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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 2024

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 quarterly report is prepared in accordance with the relevant regulations of The Singapore Exchange Securities Trading Limited 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. Ji Guanglin
Executive Director

Singapore and Hong Kong, 12 November 2024

As at the date of this announcement, the Chairman and Executive Director is Mr. Zhou Yuding; the executive Directors are Mr. Ji Guanglin, Mr. Wang Xiwang and Mr. Yang Xing; and the independent non-executive Directors are Ms. Kimmis Pun Kim Ming, 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 2024

12 November 2024

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

Third Quarter and Nine Months of Financial Year 2024 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 2024 (“9M2024”). The Group’s net profit attributable to shareholders for the period amounted to RMB499.6 million, a decrease of 14.4% year-on-year.

Total revenue of the Group decreased by 17.0% to RMB5,272.6 million, gross profit decreased by 10.2% to RMB1,988.8 million.

As at 30 September 2024, the Group’s cash and cash equivalents stood at a healthy RMB2.77 billion.

Review of Interim Results

The audit committee has reviewed the Company’s unaudited consolidated interim results for the nine months ended 30 September 2024.

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 2024.

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					Changes	9 Months Ended	Change s	
		3 Months Ended		%	30.9.24					%
		30.9.24	30.9.23		(Unaudited)	(Unaudited)				
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)					
		RMB'000	RMB'000		RMB'000	RMB'000				
Revenue	5	1,949,091	2,330,110	(16.4)	5,272,606	6,348,959	(17.0)			
Cost of sales		(1,237,677)	(1,553,464)	(20.3)	(3,283,805)	(4,134,601)	(20.6)			
Gross profit		711,414	776,646	(8.4)	1,988,801	2,214,358	(10.2)			
Other income		38,090	32,984	15.5	80,944	91,171	(11.2)			
Other gains and losses		(38,110)	3,843	N.M.	(35,629)	14,555	N.M.			
Selling and distribution costs		(18,028)	(18,925)	(4.7)	(55,994)	(56,808)	(1.4)			
Administrative expenses		(167,154)	(133,205)	25.5	(407,662)	(396,203)	2.9			
Finance expenses		(191,751)	(218,288)	(12.2)	(591,803)	(634,030)	(6.7)			
Share of results of joint ventures		9,479	(2,102)	N.M.	8,446	16,626	(49.2)			
Share of results of associates		(680)	2,550	N.M.	8,075	6,210	30.0			
Profit before tax		343,260	443,503	(22.6)	995,178	1,255,879	(20.8)			
Income tax expense	6	(71,926)	(112,616)	(36.1)	(215,627)	(331,360)	(34.9)			
Profit for the period	7	271,334	330,887	(18.0)	779,551	924,519	(15.7)			
Other comprehensive loss:										
<i>Items that will not be reclassified subsequently to profit or loss:</i>										
Exchange difference arising from translation		-	(26,268)	N.M.	(79,278)	(179,266)	(55.8)			
<i>Items that may be reclassified subsequently to profit or loss:</i>										
Exchange differences arising from translation of foreign operations		-	151	N.M.	61,494	(27,072)	N.M.			
Total other comprehensive loss for the period, net of tax		-	(26,117)	N.M.	(17,784)	(206,338)	(91.4)			
Total comprehensive income for the period		271,334	304,770	(11.0)	761,767	718,181	6.1			
Profit for the period attributable to:										
Owners of the Company		178,181	206,033	(13.5)	499,627	583,384	(14.4)			
Non-controlling interests		93,153	124,854	(25.4)	279,924	341,135	(17.9)			
		271,334	330,887	(18.0)	779,551	924,519	(15.7)			
Total comprehensive income attributable to:										
Owners of the Company		178,181	179,916	(1.0)	481,843	377,046	27.8			
Non-controlling interests		93,153	124,854	(25.4)	279,924	341,135	(17.9)			
		271,334	304,770	(11.0)	761,767	718,181	6.1			
Earnings per share for profit for the period attributable to the owners of the Company during the period:										
-Basic (RMB in cent)	15	6.92	8.00	(13.5)	19.40	22.65	(14.3)			
-Diluted (RMB in cent)	15	6.92	8.00	(13.5)	19.40	22.65	(14.3)			

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 30.9.24 (Unaudited)	As at 31.12.23 (Audited)	As at 30.9.24 (Unaudited)	As at 31.12.23 (Audited)
		RMB'000	RMB'000	RMB'000	RMB'000
Current assets					
Cash and cash equivalents		2,771,712	2,885,781	318,098	103,228
Pledged bank deposits		77,291	63,010	-	-
Trade and other receivables	8	6,392,066	4,990,374	803	1,173
Bills receivables		57	1,724	-	-
Prepayments		75,397	68,959	2,891	3,660
Inventories		254,749	250,123	-	-
Receivables under service concession arrangements - current portion	9	919,253	887,152	-	-
Amounts due from customers for contract work		77,947	75,889	-	-
Amounts due from subsidiaries		-	-	4,097,866	4,180,243
Amounts due from joint venture		1,240	30,500	650	22,439
Amounts due from associates		7,895	7,895	-	-
Financial assets at fair value through profit or loss		9,415	9,579	-	-
Total current assets		10,587,022	9,270,986	4,420,308	4,310,743
Non-current assets					
Financial assets at fair value through other comprehensive income		13,400	13,400	-	-
Prepayments		72,517	394,660	-	-
Receivables under service concession arrangements – non-current portion	9	22,337,903	22,374,059	-	-
Property, plant and equipment		452,927	477,195	-	44
Right-of-use assets		37,939	43,963	558	8,357
Intangible assets	10	8,872,694	8,667,682	5,683	5,553
Long term receivables		85,595	84,395	-	-
Deferred tax assets		48,442	51,301	-	-
Investment in subsidiaries		-	-	7,232,915	5,786,607
Interest in joint ventures		519,403	524,225	354,141	355,474
Interest in associates		230,352	233,409	-	-
Goodwill on consolidation		457,241	457,241	-	-
Loans to subsidiaries		-	-	1,121,470	2,997,534
Amounts due from associates		27,800	15,424	-	-
Total non-current assets		33,156,213	33,336,954	8,714,767	9,153,569
Total assets		43,743,235	42,607,940	13,135,075	13,464,312

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 30.9.24 (Unaudited)	As at 31.12.23 (Audited)	As at 30.9.24 (Unaudited)	As at 31.12.23 (Audited)
		RMB'000	RMB'000	RMB'000	RMB'000
Current liabilities					
Trade and other payables	11	3,310,001	4,306,433	134,586	163,773
Tax payable		155,853	150,132	-	-
Amounts due to customers for contract work		32,267	24,278	-	-
Amounts due to subsidiaries		-	-	81,224	254,399
Bank and other borrowings	12	4,929,665	5,767,008	2,250,500	3,547,536
Lease liabilities		4,300	10,494	585	6,783
Total current liabilities		8,432,086	10,258,345	2,466,895	3,972,491
Non-current liabilities					
Bank and other borrowings	12	16,790,031	14,491,791	4,054,729	2,993,898
Deferred tax liabilities		2,434,336	2,420,065	-	-
Other non-current liabilities		99,545	115,163	-	-
Lease liabilities		26,046	32,120	-	1,889
Total non-current liabilities		19,349,958	17,059,139	4,054,729	2,995,787
Capital, reserves and non-controlling interests					
Share capital	13	6,604,723	5,920,175	6,604,723	5,920,175
Retained earnings		4,371,275	3,955,497	8,728	(163,761)
Other reserves		(449,670)	255,835	-	739,620
Equity attributable to owners of the Company		10,526,328	10,131,507	6,613,451	6,496,034
Non-controlling interests		5,434,863	5,158,949	-	-
Total equity		15,961,191	15,290,456	6,613,451	6,496,034
Total liabilities and equity		43,743,235	42,607,940	13,135,075	13,464,312

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	
	30.9.24 (Unaudited)	30.9.23 (Unaudited)	30.9.24 (Unaudited)	30.9.23 (Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
Operating activities:				
Profit before tax	343,260	443,503	995,178	1,255,879
Adjustments for:				
Loss (Reversal of loss) allowance for trade receivables, net	28,900	(333)	29,730	2,007
Loss (Reversal of loss) allowance for non-trade receivables, net	3,676	(1,446)	3,488	(1,446)
Depreciation of property, plant and equipment	13,729	15,146	41,023	32,067
Amortisation of intangible assets	153,939	79,005	392,926	273,728
Depreciation of right-of-use assets	1,683	3,197	11,153	8,320
(Gain) Loss on disposal of property, plant and equipment	(45)	-	(69)	12
Loss on disposal of intangible assets	-	3	-	-
Finance income	(7,256)	(8,874)	(21,375)	(23,191)
Finance expenses	191,751	218,288	591,803	634,030
Share of results of associates	680	(2,550)	(8,075)	(6,210)
Share of results of joint ventures	(9,479)	2,102	(8,446)	(16,626)
Fair value (gain) loss on financial assets at fair value through profit and loss	(8)	226	164	(142)
Operating cash flows before working capital changes	720,830	748,267	2,027,500	2,158,428
(Increase) decrease in:				
Inventories	(3,954)	4,877	(4,626)	(23,656)
Amounts due from/to customers for contract work, net	1,533	(10,923)	5,931	(19,227)
Trade receivables, other receivables and prepayments	(376,303)	(420,316)	(1,400,397)	(835,566)
Bills receivables	498	(10)	1,667	(3,476)
Amounts due from joint ventures	(31,626)	9,838	(25,553)	23,028
Amounts due from associates	(12,116)	(360)	(12,376)	35,795
Increase (decrease) in:				
Trade and other payables (inclusive of non-current liabilities)	(71,050)	(89,539)	(221,189)	234,633
Bills payable to banks	-	(6,011)	-	(20,051)
Cash generated from operating activities before service concession arrangement projects	227,812	235,823	370,957	1,549,908
Change in receivables under service concession arrangements (Note A)	(149,379)	516,105	(223,389)	243,272
Cash generated from operating activities after service concession arrangement projects	78,433	751,928	147,568	1,793,180
Interest received	6,363	7,030	17,033	18,482
Income tax refund	-	-	1,549	-
Income tax paid	(47,126)	(40,923)	(192,897)	(163,838)
Net cash generated from (used in) operating activities	37,670	718,035	(26,747)	1,647,824

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		Group	
	For 3 Months Ended		For 9 Months Ended	
	30.9.24 (Unaudited)	30.9.23 (Unaudited)	30.9.24 (Unaudited)	30.9.23 (Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
Investing activities:				
Purchase of property, plant and equipment	(20,594)	(23,168)	(46,751)	(36,938)
Purchase of intangible assets, net of amount on credit terms	(498,746)	(715,292)	(810,645)	(1,623,129)
Movement in prepayment for property, plant and equipment and intangible assets, net	62,679	(736)	(6,462)	(45,968)
Proceeds from disposal of property, plant and equipment	63	-	160	162
Proceeds from disposal of intangible assets	-	(3)	-	-
Dividend received from joint ventures	32,374	10,432	54,813	10,432
Net cash used in investing activities	(424,224)	(728,767)	(808,885)	(1,695,441)
Financing activities:				
Proceeds from bank and other borrowings	1,579,904	1,624,240	9,290,196	3,651,301
Repayment of bank and other borrowings	(1,072,056)	(1,028,410)	(7,803,613)	(2,770,461)
Interest paid	(180,154)	(200,475)	(632,956)	(603,629)
Principal and interest elements of lease payments	(614)	(2,601)	(8,576)	(8,523)
Dividend paid to equity shareholders	-	(69,801)	(82,431)	(202,703)
Dividend paid to non-controlling interest in subsidiaries	-	(14,728)	(5,162)	(61,758)
Contribution from non-controlling interests upon additional capital injection in subsidiaries	1,000	7,238	1,000	23,238
Acquisition of non-controlling interests	(22,750)	-	(22,750)	-
(Increase) Decrease in pledged bank deposits	(5,945)	(7,435)	(14,281)	5,247
Net cash generated from financing activities	299,385	308,028	721,427	32,712
Net (decrease) increase in cash and cash equivalents	(87,169)	297,296	(114,205)	(14,905)
Cash and cash equivalents at beginning of period	2,852,035	2,204,910	2,885,781	2,512,625
Effects of exchange rate changes on cash and cash equivalents	6,846	(2,333)	136	2,153
Cash and cash equivalents at end of period	2,771,712	2,499,873	2,771,712	2,499,873

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	
	30.9.24 (Unaudited)	30.9.23 (Unaudited)	30.9.24 (Unaudited)	30.9.23 (Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents at end of period				
Cash and bank balances	2,849,003	2,588,506	2,849,003	2,588,506
Less: Pledged bank deposits	(77,291)	(88,633)	(77,291)	(88,633)
Cash and cash equivalents	2,771,712	2,499,873	2,771,712	2,499,873

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 9MFY2024 and 3QFY2024 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								Equity attributable to owners of the Company	Non-controlling interests	Total equity
	Share capital	Retained earnings	Other reserves, total	General reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 Jan 24 (Audited)	5,920,175	3,955,497	255,835	754,717	(369,546)	70,979	(200,315)	10,131,507	5,158,949	15,290,456
Profit for the period	-	126,295	-	-	-	-	-	126,295	78,682	204,977
<u>Other comprehensive loss</u>										
Exchange differences arising on translation	-	-	(51,725)	-	(51,725)	-	-	(51,725)	-	(51,725)
Exchange differences arising on translation of foreign operations	-	-	46,732	-	46,732	-	-	46,732	-	46,732
Other comprehensive loss for the period, net of tax	-	-	(4,993)	-	(4,993)	-	-	(4,993)	-	(4,993)
Total comprehensive income for the period	-	126,295	(4,993)	-	(4,993)	-	-	121,302	78,682	199,984
<u>Transactions with owners recognised directly in equity</u>										
Transfer to general reserve	-	(13,976)	13,976	13,976	-	-	-	-	-	-
Total	-	(13,976)	13,976	13,976	-	-	-	-	-	-
<u>Others</u>										
Dividends declared to NCI	-	-	-	-	-	-	-	-	(5,010)	(5,010)
Total	-	-	-	-	-	-	-	-	(5,010)	(5,010)
Balance at 31 Mar 24 (Unaudited)	5,920,175	4,067,816	264,818	768,693	(374,539)	70,979	(200,315)	10,252,809	5,232,621	15,485,430

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	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
Balance at 1 Apr 24 (Unaudited)	5,920,175	4,067,816	264,818	768,693	(374,539)	70,979	(200,315)	10,252,809	5,232,621	15,485,430
Profit for the period	-	195,151	-	-	-	-	-	195,151	108,089	303,240
<u>Other comprehensive loss</u>										
Exchange differences arising on translation	-	-	(27,553)	-	(27,553)	-	-	(27,553)	-	(27,553)
Exchange differences arising on translation of foreign operations	-	-	14,762	-	14,762	-	-	14,762	-	14,762
Other comprehensive loss for the period, net of tax	-	-	(12,791)	-	(12,791)	-	-	(12,791)	-	(12,791)
Total comprehensive income for the period	-	195,151	(12,791)	-	(12,791)	-	-	182,360	108,089	290,449
<u>Others</u>										
Dividend declared to equity shareholders	-	(82,431)	-	-	-	-	-	(82,431)	-	(82,431)
Total	-	(82,431)	-	-	-	-	-	(82,431)	-	(82,431)
Balance at 30 Jun 24 (Unaudited)	5,920,175	4,180,536	252,027	768,693	(387,330)	70,979	(200,315)	10,352,738	5,340,710	15,693,448

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	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
Balance at 1 Jul 24 (Unaudited)	5,920,175	4,180,536	252,027	768,693	(387,330)	70,979	(200,315)	10,352,738	5,340,710	15,693,448
Effects of changes in functional currency	684,548	12,558	(701,697)	-	(701,697)	-	-	(4,591)	-	(4,591)
	6,604,723	4,193,094	(449,670)	768,693	(1,089,027)	70,979	(200,315)	10,348,147	5,340,710	15,688,857
Profit for the period	-	178,181	-	-	-	-	-	178,181	93,153	271,334
NCI upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	1,000	1,000
Balance at 30 Sep 24 (Unaudited)	6,604,723	4,371,275	(449,670)	768,693	(1,089,027)	70,979	(200,315)	10,526,328	5,434,863	15,961,191

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	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
Balance at 1 Jan 23 (Audited)	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)
Balance at 31 Mar 23 (Unaudited)	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

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	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
Balance at 1 Apr 23 (Unaudited)	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)
Balance at 30 Jun 23 (Unaudited)	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

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	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
Balance at 1.7.23 (Unaudited)	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)
Balance at 30.9.23 (Unaudited)	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

COMPANY	Share capital	Retained earnings	Other reserves*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 Jan 24 (Audited)	5,920,175	(163,761)	739,620	6,496,034
Profit for the period	-	251,522	-	251,522
<u>Other comprehensive loss</u>				
Exchange differences arising on translation, net of tax	-	-	(31,926)	(31,926)
Other comprehensive loss for the period, net of tax	-	-	(31,926)	(31,926)
Total comprehensive income for the period	-	251,522	(31,926)	219,596
Balance at 31 Mar 24 (Unaudited)	5,920,175	87,761	707,694	6,715,630
Profit for the period	-	10,676	-	10,676
<u>Other comprehensive income</u>				
Exchange differences arising on translation, net of tax	-	-	7,162	7,162
Other comprehensive income for the period, net of tax	-	-	7,162	7,162
Total comprehensive income for the period	-	10,676	7,162	17,838
<u>Others</u>				
Dividend declared to equity shareholders	-	(82,431)	-	(82,431)
Balance at 30 Jun 24 (Unaudited)	5,920,175	16,006	714,856	6,651,037
Effects of changes in functional currency	684,548	30,308	(714,856)	-
	6,604,723	46,314	-	6,651,037
Loss for the period	-	(37,586)	-	(37,586)
Balance at 30 Sep 24 (Unaudited)	6,604,723	8,728	-	6,613,451

* 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	Retained earnings	Other reserves*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 Jan 23 (Audited)	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)
Balance at 31 Mar 23 (Unaudited)	5,920,175	207,772	473,748	6,601,695
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)
Balance at 30 Jun 23 (Unaudited)	5,920,175	40,061	719,410	6,679,646
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)
Balance at 30 Sep 23 (Unaudited)	5,920,175	11,579	693,739	6,625,493

* 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 2024 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 2024 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 2023.

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 2023.

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 2024.

Upon the completion of the loan restructuring exercise for the Company with the conversion of all non-RMB denominated loans and loan receivables to RMB in June 2024, the Company has reviewed and assessed that its business and operating environment will primarily be in RMB. As a result of this change, the Company changed its functional currency from Singapore dollar to RMB with effect from 1 July 2024. The changes in the functional currency was applied prospectively from the date of change (1 July 2024). No retrospective adjustments had been made as there is no change in presentation currency for the Company.

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 2023.

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 2024 and 31 December 2023.

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 2024 (Unaudited)

All amount in RMB'000	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Revenue	3,932,075	733,838	521,266	5,187,179	85,427	-	5,272,606
Reportable segment profit from operations	1,294,113	65,973	170,707	1,530,793	29,582	(27,451)	1,532,924
Finance income	-	-	-	-	-	21,375	21,375
Finance expenses	-	-	-	-	-	(591,803)	(591,803)
Other non-operating income	(18,900)	13,584	(200)	(5,516)	-	21,677	16,161
Share of results of associates	8,838	-	-	8,838	(763)	-	8,075
Share of results of joint ventures	-	-	8,446	8,446	-	-	8,446
Income tax expense	(157,328)	(18,817)	(12,693)	(188,838)	(5,761)	(21,028)	(215,627)
Profit after tax							779,551
Segment depreciation and amortisation	258,167	138,185	36,710	433,062	174	11,866	445,102
Segment non-cash income	69	-	-	69	-	-	69
Segment non-cash expenses	(31,972)	(1,246)	-	(33,218)	(164)	-	(33,382)

4. SEGMENT INFORMATION - cont'd

Segment revenue and results – cont'd

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 assets and liabilities

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

At 30 September 2024 (Unaudited)

All amount in RMB'000	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Segment assets	32,045,830	4,175,291	5,962,064	42,183,185	390,456	397,024	42,970,665
Interest in joint ventures	-	-	519,403	519,403	-	-	519,403
Interest in associates	90,344	-	-	90,344	106,978	33,030	230,352
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							43,743,235
Segment liabilities	12,971,644	1,921,382	4,214,339	19,107,365	1,239,755	7,434,924	27,782,044
Segment capital expenditure	194,479	223,759	201,731	619,969	299	41	620,309

4. SEGMENT INFORMATION - cont'd

Segment assets and liabilities - cont'd

At 31 December 2023 (Audited)

All amount in RMB'000	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Segment assets	29,730,897	5,658,851	5,587,573	40,977,321	538,585	311,421	41,827,327
Interest in joint ventures	-	-	524,225	524,225	-	-	524,225
Interest in associates	93,056	-	-	93,056	107,987	32,366	233,409
Financial assets at fair value through profit or loss	6,506	-	-	6,506	3,073	-	9,579
Financial assets at fair value through other comprehensive income	10,400	-	-	10,400	3,000	-	13,400
Total assets							42,607,940
Segment liabilities	10,792,646	2,604,892	3,912,881	17,310,419	1,307,950	8,699,115	27,317,484
Segment capital expenditure	780,287	217,125	-	997,412	96	24	997,532

5. REVENUE

	3 months ended 30 September		9 Months Ended 30 September	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Construction revenue	453,831	861,948	1,016,056	2,148,948
Operating and maintenance income from services concession arrangements	1,017,432	999,295	2,926,241	2,858,324
Financial income from service concession arrangements	307,342	321,447	924,104	963,649
Service income	56,118	59,557	157,501	154,625
Other revenue	114,368	87,863	248,704	223,413
	<u>1,949,091</u>	<u>2,330,110</u>	<u>5,272,606</u>	<u>6,348,959</u>
Timing of revenue recognition:				
At a point in time	1,017,432	999,295	2,926,241	2,858,324
Over time	931,659	1,330,815	2,346,365	3,490,635
	<u>1,949,091</u>	<u>2,330,110</u>	<u>5,272,606</u>	<u>6,348,959</u>

6. TAXATION

	3 months ended 30 September		9 Months Ended 30 September	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Current tax:				
Current year	69,559	65,072	196,529	199,543
Under (over) provision in respect of prior periods	1,457	(5,488)	1,969	(1,406)
Deferred tax:				
Current year	1,710	53,032	20,285	132,055
(Over) Under provision in respect of prior periods	(800)	-	(3,156)	1,168
	<u>71,926</u>	<u>112,616</u>	<u>215,627</u>	<u>331,360</u>

The corporate income tax applicable to the Singapore companies of the Group is 17% (Nine Months Ended 30 September 2023: 17%).

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	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss (Reversal of loss) allowance for trade receivables, net	28,900	(333)	29,730	2,007
Loss (Reversal of loss) allowance for non-trade receivables, net	3,676	(1,446)	3,488	(1,446)
Depreciation of property, plant and equipment	13,729	15,146	41,023	32,067
Amortisation of intangible assets	153,939	79,005	392,926	273,728
Depreciation of right-of-use assets	1,683	3,197	11,153	8,320
(Gain) Loss on disposal of property, plant and equipment	(45)	-	(69)	12
Loss on disposal of intangible assets	-	3	-	-
Finance income	(7,256)	(8,874)	(21,375)	(23,191)
Finance expenses	191,751	218,288	591,803	634,030
Share of results of associates	680	(2,550)	(8,075)	(6,210)
Share of results of joint ventures	(9,479)	2,102	(8,446)	(16,626)
Fair value (gain) loss on financial assets at fair value through profit and loss	(8)	226	164	(142)
Foreign exchange loss (gain), net	6,598	(6,464)	4,481	(14,697)

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:

	30 September 2024	31 December 2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 30 days	835,945	1,133,684
Within 31 to 60 days	375,474	382,217
Within 61 to 90 days	418,590	348,617
Within 91 to 180 days	1,012,110	684,525
Within 181 to 365 days	1,312,538	554,497
Over 365 days	1,534,517	915,629
	<u>5,489,174</u>	<u>4,019,169</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:

	30 September 2024	31 December 2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Receivables under service concession arrangements:		
Current portion	919,253	887,152
Non-current portion	22,337,903	22,374,059
	<u>23,257,156</u>	<u>23,261,211</u>

Expected collection schedule is analysed as follows:

Within 1 year	919,253	887,152
Within 2 to 5 years	3,983,012	3,671,624
Over 5 years	18,354,891	18,702,435
	<u>23,257,156</u>	<u>23,261,211</u>

10. INTANGIBLE ASSETS

During the period, the Group's additions of intangible assets amounted to RMB603,534,000 (Nine Months Ended 30 September 2023: RMB1,698,065,000).

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:

	30 September 2024	31 December 2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 30 days	290,506	702,713
Within 31 to 60 days	145,996	93,223
Within 61 to 90 days	141,627	57,274
Within 91 to 180 days	113,908	124,272
Within 181 to 365 days	279,601	641,800
Over 365 days	730,569	705,475
	<u>1,702,207</u>	<u>2,324,757</u>

12. BANK AND OTHER BORROWINGS

	Group		Company	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Amount repayable within one year or on demand:				
Secured	1,748,405	1,678,545	-	-
Unsecured	3,181,260	4,088,463	2,250,500	3,547,536
	<u>4,929,665</u>	<u>5,767,008</u>	<u>2,250,500</u>	<u>3,547,536</u>
Amount repayable after one year:				
Secured	11,846,488	7,583,338	-	-
Unsecured	4,943,543	6,908,453	4,054,729	2,993,898
	<u>16,790,031</u>	<u>14,491,791</u>	<u>4,054,729</u>	<u>2,993,898</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

	Group and Company	
	Number of	Amount
	ordinary shares	RMB'000
	(Unaudited)	(Unaudited)
Issued and paid up share capital		
At 1 January 2023, 31 December 2023 and 30 September 2024	<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 2024.

14. DIVIDENDS

A final one-tier tax exempt dividend of S\$0.006 per ordinary share in respect of the financial year ended 31 December 2023 was approved in the annual general meeting held on 29 April 2024 and paid out on 31 May 2024.

15. NET ASSET VALUE AND EARNINGS PER SHARE

	Group		Company	
	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Number of shares in issue to calculate net asset value per share	2,575,665,726	2,575,665,726	2,575,665,726	2,575,665,726
Net asset value per ordinary share (RMB in cent)	408.70	393.35	256.77	252.21

	3 Months Ended 30 September		9 Months Ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Profit for the period attributable to the Owners of the Company (RMB'000)	178,181	206,033	499,627	583,384
Weighted average number of shares in issue to calculate the basis and diluted earnings per share	2,575,665,726	2,575,665,726	2,575,665,726	2,575,665,726
Earnings per share for profit for the period attributable to the owners of the Company during the period:				
-Basic (RMB in cent)	6.92	8.00	19.40	22.65
-Diluted (RMB in cent)	6.92	8.00	19.40	22.65

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 2024	31 December 2023	
	RMB'000 (Unaudited)	RMB'000 (Audited)	
Financial assets at FVTOCI			
Unlisted equity security	13,400	13,400	Level 3
Financial assets at FVTPL			
Listed equity security	2,909	3,073	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 2024		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Financial assets				
Receivables under service concession arrangements	22,136,302	23,198,995	21,410,273	22,740,832
Financial liabilities				
Bank and other borrowings (fixed rate)	(6,522,020)	(6,539,648)	(4,532,576)	(4,584,566)

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.

17. SUBSEQUENT EVENTS

The Group has evaluated all events that occur after the balance sheet date through the date when the financial statements were issued to determine if they must be reported. The Management of the Group determined that there were no reportable subsequent events to be disclosed.

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 2024, there were no treasury shares held (31 December 2023: Nil). Total number of issued shares as at 30 September 2024 was 2,575,665,726 (31 December 2023: 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 2024.

- 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 2024.

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 2024 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 period 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 2023.

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

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's revenue was RMB 1,949.1 million in 3QFY2024, representing a decrease of 16.4%, as compared to RMB 2,330.1 million in 3QFY2023. For the nine months ended 30 September 2024, the Group's revenue was RMB 5,272.6 million, representing a decrease of 17.0%, as compared to RMB 6,349.0 million for the same period in 2023.

Meanwhile, the Group's profit for the period was RMB 271.3 million in 3QFY2024, representing a decrease of 18.0%, as compared to RMB 330.9 million in 3QFY2023. For the nine months ended 30 September 2024, the Group's profit for the period was RMB 779.6 million, representing a decrease of 15.7%, as compared to RMB 924.5 million for the same period in 2023.

The Group's profit for the period attributable to owners of the Company was RMB 178.2 million in 3QFY2024, representing a decrease of 13.5%, as compared to RMB 206.0 million in 3QFY2023. For the nine months ended 30 September 2024, the profit attributable to owners of the Company was RMB 499.6 million, representing a decrease of 14.4%, as compared to RMB 583.4 million for the same period in 2023.

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

(A) Revenue

Construction Revenue

Construction revenue was RMB 453.8 million in 3QFY2024, representing a decrease of 47.3%, as compared to RMB 861.9 million in 3QFY2023. For the nine months ended 30 September 2024, construction revenue was RMB 1,016.1 million, representing a decrease of 52.7%, as compared to RMB 2,148.9 million for the same period in 2023. The decrease in revenue was mainly due to the completion of major construction projects in FY2023 and the commencement of new major construction projects are taking place in 2HFY2024.

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 was RMB 1,324.8 million in 3QFY2024, representing an increase of 0.3%, as compared to RMB 1,320.7 million in 3QFY2023. For the nine months ended 30 September 2024, the aggregate income was RMB 3,850.3 million, representing an increase of 0.7%, as compared to RMB 3,822.0 million for the same period in 2023. The increase was due to higher volume and average price in water treatment and water supply for the period.

Service Income

Service income from non-service concession arrangements was RMB 56.1 million in 3QFY2024, representing a decrease of 5.8%, as compared to RMB 59.6 million in 3QFY2023. For the nine months ended 30 September 2024, service income was RMB 157.5 million, representing an increase of 1.9%, as compared to RMB 154.6 million for the same period in 2023. The increase in service income is mainly due to the contribution of new projects.

Other Revenue

Other revenue was RMB 114.4 million in 3QFY2024, representing an increase of 30.2%, as compared to RMB 87.9 million in 3QFY2023. For the nine months ended 30 September 2024, other revenue was RMB 248.7 million, representing an increase of 11.3%, as compared to RMB 223.4 million for the same period in 2023. The increase in other revenue was mainly due to an increase in the volume of ad-hoc installation works.

(B) Gross Profit (“GP”) / Gross Profit Margin (“GPM”)

The Group's GP was RMB 711.4 million in 3QFY2024, representing a decrease of 8.4%, as compared to RMB 776.6 million in 3QFY2023. For the nine months ended 30 September 2024, the Group's GP was RMB 1,988.8 million, representing a decrease of 10.2%, as compared to RMB 2,214.4 million for the same period in 2023. The decrease in GP was primarily caused by the decrease in construction revenue.

GPM was 36.5% in 3QFY2024, representing an increase of 3.2%, as compared to 33.3% in 3QFY2023. For the nine months ended 30 September 2024, GPM was 37.7%, representing an increase of 2.8%, as compared to 34.9% for the same period in 2023. The improvement was mainly due to the lower proportion of construction revenue, which typically has a lower gross profit margin, a lower unit cost due to higher volume, and also higher average price in water treatment and water supply.

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

(C) Other Income

Other income was RMB 38.1 million in 3QFY2024, representing an increase of 15.5%, as compared to RMB 33.0 million in 3QFY2023. For the nine months ended 30 September 2024, other income was RMB 80.9 million, representing a decrease of 11.2%, as compared to RMB 91.2 million for the same period in 2023. The overall decrease was mainly due to a reduction in volume of work and production not related to core business activities.

(D) Other Gains and Losses

Other gains and losses amounted to a net loss of RMB 38.1 million in 3QFY2024, and a net gain of RMB 3.8 million in 3QFY2023. For the nine months ended 30 September 2024, other gains and losses amounted to a net loss of RMB 35.6 million, and a net gain of RMB 14.6 million for the same period in 2023. The changes for the quarter and period ended were mainly due to unrealised foreign exchange differences recorded.

(E) Selling and Distribution Costs

Selling and distribution costs were RMB 18.0 million in 3QFY2024, representing a decrease of 4.7%, as compared to RMB 18.9 million in 3QFY2023. For the nine months ended 30 September 2024, selling and distribution costs were RMB 56.0 million, representing a decrease of 1.4%, as compared to RMB 56.8 million for the same period in 2023. The decrease was mainly due to improvement of repair and maintenance costs.

(F) Administrative Expenses

Administrative expenses were RMB 167.2 million in 3QFY2024, representing an increase of 25.5%, as compared to RMB 133.2 million in 3QFY2023. For the nine months ended 30 September 2024, administrative expenses were RMB 407.7 million, representing an increase of 2.9%, as compared to RMB 396.2 million for the same period in 2023. The increase was mainly due to loss allowance for doubtful debts made during the period.

(G) Finance Expenses

Finance expenses were RMB 191.8 million in 3QFY2024, representing a decrease of 12.2%, as compared to RMB 218.3 million in 3QFY2023. For the nine months ended 30 September 2024, finance expenses were RMB 591.8 million, representing a decrease of 6.7%, as compared to RMB 634.0 million for the same period in 2023. During the period, the financing structure was continuously optimized by replacing high-interest non-RMB loans with lower-interest RMB loans, hence, financial expenses were significantly reduced compared with the same period in 2023, even with the increase in loans.

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 investments which are accounted for using equity method.

The share of results of joint ventures in 9MFY2024 decreased as compared to 9MFY2023 was mainly due to lower contribution from joint ventures.

The share of results of associates in 9MFY2024 increased as compared to 9MFY2023 was mainly due to higher contribution from associates.

(I) Income Tax Expense

Income tax expense was RMB 71.9 million in 3QFY2024, representing a decrease of 36.1%, as compared to RMB 112.6 million in 3QFY2023. For the nine months ended 30 September 2024, income tax expense was RMB 215.6 million, representing a decrease of 34.9%, as compared to RMB 331.4 million for the same period in 2023. The decrease in income tax expense was in line with the decrease in revenue generated and profit before tax during the period.

STATEMENTS OF FINANCIAL POSITION

(J) Current Assets

Current assets as at 30 September 2024, amounted to RMB 10.59 billion, representing an increase of 14.2%, as compared to RMB 9.27 billion as at 31 December 2023. The increase in current assets was mainly due to the rise in trade receivables related to the revenue generated for the period.

(K) Non-current Assets

Non-current assets as at 30 September 2024, amounted to RMB 33.16 billion, showing a slight decrease of 0.5%, as compared to RMB 33.34 billion as at 31 December 2023. The decrease in non-current assets was mainly due to depreciation and amortization.

(L) Current Liabilities

Current liabilities as at 30 September 2024, amounted to RMB 8.43 billion, representing a decrease of 17.8%, as compared to RMB 10.26 billion as at 31 December 2023. The decrease was primarily due to the repayment of trade and other payables and short-term borrowings.

(M) Non-current Liabilities

Non-current liabilities as at 30 September 2024, amounted to RMB 19.35 billion, representing an increase of 13.4%, as compared to RMB 17.06 billion as at 31 December 2023. The increase was mainly due to new long-term borrowings following a loan restructuring.

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

STATEMENT OF CASH FLOWS

As at 30 September 2024, the Group's cash and cash equivalents stood at RMB 2.772 billion, representing a decrease of 4.0%, as compared to RMB 2.886 billion as at 31 December 2023.

Net Cash Used in Operating Activities: Net cash of RMB 26.7 million was used in the Group's operating activities, reflecting the higher working capital requirements during this period.

Net Cash Used in Investing Activities: Net cash of RMB 808.9 million was used in the Group's investing activities, primarily due to purchases of property, plant, and equipment, as well as intangible assets.

Net Cash Generated from Financing Activities: Net cash of RMB 721.4 million was generated from the Group's financing activities, mainly due to higher net proceeds from bank and other borrowings, partially offset by the repayment of bank and other borrowings plus interest paid.

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 2024, the macro-economy of the People's Republic of China ("China") maintained a steady growth momentum. The central government continued to promote the green and low-carbon transition of economic and social development, providing important development opportunities for the environmental protection industry. According to the white paper titled "Marine Eco-Environmental Protection in China" (《中國的海洋生態環境保護》) released by the State Council Information Office in July, China has significantly improved its urban sewage treatment quality and efficiency. The construction of sewage treatment infrastructure in coastal areas has accelerated significantly, and sewage treatment plants in cities at or above the prefectural level have been upgraded to Class I Standard A. Since the beginning of the 14th Five-Year Plan period, rural areas have achieved a sanitary sewage treatment rate of more than 45%. As a leader in China's water and environmental protection industries, the Group will follow the green, low-carbon and high-quality development path, firmly grasp the industry development opportunities created by national policies, and promote the steady development of the Group's core businesses.

In July, the CPC Central Committee and the State Council issued the "Guidelines to Ramp up Green Transition of Economic, Social development" (《關於加快經濟社會發展全面綠色轉型的意見》). According to the guidelines, by 2035, a green, low-carbon, and circular development economic system will be basically established, green production and lifestyles will be widely popularized, economic and social development will be completely shifted to a green and low-carbon path, carbon emissions will be stabilized and decline somewhat after peaking, and the goal of building a beautiful China will be basically achieved. The guidelines also mention that the country will pursue fiscal and taxation policies that are conducive to green transition, enrich relevant financial instruments, optimize investment mechanisms and improve pricing policies accordingly. The guidelines will create a favorable market environment and business conditions, and expand financing channels for the environmental protection industry, which will encourage the Group to pursue a sustainable and high-quality development path. In July, the National Development and Reform Commission and the Ministry of Finance issued the "Measures to Strengthen Support for Large-Scale Equipment Upgrading and Trade-In of Old Consumer Goods" (《關於加力支持大規模設備更新和消費品以舊換新的若干措施》), which included the establishment of ultra-long-term special government bond funds of approximately RMB300 billion. The funds will be used to strengthen support for large-scale equipment upgrades and trade-in of old consumer goods, which will provide financial support for the Group's project equipment upgrades, so as to lay a solid foundation for business expansion.

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.

As for solid waste, the Ministry of Ecology and Environment issued the “Implementation Opinions on Promoting the Accelerated Rise of the Central Region through High-Level Protection” (《關於以高水平保護促進中部地區加快崛起的實施意見》) in September. It proposes to further deepen the construction of “zero-waste city”; supports Anhui, Jiangxi, Henan, Hubei and Hunan in their orderly promotion of the construction of “zero-waste cities” in all regions; encourages the reduction of solid waste at source; and improves the level of resource utilization. The Group’s benchmark solid waste treatment project, Shanghai Baoshan Renewable Energy Utilization Center (“Baoshan Project”), has commenced operation. As the first municipal-level key project for dry and wet household waste treatment after the formal implementation of the waste sorting policy in Shanghai, the Baoshan Project, with a daily capacity of 3,800 tonnes, is set to effectively solve waste treatment issues in the service areas after its operation, and plays a critical role in improving the harmless waste treatment and resource utilization rate in Shanghai. The Group will constantly look for opportunities associated with quality solid waste projects and actively participate in the construction of “zero-waste cities” to promote the harmless treatment, reduction and recycling of household waste.

The “Work Plan for Accelerating the Establishment of a Dual-Control System for Carbon Emissions” (《加快構建碳排放雙控制度體系工作方案》) issued by the General Office of the State Council in August proposes to study and formulate action plans for achieving carbon peaking and carbon neutrality, and to confirm the implementation details of the “Action Plan for Carbon Peaking before 2030” (《2030年前碳達峰行動方案》) during the 15th Five-Year Plan to ensure that carbon peaking is achieved by 2030. The Group will actively respond to national policies, implement the concept of “clear waters and green mountains are as valuable as mountains of gold and silver”, achieve modernization in which man and nature coexist harmoniously, and actively build the Group’s “One Mountain and One River” benchmark projects to achieve synergy in reducing pollution and carbon emissions, and contribute to the realization of carbon peaking and carbon neutrality.

11. Dividend

If a decision regarding dividend has been made:

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

(b) Amount Per Share For Current Financial Period Reported On

There was no dividend declared.

Amount Per Share For Corresponding Period of the Immediately Preceding Financial Year

There was no dividend declared for corresponding period of the immediately preceding financial year.

(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, Ji Guanglin and Wang Xiwang, 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 2024, 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. Ji Guanglin
Executive Director
12 November 2024