

CF ENERGY CORP.
Management's Discussion and Analysis
for the three-month and nine-month periods ended
September 30, 2023 and 2022

Dated November 28, 2023

Advisory

This Management's Discussion and Analysis ("MD&A") provides an analysis to enable readers to understand the financial position and operations of CF Energy Corp. (hereafter referred to as "CF Energy", "we" or the "Company") and its subsidiaries (collectively referred to as the "Group" or "our Group") as at and for the three-month and nine-month periods ended September 30, 2023. This information should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes for the three-month and nine-month periods ended September 30, 2023 and 2022 and the audited consolidated financial statements and related notes for the year ended December 31, 2022. "CF Energy" includes CF Energy Corp. and its subsidiaries, unless otherwise indicated. Additional information related to CF Energy is available on SEDAR at www.sedar.com or on its website at <http://www.cfenergy.com>.

The preparation of the audited consolidated financial statements in conformity with International Financial Reporting Standards ("IFRS") or Generally Accepted Accounting Practices ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosed contingent assets and liabilities at the date of the financial statements, and reported amounts of sales and expenses during the reporting period. CF Energy bases its estimates on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

This MD&A contains certain non-IFRS financial measures to assist users in assessing the Company's performance. Non-IFRS financial measures do not have any standard meaning prescribed by IFRS and may not be comparable to similar measures presented by other issuers. These measures are identified and described under the section "Non-IFRS Financial Measures".

Amounts are stated in Renminbi (RMB), the official currency of the People's Republic of China (the "PRC" or "China") and the functional currency of the principal operating subsidiaries of the Company in the PRC, and Canadian dollars (CAD) unless otherwise indicated.

Caution Regarding Forward-Looking Information

Certain statements in this MD&A may constitute "forward looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Group, or the industry in which they operate, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this MD&A, the words "estimate", "believe", "anticipate", "intend", "expect", "plan", "may", "should", "will", the negative thereof or other variations thereon or comparable terminology are intended to identify forward-looking statements. Such forward looking statements reflect the current expectations of the management of the Company with respect to future events based on currently available information and are subject to risks and uncertainties that could cause actual results, performance or achievements to differ materially from those expressed or implied by those forward looking statements, such as significant changes in market conditions, the inability of the Company to realize sales and the inability of the Company to attract sufficient financing and the risk factors summarized below under the heading "Risks and Uncertainties". New risk factors may arise from time to time and it is not possible for management of the Company to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance or achievements of the Company to be materially different from those expressed or implied in such forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements contained in this MD&A speak only as of the date hereof. The Company does not undertake or assume any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

Overview

CF Energy is a Canadian public company currently listed on the TSX Venture Exchange ("TSX-V") under the stock symbol "CFY". CF Energy is primarily involved in natural gas distribution and sustainable energy utilization, serving residential, commercial and industrial users as well as electric vehicle battery swap service in the PRC.

Our existing business model comprises three main segments:

- (i) Gas distribution utility segment, which comprises natural gas transmission and sales, including:
 - (a) Pipeline Natural Gas ("PNG") sales and Liquefied Natural Gas ("LNG") supply distribution sales and related service pipeline installation and connection sub-segments;
 - (b) Compressed natural gas ("CNG") vehicle refueling station; and
 - (c) Natural gas direct transmission;
- (ii) Integrated smart energy segment, which comprises the integrated smart energy system and integrated district energy distribution; and
- (iii) Smart mobility segment, which comprises the operation of electric vehicle ("EV") battery swap stations and trading of EV to designated customers.

Gas Distribution Utility Segment

Pipeline PNG Sales and LNG Supply Distribution Sales

Major pipeline PNG sales projects are based in Sanya City, Hainan Province, and Pingxiang City, Jiangxi Province. The Company has been granted a 30-year exclusive concession right (2007 to 2037) in Sanya City to operate the PNG sales as well as the construction and maintenance of the required facilities and pipelines which makes the Company the dominant participant in the Sanya PNG gas distribution market. The Company also distributes PNG to users in the ceramic industry base of Xiangdong District, Pingxiang City, Jiangxi Province under a 30-year distribution right (2010 to 2040) granted to its 40% owned associate.

CNG Vehicle Refueling

The Company operates two refueling stations respectively in Sanya City, Hainan Province, and Changsha City, Hunan Province which provide refueling services for vehicles such as household cars, taxicabs, buses and trucks. The Company offers two types of natural gas to customers for vehicle refueling: CNG and LNG.

Natural Gas Direct Transmission

This is the transportation of natural gas via the Company's 2.0 kilometers (1.4 miles) pipeline connecting the provincial natural gas trunk lines to the Gaoyao Combined Heat, Power and Cold Natural Gas Power Plant owned by Guangdong Datang International Zhaoqing Heat & Power Co., Ltd. in Zhaoqing City, Guangdong Province.

Integrated Smart Energy Segment

Currently, there are two projects under this segment, namely the integrated smart energy project (the "Haitang Bay Integrated Smart Energy Project") and the integrated district energy distribution project (the "Meishan Project").

The Haitang Bay Integrated Smart Energy Project

The Haitang Bay Integrated Smart Energy Project, which combines the use of multiple clean energy sources, including solar, hydro, electricity and natural gas (CCHP/Co-Gen), is to supply cooling, heating, as well as hot water to the hotels, shopping centers and households in the Haitang Bay area of Sanya City, Hainan Province, the PRC. This project is conducted through the Group's 70% held (30% held by the EDF Group) subsidiary company, EDF Changfeng (Sanya) Energy Co., Ltd. ("EDF CF") with an authorized capital of RMB119.1 million fully paid up in 2021. Under a 30-year concession right agreement (2017 to 2047), EDF CF has the right to build, own and operate the project in Haitang Bay, Hainan Province.

Management's Discussion and Analysis

For the three-month and nine-month periods ended September 30, 2023 and 2022

The Project has been recognized as a low-carbon energy utilization project in the tropical resort city of Sanya, Hainan Province, to provide air-conditioning with reduced emissions for public facilities in the Haitang Bay area. The Project will have four (4) central energy stations with 30km of district cooling and heating distribution networks when fully developed. Once fully implemented, the system will distribute cooling, heating and hot water to serve 3.5 million square meters of cooling space for commercial customers, including large-scale hotels, shopping malls, entertainment parks and buildings, hospitals and other commercial complexes. The Project uses an optimized multi-energy integration program to distribute cooling, heating and hot water to customers. The system will apply many advanced technologies, i.e. multi-level compressed high-efficient refrigeration units, "ice battery" technology, hydro heat pump technology, distributed photovoltaic technology and AI data management to provide a more efficient energy supply. The Project integrates advanced energy-saving technologies, such as ice storage and water-source heating pumping. It is expected to save about 30,000 tons of standard coal and reduce about 100,000 tons of carbon dioxide, sulfur dioxide and nitrogen oxide emissions every year once fully implemented.

Construction of the first energy station and the 31.318km of a doubled-lined pipeline for the integrated smart energy network has been completed and commenced commercial operation in September 2021. The first group of commercial customers includes the Sanya Edition Hotel, Fairmont Sanya Haitang Bay, Westin Sanya Haitang Bay Resort and China Taiping Qube Hotel. The Company has signed up ten (10) commercial customers in Haitang Bay as of the date of this MD&A. The first phase of the first energy station can provide services to 400,000 square meters of cooling space.

The Meishan Project

The Meishan Project is a joint investment, construction and operation of an integrated district energy distribution project in the New Economic Development Zone of Meishan City, Sichuan Province (the "Meishan New Economic Development Zone") to be operated by Meishan Hengtai Tianzhiyuan Energy Limited ("Meishan Hengtai"), a company which the Group holds an effective interest of 72%. The Meishan New Economic Development Zone, situated next to the central urban area of Meishan City, Sichuan Province, with a planned development area of 50.5 square kilometers, is to be the hub for manufacturers of drugs, supplements, medical equipment and other medical-related supplies. The year-round constant demand for steam is necessary to produce drugs which makes the Meishan New Economic Development Zone an ideal platform for integrated district energy distribution.

The project commenced trial operation in April 2021 and commercial operation officially in mid-May 2021 and has signed up twelve (12) commercial customers with seven (7) customers under service as of the date of this MD&A. Pipelines for the remaining five (5) customers are under construction. Trial operation is expected to commence in 2024.

The project is expected to significantly improve the district's energy consumption efficiency and reduce local air pollution in line with state policy as more customers connect to the program.

Smart Mobility Segment***EV Battery Swap Station***

The EV battery swap station business is a segment of the Group to build and operate battery swap service for electric vehicles. Two (2) EV battery swap stations in Sanya City commenced operation in August 2020 and January 2021 respectively to serve BAIC Qingxiang Technology Co., Ltd.'s ("BAIC QX") 200 swap-battery EVs for its network taxi hiring business (the "Network Taxis") currently operating in Sanya City and additional 200 EV Network Taxis planned for Hainan Province in the near term with Blue Valley Smart (Beijing) Energy Technology Co., Ltd. ("Blue Valley"). In September 2020, the Company and EDF (China) Holding Ltd. ("EDF (China)") jointly established Hainan EDF Huapu Smart Mobility Company Limited ("EDF Huapu SM"), a 70% owned company of the Group which signed an 8-year exclusive co-operating agreement with BAIC QX and Blue Valley to provide EV battery swap services in Haikou City, the provincial capital of Hainan Province. The first battery swap station in Haikou City commenced operation in August 2021 and the second station commenced operation in January 2022. Concurrently, a memorandum of understanding was also signed among the Company, EDF (China) and Blue Valley to jointly develop the battery swap project in Zhuhai City, Guangdong Province. The first battery swap station of Zhuhai City officially commenced operation in March 2022. The second station of Haikou City was relocated to Sanya City in April 2023 as the third station there to cope with the additional traffic of EV taxis in the city.

Following the acquisition of a 70% equity stake in the local Beihai City EV battery swap station operator, Beihai Brighton Road New Energy Ltd. (the "Beihai Company") in Beihai City, Gangxi Province in October 2022. The Beihai Company currently operates two (2) EV battery swap stations and has 344 registered active taxis as its EV battery swap users with an estimated 87 more battery swap EV taxis expected to be added in 2023 to a total of 431 taxis. There is a total of 600 taxis in Beihai City and our clientele accounts for approximately 72% of the market. All of the taxis in Beihai City are battery swap cars, only Beijing Electric Vehicle Co., Ltd. and Dongfeng Electric Vehicle Co., Ltd. are within the government's supplier list for taxis.

On September 14, 2023, Hainan Huapu Green Energy Investment Co., Ltd. ("Huapu Green Energy"), a wholly-owned subsidiary of the Group acquired the remaining 30% equity interest in EDF Huapu SM with a consideration of RMB13.2 million, determined based on negotiation and with reference to an independent valuation performed by an independent valuer. As a result, the Group's effective interest in EDF Huapu SM increased from 70% to 100%. Upon completion of acquisition, the name of EDF Huapu SM was changed to Hainan Huapu Smart Mobility Co., Ltd.

Results for the three-month and nine-month periods ended September 30, 2023

For the three-month period ended September 30, 2023, the Group reported a net profit from continuing operations of RMB8.2 million, an increase of RMB7.9 million from RMB0.3 million for the three-month period ended September 30, 2022. On a comparable basis, after excluding the fair value gain of RMB1.3 million (Third Quarter in 2022: RMB2.1 million) on the derivative financial instrument of the loan discharge agreement (see "Related Party Transactions" section on page 20 of this MD&A) and the recognition of share-based payment expenses RMB nil (Third Quarter in 2022: RMB0.2 million), the non-IFRS adjusted net profit from continuing operations for the three-month period ended September 30, 2023 was RMB6.9 million, an increase of RMB8.5 million, or 519% from an adjusted net loss of RMB1.6 million as reported for the three-month period ended September 30, 2022.

For the nine-month period ended September 30, 2023, the Group reported net profit from continuing operations of RMB28.5 million, an increase of RMB15.8 million, or 125%, from RMB12.7 million for the nine-month period ended September 30, 2022. On a comparable basis, after excluding fair value gain of RMB6.0 million (Nine Months in 2022: RMB12.8 million) on derivative financial instrument of loan discharge agreement (see "Related Party Transactions" section on page 20 of this MD&A), recognition of share-based payments of RMB nil (Nine Months in 2022: RMB0.5 million), and a non-recurring government financial assistance of RMB0.8 million (Nine Months in 2022: RMB nil) from the local government of Haikou City to subsidize infrastructure of EV station in the city, the non-IFRS adjusted net gain from continuing operations for the nine-month period ended September 30, 2023 was RMB21.7 million, an increase of RMB21.4 million from adjusted net profit of RMB0.4 million as reported for the nine-month period ended September 30, 2022.

Major Highlight for the three-month period ended September 30, 2023 and up to the date of this MD&A

Gas Selling Price Adjustment

The Group's natural gas business is a price-regulated industry in China, where its business and operations are susceptible to risks associated with government pricing policy and regulation changes. The Group needs to enter into discussions and negotiations with local governments on pricing from time to time. Over the past years, the Group had been able to increase the selling price several times. In July 2020, as the government natural gas price regulating body in Sanya City, the Sanya City Development and Reform Commission ("SYDRC") finalized the City's natural gas utility pricing formula adjustment (the "Pricing Formula"), which is based on and adjusted with reference to the pricing formula adjustment of the gas purchase price (the "Gas Purchasing Price") plus gas distribution cost became the guideline for the Group to follow on its gas selling prices starting from August 1, 2020 (the "2020 Gas Selling Price") for both residential and commercial customers. The Pricing Formula is part of the pricing control strategy of the SYDRC for the whole of China.

With effect from May 1, 2022, the 2020 Gas Selling Price per m³ to commercial customers in Sanya City has been adjusted from RMB3.83 to RMB4.12 (the "2022 Gas Selling Price") while the price to social welfare units such as schools, government facilities, and other not-for-profit organizations which are classified under commercial customers remain unchanged at RMB3.23. The 2022 Gas Selling Price per m³ to residential customers is based on three (3) levels of consumption, with the third level price to be adjusted from RMB3.82 to RMB4.10 while the first and second level prices remain unchanged at RMB2.94 and RMB3.53 respectively.

On April 11, 2023, SYDRC informed the Company by way of a notification letter that the 2022 Gas Selling Price for commercial and third level price for residential customers have been recalculated according to the previously adopted Pricing formula (the "2023 Gas Selling Price"). With effect from the April 2023 meter reading cycle, the 2023 Gas Selling Price per m³ to commercial customers will increase from RMB4.12 in 2022 to RMB4.31 and third level price to residential customers will increase from RMB4.10 in 2022 to RMB4.30, while the gas selling price for the remaining categories of customers remains unchanged.

The weighted average of the 2023 Gas Selling Price per m³ for commercial customers in Sanya City was RMB4.31 for the Third Quarter in 2023, an increase of RMB0.19, or 4.6 % from RMB4.12 for the Third Quarter in 2022. The weighted average of the 2023 Gas Selling Price per m³ for commercial customers in Sanya City was RMB4.25 for the Nine Months in 2023, an increase of RMB0.26, or 6.4 % from RMB3.99 for the Nine Months in 2022.

Going forward, as the pricing control policy is being further implemented by the SYDRC, the Group expects the New Gas Selling Price would significantly and adversely impact the profitability of its natural gas distribution business segment.

Sanya EV Battery Swap Stations

In June 2023, Sanya Public Transport Feima Taxi Co. called for the bidding from EV battery swap service providers to serve the 103 EV taxis which services were due to expire, and Huapu SM won the bid for this batch of taxis. Including the 232 taxis which we have been servicing since 2022, our Sanya EV battery swap stations are now serving a total of 335 EV taxis.

Suspension of operation of Sanya CNG vehicle refueling station

On September 8, 2023, operation of the CNG vehicle refueling station in Sanya City, Hainan of Sanya Changfeng Clean Energy Co., Ltd. ("Clean Energy"), a wholly-owned subsidiary of the Group was forced to suspend operation. The suspension of operation was pursuant to the notice from the government authority advising Clean Energy that the location of the CNG vehicle refueling station was too close to the intended location for the underground construction of certain government property as their continuing operation no longer met the safety regulation requirements. After careful considerations, the management decided that it would be in the best interest of the Group to permanently close down the refueling station.

Outlook

Following on from the business and economic recovery reported in the interim period to June 30, 2023, such momentum has continued to gather pace. We are very pleased to report that the Group reported a 112% period-to-period increase in revenue for the 3rd quarter of 2023 with an overall increase of 46% for the first nine-month period of 2023. Bottom line profit also improved significantly as a result with adjusted net profit (non-IFRS) of RMB6.9 million for the 3rd quarter of 2023 (2022: adjusted loss of RMB1.6 million) and RMB21.8 million for the first nine-month period of 2023 (2022: adjusted net profit of RMB0.4 million). We will continue to focus on the development of the integrated smart energy and the smart mobility segments of the Company and will continue to expand the businesses in China and transition clean energy business as an integrated energy player.

For the three-month and nine-month periods ended September 30, 2023 and 2022

Selected quarterly Financial Information

The following tables provide selected financial information for the three-month and nine-month periods ended September 30, 2023 and 2022 in Chinese RMB.

<i>In thousands of Chinese RMB except percentages and per share amounts</i>	Three months ended September 30,				Nine months ended September 30,			
	2023	2022	Change	%	2023	2022	Change	%
Continuing Operations								
Revenue	125,417	59,025	66,392	112%	333,266	228,430	104,836	46%
Gross profit	31,612	18,088	13,524	75%	94,536	78,628	15,908	20%
<i>% of revenue</i>	<i>25.2%</i>	<i>30.6%</i>	<i>-5.4%</i>		<i>28.4%</i>	<i>34.4%</i>	<i>-6.0%</i>	
Other income	849	1,899	(1,050)	-55%	2,459	3,153	(694)	-22%
Other losses, net	(804)	5	(809)	>999%	(822)	(88)	(734)	834%
Impairment losses reversed (recognized) under expected credit loss model, net	(348)	525	(873)	-166%	576	(307)	883	-288%
Fair value change on derivative financial instrument	1,296	2,109	(813)	-39%	6,013	12,859	(6,846)	-53%
Selling and marketing expenses	(8,881)	(4,819)	(4,062)	84%	(26,097)	(18,928)	(7,169)	38%
<i>% of revenue</i>	<i>7.1%</i>	<i>8.2%</i>	<i>-1.1%</i>		<i>7.8%</i>	<i>8.3%</i>	<i>-0.5%</i>	
General and administrative expenses (note 3)	(10,665)	(11,704)	1,039	-9%	(31,489)	(33,262)	1,773	-5%
<i>% of revenue</i>	<i>8.5%</i>	<i>19.8%</i>	<i>-11.3%</i>		<i>9.4%</i>	<i>14.6%</i>	<i>-5.2%</i>	
Share of results of associates	5,271	379	4,892	999%	8,272	(5,251)	13,523	-258%
Finance costs	(3,856)	(3,589)	(267)	7%	(9,936)	(13,363)	3,427	-26%
Profit before tax	14,474	2,893	11,581	400%	43,512	23,441	20,071	86%
<i>% of revenue</i>	<i>11.5%</i>	<i>4.9%</i>	<i>6.6%</i>		<i>13.1%</i>	<i>10.3%</i>	<i>2.8%</i>	
Income tax expense	(6,300)	(2,617)	(3,683)	141%	(14,950)	(10,724)	(4,226)	39%
<i>% of revenue</i>	<i>5.0%</i>	<i>4.4%</i>	<i>0.6%</i>		<i>4.5%</i>	<i>4.7%</i>	<i>-0.2%</i>	
Profit for the period from continuing operations	8,174	276	7,898	>999%	28,562	12,717	15,845	125%
<i>% of revenue</i>	<i>6.5%</i>	<i>0.5%</i>	<i>6.0%</i>		<i>8.6%</i>	<i>5.6%</i>	<i>3.0%</i>	
Discontinued operation (note 1)								
Profit (loss) for the period from a discontinued operation	1,382	(711)	2,093	-294%	997	(1,381)	2,378	-172%
Profit (loss) for the period	9,556	(435)	9,991	>999%	29,559	11,336	18,223	161%
Profit (loss) and total comprehensive income for the period	9,556	(435)	9,991	>999%	29,559	11,336	18,223	161%
Profit (loss) for the period attributed to owner of the Company								
- from continuing operations	9,295	2,628	6,667	254%	33,324	20,210	13,114	65%
- from discontinued operation	832	(707)	1,539	-218%	439	(1,515)	1,954	-129%
	10,127	1,921	8,206	427%	33,763	18,695	15,068	81%
Profit (loss) for the period attributed to non-controlling interests								
- from continuing operations	(1,121)	(2,353)	1,232	-52%	(4,762)	(7,493)	2,731	-36%
- from discontinued operation	550	(3)	553	>-999%	558	134	424	316%
	(571)	(2,356)	1,785	-76%	(4,204)	(7,359)	3,155	-43%
	9,556	(435)	9,991	>-999%	29,559	11,336	18,223	161%
Total comprehensive income (expense) attributable to								
- Owners of the Company	10,127	1,921	8,206	427%	33,763	18,695	15,068	81%
- Non-controlling interests	(571)	(2,356)	1,785	-76%	(4,204)	(7,359)	3,155	-43%
	9,556	(435)	9,991	>-999%	29,559	11,336	18,223	161%
EBITDA from continuing operations (note 2)	26,061	15,458	10,603	69%	78,447	63,359	15,088	24%
<i>% of revenue</i>	<i>20.8%</i>	<i>26.2%</i>			<i>23.5%</i>	<i>27.7%</i>		
From continuing and discontinued operations	RMB	RMB			RMB	RMB		
Basic EPS	0.15	0.03			0.51	0.28		
Diluted EPS	0.15	0.03			0.51	0.28		
From continuing operations								
Basic EPS	0.14	0.04			0.50	0.31		
Diluted EPS	0.14	0.04			0.50	0.31		

Note 1: The profit or loss of Clean Energy in the consolidated statement of profit or loss and other comprehensive income, including the comparative figures, together with Hebei Riheng Clean Energy Co., Ltd. ("Riheng") are presented as a discontinued operation for each of the reporting period.

Note 2: EBITDA is identified and defined under the section "Non-IFRS Financial Measures".

Note 3: Recognition of share-based expense of RMB nil are included in general and administrative expenses for the purpose of presentation in the unaudited condensed interim consolidated financial statements for the nine-month period ended September 30, 2023 (Q3 2022: RMB0.6 million).

For the three-month and nine-month periods ended September 30, 2023 and 2022

The following tables provide selected financial information for the three-month and nine-month periods ended September 30, 2023 and 2022 in Canadian dollars for information purposes only (Note 4).

<i>In thousands of Canadian Dollars except percentages and per share amounts</i>	Three months ended September 30,				Nine months ended September 30,			
	2023	2022	Change	%	2023	2022	Change	%
Continuing Operations								
Revenue	24,005	11,421	12,584	110%	63,787	44,201	19,586	44%
Gross profit	6,051	3,500	2,551	73%	18,094	15,215	2,879	19%
% of revenue	25.2%	30.6%	-5.4%		28.4%	34.4%	-6.1%	
Other income	162	367	(205)	-56%	471	610	(139)	-23%
Other losses, net	(154)	1	(155)	>999%	(157)	(17)	(140)	824%
Impairment losses reversed (recognized) under expected credit loss model, net	(67)	102	(169)	-166%	110	(59)	169	-286%
Fair value change on derivative financial instrument	248	408	(160)	-39%	1,151	2,488	(1,337)	-54%
Selling and marketing expenses	(1,700)	(932)	(768)	82%	(4,995)	(3,663)	(1,332)	36%
% of revenue	7.1%	8.2%	-1.1%		7.8%	8.3%	-0.6%	
General and administrative expenses	(2,041)	(2,265)	224	-10%	(6,027)	(6,436)	409	-6%
% of revenue	8.5%	19.8%	-11.3%		9.4%	14.6%	-5.1%	
Share of results of associates	1,009	73	936	>999%	1,583	(1,016)	2,599	-256%
Finance costs	(738)	(694)	(44)	6%	(1,902)	(2,586)	684	-26%
Profit before tax	2,770	560	2,210	395%	8,328	4,536	3,792	84%
% of revenue	11.5%	4.9%	6.6%		13.1%	10.3%	2.8%	
Income tax expense	(1,206)	(506)	(700)	138%	(2,861)	(2,075)	(786)	38%
% of revenue	5.0%	4.4%	0.6%		4.5%	4.7%	-0.2%	
Profit for the period from continuing operations	1,564	54	1,510	>999%	5,467	2,461	3,006	122%
% of revenue	6.5%	0.5%	6.0%		8.6%	5.6%	3.0%	
Discontinued operation (note 1)								
Profit (loss) for the period from a discontinued operation	264	(138)	402	-291%	191	(267)	458	-172%
Profit (loss) for the period	1,828	(84)	1,912	>999%	5,658	2,194	3,464	158%
Profit (loss) and total comprehensive income for the period	1,828	(84)	1,912	>999%	5,658	2,194	3,464	158%
Profit (loss) for the period attributed to owner of the Company								
- from continuing operations	1,779	509	1,270	250%	6,378	3,911	2,467	63%
- from discontinued operation	159	(136)	295	-217%	85	(294)	379	-129%
	1,938	373	1,565	420%	6,463	3,617	2,846	79%
Profit (loss) for the period attributed to non-controlling interests								
- from continuing operations	(215)	(456)	241	-53%	(912)	(1,450)	538	-37%
- from discontinued operation	105	(1)	106	>999%	107	27	80	296%
	(110)	(457)	347	-76%	(805)	(1,423)	618	-43%
	1,828	(84)	1,912	>999%	5,658	2,194	3,464	158%
Total comprehensive income (expense) attributable to								
- Owners of the Company	1,938	373	1,565	420%	6,463	3,617	2,846	79%
- Non-controlling interests	(110)	(457)	347	-76%	(805)	(1,423)	618	-43%
	1,828	(84)	1,912	>999%	5,658	2,194	3,464	158%
EBITDA from continuing operations (note 2)	4,988	2,991	1,997	69%	15,015	12,260	2,755	22%
% of revenue	20.8%	26.2%			23.5%	27.7%		
From continuing and discontinued operations	CAD	CAD			CAD	CAD		
Basic EPS	0.03	0.01			0.10	0.05		
Diluted EPS	0.03	0.01			0.10	0.05		
From continuing operations								
Basic EPS	0.03	0.01			0.10	0.05		
Diluted EPS	0.03	0.01			0.10	0.05		

Note 4: Canadian dollars were converted from RMB at the respective average rates of RMB1.000 to CAD0.1914 and RMB1.000 to CAD 0.1935 for the nine-month periods ended 2023 and 2022 respectively.

For the three-month and nine-month periods ended September 30, 2023 and 2022

Result of Operations

Total Revenue and Sales Volume sold

Continuing Operations

Revenue (Summary table)

Total Revenue (in RMB'000)	Three months ended September 30,				Nine months ended September 30,			
	2023	2022	Change	%	2023	2022	Change	%
Gas Distribution Utility								
- Gas supply	65,890	31,146	34,744	112%	185,607	115,690	69,917	60%
- Pipeline installation and connection	41,557	22,900	18,657	81%	112,261	96,007	16,254	17%
- CNG vehicle refueling	3,321	2,530	791	31%	8,236	7,407	829	11%
Integrated Smart Energy	8,865	2,206	6,659	302%	15,830	8,650	7,180	83%
Smart Mobility	5,784	243	5,541	>999%	11,332	676	10,656	>999%
Total Revenue in RMB'000	125,417	59,025	66,392	112%	333,266	228,430	104,836	46%
Total Revenue in CAD'000	24,005	11,421	12,584	110%	63,787	44,201	19,586	44%

Located in an international tourist destination in the PRC's only tropical province, Sanya City, our business is affected by the demand for natural gas generated by tourists in hotel stays and traveling activities such as catering in restaurants.

Total revenue from continuing operations for the three-month period ended September 30, 2023 (the "Third Quarter in 2023") was RMB125.4 million, an increase of RMB66.4 million, or 112%, from RMB59.0 million for the three-month period ended September 30, 2022 (the "Third Quarter in 2022"). Revenue from gas supply for the Third Quarter in 2023 was RMB65.9 million, an increase of RMB34.7 million, or 112% as compared to RMB31.2 million for the Third Quarter in 2022. Revenue from pipeline installation and connection for the Third Quarter in 2023 was RMB41.6 million, an increase of RMB18.7 million, or 81% as compared to RMB22.9 million for the Third Quarter in 2022. CNG vehicle refueling revenue for the Third Quarter in 2023 was RMB3.3 million, an increase of RMB0.8 million, or 31% as compared to RMB2.5 million for the Third Quarter in 2022.

Total revenue from continuing operations for the nine-month period ended September 30, 2023 (the "Nine Months in 2023") was RMB333.3 million, an increase of RMB104.9 million, or 46%, from RMB228.4 million for the nine-month period ended September 30, 2022 (the "Nine Months in 2022"). Revenue from gas supply for the Nine Months in 2023 was RMB185.6 million, an increase of RMB69.9 million, or 60% as compared to RMB115.7 million for the Nine Months in 2022. Revenue from pipeline installation and connection for the Nine Months in 2023 was RMB112.3 million, an increase of RMB16.3 million, or 17% as compared to RMB96.0 million for the Nine Months in 2022. CNG vehicle refueling revenue for the Nine Months in 2023 was RMB8.2 million, an increase of RMB0.8 million, or 11% as compared to RMB7.4 million for the Nine Months in 2022.

Haitang Bay Smart Energy Project alongside the Meishan Project contributed revenue of RMB8.9 million to the Integrated Smart Energy segment for the Third Quarter in 2023, an increase of RMB6.7 million, or 302% as compared to RMB2.2 million for the Third Quarter in 2022. Revenue for the Nine Months in 2023 was RMB15.8 million, an increase of RMB7.2 million, or 83% as compared to RMB8.6 million for the Nine Months in 2022.

Smart mobility segment comprises the EV battery swap business in various cities. Revenue from the smart mobility segment for the Third Quarter in 2023 was RMB5.8 million, an increase of RMB5.5 million, from RMB0.3 million for the Third Quarter in 2022. Revenue from the smart mobility segment for the Nine Months in 2023 was RMB11.3 million, an increase of RMB0.7 million, a moderate increase as compared to RMB10.6 million for the Nine Months in 2023.

Management's Discussion and Analysis

For the three-month and nine-month periods ended September 30, 2023 and 2022

Sales volume sold								
Gas sales	Three months ended September 30,				Nine months ended September 30,			
	Sales volume sold (m ³)	2023	2022	Change	%	2023	2022	Change
Sanya City, Hainan Province	12,004,029	9,038,299	2,965,730	33%	42,624,074	35,450,595	7,173,479	20%
Other cities	7,830,000	-	7,830,000	100%	12,230,000	-	12,230,000	100%
Total gas sales volume (m³)	19,834,029	9,038,299	10,795,730	119%	54,854,074	35,450,595	19,403,479	55%
CNG refueling								
Changsha CNG	600,247	477,798	122,449	26%	1,488,939	1,478,408	10,531	1%
Total CNG/LNG volume (m³)	600,247	477,798	122,449	26%	1,488,939	1,478,408	10,531	1%
Total sales volume sold (m³)	20,434,276	9,516,097	10,918,179	115%	56,343,013	36,929,003	19,414,010	53%

Total sales volume from continuing operations for the Third Quarter in 2023 was 20.4 million m³, an increase of 10.9 million m³, or 26% as compared to 9.5 million m³ for the Third Quarter in 2022. The overall increase in gas sales volume in Sanya City is mainly attributed to the continuing return of normal consumption in gas supply during both the Third Quarter and the Nine Months in 2023 following the relaxation of COVID restriction policies and control measures at the end of 2022. The increase in gas sales volume to other cities for the Third Quarter in 2023 included sales of 7.8 million m³ of pipeline gas with a total of 12.2 million m³ to a new commercial customer in Guangdong Province for the Nine Months in 2023.

The increase in consumption of CNG in Changsha City was attributed to the reduction in selling price due to the decrease in cost of LNG during the Third Quarter in 2023. Sales volume of CNG refueling remained at a similar level as compared to the Nine Months in both periods.

Gas Sales volume by nature of customers

Gas sales								
Sanya City, Hainan Province	Three months ended September 30,				Nine months ended September 30,			
	Gas volume sold (m ³)	2023	2022	Change	%	2023	2022	Change
Residential customers	3,245,910	3,384,313	(138,403)	-4%	14,103,634	15,252,398	(1,148,764)	-8%
Commercial customers	8,758,119	5,653,986	3,104,133	55%	28,520,440	20,198,197	8,322,243	41%
Total	12,004,029	9,038,299	2,965,730	33%	42,624,074	35,450,595	7,173,479	20%
Other cities								
Commercial customers	7,830,000	-	7,830,000	100%	12,230,000	-	12,230,000	100%
Total	19,834,029	9,038,299	10,795,730	119%	54,854,074	35,450,595	19,403,479	55%

Gas sales volume of residential customers for the Third quarter in 2023 was 3.2 million m³, a decrease of 0.2 million m³, or 4% as compared to 3.4 million m³ for the Third Quarter in 2022. Following the Government's policy to remove all COVID restrictions and control measures at the end of 2022, people returned to their normal daily activities and reduced time spent at homestay which attributed to the decrease in demand of gas supply from residential customers.

Gas sales volume for commercial customers in Sanya City for the Third Quarter in 2023 was 8.8 million m³, an increase of 3.1 million m³, or 55% as compared to 5.7 million m³ for the Third Quarter in 2022. The positive effect of recovery in business was obvious in the first summer season in post-COVID and evidenced by the Sanya City Bureau of Statistics which showed a significant increase in overnight visitors to Sanya City in the first quarter of 2023 which carried on into the Third Quarter in 2023. Both the number of overnight visitors to Sanya City and hotel occupancy rates for the Third Quarter in 2023 have returned to pre-COVID level in 2019. According to the Sanya City Bureau of Statistics, the average hotel occupancy rates in Sanya City followed the increasing trend of overnight visitors reaching 63.0% for the Third Quarter in 2023, a significant increase from 43.9% for the Third Quarter in 2022 at the height of COVID.

Gas sales volume of residential customers for the Nine Months in 2023 was 14.1 million m³, a decrease of 1.2 million m³, or 8% as compared to 15.3 million m³ for the Third Quarter in 2022. Gas sales volume for commercial customers for the Nine Months in 2023 was 28.5 million m³, an increase of 8.3 million m³, or 41% as compared to 20.2 million m³ for the Nine Months in 2022.

As an international tourist destination and the only tropical province in the PRC, Sanya City's traveling activities have a direct impact on gas revenue from commercial customers with traveling activities as a large portion of gas revenue was generated from this sub-segment.

Management's Discussion and Analysis

For the three-month and nine-month periods ended September 30, 2023 and 2022

Commercial customers in Sanya City include non-residential customers such as hotels, resorts and restaurants and attributed to approximately 85.0 % of the total volume from commercial customers, whereas social welfare units such as schools, government facilities, and other not-for-profit organizations attributed to approximately 15.0% of the total volume from commercial customers.

Customers outside of Sanya City are sales of pipeline gas to the Datang Gaoyao Plant in Zhaoqing City, Guangdong Province beginning from the second quarter of 2023.

Gas sales by number of customers

Sanya City, Hainan Province	Three months ended September 30,				Nine months ended September 30,			
	2023	2022	Change	%	2023	2022	Change	%
Customers newly started gas supply								
Residential customers	5,457	3,624	1,833	51%	24,390	15,606	8,784	56%
Commercial customers	35	-	35	100%	78	55	23	42%
Total customers								
Residential customers	309,666	274,952	34,714	13%	309,666	274,952	34,714	13%
Commercial customers	1,453	1,348	105	8%	1,453	1,348	105	8%

The residential sector recorded 5,457 new customers for the Third Quarter in 2023, 1,833 or 51% more as compared to the Third Quarter in 2022. The increase in new residential customers is attributed to the connection of gas supply to the temporary housing for relocating residences of certain old residential areas in Sanya city under the government policy of city planning and organic growth of residential customers. 35 new commercial customers were obtained for the Third Quarter in 2023 as compared to none for the Third Quarter in 2022.

24,390 new residential and 78 new commercial customers were obtained for the Nine Months in 2023, as compared to 15,606 new residential and 55 new commercial customers were obtained for the Nine Months in 2022.

There was a total of 309,666 residential customers and 1,453 commercial customers as at September 30, 2023, as compared to 274,952 residential customers and 1,348 commercial customers as at September 30, 2022.

Gas sales revenue by customers

Gas sales									
Sanya City, Hainan Province									
Gas sales revenue (in RMB'000)	Three months ended September 30,				Nine months ended September 30,				
	2023	2022	Change	%	2023	2022	Change	%	
Residential customers	8,948	9,391	(443)	-5%	38,809	40,922	(2,113)	-5%	
Commercial customers	33,863	20,725	13,138	63%	107,890	71,625	36,265	51%	
	42,811	30,116	12,695	42%	146,699	112,547	34,152	30%	
Other cities									
Gas sales revenue (in RMB'000)									
Commercial customers	23,079	1,030	22,049	>999%	38,908	3,143	35,765	>999%	
Total gas sales by customers	65,890	31,146	34,744	112%	185,607	115,690	69,917	60%	

Gas sales revenue from residential customers for Sanya City for the Third Quarter in 2023 was RMB8.9 million, a decrease of RMB0.5 million, or 5%, from RMB9.4 million for the Third Quarter in 2022. Gas sales revenue from commercial customers for Sanya City for the Third Quarter in 2023 was RMB33.9 million, an increase of RMB13.2 million, or 63%, from RMB20.7 million for the Third Quarter in 2022.

Gas sales revenue from residential customers in Sanya City for the Nine Months in 2023 was RMB38.8 million, a decrease of RMB2.1 million, or 5% from RMB40.9 million for the Nine Months in 2022. Gas sales revenue from commercial customers in Sanya City for the Nine Months in 2023 was RMB107.9 million, an increase of RMB36.3 million, or 51%, from RMB71.6 million for the Nine Months in 2022.

Sales revenue in Sanya City was driven by the sales volume and gas selling price. The weighted average Gas Selling Price per m³ for commercial customers in Sanya City was RMB3.87 for the Third Quarter in 2023, an increase of RMB0.20, or 5.5 % from RMB3.67 for the Third Quarter in 2022. The weighted average Gas Selling Price per m³ for commercial customers in Sanya City was RMB3.78 for the Nine Months in 2023, an increase of RMB0.23, or 6.7 % from RMB3.55 for the Nine Months in 2022. Despite the increase in selling in the third level of consumption in residential customers, the consumption in this category was less than 5% of total sales and its effect on the overall selling price was minor.

Management's Discussion and Analysis

For the three-month and nine-month periods ended September 30, 2023 and 2022

Gas sales revenue in other cities included sales revenue of pipeline gas of RMB34.7 million and transmission fee of RMB4.2 million charged for natural gas transmitted to the Datang Gaoyao Plant in Zhaoqing City for the Nine Months in 2023.

Pipeline installation and connection**Sanya City, Hainan Province**

Pipeline connection by number of customers	Three months ended September 30,				Nine months ended September 30,			
	2023	2022	Change	%	2023	2022	Change	%
Customers newly connected								
Residential customers	4,258	1,578	2,680	170%	19,187	10,536	8,651	82%
Commercial customers	47	14	33	236%	93	62	31	50%
Total customers connected								
Residential customers	382,345	346,517	35,828	10%	382,345	346,517	35,828	10%
Commercial customers	1,568	1,427	141	10%	1,568	1,427	141	10%
Pipeline connection revenue (in RMB'000)								
Residential customers	32,703	20,751	11,952	58%	91,840	84,065	7,775	9%
Commercial customers	8,854	2,149	6,705	312%	20,421	11,942	8,479	71%
Total	41,557	22,900	18,657	81%	112,261	96,007	16,254	17%

Pipeline installation and connection revenue from residential customers for the Third Quarter in 2023 was RMB32.7 million, an increase of RMB12.0 million, or 58% from RMB20.7 million for the Third Quarter in 2022. Pipeline installation and connection revenue from commercial customers for the Nine Months in 2023 was RMB8.8 million, an increase of RMB6.7 million, or 312% from RMB2.1 million for the Nine Months in 2022.

Pipeline installation and connection revenue from residential customers for the Nine Months in 2023 was RMB91.8 million, an increase of RMB7.8 million, or 9% from RMB84.0 million for the Nine Months in 2022. Pipeline installation and connection revenue from commercial customers for Nine Months in 2023 was RMB20.4 million, an increase of RMB8.5 million, or 71% from RMB11.9 million for the Nine Months in 2022.

Pipeline installation and connection revenue from residential customers for the Third Quarter in 2023 has a significant increase as compared to the Third Quarter in 2022 as the Company had successfully procured a government project for the replacement of old pipelines in certain old residential areas in Sanya City (the "Temporary Government Pipeline Renewal Project"). The project commenced in June 2023 and was completed in September 2023.

There were 4,258 new residential customers and 47 new commercial customers for the Third Quarter in 2023 as compared to 1,578 new residential customers and 14 new commercial customers for the Third Quarter in 2022. There were 19,187 new residential customers and 93 new commercial customers for the Nine Months in 2023 as compared to 10,536 new residential customers and 62 new commercial customers obtained for the Nine Months in 2022.

There were 382,345 residential customers and 1,568 commercial customers as at September 30, 2023, as compared to 346,517 residential customers and 1,427 commercial customers as at September 30, 2022. For the Third Quarter in 2023, one (1) shopping mall was connected and other commercial customers connected were all small business owners.

CNG Vehicle refueling**CNG refueling****Vehicles refueling stations**

CNG Sales Volume (in m ³)	Three months ended September 30,				Nine months ended September 30,			
	2023	2022	Change	%	2023	2022	Change	%
Changsha CNG	600,247	477,798	122,449	26%	1,488,939	1,478,408	10,531	1%
Total Sales Volume (m³)	600,247	477,798	122,449	26%	1,488,939	1,478,408	10,531	1%
Total Revenue (in RMB'000)	Three months ended September 30,				Nine months ended September 30,			
	2023	2022	Change	%	2023	2022	Change	%
CNG Sales Revenue								
Changsha CNG	3,321	2,530	791	31%	8,236	7,407	829	11%
Total Revenue (RMB'000)	3,321	2,530	791	31%	8,236	7,407	829	11%

Management's Discussion and Analysis

For the three-month and nine-month periods ended September 30, 2023 and 2022

Total sales volume of vehicle refueling stations in Changsha for the Third Quarter in 2023 was 0.6 million m³, an increase of 0.1 million m³, or 26% from 0.5 million m³ for the Third Quarter in 2022.

Although revenue was in line with the trend of general volume increase, the magnitude is different as part of the cost of LNG can be transferred to customers during 2023 reporting period. Sales volume in Changsha City recorded an increase for the Third Quarter in 2023 due to the increase in travel activities post-COVID which was offset by the decrease in first half year in 2023 due to the reduction in consumption of CNG caused by the common usage of EV taxis, leaving the sales volume remained the same for the Nine Months in both the 2023 and 2022 periods.

Integrated Smart Energy

Integrated smart Energy								
Integrated Smart Energy System								
Sanya City, Hainan Province (in RMB'000)	Three months ended September 30,				Nine months ended September 30,			
	2023	2022	Change	%	2023	2022	Change	%
Commerical customers	7,874	1,594	6,280	394%	12,598	5,829	6,769	116%
Integrated district energy distribution								
Meishan City, Sichuan Province (in RMB'000)								
Commerical customers	991	612	379	62%	3,232	2,821	411	15%
Total	8,865	2,206	6,659	302%	15,830	8,650	7,180	83%

The integrated smart energy segment comprises the Haitang Bay Integrated Smart Energy Project (integrated smart energy system) which commenced commercial operation in September 2021 and the Meishan Project (integrated district energy distribution project) which commenced commercial operation in May 2021. The Haitang Bay Integrated Smart Energy Project is in its implementation stage. As at September 30, 2023, seven (7) hotels in Haitang Bay are using the system as compared to four (4) hotels as at June 30, 2023 with connections of three (3) other hotels under construction.

Along with the recovery of the tourist industry in 2023, the Haitang Bay Smart Energy Project reported revenue of RMB7.9 million for the Third Quarter in 2023, an increase of RMB6.3 million, or 394% as compared to RMB1.6 million for the Third Quarter in 2022. The increase was attributed to three (3) more hotels with large cooling consumption volume connected to the system contributing revenue in the Third Quarter of 2023.

Revenue from the Meishan Project remained stable in the Third Quarter and Nine Months of 2023 as compared to the corresponding periods in 2022.

Smart Mobility

Smart Mobility								
EV Battery Swap Revenue (in RMB'000)	Three months ended September 30,				Nine months ended September 30,			
	2023	2022	Change	%	2023	2022	Change	%
Sanya and Haikou City, Hainan Province	1,247	242	1,005	415%	3,374	666	2,708	407%
Beihai City, Guangxi Province	4,150	-	4,150	100%	7,062	-	7,062	100%
Other cities	387	1	386	100%	896	10	886	>999%
Total Revenue (RMB'000)	5,784	243	5,541	>999%	11,332	676	10,656	>999%

The smart mobility segment comprises the EV battery swap business and the relatively new EV trading business. As at September 30, 2023, there are a total of seven (7) EV battery swap stations in operation.

The overall increase in revenue for both the Third Quarter and Nine Months in 2023 mainly reflected the contribution from the new EV battery swap stations in Beihai City of Guanxi Province. EV Trading business first took place during the Third Quarter in 2023, with twenty-five (25) EVs together with related spare parts were sold.

Foreign exchange rates

CF Energy reports its financial results in Renminbi (RMB), its functional currency as it earns all its revenues and incurs most of its expenses in RMB. As the Company is listed in TSX-V Canada, certain financial information and/or comparative analysis are also presented in Canadian dollars (CAD), and fluctuations in the exchange rates between RMB and CAD should also be considered.

Management's Discussion and Analysis

For the three-month and nine-month periods ended September 30, 2023 and 2022

The exchange rate between the RMB and the CAD is summarized below.

One Chinese RMB to Canadian dollars	Q3 2023	Q3 2022	% change
Spot rate at the end of the period	0.1852	0.1923	-3.7%
Average rate for the period	0.1914	0.1935	-1.1%

Gross margin

Gross profit from continuing operations for the Third Quarter in 2023 was RMB31.6 million, an increase of RMB13.5 million, or 75%, from RMB18.1 million for the Third Quarter in 2022. Gross profit margin in the Third Quarter in 2023 was 25.2%, a decrease of 5.4 percentage points as compared to 30.6% for the Third Quarter in 2022.

The drop in overall gross profit margin for the Third Quarter in 2023 as compared to same period in 2022 was attributed to the combined effect of the increase in the purchase price of pipeline gas resulted from the renewal of the two-year gas purchase contracts with China National Offshore Oil Corporation which became effective from April 1, 2022; the negative margin for the Integrated Smart Energy segment while continuing with the effort to procure further hotel users to achieve critical mass; higher cost percentage on the Temporary Government Pipeline Renewal Project which commenced from the beginning of the Third Quarter in 2023; and lower profit margin for the selling of pipeline gas to Datang Gaoyao Plant in Zhaoqing City, Guangdong Province.

The Temporary Government Pipeline Renewal Project has a relatively low profit margin as a result of higher cost percentage. Revenue of this project comprised 12.4% of residential customers in pipeline installation and connection for the Third Quarter in 2023.

Gross profit from continuing operations for the Nine Months in 2023 was RMB94.5 million, an increase of RMB15.9 million, or 20%, from RMB78.6 million for the Nine Months in 2022. Gross profit margin for the Nine Months in 2023 was 28.4%, a decrease of 6.0 percentage points as compared to 34.4% for the Nine Months in 2022.

The drop in overall gross profit margin for the Nine Months in 2023 was attributed to the combined effect of the negative gross profit margin for the Integrated Smart Energy segment as compared to the same period in 2022 as fixed costs such as depreciation representing approximately 44.4% (Nine Months in 2022: 48.5%) included in cost of sales which could not be fully absorbed in the early stage of recovery of business after COVID; and the relatively low profit margin for the Temporary Government Pipeline Renewal Project.

To explore market share in the integrated smart energy segment, in addition to providing gas transmission service to the Datang Gaoyao Plant in Zhaoqing City, Guangdong Province, since April 2023, the Group has also commenced selling pipeline gas to the Datang Gaoyao Plant at relatively competitive prices. Although this business has impacted the overall gross profit margins for both the Third Quarter and the Nine Months in 2023, it has contributed to the growth of the Group's revenue stream.

Operating expenses

Selling and marketing expenses of continuing operations for the Third Quarter in 2023 were RMB8.9 million, an increase of RMB4.1 million, or 84% from RMB4.8 million for the Third Quarter in 2022. Selling and marketing expenses as a percentage of sales for the Third Quarter in 2023 was 7.1%, a decrease of 1.1 percentage points as compared to 8.2% for the Third Quarter in 2022.

Selling and marketing expenses of continuing operations for the Nine Months in 2023 were RMB26.1 million, an increase of RMB7.2 million, 38% from RMB18.9 million for the Nine Months in 2022. Selling and marketing expenses as a percentage of sales for the Nine Months in 2023 was 7.8%, a decrease of 0.5 percentage points as compared to 8.3% for the Nine Months in 2022. The increase in both the Third Quarter and Nine Months in 2023 was mainly attributable to the resumption of selling and marketing activities after COVID.

General and administrative expenses of continuing operations for the Third Quarter in 2023 were RMB10.7 million, a decrease of RMB1.0 million, or 9% from RMB11.7 million for the Third Quarter in 2022. General and administrative expenses as a percentage of sales for the Third Quarter in 2023 was 8.5%, a decrease of 11.3 percentage points as compared to 19.8% for the Third Quarter in 2022.

General and administrative expenses of continuing operations for the Nine Months in 2023 were RMB31.5 million, a decrease of RMB1.8 million, or 5% from RMB33.3 million for the Third Quarter in 2022. General and

administrative expenses as a percentage of sales for the Nine Months in 2023 was 9.4%, a decrease of 5.2 percentage point as compared to 14.6% for the Nine Months in 2022.

Finance Costs

Finance costs from continuing operations for the Third Quarter in 2023 were RMB3.8 million, a decrease of RMB0.3 million, or 7% from RMB3.6 million for the Third Quarter in 2022. Finance costs from continuing operations for the Nine Months in 2023 were RMB9.9 million, a decrease of RMB3.4 million, or 26 % from RMB13.3 million for the Nine Months in 2022. Finance costs reflected interests on lease liabilities, interest on Convertible Debentures, short-term bank borrowings, long-term bank financing and other borrowings for the development of the Group's projects under development, net of RMB6.1 million for the Nine Months in 2023 (Nine Months in 2022: RMB3.1 million) capitalized on projects under development. The increase in the capitalization of interest for the Nine Months in 2023 related to the borrowing cost of the Haitang Bay Integrated Smart Energy Project as construction of pipelines began in 2023.

Share of results of associates

Share of profit of associates was RMB5.3 million and RMB8.3 million for the Third Quarter and Nine Months in 2023 respectively (Third Quarter in 2022: share of profit RMB0.4 million; Nine Months in 2022: share of loss of RMB5.3 million). The share of results of associates mainly represents the share of profit of the Group's 40% held associate, Pingxiang Xinao Changfeng Gas Co., Ltd. ("Pingxiang Xinao CF"). Business of Pingxiang Xinao CF was heavily impacted by the increasing LNG purchase prices in 2022 which cannot be transferred to customers and as such resulted in a loss in the first half of 2022. Commencing from the Third Quarter in 2022, benefiting from the successful connection of gas pipeline to Pingxiang Xinao, CF's reliance on LNG reduced and resulted in a net profit situation.

EBITDA from continuing operations

EBITDA from continuing operations (non-IFRS measure as identified and defined under section "Non-IFRS Measures") for the Third Quarter in 2023 was RMB26.1 million, an increase of RMB10.6 million, or 69%, from RMB15.5 million for the Third Quarter in 2022. EBITDA from continuing operations for the Nine Months in 2023 was RMB 78.4 million, an increase of RMB15.1 million, or 24%, from RMB63.3 million for the Nine Months in 2022.

EBITDA from continuing operations included a gain of RMB2.7 million for the Third Quarter in 2023 (Third Quarter in 2022: gain of RMB4.5 million) and a gain of RMB4.7 million for the Nine Months in 2023 (Nine Months in 2022: RMB10.7 million) on fair value change on derivative financial instrument of loan discharge agreement relating to the commitment of the estate of Mr. Huajun Lin to subscribe for the common shares of the Company in the amount of RMB36.0 million (please refer to the section headed "Related Party Transactions" on page 20 of the MD&A for more details), which is in line with IFRS, has been classified as a "derivative financial instrument", subject to periodic fair value assessment and adjustment (as applicable). The derivative financial instrument in question was initially recognized at fair value at the date when the derivative contract was entered into and is subsequently remeasured to its fair value at the end of each reporting period.

The market price of the common shares of the Company was CAD0.23 as at September 30, 2023, CAD0.26 as at June 30, 2023 and CAD0.32 as at December 31, 2022 respectively. A gain of RMB1.3 million in fair value change on derivative financial instrument of loan discharge agreement was recognized for the Third Quarter in 2023 which arose from a downward difference of RMB0.03 between the market price of the Company between September 30, 2023 and June 30, 2023. In contrast, a gain of RMB6.0 million in fair value change on derivative financial instrument of loan discharge agreement was recognized for the Nine Months in 2023 as the market price of the Company as at September 30, 2023 and December 31, 2022 had a downward difference of RMB0.09.

On a comparable basis, after excluding the effects of the above-mentioned fair value change on derivative financial instrument, recognition of share-based payment expenses of RMB nil (Third Quarter in 2022: RMB0.2 million), the adjusted EBITDA from continuing operations for the Third Quarter in 2023 was RMB24.8 million, an increase of RMB11.3 million, or 83%, from RMB13.5 million for the Third Quarter in 2022. Adjusted EBITDA from continuing operations for the Nine Months in 2023 was RMB71.7 million, an increase of RMB20.6 million, or 40%, from RMB51.1 million for the Nine Months in 2022.

Management's Discussion and Analysis

For the three-month and nine-month periods ended September 30, 2023 and 2022

Profit for the period from continuing operations

Net profit from continuing operations of RMB8.2 million for the Third Quarter in 2023, an increase of RMB7.9 million from RMB0.3 million for the Third Quarter in 2022. Net profit from continuing operations of RMB28.6 million for the Nine Months in 2023, an increase of RMB15.9 million from RMB12.7 million for the Nine Months in 2022.

Earnings per share ("EPS") from continuing operations was RMB0.14 (CAD0.03) (basic and diluted) for the Third Quarter in 2023 as compared to RMB0.04 (CAD0.01) (basic and diluted) per share for the Third Quarter in 2022. EPS from continuing operations was RMB0.50 (CAD0.10) (basic and diluted) for the Nine Months in 2023 as compared to RMB0.31 (CAD0.05) (basic and diluted) per share for the Nine Months in 2022.

Adjusted net profit for the period from continuing operations (non-IFRS)

In RMB thousands (except for % figures)	Three months ended September 30,				Nine months ended September 30,			
	2023	2022	Change	%	2023	2022	Change	%
Continuing operations								
Net profit for the period from continuing operations	8,174	276	7,898	>999%	28,562	12,717	15,845	125%
Non-recurring items								
Fair value change on derivative financial instrument	(1,296)	(2,109)	813	39%	(6,013)	(12,859)	6,846	53%
Recognition of share-based payments	-	191	(191)	-100%	-	564	(564)	-100%
Government financial assistance	-	-	-	0%	(765)	-	(765)	100%
Adjusted net profit (loss) for the period from continuing operations (non-IFRS)	6,878	(1,642)	8,520	519%	21,784	422	21,362	>999%

All non-GAAP measures have been identified. On a comparable basis (please refer to the section headed "EBITDA from continuing operations" above for more details), after excluding the gain in fair value change on derivative financial instrument of loan discharge agreement of RMB1.3 million (Third Quarter in 2022: RMB2.1 million), recognition of share-based payment expenses of RMB nil (Third Quarter in 2022: RMB 0.2 million), the Company reported an adjusted net profit of RMB6.9 million for the Third Quarter in 2023, an increase of RMB8.5 million, or 519 % from an adjusted net loss of RMB1.6 million as reported for the Third Quarter in 2022.

After excluding the gain in fair value change on derivative financial instrument of loan discharge agreement of RMB6.0 million (Nine Months in 2022: RMB12.8 million) and recognition of share-based payments of RMB nil (Nine Months in 2022: RMB0.5 million) and one-off government financial assistance of RMB0.8 million (Nine Months in 2022: RMB nil), the Company reported an adjusted net profit of RMB21.8 million for the Nine Months in 2023, an increase of RMB21.4 million, as compared to RMB0.4 million as reported for the Nine Month in 2022.

Adjusted EPS was derived from the adjusted net profit for the period from continuing operations (non-IFRS) divided by the weighted average number of ordinary shares for the purpose of diluted earnings per share. Adjusted EPS from continuing operations was RMB0.21 (CAD0.04) per share (basic and diluted) for the Third Quarter in 2023 as compared to the adjusted loss per share from continuing operations of RMB0.06 (CAD0.01) (basic and diluted) for the Third Quarter in 2022. Adjusted EPS from continuing operations was RMB0.022 (CAD0.04) per share (basic and diluted) for the Nine Months in 2023 as compared to adjusted EPS from continuing operations of RMB0.02 (CAD0.00) (basic and diluted) for the Nine Months in 2022.

Profit (loss) for the period from discontinued operation

Discontinued operation related to the termination of the operation of Riheng as part of the Group's policy to realign its future business strategies with major focus on clean energy solutions with high growth potential and suspension of operation of Clean Energy. Profit from discontinued operation for the Third Quarter and Nine Months in 2023 was mainly attributed to a recovery of the accounts receivable amount in Riheng that was written off in the previous period and net loss of Clean Energy for the period.

Selected quarterly results

The following set out the Company's unaudited consolidated quarterly results for the most recent eight quarters:

In thousands of RMB, except per share amounts

Management's Discussion and Analysis

For the three-month and nine-month periods ended September 30, 2023 and 2022

Quarterly data (RMB '000) except per share amounts	2023			2022				2021
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	125,417	117,386	100,117	93,270	59,025	84,000	95,379	105,239
Gross profit	31,612	34,929	28,521	29,260	18,088	23,194	37,349	32,182
Profit (loss) for the period from continuing operations	8,174	16,523	3,463	(6,973)	276	90	11,337	(5,689)
Profit (loss) for the period attributed to owners of the Company from continuing operations	9,295	17,780	5,846	(1,513)	2,628	2,688	13,879	(4,151)
EPS (loss) of continuing and discontinued operations								
- basic (RMB)	0.15	0.27	0.09	(0.02)	0.03	0.04	0.21	(0.07)
- diluted (RMB)	0.15	0.27	0.09	(0.03)	0.03	0.04	0.21	(0.06)
EPS (loss) from continuing operations								
- basic (RMB)	0.14	0.27	0.09	(0.02)	0.04	0.04	0.21	(0.06)
- diluted (RMB)	0.14	0.27	0.09	(0.03)	0.04	0.04	0.21	(0.05)

Selected Financial Data

(RMB000's)	September 30, 2023	December 31, 2022
Bank balances and cash and fixed term bank deposit	96,620	115,116
Net current liabilities	(143,545)	(128,171)
Adjusted working capital (note1)	(26,095)	(33,288)
Property and equipment	850,200	805,716
Right-of-use of assets	74,389	74,830
Total assets	1,317,159	1,245,108
Non-current liabilities	459,016	419,766
Shareholders' equity	443,060	434,143

note 1: This financial measure is identified and defined under the section "Non-IFRS Financial Measures"

Bank balance and cash and fixed term bank deposit decreased by RMB18.5 million from RMB115.1 million as at December 31, 2022 to RMB96.6 million as at September 30, 2023. The decrease primarily resulting from the net effect of the cash outflow from operating activities of RMB29.5 million, cash used for acquisition of property and equipment of RMB45.2 million, RMB13.2 million paid for the acquisition of non-controlling interests of Haupu SM, dividend paid to non-controlling interests of a subsidiary of RMB7.4 million and the repayment of convertible debentures of RMB3.2 million, which was partially offset by the net drawdown of new short-term borrowings and long-term debt of RMB70.1 million and the receipt of government grant relating to assets of RMB12.1 million in 2023.

Adjusted Working Capital

The adjusted working capital (see "Non-IFRS Financial Measures") was negative RMB26.1 million as at September 30, 2023, a decrease of RMB7.2 million, from the negative adjusted working capital of RMB33.3 million as at December 31, 2022. Adjusted working capital excludes the receipt in advance from customers included in contract liabilities of RMB56.5 million related to receipts received in advance from customers from pipeline installation and connection projects prior to commencement and natural gas sales and short-term bank borrowings of RMB61.0 million.

Liquidity and Capital Resources

The Group's principal sources of short-term funding are existing bank and cash balances, operating cash flows and borrowings under its lines of credit and long-term funding are bank-term loan facilities provided to the Group which amounted to RMB61.0 million and RMB475.1 million respectively as at September 30, 2023.

The 2-year unsecured convertible debentures ("Convertible Debentures") in the aggregate principal amount of CAD600,000 matured in May 2023. The Company was informed by the Debenture Holders that they do not intend to exercise the Conversion Right to convert the Convertible Debentures into Shares upon maturity and the Debenture Holders agreed to extend the settlement of the redemption of the Convertible Bonds from maturity date to early June 2023 which was subsequently settled in June 2023.

Management's Discussion and Analysis

For the three-month and nine-month periods ended September 30, 2023 and 2022

During the period ended September 30, 2023, the Group entered into agreements with a third party leasing company (the "Buyer") for (i) the disposal of an EV station and certain EV batteries in Beihai City, Guangxi Province at a consideration of RMB12,000,000; and (ii) leasing back of the same assets from the Buyer for a lease period of 5 years at an interest rate of 5-year LPR. The agreement included a repurchase option to buyback the same asset at a consideration equates to the total lease payments in (ii) above plus other charges. The Group considered the consideration received as other borrowings and has initially recognized it as borrowing. The amount is repayable in twenty (20) quarterly equal installments till 2028.

The Company's principal sources of liquidity are cash provided from operation, including advance payments from residential and commercial and industrial customers related to construction contracts for gas connection included in contract liabilities, refund liabilities and access to credit facilities and capital resources.

The Company's primary short-term cash requirement is to fund working capital and repay the remainder of its outstanding withdrawal on its lines of credit as they fall due.

The Company's medium and long-term cash goals are to fund the construction of its pipeline networks and gas distribution facilities and projects under development, to acquire capital and intangible assets for its growth initiatives in China and to repay its long-term loan facilities from banks.

In the short term, management does not expect to face any liquidity problems considering its current bank and cash position, available undrawn bank facilities and continue to generate cash flows from operations in the short and long term. During the period ended and as at September 30, 2023, the Group was in compliance with all of its debt covenants.

The net gearing ratio is calculated by dividing interest-bearing borrowings, convertible debentures, other borrowings and lease liabilities, less cash and cash equivalents, by total equity attributable to equity shareholders of the Company. The Group's net gearing ratio was approximately 103.4% as at September 30, 2023, an increase of 20.3 percentage points as compared to 83.1% as at December 31, 2022.

Capital Commitments

As at September 30, 2023, capital expenditure in respect of the acquisition of property and equipment and the construction of pipelines under development contracted for but not provided in the unaudited condensed interim consolidated financial statements amounted to RMB64.6 million, a decrease of RMB46.1 million as compared to RMB110.7 million as at December 31, 2022. The decrease in capital commitment was attributable to the cancellation of a purchase contract of RMB 51.0 million in the second quarter of 2023 in relation to the purchase of EV stations in a bundle which will be replaced by single purchase contract instead. Capital commitments as at September 30, 2023 also included a remaining initial investment of RMB0.8 million for the 2% equity interests in Hainan Shanglian Investment Co., Ltd.

Share Capital

As at September 30, 2023, the Company has 65,885,155 common shares and 3,400,000 stock options outstanding.

50,000 share options granted on August 10, 2017 expired/forfeited in the first quarter of 2023. The Company has no warrants outstanding as of the date of this MD&A.

On December 18, 2020, the Company awarded a total of 2,090,000 shares to senior management and employees of the Group under the Employee Stock Award Plan, of which 25% of the Award Shares, 522,500 shares at the price of CAD0.43 per common share which were not subject to any conditions were issued. 547,500 shares award rights expired/forfeited in 2021 as participants failed to satisfy the agreed financial performance condition and service condition for the year ended December 31, 2021. The remaining 1,020,000 shares award rights were forfeited in 2022 as participants failed to satisfy the agreed performance conditions for the year ended December 31, 2022.

Non-IFRS Financial Measures

This MD&A contains certain financial measures that do not have any standardized meaning prescribed by IFRS. Therefore, these financial measures may not be comparable to similar measures presented by other companies or issuers. Investors are cautioned that these measures should not be construed as alternatives to net income or to cash provided by operating, investing, and financing activities determined in accordance with IFRS, as indicators of its performance. The Group provides these measures to assist investors in determining its ability

Management's Discussion and Analysis

For the three-month and nine-month periods ended September 30, 2023 and 2022

to generate income and cash provided by operating activities and to provide additional information on how these cash resources are used. These measures are listed and defined below.

EBITDA from continuing operations

EBITDA is defined herein as earnings before income tax expense, finance costs, depreciation and amortization. EBITDA does not have any standardized meaning prescribed by IFRS and therefore may not conform to the definition used by other companies or issuers. A reconciliation of net profit from continuing operations to EBITDA and adjusted EBITDA are presented in the MD&A as follows:

In RMB thousands (except for % figures)	Three months ended September 30,				Nine months ended September 30,			
	2023	2022	Change	%	2023	2022	Change	%
Continuing operation								
Net profit for the period from continuing operations	8,174	276	7,898	>999%	28,562	12,717	15,845	125%
Add:								
Finance costs	3,856	3,589	267	7%	9,936	13,363	(3,427)	26%
Income tax expense	6,300	2,617	3,683	141%	14,950	10,724	4,226	-39%
Depreciation and amortization	7,731	8,976	(1,245)	-14%	24,999	26,555	(1,556)	-6%
EBITDA for the period from continuing operations	26,061	15,458	10,603	69%	78,447	63,359	15,088	24%
Non-recurring items								
Fair value change on derivative financial instrument	(1,296)	(2,109)	813	-39%	(6,013)	(12,859)	6,846	-53%
Recognition of share-based payments	-	191	(191)	-100%	-	564	(564)	-100%
Government financial assistance	-	-	-	0%	(765)	-	(765)	100%
Adjusted EBITDA from continuing operations	24,765	13,540	11,225	83%	71,669	51,064	20,605	40%

Adjusted working capital

Adjusted working capital is calculated as current assets less adjusted current liabilities. Adjusted current liabilities is calculated as current liabilities, excluding the receipts in advance from customers from pipeline installation and connection project prior to commencement and natural gas sales, included in contract liabilities which represented the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customers. Receipt in advance from customers from pipeline installation and connection will be recognized as income upon the performance obligations are fulfilled and receipt in advance from customers for natural gas sales will be recognized as income upon the consumption of natural gas. Both amounts are deferred income in nature and non-refundable to customers, hence are excluded in the calculation of adjusted current liabilities. Adjusted current liabilities also excluded the short-term bank loan as lines of credit in the PRC are typically renewable when due.

The Group believes that the working capital as a supplemental measure, as adjusted based on the above parameters, provides a more appropriate indication of the Group's ability to settle its debt obligations as they fall due.

The calculation of adjusted working capital is provided in the table below.

In RMB thousands			
As at	Note	September 30, 2023	December 31, 2022
Current assets		271,538	263,028
Less: Current liabilities		(415,083)	(391,199)
Net current liabilities		(143,545)	(128,171)
Add: Receipts in advance from customers	1	56,450	52,283
Add: Short-term bank borrowings		61,000	42,600
Adjusted working capital		(26,095)	(33,288)

Note 1: Receipts in advance from customers in respect of pipeline installation and connection projects prior to commencement and natural gas sales are included in contract liabilities.

As at September 30, 2023, the Group's current liabilities exceeded its current assets by RMB143.5 million, an increase of RMB15.3 million in net current liabilities as compared to RMB128.2 million as at December 31, 2022 which was mainly attributed to the decrease of cash and bank balance of RMB14.5 million for Nine Months in 2023 as compared to December 31, 2022.

Management's Discussion and Analysis

For the three-month and nine-month periods ended September 30, 2023 and 2022

In view of these circumstances, the management of the Group has given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. Management is satisfied that the Group will have sufficient financial resources to meet its financial obligations including capital commitments. Taking into account the Group's cash flow projections, including the term facilities, unutilized bank facilities, the Group's ability to renew or refinance existing banking facilities upon maturity and the Group's future capital expenditure in respect of its non-cancellable capital commitments, management considers that it has sufficient working capital to meet in full its financial obligations as they fall due for at least the next twelve months from the end of the reporting period and accordingly, the audited consolidated financial statements have been prepared on a going concern basis.

Related Party Transactions

The following balances were outstanding from related party at the end of the reporting period:

<u>Name of related party</u>	<u>Relationship</u>	<u>Terms</u>	Sept 30, <u>2023</u> RMB'000	Dec 31, <u>2022</u> RMB'000
<u>Balances</u>				
Pingxiang Xiao CF	Associate	Non-trade, unsecured and interest bearing (Note)	<u>12,423</u>	<u>12,423</u>

Note: The balance represented a loan of RMB11.0 million to Pingxiang Xinao CF plus interest accrued until October 16, 2019 when the Group entered a supplemental agreement with Ping Xiang Xinao CF to pay additional interest which had been bearing interest at 4.35% per annum until October 2019.

The loan discharge agreement (the "Loan Discharge Agreement") dated May 25, 2017 entered among Sanya Changfeng Offshore Natural Gas Distribution Co., Ltd. ("CF China") and Mr. Lin, provided that if the HKIPO of the Company's common shares on The Stock Exchange of Hong Kong Limited has not been completed on or prior to June 28, 2019, the Group shall have the right for a period of 90 days following June 28, 2019 to require Mr. Lin, directly or indirectly, to subscribe for common shares of the Company on the TSX-V, in the amount of RMB36.0 million or its CAD equivalent.

On July 26, 2019, the Company announced that the Board of the Company has determined to exercise the Company's option pursuant to the Loan Discharge Agreement dated May 25, 2017 among the Company, CF China and Mr. Lin to require the Estate to invest an aggregate amount of RMB36.0 million (approximately CAD6,861,587) in common shares of the Company (the "Investment"). Accordingly, the Estate will make the Investment at a price of CAD0.68 per common share representing a premium of approximately 6.3% over the closing price of the common shares of the Company on July 24, 2019 and immediately following the Investment, based on the prevailing exchange rate, the Estate will hold approximately 44,774,068 common shares or approximately 59.43% of the total outstanding common shares of the Company.

Notices for the Investment (the "Notices") were sent to the four beneficiaries of the Estate. Among the four beneficiaries of the Estate, Siyin Lin (Ann) and Siqin Lin had provided written statements to the Company, respectively, that they were in full agreement to honor the Investment. The remaining two beneficiaries of the Estate, namely Mingfei He and Zhipai (Trevor) Lin, however, have not agreed to honor the Investment. On June 2, 2021, Ann Lin sent in her letter to the Company and CF China reiterated her consent to honor the Investment. Since the issuance of the Notices, the Board and management of the Company have made a continuous effort of communication with Mingfei He and Trevor Lin requesting and persuading them to honor the Investment. However, given the time that has passed for the Estate to subscribe for shares, the Company is left with no alternative but to take legal action to enforce the Loan Discharge Agreement and the Investment.

On June 21, 2021, the Company together with CF China filed a contract dispute case (the "Claim") against the Estate in the Sanya Intermediate People's Court, Sanya City, Hainan Province, the PRC to enforce the execution of the Loan Discharge Agreement and the Investment. Subsequent to the filing of the Claim, on June 23, 2021, Ann Lin sent her letter to the Company and CF China reiterated her consent to honor the Investment, and on June 24, 2021, the Court issued the subpoena requiring all parties related to the Claim to attend the court hearing scheduled to be held on August 31, 2021 in Sanya City, Hainan Province, the PRC. The Claim is now with the High People's Court of Hainan Province pending appeal.

Risks and Uncertainties

The preparation of unaudited condensed interim consolidated financial statements in compliance with IAS 34 requires the use of certain critical accounting estimates. There have been no material revisions to the nature and amount of changes in estimates of amounts reported in the audited consolidated financial statements for the year ended December 31, 2022.

Principal Accounting Policy

Amendments to IFRSs that are mandatorily effective for the current three-month period or after

In the current three-month period, the Group has applied the following amendments to IFRSs issued by the International Accounting Standard Board ("IASB") for the first time, which are mandatorily effective for the annual period beginning on or after January 1, 2023 for the preparation of the unaudited condensed interim consolidated financial statements:

IFRS 17	Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendment to IFRS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of these amended IFRSs had no material impact on how the results and financial position for the current three-month period and prior period have been prepared and presented.