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**SIIC ENVIRONMENT HOLDINGS LTD.**

**上海實業環境控股有限公司\***

*(Incorporated in the Republic of Singapore with limited liability)*

**(Hong Kong stock code: 807)**

**(Singapore stock code: BHK)**

**Unaudited Condensed Interim Financial Statements and  
Dividend Announcement for the Third Quarter and  
Nine Months Ended 30 September 2023**

This overseas regulatory announcement is issued pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This results announcement is made in accordance to Listing Manual of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This results announcement contains financial information based on Singapore Financial Reporting Standards (International) and International Financial Reporting Standards, and have not been reviewed by auditors. Shareholders and public investors should exercise caution when trading in the shares of the Company.

By Order of the Board  
**SIIC Environment Holdings Ltd.**  
**Mr. Zhu Dazhi**  
Executive Director

Singapore and Hong Kong, 14 November 2023

*As at the date of this announcement, the non-executive Chairman is Mr. Zhou Jun; the executive Directors are Mr. Zhu Dazhi, Mr. Xu Xiaobing, Mr. Jiang Kai and Mr. Yang Xing; and the independent non-executive Directors are Mr. Yeo Guat Kwang, Mr. An Hongjun and Mr. Zhong Ming.*

*\* For identification purpose only*



**SIIC ENVIRONMENT HOLDINGS LTD.**

(Incorporated in the Republic of Singapore)

(Company Registration No: 200210042R)

Unaudited Condensed Interim Financial Statements and  
Dividend Announcement for the Third Quarter and  
Nine Months Ended 30 September 2023

14 November 2023

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**SIIC Environment Holdings Ltd.**  
**(Incorporated in the Republic of Singapore)**  
**(Company Registration No. 200210042R)**

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## **Third Quarter and Nine Months of Financial Year 2023 Financial Statements and Dividend Announcement**

### **Business Review**

The board of SIIC Environment Holdings Ltd. (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (the “Group”) for the nine months ended 30 September 2023 (“9MFY2023”). The Group’s net profit attributable to shareholders for the period amounted to RMB583.4 million, an increase of 2.2% year-on-year.

This performance was on the back of a 9.7% increase in revenue to RMB6,349.0 million as supported by the increase in operating and maintenance income and finance income from service concession arrangement and construction revenue arising from the higher amount of construction activities in progress. Gross profit rose 14.6% to RMB2,214.4 million, mainly contributed by the new service concession arrangements.

As at 30 September 2023, the Group’s cash and cash equivalents stood at a healthy RMB2.50 billion.

### **Review of Interim Results**

The audit committee has reviewed the Company’s unaudited consolidated interim results for the nine months ended 30 September 2023.

### **Corporate Governance**

The Company has complied with all the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of the Hong Kong Limited (the “SEHK”) throughout the nine months ended 30 September 2023.

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Group					
		3 Months Ended		Changes	9 Months Ended		Changes
		30.9.23 (Unaudited)	30.9.22 (Unaudited)		30.9.23 (Unaudited)	30.9.22 (Unaudited)	
		RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	5	2,330,110	2,100,920	10.9	6,348,959	5,787,795	9.7
Cost of sales		(1,553,464)	(1,413,578)	9.9	(4,134,601)	(3,855,845)	7.2
<b>Gross profit</b>		776,646	687,342	13.0	2,214,358	1,931,950	14.6
Other income		32,984	18,277	80.5	91,171	79,119	15.2
Other gains and losses		3,843	24,386	(84.2)	14,555	7,061	106.1
Selling and distribution costs		(18,925)	(19,989)	(5.3)	(56,808)	(58,980)	(3.7)
Administrative expenses		(133,205)	(140,080)	(4.9)	(396,203)	(362,503)	9.3
Finance expenses		(218,288)	(186,142)	17.3	(634,030)	(523,154)	21.2
Share of results of joint ventures		(2,102)	5,151	N.M.	16,626	15,845	4.9
Share of results of associates		2,550	4,875	(47.7)	6,210	10,595	(41.4)
<b>Profit before tax</b>		443,503	393,820	12.6	1,255,879	1,099,933	14.2
Income tax expense	6	(112,616)	(97,826)	15.1	(331,360)	(256,159)	29.4
<b>Profit for the period</b>	7	330,887	295,994	11.8	924,519	843,774	9.6
<b>Other comprehensive loss:</b>							
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
Exchange difference arising from translation		(26,268)	(182,588)	(85.6)	(179,266)	(316,198)	(43.3)
Fair value change on investments in equity instruments designated as at FVTOCI		-	(288)	N.M.	-	(1,891)	N.M.
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange differences arising from translation of foreign operations		151	(25,507)	N.M.	(27,072)	(26,378)	2.6
Total other comprehensive loss for the period, net of tax		(26,117)	(208,383)	(87.5)	(206,338)	(344,467)	(40.1)
<b>Total comprehensive income for the period</b>		304,770	87,611	247.9	718,181	499,307	43.8
<b>Profit for the period attributable to:</b>							
Owners of the Company		206,033	205,001	0.5	583,384	571,012	2.2
Non-controlling interests		124,854	90,993	37.2	341,135	272,762	25.1
		330,887	295,994	11.8	924,519	843,774	9.6
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		179,916	(3,382)	N.M.	377,046	226,545	66.4
Non-controlling interests		124,854	90,993	37.2	341,135	272,762	25.1
		304,770	87,611	247.9	718,181	499,307	43.8
<b>Earnings per share for profit for the period attributable to the owners of the Company during the period:</b>							
-Basic (RMB in cent)	15	8.00	7.96	0.5	22.65	22.17	2.2
-Diluted (RMB in cent)	15	8.00	7.96	0.5	22.65	22.17	2.2

N.M. – Not Meaningful

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

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

	Note	Group		Company	
		As at 30.9.23 (Unaudited)	As at 31.12.22 (Audited)	As at 30.9.23 (Unaudited)	As at 31.12.22 (Audited)
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Current assets</b>					
Cash and cash equivalents		2,499,873	2,512,625	142,423	93,920
Pledged bank deposits		88,633	93,880	-	-
Trade and other receivables	8	5,259,811	4,523,881	1,165	1,114
Bills receivables		4,660	1,184	-	-
Prepayments		72,967	72,075	3,638	56
Inventories		257,139	233,483	-	-
Receivables under service concession arrangements - current portion	9	797,675	733,089	-	-
Amounts due from customers for contract work		95,328	77,767	-	-
Amounts due from subsidiaries		-	-	3,508,129	2,414,593
Amounts due from joint venture		-	23,028	-	137
Amounts due from associates		7,895	44,723	-	-
Financial assets at fair value through profit or loss		9,557	9,415	-	-
<b>Total current assets</b>		<b>9,093,538</b>	<b>8,325,150</b>	<b>3,655,355</b>	<b>2,509,820</b>
<b>Non-current assets</b>					
Financial assets at fair value through other comprehensive income		13,400	13,400	-	-
Prepayments		113,861	175,189	-	-
Receivables under service concession arrangements – non-current portion	9	23,060,445	22,816,306	-	-
Property, plant and equipment		355,059	444,770	50	59
Right-of-use assets		47,036	45,275	9,996	14,912
Intangible assets	10	8,437,376	7,070,383	5,679	5,870
Long term receivables		464,045	371,580	-	-
Deferred tax assets		57,731	57,481	-	-
Investment in subsidiaries		-	-	6,212,282	5,980,969
Interest in joint ventures		550,519	517,763	352,817	340,632
Interest in associates		236,530	232,467	-	-
Goodwill on consolidation		457,241	457,241	-	-
Loans to subsidiaries		-	-	3,206,243	3,161,219
Amounts due from associates		19,243	18,210	-	-
<b>Total non-current assets</b>		<b>33,812,486</b>	<b>32,220,065</b>	<b>9,787,067</b>	<b>9,503,661</b>
<b>Total assets</b>		<b>42,906,024</b>	<b>40,545,215</b>	<b>13,442,422</b>	<b>12,013,481</b>

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

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION – cont'd**

	Note	Group		Company	
		As at 30.9.23 (Unaudited)	As at 31.12.22 (Audited)	As at 30.9.23 (Unaudited)	As at 31.12.22 (Audited)
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Current liabilities</b>					
Trade and other payables	11	4,549,743	3,912,018	178,923	151,070
Bills payable to banks		4,943	24,994	-	-
Tax payable		137,355	139,337	-	-
Amounts due to customers for contract work		27,387	29,053	-	-
Amounts due to subsidiaries		-	-	403,172	259,286
Bank and other borrowings	12	5,844,601	3,772,704	3,230,603	1,960,206
Lease liabilities		10,391	9,056	6,704	6,466
<b>Total current liabilities</b>		<b>10,574,420</b>	<b>7,887,162</b>	<b>3,819,402</b>	<b>2,377,028</b>
<b>Non-current liabilities</b>					
Bank and other borrowings	12	14,382,907	15,374,835	2,993,943	2,993,697
Deferred tax liabilities		2,419,768	2,286,296	-	-
Other non-current liabilities		149,249	148,971	-	-
Lease liabilities		34,312	33,379	3,584	8,672
<b>Total non-current liabilities</b>		<b>16,986,236</b>	<b>17,843,481</b>	<b>2,997,527</b>	<b>3,002,369</b>
<b>Capital, reserves and non-controlling interests</b>					
Share capital	13	5,920,175	5,920,175	5,920,175	5,920,175
Retained earnings		4,041,030	3,682,917	11,579	253,832
Other reserves		28,698	212,468	693,739	460,077
<b>Equity attributable to owners of the Company</b>		<b>9,989,903</b>	<b>9,815,560</b>	<b>6,625,493</b>	<b>6,634,084</b>
Non-controlling interests		5,355,465	4,999,012	-	-
<b>Total equity</b>		<b>15,345,368</b>	<b>14,814,572</b>	<b>6,625,493</b>	<b>6,634,084</b>
<b>Total liabilities and equity</b>		<b>42,906,024</b>	<b>40,545,215</b>	<b>13,442,422</b>	<b>12,013,481</b>

**1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, please specify the following at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-**

Please refer to Note 12 to the Condensed Interim Consolidated Financial Statements.

**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 INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	Group For 3 Months Ended		Group For 9 Months Ended	
	30.9.23 (Unaudited)	30.9.22 (Unaudited)	30.9.23 (Unaudited)	30.9.22 (Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Operating activities:</b>				
<b>Profit before tax</b>	443,503	393,820	1,255,879	1,099,933
Adjustments for:				
(Reversal of) Loss allowance for trade receivables, net	(333)	3,809	2,007	906
Reversal of loss allowance for non-trade receivables, net	(1,446)	-	(1,446)	-
Depreciation of property, plant and equipment	15,146	10,014	32,067	31,129
Amortisation of intangible assets	79,005	78,473	273,728	235,483
Depreciation of right-of-use assets	3,197	3,128	8,320	8,418
Loss on disposal of property, plant and equipment	-	8	12	137
Loss on disposal of intangible assets	3	-	-	9
Gain on disposal of FVTOCI	-	(842)	-	(842)
Gain on disposal of subsidiaries	-	(2,580)	-	(2,580)
Finance income	(8,874)	(11,928)	(23,191)	(27,854)
Finance expenses	218,288	186,142	634,030	523,154
Share of results of associates	(2,550)	(4,875)	(6,210)	(10,595)
Share of results of joint ventures	2,102	(5,151)	(16,626)	(15,845)
Fair value loss (gain) on financial assets at fair value through profit and loss	226	288	(142)	316
<b>Operating cash flows before working capital changes</b>	748,267	650,306	2,158,428	1,841,769
(Increase) Decrease in:				
Inventories	4,877	(14,644)	(23,656)	(34,060)
Amounts due from/to customers for contract work, net	(10,923)	(9,418)	(19,227)	(35,275)
Trade receivables, other receivables and prepayments	(420,316)	(577,117)	(835,566)	(959,106)
Bills receivables	(10)	(1,522)	(3,476)	(3,145)
Amounts due from joint ventures	9,838	(325)	23,028	(1,291)
Amounts due from associates	(360)	(51,180)	35,795	(47,337)
Increase (Decrease) in:				
Trade and other payables (inclusive of non-current liabilities)	(89,539)	(36,533)	234,633	(50,451)
Bills payable to banks	(6,011)	2,937	(20,051)	(32,354)
<b>Cash generated from (used in) operating activities before service concession arrangement projects</b>	235,823	(37,496)	1,549,908	678,750
Change in receivables under service concession arrangements (Note A)	516,105	(43,324)	243,272	(1,069,587)
<b>Cash generated from (used in) operating activities after service concession arrangement projects</b>	751,928	(80,820)	1,793,180	(390,837)
Interest received	7,030	11,960	18,482	27,358
Income tax refund	-	-	-	1,771
Income tax paid	(40,923)	(39,295)	(163,838)	(158,423)
<b>Net cash generated from (used in) operating activities</b>	718,035	(108,155)	1,647,824	(520,131)



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. – cont'd

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS – cont'd

	Group For 3 Months Ended		Group For 9 Months Ended	
	30.9.23 (Unaudited) RMB'000	30.9.22 (Unaudited) RMB'000	30.9.23 (Unaudited) RMB'000	30.9.22 (Unaudited) RMB'000
<b>Investing activities:</b>				
Purchase of property, plant and equipment	(23,168)	(19,630)	(36,938)	(71,550)
Purchase of intangible assets, net of amount on credit terms	(715,292)	(66,416)	(1,623,129)	(207,299)
Movement in prepayment for property, plant and equipment and intangible assets, net	(736)	(1,400)	(45,968)	(36,719)
Proceeds from disposal of property, plant and equipment	-	21	162	113
Proceeds from disposal of intangible assets	(3)	-	-	15
Proceeds from disposal of financial assets at FVTOCI	-	14,533	-	14,533
Additional capital injection in an associate	-	(66,000)	-	(93,000)
Dividend received from associates	10,432	-	10,432	-
Net cash inflow on disposal of subsidiaries	-	124,523	-	124,523
<b>Net cash used in investing activities</b>	<b>(728,767)</b>	<b>(14,369)</b>	<b>(1,695,441)</b>	<b>(269,384)</b>
<b>Financing activities:</b>				
Proceeds from bank and other borrowings	1,624,240	318,025	3,651,301	3,070,383
Repayment of bank and other borrowings	(1,028,410)	(527,189)	(2,770,461)	(1,760,406)
Interest paid	(200,475)	(159,020)	(603,629)	(560,258)
Principal and interest elements of lease payments	(2,601)	(3,538)	(8,523)	(9,337)
Dividend paid to equity shareholders	(69,801)	(70,739)	(202,703)	(192,118)
Dividend paid to non-controlling interest in subsidiaries	(14,728)	(26,104)	(61,758)	(49,044)
Contribution from non-controlling interests upon additional capital injection in subsidiaries	7,238	68,449	23,238	288,012
(Increase) Decrease in pledged bank deposits	(7,435)	202,163	5,247	25,490
<b>Net cash generated from (used in) financing activities</b>	<b>308,028</b>	<b>(197,953)</b>	<b>32,712</b>	<b>812,722</b>
Net increase (decrease) in cash and cash equivalents	297,296	(320,477)	(14,905)	23,207
Cash and cash equivalents at beginning of period	2,204,910	3,143,109	2,512,625	2,794,951
Effects of exchange rate changes on cash and cash equivalents	(2,333)	2,753	2,153	7,227
<b>Cash and cash equivalents at end of period</b>	<b>2,499,873</b>	<b>2,825,385</b>	<b>2,499,873</b>	<b>2,825,385</b>

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. – cont'd

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS – cont'd

	Group For 3 Months Ended		Group For 9 Months Ended	
	30.9.23 (Unaudited)	30.9.22 (Unaudited)	30.9.23 (Unaudited)	30.9.22 (Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Cash and cash equivalents at end of period</b>				
Cash and bank balances	2,588,506	2,918,266	2,588,506	2,918,266
Less: Pledged bank deposits	(88,633)	(92,881)	(88,633)	(92,881)
Cash and cash equivalents	2,499,873	2,825,385	2,499,873	2,825,385

Note A:

In accordance with the application of SFRS(I) INT 12 *Service Concession Arrangements* and SFRS(I) 1-7 *Statement of Cash Flows*, the movement in the receivables under service concession arrangements has been classified under operating activities. The movement in the receivables under service concession arrangements was mainly arising from the construction and/or purchase of new or existing water treatment and waste incineration facilities in 9MFY2023 and 3QFY2023 respectively.

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

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

GROUP	Share capital	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1.1.23 (Audited)</b>	5,920,175	3,682,917	212,468	625,982	-	(203,033)	(10,166)	(200,315)	9,815,560	4,999,012	14,814,572
Profit for the period	-	150,031	-	-	-	-	-	-	150,031	91,968	241,999
<u>Other comprehensive income</u>											
Exchange differences arising on translation	-	-	31,945	-	-	31,945	-	-	31,945	-	31,945
Exchange differences arising on translation of foreign operations	-	-	(9,470)	-	-	(9,470)	-	-	(9,470)	-	(9,470)
Other comprehensive income for the period, net of tax	-	-	22,475	-	-	22,475	-	-	22,475	-	22,475
Total comprehensive income for the period	-	150,031	22,475	-	-	22,475	-	-	172,506	91,968	264,474
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	(18,568)	18,568	18,568	-	-	-	-	-	-	-
Total	-	(18,568)	18,568	18,568	-	-	-	-	-	-	-
<u>Others</u>											
Dividends declared to NCI	-	-	-	-	-	-	-	-	-	(4,000)	(4,000)
Total	-	-	-	-	-	-	-	-	-	(4,000)	(4,000)
<b>Balance at 31.3.23 (Unaudited)</b>	<b>5,920,175</b>	<b>3,814,380</b>	<b>253,511</b>	<b>644,550</b>	<b>-</b>	<b>(180,558)</b>	<b>(10,166)</b>	<b>(200,315)</b>	<b>9,988,066</b>	<b>5,086,980</b>	<b>15,075,046</b>

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. – cont'd

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont'd

GROUP	Share capital	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1.4.23 (Unaudited)</b>	5,920,175	3,814,380	253,511	644,550	-	(180,558)	(10,166)	(200,315)	9,988,066	5,086,980	15,075,046
Profit for the period	-	227,320	-	-	-	-	-	-	227,320	124,313	351,633
<u>Other comprehensive loss</u>											
Exchange differences arising on translation	-	-	(184,943)	-	-	(184,943)	-	-	(184,943)	-	(184,943)
Exchange differences arising on translation of foreign operations	-	-	(17,753)	-	-	(17,753)	-	-	(17,753)	-	(17,753)
Other comprehensive loss for the period, net of tax	-	-	(202,696)	-	-	(202,696)	-	-	(202,696)	-	(202,696)
Total comprehensive income for the period	-	227,320	(202,696)	-	-	(202,696)	-	-	24,624	124,313	148,937
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	(6,401)	6,401	6,401	-	-	-	-	-	-	-
Total	-	(6,401)	6,401	6,401	-	-	-	-	-	-	-
<u>Others</u>											
NCI upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	16,000	16,000
Dividend declared to NCI	-	-	-	-	-	-	-	-	-	(3,920)	(3,920)
Dividend declared to equity shareholders	-	(132,902)	-	-	-	-	-	-	(132,902)	-	(132,902)
Total	-	(132,902)	-	-	-	-	-	-	(132,902)	12,080	(120,822)
<b>Balance at 30.6.23 (Unaudited)</b>	<b>5,920,175</b>	<b>3,902,397</b>	<b>57,216</b>	<b>650,951</b>	<b>-</b>	<b>(383,254)</b>	<b>(10,166)</b>	<b>(200,315)</b>	<b>9,879,788</b>	<b>5,223,373</b>	<b>15,103,161</b>

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. – cont'd

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont'd

GROUP	Share capital	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1.7.23 (Unaudited)</b>	5,920,175	3,902,397	57,216	650,951	-	(383,254)	(10,166)	(200,315)	9,879,788	5,223,373	15,103,161
Profit for the period	-	206,033	-	-	-	-	-	-	206,033	124,854	330,887
<u>Other comprehensive loss</u>											
Exchange differences arising on translation	-	-	(26,268)	-	-	(26,268)	-	-	(26,268)	-	(26,268)
Exchange differences arising on translation of foreign operations	-	-	151	-	-	151	-	-	151	-	151
Other comprehensive loss for the period, net of tax	-	-	(26,117)	-	-	(26,117)	-	-	(26,117)	-	(26,117)
Total comprehensive income for the period	-	206,033	(26,117)	-	-	(26,117)	-	-	179,916	124,854	304,770
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	2,401	(2,401)	(2,401)	-	-	-	-	-	-	-
Total	-	2,401	(2,401)	(2,401)	-	-	-	-	-	-	-
<u>Others</u>											
NCI upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	7,238	7,238
Dividend declared to equity shareholders	-	(69,801)	-	-	-	-	-	-	(69,801)	-	(69,801)
Total	-	(69,801)	-	-	-	-	-	-	(69,801)	7,238	(62,563)
<b>Balance at 30.9.23 (Unaudited)</b>	5,920,175	4,041,030	28,698	648,550	-	(409,371)	(10,166)	(200,315)	9,989,903	5,355,465	15,345,368

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. – cont'd

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont'd

GROUP	Share capital	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1.1.22 (Audited)</b>	5,920,175	3,188,828	423,508	541,952	(8,068)	100,105	(10,166)	(200,315)	9,532,511	4,503,690	14,036,201
Profit for the period	-	175,821	-	-	-	-	-	-	175,821	80,022	255,843
<u>Other comprehensive income</u>											
Exchange differences arising on translation	-	-	18,993	-	-	18,993	-	-	18,993	-	18,993
Exchange differences arising on translation of foreign operations	-	-	3,480	-	-	3,480	-	-	3,480	-	3,480
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	56	-	56	-	-	-	56	-	56
Other comprehensive income for the period, net of tax	-	-	22,529	-	56	22,473	-	-	22,529	-	22,529
Total comprehensive income for the period	-	175,821	22,529	-	56	22,473	-	-	198,350	80,022	278,372
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	(8,459)	8,459	8,459	-	-	-	-	-	-	-
Total	-	(8,459)	8,459	8,459	-	-	-	-	-	-	-
<u>Others</u>											
NCI upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	84,063	84,063
Total	-	-	-	-	-	-	-	-	-	84,063	84,063
<b>Balance at 31.3.22 (Unaudited)</b>	5,920,175	3,356,190	454,496	550,411	(8,012)	122,578	(10,166)	(200,315)	9,730,861	4,667,775	14,398,636

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. – cont'd

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont'd

GROUP	Share capital	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1.4.22 (Unaudited)</b>	5,920,175	3,356,190	454,496	550,411	(8,012)	122,578	(10,166)	(200,315)	9,730,861	4,667,775	14,398,636
Profit for the period	-	190,190	-	-	-	-	-	-	190,190	101,747	291,937
<u>Other comprehensive loss</u>											
Exchange differences arising on translation	-	-	(152,603)	-	-	(152,603)	-	-	(152,603)	-	(152,603)
Exchange differences arising on translation of foreign operations	-	-	(4,351)	-	-	(4,351)	-	-	(4,351)	-	(4,351)
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	(1,659)	-	(1,659)	-	-	-	(1,659)	-	(1,659)
Other comprehensive loss for the period, net of tax	-	-	(158,613)	-	(1,659)	(156,954)	-	-	(158,613)	-	(158,613)
Total comprehensive income for the period	-	190,190	(158,613)	-	(1,659)	(156,954)	-	-	31,577	101,747	133,324
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	1,617	(1,617)	(1,617)	-	-	-	-	-	-	-
Total	-	1,617	(1,617)	(1,617)	-	-	-	-	-	-	-
<u>Others</u>											
NCI upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	135,500	135,500
Dividend declared to NCI	-	-	-	-	-	-	-	-	-	(2,940)	(2,940)
Dividend declared to equity shareholders	-	(121,379)	-	-	-	-	-	-	(121,379)	-	(121,379)
Total	-	(121,379)	-	-	-	-	-	-	(121,379)	132,560	11,181
<b>Balance at 30.6.22 (Unaudited)</b>	5,920,175	3,426,618	294,266	548,794	(9,671)	(34,376)	(10,166)	(200,315)	9,641,059	4,902,082	14,543,141

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. – cont'd

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont'd

GROUP	Share capital	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1.7.22 (Unaudited)</b>	5,920,175	3,426,618	294,266	548,794	(9,671)	(34,376)	(10,166)	(200,315)	9,641,059	4,902,082	14,543,141
Profit for the period	-	205,001	-	-	-	-	-	-	205,001	90,993	295,994
<u>Other comprehensive loss</u>											
Exchange differences arising on translation	-	-	(182,588)	-	-	(182,588)	-	-	(182,588)	-	(182,588)
Exchange differences arising on translation of foreign operations	-	-	(25,507)	-	-	(25,507)	-	-	(25,507)	-	(25,507)
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	(288)	-	(288)	-	-	-	(288)	-	(288)
Other comprehensive loss for the period, net of tax	-	-	(208,383)	-	(288)	(208,095)	-	-	(208,383)	-	(208,383)
Total comprehensive income for the period	-	205,001	(208,383)	-	(288)	(208,095)	-	-	(3,382)	90,993	87,611
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	398	(398)	(398)	-	-	-	-	-	-	-
Total	-	398	(398)	(398)	-	-	-	-	-	-	-
<u>Others</u>											
NCI upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	68,449	68,449
Dividend declared to NCI	-	-	-	-	-	-	-	-	-	(26,104)	(26,104)
Dividend declared to equity shareholders	-	(70,739)	-	-	-	-	-	-	(70,739)	-	(70,739)
Total	-	(70,739)	-	-	-	-	-	-	(70,739)	42,345	(28,394)
<b>Balance at 30.9.22 (Unaudited)</b>	5,920,175	3,561,278	85,485	548,396	(9,959)	(242,471)	(10,166)	(200,315)	9,566,938	5,035,420	14,602,358



**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. – cont'd**

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont'd**

<b>COMPANY</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Other reserves*</b>	<b>Total equity</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Balance at 1.1.23 (Audited)</b>	5,920,175	253,832	460,077	6,634,084
Loss for the period	-	(46,060)	-	(46,060)
<u>Other comprehensive income</u>				
Exchange differences arising on translation, net of tax	-	-	13,671	13,671
Other comprehensive income for the period, net of tax	-	-	13,671	13,671
Total comprehensive loss for the period	-	(46,060)	13,671	(32,389)
<b>Balance at 31.3.23 (Unaudited)</b>	<b>5,920,175</b>	<b>207,772</b>	<b>473,748</b>	<b>6,601,695</b>
Loss for the period	-	(34,809)	-	(34,809)
<u>Other comprehensive income</u>				
Exchange differences arising on translation, net of tax	-	-	245,662	245,662
Other comprehensive income for the period, net of tax	-	-	245,662	245,662
Total comprehensive income for the period	-	(34,809)	245,662	210,853
<u>Others</u>				
Dividend declared to equity shareholders	-	(132,902)	-	(132,902)
<b>Balance at 30.6.23 (Unaudited)</b>	<b>5,920,175</b>	<b>40,061</b>	<b>719,410</b>	<b>6,679,646</b>
Profit for the period	-	41,319	-	41,319
<u>Other comprehensive loss</u>				
Exchange differences arising on translation, net of tax	-	-	(25,671)	(25,671)
Other comprehensive loss for the period, net of tax	-	-	(25,671)	(25,671)
Total comprehensive income for the period	-	41,319	(25,671)	15,648
<u>Others</u>				
Dividend declared to equity shareholders	-	(69,801)	-	(69,801)
<b>Balance at 30.9.23 (Unaudited)</b>	<b>5,920,175</b>	<b>11,579</b>	<b>693,739</b>	<b>6,625,493</b>

\* Relates to translation reserve.

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. – cont'd

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont'd

COMPANY	Share capital RMB'000	Retained earnings RMB'000	Other reserves* RMB'000	Total equity RMB'000
<b>Balance at 1.1.22 (Audited)</b>	5,920,175	182,128	(107,989)	5,994,314
Loss for the period	-	(10,340)	-	(10,340)
<u>Other comprehensive loss</u>				
Exchange differences arising on translation, net of tax	-	-	(41,232)	(41,232)
Other comprehensive loss for the period, net of tax	-	-	(41,232)	(41,232)
Total comprehensive loss for the period	-	(10,340)	(41,232)	(51,572)
<b>Balance at 31.3.22 (Unaudited)</b>	<u>5,920,175</u>	<u>171,788</u>	<u>(149,221)</u>	<u>5,942,742</u>
Profit for the period	-	28,989	-	28,989
<u>Other comprehensive income</u>				
Exchange differences arising on translation, net of tax	-	-	164,918	164,918
Other comprehensive income for the period, net of tax	-	-	164,918	164,918
Total comprehensive income for the period	-	28,989	164,918	193,907
<u>Others</u>				
Dividend declared to equity shareholders	-	(121,379)	-	(121,379)
<b>Balance at 30.6.22 (Unaudited)</b>	<u>5,920,175</u>	<u>79,398</u>	<u>15,697</u>	<u>6,015,270</u>
Loss for the period	-	(27,703)	-	(27,703)
<u>Other comprehensive income</u>				
Exchange differences arising on translation, net of tax	-	-	187,080	187,080
Other comprehensive income for the period, net of tax	-	-	187,080	187,080
Total comprehensive income for the period	-	(27,703)	187,080	159,377
<u>Others</u>				
Dividend declared to equity shareholders	-	(70,739)	-	(70,739)
<b>Balance at 30.9.22 (Unaudited)</b>	<u>5,920,175</u>	<u>(19,044)</u>	<u>202,777</u>	<u>6,103,908</u>

\* Relates to translation reserve.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

SIIC Environment Holdings Ltd. (the “Company”) is a public limited company, incorporated and domiciled in the Republic of Singapore and is dual listed on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and The Stock Exchange of Hong Kong Limited (the “SEHK”). These condensed interim consolidated financial statements as at and for the third quarter and nine months ended 30 September 2023 comprise the Company and its subsidiaries’ (collectively, “the Group”). The registered office and principal place of business of the Company is located at One Temasek Avenue, #37-02 Millenia Tower, Singapore 039192. There were no changes to the principal activities of the Group.

### 2. BASIS OF PREPARATION

The unaudited condensed interim consolidated financial statements for the nine months ended 30 September 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The condensed interim 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 of the Group since the last audited annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

The presentation currency of the condensed interim financial statements is Renminbi (“RMB”) as the Group’s operations are substantially based in the People’s Republic of China (“PRC”).

#### 2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

## **2. BASIS OF PREPARATION - cont'd**

### **2.2 Use of judgements and estimates**

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements for the year ended 31 December 2022.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 9 – Receivables under service concession arrangements

Management has determined that there is no impairment loss for the Group's goodwill on consolidation as at 30 September 2023.

### **2.3 Financial Risk Management Objectives and Policies**

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include (i) foreign currency risk; (ii) interest rate risk; (iii) liquidity risk; and (iv) credit risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer and Management.

The condensed interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's audited annual financial statements as at 31 December 2022.

There have been no changes in the risk management policies since year end.

## **3. SEASONAL OPERATIONS**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

#### 4. SEGMENT INFORMATION

The Group is organised into business segments based on their products and services, and has reportable segments as follows:

(i) Water and Sludge Treatment:

Principal activities include construction, management and operation of water and sludge related infrastructure under service concession arrangements and management and operation of water and sludge related infrastructure under non-service concession arrangements and financial income under service concession arrangements.

(ii) Water Supply:

Principal activities include construction, management and operation of water supply related infrastructure under service concession arrangements.

(iii) Waste Incineration:

Principal activities include construction, management and operation of waste incineration related infrastructure under service concession arrangements.

Other operations include design and consultancy on the projects and installation of water meters. None of these segments meets any of the quantitative thresholds for determining reportable segments for the financial period ended 30 September 2023 and 31 December 2022.

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Group's financing and income taxes are managed on a Group basis and are not allocated to operating segments. Unallocated assets/liabilities mainly comprise of corporate assets and liabilities, tax assets and liabilities and interest income and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

Transfer prices between operating segments are on agreed-term basis in a manner similar to transactions with third parties.

#### 4. SEGMENT INFORMATION - cont'd

##### Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments:

Nine Months Ended 30 September 2023 (Unaudited)

All amount in RMB'000	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Revenue	3,553,155	945,278	1,654,639	6,153,072	195,887	-	6,348,959
Reportable segment profit (loss) from operations	1,217,546	149,594	476,345	1,843,485	49,200	(83,655)	1,809,030
Finance income	-	-	-	-	-	23,191	23,191
Finance expenses	-	-	-	-	-	(634,030)	(634,030)
Other non-operating income	16,103	26,384	-	42,487	7	(7,642)	34,852
Share of results of associates	2,045	-	-	2,045	4,165	-	6,210
Share of results of joint ventures	-	-	16,626	16,626	-	-	16,626
Income tax expense	(151,373)	(37,256)	(98,447)	(287,076)	(7,943)	(36,341)	(331,360)
Profit after tax							924,519
Segment depreciation and amortisation	220,629	79,496	-	300,125	191	13,799	314,115
Segment non-cash income	1,446	-	-	1,446	142	-	1,588
Segment non-cash expenses	-	(2,007)	-	(2,007)	-	-	(2,007)

4. SEGMENT INFORMATION - cont'd

Segment revenue and results – cont'd

Nine Months Ended 30 September 2022 (Unaudited)

All amount in RMB'000	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Revenue	3,216,015	847,354	1,494,056	5,557,425	230,370	-	5,787,795
Reportable segment profit (loss) from operations	1,146,037	107,291	267,676	1,521,004	70,895	(76,378)	1,515,521
Finance income	-	-	-	-	-	27,854	27,854
Finance expenses	-	-	-	-	-	(523,154)	(523,154)
Other non-operating income	21,701	21,515	2,051	45,267	7	7,998	53,272
Share of results of associates	6,198	-	-	6,198	2,809	1,588	10,595
Share of results of joint ventures	-	-	15,845	15,845	-	-	15,845
Income tax expense	(115,205)	(30,038)	(66,928)	(212,171)	(11,075)	(32,913)	(256,159)
Profit after tax							843,774
Segment depreciation and amortisation	184,852	79,211	1,860	265,923	203	8,904	275,030
Segment non-cash income	364	-	-	364	-	-	364
Segment non-cash expenses	-	1,270	-	1,270	316	-	1,586

#### 4. SEGMENT INFORMATION - cont'd

##### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating segments:

At 30 September 2023 (Unaudited)

All amount in RMB'000	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Segment assets	28,143,259	5,147,509	7,841,804	41,132,572	542,988	420,458	42,096,018
Interest in joint ventures	-	-	550,519	550,519	-	-	550,519
Interest in associates	92,310	-	-	92,310	111,027	33,193	236,530
Financial assets at fair value through profit or loss	6,506	-	-	6,506	3,051	-	9,557
Financial assets at fair value through other comprehensive income	10,400	-	-	10,400	3,000	-	13,400
Total assets							42,906,024
Segment liabilities	11,084,943	2,245,043	4,361,691	17,691,677	1,208,237	8,660,742	27,560,656
Segment capital expenditure	268,460	154,039	1,292,603	1,715,102	96	25	1,715,223



4. SEGMENT INFORMATION - cont'd

Segment assets and liabilities - cont'd

At 31 December 2022 (Audited)

All amount in RMB'000	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Segment assets	27,623,624	5,143,292	6,000,859	38,767,775	580,002	424,393	39,772,170
Interest in joint ventures	-	-	517,763	517,763	-	-	517,763
Interest in associates	94,070	-	-	94,070	106,862	31,535	232,467
Financial assets at fair value through profit or loss	6,506	-	-	6,506	2,909	-	9,415
Financial assets at fair value through other comprehensive income	10,400	-	-	10,400	3,000	-	13,400
Total assets							40,545,215
Segment liabilities	10,811,541	2,428,834	3,851,122	17,091,497	1,236,313	7,402,833	25,730,643
Segment capital expenditure	268,982	132,284	410	401,676	278	6,385	408,339

## 5. REVENUE

	3 Months Ended 30 September		9 Months Ended 30 September	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Construction revenue	861,948	772,574	2,148,948	2,039,638
Operating and maintenance income from services concession arrangements	999,295	876,360	2,858,324	2,493,742
Financial income from service concession arrangements	321,447	309,723	963,649	923,793
Service income	59,557	22,082	154,625	100,252
Other revenue	87,863	120,181	223,413	230,370
	<u>2,330,110</u>	<u>2,100,920</u>	<u>6,348,959</u>	<u>5,787,795</u>
Timing of revenue recognition:				
At a point in time	999,295	876,360	2,858,324	2,493,742
Over time	1,330,815	1,224,560	3,490,635	3,294,053
	<u>2,330,110</u>	<u>2,100,920</u>	<u>6,348,959</u>	<u>5,787,795</u>

## 6. TAXATION

	3 Months Ended 30 September		9 Months Ended 30 September	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Current tax:				
Current year	65,072	58,262	199,543	173,204
Over provision in respect of prior periods	(5,488)	(854)	(1,406)	(18,527)
Deferred tax:				
Current year	53,032	40,211	132,055	101,271
Under provision in respect of prior periods	-	207	1,168	211
	<u>112,616</u>	<u>97,826</u>	<u>331,360</u>	<u>256,159</u>

The corporate income tax applicable to the Singapore companies of the Group is 17% (Nine Months Ended 30 September 2022: 17%).

## 6. TAXATION - cont'd

Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax ("EIT") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards. In accordance with the "Income Tax Law of the PRC for Enterprises with Foreign Investment and Foreign Enterprises", certain subsidiaries, engaging in public infrastructure projects, are entitled to full exemption from EIT for the first three years and a 50% reduction in EIT for the next three years of generating operating income.

## 7. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging (crediting):

	3 Months Ended 30 September		9 Months Ended 30 September	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
(Reversal of) Loss allowance for trade receivables, net	(333)	3,809	2,007	906
Reversal of loss allowance for non-trade receivables, net	(1,446)	-	(1,446)	-
Depreciation of property, plant and equipment	15,146	10,014	32,067	31,129
Amortisation of intangible assets	79,005	78,473	273,728	235,483
Depreciation of right-of-use assets	3,197	3,128	8,320	8,418
Loss on disposal of property, plant and equipment	-	8	12	137
Loss on disposal of intangible assets	3	-	-	9
Gain on disposal of FVTOCI	-	(842)	-	(842)
Gain on disposal of subsidiaries	-	(2,580)	-	(2,580)
Finance income	(8,874)	(11,928)	(23,191)	(27,854)
Finance expenses	218,288	186,142	634,030	523,154
Share of results of associates	(2,550)	(4,875)	(6,210)	(10,595)
Share of results of joint ventures	2,102	(5,151)	(16,626)	(15,845)
Fair value loss (gain) on financial assets at fair value through profit and loss	226	288	(142)	316
Foreign exchange gain, net	(6,464)	(23,540)	(14,697)	(7,890)

## 8. TRADE AND OTHER RECEIVABLES

The following is an aged analysis of trade receivables, net of loss allowance, excluding other receivables, presented based on the invoice date at the end of the reporting period:

	<b>30 September 2023 RMB'000 (Unaudited)</b>	<b>31 December 2022 RMB'000 (Audited)</b>
Within 30 days	1,033,328	989,081
Within 31 to 60 days	369,572	335,935
Within 61 to 90 days	355,766	286,136
Within 91 to 180 days	688,567	475,927
Within 181 to 365 days	750,221	622,382
Over 365 days	991,936	728,482
	<u>4,189,390</u>	<u>3,437,943</u>

## 9. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

Consideration given by the grantor for a service concession arrangement is accounted for as an intangible asset (operating concessions) or a financial asset (receivables under service concession arrangements) or a combination of both, as appropriate. The financial asset component is as follows:

	<b>30 September 2023 RMB'000 (Unaudited)</b>	<b>31 December 2022 RMB'000 (Audited)</b>
Receivables under service concession arrangements:		
Current portion	797,675	733,089
Non-current portion	23,060,445	22,816,306
	<u>23,858,120</u>	<u>23,549,395</u>

Expected collection schedule is analysed as follows:

Within 1 year	797,675	733,089
Within 2 to 5 years	3,914,750	3,198,396
Over 5 years	19,145,695	19,617,910
	<u>23,858,120</u>	<u>23,549,395</u>

## 10. INTANGIBLE ASSETS

During the period, the Group's additions of intangible assets amounted to RMB1,698,065,000 (Nine Months Ended 30 September 2022: RMB237,808,000).

Certain intangibles with carrying value of RMB1,424,016,000 were pledged to secure the Group's bank borrowings as at 30 September 2023 (31 December 2022: RMB1,413,402,000).

## 11. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	<b>30 September 2023 RMB'000 (Unaudited)</b>	<b>31 December 2022 RMB'000 (Audited)</b>
Within 30 days	958,417	1,066,380
Within 31 to 60 days	65,023	123,720
Within 61 to 90 days	60,511	52,847
Within 91 to 180 days	709,782	159,635
Within 181 to 365 days	314,046	140,732
Over 365 days	728,067	699,078
	<u>2,835,846</u>	<u>2,242,392</u>

## 12. BANK AND OTHER BORROWINGS

	<b>30 September 2023 RMB'000 (Unaudited)</b>	<b>31 December 2022 RMB'000 (Audited)</b>
Amount repayable within one year or on demand:		
Secured	1,991,147	780,766
Unsecured	3,853,454	2,991,938
	<u>5,844,601</u>	<u>3,772,704</u>
Amount repayable after one year:		
Secured	7,808,464	9,272,142
Unsecured	6,574,443	6,102,693
	<u>14,382,907</u>	<u>15,374,835</u>

### Details of any collateral

The bank and other borrowings are secured/guaranteed on concessionary arrangements, trade receivables (relating to concessionary arrangements) collection rights, guarantees by subsidiaries, guarantees by third party company and/or secured by a corporate guarantee by SIIC Environment Holdings Ltd..

### 13. SHARE CAPITAL

	<b>Group and Company</b>	
	<b>Number of ordinary shares</b>	<b>Amount RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Issued and paid up share capital</b>		
At 1 January 2022, 31 December 2022 and 30 September 2023	<u>2,575,665,726</u>	<u>5,920,175</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

Neither the Company nor any of its subsidiaries has redeemed, purchased or sold any of the Company's listed securities for the financial period ended 30 September 2023.

### 14. DIVIDENDS

A final one-tier tax exempt dividend of S\$0.01 per ordinary share in respect of the financial year ended 31 December 2022 was approved in the annual general meeting held on 28 April 2023 and paid out on 31 May 2023.

On 11 August 2023, the Board resolved to declare an interim dividend of S\$0.005 per ordinary share to shareholders. The interim dividend was fully paid out on 28 September 2023.

## 15. NET ASSET VALUE AND EARNINGS PER SHARE

	Group		Company	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	RMB cents (Unaudited)	RMB cents (Audited)	RMB cents (Unaudited)	RMB cents (Audited)
Net asset value per ordinary share	387.86	381.09	257.23	257.57

Net asset value per share is calculated based on the number of shares in issue of 2,575,665,726 as at 30 September 2023 (31 December 2022: 2,575,665,726).

	3 Months Ended 30 September		9 Months Ended 30 September	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Profit for the period attributable to the Owners of the Company (RMB'000)	206,033	205,001	583,384	571,012
Earnings per share for profit for the period attributable to the owners of the Company during the period:				
-Basic (RMB in cent)	8.00	7.96	22.65	22.17
-Diluted (RMB in cent)	8.00	7.96	22.65	22.17

Basis and diluted earnings per share are calculated based on the weighted average number of shares in issue of 2,575,665,726 (31 December 2022: 2,575,665,726) during the period.

## 16. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Except as detailed in the following tables below, the directors of the Company consider that the carrying amounts of all other financial assets and financial liabilities that are recorded at amortised cost in the consolidated financial statements to approximate their fair value, due to their short-term nature, that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period, or the discount rate used to amortise the instruments approximates the prevailing market interest rates.

The Group classifies financial assets measured at fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- b) Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- c) Inputs for the assets or liabilities which are not based on observable market data (unobservable inputs) (Level 3).

### (i) Fair value of financial assets that are measured at fair value on a recurring basis

Financial assets	Fair value		Fair value hierarchy
	30 September 2023	31 December 2022	
	RMB'000 (Unaudited)	RMB'000 (Audited)	
<b>Financial assets at FVTOCI</b>			
Unlisted equity security	13,400	13,400	Level 3
<b>Financial assets at FVTPL</b>			
Listed equity security	3,051	2,909	Level 1
Put option of unlisted equity security	6,506	6,506	Level 3



16. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS - cont'd

(ii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis and whose carrying amounts are not reasonable approximation of fair value

	30 September 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
<b>Financial assets</b>				
Receivables under service concession arrangements	18,287,583	19,112,769	17,571,277	17,932,803
<b>Financial liabilities</b>				
Bank and other borrowings (fixed rate)	(4,233,876)	(4,204,132)	(3,815,538)	(3,689,497)

The fair values of receivables under service concession arrangements and bank and other borrowings as disclosed in the table above are classified under level 3 of the fair value hierarchy and the fair values are estimated by discounting expected future cash flows at prevailing interest rate or borrowings rate as at the end of the reporting period.

There was no transfer amongst Levels 1, 2 and 3 in both periods.

## OTHER INFORMATION REQUIRED BY SGX LISTING RULE APPENDIX 7.2

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

Please refer to Note 13 of the Notes to the Condensed Interim Consolidated Financial Statements.

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

As at 30 September 2023, there were no treasury shares held (31 December 2022: Nil). Total number of issued shares as at 30 September 2023 was 2,575,665,726 (31 December 2022: 2,575,665,726).

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares for the financial period ended 30 September 2023.

- 1(d)(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.**

There were no sales, transfers, cancellation and/or use of subsidiary holdings during the financial period ended 30 September 2023.

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

The condensed interim consolidated statement of financial position of the Company and its subsidiaries as at 30 September 2023 and the related condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the nine-month period then ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

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 applied the same accounting policies and methods of computation in the financial statements for the current financial period as that of the audited financial statements for the year ended 31 December 2022.

**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.**

No such change in the accounting policies and methods of computation.

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

Please refer to Note 15 of the Notes to the Condensed Interim Consolidated Financial Statements.

- 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.**

Please refer to Note 15 of the Notes to the Condensed Interim Consolidated Financial Statements.

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

## **STATEMENT OF COMPREHENSIVE INCOME**

### **Overall Review**

The Group recorded an increase in revenue from RMB5,787.8 million in 9MFY2022 to RMB6,349.0 million in 9MFY2023, representing an increase of 9.7%. Gross profit ("GP") has increased 14.6% from RMB1,932.0 million in 9MFY2022 to RMB2,214.4 million in 9MFY2023.

Meanwhile, the Group's profit for the period amounted to RMB924.5 million, which is an increase of 9.6% as compared to 9MFY2022. The Group's profit after tax (attributable to owners of the Company) increased from RMB571.0 million in 9MFY2022 to RMB583.4 million in 9MFY2023, representing an increase of 2.2%.

For more details on the analysis of the Group's performance, please refer to the following sections below.

## 8. **A review of the performance of the group – cont'd.**

### **(A) Revenue**

#### **Construction Revenue**

Construction revenue amounted to RMB861.9 million and RMB2,148.9 million in 3QFY2023 and 9MFY2023 respectively (3QFY2022: RMB772.6 million; 9MFY2022: RMB2,039.6 million). The Group's benchmark water treatment project, Xicen Water Purification Plant Project ("Xicen Project") in Qingpu, Shanghai, together with several other construction projects have contributed to the increase in construction revenue.

#### **Operating and Maintenance Income from Service Concession Arrangements/ Financial Income from Service Concession Arrangements**

The aggregate of operating and maintenance income and financial income from service concession arrangements amounted to RMB1,320.7 million and RMB3,822.0 million in 3QFY2023 and 9MFY2023 respectively (3QFY2022: RMB1,186.1 million; 9MFY2022: RMB3,417.5 million). The higher revenue was largely attributable to the Group's benchmark solid waste treatment and power generation project, Shanghai Baoshan Renewable Energy Utilization Centre, which commenced operations in the beginning of the year, and also higher volume and average price in water treatment and water supply.

#### **Service Income**

Service income from non-service concession arrangements amounted to RMB59.6 million and RMB154.6 million in 3QFY2023 and 9MFY2023 respectively (3QFY2022: RMB22.1 million; 9MFY2022: RMB100.3 million). The increase in service income was due to a higher average price and new project awarded in Macau SAR, China.

#### **Other Revenue**

Other revenue for 3QFY2023 and 9MFY2023 was RMB87.9 million and RMB223.4 million respectively (3QFY2022: RMB120.2 million; 9MFY2022: RMB230.4 million). Other revenue mainly consists of installation works carried out, which were ad-hoc in nature.

### **(B) Gross Profit ("GP") / Gross Profit Margin ("GPM")**

The Group's GP increased by RMB89.3 million or 13.0% from RMB687.3 million in 3QFY2022 to RMB776.6 million in 3QFY2023. Meanwhile, total GP increased by RMB282.4 million or 14.6% from RMB1,932.0 million in 9MFY2022 to RMB2,214.4 million in 9MFY2023. The increase in GP was mainly contributed by the new service concession arrangements.

The rise in wastewater treatment and water supply volume, and increase in average treatment and supply tariff per tonne, higher GP contributed by the Shanghai Baoshan Renewable Energy Utilization Centre since its commencement of operations in the beginning of the year, and higher finance income derived from the service concession arrangements contributed to the higher GP.

## 8. **A review of the performance of the group – cont’d.**

### **(B) Gross Profit (“GP”) / Gross Profit Margin (“GPM”) – cont’d**

GPM recorded a slight increase of 0.6% from 32.7% in 3QFY2022 to 33.3% in 3QFY2023, and an increase of 1.5% from 33.4% in 9MFY2022 to 34.9% in 9MFY2023. The increase was mainly due to the higher GP contributed by the Shanghai Baoshan Renewable Energy Utilization Centre since its commencement of operations in the beginning of the FY2023.

### **(C) Other Income**

Other income amounted to RMB33.0 million and RMB91.2 million in 3QFY2023 and 9MFY2023 respectively (3QFY2022: RMB18.3 million; 9MFY2022: RMB79.1 million). The increase in 3QFY2023 and 9MFY2023 as compared to 3QFY2022 and 9MFY2022 was mainly due to the increment in volume of ad-hoc work and production.

### **(D) Other Gains and Losses**

Other gains and losses decreased from a gain of RMB24.4 million in 3QFY2022 to a gain of RMB3.8 million in 3QFY2023 were mainly due to the unrealised foreign exchange gain recorded in the corresponding period in prior period. Other gains and losses increased from a gain of RMB7.1 million in 9MFY2022 to a gain of RMB14.6 million in 9MFY2023 were mainly due to the increase in unrealised foreign exchange gain recorded in the current period.

### **(E) Selling and Distribution Costs**

Selling and distribution costs decreased from RMB20.0 million in 3QFY2022 to RMB18.9 million in 3QFY2023 and decreased from RMB59.0 million in 9MFY2022 to RMB56.8 million in 9MFY2023. Decrease in the selling and distribution costs were mainly due to improvement of repair and maintenance costs in the water supply segment.

### **(F) Administrative Expenses**

Administrative expenses decreased 4.9% from RMB140.0 million in 3QFY2022 to RMB133.2 million in 3QFY2023 due to improvement in costs management. However, the total administrative expenses increased from RMB362.5 million in 9MFY2022 to RMB396.2 million in 9MFY2023. The overall increase in administrative expenses was mainly caused by the increase in manpower costs which is in line with the growth in overall revenue and water treatment volume, and administrative expenses for the newly acquired subsidiaries since the end of FY2022.

### **(G) Finance Expenses**

Finance expenses amounted to RMB218.3 million and RMB634.0 million in 3QFY2023 and 9MFY2023 respectively (3QFY2022: RMB186.1 million; 9MFY2022: RMB523.2 million). The increase in 3QFY2023 and 9MFY2023 as compared to the corresponding preceding period was predominantly contributed by the increase in outstanding balance of bank and other borrowings, which was injected to support the ongoing projects construction and upgrading. Since May 2022, the interest rate hikes in certain markets outside of Mainland China also increased the finance expenses of the floating rate borrowings.

## 8. **A review of the performance of the group – cont'd.**

### **(H) Share of Results of Associates/ Share of Results of Joint Ventures**

The share of results of associates and joint ventures using the equity method represents the Group's share of results in the joint ventures and associates.

The share of results of joint ventures in 3QFY2023 decreased as compared to 3QFY2022 due to higher production costs incurred in the quarter. Share of results of joint ventures in 9MFY2023 had increased as compared to 9MFY2022 due to the resumption of operations to pre-Covid levels as the joint ventures had been temporarily affected by the latest wave of Covid epidemic in Mainland China in the prior financial periods.

The share of results of associates in 3QFY2023 and 9MFY2023 decreased as compared to 3QFY2022 and 9MFY2022 due to lower contribution from associates.

### **(I) Income Tax Expenses**

Income tax expenses amounted to RMB112.6 million and RMB331.4 million in 3QFY2023 and 9MFY2023 respectively (3QFY2022: RMB97.8 million; 9MFY2022: RMB256.2 million). The increase in income tax expenses was in line with the increase in profit generated in 3QFY2023 and 9MFY2023 as compared to 3QFY2022 and 9MFY2022, respectively.

## **STATEMENTS OF FINANCIAL POSITION**

### **(J) Current Assets**

Current assets as at 30 September 2023 amounted to RMB9.09 billion (31 December 2022: RMB8.33 billion). The increase in current assets was mainly due to the increase in trade receivables balance contributed by higher revenue, and slightly offset by the decrease in cash and cash equivalents.

### **(K) Non-current Assets**

Non-current assets as at 30 September 2023 amounted to RMB33.81 billion (31 December 2022: RMB32.22 billion). The increase in non-current assets was mainly due to the increase in intangible assets and receivables arising from the construction activities under the service concession arrangements.

### **(L) Current Liabilities**

Current liabilities as at 30 September 2023 amounted to RMB10.57 billion (31 December 2022: RMB7.89 billion). The increase was mainly due to the bank and other borrowings, and trade and other payables related to the operating activities for revenue. The current liabilities is slightly exceed current assets by RMB1.48 billion was mainly due to the portion of long term loan becoming due in the next 12 months, the group will rely on its related parties for financial support and the use of stand-by credit facilities to meet its future commitment.

### **(M) Non-current Liabilities**

Non-current liabilities as at 30 September 2023 amounted to RMB16.99 billion (31 December 2022: RMB17.84 billion). The decrease was mainly due to repayment of bank and other borrowings in 9MFY2023.

**8. A review of the performance of the group – cont'd.**

**STATEMENT OF CASH FLOWS**

As at 30 September 2023, the Group's cash and cash equivalents stood at RMB2.50 billion (31 December 2022: RMB2.51 billion). In 9MFY2023, net cash of RMB1,647.8 million was generated from the Group's operating activities, a significant amount of cash was used towards the Group's investments in projects with service concession arrangements. Excluding cash used in these projects, cash generated from operating activities in 9MFY2023 was RMB1,404.6 million.

Net cash used in the Group's investing activities of RMB1,695.4 million in 9MFY2023 was mainly due to net cash outflow from purchase of property, plant and equipments, and intangibles assets.

Net cash generated from the Group's financing activities of RMB32.7 million in 9MFY2023 was mainly due to capital contribution from non-controlling interests in subsidiaries, and net proceeds from borrowings after offsetting by dividends and interest payments.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement has been 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 the third quarter of 2023, the economy of the People's Republic of China ("China") continued to recover, while still facing certain difficulties and challenges. The "Carbon Peaking" and "Carbon Neutrality" ("Dual Carbon") policy framework has continuously improved, helping guide the high-quality development of the industry. On 15 August, China published her first "Blue Book of China's Ecological Conservation Red Lines (2023)". With red lines drawn for land and marine ecological conservation for the first time, the country has clear reference for managing and controlling important ecological areas, promoting transformation to low-carbon development, and hastening the adoption of green production modes and lifestyles. Though the external environment is complex and ever-changing, the Group has actively heeded the country's green development goals and requirement of low-carbon transformation, continuing to implement ESG development concepts, improve ESG governance and management standards, and coordinate and strengthen risk prevention capabilities, to the end of maintaining steady progress of the Group's various businesses.

Regarding water policy, to align with the national green development strategy, the Ministry of Ecology and Environment of China and Shanghai Municipal Bureau of Ecology and Environment have officially issued the "Notice on the Environmental Protection Works of Enhancing the Treatment of Urban Black and Odorous Water" (關於進一步做好黑臭水體整治環境保護工作的通知) and the "Special Plan for the Ecological Green Integrated Development Demonstration Zone of the Yangtze River Delta (2021-2035)" (長三角生態綠色一體化發展示範區生態環境專項規劃 (2021-2035年)) on 30 August and 21 September, respectively, which aim at expanding the scope of action for environmental protection of treatment of urban black and odorous water, with the goal of achieving full regional supervision and coverage. The Group has actively deployed high-quality projects and, with favorable policy support, it will keep expanding its wastewater and sludge treatment business. Currently, the construction of the Shanghai Qingpu Xicen Water Purification Plant Project ("Xicen Project") in the Yangtze River Delta Integration demonstration zone is well underway and the raft foundation construction of the Project was completed in mid-October, marking a significant milestone. After the Project is completed, it will be one of the most advanced underground wastewater treatment plants in the country in terms of effluent standard, strongly ensuring the safety of the water environment in the region and the construction of the Shanghai Xicen Science and Technology Innovation Center. The Group's business in the Guangdong-Hong Kong-Macao Greater Bay Area has also achieved good progress. The Macau Taipa Wastewater Treatment Plant Operation & Maintenance Project ("Taipa Project") is in stable operation, and the Macau Avenida Marginal do Lam Mau temporary Wastewater Treatment Plant Project ("Lam Mau Project") has completed preliminary design work and commenced construction in September. At the same time, the Group has vigorously improved the wastewater treatment plants (WWTP) capacities and promoted plant upgrading, reconstruction and expansion, and other related projects. In the third quarter, it signed an upgrade and expansion agreement for its 50,000-tonne Zaozhuang City Shanting District WWTP Project ("Shanting Project"), which will give its business stronger growth impetus, as well as raise its sustainable operation capabilities, in turn contribute positively to the Group's results.

**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. – cont'd.**

On the solid waste treatment front, in July, Chinese government departments including the National Development and Reform Commission, the Ministry of Ecology and Environment and the Ministry of Housing and Urban-Rural Development together issued the "Actions for Enhancing Environmental Infrastructure Construction (2023-2025) (環境基礎設施建設水平提升行動(2023—2025年))", which targets to markedly strengthen the handling capacity and standard of environmental infrastructure by 2025. The target set for national household waste sorting, collection and transportation capacity is more than 700,000 tonnes per day and for national urban household waste incineration capacity is more than 800,000 tonnes per day. With backing as such, the relevant policy benefits will bring more investment opportunities to the Group's solid waste treatment business. The Group has been actively promoting high-quality development of its WTE business. Its benchmark solid waste project – Shanghai Baoshan Renewable Energy Utilization Center ("Baoshan Project") – has started commercial operation, implementing better than EU-required emission standards, addressing the problem of secondary pollution from independent treatment of wet waste pollutants, and achieved centralized and coordinated treatment of dry and wet waste in the region, thus has been bringing the Group stable revenue.

In the future, the Group will continue to practice the "clear waters and green mountains are as valuable as mountains of gold and silver" concept, and actively help the country achieve her dual-carbon goals. At the same time, it will strengthen the innovation of green and low-carbon technologies and informatization construction, keep a close eye on high-quality project opportunities, press on with expanding market share and consolidate its leading position in China's water and environmental protection industries.

**11. Dividend**

**If a decision regarding dividend has been made:**

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

**(b) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None.

**Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

There was no interim dividend declared for 3QFY2022.

**(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 p.m.) will be registered before entitlements.**

Not applicable.

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

The Company did not declare any dividend as the Company requires cash to fund its capital expenditure and investment in projects.

**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.**

No IPT mandate has been obtained from shareholders.

**14. Confirmation by Directors pursuant to Rule 705(5) of the SGX-ST Listing Manual**

We, Zhu Dazhi and Xu Xiaobing, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the period ended 30 September 2023, to be false or misleading, in any material aspect.

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**

**Mr. Zhu Dazhi**

**Executive Director**

14 November 2023