

Unaudited Financial Statements for the Third Quarter And Nine Months Ended 30 September 2018

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 2018

(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 2018	30 September 2017	% change	30 September 2018	30 September 2017	% change	30 September 2018	30 September 2017	% change	30 September 2018	30 September 2017	% change
Revenue	763,716	407,220	87.5	1,983,324	1,126,295	76.1	763,716	407,220	87.5	1,983,324	1,126,295	76.1
Cost of sales	(601,101)	(319,269)	88.3	(1,575,710)	(866,909)	81.8	(601,101)	(319,269)	88.3	(1,575,710)	(866,909)	81.8
Gross profit	162,615	87,951	84.9	407,614	259,386	57.1	162,615	87,951	84.9	407,614	259,386	57.1
Other operating income	33,001	11,870	178.0	50,701	22,641	123.9	33,001	11,870	178.0	50,701	22,641	123.9
Selling and distribution expenses	(14,636)	(12,517)	16.9	(37,593)	(31,581)	19.0	(14,636)	(12,517)	16.9	(37,593)	(31,581)	19.0
Administrative expenses	(79,225)	(47,950)	65.2	(198,900)	(128,359)	55.0	(79,225)	(47,950)	65.2	(198,900)	(128,359)	55.0
Exchange (loss)/ gain	(13,137)	(4,413)	197.7	(32,790)	(9,585)	242.1	2,446	(11,342)	(121.6)	(11,655) ⁽²⁾	(22,146) ⁽²⁾	(47.4)
Other operating expenses	(5,408)	(1,792)	201.8	(13,760)	(4,641)	196.5	(5,408)	(1,792)	201.8	(13,760)	(4,641)	196.5
Finance costs	(40,320)	(14,795)	172.5	(107,490)	(55,236)	94.6	(18,914)	(5,204)	263.5	(48,352)	(15,338)	215.2
Share of loss of associate	(420)	-	n.m.	(853)	-	n.m.	(420)	-	n.m.	(853)	-	n.m.
Fair value changes on convertible bonds	12,527	158,500	(92.1)	(1,053)	83,100	(101.3)	-	-	n.m.	-	-	n.m.
Profit before income tax	54,997	176,854	(68.9)	65,876	135,725	(51.5)	79,459	21,016	278.1	147,202	79,962	84.1
Income tax expense	(16,775)	(3,303)	407.9	(27,304)	(14,701)	85.7	(16,775)	(3,303)	407.9	(27,304)	(14,701)	85.7
Profit for the period	38,222	173,551	(78.0)	38,572	121,024	(68.1)	62,684	17,713	253.9	119,898	65,261	83.7
Other comprehensive income	<i>Items that may be reclassified subsequently to profit or loss</i>											
Exchange difference on translation of foreign operation	60	(53)	(213.2)	99	(73)	(235.6)	60	(53)	(213.2)	99	(73)	(235.6)
Total comprehensive income for the period	38,282	173,498	(77.9)	38,671	120,951	(68.0)	62,744	17,660	255.3	119,997	65,188	84.1

n.m. denotes not meaningful

(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 2018	30 September 2017	% change	30 September 2018	30 September 2017	% change	30 September 2018	30 September 2017	% change	30 September 2018	30 September 2017	% change
Profit for the period attributable to:												
Equity holders of the Company	32,317	170,912	(81.1)	33,684	119,404	(71.8)	56,779	15,074	276.7	115,010 ⁽²⁾	63,641 ⁽²⁾	80.7
Non-controlling interest	5,905	2,639	123.8	4,888	1,620	201.7	5,905	2,639	123.8	4,888	1,620	201.7
Profit for the period	38,222	173,551	(78.0)	38,572	121,024	(68.1)	62,684	17,713	253.9	119,898	65,261	83.7
Total comprehensive income for the period attributable to:												
Equity holders of the Company	32,377	170,859	(81.1)	33,783	119,331	(71.7)	56,839	15,021	278.4	115,109	63,568	81.1
Non-controlling interests	5,905	2,639	123.8	4,888	1,620	201.7	5,905	2,639	123.8	4,888	1,620	201.7
Profit for the period	38,282	173,498	(77.9)	38,671	120,951	(68.0)	62,744	17,660	255.3	119,997	65,188	84.1

n.m. denotes not meaningful

Explanatory Notes for WITHOUT financial effects of Convertible Bonds:

- (1) 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.
- (2) Included in the 9M2018 and 9M2017 profit attributable to equity holders of the Company is foreign exchange loss (net) of RMB 11.7 million and RMB 22.1 million respectively, of which RMB 14.2 million and RMB 22.1 million exchange loss relate to the unutilised proceeds from the issuance of the Convertible Bonds on 3 March 2017. Hence, net profit attributable to equity holders (after excluding foreign exchange loss of unutilised Convertible Bonds) for 9M2018 and 9M2017 was RMB 129.2 million and RMB 85.8 million respectively, a 50.6% increase year-on-year. During 2Q2018, the Company transferred the unutilised proceeds from its USD account to a RMB account. Accordingly, there will be no further foreign exchange differences arising from the unutilised proceeds.

1(b)(i) 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 2018	30 September 2017	% change	30 September 2018	30 September 2017	% change	30 September 2018	30 September 2017	% change	30 September 2018	30 September 2017	% change
Depreciation expense	15,932	7,470	113.3	45,818	22,778	101.2	15,932	7,470	113.3	45,818	22,778	101.2
Amortisation of land use rights	1,086	517	110.1	3,840	1,525	151.8	1,086	517	110.1	3,840	1,525	151.8
Amortisation of intangible assets	8,917	246	3,524.8	24,494	736	3,228.0	8,917	246	3,524.8	24,494	736	3,228.0
Impairment allowance on trade and non-trade receivables	4,378	1,642	166.6	9,851	3,923	151.1	4,378	1,642	166.6	9,851	3,923	151.1
Reversal of impairment allowance on trade and non-trade receivables	(5,881)	(3,049)	92.9	(10,620)	(6,027)	76.2	(5,881)	(3,049)	92.9	(10,620)	(6,027)	76.2
Allowance for stocks	(5,157)	-	n.m.	(5,157)	-	n.m.	(5,157)	-	n.m.	(5,157)	-	n.m.
Loss/ (gain) on disposal of property, plant and equipment	47	14	235.7	91	79	15.2	47	14	235.7	91	79	15.2
Employee share option expense	-	-	n.m.	-	3,011	n.m.	-	-	n.m.	-	3,011	n.m.
Foreign exchange loss/ (gain) - net	13,137	4,413	197.7	32,790	9,585	242.1	(2,446)	11,342	(121.6)	11,655	22,146	(47.4)
Interest expense	40,320	14,795	172.5	107,490	55,236	94.6	18,914	5,204	263.5	48,352	15,338	215.2
Fair value loss/ (gain) on Convertible Bonds	(12,527)	(158,500)	(92.1)	1,053	(83,100)	(101.3)	-	-	n.m.	-	-	n.m.

n.m. denotes not meaningful

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 2018	30 September 2017	% change	30 September 2018	30 September 2017	% change	30 September 2018	30 September 2017	% change	30 September 2018	30 September 2017	% change
Government grant	19,669	5,693	245.5	25,751	7,928	224.8	19,669	5,693	245.5	25,751	7,928	224.8
Interest income	3,439	2,820	22.0	7,341	7,257	1.2	3,439	2,820	22.0	7,341	7,257	1.2
Gain on disposal of plant and equipment	-	6	n.m.	1	54	(98.1)	-	6	n.m.	1	54	(98.1)
Scrap sales	604	-	n.m.	604	-	n.m.	604	-	n.m.	604	-	n.m.
Reversal of impairment allowance on trade and non-trade receivables	5,881	3,049	92.9	10,620	6,027	76.2	5,881	3,049	92.9	10,620	6,027	76.2
Others	3,408	302	1,028.5	6,384	1,375	364.3	3,408	302	1,028.5	6,384	1,375	364.3
Total	33,001	11,870	178.0	50,701	22,641	123.9	33,001	11,870	178.0	50,701	22,641	123.9

*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 2018.

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)	(Audited)	(Unaudited)	(Audited)
	30 September 2018	31 December 2017 (Restated)	30 September 2018	31 December 2017
ASSETS				
Current assets:				
Cash and cash equivalents	447,689	902,608	9,564	62,334
Pledged bank deposits	163,921	88,476	-	-
Trade receivables	1,161,073	1,264,156	-	-
Other receivables, deposits and prepayments	555,607	363,804	7,045	28,347
Inventories	486,377	342,762	-	-
Land use rights	5,461	4,594	-	-
Total current assets	2,820,128	2,966,400	16,609	90,681
Non-current assets:				
Land use rights	283,340	193,990	-	-
Property, plant and equipment	993,957	474,003	-	-
Other receivables, deposits and prepayments	16,533	23,804	43,083	29,603
Available for sale investment	14,045	9,782	-	-
Subsidiaries	-	-	1,074,996	951,902
Associate	9,437	10,290	-	-
Intangible assets	1,460,712	1,283,726	-	-
Deferred tax assets	25,325	14,194	-	-
Goodwill	511,276	24,114	-	-
Total non-current assets	3,314,625	2,033,903	1,118,079	981,505
Total assets	6,134,753	5,000,303	1,134,688	1,072,186
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables	1,780,035	1,376,195	10,719	-
Other payables	733,069	379,515	37,358	48,583
Borrowings	391,100	517,200	-	-
Income tax payable	41,070	33,099	-	-
Total current liabilities	2,945,274	2,306,009	48,077	48,583
Non-current liabilities:				
Deferred tax liabilities	96,304	36,401	-	-
Borrowings	836,688	567,616	103,188	6,616
Convertible bonds	757,709	687,256	757,709	687,256
Total non-current liabilities	1,690,701	1,291,273	860,897	693,872
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	99,153	87,921	-	-
Share option reserve	15,839	15,839	15,839	15,839
Foreign currency translation reserve	(38)	(137)	-	-
Retained earnings (Accumulated losses)	856,020	837,807	(110,594)	(6,577)
Equity attributable to equity holders of the Company	1,291,443	1,261,899	225,714	329,731
Non-controlling interests	207,335	141,122	-	-
Total equity	1,498,778	1,403,021	225,714	329,731
Total liabilities and equity	6,134,753	5,000,303	1,134,688	1,072,186

(RMB'000)	Actual (WITHOUT financial effects of Convertible Bonds)			
	Group		Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30	31	30	31
	September	December	September	December
	2018	2017	2018	2017
		(Restated)		
ASSETS				
Current assets:				
Cash and cash equivalents	447,689	902,608	9,564	62,334
Pledged bank deposits	163,921	88,476	-	-
Trade receivables	1,161,073	1,264,156	-	-
Other receivables, deposits and prepayments	555,607	363,804	7,045	28,347
Inventories	486,377	342,762	-	-
Land use rights	5,461	4,594	-	-
Total current assets	2,820,128	2,966,400	16,609	90,681
Non-current assets:				
Land use rights	283,340	193,990	-	-
Property, plant and equipment	993,957	474,003	-	-
Other receivables, deposits and prepayments	16,533	23,804	43,083	29,603
Available for sale investment	14,045	9,782	-	-
Subsidiaries	-	-	1,074,996	951,902
Associate	9,437	10,290	-	-
Intangible assets	1,460,712	1,283,726	-	-
Deferred tax assets	25,325	14,194	-	-
Goodwill	511,276	24,114	-	-
Total non-current assets	3,314,625	2,033,903	1,118,079	981,505
Total assets	6,134,753	5,000,303	1,134,688	1,072,186
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables	1,780,035	1,376,195	10,719	-
Other payables	722,350	364,272	26,639	33,340
Borrowings	391,100	517,200	-	-
Income tax payable	41,070	33,099	-	-
Total current liabilities	2,934,555	2,290,766	37,358	33,340
Non-current liabilities:				
Deferred tax liabilities	96,304	36,401	-	-
Borrowings	836,688	567,616	103,188	6,616
Convertible bonds	716,270	731,667	716,270	731,667
Total non-current liabilities	1,649,262	1,335,684	819,458	738,283
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	99,153	87,921	-	-
Share option reserve	15,839	15,839	15,839	15,839
Foreign currency translation reserve	(38)	(137)	-	-
Retained earnings (Accumulated losses)	908,178	808,639	(58,436)	(35,745)
Equity attributable to equity holders of the Company	1,343,601	1,232,731	277,872	300,563
Non-controlling interests	207,335	141,122	-	-
Total equity	1,550,936	1,373,853	277,872	300,563
Total liabilities and equity	6,134,753	5,000,303	1,134,688	1,072,186

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 2018		As at 31 December 2017	
	Secured	Unsecured	Secured	Unsecured
Borrowings	121,500	269,600	192,200	325,000

Amount repayable after one year

(RMB'000)	As at 30 September 2018		As at 31 December 2017	
	Secured	Unsecured	Secured	Unsecured
Borrowings	688,000	148,688	543,000	24,616

Details of any collaterals:

<u>Collaterals</u>	30 September 2018	31 December 2017
	RMB'000	RMB'000
Land use right and concession right	646,000	640,200
Pledge of shares of subsidiaries	163,500	-

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 2018

(RMB'000)	Actual (WITH financial effects of Convertible Bonds)			
	Third quarter ended		Nine months ended	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
Operating activities				
Profit before income tax	54,997	176,854	65,876	135,725
Adjustments for:				
Depreciation expense	15,932	7,470	45,818	22,778
Amortisation of intangible assets	8,917	246	24,494	736
Interest expense	40,320	14,795	107,490	55,236
Amortisation of land use rights	1,086	517	3,840	1,525
Exchange differences arising on foreign currency translation	-	-	-	-
Share of loss of associate	420	-	853	-
Loss on disposal of property, plant and equipment	47	14	91	79
Share option expense	-	-	-	3,011
Interest income	(3,439)	(2,820)	(7,341)	(7,257)
(Reversal of) Impairment allowance on trade and non-trade receivables – net of (impairment) reversals	(1,503)	(1,407)	(769)	(2,104)
Impairment allowance on inventories	(5,157)	-	(5,157)	-
Exchange gain on convertible bonds	15,583	(6,929)	21,135	(12,561)
Fair value gain on convertible bonds	(12,527)	(158,500)	1,053	(83,100)
Operating cash flows before movements in working capital	114,676	30,240	257,383	114,068
Trade receivables	181,289	(79,585)	156,770	(183,552)
Other receivables and prepayments	(45,427)	(82,342)	(172,909)	(189,303)
Inventories	(84,495)	(89,281)	(124,136)	(132,399)
Trade payables	98,860	187,075	211,988	505,262
Other payables	(60,663)	619	(21,871)	(33,660)
Cash generated from operations	204,240	(33,274)	307,225	80,416
Income tax paid	(10,033)	(7,557)	(29,180)	(17,519)
Interest received	3,439	2,820	7,341	7,257
Interest paid	(18,914)	(5,204)	(65,716)	(15,338)
Net cash from (used in) operating activities	178,732	(43,215)	219,670	54,816
Investing activities				
Purchase of property, plant and equipment	(14,141)	(17,895)	(40,816)	(33,868)
Prepayment for build-operate-transfer (“BOT”) projects	-	660	-	(14,158)
Payment for land use rights acquired	(16,491)	254	(18,706)	(3,079)
Acquisition of intangible assets	(99,695)	(64,149)	(208,209)	(469,549)
Acquisition of subsidiary	(242,049)	(26,299)	(433,469)	(26,299)
Proceeds from disposal of property, plant and equipment	31	530	133	655
Net cash used in investing activities	(372,345)	(106,899)	(701,067)	(546,298)
Financing activities				
Proceeds from new borrowings	8,439	42,000	528,972	770,000
Contribution from minority interest	19,111	-	44,591	12,740
(Payment for) Proceeds from convertible bonds	-	(79)	-	731,667
Pledged bank deposits	(24,434)	7,338	(75,445)	(15,992)
Payment of dividend	-	(4,047)	(4,239)	(7,588)
Repayment of borrowings	(117,300)	(55,500)	(467,500)	(334,000)
Net cash (used in) from financing activities	(114,184)	(10,288)	26,379	1,156,827
Net (decrease) increase in cash and cash equivalents	(307,797)	(160,402)	(455,018)	665,345
Cash and cash equivalents at beginning of period	755,426	1,107,004	902,608	281,277
Effects of foreign exchange rate changes	60	(53)	99	(73)
Cash and cash equivalents at end of period	447,689	946,549	447,689	946,549

(RMB'000)	Actual (WITHOUT financial effects of Convertible Bonds)			
	Third quarter ended		Nine months ended	
	30	30	30	30
	September 2018	September 2017	September 2018	September 2017
Operating activities				
Profit before income tax	79,459	21,016	147,202	79,962
Adjustments for:				
Depreciation expense	15,932	7,470	45,818	22,778
Amortisation of intangible assets	8,917	246	24,494	736
Interest expense	18,914	5,204	48,352	15,338
Amortisation of land use rights	1,086	517	3,840	1,525
Exchange differences arising on foreign currency translation	-	-	-	-
Share of loss of associate	420	-	853	-
Loss on disposal of property, plant and equipment	47	14	91	79
Employee share option expense	-	-	-	3,011
Interest income	(3,439)	(2,820)	(7,341)	(7,257)
(Reversal of) Impairment allowance on trade and non-trade receivables – net of (impairment) reversals	(1,503)	(1,407)	(769)	(2,104)
Impairment allowance on inventories	(5,157)	-	(5,157)	-
Operating cash flows before movements in working capital	114,676	30,240	257,383	114,068
Trade receivables	181,289	(79,585)	156,770	(183,552)
Other receivables, deposits and prepayments	(45,427)	(82,342)	(172,909)	(189,303)
Inventories	(84,495)	(89,281)	(124,136)	(132,399)
Trade payables	98,860	187,075	211,988	505,262
Other payables	(60,663)	619	(21,871)	(33,660)
Cash generated from operations	204,240	(33,274)	307,225	80,416
Income tax paid	(10,033)	(7,557)	(29,180)	(17,519)
Interest received	3,439	2,820	7,341	7,257
Interest paid	(18,914)	(5,204)	(65,716)	(15,338)
Net cash from (used in) operating activities	178,732	(43,215)	219,670	54,816
Investing activities				
Purchase of property, plant and equipment	(14,141)	(17,895)	(40,816)	(33,868)
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Acquisition of subsidiary	(242,049)	(26,299)	(433,469)	(26,299)
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Contribution from minority interest	19,111	-	44,591	12,740
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Pledged bank deposits	(24,434)	7,338	(75,445)	(15,992)
Payment of dividend	-	(4,047)	(4,239)	(7,588)
Repayment of borrowings	(117,300)	(55,500)	(467,500)	(334,000)
Net cash (used in) from financing activities	(114,184)	(10,288)	26,379	1,156,827
Net (decrease) increase in cash and cash equivalents	(307,797)	(160,402)	(455,018)	665,345
Cash and cash equivalents at beginning of period	755,426	1,107,004	902,608	281,277
Effects of foreign exchange rate changes	60	(53)	99	(73)
Cash and cash equivalents at end of period	447,689	946,549	447,689	946,549

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	Retained earnings	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 January 1, 2017	53,531	266,938	70,508	12,828	261	713,976	1,118,042	25,693	1,143,735
Adoption of SFRS(I)-1	-	-	-	-	(261)	261	-	-	-
Balance at January 1, 2017	53,531	266,938	70,508	12,828	-	714,237	1,118,042	25,693	1,143,735
<u>Total comprehensive income for January to March 2017</u>									
Profit 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 March 31, 2017	53,531	266,938	74,014	14,784	(15)	627,233	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)	-	-	-
Dividend 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 June 30, 2017	53,531	266,938	75,929	15,839	(20)	653,767	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	Retained earnings	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 July 1, 2017	53,531	266,938	75,929	15,839	(20)	653,767	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>									
Dividend paid	-	-	-	-	-	(852)	(852)	(3,195)	(4,047)
Transfer to general reserve	-	-	1,935	-	-	(1,935)	-	-	-
Effects of acquiring part of non-controlling interests in a subsidiary	-	-	(394)	-	-	-	(394)	(605)	(999)
Total	-	-	1,541	-	-	(2,787)	(1,246)	(3,800)	(5,046)
Balance at September 30, 2017	53,531	266,938	77,470	15,839	(73)	821,892	1,235,597	36,253	1,271,850
<u>Total comprehensive income for October to December 2017</u>									
Profit for October to December 2017	-	-	-	-	-	26,366	26,366	3,459	29,825
Other comprehensive income for October to December 2017	-	-	-	-	(64)	-	(64)	-	(64)
Total	-	-	-	-	(64)	26,366	26,302	3,459	29,761
<u>Transactions with owners, recognised directly in equity</u>									
Transfer to general reserve	-	-	10,451	-	-	(10,451)	-	-	-
Contribution from non-controlling interest holders	-	-	-	-	-	-	-	50,960	50,960
Effects of acquiring part of non-controlling interests in a subsidiary	-	-	-	-	-	-	-	50,450	50,450
Total	-	-	10,451	-	-	(10,451)	-	101,410	101,410
Balance at December 31, 2017	53,531	266,938	87,921	15,839	(137)	837,807	1,261,899	141,122	1,403,021

Actual (WITH financial effects of Convertible Bonds)

Group	Share capital	Share Premium	General reserves	Share option reserve	Foreign currency translation reserve	Retained earnings	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 January 1, 2018	53,531	266,938	87,921	15,839	(137)	837,807	1,261,899	141,122	1,403,021
<u>Total comprehensive income for January to March 2018</u>									
Profit for January to March 2018	-	-	-	-	-	82,368	82,368	992	83,360
Other comprehensive income for January to March 2018	-	-	-	-	(79)	-	(79)	-	(79)
Total	-	-	-	-	(79)	82,368	82,289	992	83,281
<u>Transactions with owners, recognised directly in equity</u>									
Transfer to general reserve	-	-	2,469	-	-	(2,469)	-	-	-
Contribution from non-controlling interest holders	-	-	-	-	-	-	-	25,481	25,481
Total	-	-	2,469	-	-	(2,469)	-	25,481	25,481
Balance at March 31, 2018	53,531	266,938	90,390	15,839	(216)	917,706	1,344,188	167,595	1,511,783
<u>Total comprehensive income for April to June 2018</u>									
Profit for April to June 2018	-	-	-	-	-	(81,001)	(81,001)	(2,009)	(83,010)
Other comprehensive income for April to June 2018	-	-	-	-	118	-	118	-	118
Total	-	-	-	-	118	(81,001)	(80,883)	(2,009)	(82,292)
<u>Transactions with owners, recognised directly in equity</u>									
Dividend paid	-	-	-	-	-	(4,239)	(4,239)	-	(4,239)
Transfer to general reserve	-	-	3,670	-	-	(3,670)	-	-	-
Contribution from non-controlling interest holders	-	-	-	-	-	-	-	23,237	23,237
Total	-	-	3,670	-	-	(7,909)	(4,239)	23,237	18,998
Balance at June 30, 2018	53,531	266,938	94,060	15,839	(98)	828,796	1,259,066	188,823	1,447,889

Actual (WITH financial effects of Convertible Bonds)

<u>Group</u>	Share capital	Share Premium	General reserves	Share option reserve	Foreign currency translation reserve	Retained earnings	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 July 1, 2018	53,531	266,938	94,060	15,839	(98)	828,796	1,259,066	188,823	1,447,889
<u>Total comprehensive income for July to September 2018</u>									
Profit for July to September 2018	-	-	-	-	-	32,317	32,317	5,905	38,222
Other comprehensive income for July to September 2018	-	-	-	-	60	-	60	-	60
Total	-	-	-	-	60	32,317	32,377	5,905	38,282
<u>Transactions with owners, recognised directly in equity</u>									
Transfer to general reserve	-	-	5,093	-	-	(5,093)	-	-	-
Contribution from non-controlling interest holders	-	-	-	-	-	-	-	12,607	12,607
Total	-	-	5,093	-	-	(5,093)	-	12,607	12,607
Balance at September 30, 2018	53,531	266,938	99,153	15,839	(38)	856,020	1,291,443	207,335	1,498,778

Actual (WITHOUT financial effects of Convertible Bonds)

<u>Group</u>	Share capital	Share Premium	General reserves	Share option reserve	Foreign currency translation reserve	Retained earnings	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 January 1, 2017	53,531	266,938	70,508	12,828	261	713,976	1,118,042	25,693	1,143,735
Adoption of SFRS(I)-1	-	-	-	-	(261)	261	-	-	-
Balance at January 1, 2017	53,531	266,938	70,508	12,828	-	714,237	1,118,042	25,693	1,143,735
<u>Total comprehensive income for January to March 2017</u>									
Profit for January to March 2017	-	-	-	-	-	30,397	30,397	185	30,582
Other comprehensive income for January to March 2017	-	-	-	-	(15)	-	(15)	-	(15)
Total	-	-	-	-	(15)	30,397	30,382	185	30,567
<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 March 31, 2017	53,531	266,938	74,014	14,784	(15)	741,128	1,150,380	25,878	1,176,258
<u>Total comprehensive income for April to June 2017</u>									
Profit for April to June 2017	-	-	-	-	-	18,170	18,170	(1,204)	16,966
Other comprehensive income for April to June 2017	-	-	-	-	(5)	-	(5)	-	(5)
Total	-	-	-	-	(5)	18,170	18,165	(1,204)	16,961
<u>Transactions with owners, recognised directly in equity</u>									
Dividend paid	-	-	-	-	-	(3,541)	(3,541)	-	(3,541)
Transfer to general reserve	-	-	1,915	-	-	(1,915)	-	-	-
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 June 30, 2017	53,531	266,938	75,929	15,839	(20)	753,842	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	Retained earnings	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 July 1, 2017	53,531	266,938	75,929	15,839	(20)	753,842	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>									
Dividend paid	-	-	-	-	-	(852)	(852)	(3,195)	(4,047)
Effects of acquiring part of non-controlling interests in a subsidiary	-	-	(394)	-	-	-	(394)	(605)	(999)
Transfer to general reserve	-	-	1,935	-	-	(1,935)	-	-	-
Total	-	-	1,541	-	-	(2,787)	(1,246)	(3,800)	(5,046)
Balance at September 30, 2017	53,531	266,938	77,470	15,839	(73)	766,129	1,179,834	36,253	1,216,087
<u>Total comprehensive income for October to December 2017</u>									
Profit for October to December 2017	-	-	-	-	-	52,961	52,961	3,459	56,420
Other comprehensive income for October to December 2017	-	-	-	-	(64)	-	(64)	-	(64)
Total	-	-	-	-	(64)	52,961	52,897	3,459	56,356
<u>Transactions with owners, recognised directly in equity</u>									
Transfer to general reserve	-	-	10,451	-	-	(10,451)	-	-	-
Contribution from non-controlling interest holders	-	-	-	-	-	-	-	50,960	50,960
Effects of acquiring part of non-controlling interests in a subsidiary	-	-	-	-	-	-	-	50,450	50,450
Employee share option expense	-	-	-	-	-	-	-	-	-
Total	-	-	10,451	-	-	(10,451)	-	101,410	101,410
Balance at December 31, 2017	53,531	266,938	87,921	15,839	(137)	808,639	1,232,731	141,122	1,373,853

Actual (WITHOUT financial effects of Convertible Bonds)

<u>Group</u>	Share capital	Share Premium	General reserves	Share option reserve	Foreign currency translation reserve	Retained earnings	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 January 1, 2018	53,531	266,938	87,921	15,839	(137)	808,639	1,232,731	141,122	1,373,853
<u>Total comprehensive income for January to March 2018</u>									
Profit for January to March 2018	-	-	-	-	-	30,906	30,906	992	31,898
Other comprehensive income for January to March 2018	-	-	-	-	(79)	-	(79)	-	(79)
Total	-	-	-	-	(79)	30,906	30,827	992	31,819
<u>Transactions with owners, recognised directly in equity</u>									
Transfer to general reserve	-	-	2,469	-	-	(2,469)	-	-	-
Contribution from non-controlling interest holders	-	-	-	-	-	-	-	25,481	25,481
Total	-	-	2,469	-	-	(2,469)	-	25,481	25,481
Balance at March 31, 2018	53,531	266,938	90,390	15,839	(216)	837,076	1,263,558	167,595	1,431,153
<u>Total comprehensive income for April to June 2018</u>									
Profit for April to June 2018	-	-	-	-	-	27,325	27,325	(2,009)	25,316
Other comprehensive income for April to June 2018	-	-	-	-	118	-	118	-	118
Total	-	-	-	-	118	27,325	27,443	(2,009)	25,434
<u>Transactions with owners, recognised directly in equity</u>									
Transfer to general reserve	-	-	3,670	-	-	(3,670)	-	-	-
Dividend paid	-	-	-	-	-	(4,239)	(4,239)	-	(4,239)
Contribution from non-controlling interest holders	-	-	-	-	-	-	-	23,237	23,237
Total	-	-	3,670	-	-	(7,909)	(4,239)	23,237	18,998
Balance at June 30, 2018	53,531	266,938	94,060	15,839	(98)	856,492	1,286,762	188,823	1,475,585

Actual (WITHOUT financial effects of Convertible Bonds)

<u>Group</u>	Share capital	Share Premium	General reserves	Share option reserve	Foreign currency translation reserve	Retained earnings	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 July 1, 2018	53,531	266,938	94,060	15,839	(98)	856,492	1,286,762	188,823	1,475,585
<u>Total comprehensive income for July to September 2018</u>									
Profit for July to September 2018	-	-	-	-	-	56,779	56,779	5,905	62,684
Other comprehensive income for July to September 2018	-	-	-	-	60	-	60	-	60
Total	-	-	-	-	60	56,779	56,839	5,905	62,744
<u>Transactions with owners, recognised directly in equity</u>									
Transfer to general reserve	-	-	5,093	-	-	(5,093)	-	-	-
Dividend paid	-	-	-	-	-	-	-	12,607	12,607
Total	-	-	5,903	-	-	(5,093)	-	12,607	12,607
Balance at September 30, 2018	53,531	266,938	99,153	15,839	(38)	908,178	1,343,601	207,335	1,550,936

Actual (WITH financial effects of Convertible Bonds)

<u>Company</u>	Share capital	Share premium	Share option reserve	(Accumulated losses) / Retained earnings	Equity attributable to equity holders of the Company	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 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, recognised directly in equity</u>						
Employee share option expense	-	-	1,956	-	1,956	1,956
Balance at March 31, 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	-	-	-	8,186	8,186	8,186
<u>Transactions with owners, recognised directly in equity</u>						
Dividend paid	-	-	-	(3,541)	(3,541)	(3,541)
Employee share option expense	-	-	1,055	-	1,055	1,055
Total	-	-	1,055	4,645	5,700	5,700
Balance at June 30, 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	-	-	-	151,529	151,529	151,529
<u>Transactions with owners, recognised directly in equity</u>						
Dividend paid	-	-	-	(852)	(852)	(852)
Balance at September 30, 2017	53,531	266,938	15,839	30,158	366,466	366,466
Loss for the period, representing total comprehensive loss for October to December 2017	-	-	-	(36,735)	(36,735)	(36,735)
Balance at December 31, 2017	53,531	266,938	15,839	(6,577)	329,731	329,731
Profit for the period, representing total comprehensive income for January to March 2018	-	-	-	45,601	45,601	45,601
Balance at March 31, 2018	53,531	266,938	15,839	39,024	375,332	375,332

Actual (WITH financial effects of Convertible Bonds)

<u>Company</u>	Share capital	Share premium	Share option reserve	Retained earnings / (Accumulated losses)	Equity attributable to equity holders of the Company	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at April 1, 2018	53,531	266,938	15,839	39,024	375,332	375,332
Loss for the period, representing total comprehensive loss for April to June 2018	-	-	-	(109,824)	(109,824)	(109,824)
<u>Transactions with owners, recognised directly in equity</u>						
Dividend paid	-	-	-	(4,239)	(4,239)	(4,239)
Balance at June 30, 2018	53,531	266,938	15,839	(75,039)	261,269	261,269
Loss for the period, representing total comprehensive loss for July to September 2018	-	-	-	(35,555)	(35,555)	(35,555)
Balance at September 30, 2018	53,531	266,938	15,839	(110,594)	225,714	225,714

Actual (WITHOUT financial effects of Convertible Bonds)

<u>Company</u>	Share capital	Share premium	Share option reserve	Accumulated losses	Equity attributable to equity holders of the Company	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 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	-	-	-	(3,050)	(3,050)	(3,050)
<u>Transactions with owners, recognised directly in equity</u>						
Employee share option expense	-	-	1,956	-	1,956	1,956
Balance at March 31, 2017	53,531	266,938	14,784	(11,269)	323,984	323,984
Loss for the period, representing total comprehensive loss for April to June 2017	-	-	-	(5,634)	(5,634)	(5,634)
<u>Transactions with owners, recognised directly in equity</u>						
Dividend paid	-	-	-	(3,541)	(3,541)	(3,541)
Employee share option expense	-	-	1,055	-	1,055	1,055
Total	-	-	1,055	(9,175)	(8,120)	(8,120)
Balance at June 30, 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	-	-	-	(4,309)	(4,309)	(4,309)
<u>Transactions with owners, recognised directly in equity</u>						
Dividend paid	-	-	-	(852)	(852)	(852)
Balance at September 30, 2017	53,531	266,938	15,839	(25,605)	310,703	310,703
Loss for the period, representing total comprehensive loss for October to December 2017	-	-	-	(10,140)	(10,140)	(10,140)
Balance at December 31, 2017	53,531	266,938	15,839	(35,745)	300,563	300,563
Loss for the period, representing total comprehensive loss for January to March 2018	-	-	-	(5,861)	(5,861)	(5,861)
Balance at March 31, 2018	53,531	266,938	15,839	(41,606)	294,702	294,702

Actual (WITHOUT financial effects of Convertible Bonds)

<u>Company</u>	Share capital	Share premium	Share option reserve	Accumulated losses	Equity attributable to equity holders of the Company	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at April 1, 2018	53,531	266,938	15,839	(41,606)	294,702	294,702
Loss for the period, representing total comprehensive loss for April to June 2018	-	-	-	(1,498)	(1,498)	(1,498)
<u>Transactions with owners, recognised directly in equity</u>						
Dividend paid	-	-	-	(4,239)	(4,239)	(4,239)
Balance at June 30, 2018	53,531	266,938	15,839	(47,343)	288,965	288,965
Loss for the period, representing total comprehensive loss for July to September 2018	-	-	-	(11,093)	(11,093)	(11,093)
Balance at September 30, 2018	53,531	266,938	15,839	(58,436)	277,872	277,872

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 the third quarter ended 30 September 2018 and 30 September 2017.

There were no outstanding convertibles or treasury shares held as at 30 September 2018 and 31 December 2017.

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 ("Glory Sky") (ultimately indirectly and beneficially owned by CDH Fund V, L. P. ("CDH")). The Convertible Bonds will mature in March 2022.

Subsequently 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 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" or the "Warrant Shares") to DCP and CDH to fund the GI related business of the Company.

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 2018, 31 December 2017 and 30 September 2017 was 737,657,142 ordinary shares.

There were no shares held as treasury shares as at 30 September 2018, 31 December 2017 and 30 September 2017.

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 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 2017, except that the Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 January 2018.

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.

In applying SFRS(I)-1, the Group elected to reset its cumulative translation difference for foreign operations to zero at the date of transition at 1 January 2017. As a result, an amount of RMB 261,000 of foreign currency translation reserve was reclassified to the opening retained earnings as at 1 January 2017.

Other than the effect of the matter as described above, the adoption of new and revised standards did not have any material effect on the profit or loss and financial position of the Group.

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	30	30	30
	September	September	September	September
	2018	2017	2018	2017
Net profit attributable to equity holders of the Group (RMB'000)	32,317	170,912	33,684	119,404
Weighted average number of ordinary shares outstanding ('000)	737,657	737,657	737,657	737,657
Earnings per share – basic (RMB cents)	4.38	23.17	4.57	16.19

	Actual (WITHOUT financial effects of Convertible Bonds)			
	Third quarter ended		Nine months ended	
	30	30	30	30
	September	September	September	September
	2018	2017	2018	2017
Net profit attributable to equity holders of the Group (RMB'000)	56,779	15,074	115,010	63,641
Weighted average number of ordinary shares outstanding ('000)	737,657	737,657	737,657	737,657
Earnings per share – basic (RMB cents)	7.70	2.04	15.59	8.63

Basic earnings per share for third quarter and nine months ended 30 September 2018 and 30 September 2017 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	30	30	30
	September	September	September	September
	2018	2017	2018	2017
Net profit attributable to equity holders of the Group (RMB'000)	53,723	180,503	92,822	159,302
Weighted average number of ordinary shares outstanding ('000)	1,094,064	1,096,770	1,094,898	1,028,284
Earnings per share – diluted (RMB cents)	4.91	16.46	8.48	15.49

	Actual (WITHOUT financial effects of Convertible Bonds)			
	Third quarter ended		Nine months ended	
	30	30	30	30
	September	September	September	September
	2018	2017	2018	2017
Net profit attributable to equity holders of the Group (RMB'000)	56,779	15,074	115,010	63,641
Weighted average number of ordinary shares outstanding ('000)	1,094,064	1,096,770	1,094,898	1,028,284
Earnings per share – diluted (RMB cents)	5.19	1.37	10.50	6.19

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 3Q2018.

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 2018	30 September 2017	30 September 2018	30 September 2017
	<i>(WITH financial effects of Convertible Bonds)</i>		<i>(WITHOUT financial effects of Convertible Bonds)</i>	
Net asset value per share (RMB cents)	175.07	167.07	182.14	159.51

	Company			
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
	<i>(WITH financial effects of Convertible Bonds)</i>		<i>(WITHOUT financial effects of Convertible Bonds)</i>	
Net asset value per share (RMB cents)	30.60	49.68	37.67	42.12

The net asset value per share for 30 September 2018 and 31 December 2017 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 2018 and 31 December 2017.

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 2018 ("3Q2018") as compared to that of the third quarter ended 30 September 2017 ("3Q2017")

Based on actual financial performance WITH financial effects of Convertible Bonds

Revenue

The Group's revenue increased by approximately RMB 356.5 or 87.5% from RMB 407.2 million in 3Q2017 to RMB 763.7 million in 3Q2018. This was attributed to the increase in (a) revenue of RMB 149.1 million or 36.6% from 3Q2017 from the Manufacturing and Services ("M&S") segment, and (b) revenue of RMB 207.4 million or 100.0% from the Green Investment ("GI") business.

Gross Profit

Gross profit increased by approximately RMB 74.7 million or 84.9% from RMB 88.0 million in 3Q2017 to RMB 162.6 million in 3Q2018. The increase was mainly attributable to the increased revenue contributions from both M&S and GI segments. Gross profit margin for 3Q2018 is 21.3%, which is almost stable with 3Q2017.

Profit before Income Tax

Profit before tax decreased by approximately RMB 121.9 million or 68.9% from RMB 176.9 million in 3Q2017 to RMB 55.0 million in 3Q2018. The decrease was mainly attributable to the following factors:

- (a) Decrease in fair value gain on Convertible Bonds of RMB 146.0 million between 1 July 2018 and 30 September 2018 as compared to the period between 1 July 2017 and 30 September 2017;
- (b) Increase in administrative expenses of RMB 31.3 million caused mainly by the increase in personnel expenses of RMB 16.3 million and other office expenses arising from the expansion of the GI business;
- (c) Increase in foreign exchange loss of RMB 8.7 million due to unutilized Convertible Bonds; and
- (d) Increase in finance costs of RMB 25.5 million due to the accrued interest effect of Convertible Bonds and interest expense from GI projects that are in operation.

The above-mentioned factors were offset mainly by:

- (e) Increase in other operating income of RMB 21.1 million mainly due to an increase in government grants.

Income Tax Expense

Excluding the non-tax deductible effect of the Convertible Bonds, the effective tax rate for 3Q2018 would have been 21.1%.

Profit for the Financial Period

As a result of the above, the Group's net profit attributable to the shareholders decreased by RMB 138.6 million or 81.1% from RMB 170.9 million in 3Q2017 to RMB 32.3 million in 3Q2018.

- (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 decreased by RMB 146.3 million or 4.9% from RMB 2,966.4 million as at 31 December 2017 to RMB 2,820.1 million as at 30 September 2018 mainly due to the following:

- (a) Decrease in cash and cash equivalents of RMB 454.9 million, mainly due to the usage of funds for Build-Operate-Transfer ("BOT") and GI projects;
- (b) Decrease in trade receivables of RMB 103.1 million arising mainly from an aggregate decrease in trade receivables and notes receivables with third parties of RMB 105.1 million.

Approximately 41.2% and 4.3% of the trade receivables at 31 December 2017 and 30 September 2018 respectively were collected as at 31 October 2018. Most of the trade receivables are due from customers that are state-owned enterprises, listed companies or multinational corporations. Overall, the Group's customers are credit-worthy but payments remain slow due to tightening credit in China.

The above decrease was mitigated by the following:

- (a) Increase in inventories of RMB 143.6 million primarily due to an increase in work-in-progress of RMB 112.4 million for project use and an increase in raw materials and consumable of RMB 26.0 million;
- (b) Increase in pledged bank deposits of RMB 75.4 million as collaterals were mainly required for the credit facilities granted; and
- (c) Increase in other receivables, deposits and prepayments of RMB 191.8 million due mainly to the increase in order book.

The Group's total non-current assets increased by RMB 1,280.7 million or 63.0% from RMB 2,033.9 million as at 31 December 2017 to RMB 3,314.6 million as at 30 September 2018 mainly due to the following:

- (a) Increase in property, plant and equipment of RMB 520.0 million mainly resulting from the acquisition of GI project;
- (b) Increase in lease premium for land of RMB 89.4 million due to acquisition of GI project; and

- (c) Increase in intangible assets of RMB 177.0 million due to service concession arrangements relating to “BOT, BOO, TOT” projects on hand as at 30 September 2018.

The Group’s total current liabilities increased by RMB 639.3 million or 27.7% from RMB 2,306.0 million as at 31 December 2017 to RMB 2,945.3 million as at 30 September 2018 mainly due to the following:

- (a) Increase in trade payables of RMB 403.8 million as a result of the aggregate increase in customer advances, trade payables with outside parties and notes payables with third parties;
- (b) Increase in other payables of RMB 353.6 million mainly due to consideration payable for newly-acquired GI projects.

The Group’s total non-current liabilities increased by approximately RMB 399.4 million from RMB 1,291.3 million as at 31 December 2017 to RMB 1,690.7 million as at 30 September 2018 mainly due to the following:

- (a) Increase in long term borrowings of approximately RMB 269.1 million to finance the acquisition of GI projects;
- (b) Increase in fair value of Convertible Bonds of RMB 70.5 million in 3Q2018. *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 2018

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

Net cash generated from operating activities amounted to approximately RMB 178.7 million, primarily due to operating cash flow before movements in working capital of approximately RMB 114.7 million that were derived from:

- (a) Decrease in trade receivables of RMB 181.3 million, increase in other receivables and prepayments of RMB 45.4 million and increase in inventories of RMB 84.5 million;
- (b) Decrease in trade payables of RMB 98.9 million and increase in other payables of RMB 60.7 million;
- (c) Interest and tax paid of RMB 28.9 million in aggregate.

Net cash used in investing activities amounted to RMB 372.3 million mainly due to the purchase of subsidiary of RMB 242.0 million, increase in expenditure on intangible assets of RMB 99.7 million and purchase of land use rights and property, plant and equipment of RMB 16.5 million and RMB 14.1 million respectively.

Net cash used in financing activities amounted to RMB 114.2 million due to repayment of borrowings and pledged bank deposits of RMB 117.3 million and RMB 24.4 million respectively, which was offset by the contribution from minority interest of RMB 19.1 million.

Use of Proceeds from Convertible Bonds

On 3 March 2017, the Company completed the issuance of first tranche convertible bonds of an aggregate principal amount of US\$ 110 million (“Tranche 1 Convertible Bonds” or “CB1”), 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.).

Subsequently on 10 January 2018, Glory Sky transferred US\$ 60 million in principal amount of the CB1 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 convertible bonds issued under CB1 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 “CB2”) and warrants exercisable at an aggregate amount of US\$ 30 million (the “Warrants” or the “Warrant Shares”) to DCP and CDH to fund the GI related business of the Company.

Following the issuance of CB2 to the Investors, DCP and CDH will each hold up to US\$ 120 million and US\$ 60 million of CB1 and CB2 (collectively, the “Convertible Bonds”) of the Company, respectively, convertible into fully paid ordinary shares in the capital of Company. The total aggregate principal amount of Convertible Bonds issued by the Company will be up to US\$ 180 million. The Convertible Bonds will mature in March 2022.

The net proceeds raised from CB1 is approximately US\$ 106.2 million after deducting transaction expenses of US\$ 3.8 million, while expected net proceeds from the issuance of CB2 will be approximately US\$ 67.5 million, after deducting transaction expenses of approximately US\$ 2.5 million. On 15 October 2018, the Company has completed the issuance of CB2 of an aggregate principal amount of US\$ 20 million and 16,464,490 warrants to the Investors.

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 5 November 2018, the Company has utilised an aggregate of US\$ 105.5 million of the net proceeds from Convertible Bonds as per schedule below.

Project	Use of Convertible Bonds Proceeds	Amount
Shantou	Project construction and equipment procurement	US\$ 20.5 million (approximately RMB132.6 million)
Liutuan	Registered capital	US\$ 0.8 million (approximately RMB5.2 million)
Jining JVC	Installation of steam distribution pipeline	US\$ 1.6 million (approximately RMB10.3 million)
Xinjiang	Registered capital	US\$ 1.4 million (approximately RMB9.0 million)
Yingtian	Registered capital	US\$ 0.1 million (approximately RMB0.5 million)
Shandong Yangguang Institute	Purchase consideration of the acquisition	US\$ 4.3 million (approximately RMB28.0 million)
Xinyuan Thermal Power	Purchase consideration of the acquisition	US\$ 13.1 million (approximately RMB85.0 million)
Xintai Zhengda Thermoelectric	Purchase consideration of the acquisition and construction of new facilities	US\$ 16.3 million (approximately RMB105.3 million)
Yongxing Thermal Power	Purchase consideration of the acquisition	US\$ 41.6 million (approximately 275.8 million)
General	Administrative and general expenses for business expansion of Green Investment related business	US\$ 5.9 million (approximately RMB38.0 million)
Total Convertible Bonds Proceeds utilized		US\$ 105.5 million⁽¹⁾ (approximately RMB689.7 million)
Balance of Convertible Bonds Proceeds available for use		US\$ 20.7 million (approximately RMB 142.9 million)⁽²⁾

*Note: The balance of Convertible Bonds proceeds has already been committed in the investment of the GI project.

(1) The exchange rate is based on the actual settlement conditions.

(2) The exchange rate of US\$ 1 : RMB 6.903 as at the recent date has been applied.

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 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 SFRS(I), the financial effects on profit or loss associated with the issuance of compound financial instruments are as follows: (i) fair value change arising from fair valuation relating to the conversion option and (ii) amortised interest charge relating to the amortised cost liability component of the Convertible Bonds. The fair value change is an accounting treatment arising from the compliance with the accounting standards and has no cash flow effect and no financial impact on the performance targets in relation to the Convertible Bonds as stipulated in the Convertible Bonds Agreement stated in the circular dated 13 February 2017.

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 increased by RMB 44.8 million or 297.0% from RMB 15.1 million in 3Q2017 to RMB 59.8 million in 3Q2018.

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 July 2018, China's State Council released the new 2018-2020 Three-year Action Plan for Winning the Blue Sky War that covers more cities. In addition, the Standing Committee of the National People's Congress has called for vigorous promotion of the clean and efficient use of coal due to rising prices and imports of natural gas. Such top-level official backing will drive the long-term growth prospects of China's environmental protection industry, particularly the anti-smog sector that the Group's GI business is targeting.

Excluding the financial effects of Convertible Bonds, the Group achieved record growth in top and bottom line in 9M2018, driven by the rapid expansion of its GI segment. Group revenue rose 76.1% YoY to RMB1,983.3 million, and EBITDA grew by 124.1% YoY to RMB269.7 million, resulting in the underlying net profit increasing by 50.6% YoY to RMB129.2 million. Revenue and EBITDA generated by the seven operating GI projects in 9M2018 totalled RMB419.0 million and RMB155.4 million, respectively. The net present value (NPV) of long-term GI cash flows is expected to considerably exceed the current EBITDA contributions.

Sunpower remains on the right track to execute its GI strategy with the goal of building up a sizeable and valuable GI portfolio which generates long-term, recurring and high-quality cash flows as its value creator and growth driver. To-date, the Group has invested and committed a total of RMB1.3 billion equity investment in its existing GI projects and is well positioned to invest a total of RMB2.5 billion in equity by 2021. Sunpower's GI projects enjoy an attractive double-digit internal rate of return (IRR), supported by concessions of typically 30 years and strong tariff collection due to the ability to require prepayments by customers.

Meanwhile, the M&S segment remains an integral pillar of growth for the Group, recording strong revenue growth of 38.9% YoY to RMB1.6 billion in 9M2018, buoyed by a robust order book. As at 30 September 2018, the total orders secured from external customers on hand amounted to RMB2.2 billion, after taking into account contract deliveries in 9M2018. The Group's proven track record in providing quality equipment and services has garnered a large base of reputable customers that includes BASF, BP, Shell, CNOOC, CNPC, SINOPEC etc. Moreover, Sunpower's 70% repeat customer base across over 15 industries has become one of the key sources for its record order book.

Based on the strong results and the acceleration in growth that it has already achieved in 9M2018, barring unforeseen circumstances, the Group expects the following business trends to benefit its operating performance in 4Q2018.

- The continued ramp-up of GI projects, which will include:
 - a) Quanjiao and Lianshui Projects will continued to secure new customers driven by the closure of small "dirty" boilers,
 - b) Full-quarter electricity revenue to be contributed by the Changrun Project, and
 - c) Additional revenue from providing heating during winter by Xinyuan Plant.
- Full quarterly contributions from Yongxing Plant, which will benefit from higher seasonal activities in 4Q.
- The M&S segment is expected to benefit from a record order book of RMB2.2 billion and usually higher deliveries of work-in-progress products in Q4.

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 2018.

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 2018 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

10 November 2018