

Condensed Interim Financial Statements for the Third Quarter and Nine Months Ended 30 September 2024

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY AND NINE 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.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2024

(RMB'000)	Note	Actual (WITH financial effects of Convertible Bonds)						Actual (WITHOUT financial effects of Convertible Bonds)					
		Third quarter ended			Nine months ended			Third quarter ended			Nine months ended		
		30 September 2024	30 September 2023	% change	30 September 2024	30 September 2023	% change	30 September 2024	30 September 2023	% change	30 September 2024	30 September 2023	% change
Revenue		749,344	771,773	(2.9%)	2,486,309	2,408,696	3.2%	749,344	771,773	(2.9%)	2,486,309	2,408,696	3.2%
Cost of sales		(560,398)	(531,816)	5.4%	(1,828,272)	(1,803,781)	1.4%	(560,398)	(531,816)	5.4%	(1,828,272)	(1,803,781)	1.4%
Gross profit		188,946	239,957	(21.3%)	658,037	604,915	8.8%	188,946	239,957	(21.3%)	658,037	604,915	8.8%
Other operating income		2,750	7,956	(65.4%)	23,926	17,280	38.5%	2,750	7,956	(65.4%)	23,926	17,280	38.5%
Selling and distribution expenses		(18,598)	(17,108)	8.7%	(57,124)	(50,031)	14.2%	(18,598)	(17,108)	8.7%	(57,124)	(50,031)	14.2%
Administrative expenses		(21,988)	(31,747)	(30.7%)	(67,190)	(74,001)	(9.2%)	(21,988)	(31,747)	(30.7%)	(67,190)	(74,001)	(9.2%)
Foreign exchange gain/(loss)		17,248	5,415	218.5%	11,356	(28,609)	(139.7%)	42	(753)	(105.6%)	(148)	(380)	(61.1%)
Other operating expenses		(116,498)	(5,228)	2,128.3%	(128,796)	(5,487)	2,247.3%	(116,498)	(5,228)	2,128.3%	(128,796)	(5,487)	2,247.3%
Finance costs		(62,706)	(69,348)	(9.6%)	(199,283)	(208,248)	(4.3%)	(38,301)	(46,112)	(16.9%)	(127,114)	(142,434)	(10.8%)
Share of profit of associate		2,585	1,600	61.6%	6,352	3,308	92.0%	2,585	1,600	61.6%	6,352	3,308	92.0%
Fair value changes on convertible bonds		-	3,782	(100.0%)	-	-	-	-	-	-	-	-	-
(Loss)/profit before income tax		(8,261)	135,279	(106.1%)	247,278	259,127	(4.6%)	(1,062)	148,565	(100.7%)	307,943	353,170	(12.8%)
Income tax credit/(expense)		7,476	(24,125)	(131.0%)	(50,417)	(66,337)	(24.0%)	7,476	(24,125)	(131.0%)	(50,417)	(66,337)	(24.0%)
(Loss)/profit for the period		(785)	111,154	(100.7%)	196,861	192,790	2.1%	6,414	124,440	(94.8%)	257,526	286,833	(10.2%)
Total comprehensive (loss)/income for the period		(785)	111,154	(100.7%)	196,861	192,790	2.1%	6,414	124,440	(94.8%)	257,526	286,833	(10.2%)

(RMB'000)	Note	Actual (WITH financial effects of Convertible Bonds)					Actual (WITHOUT financial effects of Convertible Bonds)						
		Third quarter ended			Nine months ended		Third quarter ended			Nine months ended			
		30 September 2024	30 September 2023	% change	30 September 2024	30 September 2023	% change	30 September 2024	30 September 2023	% change	30 September 2024	30 September 2023	% change
<u>Profit/(Loss) for the period attributable to:</u>													
Equity holders of the Company		(21,533)	84,855	(125.4%)	100,363	130,784	(23.3%)	(14,334)	98,141	(114.6%)	161,028	224,827	(28.4%)
Non-controlling interests		20,748	26,299	(21.1%)	96,498	62,006	55.6%	20,748	26,299	(21.1%)	96,498	62,006	55.6%
Profit/(Loss) for the period		(785)	111,154	(100.7%)	196,861	192,790	2.1%	6,414	124,440	(94.8%)	257,526	286,833	(10.2%)
<u>Total comprehensive income/(loss) for the period attributable to:</u>													
Equity holders of the Company		(21,533)	84,855	(125.4%)	100,363	130,784	(23.3%)	(14,334)	98,141	(114.6%)	161,028	224,827	(28.4%)
Non-controlling interests		20,748	26,299	(21.1%)	96,498	62,006	55.6%	20,748	26,299	(21.1%)	96,498	62,006	55.6%
Total comprehensive income/(loss) for the period		(785)	111,154	(100.7%)	196,861	192,790	2.1%	6,414	124,440	(94.8%)	257,526	286,833	(10.2%)

Explanatory Notes for WITHOUT financial effects of Convertible Bonds:

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:

Note 1: Other Operating Income

(RMB'000)	Actual (WITH financial effects of Convertible Bonds)						Actual (WITHOUT financial effects of Convertible Bonds)					
	Third quarter ended			Nine months ended			Third quarter ended			Nine months ended		
	30	30	% change	30	30	% change	30	30	% change	30	30	% change
	September 2024	September 2023		September 2024	September 2023		September 2024	September 2023		September 2024	September 2023	
Government grants	1,461	1,296	12.7%	5,364	7,838	(31.6%)	1,461	1,296	12.7%	5,364	7,838	(31.6%)
Interest income	1,278	2,649	(51.7%)	3,857	5,172	(25.4%)	1,278	2,649	(51.7%)	3,857	5,172	(25.4%)
Government rebates	1	62	(98.4%)	154	86	79.1%	1	62	(98.4%)	154	86	79.1%
Gain on disposal of plant and equipment	8	-	-	8	-	-	8	-	-	8	-	-
Gain on carbon emission quota	-	-	-	13,979	-	-	-	-	-	13,979	-	-
Others	2	3,949	(100.0%)	564	4,184	(86.5%)	2	3,949	(100.0%)	564	4,184	(86.5%)
Total	2,750	7,956	(65.4%)	23,926	17,280	38.5%	2,750	7,956	(65.4%)	23,926	17,280	38.5%

Note: There is no difference for other operating income with and without financial effects of Convertible Bonds for the third quarter and nine months ended 30 September 2024.

Note 2: Profit before Income Tax

(RMB'000)	Actual (WITH financial effects of Convertible Bonds)						Actual (WITHOUT financial effects of Convertible Bonds)					
	Third quarter ended			Nine months ended			Third quarter ended			Nine months ended		
	30	30	% change	30	30	% change	30	30	% change	30	30	% change
	September 2024	September 2023		September 2024	September 2023		September 2024	September 2023		September 2024	September 2023	
Depreciation of property, plant and equipment	13,736	18,057	(23.9%)	44,091	48,546	(9.2%)	13,736	18,057	(23.9%)	44,091	48,546	(9.2%)
Depreciation of right-of-use assets	2,363	1,505	57.0%	8,086	4,782	69.1%	2,363	1,505	57.0%	8,086	4,782	69.1%
Amortisation of intangible assets	50,355	40,412	24.6%	146,409	126,217	16.0%	50,355	40,412	24.6%	146,409	126,217	16.0%
Increase in provision for impairment loss on trade and other receivables subject to ECL*	115,054	4,388	2522.0%	124,633	4,512	2662.3%	115,054	4,388	2522.0%	124,633	4,512	2662.3%
Impairment allowance on property, plant and equipment	-	-	-	633	-	-	-	-	-	633	-	-
(Gain)/Loss on disposal of property, plant and equipment and intangible assets	(2)	717	(100.3%)	180	717	(74.9%)	(2)	717	(100.3%)	180	717	(74.9%)
Foreign exchange (gain)/loss - net	(17,248)	(5,415)	218.5%	(11,356)	28,609	(139.7%)	(42)	753	(105.6%)	148	380	(61.1%)
Finance costs	62,706	69,348	(9.6%)	199,283	208,248	(4.3%)	38,301	46,112	(16.9%)	127,114	142,434	(10.8%)
Fair value changes on convertible bonds	-	(3,782)	(100.0%)	-	-	-	-	-	-	-	-	-

* The amount includes the one-off provision for bad debts of biomass power subsidies amounting to RMB 119.4 million during the third quarter ended 2024. For details, please refer to section 8 page 21.

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		Actual (WITH financial effects of Convertible Bonds)			
		Group		Company	
(RMB'000)	Note	As at 30 September 2024 (Unaudited)	As at 31 December 2023 (Audited)	As at 30 September 2024 (Unaudited)	As at 31 December 2023 (Audited)
ASSETS					
Current assets:					
Cash and cash equivalents		527,836	663,090	838	995
Pledged bank deposits		123,500	84,676	-	-
Trade receivables		815,208	813,033	-	-
Other receivables, deposits and prepayments		284,419	249,575	336,553	427,083
Inventories		157,540	138,028	-	-
Financial assets at fair value through other comprehensive income		82,650	36,259	-	-
Total current assets		1,991,153	1,984,661	337,391	428,078
Non-current assets:					
Property, plant and equipment		494,615	517,628	-	-
Other receivables, deposits and prepayments		86,762	50,117	-	-
Financial assets at fair value through other comprehensive income		2,142	2,142	-	-
Right-of-use assets		225,981	230,229	-	-
Subsidiaries		-	-	914,379	914,379
Associates		65,301	58,949	-	-
Intangible assets		4,235,011	4,335,777	-	-
Deferred tax assets		78,077	34,010	-	-
Goodwill		415,582	415,582	-	-
Total non-current assets		5,603,471	5,644,434	914,379	914,379
Total assets		7,594,624	7,629,095	1,251,770	1,342,457
LIABILITIES AND EQUITY					
Current liabilities:					
Trade payables, other payables and contract liabilities		592,725	712,896	363,181	488,890
Borrowings		1,310,986	1,191,484	-	-
Lease liabilities		1,264	1,235	-	-
Convertible bonds		1,017,262	-	1,017,262	-
Income tax payable		37,193	25,927	-	-
Total current liabilities		2,959,430	1,931,542	1,380,443	488,890
Non-current liabilities:					
Deferred tax liabilities		215,557	217,460	-	-
Borrowings		1,911,010	2,191,842	-	-
Convertible bonds		-	973,845	-	973,845
Lease liabilities		1,097	1,737	-	-
Total non-current liabilities		2,127,664	3,384,884	-	973,845
Capital and reserves:					
Share capital		57,662	57,662	57,662	57,662
Share premium		313,653	313,653	313,653	313,653
General reserves		340,135	288,101	-	-
Share option reserve		319	319	319	319
Revaluation reserve		(1,834)	(1,834)	-	-
Retained earnings/(Accumulated losses)		1,290,868	1,242,539	(500,307)	(491,912)
Equity/(Deficit)attributable to equity holders of the Company		2,000,803	1,900,440	(128,673)	(120,278)
Non-controlling interests		506,727	412,229	-	-
Total equity/(deficit)		2,507,530	2,312,669	(128,673)	(120,278)
Total liabilities and equity		7,594,624	7,629,095	1,251,770	1,342,457

		Actual (WITHOUT financial effects of Convertible Bonds)			
		Group		Company	
(RMB'000)	Note	As at 30 September 2024 (Unaudited)	As at 31 December 2023 (Audited)	As at 30 September 2024 (Unaudited)	As at 31 December 2023 (Audited)
ASSETS					
Current assets:					
Cash and cash equivalents		527,836	663,090	838	995
Pledged bank deposits		123,500	84,676	-	-
Trade receivables		815,208	813,033	-	-
Other receivables, deposits and prepayments		284,419	249,575	336,553	427,083
Inventories		157,540	138,028	-	-
Financial assets at fair value through other comprehensive income		82,650	36,259	-	-
Total current assets		1,991,153	1,984,661	337,391	428,078
Non-current assets:					
Property, plant and equipment		494,615	517,628	-	-
Other receivables, deposits and prepayments		86,762	50,117	-	-
Financial assets at fair value through other comprehensive income		2,142	2,142	-	-
Right-of-use assets		225,981	230,229	-	-
Subsidiaries		-	-	914,379	914,379
Associates		65,301	58,949	-	-
Intangibles and other assets		4,235,011	4,335,777	-	-
Deferred tax assets		78,077	34,010	-	-
Goodwill		415,582	415,582	-	-
Total non-current assets		5,603,471	5,644,434	914,379	914,379
Total assets		7,594,624	7,629,095	1,251,770	1,342,457
LIABILITIES AND EQUITY					
Current liabilities:					
Trade payables, other payables and contract liabilities		576,281	690,334	346,744	466,335
Borrowings		1,310,986	1,191,484	-	-
Lease liabilities		1,264	1,235	-	-
Convertible bonds		716,024	-	716,024	-
Income tax payable		37,193	25,927	-	-
Total current liabilities		2,641,748	1,908,980	1,062,768	466,335
Non-current liabilities:					
Deferred tax liabilities		215,557	217,460	-	-
Borrowings		1,911,010	2,191,842	-	-
Convertible bonds		-	739,390	-	739,390
Lease liabilities		1,097	1,737	-	-
Total non-current liabilities		2,127,664	3,150,429	-	739,390
Capital and reserves:					
Share capital		57,662	57,662	57,662	57,662
Share premium		313,653	313,653	313,653	313,653
General reserves		340,135	288,101	-	-
Share option reserve		319	319	319	319
Revaluation reserve		(1,834)	(1,834)	-	-
Retained earnings/(Accumulated losses)		1,608,550	1,499,556	(182,632)	(234,902)
Equity attributable to equity holders of the Company		2,318,485	2,157,457	189,002	136,732
Non-controlling interests		506,727	412,229	-	-
Total equity		2,825,212	2,569,686	189,002	136,732
Total liabilities and equity		7,594,624	7,629,095	1,251,770	1,342,457

1(b)(ii) Aggregate amount of group borrowings and debt securities**Amount repayable in one year or less, or on demand**

(RMB'000)	As at 30 September 2024		As at 31 December 2023	
	Secured	Unsecured	Secured	Unsecured
Borrowings	<u>1,300,986</u>	<u>10,000</u>	<u>1,191,484</u>	<u>-</u>

Amount repayable after one year

(RMB'000)	As at 30 September 2024		As at 31 December 2023	
	Secured	Unsecured	Secured	Unsecured
Borrowings	<u>1,911,010</u>	<u>-</u>	<u>2,191,842</u>	<u>-</u>

Details of any collaterals:

<u>Collaterals</u>	30 September	31 December
	2024	2023
	RMB'000	RMB'000
Secured by building, land use rights, and service concession arrangement and equipment, pledged bank deposit of the subsidiary	2,110,855	2,617,955
Guaranteed by the subsidiary	855,133	509,750
Guaranteed by the company	<u>246,008</u>	<u>255,621</u>

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2024

(RMB'000)	Note	Actual (WITH financial effects of Convertible Bonds)			
		Third quarter ended		Nine months ended	
		30 September 2024	30 September 2023	30 September 2024	30 September 2023
Operating activities					
(Loss)/Profit before income tax		(8,261)	135,279	247,278	259,127
Adjustments for:					
Depreciation of property, plant and equipment		13,736	18,057	44,091	48,546
Depreciation of right-of-use assets		2,363	1,505	8,086	4,782
Amortisation of intangible assets		50,355	40,412	146,409	126,217
Interest expense		62,706	69,348	199,283	208,248
Exchange differences arising on foreign currency translation		(42)	753	148	380
Share of profit of associate		(2,585)	(1,600)	(6,352)	(3,308)
Impairment allowance on property, plant and equipment		-	-	633	-
(Gain)/Loss on disposal of property, plant and equipment		(2)	717	180	717
Interest income		(1,278)	(2,649)	(3,857)	(5,172)
Increase in provision for impairment loss on trade and other receivables subject to ECL		115,054	4,388	124,633	4,512
Exchange (gain)/loss on convertible bonds		(17,206)	(6,168)	(11,504)	28,229
Fair value gain on convertible bonds		-	(3,782)	-	-
Operating cash flows before movements in working capital		214,840	256,260	749,028	672,278
Trade receivables		(10,571)	(45,335)	(122,753)	(107,524)
Financial assets at fair value through other comprehensive income		(3,903)	(3,568)	(50,799)	(5,187)
Other receivables and prepayments		(41,175)	(27,269)	(37,757)	(25,762)
Inventories		1,851	62,218	(19,512)	45,394
Trade payables, other payables and contract liabilities		17,531	(196,868)	(78,932)	(245,783)
Cash generated from operating activities		178,573	45,438	439,275	333,416
Income tax paid		(38,325)	(24,184)	(91,295)	(58,728)
Interest paid		(33,871)	(55,481)	(117,587)	(139,107)
Interest received		1,278	2,649	3,857	5,172
Net cash generated from/(used in) operating activities		107,655	(31,578)	234,250	140,753
Investing activities					
Purchase of property, plant and equipment		(775)	(1,895)	(15,599)	(14,007)
Prepayment for build-operate-transfer ("BOT") projects		(12,517)	(3,377)	(68,535)	(29,683)
Acquisition of intangible assets		(13,455)	(43,572)	(49,481)	(224,569)
Proceeds from disposal of subsidiaries		-	-	-	1,400
Net cash used in investing activities		(26,747)	(48,844)	(133,615)	(266,859)
Financing activities					
Proceeds from new borrowings		211,467	21,239	831,841	652,122
Repayment of borrowings		(253,719)	(70,730)	(993,171)	(556,776)
Pledged bank deposits		(42,378)	61,856	(38,824)	42,237
Payment of dividends to non-controlling interest of a subsidiary		(2,000)	-	(2,000)	-
Payment of dividends		-	-	-	(5,528)
Repayment of lease liabilities		(46)	-	(678)	-
Interest paid		(2,883)	(3,911)	(33,057)	(35,215)
Net cash (used in)/generated from financing activities		(89,559)	8,454	(235,889)	96,840
Net decrease in cash and cash equivalents		(8,651)	(71,968)	(135,254)	(29,266)
Cash and cash equivalents at beginning of period		536,487	628,343	663,090	585,268
Effects of foreign exchange rate changes		-	(753)	-	(380)
Cash and cash equivalents at end of period		527,836	555,622	527,836	555,622

		Actual (WITHOUT financial effects of Convertible Bonds)			
		Third quarter ended		Nine months ended	
(RMB'000)	Note	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Operating activities					
(Loss)/Profit before income tax		(1,062)	148,565	307,943	353,170
Adjustments for:					
Depreciation of property, plant and equipment		13,736	18,057	44,091	48,546
Depreciation of right-of-use assets		2,363	1,505	8,086	4,782
Amortisation of intangible assets		50,355	40,412	146,409	126,217
Interest expense		38,301	46,112	127,114	142,434
Exchange differences arising on foreign currency translation		(42)	753	148	380
Share of profit of associate		(2,585)	(1,600)	(6,352)	(3,308)
Impairment allowance on property, plant and equipment		-	-	633	-
(Gain)/Loss on disposal of property, plant and equipment		(2)	717	180	717
Interest income		(1,278)	(2,649)	(3,857)	(5,172)
Increase in provision for impairment loss on trade and other receivables subject to ECL		115,054	4,388	124,633	4,512
Operating cash flows before movements in working capital		214,840	256,260	749,028	672,278
Trade receivables		(10,571)	(45,335)	(122,753)	(107,524)
Financial assets at fair value through other comprehensive income		(3,903)	(3,568)	(50,799)	(5,187)
Other receivables and prepayments		(41,175)	(27,269)	(37,757)	(25,762)
Inventories		1,851	62,218	(19,512)	45,394
Trade payables, other payables and contract liabilities		17,531	(196,868)	(78,932)	(245,783)
Cash generated from operations		178,573	45,438	439,275	333,416
Income tax paid		(38,325)	(24,184)	(91,295)	(58,728)
Interest paid		(33,871)	(55,481)	(117,587)	(139,107)
Interest received		1,278	2,649	3,857	5,172
Net cash generated from/(used in) operating activities		107,655	(31,578)	234,250	140,753
Investing activities					
Purchase of property, plant and equipment		(775)	(1,895)	(15,599)	(14,007)
Prepayment for build-operate-transfer ("BOT") projects		(12,517)	(3,377)	(68,535)	(29,683)
Acquisition of intangible assets		(13,455)	(43,572)	(49,481)	(224,569)
Proceeds from disposal of subsidiaries		-	-	-	1,400
Net cash used in investing activities		(26,747)	(48,844)	(133,615)	(266,859)
Financing activities					
Proceeds from new borrowings		211,467	21,239	831,841	652,122
Repayment of borrowings		(253,719)	(70,730)	(993,171)	(556,776)
Pledged bank deposits		(42,378)	61,856	(38,824)	42,237
Payment of dividends to non-controlling interest of a subsidiary		(2,000)	-	(2,000)	-
Payment of dividends		-	-	-	(5,528)
Repayment of lease liabilities		(46)	-	(678)	-
Interest paid		(2,883)	(3,911)	(33,057)	(35,215)
Net cash (used in)/generated from financing activities		(89,559)	8,454	(235,889)	96,840
Net decrease in cash and cash equivalents		(8,651)	(71,968)	(135,254)	(29,266)
Cash and cash equivalents at beginning of period		536,487	628,343	663,090	585,268
Effects of foreign exchange rate changes		-	(753)	-	(380)
Cash and cash equivalents at end of period		527,836	555,622	527,836	555,622

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024

Actual (WITH financial effects of Convertible Bonds)										
Group	Share capital	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
Balance as at 1 January 2023	57,662	313,653	239,681	319	-	(1,706)	1,120,715	1,730,324	319,525	2,049,849
<u>Total comprehensive income/ for the year</u>										
Profit for the year	-	-	-	-	-	-	175,772	175,772	92,710	268,482
Other comprehensive loss for the year	-	-	-	-	-	(128)	-	(128)	(6)	(134)
Total	-	-	-	-	-	(128)	175,772	175,644	92,704	268,348
<u>Transactions with owners, recognised directly in equity</u>										
Dividend paid	-	-	-	-	-	-	(5,528)	(5,528)	-	(5,528)
Transfer to general reserves	-	-	47,737	-	-	-	(47,737)	-	-	-
Disposal of subsidiary	-	-	683	-	-	-	(683)	-	-	-
Total	-	-	48,420	-	-	-	(53,948)	(5,528)	-	(5,528)
Balance as at 31 December 2023	57,662	313,653	288,101	319	-	(1,834)	1,242,539	1,900,440	412,229	2,312,669
<u>Total comprehensive income from 1 January to 31 March 2024</u>										
Profit for the period	-	-	-	-	-	-	55,996	55,996	39,186	95,182
Total	-	-	-	-	-	-	55,996	55,996	39,186	95,182
<u>Transactions with owners, recognised directly in equity</u>										
Transfer to general reserves	-	-	11,974	-	-	-	(11,974)	-	-	-
Total	-	-	11,974	-	-	-	(11,974)	-	-	-
Balance as at 31 March 2024	57,662	313,653	300,075	319	-	(1,834)	1,286,561	1,956,436	451,415	2,407,851
<u>Total comprehensive income from 1 April to 30 June 2024</u>										
Profit for the period	-	-	-	-	-	-	65,900	65,900	36,564	102,464
Total	-	-	-	-	-	-	65,900	65,900	36,564	102,464
<u>Transactions with owners, recognised directly in equity</u>										
Transfer to general reserves	-	-	27,769	-	-	-	(27,769)	-	-	-
Total	-	-	27,769	-	-	-	(27,769)	-	-	-
Balance as at 30 June 2024	57,662	313,653	327,844	319	-	(1,834)	1,324,692	2,022,336	487,979	2,510,315

Actual (WITH financial effects of Convertible Bonds)

<u>Group</u>	Share capital	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
Balance as at 1 July 2024	57,662	313,653	327,844	319	-	(1,834)	1,324,692	2,022,336	487,979	2,510,315
<u>Total comprehensive (loss)/income for the year</u>							(21,533)	(21,533)	20,748	(785)
Loss/(Profit) for the period							(21,533)	(21,533)	20,748	(785)
Total	-	-	-	-	-	-	(21,533)	(21,533)	20,748	(785)
<u>Transactions with owners, recognised directly in equity</u>										
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	(2,000)	(2,000)
Transfer to general reserves	-	-	12,291	-	-	-	(12,291)	-	-	-
Total	-	-	12,291	-	-	-	(12,291)	-	(2,000)	(2,000)
Balance as at 30 September 2024	57,662	313,653	340,135	319	-	(1,834)	1,290,868	2,000,803	506,727	2,507,530

Actual (WITHOUT financial effects of Convertible Bonds)

<u>Group</u>	Share capital	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
Balance as at 1 January2023	57,662	313,653	239,681	319	-	(1,706)	1,273,540	1,883,149	319,525	2,202,674
<u>Total comprehensive income for the year</u>										
Profit for the year	-	-	-	-	-	-	279,964	279,964	92,710	372,674
Other comprehensive loss for the year	-	-	-	-	-	(128)	-	(128)	(6)	(134)
Total	-	-	-	-	-	(128)	279,964	279,836	92,704	372,540
<u>Transactions with owners, recognised directly in equity</u>										
Dividend paid	-	-	-	-	-	-	(5,528)	(5,528)	-	(5,528)
Transfer to general reserves	-	-	47,737	-	-	-	(47,737)	-	-	-
Disposal of subsidiary	-	-	683	-	-	-	(683)	-	-	-
Total	-	-	48,420	-	-	-	(53,948)	(5,528)	-	(5,528)
Balance as at 31 December2023	57,662	313,653	288,101	319	-	(1,834)	1,499,556	2,157,457	412,229	2,569,686
<u>Total comprehensive income from 1 January to 31 March 2024</u>										
Profit for the period	-	-	-	-	-	-	81,016	81,016	39,186	120,202
Total	-	-	-	-	-	-	81,016	81,016	39,186	120,202
<u>Transactions with owners, recognised directly in equity</u>										
Transfer to general reserves	-	-	11,974	-	-	-	(11,974)	-	-	-
Total	-	-	11,974	-	-	-	(11,974)	-	-	-
Balance as at 31 March2024	57,662	313,653	300,075	319	-	(1,834)	1,568,598	2,238,473	451,415	2,689,888
<u>Total comprehensive income from 1 April to 30 June 2024</u>										
Profit for the period	-	-	-	-	-	-	94,346	94,346	36,564	130,910
Total	-	-	-	-	-	-	94,346	94,346	36,564	130,910
<u>Transactions with owners, recognised directly in equity</u>										
Transfer to general reserves	-	-	27,769	-	-	-	(27,769)	-	-	-
Total	-	-	27,769	-	-	-	(27,769)	-	-	-
Balance as at 30 June 2024	57,662	313,653	327,844	319	-	(1,834)	1,635,175	2,332,819	487,979	2,820,798

Actual (WITHOUT financial effects of Convertible Bonds)

<u>Group</u>	Share capital	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
Balance as at 1 July2024	57,662	313,653	327,844	319	-	(1,834)	1,635,175	2,332,819	487,979	2,820,798
<u>Total comprehensive (loss)/income for the year</u>	-	-	-	-	-	-	(14,334)	(14,334)	20,748	6,414
(Loss)/Profit for the period	-	-	-	-	-	-	(14,334)	(14,334)	20,748	6,414
Total	-	-	-	-	-	-	(14,334)	(14,334)	20,748	6,414
<u>Transactions with owners, recognised directly in equity</u>										
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	(2,000)	(2,000)
Transfer to general reserves	-	-	12,291	-	-	-	(12,291)	-	-	-
Total	-	-	12,291	-	-	-	(12,291)	-	(2,000)	(2,000)
Balance as at 30 September2024	57,662	313,653	340,135	319	-	(1,834)	1,608,550	2,318,485	506,727	2,825,212

Actual (WITH financial effects of Convertible Bonds)

<u>Company</u>	Share capital	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
Balance as at 1 January 2023	57,662	313,653	319	(346,794)	24,840	24,840
Loss for the year, representing total comprehensive loss for the year	-	-	-	(139,590)	(139,590)	(139,590)
<u>Transactions with owners, recognised directly in equity</u>						
Dividend paid	-	-	-	(5,528)	(5,528)	(5,528)
Total	-	-	-	(145,118)	(145,118)	(145,118)
Balance as at 31 December 2023	57,662	313,653	319	(491,912)	(120,278)	(120,278)
Profit for the period, representing total comprehensive income for January to March 2024	-	-	-	36,997	36,997	36,997
Balance as at 31 March 2024	57,662	313,653	319	(454,915)	(83,281)	(83,281)
Loss for the period, representing total comprehensive income for April to June 2024	-	-	-	(34,473)	(34,473)	(34,473)
Balance as at 30 June 2024	57,662	313,653	319	(489,388)	(117,754)	(117,754)
Loss for the period, representing total comprehensive income for July to September 2024	-	-	-	(10,919)	(10,919)	(10,919)
Balance as at 30 September 2024	57,662	313,653	319	(500,307)	(128,673)	(128,673)

Actual (WITHOUT financial effects of Convertible Bonds)

<u>Company</u>	Share capital	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
Balance as at 1 January 2023	57,662	313,653	319	(193,975)	177,659	177,659
Loss for the year, representing total comprehensive loss for the year	-	-	-	(35,399)	(35,399)	(35,399)
<u>Transactions with owners, recognised directly in equity</u>						
Dividend paid	-	-	-	(5,528)	(5,528)	(5,528)
Total	-	-	-	(40,927)	(40,927)	(40,927)
Balance as at 31 December 2023	57,662	313,653	319	(234,902)	136,732	136,732
Profit for the period, representing total comprehensive income for January to March 2024	-	-	-	62,017	62,017	62,017
Balance as at 31 March 2024	57,662	313,653	319	(172,885)	198,749	198,749
Loss for the period, representing total comprehensive income for April to June 2024	-	-	-	(6,027)	(6,027)	(6,027)
Balance as at 30 June 2024	57,662	313,653	319	(178,912)	192,722	192,722
Loss for the period, representing total comprehensive income for July to September 2024	-	-	-	(3,720)	(3,720)	(3,720)
Balance as at 30 September 2024	57,662	313,653	319	(182,632)	189,002	189,002

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.

There was no change in the Company's share capital (795,686,142 shares) since the end of the previous period reported.

There were no outstanding treasury shares held as at 30 September 2024 and 31 December 2023.

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

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

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

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

The Company and the Investors have entered into an amendment agreement (the "Amendment Agreement") on 31 December 2020 to amend certain terms of the purchase agreements of the CB1s and CB2s. Accordingly, the maturity date of the CB1s and CB2s is extended by one (1) year and revised to 3 March 2023.

In accordance with the announcement released on 27 March 2023 (the "27 March Announcement"), the Company on 24 March 2023 entered into an amendment agreement (the "2023 Amendment Agreement") with Glory Sky, Alpha Keen Limited, Green Hawaii Air Limited and Blue Starry Energy Limited (together with Alpha Keen Limited and Green Hawaii Air Limited, "DCP" and together with Glory Sky, the "Bondholders").

Pursuant to the 2023 Amendment Agreement, the Company and the Bondholders have, inter alia, mutually agreed to extend the maturity date of the Convertible Bonds to the later of (i) 3 April 2025; or (ii) if so elected by the Bondholders, the date that is the 15th business day after the date on which the Company's audited financial statements for 2024 are issued (the "New Maturity Date"), as well as to make certain other amendments to the terms of the Convertible Bond Purchase Agreement and the CB Terms and Conditions (collectively, the "Proposed Amendments"). The Proposed Amendments had taken effect upon obtaining Shareholders' approval at the special general meeting that was convened on 28 July 2023.

Assuming that all the outstanding CB1s and CB2s have been converted using the fixed conversion price of S\$ 0.50 and S\$ 0.60 respectively and that all the share options granted have been exercised as at 30 September 2024, the maximum number of shares that may be issued as at 30 September 2024 is 359,379,000 ordinary shares (30 September 2023: 359,379,000 ordinary shares). The fully diluted shares (including treasury shares) as at 30 September 2024 and 30 September 2023 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 September 2024	As at 31 December 2023
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 2023.

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)			
	Third Quarter ended		Nine months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Net (loss)/profit attributable to equity holders of the Group (RMB'000)	(21,533)	84,855	100,363	130,784
Weighted average number of ordinary shares outstanding ('000)	795,686	795,686	795,686	795,686
(Loss)/Earnings per share – basic (RMB cents)	(2.71)	10.66	12.61	16.44

The table below illustrates the basic earnings per share excluding the financial effects of Convertible Bonds and does not take into account the effect of the Convertible Bonds in the weighted average number of ordinary shares outstanding.

	Actual (WITHOUT financial effects of Convertible Bonds)			
	Third Quarter ended		Nine months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Net (loss)/profit attributable to equity holders of the Group (RMB'000)	(14,334)	98,141	161,028	224,827
Weighted average number of ordinary shares outstanding ('000)	795,686	795,686	795,686	795,686
(Loss)/Earnings per share – basic (RMB cents)	(1.80)	12.33	20.24	28.26

Basic (loss)/earnings per share for third quarter and nine months ended 30 September 2024 and 30 September 2023 have been calculated based on the weighted average number of ordinary shares issued at 795,686,142 ordinary shares respectively.

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

	Actual (WITH financial effects of Convertible Bonds)			
	Third Quarter ended		Nine months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Net (loss)/profit attributable to equity holders of the Group (RMB'000)	(21,533)	98,141	100,363	130,784
Weighted average number of ordinary shares outstanding ('000)	795,686	1,154,020	795,785	795,832
(Loss)/Earnings per share – diluted (RMB cents)	(2.71)	8.50	12.61	16.43

The table below illustrates the dilutive earnings per share excluding the financial effects of Convertible Bonds and does not take into account the dilutive effect of the Convertible Bonds in the weighted average number of ordinary shares outstanding.

	Actual (WITHOUT financial effects of Convertible Bonds)			
	Third Quarter ended		Nine months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Net (loss)/profit attributable to equity holders of the Group (RMB'000)	(14,334)	98,141	161,028	224,827
Weighted average number of ordinary shares outstanding ('000)	795,686	795,832	795,785	795,832
(Loss)/Earnings per share – diluted (RMB cents)	(1.80)	12.33	20.24	28.25

Diluted (loss)/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 September 2024. 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 September 2024	31 December 2023	30 September 2024	31 December 2023
	<i>(WITH financial effects of Convertible Bonds)</i>		<i>(WITHOUT financial effects of Convertible Bonds)</i>	
Net asset value per share (RMB cents)	315.14	290.65	355.07	322.95

	Company			
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	<i>(WITH financial effects of Convertible Bonds)</i>		<i>(WITHOUT financial effects of Convertible Bonds)</i>	
Net (liability) / asset value per share (RMB cents)	(16.17)	(15.12)	23.75	17.18

The net asset value per share for 30 September 2024 and 31 December 2023 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 September 2024 and 31 December 2023 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 third quarter ended 30 September 2024 ("3Q2024") as compared with that of the third quarter ended 30 September 2023 ("3Q2023")

Based on actual financial performance WITH financial effects of Convertible Bonds

Revenue

The Group's revenue is mainly from provision of utilities. The revenue decreased by approximately RMB 22.4 million or 2.9% from RMB 771.8 million in 3Q2023 to RMB 749.3 million in 3Q2024. The decrease was due mainly to a reduction in electricity sales, resulting from a temporary production halt at the Tongshan project for maintenance, which lasted approximately half a month. On the other hand, the steam revenue which accounts for a significant portion of the Group's recurring revenue remains stable compared with the same period last year.

Gross Profit

Gross profit decreased from RMB 240.0 million in 3Q2023 to RMB 188.9 million in 3Q2024 by approximately RMB 51.0 million or 21.3%, due mainly to the following reasons: (1) In the maintenance phase of Tongshan projects, the fixed costs remained almost stable, which further negatively impacted the gross profit. (2) The newly operational Xinjiang project is still in its early stages of operation, resulting in a relatively lower gross profit. Meanwhile, the price adjustment mechanism has continuously been implemented effectively.

(Loss)/Profit Before Income Tax

(Loss)/Profit before income tax decreased by approximately RMB 143.5 million or 106.1% from the profit of RMB 135.3 million in 3Q2023 to loss of RMB 8.3 million in 3Q2024. The decrease was attributable mainly to the following factors:

- (a) Increase in other operating expense of RMB 111.3 million from RMB 5.2 million in 3Q2023 to RMB 116.5 million in 3Q2024 due mainly to an increase in provision for bad debts of biomass subsidy receivables as announced on 4 November 2024;
- (b) Decrease in gross profit of RMB 51.0 million as explained above; and
- (c) Decrease in other operating income of RMB 5.2 million or 65.4% from RMB 8.0 million in 3Q2023 to RMB 2.8 million in 3Q2024 due mainly to a decrease in government grant.

The above-mentioned factors were offset by:

- (a) Increase of RMB 11.8 million or 218.5% from foreign exchange gain of RMB 5.4 million in 3Q2023 to foreign exchange gain of RMB 17.2 million in 3Q2024 due mainly to the appreciation of RMB against USD for the USD Convertible Bonds compared with the same period last year;
- (b) Decrease in administrative expenses of RMB 9.7 million or 30.7% from RMB 31.7 million in 3Q2023 to RMB 22.0 million in 3Q2024, due mainly to the payment of agency fees related to the Convertible Bonds amendment signed in 2023;
- (c) Decrease in financial costs of RMB 6.6 million or 9.6% from RMB 69.3 million in 3Q2023 to RMB 62.7 million in 3Q2024, due mainly to the effective implementation of reduction of financing costs, including obtaining lower interest rate loans through structural adjustments and negotiating interest rate cuts with banks; and
- (d) Decrease in fair value change on convertible bonds of RMB 3.8 million or 100% from RMB 3.8 million in 3Q2023 to nil fair value change in 3Q2024. This was due to an amendment agreement entered with the CB holders in March 2023, resulting in substantial modifications to the terms of the bond and hence it was accounted for as an extinguishment of the original liability and recognition of the new liability and the convertible feature was classified as equity.

Income Tax (Credit)/Expense

The income tax (credit)/expense decreased by RMB 31.6 million or 131.0% from the expense of RMB 24.1 million in 3Q2023 to the credit of RMB 7.5 million in 3Q2024, which is due mainly to the deferred tax recognised for the deductible temporary timing difference on the one-off provision on biomass subsidy receivables in this period.

(Loss)/Profit for the Financial Period

As a result of the above, the Group's net (loss)/profit attributable to the equity holders decreased by RMB 106.4 million or 125.4% from the profit of RMB 84.9 million in 3Q2023 to the loss of RMB 21.5 million in 3Q2024. Excluding the impact of provision on biomass subsidy receivables recognised in this period, the Group's net profit attributable to the equity holders should be RMB 58.6 million.

- (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 6.5 million or 0.3% from RMB 1,984.7 million as at 31 December 2023 to RMB 1,991.2 million as at 30 September 2024. The increase was due mainly to:

- (a) Increase in trade receivables of RMB 2.2 million being consistent with the increase in demand for the current period after deducting the provision on biomass power subsidies.

The settlement of the biomass power subsidies is based mainly on the prevailing national policies set by the Ministry of Finance of the PRC and without a contractual payment plan. The Ministry of Finance of the PRC disburses the subsidies to the local State Grid and other competent authorities after the approval and then the local State Grid pays the subsidies to the biomass plants based on the volume of electricity sold to the State Grid after their inclusion into the subsidy catalogue. Delays in the payments of biomass subsidies occurred, therefore trade receivable continued to increase. As a result, almost all trade receivables aged over six months are comprised of such biomass power subsidies.

As announced on 4 November 2024, the Group had made a one-off provision for the bad debts of the biomass power subsidies in current period based on the latest information received from State Grid Shandong Electric Power Company (国网山东省电力有限公司) and State Grid Jiangsu Electric Power Company (国网江苏省电力有限公司), the wholly-owned subsidiaries of State Grid Corporation of China (国家电网有限公司) (the "State Grid"), which decreased the trade receivable by approximately RMB 135.0 million, correspondingly increased the input tax by approximately RMB 15.6 million and operating expenses by approximately RMB 119.4 million. After taking into account income tax and minority interest, the Group's PATMI decreased by approximately RMB 80.1 million. In addition, there was no impact on operating cash flow.

After the one-off provision for bad debts this period, the Group is of the view that the provision has fully reflected the potential loss arising from the above information received. By the end of this period, the outstanding balance of biomass subsidies (net of loss allowance) is RMB 220.5 million.

The new plant of Xintai Project has been listed in the “Notice on the List of Non-Competitive Allocation Projects to be included into Biomass Power Generation Central Subsidy Catalogue of 2021” (“关于拟纳入2021年生物质发电中央补贴非竞争配置项目名单的公示”). Tongshan Project’s biomass power generation business obtained its grid connection permit in 2021 and has passed the confirmation of the provincial-level competent authorities. The project has passed the review and acceptance of the National Energy Administration (Jiangsu Supervision Office) and the Jiangsu Development & Reform Commission. It is now being reviewed by the National Renewable Energy Information Management Center.

During this period, the Group recovered biomass subsidies that were due for the old plant of Xintai Project, amounting to RMB 17.2 million, and will continue to closely follow up on the status of trade receivable for biomass power generation business.

As for Shantou Project, which is 51%-owned by the Group, according to the concession agreement signed between the Shantou Chaonan Local Government and CES (a state-owned enterprise), CES is an authorised concessionaire. Shantou Project had previously signed a steam supply agreement with CES to undertake the supply of steam to over 100 downstream steam users in the Shantou Textile Circular Economy Industrial Park (the “Park”).

As previously disclosed, all of the downstream steam users in the Park were relocated into the newly-built Park, with the majority investing in new factories in the Park in 2019, after their previous operations along the Lianjiang River were mandatorily shut down. To achieve a win-win situation with the users, the Group had offered them a payment grace period when they began operations in the Park in order to help them stabilise and grow their business, given the high initial investments and capital expenditures involved in relocating their plants into the Park and the abnormal operations they had to endure during the construction period of the Park. This strategy worked, proven by the rapid ramp-up of Shantou Project which was due to the quick recovery of the downstream users that contributed stronger-than-expected steam demand to Shantou Project.

While the Group managed to negotiate with the downstream users to shorten the payment cycle since last year following the normalisation of their operations, CES however recently adjusted its approval cycle for releasing payments from these downstream users to the Group, on account of managerial reasons. The management is aware of this and continues to diligently monitor the receivable turnover days. Besides, the stronger-than-expected demand for steam by the downstream users was also the primary reason for the increased trade receivables of Shantou Project.

Approximately 67.3% and 25.5% of the trade receivables at 31 December 2023 and 30 September 2024 respectively were collected as at 31 October 2024, which were calculated based on the gross carrying amount of trade receivables. 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;

- (b) Increase in financial assets at fair value through other comprehensive income of RMB 46.4 million resulting mainly from addition in notes receivables held by the Group;
- (c) Increase in pledged bank deposits of RMB 38.8 million as more collaterals were required for the credit facilities granted;
- (d) Increase in other receivables, deposits and prepayments of RMB 34.8 million due mainly to the increase in prepayments for coal procurement; and
- (e) Increase in inventories of approximately RMB 19.5 million due mainly to preparation for strong steam demand in the future.

The above-mentioned factors were offset by a decrease in cash and cash equivalents of RMB 135.3 million due mainly to the payment of loans.

The Group's total non-current assets decreased by RMB 41.0 million or 0.7% from RMB 5,644.4 million as at 31 December 2023 to RMB 5,603.5 million as at 30 September 2024. The decrease was due mainly to:

- (a) Decrease in intangible assets of RMB 100.8 million due mainly to the amortization expenses for the period; and
- (b) Decrease in property, plant and equipment of RMB 23.0 million due mainly to the depreciation expenses for the period.

The above-mentioned factors were offset by:

- (a) Increase in other receivables, deposits and prepayments of RMB 36.6 million due primarily to the increase in compensation receivable from the government of Xinyuan projects,
- (b) Increase in deferred tax assets of RMB 44.1 million due mainly to the deferred tax recognised for the deductible temporary timing difference on the one-off provision on biomass subsidy receivables in this period., and
- (c) Increase in investment in associates of RMB 6.4 million due primarily to the share of profit of associates in this period.

The Group's total current liabilities increased by RMB 1,027.9 million or 53.2% from RMB 1,931.5 million as at 31 December 2023 to RMB 2,959.4 million as at 30 September 2024, due mainly to the following:

- (a) Reclassification of Convertible Bonds amounting to RMB 1,017.3 million from non-current liabilities to current liabilities. Please refer to Section 8 Financial Effects of Convertible Bonds; and

- (b) Increase in short-term borrowings of RMB 119.5 million due to replenishment of working capital for GI business.

The above-mentioned factors were offset by a decrease in trade payables, other payables and contract liabilities of RMB 120.2 million primarily as a result of payment of outstanding raw materials purchase and payment of construction payables for BOT projects.

The Group's current liabilities exceeded its current assets by RMB 968,277,000 due to the reclassification of convertible bonds ("CBs") from non-current to current liabilities as the convertible bonds mature in April 2025. Had the convertible bonds remained non-current, the Group's current assets would have exceeded its current liabilities by RMB 48,985,000.

The Group's total non-current liabilities decreased by approximately RMB 1,257.2 million or 37.1% from RMB 3,384.9 million as at 31 December 2023 to RMB 2,127.7 million as at 30 September 2024. The decrease was due to:

- (a) Reclassification of Convertible Bonds from non-current liabilities to current liabilities. Please refer to Section 8 Financial Effects of Convertible Bonds; and
- (b) Decrease in long-term borrowings of RMB 280.8 million due primarily to repayment of loans.

Review of the Group's cash flow statement

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

Net cash generated from operating activities amounted to approximately RMB 107.7 million in 3Q2024, due primarily to the following factors:

- (a) Increased working capital requirements due to the increase in trade receivables of RMB 10.6 million, increase in financial assets at fair value through other comprehensive income of RMB 3.9 million, increase in other receivables and prepayments of RMB 41.2 million, increase in inventories of RMB 1.9 million and decrease in trade payables, other payables and contract liabilities of RMB 17.5 million; and
- (b) Interest and tax paid of RMB 72.2 million in aggregate.

Net cash used in investing activities amounted to RMB 26.7 million due mainly to the purchase of property, plant and equipment of RMB 0.7 million, prepayment on BOT projects of RMB 12.5 million, and expenditure on intangible assets of RMB 13.5 million.

Net cash used in financing activities amounted to RMB 89.6 million due to repayment of bank loans of RMB 253.7 million, interest paid of RMB 2.9 million, increase in pledged bank deposit of RMB 42.4 million, and payment of dividend to non-controlling shareholder of RMB 2.0 million, offset by new borrowings from banks of RMB 211.5 million.

Use of Proceeds from Convertible Bonds

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

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

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

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

On 31 December 2020, the Company and the Investors entered into an amendment agreement (the “Amendment Agreement”) to amend certain terms of the purchase agreements of the CBs. The Amendment Agreement confirms that the aggregate principal amount of the Tranche 1 Convertible Bonds and Tranche 2 Convertible Bonds (collectively, the “Convertible Bonds” or “CBs”) issued as at the date of the Amendment Agreement is US\$130 million, and proposes to extend the maturity date of the CBs by one (1) year to 3 March 2023¹.

On 24 March 2023, the Company and the Investors entered into an amendment agreement (the “2023 Amendment Agreement”) to amend the relevant terms of the purchase agreements of the CB1s and CB2s, and the terms and conditions of the Convertible Bonds. The 2023 Amendment Agreement confirms that the conversion price will remain at S\$ 0.50 for CB1 and S\$ 0.60 for CB2, and extend the maturity date of the CBs by two (2) years to 3 April 2025².

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

² For the full details, please refer to the general announcement to shareholders that was released on 27 March 2023.

Use of Proceeds from Convertible Bonds (Cont'd)

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 October 2024, the Company has utilised an aggregate of US\$ 123.8 million of the net proceeds from Convertible Bonds as per the schedule below.

Project	Use of Convertible Bonds Proceeds	Amount
Shantou	Project construction and equipment Procurement	US\$ 20.4 million (approximately RMB 132.6 million)
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) RMB 42.7 million of remuneration for the development and management teams of GI; (b) RMB 20.3 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) RMB 1.5 million of purchase of fixed assets for development teams of GI business; and (d) RMB 0.1 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.

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 follow: (i) fair value change arising from 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. On 24 March 2023, the Group and the Investors entered into an amendment agreement (the "2023 Amendment Agreement") which extended the maturity date of the CBs by two years to 3 April 2025. The conversion price of convertible bonds will remain at S\$ 0.50 for CB1 and S\$ 0.60 for CB2 and will no longer be subject to the Group's performance target on adjusted profit after taxation and minority interests. Additionally, bondholders are entitled to a higher Total Internal Rate of Return at 10%.

Due to the 2023 Amendment Agreement, the bond has been assessed to be substantially modified and hence, it will be accounted for as an extinguishment of the original liability. Recognition of the new liability and the convertible feature will be classified as equity.

The above mentioned related financial effects to the statement of profit or loss and other statements have no operational effect 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 cumulative 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 112.5 million or 114.6% from net profit of RMB 98.1 million in 3Q2023 to net profit of negative RMB 14.3 million in 3Q2024.

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.

In September 2024, the Chinese government rolled out a package of stimulus measures to counter economic challenges and achieve the economic growth target of “around 5%” for 2024³. The package included measures aimed at revitalising key sectors, with a focus on monetary easing, property market stabilisation, and bolstering stock markets.⁴ After the announcement of the stimulus package, the National Bureau of Statistics recently reported that China’s official purchasing managers’ index for October rose to 50.1, in expansionary territory for the first time since April.⁵

On the external front, the global environment has become more complicated as geopolitical risks continued to rise and spread to more regions around the world.⁶ According to The World Economic Forum’s Global Risks Report 2024, geopolitical tensions are seen as the main risk to global economic growth in the coming year.⁷

Against this backdrop, the Group remains focused on enhancing and optimising the profitability and cash flows of its Green Investment (“GI”) business through the continued ramp-up of its GI projects and further execution of its refined management practices. Further, the Group will strive to address and adapt to the challenges and impacts of potential changes in government policies and the macro environment.

Pertaining to the Convertible Bonds (the “CBs”), the maturity is in April 2025. The Group continues to proactively take various measures to raise the necessary funding by maturity. Should the Group be unable to do so, it risks being unable to repay the CBs. As disclosed, the options include but are not limited to seeking investors, additional equity or debt fundraising, a strategic review of the Group’s existing operations and financials, and monetisation of certain GI Projects. The Board of Directors is progressing on the assessment of the options which are currently available to date and the Company will make the necessary announcement at the appropriate time.

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.

³ <https://www.scmp.com/economy/policy/article/3283050/what-new-moves-did-china-make-economic-stimulus-front-last-week>

⁴ <https://www.china-briefing.com/news/decoding-chinas-recent-economic-stimulus-package-what-investors-need-to-know/>

⁵ <https://www.cnbc.com/2024/10/31/pmi-chinas-factory-activity-expands-for-the-first-time-since-april.html>

⁶ <https://www.economicsobservatory.com/how-are-geopolitical-risks-affecting-the-world-economy>

⁷ <https://www.weforum.org/stories/2024/08/geopolitics-inflation-central-banks/>

- (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 third quarter ended 30 September 2024. It is not the Company's practice to declare dividends during the third 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 Company's IPT general mandate expired on 28 April 2023. After carefully considering all the relevant factors, the Company did not renew the general mandate from shareholders for IPTs after 28 April 2023.

The transaction listed pertain to transaction performed under agreements that were entered into during the period in which the Company's IPT general mandate was in force, which was first adopted on 16 April 2021 and renewed on 27 May 2022 before it expired on 28 April 2023. By the nature of certain of these contracts, certain transactions may only accrue upon the satisfaction of certain milestones. Accordingly, such IPTs as approved under the prior IPT general mandate are presented as and when they are accrued.

There is no interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual with transaction amount above \$100,000 for the third quarter ended 30 September 2024.

Voluntary Disclosure - Non-IPT for the third quarter ended 30 September 2024 as these contracts entered with respective parties were signed prior to 30 April 2021 (Disposal of Manufacturing & Services 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 nine months ended 30 September 2024 (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) RMB'000
Qingdao Xinyuan Thermal Power Co., Ltd.	Jiangsu Shengtai Energy Network Technology Co., Ltd. ⁽¹⁾⁽²⁾	Associate of controlling shareholders	Construction fee paid for heat engineering project	4,622

Note:

- (1) On 26 July 2022, Jiangsu Shengtai Energy Network Technology Co., Ltd. (the "pipeline company") has been disposed of by Sunpower Technology (Jiangsu) Co., Ltd. to unrelated third parties, which are not interested persons 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. By the nature of certain of these contracts, certain transactions may only accrue upon the satisfaction of certain milestones. Accordingly, such IPTs as approved under the prior IPT general mandate are presented as and when they are accrued.
- (2) Jiangsu Shengtai Energy Network Technology Co., Ltd. was previously referred to as Jiangsu Sunpower Pipe-line Engineering Technology Co., Ltd.

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

We 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 condensed interim financial statements for the third quarter and nine months ended 30 September 2024 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

14 November 2024