

## SUNPOWER GROUP LTD.

### Unaudited Financial Statements For Full Year Ended 31 December 2014

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

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

#### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

(RMB'000)	Full year ended		% change
	31 December 2014 (Unaudited)	31 December 2013 (Audited)	
<b>Revenue</b>	1,235,162	1,302,577	(5.2)
Cost of sales	(964,713)	(1,024,496)	(5.8)
<b>Gross profit</b>	270,449	278,081	(2.7)
Other operating income <sup>(1)</sup>	6,510	8,108	(19.7)
Selling and distribution expenses	(39,542)	(39,157)	1.0
Administrative expenses	(134,508)	(132,167)	1.8
Other operating expenses	(3,611)	(16,990)	(78.7)
Finance costs	(27,281)	(29,724)	(8.2)
<b>Profit before income tax</b>	72,017	68,151	5.7
Income tax expense	(15,754)	(17,431)	(9.6)
<b>Profit for the year</b>	56,263	50,720	10.9
Other comprehensive income <i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of foreign operation	(12)	-	100.0
<b>Total comprehensive income for the year</b>	56,251	50,720	10.9
Profit for the year attributable to:			
Equity holders of the Company	56,084	53,821	4.2
Non-controlling interests	179	(3,101)	(105.8)
	<u>56,263</u>	<u>50,720</u>	10.9
Total comprehensive income for the year attributable to:			
Equity holders of the Company	56,072	53,821	4.2
Non-controlling interests	179	(3,101)	(105.8)
	<u>56,251</u>	<u>50,720</u>	10.9

n.m. – not meaningful

**1(a)(ii) Other information:**

(RMB'000)	Full year ended		% change
	31 December 2014	31 December 2013	
Depreciation expense	26,102	20,489	27.4
Amortisation of land use rights	1,412	1,413	(0.1)
Amortisation of intangible assets	2,574	1,307	96.9
Impairment allowance on trade and non-trade receivables	3,352	11,038	(69.6)
(Reversal of) Impairment allowance on inventories	(2,531)	8,837	(128.6)
Impairment allowance on property, plant and equipment	-	5,770	n.m
(Gain) Loss on disposal of property, plant and equipment	(6)	216	(102.8)
Interest expense	27,281	29,724	(8.2)

**Note:**

Other operating income comprises:

(RMB'000)	Full year ended		% change
	31 December 2014	31 December 2013	
Government grant	4,080	5,270	(22.6)
Interest income	1,584	2,293	(30.9)
Net foreign exchange gain	-	105	n.m
Others	846	440	92.3
<b>Total</b>	<b>6,510</b>	<b>8,108</b>	<b>(19.7)</b>

n.m. – not meaningful

**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.**

**STATEMENT OF FINANCIAL POSITION**

(RMB'000)	Group		Company	
	(Unaudited) As at 31 December 2014	(Audited) As at 31 December 2013	(Unaudited) As at 31 December 2014	(Audited) As at 31 December 2013
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	110,486	118,798	5,262	23
Pledged bank deposits	72,616	74,377	-	-
Trade receivables	1,058,594	1,162,734	-	-
Other receivables, deposits and prepayments	64,871	81,241	8,989	133
Inventories	265,325	252,257	-	-
Land use rights	1,411	1,412	-	-
<b>Total current assets</b>	<b>1,573,303</b>	<b>1,690,819</b>	<b>14,251</b>	<b>156</b>
<b>Non-current assets:</b>				
Land use rights	47,599	49,010	-	-
Property, plant and equipment	282,672	276,761	-	-
Investment in subsidiaries	-	-	112,084	160,984
Intangible assets	8,700	11,274	-	-
Other receivables, deposits and prepayments	-	-	40,000	-
Deferred tax assets	11,065	10,208	-	-
<b>Total non-current assets</b>	<b>350,036</b>	<b>347,253</b>	<b>152,084</b>	<b>160,984</b>
<b>Total assets</b>	<b>1,923,339</b>	<b>2,038,072</b>	<b>166,335</b>	<b>161,140</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Trade payables	668,666	812,157	-	-
Other payables	132,705	172,283	28,727	61,935
Borrowings	410,994	439,120	-	-
Income tax payable	12,608	15,246	-	-
<b>Total current liabilities</b>	<b>1,224,973</b>	<b>1,438,806</b>	<b>28,727</b>	<b>61,935</b>
<b>Non-current liabilities:</b>				
Deferred tax liabilities	2,824	2,487	-	-
<b>Capital and reserves :</b>				
Share capital	31,281	27,230	31,281	27,230
Share premium	75,379	35,275	75,379	35,275
General reserves	51,642	46,567	-	-
Accumulated profits	515,254	465,888	30,948	36,700
Foreign currency translation reserve	(12)	-	-	-
<b>Equity attributable to equity holders of the Company</b>	<b>673,544</b>	<b>574,960</b>	<b>137,608</b>	<b>99,205</b>
Non-controlling interests	21,998	21,819	-	-
<b>Total equity</b>	<b>695,542</b>	<b>596,779</b>	<b>137,608</b>	<b>99,205</b>
<b>Total liabilities and equity</b>	<b>1,923,339</b>	<b>2,038,072</b>	<b>166,335</b>	<b>161,140</b>

**(b)(ii) Aggregate amount of group borrowings and debt securities**

**Amount repayable in one year or less, or on demand**

<b>(RMB'000)</b>	<b>As at 31 December 2014</b>		<b>As at 31 December 2013</b>	
	<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
Borrowings	120,892	290,102	139,000	300,120

**Amount repayable after one year**

<b>(RMB'000)</b>	<b>As at 31 December 2014</b>		<b>As at 31 December 2013</b>	
	<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
Borrowings	-	-	-	-

**Details of any collaterals:**

<b><u>Collaterals</u></b>	<b>FY2014</b>	<b>FY2013</b>
	<b>(RMB' 000)</b>	<b>(RMB' 000)</b>
Bills payables	15,892	54,000
Buildings and land use rights	105,000	85,000

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.

**STATEMENT OF CASH FLOWS FOR THE FULL YEAR ENDED 31 DECEMBER 2014**

RMB'000	Full year ended	
	31 December 2014 (Unaudited)	31 December 2013 (Audited)
<b>Operating activities</b>		
Profit before income tax	72,017	68,151
Adjustments for:		
Depreciation expense	26,102	20,489
Amortisation of land use rights	1,412	1,413
Exchange differences arising on foreign currency translation	144	514
Amortisation of intangible assets	2,574	1,307
(Gain) Loss on disposal of property, plant and equipment	(6)	216
(Reversal of) Impairment allowance on inventories	(2,531)	8,837
Interest expense	27,281	29,724
Interest income	(1,584)	(2,293)
Impairment allowance on trade and non-trade receivables	3,352	11,038
Impairment allowance on property, plant and equipment	-	5,770
Operating cash flows before movements in working capital	128,761	145,166
Trade receivables	100,703	(113,976)
Other receivables and prepayments	16,359	24,838
Inventories	(10,537)	(32,316)
Trade payables	(143,491)	20,198
Other payables	(19,951)	15,149
Cash generated from operations	71,844	59,059
Income tax paid	(18,912)	(16,144)
Interest received	1,584	2,293
Interest paid	(27,281)	(27,959)
Net cash from operating activities	27,235	17,249
<b>Investing activities</b>		
Purchase of property, plant and equipment	(43,931)	(70,610)
Purchase of land use rights	(8,098)	-
Acquisition of intangible asset	-	(3,111)
Proceeds from disposal of property, plant and equipment	394	775
Net cash used in investing activities	(51,635)	(72,946)
<b>Financing activities</b>		
Proceeds from new borrowings	617,895	547,370
Proceeds of share issuance	44,155	-
Pledged bank deposits	1,761	5,996
Payment of dividends	(1,643)	(2,466)
Repayment of borrowings	(646,021)	(518,300)
Net cash from financing activities	16,147	32,600
Net decrease in cash and cash equivalents	(8,253)	(23,097)
Cash and cash equivalents at beginning of year	118,798	142,409
Effects of foreign exchange rate changes	(59)	(514)
<b>Cash and cash equivalents at end of year</b>	<b>110,486</b>	<b>118,798</b>

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

<u>Group</u>	<u>Share capital</u> RMB'000	<u>Share premium</u> RMB'000	<u>General reserves</u> RMB'000	<u>Foreign currency translation reserve</u> RMB'000	<u>Accumulated profits</u> RMB'000	<u>Equity attributable to equity holders of the Company</u> RMB'000	<u>Non-controlling interests</u> RMB'000	<u>Total</u> RMB'000
<b>Balance at 1 January 2013</b>	27,230	35,275	39,102	-	421,998	523,605	24,920	548,525
Total comprehensive income for the year	-	-	-	-	53,821	53,821	(3,101)	50,720
Payment of dividend	-	-	-	-	(2,466)	(2,466)	-	(2,466)
Transfer to general reserves	-	-	7,465	-	(7,465)	-	-	-
<b>Balance at 31 December 2013</b>	<b>27,230</b>	<b>35,275</b>	<b>46,567</b>	<b>-</b>	<b>465,888</b>	<b>574,960</b>	<b>21,819</b>	<b>596,779</b>
Ordinary shares issued	4,051	40,104	-	-	-	44,155	-	44,155
Total comprehensive income for the year	-	-	-	(12)	56,084	56,072	179	56,251
Payment of dividend	-	-	-	-	(1,643)	(1,643)	-	(1,643)
Transfer to general reserves	-	-	5,075	-	(5,075)	-	-	-
<b>Balance at 31 December 2014</b>	<b>31,281</b>	<b>75,379</b>	<b>51,642</b>	<b>(12)</b>	<b>515,254</b>	<b>673,544</b>	<b>21,998</b>	<b>695,542</b>

<u>Company</u>	<u>Share capital</u> RMB'000	<u>Share premium</u> RMB'000	<u>Accumulated profits</u> RMB'000	<u>Total</u> RMB'000
<b>Balance at 1 January 2013</b>	<b>27,230</b>	<b>35,275</b>	<b>40,708</b>	<b>103,213</b>
Total comprehensive loss for the year	-	-	(1,542)	(1,542)
Payment of dividend	-	-	(2,466)	(2,466)
<b>Balance at 31 December 2013</b>	<b>27,230</b>	<b>35,275</b>	<b>36,700</b>	<b>99,205</b>
Ordinary share issued	4,051	40,104	-	44,155
Total comprehensive loss for the year	-	-	(4,109)	(4,109)
Payment of dividend	-	-	(1,643)	(1,643)
<b>Balance at 31 December 2014</b>	<b>31,281</b>	<b>75,379</b>	<b>30,948</b>	<b>137,608</b>

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

The Group had on 12 May 2014, issued and allotted 65,800,000 new ordinary shares at an issue price of S\$ 0.14 per share pursuant to a share placement exercise undertaken by the Group.

There were no outstanding convertibles or treasury shares held as at 31 December 2014 and 31 December 2013.

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

The total number of issued shares of the Group is 394,800,000 ordinary shares as at 31 December 2014 and 329,000,000 ordinary shares as at 31 December 2013.

There were no shares held as treasury shares as at 31 December 2014 and 31 December 2013.

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

Not applicable.

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

The figures have neither been reviewed nor audited.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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 adopted all the new and revised Singapore Financial Reporting Standards ("FRSs") and Interpretations of FRS ("INT FRSs") that are relevant to its operations and effective for annual periods beginning on or after January 1, 2014. The adoption of the new/revised FRSs, INT FRSs and amendments to FRSs has no material effect on the financial statements.

**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.**

Not applicable.



6. **Earnings per ordinary share of the group for the current 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**  
**(b) On a fully diluted basis (detailing any adjustments made to the earnings).**

	<b>Full year ended</b>	
	<b>31 December 2014</b>	<b>31 December 2013</b>
Net profit attributable to equity holders of the Group (RMB'000)	56,084	53,821
Weighted average number of ordinary shares outstanding ('000)	371,184	329,000
Earnings per share – basic (RMB cent)	15.11	16.36

Basic earnings per share for the full year ended 31 December 2014 and 31 December 2013 have been calculated by dividing the net profit attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding.

Diluted earnings per share for the above periods have not been calculated as no diluting events have occurred during these periods.

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.**

	<b>Group</b>		<b>Company</b>	
	<b>31 December 2014</b>	<b>31 December 2013</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
Net asset value per share (RMB cents)	170.60	174.76	34.86	30.15

The net asset value per share for 31 December 2014 and 31 December 2013 has been calculated based on the issued share capital of 394,800,000 ordinary shares as at 31 December 2014 and 329,000,000 ordinary shares as at 31 December 2013.

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

**Review of the Group's Performance for the year ended 31 December 2014 ("FY2014") compared to that of the year ended 31 December 2013 ("FY2013")**

**Revenue**

The Group's revenue decreased by RMB 67.4 million or 5.2% from RMB 1,302.6 million in FY2013 to RMB 1,235.2 million in FY2014 mainly due to the decrease in revenue from the Heat Exchangers and Pressure Vessels segment of RMB 159.3 million which outweighed the increase in Energy Saving and Environmental Protection Systems segment of RMB 81.2 million.

### Gross Profit

The Group's gross profit decreased slightly by RMB 7.6 million or 2.7% from RMB 278.1 million in FY2013 to RMB 270.4 million in FY2014. Gross profit margin of 21.9% for FY2014 is fairly constant compared to 21.3% for FY2013.

### Profit Before Income Tax

Profit before tax increased by RMB 3.9 million or 5.7% from RMB 68.2 million in FY2013 to RMB 72.0 million in FY2014. The increase was mainly contributed by the following factors:

- a) Absence of impairment allowance on Property, Plant and Equipment ("PPE") in contrast to RMB 5.7 million of impairment in FY2013. This impairment allowance was mainly made by Jiangsu Sunpower Energy-Saving Technology Co., Ltd due to the suspension of its unprofitable foam glass production as a result of lower demand after a change in regulation in China in 3Q2013;
- b) Reduction in impairment allowance on trade and non-trade receivables of RMB 7.7 million in FY2014; and
- c) Reduction in finance costs of RMB 2.4 million due to lower borrowings.

The above decreases in other operating expenses were offset mainly by:

- a) Increase in administrative expenses of RMB 2.3 million in FY2014 primarily due to increased staff remuneration as a result of additional personnel recruited to fulfill the Group's business growth plans.
- b) Increase in depreciation of administrative property, plant and equipment by RMB 2.8 million with additional PPE purchased during FY2014.
- c) Decrease in other income of RMB 1.7 million attributed to less government grants and interest income received in FY2014; and
- d) the decrease in gross profit of RMB 7.6 million.

### Income Tax Expense

The effective income tax rate of 21.9% for FY2014 is lower than the 25.6% for FY2013 due to less loss incurred by a subsidiary, Jiangsu Sunpower Energy-Saving Technology Co., Ltd in FY2014. Losses have the effect of increasing the effective tax rate if deferred tax asset is not recognised for such losses.

### Profit for the Year

As a result of the above developments, the Group's net profit attributable to shareholders increased by RMB 2.3 million or 4.2% from RMB 53.8 million in FY2013 to RMB 56.1 million in FY2014.

- (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**

The Group's total current assets decreased by RMB 117.5 million or 7.0% from RMB 1,690.8 million as at 31 December 2013 to RMB 1,573.3 million as at 31 December 2014. The decrease was mainly due to:

- a) Decrease in cash and cash equivalents of RMB 8.3 million with more details disclosed under the statement of cash flows;
- b) Decrease in pledged bank deposits of RMB 1.8 million as less collaterals were required due to less borrowings;
- c) Decrease in trade receivables of RMB 104.1 million arising mainly from better collections attributable to the efforts of management to follow up with customers. For trade receivables as at 31 December 2013 and 31 December 2014, approximately 31.24% and 7.6% respectively of the balances due were collected by 31 January 2015. Most of the trade receivables are due from customers that are state-owned enterprises, listed companies or multinational corporations. Overall, the Group's customers are credit-worthy but payments remain slow due to tightening credit in China; and
- d) Decrease in the other receivables, deposits and prepayment of RMB 16.4 million as a result of less advance payment for purchases made in FY2014.

The above decreases were offset by the following:

- a) Increase in inventories of RMB 13.1 million due to increased raw materials and work in progress of RMB 19.9 million to fulfil the orders on hand, offset by the decrease in finished goods of RMB 9.6 million.

The Group's total current liabilities decreased by RMB 213.8 million or 14.9% from RMB 1,438.8 million as at 31 December 2013 to RMB 1,225.0 million as at 31 December 2014. The decrease was mainly due to:

- a) Decrease in trade payables of RMB 143.5 million largely due to a fall in customer advances of RMB 129.8 million;
- b) Decrease in other payables of RMB 39.6 million largely due to the decrease in accrued value-added tax of RMB 32.4 million; and
- c) Decrease in borrowings of RMB 28.1 million largely due to the repayment of loans.

#### **Review of the Group's Cash Flow Statement**

Net cash generated from operating activities amounted to approximately RMB 27.2 million for FY2014 after reduction in working capital of RMB 56.9 million.

Net cash used in investment activities amounted to RMB 51.6 million mainly due to the purchase of property, plant and equipment.

Net cash generated from financing activities amounted to RMB 16.1 million largely due to proceeds from bank loans and share issuance aggregating to RMB 662.1 million which were offset by the repayment of bank loans of RMB 646.0 million. The proceeds from share issuance were utilised to purchase raw materials.

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

The actual results herein are in line with the statement made in Section 10 of the financial announcement made for the third quarter ended 30 September 2014.

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

The global economy is sluggish and there is increased competition in the market. The PRC economy recorded a lower Gross Domestic Product (GDP) growth of 7.4% in 2014, representing the weakest expansion in the last 24 years.

However, the introduction of new environmental protection law by the PRC government would encourage more investments in the environmental protection industry in the future. With increased activity in the industry, the market demand for energy-saving and environmental protection equipment is expected to increase substantially.

In addition, as the PRC government continues to emphasize the localization of the key technology and equipment in the environmental protection industry, this would translate to more opportunities to the Group.

Under these circumstances, the Group continues to increase its R&D investment and exposure to more promising industries through improving and optimizing its product mix. The Group will continue to improve and strengthen its business model of Build-Own-Operate ("BOO"), Build-Operate-Transfer ("BOT") and EMC ("Energy Management Contracting") to minimize its business risks.

As at 31 December 2014, the total orders on hand amounted to approximately RMB 1.12 billion.

Barring any unforeseen circumstances, the Directors expect the Group to be profitable for FY2015.

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

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

A first and final ordinary dividend has been recommended.

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

	<u>FY2014</u>	<u>FY2013</u>
Dividend Amount Per Share:	S\$ 0.001 per ordinary share	S\$ 0.001 per ordinary share
Par Value:	US\$ 0.01	US\$ 0.01
Dividend Type:	Cash	Cash

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

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

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

To be announced later.

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

To be announced later.

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

Not applicable.

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

The Company does not have an Interested Person Transaction mandate.

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

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

	Heat pipes and heat pipe exchangers	Pipe supports	Heat exchangers and pressure vessels	Energy saving and environmental protection systems	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>2014</b>					
<b>Revenue</b>	188,293	130,357	686,899	229,613	1,235,162
<b>Result:</b>					
Segment result	10,150	18,493	62,350	17,204	108,197
Unallocated corporate expenses					(10,483)
Interest income	228	148	1,028	180	1,584
Finance cost	(5,260)	(2,406)	(17,331)	(2,284)	(27,281)
Profit before income tax					72,017
Income tax expense					(15,754)
Profit after income tax					56,263
<b>2013</b>					
<b>Revenue</b>	182,580	125,323	846,247	148,427	1,302,577
<b>Result:</b>					
Segment result	5,745	15,718	71,240	11,447	104,150
Unallocated corporate expenses					(8,568)
Interest income	376	201	1,473	243	2,293
Finance cost	(3,477)	(2,667)	(21,080)	(2,500)	(29,724)
Profit before income tax					68,151
Income tax expense					(17,431)
Profit after income tax					50,720

	Heat pipes and heat pipe exchangers	Pipe supports	Heat exchangers and pressure vessels	Energy saving and environmental protection systems	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>2014</b>					
<b>Statement of Net Assets</b>					
<b>Assets:</b>					
Segment assets	380,526	235,061	1,051,495	248,153	1,915,235
Unallocated assets					8,104
Total assets					<u>1,923,339</u>
<b>Liabilities:</b>					
Segment liabilities	299,165	124,085	585,156	210,188	1,218,594
Unallocated liabilities					9,203
Total liabilities					<u>1,227,797</u>
<b>2013</b>					
<b>Statement of Net Assets</b>					
<b>Assets:</b>					
Segment assets	363,290	179,941	1,286,872	206,272	2,036,375
Unallocated assets					1,697
Total assets					<u>2,038,072</u>
<b>Liabilities:</b>					
Segment liabilities	283,660	79,998	892,021	174,397	1,430,076
Unallocated liabilities					11,217
Total liabilities					<u>1,441,293</u>

**Other Information**

	Heat pipes and heat pipe exchangers	Pipe supports	Heat exchangers and pressure vessels	Energy saving and environmental protection systems	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>2014</b>					
Capital expenditure					
- Property, plant and equipment	5,272	2,478	32,775	3,406	43,931
- Land use rights	98	942	5,405	1,653	8,098
Depreciation expense	2,582	2,442	20,211	867	26,102
Impairment allowance on					
- trade and non-trade receivables	1,594	(615)	3,765	(1,392)	3,352
- inventories	(1,290)	86	(1,327)	-	(2,531)
Amortisation of intangible assets	146	-	-	2,428	2,574
Amortisation of land use rights	650	120	622	20	1,412

**2013**

Capital expenditure					
- Property, plant and equipment	4,499	6,600	57,021	2,490	70,610
Depreciation expense	2,998	2,765	14,052	674	20,489
Impairment (Reversal) of allowance on					
- trade and non-trade receivables	(2,393)	1,389	10,840	1,202	11,038
- inventories	380	4,015	4,442	-	8,837
- property, plant and equipment	-	5,770	-	-	5,770
Amortisation of intangible assets	292	-	-	1,015	1,307
Amortisation of land use rights	650	120	623	20	1,413

**Geographical information**

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

	Revenue from External customer		Non-current assets	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
PRC	1,153,347	1,137,958	350,036	347,253
America	7,577	36,370	-	-
Asia (except PRC)	-	-	-	-
South East Asia	59,764	23,749	-	-
Middle East	6,195	50,650	-	-
Europe	6,063	36,910	-	-
South America	2,216	16,940	-	-
Total	1,235,162	1,302,577	350,036	347,253



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

Please refer to Paragraph 8.

**16. A breakdown of sales**

	Group		% change
	2014	2013	Total
	RMB'000	RMB'000	
16(a) Sales reported for first half year	559,315	461,263	21.3
16(b) Operating profit/loss after tax before deducting non-controlling interest reported for first half year	31,567	17,288	82.6
16(c) Sales reported for second half year	675,847	841,314	(19.7)
16(d) Operating profit/loss after tax before deducting non-controlling interest reported for second half year	24,696	33,432	(26.1)

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

	FY2014		FY2013	
	S\$	RMB	S\$	RMB
Final tax-exempt dividend paid per share	0.0010	0.0050	0.0015	0.0075
Number of shares	329,000,000	329,000,000	329,000,000	329,000,000
<b>Total</b>	<b>329,000</b>	<b>1,643,000</b>	<b>493,500</b>	<b>2,466,000</b>

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

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

**BY ORDER OF THE BOARD**

Ma Ming  
Executive Director

13 February 2015