s audited financial statements for 2022 are issued (for further details, please refer to the circular to shareholders that was released on 31 March 2021).

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

Subsequently on 15 October 2018, CB2s of an aggregate amount of US\$ 20 million and 16,464,490 Warrants were issued to Blue Starry and Glory Sky. On 21 December 2018, the remaining 35,281,049 Warrants and 5,880,175 Warrants were issued to Blue Starry and Glory Sky respectively. As of 31 December 2020, none of the Warrants has been exercised and all Warrants have expired on 31 December 2020.

Assuming that all the outstanding CB1s and CB2s have been converted at S\$ 0.50 and S\$ 0.60 respectively and that all the share options granted have been exercised as at 30 June 2022, the maximum number of shares that may be issued as at 30 June 2022 is 359,379,000 ordinary shares (30 June 2021: 359,379,000 ordinary shares). The fully diluted shares (including treasury shares) as at 30 June 2022 and 30 June 2021 were 1,155,065,142 ordinary shares respectively.

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 30 June 2022	As at 31 December 2021
Total number of issued shares	795,686,142	795,686,142
Less: Total number of treasury shares	-	-
Total number of issued shares excluding treasury shares	795,686,142	795,686,142

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 2021.

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)			
	Second quarter ended		Six months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
<u>From continuing and discontinued operations:</u>				
Net profit attributable to equity holders of the Group (RMB'000)	74,342	421,072	115,435	506,259
Weighted average number of ordinary shares outstanding ('000)	795,686	792,055	795,686	792,055
Earnings per share – basic (RMB cents)	9.34	53.16	14.51	63.92
<u>From continuing operations:</u>				
Net profit/(loss) attributable to equity holders of the Group (RMB'000)	74,342	440,763	115,435	492,266
Weighted average number of ordinary shares outstanding ('000)	795,686	792,055	795,686	792,055
Earnings/(Loss) per share – basic (RMB cents)	9.34	55.65	14.51	62.15
	Actual (WITHOUT financial effects of Convertible Bonds)			
	Second quarter ended		Six months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
<u>From continuing and discontinued operations:</u>				
Net profit attributable to equity holders of the Group (RMB'000)	50,061	542,793	72,502	602,537
Weighted average number of ordinary shares outstanding ('000)	795,686	792,055	795,686	792,055
Earnings per share – basic (RMB cents)	6.29	68.53	9.11	76.07
<u>From continuing operations:</u>				
Net profit attributable to equity holders of the Group (RMB'000)	50,061	551,966	72,502	578,026
Weighted average number of ordinary shares outstanding ('000)	795,686	792,055	795,686	792,055
Earnings per share – basic (RMB cents)	6.29	69.69	9.11	72.98

Basic earnings per share for second quarter and six months ended 30 June 2022 and 30 June 2021 have been calculated based on the weighted average number of ordinary shares issued (excluding treasury shares) at 795,686,142 and 792,055,313 ordinary shares respectively.

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

	Actual (WITH financial effects of Convertible Bonds)			
	Second quarter ended		Six months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
<u>From continuing and discontinued operations:</u>				
Net profit attributable to equity holders of the Group (RMB'000)	50,061	542,793	72,502	602,537
Weighted average number of ordinary shares outstanding ('000)	1,154,394	1,150,985	1,154,394	1,150,985
Earnings/(Loss) per share – diluted (RMB cents)	4.34	47.16	6.28	52.35
<u>From continuing operations:</u>				
Net profit/(loss) attributable to equity holders of the Group (RMB'000)	50,061	562,484	72,502	588,544
Weighted average number of ordinary shares outstanding ('000)	1,154,394	1,150,985	1,154,394	1,150,985
Earnings/(Loss) per share – diluted (RMB cents)	4.34	48.87	6.28	51.13
Actual (WITHOUT financial effects of Convertible Bonds)				
	Second quarter ended		Six months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	<u>From continuing and discontinued operations:</u>			
Net profit attributable to equity holders of the Group (RMB'000)	50,061	542,793	72,502	602,537
Weighted average number of ordinary shares outstanding ('000)	796,206	792,797	796,206	792,797
Earnings per share – diluted (RMB cents)	6.29	68.47	9.11	76.00
<u>From continuing operations:</u>				
Net profit attributable to equity holders of the Group (RMB'000)	50,061	551,966	72,502	578,026
Weighted average number of ordinary shares outstanding ('000)	796,206	792,797	796,206	792,797
Earnings per share – diluted (RMB cents)	6.29	69.62	9.11	72.91

Diluted earnings per share for the above periods have been calculated by assuming the outstanding convertibles have been converted at S\$ 0.50 and S\$ 0.60 based on exercise prices of convertible bonds issued on 3 March 2017 and 15 October 2018 respectively, and that all share options granted have been exercised as at 30 June 2022. The warrants issued along with the CB2s have expired on 31 December 2020.

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

	Group			
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(WITH financial effects of Convertible Bonds)</i>		<i>(WITHOUT financial effects of Convertible Bonds)</i>	
Net asset value per share (RMB cents)	249.52	232.60	263.62	252.09

	Company			
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(WITH financial effects of Convertible Bonds)</i>		<i>(WITHOUT financial effects of Convertible Bonds)</i>	
Net asset value per share (RMB cents)	9.53	5.20	23.62	24.69

The net asset value per share for 30 June 2022 and 31 December 2021 have been computed based on shareholders' equity as at these dates and the existing share capital of 795,686,142 ordinary shares as at 30 June 2022 and 31 December 2021 respectively.

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

The Group's performance for the second quarter ended 30 June 2022 ("2Q2022") as compared to that of the second quarter ended 30 June 2021 ("2Q2021")

Based on actual financial performance WITH financial effects of Convertible Bonds

Revenue

The Group's revenue from continuing operations increased by approximately RMB 280.2 million or 56.0% from RMB 500.7 million in 2Q2021 to RMB 780.9 million in 2Q2022, which were mainly contributed by:

- The rise in sales price of steam;
- The contributions to some new customers for existing plant such as Shantou project;
- Two boilers with higher capacity started operation in addition to the biomass boiler of Xintai project;
- The steam supply to Sanli of Changrun project; and
- The construction service revenue from service concession arrangements of RMB 89.8 million in accordance with IFRIC 12 Service Concession Arrangements.

Gross Profit

Gross profit from continuing operations increased by approximately RMB 8.4 million or 5.9% from RMB 143.3 million in 2Q2021 to RMB 151.7 million in 2Q2022, which was in line with the growth of revenue.

Profit before Income Tax from Continuing Operations

Profit before tax from continuing operations decreased by RMB 567.5 million or 85.4% from RMB 664.7 million in 2Q2021 to RMB 97.2 million in 2Q2022. The decrease was mainly due to the following factor:

- (a) Gain on disposal of discontinued operations of RMB 934.0 million arising from the disposal of M&S segment in 2Q2021; and
- (b) Increase in foreign exchange loss of RMB 56.2 million from gain of RMB 12.3 million in 2Q2021 to loss of RMB 43.9 million in 2Q2022, mainly due to the fact that RMB depreciated against US dollar for the USD Convertible Bonds while RMB appreciated against US dollar the same period last year.

The above-mentioned factor was offset by:

- (a) Decrease in finance costs of RMB 220.7 million mainly due to excess cash dividend paid to Convertible Bond holders of RMB 231.0 million in 2Q2021; and
- (b) Increase in fair value gain on Convertible Bonds of RMB 199.2 million from a loss of RMB 111.4 million in 2Q2021 to a gain of RMB 87.9 million in 2Q2022, due mainly to the decrease in share price during the financial period from 1 April 2022 to 30 June 2022.

Income Tax Expense for Continuing Operations

The income tax expense for continuing operations decreased by RMB 211.5 million or 94.5% from RMB 223.9 million in 2Q2021 to RMB 12.4 million in 2Q2022.

Profit for the Financial Period - Continuing Operations

As a result of the above, the net profit from continuing operations decreased by RMB 356.1 million or 80.8% from RMB 440.8 million in 2Q2021 to RMB 84.8 million in 2Q2022. Excluding the gain from financial effects of the Convertible Bonds of RMB 24.3 million, the net profit from continuing operations for 2Q2022 was RMB 60.5 million.

Profit for the Financial Period – Discontinued Operations

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. Hence, the results of operations for M&S business in 2Q2022 was nil.

Total Profit for the Financial Period

As a result of the above, the Group's net profit attributable to the equity holders decreased by RMB 346.7 million or 82.3% from RMB 421.1 million in 2Q2021 to RMB 74.3 million in 2Q2022.

- (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

The Group's total current assets increased by approximately RMB 314.8 million or 23.0% from RMB 1,367.6 million as at 31 December 2021 to RMB 1,682.3 million as at 30 June 2022. The increase was mainly due to:

- (a) Increase in cash and cash equivalents of RMB 128.1 million, mainly due to the cash generated from operating and financing activities, which is offset by the usage of funds for Build-Operate-Transfer ("BOT") and GI projects;
- (b) Increase in pledged bank deposits of RMB 159.3 million resulting mainly from the funds to be used for the construction of the Xingjiang project;
- (c) Increase in trade receivables and contract assets of RMB 103.7 million mainly due to receivables from biomass power subsidies which will be delayed due to national fiscal policies and certain customers yet to be collected,

Approximately 91.49% and 28.02% of the trade receivables at 31 December 2021 and 30 June 2022 respectively were collected as at 31 July 2022. Most of the trade receivables are due from customers that are state-owned enterprises, the Group's customers are credit worthy. Loss allowances for trade receivables and contract assets are based on the expected credit loss model estimated by reference to past default experience of debtors, including historical and forward-looking information.

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

- (d) Increase in financial assets at fair value through other comprehensive income of RMB 32.7 million resulting mainly from addition in notes receivables held by the GI business.

The above increase was outweighed by the following:

- (a) Decrease in other receivables, deposits and prepayments of RMB 67.5 million mainly due to receipt of VAT input tax refund gain by the State Taxation Administration of RMB 127.6 million, which is offset by the increase in prepayment for inventories etc.; and

- (b) Decrease in inventories of RMB 41.6 million due primarily to consumption of raw materials.

The Group's total non-current assets increased by RMB 206.5 million or 3.9% from RMB 5,237.2 million as at 31 December 2021 to RMB 5,443.7 million as at 30 June 2022. The increase was mainly due to:

- (a) Increase in intangible assets of RMB 230.2 million due to service concession arrangements relating to Shantou phase 2 and Xinjiang projects on hand as at 30 June 2022; and
- (b) Increase in subsidiaries and associates of RMB 11.5 million primarily resulting from investment on joint ventures to supply industrial steam using general solid waste.

The above-mentioned factors were offset by:

- (a) Decrease in property, plant and equipment of RMB 21.4 million due mainly to the depreciation expenses incurred and construction in progress relating to service concession arrangement transferred to intangible assets account; and
- (b) Decrease in other receivables, deposits and prepayments of RMB 8.6 million due primarily to long-term prepaid expenses relating to service concession arrangement transferred to intangible assets account.

The Group's total current liabilities increased by RMB 865.4 million or 58.6% from RMB 1,476.5 million as at 31 December 2021 to RMB 2,341.9 million as at 30 June 2022, mainly due to the following:

- (a) Increase in convertible bonds of RMB 861.5 million due to the reclassification of Convertible Bonds from non-current liabilities which is expiring within one year. *Please refer to Section 8 Financial Effects of Convertible Bonds*; and
- (b) Increase in other payables of RMB 48.7 million primarily due to construction payables for BOT projects.

The above-mentioned factors were offset by:

- (a) Decrease in short-term borrowings of RMB 21.5 million due to short-term borrowings are repaid when due, and the new borrowing amount is less than the repayment amount;
- (b) Decrease in trade payables and contract liabilities of RMB 11.4 million primarily as a result of the arrears were returned in the current period;

The Group's total non-current liabilities decreased by approximately RMB 478.7 million or 14.6% from RMB 3,277.5 million as at 31 December 2021 to RMB 2,798.7 million as at 30 June 2022. The decrease was due to:

- (a) Decrease in Convertible Bonds of RMB 909.7 million due to the reclassification of convertible bonds to current liabilities which is expiring within one year.

The above-mentioned factor was offset by:

- (a) Increase in long-term borrowings of RMB 430.3 million due primarily to the financing for the BOT projects of Xinjiang, Shantou etc.

Review of the Group's cash flow statement for the second quarter ended 30 June 2022

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

Net cash from operating activities amounted to approximately RMB 257.4 million in 2Q2022, primarily due to the following factors:

- (a) Decreased working capital requirements due to the decrease in trade receivables of RMB 7.9 million, decrease in financial assets at fair value through other comprehensive income of RMB 2.6 million, decrease in other receivables and prepayments of RMB 139.2 million, increase in inventories of RMB 21.0 million, decrease in trade payables of RMB 2.2 million and increase in other payables of RMB 7.5 million; and
- (b) Interest and tax paid of RMB 42.6 million in aggregate.

Net cash used in investing activities amounted to RMB 92.4 million mainly due to expenditure on intangible assets of RMB 60.0 million, investment in associate of RMB 21.5 million and purchase of property, plant and equipment of RMB 7.7 million.

Net cash from financing activities amounted to RMB 100.8 million due to proceeds from bank loans of RMB 842.6 million, offset by repayment of bank loans of RMB 576.6 million, pledged bank deposit of RMB 159.3 million and interest paid of RMB 5.8 million.

Use of Proceeds from Convertible Bonds

On 3 March 2017, the Company completed the issuance of first tranche convertible bonds with an aggregate principal amount of US\$ 110 million (“Tranche 1 Convertible Bonds” or “CB1s”), which are convertible into fully paid ordinary shares in the capital of the Company to Glory Sky Vision Limited (“Glory Sky”, ultimately indirectly and beneficially owned by CDH Fund V, L.P.).

On 10 January 2018, Glory Sky transferred US\$ 60 million in principal amount of CB1s to DCP as a result of which, DCP and CDH (each an “Investor” and collectively, the “Investors”) holds US\$ 60 million and US\$ 50 million of CB1s of the Company, respectively.

On 6 September 2018, the Company obtained shareholders’ approval for the issuance of a second tranche of convertible bonds with an aggregate principal amount of US\$ 70 million (“Tranche 2 Convertible Bonds or “CB2s”) and warrants with an aggregate exercisable amount of US\$ 30 million (the “Warrants”) to DCP and CDH to fund the GI related business of the Company. The net proceeds raised from the issuance of CB1s is approximately US\$ 106.2 million after deducting transaction expenses of US\$ 3.8 million, while net proceeds from the issuance of CB2s is expected to be approximately US\$ 67.6 million after the CB2s are fully issued to the Investors, after deducting transaction expenses of approximately US\$ 2.4 million.

Subsequently, the Company completed the issuance of CB2s with an aggregate principal amount of US\$ 20 million on 15 October 2018 and completed the issuance of 57,625,714 Warrants on 21 December 2018. As at 31 December 2020, all 57,625,714 Warrants expired unexercised and ceased to be valid for any purpose. To-date, the Company’s completed issuance of Convertible Bonds (both Tranche 1 and Tranche 2) is an aggregate principal amount of US\$ 130 million, and the net proceeds raised from the issuance of Convertible Bonds is US\$ 123.8 million.

The net proceeds have been and will be utilised for the expansion and further investment into Green Investments business, including by way of BOT/BOO/TOT models of centralised steam and electricity projects and other environmental protection related projects. As at 31 July 2022, the Company has utilised an aggregate of US\$ 123.8 million of the net proceeds from Convertible Bonds as per the schedule at the following page.

Project	Use of Convertible Bonds Proceeds	Amount
Shantou	Project construction and equipment procurement	US\$ 20.4 million (approximately RMB 132.6 million)
Liutuan	Registered capital	US\$ 0.8 million (approximately RMB 5.2 million)
Jining JVC	Installation of steam distribution pipeline	US\$ 1.6 million (approximately RMB 10.3 million)
Xinjiang	Registered capital	US\$ 1.4 million (approximately RMB 9.0 million)
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 has received the Tranche 1 and Tranche 2 Consideration of RMB 1,603.0 million and RMB 687.0 million respectively, for an aggregate amount of RMB 2,290.0 million. After accounting for the expenses incurred by the Company in connection with the disposal, including capital gains tax and stamp duties, of RMB 208.9 million and project adviser fees of RMB 56.7 million, the net proceeds from the proposed disposal of the M&S were RMB 2,024 million.

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

As of 31 July 2022	Use of Proceeds (RMB'000)
Proposed Special Dividends	(925,144) ⁽¹⁾
Bondholder's Special Dividends	(403,316) ⁽¹⁾⁽²⁾
Capital expenditure on existing projects	(432,520)
Feedstock procurement for operation	(79,943)
Construction costs due	(114,585)
Subtotal of net disposal proceeds used	(1,955,509)
Use of Proceeds balance	68,945

Note:

- (1) On 18 June 2021 and 21 July 2021, a Special Dividend 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.

As at 30 April 2022, the Net Proceeds have been fully used for procurement of raw materials required for operation of GI plants.

Financial Effects of Convertible Bonds

Convertible Bonds were issued on 3 March 2017 and 15 October 2018 with the carrying amount of the Convertible Bonds currently stated at fair value as at 31 March 2017 and 15 October 2018 respectively. In accordance with SFRS(I), the financial effects on profit or loss associated with the issuance of compound financial instruments are as follows: (i) fair value change arising from fair valuation relating to the conversion option and (ii) amortised interest charge relating to the amortised cost liability component of the Convertible Bonds. 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 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 consist of unrealised foreign exchange translation, amortised interest expense (inclusive of interest charges) and fair value gain/(loss) of Convertible Bonds. Excluding the financial effects of the Convertible Bonds, total net profit attributable to equity holders of the Company decreased by RMB 490.0 million or 90.3% from RMB 542.8 million in 2Q2021 to RMB 52.8 million in 2Q2022, while the net profit from continuing operations attributable to equity holders of the Company increased by RMB 499.2 million or 90.4% from RMB 552.0 million in 2Q2021 to RMB 52.8 million in 2Q2022.

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.

1H 2022 was a turbulent period with several *force majeure* events that affected business operations. The geopolitical conflict which broke out in February, pushed up energy prices¹. Furthermore, as previously disclosed, the pandemic unexpectedly resurged in some places in China in early March² which affected the normal operation of some GI projects of the Company and some customers. The pandemic resurgence gradually entered a calmer stage in May.³

Despite these headwinds, Sunpower still achieved resilient financial performance in 1H 2022. GI recurring revenue⁴ in 1H 2022 grew 47.0% YoY to RMB1,359.1 million as steam sales volume grew 15.7% YoY to 4.54 million tons and steam selling prices were raised. GI recurring EBITDA⁵ rose 8.4% YoY to RMB304.8 million from RMB281.3 million in 1H 2021, while GI recurring PATMI⁶ was RMB86.9 million, compared to RMB91.8 million in 1H2021. GI operating cashflow⁷ rose 38.7% YoY to RMB216.4 million from RMB156.0 million in 1H 2021.

In addition to the mitigation measures (the “Mitigation Measures” or the “measures”) adopted to deal with the short-term challenges, disclosed as part of the 1Q 2022 results in May 2022, Sunpower has also been proactively implementing various differentiation strategies across its GI project portfolio to realise the medium to long term growth potential of each GI project, depending on the unique characteristics of each industrial park. Furthermore, Sunpower’s management has accumulated extensive experience in coping with the dynamic situation of the past year and will continue to make best endeavours to navigate through the temporary headwinds.

¹ <https://baijiahao.baidu.com/s?id=1726469565845490433&wfr=spider&for=pc>

² <https://www.wsj.com/articles/manufacturers-grind-to-a-halt-in-china-as-lockdowns-expand-11649343420>

³ <https://www.cnbc.com/2022/05/30/beijing-shanghai-start-to-reopen-as-covid-cases-drop.html>

⁴ GI recurring revenue refers to recurring revenue generated by the GI business, including commission fees recognised in accordance with *SFRS(I) INT15*. It excludes one-time contributions from services for BOT projects, including EPC services, that are performed by the Group’s internal project management department, recognised in accordance with *IFRIC 12 Service Concession Arrangements*.

⁵ 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 Manufacturing & Services (M&S) business disposal such as excess cash dividends, gain on disposal, withholding tax, etc. in 2021; one-time contributions from services for BOT projects, including EPC services, that are provided by the Group’s internal project management department, recognised in accordance with *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 operating results of the GI business.

⁶ GI recurring PATMI refers to the recurring Profit After Tax and Minority Interests of the GI Business which reflects the profit of the GI business attributable to the Group. It excludes gains or costs incurred by way of the M&S disposal such as excess cash dividends, gain on disposal, withholding tax, etc. in 2021; one-time revenue contributions from services for BOT projects, including EPC services, that are provided by the Group’s internal project management department, recognised in accordance with *IFRIC 12 Service Concession Arrangements*; and 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.

⁷ GI operating cashflow refers to cashflow generated by operating activities of the GI Business.

Group revenue from continuing operations rose 64.4% YoY to RMB1,519.4 million in 1H 2022 due to the continued ramp-up of the GI business and contributions from services for BOT projects, including EPC services, that are provided by the Group, recognised in accordance with IFRIC 12 Service Concession Arrangements. Profit for the period from continuing operations, net of tax, without financial effects of Convertible Bonds⁸, was RMB91.6 million in 1H 2022.

The pandemic resurgence is currently in a more balanced stage compared to before. The government has indicated that it will continue to adhere to the dynamic clearance policy⁹. It will also strive to efficiently coordinate the pandemic prevention and control measures with economic and social development objectives and adjust the measures in a timely manner according to the local situation.¹⁰

The economy of China has been in the process of gradual stabilisation with the government striving to achieve the best possible results for 2H 2022. The government has indicated that it will focus on keeping the economy growing in a reasonable range¹¹. In addition, China's production and market inventory of feedstock have increased after comprehensive measures were implemented by various government agencies to tackle supply shortages and price increases.¹²

Barring unforeseen circumstances, the Group expects the business trends summarised below to benefit its business in FY2022. Please note that Sunpower's financial results¹³ 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 in 2022.
- Xintai Zhengda Project's new plant has been in operation.
- Tongshan Project has commenced commercial production.
- Shanxi Xinjiang Project which is expected to start trial operations in 2H 2022.

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

- Leverage on the price formation mechanism that links feedstock costs to steam prices for more flexibility in raising steam prices now that feedstock price has stabilised.

⁸ "Profit for the period from continuing operations, net of tax" in the "WITHOUT financial effects of Convertible Bonds and Warrants" column of the P&L statement, which adjusts "Profit for the period from continuing operations, net of tax" in the "WITH financial effects of Convertible Bonds and Warrants" column for amortised interest expenses, fair value adjustments and foreign exchange gains or losses associated with the Convertible Bonds and Warrants.

⁹ http://www.news.cn/politics/leaders/2022-07/28/c_1128871681.htm

¹⁰ <https://baijiahao.baidu.com/s?id=1736825783834687542&wfr=spider&for=pc>

¹¹ http://www.news.cn/politics/leaders/2022-07/28/c_1128871681.htm

¹² http://k.sina.com.cn/article_2299163722_890a744a001014iv2.html

¹³ 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.

- Continue to deploy the Mitigation Measures and differentiation strategies.
- Explore new business opportunities in the medium to long term.

11. If a decision regarding dividend has been made:

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

None.

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

None.

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended by the Board of Directors of the Company for the second quarter ended 30 June 2022. It is not the Company's practise to declare dividends during the second quarter of the financial year.

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

The Group has obtained a general mandate from shareholders for IPTs. The IPT mandate shall continue in force until the conclusion of the next annual general meeting in the calendar year 2023. The IPTs for the six months ended 30 June 2022 are outlined as follows:

Name of Entity At Risk	Name of Interested Person	Nature of Relationship	Nature of Transaction	6M2022	
				Aggregate value of all interested person transactions for the six months ended 30 June 2022 (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) RMB'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual for the six months ended 30 June 2022 (excluding transactions less than \$100,000) RMB'000
Jiangsu Sunpower Clean Energy Co., Ltd.	Jiangsu Sunpower Technology Co., Ltd.	Associate of controlling shareholders	Lease of office buildings	-	1,143
Hebei Changrun Environmental Ltd.	Jiangsu Sunpower Pipe-Line Engineering Technology Co., Ltd.	Associate of controlling shareholders	Equipment cost for utility facilities for EPC	-	1,367

Name of Entity At Risk	Name of Interested Person	Nature of Relationship	Nature of Transaction	6M2022	
				Aggregate value of all interested person transactions for the six months ended 30 June 2022 (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) RMB'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual for the six months ended 30 June 2022 (excluding transactions less than \$100,000) RMB'000
Jiangsu Sunpower Clean Energy Co., Ltd.	<p>Jiangsu Sunpower Pressure Vessels Equipment Manufacturing Co., Ltd. (Jiangning branch)</p> <p><u>AND</u></p> <p>Sunpower Technology (Jiangsu) Co., Ltd.</p> <p><u>AND</u></p> <p>Jiangsu Sunpower Pipe-Line Engineering Technology Co., Ltd.</p> <p><u>AND</u></p> <p>Jiangsu Sunpower Technology Co., Ltd.</p> <p><u>AND</u></p> <p>Nanjing Shengnuo Heat Pipe Co.,Ltd.</p>	Associate of controlling shareholders	Fee received for providing catering services in staff canteen	2,080	-

Voluntary Disclosure - Non-IPT for the six months ended 30 June 2022 as these contracts entered with respective parties were signed prior to 30 April 2021 (Disposal of MS segment):

Name of Entity At Risk	Name of non-Interested Person	Nature of Relationship	Nature of Transaction	Aggregate value of all non-interested person transactions for the six months ended 30 June 2022 (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.	Shandong Yangguang Engineering Design Institute Co., Ltd.	Associate of controlling shareholders	Construction fee paid for Engineering, Procurement and Construction ("EPC") contract	34,221
Hebei Changrun Environmental Ltd.	Shandong Yangguang Engineering Design Institute Co., Ltd.	Associate of controlling shareholders	Equipment cost paid for waste heat utilisation project	1,248
Hebei Changrun Environmental Ltd.	Jiangsu Sunpower Pipe-Line Engineering Technology Co., Ltd.	Associate of controlling shareholders	Construction fee paid for EPC contract	526
Hebei Changrun Environmental Ltd.	Jiangsu Sunpower Pipe-Line Engineering Technology Co., Ltd.	Associate of controlling shareholders	Construction fee paid for heating engineering project	17,615
Xinjiang Sunpower Clean Energy Co., Ltd.	Shandong Yangguang Engineering Design Institute Co., Ltd.	Associate of controlling shareholders	Construction fee paid for EPC contract	62,951
Xinjiang Sunpower Clean Energy Co., Ltd.	Jiangsu Sunpower Pipe-Line Engineering Technology Co., Ltd.	Associate of controlling shareholders	Construction fee paid for EPC contract	1,495

Name of Entity At Risk	Name of non-Interested Person	Nature of Relationship	Nature of Transaction	Aggregate value of all non-interested person transactions for the six months ended 30 June 2022 (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) RMB'000
Xintai Zhengda Thermoelectric Co., Ltd.	Shandong Yangguang Engineering Design Institute Co., Ltd.	Associate of controlling shareholders	Equipment cost paid for EPC contract	1,173
Xintai Zhengda Thermoelectric Co., Ltd.	Jiangsu Sunpower Pipe-Line Engineering Technology Co., Ltd. <u>AND</u> Shandong Yangguang Engineering Design Institute Co., Ltd.	Associate of controlling shareholders	Construction fee paid for EPC contract	40,720
Xintai Zhengda Thermoelectric Co., Ltd.	Jiangsu Sunpower Pipe-Line Engineering Technology Co., Ltd.	Associate of controlling shareholders	Construction fee paid for EPC Contract Industrial Steam Pipeline Project	7,525
Qingdao Xinyuan Thermal Power Co., Ltd.	Jiangsu Sunpower Pipe-Line Engineering Technology Co., Ltd.	Associate of controlling shareholders	Construction fee paid for heating engineering project	38,483
Zhangjiagang Yongxing Thermal Power Co., Ltd.	Jiangsu Sunpower Pipe-Line Engineering Technology Co., Ltd.	Associate of controlling shareholders	Construction fee paid for EPC contract	1,029

Note:

On 26 July 2022, Jiangsu Sunpower Pipe-line Engineering Technology Co., Ltd. (the "pipeline company") has been disposed by Sunpower Technology (Jiangsu) Co., Ltd. to unrelated third parties, which are not interested person of the Group. As a result, transactions entered between the Group and the pipeline company on and from 26 July 2022 are no longer interested person transactions within the meaning of Chapter 9 of the Listing Manual.

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

We do hereby confirm on behalf of the Board of Directors of the Company (“the Board”) that, to the best of our knowledge nothing has come to the attention of the Board which may render the unaudited interim financial statements for the second quarter and six months ended 30 June 2022 to be false or misleading in any material aspect.

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

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

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

Ma Ming
Executive Director and Chief Executive Officer

Yang Zheng
Lead Independent Director

BY ORDER OF THE BOARD

Ma Ming
Executive Director and Chief Executive Officer

11 August 2022