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**泛亞環保集團有限公司**  
**Pan Asia Environmental Protection Group Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 556)**

**ANNOUNCEMENT OF INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

**FINANCIAL HIGHLIGHTS:**

	Six months ended 30 June		Variance
	2023 <i>RMB'000</i> (Unaudited)	2022 <i>RMB'000</i> (Unaudited)	
<b>REVENUE</b>	<b>108,938</b>	59,960	82%
<b>GROSS PROFIT</b>	<b>16,193</b>	7,466	117%
<b>PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>2,073</b>	(2,107)	-198%
<b>EARNINGS/(LOSS) PER SHARE (Expressed in RMB cents per share)</b>			
<b>Basic and diluted</b>	<b>0.25</b>	(0.25)	-200%

## RESULTS

The Board (the “Board”) of Directors (the “Directors”) of Pan Asia Environmental Protection Group Limited (the “Company” or “Pan Asia”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2023 (the “Reporting Period”), together with the comparative figures for the corresponding period in 2022:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2023

		Six months ended 30 June	
	Note	2023	2022
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	4(a)	108,938	59,960
Cost of sales		<u>(92,745)</u>	<u>(52,494)</u>
<b>Gross profit</b>		<b>16,193</b>	<b>7,466</b>
Other income		1,764	2,247
Other net loss		(2,187)	(2,122)
Selling and distribution expenses		(456)	(465)
General and administrative expenses		(8,850)	(7,808)
Finance costs	5(a)	<u>(1,469)</u>	<u>(1,425)</u>
<b>Profit/(loss) before taxation</b>	5	<b>4,995</b>	<b>(2,107)</b>
Income tax expenses	6	<u>(2,922)</u>	<u>–</u>
<b>Profit/(loss) for the period attributable to owners of the Company</b>		<b>2,073</b>	<b>(2,107)</b>
<b>Other comprehensive loss for the period</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
– Exchange differences on translation of financial statements to presentation currency		<u>(3,370)</u>	<u>(3,881)</u>
<b>Total comprehensive loss for the period attributable to owners of the Company</b>		<b><u>(1,297)</u></b>	<b><u>(5,988)</u></b>
		<b>RMB cents</b>	<b>RMB cents</b>
<b>EARNINGS/(LOSS) PER SHARE</b>	7		
<b>Basic and diluted</b>		<b><u>0.25</u></b>	<b><u>(0.25)</u></b>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 30 JUNE 2023*

	<i>Note</i>	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	9	402	292
Right-of-use assets		1,359	360
Deferred tax assets		2,025	1,478
		<u>3,786</u>	<u>2,130</u>
<b>Current assets</b>			
Trade and other receivables	10	59,575	47,778
Cash and bank balances		1,204,941	1,202,701
		<u>1,264,516</u>	<u>1,250,479</u>
<b>Current liabilities</b>			
Trade and other payables	11	93,984	81,551
Tax payables		3,030	2,533
Lease liabilities		440	354
		<u>97,454</u>	<u>84,438</u>
<b>Net current assets</b>		<u>1,167,062</u>	<u>1,166,041</u>
<b>Total assets less current liabilities</b>		<u>1,170,848</u>	<u>1,168,171</u>
<b>Non-current liabilities</b>			
Corporate bonds		50,549	47,540
Lease liabilities		965	–
		<u>51,514</u>	<u>47,540</u>
<b>Net assets</b>		<u>1,119,334</u>	<u>1,120,631</u>
<b>Capital and reserves</b>			
Share capital		78,073	78,073
Reserves		1,041,261	1,042,558
<b>Total equity</b>		<u>1,119,334</u>	<u>1,120,631</u>

## NOTES:

### 1. GENERAL INFORMATION

The Company was incorporated as an exempted company and registered in the Cayman Islands with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and Unit 1506, 15/F, Lippo Sun Plaza, No. 28, Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong, respectively.

The Group is principally engaged in the sales of environmental protection (“EP”) products and equipment, undertaking of EP construction engineering services in the People’s Republic of China (the “PRC”) and investment holding.

### 2. BASIS OF PREPARATION

#### (a) Statement of compliance

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The Company’s functional currency is Hong Kong dollars (“HK\$”) while the functional currency of most of its subsidiaries is Renminbi (“RMB”). The condensed consolidated financial statements are presented in RMB, as a majority of the Group’s transactions are denominated in RMB and rounded to the nearest thousand, unless otherwise indicated.

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2022, except for the accounting policy changes that are expected to be reflected in the 2023 annual consolidated financial statements. Details of any changes in accounting policies are set out in note 3.

#### (b) Judgements and estimates

Preparation of the condensed consolidated financial statements requires the Directors 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.

In preparing these condensed consolidated financial statements, significant judgements made by the Directors in applying the Group’s accounting policies and the key sources of estimation uncertainty are the same as those that applied in the Group’s annual consolidated financial statements for the year ended 31 December 2022.

### 3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new and amendments to HKFRSs that are first effective for the current accounting period of the Group.

None of the developments have had a material effect on how the Group’s results and financial position for the current or prior accounting periods have been prepared or presented in the Group’s condensed consolidated financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

#### 4. REVENUE AND SEGMENT REPORTING

##### (a) Revenue

Revenue represents the fair value of the amounts received and receivables for goods sold, and services rendered, which excludes value-added and other sales taxes, and is after deduction of any goods returns and trade discounts.

Disaggregation of revenue from contracts with customers are as follows:

Segment	Six months ended 30 June 2023		
	EP products and equipment RMB' 000 (Unaudited)	EP construction engineering services RMB' 000 (Unaudited)	Total RMB' 000 (Unaudited)
<b>Types of goods or services</b>			
Sales of goods			
– Water treatment products and equipment	63,102	–	63,102
– Flue gas treatment products and equipment	45,836	–	45,836
	<u>108,938</u>	<u>–</u>	<u>108,938</u>
<b>Timing of revenue recognition</b>			
A point in time	<u>108,938</u>	<u>–</u>	<u>108,938</u>

Segment	Six months ended 30 June 2022		
	EP products and equipment RMB' 000 (Unaudited)	EP construction engineering services RMB' 000 (Unaudited)	Total RMB' 000 (Unaudited)
<b>Types of goods or services</b>			
Sales of goods			
– Water treatment products and equipment	59,960	–	59,960
	<u>59,960</u>	<u>–</u>	<u>59,960</u>
<b>Timing of revenue recognition</b>			
A point in time	<u>59,960</u>	<u>–</u>	<u>59,960</u>

**(b) Segment reporting**

The Group manages its business by divisions and all those divisions are located in the PRC. In a manner consistent with the way in which the information is reported internally to the Group's Chief Executive Officer, who is the Group's Chief Operating Decision Maker ("CODM"), for the purposes of resources allocation and performance assessment, the Group's operating and reportable segments under HKFRS 8 *Operating Segments* are organised into two main operating segments including (i) EP products and equipment and (ii) EP construction engineering services. No other operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2023 and 2022 is set out below:

	Six months ended 30 June (Unaudited)					
	EP products and equipment		EP construction engineering services		Total	
	2023	2022	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Reportable segment revenue from external customers	108,938	59,960	-	-	108,938	59,960
Inter-segment revenue	-	-	-	-	-	-
Reportable segment revenue	<u>108,938</u>	<u>59,960</u>	<u>-</u>	<u>-</u>	<u>108,938</u>	<u>59,960</u>
Reportable segment profit (adjusted EBITDA)	<u>13,448</u>	<u>4,822</u>	<u>-</u>	<u>-</u>	<u>13,448</u>	<u>4,822</u>
Depreciation	31	57	-	-	31	57
Net impairment loss recognised/ (reversed) on						
- trade receivables	1,116	2,170	-	-	1,116	2,170
- contract assets	<u>1,071</u>	<u>(48)</u>	<u>-</u>	<u>-</u>	<u>1,071</u>	<u>(48)</u>

**Geographical information**

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods were delivered.

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
The PRC (place of domicile)	<u>108,938</u>	<u>59,960</u>

## 5. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting) the following:

### (a) Finance costs

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Interest expenses on corporate bonds	1,459	1,403
Interests on lease liabilities	10	22
	<u>1,469</u>	<u>1,425</u>

### (b) Other items

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Bank interest income	(1,759)	(2,161)
Cost of inventories	92,475	52,494
Depreciation of		
– property, plant and equipment	56	84
– right-of-use assets	403	367
Net impairment loss recognised/(reversed) on		
– trade receivables <sup>^</sup>	1,116	2,170
– contract assets <sup>^</sup>	1,071	(48)
Lease expenses related to leases of low-value assets and short-term leases	<u>96</u>	<u>95</u>

<sup>^</sup> These items are included in other net loss in the condensed consolidated statement of profit or loss and other comprehensive income.



## 10. TRADE AND OTHER RECEIVABLES

	At 30 June 2023 <i>RMB'000</i> (Unaudited)	At 31 December 2022 <i>RMB'000</i> (Audited)
Trade receivables	40,323	37,679
Less: Impairment loss on trade receivables	<u>(6,183)</u>	<u>(5,067)</u>
	<u>34,140</u>	<u>32,612</u>
Other receivables	3,774	1,275
Contract assets	23,344	14,478
Less: Impairment loss on contract assets	<u>(1,915)</u>	<u>(846)</u>
	<u>21,429</u>	<u>13,632</u>
Prepayments and deposits	221	248
Other tax recoverable	<u>11</u>	<u>11</u>
	<u><u>59,575</u></u>	<u><u>47,778</u></u>

The Group generally allows credit period ranging from 0 to 180 days to its trade customers.

Credit is offered to customers following an assessment of their financial abilities and payment track record. Credit limits are set out for all customers and these can be exceeded only with the approval from management. Management also monitors overdue trade receivables, and follows up collection of these receivables.

The following is an ageing analysis of trade receivables, net of impairment loss, presented based on the invoice date at the end of the Reporting Period which approximated the respective revenue recognition dates:

	At 30 June 2023 <i>RMB'000</i> (Unaudited)	At 31 December 2022 <i>RMB'000</i> (Audited)
Less than six months	32,129	34,479
Over six months but less than one year	<u>8,194</u>	<u>3,200</u>
	40,323	37,679
Less: Impairment loss	<u>(6,183)</u>	<u>(5,067)</u>
	<u><u>34,140</u></u>	<u><u>32,612</u></u>

## 11. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade creditors with the following ageing analysis:

	<b>At 30 June 2023 RMB'000 (Unaudited)</b>	At 31 December 2022 RMB'000 (Audited)
Trade payables		
Less than six months	<b>10,819</b>	13,467
Over six months but less than one year	<b>11,310</b>	3,450
Over one year but less than two years	–	–
Over two years	<b>988</b>	988
	<hr/> <b>23,117</b> <hr/>	<hr/> 17,905 <hr/>
Accruals and other payables	<b>11,246</b>	11,325
Amount due to a related company ( <i>Note</i> )	<b>58,538</b>	51,713
Contract liabilities	–	400
Other tax payables	<b>1,083</b>	208
	<hr/> <b>93,984</b> <hr/> <hr/>	<hr/> 81,551 <hr/> <hr/>

*Note:* The amount due to a related company is unsecured, interest-free and repayable on demand.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Industry Review**

With the lifting of pandemic containment measures and the implementation of a series of policies which expand domestic demand and promote consumption, China saw signs of a revitalized economic landscape in the first half of 2023. According to the National Bureau of Statistics of China, the country's gross domestic product ("GDP") at constant price for the first half of the year increased by 5.5% compared with the same period in 2022.

2023 is a significant milestone year as it fully embraces the principles outlined in the 20th National Congress of the Communist Party of China. It will also be a pivotal year for the successful implementation of the comprehensive "14th Five-Year Plan." As the Chinese government focuses on achieving high-quality environmental governance and creating a beautiful China, the need to address pollution has spanned the entire chain of pollution control, resource utilisation, energy conservation, and carbon reduction, thereby opening up growth opportunities for the EP industry. In addition, many of the EP projects that had been delayed during the pandemic were able to commence during the Reporting Period.

### **Financial Review**

In the first half of 2023, the Group posted a total revenue of RMB108.9 million (six months ended 30 June 2022: RMB60.0 million), up by 81.5% year-on-year, attributed to the Group's efforts in security projects, as well as continuous growth in demand for eco-friendly and low-carbon solutions continued to grow. The gross profit increased significantly by 116.9% to RMB16.2 million (six months ended 30 June 2022: RMB7.5 million), with the gross profit margin improving to 14.9% (six months ended 30 June 2022: 12.5%) on the back of improved efficiency achieved from an enhanced project portfolio management.

Profit attributable to owners of the Company amounted to RMB2.1 million for the six months ended 30 June 2023, turning around from a net loss of RMB2.1 million for the six months ended 30 June 2022. The basic and diluted earnings per share was RMB0.25 cents.

### **Interim Dividend**

The Board did not recommend payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil) as the capital will be reserved for the development of the Group's business operations.

### **Business Review**

The Group is principally engaged in the development, manufacture and sale of EP products and equipment, and the provision of EP construction engineering solutions and services. During the Reporting Period, the EP products and equipment segment accounted for 100% of the Group's total revenue (six months ended 30 June 2022: 100%). The Group completed 3 water treatment-related projects and 3 flue gas treatment projects. No revenue was generated from the segment of EP construction engineering design services during the Reporting Period (six months ended 30 June 2022: Nil).

As at 30 June 2023, the Group had 6 projects on hand with the aggregate value of work to be completed amounting to approximately RMB270.8 million (tax inclusive).

## **Prospects**

Looking ahead, Pan Asia will continue to strengthen its EP business to capture opportunities arising from the development of an eco-friendly and low-carbon circular economic regime and ongoing improvements in policy directives. By leveraging its expertise and experience in these areas, the Group aims to enhance its services, optimize efficiency, and maximize positive outcomes for the Group, its customers, and the environment. Through its strong network of industry partners and thought leaders, the Group will explore new market opportunities and expand its business portfolio, hoping to broaden income streams and maintain steady business growth.

The Group will also prudently tap into other industries with high growth potential and good prospects. In view of Web3.0's ability to facilitate seamless integration and interaction among different applications, platforms, and ecosystems, the Group is conducting a rigorous analysis of the decentralized storage network and related data centers. It is examining emerging trends in virtual assets, related service providers, licensing regime, technological advancements, as well as market dynamics. The Group is actively seeking strategic partners who possess the necessary expertise, intellectual property, and a solid track record in Web3.0 technologies. Through this endeavor, the Group aims to identify strategic partners who can complement its existing capabilities and augment its competitive edge in the digital marketplace.

By combining a strong foundation in its current EP business operations with a proactive approach to identifying and pursuing emerging business opportunities, the Group is committed to becoming a highly valuable enterprise, maximizing returns for its shareholders and making positive contributions to the environment and society.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 June 2023, total assets of the Group amounted to RMB1,268.3 million, which were comparable to RMB1,252.6 million as at 31 December 2022. The Group's total liabilities as at 30 June 2023 amounted to RMB149.0 million, representing an increase of RMB17.0 million compared to RMB132.0 million as at 31 December 2022. The Group's total equity as at 30 June 2023 was RMB1,119.3 million (31 December 2022: RMB1,120.6 million). The gearing ratio, calculated on the basis of the total borrowings (including corporate bonds and amount due to a related company) to equity (including all capital and reserves), was 9.7% (31 December 2022: 8.9%). The Group's cash and cash equivalents amounted to RMB1,204.9 million as at 30 June 2022 (31 December 2022: RMB1,202.7 million).

## **EXPOSURE TO FLUCTUATIONS IN FOREIGN EXCHANGE RATES**

The majority of the Group's business transactions and liabilities are denominated in Renminbi and Hong Kong dollars. The Group adopted a conservative financial policy and the majority of its bank deposits are in Renminbi and Hong Kong dollars. As at 30 June 2023, the Group did not have any foreign currency bank liabilities, foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purposes. Nevertheless, the management continues to monitor the Group's foreign exchange exposure and will take prudent measures as and when appropriate. As at 30 June 2023, the Group did not hold any derivatives for hedging against interest rate or foreign exchange risks.

## **CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

As at 30 June 2023, the Group did not have any capital expenditure commitment in respect of the acquisition of property, plant and equipment (31 December 2022: Nil). The Group has provided product warranties to its customers in respect of certain of its EP products and equipment sold for a warranty period ranging from six months to two years after installation. At the same time, the Group has also received product warranties in respect of those EP products and equipment supplied from its suppliers. The Directors believe that the amount of crystalized warranty liabilities will not be significant at the end of the Reporting Period.

## **PLEDGE OF ASSETS**

As at 30 June 2023 and 31 December 2022, the Group had no pledge of assets.

## **RELATIONSHIP WITH EMPLOYEES AND KEY STAKEHOLDERS**

As at 30 June 2023, the Group had approximately 85 employees. Salaries of employees were maintained at competitive levels and are reviewed annually, with close reference to the relevant labour markets and economic situations. Remuneration of the Directors is determined based on a variety of factors such as market conditions and the specific responsibilities shouldered by the individual directors. Apart from providing the basic remuneration and statutory benefits, the Group also provides discretionary bonuses based on its results and the performance of the individual employees. The Group also has an employee share option scheme in operation. The total remuneration cost, including Directors' remuneration, for the six months ended 30 June 2023 was RMB8.9 million (six months ended 30 June 2022: RMB6.3 million). During the period under review, the Group has organized professional and vocational training for its employees. The Directors believe that the Group has an admirable relationship with its employees.

## **PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 June 2023.

## **REVIEW BY AUDIT COMMITTEE**

An audit committee comprising three Independent non-executive Directors has been established by the Company to review the financial reporting process and internal control procedures of the Group. The audit committee has reviewed the interim results and report of the Group for the six months ended 30 June 2023.

## **CORPORATE GOVERNANCE**

The Board is committed to achieving high corporate governance standards. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules.

In the opinion of the Directors, throughout the six months ended 30 June 2023, the Company has complied with the code provisions as set out in the CG Code, save for CG Code provisions C.2.1, C.5.1 and F.2.2.

### **Chairman and Chief Executive Officer**

Code provision C.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Up to 16 March 2023, the Company does not have a separate Chairman and Chief Executive Officer and Mr. Jiang Xin was performed these two roles.

On 16 March 2023, Mr. JIANG Xin ceased to act as the Chief Executive Officer, and Mr. GUO Jiannan was appointed as Chief Executive Officer. Since then, the roles of Chairman and Chief Executive Officer have been properly separated and the Company is comply with code provision C.2.1.

### **At Least Four Regular Board Meetings a Year**

Code provision C.5.1 stipulates that at least four regular meetings a year at approximately quarterly intervals with active participation of majority of directors, either in person or through electronic means of communication. The Company will only hold two board meetings a year at second quarter and fourth quarter respectively as the Company does not announce its quarterly results and hence not consider the holding of quarterly meetings as necessary.

### **The Chairman of the Board Should Attend the Annual General Meeting**

Code provision F.2.2 stipulates that the chairman of the board should attend the annual general meeting. Mr. Jiang Xin, the Chairman of the Board was unable to attend the annual general meeting held on 8 June 2023 due to a business trip. Mr. Jiang Xin will use his best endeavours to attend all future shareholders' meetings of the Company.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted its own code of conduct regarding Directors' dealings in the Company's securities (the "Company's Securities Dealing Code") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Company's Securities Dealing Code throughout the period ended 30 June 2023.

The Company's Securities Dealing Code, no less exacting than the Model Code, for securities transactions also applies to all employees who, because of such office or employment, are likely to possess inside information in relation to the Company or its securities. No incident of non-compliance of the Company's Securities Dealing Code by the employees was noted by the Company.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This interim results announcement will be published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.paep.com.cn](http://www.paep.com.cn)) and the interim report for the six months ended 30 June 2023 will be despatched to the shareholders and published on the abovementioned websites in due course.

By Order of the Board  
**Pan Asia Environmental Protection Group Limited**  
**JIANG Xin**  
*Chairman*

Hong Kong, 29 August 2023

As at the date of this announcement, the Directors are:

*Executive Directors:*

Mr. JIANG Xin  
Mr. GUO Jiannan

*Independent non-executive Directors:*

Mr. CHEN Xuezheng  
Mr. HU Jianjun  
Mr. LEUNG Shu Sun, Sunny