

Unaudited Financial Statements for the Third Quarter And Nine Months Ended 30 September 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY RESULTS

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

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2017

(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 September 2017	30 September 2016	% change	30 September 2017	30 September 2016	% change	30 September 2017	30 September 2016	% change	30 September 2017	30 September 2016	% change
Revenue	407,220	373,509	9.0	1,126,295	1,057,526	6.5	407,220	373,509	9.0	1,126,295	1,057,526	6.5
Cost of sales	(319,269)	(280,259)	13.9	(866,909)	(791,543)	9.5	(319,269)	(280,259)	13.9	(866,909)	(791,543)	9.5
Gross profit	87,951	93,250	(5.7)	259,386	265,983	(2.5)	87,951	93,250	(5.7)	259,386	265,983	(2.5)
Other operating income	11,870	4,657	154.9	22,641	15,736	43.9	11,870	4,657	154.9	22,641	15,736	43.9
Selling and distribution expenses	(12,517)	(13,146)	(4.8)	(31,581)	(28,551)	10.6	(12,517)	(13,146)	(4.8)	(31,581)	(28,551)	10.6
Administrative expenses	(47,950)	(39,170)	22.4	(128,359)	(112,681)	13.9	(47,950)	(39,170)	22.4	(128,359)	(112,681)	13.9
Foreign exchange (loss)#	(4,413)	(114)	n.m.	(9,585)	(1,650)	480.9	(11,342)	(114)	n.m.	(22,146)	(1,650)	n.m.
Other operating expenses	(1,792)	(3,414)	(47.5)	(4,641)	(10,955)	(57.6)	(1,792)	(3,414)	(47.5)	(4,641)	(10,955)	(57.6)
Finance costs	(14,795)	(5,040)	193.6	(55,236)	(17,239)	220.4	(5,204)	(5,040)	3.3	(15,338)	(17,239)	(11.0)
Fair value gain on Convertible Bonds	158,500	-	n.m.	83,100	-	n.m.	-	-	-	-	-	-
Profit before income tax	176,854	37,023	377.7	135,725	110,643	22.7	21,016	37,023	(43.2)	79,962	110,643	(27.7)
Income tax expense	(3,303)	(7,237)	(54.4)	(14,701)	(20,524)	(28.4)	(3,303)	(7,237)	(54.4)	(14,701)	(20,524)	(28.4)
Profit for the period	173,551	29,786	482.7	121,024	90,119	34.3	17,713	29,786	(40.5)	65,261	90,119	(27.6)
Other comprehensive income												
<i>Items that may be reclassified subsequently to profit or loss</i>												
Exchange difference on translation of foreign operation	(53)	1	n.m.	(73)	35	(308.6)	(53)	1	n.m.	(73)	35	(308.6)
Total comprehensive income for the period	173,498	29,787	482.5	120,951	90,154	34.2	17,660	29,787	(40.7)	65,188	90,154	(27.7)

n.m. denotes not meaningful

refer explanatory notes in page 2

(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 September 2017	30 September 2016	% change	30 September 2017	30 September 2016	% change	30 September 2017	30 September 2016	% change	30 September 2017	30 September 2016	% change
Profit for the period attributable to:												
Equity holders of the Company	170,912	31,047	450.5	119,404	87,518	36.4	15,074	31,047	(51.4)	63,641	87,518	(27.3)
Non-controlling interest	2,639	(1,261)	309.3	1,620	2,601	(37.7)	2,639	(1,261)	309.3	1,620	2,601	(37.7)
Profit for the period	173,551	29,786	482.7	121,024	90,119	34.3	17,713	29,786	(40.5)	65,261	90,119	(27.6)
Total comprehensive income for the period attributable to:												
Equity holders of the Company	170,859	31,048	450.3	119,331	87,553	36.3	15,021	31,048	(51.6)	63,568	87,553	(27.4)
Non-controlling interest	2,639	(1,261)	309.3	1,620	2,601	(37.7)	2,639	(1,261)	309.3	1,620	2,601	(37.7)
Profit for the period	173,498	29,787	482.5	120,951	90,154	34.2	17,660	29,787	(40.7)	65,188	90,154	(27.7)

Explanatory Notes:

Financial effects of Convertible Bonds consist of unrealised foreign exchange translation, amortised interest expenses (inclusive of interest charges) and fair value gain/ (loss) of Convertible Bonds.

Foreign exchange loss of RMB 11.34 million in 3Q2017 and RMB 22.15 million in 9M2017 (without financial effects of Convertible Bonds) arising from foreign exchange translation loss as a result of US Dollars depreciation in 3Q2017 and 9M2017 as unutilised portion of the Convertible Bonds issued on 3 March 2017 is denominated in US Dollar and kept in US Dollars in the banks.

1(a) (ii) Other information:

(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 September 2017	30 September 2016	% change	30 September 2017	30 September 2016	% change	30 September 2017	30 September 2016	% change	30 September 2017	30 September 2016	% change
Depreciation expense	7,470	7,661	(2.5)	22,778	23,093	(1.4)	7,470	7,661	(2.5)	22,778	23,093	(1.4)
Amortisation of land use rights	517	352	46.9	1,525	1,058	44.1	517	352	46.9	1,525	1,058	44.1
Amortisation of intangible assets	246	246	-	736	736	-	246	246	-	736	736	-
Impairment allowance on trade and non-trade receivables	1,642	2,396	(31.5)	3,923	8,895	(56)	1,642	2,396	(31.5)	3,923	8,895	(56)
Reversal of impairment allowance on trade and non-trade receivables	(3,049)	(2,954)	3.2	(6,027)	(9,281)	(35)	(3,049)	(2,954)	3.2	(6,027)	(9,281)	(35)
Impairment allowance on inventories	-	849	(100.0)	-	849	(100)	-	849	(100.0)	-	849	(100)
Loss on disposal of property, plant and equipment	14	1	n.m.	79	61	30	14	1	n.m.	79	61	30
Employee share option expense	-	1,983	(100.0)	3,011	5,948	(49.4)	-	1,983	(100.0)	3,011	5,948	(49.4)
Foreign exchange (gain)/loss - net	11,342	(114)	n.m.	22,146	(1,650)	n.m.	11,342	(114)	n.m.	34,707	(1,650)	n.m.
Interest expense	14,795	5,040	193.6	55,236	17,239	220.4	5,204	5,040	3.3	15,338	17,239	(11.0)
Fair value gain on Convertible Bonds	(158,500)	-	n.m.	(83,100)	-	n.m.	-	-	-	-	-	-

Note:

Other operating income comprises:

(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 September 2017	30 September 2016	% change	30 September 2017	30 September 2016	% change	30 September 2017	30 September 2016	% change	30 September 2017	30 September 2016	% change
Government grant	5,693	295	n.m.	7,928	4,094	93.6	5,693	295	n.m.	7,928	4,094	93.6
Interest income	2,820	678	315.9	7,257	1,012	n.m.	2,820	678	315.9	7,257	1,012	n.m.
Gain on disposal of plant and equipment	6	-	n.m.	54	-	n.m.	6	-	-	54	-	n.m.
Reversal of impairment allowance on trade and non-trade receivables	3,049	2,954	3.2	6,027	9,281	(35.1)	3,049	2,954	3.2	6,027	9,281	(35.1)
Others	302	730	(58.6)	1,375	1,349	1.9	302	730	n.m.	1,375	1,349	n.m.
Total	11,870	4,657	154.9	22,641	15,736	43.9	11,870	4,657	154.9	22,641	15,736	43.9

n.m. – not meaningful

There is no difference for other operating income with and without financial effects of Convertible Bonds for third quarter and nine months ended 30 September 2017.

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION

(RMB'000)	Actual (WITH financial effects of Convertible Bonds)			
	Group		Company	
	(Unaudited) 30 September 2017	(Audited) 31 December 2016	(Unaudited) 30 September 2017	(Audited) 31 December 2016
ASSETS				
Current assets:				
Cash and cash equivalents	946,549	281,277	66,234	3,522
Pledged bank deposits	85,210	69,218	-	-
Trade receivables	1,194,155	1,018,281	-	-
Other receivables, deposits and prepayments	339,680	117,650	47,952	14,764
Inventories	342,168	209,769	-	-
Land use rights	3,952	3,748	-	-
Total current assets	2,911,714	1,699,943	114,186	18,286
Non-current assets:				
Land use rights	168,454	170,466	-	-
Property, plant and equipment	260,564	250,208	-	-
Other receivables, deposits and prepayments	22,693	8,535	10,000	20,000
Available-for-sale investment	9,782	-	-	-
Subsidiaries	4,900	-	945,794	325,476
Intangible assets	871,106	635,369	-	-
Goodwill	5,483	5,483	-	-
Deferred tax assets	16,620	13,227	-	-
Total non-current assets	1,359,602	1,083,288	955,794	345,476
Total assets	4,271,316	2,783,231	1,069,980	363,762
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables	1,118,517	846,801	-	-
Other payables	174,155	187,681	38,308	38,684
Borrowings	370,000	401,000	-	-
Income tax payable	29,759	30,894	-	-
Total current liabilities	1,692,431	1,466,376	38,308	38,684
Non-current liabilities:				
Deferred tax liabilities	17,830	16,120	-	-
Borrowings	624,000	157,000	-	-
Convertible bonds liability	344,278	-	344,278	-
Financial liability derivative	320,927	-	320,927	-
Total non-current liabilities	1,307,035	173,120	665,205	-
Capital and reserves:				
Share capital	53,531	53,531	53,531	53,531
Share premium	266,938	266,938	266,938	266,938
General reserves	77,470	70,508	-	-
Share option reserve	15,839	12,828	15,839	12,828
Foreign currency translation reserve	188	261	-	-
Accumulated profits/(losses)	818,436	713,976	30,159	(8,219)
Equity attributable to equity holders of the Company	1,232,402	1,118,042	366,467	325,078
Non-controlling interest	39,448	25,693	-	-
Total equity	1,271,850	1,143,735	366,467	325,078
Total liabilities and equity	4,271,316	2,783,231	1,069,980	363,762

(RMB'000)	Actual (WITHOUT financial effects of Convertible Bonds)			
	Group		Company	
	(Unaudited) 30 September 2017	(Audited) 31 December 2016	(Unaudited) 30 September 2017	(Audited) 31 December 2016
ASSETS				
Current assets:				
Cash and cash equivalents	946,549	281,277	66,234	3,522
Pledged bank deposits	85,210	69,218	-	-
Trade receivables	1,194,155	1,018,281	-	-
Other receivables, deposits and prepayments	339,680	117,650	47,952	14,764
Inventories	342,168	209,769	-	-
Land use rights	3,952	3,748	-	-
Total current assets	2,911,714	1,699,943	114,186	18,286
Non-current assets:				
Land use rights	168,454	170,466	-	-
Property, plant and equipment	260,564	250,208	-	-
Other receivables, deposits and prepayments	22,693	8,535	10,000	20,000
Available-for-sale investment	9,782	-	-	-
Subsidiaries	4,900	-	945,794	325,476
Intangible assets	871,106	635,369	-	-
Goodwill	5,483	5,483	-	-
Deferred tax assets	16,620	13,227	-	-
Total non-current assets	1,359,602	1,083,288	955,794	345,476
Total assets	4,271,316	2,783,231	1,069,980	363,762
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables	1,118,517	846,801	-	-
Other payables	163,454	187,681	27,607	38,684
Borrowings	370,000	401,000	-	-
Income tax payable	29,759	30,894	-	-
Total current liabilities	1,681,730	1,466,376	27,607	38,684
Non-current liabilities:				
Deferred tax liabilities	17,830	16,120	-	-
Borrowings	624,000	157,000	-	-
Convertible bonds liability	403,947	-	403,947	-
Financial liability derivative	327,722	-	327,722	-
Total non-current liabilities	1,373,499	173,120	731,669	-
Capital and reserves:				
Share capital	53,531	53,531	53,531	53,531
Share premium	266,938	266,938	266,938	266,938
General reserves	77,470	70,508	-	-
Share option reserve	15,839	12,828	15,839	12,828
Foreign currency translation reserve	188	261	-	-
Accumulated profits/(losses)	762,673	713,976	(25,604)	(8,219)
Equity attributable to equity holders of the Company	1,176,639	1,118,042	310,704	325,078
Non-controlling interest	39,448	25,693	-	-
Total equity	1,216,087	1,143,735	310,704	325,078
Total liabilities and equity	4,271,316	2,783,231	1,069,980	363,762

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 2017		As at 31 December 2016	
	Secured	Unsecured	Secured	Unsecured
Borrowings	60,000	310,000	65,000	336,000

Amount repayable after one year

(RMB'000)	As at 30 September 2017		As at 31 December 2016	
	Secured	Unsecured	Secured	Unsecured
Borrowings	594,000	30,000	94,000	63,000
Convertible Bonds Liability	344,278	-	-	-

Details of any collaterals:

<u>Collaterals</u>	30 September 2017	31 December 2016
	RMB'000	RMB'000
Letter of credit	-	25,000
Land use rights and buildings of a subsidiary	654,000	134,000

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 September 2017

Actual (WITH financial effects of Convertible Bonds)	Third quarter ended		Nine months ended	
(RMB'000)	30 September 2017	30 September 2016	30 September 2017	30 September 2016
Operating activities				
Profit before income tax	176,854	37,023	135,725	110,643
Adjustments for:				
Depreciation expense	7,470	7,661	22,778	23,093
Interest expense	14,795	5,040	55,236	17,239
Amortisation of land use rights	517	352	1,525	1,058
Amortisation of intangible assets	246	246	736	736
Loss on disposal of property, plant and equipment	14	1	79	61
Impairment allowance on inventories	-	849	-	849
Interest income	(2,820)	(678)	(7,257)	(1,012)
(Reversal of) on trade and non-trade receivables - net	(1,407)	(558)	(2,104)	(386)
Employee share option expense	-	1,983	3,011	5,948
Exchange gain on Convertible Bonds	(6,929)	-	(12,561)	-
Fair value gain on Convertible Bonds	(158,500)	-	(83,100)	-
Operating cash flows before movements in working capital	30,240	51,919	114,068	158,229
Trade receivables	(79,585)	(43,424)	(183,552)	(51,416)
Other receivables, deposits and prepayments	(82,342)	(15,260)	(189,303)	(22,177)
Inventories	(89,281)	5,800	(132,399)	8,873
Trade payables	187,075	176,709	505,262	204,699
Other payables	619	(13,452)	(33,660)	(14,232)
Cash (used in)/ generated from operations	(33,274)	162,292	80,416	283,976
Income tax paid	(7,557)	(1,158)	(17,519)	(11,859)
Interest paid	(5,204)	(5,040)	(15,338)	(17,239)
Interest received	2,820	678	7,257	1,012
Net cash (used in)/ generated from operating activities	(43,215)	156,772	54,816	255,890
Investing activities				
Purchase of property, plant and equipment	(17,895)	(10,764)	(33,868)	(23,352)
Prepayment for projects	660	-	(14,158)	(92,100)
Acquisition of land use rights	254	(286)	(3,079)	(27,351)
Expenditure on intangible assets	(64,149)	(211,817)	(469,549)	(344,477)
Proceeds from disposal of property, plant and equipment	530	(1)	655	39
Purchase of subsidiary	(26,299)	-	(26,299)	-
Contribution from non-controlling interest holders	-	-	12,740	1,500
Net cash used in investing activities	(106,899)	(222,868)	(533,558)	(485,741)
Financing activities				
Proceeds from new borrowings	42,000	66,000	770,000	417,000
(Payment for)/ Proceed from Convertible Bonds	(79)	-	731,667	-
Repayment of borrowings	(55,500)	(117,024)	(334,000)	(458,124)
Pledged bank deposits	7,338	16,990	(15,992)	(6,077)
Payment of dividend	(4,047)	-	(7,588)	(4,282)
Net cash (used in)/ generated from financing activities	(10,288)	(34,034)	1,144,087	(51,483)
Net (decrease) / increase in cash and cash equivalents	(160,402)	(100,130)	665,345	(281,334)
Cash and cash equivalents at beginning of period	1,107,004	216,357	281,277	397,527
Effects of foreign exchange rate changes	(53)	1	(73)	35
Cash and cash equivalents at end of period	946,549	116,228	946,549	116,228

Actual (WITHOUT financial effects of Convertible Bonds)
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(RMB'000)	Third quarter ended		Nine months ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
Operating activities				
Profit before income tax	21,016	37,023	79,962	110,643
Adjustments for:				
Depreciation expense	7,470	7,661	22,778	23,093
Interest expense	5,204	5,040	15,338	17,239
Amortisation of land use rights	517	352	1,525	1,058
Amortisation of intangible assets	246	246	736	736
Loss on disposal of property, plant and equipment	14	1	79	61
Impairment allowance on inventories	-	849	-	849
Interest income	(2,820)	(678)	(7,257)	(1,012)
Reversal of) on trade and non-trade receivables - net	(1,407)	(558)	(2,104)	(386)
Employee share option expense	-	1,983	3,011	5,948
Operating cash flows before movements in working capital	30,240	51,919	114,068	158,229
Trade receivables	(79,585)	(43,424)	(183,552)	(51,416)
Other receivables, deposits and prepayments	(82,342)	(15,260)	(189,303)	(22,177)
Inventories	(89,281)	5,800	(132,399)	8,873
Trade payables	187,075	176,709	460,680	204,699
Other payables	619	(13,452)	(33,660)	(14,232)
Cash (used in)/ generated from operations	(33,274)	162,292	35,834	283,976
Income tax paid	(7,557)	(1,158)	(17,519)	(11,859)
Interest paid	(5,204)	(5,040)	(15,338)	(17,239)
Interest received	2,820	678	7,257	1,012
Net cash (used in)/ generated from operating activities	(43,215)	156,772	10,234	255,890
Investing activities				
Purchase of property, plant and equipment	(17,895)	(10,764)	(33,868)	(23,352)
Prepayment for projects	660	-	(14,158)	(92,100)
Acquisition of land use rights	254	(286)	(3,079)	(27,351)
Expenditure on intangible assets	(64,149)	(211,817)	(469,549)	(344,477)
Proceeds from disposal of property, plant and equipment	530	(1)	655	39
Purchase of subsidiary	(26,299)	-	(26,299)	-
Contribution from non-controlling interest holders	-	-	12,740	1,500
Net cash used in investing activities	(106,899)	(222,868)	(533,558)	(485,741)
Financing activities				
Proceeds from new borrowings	42,000	66,000	770,000	417,000
(Payment for)/ Proceed from Convertible Bonds	(79)	-	731,667	-
Repayment of borrowings	(55,500)	(117,024)	(334,000)	(458,124)
Pledged bank deposits	7,338	16,990	(15,992)	(6,077)
Payment of dividend	(4,047)	-	(7,588)	(4,282)
Net cash (used in)/ generated from financing activities	(10,288)	(34,034)	1,144,087	(51,483)
Net (decrease) / increase in cash and cash equivalents	(160,402)	(100,130)	665,345	(281,334)
Cash and cash equivalents at beginning of period	1,107,004	216,357	281,277	397,527
Effects of foreign exchange rate changes	(53)	1	(73)	35
Cash and cash equivalents at end of period	946,549	116,228	946,549	116,228

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

Actual (WITH financial effects of Convertible Bonds)

<u>Group</u>	Share capital	Share Premium	General reserves	Share option reserve	Foreign currency translation reserve	Accumulated profits	Equity attributable to equity holders of the Company	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2016	53,531	266,938	56,466	4,897	111	590,126	972,069	20,689	992,758
<u>Total comprehensive income for January to March 2016</u>									
Profit for January to March 2016	-	-	-	-	-	16,020	16,020	(766)	15,254
Other comprehensive income for January to March 2016	-	-	-	-	17	-	17	-	17
Total	-	-	-	-	17	16,020	16,037	(766)	15,271
<u>Transactions with owners, recognised directly in equity</u>									
Transfer to general reserve	-	-	1,055	-	-	(1,055)	-	-	-
Employee share option expense	-	-	-	1,983	-	-	1,983	-	1,983
Total	-	-	1,055	1,983	-	(1,055)	1,983	-	1,983
Balance at 31 March 2016	53,531	266,938	57,521	6,880	128	605,091	990,089	19,923	1,010,012
<u>Total comprehensive income for April to June 2016</u>									
Profit for April to June 2016	-	-	-	-	-	40,451	40,451	4,628	45,079
Other comprehensive income for April to June 2016	-	-	-	-	17	-	17	-	17
Total	-	-	-	-	17	40,451	40,468	4,628	45,096
<u>Transactions with owners, recognised directly in equity</u>									
Transfer to general reserve	-	-	3,441	-	-	(3,441)	-	-	-
Dividends paid	-	-	-	-	-	(4,282)	(4,282)	-	(4,282)
Contribution from non-controlling interest holders	-	-	-	-	-	-	-	1,500	1,500
Employee share option expense	-	-	-	1,982	-	-	1,982	-	1,982
Total	-	-	3,441	1,982	-	(7,723)	(2,300)	1,500	(800)
Balance at 30 June 2016	53,531	266,938	60,962	8,862	145	637,819	1,028,257	26,051	1,054,308

Actual (WITH financial effects of Convertible Bonds)

<u>Group</u>	Share capital	Share premium	General reserves	Share option reserve	Foreign currency translation reserve	Accumulated profits	Equity attributable to equity holders of the Company	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 July 2016	53,531	266,938	60,962	8,862	145	637,819	1,028,257	26,051	1,054,308
<u>Total comprehensive income for July to September 2016</u>									
Profit for July to September 2016	-	-	-	-	-	31,048	31,048	(1,261)	29,787
Other comprehensive income for July to September 2016	-	-	-	-	1	-	1	-	1
Total	-	-	-	-	1	31,048	31,049	(1,261)	29,788
<u>Transactions with owners, recognised directly in equity</u>									
Transfer to general reserve	-	-	3,371	-	-	(3,371)	-	-	-
Employee share option expense	-	-	-	1,983	-	-	1,983	-	1,983
Total	-	-	3,371	1,983	-	(3,371)	1,983	-	1,983
Balance at 30 September 2016	53,531	266,938	64,333	10,845	146	665,496	1,061,289	24,790	1,086,079
<u>Total comprehensive income for September to December 2016</u>									
Profit for October to December 2016	-	-	-	-	-	54,655	54,655	903	55,558
Other comprehensive income for October to December 2016	-	-	-	-	115	-	115	-	115
Total	-	-	-	-	115	54,655	54,770	903	55,673
<u>Transactions with owners, recognised directly in equity</u>									
Transfer to general reserve	-	-	6,175	-	-	(6,175)	-	-	-
Employee share option expense	-	-	-	1,983	-	-	1,983	-	1,983
Total	-	-	6,175	1,983	-	(6,175)	1,983	-	1,983
Balance at 31 December 2016	53,531	266,938	70,508	12,828	261	713,976	1,118,042	25,693	1,143,735

Actual (WITH financial effects of Convertible Bonds)

<u>Group</u>	Share capital	Share premium	General reserves	Share option reserve	Foreign currency translation reserve	Accumulated profits	Equity attributable to equity holders of the Company	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2017	53,531	266,938	70,508	12,828	261	713,976	1,118,042	25,693	1,143,735
<u>Total comprehensive income for January to March 2017</u>									
Loss for January to March 2017	-	-	-	-	-	(83,498)	(83,498)	185	(83,313)
Other comprehensive income for January to March 2017	-	-	-	-	(15)	-	(15)	-	(15)
Total	-	-	-	-	(15)	(83,498)	(83,513)	185	(83,328)
<u>Transactions with owners, recognised directly in equity</u>									
Transfer to general reserve	-	-	3,506	-	-	(3,506)	-	-	-
Employee share option expense	-	-	-	1,956	-	-	1,956	-	1,956
Total	-	-	3,506	1,956	-	(3,506)	1,956	-	1,956
Balance at 31 March 2017	53,531	266,938	74,014	14,784	246	626,972	1,036,485	25,878	1,062,363
<u>Total comprehensive income for April to June 2017</u>									
Profit for April to June 2017	-	-	-	-	-	31,990	31,990	(1,204)	30,786
Other comprehensive income for April to June 2017	-	-	-	-	(5)	-	(5)	-	(5)
Total	-	-	-	-	(5)	31,990	31,985	(1,204)	30,781
<u>Transactions with owners, recognised directly in equity</u>									
Transfer to general reserve	-	-	1,915	-	-	(1,915)	-	-	-
Dividends paid	-	-	-	-	-	(3,541)	(3,541)	-	(3,541)
Contribution from non-controlling interest holders	-	-	-	-	-	-	-	12,740	12,740
Employee share option expense	-	-	-	1,055	-	-	1,055	-	1,055
Total	-	-	1,915	1,055	-	(5,456)	(2,486)	12,740	10,254
Balance at 30 June 2017	53,531	266,938	75,929	15,839	241	653,506	1,065,984	37,414	1,103,398

Actual (WITH financial effects of Convertible Bonds)

<u>Group</u>	Share capital	Share premium	General reserves	Share option reserve	Foreign currency translation reserve	Accumulated profits	Equity attributable to equity holders of the Company	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 July 2017	53,531	266,938	75,929	15,839	241	653,506	1,065,984	37,414	1,103,398
<u>Total comprehensive income for July to September 2017</u>									
Profit for July to September 2017	-	-	-	-	-	170,912	170,912	2,639	173,551
Other comprehensive income for July to September 2017	-	-	-	-	(53)	-	(53)	-	(53)
Total	-	-	-	-	(53)	170,912	170,859	2,639	173,498
<u>Transactions with owners, recognised directly in equity</u>									
Purchase of minority interest	-	-	(394)	-	-	-	(394)	(605)	(999)
Transfer to general reserve	-	-	1,935	-	-	(1,935)	-	-	-
Dividends paid	-	-	-	-	-	(4,047)	(4,047)	-	(4,047)
Total	-	-	1,541	-	-	(5,982)	(4,441)	(605)	(5,046)
Balance at 30 September 2017	53,531	266,938	77,470	15,839	188	818,436	1,232,402	39,448	1,271,850

Actual (WITHOUT financial effects of Convertible Bonds)

<u>Group</u>	Share capital	Share Premium	General reserves	Share option reserve	Foreign currency translation reserve	Accumulated profits	Equity attributable to equity holders of the Company	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2016	53,531	266,938	56,466	4,897	111	590,126	972,069	20,689	992,758
<u>Total comprehensive income for January to March 2016</u>									
Profit for January to March 2016	-	-	-	-	-	16,020	16,020	-766	15,254
Other comprehensive income for January to March 2016	-	-	-	-	17	-	17	-	17
Total	-	-	-	-	17	16,020	16,037	(766)	15,271
<u>Transactions with owners, recognised directly in equity</u>									
Transfer to general reserve	-	-	1,055	-	-	(1,055)	-	-	-
Employee share option expense	-	-	-	1,983	-	-	1,983	-	1,983
Total	-	-	1,055	1,983	-	(1,055)	1,983	-	1,983
Balance at 31 March 2016	53,531	266,938	57,521	6,880	128	605,091	990,089	19,923	1,010,012
<u>Total comprehensive income for April to June 2016</u>									
Profit for April to June 2016	-	-	-	-	-	40,451	40,451	4,628	45,079
Other comprehensive income for April to June 2016	-	-	-	-	17	-	17	-	17
Total	-	-	-	-	17	40,451	40,468	4,628	45,096
<u>Transactions with owners, recognised directly in equity</u>									
Transfer to general reserve	-	-	3,441	-	-	(3,441)	-	-	-
Dividends paid	-	-	-	-	-	(4,282)	(4,282)	-	(4,282)
Contribution from non-controlling interest holders	-	-	-	-	-	-	-	1,500	1,500
Employee share option expense	-	-	-	1,982	-	-	1,982	-	1,982
Total	-	-	3,441	1,982	-	(7,723)	(2,300)	1,500	(800)
Balance at 30 June 2016	53,531	266,938	60,962	8,862	145	637,819	1,028,257	26,051	1,054,308

Actual (WITHOUT financial effects of Convertible Bonds)

<u>Group</u>	Share capital	Share premium	General reserves	Share option reserve	Foreign currency translation reserve	Accumulated profits	Equity attributable to equity holders of the Company	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 July 2016	53,531	266,938	60,962	8,862	145	637,819	1,028,257	26,051	1,054,308
<u>Total comprehensive income for July to September 2016</u>									
Profit for July to September 2016	-	-	-	-	-	31,048	31,048	(1,261)	29,787
Other comprehensive income from July to September 2016	-	-	-	-	1	-	1	-	1
Total	-	-	-	-	1	31,048	31,049	(1,261)	29,788
<u>Transactions with owners, recognised directly in equity</u>									
Transfer to general reserve	-	-	3,371	-	-	(3,371)	-	-	-
Employee share option expense	-	-	-	1,983	-	-	1,983	-	1,983
Total	-	-	3,371	1,983	-	(3,371)	1,983	-	1,983
Balance at 30 September 2016	53,531	266,938	64,333	10,845	146	665,496	1,061,289	24,790	1,086,079
<u>Total comprehensive income for September to December 2016</u>									
Profit for October to December 2016	-	-	-	-	-	54,655	54,655	903	55,558
Other comprehensive income for October to December 2016	-	-	-	-	115	-	115	-	115
Total	-	-	-	-	115	54,655	54,770	903	55,673
<u>Transactions with owners, recognised directly in equity</u>									
Transfer to general reserve	-	-	6,175	-	-	(6,175)	-	-	-
Employee share option expense	-	-	-	1,983	-	-	1,983	-	1,983
Total	-	-	6,175	1,983	-	(6,175)	1,983	-	1,983
Balance at 31 December 2016	53,531	266,938	70,508	12,828	261	713,976	1,118,042	25,693	1,143,735

Actual (WITHOUT financial effects of Convertible Bonds)

<u>Group</u>	Share capital	Share premium	General reserves	Share option reserve	Foreign currency translation reserve	Accumulated profits	Equity attributable to equity holders of the Company	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2017	53,531	266,938	70,508	12,828	261	713,976	1,118,042	25,693	1,143,735
<u>Total comprehensive income for January to March 2017</u>									
Profit for January to March 2017	-	-	-	-	-	25,654	25,654	185	25,839
Other comprehensive income for January to March 2017	-	-	-	-	(15)	-	(15)	-	(15)
Total	-	-	-	-	(15)	25,654	25,639	185	25,824
<u>Transactions with owners, recognised directly in equity</u>									
Transfer to general reserve	-	-	3,506	-	-	(3,506)	-	-	-
Employee share option expense	-	-	-	1,956	-	-	1,956	-	1,956
Total	-	-	3,506	1,956	-	(3,506)	1,956	-	1,956
Balance at 31 March 2017	53,531	266,938	74,014	14,784	246	736,124	1,145,637	25,878	1,171,515
<u>Total comprehensive income for April to June 2017</u>									
Profit for April to June 2017	-	-	-	-	-	22,913	22,913	(1,204)	21,709
Other comprehensive income for April to June 2017	-	-	-	-	(5)	-	(5)	-	(5)
Total	-	-	-	-	(5)	22,913	22,908	(1,204)	21,704
<u>Transactions with owners, recognised directly in equity</u>									
Transfer to general reserve	-	-	1,915	-	-	(1,915)	-	-	-
Dividends paid	-	-	-	-	-	(3,541)	(3,541)	-	(3,541)
Contribution from non-controlling interest holders	-	-	-	-	-	-	-	12,740	12,740
Employee share option expense	-	-	-	1,055	-	-	1,055	-	1,055
Total	-	-	1,915	1,055	-	(5,456)	(2,486)	12,740	10,254
Balance at 30 June 2017	53,531	266,938	75,929	15,839	241	753,581	1,166,059	37,414	1,203,473

Actual (WITHOUT financial effects of Convertible Bonds)

<u>Group</u>	Share capital	Share premium	General reserves	Share option reserve	Foreign currency translation reserve	Accumulated profits	Equity attributable to equity holders of the Company	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 July 2017	53,531	266,938	75,929	15,839	241	753,581	1,166,059	37,414	1,203,473
<u>Total comprehensive income for July to September 2017</u>									
Profit for July to September 2017	-	-	-	-	-	15,074	15,074	2,639	17,713
Other comprehensive income for July to September 2017	-	-	-	-	(53)	-	(53)	-	(53)
Total	-	-	-	-	(53)	15,074	15,021	2,639	17,660
<u>Transactions with owners, recognised directly in equity</u>									
Purchase of minority interest	-	-	(394)	-	-	-	(394)	(605)	(999)
Transfer to general reserve	-	-	1,935	-	-	(1,935)	-	-	-
Dividends paid	-	-	-	-	-	(4,047)	(4,047)	-	(4,047)
Total	-	-	1,541	-	-	(5,982)	(4,441)	(605)	(5,046)
Balance at 30 September 2017	53,531	266,938	77,470	15,839	188	762,673	1,176,639	39,448	1,216,087

Actual (WITH financial effects of Convertible Bonds)

<u>Company</u>	Share capital	Share premium	Share option reserve	Accumulated profits	Equity attributable to equity holders of the Company	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2016	53,531	266,938	4,897	18,485	343,851	343,851
Loss for the period, representing total comprehensive loss for January to March 2016	-	-	-	(3,935)	(3,935)	(3,935)
<u>Transactions with owners, recognised directly in equity</u>						
Employee share option expense	-	-	1,983	-	1,983	1,983
Total	-	-	1,983	-	1,983	1,983
Balance at 31 March 2016	53,531	266,938	6,880	14,550	341,899	341,899
Loss for the period, representing total comprehensive loss for April to June 2016	-	-	-	(6,039)	(6,039)	(6,039)
<u>Transactions with owners, recognised directly in equity</u>						
Employee share option expense	-	-	1,982	-	1,982	1,982
Dividends paid	-	-	-	(4,282)	(4,282)	(4,282)
Total	-	-	1,982	(4,282)	(2,300)	(2,300)
Balance at 30 June 2016	53,531	266,938	8,862	4,229	333,560	333,560
Loss for the period, representing total comprehensive loss for July to September 2016	-	-	-	(4,425)	(4,425)	(4,425)
<u>Transactions with owners, recognised directly in equity</u>						
Employee share option expense	-	-	1,983	-	1,983	1,983
Total	-	-	1,983	-	1,983	1,983
Balance at 30 September 2016	53,531	266,938	10,845	(196)	331,118	331,118
Loss for the period, representing total comprehensive loss for October to December 2016	-	-	-	(8,023)	(8,023)	(8,023)
<u>Transactions with owners, recognised directly in equity</u>						
Employee share option expense	-	-	1,983	-	1,983	1,983
Total	-	-	1,983	-	1,983	1,983
Balance at 31 December 2016	53,531	266,938	12,828	(8,219)	325,078	325,078

Actual (WITH financial effects of Convertible Bonds)

<u>Company</u>	Share capital	Share premium	Share option reserve	Accumulated profits	Equity attributable to equity holders of the Company	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2017	53,531	266,938	12,828	(8,219)	325,078	325,078
Loss for the period, representing total comprehensive loss for January to March 2017	-	-	-	(116,945)	(116,945)	(116,945)
<u>Transactions with owners, recognized directly in equity</u>						
Employee share option expense	-	-	1,956	-	1,956	1,956
Total	-	-	1,956	-	1,956	1,956
Balance at 31 March 2017	53,531	266,938	14,784	(125,164)	210,089	210,089
Profit for the period, representing total comprehensive income for April to June 2017	-	-	-	4,645	4,645	4,645
<u>Transactions with owners, recognized directly in equity</u>						
Employee share option expense	-	-	1,055	-	1,055	1,055
Total	-	-	1,055	-	1,055	1,055
Balance at 30 June 2017	53,531	266,938	15,839	(120,519)	215,789	215,789
Profit for the period, representing total comprehensive income for July to September 2017	-	-	-	151,530	151,530	151,530
<u>Transactions with owners, recognized directly in equity</u>						
Dividends paid	-	-	-	(852)	(852)	(852)
Total	-	-	-	(852)	(852)	(852)
Balance at 30 September 2017	53,531	266,938	15,839	30,159	366,467	366,467

Actual (WITHOUT financial effects of Convertible Bonds)
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<u>Company</u>	Share capital	Share premium	Share option reserve	Accumulated profits	Equity attributable to equity holders of the Company	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2016	53,531	266,938	4,897	18,485	343,851	343,851
Loss for the period, representing total comprehensive loss for January to March 2016	-	-	-	(3,935)	(3,935)	(3,935)
<u>Transactions with owners, recognised directly in equity</u>						
Employee share option expense	-	-	1,983	-	1,983	1,983
Total	-	-	1,983	-	1,983	1,983
Balance at 31 March 2016	53,531	266,938	6,880	14,550	341,899	341,899
Loss for the period, representing total comprehensive loss for April to June 2016	-	-	-	(6,039)	(6,039)	(6,039)
<u>Transactions with owners, recognised directly in equity</u>						
Employee share option expense	-	-	1,982	-	1,982	1,982
Dividends paid	-	-	-	(4,282)	(4,282)	(4,282)
Total	-	-	1,982	(4,282)	(2,300)	(2,300)
Balance at 30 June 2016	53,531	266,938	8,862	4,229	333,560	333,560
Loss for the period, representing total comprehensive loss for July to September 2016	-	-	-	(4,425)	(4,425)	(4,425)
<u>Transactions with owners, recognised directly in equity</u>						
Employee share option expense	-	-	1,983	-	1,983	1,983
Total	-	-	1,983	-	1,983	1,983
Balance at 30 September 2016	53,531	266,938	10,845	(196)	331,118	331,118
Loss for the period, representing total comprehensive loss for October to December 2016	-	-	-	(8,023)	(8,023)	(8,023)
<u>Transactions with owners, recognised directly in equity</u>						
Employee share option expense	-	-	1,983	-	1,983	1,983
Total	-	-	1,983	-	1,983	1,983
Balance at 31 December 2016	53,531	266,938	12,828	(8,219)	325,078	325,078

Actual (WITHOUT financial effects of Convertible Bonds)
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<u>Company</u>	Share capital	Share premium	Share option reserve	Accumulated profits	Equity attributable to equity holders of the Company	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2017	53,531	266,938	12,828	(8,219)	325,078	325,078
Loss for the period, representing total comprehensive loss for January to March 2017	-	-	-	(7,793)	(7,793)	(7,793)
<u>Transactions with owners, recognized directly in equity</u>						
Employee share option expense	-	-	1,956	-	1,956	1,956
Total	-	-	1,956	-	1,956	1,956
Balance at 31 March 2017	53,531	266,938	14,784	(16,012)	319,241	319,241
Loss for the period, representing total comprehensive loss for April to June 2017	-	-	-	(891)	(891)	(891)
<u>Transactions with owners, recognized directly in equity</u>						
Employee share option expense	-	-	1,055	-	1,055	1,055
Dividends paid	-	-	-	(3,541)	(3,541)	(3,541)
Total	-	-	1,055	(3,541)	(2,486)	(2,486)
Balance at 30 June 2017	53,531	266,938	15,839	(20,444)	315,864	315,864
Loss for the period, representing total comprehensive loss for July to September 2017	-	-	-	(4,308)	(4,308)	(4,308)
<u>Transactions with owners, recognized directly in equity</u>						
Dividends paid	-	-	-	(852)	(852)	(852)
Total	-	-	-	(852)	(852)	(852)
Balance at 30 September 2017	53,531	266,938	15,839	(25,604)	310,704	310,704

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

There was no change in share capital during third quarter ended 30 September 2017 and 30 September 2016.

There were no outstanding convertibles or treasury shares held as at 31 December 2016 and 30 September 2016.

On 3 March 2017, the Company had completed the issuance of Convertible Bonds of an aggregate principal amount of US\$110 million 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 (ultimately indirectly and beneficially owned by CDH Fund V, L. P.). The Convertible Bonds will mature in March 2022.

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

The Company's total issued shares as at 30 September 2017, 31 December 2016 and 30 September 2016 is 737,657,142 ordinary shares.

There were no shares held as treasury shares as at 30 September 2017, 31 December 2016 and 30 September 2016.

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

Not applicable.

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

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 adopted all the new and revised Singapore Financial Reporting Standards ("FRSs") and Interpretations of FRS ("INT FRSs") that are relevant to its operations and effective for annual periods beginning on or after January 1, 2017. The adoption of the new/revised FRSs, INT FRSs and amendments to FRSs has no material effect on the financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

Not applicable.

6. Earnings per ordinary share of the group for the current 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 2017	30 September 2016	30 September 2017	30 September 2016
Net profit attributable to equity holders of the Group (RMB'000)	170,912	31,047	119,404	87,518
Weighted average number of ordinary shares outstanding ('000)	737,657	737,657	737,657	737,657
Earnings per share – <i>basic</i> (RMB cents)	23.17	4.21	16.19	11.86

	Actual (WITHOUT financial effects of Convertible Bonds)			
	Third quarter ended		Nine months ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
Net profit attributable to equity holders of the Group (RMB'000)	15,074	31,047	63,641	87,518
Weighted average number of ordinary shares outstanding ('000)	737,657	737,657	737,657	737,657
Earnings per share – <i>basic</i> (RMB cents)	2.04	4.21	8.63	11.86

Basic earnings per share for third quarter and nine months ended 30 September 2017 and 30 September 2016 have been calculated based on the issued share capital of 737,657,142 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 2017	30 September 2016	30 September 2017	30 September 2016
Net profit attributable to equity holders of the Group (RMB'000)	188,598	31,047	159,302	87,518
Weighted average number of ordinary shares outstanding ('000)	1,096,770	796,877	1,028,284	796,877
Earnings per share – <i>diluted</i> (RMB cents)	17.20	3.90	15.49	10.98

	Actual (WITHOUT financial effects of Convertible Bonds)			
	Third quarter ended		Nine months ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
Net profit attributable to equity holders of the Group (RMB'000)	32,760	31,047	103,539	87,518
Weighted average number of ordinary shares outstanding ('000)	1,096,770	796,877	1,028,284	796,877
Earnings per share – <i>diluted</i> (RMB cents)	2.99	3.90	10.07	10.98

Diluted earnings per share for the above periods have been calculated assuming the outstanding convertibles have been converted at S\$0.50 and share options granted have been exercised during 3Q2017.

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			Company	
	30 September 2017	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	<i>(WITH financial effects of Convertible Bonds)</i>	<i>(WITHOUT financial effects of Convertible Bonds)</i>		<i>(WITH financial effects of Convertible Bonds)</i>	<i>(WITHOUT financial effects of Convertible Bonds)</i>
Net asset value per share (RMB cents)	167.07	159.51	143.87	49.68	44.89

The net asset value per share for 30 September 2017 and 31 December 2016 have been computed based on shareholders' equity as at these dates and the existing share capital of 737,657,142 ordinary shares as at 30 September 2017 and 31 December 2016.

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 2017 ("3Q2017") as compared to that of the third quarter ended 30 September 2016 ("3Q2016")

Based on actual financial performance WITH financial effects of Convertible Bonds

Revenue

The Group's revenue increased by approximately RMB 33.7 million or 9.0% from RMB 373.5 million in 3Q2016 to RMB 407.2 million in 3Q2017. This was attributed to an aggregate increase of RMB 58.2 million from the Environmental Equipment Manufacturing (EEM) segment. The increase was offset by an aggregate decrease of RMB 24.5 million from EPC Integrated Solutions segment.

Gross Profit

Gross profit decreased by approximately RMB 5.3 million or 5.7% from RMB 93.3 million in 3Q2016 to RMB 88.0 million in 3Q2017, mainly due to higher raw material price in the EEM segment.

Profit before Income Tax

Profit before tax increased by RMB 139.8 million or 377.7% from RMB 37.0 million in 3Q2016 to RMB 176.9 million in 3Q2017. The increase was mainly attributable to the following factors:

- (a) Increase in fair value gain on Convertible Bonds of RMB 158.5 million between 30 June 2017 and 30 September 2017; and
- (b) Increase in other operating income of RMB 7.2 million mainly due to an increase in government grant.

Income Tax Expense

Excluding the non-tax deductible effect of the Convertible Bonds, the effective tax rate for 3Q2017 would have been 15.7%.

Effective income tax rate for 3Q2016 was 19.6%.

Profit for the Financial Period

In respect of the above, the Group's net profit attributable to the shareholders increased by RMB 139.9 million or 450.5% from RMB 31.0 million in 3Q2016 to RMB 170.9 million in 3Q2017.

- (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 RMB 1,211.8 million or 71.3% from RMB 1,699.9 million as at 31 December 2016 to RMB 2,911.7 million as at 30 September 2017 mainly due to:

- (a) Increase in cash and cash equivalents of RMB 665.3 million, primarily due to the issuance of Convertible Bonds.
- (b) Increase in trade receivables of RMB 175.9 million arising mainly from an aggregate increase in trade receivables and notes receivables with third parties of RMB 173.9 million.

Approximately 47.8% and 5.6% of the trade receivables at 31 December 2016 and 30 September 2017 respectively were collected as at 31 October 2017. Most of the trade receivables are due from customers that are state-owned enterprises, listed companies or multinational corporations. The Group's customers are credit-worthy but payments remain slow due to tightening credit in China.

- (c) Increase in pledged bank deposits of RMB 16.0 million as more collaterals were required for the credit facilities granted.
- (d) Increase in other receivables, deposits and prepayments of RMB 222.0 million resulting from increased advance payment for purchases to fulfil the orders on hand and input value-added taxes deductible arising from the construction of "BOT, BOO, TOT" projects.
- (e) Increase in inventories of RMB 132.4 million primarily due to an aggregate increase in work-in-progress and raw materials and consumables of RMB 123.4 million for project use.

The Group's total non-current assets increased by RMB 276.3 million or 25.5% from RMB 1,083.3 million as at 31 December 2016 to RMB 1,359.6 million as at 30 September 2017 mainly due to:

- (a) Increase in other receivables, deposits and prepayments of RMB 14.2 million resulting from prepayments made to subcontractors for work done for the "BOT, BOO, TOT" projects on hand as at 30 September 2017;
- (b) Increase in intangible assets of RMB 235.7 million due to service concession arrangements relating to "BOT, BOO, TOT" projects on hand which construction work has commenced during the FY2016.
- (c) Increase in property, plant and equipment of RMB 10.4 million mainly due to the expansion of business in Green Investment.
- (d) Increase in available-for-sale investment of RMB 9.8 million, being an investment in an unquoted entity held by the Group's subsidiary.

The Group's total current liabilities increased by RMB 226.1 million or 15.4% from RMB 1,466.4 million as at 31 December 2016 to RMB 1,692.4 million as at 30 September 2017 mainly due to:

- (a) Increase in trade payables of RMB 271.7 million as a result of the increase in customer advances of RMB 193.3 million and increase in notes payable to third parties of RMB 43.3 million respectively;

The above increase was mitigated by:

- (b) Decrease in short term borrowings of RMB 31.0 million; and
- (c) Decrease in other payables of RMB 13.5 million primarily due to a decrease in accruals for payroll of RMB 14.1 million;

The Group's total non-current liabilities increased by approximately RMB 1,133.9 million from RMB 173.1 million as at 31 December 2016 to RMB 1,307.0 million as at 30 September 2017 mainly due to:

- (a) Increase of long term borrowings of approximately RMB 467.0 million, mainly caused by the borrowing received for BOT project; and
- (b) Increase in issuance of Convertible Bonds of RMB 825.6 million in 1Q2017. *Please refer to Section 8 Financial Effects of Convertible Bonds.*

Review of the Group's cash flow statement for the third quarter ended 30 September 2017

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

Net cash used in operating activities amounted to approximately RMB 43.2 million, primarily due to operating cash flows before movements in working capital of approximately RMB 30.2 million that were derived from:

- (a) Higher working capital requirements due to the increase in trade receivables of RMB 79.6 million, increase in other receivables and prepayments of RMB 82.3 million and increase in inventories of RMB 89.3 million;
- (b) Lower working capital requirements due to the increase in trade payables of RMB 187.1 million and increase in other payables of RMB 0.6 million.
- (c) Interest and tax paid of RMB 12.8 million in aggregate.

Net cash used in investing activities amounted to RMB 106.9 million mainly due to an increase in expenditure on intangible assets of RMB 64.1 million and purchase of property, plant and equipment and subsidiary of RMB 17.9 million and RMB 26.3 million respectively.

Net cash used in financing activities amounted to RMB 10.3 million due to repayment of borrowings of RMB 55.5 million and payment of dividend of RMB 4.0 million which was offset by proceeds from new borrowings of RMB 42.0 million.

Use of Proceeds from Convertible Bonds

On 3 March 2017, the Company has completed the issuance of Convertible Bonds of an aggregate principal amount of US\$ 110 million ("Convertible Bonds"), which are convertible into fully paid ordinary shares in the capital of the Company to Glory Sky Vision Limited (ultimately indirectly and beneficially owned by CDH Fund V, L. P.). The Convertible Bonds will mature in March 2022.

The net proceeds raised from the Convertible Bonds is approximately US\$ 106.21 million (equivalent to RMB 731.79 million based on exchange rate of RMB 6.89: US\$ 1 as at 3 March 2017) after deducting the transaction expenses of US\$ 3.79 million (equivalent to RMB 26.11 million). The net proceeds 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 2017, the Company has utilised an aggregate of RMB 109.00 million (or approximately US\$ 16.44 million) of the net proceeds as per schedule below:

Project	Use of Convertible Bonds Proceeds	Amount ⁽¹⁾
Shantou	Registered capital in respect of the Shantou Project	RMB 66.30 million (approximately U\$10.00 million)
Liutuan	Registered capital in respect of the Liutuan Project	RMB 1.00 million (approximately U\$0.15 million)
Jining JVC	Registered capital in respect of the Jining Project	RMB 10.29 million (approximately U\$1.55 million)
Shandong Yangguang Institute	Purchase consideration of first tranche of the acquisition	RMB 20.40 million (approximately U\$3.08 million)
General	Administrative and general expenses for business expansion of Green Investment related business	RMB 11.01 million (approximately U\$1.66 million)
Total Convertible Bonds Proceeds utilised		RMB 109.00 million (approximately U\$16.44 million)
Balance of Convertible Bonds Proceeds available for use		RMB 622.79 million (approximately US\$ 93.94 million)

(1) Based on the exchange rate of RMB6.63:U\$1 as at 31 October 2017.

Each of the above utilisation of Convertible Bonds Proceeds is consistent with the intended use as disclosed in the Company's circular to shareholders dated 13 February 2017.

Financial Effects of Convertible Bonds

Convertible Bonds were issued on 3 March 2017 with the carrying amount of the Convertible Bonds currently stated at fair value as at 31 March 2017. In accordance with Singapore Financial Reporting standards associated with the issuance of compound financial instruments, fair value change will affect the statement of profit and loss arising from (i) fair valuation relating to the conversion option and (ii) amortised interest charge relating to the amortised cost liability component of the Convertible Bonds. The fair value change is an accounting treatment arising from the compliance with the accounting standards and has no cash flow effect and no financial impact on the performance targets in relation to the Convertible Bonds as stipulated in the Convertible Bonds Agreement stated in the circular dated 13 February 2017.

The fair value change of the Convertible Bonds and the related financial effects to the statement of profit or loss and other statements have no operational effects to the financial performance of the Group. Financial effects of Convertible Bonds consist of unrealised foreign exchange translation, amortised interest expenses (inclusive of interest charges) and fair value gain/ (loss) of Convertible Bonds. Excluding the financial effects of the Convertible Bonds, net profit attributable to equity holders of the Company decreased by RMB 15.9 million or 51.4% from RMB 31.0 million in 3Q2016 to RMB 15.1 million in 3Q2017.

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 3Q2017, the Group achieved a 9.0% and 450.5% growth in revenue and net profit attributable to shareholders with financial effects of Convertible Bonds on a year-over year basis respectively. In the midst of economic reforms and restructuring, China achieved a 6.8 percent economic growth in the third quarter of 2017 which demonstrated stable and sustainable economic development.

In August 2017, the Ministry of Environmental Protection of the PRC and other government agencies issued the Action Plan for Comprehensive Control of Air Pollution for the year 2017 and 2018, reiterating Chinese Government's determination to tackle the air pollution issue. Initiatives including replacement and elimination of the small coal-fired boilers were rolled out to attain the annual target.

Furthermore, the Environmental Protection Tax Law will come into force in January 2018, creating positive impact in the environmental protection industry. Chinese government has been committed to enhance environmental supervision and law enforcement in the environmental protection industry. In the future, Chinese government is expected to accelerate its effort in haze treatment to achieve a sustainable and green economy. Looking ahead, there will be plenty of opportunities and potential to boost the Group's business.

With stable performance in the traditional business, the Group, by capitalizing on its strong technological advantages and high-quality customer base from new and recurring clients, has successfully secured a series of large supply contracts aggregating more than RMB629.5 million in EEM and EPC Integrated solution segments in the first nine months of 2017. Moreover, the Group acquired an aggregate of 80% of the equity interest in Shandong Yangguang Engineering Design Institute Co., Ltd in August, 2017 and has entered into a cooperative agreement with Xintai Zhengda Thermoelectric Co., Ltd. to acquire an aggregate of no less than 70% of the equity interest. The Group will remain focused on the expansion of Green Investments (GI) segment, and reinforce its strategic deployment in more regions. Looking ahead, the existing projects that the Group invested are expected to bring in additional stream of revenue and generate recurring income once commissioned and operational in 4Q2017 and beyond.

Leveraging on the market opportunities present in the environmental protection industry as a result of positive policies introduced by the government, the Group is well-poised to ride on the

favourable trend. Moving forward, the Group will continuously strengthen its overall businesses in three segments of EEM, EPC and GI and strive to improve its brand recognition and increase its market presence in China and abroad. As a professional environmental service provider, the Group will continue to offer the best-in-class products and innovative solutions to its customers in diverse industries across the globe and contribute our efforts in the fight against air pollution.

As at 30 September 2017, the total orders on hand amounted to approximately RMB 1.7 billion. Barring any unforeseen circumstances and excluding the fair value change and related financial effects of the Convertible Bonds as detailed in “Financial Effects of Convertible Bonds” in Section 8(b), Management expects the Group to remain profitable in FY2017.

11. If a decision regarding dividend has been made:

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

None.

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

None.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for the third quarter ended 30 September 2017.

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

The Company does not have an Interested Person Transaction mandate.

14. Negative Confirmation Pursuant to Rule 705 (5).

We do hereby confirm on behalf of the Board of Directors of the Company (“the Board”) that, to the best of our knowledge, nothing has come to the attention of the Board which may render the financial statements for the third quarter ended 30 September 2017 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.

Guo Hong Xin
Executive Chairman

Ma Ming
Executive Director

BY ORDER OF THE BOARD

Ma Ming
Executive Director

13 November 2017