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**SIIC ENVIRONMENT HOLDINGS LTD.**

**上海實業環境控股有限公司\***

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

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

**(Singapore stock code: BHK)**

**Unaudited Condensed Interim Financial Statements and  
Dividend Announcement for the First Quarter and  
Three Months Ended 31 March 2024**

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

This quarterly report is prepared in accordance with the relevant regulations of The Singapore Exchange Securities Trading Limited and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This results announcement contains financial information based on Singapore Financial Reporting Standards (International) and International Financial Reporting Standards, and have not been reviewed by auditors. Shareholders and public investors should exercise caution when trading in the shares of the Company.

By Order of the Board  
**SIIC Environment Holdings Ltd.**

**Mr. Zhu Dazhi**  
Executive Director

Singapore and Hong Kong, 13 May 2024

*As at the date of this announcement, the Chairman and Executive Director is Mr. Zhou Yuding; the executive Directors are Mr. Zhu Dazhi, Mr. Xu Xiaobing, Mr. Jiang Kai and Mr. Yang Xing; and the independent non-executive Directors are Ms. Kimmis Pun Kim Ming, Mr. An Hongjun and Mr. Zhong Ming.*

*\* For identification purpose only*



**SIIC ENVIRONMENT HOLDINGS LTD.**

(Incorporated in the Republic of Singapore)

(Company Registration No: 200210042R)

Unaudited Condensed Interim Financial Statements and  
Dividend Announcement for the First Quarter and  
Three Months Ended 31 March 2024

13 May 2024

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

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## **First Quarter and Three Months of Financial Period 2024 Financial Statements and Dividend Announcement**

### **Business Review**

The board of SIIC Environment Holdings Ltd. (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2024 (“1QFY2024”). The Group’s net profit attributable to shareholders for the period amounted to RMB126.3 million, a decrease of 15.8% year-on-year.

Total revenue of the Group decreased by 15.1% to RMB1,628.1 million, gross profit decreased by 9.6% to RMB611.2 million.

As at 31 March 2024, the Group’s cash and cash equivalents stood at a healthy RMB3.05 billion.

### **Review of Interim Results**

The audit committee has reviewed the Company’s unaudited consolidated interim results for the three months ended 31 March 2024.

### **Corporate Governance**

The Company has complied with all the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of the Hong Kong Limited (the “SEHK”) throughout the three months ended 31 March 2024.

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

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Group		
		3 Months Ended		Changes
		31.3.24 (Unaudited)	31.3.23 (Unaudited)	
		RMB'000	RMB'000	%
Revenue	5	1,628,110	1,918,732	(15.1)
Cost of sales		(1,016,922)	(1,242,779)	(18.2)
<b>Gross profit</b>		611,188	675,953	(9.6)
Other income		22,918	30,246	(24.2)
Other gains and losses		(10,419)	(797)	1,207.3
Selling and distribution costs		(17,529)	(17,994)	(2.6)
Administrative expenses		(128,109)	(134,792)	(5.0)
Finance expenses		(204,201)	(227,039)	(10.1)
Share of results of joint ventures		(5,160)	7,548	N.M.
Share of results of associates		7,858	2,900	171.0
<b>Profit before tax</b>		276,546	336,025	(17.7)
Income tax expense	6	(71,569)	(94,026)	(23.9)
<b>Profit for the period</b>	7	204,977	241,999	(15.3)
<b>Other comprehensive (loss) income:</b>				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Exchange difference arising from translation		(51,725)	31,945	N.M.
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences arising from translation of foreign operations		46,732	(9,470)	N.M.
Total other comprehensive (loss) income for the period, net of tax		(4,993)	22,475	N.M.
<b>Total comprehensive income for the period</b>		199,984	264,474	(24.4)
<b>Profit for the period attributable to:</b>				
Owners of the Company		126,295	150,031	(15.8)
Non-controlling interests		78,682	91,968	(14.4)
		204,977	241,999	(15.3)
<b>Total comprehensive income attributable to:</b>				
Owners of the Company		121,302	172,506	(29.7)
Non-controlling interests		78,682	91,968	(14.4)
		199,984	264,474	(24.4)
<b>Earnings per share for profit for the period attributable to the owners of the Company during the period:</b>				
-Basic (RMB in cent)	15	4.90	5.82	(15.8)
-Diluted (RMB in cent)	15	4.90	5.82	(15.8)

N.M. – Not Meaningful

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

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

	Note	Group		Company	
		As at 31.3.24 (Unaudited)	As at 31.12.23 (Audited)	As at 31.3.24 (Unaudited)	As at 31.12.23 (Audited)
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Current assets</b>					
Cash and cash equivalents		3,048,527	2,885,781	480,003	103,228
Pledged bank deposits		63,918	63,010	-	-
Trade and other receivables	8	5,464,841	4,990,374	1,144	1,173
Bills receivables		1,118	1,724	-	-
Prepayments		67,204	68,959	3,639	3,660
Inventories		247,387	250,123	-	-
Receivables under service concession arrangements - current portion	9	915,006	887,152	-	-
Amounts due from customers for contract work		80,078	75,889	-	-
Amounts due from subsidiaries		-	-	4,896,206	4,180,243
Amounts due from joint venture		7,902	30,500	325	22,439
Amounts due from associates		7,895	7,895	-	-
Financial assets at fair value through profit or loss		9,415	9,579	-	-
<b>Total current assets</b>		<b>9,913,291</b>	<b>9,270,986</b>	<b>5,381,317</b>	<b>4,310,743</b>
<b>Non-current assets</b>					
Financial assets at fair value through other comprehensive income		13,400	13,400	-	-
Prepayments		408,467	394,660	-	-
Receivables under service concession arrangements – non-current portion	9	22,282,929	22,374,059	-	-
Property, plant and equipment		467,362	477,195	47	44
Right-of-use assets		46,350	43,963	6,718	8,357
Intangible assets	10	8,687,508	8,667,682	5,357	5,553
Long term receivables		84,694	84,395	-	-
Deferred tax assets		51,554	51,301	-	-
Investment in subsidiaries		-	-	5,758,728	5,786,607
Interest in joint ventures		517,008	524,225	353,762	355,474
Interest in associates		241,736	233,409	-	-
Goodwill on consolidation		457,241	457,241	-	-
Loans to subsidiaries		-	-	1,267,624	2,997,534
Amounts due from associates		15,440	15,424	-	-
<b>Total non-current assets</b>		<b>33,273,689</b>	<b>33,336,954</b>	<b>7,392,236</b>	<b>9,153,569</b>
<b>Total assets</b>		<b>43,186,980</b>	<b>42,607,940</b>	<b>12,773,553</b>	<b>13,464,312</b>

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

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

	Not e	Group		Company	
		As at 31.3.24 (Unaudited)	As at 31.12.23 (Audited)	As at 31.3.24 (Unaudited)	As at 31.12.23 (Audited)
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Current liabilities</b>					
Trade and other payables	11	3,772,265	4,306,433	112,987	163,773
Tax payable		131,971	150,132	-	-
Amounts due to customers for contract work		21,792	24,278	-	-
Amounts due to subsidiaries		-	-	81,142	254,399
Bank and other borrowings	12	4,375,950	5,767,008	2,002,500	3,547,536
Lease liabilities		9,840	10,494	6,220	6,783
<b>Total current liabilities</b>		8,311,818	10,258,345	2,202,849	3,972,491
<b>Non-current liabilities</b>					
Bank and other borrowings	12	16,829,018	14,491,791	3,854,319	2,993,898
Deferred tax liabilities		2,429,518	2,420,065	-	-
Other non-current liabilities		102,948	115,163	-	-
Lease liabilities		28,248	32,120	755	1,889
<b>Total non-current liabilities</b>		19,389,732	17,059,139	3,855,074	2,995,787
<b>Capital, reserves and non-controlling interests</b>					
Share capital	13	5,920,175	5,920,175	5,920,175	5,920,175
Retained earnings		4,067,816	3,955,497	87,761	(163,761)
Other reserves		264,818	255,835	707,694	739,620
<b>Equity attributable to owners of the Company</b>		10,252,809	10,131,507	6,715,630	6,496,034
Non-controlling interests		5,232,621	5,158,949	-	-
<b>Total equity</b>		15,485,430	15,290,456	6,715,630	6,496,034
<b>Total liabilities and equity</b>		43,186,980	42,607,940	12,773,553	13,464,312

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

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

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

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Group</b>	
	<b>For 3 Months Ended</b>	
	<b>31.3.24</b>	<b>31.3.23</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Operating activities:</b>		
<b>Profit before tax</b>	276,546	336,025
Adjustments for:		
Loss allowance for trade receivables, net	254	589
Reversal of loss allowance for non-trade receivables, net	(188)	-
Depreciation of property, plant and equipment	13,655	10,543
Amortisation of intangible assets	118,248	97,374
Depreciation of right-of-use assets	2,742	2,720
(Gain) Loss on disposal of property, plant and equipment	(36)	11
Finance income	(7,672)	(7,551)
Finance expenses	204,201	227,039
Share of results of associates	(7,858)	(2,900)
Share of results of joint ventures	5,160	(7,548)
Fair value loss on financial assets at fair value through profit and loss	164	148
<b>Operating cash flows before working capital changes</b>	605,216	656,450
(Increase) decrease in:		
Inventories	2,736	(7,345)
Amounts due from/to customers for contract work, net	(6,675)	5,733
Trade receivables, other receivables and prepayments	(622,216)	(294,132)
Bills receivables	606	(2,016)
Amounts due from joint ventures	12,166	13,515
Amounts due from associates	(16)	40,319
Increase (decrease) in:		
Trade and other payables (inclusive of non-current liabilities)	(48,125)	(66,573)
Bills payable to banks	-	(10,334)
<b>Cash (used in) generated from operating activities before service concession arrangement projects</b>	(56,308)	335,617
Change in receivables under service concession arrangements (Note A)	46,659	(228,867)
<b>Cash generated from operating activities after service concession arrangement projects</b>	(9,649)	106,750
Interest received	4,807	4,417
Income tax paid	(71,458)	(63,708)
<b>Net cash (used in) generated from operating activities</b>	(76,300)	47,459



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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS – cont'd

	<b>Group</b>	
	<b>For 3 Months Ended</b>	
	<b>31.3.24</b>	<b>31.3.23</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Investing activities:</b>		
Purchase of property, plant and equipment	(41,777)	(6,804)
Purchase of intangible assets, net of amount on credit terms	(177,098)	(73,280)
Movement in prepayment for property, plant and equipment and intangible assets, net	(47,572)	(44,692)
Proceeds from disposal of property, plant and equipment	61	11
Dividend received from joint ventures	10,432	-
<b>Net cash used in investing activities</b>	<b>(255,954)</b>	<b>(124,765)</b>
<b>Financing activities:</b>		
Proceeds from bank and other borrowings	6,754,984	669,704
Repayment of bank and other borrowings	(5,835,557)	(231,003)
Interest paid	(415,322)	(249,716)
Principal and interest elements of lease payments	(1,296)	(3,141)
Dividend paid to non-controlling interest in subsidiaries	(11)	(43,110)
Increase in pledged bank deposits	(908)	(626)
<b>Net cash generated from financing activities</b>	<b>501,890</b>	<b>142,108</b>
Net increase in cash and cash equivalents	169,636	64,802
Cash and cash equivalents at beginning of period	2,885,781	2,512,625
Effects of exchange rate changes on cash and cash equivalents	(6,890)	128
<b>Cash and cash equivalents at end of period</b>	<b>3,048,527</b>	<b>2,577,555</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

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS – cont'd**

	<b>Group</b>	
	<b>For 3 Months Ended</b>	
	<b>31.3.24</b>	<b>31.3.23</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Cash and cash equivalents at end of period</b>		
Cash and bank balances	3,112,445	2,672,061
Less: Pledged bank deposits	(63,918)	(94,506)
Cash and cash equivalents	3,048,527	2,577,555

Note A:

In accordance with the application of SFRS(I) INT 12 *Service Concession Arrangements* and SFRS(I) 1-7 *Statement of Cash Flows*, the movement in the receivables under service concession arrangements has been classified under operating activities. The movement in the receivables under service concession arrangements was mainly arising from the construction and/or purchase of new or existing water treatment and waste incineration facilities in 1QFY2024.

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

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

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

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont'd

GROUP	Share capital	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 Jan 23 (Audited)</b>	5,920,175	3,682,917	212,468	625,982	-	(203,033)	(10,166)	(200,315)	9,815,560	4,999,012	14,814,572
Profit for the period	-	150,031	-	-	-	-	-	-	150,031	91,968	241,999
<u>Other comprehensive income</u>											
Exchange differences arising on translation	-	-	31,945	-	-	31,945	-	-	31,945	-	31,945
Exchange differences arising on translation of foreign operations	-	-	(9,470)	-	-	(9,470)	-	-	(9,470)	-	(9,470)
Other comprehensive income for the period, net of tax	-	-	22,475	-	-	22,475	-	-	22,475	-	22,475
Total comprehensive income for the period	-	150,031	22,475	-	-	22,475	-	-	172,506	91,968	264,474
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	(18,568)	18,568	18,568	-	-	-	-	-	-	-
Total	-	(18,568)	18,568	18,568	-	-	-	-	-	-	-
<u>Others</u>											
Dividends declared to NCI	-	-	-	-	-	-	-	-	-	(4,000)	(4,000)
Total	-	-	-	-	-	-	-	-	-	(4,000)	(4,000)
<b>Balance at 31 Mar 23 (Unaudited)</b>	<u>5,920,175</u>	<u>3,814,380</u>	<u>253,511</u>	<u>644,550</u>	<u>-</u>	<u>(180,558)</u>	<u>(10,166)</u>	<u>(200,315)</u>	<u>9,988,066</u>	<u>5,086,980</u>	<u>15,075,046</u>

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont'd

COMPANY	Share capital	Retained earnings	Other reserves*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 Jan 24 (Audited)</b>	5,920,175	(163,761)	739,620	6,496,034
Profit for the period	-	251,522	-	251,522
<u>Other comprehensive loss</u>				
Exchange differences arising on translation, net of tax	-	-	(31,926)	(31,926)
Other comprehensive loss for the period, net of tax	-	-	(31,926)	(31,926)
Total comprehensive income for the period	-	251,522	(31,926)	219,596
<b>Balance at 31 Mar 24 (Unaudited)</b>	<b>5,920,175</b>	<b>87,761</b>	<b>707,694</b>	<b>6,715,630</b>
<b>Balance at 1 Jan 23 (Audited)</b>	5,920,175	253,832	460,077	6,634,084
Loss for the period	-	(46,060)	-	(46,060)
<u>Other comprehensive income</u>				
Exchange differences arising on translation, net of tax	-	-	13,671	13,671
Other comprehensive income for the period, net of tax	-	-	13,671	13,671
Total comprehensive loss for the period	-	(46,060)	13,671	(32,389)
<b>Balance at 31 Mar 23 (Unaudited)</b>	<b>5,920,175</b>	<b>207,772</b>	<b>473,748</b>	<b>6,601,695</b>

\* Relates to translation reserve.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

SIIC Environment Holdings Ltd. (the “Company”) is a public limited company, incorporated and domiciled in the Republic of Singapore and is dual listed on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and The Stock Exchange of Hong Kong Limited (the “SEHK”). These condensed interim consolidated financial statements as at and for the three months ended 31 March 2024 comprise the Company and its subsidiaries’ (collectively, “the Group”). The registered office and principal place of business of the Company is located at One Temasek Avenue, #37-02 Millenia Tower, Singapore 039192. There were no changes to the principal activities of the Group.

### 2. BASIS OF PREPARATION

The unaudited condensed interim consolidated financial statements for the three months ended 31 March 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last audited annual financial statements for the year ended 31 December 2023.

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

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

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

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

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

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

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

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023.

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

- Note 9 – Receivables under service concession arrangements

Management has determined that there is no impairment loss for the Group's goodwill on consolidation as at 31 March 2024.

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

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

The condensed interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2023.

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

## **3. SEASONAL OPERATIONS**

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

#### 4. SEGMENT INFORMATION

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

(i) Water and Sludge Treatment:

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

(ii) Water Supply:

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

(iii) Waste incineration:

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

Other operations include design and consultancy on the projects and installation of water meters. None of these segments meets any of the quantitative thresholds for determining reportable segments for the financial period ended 31 March 2024 and financial year ended 31 December 2023.

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

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

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

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



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

##### Segment revenue and results

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

Three Months ended 31 March 2024 (Unaudited)

All amount in RMB'000	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Revenue	1,217,647	261,065	84,149	1,562,861	65,249	-	1,628,110
Reportable segment profit/(loss) from operations	413,669	25,804	39,317	478,790	18,954	(31,425)	466,319
Finance income	-	-	-	-	-	7,672	7,672
Finance expenses	-	-	-	-	-	(204,201)	(204,201)
Other non-operating income	6,987	(2,945)	16	4,058	-	-	4,058
Share of results of associates	6,012	-	-	6,012	1,846	-	7,858
Share of results of joint ventures	-	-	(5,160)	(5,160)	-	-	(5,160)
Income tax expense	(49,512)	(7,282)	(2,214)	(59,008)	(3,311)	(9,250)	(71,569)
Profit after tax							204,977
Segment depreciation and amortisation	73,450	45,829	12,237	131,516	58	3,071	134,645
Segment non-cash income	36	-	-	36	-	-	36
Segment non-cash expenses	-	(66)	-	(66)	(164)	-	(230)

4. SEGMENT INFORMATION - cont'd

Segment revenue and results – cont'd

Three Months ended 31 March 2023 (Unaudited)

All amount in RMB'000	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Revenue	1,073,782	257,381	541,288	1,872,451	46,281	-	1,918,732
Reportable segment profit/(loss) from operations	388,014	30,157	138,325	556,496	12,901	(42,202)	527,195
Finance income	-	-	-	-	-	7,551	7,551
Finance expenses	-	-	-	-	-	(227,039)	(227,039)
Other non-operating income	4,026	13,844	-	17,870	-	-	17,870
Share of results of associates	688	-	2,212	2,900	-	-	2,900
Share of results of joint ventures	-	-	7,548	7,548	-	-	7,548
Income tax expense	(47,492)	(8,674)	(20,421)	(76,587)	(2,156)	(15,283)	(94,026)
Profit after tax							241,999
Segment depreciation and amortisation	81,490	26,067	-	107,557	65	3,015	110,637
Segment non-cash income	-	-	-	-	-	-	-
Segment non-cash expenses	-	(589)	-	(589)	(148)	-	(737)

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

##### Segment assets and liabilities

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

At 31 March 2024 (Unaudited)

All amount in RMB'000	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Segment assets	29,968,832	5,580,549	5,613,876	41,163,257	606,405	635,759	42,405,421
Interest in joint ventures	-	-	517,008	517,008	-	-	517,008
Interest in associates	99,068	-	-	99,068	109,834	32,834	241,736
Financial assets at fair value through profit or loss	6,506	-	-	6,506	2,909	-	9,415
Financial assets at fair value through other comprehensive income	10,400	-	-	10,400	3,000	-	13,400
Total assets							43,186,980
Segment liabilities	12,435,680	2,501,550	3,927,558	18,864,788	1,468,744	7,368,018	27,701,550
Segment capital expenditure	73,007	100,559	-	173,566	-	27	173,593

4. SEGMENT INFORMATION - cont'd

Segment assets and liabilities - cont'd

At 31 December 2023 (Audited)

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

## 5. REVENUE

	<b>3 Months Ended 31 March</b>	
	<b>2024 RMB'000 (Unaudited)</b>	<b>2023 RMB'000 (Unaudited)</b>
Construction revenue	290,048	614,267
Operating and maintenance income from services concession arrangements	920,998	885,034
Financial income from service concession arrangements	301,096	319,328
Service income	50,719	46,805
Other revenue	65,249	53,298
	<b>1,628,110</b>	<b>1,918,732</b>
Timing of revenue recognition:		
At a point in time	920,998	885,034
Over time	707,112	1,033,698
	<b>1,628,110</b>	<b>1,918,732</b>

## 6. TAXATION

	<b>3 Months Ended 31 March</b>	
	<b>2024 RMB'000 (Unaudited)</b>	<b>2023 RMB'000 (Unaudited)</b>
Current tax:		
Current year	62,549	68,024
(Over) Under provision in respect of prior periods	(179)	38
Deferred tax:		
Current year	11,321	25,964
Over provision in respect of prior periods	(2,122)	-
	<b>71,569</b>	<b>94,026</b>

The corporate income tax applicable to the Singapore companies of the Group is 17% (Three Months Ended 31 March 2023: 17%).

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

## 7. PROFIT FOR THE PERIOD

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

	3 Months Ended 31 March	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss allowance for trade receivables, net	254	589
Reversal of loss allowance for non-trade receivables, net	(188)	-
Depreciation of property, plant and equipment	13,655	10,543
Amortisation of intangible assets	118,248	97,374
Depreciation of right-of-use assets	2,742	2,720
(Gain) Loss on disposal of property, plant and equipment	(36)	11
Finance income	(7,672)	(7,551)
Finance expenses	204,201	227,039
Share of results of associates	(7,858)	(2,900)
Share of results of joint ventures	5,160	(7,548)
Fair value loss on financial assets at fair value through profit and loss	164	148
Foreign exchange loss, net	10,439	1,113

## 8. TRADE AND OTHER RECEIVABLES

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

	31 March 2024	31 December 2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 30 days	768,451	1,133,684
Within 31 to 60 days	447,340	382,217
Within 61 to 90 days	330,152	348,617
Within 91 to 180 days	914,176	684,525
Within 181 to 365 days	957,341	554,497
Over 365 days	1,178,278	915,629
	<u>4,595,738</u>	<u>4,019,169</u>

## 9. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

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

	<b>31 March 2024 RMB'000 (Unaudited)</b>	<b>31 December 2023 RMB'000 (Audited)</b>
Receivables under service concession arrangements:		
Current portion	915,006	887,152
Non-current portion	22,282,929	22,374,059
	<u>23,197,935</u>	<u>23,261,211</u>
Expected collection schedule is analysed as follows:		
Within 1 year	915,006	887,152
Within 2 to 5 years	3,855,693	3,671,624
Over 5 years	18,427,236	18,702,435
	<u>23,197,935</u>	<u>23,261,211</u>

## 10. INTANGIBLE ASSETS

During the Three Months Ended 31 March 2024, the Group's additions of intangible assets amounted to RMB144,566,000 (Three Months Ended 31 March 2023: RMB139,303,000).

## 11. TRADE AND OTHER PAYABLES

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

	<b>31 March 2024 RMB'000 (Unaudited)</b>	<b>31 December 2023 RMB'000 (Audited)</b>
Within 30 days	710,474	702,713
Within 31 to 60 days	178,712	93,223
Within 61 to 90 days	97,222	57,274
Within 91 to 180 days	275,773	124,272
Within 181 to 365 days	144,688	641,800
Over 365 days	640,731	705,475
	<u>2,047,600</u>	<u>2,324,757</u>

## 12. BANK AND OTHER BORROWINGS

	<b>31 March 2024 RMB'000 (Unaudited)</b>	<b>31 December 2023 RMB'000 (Audited)</b>
Amount repayable within one year or on demand:		
Secured	1,749,484	1,678,545
Unsecured	2,626,466	4,088,463
	<u>4,375,950</u>	<u>5,767,008</u>
Amount repayable after one year:		
Secured	11,902,970	7,583,338
Unsecured	4,926,048	6,908,453
	<u>16,829,018</u>	<u>14,491,791</u>

### Details of any collateral

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



### 13. SHARE CAPITAL

	<b>Group and Company</b>	
	<b>Number of ordinary shares</b>	<b>Amount RMB'000</b>
<b>Issued and paid up share capital</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
At 1 January 2023, 31 December 2023 and 31 March 2024	2,575,665,726	5,920,175

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

Neither the Company nor any of its subsidiaries has redeemed, purchased or sold any of the Company's listed securities for the financial period ended 31 March 2024.

### 14. DIVIDENDS

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

### 15. NET ASSET VALUE AND EARNINGS PER SHARE

	<b>Group</b>		<b>Company</b>	
	<b>31 March 2024</b>	<b>31 December 2023</b>	<b>31 March 2024</b>	<b>31 December 2023</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
Number of shares in issue to calculate net asset value per share	2,575,665,726	2,575,665,726	2,575,665,726	2,575,665,726
Net asset value per ordinary share (RMB in cent)	<u>398.06</u>	<u>393.35</u>	<u>260.73</u>	<u>252.21</u>

	<b>3 Months Ended 31 March</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit for the period attributable to the Owners of the Company (RMB'000)	126,295	150,031
Weighted average number of shares in issue to calculate the basis and diluted earnings per share	2,575,665,726	2,575,665,726
Earnings per share for profit for the period attributable to the owners of the Company during the period:		
-Basic (RMB in cent)	4.90	5.82
-Diluted (RMB in cent)	4.90	5.82

## 16. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

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

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

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

Financial assets	Fair value		Fair value hierarchy
	31 March 2024	31 December 2023	
	RMB'000 (Unaudited)	RMB'000 (Audited)	
<b>Financial assets at FVTOCI</b>			
Unlisted equity security	13,400	13,400	Level 3
<b>Financial assets at FVTPL</b>			
Listed equity security	2,909	3,073	Level 1
Put option of unlisted equity security	6,506	6,506	Level 3

## 17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS - cont'd

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

	31 March 2024		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Audited)	RMB'000 (Audited)
<b>Financial assets</b>				
Receivables under service concession arrangements	22,084,173	22,362,380	21,410,273	22,740,832
<b>Financial liabilities</b>				
Bank and other borrowings (fixed rate)	(6,691,875)	(6,758,364)	(4,532,576)	(4,584,566)

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

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

## 18. SUBSEQUENT EVENTS

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

## OTHER INFORMATION REQUIRED BY SGX LISTING RULE APPENDIX 7.2

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

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

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

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

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares for the financial period ended 31 March 2024.

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

There were no sales, transfers, cancellation and/or use of subsidiary holdings during the financial period ended 31 March 2024.

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

The condensed interim consolidated statement of financial position of the Company and its subsidiaries as at 31 December 2023 and the related condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the period then ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as that of the audited financial statements for the year ended 31 December 2023.

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

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

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

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

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

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

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

## **STATEMENT OF COMPREHENSIVE INCOME**

### **Overall Review**

The Group's revenue was RMB1,628.1 million in 1QFY2024, representing a decrease of 15.1%, as compared to RMB1,918.7 million in 1QFY2023. The Group's gross profit ("GP") was RMB611.2 million in 1QFY2024, representing a decrease of 9.6%, as compared to RMB676.0 million in 1QFY2023.

Meanwhile, the Group's profit for the period was RMB205.0 million, representing a decrease of 15.3%, as compared to RMB242.0 million in 1QFY2023. The Group's profit for the period attributable to owners of the Company was RMB126.3 million in 1QFY2024, representing a decrease of 15.8%, as compared to RMB150.0 million in 1QFY2023.

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

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

### **(A) Revenue**

#### **Construction Revenue**

Construction revenue was RMB290.0 million in 1QFY2024, representing a decrease of 52.8%, as compared to RMB614.3 million in 1QFY2023. Decreased in revenue was due to construction of Shanghai Baoshan Renewable Energy Utilization Centre was completed during FY2023 and most of the construction activities for new projects obtained in FY2024 have not been commenced.

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

The aggregate of operating and maintenance income and financial income from service concession arrangements was RMB1,222.1 million in 1QFY2024, representing an increase of 1.5%, as compared to RMB1,204.4 million in 1QFY2023. Increase was due to higher volume and average price in water treatment and water supply for the quarter.

#### **Service Income**

Service income from non-service concession arrangements was RMB50.7 million in 1QFY2024, representing an increase of 8.4%, as compared to RMB46.8 million in 1QFY2023. The service income is higher than the corresponding period mainly due to the contribution of new projects.

#### **Other Revenue**

Other revenue was RMB65.2 million in 1QFY2024, representing an increase of 22.4%, as compared to RMB53.3 million in 1QFY2023. Changes in other revenue mainly due to the changes in the volume of installation works carried out, which were ad-hoc in nature.

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

The Group's GP was RMB611.2 million in 1QFY2024, representing a decrease of RMB64.8 million or 9.6%, as compared to RMB676.0 million in 1QFY2023. The decrease in GP was caused by the decrease in construction revenue.

GPM was 37.5% in 1QFY2024, representing an increase of 2.3%, as compared to 35.2% in 1QFY2023. The improvement was mainly due to the lower proportion of construction revenue in the current period for which the gross profit margin is relatively low; in addition, unit cost was lower due to higher volume of water treatment and water supply, plus higher average price in water treatment and water supply for the quarter further improved the gross profit margin.

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

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

Other income was RMB22.9 million in 1QFY2024, representing a decrease of 24.2%, as compared to RMB30.2 million in 1QFY2023. mainly due to the decrease in volume of work and production not related to core business activities.

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

Other gains and losses was a loss of RMB10.4 million in 1QFY2024, representing an increase of 1,207.3%, as compared to a loss of RMB0.8 million in 1QFY2023, changes were mainly due to the higher unrealised foreign exchange loss recorded as compared to the corresponding period in prior period.

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

Selling and distribution costs was RMB17.5 million in 1QFY2024, representing a decrease of 2.6%, as compared to RMB18.0 million in 1QFY2023 to, changes were mainly due to improvement of repair and maintenance costs.

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

Administrative expenses was RMB128.1 million in 1QFY2024, representing a decrease of 5.0%, as compared to RMB134.8 million in 1QFY2023, changes were mainly due to the cost-saving initiatives.

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

Finance expenses was RMB204.2 million in 1QFY2024, representing a decrease of 10.1%, as compared to RMB227.0 million in 1QFY2023, and the significant decrease in finance expenses was the result of the loan structuring exercise which replaced the loans with a lower interest rate.

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

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

The share of results of joint ventures in 1QFY2024 decreased as compared to 1QFY2023 was mainly due to lower contribution from joint ventures.

The share of results of associates in 1QFY2024 increased as compared to 1QFY2023 was mainly due to higher contribution from associates.



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

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

Income tax expense was RMB71.6 million in 1QFY2024, representing a decrease of 23.9%, as compared to RMB94.0 million in 1QFY2023. The decrease in income tax expense was in line with the decrease in revenue generated during the period.

## **STATEMENTS OF FINANCIAL POSITION**

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

Current assets as at 31 March 2024 amounted to RMB9.91 billion, representing an increase of 6.9%, as compared to RMB9.27 billion as at 31 December 2023. The higher current assets was mainly due to the increase in trade receivables related to the revenue generated in 1QFY2024.

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

Non-current assets as at 31 March 2024 amounted to RMB33.27 billion, movement of non-current assets were relatively stable in 1QFY2024, as compared to RMB33.34 billion as at 31 December 2023.

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

Current liabilities as at 31 March 2024 amounted to RMB8.31 billion, representing a decrease of 19.0%, as compared to RMB10.26 billion as at 31 December 2023. The decrease was mainly due to the loan structuring in the 1QFY2024.

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

Non-current liabilities as at 31 March 2024 amounted to RMB19.39 billion, representing an increase of 13.7%, as compared to RMB17.06 billion as at 31 December 2023. The increase was mainly due to the loan structuring in the 1QFY2024.

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

**STATEMENT OF CASH FLOWS**

As at 31 March 2024, the Group's cash and cash equivalents stood at RMB3.049 billion, representing an increase of 5.6%, as compared to RMB2.886 billion as at 31 December 2023.

Net cash of RMB763.0 million was used in the Group's operating activities in 1QFY2024.

Net cash of RMB256.0 million was used in the Group's investing activities in 1QFY2024, mainly due to purchase of property, plant and equipments and intangibles assets.

Net cash of RMB501.9 million was generated from the Group's financing activities in 1QFY2024, mainly due to the net proceeds from bank and other borrowings, which are partially offset by repayment of bank and other borrowings plus interest paid.

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

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

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

In the first quarter of 2024, the economy of the People's Republic of China ("China") showed positive signs of recovery, with a 5.3% year-on-year increase in GDP and confidence among key market players improving. Under the background of comprehensively promoting the development of a "Beautiful China", green and low-carbon related policies were announced in the first quarter of 2024. Moreover, the "Government Work Report" proposed to speed up development of new quality productive forces, and as green productive forces, new quality productive forces can drive transformation of economic development modes, optimization of economic structure and transfer of growth momentum, giving important support to high-quality development and Chinese-style modernization. As a leader in the environmental protection industry in China, the Group sees those relevant policies bringing to it much room for growth and business development opportunities. In addition, with regard to the longest concession period, the revised "Measures for the Administration of Concession for Infrastructure and Public Utilities" (《基礎設施和公用事業特許經營管理辦法》), which was released in April, has opened up new development opportunities for the Group's projects.

In terms of water policy, in March, the State Council promulgated the "Regulations on Water Conservation" (《節約用水條例》), the first water conservation administrative regulation in China, stating the need for local governments at or above county level to coordinate, plan and build infrastructure to turn wastewater into useful resources, thereby boost usage of treated wastewater. In addition, in the "Action Plan to Promote the Renewal of Equipment for Buildings and Municipal Infrastructure" (《推進建築和市政基礎設施設備更新工作實施方案》), the "Action Plan to Promote the Large-scale Renewal of Equipment and the Trading-in of Consumer Goods" (《推動大規模設備更新和消費品以舊換新行動方案》) and the "Action Plan to Promote Industrial Equipment Upgrades" (《推動工業領域設備更新實施方案》) introduced, renewal of water supply and wastewater treatment are stated among key pursuits. They also mentioned the need to hasten addressing inadequacies of urban household wastewater and waste treatment facilities and equipment and rectifying weak spots. For renewal of relevant equipment that meet requirements, appropriate support will be provided through capital channels, such as, central budget investment, and through relending policy tools, financial institutions will be guided to step up support for equipment renewal and technological transformation. Tax incentives will also be offered to digital and intelligent transformation efforts. Those policies have presented opportunities to the Group in upgrading and constructing equipment for wastewater treatment and its water supply business. The Group has been active in promoting construction of water projects. In the first quarter of 2024, three wastewater treatment projects of total treatment capacity close to 160,000 tonnes commenced commercial operation. In addition, construction of the Qingpu Xicen Water Purification Plant ("Xicen Project"), a key project of the Group, has been in steady progress, with 90% of the enclosed structure completed during the quarter. When the plant starts in operation, it will be a guidepost for all similar wastewater treatment facilities in the country, while helping significantly improve the regional water environment. At the same time, the Group has continued to strengthen digitalization of its water supply operation, actively promoting iteration and update of intelligent water technology and improving project operational efficiency, to consolidate its core competitiveness.

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

Regarding green finance, in April, seven departments including the People’s Bank of China issued the “Guidelines to Strengthen the Financial Support for Green and Low-Carbon Development” (《關於進一步強化金融支持綠色低碳發展的指導意見》) to increase capital market support for green and low-carbon development. It expects a world-leading financial support system for green and low-carbon development to be basically in place within the next five years and, by 2035, various coordinated green and low-carbon economic and financial policies to be effectively rolled out and the standard financial support system for green and low-carbon development and policy support system to become more mature. The Group has been devoted to vigorously strengthening ESG construction and continuously improving the structure of its ESG system for achieving sustainable and high-quality development. Those favorable green finance policies are conducive to the Group giving full play to the advantages of its sustainable operation and development, broadening financing channels and reducing financing costs, and in turn grabbing more opportunities to expand business.

In the future, the Group will continue to follow the lead of national policies, put the concept of “clear waters and green mountains are as valuable as mountains of gold and silver” into practice, and actively participate in building a “Beautiful China”. At the same time, the Group will keep a close watch on high-quality project opportunities, explore the development potential of key regions such as the Guangdong-Hong Kong-Macao Greater Bay Area and the Yangtze River Delta, so as to continuously optimize its business layout. The Group will keep strengthening technological innovation, and push for the transformation of technological innovation achievements into applications. It endeavors to, through technological innovation, empower its development and consolidate its leadership in China’s water and environmental protection industry.

**11. Dividend**

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

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

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

Any dividend declared for the current financial period reported on?

None

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

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

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

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the Dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements.**

Not applicable.

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

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

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained from shareholders.

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

We, Zhu Dazhi and Jiang Kai, 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 31 March 2024, to be false or misleading, in any material aspect.

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

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

**BY ORDER OF THE BOARD**

**Mr. Zhu Dazhi**

**Executive Director**

**13 May 2024**