

Condensed Financial Statements for the Six Months and Full Year Ended 31 December 2024

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

(RMB'000)	Note	Actual (WITH financial effects of Convertible Bonds)						Actual (WITHOUT financial effects of Convertible Bonds)					
		Six months ended			Full year ended			Six months ended			Full year ended		
		31 December 2024	31 December 2023	% change	31 December 2024	31 December 2023	% change	31 December 2024	31 December 2023	% change	31 December 2024	31 December 2023	% change
Revenue	4	1,768,219	1,766,141	0.1%	3,505,184	3,403,064	3.0%	1,768,219	1,766,141	0.1%	3,505,184	3,403,064	3.0%
Cost of sales		(1,344,532)	(1,299,541)	3.5%	(2,612,406)	(2,571,506)	1.6%	(1,344,532)	(1,299,541)	3.5%	(2,612,406)	(2,571,506)	1.6%
Gross profit		423,687	466,600	(9.2%)	892,778	831,558	7.4%	423,687	466,600	(9.2%)	892,778	831,558	7.4%
Other operating income	5	40,765	10,704	280.8%	61,941	20,028	209.3%	40,765	10,704	280.8%	61,941	20,028	209.3%
Selling and distribution expenses		(40,959)	(38,183)	7.3%	(79,485)	(71,106)	11.8%	(40,959)	(38,183)	7.3%	(79,485)	(71,106)	11.8%
Administrative expenses		(62,476)	(82,584)	(24.3%)	(107,678)	(124,838)	(13.7%)	(62,476)	(82,584)	(24.3%)	(107,678)	(124,838)	(13.7%)
Foreign exchange (loss)/gain		(24,017)	18,799	(227.8%)	(29,909)	(15,225)	96.4%	1,628	(703)	(331.6%)	1,438	(330)	(535.8%)
Other operating expenses		(122,328)	(22,775)	437.1%	(134,626)	(23,034)	484.5%	(122,328)	(22,775)	437.1%	(134,626)	(23,034)	484.5%
Finance costs		(133,351)	(139,844)	(4.6%)	(269,928)	(278,744)	(3.2%)	(82,907)	(93,125)	(11.0%)	(171,720)	(189,447)	(9.4%)
Share of profit of associate		2,755	3,354	(17.9%)	6,522	5,062	28.8%	2,755	3,354	(17.9%)	6,522	5,062	28.8%
Fair value changes on convertible bonds		-	3,782	(100.0%)	-	-	-	-	-	-	-	-	-
Profit before income tax	6	84,076	219,853	(61.8%)	339,615	343,701	(1.2%)	160,165	243,288	(34.2%)	469,170	447,893	4.8%
Income tax expenses	7	(37,310)	(33,007)	13.0%	(95,203)	(75,219)	26.6%	(37,310)	(33,007)	13.0%	(95,203)	(75,219)	26.6%
Profit for the year		46,766	186,846	(75.0%)	244,412	268,482	(9.0%)	122,855	210,281	(41.6%)	373,967	372,674	0.3%
Other comprehensive income													
<i>Items that may be reclassified subsequently to profit or loss</i>													
Net fair value gain/(loss) on investments in equity instruments classified as FVTOCI		326	(226)	(244.2%)	326	(226)	(244.2%)	326	(226)	(244.2%)	326	(226)	(244.2%)
Net fair value (loss)/gain on investment in debt instruments classified as FVTOCI		(203)	92	(320.7%)	(203)	92	(320.7%)	(203)	92	(320.7%)	(203)	92	(320.7%)
Total comprehensive income for the year		46,889	186,712	(74.9%)	244,535	268,348	(8.9%)	122,978	210,147	(41.5%)	374,090	372,540	0.4%

(RMB'000)	Note	Actual (WITH financial effects of Convertible Bonds)					Actual (WITHOUT financial effects of Convertible Bonds)						
		Six months ended			Full year ended			Six months ended			Full year ended		
		31 December 2024	31 December 2023	% change	31 December 2024	31 December 2023	% change	31 December 2024	31 December 2023	% change	31 December 2024	31 December 2023	% change
Profit for the year attributable to:													
Equity holders of the Company		(2,459)	129,843	(101.9%)	119,437	175,772	(32.1%)	73,630	153,278	(52.0%)	248,992	279,964	(11.1%)
Non-controlling interests		49,225	57,003	(13.6%)	124,975	92,710	34.8%	49,225	57,003	(13.6%)	124,975	92,710	34.8%
Profit for the year		46,766	186,846	(75.0%)	244,412	268,482	(9.0%)	122,855	210,281	(41.6%)	373,967	372,674	0.3%
Total comprehensive income for the year attributable to:													
Equity holders of the Company		(2,319)	129,714	(101.8%)	119,577	175,644	(31.9%)	73,770	153,150	(51.8%)	249,132	279,836	(11.0%)
Non-controlling interests		49,208	56,997	(13.7%)	124,958	92,704	34.8%	49,208	56,997	(13.7%)	124,958	92,704	34.8%
Total comprehensive income for the year		46,889	186,712	(74.9%)	244,535	268,348	(8.9%)	122,978	210,147	(41.5%)	374,090	372,540	0.4%

Explanatory Notes for WITHOUT financial effects of Convertible Bonds:

Financial effects of Convertible Bonds consist of fair value change, unrealised foreign exchange translation and amortised interest costs of Convertible Bonds.

1(a)(ii) Other information:

Please refer to Notes to Condensed Financial Statements.

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		Actual (WITH financial effects of Convertible Bonds)			
		Group		Company	
(RMB'000)	Note	As at 31 December 2024 (Unaudited)	As at 31 December 2023 (Audited)	As at 31 December 2024 (Unaudited)	As at 31 December 2023 (Audited)
ASSETS					
Current assets:					
Cash and cash equivalents		1,193,847	663,090	398,726	995
Pledged bank deposits		212,961	84,676	-	-
Trade receivables	10	878,985	813,033	-	-
Other receivables, deposits and prepayments		191,826	249,575	173,656	427,083
Inventories	11	167,011	138,028	-	-
Financial assets at fair value through other comprehensive income	12	69,187	36,259	-	-
Total current assets		2,713,817	1,984,661	572,382	428,078
Non-current assets:					
Property, plant and equipment		498,195	517,628	-	-
Other receivables, deposits and prepayments		83,648	50,117	-	-
Financial assets at fair value through other comprehensive income	12	2,577	2,142	-	-
Right-of-use assets		223,275	230,229	-	-
Subsidiaries		-	-	914,379	914,379
Associates		65,471	58,949	-	-
Intangible assets		4,228,770	4,335,777	-	-
Deferred tax assets		75,948	34,010	-	-
Goodwill	13	415,582	415,582	-	-
Total non-current assets		5,593,466	5,644,434	914,379	914,379
Total assets		8,307,283	7,629,095	1,486,761	1,342,457
LIABILITIES AND EQUITY					
Current liabilities:					
Trade payables, other payables and contract liabilities		774,274	712,896	587,290	488,890
Borrowings	14	1,653,812	1,191,484	-	-
Lease liabilities		1,293	1,235	-	-
Convertible bonds	15	1,080,311	-	1,080,311	-
Income tax payable		27,697	25,927	-	-
Total current liabilities		3,537,387	1,931,542	1,667,601	488,890
Non-current liabilities:					
Deferred tax liabilities		216,996	217,460	-	-
Borrowings	14	2,008,960	2,191,842	-	-
Convertible bonds	15	-	973,845	-	973,845
Lease liabilities		444	1,737	-	-
Total non-current liabilities		2,226,400	3,384,884	-	973,845
Capital and reserves:					
Share capital		57,662	57,662	57,662	57,662
Share premium		313,653	313,653	313,653	313,653
General reserves		366,056	288,101	-	-
Share option reserve		319	319	319	319
Revaluation reserve		(1,694)	(1,834)	-	-
Retained earnings/(Accumulated losses)		1,278,303	1,242,539	(552,474)	(491,912)
Equity/(Deficit) attributable to equity holders of the Company		2,014,299	1,900,440	(180,840)	(120,278)
Non-controlling interests		529,197	412,229	-	-
Total equity/(deficit)		2,543,496	2,312,669	(180,840)	(120,278)
Total liabilities and equity		8,307,283	7,629,095	1,486,761	1,342,457

		Actual (WITHOUT financial effects of Convertible Bonds)			
		Group		Company	
(RMB'000)	Note	As at 31 December 2024 (Unaudited)	As at 31 December 2023 (Audited)	As at 31 December 2024 (Unaudited)	As at 31 December 2023 (Audited)
ASSETS					
Current assets:					
Cash and cash equivalents		1,193,847	663,090	398,726	995
Pledged bank deposits		212,961	84,676	-	-
Trade receivables	10	878,985	813,033	-	-
Other receivables, deposits and prepayments		191,826	249,575	173,656	427,083
Inventories	11	167,011	138,028	-	-
Financial assets at fair value through other comprehensive income	12	69,187	36,259	-	-
Total current assets		2,713,817	1,984,661	572,382	428,078
Non-current assets:					
Property, plant and equipment		498,195	517,628	-	-
Other receivables, deposits and prepayments		83,648	50,117	-	-
Financial assets at fair value through other comprehensive income	12	2,577	2,142	-	-
Right-of-use assets		223,275	230,229	-	-
Subsidiaries		-	-	914,379	914,379
Associates		65,471	58,949	-	-
Intangibles and other assets		4,228,770	4,335,777	-	-
Deferred tax assets		75,948	34,010	-	-
Goodwill	13	415,582	415,582	-	-
Total non-current assets		5,593,466	5,644,434	914,379	914,379
Total assets		8,307,283	7,629,095	1,486,761	1,342,457
LIABILITIES AND EQUITY					
Current liabilities:					
Trade payables, other payables and contract liabilities		751,989	690,334	565,012	466,335
Borrowings	14	1,653,812	1,191,484	-	-
Lease liabilities		1,293	1,235	-	-
Convertible bonds	15	716,024	-	716,024	-
Income tax payable		27,697	25,927	-	-
Total current liabilities		3,150,815	1,908,980	1,281,036	466,335
Non-current liabilities:					
Deferred tax liabilities		216,996	217,460	-	-
Borrowings	14	2,008,960	2,191,842	-	-
Convertible bonds	15	-	739,390	-	739,390
Lease liabilities		444	1,737	-	-
Total non-current liabilities		2,226,400	3,150,429	-	739,390
Capital and reserves:					
Share capital		57,662	57,662	57,662	57,662
Share premium		313,653	313,653	313,653	313,653
General reserves		366,056	288,101	-	-
Share option reserve		319	319	319	319
Revaluation reserve		(1,694)	(1,834)	-	-
Retained earnings/(Accumulated losses)		1,664,875	1,499,556	(165,909)	(234,902)
Equity attributable to equity holders of the Company		2,400,871	2,157,457	205,725	136,732
Non-controlling interests		529,197	412,229	-	-
Total equity		2,930,068	2,569,686	205,725	136,732
Total liabilities and equity		8,307,283	7,629,095	1,486,761	1,342,457

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.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FULL YEAR ENDED 31 DECEMBER 2024

(RMB'000)	Actual (WITH financial effects of Convertible Bonds)	
	Full year ended	
	31 December 2024 (Unaudited)	31 December 2023 (Audited)
Operating activities		
Profit before income tax	339,615	343,701
Adjustments for:		
Depreciation of property, plant and equipment	51,334	48,154
Depreciation of right-of-use assets	6,954	6,149
Amortisation of intangible assets	212,541	187,276
Gain on disposal of right-of-use asset	-	(264)
Impairment allowance on inventories, net of allowance	-	(1,251)
Interest expense	269,928	278,744
Exchange differences arising on foreign currency translation	(1,438)	330
Share of profit of associate	(6,522)	(5,062)
Prepayment for contract cost	-	(6,364)
Impairment allowance on property, plant and equipment	633	2,116
Loss on disposal of property, plant and equipment	1,310	572
Interest income	(6,006)	(6,753)
Reversal of other payable	(19,739)	-
Amortisation of contract cost	237	-
Increase in provision for impairment loss on trade and other receivables subject to ECL, net	128,349	17,197
Exchange gain on convertible bonds	31,347	14,895
Operating cash flows before movements in working capital	1,008,543	879,440
Trade receivables	(188,565)	(181,451)
Financial assets at fair value through other comprehensive income	(37,637)	14,323
Other receivables, deposits and prepayments	66,273	87,448
Inventories	(28,983)	38,538
Trade payables, other payables and contract liabilities	80,895	(111,325)
Cash generated from operations	900,526	726,973
Income tax paid	(126,378)	(87,489)
Interest paid	(157,872)	(183,018)
Interest income	6,006	6,753
Net cash generated from operating activities	622,282	463,219
Investing activities		
Purchase of property, plant and equipment	(19,213)	(48,121)
Prepayment for build-operate-transfer ("BOT") projects	(14,770)	(33,125)
Acquisition of intangible assets	(142,143)	(343,984)
Proceeds from disposal of property, plant and equipment	38	116
Acquisition of non-controlling interest	(11,708)	-
Proceeds from disposal of subsidiaries	-	1,400
Net cash used in investing activities	(187,796)	(423,714)
Financing activities		
Proceeds from new borrowings	1,726,655	1,085,072
Repayment of borrowings	(1,447,209)	(1,044,721)
Pledged bank deposits	(128,285)	44,066
Payment of other financing activity expenses	(15,331)	-
Payment of dividends to non-controlling interest of a subsidiary	(2,000)	-
Payment of dividends	-	(5,528)
Repayment of lease liabilities	(1,357)	(1,490)
Interest paid	(36,202)	(39,082)
Net cash generated from financing activities	96,271	38,317
Net increase in cash and cash equivalents	530,757	77,822
Cash and cash equivalents at beginning of year	663,090	585,268
Cash and cash equivalents at end of year	1,193,847	663,090

(RMB'000)	Actual (WITHOUT financial effects of Convertible Bonds)	
	Full year ended	
	31 December 2024 (Unaudited)	31 December 2023 (Audited)
Operating activities		
Profit before income tax	469,170	447,893
Adjustments for:		
Depreciation of property, plant and equipment	51,334	48,154
Depreciation of right-of-use assets	6,954	6,149
Amortisation of intangible assets	212,541	187,276
Gain on disposal of right-of-use asset	-	(264)
Impairment on inventories, net of allowance	-	(1,251)
Interest expense	171,720	189,447
Exchange differences arising on foreign currency translation	(1,438)	330
Share of profit of associate	(6,522)	(5,062)
Prepayment for contract cost	-	(6,364)
Impairment on property, plant and equipment	633	2,116
Reversal of other payable	(19,739)	-
Amortisation of contract cost	237	-
Loss on disposal of property, plant and equipment	1,310	572
Interest income	(6,006)	(6,753)
Increase in provision for impairment loss on trade and other receivables subject to ECL, net	128,349	17,197
Operating cash flows before movements in working capital	1,008,543	879,440
Trade receivables	(188,565)	(181,451)
Financial assets at fair value through other comprehensive income	(37,637)	14,323
Other receivables, deposits and prepayments	66,273	87,448
Inventories	(28,983)	38,538
Trade payables, other payables and contract liabilities	80,895	(111,325)
Cash generated from operations	900,526	726,973
Income tax paid	(126,378)	(87,489)
Interest paid	(157,872)	(183,018)
Interest income	6,006	6,753
Net cash generated from operating activities	622,282	463,219
Investing activities		
Purchase of property, plant and equipment	(19,213)	(48,121)
Prepayment for build-operate-transfer ("BOT") projects	(14,770)	(33,125)
Acquisition of intangible assets	(142,143)	(343,984)
Proceeds from disposal of property, plant and equipment	38	116
Acquisition of non-controlling interest	(11,708)	-
Proceeds from disposal of subsidiaries	-	1,400
Net cash used in investing activities	(187,796)	(423,714)
Financing activities		
Proceeds from new borrowings	1,726,655	1,085,072
Repayment of borrowings	(1,447,209)	(1,044,721)
Pledged bank deposits	(128,285)	44,066
Payment of other financing activity expenses	(15,331)	-
Payment of dividends to non-controlling interest of a subsidiary	(2,000)	-
Payment of dividends	-	(5,528)
Repayment of lease liabilities	(1,357)	(1,490)
Interest paid	(36,202)	(39,082)
Net cash generated from financing activities	96,271	38,317
Net increase in cash and cash equivalents	530,757	77,822
Cash and cash equivalents at beginning of year	663,090	585,268
Cash and cash equivalents at end of year	1,193,847	663,090

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FULL YEAR ENDED 31 DECEMBER 2024

Actual (WITH financial effects of Convertible Bonds)									
Group	Share capital	Share premium	General reserves	Share option reserve	Fair value reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1 January 2023	57,662	313,653	239,681	319	(1,706)	1,120,715	1,730,324	319,525	2,049,849
<u>Total comprehensive income for the year</u>									
Profit for the year	-	-	-	-	-	175,772	175,772	92,710	268,482
Other comprehensive loss for the year	-	-	-	-	(128)	-	(128)	(6)	(134)
Total	-	-	-	-	(128)	175,772	175,644	92,704	268,348
<u>Transactions with owners, recognised directly in equity</u>									
Dividend paid	-	-	-	-	-	(5,528)	(5,528)	-	(5,528)
Transfer to general reserves	-	-	47,737	-	-	(47,737)	-	-	-
Disposal of subsidiary	-	-	683	-	-	(683)	-	-	-
Total	-	-	48,420	-	-	(53,948)	(5,528)	-	(5,528)
Balance as at 31 December 2023	57,662	313,653	288,101	319	(1,834)	1,242,539	1,900,440	412,229	2,312,669
<u>Total comprehensive income for the year</u>									
Profit for the year	-	-	-	-	-	119,437	119,437	124,975	244,412
Other comprehensive gain/("loss") for the year	-	-	-	-	140	-	140	(17)	123
Total	-	-	-	-	140	119,437	119,577	124,958	244,535
<u>Transactions with owners, recognised directly in equity</u>									
Dividends paid	-	-	-	-	-	-	-	(2,000)	(2,000)
Acquisition of non-controlling interests	-	-	(5,718)	-	-	-	(5,718)	(5,990)	(11,708)
Transfer to general reserves	-	-	83,673	-	-	(83,673)	-	-	-
Total	-	-	77,955	-	-	(83,673)	(5,718)	(7,990)	(13,708)
Balance as at 31 December 2024	57,662	313,653	366,056	319	(1,694)	1,278,303	2,014,299	529,197	2,543,496

Actual (WITHOUT financial effects of Convertible Bonds)

<u>Group</u>	Share capital	Share premium	General reserves	Share option reserve	Fair value reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1 January 2023	57,662	313,653	239,681	319	(1,706)	1,273,540	1,883,149	319,525	2,202,674
<u>Total comprehensive income for the year</u>									
Profit for the year	-	-	-	-	-	279,964	279,964	92,710	372,674
Other comprehensive loss for the year	-	-	-	-	(128)	-	(128)	(6)	(134)
Total	-	-	-	-	(128)	279,964	279,836	92,704	372,540
<u>Transactions with owners, recognised directly in equity</u>									
Dividend paid	-	-	-	-	-	(5,528)	(5,528)	-	(5,528)
Transfer to general reserves	-	-	47,737	-	-	(47,737)	-	-	-
Disposal of subsidiary	-	-	683	-	-	(683)	-	-	-
Total	-	-	48,420	-	-	(53,948)	(5,528)	-	(5,528)
Balance as at 31 December 2023	57,662	313,653	288,101	319	(1,834)	1,499,556	2,157,457	412,229	2,569,686
<u>Total comprehensive income for the year</u>									
Profit for the year	-	-	-	-	-	248,992	248,992	124,975	373,967
Other comprehensive loss for the year	-	-	-	-	140	-	140	(17)	123
Total	-	-	-	-	140	248,992	249,132	124,958	374,090
<u>Transactions with owners, recognised directly in equity</u>									
Dividends paid	-	-	-	-	-	-	-	(2,000)	(2,000)
Acquisition of non-controlling interests	-	-	(5,718)	-	-	-	(5,718)	(5,990)	(11,708)
Transfer to general reserves	-	-	83,673	-	-	(83,673)	-	-	-
Total	-	-	77,955	-	-	(83,673)	(5,718)	(7,990)	(13,708)
Balance as at 31 December 2024	57,662	313,653	366,056	319	(1,694)	1,664,875	2,400,871	529,197	2,930,068

Actual (WITH financial effects of Convertible Bonds)

<u>Company</u>	Share capital	Share premium	Share option reserve	Retained earnings	Equity attributable to equity holders of the Company	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at January 1, 2023	57,662	313,653	319	(346,794)	24,840	24,840
Loss for the year, representing total comprehensive loss for the year	-	-	-	(139,590)	(139,590)	(139,590)
<u>Transactions with owners, recognised directly in equity</u>						
Dividend paid	-	-	-	(5,528)	(5,528)	(5,528)
Total	-	-	-	(145,118)	(145,118)	(145,118)
Balance as at December 31, 2023	57,662	313,653	319	(491,912)	(120,278)	(120,278)
Loss for the year, representing total comprehensive loss for the year	-	-	-	(60,562)	(60,562)	(60,562)
Balance as at December 31, 2024	57,662	313,653	319	(552,474)	(180,840)	(180,840)

Actual (WITHOUT financial effects of Convertible Bonds)

<u>Company</u>	Share capital	Share premium	Share option reserve	Retained earnings	Equity attributable to equity holders of the Company	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at January 1, 2023	57,662	313,653	319	(193,975)	177,659	177,659
Loss for the year, representing total comprehensive loss for the year	-	-	-	(35,399)	(35,399)	(35,399)
<u>Transactions with owners, recognised directly in equity</u>						
Dividend paid	-	-	-	(5,528)	(5,528)	(5,528)
Total	-	-	-	(40,927)	(40,927)	(40,927)
Balance as at December 31, 2023	57,662	313,653	319	(234,902)	136,732	136,732
Profit for the year, representing total comprehensive income for the year				68,993	68,993	68,993
Balance as at December 31, 2024	57,662	313,653	319	(165,909)	205,725	205,725

Notes to Condensed Financial Statements

1. Corporate Information

The Company is incorporated in Bermuda, under the Companies Act 1981 of Bermuda, with its registered office at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda and principal place of business at No. 2111 Chengxin Road, Nanjing Jiangning Science Park, Nanjing, China 211112. The Company is listed on the Singapore Exchange Securities Trading Limited. The condensed financial statements are presented in Chinese Renminbi (“RMB”), which is the functional currency of the Company, and all figures are expressed in thousands unless stated otherwise.

The Group is an environmental protection specialist involved in the investment, development and operation of Green Investments (“GI”) projects in the anti-smog sector. As the Group’s value creator and growth driver, GI business invests in and operates centralised facilities that supply industrial steam, electricity and heating.

2. Basis of Preparation

The condensed financial statements for the six months and full year ended 31 December 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements for the year ended 31 December 2023.

At the end of the reporting period, the Group’s current liabilities exceeded its current assets by RMB 823,570,000 due to the reclassification of convertible bonds (“CBs”) from non-current to current liabilities as the convertible bonds mature in April 2025. Had the convertible bonds remained non-current, the Group’s current assets would have exceeded its current liabilities by RMB 256,741,000.

The Board of Directors believes the Group has sufficient operating cash inflow to meet its current liabilities as they come due, excluding the convertible bonds maturing in April 2025. The Group has entered to an alternative redemption arrangement which shall apply in lieu of the redemption mechanism as set out in the terms and conditions (the “Terms and Conditions”) of the existing bonds with effect from the date thereof (the “2024 Alternative Redemption Agreement”). Further details are disclosed on page 35.

The Group has consistently applied the same accounting policies and methods of computation for the current reporting period compared with the audited financial statements for the year ended 31 December 2023.

2. Basis of Preparation (Cont'd)

2.1. Adoption of New and Revised Financial Standards

Effective for annual periods beginning on or after 1 January 2025

- Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to SFRS(I) 1-21: *Lack of Exchangeability*
- SFRS(I) 18: *Presentation and Disclosure in Financial Statements*
- Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Instruments*
- Amendments to SFRS(I) 9 and SFRS(I) 7: *Contracts Referencing Nature-dependent Electricity*

Management anticipates that the adoption of the above amendments to SFRS(I) in future periods will not have a material impact on the financial statements in the period of their initial adoption.

2.2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements for the year ended 31 December 2023.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

There are no critical judgements in applying the Group's accounting policies, apart from those involving estimations.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

2. Basis of Preparation (Cont'd)

2.3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Cont'd)

a) Service concession arrangement

Under SFRS(I) INT 12 Service Concession Arrangements, revenue and cost are recognised during the construction phase based on the output method; and during the subsequent operating of facilities and supplying of steam and electricity. Intangible assets arise from cost incurred during the construction phase which are projected to be recoverable during the operating period. Significant estimates and judgement include the following:

- Projection of total revenue which can be billed to end users during the operating period.
- Evaluation of estimated profit margins for each of the construction and operating phases.
- Allocation of revenue between the construction and service elements of the project.
- Recoverable amount of intangible assets which represent cost recoverable from future operations.

Management has evaluated all aspects of the above estimates and considered that the estimates of intangible assets and recognition of revenue and cost from the construction phase to be best estimates; and that the intangible assets will be recoverable. The revenue from service concession arrangements is disclosed in Note 4 to the financial statements.

b) Calculation of loss allowance

When measuring expected credit losses ("ECL"), the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Based on the most current assessment, management is of the view that the loss allowances made for trade receivables and other receivables are adequate and the carrying amount of the trade receivables and other receivables as disclosed in Note 10 of the financial statements are recoverable.

2. Basis of Preparation (Cont'd)

2.2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Cont'd)

c) Recoverable amounts of inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of selling expenses.

Slow moving or aged inventories are identified by management. This is followed by an assessment of sales or usage prospects and a comparison of estimated net realisable values with carrying cost. Allowance is made for cost of inventories which are not expected to be recovered through usage or sales. Physical counts of inventories are carried out on a periodic basis and any identified defective inventory are written off.

Based on the most current assessment, management is of the view that the allowances made for inventories are adequate and the carrying amount of the inventories as disclosed in Note 11 to the financial statements is recoverable.

d) Fair value measurement of convertible bonds

Due to the amendment agreement as disclosed in Note 15 to the financial statements, the bond has been assessed to be substantially modified and hence it will be accounted for as an extinguishment of the original liability and recognition of the new liability and the convertible feature will be classified as equity. The initial carrying amount of the convertible bonds is allocated to its equity and liability components, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component.

Management engaged a third-party qualified valuer to perform the valuation and works closely with the valuer to determine the appropriate valuation techniques and inputs for the valuation. In estimating the fair value of the entire convertible bonds and debt host, market-observable data is used to the extent it is available. Where Level 1 inputs are not available, management establishes inputs that are appropriate to the circumstances.

2. Basis of Preparation (Cont'd)

2.2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Cont'd)

e) Impairment of goodwill

As disclosed in Note 13, the recoverable amounts of the cash-generating units which goodwill has been allocated to are determined based on value in use calculations. The value in use calculations are based on a discounted cash flow models. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value in use are disclosed in Note 13 to the financial statements.

3. Seasonality of Interim Operations

Demand for industrial steam is not impacted significantly by cyclical factors while central heating is affected by seasonal differences in the weather. In general, peak sales of central heating occur in the winter months. Please note that the Group's financial results should be viewed on a 12-month basis to arrive at a balance perspective.

4. Disaggregation of Revenue

A disaggregation of the Group's revenue is presented below as follows:

	Six months ended		Full year ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or services:				
Provision of utilities	1,629,255	1,637,109	3,251,235	3,199,517
Sales of goods	32,137	22,021	65,269	62,009
Revenue from service concession agreements	106,827	107,011	188,680	141,538
Total revenue	1,768,219	1,766,141	3,505,184	3,403,064
Timing of revenue recognition:				
<u>At a point of time:</u>				
Provision of utilities	1,629,255	1,637,109	3,251,235	3,199,517
Sales of goods	32,137	22,021	65,269	62,009
<u>Over time:</u>				
Revenue from service concession agreements	106,827	107,011	188,680	141,538
Total revenue	1,768,219	1,766,141	3,505,184	3,403,064
Geographic information:				
PRC	1,768,219	1,766,141	3,505,184	3,403,064
Total revenue	1,768,219	1,766,141	3,505,184	3,403,064

5. Other operating income

(RMB'000)	Actual (WITH financial effects of Convertible Bonds)						Actual (WITHOUT financial effects of Convertible Bonds)					
	Six months ended			Full year ended			Six months ended			Full year ended		
	31 December 2024	31 December 2023	% change	31 December 2024	31 December 2023	% change	31 December 2024	31 December 2023	% change	31 December 2024	31 December 2023	% change
Government grants	4,043	3,127	29.3%	7,946	9,669	(17.8%)	4,043	3,127	29.3%	7,946	9,669	(17.8%)
Interest income	3,427	4,230	(19.0%)	6,006	6,753	(11.1%)	3,427	4,230	(19.0%)	6,006	6,753	(11.1%)
Government rebates	2	321	(99.4%)	155	345	(55.1%)	2	321	(99.4%)	155	345	(55.1%)
Gain on disposal of plant and equipment	87	454	(80.8%)	87	454	(80.8%)	87	454	(80.8%)	87	454	(80.8%)
Gain on carbon emission quota	13,403	-	100.0%	27,382	-	100.0%	13,403	-	100.0%	27,382	-	100.0%
Reversal of other payable	19,739	-	100.0%	19,739	-	100.0%	19,739	-	100.0%	19,739	-	100.0%
Others	64	2,572	(97.6%)	626	2,807	(77.7%)	64	2,572	(97.6%)	626	2,807	(77.7%)
Total	40,765	10,704	280.8%	61,941	20,028	209.3%	40,765	10,704	280.8%	61,941	20,028	209.3%

Note: There is no difference for other operating income with and without financial effects of Convertible Bonds for the six months and full year ended 31 December 2024.

6. Profit before Income Tax

(RMB'000)	Actual (WITH financial effects of Convertible Bonds)						Actual (WITHOUT financial effects of Convertible Bonds)					
	Six months ended			Full year ended			Six months ended			Full year ended		
	31 December 2024	31 December 2023	% change	31 December 2024	31 December 2023	% change	31 December 2024	31 December 2023	% change	31 December 2024	31 December 2023	% change
Depreciation of property, plant and equipment	20,979	17,665	18.8%	51,334	48,154	6.6%	20,979	17,665	18.8%	51,334	48,154	6.6%
Depreciation of right-of-use assets	1,231	2,872	(57.1%)	6,954	6,149	13.1%	1,231	2,872	(57.1%)	6,954	6,149	13.1%
Amortisation of intangible assets	116,487	101,471	14.8%	212,541	187,276	13.5%	116,487	101,471	14.8%	212,541	187,276	13.5%
Increase in provision for impairment loss on trade and other receivables subject to ECL, net	118,770	17,073	595.7%	128,349	17,197	646.3%	118,770	17,073	595.7%	128,349	17,197	646.3%
Gain on disposal of right-of-use assets	-	(264)	(100.0%)	-	(264)	(100.0%)	-	(264)	(100.0%)	-	(264)	(100.0%)
Reversal of other payable	(19,739)	-	100.0%	(19,739)	-	100.0%	(19,739)	-	100.0%	(19,739)	-	100.0%
Amortisation of contract cost	237	-	100.0%	237	-	100.0%	237	-	100.0%	237	-	100.0%
Impairment on property, plant and equipment	-	2,116	(100.0%)	633	2,116	(70.1%)	-	2,116	(100.0%)	633	2,116	(70.1%)
Loss on disposal of property, plant and equipment and intangible assets	1,128	572	97.2%	1,310	572	129.0%	1,128	572	97.2%	1,310	572	129.0%
Foreign exchange loss/(gain) - net	24,017	(18,799)	(227.8%)	29,909	15,225	96.4%	(1,628)	703	(331.6%)	(1,438)	330	(535.8%)
Finance costs	133,351	139,844	(4.6%)	269,928	278,744	(3.2%)	82,907	93,125	(11.0%)	171,720	189,447	(9.4%)
Fair value changes on convertible bonds	-	(3,782)	(100.0%)	-	-	-	-	-	-	-	-	-

7. Income Tax Expense

Income tax recognised in profit or loss:

	Six months ended		Full year ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	RMB'000	RMB'000	RMB'000	RMB'000
<i>Tax expense comprises:</i>				
Current tax expense	73,258	46,748	137,646	85,458
Deferred tax	(35,948)	(13,741)	(42,443)	(10,239)
Total tax expense	37,310	33,007	95,203	75,219

8. Related Party Transactions

Related parties comprise entities over which two of the Company's directors have significant influence or control, and non-controlling shareholders of partially held subsidiaries.

Significant related party transactions:

	Group	
	31 December 2024	31 December 2023
	RMB'000	RMB'000
Rental expense	1,235	1,895
Purchase construction services	-	13,325
Provision of catering services in staff canteen	-	4,465
Purchase of catering services	525	122
Reversal of other payable	19,739	-

9. Dividends

In 2023, a first and final dividend of S\$0.0013 per ordinary share totalling \$1,034,000 (equivalent to RMB5,527,998) was paid to shareholders.

There was no dividend declared or paid in 2024.

10. Trade Receivables

	Group	
	As at 31 December 2024	As at 31 December 2023
	RMB'000	RMB'000
Outside parties	1,074,421	821,165
Related parties	-	60
Loss allowance	(195,436)	(8,192)
Total	878,985	813,033

10. Trade Receivables (Cont'd)

Loss allowance for trade receivables and contract assets has always been measured at an amount equal to lifetime expected credit losses ("ECL"). In 2024, the Group separated the ECL of trade receivables by two categories between traditional business (such as steam, heating and power generation), and power subsidy from biomass generation, as the risk profiles and business model differ. As the recovery rule of biomass subsidy differs from the receivables attributable to the Group's traditional business (the settlement of the biomass power subsidies being mainly based on the prevailing national policies set by the Ministry of Finance of the PRC without a contractual payment plan), the Group adopted different estimating rates for ECL allowance for the biomass subsidy receivables generated by the Group's business of biomass power.

The ECL on trade receivables from traditional business and contract assets are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The ECL on biomass subsidy receivables are estimated with reference to the probability of default and loss given default benchmarks obtained from public credit rating agencies. The Group monitors changes in credit risk by tracking published external credit ratings, and reviews the rationality of biomass power subsidy ECL provision ratio regularly according to the recovery status.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

The following table in the next page details the risk profile of biomass subsidy receivable, trade receivables from traditional business and contract assets based on the Group's provision matrix.

10. Trade Receivables (Cont'd)

	Group						Total
	< 6 months	7 – 12 months	1 – 2 years	2 – 3 years	3 – 4 years	> 4 years	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
As at 31 December 2024							
Biomass subsidy receivable:							
Expected credit loss rate	4%	4%	4%	4%	4%	4%	
Estimated total gross carrying amount at default	69,506	63,583	143,143	103,290	43,630	24,340	447,492
Lifetime ECL	(2,780)	(2,543)	(41,756)	(103,290)	(42,937)	(974)	(194,280)
							253,212
Others:							
Expected credit loss rate	0%	0% - 5%	0% - 12.5%	1.5% - 50%	12.5% - 75%	50%-100%	
Estimated total gross carrying amount at default	579,738	32,525	13,544	-	-	1,122	626,929
Lifetime ECL	-	-	(34)	-	-	(1,122)	(1,156)
							625,773
Total:							
Expected credit loss rate	0% - 4%	0% - 5%	0% - 12.5%	1.5% - 50%	12.5% - 75%	50%-100%	
Estimated total gross carrying amount at default	649,244	96,108	156,687	103,290	43,630	25,462	1,074,421
Lifetime ECL	(2,780)	(2,543)	(41,790)	(103,290)	(42,937)	(2,096)	(195,436)
							878,985
As at 31 December 2023							
Biomass subsidy receivable:							
Expected credit loss rate	0%	0% - 5%	0% - 12.5%	1.5% - 50%	12.5% - 75%	50%-100%	
Estimated total gross carrying amount at default	72,778	69,863	103,259	16,901	16,219	2,892	281,912
Lifetime ECL	-	-	(259)	(1,056)	(4,055)	(2,169)	(7,539)
							274,373
Others:							
Expected credit loss rate	0%	0% - 5%	0% - 12.5%	1.5% - 50%	12.5% - 75%	50%-100%	
Estimated total gross carrying amount at default	535,118	3,216	198	268	-	513	539,313
Lifetime ECL	-	-	-	(268)	-	(385)	(653)
							538,660
Total:							
Expected credit loss rate	0%	0% - 5%	0% - 12.50%	1.50% - 50%	12.50% - 75%	50% - 100%	
Estimated total gross carrying amount at default	607,896	73,079	103,457	17,169	16,219	3,405	821,225
Lifetime ECL	-	-	(259)	(1,324)	(4,055)	(2,554)	(8,192)
							813,033

10. Trade Receivables (Cont'd)

The table below shows the movement in lifetime ECL that has been recognised for trade receivables and contract assets in accordance with the simplified approach set out in SFRS(I) 9:

<u>Group</u>	Lifetime ECL credit-impaired		Total
	Individually assessed	Collectively assessed	
	RMB'000	RMB'000	RMB'000
Balance as at January 1, 2023	268	1,383	1,651
Change in loss allowance due to deteriorating trade receivable ageing bucket, net of those derecognised due to settlement	-	6,541	6,541
Balance as at December 31, 2023	268	7,924	8,192
Change in loss allowance due to existing trade receivables originated	184,851	-	184,851
Change in loss allowance due to the recovery of trade receivables	-	(6,532)	(6,532)
Change in loss allowance due to deteriorating trade receivable ageing bucket, net of those derecognised due to settlement	-	9,193	9,193
Amounts written off	(268)	-	(268)
Balance as at December 31, 2024	184,851	10,585	195,436

11. Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of selling expenses.

Slow moving or aged inventories are identified by management. This is followed by an assessment of sales or usage prospects and a comparison of estimated net realisable values with carrying cost. Allowance is made for cost of inventories which are not expected to be recovered through usage or sales. Physical counts of inventories are carried out on a periodic basis and any identified defective inventory are written off.

	Group	
	As at 31 December 2024	As at 31 December 2023
	RMB'000	RMB'000
Raw materials and consumables	167,011	138,028

Inventories are stated net of allowance.

	Group	
	As at 31 December 2024	As at 31 December 2023
	RMB'000	RMB'000
Movements in allowance for inventories:		
At beginning of year	508	1,759
Write-off of allowance	-	(1,251)
Total	508	508

12. Financial Instruments

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The following table presented the financial assets and financial liabilities of the Group measured at fair value:

	Group		Fair value hierarchy
	As at 31 December 2024	As at 31 December 2023	
	RMB'000	RMB'000	
Financial assets at fair value through other comprehensive income - unquoted equity shares	2,577	2,142	Level 3
Financial assets at fair value through other comprehensive income - notes receivables	69,187	36,259	Level 3

13. Goodwill

Goodwill is allocated to each cash generating units (“CGU”) identified that are expected to benefit from the business combination. The carrying amounts of goodwill of each CGU are as follows:

	Group	
	As at 31 December 2024	As at 31 December 2023
	RMB'000	RMB'000
Hebei Changrun Environmental Ltd.	5,483	5,483
Qingdao Xinyuan Thermal Power Co., Ltd.	20,423	20,423
Zhangjiagang Yongxing Thermal Power Co., Ltd	309,863	309,863
Changshu Suyuan Thermal Power Co., Ltd	79,813	79,813
Total	415,582	415,582

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group’s cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the cash generating units, are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates and expected order book and direct costs during the period. Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the cash generating units. Expected order book and direct costs are based on past practices and expectations of future changes in the market.

The Group has assessed the subsidiaries’ financial performance and based on the impairment testing, the carrying amount of the goodwill as at 31 December 2024 was lower than the recoverable amount.

14. Borrowings

Amount repayable in one year or less, or on demand

(RMB'000)	As at 31 December 2024		As at 31 December 2023	
	Secured	Unsecured	Secured	Unsecured
Borrowings	1,643,812	10,000	1,191,484	-

Amount repayable after one year

(RMB'000)	As at 31 December 2024		As at 31 December 2023	
	Secured	Unsecured	Secured	Unsecured
Borrowings	2,008,960	-	2,191,842	-

Details of any collaterals:

<u>Collaterals</u>	31 December 2024	31 December 2023
	RMB'000	RMB'000
Secured by building, land use rights, and service concession arrangement and equipment, pledged bank deposit of the subsidiary	2,101,538	2,617,955
Guaranteed by the subsidiary	1,195,136	509,750
Secured by building, land use rights, and service concession arrangement and equipment of the subsidiary, and guaranteed by the Company	356,098	255,621

15. Convertible Bonds

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

Due to the amendment agreement, the bonds have been assessed to be substantially modified and hence it will be accounted for as an extinguishment of the original liability and recognition of the new liability and the convertible feature will be classified as equity. Management is of the view that the fair value of the revised CBs approximates the carrying amount of the previous CBs as the revised terms are negotiated with third party bondholders based on market terms. The Group had not adjusted for the fair value of the conversion feature as management is of the view that it is not material.

15. Convertible Bonds (Cont'd)

	Group	
	31 December 2024 RMB'000	31 December 2023 RMB'000
Debt host liability component, at amortised cost	1,080,311	973,845

	Group	
	31 December 2024 RMB'000	31 December 2023 RMB'000
CB1		
Nominal value of CB issued	757,856	757,856
Less: Transaction Costs	(26,342)	(26,342)
Net value of CB issued	731,514	731,514
Foreign exchange loss/(gain)	54,934	28,203
Cumulative interest accrued	679,425	591,750
Fair value gain on CB	(404,025)	(404,025)
Total	1,061,848	947,442
Less: Interest payables in accruals	(20,298)	(19,846)
Less: Interest paid to bondholders	(120,527)	(101,442)
Debt host component at end of year	921,023	826,154

	Group	
	31 December 2024 RMB'000	31 December 2023 RMB'000
CB2		
Nominal value of CB issued	138,285	138,285
Less: Transaction Costs	(15,000)	(15,000)
Net value of CB issued	123,285	123,285
Foreign exchange loss/(gain)	8,908	4,292
Cumulative interest accrued	86,195	75,662
Fair value gain on CB	(38,872)	(38,872)
Total	179,516	164,367
Less: Interest payables in accruals	(3,552)	(3,470)
Less: Interest paid to bondholders	(16,676)	(13,206)
Debt host component at end of year	159,288	147,691

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

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

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

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

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

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

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

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

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

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

Assuming that all the outstanding CB1s and CB2s have been converted using the fixed conversion price of S\$ 0.50 and S\$ 0.60 respectively and that all the share options granted have been exercised as at 31 December 2024, the maximum number of shares that may be issued as at 31 December 2024 is 359,379,000 ordinary shares (31 December 2023: 359,379,000 ordinary shares). The fully diluted shares (including treasury shares) as at 31 December 2024 and 31 December 2023 were 1,155,065,142 ordinary shares respectively.

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

	<u>As at 31 December 2024</u>	<u>As at 31 December 2023</u>
Total number of issued shares	795,686,142	795,686,142
Less: Total number of treasury shares	-	-
Total number of issued shares excluding treasury shares	<u>795,686,142</u>	<u>795,686,142</u>

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

Not applicable.

1d(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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

These figures have neither been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.**

The Group has consistently applied the same accounting policies and methods of computation in the Group’s financial statements for the current reporting period and year compared with the audited financial statements for the year ended 31 December 2023.

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

None.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**

(a) Based on the weighted average number of ordinary shares on issue; and

	Actual (WITH financial effects of Convertible Bonds)			
	Six months ended		Full year ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Net (loss)/profit attributable to equity holders of the Group (RMB'000)	(2,459)	129,843	119,437	175,772
Weighted average number of ordinary shares outstanding ('000)	795,686	795,686	795,686	795,686
(Loss)/Earnings per share – basic (RMB cents)	(0.31)	16.32	15.01	22.09

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

	Actual (WITHOUT financial effects of Convertible Bonds)			
	Six months ended		Full year ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Net profit attributable to equity holders of the Group (RMB'000)	73,630	153,278	248,992	279,964
Weighted average number of ordinary shares outstanding ('000)	795,686	795,686	795,686	795,686
Earnings per share – basic (RMB cents)	9.25	19.26	31.29	35.19

Basic (loss)/earnings per share for six months and full year ended 31 December 2024 and 31 December 2023 have been calculated based on the weighted average number of ordinary shares issued at 795,686,142 ordinary shares respectively.

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

	Actual (WITH financial effects of Convertible Bonds)			
	Six months ended		Full year ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Net (loss)/profit attributable to equity holders of the Group (RMB'000)	(2,459)	153,278	119,437	175,772
Weighted average number of ordinary shares outstanding ('000)	795,686	1,154,004	795,789	795,816
(Loss)/Earnings per share – diluted (RMB cents)	(0.31)	13.28	15.01	22.09

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

	Actual (WITHOUT financial effects of Convertible Bonds)			
	Six months ended		Full year ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Net profit attributable to equity holders of the Group (RMB'000)	73,630	153,278	248,992	279,964
Weighted average number of ordinary shares outstanding ('000)	795,789	795,816	795,789	795,816
Earnings per share – diluted (RMB cents)	9.25	19.26	31.29	35.18

Diluted (loss)/earnings per share for the above periods have been calculated by assuming the outstanding convertibles have been converted at S\$ 0.50 and S\$ 0.60 based on exercise prices of convertible bonds issued on 3 March 2017 and 15 October 2018 respectively, and that all share options granted have been exercised as at 31 December 2024. The warrants issued along with the CB2s have expired on 31 December 2020.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
- (a) **current financial period reported on; and**
- (b) **immediately preceding financial year.**

	Group			
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	<i>(WITH financial effects of Convertible Bonds)</i>		<i>(WITHOUT financial effects of Convertible Bonds)</i>	
Net asset value per share (RMB cents)	319.66	290.65	368.24	322.95

	Company			
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	<i>(WITH financial effects of Convertible Bonds)</i>		<i>(WITHOUT financial effects of Convertible Bonds)</i>	
Net (liability) / asset value per share (RMB cents)	(22.73)	(15.12)	25.86	17.18

The net asset value per share for 31 December 2024 and 31 December 2023 have been computed based on shareholders' equity as at these dates and the existing share capital of 795,686,142 ordinary shares as at 31 December 2024 and 31 December 2023 respectively.

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

The Group's performance for the full year ended 31 December 2024 ("FY2024") as compared with that of the full year ended 31 December 2023 ("FY2023")

Based on actual financial performance WITH financial effects of Convertible Bonds

Revenue

The Group's revenue is derived mainly from provision of utilities. The revenue increased by approximately RMB 102.1 million or 3.0% from RMB 3,403.1 million in FY2023 to RMB 3,505.2 million in FY2024. The increase is due mainly to the steam revenue, which accounts for a majority portion of the Group's recurring revenue and remains stable compared with the same period last year.

Gross Profit

Gross profit increased from RMB 831.6 million in FY2023 to RMB 892.8 million in FY2024 by approximately RMB 61.2 million or 7.4%, due mainly to the continued ramp up of the GI projects in response to the strong demand for clean industrial steam, the solid execution of the price adjustment mechanism, coal blending, continuous optimization of feedstock procurement strategy, the benefits generated by waste heat recovery, equipment technological upgrades, and the refined management of the GI projects that gave rise to further improvement in production efficiency.

Profit Before Income Tax

Profit before income tax decreased by approximately RMB 4.1 million or 1.2% from RMB 343.7 million in FY2023 to RMB 339.6 million in FY2024. The decrease was attributable mainly to the following factors:

- (a) Increase in other operating expense of RMB 111.6 million from RMB 23.0 million in FY2023 to RMB 134.6 million in FY2024 due mainly to an increase in provision for the allowance of biomass subsidy receivables as announced on 4 November 2024;
- (b) Increase of RMB 14.7 million or 96.4% from foreign exchange loss of RMB 15.2 million in FY2023 to foreign exchange loss of RMB 29.9 million in FY2024 due mainly to the depreciation of RMB against USD for the USD Convertible Bonds compared with last year; and
- (c) Increase in selling and distribution expenses of RMB 8.4 million or 11.8% from RMB 71.1 million in FY2023 to RMB 79.5 million in FY2024 due mainly to the increased sales of steam volume from projects.

The above-mentioned factors were offset by:

- (a) Increase in gross profit of RMB 61.2 million as explained above;
- (b) Increase of RMB 41.9 million or 209.3% of other operating income from RMB 20.0 million in FY2023 to RMB 61.9 million in FY2024, due mainly to the gain on carbon emission quota of RMB 27.4 generated in FY2024 compared with nil in FY2023;
- (c) Decrease in administrative expenses of RMB 17.2 million or 13.7% from RMB 124.8 million in FY2023 to RMB 107.7 million in FY2024, due mainly to the payment of agency fees related to the Convertible Bonds amendment signed in 2023 and the decrease in salaries compared with last year; and
- (d) Decrease in financial costs of RMB 8.8 million or 3.2% from RMB 278.7 million in FY2023 to RMB 269.9 million in FY2024, due mainly to the effective implementation of reduction of financing costs, including obtaining lower interest rate loans through structural adjustments and negotiating interest rate cuts with banks. To maintain a healthy working capital and minimize total financing costs, the Group has strategically utilised available financing facilities to draw down favorably priced short-term loans in FY2024.

Income Tax (Credit)/Expense

The income tax expense increased by RMB 20.0 million or 26.6% from RMB 75.2 million in FY2023 to RMB 95.2 million in FY2024.

Profit for the Financial Period

As a result of the above, the Group's net profit attributable to the equity holders decreased by RMB 56.3 million or 32.1% from RMB 175.8 million in FY2023 to RMB 119.4 million in FY2024. Excluding the impact of provision allowance for biomass subsidy receivables recognised in FY2024, the Group's net profit attributable to the equity holders would be RMB 199.5 million.

- (b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of the Group's Financial Position

Based on the statement of financial position WITH financial effects of Convertible Bonds

The Group's total current assets increased by approximately RMB 729.1 million or 36.7% from RMB 1,984.7 million as at 31 December 2023 to RMB 2,713.8 million as at 31 December 2024. The increase was due mainly to:

- (a) Increase in trade receivables of RMB 66.0 million being consistent with the increase in demand for the current period.

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

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

After the one-off provision for bad debts recognised in this financial year, the Group is of the view that the provision has fully reflected the potential loss arising from the above information received. By the end of this financial year, the outstanding balance of biomass subsidies (net of loss allowance) is RMB 253.2 million.

The new plant of Xintai Zhengda Project has been included in the Renewable Energy Power Generation Subsidy List and will receive feed-in tariff subsidies for the electricity generated by its biomass boiler in due course. As disclosed in "Supplementary Notice on Relevant Matters of Several Opinions on Promoting the Healthy Development of Non-hydro Renewable Energy Generation" dated September 2020: Biomass power generation projects will no longer enjoy central financial subsidy funds after 15 years from the date of grid connection or after 82,500 hours of reasonable utilisation throughout its lifecycle.

Tongshan Project's biomass power generation business obtained its grid connection permit in 2021 and has passed the confirmation of the provincial-level competent authorities. The project has passed the review and acceptance of the National Energy Administration (Jiangsu Supervision Office) and the Jiangsu Development & Reform Commission. It is now being reviewed by the National Renewable Energy Information Management Center.

During FY2024, the Group recovered biomass subsidies that were due for the old plant of Xintai Project, amounting to RMB 17.2 million, and will continue to closely follow up on the status of trade receivable for biomass power generation business.

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

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

While the Group managed to negotiate with the downstream users to shorten the payment cycle since last year following the normalisation of their operations, CES however recently adjusted its approval cycle for releasing payments from these downstream users to the Group, on account of managerial reasons. The management is aware of this and continues to diligently monitor the receivable turnover days.

Besides, the stronger-than-expected demand for steam by the downstream users was also the primary reason for the increased trade receivables of Shantou Project.

Approximately 67.3% and 22.4% of the trade receivables at 31 December 2023 and 31 December 2024 respectively were collected as at 31 January 2025, which were calculated based on the gross carrying amount of trade receivables. Loss allowances for trade receivables and contract assets are based on the expected credit loss model estimated by reference to past default experience of debtors, including historical and forward-looking information.

Collection efforts have been consistently maintained by the management through constant reminder to customers on their obligation including seeking legal action if necessary;

- (b) Increase in cash and cash equivalents of RMB 530.8 million as the Group reserved more funds for CB early redemption purpose;
- (c) Increase in pledged bank deposits of RMB 128.3 million as more collaterals were required for the credit facilities granted;
- (d) Increase in financial assets at fair value through other comprehensive income of RMB 32.9 million resulting mainly from addition in notes receivables held by the Group; and
- (e) Increase in inventories of approximately RMB 29.0 million due mainly to preparation for steam demand in the future.

The above-mentioned factors were offset by a decrease in other receivables, deposits and prepayment of RMB 57.7 million due mainly to the decrease in deductible input tax recoverable.

The Group's total non-current assets decreased by RMB 50.9 million or 0.9% from RMB 5,644.4 million as at 31 December 2023 to RMB 5,593.5 million as at 31 December 2024. The decrease was due mainly to:

- (a) Decrease in intangible assets of RMB 107.0 million due mainly to the amortization expenses for the year; and
- (b) Decrease in property, plant and equipment and right-of-use assets of RMB 26.4 million due mainly to the depreciation and amortisation expenses for the year.

The above-mentioned factors were offset by:

- (a) Increase in other receivables, deposits and prepayments of RMB 33.5 million due primarily to the increase in compensation receivable from the government of Xinyuan projects,
- (b) Increase in deferred tax assets of RMB 41.9 million due mainly to the increase of the loss allowance for biomass subsidies, and

- (c) Increase in investment in associates of RMB 6.5 million due primarily to the share of profit of associates in the year.

The Group's total current liabilities increased by RMB 1,605.8 million or 83.1% from RMB 1,931.5 million as at 31 December 2023 to RMB 3,537.4 million as at 31 December 2024, due mainly to the following:

- (a) Reclassification of Convertible Bonds amounting to RMB 1,080.3 million from non-current liabilities to current liabilities. Please refer to Section 8 Financial Effects of Convertible Bonds;
- (b) Increase in short-term borrowings of RMB 462.3 million due to replenishment of working capital for GI business. Concurrently, the Group is actively managing its financing structure by replacing some short-term loans with long-term loans; and
- (c) Increase in trade payables, other payable and contract liabilities of RMB 61.4 million, mainly as a result of increased payables for outstanding raw materials.

The Group's total non-current liabilities decreased by approximately RMB 1,158.5 million or 34.2% from RMB 3,384.9 million as at 31 December 2023 to RMB 2,226.4 million as at 31 December 2024. The decrease was due to:

- (a) Reclassification of Convertible Bonds from non-current liabilities to current liabilities. Please refer to Section 8 Financial Effects of Convertible Bonds; and
- (b) After offset by increased long-term loans for CB redemption purpose, decrease in long-term borrowings of RMB 182.9 million due primarily to payment of loans.

Review of the Group's cash flow statement

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

Net cash generated from operating activities amounted to approximately RMB 622.3 million in FY2024, due primarily to the following factors:

- (a) Increased working capital requirements due to the increase in trade receivables of RMB 188.6 million, increase in financial assets at fair value through other comprehensive income of RMB 37.6 million, decrease in other receivables and prepayments of RMB 66.3 million, increase in inventories of RMB 29.0 million and increase in trade payables, other payables and contract liabilities of RMB 80.9 million; and
- (b) Interest and tax paid of RMB 284.3 million in aggregate.

Net cash used in investing activities amounted to RMB 187.8 million due mainly to the purchase of property, plant and equipment of RMB 19.2 million, prepayment on BOT projects of RMB 14.8 million, expenditure on intangible assets of RMB 142.1 million and acquisition of non-controlling interest of RMB 11.7 million of Xintai Project.

Net cash generated from financing activities amounted to RMB 96.3 million due to proceeds from bank loans of RMB 1,726.7 million which is offset by repayment of bank loans of RMB 1,447.2 million, interest paid of RMB 36.2 million, increase in pledged bank deposit of RMB 128.3 million, payment of other financing activity expenses of RMB 15.3 million, and payment of dividend to non-controlling shareholder of RMB 2.0 million.

Use of Proceeds from Convertible Bonds

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

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

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

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

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

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

Use of Proceeds from Convertible Bonds (Cont'd)

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

On 20 December 2024, the Company and the existing bondholders has agreed to an alternative redemption arrangement which shall apply in lieu of the redemption mechanism as set out in the terms and conditions (the "Terms and Conditions") of the existing bond with effect from the date thereof (the "2024 Alternative Redemption Agreement"). Pursuant to the 2024 Alternative Redemption Agreement, the Company and the existing bondholders have mutually agreed that inter alia; the Company may redeem a portion of each Existing Bond at any time before seven business days prior to the Remaining Redemption Date. This partial redemption will be conducted on a pro rata basis at a price that includes the principal amount, accrued and unpaid interest, and a premium calculated to yield the Redemption YTM for the bondholder as specified in the agreement's terms and conditions. Furthermore, the Company is obligated to redeem the remaining outstanding principal amount of each Existing Bond on a date within fifteen business days after receiving the net proceeds from the CB Rights Issue, but no later than the Maturity Date. This redemption will also be at a price comprising the remaining principal amount, accrued and unpaid interest, and a premium designed to achieve the Redemption YTM for the bondholder as outlined in the Alternative Redemption Agreement³.

The net proceeds have been and will be utilised for the expansion and further investment into Green Investments business, including by way of BOT/BOO/TOT models of centralised steam and electricity projects and other environmental protection related projects. As at 31 January 2025, the Company has utilised an aggregate of US\$ 123.8 million of the net proceeds from Convertible Bonds as per the schedule below.

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

³ For the full details, please refer to the general announcement to shareholders that was released on 20 December 2024.

Use of Proceeds from Convertible Bonds (Cont'd)

Project	Use of Convertible Bonds Proceeds	Amount
Shantou	Project construction and equipment Procurement	US\$ 20.4 million (approximately RMB 132.6 million)
Liutuan	Registered capital	US\$ 0.8 million (approximately RMB 5.2 million)
Jining JVC	Installation of steam distribution pipeline	US\$ 1.6 million (approximately RMB 10.3 million)
Xinjiang	Registered capital	US\$ 1.4 million (approximately RMB 9.0 million)
Yingtian ⁽¹⁾	Registered capital	US\$ 0.1 million (approximately RMB 0.5 million)
Shandong Yangguang Institute	Purchase consideration of the acquisition	US\$ 4.3 million (approximately RMB 28.0 million)
Xinyuan Thermal Power	Purchase consideration of the acquisition	US\$ 13.1 million (approximately RMB 85.0 million)
Xintai Zhengda Thermoelectric	Purchase consideration of the acquisition and construction of new facilities	US\$ 22.0 million (approximately RMB 145.0 million)
Yongxing Thermal Power	Purchase consideration of the acquisition	US\$ 50.2 million (approximately RMB 325.5 million)
General	Administrative and general expenses for business expansion of Green Investment related business	US\$ 9.9 million (approximately RMB 64.6 million) ⁽²⁾
Total Convertible Bonds Proceeds utilised		US\$ 123.8 million (approximately RMB 805.7 million)

***Note:**

(1) Yingtian Sunpower Clean Energy Co., Ltd. was cancelled after the comprehensive evaluation of the Company.

(2) It consists of (a) RMB42.7 million of remuneration for the development and management teams of GI; (b) RMB20.3 million of pre-development expenses of GI projects, such as costs expended for pre-investment due diligence activities, including project inspection, valuation and audit fees, communication costs and travel expenses etc; (c) RMB1.5 million of purchase of fixed assets for development teams of GI business; and (d) RMB0.1 million of stamp duties for applicable GI transactions.

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

Each of the above utilisation of the proceeds from the Convertible Bonds is consistent with the intended use as disclosed in the Company's circular to shareholders.

Financial Effects of Convertible Bonds

Convertible Bonds were issued on 3 March 2017 and 15 October 2018 with the carrying amount of the Convertible Bonds currently stated at fair value as at 31 March 2017 and 15 October 2018 respectively. In accordance with SFRS(I), the financial effects on profit or loss associated with the issuance of compound financial instruments are as follow: (i) fair value change arising from the conversion option and (ii) amortised interest charge relating to the amortised cost liability component of the Convertible Bonds. The fair value change is an accounting treatment arising from the compliance with the accounting standards and has no cash flow effect and no financial impact on the performance targets in relation to the Convertible Bonds as stipulated in the Convertible Bonds Agreement stated in the circular dated 13 February 2017 and 21 August 2018 respectively. On 24 March 2023, the Group and the Investors entered into an amendment agreement (the "2023 Amendment Agreement") which extended the maturity date of the CBs by two years to 3 April 2025. The conversion price of convertible bonds will remain at S\$0.50 for CB1 and S\$0.60 for CB2 and will no longer be subject to the Group's performance target on adjusted profit after taxation and minority interests. Additionally, bondholders are entitled to a higher Total Internal Rate of Return at 10%.

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

The above mentioned related financial effects to the statement of profit or loss and other statements have no operational effect to the financial performance of the Group. Financial effects of Convertible Bonds consist of unrealised foreign exchange translation, amortised interest expense (inclusive of interest charges) and cumulative fair value gain/(loss) of Convertible Bonds. Excluding the financial effects of the Convertible Bonds, total net profit attributable to equity holders of the Company decreased by RMB 31.0 million or 11.1% from RMB 280.0 million in FY2023 to RMB 249.0 million in FY2024.

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 January 2025, China's Ministry of Finance expressed that China will implement a more proactive fiscal policy and launch a series of policies to promote the sustained recovery of the economy, following a stable year in 2024.⁴ In addition, the People's Bank of China made it clear that a moderately loose monetary policy will be implemented in 2025 to create a suitable environment for stable economic growth.⁵ The key tasks for 2025 include the vigorous boosting of consumption, improvement in investment efficiency, and expansion of domestic demand, building on the trend of continuous expansion and steady improvement in 2024.⁶

On the external front, however, the global economy has experienced economic shocks arising from geopolitical conflicts and inflation in the past few years and uncertainties and risks remain. Further, the resurgence of trade protectionism has cast a new shadow on the world economy⁷ following the imposition of a 10% additional tariff on US imports from China on 1 February 2025.⁸

In this context, the Group remains committed to solidifying the profitability of the GI business and enhancing the cash flows of the GI projects by continually ramping up the GI projects and further implementing refined management and operational practices. Additionally, the Group continues to adopt an agile approach to navigating through the macroeconomic uncertainties.

Pertaining to the existing Convertible Bonds with principal amount of approximately US\$130 million (the "existing CBs") which mature in April 2025, the Company remains focused on the redemption work.

In December 2024, the Company announced the undertaking of a Rights Issue to raise up to S\$99.6 million in aggregate principal amount of CBs convertible into up to 398.4 million new ordinary shares, with coupon interest rate of 7.0% per annum due in 2030 (the "CB Rights Issue"), and to undertake partial repayment of the existing CB through the current resources of the Group, namely bank borrowings. As at February 2025, total payments of approximately US\$67.75 million have been made to the existing bondholders, reducing the remaining outstanding principal amount of the existing CBs to US\$71.9 million. On 26 February 2025, the CB Rights Issue resolutions were approved by shareholders at the Special General Meeting. For complete information, please refer to the announcements made by the Company from 9 December 2024 to 26 February 2025.

The Group has contracts with governmental authorities from time to time. The terms of such contracts may be amended if mutually agreed by the parties thereto. The Company will make the relevant announcement(s) in due course.

⁴ https://www.gov.cn/zhengce/202501/content_6997969.htm

⁵ https://www.gov.cn/zhengce/202501/content_6996421.htm

⁶ <https://baijiahao.baidu.com/s?id=1822906861178382398&wfr=spider&for=pc>

⁷ <https://baijiahao.baidu.com/s?id=1823752096425137950&wfr=spider&for=pc>

⁸ <https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-imposes-tariffs-on-imports-from-canada-mexico-and-china/>

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

	<u>FY2024</u>	<u>FY2023</u>
Dividend Amount Per Share:	None	S\$0.0013 per ordinary shares
Par Value:	N/A	US\$ 0.01
Dividend Type:	N/A	Cash

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended by the Board of Directors of the Company for the full year ended 31 December 2024 after comprehensive consideration of the Group's capital requirements.

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

The Company's IPT general mandate expired on 28 April 2023. After carefully considering all the relevant factors, the Company did not renew the general mandate from shareholders for IPTs after 28 April 2023.

The transaction listed pertain to transaction performed under agreements that were entered into during the period in which the Company's IPT general mandate was in force, which was first adopted on 16 April 2021 and renewed on 27 May 2022 before it expired on 28 April 2023. By the nature of certain of these contracts, certain transactions may only accrue upon the satisfaction of certain milestones. Accordingly, such IPTs as approved under the prior IPT general mandate are presented as and when they are accrued. The IPTs for the full year ended 31 December 2024 are outlined as follows:

Name of Entity At Risk	Name of Interested Person	Nature of Relationship	Nature of Transaction	FY2024	
				Aggregate value of all interested person transactions for the full year ended 31 December 2024 (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) ⁽¹⁾ RMB'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual for the full year ended 31 December 2024 (excluding transactions less than \$100,000) ⁽²⁾ RMB'000
Jiangsu Sunpower Clean Energy Co., Ltd.	Nanjing Heye Conference Service Co., Ltd.	Associate of controlling shareholders	Fee payment for purchasing catering services	-	291
Sunpower Clean Energy Investment (Jiangsu) Co., Ltd.	Nanjing Heye Conference Service Co., Ltd.	Associate of controlling shareholders	Fee payment for purchasing catering services	-	234

Name of Entity At Risk	Name of Interested Person	Nature of Relationship	Nature of Transaction	FY2024	
				Aggregate value of all interested person transactions for the full year ended 31 December 2024 (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) ⁽¹⁾ RMB'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual for the full year ended 31 December 2024 (excluding transactions less than \$100,000) ⁽²⁾ RMB'000
Jiangsu Sunpower Clean Energy Co., Ltd.	Jiangsu Sunpower Technology Co., Ltd.	Associate of controlling shareholders	Lease of office buildings	-	1,235
Changshu Suyuan Thermal Power Co., Ltd.	Jiangsu Shengtai Energy Network Technology Co., Ltd. ⁽⁴⁾	Associate of controlling shareholders	Construction fee paid for Pipeline and Condensation Recovery Project	-	3,615 ⁽³⁾
Sunpower Group Ltd.	Sunpower Technology (Jiangsu) Co., Ltd	Associate of controlling shareholders	Reversal of other payable	19,739	-

Note:

- (1) The transactions listed in this column pertain to transactions that are non-mandated.
- (2) The transactions listed in this column pertain to transactions performed under agreements that were entered into during the period in which the Company's IPT general mandate was in force, which was first adopted on 16 April 2021 and renewed on 27 May 2022 before it expired on 28 April 2023. By the nature of certain of these contracts, certain transactions may only accrue upon the satisfaction of certain milestones. Accordingly, such IPTs as approved under the prior IPT general mandate are presented as and when they are accrued.
- (3) On 26 July 2022, Jiangsu Shengtai Energy Network Technology Co., Ltd. (the "pipeline company") has been disposed by Sunpower Technology (Jiangsu) Co., Ltd. to unrelated third parties, which are not interested person of the Group. As a result, transactions entered between the Group and the pipeline company on and from 26 July 2022 are no longer interested person transactions within the meaning of Chapter 9 of the Listing Manual. By the nature of certain of these contracts, certain transactions may only accrue upon the satisfaction of certain milestones. Accordingly, such IPTs as approved under the prior IPT general mandate are presented as and when they are accrued.
- (4) Jiangsu Shengtai Energy Network Technology Co., Ltd. was previously referred to as Jiangsu Sunpower Pipe-line Engineering Technology Co., Ltd

Voluntary Disclosure - Non-IPT for the full year ended 31 December 2024 as these contracts entered with respective parties were signed prior to 30 April 2021 (Disposal of Manufacturing & Services segment):

Name of Entity At Risk	Name of non-Interested Person	Nature of Relationship	Nature of Transaction	Aggregate value of all non-interested person transactions for the full year ended 31 December 2024 (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) RMB'000
Xintai Zhengda Thermoelectric Co., Ltd	Jiangsu Shengtai Energy Network Technology Co., Ltd.	Associate of controlling shareholders	Construction fee paid for heat engineering project	732
Qingdao Xinyuan Thermal Power Co., Ltd.	Jiangsu Shengtai Energy Network Technology Co., Ltd. ⁽¹⁾⁽²⁾	Associate of controlling shareholders	Construction fee paid for heat engineering project	10,139

Note:

(1) On 26 July 2022, Jiangsu Shengtai Energy Network Technology Co., Ltd. (the “pipeline company”) has been disposed of by Sunpower Technology (Jiangsu) Co., Ltd. to unrelated third parties, which are not interested persons of the Group. As a result, transactions entered between the Group and the pipeline company on and from 26 July 2022 are no longer interested person transactions within the meaning of Chapter 9 of the Listing Manual. By the nature of certain of these contracts, certain transactions may only accrue upon the satisfaction of certain milestones. Accordingly, such IPTs as approved under the prior IPT general mandate are presented as and when they are accrued.

(2) Jiangsu Shengtai Energy Network Technology Co., Ltd. was previously referred to as Jiangsu Sunpower Pipe-line Engineering Technology Co., Ltd.

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

Not required.

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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

Please refer to Note 4 of Notes to Condensed Interim Financial Statements.

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

Please refer to Note 8 of Condensed Interim Financial Statements.

- 18. A breakdown of sales**

	Group		% change
	2024	2023	
	RMB'000	RMB'000	
(a) Sales reported for first half year	1,736,965	1,636,923	6.1%
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	197,646	81,636	142.1%
(c) Sales reported for second half year	1,768,219	1,766,141	0.1%
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	46,766	186,846	(75.0)%

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

(a) Ordinary

	FY2024		FY2023	
	S\$	RMB	S\$	RMB
Final dividends paid per share	N/A	N/A	0.0013	0.0069
Number of shares	795,686,142	795,686,142	795,686,142	795,686,142
Total	N/A	N/A	1,034,000	5,527,998

(b) Preference

Not applicable.

(c) Total

Please refer to paragraph 19(a).

- 20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(10) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company wishes to advise that none of the persons occupying managerial positions in the Company or any of its principal subsidiaries are related to a director, chief executive officer or substantial shareholder of the Company.

For and on behalf of the
Board of Directors of
SUNPOWER GROUP LTD.

Ma Ming
Executive Director and Chief Executive Officer

Yang Zheng
Lead Independent Director

BY ORDER OF THE BOARD

Ma Ming
Executive Director and Chief Executive Officer

27 February 2025