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**SIIC ENVIRONMENT HOLDINGS LTD.**

**上海實業環境控股有限公司\***

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

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

**(Singapore stock code: BHK)**

**Unaudited Condensed Interim Financial Statements and  
Dividend Announcement for the Third Quarter and  
Nine Months ended 30 September 2022**

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

This results announcement is made in accordance to Listing Manual of the Singapore Exchange Securities Trading Limited. This results announcement contains financial information based on Singapore Financial Reporting Standards (International) and International Financial Reporting Standards, and have not been reviewed by auditors. Shareholders and public investors should be cautious trading in the shares of the Company.

By Order of the Board  
**SIIC Environment Holdings Ltd.**  
**Mr. Yang Jianwei**  
Executive Director

Singapore and Hong Kong, 10 November 2022

*As at the date of this announcement, the non-executive Chairman is Mr. Zhou Jun; the executive Directors are Mr. Yang Jianwei, Mr. Zhu Dazhi, Mr. Xu Xiaobing, Mr. Huang Hanguang and Mr. Yang Wei; 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 Condensed Interim Financial Statements and  
Dividend Announcement for the Third Quarter and  
Nine Months ended 30 September 2022

10 November 2022

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

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## **Third Quarter and Nine Months of Financial Year 2022 Financial Statements And Dividend Announcement**

### **Business Review**

The board of SIIC Environment Holdings Ltd. (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (the “Group”) for the nine months ended 30 September 2022 (“9MFY2022”). The Group’s net profit attributable to shareholders for the period amounted to RMB571.0 million, an increase of 11.1% year-on-year.

This performance was on the back of a 14.1% increase in revenue to RMB5,787.8 million as supported by the increase in operating and maintenance income and finance income from service concession arrangement and construction revenue arising from the higher amount of construction activities in progress. Gross profit rose 8.9% to RMB1,932.0 million, mainly driven by the increase in construction activities in progress and financial income from service concession arrangements.

As at 30 September 2022, the Group’s cash and cash equivalents stood at a healthy RMB2.83 billion.

### **Review of Interim Results**

The audit committee has reviewed the Company’s unaudited consolidated interim results for the nine months ended 30 September 2022.

### **Corporate Governance**

The Company has complied with all the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of the Hong Kong Limited (the “SEHK”) throughout the nine months ended 30 September 2022.

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					
		Three months ended		Changes	Nine months ended		Changes
		30.9.22 (Unaudited)	30.9.21 (Unaudited)		30.9.22 (Unaudited)	30.9.21 (Unaudited)	
		RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	5	2,100,920	1,771,613	18.6	5,787,795	5,071,623	14.1
Cost of sales		(1,413,578)	(1,155,653)	22.3	(3,855,845)	(3,297,851)	16.9
<b>Gross profit</b>		687,342	615,960	11.6	1,931,950	1,773,772	8.9
Other income		18,277	42,963	(57.5)	79,119	131,788	(40.0)
Other gains and losses		24,386	(734)	N.M.	7,061	17,513	(59.7)
Selling and distribution costs		(19,989)	(20,500)	(2.5)	(58,980)	(60,288)	(2.2)
Administrative expenses		(140,080)	(125,663)	11.5	(362,503)	(339,516)	6.8
Finance expenses		(186,142)	(160,621)	15.9	(523,154)	(508,923)	2.8
Share of results of joint ventures		5,151	10,828	(52.4)	15,845	23,187	(31.7)
Share of results of associates		4,875	1,376	254.3	10,595	3,502	202.5
<b>Profit before tax</b>		393,820	363,609	8.3	1,099,933	1,041,035	5.7
Income tax expense	6	(97,826)	(94,554)	3.5	(256,159)	(243,000)	5.4
<b>Profit for the period</b>	7	295,994	269,055	10.0	843,774	798,035	5.7
<b>Other comprehensive (loss)/income:</b>							
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
Exchange difference arising from translation		(182,588)	11,822	N.M.	(316,198)	25,895	N.M.
Fair value change on investments in equity instruments designated as at FVTOCI		(288)	2,315	N.M.	(1,891)	2,493	N.M.
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange differences arising from translation of foreign operations		(25,507)	1,103	N.M.	(26,378)	25,846	N.M.
Total other comprehensive (loss)/income for the period, net of tax		(208,383)	15,240	N.M.	(344,467)	54,234	N.M.
<b>Total comprehensive income for the period</b>		87,611	284,295	(69.2)	499,307	852,269	(41.4)
<b>Profit for the period attributable to:</b>							
Owners of the Company		205,001	181,061	13.2	571,012	513,802	11.1
Non-controlling interests		90,993	87,994	3.4	272,762	284,233	(4.0)
		295,994	269,055	10.0	843,774	798,035	5.7
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		(3,382)	196,301	N.M.	226,545	568,036	(60.1)
Non-controlling interests		90,993	87,994	3.4	272,762	284,233	(4.0)
		87,611	284,295	(69.2)	499,307	852,269	(41.4)
<b>Earnings per share for profit for the period attributable to the owners of the Company during the period:</b>							
-Basic (RMB in cent)		7.96	7.03	13.2	22.17	19.89	11.5
-Diluted (RMB in cent)		7.96	7.03	13.2	22.17	19.89	11.5

N.M. – Not Meaningful

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

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

	Note	Group		Company	
		As at 30.9.22 (Unaudited)	As at 31.12.21 (Audited)	As at 30.9.22 (Unaudited)	As at 31.12.21 (Audited)
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Current assets</b>					
Cash and cash equivalents		2,825,385	2,794,951	115,314	285,802
Pledged bank deposits		92,881	118,371	-	-
Trade and other receivables	8	4,081,400	3,403,809	1,071	1,019
Bills receivables		6,522	3,377	-	-
Prepayments		142,985	72,091	330	3,069
Inventories		320,029	285,969	-	-
Receivables under service concession arrangements - current portion	9	717,239	680,394	-	-
Amounts due from customers for contract work		116,554	82,706	-	-
Amounts due from subsidiaries		-	-	2,238,909	2,008,502
Amounts due from joint venture		24,002	22,711	1,112	137
Amounts due from associates		61,215	10,902	-	-
Financial assets at fair value through profit or loss		8,991	9,307	-	-
Assets classified as held for sale		-	7,059	-	-
<b>Total current assets</b>		<b>8,397,203</b>	<b>7,491,647</b>	<b>2,356,736</b>	<b>2,298,529</b>
<b>Non-current assets</b>					
Financial assets at fair value through other comprehensive income		13,400	27,091	-	-
Prepayments		247,273	201,636	-	-
Receivables under service concession arrangements – non-current portion	9	21,979,723	20,950,596	-	-
Property, plant and equipment		312,609	346,926	55	63
Right-of-use assets		47,996	54,352	16,551	8,417
Intangible assets	10	6,645,194	6,932,793	5,800	-
Long term receivables		364,560	352,173	-	-
Deferred tax assets		59,721	63,335	-	-
Investment in subsidiaries		-	-	5,752,642	5,292,020
Interest in joint ventures		521,861	486,674	327,629	311,520
Interest in associates		235,338	128,674	-	-
Goodwill on consolidation		457,241	457,241	-	-
Loans to subsidiaries		-	-	2,991,380	2,806,380
Amounts due from associates		17,851	20,827	-	-
<b>Total non-current assets</b>		<b>30,902,767</b>	<b>30,022,318</b>	<b>9,094,057</b>	<b>8,418,400</b>
<b>Total assets</b>		<b>39,299,970</b>	<b>37,513,965</b>	<b>11,450,793</b>	<b>10,716,929</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**

	Note	Group		Company	
		As at 30.9.22 (Unaudited)	As at 31.12.21 (Audited)	As at 30.9.22 (Unaudited)	As at 31.12.21 (Audited)
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Current liabilities</b>					
Trade and other payables	11	3,656,581	4,161,170	165,125	123,828
Bills payable to banks		16,408	48,762	-	-
Tax payable		181,739	202,815	-	-
Amounts due to customers for contract work		34,555	35,982	-	-
Amounts due to subsidiaries		-	-	249,598	212,487
Bank and other borrowings	12	5,088,337	4,977,515	1,921,963	1,385,531
Lease liabilities		9,485	7,880	6,411	4,050
Liabilities directly associated with assets classified as held for sale		-	92	-	-
<b>Total current liabilities</b>		<b>8,987,105</b>	<b>9,434,216</b>	<b>2,343,097</b>	<b>1,725,896</b>
<b>Non-current liabilities</b>					
Bank and other borrowings	12	13,230,307	11,650,786	2,993,500	2,992,151
Deferred tax liabilities		2,262,832	2,191,834	-	-
Other non-current liabilities		181,899	169,062	-	-
Lease liabilities		35,469	31,866	10,288	4,568
<b>Total non-current liabilities</b>		<b>15,710,507</b>	<b>14,043,548</b>	<b>3,003,788</b>	<b>2,996,719</b>
<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		3,561,278	3,188,828	(19,044)	182,128
Other reserves		85,485	423,508	202,777	(107,989)
<b>Equity attributable to owners of the Company</b>		<b>9,566,938</b>	<b>9,532,511</b>	<b>6,103,908</b>	<b>5,994,314</b>
Non-controlling interests		5,035,420	4,503,690	-	-
<b>Total equity</b>		<b>14,602,358</b>	<b>14,036,201</b>	<b>6,103,908</b>	<b>5,994,314</b>
<b>Total liabilities and equity</b>		<b>39,299,970</b>	<b>37,513,965</b>	<b>11,450,793</b>	<b>10,716,929</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:**

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

	Group Three months ended		Group Nine months ended	
	30.9.22 (Unaudited)	30.9.21 (Unaudited)	30.9.22 (Unaudited)	30.9.21 (Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Operating activities:</b>				
<b>Profit before tax</b>	393,820	363,609	1,099,933	1,041,035
Adjustments for:				
Loss allowance for trade receivables, net	3,809	2,360	906	4,650
Loss allowance for non-trade receivables, net	-	-	-	106
Depreciation of property, plant and equipment	10,014	10,027	31,129	27,669
Amortisation of intangible assets	78,473	81,276	235,483	239,728
Depreciation of right-of-use assets	3,128	2,760	8,418	8,279
Loss on disposal of property, plant and equipment	8	25	137	18
(Gain)/Loss on disposal of intangible assets	-	(25)	9	(30)
Gain on disposal of FVTOCI	(842)	-	(842)	-
Gain on disposal of a subsidiary	(2,580)	-	(2,580)	(23,566)
Gain on bargain purchase arising from acquisition of a subsidiary	-	(6,512)	-	(6,512)
Finance income	(11,928)	(11,109)	(27,854)	(23,894)
Finance expenses	186,142	160,621	523,154	508,923
Share of results of associates	(4,875)	(1,376)	(10,595)	(3,502)
Share of results of joint ventures	(5,151)	(10,828)	(15,845)	(23,187)
Fair value loss/(gain) on financial assets at fair value through profit and loss	288	(118)	316	356
<b>Operating cash flows before working capital changes</b>	650,306	590,710	1,841,769	1,750,073
(Increase)/decrease in:				
Inventories	(14,644)	(15,387)	(34,060)	(15,070)
Amounts due from/to customers for contract work, net	(9,418)	(27,227)	(35,275)	(103,237)
Trade receivables, other receivables and prepayments	(577,117)	61,424	(959,106)	(560,634)
Bills receivables	(1,522)	4,268	(3,145)	(533)
Amounts due from joint ventures	(325)	(525)	(1,291)	125
Amounts due from associates	(51,180)	3,453	(47,337)	4,510
Increase/(decrease) in:				
Trade and other payables (inclusive of non-current liabilities)	(36,533)	(92,858)	(50,451)	133,168
Bills payable to banks	2,937	20,347	(32,354)	12,575
<b>Cash (used in)/generated from operating activities before service concession arrangement projects</b>	(37,496)	544,205	678,750	1,220,977
Change in receivables under service concession arrangements (Note A)	(43,324)	(237,598)	(1,069,587)	(928,133)
<b>Cash (used in)/generated from operating activities after service concession arrangement projects</b>	(80,820)	306,607	(390,837)	292,844
Interest received	11,960	10,548	27,358	19,640
Income tax refund	-	-	1,771	-
Income tax paid	(39,295)	(47,883)	(158,423)	(146,288)
<b>Net cash (used in)/generated from operating activities</b>	(108,155)	269,272	(520,131)	166,196



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

	Group Three months ended		Group Nine months ended	
	30.9.22 (Unaudited) RMB'000	30.9.21 (Unaudited) RMB'000	30.9.22 (Unaudited) RMB'000	30.9.21 (Unaudited) RMB'000
<b>Investing activities:</b>				
Purchase of property, plant and equipment	(19,630)	(4,545)	(71,550)	(35,122)
Purchase of intangible assets, net of amount on credit terms	(66,416)	(8,643)	(207,299)	(143,953)
Movement in prepayment for property, plant and equipment and intangible assets, net	(1,400)	(3,096)	(36,719)	(14,548)
Proceeds from disposal of property, plant and equipment	21	4	113	197
Proceeds from disposal of intangible assets	-	26	15	31
Proceeds from disposal of financial assets at FVTOCI	14,533	-	14,533	-
Additional capital injection in an associate	(66,000)	-	(93,000)	-
Dividend received from associates	-	19,257	-	19,257
Net cash inflow/(outflow) on acquisition of a subsidiary	-	14,500	-	(51,801)
Net cash inflow on disposal of subsidiaries (Note 18)	124,523	-	124,523	26,986
<b>Net cash (used in)/generated from investing activities</b>	<b>(14,369)</b>	<b>17,503</b>	<b>(269,384)</b>	<b>(198,953)</b>
<b>Financing activities:</b>				
Proceeds from bank and other borrowings	318,025	886,348	3,070,383	4,113,699
Repayment of bank and other borrowings	(527,189)	(938,984)	(1,760,406)	(3,484,949)
Interest paid	(159,020)	(147,532)	(560,258)	(481,736)
Principal and interest elements of lease payments	(3,538)	(3,184)	(9,337)	(9,552)
Share buy-back	-	-	-	(27,245)
Dividend paid to equity shareholders	(70,739)	(61,137)	(192,118)	(186,043)
Dividend paid to non-controlling interest in subsidiaries	(26,104)	(3,945)	(49,044)	(13,615)
Contribution from non-controlling interests upon additional capital injection in subsidiaries	68,449	21,505	288,012	46,705
Decrease/(Increase) in pledged bank deposits	202,163	(9,305)	25,490	44,444
<b>Net cash (used in)/generated from financing activities</b>	<b>(197,953)</b>	<b>(256,234)</b>	<b>812,722</b>	<b>1,708</b>
Net (decrease)/increase in cash and cash equivalents	(320,477)	30,541	23,207	(31,049)
Cash and cash equivalents at beginning of period	3,143,109	2,617,628	2,794,951	2,668,525
Effects of exchange rate changes on cash and cash equivalents	2,753	(36,748)	7,227	(26,055)
<b>Cash and cash equivalents at end of period</b>	<b>2,825,385</b>	<b>2,611,421</b>	<b>2,825,385</b>	<b>2,611,421</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

	Group		Group	
	Three months ended		Nine months ended	
	30.9.22 (Unaudited)	30.9.21 (Unaudited)	30.9.22 (Unaudited)	30.9.21 (Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Cash and cash equivalents at end of period</b>				
Cash and bank balances	2,918,266	2,728,706	2,918,266	2,728,706
Less: Pledged bank deposits	(92,881)	(117,285)	(92,881)	(117,285)
Cash and cash equivalents	2,825,385	2,611,421	2,825,385	2,611,421

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 9MFY2022 and 3QFY2022 respectively.

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

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

GROUP									Equity attributable to owners of the Company	Non-controlling interests	Total equity
	Share capital	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1.1.22 (Audited)</b>	<b>5,920,175</b>	<b>3,188,828</b>	<b>423,508</b>	<b>541,952</b>	<b>(8,068)</b>	<b>100,105</b>	<b>(10,166)</b>	<b>(200,315)</b>	<b>9,532,511</b>	<b>4,503,690</b>	<b>14,036,201</b>
Profit for the period	-	175,821	-	-	-	-	-	-	175,821	80,022	255,843
<u>Other comprehensive income</u>											
Exchange differences arising on translation	-	-	18,993	-	-	18,993	-	-	18,993	-	18,993
Exchange differences arising on translation of foreign operations	-	-	3,480	-	-	3,480	-	-	3,480	-	3,480
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	56	-	56	-	-	-	56	-	56
Other comprehensive income for the period, net of tax	-	-	22,529	-	56	22,473	-	-	22,529	-	22,529
Total comprehensive income for the period	-	<b>175,821</b>	<b>22,529</b>	-	<b>56</b>	<b>22,473</b>	-	-	<b>198,350</b>	<b>80,022</b>	<b>278,372</b>
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	(8,459)	8,459	8,459	-	-	-	-	-	-	-
Total	-	<b>(8,459)</b>	<b>8,459</b>	<b>8,459</b>	-	-	-	-	-	-	-
<u>Others</u>											
NCI upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	84,063	84,063
Total	-	-	-	-	-	-	-	-	-	<b>84,063</b>	<b>84,063</b>
<b>Balance at 31.3.22 (Unaudited)</b>	<b>5,920,175</b>	<b>3,356,190</b>	<b>454,496</b>	<b>550,411</b>	<b>(8,012)</b>	<b>122,578</b>	<b>(10,166)</b>	<b>(200,315)</b>	<b>9,730,861</b>	<b>4,667,775</b>	<b>14,398,636</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.

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

GROUP									Equity attributable to owners of the Company	Non-controlling interests	Total equity
	Share capital	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1.4.22 (Unaudited)</b>	<b>5,920,175</b>	<b>3,356,190</b>	<b>454,496</b>	<b>550,411</b>	<b>(8,012)</b>	<b>122,578</b>	<b>(10,166)</b>	<b>(200,315)</b>	<b>9,730,861</b>	<b>4,667,775</b>	<b>14,398,636</b>
Profit for the period	-	190,190	-	-	-	-	-	-	190,190	101,747	291,937
<u>Other comprehensive loss</u>											
Exchange differences arising on translation	-	-	(152,603)	-	-	(152,603)	-	-	(152,603)	-	(152,603)
Exchange differences arising on translation of foreign operations	-	-	(4,351)	-	-	(4,351)	-	-	(4,351)	-	(4,351)
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	(1,659)	-	(1,659)	-	-	-	(1,659)	-	(1,659)
Other comprehensive loss for the period, net of tax	-	-	(158,613)	-	(1,659)	(156,954)	-	-	(158,613)	-	(158,613)
Total comprehensive income for the period	-	<b>190,190</b>	<b>(158,613)</b>	-	<b>(1,659)</b>	<b>(156,954)</b>	-	-	<b>31,577</b>	<b>101,747</b>	<b>133,324</b>
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	1,617	(1,617)	(1,617)	-	-	-	-	-	-	-
Total	-	<b>1,617</b>	<b>(1,617)</b>	<b>(1,617)</b>	-	-	-	-	-	-	-
<u>Others</u>											
NCI upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	135,500	135,500
Dividend declared to NCI	-	-	-	-	-	-	-	-	-	(2,940)	(2,940)
Dividend declared to equity shareholders	-	(121,379)	-	-	-	-	-	-	(121,379)	-	(121,379)
Total	-	<b>(121,379)</b>	-	-	-	-	-	-	<b>(121,379)</b>	<b>132,560</b>	<b>11,181</b>
<b>Balance at 30.6.22 (Unaudited)</b>	<b>5,920,175</b>	<b>3,426,618</b>	<b>294,266</b>	<b>548,794</b>	<b>(9,671)</b>	<b>(34,376)</b>	<b>(10,166)</b>	<b>(200,315)</b>	<b>9,641,059</b>	<b>4,902,082</b>	<b>14,543,141</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.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

GROUP								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	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve						
	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 1.7.22 (Unaudited)</b>	<b>5,920,175</b>	<b>3,426,618</b>	<b>294,266</b>	<b>548,794</b>	<b>(9,671)</b>	<b>(34,376)</b>	<b>(10,166)</b>	<b>(200,315)</b>	<b>9,641,059</b>	<b>4,902,082</b>	<b>14,543,141</b>	
Profit for the period	-	205,001	-	-	-	-	-	-	205,001	90,993	295,994	
<u>Other comprehensive loss</u>												
Exchange differences arising on translation	-	-	(182,588)	-	-	(182,588)	-	-	(182,588)	-	(182,588)	
Exchange differences arising on translation of foreign operations	-	-	(25,507)	-	-	(25,507)	-	-	(25,507)	-	(25,507)	
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	(288)	-	(288)	-	-	-	(288)	-	(288)	
Other comprehensive loss for the period, net of tax	-	-	(208,383)	-	(288)	(208,095)	-	-	(208,383)	-	(208,383)	
Total comprehensive income for the period	-	<b>205,001</b>	<b>(208,383)</b>	-	<b>(288)</b>	<b>(208,095)</b>	-	-	<b>(3,382)</b>	<b>90,993</b>	<b>87,611</b>	
<u>Transactions with owners recognised directly in equity</u>												
Transfer to general reserve	-	398	(398)	(398)	-	-	-	-	-	-	-	
Total	-	<b>398</b>	<b>(398)</b>	<b>(398)</b>	-	-	-	-	-	-	-	
<u>Others</u>												
NCI upon proportional capital injection in subsidiaries	-	-	-	-	-	-	-	-	-	68,449	68,449	
Dividend declared to NCI	-	-	-	-	-	-	-	-	-	(26,104)	(26,104)	
Dividend declared to equity shareholders	-	(70,739)	-	-	-	-	-	-	(70,739)	-	(70,739)	
Total	-	<b>(70,739)</b>	-	-	-	-	-	-	<b>(70,739)</b>	<b>42,345</b>	<b>(28,394)</b>	
<b>Balance at 30.9.22 (Unaudited)</b>	<b>5,920,175</b>	<b>3,561,278</b>	<b>85,485</b>	<b>548,396</b>	<b>(9,959)</b>	<b>(242,471)</b>	<b>(10,166)</b>	<b>(200,315)</b>	<b>9,566,938</b>	<b>5,035,420</b>	<b>14,602,358</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				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	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve		Merger 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	RMB'000	RMB'000
<b>Balance at 1.1.21 (Audited)</b>	<b>5,947,420</b>	<b>2,805,242</b>	<b>175,112</b>	<b>405,422</b>	<b>(10,248)</b>	<b>(9,581)</b>	<b>(10,166)</b>	<b>(200,315)</b>	<b>8,927,774</b>	<b>4,094,225</b>	<b>13,021,999</b>
Profit for the period	-	160,116	-	-	-	-	-	-	160,116	80,450	240,566
<u>Other comprehensive income</u>											
Exchange differences arising on translation	-	-	(22,919)	-	-	(22,919)	-	-	(22,919)	-	(22,919)
Exchange differences arising on translation of foreign operations	-	-	15,979	-	-	15,979	-	-	15,979	-	15,979
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	(751)	-	(751)	-	-	-	(751)	-	(751)
Other comprehensive income for the period, net of tax	-	-	(7,691)	-	(751)	(6,940)	-	-	(7,691)	-	(7,691)
Total comprehensive income for the period	-	<b>160,116</b>	<b>(7,691)</b>	-	<b>(751)</b>	<b>(6,940)</b>	-	-	<b>152,425</b>	<b>80,450</b>	<b>232,875</b>
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	(15,006)	15,006	15,006	-	-	-	-	-	-	-
Total	-	<b>(15,006)</b>	<b>15,006</b>	<b>15,006</b>	-	-	-	-	-	-	-
<u>Others</u>											
Repurchase of shares	(23,254)	-	-	-	-	-	-	-	(23,254)	-	(23,254)
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	(9,670)	(9,670)
Total	<b>(23,254)</b>	-	-	-	-	-	-	-	<b>(23,254)</b>	<b>(9,670)</b>	<b>(32,924)</b>
<b>Balance at 31.3.21 (Unaudited)</b>	<b>5,924,166</b>	<b>2,950,352</b>	<b>182,427</b>	<b>420,428</b>	<b>(10,999)</b>	<b>(16,521)</b>	<b>(10,166)</b>	<b>(200,315)</b>	<b>9,056,945</b>	<b>4,165,005</b>	<b>13,221,950</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				Effects of changes in ownership interest in subsidiaries where there is no change in control					Equity attributable to owners of the Company		
	Share capital	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve	Merger reserve	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 1.4.21 (Unaudited)</b>	<b>5,924,166</b>	<b>2,950,352</b>	<b>182,427</b>	<b>420,428</b>	<b>(10,999)</b>	<b>(16,521)</b>	<b>(10,166)</b>	<b>(200,315)</b>	<b>9,056,945</b>	<b>4,165,005</b>	<b>13,221,950</b>
Profit for the period	-	172,625	-	-	-	-	-	-	172,625	115,789	288,414
<u>Other comprehensive income</u>											
Exchange differences arising on translation	-	-	36,992	-	-	36,992	-	-	36,992	-	36,992
Exchange differences arising on translation of foreign operations	-	-	8,764	-	-	8,764	-	-	8,764	-	8,764
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	929	-	929	-	-	-	929	-	929
Other comprehensive income for the period, net of tax	-	-	46,685	-	929	45,756	-	-	46,685	-	46,685
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>172,625</b>	<b>46,685</b>	<b>-</b>	<b>929</b>	<b>45,756</b>	<b>-</b>	<b>-</b>	<b>219,310</b>	<b>115,789</b>	<b>335,099</b>
<u>Transactions with owners recognised directly in equity</u>											
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	19,620	19,620
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	(4,108)	(4,108)
Contribution from non-controlling interests upon additional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	25,200	25,200
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,712</b>	<b>40,712</b>
<u>Others</u>											
Repurchase of shares	(3,991)	-	-	-	-	-	-	-	(3,991)	-	(3,991)
Dividend declared to equity shareholders	-	(124,906)	-	-	-	-	-	-	(124,906)	-	(124,906)
<b>Total</b>	<b>(3,991)</b>	<b>(124,906)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(128,897)</b>	<b>-</b>	<b>(128,897)</b>
<b>Balance at 30.6.21 (Unaudited)</b>	<b>5,920,175</b>	<b>2,998,071</b>	<b>229,112</b>	<b>420,428</b>	<b>(10,070)</b>	<b>29,235</b>	<b>(10,166)</b>	<b>(200,315)</b>	<b>9,147,358</b>	<b>4,321,506</b>	<b>13,468,864</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				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	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve	Merger reserve				
	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 1.7.21 (Unaudited)</b>	<b>5,920,175</b>	<b>2,998,071</b>	<b>229,112</b>	<b>420,428</b>	<b>(10,070)</b>	<b>29,235</b>	<b>(10,166)</b>	<b>(200,315)</b>	<b>9,147,358</b>	<b>4,321,506</b>	<b>13,468,864</b>
Profit for the period	-	181,061	-	-	-	-	-	-	181,061	87,994	269,055
<u>Other comprehensive income</u>											
Exchange differences arising on translation	-	-	11,822	-	-	11,822	-	-	11,822	-	11,822
Exchange differences arising on translation of foreign operations	-	-	1,103	-	-	1,103	-	-	1,103	-	1,103
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	2,315	-	2,315	-	-	-	2,315	-	2,315
Other comprehensive income for the period, net of tax	-	-	15,240	-	2,315	12,925	-	-	15,240	-	15,240
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>181,061</b>	<b>15,240</b>	<b>-</b>	<b>2,315</b>	<b>12,925</b>	<b>-</b>	<b>-</b>	<b>196,301</b>	<b>87,994</b>	<b>284,295</b>
<u>Transactions with owners recognised directly in equity</u>											
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	(1,997)	(1,997)
Transfer to general reserve	-	(32,453)	32,453	32,453	-	-	-	-	-	-	-
Contribution from non-controlling interests upon additional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	21,505	21,505
<b>Total</b>	<b>-</b>	<b>(32,453)</b>	<b>32,453</b>	<b>32,453</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,508</b>	<b>19,508</b>
<u>Others</u>											
Dividend declared to equity shareholders	-	(61,137)	-	-	-	-	-	-	(61,137)	-	(61,137)
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	(3,945)	(3,945)
<b>Total</b>	<b>-</b>	<b>(61,137)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(61,137)</b>	<b>(3,945)</b>	<b>(65,082)</b>
<b>Balance at 30.9.21 (Unaudited)</b>	<b>5,920,175</b>	<b>3,085,542</b>	<b>276,805</b>	<b>452,881</b>	<b>(7,755)</b>	<b>42,160</b>	<b>(10,166)</b>	<b>(200,315)</b>	<b>9,282,522</b>	<b>4,425,063</b>	<b>13,707,585</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

COMPANY	Share capital	Retained earnings	Other reserves*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1.1.22 (Audited)</b>	<b>5,920,175</b>	<b>182,128</b>	<b>(107,989)</b>	<b>5,994,314</b>
Loss for the period	-	(10,340)	-	(10,340)
<u>Other comprehensive loss</u>				
Exchange differences arising on translation, net of tax	-	-	(41,232)	(41,232)
Other comprehensive loss for the period, net of tax	-	-	(41,232)	(41,232)
Total comprehensive loss for the period	-	<b>(10,340)</b>	<b>(41,232)</b>	<b>(51,572)</b>
<b>Balance at 31.3.22 (Unaudited)</b>	<b>5,920,175</b>	<b>171,788</b>	<b>(149,221)</b>	<b>5,942,742</b>
<b>Balance at 1.4.22 (Unaudited)</b>	<b>5,920,175</b>	<b>171,788</b>	<b>(149,221)</b>	<b>5,942,742</b>
Profit for the period	-	28,989	-	28,989
<u>Other comprehensive income</u>				
Exchange differences arising on translation, net of tax	-	-	164,918	164,918
Other comprehensive income for the period, net of tax	-	-	164,918	164,918
Total comprehensive income for the period	-	<b>28,989</b>	<b>164,918</b>	<b>193,907</b>
<u>Others</u>				
Dividend declared to equity shareholders	-	(121,379)	-	(121,379)
<b>Balance at 30.6.22 (Unaudited)</b>	<b>5,920,175</b>	<b>79,398</b>	<b>15,697</b>	<b>6,015,270</b>
<b>Balance at 1.7.22 (Unaudited)</b>	<b>5,920,175</b>	<b>79,398</b>	<b>15,697</b>	<b>6,015,270</b>
Loss for the period	-	(27,703)	-	(27,703)
<u>Other comprehensive income</u>				
Exchange differences arising on translation, net of tax	-	-	187,080	187,080
Other comprehensive income for the period, net of tax	-	-	187,080	187,080
Total comprehensive loss for the period	-	<b>(27,703)</b>	<b>187,080</b>	<b>159,377</b>
<u>Others</u>				
Dividend declared to equity shareholders	-	(70,739)	-	(70,739)
<b>Balance at 30.9.22 (Unaudited)</b>	<b>5,920,175</b>	<b>(19,044)</b>	<b>202,777</b>	<b>6,103,908</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**

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont’d**

<b>COMPANY</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Other reserves*</b>	<b>Total equity</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Balance at 1.1.21 (Audited)</b>	<b>5,947,420</b>	<b>156,405</b>	<b>175,483</b>	<b>6,279,308</b>
Profit for the period	-	602	-	602
<u>Other comprehensive loss</u>				
Exchange differences arising on translation, net of tax	-	-	(82,629)	(82,629)
Other comprehensive loss for the period, net of tax	-	-	(82,629)	(82,629)
Total comprehensive loss for the period	-	<b>602</b>	<b>(82,629)</b>	<b>(82,027)</b>
<u>Others</u>				
Repurchase of shares	(23,254)	-	-	(23,254)
<b>Balance at 31.3.21 (Unaudited)</b>	<b>5,924,166</b>	<b>157,007</b>	<b>92,854</b>	<b>6,174,027</b>
<b>Balance at 1.4.21 (Unaudited)</b>	<b>5,924,166</b>	<b>157,007</b>	<b>92,854</b>	<b>6,174,027</b>
Profit for the period	-	(22,085)	-	(22,085)
<u>Other comprehensive loss</u>				
Exchange differences arising on translation, net of tax	-	-	(89,926)	(89,926)
Other comprehensive loss for the period, net of tax	-	-	(89,926)	(89,926)
Total comprehensive loss for the period	-	<b>(22,085)</b>	<b>(89,926)</b>	<b>(112,011)</b>
<u>Others</u>				
Repurchase of shares	(3,991)	-	-	(3,991)
Dividend declared to equity shareholders	-	(124,906)	-	(124,906)
<b>Balance at 30.6.21 (Unaudited)</b>	<b>5,920,175</b>	<b>10,016</b>	<b>2,928</b>	<b>5,933,119</b>
<b>Balance at 1.7.21 (Unaudited)</b>	<b>5,920,175</b>	<b>10,016</b>	<b>2,928</b>	<b>5,933,119</b>
Profit for the period	-	263,109	-	263,109
<u>Other comprehensive loss</u>				
Exchange differences arising on translation, net of tax	-	-	(69,245)	(69,245)
Other comprehensive loss for the period, net of tax	-	-	(69,245)	(69,245)
Total comprehensive loss for the period	-	<b>263,109</b>	<b>(69,245)</b>	<b>193,864</b>
<u>Others</u>				
Dividend declared to equity shareholders	-	(61,137)	-	(61,137)
<b>Balance at 30.9.21 (Unaudited)</b>	<b>5,920,175</b>	<b>211,988</b>	<b>(66,317)</b>	<b>6,065,846</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”) and the Stock Exchange of Hong Kong Limited (the “SEHK”). These condensed interim consolidated financial statements as at and for the third quarter and nine months ended 30 September 2022 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 Company and its subsidiaries.

### 2. BASIS OF PREPARATION

The unaudited condensed interim consolidated financial statements for the nine months ended 30 September 2022 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 (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 annual financial statements for the year ended 31 December 2021.

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 2021.

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

- Note 9 – Receivables under service concession arrangements

Management has determined that there is no impairment loss for the Group's goodwill on consolidation as at 30 September 2022.

### **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 2021.

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

## **3. SEASONAL OPERATIONS**

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

#### 4. SEGMENT INFORMATION

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

(i) Water and Sludge Treatment:

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

(ii) Water Supply:

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

(iii) Waste Incineration:

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

Other operations include design and consultancy on the projects and installation of water meters. None of these segments meets any of the quantitative thresholds for determining reportable segments for the financial period ended 30 September 2022 and 31 December 2021.

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:

Nine months ended 30 September 2022 (Unaudited)

All amount in RMB'000	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Revenue	3,216,015	847,354	1,494,056	5,557,425	230,370	-	5,787,795
Reportable segment profit/(loss) from operations	1,146,037	107,291	267,676	1,521,004	70,895	(76,378)	1,515,521
Finance income	-	-	-	-	-	27,854	27,854
Finance expenses	-	-	-	-	-	(523,154)	(523,154)
Other non-operating income	21,701	21,515	2,051	45,267	7	7,998	53,272
Share of results of associates	6,198	-	-	6,198	2,809	1,588	10,595
Share of results of joint ventures	-	-	15,845	15,845	-	-	15,845
Income tax expense	(115,205)	(30,038)	(66,928)	(212,171)	(11,075)	(32,913)	(256,159)
Profit after tax							843,774
Segment depreciation and amortisation	184,852	79,211	1,860	265,923	203	8,904	275,030
Segment non-cash income	364	-	-	364	-	-	364
Segment non-cash expenses	-	1,270	-	1,270	316	-	1,586

4. SEGMENT INFORMATION - cont'd

Segment revenue and results – cont'd

Nine months ended 30 September 2021 (Unaudited)

All amount in RMB'000	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Revenue	3,052,125	757,110	1,121,003	4,930,238	141,385	-	5,071,623
Reportable segment profit/(loss) from operations	1,199,376	112,034	143,653	1,455,063	48,458	(90,450)	1,413,071
Finance income	-	-	-	-	-	23,894	23,894
Finance expenses	-	-	-	-	-	(508,923)	(508,923)
Other non-operating income	77,468	6,052	2,622	86,142	11	151	86,304
Share of results of associates	3,308	-	-	3,308	194	-	3,502
Share of results of joint ventures	-	-	23,187	23,187	-	-	23,187
Income tax expense	(163,949)	(26,866)	(42,952)	(233,767)	(7,944)	(1,289)	(243,000)
Profit after tax							798,035
Segment depreciation and amortisation	161,388	98,468	7,191	267,047	297	8,332	275,676
Segment non-cash income	-	-	-	-	-	-	-
Segment non-cash expenses	4,559	197	-	4,756	356	-	5,112

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

**Segment assets and liabilities**

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

At 30 September 2022 (Unaudited)

<b>All amount in RMB'000</b>	<b>Water and Sludge Treatment</b>	<b>Water Supply</b>	<b>Waste Incineration</b>	<b>Total for Reportable Segments</b>	<b>Others Segment</b>	<b>Unallocated</b>	<b>Consolidated</b>
Segment assets	26,798,745	4,872,406	5,726,044	37,397,195	649,517	473,668	38,520,380
Interest in joint ventures	-	-	521,861	521,861	-	-	521,861
Interest in associates	95,881	-	-	95,881	108,059	31,398	235,338
Financial assets at fair value through profit or loss	6,678	-	-	6,678	2,313	-	8,991
Financial assets at fair value through other comprehensive income	10,400	-	-	10,400	3,000	-	13,400
Total assets							39,299,970
Segment liabilities	10,574,221	2,161,716	3,277,743	16,013,680	1,279,568	7,404,364	24,697,612
Segment capital expenditure	149,596	100,708	410	250,714	278	6,169	257,161



4. SEGMENT INFORMATION - cont'd

Segment assets and liabilities - cont'd

At 31 December 2021 (Audited)

All amount in RMB'000	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Segment assets	27,418,173	4,096,690	4,121,289	35,636,152	608,298	610,710	36,855,160
Interest in joint ventures	-	-	486,674	486,674	-	-	486,674
Interest in associates	89,683	-	-	89,683	12,250	26,741	128,674
Financial assets at fair value through profit or loss	6,506	-	-	6,506	2,801	-	9,307
Financial assets at fair value through other comprehensive income	10,400	-	-	10,400	3,000	13,691	27,091
Assets classified as held for sale	-	-	7,059	7,059	-	-	7,059
Total assets							37,513,965
Segment liabilities	11,260,855	1,842,371	2,450,549	15,553,775	1,276,406	6,647,583	23,477,764
Segment capital expenditure	264,333	43,813	23,928	332,074	154	40	332,268

## 5. REVENUE

	Three months ended 30 September		Nine months ended 30 September	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Construction revenue	772,574	561,951	2,039,638	1,636,069
Operating and maintenance income from services concession arrangements	876,360	812,107	2,493,742	2,346,107
Financial income from service concession arrangements	309,723	281,242	923,793	819,340
Service income	22,082	51,948	100,252	128,722
Other revenue	120,181	64,365	230,370	141,385
	<u>2,100,920</u>	<u>1,771,613</u>	<u>5,787,795</u>	<u>5,071,623</u>
Timing of revenue recognition				
At a point in time:	876,360	812,107	2,493,742	2,346,107
Over time:	1,224,560	959,506	3,294,053	2,725,516
	<u>2,100,920</u>	<u>1,771,613</u>	<u>5,787,795</u>	<u>5,071,623</u>

## 6. TAXATION

	Three months ended 30 September		Nine months ended 30 September	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Current tax:				
- Current year	58,262	60,332	173,204	153,882
- Over provision in respect of prior periods	(854)	(18)	(18,527)	(2,401)
Deferred tax:				
- Current year	40,211	34,803	101,271	91,988
- Under/(Over) provision in respect of prior periods	207	(563)	211	(469)
	<u>97,826</u>	<u>94,554</u>	<u>256,159</u>	<u>243,000</u>

The corporate income tax applicable to the Singapore companies of the Group is 17% (Nine months ended 30 September 2021: 17%).

## 6. TAXATION - cont'd

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

## 7. PROFIT FOR THE PERIOD

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

	Three months ended 30 September		Nine months ended 30 September	
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss allowance for trade receivables, net	3,809	2,360	906	4,650
Loss allowance for non-trade receivables, net	-	-	-	106
Depreciation of property, plant and equipment	10,014	10,027	31,129	27,669
Amortisation of intangible assets	78,473	81,276	235,483	239,728
Depreciation of right-of-use assets	3,128	2,760	8,418	8,279
Loss on disposal of property, plant and equipment	8	25	137	18
(Gain)/Loss on disposal of intangible assets	-	(25)	9	(30)
Gain on disposal of FVTOCI	(842)	-	(842)	-
Gain on disposal of a subsidiary	(2,580)	-	(2,580)	(23,566)
Gain on bargain purchase arising from acquisition of a subsidiary	-	(6,512)	-	(6,512)
Finance income	(11,928)	(11,109)	(27,854)	(23,894)
Finance expenses	186,142	160,621	523,154	508,923
Share of results of associates	(4,875)	(1,376)	(10,595)	(3,502)
Share of results of joint ventures	(5,151)	(10,828)	(15,845)	(23,187)
Fair value loss/(gain) on financial assets at fair value through profit and loss	288	(118)	316	356
Foreign exchange (gain)/loss, net	(23,540)	851	(7,890)	5,696

## 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:

	<b>30 September 2022 RMB'000 (Unaudited)</b>	<b>31 December 2021 RMB'000 (Audited)</b>
Within 30 days	857,935	705,754
Within 31 to 60 days	245,532	248,522
Within 61 to 90 days	228,406	189,181
Within 91 to 180 days	424,805	357,373
Within 181 to 365 days	540,356	447,736
Over 365 days	659,232	463,581
	<u>2,956,266</u>	<u>2,412,147</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>30 September 2022 RMB'000 (Unaudited)</b>	<b>31 December 2021 RMB'000 (Audited)</b>
Receivables under service concession arrangements		
Current portion	717,239	680,394
Non-current portion	21,979,723	20,950,596
	<u>22,696,962</u>	<u>21,630,990</u>

Expected collection schedule is analysed as follows:

Within 1 year	717,239	680,394
Within 2 to 5 years	2,959,295	2,944,166
Over 5 years	19,020,428	18,006,430
	<u>22,696,962</u>	<u>21,630,990</u>

## 10. INTANGIBLE ASSETS

During the period, the Group's additions of intangible assets amounted to RMB237,808,000 (Nine months ended 30 September 2021: RMB206,365,000).

Certain intangibles with carrying value of RMB 1,410,389,000 were pledged to secure the Group's bank borrowings as at 30 September 2022 (31 December 2021: RMB1,355,517,000 ).

## 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>30 September 2022 RMB'000 (Unaudited)</b>	<b>31 December 2021 RMB'000 (Audited)</b>
Within 30 days	995,635	1,272,781
Within 31 to 60 days	81,467	129,638
Within 61 to 90 days	56,152	61,203
Within 91 to 180 days	94,712	208,679
Within 181 to 365 days	164,935	202,642
Over 365 days	682,590	764,928
	<u>2,075,491</u>	<u>2,639,871</u>

## 12. BANK AND OTHER BORROWINGS

	<b>30 September 2022 RMB'000 (Unaudited)</b>	<b>31 December 2021 RMB'000 (Audited)</b>
Amount repayable within one year or on demand		
Secured	2,386,580	3,118,018
Unsecured	2,701,757	1,859,497
	<u>5,088,337</u>	<u>4,977,515</u>
Amount repayable after one year		
Secured	8,100,219	7,085,409
Unsecured	5,130,088	4,565,377
	<u>13,230,307</u>	<u>11,650,786</u>

### Details of any collateral

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

### 13. SHARE CAPITAL

	Group and Company	
	Number of ordinary shares	Amount
	(Unaudited)	RMB'000 (Unaudited)
<b>Issued and paid up share capital</b>		
At 1 January 2021	2,602,817,726	5,947,420
Share buy-back and cancelled	(27,152,000)	(27,245)
At 31 December 2021 and 30 September 2022	<u>2,575,665,726</u>	<u>5,920,175</u>

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

Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the nine months ended 30 September 2022.

### 14. DIVIDENDS

A final one-tier tax exempt dividend of S\$0.01 per ordinary share in respect of the financial year ended 31 December 2021 was approved in the annual general meeting held on 29 April 2022 and paid out on 31 May 2022.

On 5 August 2022, the Board has resolved to declare an interim dividend of S\$0.005 per ordinary share to shareholders who are on the register as at 1 September 2022. The interim dividend was fully paid out on 30 September 2022.

### 15. NET ASSET VALUE

	Group		Company	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	RMB cents (Unaudited)	RMB cents (Audited)	RMB cents (Unaudited)	RMB cents (Audited)
Net asset value per ordinary share	<u>371.44</u>	<u>370.10</u>	<u>236.98</u>	<u>232.73</u>

Net asset value per share is calculated based on the number of shares in issue of 2,575,665,726 as at 30 September 2022 (31 December 2021: 2,575,665,726).

## 16. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

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

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

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

Financial assets	Fair value		Fair value hierarchy
	30 September 2022	31 December 2021	
	RMB'000 (Unaudited)	RMB'000 (Audited)	
<b>Financial assets at FVTOCI</b>			
Listed equity security	-	13,691	Level 1
Unlisted equity security	13,400	13,400	Level 3
<b>Financial assets at FVTPL</b>			
Listed equity security	2,485	2,801	Level 1
Put option of unlisted equity security	6,506	6,506	Level 3

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

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

	30 September 2022		31 December 2021	
	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	17,441,072	18,033,396	17,943,313	18,631,768
<b>Financial liabilities</b>				
Bank and other borrowings (Fixed rate borrowings)	(3,759,424)	(3,689,497)	(3,457,803)	(3,341,343)
Other non-current liabilities	(38,495)	(30,867)	(38,495)	(30,755)

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

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

## 17. RELATED PARTY TRANSACTIONS

Hong Kong Shun Yuen Investment (Holdings) Limited and Topper Gain Group Limited, which are wholly-owned subsidiaries of Shanghai Industrial Holdings Limited which indirectly holds 49.25% of the issued ordinary shares of the Company, subscribed for new shares of Longjiang Environmental Protection Group Co., Ltd., a subsidiary of the Group, on a pro-rata basis for the consideration of RMB81,562,600. The subscription process was completed in January 2022.

On 6 July 2022, the Group had entered into the Sale and Purchase Agreement with an associate to sell its 100% equity interest in Dazhou Jiajing Environment Renewable Resource Co., Ltd. through its wholly owned subsidiary, Hongkong Nany New Energy (Dazhou) Limited. The related industrial and commercial registration of the equity transfer was completed on 2 August 2022.

There are no material related party transactions apart from those disclosed elsewhere in the Condensed Interim Consolidated Financial Statements during 9M FY2022 and 3QFY2022.



## 18. DISPOSAL OF SUBSIDIARIES

In August 2022, the Group through its wholly owned subsidiary, Hongkong Nany New Energy (Dazhou) Limited, disposed the entire 100% equity interest in Dazhou Jiajing Environment Renewable Resource Co., Ltd. (“Dazhou”) for consideration of RMB283,281,000 to an associate. The consideration was arrived at after arm’s length negotiation based on normal commercial terms. At the end of the reporting period, the Group have received cash consideration amounting to RMB223,792,000.

In August 2022, the Group through its subsidiary, Fudan Water Engineering And Technology Co., Ltd., disposed the entire 51% equity interest in Shenxian Si Environment Protection Energy Co., Ltd. (“Shenxian”) for consideration of RMB4,134,000 to a third party. The consideration was arrived at after arm’s length negotiation based on normal commercial terms. At the end of the reporting period, the Group have received all cash consideration.

Further details of the consideration, and assets and liabilities disposed of in respect of the disposed subsidiaries during the reporting period are set out below:

	<b>Dazhou RMB'000 (Unaudited)</b>	<b>Shenxian RMB'000 (Unaudited)</b>
<b>Analysis of assets and liabilities over which control was lost</b>		
Cash and cash equivalents	102,768	635
Trade and other receivables	72,929	205
Inventories	1,017	-
Receivables under service concession arrangements	549,357	-
Prepayments	1,876	-
Property, Plant & Equipment	72,233	4,500
Intangibles assets	235,034	-
Trade and other payables	(342,019)	(90)
Bank and other borrowings	(384,739)	-
Deferred tax liabilities	(26,298)	-
Non-controlling interest	-	(2,573)
	<u>282,158</u>	<u>2,677</u>
<b>Gain on disposal</b>		
Cash consideration	283,281	4,134
Less: Net assets disposed of	(282,158)	(2,677)
	<u>1,123</u>	<u>1,457</u>
<b>Net cash inflow arising on disposal</b>		
Cash consideration received	223,792	4,134
Less: Cash and cash equivalents disposed of	(102,768)	(635)
	<u>121,024</u>	<u>3,499</u>

The subsidiaries disposed of during the period did not have a significant contribution to the results and cash flows of the Group during the period prior to the disposal.

## **19. SUBSEQUENT EVENTS**

On 3 November 2022, the Group had entered into the Sale and Purchase Agreement with a third party, Yunnan Water (Hong Kong) Co., Ltd. to buy 100% equity interest in the Yun Shui Technology Co., Ltd., through its indirect wholly owned subsidiary, Global Environment Investment (HK) Limited, at a consideration of RMB296,259,700. Details for this acquisition are set out in the announcement on 3 November 2022.

## 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 30 September 2022, there were no treasury shares held (31 December 2021: Nil). Total number of issued shares as at 30 September 2022 was 2,575,665,726 (31 December 2021: 2,575,665,726).

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares for the financial period ended 30 September 2022.

- 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 condensed interim consolidated statement of financial position of the Company and its subsidiaries as at 30 September 2022 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 nine-month 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 2021.

**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 condensed interim consolidated statement of comprehensive income.

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 recorded an increase in revenue from RMB5,071.6 million in 9MFY2021 to RMB5,787.8 million in 9MFY2022, representing an increase of 14.1%. Gross profit ("GP") has increased from RMB1,773.8 million in 9MFY2021 to RMB1,932.0 million in 9MFY2022.

Meanwhile, the Group's profit for the period amounted to RMB843.8 million, up 5.7% as compared to 9MFY2021. The Group's profit after tax (attributable to owners of the Company) increased from RMB513.8 million in 9MFY2021 to RMB571.0 million in 9MFY2022, representing an increase of 11.1%.

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 amounted to RMB772.6 million and RMB2,039.6 million in 3QFY2022 and 9MFY2022 respectively (3QFY2021: RMB562.0 million; 9MFY2021: RMB1,636.1 million). The Group's benchmark solid waste treatment and power generation project "Shanghai Baoshan Renewable Energy Utilization Centre" has entered into commissioning phase at the end of September 2022 and has contributed a higher construction revenue as compared to 9MFY2021.

#### 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 RMB1,186.1 million and RMB3,417.5 million in 3QFY2022 and 9MFY2022 respectively (3QFY2021: RMB1,093.3 million; 9MFY2021: RMB3,165.4 million). The higher revenue was underpinned by the increase in waste water treatment and water supply volume and average wastewater treatment tariff.

#### Service Income

Service income from non-service concession arrangements amounted to RMB22.1 million and RMB100.3 million in 3QFY2022 and 9MFY2022 respectively (3QFY2021: RMB51.9 million; 9MFY2021: RMB128.7 million). The service income decrease is due to lower wastewater treatment volume from non-service concession arrangements as compared to previous period.

#### Other Revenue

Other revenue for 3QFY2022 and 9MFY2022 were RMB120.2 million and RMB230.4 million respectively (3QFY2021: RMB64.4 million; 9MFY2021: RMB141.4 million). Other revenue mainly consists of installation works carried out, which are ad-hoc in nature.

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

The Group's GP increased by RMB71.3 million or 11.6% from RMB616.0 million in 3QFY2021 to RMB687.3 million in 3QFY2022. Meanwhile, GP increased by 158.2 million or 8.9% from RMB1,773.8 million in 9MFY2021 to RMB1,932.0 million in 9MFY2022. The increase in GP was primarily driven by the increase in construction activities in progress and financial income from service concession arrangements.

The GPM in 3QFY2022 was 2.1% behind as compared to 3QFY2021, from 34.8% in 3QFY2021 to 32.7% in 3QFY2022. GPM in 9MFY2022 was 33.4%, represent a decrease of 1.6% as compared to the corresponding period in the previous year.

The energy price has remained at high level since the last quarter of FY2021. Disruption in the logistic supply chain had continued to push up the chemical costs in Mainland China. Despite the pressure on operating cost has showed signs of easing, the path to recovery ahead continue to be challenging.

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

### **(B) Other Income**

Other income amounted to RMB18.3 million and RMB79.2 million in 3QFY2022 and 9MFY2022 respectively (3QFY2021: RMB43.0 million; 9MFY2021: RMB131.8 million). The decrease in 9MFY2022 as compared to 9MFY2021 was mainly due to the reduction in government grant income.

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

Other gains and losses shifted from a loss of RMB0.7 million in 3QFY2021 to a gain of RMB24.3 million in 3QFY2022 and decreased from a gain of RMB17.5 million in 9MFY2021 to RMB7.0 million in 9MFY2022. The changes in 3QFY2022 compared to 3QFY2021 were mainly due to unrealised foreign exchange gain recorded in 3QFY2022, while the decrease in year to date other gains were due to the ad-hoc gain on disposal of a subsidiary in June FY2021.

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

Selling and distribution costs decreased from RMB20.5 million in 3QFY2021 to RMB20.0 million in 3QFY2022 and decreased from RMB60.3 million in 9MFY2021 to RMB59.0 million in 9MFY2022. The selling and distribution costs were relatively stable in both comparative periods.

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

Administrative expenses increased 11.5% from RMB125.7 million in 3QFY2021 to RMB140.1 million in 3QFY2022, a similar trend was observed in nine months of the year, increasing 6.8% from RMB339.5 million in 9MFY2021 to RMB362.5 million in 9MFY2022. The increase in administrative expenses was mainly caused by the increase in manpower costs and is in line with the growth in overall revenue and water treatment volume.

### **(F) Finance Expenses**

Finance expenses amounted to RMB186.1 million and RMB523.2 million in 3QFY2022 and 9MFY2022 respectively (3QFY2021: RMB160.6 million; 9MFY2021: RMB508.9 million). The increase in 3QFY2022 and 9MFY2022 compared to corresponding period of the immediately preceding financial year are predominantly contributed by the increase in outstanding balance of bank and other borrowings, which was injected to support the ongoing projects construction and upgrading. While the recent interest rate hike in certain markets outside of Mainland China also contributed to a minor portion of the increase in finance expenses of the floating rate borrowings.

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

### **(G) 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.

The share of results of joint ventures in 3QFY2022 decreased as compared to 3QFY2021, as the joint venture company which is based in Shanghai had been temporarily affected by the latest wave of Covid epidemic in Mainland China and incurred additional ad-hoc costs which were necessary to maintain the smooth operation and to ensure the safety and sustainable environment of the city.

The share of results of associates in 3QFY2022 and 9MFY2022 saw a strong increase as compared to 3QFY2021 and 9MFY2021, arising from efficient operation and better management.

### **(H) Income Tax Expenses**

Income tax expenses amounted to RMB97.8 million and RMB256.2 million in 3QFY2022 and 9MFY2022 respectively (3QFY2021: RMB94.6 million; 9MFY2021: RMB243.0 million). The increase in income tax expense was in line with the increase in profit generated in 3QFY2022 and 9MFY2022 as compared to 3QFY2021 and 9MFY2021.

## **STATEMENTS OF FINANCIAL POSITION**

### **(I) Current Assets**

Current assets as at 30 September 2022 amounted to RMB8.40 billion (31 December 2021: RMB7.49 billion). The increase in current assets was due to the increase in trade and other receivable balance, receivables under service concession arrangements - current portion and cash and cash equivalents.

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

Non-current assets as at 30 September 2022 amounted to RMB30.90 billion (31 December 2021: RMB30.02 billion). The majority of the increase was led by the construction and of projects development and projects expansion and upgrading, which reflected as receivables under service concession arrangements – non-current portion under non-current assets.

### **(K) Current Liabilities**

Current liabilities as at 30 September 2022 amounted to RMB8.99 billion (31 December 2021: RMB9.43 billion). The slight decrease was mainly due to decrease in trade and other payables balance, which was partially offset by the movement in bank and other borrowings.

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

Non-current liabilities as at 30 September 2022 amounted to RMB15.71 billion (31 December 2021: RMB14.04 billion). The increase was due to new long-term borrowings taken up in 9MFY2022 which were mainly for the purpose of ongoing construction and upgrading projects.



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

**STATEMENT OF CASH FLOWS**

As at 30 September 2022, the Group's cash and cash equivalents stood at RMB2.83 billion (31 December 2021: RMB2.79 billion). In 9MFY2022, net cash of RMB520.1 million was used in the Group's operating activities, as significant of cash was used towards the Group's investments in projects with service concession arrangements. Excluding cash used in these projects, cash generated from operating activities in 9MFY2022 was RMB549.5 million.

Net cash used in the Group's investing activities of RMB269.4 million in 9MFY2022 was mainly due to net cash outflow from purchase of property, plant and equipments, intangibles assets and additional captial injection in an associate, partially offset with the net cash inflow arising on disposal of subsidiaries.

Net cash generated from financing activities of RMB812.7 million in 9MFY2022 was mainly due to the net proceeds from bank and other borrowings, interest payment and the equity contribution from non-controlling interests upon additional capital injection in subsidiaries.

**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 overall economy of the People's Republic of China ("PRC" or "China") stabilized in the third quarter. The Central Government continued to push towards the realization of "carbon peak" and "carbon neutrality" goals plus green transformation in economic and social development, and launched related supportive policies covering environmental protection areas such as wastewater treatment and solid waste recycling. Taking reference of national strategies and guided by market demand, the Group has continued to seize development opportunities and steadily proceeded with relevant project work.

In early July 2022, the Ministry of Housing and Urban-Rural Development ("MOHURD") and the China Development Bank issued the "Notice on Promoting Development Financing Support for the Construction of Household Waste and Wastewater Treatment Facilities in Counties" (關於推進開發性金融支援縣域生活垃圾污水處理設施建設的通知), which clearly states that priority credit support should be given to counties for constructing household wastewater and waste treatment facilities, and credit term can be extended to as long as 30 years. At the end of August, 17 departments including the Ministry of Ecology and Environment jointly issued the "Action Plan for Deepening the Protection and Restoration of the Yangtze River" (深入打好長江保護修復攻堅戰行動方案), setting the goal to ensure that all water in the river basin area meets Grade II classification by the end of 2025, and to basically eliminate black and odorous water bodies in the built-up areas of county-level cities along the Yangtze River Economic Belt.

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.**

It is believed that the above-mentioned policies will help the water industry achieve high-quality development. Drawing on its extensive relevant experiences, the Group will pay close attention to opportunities for merger and acquisition of quality businesses, and apply its expertise to reap the most synergies from such moves taken. On the other hand, the Group has always seen key cities and river basins as the focus of its business deployment. The recently secured Xicen Water Purification Plant Project ("**Xicen Project**") is located in Jinze Town, Qingpu District, Shanghai. In order to meet the local need of protecting water source, the Project is to implement a high water discharge standard of Quasi Grade III. Upon the Project's operation, it is expected that the local wastewater treatment capacity will grow significantly, and the water environment will improve even further. Xicen Project also represents the Group's strategic effort to consolidate its business presence in the Yangtze River Delta region. The "Implementation Plan for Carbon Peaking in the Demonstration Zone of Green and Integrated Ecological Development of the Yangtze River Delta" (長三角生態綠色一體化發展示範區碳達峰實施方案), released in August, states that the Xicen Science and Technology Innovation Center in Qingpu will build a green and low-carbon infrastructure network, so as to accelerate the construction of the most dynamic and innovative green hub of Yangtze River Delta. Xicen Project, with green concepts and smart technologies fully integrated into its design, is expected to serve as an industry benchmark and become another representative project of the Group.

Regarding solid waste treatment, in mid-July, the Shanghai authority issued the "Implementation Plan for Carbon Peaking in Shanghai City" (the "**Plan**") (上海市碳達峰實施方案), setting the target for 2030 of reducing carbon dioxide emission per GDP unit by 70% compared to 2005, so as to ensure achieving carbon peak goal on time. The Plan specifically mentions the need to construct a number of biomass energy generation projects to complement existing household waste incineration facilities in areas including Baoshan, and states that the city's total installed capacity of biomass energy generation facilities is to reach 840,000 kilowatts by 2030. On a nation-wide scale, the MOHURD and the National Development and Reform Commission issued the "Implementation Plan for Carbon Peaking in Urban-Rural Construction" (城鄉建設領域碳達峰實施方案), which requires the utilization rate of urban solid waste to reach 65% by 2030. That plus the continuous improvement of relevant laws and regulations, allows the domestic solid waste treatment industry to have huge room for growth during the 14<sup>th</sup> Five-Year Plan period. The first unit of the Group's key solid waste project – Shanghai Baoshan Renewable Energy Utilization Center ("**Baoshan Project**") – has been connected to the grid in late September. Its system has been operating stably and all economic and technical indicators are in good state. With a 3,800-tonne daily capacity, Baoshan Project is to be developed into a landmark project in the Yangtze River Delta. Being a comprehensive environmental protection enterprise which stands out in management, technology, operation and capital capacity, and given the success it has achieved with the Baoshan Project, the Group will definitely boast greater potential in the solid waste market in the future.

## 11. Dividend

If a decision regarding dividend has been made:

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

None.

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

Any dividend declared for the current financial period reported on?

None.

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

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

There was no interim dividend declared for 3QFY2021.

- (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, Yang Jianwei and Xu Xiaobing, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the period ended 30 September 2022, 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. Yang Jianwei**  
**Executive Director**

10 November 2022