SIIC ENVIRONMENT HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No: 200210042R)

Unaudited Financial Statements and Dividend Announcement for the Third Quarter and Nine Months ended 30 September 2017

9 November 2017

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Third Quarter and Nine Months of Financial Year 2017 Financial Statements And Dividend Announcement

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.

UNAUDITED RESULTS FOR THE THIRD QUARTER ("3QFY2017") AND NINE MONTHS ("9MFY2017) ENDED 30 SEPTEMBER 2017

		Group					
		3 Months Ended		Changes	9 Months Ended		Changes
	Note	30.9.17	30.9.16		30.9.17	30.9.16	
		RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	(A)	1,358,562	394,861	>100.0	3,353,616	1,514,161	>100.0
Cost of sales		(1,010,625)	(213,889)	>100.0	(2,297,980)	(964,938)	>100.0
Gross profit	(B)	**347,937**	**180,972**	92.3	**1,055,636**	**549,223**	92.2
Other operating income	(C)	15,651	8,601	82.0	40,581	26,631	52.4
Selling and distribution costs	(D)	(16,990)	(8,081)	>100.0	(49,334)	(23,075)	>100.0
Administrative expenses	(E)	(68,038)	(47,552)	43.1	(210,323)	(149,331)	40.8
Profit from operations		**278,560**	**133,940**	>100.0	**836,560**	**403,448**	>100.0
Finance income	(F)	3,537	3,338	6.0	12,078	7,205	67.6
Finance expenses	(F)	(129,345)	(48,170)	>100.0	(384,938)	(141,504)	>100.0
Other income	(G)	36,502	38,500	(5.2)	130,616	101,715	28.4
Share of results of joint ventures	(H)	11,222	10,242	9.6	37,052	46,002	(19.5)
Share of results of associates	(H)	(776)	3,807	N.M.	(2,758)	14,540	N.M.
Profit before tax	(i)	**199,700**	**141,657**	41.0	**628,610**	**431,406**	45.7
Income tax expense	(ii)	(53,545)	(31,550)	69.7	(171,976)	(92,695)	85.5
Profit for the period		**146,155**	**110,107**	32.7	**456,634**	**338,711**	34.8
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Foreign currency translation, net of tax		16,875	(11,775)	N.M.	79,129	43,873	80.4
Investment revaluation reserve	(K)	(9,616)	(10,151)	(5.3)	5,746	1,722	>100.0
Total comprehensive income for the period		**153,414**	**88,181**	74.0	**541,509**	**384,306**	40.9
Profit for the period attributable to:							
Owners of the Company		110,214	94,045	17.2	350,240	284,661	23.0
Non-controlling interests		35,941	16,062	>100.0	106,394	54,050	96.8
		146,155	**110,107**	32.7	**456,634**	**338,711**	34.8
Total comprehensive income attributable to:							
Owners of the Company		117,473	72,119	62.9	435,115	330,256	31.8
Non-controlling interests		35,941	16,062	>100.0	106,394	54,050	96.8
		153,414	**88,181**	74.0	**541,509**	**384,306**	40.9

N.M. – Not Meaningful

Notes:

1(a)(i) Profit before tax from operations is arrived at after charging/(crediting) the following:

	3 Months Ended		9 Months Ended	
	30.9.17	**30.9.16**	**30.9.17**	**30.9.16**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Amortisation of intangible assets (Note I)	66,013	35,049	195,401	103,058
Amortisation of land use rights	13	67	147	189
Depreciation of property, plant and equipment	5,279	3,038	16,115	9,049
Loss/(Gain) on disposal of property, plant and equipment	25	(138)	59	276
Loss/(Gain) on disposal of intangible assets	-	2	-	(2,551)
Gain on disposal of available-for-sale financial instruments	-	(10,628)	-	(10,628)
Foreign exchange (gain)/loss, net (Note C)	(5,502)	930	(3,733)	1,493
(Reversal of)/Allowance for doubtful receivables (trade)	(7,592)	293	(13,205)	(570)
Reversal of doubtful receivables, net (non-trade)	(20)	-	(20)	(8,232)
Reversal of allowance for inventories	-	-	-	(7)
Fair value (gain)/ loss from held-for-trading investment	(926)	367	(5,892)	(633)

1(a)(ii) Adjustment for over provision of tax in respect of prior periods

	3 Months Ended		9 Months Ended	
	30.9.17	**30.9.16**	**30.9.17**	**30.9.16**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Over provision of tax in respect of prior periods	(2,560)	(932)	(1,024)	(768)

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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.

	Note	Group		Company	
		As At 30.9.17	As At 31.12.16	As At 30.9.17	As At 31.12.16
		RMB'000	RMB'000	RMB'000	RMB'000
Current assets					
Cash and cash equivalents		1,633,447	1,634,556	379,372	8,726
Pledged bank deposits		108,082	191,918	-	-
Trade and other receivables		2,134,483	1,628,685	100,685	710
Bills receivables		3,383	3,313	-	-
Prepayments		56,081	34,387	17,442	358
Inventories		82,050	73,371	-	-
Receivables under service concession arrangements		240,452	203,993	-	-
Amounts due from customers for contract work		119,798	57,581	-	-
Amounts due from subsidiaries		-	-	2,774,189	2,114,688
Amounts due from joint venture		-	137	-	137
Amounts due from associate		36,708	37,894	-	-
Held-for-trading investments		32,120	26,795	-	-
Total current assets	(J)	**4,446,604**	**3,892,630**	**3,271,688**	**2,124,619**
Non-current assets					
Available-for-sale financial instruments		215,492	206,288	13,456	13,189
Prepayments		101,327	68,072	-	-
Receivables under service concession arrangements		12,533,320	10,948,086	-	-
Property, plant and equipment		189,838	183,580	1,405	1,697
Intangible assets		6,557,952	6,439,239	-	-
Land use rights		4,377	6,451	-	-
Long term receivable		62,434	11,547	-	-
Deferred tax assets		38,649	22,376	-	-
Investment in subsidiaries		-	-	2,626,562	2,565,418
Interest in joint ventures		724,016	705,256	541,838	531,064
Interest in associates		83,398	82,976	-	-
Goodwill on consolidation		457,241	457,241	-	-
Amounts due from associate		14,543	14,543	-	-
Total non-current assets	(K)	**20,982,587**	**19,145,655**	**3,183,261**	**3,111,368**
Total assets		**25,429,191**	**23,038,285**	**6,454,949**	**5,235,987**
Current liabilities					
Trade and other payables		2,402,190	2,122,531	25,170	23,080
Bills payable to banks		31,925	18,342	-	-
Tax payable		64,662	55,444	-	-
Amounts due to customers for contract work		14,498	21,386	-	-
Amounts due to subsidiaries		-	-	100,718	137,132
Bank and other borrowings		3,441,431	3,838,382	245,026	119,026
Finance lease		70,712	96,988	-	-
Total current liabilities	(L)	**6,025,418**	**6,153,073**	**370,914**	**279,238**
Non-current liabilities					
Bank and other borrowings		7,078,419	6,275,862	-	-
Finance lease		368,645	331,433	-	-
Deferred tax liabilities		1,727,091	1,602,513	-	-
Other non-current liabilities		143,271	142,227	-	-
Total non-current liabilities	(M)	**9,317,426**	**8,352,035**	**-**	**-**
Capital, reserves and non-controlling interest					
Share capital		5,951,889	4,861,138	5,951,889	4,861,138
Treasury shares		(96)	(96)	(96)	(96)
Retained earnings		1,436,011	1,199,172	10,399	65,815
Other reserves		(195)	(87,481)	121,843	29,892
Equity attributable to owners of the Company		**7,387,609**	**5,972,733**	**6,084,035**	**4,956,749**
Non-controlling interests		2,698,738	2,560,444	-	-
Total equity		**10,086,347**	**8,533,177**	**6,084,035**	**4,956,749**
Total liabilities and equity		**25,429,191**	**23,038,285**	**6,454,949**	**5,235,987**

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:-

Amount repayable in one year or less, or on demand

As at 30.9.17 RMB'000		**As at 31.12.16 RMB'000**	
Secured/ Guaranteed	Unsecured/ Unguaranteed	Secured/ Guaranteed	Unsecured/ Unguaranteed
2,536,116	1,007,952	3,216,915	736,797

Amount repayable after one year

As at 30.9.17 RMB'000		**As at 31.12.16 RMB'000**	
Secured/ Guaranteed	Unsecured/ Unguaranteed	Secured/ Guaranteed	Unsecured/ Unguaranteed
6,088,345	1,358,719	5,357,877	1,249,418

Details of any collateral

The Group's borrowings comprise bills payable to banks, bank and other borrowings and finance leases.

Bills payable to banks are secured by certain bank deposits placed with the respective issuing banks. 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.. The finance leases are secured by pledges on certain service concession agreements, investment in a subsidiary and intangible assets.

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

	Group		Group	
	For 3 Months Ended		For 9 Months Ended	
	30.9.17	30.9.16	30.9.17	30.9.16
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Profit before tax	**199,700**	**141,657**	**628,610**	**431,406**
Adjustments for:				
(Reversal of)/Allowance for doubtful receivables, net (trade)	(7,592)	293	(13,205)	(570)
Reversal of doubtful receivables, net (non-trade)	(20)	-	(20)	(8,232)
Reversal of allowance for inventories	-	-	-	(7)
Depreciation of property, plant and equipment	5,279	3,038	16,115	9,049
Amortisation of intangible assets	66,013	35,049	195,401	103,058
Amortisation of land use rights	13	67	147	189
Gain/(Loss) on disposal of property, plant and equipment	25	(138)	59	276
Loss/(Gain) on disposal of intangible assets	-	2	-	(2,551)
Gain on disposal of available-for-sale financial instruments	-	(10,628)	-	(10,628)
Finance income	(3,537)	(3,338)	(12,078)	(7,205)
Finance expenses	129,345	48,170	384,938	141,504
Share of results of associates	776	(3,807)	2,758	(14,540)
Share of results of joint ventures	(11,222)	(10,242)	(37,052)	(46,002)
Foreign exchange loss/(gain)	1,307	(1,574)	(3,748)	1,154
Fair value (gain)/loss from held for trading investments	(926)	367	(5,892)	(633)
Operating cash flow before working capital changes	**379,161**	**198,916**	**1,156,033**	**596,268**
(Increase)/decrease in:				
Inventories	417	(602)	(8,067)	(1,179)
Amounts due from/to customers for contract work, net	(31,176)	(8,948)	(69,664)	(87,634)
Trade receivables, other receivables and prepayments	(108,627)	49,571	(597,550)	164,584
Bills receivables	2,750	(1,393)	(70)	(2,881)
Amounts due from joint ventures	305	(345)	916	125
Amounts due from associate	(103,994)	(4,255)	(122,628)	(6,620)
Increase/(decrease) in:				
Trade payables and other payables(inclusive of non-current liabilities)	239,635	57,755	138,332	95,686
Bills payable to banks	5,401	(1,577)	8,977	(2,134)
Cash from operating activities before service concession arrangement projects	**383,872**	**289,122**	**506,279**	**756,215**
Change in receivables under service concession arrangements (Note A)	(676,324)	(127,778)	(1,341,731)	(405,194)
Cash (used in)/from operating activities after service concession arrangement projects	**(292,452)**	**161,344**	**(835,452)**	**351,021**
Interest received	3,440	2,567	10,948	5,293
Income tax paid	(17,201)	(15,475)	(86,135)	(53,661)
Net cash (used in)/from operating activities	**(306,213)**	**148,436**	**(910,639)**	**302,653**
Cash flows from investing activities:				
Purchase of property, plant and equipment	(17,013)	(5,837)	(24,997)	(13,872)
Purchase of intangible assets, net of amount on credit terms	(11,554)	(2,486)	(68,144)	(54,184)
Decrease/(Increase) in prepayment for property, plant and equipment and intangible assets	2,802	(48)	(4,091)	(1,479)
Proceeds from disposal of property, plant and equipment	623	176	717	347
Net cash (outflow)/inflow on acquisition of subsidiaries (Note B)	(32,123)	15,290	(212,993)	43,480
Net cash outflow on acquisition of an associate	(3,500)	-	(3,500)	(150)
Dividend received from associates	-	-	3,224	300
Dividend received from joint venture	28,708	28,296	28,708	28,296
Net cash (used in)/from investing activities	**(32,057)**	**35,391**	**(281,076)**	**2,738**

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. – cont'd

	Group		Group	
	For 3 Months Ended		For 9 Months Ended	
	30.9.17	30.9.16	30.9.17	30.9.16
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from financing activities:				
Proceeds from bank and other borrowings	741,945	446,750	2,687,927	555,750
Repayment of bank and other borrowings	(585,508)	(238,258)	(2,244,509)	(377,832)
Proceeds from finance leaseback arrangement	-	-	120,000	-
Repayment under finance leaseback arrangements	(11,334)	-	(109,064)	(16,667)
Interest paid	(165,387)	(36,445)	(314,778)	(113,263)
Dividend paid to equity shareholders	-	-	(110,990)	-
Dividend paid to non-controlling interest in subsidiaries	(3,065)	(490)	(10,365)	(5,090)
Contribution from non-controlling interests upon additional capital injection of a subsidiary	1,500	-	19,365	-
Proceeds from share placement	-	-	1,090,751	-
(Increase)/Decrease in deposits pledged to banks	(8,050)	(102,303)	88,442	(89,274)
Net cash generated from/(used in) financing activities	**(29,899)**	**69,254**	**1,216,779**	**(46,376)**
Net increase/(decrease) in cash and cash equivalents	(368,169)	253,081	25,064	259,015
Cash and cash equivalents at beginning of period	2,013,731	800,699	1,634,556	795,228
Effects of exchange rate changes on the balance of cash held in foreign currencies	(12,115)	1,939	(26,173)	1,476
Cash and cash equivalents at end of period	**1,633,447**	**1,055,719**	**1,633,447**	**1,055,719**

Cash and cash equivalents at end of period				
Cash and bank balances	1,741,529	1,224,766	1,741,529	1,224,766
Less: Pledged bank deposits	(108,082)	(169,047)	(108,082)	(169,047)
Cash and cash equivalents	**1,633,447**	**1,055,719**	**1,633,447**	**1,055,719**

Note A

In accordance with the application of INT FRS 112 *Service Concession Arrangements* and FRS 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 facilities for 9M2017 and 3QFY2017 respectively.

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. – cont'd

Note B

(i) Acquisition of Citic Envirotech Water Resource (Hegang) Co., Ltd. ("CEW Hegang")

In January 2017, the Group through its 57.97% owned subsidiary, Longjiang Environmental Protection Group Co., Ltd. ("Longjiang Group), completed the acquisition of 100% equity interest in CEW Hegang for a total purchase consideration of RMB111,870,000. CEW Hegang is principally involved in the operation of two waste water treatment plants and one reclaimed water project with total design capacity of 110,000 tons/day, and is based in Hegang City, Heilongjiang Province, PRC.

(ii) Acquisition of Pinghu Dushan Wastewater Treatment Co., Ltd. ("Pinghu Dushan")

In July 2017, the Copmany completed the acquisition of 100% equity interest in Pinghu Dushan for a total purchase consideration of RMB9,113,000. Pinghu Dushan has been awarded wastewater treatment PPP projects with total design capacity of 220,000 tons per day in the east area of Pinghu City, Zhejiang Province, PRC.

(iii) Acquisition of Jiaohe Jiaxin Water Co., Ltd. ("Jiaohe Jiaxin")

In August 2017, the Group through its 57.97% owned subsidiary, Longjiang Group, completed the acquisition of 100% equity interest in Jiaohe Jiaxin for a total purchase consideration of RMB95,000,000. Jiaohe Jiaxin is principally engaged in the business of environmental protection, waste water treatment, technology development, technical services and etc. Jiaohe Jiaxin is currently undertaking a 30 years build-operate-transfer wastewater treatment project with total design capacity of 30,000 tons/day in Jiaohe City, Jilin Province, PRC.

The purchase price allocation ("PPA") exercise in respect of the above acquisition has not been completed as at 30 September 2017. The Group has 12 months from date of acquisition to finalise the fair value measurement and accounting as allowed under FRS 103 *Business Combinations*. For 9MFY2017, the Group has determined that the purchase consideration for this acquisition approximate the provisional fair value of the net identifiable asset acquired. Accordingly, no provisional goodwill or negative goodwill arising from this acquisition was recognised.

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. – cont'd

Note B (cont'd)

Details of the assets acquired, liabilities recognised and consideration transferred in respect of the above acquisition are as follows:-

	CEW Hegang RMB'000	Pinghu Dushan RMB'000	Jiaohe Jiaxin RMB'000	Total RMB'000
Provisional fair value of assets acquired and liabilities recognised at the respective date of acquisition*				
recognised at the date of acquisition*				
Current assets	64,023	8,523	3,897	76,443
Non-current assets	176,859	153,346	144,443	474,648
Current liabilities	(127,295)	(90,518)	(22,392)	(240,205)
Non-current liabilities	(1,717)	(62,238)	(30,948)	(94,903)
Total identifiable net assets at fair value	111,870	9,113	95,000	215,983
Non-controlling interest measures at fair value	-		-	-
	111,870	**9,113**	**95,000**	**215,983**
Consideration transferred				
Cash paid	111,870	9,113	95,000	215,983
Less: Net assets acquired	(111,870)	(9,113)	(95,000)	(215,983)
Goodwill	**-**	**-**	**-**	**-**
Net cash inflow arising from acquisitions				
Cash consideration paid	111,870	9,113	95,000	215,983
Less: Cash and cash equivalents acquired	(1,000)	(577)	(1,413)	(2,990)
Net cash inflow on acquisitions	**110,870**	**8,536**	**93,587**	**212,993**

* The fair value of assets acquired and liabilities recognised presented may be subjected to changes upon the completion and finalisation of the PPA exercise.

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.

GROUP	Attributable to owners of the Company											
	Share capital	Treasury shares	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	RMB'000
Balance at 1.1.17	**4,861,138**	**(96)**	**1,199,172**	**(87,481)**	**205,538**	**73,191**	**(145,641)**	**(20,254)**	**(200,315)**	**5,972,733**	**2,560,444**	**8,533,177**
Profit for the period	**-**	**-**	120,117	**-**	**-**	-	-	**-**	**-**	**120,117**	32,587	**152,704**
Other comprehensive income												
Exchange differences arising on translation, net of tax	**-**	**-**	-	**34,005**	**-**	**-**	34,005	**-**	**-**	**34,005**	**-**	**34,005**
Fair value change on available-for-sale financial instrument	**-**	**-**	-	**43,783**	**-**	43,783	-	**-**	**-**	**43,783**	**-**	**43,783**
Other comprehensive income for the period, net of tax	**-**	**-**	-	**77,788**	-	43,783	34,005	-	-	**77,788**	**-**	**77,788**
Total comprehensive income for the period	**-**	**-**	**120,117**	**77,788**	**-**	**43,783**	**34,005**	**-**	**-**	**197,905**	**32,587**	**230,492**
Transactions with owners recognised directly in equity												
Transfer to general reserve	-	-	(46)	**46**	46	-	-	-	-	-	-	**-**
Non-controlling interest upon proportional capital injection in a subsidiary	-	-	-	**-**	-	-	-	-	-	-	10,700	**10,700**
Total	**-**	**-**	**(46)**	**46**	**46**	**-**	**-**	**-**	**-**	**-**	**10,700**	**10,700**
Others												
Dividend declared to non-controlling interests	-	-	-	**-**	-	-	-	-	-	**-**	(4,800)	(4,800)
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(4,800)**	**(4,800)**
Balance at 31.3.17	**4,861,138**	**(96)**	**1,319,243**	**(9,647)**	**205,584**	**116,974**	**(111,636)**	**(20,254)**	**(200,315)**	**6,170,638**	**2,598,931**	**8,769,569**
Profit for the period	**-**	**-**	119,909	**-**	**-**	-	-	**-**	**-**	**119,909**	37,866	**157,775**
Other comprehensive income												
Exchange differences arising on translation, net of tax	**-**	**-**	-	**28,249**	**-**	**-**	28,249	**-**	**-**	**28,249**	**-**	**28,249**
Fair value change on available-for-sale financial instrument	**-**	**-**	-	**(28,421)**	**-**	(28,421)	-	**-**	**-**	**(28,421)**	**-**	**(28,421)**
Other comprehensive income for the period, net of tax	**-**	**-**	-	**(172)**	**-**	(28,421)	28,249	**-**	**-**	**(172)**	**-**	**(172)**
Total comprehensive income for the period	**-**	**-**	**119,909**	**(172)**	**-**	**(28,421)**	**28,249**	**-**	**-**	**119,737**	**37,866**	**157,603**
Transactions with owners recognised directly in equity												
Share placement	1,090,751	-	-	**-**	-	-	-	-	-	**1,090,751**	-	**1,090,751**
Non-controlling interest upon proportional capital injection in a subsidiary	-	-	-	**-**	-	-	-	-	-	**-**	7,165	**7,165**
Total	**1,090,751**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,090,751**	**7,165**	**1,097,916**
Others												
Dividend declared to equity share holders	-	-	(110,990)	**-**	-	-	-	-	-	**(110,990)**	-	(110,990)
Total	**-**	**-**	**(110,990)**	**-**	-	**-**	**-**	**-**	**-**	**(110,990)**	**-**	**(110,990)**
Balance at 30.6.17	**5,951,889**	**(96)**	**1,328,162**	**(9,819)**	**205,584**	**88,553**	**(83,387)**	**(20,254)**	**(200,315)**	**7,270,136**	**2,643,962**	**9,914,098**

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

GROUP	Attributable to owners of the Company											
	Share capital	Treasury shares	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	RMB'000
Balance at 30.6.17	**5,951,889**	**(96)**	**1,328,162**	**(9,819)**	**205,584**	**88,553**	**(83,387)**	**(20,254)**	**(200,315)**	**7,270,136**	**2,643,962**	**9,914,098**
Profit for the period	**-**	**-**	110,214	**-**	**-**	-	-	**-**	**-**	**110,214**	35,941	**146,155**
Other comprehensive income												
Exchange differences arising on translation, net of tax	**-**	**-**	-	**16,875**	**-**	**-**	16,875	**-**	**-**	**16,875**	**-**	**16,875**
Fair value change on available-for-sale financial instrument	**-**	**-**	-	**(9,616)**	**-**	(9,616)	-	**-**	**-**	**(9,616)**	**-**	**(9,616)**
Other comprehensive income for the period, net of tax	**-**	**-**	-	**7,259**	-	(9,616)	16,875	-	-	**7,259**	**-**	**7,259**
Total comprehensive income for the period	**-**	**-**	**110,214**	**7,259**	**-**	**(9,616)**	**16,875**	**-**	**-**	**117,473**	**35,941**	**153,414**
Transactions with owners recognised directly in equity												
Transfer to general reserve	-	-	(2,365)	**2,365**	2,365	-	-	-	-	-	-	**-**
Non-controlling interest upon proportional capital injection in a subsidiary	-	-	-	**-**	-	-	-	-	-	-	19,500	**19,500**
Total	**-**	**-**	**(2,365)**	**2,365**	**2,365**	**-**	**-**	**-**	**-**	**-**	**19,500**	**19,500**
Others												
Dividend declared to non-controlling interests	-	-	-	**-**	-	-	-	-	-	**-**	(665)	(665)
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(665)**	**(665)**
Balance at 30.9.17	**5,951,889**	**(96)**	**1,436,011**	**(195)**	**207,949**	**78,937**	**(66,512)**	**(20,254)**	**(200,315)**	**7,387,609**	**2,698,738**	**10,086,347**

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

GROUP	Attributable to owners of the Company											
	Share capital	Treasury shares	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	RMB'000
Balance at 1.1.16	**4,861,138**	**(96)**	**797,571**	**(147,051)**	**152,213**	**56,862**	**(125,638)**	**(30,173)**	**(200,315)**	**5,511,562**	**1,067,887**	**6,579,449**
Profit for the period	-	-	89,454	-	-	-	-	-	-	**89,454**	16,704	**106,158**
Other comprehensive income												
Exchange differences arising on translation, net of tax	-	-	-	**55,092**	-	-	55,092	-	-	**55,092**	-	**55,092**
Fair value change on available-for-sale financial instrument	-	-	-	**15,172**	-	15,172	-	-	-	**15,172**	-	**15,172**
Other comprehensive income for the period, net of tax	-	-	-	**70,264**	-	15,172	55,092	-	-	**70,264**	-	**70,264**
Total comprehensive income for the period	-	-	**89,454**	**70,264**	-	**15,172**	**55,092**	-	-	**159,718**	**16,704**	**176,422**
Transactions with owners recognised directly in equity												
Transfer to general reserve	-	-	56	**(56)**	(56)	-	-	-	-	-	-	**-**
Acquisition of a subsidiary	-	-	-	**-**	-	-	-	-	-	-	32,021	**32,021**
Total	-	-	**56**	**(56)**	**(56)**	-	-	-	-	-	**32,021**	**32,021**
Others												
Dividend declared to non-controlling interests	-	-	-	**-**	-	-	-	-	-	-	(4,600)	(4,600)
Total	-	-	-	**-**	-	-	-	-	-	-	**(4,600)**	**(4,600)**
Balance at 31.3.16	**4,861,138**	**(96)**	**887,081**	**(76,843)**	**152,157**	**72,034**	**(70,546)**	**(30,173)**	**(200,315)**	**5,671,280**	**1,112,012**	**6,783,292**
Profit for the period	-	-	101,162	-	-	-	-	-	-	**101,162**	21,284	**122,446**
Other comprehensive income												
Exchange differences arising on translation, net of tax	-	-	-	**556**	-	-	556	-	-	**556**	-	**556**
Fair value change on available-for-sale financial instrument	-	-	-	**(3,299)**	-	(3,299)	-	-	-	**(3,299)**	-	**(3,299)**
Other comprehensive income for the period, net of tax	-	-	-	**(2,743)**	-	(3,299)	556	-	-	**(2,743)**	-	**(2,743)**
Total comprehensive income for the period	-	-	**101,162**	**(2,743)**	-	**(3,299)**	**556**	-	-	**98,419**	**21,284**	**119,703**
Transactions with owners recognised directly in equity												
Transfer to general reserve	-	-	(3,094)	**3,094**	3,094	-	-	-	-	-	-	**-**
Non-controlling interest upon proportional capital injection in a subsidiary	-	-	-	**-**	-	-	-	-	-	-	46,000	**46,000**
Total	-	-	**(3,094)**	**3,094**	**3,094**	-	-	-	-	-	**46,000**	**46,000**
Others												
Dividend declared to non-controlling interests	-	-	-	**-**	-	-	-	-	-	-	(490)	(490)
Total	-	-	-	**-**	-	-	-	-	-	-	**(490)**	**(490)**
Balance at 30.6.16	**4,861,138**	**(96)**	**985,149**	**(76,492)**	**155,251**	**68,735**	**(69,990)**	**(30,173)**	**(200,315)**	**5,769,699**	**1,178,806**	**6,948,505**

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

GROUP	Attributable to owners of the Company											
	Share capital	Treasury shares	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	RMB'000
Balance at 30.6.16	**4,861,138**	**(96)**	**985,149**	**(76,492)**	**155,251**	**68,735**	**(69,990)**	**(30,173)**	**(200,315)**	**5,769,699**	**1,178,806**	**6,948,505**
Profit for the period	**-**	**-**	94,045	**-**	**-**	-	-	**-**	**-**	**94,045**	16,062	**110,107**
Other comprehensive income												
Exchange differences arising on translation, net of tax	-	-	-	**(11,775)**	-	-	(11,775)	-	**-**	**(11,775)**	-	**(11,775)**
Fair value change on available-for-sale financial instrument	-	-	-	**(10,151)**	-	(10,151)	-	-	**-**	**(10,151)**	-	**(10,151)**
Other comprehensive income for the period, net of tax	**-**	**-**	**-**	**(21,926)**	**-**	**(10,151)**	**(11,775)**	**-**	**-**	**(21,926)**	**-**	**(21,926)**
Total comprehensive income for the period	**-**	**-**	**94,045**	**(21,926)**	**-**	**(10,151)**	**(11,775)**	**-**	**-**	**72,119**	**16,062**	**88,181**
Transactions with owners recognised directly in equity												
Acquisition of subsidiaries	-	-	-	**-**	-	-	-	-	-	-	105,159	**105,159**
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**105,159**	**105,159**
Balance at 30.9.16	**4,861,138**	**(96)**	**1,079,194**	**(98,418)**	**155,251**	**58,584**	**(81,765)**	**(30,173)**	**(200,315)**	**5,841,818**	**1,300,027**	**7,141,845**

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

COMPANY	← **Attributable to owners of the Company** →				
	Share capital	**Treasury shares**	**Retained earnings**	**Other reserves***	**Total equity**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
Balance at 1.1.17	**4,861,138**	**(96)**	**65,815**	**29,892**	**4,956,749**
Loss for the period	-	-	(22,215)	-	**(22,215)**
Other comprehensive income					
Exchange differences arising on translation, net of tax	-	-	-	128,972	**128,972**
Other comprehensive income for the period, net of tax	**-**	**-**	**-**	**128,972**	**128,972**
Total comprehensive (loss)/ income for the period	**-**	**-**	**(22,215)**	**128,972**	**106,757**
Balance at 31.3.17	**4,861,138**	**(96)**	**43,600**	**158,864**	**5,063,506**
Profit for the period	-	-	69,903	-	**69,903**
Other comprehensive loss					
Exchange differences arising on translation, net of tax	-	-	-	(5,205)	**(5,205)**
Other comprehensive loss for the period, net of tax	**-**	**-**	**-**	**(5,205)**	**(5,205)**
Total comprehensive income/ (loss) for the period	**-**	**-**	**69,903**	**(5,205)**	**64,698**
Transactions with owners recognised directly in equity					
Share placement	1,090,751	-	-	-	**1,090,751**
	1,090,751	**-**	**-**	**-**	**1,090,751**
Others					
Dividend declared to equity shareholders	-	-	(110,990)	-	**(110,990)**
	-	**-**	**(110,990)**	**-**	**(110,990)**
Balance at 30.6.17	**5,951,889**	**(96)**	**2,513**	**153,659**	**6,107,965**
Profit for the period	-	-	7,886	-	**7,886**
Other comprehensive loss					
Exchange differences arising on translation, net of tax	-	-	-	(31,816)	**(31,816)**
Other comprehensive loss for the period, net of tax	**-**	**-**	**-**	**(31,816)**	**(31,816)**
Total comprehensive income/ (loss) for the period	**-**	**-**	**7,886**	**(31,816)**	**(23,930)**
Balance at 30.9.17	**5,951,889**	**(96)**	**10,399**	**121,843**	**6,084,035**

* 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

COMPANY	← **Attributable to owners of the Company** →				
	Share capital	**Treasury shares**	**Retained earnings**	**Other reserves***	**Total equity**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
Balance at 1.1.16	**4,861,138**	**(96)**	**107,746**	**(205,859)**	**4,762,929**
Loss for the period	-	-	(29,828)	-	**(29,828)**
Other comprehensive income					
Exchange differences arising on translation, net of tax	-	-	-	217,938	**217,938**
Other comprehensive income for the period, net of tax	**-**	**-**	**-**	**217,938**	**217,938**
Total comprehensive (loss)/ income for the period	**-**	**-**	**(29,828)**	**217,938**	**188,110**
Balance at 31.3.16	**4,861,138**	**(96)**	**77,918**	**12,079**	**4,951,039**
Loss for the period	-	-	(24,859)	-	**(24,859)**
Other comprehensive income					
Exchange differences arising on translation, net of tax	-	-	-	153,885	**153,885**
Other comprehensive income for the period, net of tax	**-**	**-**	**-**	**153,885**	**153,885**
Total comprehensive (loss)/ income for the period	**-**	**-**	**(24,859)**	**153,885**	**129,026**
Balance at 30.6.16	**4,861,138**	**(96)**	**53,059**	**165,964**	**5,080,065**
Profit for the period	-	-	21,887	-	**21,887**
Other comprehensive income					
Exchange differences arising on translation, net of tax	-	-	-	(41,415)	**(41,415)**
Other comprehensive income for the period, net of tax	**-**	**-**	**-**	**(41,415)**	**(41,415)**
Total comprehensive (loss)/ income for the period	**-**	**-**	**21,887**	**(41,415)**	**(19,528)**
Balance at 30.9.16	**4,861,138**	**(96)**	**74,946**	**124,549**	**5,060,537**

* Relates to translation reserve.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State 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.

Share Capital

	Group and Company	
	Number of ordinary shares	**Share Capital RMB'000**
Issued and paid up share capital		
Balance at 1 January 2017	2,256,645,126	4,861,138
Placement of 350,000,000 new ordinary shares	350,000,000	1,090,751
Balance at 30 September 2017	**2,606,645,126**	**5,951,889**

On 5 May 2017, the Company completed the placement of 350,000,000 new ordinary shares in the capital of the Company to Shanghai Industrial Holdings Ltd. ("SIHL") and/or such nominee as designated by SIHL, being Triumph Power Limited.

As at 30 September 2017, the number of ordinary shares in issue was 2,606,645,126 of which 56,400 shares were held by the Company as treasury shares (30 September 2016: 2,256,645,126 ordinary shares of which 56,400 shares were held as treasury shares).

SIIC Environment Share Options 2012 ("**ESOS 2012**") and SIIC Environment Share Award Scheme ("**ESAS**")

There were no options granted under the ESOS 2012 plan or ESAS Awards granted under the ESAS plan since the date of approval by the shareholders on 27 April 2012.

As at 30 September 2017, there were no subsidiary holdings and convertible securities outstanding (30 September 2016: Nil).

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 2017, there were 56,400 treasury shares held (31 December 2016: 56,400). Total number of issued shares excluding treasury shares, as at 30 September 2017 was 2,606,588,726 (31 December 2016: 2,256,588,726).

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 2017.

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.

During the financial period, there was no transaction pertaining to subsidiary holdings.

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

The figures have not been audited or reviewed by the Company's auditors**.**

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period, consistent with those of the audited financial statements as at 31 December 2016.

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.

	3 Months Ended		9 Months Ended	
	30.9.17	30.9.16	30.9.17	30.9.16
	RMB cents	RMB cents	RMB cents	RMB cents
Earnings per ordinary share of the Group based on net profit attributable to owners of the Company:-				
(i) Based on weighted average number of ordinary shares in issue (RMB cents)	4.23	4.17	14.29	12.61
- Weighted average number of shares ('000)	2,606,589	2,256,589	2,451,461	2,256,589
(ii) On a fully diluted basis of ordinary shares (RMB cents)	4.23	4.17	14.29	12.61
- Weighted average number of shares ('000)	2,606,589	2,256,589	2,451,461	2,256,589

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

	Group	Company
	RMB cents	RMB cents
As at 30 September 2017	283.42	233.41
As at 31 December 2016	264.68	219.66

Net asset value per share is calculated based on the number of shares in issue (excluding treasury shares) of 2,606,588,726 as at 30 September 2017 (31 December 2016: 2,256,588,726).

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 RMB1,514.2 million in 9MFY2016 to RMB3,353.6 million in 9MFY2017, representing an increase of 121.5%. Gross profit ("**GP**") has increased from RMB549.2 million in 9MFY2016 to RMB1,055.6 million in 9MFY2017. Profit from operations improved by 107.4% from RMB403.4 million in 9MFY2016 to RMB836.6 million in 9MFY2017.

Consequently, the Group's profit after tax (attributable to owners of the Company) increased from RMB284.7 million in 9MFY2016 to RMB350.2 million in 9MFY2017, representing an increase of 23.0%.

The increase was due mainly to contribution from newly acquired entities as well as contribution from existing entities.

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

	3QFY2017	3QFY2016	Change	9MFY2017	9MFY2016	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Construction	731,483	42,733	>100.0	1,508,106	512,737	>100.0
Operating and maintenance income from service concession arrangements	385,040	216,785	77.6	1,130,275	622,561	81.6
Financial income from service concession arrangements	180,733	84,045	>100.0	517,175	243,454	>100.0
Service income	34,838	29,228	19.2	91,375	86,193	6.0
Other revenue	26,468	22,070	19.9	106,685	49,216	>100.0
Total	**1,358,562**	**394,861**	**>100.0**	**3,353,616**	**1,514,161**	**>100.0**

Overall, the Group's revenue increased by RMB1,839.5 million or 121.5%, from RMB1,514.2 million in 9MFY2016 to RMB3,353.6 million in 9MFY2017. Revenue across all categories increased in 3QFY2017 and 9MFY2017 as compared to 3QFY2016 and 9MFY2016.

Construction Revenue

Construction revenue amounted to RMB731.5 million and RMB1,508.1 million in 3QFY2017 and 9MFY2017 respectively (3QFY2016: RMB42.7 million; 9MFY2016: RMB512.7 million). The higher revenue was mainly due to more substantial completion of certain projects by existing entities as well as contribution from newly acquired entities.

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 RMB565.8 million and RMB1,647.5 million in 3QFY2017 and 9MFY2017 respectively (3QFY2016: RMB300.8 million; 9MFY2016: RMB866.0million). The higher revenue was due mainly to (i) higher water treatment and supply sales volume; and (ii) contribution by newly acquired entities.

Service Income

Service income from non-service concession arrangements amounted to RMB34.8 million and RMB91.4 million in 3QFY2017 and 9MFY2017 respectively (3QFY2016: RMB29.2 million; 9MFY2016: RMB86.2 million). The higher revenue was due mainly to contribution by newly acquired entities.

Other Revenue

Other revenue amounted to RMB26.5 million and RMB106.7 million in 3QFY2017 and 9MFY2017 respectively (3QFY2016: RMB22.1 million; 9MFY2016: RMB49.2 million). The increase was mainly due to (i) higher volume of installation works carried out, which are ad-hoc in nature; and (ii) contribution by newly acquired entities.

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

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

The Group's GP increased by RMB167.0 million or 92.3% from RMB181.0 million in 3QFY2016 to RMB347.9 million in 3QFY2017. Meanwhile, GP increased by RMB506.4 million or 92.2% from RMB549.2 million in 9MFY2016 to RMB1,055.6 million in 9MFY2017. The increase was mainly due to contribution from newly acquired entities.

GPM decreased by 20.2 percentages from 45.8% in 3QFY2016 to 25.6% in 3QFY2017 and by 4.8 percentages from 36.3% in 9MFY2016 to 31.5% in 9MFY2017. The decrease was due mainly to higher contribution from construction category (which has a relatively lower GPM) during 3QFY2017 and 9MFY2017 as compared to 3QFY2016 and 9MFY2016.

(C) Other Operating Income / Foreign Exchange Loss/(Gain)

Other operating income increased from RMB8.6 million in 3QFY2016 to RMB15.7 million in 3QFY2017 and increased from RMB26.6 million in 9MFY2016 to RMB40.6 million in 9MFY2017. The increase was mainly due to higher volume of installation of water meters carried out in 3QFY2017 and 9MFY2017, which are ad-hoc in nature. The increase was also contributed by the impact from the foreign exchange gain recorded in 3QFY2017 and 9MFY2017 whereas foreign exchange loss was recorded in 3QFY2016 and 9MFY2016.

(D) Selling and Distribution costs

Selling and distribution costs increased from RMB8.1 million in 3QFY2016 to RMB17.0 million in 3QFY2017 and RMB23.1 million in 9MFY2016 to RMB49.3 million in 9MFY2017. The increase in selling and distribution costs was mainly due to newly acquired entities.

(E) Administrative Expenses

Administrative expenses increased from RMB47.6 million in 3QFY2016 to RMB68.0 million in 3QFY2017 and from RMB149.3 million in 9MFY2016 to RMB210.3 million in 9MFY2017. The increase in administrative expenses was due mainly to expansion of business and newly acquired entities.

(F) Finance Income/Finance expenses

Finance income and finance expenses amounted to RMB3.5 million and RMB129.3 million in 3QFY2017 (3QFY2016: RMB3.3 million and RMB48.2million) and RMB12.1 million and RMB384.9 million in 9MFY2017 (9MFY2016: RMB7.2 million and RMB141.5 million) respectively. The increase in finance income and finance expenses was due mainly to newly acquired entities.

(G) Other Income

Other income mainly consists of government subsidies and it increased from RMB101.7 million in 9MFY2016 to RMB130.6 million in 9MFY2017. The increase was due mainly to newly acquired entities. Meanwhile there is no material variance for other income in 3QFY2017 as compared to 3QFY2016.

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 represents the Group's share of results in investments which are accounted for using equity method.

The decrease in share of results of associates in 3QFY2017 and 9MFY2017 as compared to 3QFY2016 and 9MFY2016 was due mainly to the additional acquisition of 32.6562% equity interest in Longjiang Group, which has become a subsidiary of the Group in November 2016.

The decrease in share of results of joint ventures in 9MFY2017 as compared to 9MFY2016 was due mainly to the recognition of a one-off government subsidy by a joint venture in 9MFY2016. Meanwhile there is no material variance for share of results of joint ventures in 3QFY2017 as compared to 3QFY2016.

(I) Amortisation of Intangible Assets

Amortisation of intangible assets increased from RMB35.0 million in 3QFY2016 to RMB66.0 million in 3QFY2017 and RMB103.1 million in 9MFY2016 to RMB195.4 million in 9MFY2017. The increase was due to newly acquired entities.

STATEMENTS OF FINANCIAL POSITION

(J) Current Assets

Current assets as at 30 September 2017 amounted to RMB4.45 billion (31 December 2016: RMB3.89 billion). The increase was mainly due to (i) higher trade receivables due to billings raised net of collections during the period; and (ii) consolidation of newly acquired subsidiaries. The increase is partially offset by the decrease in pledged bank deposit following the completion of the acquisition of subsidiary.

(K) Non-current Assets

Non-current assets as at 30 September 2017 amounted to RMB20.98 billion (31 December 2016: RMB19.15 billion). The increase was due mainly to (i) consolidation of newly acquired subsidiaries; (ii) construction of certain wastewater treatment projects during 9MFY2017; and (iii) fair value gain on investment in Canvest Environmental Protection Group Company Limited ("Canvest"), which was recorded in investment revaluation reserve.

(L) Current Liabilities

Current liabilities as at 30 September 2017 amounted to RMB6.03 billion (31 December 2016: RMB6.15 billion). The decrease was due mainly to the repayment of bank and other borrowings as well as finance lease which are due within one year. The decrease is partially offset by the increase in trade and other payables as a result of higher amount of construction in progress during 9M2017.

(M) Non-current Liabilities

Non-current liabilities as at 30 September 2017 amounted to RMB9.32 billion (31 December 2016: RMB8.35 billion). The increase was due mainly to new borrowings taken up which are due for repayment after one year and consolidation of newly acquired subsidiaries.

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

STATEMENT OF CASH FLOWS

As at 30 September 2017, the Group's cash and cash equivalents stood at RMB1,633.4 million (31 December 2016: RMB1,634.6 million). In 9MFY2017, net cash of RMB910.6 million was used in the Group's operating activities, mainly towards the Group's investments in projects with service concession arrangements. Investments in projects with service concession arrangements are mainly in relation to the construction and/or purchase of new or existing water treatment facilities. Excluding cash used in these projects, cash generated from operating activities before service concession arrangement projects were RMB506.3 million.

Net cash used in the Group's investing activities of RMB281.1 million in 9MFY2017 was due mainly to (i) net cash outflow from acquisition of subsidiaries; (ii) purchase of property, plant and equipments and intangibles assets; and (iii) net cash outflow from acquisition of an associate, which is partially offset by dividend received from joint venture.

Net cash generated from financing activities of RMB1,216.8 million in 9MFY2017 was due mainly to (i) net proceeds from bank borrowings and finance leaseback arrangement; (ii) proceeds from share placement; and (iii) decrease in deposits pledged to banks, which is partially offset by interest paid, dividend paid to equity shareholders and dividend paid to non-controlling interest shareholders.

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.

The People's Republic of China (PRC) government continues to attach high importance to environment protection, clean energy and the improvement of water quality. At the recently concluded 19th Party Congress, the government reiterated its commitment to promote green development, tackle pollution and implement more robust regulations to protect the environment. These issues lend themselves nicely to the Group's own commitment to the water treatment and waste incineration markets as we continute to rapidly expand our footprint across China.

The outlook for the water treatment and waste incineration sectors in China remain strong. The continued focus, support and investment into utilities in China are expected to contribute positively to the Group's performance going forward. With the central and local governments' commitment to higher standards at wastewater treatment utility facilities, the Group expects more business opportunities from the expansion and upgrading of its existing projects.

Amidst executing Build-Operate-Transfer (BOT) and Transfer-Operate-Transfer (TOT) water treatment and waste management projects in China for FY2017, the Group will continue to expand via accretive acquisitions.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended.

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. Status on the use of net proceeds raised from two Share Placement

The Company raised approximately S$154.8 million and S$220.5 million from the share placement exercise in July 2014 ("**2014 Share Placement**") and May 2017 ("**2017 Share Placement**") respectively. Deployment of the net proceeds has been in accordance with the intended utilisation as stated in the announcement dated 8 July 2014 and 16 January 2017. Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the announcement.

The net proceeds from the 2014 Share Placement has been fully utilised, as separately disclosed in the 11 August 2017 announcement.

14. Status on the use of net proceeds raised from two Share Placement – cont'd.

As at to-date, the net proceeds from the 2017 Share Placement has been utilised for the following purposes:

Purpose	Amount S$ 'million
Net proceeds raised from the 2017 Share Placement in May 2017	**220.5**
Less utilisation:	
- Repayment of loan obtained from SIHL Finance Limited	(135.4)
- General corporate purposes:	
a. Payment for the purchase consideration of RMB9.1 million in relation to the acquisition of 100% equity interest in Pinghu Dushan Wastewater Treatment Co., Ltd.	(1.9)
b. Repayment of interest of loan obtained from holding company	(6.8)
c. Payment of operating expenses	(5.0)
Balance of net proceeds raised from the 2017 Share Placement as at date of this result announcement	**71.4**

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

We, Feng Jun and Xu Zhan, 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 2017, to be false or misleading, in any material aspect.

16. 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

Xu Zhan
Executive Director
9 November 2017