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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 Financial Statements and Dividend Announcement for the Second Quarter and Six Months ended 30 June 2020

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

This results announcement is made in accordance to Listing Manual of the Singapore Exchange Securities Trading Limited. 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 be cautious trading in the shares of SIIC ENVIRONMENT HOLDINGS LTD..

By Order of the Board
SIIC Environment Holdings Ltd.
Mr. Xu Xiaobing
Executive Director

Hong Kong, 7 August 2020

As at the date of this announcement, the non-executive Chairman is Mr. Zhou Jun; the executive Directors are Mr. Feng Jun, Mr. Huang Hanguang, Mr. Zhao Youmin, Mr. Xu Xiaobing and Mr. Yang Jianwei; and the independent non-executive Directors are Mr. Yeo Guat Kwang, Mr. An Hongjun and Mr. Zhong Ming.

** For identification purpose only*



SIIC ENVIRONMENT HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No: 200210042R)

Unaudited Financial Statements and Dividend
Announcement for the Second Quarter and Six Months
ended 30 June 2020

7 August 2020

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

Second Quarter and First Half of Financial Year 2020 Financial Statements And Dividend Announcement

Business Review

The board of directors 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 six months ended 30 June 2020 ("1HFY2020"). The Group's profit for the period amounted to RMB391.3 million, up 4.8% as compared the period in 1HFY2019. The Group's net profit attributable to shareholders was decreased by 6.3% to RMB281.2 million as compared to the period in 1HFY2019.

The Group's operating and maintenance income and financial income from service concession arrangements in 1HFY2020 surged by 9.0% as both wastewater treatment volume and average treatment tariff increased. The overall decrease in revenue was mainly contributed from the construction revenue, which decreased by 30.6% as compared to the period in 1HFY2019 due to restriction of projects under construction during Covid-19 outbreak, resulting in a 9.7% drop in total revenue to RMB2.64 billion.

As at 30 June 2020, the Group's cash and cash equivalents stood at a healthy RMB1,800.5 million.

Review of Interim Results

The audit committee has reviewed the Company's unaudited consolidated interim results for the six months ended 30 June 2020.

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 "Stock Exchange") throughout the six months ended 30 June 2020.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities during 1HFY2020.

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 SECOND QUARTER ("2QFY2020") AND FIRST HALF FINANCIAL YEAR ("1HFY2020") ENDED 30 JUNE 2020

	Note	3 Months Ended		Changes	6 Months Ended		Changes
		30.6.20	30.6.19		30.6.20	30.6.19	
		RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	8(A)	1,586,712	1,586,260	<0.1	2,639,636	2,921,779	(9.7)
Cost of sales		(1,083,691)	(1,088,122)	(0.4)	(1,723,809)	(1,994,395)	(13.6)
Gross profit	8(B)	503,021	498,138	1.0	915,827	927,384	(1.2)
Other income	8(C)	64,209	47,484	35.2	122,932	121,456	1.2
Other gains and losses	8(D)	(2,880)	(105)	>100.0	191	(400)	N.M.
Selling and distribution costs	8(E)	(17,548)	(18,121)	(3.2)	(32,976)	(35,117)	(6.1)
Administrative expenses	8(F)	(99,831)	(122,978)	(18.8)	(175,186)	(212,471)	(17.5)
Finance expenses	8(G)	(178,184)	(168,887)	5.5	(354,000)	(324,992)	8.9
Share of results of joint ventures	8(H)	8,926	12,819	(30.4)	17,298	23,368	(26.0)
Share of results of associates	8(H)	3,453	(709)	N.M.	2,638	(789)	N.M.
Profit before tax	8(I)	281,166	247,641	13.5	496,724	498,439	(0.3)
Income tax expense	8(J)	(58,042)	(64,800)	(10.4)	(105,419)	(124,885)	(15.6)
Profit for the period		223,124	182,841	22.0	391,305	373,554	4.8
Other comprehensive income/(loss):							
<i>Items that will not be reclassified to profit or loss:</i>							
Exchange difference arising from translation		29,792	(38,796)	N.M.	(44,673)	6,576	N.M.
Fair value change on investments in equity instruments designated as at FVTOCI		3,737	(787)	N.M.	1,819	(2,568)	N.M.
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange differences arising from translation of foreign operations		(3,109)	(9,428)	(67.0)	6,249	(5,822)	N.M.
Total comprehensive income for the period		253,544	133,830	89.4	354,700	371,740	(4.6)
Profit for the period attributable to:							
Owners of the Company		151,131	150,098	0.7	281,239	300,183	(6.3)
Non-controlling interests		71,993	32,743	>100.0	110,066	73,371	50.0
		223,124	182,841	22.0	391,305	373,554	4.8
Total comprehensive income attributable to:							
Owners of the Company		181,551	101,087	79.6	244,634	298,369	(18.0)
Non-controlling interests		71,993	32,743	>100.0	110,066	73,371	50.0
		253,544	133,830	89.4	354,700	371,740	(4.6)
Earnings per share (RMB cents)	(6)						
-Basic		5.81	5.76	0.9	10.81	11.52	(6.2)
-Dilute		5.81	5.76	0.9	10.81	11.52	(6.2)

N.M. – Not Meaningful

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

	Note	Group		Company	
		As At 30.6.20	As At 31.12.19	As At 30.6.20	As At 31.12.19
		RMB'000	RMB'000	RMB'000	RMB'000
Current assets					
Cash and cash equivalents		1,800,467	2,374,770	79,906	172,687
Pledged bank deposits		53,282	234,672	-	-
Trade and other receivables	8(K)	2,500,447	2,336,371	1,105	5,146
Bills receivables		10,725	13,747	-	-
Prepayments		94,336	60,303	9,491	2,399
Inventories		183,159	159,115	-	-
Receivables under service concession arrangements		483,333	476,970	-	-
Amounts due from customers for contract work		163,051	66,772	-	-
Amounts due from subsidiaries		-	-	1,460,973	1,171,378
Amounts due from joint venture		787	137	787	137
Amounts due from associate		10,902	10,902	-	-
Financial assets at fair value through profit or loss		3,083	3,353	-	-
Assets classified as held for sale		206,752	202,150	-	-
Total current assets	8(L)	5,510,324	5,939,262	1,552,262	1,351,747
Non-current assets					
Financial assets at fair value through other comprehensive income		44,117	45,306	15,156	15,470
Prepayments		303,559	501,275	-	-
Receivables under service concession arrangements		18,101,072	17,193,272	-	-
Property, plant and equipment		301,898	318,413	296	511
Intangible assets		6,664,520	6,741,574	-	-
Long term receivables		350,560	350,058	-	-
Deferred tax assets		72,037	70,996	-	-
Investment in subsidiaries		-	-	5,645,461	5,762,344
Interest in joint ventures		541,574	532,607	335,105	342,043
Interest in associates		99,599	99,078	-	-
Goodwill on consolidation		457,241	457,241	-	-
Amounts due from associate		59,585	56,648	-	-
Right-of-use assets		57,395	60,903	16,273	17,561
Total non-current assets	8(M)	27,053,157	26,427,371	6,012,291	6,137,929
Total assets		32,563,481	32,366,633	7,564,553	7,489,676
Current liabilities					
Trade and other payables	8(N)	3,450,257	3,615,054	180,621	48,406
Bills payable to banks		2,913	42,557	-	-
Tax payable		99,791	127,713	-	-
Amounts due to customers for contract work		15,875	11,075	-	-
Amounts due to subsidiaries		-	-	69,510	70,589
Bank and other borrowings		5,569,193	5,283,615	1,001,197	991,791
Liabilities directly associated with assets classified as held for sale		151,082	156,195	-	-
Lease liabilities		10,240	9,995	6,594	6,515
Total current liabilities	8(O)	9,299,351	9,246,204	1,257,922	1,117,301
Non-current liabilities					
Bank and other borrowings		8,904,583	9,066,342	-	-
Deferred tax liabilities		2,061,893	2,009,597	-	-
Other non-current liabilities		157,704	138,812	-	-
Lease liabilities		42,676	45,948	9,802	11,169
Total non-current liabilities	8(P)	11,166,856	11,260,699	9,802	11,169
Capital, reserves and non-controlling interest					
Share capital		5,947,420	5,947,420	5,947,420	5,947,420
Retained earnings		2,488,539	2,356,306	9,011	(54,850)
Other reserves		22,205	41,793	340,398	468,636
Equity attributable to owners of the Company		8,458,164	8,345,519	6,296,829	6,361,206
Non-controlling interests		3,639,110	3,514,211	-	-
Total equity		12,097,274	11,859,730	6,296,829	6,361,206
Total liabilities and equity		32,563,481	32,366,633	7,564,553	7,489,676

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 30.6.20 RMB'000		As at 31.12.19 RMB'000	
Secured/ Guaranteed	Unsecured/ Unguaranteed	Secured/ Guaranteed	Unsecured/ Unguaranteed
3,124,954	2,447,152	3,042,482	2,283,690

Amount repayable after one year

As at 30.6.20 RMB'000		As at 31.12.19 RMB'000	
Secured/ Guaranteed	Unsecured/ Unguaranteed	Secured/ Guaranteed	Unsecured/ Unguaranteed
7,308,416	1,596,167	7,418,498	1,647,844

Details of any collateral

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

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.

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 6 Months Ended	
	30.6.20	30.6.19	30.6.20	30.6.19
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Profit before tax	281,166	247,641	496,724	498,439
Adjustments for:				
Loss allowance for trade receivables, net	1,094	105	1,560	41
Depreciation of property, plant and equipment	9,363	8,775	18,485	17,854
Amortisation of intangible assets	72,846	72,756	148,918	141,056
Depreciation of right-of-use asset	1,754	74	3,508	141
Loss/(Gain) on disposal of property, plant and equipment	33	(13)	44	(13)
Gain on disposal of financial asset held at fair value through other comprehensive income	(806)	-	(806)	-
Gain on disposal of associate	(1,678)	-	(1,678)	-
Gain on disposal of subsidiary	-	-	(48)	-
Finance income	(5,314)	(5,556)	(10,923)	(10,855)
Finance expenses	178,185	168,887	354,000	324,992
Share of results of associates	(3,453)	709	(2,638)	789
Share of results of joint ventures	(8,926)	(12,819)	(17,298)	(23,368)
Foreign exchange loss	-	59	-	64
Fair value (gain)/loss on financial assets at fair value through profit and loss	(380)	6	270	(492)
Operating cash flow before working capital changes	523,884	480,624	990,118	948,648
(Increase)/decrease in:				
Inventories	(3,745)	10,854	(22,392)	4,513
Amounts due from/to customers for contract work, net	(76,987)	(19,259)	(93,133)	(18,843)
Trade receivables, other receivables and prepayments	81,952	(15,374)	(218,976)	(325,375)
Bills receivables	8,747	(504)	3,022	(1,201)
Amounts due from joint ventures	305	(19)	611	178
Amounts due from associate	(1,930)	3,371	(2,938)	(1,966)
Increase/(decrease) in:				
Trade payables and other payables(inclusive of non-current liabilities)	52,144	457,619	(200,175)	322,564
Bills payable to banks	(13,883)	7,426	(39,644)	12,448
Cash from operating activities before service concession arrangement projects	570,487	924,738	416,493	940,966
Change in receivables under service concession arrangements (Note A)	(616,422)	(425,463)	(712,219)	(1,213,476)
Cash (used in) generated from operating activities after service concession arrangement projects	(45,935)	499,275	(295,726)	(272,510)
Interest received	3,743	5,011	5,717	7,480
Income tax refund	5,154	-	5,154	-
Income tax paid	(35,110)	(58,101)	(85,956)	(95,891)
Net cash (used in) generated from operating activities	(72,148)	446,185	(370,811)	(360,921)

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 6 Months Ended	
	30.6.20	30.6.19	30.6.20	30.6.19
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from investing activities:				
Purchase of property, plant and equipment	(5,029)	(9,460)	(10,769)	(48,305)
Purchase of intangible assets, net of amount on credit terms	(48,201)	(180,861)	(76,427)	(232,528)
(Increase)/Decrease in prepayment for property, plant and equipment and intangible assets	(38,574)	(1,171)	(52,992)	2,819
Proceeds from disposal of property, plant and equipment	10	21	14	21
Proceeds from disposal of available for sales investment	3,200	-	3,200	-
Net cash outflow on disposal of a subsidiary	-	-	(631)	-
Net cash inflow from disposal of associate	4,160	-	4,160	-
Purchase of financial assets at fair value through other comprehensive income	-	(3,000)	-	(3,000)
Dividend received from associates	200	320	200	320
Net cash used in investing activities	(84,234)	(194,151)	(133,245)	(280,673)
Cash flows from financing activities:				
Proceeds from bank and other borrowings	227,515	1,704,184	1,354,516	2,263,200
Repayment of bank and other borrowings	(321,948)	(681,085)	(1,276,843)	(854,196)
Interest paid	(164,408)	(185,634)	(343,223)	(335,944)
Principal and interest elements of lease payments	(2,047)	-	(4,094)	-
Dividend paid to equity shareholders	-	(131,779)	-	(131,779)
Dividend paid to non-controlling interest in subsidiaries	(9,840)	(1,610)	(15,840)	(5,090)
Contribution from non-controlling interests upon additional capital injection of a subsidiary	32,150	-	32,150	-
Decrease in deposits pledged to banks	135,766	2,178	181,390	11,318
Net cash (used in) generated from financing activities	(102,812)	706,254	(71,944)	947,509
Net (decrease)/increase in cash and cash equivalents	(259,194)	958,288	(576,000)	305,915
Cash and cash equivalents at beginning of period	2,056,302	1,483,249	2,374,770	2,133,225
Effects of exchange rate changes on the balance of cash held in foreign currencies	3,359	(50)	1,697	2,347
Cash and cash equivalents at end of period	1,800,467	2,441,487	1,800,467	2,441,487
Cash and cash equivalents at end of period				
Cash and bank balances	1,853,749	2,549,178	1,853,749	2,549,178
Less: Pledged bank deposits	(53,282)	(107,691)	(53,282)	(107,691)
Cash and cash equivalents	1,800,467	2,441,487	1,800,467	2,441,487

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 facilities for 1HFY2020 and 2QFY2020 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.

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 1.1.20	5,947,420	-	2,356,306	41,793	351,003	(10,152)	(83,253)	(15,490)	(200,315)	8,345,519	3,514,211	11,859,730
Profit for the period	-	-	130,108	-	-	-	-	-	-	130,108	38,073	168,181
<u>Other comprehensive income</u>												
Exchange differences arising on translation	-	-	-	(74,465)	-	-	(74,465)	-	-	(74,465)	-	(74,465)
Exchange differences arising on translation of foreign operations	-	-	-	9,358	-	-	9,358	-	-	9,358	-	9,358
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	-	(1,918)	-	(1,918)	-	-	-	(1,918)	-	(1,918)
Other comprehensive income for the period, net of tax	-	-	-	(67,025)	-	(1,918)	(65,107)	-	-	(67,025)	-	(67,025)
Total comprehensive income for the period	-	-	130,108	(67,025)	-	(1,918)	(65,107)	-	-	63,083	38,073	101,156
<u>Transactions with owners recognised directly in equity</u>												
Transfer to general reserve	-	-	(8,883)	8,883	8,883	-	-	-	-	-	-	-
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	(1,477)	(1,477)
Total	-	-	(8,883)	8,883	8,883	-	-	-	-	-	(1,477)	(1,477)
<u>Others</u>												
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(6,000)	(6,000)
Total	-	-	-	-	-	-	-	-	-	-	(6,000)	(6,000)
Balance at 31.3.20	5,947,420	-	2,477,531	(16,349)	359,886	(12,070)	(148,360)	(15,490)	(200,315)	8,408,602	3,544,807	11,953,409
Profit for the period	-	-	151,131	-	-	-	-	-	-	151,131	71,993	223,124
<u>Other comprehensive loss</u>												
Exchange differences arising on translation	-	-	-	29,792	-	-	29,792	-	-	29,792	-	29,792
Exchange differences arising on translation of foreign operations	-	-	-	(3,109)	-	-	(3,109)	-	-	(3,109)	-	(3,109)
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	-	3,737	-	3,737	-	-	-	3,737	-	3,737
Other comprehensive loss for the period, net of tax	-	-	-	30,420	-	3,737	26,683	-	-	30,420	-	30,420
Total comprehensive income for the period	-	-	151,131	30,420	-	3,737	26,683	-	-	181,551	71,993	253,544
<u>Transactions with owners recognised directly in equity</u>												
Transfer to general reserve	-	-	(8,134)	8,134	8,134	-	-	-	-	-	-	-
Contribution from non-controlling interests upon additional capital injection of a subsidiary	-	-	-	-	-	-	-	-	-	-	32,150	32,150
Total	-	-	(8,134)	8,134	8,134	-	-	-	-	-	32,150	32,150
<u>Others</u>												
Dividend declared to equity shareholders	-	-	(131,989)	-	-	-	-	-	-	(131,989)	-	(131,989)
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(9,840)	(9,840)
Total	-	-	(131,989)	-	-	-	-	-	-	(131,989)	(9,840)	(141,829)
Balance at 30.6.20	5,947,420	-	2,488,539	22,205	368,020	(8,333)	(121,677)	(15,490)	(200,315)	8,458,164	3,639,110	12,097,274

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 1.1.19	5,951,793	-	1,942,675	(49,672)	296,162	(7,269)	(122,760)	(15,490)	(200,315)	7,844,796	3,068,874	10,913,670
Profit for the period	-	-	150,085	-	-	-	-	-	-	150,085	40,628	190,713
<u>Other comprehensive income</u>												
Exchange differences arising on translation	-	-	-	45,372	-	-	45,372	-	-	45,372	-	45,372
Exchange differences arising on translation of foreign operations	-	-	-	3,606	-	-	3,606	-	-	3,606	-	3,606
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	-	(1,781)	-	(1,781)	-	-	-	(1,781)	-	(1,781)
Other comprehensive income for the period, net of tax	-	-	-	47,197	-	(1,781)	48,978	-	-	47,197	-	47,197
Total comprehensive income for the period	-	-	150,085	47,197	-	(1,781)	48,978	-	-	197,282	40,628	237,910
<u>Transactions with owners recognised directly in equity</u>												
Transfer to general reserve	-	-	(11,500)	11,500	11,500	-	-	-	-	-	-	-
Total	-	-	(11,500)	11,500	11,500	-	-	-	-	-	-	-
<u>Others</u>												
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(3,480)	(3,480)
Total	-	-	-	-	-	-	-	-	-	-	(3,480)	(3,480)
Balance at 31.3.19	5,951,793	-	2,081,260	9,025	307,662	(9,050)	(73,782)	(15,490)	(200,315)	8,042,078	3,106,022	11,148,100
Profit for the period	-	-	150,098	-	-	-	-	-	-	150,098	32,743	182,841
<u>Other comprehensive loss</u>												
Exchange differences arising on translation	-	-	-	(38,796)	-	-	(38,796)	-	-	(38,796)	-	(38,796)
Exchange differences arising on translation of foreign operations	-	-	-	(9,428)	-	-	(9,428)	-	-	(9,428)	-	(9,428)
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	-	(787)	-	(787)	-	-	-	(787)	-	(787)
Other comprehensive loss for the period, net of tax	-	-	-	(49,011)	-	(787)	(48,224)	-	-	(49,011)	-	(49,011)
Total comprehensive income for the period	-	-	150,098	(49,011)	-	(787)	(48,224)	-	-	101,087	32,743	133,830
<u>Others</u>												
Dividend declared to equity shareholders	-	-	(131,779)	-	-	-	-	-	-	(131,779)	-	(131,779)
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,610)	(1,610)
Total	-	-	(131,779)	-	-	-	-	-	-	(131,779)	(1,610)	(133,389)
Balance at 30.6.19	5,951,793	-	2,099,579	(39,986)	307,662	(9,837)	(122,006)	(15,490)	(200,315)	8,011,386	3,137,155	11,148,541

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 RMB'000	Retained earnings RMB'000	Other reserves* RMB'000	Total equity RMB'000
Balance at 1.1.20	5,947,420	(54,850)	468,636	6,361,206
Profit for the period	-	31,014	-	31,014
<u>Other comprehensive loss</u>				
Exchange differences arising on translation, net of tax	-	-	(241,447)	(241,447)
Other comprehensive loss for the period, net of tax	-	-	(241,447)	(241,447)
Total comprehensive loss for the period	-	31,014	(241,447)	(210,433)
Balance at 31.3.20	5,947,420	(23,836)	227,189	6,150,773
Profit for the period	-	164,836	-	164,836
<u>Other comprehensive income</u>				
Exchange differences arising on translation, net of tax	-	-	113,209	113,209
Other comprehensive income for the period, net of tax	-	-	113,209	113,209
Total comprehensive income for the period	-	164,836	113,209	278,045
<u>Others</u>				
Dividend declared to equity shareholders	-	(131,989)	-	(131,989)
Balance at 30.6.20	5,947,420	9,011	340,398	6,296,829

* 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 RMB'000	Retained earnings RMB'000	Other reserves* RMB'000	Total equity RMB'000
Balance at 1.1.19	5,951,793	133,458	309,098	6,394,349
Loss for the period	-	(3,210)	-	(3,210)
<u>Other comprehensive loss</u>				
Exchange differences arising on translation, net of tax	-	-	(120,263)	(120,263)
Other comprehensive loss for the period, net of tax	-	-	(120,263)	(120,263)
Total comprehensive loss for the period	-	(3,210)	(120,263)	(123,473)
Balance at 31.3.19	5,951,793	130,248	188,835	6,270,876
Loss for the period	-	(32,123)	-	(32,123)
<u>Other comprehensive income</u>				
Exchange differences arising on translation, net of tax	-	-	153,483	153,483
Other comprehensive income for the period, net of tax	-	-	153,483	153,483
Total comprehensive income for the period	-	(32,123)	153,483	121,360
<u>Others</u>				
Dividend declared to equity shareholders	-	(131,779)	-	(131,779)
Balance at 30.6.19	5,951,793	(33,654)	342,318	6,260,457

* 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
<u>Issued and paid up share capital</u>		
Balance at 1 January 2020 and 30 June 2020	2,602,817,726	5,947,420

As at 30 June 2020, the number of ordinary shares in issue was 2,602,817,726 (30 June 2019: 2,606,588,726 ordinary 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 June 2020, there were no convertible securities outstanding (30 June 2019: 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 June 2020, there were no treasury shares held (31 December 2019: Nil). Total number of issued shares as at 30 June 2020 was 2,602,817,726 (31 December 2019: 2,602,817,726).

- 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 June 2020.

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 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 2019.

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		6 Months Ended	
	30.6.20	30.6.19	30.6.20	30.6.19
	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)	5.81	5.76	10.81	11.52
- Weighted average number of shares ('000)	2,602,818	2,606,589	2,602,818	2,606,589
(ii) On a fully diluted basis of ordinary shares (RMB cents)	5.81	5.76	10.81	11.52
- Weighted average number of shares ('000)	2,602,818	2,606,589	2,602,818	2,606,589

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 June 2020	324.96	241.92
As at 31 December 2019	320.63	244.40

Net asset value per share is calculated based on the number of shares in issue of 2,602,817,726 as at 30 June 2020 (31 December 2019: 2,602,817,726).

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 a decrease in revenue from RMB2,921.8 million in 1HFY2019 to RMB2,639.6 million in 1HFY2020, representing a decrease of 9.7%. Gross profit ("GP") remained stable of RMB915.8 million in 1HFY2020 (1HFY2019: RMB927.4 million).

Meanwhile, the Group's profit for the period amounted to RMB391.3 million, up 4.8% as compared the period in 1HFY2019. The Group's profit after tax (attributable to owners of the Company) decreased from RMB300.2 million in 1HFY2019 to RMB281.2 million in 1HFY2020, representing a decrease of 6.3%.

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

(A) Revenue

	2QFY2020	2QFY2019	Change	1HFY2020	1HFY2019	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Construction	640,017	664,832	(3.7)	814,782	1,173,840	(30.6)
Operating and maintenance income from service concession arrangements	615,356	601,561	2.3	1,195,246	1,080,515	10.6
Financial income from service concession arrangements	254,040	239,626	6.0	497,179	471,835	5.4
Service income	35,374	50,679	(30.2)	66,300	90,217	(26.5)
Other revenue	41,925	29,562	41.8	66,129	105,372	(37.2)
Total	1,586,712	1,586,260	0.0	2,639,636	2,921,779	(9.7)

Construction Revenue

Construction revenue amounted to RMB640.0 million and RMB814.8 million in 2QFY2020 and 1HFY2020 respectively (2QFY2019: RMB664.8 million; 1HFY2019: RMB1,173.8 million). The lower revenue was mainly due to relatively lower amount of construction activities in progress in 2QFY2020 and 1HFY2020 as compared to 2QFY2019 and 1HFY2019 as a result of the outbreak of Covid-19 in Mainland China.

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

(A) Revenue – cont'd

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 RMB869.4 million and RMB1,692.4 million in 2QFY2020 and 1HFY2020 respectively (2QFY2019: RMB841.2 million; 1HFY2019: RMB1,552.4 million). The higher revenue was mainly due to increase in water treatment sales volume and wastewater treatment price.

Service Income

Service income from non-service concession arrangements amounted to RMB35.4 million and RMB66.3 million in 2QFY2020 and 1HFY2020 respectively (2QFY2019: RMB50.7 million; 1HFY2019: RMB90.2 million). The lower revenue was mainly due to lower water treatment volume from operations and maintenance projects in 2QFY2020 and 1HFY2020.

Other Revenue

Other revenue amounted to RMB41.9 million and RMB66.1 million in 2QFY2020 and 1HFY2020 respectively (2QFY2019: RMB29.6 million; 1HFY2019: RMB105.4 million). The other revenue mainly consists of installation works carried out, which are ad-hoc in nature.

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

The Group's GP increased by RMB4.9 million or 1.0% from RMB498.1 million in 2QFY2019 to RMB503.0 million in 2QFY2020. Meanwhile, GP decreased by RMB11.6 million or 1.2% from RMB927.4 million in 1HFY2019 to RMB915.8 million in 1HFY2020. The decrease was due to lower construction revenue and others revenue as explained in Note A.

GPM increased by 0.3 percentages from 31.4% in 2QFY2019 to 31.7% in 2QFY2020 and 3.0 percentages from 31.7% in 1HFY2019 to 34.7% in 1HFY2020. The increase was due mainly to higher contribution from operation category (which has a relatively higher GPM) during 2QFY2020 and 1HFY2020.

(C) Other Income

Other income amounted to RMB64.2 million and RMB122.9 million in 2QFY2020 and 1HFY2020 respectively (2QFY2019: RMB47.5 million; 1HFY2019: RMB121.5 million). The increase was mainly due to higher volume of installation of water meter work carried out in 2QFY2020 and 1HFY2020.

(D) Other gains and losses

Other gains and losses improved from a loss of RMB0.1 million in 2QFY2019 to RMB2.9 million in 2QFY2020. From 1HFY2019 to 1HFY2020, other gains and losses improved from a loss of RMB0.4 million to a gain of RMB0.2 million. The movement in other gains and losses is mainly due to the fluctuation of foreign exchange (mainly resulting from movement of RMB against SGD) as well as gain on disposal of financial asset held at fair value through other comprehensive income and gain on disposal of associate.

8. A review of the performance of the group – cont'd.**(E) Selling and Distribution costs**

Selling and distribution costs decreased from RMB18.1 million in 2QFY2019 to RMB17.5 million in 2QFY2020 and RMB35.1 million in 1HFY2019 to RMB33.0 million in 1HFY2020. The decrease in selling and distribution expenses was mainly due to lesser activities carried out during 2QFY2020 and 1HFY2020.

(F) Administrative Expenses

Administrative expenses decreased from RMB123.0 million in 2QFY2019 to RMB99.8 million in 2QFY2020 and RMB212.5 million in 1HFY2019 to RMB175.2 million in 1HFY2020. The decrease in administrative expenses was mainly due to the reduced business activities during 2QFY2020 and 1HFY2020.

(G) Finance expenses

Finance expenses amounted RMB178.2 million in 2QFY2020 (2QFY2019: RMB168.9 million) and RMB354.0 million in 1HFY2020 (1HFY2019: RMB325.0 million). The increase in finance expenses was mainly due to new borrowings taken up.

(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 increase in share of results of associates in 1HFY2020 as compared to 1HFY2019 was mainly due to higher contribution from associates.

The decrease in share of results of joint ventures in 1HFY2020 as compared to 1HFY2019 was mainly due to lower contribution from joint ventures.

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

(I) Profit before tax

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

	3 Months Ended		6 Months Ended	
	30.6.20	30.6.19	30.6.20	30.6.19
	RMB'000	RMB'000	RMB'000	RMB'000
Amortisation of intangible assets	72,846	72,756	148,918	141,056
Depreciation of right-of-use asset	1,754	74	3,508	141
Depreciation of property, plant and equipment	9,363	8,775	18,485	17,854
Loss/(Gain) on disposal of property, plant and equipment	33	(13)	44	(13)
Gain on disposal of financial asset held at fair value through other comprehensive income	(806)	-	(806)	-
Gain on disposal of associate	(1,678)	-	(1,678)	-
Gain on disposal of subsidiary	-	-	(48)	-
Foreign exchange loss, net	5,770	99	2,071	892
Loss allowance for trade receivables, net	1,094	105	1,560	41
Fair value (gain)/loss on financial assets at fair value through profit and loss	(380)	6	270	(492)

Amortisation of intangible assets increased from RMB141.1 million in 1HFY2019 to RMB148.9 million in 1HFY2020. The increase was due to additions of intangible asset in 2QFY2020 and 1HFY2020.

(J) Income Tax Expenses

	3 Months Ended		6 Months Ended	
	30.6.20	30.6.19	30.6.20	30.6.19
	RMB'000	RMB'000	RMB'000	RMB'000
Current tax				
- Current period	29,839	41,712	59,901	75,542
- (Over) / Under provision in respect of prior periods	(9,463)	4,860	(9,463)	4,190
Deferred tax				
- Current period	35,673	17,985	50,998	44,253
- Under provision in respect of prior periods	1,993	243	3,983	900
	58,042	64,800	105,419	124,885

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

STATEMENTS OF FINANCIAL POSITION

(K) 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:

	As at	
	30.6.20	31.12.19
	RMB'000	RMB'000
Within 30 days	470,148	509,619
Within 31 to 60 days	221,417	187,899
Within 61 to 90 days	146,988	110,662
Within 91 to 180 days	226,420	192,680
Within 181 to 365 days	250,171	219,624
Over 365 days	443,374	395,877
	1,758,518	1,616,361

(L) Current Assets

Current assets as at 30 June 2020 amounted to RMB5.51 billion (31 December 2019: RMB5.94 billion). The decrease was mainly due to net cash outflows during 2QFY2020 and 1HFY2020 (for detail, please refer to analysis on "Statement of cash flows" below).

(M) Non-current Assets

Non-current assets as at 30 June 2020 amounted to RMB27.05 billion (31 December 2019: RMB26.43 billion). The increase was mainly due to construction of certain wastewater treatment projects during 1HFY2020.

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

(N) 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:

	As at	
	30.6.20	31.12.19
	RMB'000	RMB'000
Within 30 days	565,812	598,022
Within 31 to 60 days	72,690	144,958
Within 61 to 90 days	48,213	54,166
Within 91 to 180 days	170,965	233,677
Within 181 to 365 days	472,191	551,491
Over 365 days	764,701	609,413
	2,094,572	2,191,727

(O) Current Liabilities

Current liabilities as at 30 June 2020 amounted to RMB9.30 billion (31 December 2019: RMB9.25 billion). The increase was mainly due to the new borrowings taken up which are due for repayment within one year.

(P) Non-current Liabilities

Non-current liabilities as at 30 June 2020 amounted to RMB11.17 billion (31 December 2019: RMB11.26 billion). There was no material variance for the Group's non-current liabilities as at 30 June 2020 as compared to 31 December 2019.

STATEMENT OF CASH FLOWS

As at 30 June 2020, the Group's cash and cash equivalents stood at RMB1,800.5 million (31 December 2019: RMB2,374.8 million). In 1HFY2020, net cash of RMB370.8 million was used in the Group's operating activities, mainly towards the Group's investments in projects with service concession arrangements. Excluding cash used in these projects, net cash generated from operating activities was RMB416.5 million.

Net cash used in the Group's investing activities of RMB133.2 million in 1HFY2020 was mainly due to net cash outflow from purchase of property, plant and equipments and intangibles assets.

Net cash used in the Group's financing activities of RMB71.9 million in 1HFY2020 was mainly due to interest paid, and dividend paid to non-controlling interest shareholders, which is partially offset by net proceeds from bank borrowings.

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 Ministry of Housing and Urban-Rural Development (MOHURD), the Ministry of Ecology and Environment (MEE) and National Development and Reform Commission (NDRC) of the People's Republic of China ("**the PRC**") jointly issued the "Three-year Action Plan on Improving the Quality and Efficiency of Urban Wastewater Treatment (2019-2021)" on April 29, taking improvement in the quality and efficiency of urban sewage treatment as a major issue concerning people's livelihood. The plan seeks to comprehensively improve the efficiency and standard of the urban domestic sewage treatment. The Group has also been actively responding to the call of the nation, strengthening and fulfilling the responsibilities. The Group has signed a number of wastewater treatment upgrading and expansion projects during the period, conducive to accelerate the renovation and construction of wastewater treatment facilities, and realise win-win outcome benefit in the ecology and economic.

2020 is the final year of the 13th Five-Year Plan, the PRC government has increased policy support for the environmental protection industry, unveiling a trend of accelerating recovery. On the 12th of June, NDRC and the Ministry of Natural Resources jointly published the "Master Plan of Major National Projects for The Protection and Restoration of Ecosystems (2021-2035)", requiring governments at all levels to increase funding to undertake eight major projects in the Yellow River Basin and five major projects in the Yangtze River Economic Belt, which could expect to release a market of RMB100 million. The Group will grasp the industry opportunities, comply with the favorable policies and strengthen the deployment of Yangtze River Economic belt to launch more first-class environmental protection projects.

During the period, the COVID-19 outbreak happened in Mainland China and continued to spread across the world. All businesses and commercial activities have been suspended. Yet, the Group fully guaranteed the normal water supply and sewage treatment during the pandemic and project operations were not significantly affected. Given that the outbreak is gradually under control, business production and work have been resuming across the nation, and the construction and tendering for new projects of municipal environmental protection have resumed. The Group will continue to maintain close contact with the local government to develop more high-quality new projects. Meanwhile, in order to reduce the negative impacts of the pandemic on the economy, the PRC government has introduced a series of financial support policies, among which the special bonds issued by local governments amounted to RMB2,290 billion, and the proportion and size of investments in environmental protection have both increased. This will further stimulate the demand of the industry, leading to a return of investment funds and improve the financing environment. The environmental protection industry will usher in new development opportunities, and there are rooms for valuation to grow.

11. Dividend

If a decision regarding dividend has been made:

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

None

(b) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

Corresponding Period of the Immediately Preceding Financial Year

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

None.

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

Six months ended 30 June 2020

	Construction	Water and Sludge Treatment	Water supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
All amount in RMB'000								
Revenue	-	1,946,510	388,721	238,275	2,573,506	66,130	-	2,639,636
Reportable segment profit (loss) from operations	-	654,613	43,832	40,949	739,394	17,535	(31,244)	725,685
Finance income	-	-	-	-	-	-	10,922	10,922
Finance expenses	-	-	-	-	-	-	(354,000)	(354,000)
Other non-operating income	-	65,540	25,681	2,755	93,976	-	205	94,181
Share of results of associates	-	2,730	-	-	2,730	(92)	-	2,638
Share of results of joint ventures	-	-	-	17,298	17,298	-	-	17,298
Income tax expense	-	(81,504)	(12,723)	(8,684)	(102,911)	(2,470)	(38)	(105,419)
Profit after tax								391,305
Segment depreciation and amortisation	902	99,124	62,077	4,910	167,013	211	3,687	170,911
Segment non-cash income	-	-	-	-	-	270	-	270
Segment non-cash expenses	-	-	1,560	-	1,560	-	-	1,560

14. **Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding financial period. – cont'd**

Six months ended 30 June 2019

	Construction	Water and Sludge Treatment	Water supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
All amount in RMB'000								
Revenue	-	2,337,869	389,327	89,211	2,816,407	105,372	-	2,921,779
Reportable segment profit (loss) from operations	-	626,950	68,670	17,767	713,387	29,907	(42,512)	700,782
Finance income	-	-	-	-	-	-	10,855	10,855
Finance expenses	-	-	-	-	-	-	(324,992)	(324,992)
Other non-operating income	-	62,950	23,745	2,520	89,215	-	-	89,215
Share of results of associates	-	(402)	-	-	(402)	(387)	-	(789)
Share of results of joint ventures	-	-	-	23,368	23,368	-	-	23,368
Income tax expense	-	(97,794)	(17,350)	(3,380)	(118,254)	(6,593)	(38)	(124,885)
Profit after tax								373,554
Segment depreciation and amortisation	905	91,926	56,053	4,320	153,204	194	5,653	159,051
Segment non-cash income	-	-	-	-	-	492	-	492
Segment non-cash expenses	-	-	241	-	241	(200)	-	41

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

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

As at to-date, the net proceeds from the 2017 Share Placement has been fully utilized.

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

We, Xu Xiaobing and Feng Jun, 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 June 2020, to be false or misleading, in any material aspect.

17. 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 Xiaobing

Executive Director

7 August 2020