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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 Fourth Quarter and Twelve Months ended 31 December 2018**

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 have not been reviewed by auditors. Shareholders and public investors should be cautious trading in the shares of the Company.

By Order of the Board  
**SIIC Environment Holdings Ltd.**  
**Mr. Feng Jun**  
Executive Director

Hong Kong, 25 February 2019

*As at the date of this announcement, the non-executive Chairman is Mr. Zhou Jun; the executive Directors are Mr. Feng Jun, Mr. Li Zengfu, Mr. Xu Xiaobing and Mr. Xu Zhan; 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 Fourth Quarter and Twelve  
Months ended 31 December 2018

25 February 2019

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

## **Fourth Quarter and Financial Year 2018 Financial Statements And Dividend Announcement**

### **Business Review**

The board of SIIC Environment Holdings Ltd. (the “Company”) is pleased to announce the unaudited consolidated annual results of the Company and its subsidiaries (the “Group”) for the twelve months ended 31 December 2018 (“FY2018”). The Group posted a 14.5% increase in its full year revenue to RMB5.3 billion FY2018.

The growth in revenue can be attributed to newly acquired entities during the year as well as contribution from existing entities, in particular, increased operating and maintenance, and financial income from service concession arrangements and higher service income. Gross profit increased 14.3% from RMB1.4 billion in FY2017 to RMB1.6 billion in FY2018 mainly due to increased operation activities on an overall basis.

Consequently, net profit attributable to shareholders grew 0.9% to RMB540.2 million in FY2018. Earnings per share decreased by 0.78 percentage points year-on-year in FY2018.

Net asset value per share edged up to RMB300.96 cents as at 31 December 2018, from RMB288.23 cents from a year ago.

### **Review of Annual Results**

The audit committee has reviewed the Company’s unaudited consolidated annual results for the twelve months ended 31 December 2018.

### **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 twelve months ended 31 December 2018.

### **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 for the financial year ended 31 December 2018.

## PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2&amp;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 FOURTH QUARTER ("4QFY2018") AND FINANCIAL YEAR ENDED 31 December 2018 ("FY2018")

	Note	Group					
		3 Months Ended		Changes	12 Months Ended		Changes
		31.12.18	31.12.17		31.12.18	31.12.17	
		RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	8(A)	1,388,482	1,285,658	8.0	5,313,344	4,639,274	14.5
Cost of sales		(984,069)	(954,957)	3.0	(3,728,745)	(3,252,937)	14.6
<b>Gross profit</b>	8(B)	<b>404,413</b>	<b>330,701</b>	22.3	<b>1,584,599</b>	<b>1,386,337</b>	14.3
Other income	8(C)	92,898	90,329	2.8	269,429	263,979	2.1
Other gains and losses	8(C)	115,176	119,957	(4.0)	121,783	129,582	(6.0)
Selling and distribution costs	8(D)	(19,835)	(23,753)	(16.5)	(74,190)	(73,087)	1.5
Administrative expenses	8(E)	(142,808)	(154,176)	(7.4)	(437,875)	(364,499)	20.1
Finance expenses	8(F)	(164,411)	(126,113)	30.4	(585,399)	(511,051)	14.5
Share of results of joint ventures	8(G)	2,029	12,513	(83.8)	43,338	49,565	(12.6)
Share of results of associates	8(G)	1,091	460	>100.00	(1,004)	(2,298)	(56.3)
<b>Profit before tax</b>	8(H)	<b>288,553</b>	<b>249,918</b>	15.5	<b>920,681</b>	<b>878,528</b>	4.8
Income tax expense	8(I)	(77,328)	(22,397)	>100.0	(236,428)	(194,373)	21.6
<b>Profit for the period</b>		<b>211,225</b>	<b>227,521</b>	(7.2)	<b>684,253</b>	<b>684,155</b>	0.0
<b>Other comprehensive income:</b>							
<i>Items that will not be reclassified to profit or loss:</i>							
Exchange difference arising from translation		355	21,984	(98.4)	(57,263)	101,113	N.M.
Fair value change on investments in equity instruments designated as at FVTOCI		(7,269)	-	N.M.	(7,269)	-	N.M.
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange differences arising from translation of foreign operations		(10,992)	(3,172)	>100.0	(17,797)	(3,172)	>100.0
Fair value change on available-for-sale financial instruments		-	27,146	(100.0)	-	32,892	(100.0)
Reclassification on disposal of available-for-sale investments		-	(106,083)	(100.0)	-	(106,083)	(100.0)
<b>Total comprehensive income for the period</b>		<b>193,319</b>	<b>167,396</b>	15.5	<b>601,924</b>	<b>708,905</b>	(15.1)
<b>Profit for the period attributable to:</b>							
Owners of the Company		170,383	185,413	(8.1)	540,237	535,653	0.9
Non-controlling interests		40,842	42,108	(3.0)	144,016	148,502	(3.0)
		<b>211,225</b>	<b>227,521</b>	(7.2)	<b>684,253</b>	<b>684,155</b>	0.0
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		152,477	125,288	21.7	457,908	560,403	(18.3)
Non-controlling interests		40,842	42,108	(3.0)	144,016	148,502	(3.0)
		<b>193,319</b>	<b>167,396</b>	15.5	<b>601,924</b>	<b>708,905</b>	(15.1)
<b>Earnings per share (RMB cents)</b>							
-Basic	6	6.54	7.11	(8.0)	20.73	21.51	(3.6)
-Dilute		6.54	7.11	(8.0)	20.73	21.51	(3.6)

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 31.12.18	As At 31.12.17	As At 31.12.18	As At 31.12.17
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Current assets</b>					
Cash and cash equivalents		2,133,225	1,402,104	37,910	243,860
Pledged bank deposits		119,354	130,637	-	-
Trade and other receivables	8(J)	2,286,958	1,832,883	4,667	642
Bills receivables		1,964	7,760	-	-
Prepayments		45,781	38,729	76	1,573
Inventories		121,219	96,066	-	-
Receivables under service concession arrangements		361,619	260,888	-	-
Amounts due from customers for contract work		56,553	37,796	-	-
Amounts due from subsidiaries		-	-	848,107	120,753
Amounts due from joint venture		137	137	137	137
Amounts due from associate		43,250	40,766	-	-
Financial assets at fair value through profit or loss		3,067	34,750	-	-
Assets classified as held for sale		198,434	-	-	-
<b>Total current assets</b>	8(K)	<b>5,371,561</b>	<b>3,882,516</b>	<b>890,897</b>	<b>366,965</b>
<b>Non-current assets</b>					
Financial assets at fair value through other comprehensive income		44,017	26,803	15,080	13,323
Prepayments		67,464	390,364	-	-
Receivables under service concession arrangements		15,484,851	12,991,865	-	-
Property, plant and equipment		315,635	206,032	927	1,298
Intangible assets		6,702,690	6,466,660	-	-
Land use rights		6,189	6,459	-	-
Long term receivables		362,528	361,423	-	-
Deferred tax assets		67,045	48,009	-	-
Investment in subsidiaries		-	-	5,731,030	5,378,078
Interest in joint ventures		736,516	713,523	557,858	536,475
Interest in associates		80,927	83,858	-	-
Goodwill on consolidation		457,241	457,241	-	-
Amounts due from associate		22,081	14,543	-	-
<b>Total non-current assets</b>	8(L)	<b>24,347,184</b>	<b>21,766,780</b>	<b>6,304,895</b>	<b>5,929,174</b>
<b>Total assets</b>		<b>29,718,745</b>	<b>25,649,296</b>	<b>7,195,792</b>	<b>6,296,139</b>
<b>Current liabilities</b>					
Trade and other payables	8(M)	3,253,304	2,376,262	40,296	34,069
Bills payable to banks		59,070	49,235	-	-
Tax payable		126,198	69,662	-	-
Amounts due to customers for contract work		5,098	16,720	-	-
Amounts due to subsidiaries		-	-	69,926	67,494
Bank and other borrowings		4,285,898	3,660,906	691,221	242,601
Finance lease		123,194	71,746	-	-
Liabilities directly associated with assets classified as held for sale		157,665	-	-	-
<b>Total current liabilities</b>	8(N)	<b>8,010,427</b>	<b>6,244,531</b>	<b>801,443</b>	<b>344,164</b>
<b>Non-current liabilities</b>					
Bank and other borrowings		8,235,639	6,950,833	-	-
Finance lease		463,707	359,700	-	-
Deferred tax liabilities		1,890,824	1,739,910	-	-
Other non-current liabilities		204,478	110,731	-	-
<b>Total non-current liabilities</b>	8(O)	<b>10,794,648</b>	<b>9,161,174</b>	<b>-</b>	<b>-</b>
<b>Capital, reserves and non-controlling interest</b>					
Share capital	1(d)(ii)	5,951,793	5,951,889	5,951,793	5,951,889
Treasury shares		-	(96)	-	(96)
Retained earnings		1,942,675	1,591,879	133,458	(62,101)
Other reserves		(49,672)	(30,775)	309,098	62,283
<b>Equity attributable to owners of the Company</b>		<b>7,844,796</b>	<b>7,512,897</b>	<b>6,394,349</b>	<b>5,951,975</b>
Non-controlling interests		3,068,874	2,730,694	-	-
<b>Total equity</b>		<b>10,913,670</b>	<b>10,243,591</b>	<b>6,394,349</b>	<b>5,951,975</b>
<b>Total liabilities and equity</b>		<b>29,718,745</b>	<b>25,649,296</b>	<b>7,195,792</b>	<b>6,296,139</b>

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

**Amount repayable in one year or less, or on demand**

<b>As at 31.12.18 RMB'000</b>		<b>As at 31.12.17 RMB'000</b>	
Secured/ Guaranteed	Unsecured/ Unguaranteed	Secured/ Guaranteed	Unsecured/ Unguaranteed
2,712,387	1,755,775	2,366,439	1,415,448

**Amount repayable after one year**

<b>As at 31.12.18 RMB'000</b>		<b>As at 31.12.17 RMB'000</b>	
Secured/ Guaranteed	Unsecured/ Unguaranteed	Secured/ Guaranteed	Unsecured/ Unguaranteed
7,201,062	1,498,284	6,294,910	1,015,623

**Details of any collateral**

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

Bills payable to banks are secured by certain bank deposits placed with the respective issuing banks. The bank and other borrowings are secured/ guaranteed on concessionary arrangements, trade receivables (relating to concessionary arrangements) collection rights, guarantees by subsidiaries, guarantees by third party company and/or secured by a corporate guarantee by SIIC Environment Holdings Ltd. The finance leases are secured by pledges on certain service concession agreements, investment in a subsidiary and intangible assets.

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

	Group		Group	
	For 3 Months Ended		For 12 Months Ended	
	31.12.18	31.12.17	31.12.18	31.12.17
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Cash flows from operating activities</b>				
<b>Profit before tax</b>	<b>288,553</b>	<b>249,918</b>	<b>920,681</b>	<b>878,528</b>
Adjustments for:				
(Reversal of)/Loss allowance for trade receivables, net (trade)	(542)	(16,176)	4,665	(29,381)
Loss allowance for/(Reversal of) trade receivables, net (non-trade)	22	(2,038)	(29)	(2,058)
Bad debts written off (trade)	-	2,667	-	2,667
Bad debts written off (non-trade)	17	2,038	17	2,038
Reversal of impairment loss on intangible asset	-	(24,000)	-	(24,000)
Depreciation of property, plant and equipment	9,670	6,120	32,426	22,235
Amortisation of intangible assets	82,738	82,368	285,057	277,769
Amortisation of land use rights	66	208	269	355
Loss on disposal of property, plant and equipment	122	852	1,312	911
Loss on disposal of intangible assets	2	839	-	839
Gain on disposal of subsidiaries	(91,692)	-	(91,692)	-
Gain on disposal of investments in available-for-sale financial instrument	-	(106,083)	-	(106,083)
Finance income	(7,128)	(9,042)	(14,592)	(21,120)
Finance expenses	164,411	126,113	585,399	511,051
Share of results of associates	(1,091)	(460)	1,004	2,298
Share of results of joint ventures	(2,029)	(12,513)	(43,338)	(49,565)
Foreign exchange (gain)/loss	(121)	397	128	(3,351)
Gain from bargain purchase of investment in subsidiaries	(19,645)	(7,158)	(19,645)	(7,158)
Fair value loss on financial assets at fair value through profit or loss	1,257	-	1,822	-
Fair value gain from held for trading investment	-	(6,861)	-	(12,753)
<b>Operating cash flow before working capital changes</b>	<b>424,610</b>	<b>287,189</b>	<b>1,663,484</b>	<b>1,443,222</b>
(Increase)/decrease in:				
Inventories	(6,627)	(14,365)	(25,113)	(22,432)
Amounts due from/to customers for contract work, net	(4,429)	84,572	(27,259)	14,908
Trade receivables, other receivables and prepayments	218,699	(177,445)	(95,087)	(774,995)
Bills receivables	(693)	(4,377)	5,796	(4,447)
Amounts due from joint ventures	(20)	306	1,221	1,222
Amounts due from associates	(6,441)	(7,904)	(5,037)	(130,532)
Increase/(decrease) in:				
Trade payables and other payables (inclusive of non-current liabilities)	171,262	(73,250)	664,963	65,082
Bills payable to banks	7,205	(2,785)	282	6,192
<b>Cash from operating activities before service concession arrangement projects</b>	<b>803,566</b>	<b>91,941</b>	<b>2,183,250</b>	<b>598,220</b>
Change in receivables under service concession arrangements (Note A)	(614,073)	(321,976)	(2,466,779)	(1,663,707)
<b>Cash generated from/(used in) operating activities after service concession arrangement projects</b>	<b>189,493</b>	<b>(230,035)</b>	<b>(283,529)</b>	<b>(1,065,487)</b>
Interest received	5,101	2,988	9,679	13,936
Income tax paid	(26,094)	(24,812)	(112,751)	(110,947)
<b>Net cash generated from/(used in) operating activities</b>	<b>168,500</b>	<b>(251,859)</b>	<b>(386,601)</b>	<b>(1,162,498)</b>
<b>Cash flows from investing activities:</b>				
Purchase of property, plant and equipment	(49,881)	(12,135)	(79,164)	(37,132)
Purchase of intangible assets, net of amount on credit terms	(16,243)	(77,812)	(209,417)	(145,956)
Increase/(Decrease) in prepayment for property, plant and equipment and intangible assets	6,606	3,225	(9,764)	(866)
Proceeds from disposal of property, plant and equipment	-	21	124	738
Proceeds from disposal of intangible assets	-	-	2	-
Net cash outflow on acquisition of subsidiaries (Note B)	-	-	(157,269)	(212,993)
Net cash outflow on disposal of subsidiaries	(1,758)	-	(1,758)	-
Net cash inflow on disposal of an associate	-	-	1,250	-
Net cash outflow on acquisition of an associate	-	-	-	(3,500)
Prepayment for investment in a subsidiary	-	(129,020)	-	(129,020)
Dividend received from joint ventures	10,944	15,870	41,950	47,802
<b>Net cash used in investing activities</b>	<b>(50,332)</b>	<b>(199,851)</b>	<b>(414,046)</b>	<b>(480,927)</b>



**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 12 Months Ended	
	31.12.18	31.12.17	31.12.18	31.12.17
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Cash flows from financing activities:</b>				
Proceeds from bank and other borrowings	985,385	633,009	3,966,761	3,320,936
Repayment of bank and other borrowings	(524,124)	(287,707)	(2,018,345)	(2,532,216)
Proceeds from finance leaseback arrangement	-	-	335,000	120,000
Repayment under finance leaseback arrangements	(4,306)	(7,910)	(206,545)	(116,974)
Interest paid	(145,485)	(103,332)	(534,351)	(418,110)
Dividend paid to equity shareholders	-	-	(130,773)	(110,990)
Dividend paid to non-controlling interest in subsidiaries	(2,541)	(4,239)	(19,834)	(14,604)
Contribution from non-controlling interests upon additional capital injection of a subsidiaries	52,073	22,248	216,533	41,613
Acquisition of non-controlling interests	-	-	(74,682)	-
Return of capital to non-controlling interest on capital reduction of a subsidiary	-	-	(2,500)	-
Proceeds from share placement	-	-	-	1,090,751
Decrease/(Increase) in deposits pledged to banks	38,279	(22,554)	11,196	65,888
<b>Net cash generated from financing activities</b>	<b>399,281</b>	<b>229,515</b>	<b>1,542,460</b>	<b>1,446,294</b>
Net increase/(decrease) in cash and cash equivalents	517,449	(222,195)	741,813	(197,131)
Cash and cash equivalents at beginning of period	1,627,256	1,633,447	1,402,104	1,634,556
Effects of exchange rate changes on the balance of cash held in foreign currencies	(11,480)	(9,148)	(10,692)	(35,321)
<b>Cash and cash equivalents at end of period</b>	<b>2,133,225</b>	<b>1,402,104</b>	<b>2,133,225</b>	<b>1,402,104</b>
<b>Cash and cash equivalents at end of period</b>				
Cash and bank balances	2,252,579	1,532,741	2,252,579	1,532,741
Less: Pledged bank deposits	(119,354)	(130,637)	(119,354)	(130,637)
Cash and cash equivalents	<b>2,133,225</b>	<b>1,402,104</b>	<b>2,133,225</b>	<b>1,402,104</b>

**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 FY2018 and 4QFY2018 respectively.

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

**Note B**

**(i) Acquisition of Dalian Ziguang Water Treatment Co., Ltd (“Dalian Ziguang”) and Dalian Ziguang Lingshui Waste Water Treatment Co., Ltd. (“Ziguang Lingshui”)**

In February 2018, the Group through its 75.5% owned subsidiary, SIIC Environment Holdings (Weifang) Co., Ltd (“SIIC Weifang”), completed the acquisition of 100% equity interest in Dalian Ziguang for a total cash consideration of RMB137,764,000.

In February 2018, the Group through SIIC Weifang and its 100% owned subsidiary, Hong Kong Jinhaide Holdings Limited, completed the acquisition of 100% equity interest in Ziguang Lingshui for a total cash consideration of RMB123,375,000.

Dalian Ziguang and Ziguang Lingshui are principally involved in the operation of two waste water treatment plants with total design capacity of 170,000 tons/day, and are based in Dalian City, Liaoning Province, PRC.

**(ii) Weifang City Fangzi District SIIC Environment Water Co., Ltd. (“Fangzi Water”)**

In February 2018, the Group through its 51.3% owned subsidiary, Weifang City Tap Water Co., Ltd. (“Weifang Tap Water”), completed the acquisition of 51% equity interest in Fangzi Water for a total subscription consideration of RMB79,080,000. Fangzi Water is involved in the operation of one water supply project with total design capacity of 40,000 tons/day, and is based in Weifang City, Shandong Province, PRC.

The purchase price allocation (“PPA”) exercises in respect of the above acquisitions have been completed as at 31 December 2018.

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

**Note B (cont'd)**

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

	<b>Dalian Ziguang RMB'000</b>	<b>Ziguang Lingshui RMB'000</b>	<b>Fangzi Water RMB'000</b>	<b>Total RMB'000</b>
<u>Fair value of assets acquired and liabilities recognised at the respective date of acquisition</u>				
Current assets	143,859	104,034	16,202	264,095
Non-current assets	104,225	157,170	83,538	344,933
Current liabilities	(59,289)	(63,270)	(23,760)	(146,319)
Non-current liabilities	(43,728)	(62,217)	-	(105,945)
Total identifiable net assets at fair value	145,067	135,717	75,980	356,764
Non-controlling interest measures at fair value	-	-	(75,980)	(75,980)
	<b>145,067</b>	<b>135,717</b>	<b>-</b>	<b>280,784</b>
<u>Consideration transferred</u>				
Cash paid	69,100	91,350	-	160,450
Cash prepaid in previous financial year	39,380	10,560	-	49,940
Deferred consideration	29,284	21,465	-	50,749
Less: Net assets acquired	(145,067)	(135,717)	-	(280,784)
Negative goodwill	<b>(7,303)</b>	<b>(12,342)</b>	<b>-</b>	<b>(19,645)</b>
<u>Net cash outflow/(inflow) arising from acquisitions</u>				
Cash consideration paid	69,100	91,350	-	160,450
Less: Cash and cash equivalents acquired	(932)	(1,157)	(1,092)	(3,181)
Net cash outflow/(inflow) on acquisitions	<b>68,168</b>	<b>90,193</b>	<b>(1,092)</b>	<b>157,269</b>

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

GROUP	Attributable to owners of the Company											
				Other reserves, total		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
	Share capital	Treasury shares	Retained earnings		General Reserve							
	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 1.1.18	5,951,889	(96)	1,591,879	(30,775)	237,494	-	(47,700)	(20,254)	(200,315)	7,512,897	2,730,694	10,243,591
Profit for the period	-	-	101,865	-	-	-	-	-	-	101,865	44,880	146,745
<u>Other comprehensive income</u>												
Exchange differences arising on translation	-	-	-	55,434	-	-	55,434	-	-	55,434	-	55,434
Exchange differences arising on translation of foreign operations	-	-	-	(10,337)	-	-	(10,337)	-	-	(10,337)	-	(10,337)
Other comprehensive income for the period, net of tax	-	-	-	45,097	-	-	45,097	-	-	45,097	-	45,097
Total comprehensive income for the period	-	-	101,865	45,097	-	-	45,097	-	-	146,962	44,880	191,842
<u>Transactions with owners recognised directly in equity</u>												
Transfer to general reserve	-	-	(4,365)	4,365	4,365	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	75,980	75,980
Non-controlling interest upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	-	15,260	15,260
Cancellation of treasury shares	(96)	96	-	-	-	-	-	-	-	-	-	-
Total	(96)	96	(4,365)	4,365	4,365	-	-	-	-	-	91,240	91,240
<u>Others</u>												
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(16,320)	(16,320)
Total	-	-	-	-	-	-	-	-	-	-	(16,320)	(16,320)
Balance at 31.3.18	5,951,793	-	1,689,379	18,687	241,859	-	(2,603)	(20,254)	(200,315)	7,659,859	2,850,494	10,510,353
Profit for the period	-	-	153,735	-	-	-	-	-	-	153,735	40,110	193,845
<u>Other comprehensive loss</u>												
Exchange differences arising on translation	-	-	-	(79,766)	-	-	(79,766)	-	-	(79,766)	-	(79,766)
Exchange differences arising on translation of foreign operations	-	-	-	17,265	-	-	17,265	-	-	17,265	-	17,265
Other comprehensive loss for the period, net of tax	-	-	-	(62,501)	-	-	(62,501)	-	-	(62,501)	-	(62,501)
Total comprehensive income for the period	-	-	153,735	(62,501)	-	-	(62,501)	-	-	91,234	40,110	131,344
Balance at 30.6.18	5,951,793	-	1,843,114	(43,814)	241,859	-	(65,104)	(20,254)	(200,315)	7,751,093	2,890,604	10,641,697

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

GROUP	Attributable to owners of the Company											
	Share capital	Treasury shares	Retained earnings	Other reserves, total	General Reserve	Investment revaluation reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 30.6.18	5,951,793	-	1,843,114	(43,814)	241,859	-	(65,104)	(20,254)	(200,315)	7,751,093	2,890,604	10,641,697
Profit for the period	-	-	114,254	-	-	-	-	-	-	114,254	18,184	132,438
Other comprehensive loss												
Exchange differences arising on translation	-	-	-	(33,286)	-	-	(33,286)	-	-	(33,286)	-	(33,286)
Exchange differences arising on translation of foreign operations	-	-	-	(13,733)	-	-	(13,733)	-	-	(13,733)	-	(13,733)
Other comprehensive loss for the period, net of tax	-	-	-	(47,019)	-	-	(47,019)	-	-	(47,019)	-	(47,019)
Total comprehensive income for the period	-	-	114,254	(47,019)	-	-	(47,019)	-	-	67,235	18,184	85,419
Transactions with owners recognised directly in equity												
Transfer to general reserve	-	-	191	(191)	(191)	-	-	-	-	-	-	-
Return of capital to non-controlling interest on capital reduction of a subsidiary	-	-	-	-	-	-	-	-	-	-	(2,500)	(2,500)
Non-controlling interest upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	-	149,200	149,200
Acquisition of non-controlling interests	-	-	-	4,764	-	-	-	4,764	-	4,764	(79,446)	(74,682)
Total	-	-	191	4,573	(191)	-	-	4,764	-	4,764	67,254	72,018
Others												
Dividend declared to equity shareholders	-	-	(130,773)	-	-	-	-	-	-	(130,773)	-	(130,773)
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(973)	(973)
Total	-	-	(130,773)	-	-	-	-	-	-	(130,773)	(973)	(131,746)
Balance at 30.9.18	5,951,793	-	1,826,786	(86,260)	241,668	-	(112,123)	(15,490)	(200,315)	7,692,319	2,975,069	10,667,388
Profit for the period	-	-	170,383	-	-	-	-	-	-	170,383	40,842	211,225
Other comprehensive loss												
Exchange differences arising on translation	-	-	-	355	-	-	355	-	-	355	-	355
Exchange differences arising on translation of foreign operations	-	-	-	(10,992)	-	-	(10,992)	-	-	(10,992)	-	(10,992)
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	-	(7,269)	-	(7,269)	-	-	-	(7,269)	-	(7,269)
Other comprehensive loss for the period, net of tax	-	-	-	(17,906)	-	(7,269)	(10,637)	-	-	(17,906)	-	(17,906)
Total comprehensive income for the period	-	-	170,383	(17,906)	-	(7,269)	(10,637)	-	-	152,477	40,842	193,319
Transactions with owners recognised directly in equity												
Transfer to general reserve	-	-	(54,494)	54,494	54,494	-	-	-	-	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(686)	(686)
Non-controlling interest upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	-	56,190	56,190
Total	-	-	(54,494)	54,494	54,494	-	-	-	-	-	55,504	55,504
Others												
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,541)	(2,541)
Total	-	-	-	-	-	-	-	-	-	-	(2,541)	(2,541)
Balance at 31.12.18	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

**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											
								Effects of changes in ownership interest in subsidiaries where there is no change in control		Equity attributable to owners of the Company	Non- controlling interests	Total equity
	Share capital RMB'000	Treasury shares RMB'000	Retained earnings RMB'000	Other reserves, total RMB'000	General Reserve RMB'000	Investment revaluation reserve RMB'000	Translation reserve RMB'000	RMB'000	Merger reserve RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1.1.17	4,861,138	(96)	1,199,172	(87,481)	205,538	73,191	(145,641)	(20,254)	(200,315)	5,972,733	2,560,444	8,533,177
Profit for the period	-	-	120,117	-	-	-	-	-	-	120,117	32,587	152,704
<u>Other comprehensive income</u>												
Exchange differences arising on translation	-	-	-	34,005	-	-	34,005	-	-	34,005	-	34,005
Fair value change on available-for-sale financial instrument	-	-	-	43,783	-	43,783	-	-	-	43,783	-	43,783
Other comprehensive income for the period, net of tax	-	-	-	77,788	-	43,783	34,005	-	-	77,788	-	77,788
Total comprehensive income for the period	-	-	120,117	77,788	-	43,783	34,005	-	-	197,905	32,587	230,492
<u>Transactions with owners recognised directly in equity</u>												
Transfer to general reserve	-	-	(46)	46	46	-	-	-	-	-	-	-
Non-controlling interest upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	-	10,700	10,700
Total	-	-	(46)	46	46	-	-	-	-	-	10,700	10,700
<u>Others</u>												
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,800)	(4,800)
Total	-	-	-	-	-	-	-	-	-	-	(4,800)	(4,800)
Balance at 31.3.17	4,861,138	(96)	1,319,243	(9,647)	205,584	116,974	(111,636)	(20,254)	(200,315)	6,170,638	2,598,931	8,769,569
Profit for the period	-	-	119,909	-	-	-	-	-	-	119,909	37,866	157,775
<u>Other comprehensive loss</u>												
Exchange differences arising on translation	-	-	-	28,249	-	-	28,249	-	-	28,249	-	28,249
Fair value change on available-for-sale financial instrument	-	-	-	(28,421)	-	(28,421)	-	-	-	(28,421)	-	(28,421)
Other comprehensive loss for the period, net of tax	-	-	-	(172)	-	(28,421)	28,249	-	-	(172)	-	(172)
Total comprehensive income for the period	-	-	119,909	(172)	-	(28,421)	28,249	-	-	119,737	37,866	157,603
<u>Transactions with owners recognised directly in equity</u>												
Share placement	1,090,751	-	-	-	-	-	-	-	-	1,090,751	-	1,090,751
Non-controlling interest upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	-	7,165	7,165
Total	1,090,751	-	-	-	-	-	-	-	-	1,090,751	7,165	1,097,916
<u>Others</u>												
Dividend declared to equity share holders	-	-	(110,990)	-	-	-	-	-	-	(110,990)	-	(110,990)
Total	-	-	(110,990)	-	-	-	-	-	-	(110,990)	-	(110,990)
Balance at 30.6.17	5,951,889	(96)	1,328,162	(9,819)	205,584	88,553	(83,387)	(20,254)	(200,315)	7,270,136	2,643,962	9,914,098

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

GROUP	Attributable to owners of the Company											
	Share capital	Treasury shares	Retained earnings	Other reserves, total	General Reserve	Investment revaluation reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 30.6.17</b>	5,951,889	(96)	1,328,162	(9,819)	205,584	88,553	(83,387)	(20,254)	(200,315)	7,270,136	2,643,962	9,914,098
Profit for the period	-	-	110,214	-	-	-	-	-	-	110,214	35,941	146,155
<u>Other comprehensive income</u>												
Exchange differences arising on translation, net of tax	-	-	-	16,875	-	-	16,875	-	-	16,875	-	16,875
Fair value change on available-for-sale financial instrument	-	-	-	(9,616)	-	(9,616)	-	-	-	(9,616)	-	(9,616)
Other comprehensive income for the period, net of tax	-	-	-	7,259	-	(9,616)	16,875	-	-	7,259	-	7,259
Total comprehensive income for the period	-	-	110,214	7,259	-	(9,616)	16,875	-	-	117,473	35,941	153,414
<u>Transactions with owners recognised directly in equity</u>												
Transfer to general reserve	-	-	(2,365)	2,365	2,365	-	-	-	-	-	-	-
Non-controlling interest upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	-	19,500	19,500
Total	-	-	(2,365)	2,365	2,365	-	-	-	-	-	19,500	19,500
<u>Others</u>												
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(665)	(665)
Total	-	-	-	-	-	-	-	-	-	-	(665)	(665)
<b>Balance at 30.9.17</b>	5,951,889	(96)	1,436,011	(195)	207,949	78,937	(66,512)	(20,254)	(200,315)	7,387,609	2,698,738	10,086,347
Profit for the period	-	-	185,413	-	-	-	-	-	-	185,413	42,108	227,521
<u>Other comprehensive income</u>												
Exchange differences arising on translation, net of tax	-	-	-	21,984	-	-	21,984	-	-	21,984	-	21,984
Exchange differences arising on translation of foreign operations, net of tax	-	-	-	(3,172)	-	-	(3,172)	-	-	(3,172)	-	(3,172)
Fair value change on available-for-sale financial instrument	-	-	-	27,146	-	27,146	-	-	-	27,146	-	27,146
Reclassification upon disposal of investments in available-for-sale financial instrument	-	-	-	(106,083)	-	(106,083)	-	-	-	(106,083)	-	(106,083)
Other comprehensive income for the period, net of tax	-	-	-	(60,125)	-	(78,937)	18,812	-	-	(60,125)	-	(60,125)
Total comprehensive income for the period	-	-	185,413	(60,125)	-	(78,937)	18,812	-	-	125,288	42,108	167,396
<u>Transactions with owners recognised directly in equity</u>												
Transfer to general reserve	-	-	(29,545)	29,545	29,545	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	(28,161)	(28,161)
Non-controlling interest upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	-	22,248	22,248
Total	-	-	(29,545)	29,545	29,545	-	-	-	-	-	(5,913)	(5,913)
<u>Others</u>												
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,239)	(4,239)
Total	-	-	-	-	-	-	-	-	-	-	(4,239)	(4,239)
<b>Balance at 31.12.17</b>	5,951,889	(96)	1,591,879	(30,775)	237,494	-	(47,700)	(20,254)	(200,315)	7,512,897	2,730,694	10,243,591

**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	Treasury shares RMB'000	Retained earnings RMB'000	Other reserves* RMB'000	Total equity RMB'000
<b>Balance at 1.1.18</b>	<b>5,951,889</b>	<b>(96)</b>	<b>(62,101)</b>	<b>62,283</b>	<b>5,951,975</b>
Loss for the period	-	-	(45,295)	-	(45,295)
<u>Other comprehensive loss</u>					
Exchange differences arising on translation, net of tax	-	-	-	(71,170)	(71,170)
Other comprehensive loss for the period, net of tax	-	-	-	(71,170)	(71,170)
Total comprehensive loss for the period	-	-	(45,295)	(71,170)	(116,465)
Cancellation of treasury shares	(96)	96	-	-	-
<b>Balance at 31.3.18</b>	<b>5,951,793</b>	<b>-</b>	<b>(107,396)</b>	<b>(8,887)</b>	<b>5,835,510</b>
Profit for the period	-	-	140,291	-	140,291
<u>Other comprehensive income</u>					
Exchange differences arising on translation, net of tax	-	-	-	79,401	79,401
Other comprehensive income for the period, net of tax	-	-	-	79,401	79,401
Total comprehensive income for the period	-	-	140,291	79,401	219,692
<b>Balance at 30.6.18</b>	<b>5,951,793</b>	<b>-</b>	<b>32,895</b>	<b>70,514</b>	<b>6,055,202</b>
Profit for the period	-	-	98,280	-	98,280
<u>Other comprehensive income</u>					
Exchange differences arising on translation, net of tax	-	-	-	210,161	210,161
Other comprehensive income for the period, net of tax	-	-	-	210,161	210,161
Total comprehensive income for the period	-	-	98,280	210,161	308,441
<u>Other</u>					
Dividend declared to equity shareholders	-	-	(130,773)	-	(130,773)
<b>Balance at 30.9.18</b>	<b>5,951,793</b>	<b>-</b>	<b>402</b>	<b>280,675</b>	<b>6,232,870</b>
Profit for the period	-	-	133,056	-	133,056
<u>Other comprehensive income</u>					
Exchange differences arising on translation, net of tax	-	-	-	28,423	28,423
Other comprehensive income for the period, net of tax	-	-	-	28,423	28,423
Total comprehensive income for the period	-	-	133,056	28,423	161,479
<b>Balance at 31.12.18</b>	<b>5,951,793</b>	<b>-</b>	<b>133,458</b>	<b>309,098</b>	<b>6,394,349</b>

\* Relates to translation reserve.



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

COMPANY	Attributable to owners of the Company				
	Share capital	Treasury shares	Retained earnings	Other reserves*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1.1.17</b>	<b>4,861,138</b>	<b>(96)</b>	<b>65,815</b>	<b>29,892</b>	<b>4,956,749</b>
Loss for the period	-	-	(22,215)	-	(22,215)
<u>Other comprehensive income</u>					
Exchange differences arising on translation, net of tax	-	-	-	128,972	128,972
Other comprehensive income for the period, net of tax	-	-	-	128,972	128,972
Total comprehensive income for the period	-	-	(22,215)	128,972	106,757
<b>Balance at 31.3.17</b>	<b>4,861,138</b>	<b>(96)</b>	<b>43,600</b>	<b>158,864</b>	<b>5,063,506</b>
Profit for the period	-	-	69,903	-	69,903
<u>Other comprehensive loss</u>					
Exchange differences arising on translation, net of tax	-	-	-	(5,205)	(5,205)
Other comprehensive loss for the period, net of tax	-	-	-	(5,205)	(5,205)
Total comprehensive income for the period	-	-	69,903	(5,205)	64,698
<u>Transactions with owners recognised directly in equity</u>					
Share placement	1,090,751	-	-	-	1,090,751
	1,090,751	-	-	-	1,090,751
<u>Others</u>					
Dividend declared to equity shareholders	-	-	(110,990)	-	(110,990)
	-	-	(110,990)	-	(110,990)
<b>Balance at 30.6.17</b>	<b>5,951,889</b>	<b>(96)</b>	<b>2,513</b>	<b>153,659</b>	<b>6,107,965</b>
Profit for the period	-	-	7,886	-	7,886
<u>Other comprehensive loss</u>					
Exchange differences arising on translation, net of tax	-	-	-	(31,816)	(31,816)
Other comprehensive loss for the period, net of tax	-	-	-	(31,816)	(31,816)
Total comprehensive loss for the period	-	-	7,886	(31,816)	(23,930)
<b>Balance at 30.9.17</b>	<b>5,951,889</b>	<b>(96)</b>	<b>10,399</b>	<b>121,843</b>	<b>6,084,035</b>
Profit for the period	-	-	(72,500)	-	(72,500)
<u>Other comprehensive loss</u>					
Exchange differences arising on translation, net of tax	-	-	-	(59,560)	(59,560)
Other comprehensive loss for the period, net of tax	-	-	-	(59,560)	(59,560)
Total comprehensive loss for the period	-	-	(72,500)	(59,560)	(132,060)
<b>Balance at 31.12.17</b>	<b>5,951,889</b>	<b>(96)</b>	<b>(62,101)</b>	<b>62,283</b>	<b>5,951,975</b>

\* 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 2018	2,606,645,126	5,951,889
Cancellation of treasury shares	(56,400)	(96)
Balance at 31 December 2018	<b>2,606,588,726</b>	<b>5,951,793</b>

As at 31 December 2018, the number of ordinary shares in issue was 2,606,588,726 (31 December 2017: 2,606,645,126 ordinary shares of which 56,400 shares were held as treasury shares).

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

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

As at 31 December 2018, there were no subsidiary holdings and convertible securities outstanding (31 December 2017: 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 31 December 2018, there were no treasury shares held (31 December 2017: 56,400). Total number of issued shares excluding treasury shares, as at 31 December 2018 was 2,606,588,726 (31 December 2017: 2,606,588,726 excluding treasury shares).

- 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.**

As at 8 March 2018, the Company has cancelled the treasury shares of 56,400 in compliance with the listing rules of the Stock Exchange of Hong Kong Limited.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

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

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

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

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

Not applicable.

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

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Group's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with SFRS(I) issued by the ASC, and IFRS issued by the IASB.

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 2017, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 January 2018 as follows:

SFRS(I) 9	<i>Financial Instruments</i>
SFRS(I) 15	<i>Revenue from Contracts with Customers</i>

The adoption of the above new and revised standards does not have any significant impact on the financial statements of the Group.

For FY2018, there were no material differences between the consolidated financial statements of the Group prepared under SFRS and IFRS.

**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.**

Please refer to Note 4 above.

**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.**

	<b>3 Months Ended</b>		<b>12 Months Ended</b>	
	<b>31.12.18</b>	<b>31.12.17</b>	<b>31.12.18</b>	<b>31.12.17</b>
	<b>RMB cents</b>	<b>RMB cents</b>	<b>RMB cents</b>	<b>RMB cents</b>
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)	6.54	7.11	20.73	21.51
- Weighted average number of shares ('000)	2,606,589	2,606,589	2,606,589	2,490,561
(ii) On a fully diluted basis of ordinary shares (RMB cents)	6.54	7.11	20.73	21.51
- Weighted average number of shares ('000)	2,606,589	2,606,589	2,606,589	2,490,561

**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.**

	<b>Group</b>	<b>Company</b>
	<b>RMB cents</b>	<b>RMB cents</b>
As at 31 December 2018	300.96	245.31
As at 31 December 2017	288.23	228.34

Net asset value per share is calculated based on the number of shares in issue (excluding treasury shares) of 2,606,588,726 as at 31 December 2018 (31 December 2017: 2,606,588,726, excluding treasury shares).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
  - (b) any material factors that affect the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

## **STATEMENT OF COMPREHENSIVE INCOME**

### **Overall Review**

The Group recorded an increase in revenue from RMB4,639.3 million in FY2017 to RMB5,313.3 million in FY2018, representing an increase of 14.5%. Gross profit ("GP") has increased from RMB1,386.3 million in FY2017 to RMB1,584.6 million in FY2018.

Consequently, the Group's profit after tax (attributable to owners of the Company) increased from RMB535.7 million in FY2017 to RMB540.2 million in FY2018, representing an increase of 0.9%.

The increase was due mainly to contribution from newly acquired entities as well as from existing entities. The increase was partially offset by listing expenses of approximately RMB30 million incurred during the year.

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

### **(A) Revenue**

	4QFY2018	4QFY2017	Change	FY2018	FY2017	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Construction	516,846	545,435	(5.2)	2,229,238	2,053,541	8.6
Operating and maintenance income from service concession arrangements	523,441	398,128	31.5	1,843,151	1,528,403	20.6
Financial income from service concession arrangements	236,495	220,192	7.4	859,148	737,367	16.5
Service income	47,832	35,106	36.3	164,870	126,481	30.4
Other revenue	63,868	86,797	(26.4)	216,937	193,482	12.1
<b>Total</b>	<b>1,388,482</b>	<b>1,285,658</b>	<b>8.0</b>	<b>5,313,344</b>	<b>4,639,274</b>	<b>14.5</b>

Overall, the Group's revenue increased by RMB674.0 million or 14.5%, from RMB4,639.3million in FY2017 to RMB5,313.3 million in FY2018. Meanwhile, the Group's revenue increased by RMB102.8 million or 8.0%, from RMB1,285.7million in 4QFY2017 to RMB1,388.5 million in 4QFY2018. Except for "Construction revenue" and "Others" in Q4FY2018, revenue across all categories increased in FY2018 and 4QFY2018 as compared to FY2017 and 4QFY2017.

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

### (A) Revenue – cont'd

#### Construction Revenue

Construction revenue amounted to RMB516.9million and RMB2,229.2 million in 4QFY2018 and FY2018 respectively (4QFY2017: RMB545.4million; FY2017: RMB2,053.5 million). The higher revenue was mainly due to relatively higher amount of construction activities in progress in FY2018 as compared to FY2017. However, revenue decreased in 4QFY2018 as compared to 4QFY2017 due to relatively lower amount of construction activities in progress during the quarter.

#### 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 RMB759.9 million and RMB2,702.3 million in 4QFY2018 and FY2018 respectively (4QFY2017: RMB618.3 million; FY2017: RMB2,265.8 million). The higher revenue was due mainly to (i) higher water treatment and supply sales volume; and (ii) contribution by newly acquired entities.

#### Service Income

Service income amounted to RMB47.8 million and RMB164.9 million in 4QFY2018 and FY2018 respectively (4QFY2017: RMB35.1 million; FY2017: RMB126.5 million). The increase was mainly due to contribution by a newly acquired entity.

#### Other Revenue

Other revenue amounted to RMB63.7 million and RMB216.9 million in 4QFY2018 and FY2018 respectively (4QFY2017: RMB86.8 million; FY2017: RMB193.5 million). The increase in FY2018 as compared to FY2017 was mainly due to higher volume of installation works carried out, which are ad-hoc in nature during the year. However, the volume of installation works lowered during the quarter, resulting in decrease in revenue in 4QFY2018 as compared to 4QFY2017.

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

The Group's GP increased by RMB73.7 million or 22.3% from RMB330.7 million in 4QFY2017 to RMB404.4 million in 4QFY2018. Meanwhile, GP increased by RMB198.3 million or 14.3% from RMB1,386.3 million in FY2017 to RMB1,584.6 million in FY2018. The increase was mainly due to higher revenue from the operation category achieved by the Group as explained in Note A as well as contribution from newly acquired entities.

GPM increased from 25.7% in 4QFY2017 to 29.1% in 4QFY2018. The increase was due mainly to higher contribution from operation category during 4QFY2018 as compared to 4QFY2017 (which has a relatively higher GPM).

Meanwhile, there is no material variance for GPM in FY2018 as compared to FY2017.

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

### **(C) Other income/other gains and losses**

Other income increased from RMB90.3 million in 4QFY2017 to RMB92.9 million in 4QFY2018 and RMB264.0 million in FY2017 to RMB269.4 million in FY2018. There is no material variance for other income in 4QFY2018 and FY2018 as compared to 4Q2017 and FY2017.

Other gains and losses decreased from a gain of RMB120.0 million in 4QFY2017 to a gain of RMB115.2 million in 4QFY2018 and RMB129.6 million in FY2017 to RMB121.8 million in FY2018. There is no material variance for other gain and losses in 4QFY2018 and FY2018 as compared to 4Q2017 and FY2017.

### **(D) Selling and Distribution costs**

Selling and distribution expenses decreased from RMB23.8 million in 4QFY2017 to RMB19.8 million in 4QFY2018. The decrease in selling and distribution expenses was due mainly to lesser expenses incurred during the quarter. There is no material variance for selling and distribution costs in FY2018 as compared to FY2017.

### **(E) Administrative Expenses**

Administrative expenses increased from RMB364.5 million in FY2017 to RMB437.9 million in FY2018. The increase in administrative expenses was due mainly to the listing expenses incurred in 1QFY2018. There is no material variance for administrative expenses in 4QFY2018 as compared to 4QFY2017.

### **(F) Finance expenses**

Finance expenses amounted RMB164.4 million in 4QFY2018 (4QFY2017: RMB126.1 million) and RMB585.4 million in FY2018 (FY2017: RMB511.1 million). The increase in finance expenses was due mainly to new borrowings taken up.

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

The share of results of associates and joint ventures represents the Group's share of results in investments which are accounted for using equity method.

The decrease in share of results of joint ventures in 4QFY2018 and FY2018 as compared to 4Q2017 and FY2017 was due mainly to lower contribution from joint ventures.

Share of results of associates amounted to a profit of RMB1.1 million in 4QFY2018 and a loss of RMB1.0 million in FY2018 (4QFY2017: profit of RMB0.5 million and FY2017 loss of RMB2.3 million). The increase in profit in 4QFY2018 as compared to 4QFY2017 and decrease in loss in FY2018 as compared to FY2017 is due mainly to higher contribution from associates.

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

### (H) Profit before tax

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

	3 Months Ended		12 Months Ended	
	31.12.18	31.12.17	31.12.18	31.12.17
	RMB'000	RMB'000	RMB'000	RMB'000
Amortisation of intangible assets	82,738	82,368	285,057	277,769
Amortisation of land use rights	66	208	269	355
Depreciation of property, plant and equipment	9,670	6,120	32,426	22,235
Loss on disposal of property, plant and equipment	122	852	1,312	911
Loss on disposal of intangible assets	2	839	-	839
Reversal of impairment loss for intangible asset	-	(24,000)	-	(24,000)
Gain on disposal of investments in available-for-sale financial instrument	-	(106,083)	-	(106,083)
Foreign exchange gain, net (Reversal of)/Loss allowance for trade receivables, net (trade)	(5,096)	(7,013)	(12,268)	(10,746)
Loss allowance for/(Reversal of) trade receivables, net (non-trade)	(542)	(16,176)	4,665	(29,381)
Bad debts written off (trade)	22	(2,038)	(29)	(2,058)
Bad debts written off (non-trade)	-	2,667	-	2,667
Fair value loss on financial assets at fair value through profit or loss	17	2,038	17	2,038
Fair value gain from held for trading investment	1,257	-	1,822	-
Gain from bargain purchase of investment in subsidiaries	-	(6,861)	-	(12,753)
Gain on disposal of subsidiaries	(19,645)	(7,158)	(19,645)	(7,158)
	(91,692)	-	(91,692)	-

Amortisation of intangible assets amounted to RMB82.7 million in 4QFY2018 (4QFY2017: RMB82.4 million) and RMB285.1 million in FY2018 (FY2017: RMB277.8 million). There is no material variance for amortisation of intangible assets in 4QFY2018 and FY2018 as compared to 4QFY2017 and FY2017.

### (I) Income Tax Expenses

Income tax expense amounted to RMB77.3 million and RMB236.4 million in 4QFY2018 and FY2018 (4QFY2017: RMB22.4 million and FY2017: RMB194.4 million). The higher income tax expense was due mainly to higher profit generated in 4QFY2018 and FY2018 as compared to 4QFY2017 and FY2017.



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

### (I) Income Tax Expenses – cont'd

	3 Months Ended		12 Months Ended	
	31.12.18	31.12.17	31.12.18	31.12.17
	RMB'000	RMB'000	RMB'000	RMB'000
Current tax				
- Current period	55,820	32,860	158,235	129,923
- Overprovision in respect of prior periods	(3,078)	(852)	(2,726)	(780)
Deferred tax				
- Current period	27,131	(10,115)	87,536	65,821
- (Over)/Under provision in respect of prior periods	(2,545)	504	(6,617)	(591)
	<b>77,328</b>	<b>22,397</b>	<b>236,428</b>	<b>194,373</b>

## STATEMENTS OF FINANCIAL POSITION

### (J) 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	
	31.12.18	31.12.17
	RMB'000	RMB'000
Within 30 days	451,627	410,159
Within 31 to 60 days	129,658	93,484
Within 61 to 90 days	117,634	70,030
Within 91 to 180 days	152,305	128,753
Within 181 to 365 days	116,424	185,090
Over 365 days	473,660	405,513
	<b>1,441,308</b>	<b>1,293,029</b>

### (K) Current Assets

Current assets as at 31 December 2018 amounted to RMB5.37 billion (31 December 2017: RMB3.88 billion). The increase was mainly due to (i) net cash inflow during FY2018 (for details, please refer to analysis on "Statement of cash flows" below); (ii) higher trade receivables due to billings raised net of collections during the period; (iii) consolidation of newly acquired subsidiaries and (iv) assets classified as held for sale.

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

### (L) Non-current Assets

Non-current assets as at 31 December 2018 amounted to RMB24.35 billion (31 December 2017: RMB21.77 billion). The increase was due mainly to (i) consolidation of newly acquired subsidiaries and (ii) construction of certain wastewater treatment projects during FY2018. The increase is partially offset by the decrease in prepayments made for investment in subsidiaries in FY2017 as a result of completion of consolidation in FY2018.

### (M) Trade and Other Payables

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

	As at	
	31.12.18	31.12.17
	RMB'000	RMB'000
Within 30 days	867,117	495,949
Within 31 to 60 days	87,391	61,987
Within 61 to 90 days	88,816	77,975
Within 91 to 180 days	147,619	238,950
Within 181 to 365 days	192,286	128,869
Over 365 days	518,798	413,615
	<b>1,902,027</b>	<b>1,417,345</b>

### (N) Current Liabilities

Current liabilities as at 31 December 2018 amounted to RMB8.01 billion (31 December 2017: RMB6.24 billion). The increase was due mainly to (i) new borrowings taken up which are due for repayment within one year as well (ii) increase in trade and other payables as a result of higher amount of construction activities in progress in FY2018 and also better trade payables management and (iii) liabilities directly associated with assets classified as held for sale.

### (O) Non-current Liabilities

Non-current liabilities as at 31 December 2018 amounted to RMB10.79 billion (31 December 2017: RMB9.16 billion). The increase was due mainly to new borrowings taken up which are due for repayment after one year and consolidation of newly acquired subsidiaries.

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

**STATEMENT OF CASH FLOWS**

As at 31 December 2018, the Group's cash and cash equivalents stood at RMB2,133.2 million (31 December 2017: RMB1,402.1 million). In FY2018, net cash of RMB386.6 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 RMB2,183.3 million.

Net cash used in the Group's investing activities of RMB414.0 million in FY2018 was due mainly to net cash outflow from acquisition of subsidiaries and purchase of property, plant and equipments and intangibles assets, partially offset by dividends received from joint ventures.

Net cash generated from financing activities of RMB1,542.5 million in FY2018 was due mainly to net proceeds from bank borrowings and finance leaseback arrangement and contribution from non-controlling interests upon additional capital injection of subsidiaries, which is partially offset by the interest paid and dividend paid to equity shareholders.

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

No forecast or prospect statement has been previously disclosed to shareholders.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The People's Republic of China (PRC) government continues to double down on environmental protection policies and ideas including the likes of the Water Ten plan, the River Chief System and Beautiful China. Revisions have recently been made to the "Technical Guideline for the Development of National Water Pollutant Discharge Standards" which will contribute to cleaner water resources nationwide. Clean water resources remain a key focus area in China's environmental sector, in turn supporting demand for wastewater treatment technology and management. It is anticipated that China will achieve a wastewater treatment rate of 95% in cities and approximately 85% in towns by end-2020.

In the first 11 months of 2018 alone, the Ministry of Ecology and Environment issued RMB13.6 billion in fines to environmental regulation violators, signalling the PRC government's commitment to green issues. The State Council of China has also announced new environmental initiatives that include plans for waste reduction and the development of "waste-less cities". China will also accelerate the establishment of a pricing mechanism that can cover the cost of sewage, sludge and solid waste treatment that are expected to bring revenue to such businesses, which the Group is expected to be a beneficiary of.

In the same vein, investments in the construction of urban wastewater treatment and recycling facilities under the 13<sup>th</sup> Five-Year Plan are expected to reach RMB565.4 billion – rising demand that the Group is well-poised to tap into. Concurrently, SIIC Environment remains focused on upgrading existing wastewater treatment projects to meet with the higher municipal sewage discharge standards required today.

**11. Dividend****(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

The following final dividend is recommended for shareholders' approval at the Annual General Meeting of the Company ("AGM") to be convened.

Name of Dividend:	Ordinary cash dividend
Dividend Type:	Final
Dividend Rate:	S\$0.01 per ordinary share
Tax Rate:	One-tier tax exempt

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

None.

**(c) Date payable**

To be announced at a later date

**(d) Books closure date**

To be announced at a later date

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

Not applicable.

**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. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement**

Pursuant to Rule 704(13), we confirm that there is no person occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

15. **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.**

[illegible]

15. **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 year. – cont'd**

Group	Revenue		Non-current Assets		Capital Expenditure	
	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
PRC	5,313,344	4,639,274	24,331,177	21,752,159	433,226	355,070
Singapore	-	-	16,007	14,621	29	242

16. **In view of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 8.

17. **A breakdown of sales**

Group	FY2018	FY2017	Increase/ (Decrease)
	RMB'000	RMB'000	%
Sales reported for first half year	2,850,922	1,995,054	42.9
Profit after tax before deducting minority interests reported for first half year	340,590	310,479	9.7
Sales reported for second half year	2,462,422	2,644,220	(6.9)
Profit after tax before minority interests reported for second half year	343,663	373,676	(8.0)

18. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Total Annual Dividend	FY2018	FY2017
	RMB'000	RMB'000
Ordinary	130,773	110,990
Preference	-	-
Total	130,773	110,990

19. **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.

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

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

<b>Purpose</b>	<b>Amount S\$ 'million</b>
<b>Net proceeds raised from the 2017 Share Placement in May 2017</b>	<b>220.5</b>
<u>Less utilisation:</u>	
- Repayment of loan obtained from SIHL Finance Limited	(135.4)
General corporate purpose:	
a. Payment for the purchase consideration of RMB9.1 million in relation to the acquisition of 100% equity interest in Pinghu Dushan Wastewater Treatment Co., Ltd.	(8.2)
a. Payment for the 100% equity of USD8 million for incorporation of SIRC Environment Industrial (Taixing) Co.Ltd.	(10.8)
b. Payment for the purchase consideration in relation to the acquisition of Dalian Ziguang Lingshui Waste Water Treatment Co., Ltd.	(8.1)
c. Repayment of interest of loan obtained from holding company and bank	(22.2)
d. Payment of professional fees and operating expenses	(20.5)
e. Payment for the purchase consideration in relation to the acquisition of remaining interest in Nanfang Water Co., Ltd.	(15.3)
<b>Balance of net proceeds raised from the 2017 Share Placement as at date of this result announcement</b>	<b>-</b>

**20. 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**  
**Feng Jun**  
**Executive Director**  
25 February 2019