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SIIC ENVIRONMENT HOLDINGS LTD.

上海實業環境控股有限公司*

(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong stock code: 807)

(Singapore stock code: BHK)

Unaudited Financial Statements and Dividend Announcement for the Second Quarter and Six Months ended 30 June 2021

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, 6 August 2021

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. Zhao Youmin; and the independent non-executive Directors are Mr. Yeo Guat Kwang, Mr. An Hongjun and Mr. Zhong Ming.

** For identification purpose only*



SIIC ENVIRONMENT HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No: 200210042R)

Unaudited Financial Statements and Dividend
Announcement for the Second Quarter and Six Months
ended 30 June 2021

6 August 2021

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

Second Quarter and First Half of Financial Year 2021 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 six months ended 30 June 2021 ("1HFY2021"). The Group's net profit attributable to shareholders for the period amounted to RMB332.7 million, up 18.3% for the comparative period in 1HFY2020.

This performance was on the back of a 25.0% increase in revenue to RMB3.3 billion as supported by the increase in operating and maintenance income from service concession arrangement and construction revenue arising from the higher amount of construction activities in progress. Gross profit rose 26.4% to RMB1.2 billion, mainly on contribution from increased wastewater treatment volume and average treatment tariff.

As at 30 June 2021, the Group's cash and cash equivalents stood at a healthy RMB2.6 billion.

Review of Interim Results

The audit committee has reviewed the Company's unaudited consolidated interim results for the six months ended 30 June 2021.

Corporate Governance

The Company has complied with all the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of the Hong Kong Limited (the "Stock Exchange") throughout the six months ended 30 June 2021.

Purchase, Sale or Redemption of Listed Securities

During the six months ended 30 June 2021, the Company bought back a total of 27,152,000 shares of the Company on the Singapore Stock Exchange and Hong Kong Stock Exchange at an aggregate consideration of RMB27,245,351 (before expenses). As at 30 June 2021, 27,152,000 repurchased Shares have been cancelled and the total number of shares of the Company in issue was 2,575,665,726.

Details of the shares bought back during the period are as follows:

Singapore Stock Exchange

Month	Number of shares bought back	Price paid per share		Aggregate consideration (before expense) SGD
		Highest SGD	Lowest SGD	
March 2021	9,291,000	0.205	0.189	1,842,302.12
April 2021	3,849,000	0.215	0.210	819,823.53

Hong Kong Stock Exchange

Month	Number of shares bought back	Price paid per share		Aggregate consideration (before expense) HKD
		Highest HKD	Lowest HKD	
March 2021	14,012,000	1.26	1.15	16,841,943.53

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the six months ended 30 June 2021.

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

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

UNAUDITED RESULTS FOR THE SECOND QUARTER ("2QFY2021") AND FIRST HALF FINANCIAL YEAR ("1HFY2021") ENDED 30 June 2021

	Note	Group					
		3 Months Ended		Changes	6 Months Ended		Changes
		30.6.21	30.6.20		30.6.21	30.6.20	
		RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	8(A)	1,678,194	1,586,712	5.8	3,300,010	2,639,636	25.0
Cost of sales		(1,073,832)	(1,083,691)	(0.9)	(2,142,198)	(1,723,809)	24.3
Gross profit	8(B)	604,362	503,021	20.1	1,157,812	915,827	26.4
Other income	8(C)	44,356	64,209	(30.9)	88,825	122,932	(27.7)
Other gains and losses	8(D)	21,102	(2,880)	N.M.	18,247	191	>100
Selling and distribution costs	8(E)	(20,429)	(17,548)	16.4	(39,788)	(32,976)	20.7
Administrative expenses	8(F)	(118,672)	(99,831)	18.9	(213,853)	(175,186)	22.1
Finance expenses	8(G)	(179,067)	(178,184)	0.5	(348,302)	(354,000)	(1.6)
Share of results of joint ventures	8(H)	6,077	8,926	(31.9)	12,359	17,298	(28.6)
Share of results of associates	8(H)	2,079	3,453	(39.8)	2,126	2,638	(19.4)
Profit before tax	8(I)	359,808	281,166	28.0	677,426	496,724	36.4
Income tax expense	8(J)	(71,394)	(58,042)	23.0	(148,446)	(105,419)	40.8
Profit for the period		288,414	223,124	29.3	528,980	391,305	35.2
Other comprehensive income/(loss):							
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
Exchange difference arising from translation		36,992	29,792	24.2	14,073	(44,673)	N.M.
Fair value change on investments in equity instruments designated as at FVTOCI		929	3,737	(75.1)	178	1,819	(>100)
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange differences arising from translation of foreign operations		8,764	(3,109)	N.M.	24,743	6,249	>100
Total comprehensive income for the period		335,099	253,544	32.2	567,974	354,700	60.1
Profit for the period attributable to:							
Owners of the Company		172,625	151,131	14.2	332,741	281,239	18.3
Non-controlling interests		115,789	71,993	60.8	196,239	110,066	78.3
		288,414	223,124	29.3	528,980	391,305	35.2
Total comprehensive income attributable to:							
Owners of the Company		219,310	181,551	20.8	371,735	244,634	52.0
Non-controlling interests		115,789	71,993	60.8	196,239	110,066	78.3
		335,099	253,544	32.2	567,974	354,700	60.1
Earnings per share (RMB cents)	(6)						
-Basic		6.70	5.81	15.3	12.86	10.81	19.0
-Diluted		6.70	5.81	15.3	12.86	10.81	19.0

N.M. – Not Meaningful

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

	Note	Group		Company	
		As At 30.6.21	As At 31.12.20	As At 30.6.21	As At 31.12.20
		RMB'000	RMB'000	RMB'000	RMB'000
Current assets					
Cash and cash equivalents		2,617,628	2,668,525	222,266	94,528
Pledged bank deposits		107,980	161,729	-	-
Trade and other receivables	8(K)	3,285,229	2,633,585	1,046	1,075
Bills receivables		8,418	3,617	-	-
Prepayments		57,559	71,565	2,832	-
Inventories		221,073	221,390	-	-
Receivables under service concession arrangements - current portion		649,184	677,871	-	-
Amounts due from customers for contract work		153,390	69,317	-	-
Amounts due from subsidiaries		-	-	2,980,695	1,680,734
Amounts due from joint venture		787	137	787	137
Amounts due from associate		10,902	10,902	-	-
Financial assets at fair value through profit or loss		2,693	3,167	-	-
Assets classified as held for sale		-	210,952	-	-
Total current assets	8(L)	7,114,843	6,732,757	3,207,626	1,776,474
Non-current assets					
Financial assets at fair value through other comprehensive income		25,613	26,433	-	-
Prepayments		259,946	159,036	-	-
Receivables under service concession arrangements – non-current portion		20,111,199	19,306,418	-	-
Property, plant and equipment		329,162	324,656	78	100
Right-of-use assets		41,932	47,451	5,080	8,436
Intangible assets		6,589,351	6,631,481	-	-
Long term receivables		351,669	351,109	-	-
Deferred tax assets		67,900	67,518	-	-
Investment in subsidiaries		-	-	5,389,314	5,500,122
Interest in joint ventures		525,410	523,961	317,248	326,334
Interest in associates		116,306	99,496	-	-
Goodwill on consolidation		457,241	457,241	-	-
Amounts due from associates		26,681	24,074	-	-
Total non-current assets	8(M)	28,902,410	28,018,874	5,711,720	5,834,992
Total assets		36,017,253	34,751,631	8,919,346	7,611,466
Current liabilities					
Trade and other payables	8(N)	4,036,313	3,764,190	60,633	43,976
Bills payable to banks		37,570	45,342	-	-
Tax payable		158,186	165,727	-	-
Amounts due to customers for contract work		49,682	41,619	-	-
Amounts due to subsidiaries		-	-	216,326	222,383
Bank and other borrowings		3,776,562	4,710,362	1,208,651	1,056,928
Lease liabilities		9,387	10,598	4,435	6,946
Liabilities directly associated with assets classified as held for sale		-	151,884	-	-
Total current liabilities	8(O)	8,067,700	8,889,722	1,490,045	1,330,233
Non-current liabilities					
Bank and other borrowings		12,118,915	10,542,101	1,495,220	-
Deferred tax liabilities		2,162,298	2,089,843	-	-
Other non-current liabilities		170,512	174,914	-	-
Lease liabilities		28,964	33,052	962	1,925
Total non-current liabilities	8(P)	14,480,689	12,839,910	1,496,182	1,925
Capital, reserves and non-controlling interests					
Share capital		5,920,175	5,947,420	5,920,175	5,947,420
Retained earnings		2,998,071	2,805,242	10,016	156,405
Other reserves		229,112	175,112	2,928	175,483
Equity attributable to owners of the Company		9,147,358	8,927,774	5,933,119	6,279,308
Non-controlling interests		4,321,506	4,094,225	-	-
Total equity		13,468,864	13,021,999	5,933,119	6,279,308
Total liabilities and equity		36,017,253	34,751,631	8,919,346	7,611,466

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

Amount repayable in one year or less, or on demand

As at 30.6.21 RMB'000		As at 31.12.20 RMB'000	
Secured/ Guaranteed	Unsecured/ Unguaranteed	Secured/ Guaranteed	Unsecured/ Unguaranteed
1,648,952	2,165,180	2,111,460	2,644,244

Amount repayable after one year

As at 30.6.21 RMB'000		As at 31.12.20 RMB'000	
Secured/ Guaranteed	Unsecured/ Unguaranteed	Secured/ Guaranteed	Unsecured/ Unguaranteed
9,691,921	2,426,994	9,229,311	1,312,790

Details of any collateral

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

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

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

	Group		Group	
	For 3 Months Ended		For 6 Months Ended	
	30.6.21	30.6.20	30.6.21	30.6.20
	RMB'000	RMB'000	RMB'000	RMB'000
Operating activities				
Profit before tax	359,808	281,166	677,426	496,724
Adjustments for:				
Loss allowance for trade receivables, net	2,550	1,094	2,290	1,560
Loss allowance for non-trade receivables, net	106	-	106	-
Depreciation of property, plant and equipment	8,285	9,363	17,642	18,485
Amortisation of intangible assets	78,917	72,846	158,452	148,918
Depreciation of right-of-use asset	2,759	1,754	5,519	3,508
(Gain)/Loss on disposal of property, plant and equipment	(11)	33	(7)	44
Gain on disposal of intangible assets	-	-	(5)	-
Gain on disposal of financial asset held at fair value through other comprehensive income	-	(806)	-	(806)
Gain on disposal of an associate	-	(1,678)	-	(1,678)
Gain on disposal of a subsidiary	(23,566)	-	(23,566)	(48)
Finance income	(5,894)	(5,314)	(12,785)	(10,923)
Finance expenses	179,067	178,184	348,302	354,000
Share of results of associates	(2,079)	(3,453)	(2,126)	(2,638)
Share of results of joint ventures	(6,077)	(8,926)	(12,359)	(17,298)
Fair value loss/(gain) on financial assets at fair value through profit and loss	316	(380)	474	270
Operating cash flows before working capital changes	594,181	523,883	1,159,363	990,118
(Increase)/decrease in:				
Inventories	(2,489)	(3,745)	317	(22,392)
Amounts due from/to customers for contract work, net	(36,760)	(76,987)	(76,010)	(93,133)
Trade receivables, other receivables and prepayments	(213,617)	81,952	(622,058)	(218,976)
Bills receivables	6,070	8,747	(4,801)	3,022
Amounts due from joint ventures	650	305	650	611
Amounts due from associates	643	(1,930)	1,057	(2,938)
Increase/(decrease) in:				
Trade and other payables(inclusive of non-current liabilities)	186,958	52,144	226,026	(200,175)
Bills payable to banks	(1,975)	(13,883)	(7,772)	(39,644)
Cash from operating activities before service concession arrangement projects	533,661	570,486	676,772	416,493
Change in receivables under service concession arrangements (Note A)	(269,327)	(616,422)	(690,535)	(712,219)
Cash generated from/(used in) operating activities after service concession arrangement projects	264,334	(45,936)	(13,763)	(295,726)
Interest received	5,136	3,743	9,092	5,717
Income tax refund	-	5,154	-	5,154
Income tax paid	(47,970)	(35,110)	(98,405)	(85,956)
Net cash generated from/(used in) operating activities	221,500	(72,149)	(103,076)	(370,811)

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

	Group		Group	
	For 3 Months Ended		For 6 Months Ended	
	30.6.21	30.6.20	30.6.21	30.6.20
	RMB'000	RMB'000	RMB'000	RMB'000
Investing activities:				
Purchase of property, plant and equipment	(25,606)	(5,029)	(30,577)	(10,769)
Purchase of intangible assets, net of amount on credit terms	(53,906)	(48,201)	(135,310)	(76,427)
Increase in prepayment for property, plant and equipment and intangible assets	(435)	(38,574)	(11,452)	(52,992)
Proceeds from disposal of property, plant and equipment	45	10	193	14
Proceeds from disposal of intangible assets	-	-	5	-
Proceeds from disposal of financial assets at FVTOCI	-	3,200	-	3,200
Net cash outflow on acquisition of a subsidiary (Note B)	(39,601)	-	(66,301)	-
Net cash inflow/(outflow) on disposal of a subsidiary	26,986	-	26,986	(631)
Net cash inflow from disposal of an associate	-	4,160	-	4,160
Dividend received from associates	-	200	-	200
Net cash used in investing activities	(92,517)	(84,234)	(216,456)	(133,245)
Financing activities:				
Proceeds from bank and other borrowings	877,932	227,515	3,227,351	1,354,516
Repayment of bank and other borrowings	(1,837,671)	(321,948)	(2,545,965)	(1,276,843)
Interest paid	(174,950)	(164,408)	(334,204)	(343,223)
Principal and interest elements of lease payments	(3,184)	(2,047)	(6,368)	(4,094)
Share buy-back	(3,991)	-	(27,245)	-
Dividend paid to equity shareholders	(124,906)	-	(124,906)	-
Dividend paid to non-controlling interest in subsidiaries	-	(9,840)	(9,670)	(15,840)
Contribution from non-controlling interests upon additional capital injection in a subsidiary	25,200	32,150	25,200	32,150
Decrease in pledged banks deposits	8,019	135,766	53,749	181,390
Net cash (used in) generated from financing activities	(1,233,551)	(102,812)	257,942	(71,944)
Net decrease in cash and cash equivalents	(1,104,568)	(259,195)	(61,590)	(576,000)
Cash and cash equivalents at beginning of period	3,709,999	2,056,302	2,668,525	2,374,770
Effects of exchange rate changes on cash and cash equivalents	12,197	3,360	10,693	1,697
Cash and cash equivalents at end of period	2,617,628	1,800,467	2,617,628	1,800,467
Cash and cash equivalents at end of period				
Cash and bank balances	2,725,608	1,853,749	2,725,608	1,853,749
Less: Pledged bank deposits	(107,980)	(53,282)	(107,980)	(53,282)
Cash and cash equivalents	2,617,628	1,800,467	2,617,628	1,800,467

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

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 1HFY2021 and 2QFY2021.

Note B

Acquisition of Henan Wennuo Environmental Protection Technology Co., Ltd. (“Henan Wennuo”)

In April 2021, the Group through its 92.2% owned subsidiary, Fudan Water Engineering and Technology Co., Ltd. and its 75% owned subsidiary, SIIC Henan Investment Co., Ltd. (“SIIC Henan”), completed the acquisition of 80% equity interest in Henan Wennuo for a total consideration of approximately RMB78,481,920.

Henan Wennuo is principally involved in the operation of 1 sludge treatment plant with total design capacity of 300 tons/day, and is based in Luohe City, Henan Province, PRC.

The purchase price allocation (“PPA”) exercises in respect of the above acquisition will be completed by December 2021.

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

	Henan Wennuo RMB'000
<u>Fair value of assets acquired and liabilities recognised at the respective date of acquisition</u>	
Current assets	48,384
Non-current assets	155,504
Current liabilities	(90,453)
Non-current liabilities	(15,333)
Total identifiable net assets at fair value	98,102
Non-controlling interest measures at fair value	(19,620)
	78,482
<u>Goodwill arising on acquisition</u>	
Cash paid	66,710
Deferred consideration	11,772
Less: Net assets acquired	(78,482)
	-
<u>Net cash outflow arising from acquisition</u>	
Cash consideration paid	66,710
Less: Cash and cash equivalents acquired	(409)
Net cash outflow on acquisition	66,301

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

GROUP	Attributable to owners of the Company										
				Effects of changes in ownership interest in subsidiaries where there is no change in control							
	Share capital	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve	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	
Balance at 1.1.21	5,947,420	2,805,242	175,112	405,422	(10,248)	(9,581)	(10,166)	(200,315)	8,927,774	4,094,225	13,021,999
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	-	160,116	(7,691)	-	(751)	(6,940)	-	-	152,425	80,450	232,875
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	(15,006)	15,006	15,006	-	-	-	-	-	-	-
Total	-	(15,006)	15,006	15,006	-	-	-	-	-	-	-
<u>Others</u>											
Repurchase of shares	(23,254)	-	-	-	-	-	-	-	(23,254)	-	(23,254)
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	(9,670)	(9,670)
Total	(23,254)	-	-	-	-	-	-	-	(23,254)	(9,670)	(32,924)
Balance at 31.3.21	5,924,166	2,950,352	182,427	420,428	(10,999)	(16,521)	(10,166)	(200,315)	9,056,945	4,165,005	13,221,950
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
Total comprehensive income for the period	-	172,625	46,685	-	929	45,756	-	-	219,310	115,789	335,099
<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
Total	-	-	-	-	-	-	-	-	-	40,712	40,712
<u>Others</u>											
Repurchase of shares	(3,991)	-	-	-	-	-	-	-	(3,991)	-	(3,991)
Dividend declared to equity shareholders	-	(124,906)	-	-	-	-	-	-	(124,906)	-	(124,906)
Total	(3,991)	(124,906)	-	-	-	-	-	-	(128,897)	-	(128,897)
Balance at 30.6.21	5,920,175	2,998,071	229,112	420,428	(10,070)	29,235	(10,166)	(200,315)	9,147,358	4,321,506	13,468,864

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

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

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

COMPANY	Attributable to owners of the Company			
	Share capital	Retained earnings	Other reserves*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1.1.21	5,947,420	156,405	175,483	6,279,308
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	-	602	(82,629)	(82,027)
<u>Others</u>				
Repurchase of shares	(23,254)	-	-	(23,254)
Balance at 31.3.21	5,924,166	157,007	92,854	6,174,027
Loss 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	-	(22,085)	(89,926)	(112,011)
<u>Others</u>				
Repurchase of shares	(3,991)	-	-	(3,991)
Dividend declared to equity shareholders	-	(124,906)	-	(124,906)
Balance at 30.6.21	5,920,175	10,016	2,928	5,933,119

* Relates to translation reserve.

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

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

* Relates to translation reserve

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

Share Capital

	Group and Company	
	Number of ordinary shares	Share Capital RMB'000
<u>Issued and paid up share capital</u>		
Balance at 1 January 2021	2,602,817,726	5,947,420
Less : Share buy-back	(27,152,000)	(27,245)
Balance at 30 June 2021	2,575,665,726	5,920,175

As at 30 June 2021, the number of ordinary shares in issue was 2,575,665,726 (30 June 2020: 2,602,817,726 ordinary shares).

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

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

As at 30 June 2021, there were no convertible securities outstanding (30 June 2020: Nil).

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

As at 30 June 2021, there were no treasury shares held (31 December 2020: Nil). Total number of issued shares as at 30 June 2021 was 2,575,665,726 (31 December 2020: 2,602,817,726).

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares for the financial period ended 30 June 2021.

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

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

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

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

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

Not applicable.

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as that of the audited financial statements for the year ended 31 December 2020.

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

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

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

	3 Months Ended		6 Months Ended	
	30.6.21	30.6.20	30.6.21	30.6.20
Earnings per ordinary share of the Group based on net profit attributable to owners of the Company:-				
(i) Based on weighted average number of ordinary shares in issue (RMB cents)	6.70	5.81	12.86	10.81
- Weighted average number of shares ('000)	2,575,754	2,602,818	2,587,976	2,602,818
(ii) On a fully diluted basis of ordinary shares (RMB cents)	6.70	5.81	12.86	10.81
- Weighted average number of shares ('000)	2,575,754	2,602,818	2,587,976	2,602,818

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

	Group	Company
	RMB cents	RMB cents
As at 30 June 2021	355.15	230.35
As at 31 December 2020	343.00	241.25

Net asset value per share is calculated based on the number of shares in issue of 2,575,665,726 as at 30 June 2021 (31 December 2020: 2,602,817,726).

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

STATEMENT OF COMPREHENSIVE INCOME

Overall Review

The Group recorded an increase in revenue from RMB2,639.6 million in 1HFY2020 to RMB3,300.0 million in 1HFY2021, representing an increase of 25.0%. Gross profit ("GP") has increased from RMB915.8 million in 1HFY2020 to RMB1,157.8 million in 1HFY2021.

Meanwhile, the Group's profit for the period amounted to RMB529.0 million, up 35.2% as compared to 1HFY2020. The Group's profit after tax (attributable to owners of the Company) increased from RMB281.2 million in 1HFY2020 to RMB332.7 million in 1HFY2021, representing an increase of 18.3%.

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

(A) Revenue

	2QFY2021	2QFY2020	Change	1HFY2021	1HFY2020	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Construction revenue	503,213	640,017	(21.4)	1,074,118	814,782	31.8
Operating and maintenance income from service concession arrangements	822,893	615,356	33.7	1,534,000	1,195,246	28.3
Financial income from service concession arrangements	267,707	254,040	5.4	538,098	497,179	8.2
Service income	37,615	35,374	6.3	76,774	66,300	15.8
Other revenue	46,766	41,925	11.5	77,020	66,129	16.5
Total	1,678,194	1,586,712	5.8	3,300,010	2,639,636	25.0

Construction Revenue

Construction revenue amounted to RMB503.2 million and RMB1,074.1 million in 2QFY2021 and 1HFY2021 respectively (2QFY2020: RMB640.0 million; 1HFY2020: RMB814.8 million). The higher revenue was mainly due to relatively higher amount of construction activities in progress in 1HFY2021 as compared to 1HFY2020 as a result of the outbreak of Covid-19 in Mainland China in the first quarter of FY2020.

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

(A) Revenue – cont'd

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

The aggregate of operating and maintenance income and financial income from service concession arrangements amounted to RMB1,090.6 million and RMB2,072.1 million in 2QFY2021 and 1HFY2021 respectively (2QFY2020: RMB869.4 million; 1HFY2020: RMB1,692.4 million). The higher revenue was underpinned by the increase in wastewater treatment volume and average treatment tariff.

Service Income

Service income from non-service concession arrangements amounted to RMB37.6 million and RMB76.8 million in 2QFY2021 and 1HFY2021 respectively (2QFY2020: RMB35.4 million; 1HFY2020: RMB66.3 million). The higher revenue was mainly due to the increase in average treatment tariff in 2QFY2021 and 1HFY2021.

Other Revenue

Other revenue for 2QFY2021 and 1HY2021 were RMB46.8 million and RMB77.0 million respectively (2QFY2020: RMB41.9 million; 1HFY2020: RMB66.1 million). The other revenue mainly consists of installation works carried out, which are ad-hoc in nature.

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

The Group's GP increased 20.1% from RMB503.0 million in 2QFY2020 to RMB604.4 million in 2QFY2021. Meanwhile, GP increased by RMB242.0 million or 26.4% from RMB915.8 million in 1HFY2020 to RMB1,157.8 million in 1HFY2021. The increase in GP was mainly due to the higher wastewater treatment volume and average treatment tariff achieved by the Group as explained in Note A.

GPM increased by 4.3% from 31.7% in 2QFY2020 to 36.0% in 2QFY2021. The increase was due mainly to higher contribution from operation segments (which have a relatively higher GPM) and the increase in average wastewater treatment tariff during 2QFY2021.

There is no material variance for GPM in 1HFY2021 as compared to 1HFY2020.

(C) Other Income

Other income amounted to RMB44.4 million and RMB88.8 million in 2QFY2021 and 1HFY2021 respectively (2QFY2020:RMB64.2 million; 1HFY2020: RMB122.9 million). The decrease was mainly due to the reform of value-added-tax refund imposed on billing raised from service concession arrangements, which was effective in May FY2020.

(D) Other Gains and Losses

Other gains and losses improved from a loss of RMB2.9 million in 2QFY2020 and a gain of RMB0.2 million in 1HFY2020 to a gain of RMB21.1 million in 2QFY2021 and RMB18.2 million in 1HFY2021 respectively. The movement in other gains and losses is mainly due to the gain on disposal of a subsidiary in 2QFY2021.

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

Selling and distribution costs increased from RMB17.5 million in 2QFY2020 to RMB20.4 million in 2QFY2021 and RMB33.0 million in 1HFY2020 to RMB39.8 million in 1HFY2021. The increase in selling and distribution expenses was due to the recovery from Covid-19 as business activities have recovered back to normal since the second half of FY2020.

(F) Administrative Expenses

Administrative expenses increased from RMB99.8 million in 2QFY2020 to RMB118.7 million in 2QFY2021 and RMB175.2 million in 1HFY2020 to RMB213.9 million in 1HFY2021. The increase in administrative expenses was due to the recovery from Covid-19 which has resulted in the increase in business activities in 1HFY2021 as compared to 1HFY2020.

(G) Finance Expenses

Finance expenses amounted to RMB179.1 million in 2QFY2021 (2QFY2020: RMB178.2 million) and RMB348.3 million in 1HFY2021 (1HFY2020: RMB354.0 million). There is no material variance for finance expenses in 2QFY2021 and 1HFY2021 as compared to 1QFY2020 and 1HFY2020 respectively.

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

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

The decrease in share of results of associates in 1HFY2021 as compared to 1HFY2020 was mainly due to lower contribution from associates.

The decrease in share of results of joint ventures in 1HFY2021 as compared to 1HFY2020 was mainly due to lower contribution from joint ventures.

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

(I) Profit Before Tax

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

	3 Months Ended		6 Months Ended	
	30.6.21	30.6.20	30.6.21	30.6.20
	RMB'000	RMB'000	RMB'000	RMB'000
Amortisation of intangible assets	78,917	72,846	158,452	148,918
Depreciation of right-of-use asset	2,759	1,754	5,519	3,508
Depreciation of property, plant and equipment	8,285	9,363	17,642	18,485
(Gain)/Loss on disposal of property, plant and equipment	(11)	33	(7)	44
Gain on disposal of intangible assets	-	-	(5)	-
Gain on disposal of financial asset held at fair value through other comprehensive income	-	(806)	-	(806)
Gain on disposal of an associate	-	(1,678)	-	(1,678)
Gain on disposal of a subsidiary	(23,556)	-	(23,566)	(48)
Foreign exchange loss, net	2,148	5,770	4,845	2,071
Loss allowance for trade receivables, net	2,550	1,094	2,290	1,560
Loss allowance for non-trade receivables, net	106	-	106	-
Fair value loss/(gain) on financial assets at fair value through profit and loss	316	(380)	474	270

Amortisation of intangible assets increased from RMB148.9 million in 1HFY2020 to RMB158.5 million in 1HFY2021. The increase was due to additions of intangible asset in 1HFY2021.

(J) Income Tax Expenses

Income tax expense amounted to RMB71.4 million and RMB148.4 million in 2QFY2021 and 1HFY2021 (2QFY2020: RMB58.0 million and 1HFY2020: RMB105.4 million). The increase in income tax expense was in line with the increase in profit generated in 2QFY2021 and 1HFY2021 as compared to 2QFY2020 and 1HFY2020.

	3 Months Ended		6 Months Ended	
	30.6.21	30.6.20	30.6.21	30.6.20
	RMB'000	RMB'000	RMB'000	RMB'000
Current tax				
- Current period	47,590	29,839	93,550	59,901
- Over provision in respect of prior periods	(2,374)	(9,463)	(2,383)	(9,463)
Deferred tax				
- Current period	26,234	35,673	57,185	50,998
- (Over)/Under provision in respect of prior periods	(56)	1,993	94	3,983
	71,394	58,042	148,446	105,419

8. **A review of the performance of the group – cont'd.****STATEMENTS OF FINANCIAL POSITION****(K) Trade and Other Receivables**

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

	As at	
	30.6.21	31.12.20
	RMB'000	RMB'000
Within 30 days	553,679	562,466
Within 31 to 60 days	252,746	241,096
Within 61 to 90 days	215,088	129,676
Within 91 to 180 days	411,038	282,412
Within 181 to 365 days	579,642	246,274
Over 365 days	390,782	421,635
	2,402,975	1,883,559

(L) Current Assets

Current assets as at 30 June 2021 amounted to RMB7.11 billion (31 December 2020: RMB6.73 billion). The increase was mainly due to a higher trade receivables balance as a result of billings raised net of collections during the period.

(M) Non-current Assets

Non-current assets as at 30 June 2021 amounted to RMB28.90 billion (31 December 2020: RMB28.02 billion). The increase was mainly due to construction of certain waste water and waste incineration projects during 1HFY2021 resulting in the increase in receivables under service concession arrangements.

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

(N) Trade and Other Payables

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

	As at	
	30.6.21	31.12.20
	RMB'000	RMB'000
Within 30 days	1,269,242	1,104,956
Within 31 to 60 days	88,253	90,902
Within 61 to 90 days	78,152	49,453
Within 91 to 180 days	172,006	120,914
Within 181 to 365 days	246,752	169,069
Over 365 days	650,413	744,809
	2,504,818	2,280,103

(O) Current Liabilities

Current liabilities as at 30 June 2021 amounted to RMB8.07 billion (31 December 2020: RMB8.89 billion). The decrease was mainly due to the loan restructuring effort to replace the higher interest borrowings which are due for repayment within one year.

(P) Non-current Liabilities

Non-current liabilities as at 30 June 2021 amounted to RMB14.48 billion (31 December 2020: RMB12.84 billion). The increase was mainly due to the issuance of the Panda Bond in 1HFY2021.

STATEMENT OF CASH FLOWS

As at 30 June 2021, the Group's cash and cash equivalents stood at RMB2,617.6million (31 December 2020: RMB2,668.5 million). In 1HFY2021, net cash of RMB103.1 million was used in the Group's operating activities, mainly towards the Group's investments in projects with service concession arrangements. Excluding cash used in these projects, net cash generated from operating activities in 1HFY2021 was RMB676.8 million.

Net cash used in the Group's investing activities of RMB216.5 million in 1HFY2021 was mainly due to net cash outflow from purchase of property, plant and equipments, intangibles assets and acquisition of a subsidiary.

Net cash generated from financing activities of RMB257.9 million in 1HFY2021 was mainly due to net proceeds from bank and other borrowings, which is partially offset by the interest paid and dividend paid to equity shareholders.

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

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

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

To continue the fight against pollution, and systematically boosted the development of wastewater treatment industry, the National Development and Reform Commission (“**NDRC**”) and the Ministry of Housing and Urban-Rural Development (“**MHUD**”) issued “The Development Plan for Urban Waste Water Treatment and Resource Utilization in the 14th Five-Year Plan” (the “**Plan**”). The Plan proposes during the “14th Five-Year Plan” period, wastewater treatment and resource utilization will be steadily promoted. 20 million cubic meters of wastewater treatment capacity per day will be added. New construction, redevelopment, and expansion will produce no less than 15 million cubic meters of reclaimed water per day, with new harmless sludge treatment facilities adding a total capacity of no less than 20,000 tonnes per day.

As required by the Plan, the construction of wastewater treatment and resource utilization facilities is to be funded from the budget of the central government, capital investments from local governments and bonds issued by local governments for special projects. In addition, the Plan urges to improve the fee and tax mechanism, set the sewage treatment fee standards at a reasonable level, liberalize government pricing for reclaimed water and implement preferential tax policies in order to promote the development of the industry.

In terms of solid waste incineration, the NDRC and the MHUD have issued the “14th Five-Year Plan for the Development of Urban Domestic Waste Classification and Treatment Facilities,” which set higher targets for waste treatment capacity. According to China’s “14th Five-Year Plan,” municipal solid waste utilization should increase to around 60% by the end of 2025, bringing the treatment capacity of domestic solid waste incineration to 800,000 tonnes per day and providing more room for growth for the Group’s solid waste incineration business.

The Yangtze River Delta Region Ecological Environmental Protection Collaboration Group convened its first meeting on 27 May and signed the memorandum of the joint meeting of Yangtze River Delta Regional Environmental Protection Industry Association (“**Association**”), marking a new stage of cooperation within the Yangtze River Delta region’s ecological environment industry. As the key initiator of the joint meeting of the Association, the Group will leverage its strength as the leading role in the regional environmental protection industry and jointly build an exchange and cooperation platform for the Association. It will also strictly follow the integrated national development strategies and accelerate the deployment of environmental protection industry projects in the Yangtze River Delta region. Drawing on its unique strategic positioning and business model, the Group will continue to strengthen the development of its water treatment business and solid waste incineration business, contributing to the construction of a green and beautiful Yangtze River Delta.

The national carbon emissions trading market was recently launched. Carbon trading will drive the development of carbon assets, promote the technological upgrade and green development of the environmental protection industry. The Group will closely monitor the development opportunities brought by the national carbon emissions trading market and the favourable policy on wastewater treatment industry and resource utilization during the “14th Five-Year Plan”, accelerate business deployment in the environmental protection technology sector, with the ultimate aim of promoting the integration of industry and finance and boosting the Company’s quality and sustainable development.

11. Dividend

If a decision regarding dividend has been made:

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

An interim dividend for FY2021 is declared.

(b) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

The following interim dividend is declared:

Name of Dividend:	Ordinary cash dividend
Dividend Type:	Interim
Dividend Rate:	S\$0.005 per ordinary share
Tax Rate:	One-tier tax exempt

The applicable exchange rate for converting Singapore dollars (“S\$”) into Hong Kong dollars (“HK\$”) for the purpose of dividend payment in HK\$ is made at the rate of S\$1.00 to HK\$5.753740, which was the exchange rate quoted by Monetary Authority of Singapore on 6 August 2021.

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 1HFY2020.

(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).

One-tier tax exempt.

(d) The date the dividend is payable.

The interim dividend would be payable on 30 September 2021 to shareholders registered in the Share Transfer Books and Register of Members of the Company in Singapore as at 5.00 p.m. on 1 September 2021 and shareholders registered in the Share Transfer Books and Register of Members of the Company in Hong Kong as at 4:30 p.m. on 1 September 2021.

11. Dividend – cont'd.

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

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 1 September 2021 for the purpose of determining the entitlements of the Company's shareholders to the Interim Dividend.

Duly completed registrable transfers received by the Company's share registrar in Singapore, In.Corp Corporate Services Pte. Ltd. (formerly known as RHT Corporate Advisory Pte. Ltd.), 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712, no later than 5.00 p.m. on 1 September 2021 will be registered before entitlements to the Interim Dividend are determined.

Duly completed registrable transfers received by the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 1 September 2021 will be registered before entitlements to the Interim Dividend are determined.

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

Not applicable.

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

No IPT mandate has been obtained from shareholders.

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

Six months ended 30 June 2021

	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	2,037,320	467,470	718,200	3,222,990	77,020	-	3,300,010
Reportable segment profit (loss) from operations	806,041	79,386	76,902	962,329	26,094	(52,906)	935,517
Finance income	-	-	-	-	-	12,785	12,785
Finance expenses	-	-	-	-	-	(348,302)	(348,302)
Other non-operating income	63,156	3,719	4,095	70,970	10	(8,039)	62,941
Share of results of associates	2,110	-	-	2,110	16	-	2,126
Share of results of joint ventures	-	-	12,359	12,359	-	-	12,359
Income tax expense	(97,269)	(19,421)	(27,832)	(144,522)	(3,620)	(304)	(148,446)
Profit after tax							528,980
Segment depreciation and amortisation	97,732	72,704	5,037	175,473	1,085	5,055	181,613
Segment non-cash income	-	-	-	-	-	-	-
Segment non-cash expenses	2,183	215	-	2,398	472	-	2,870

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

Six months ended 30 June 2020

	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	1,946,510	388,721	238,275	2,573,506	66,130	-	2,639,636
Reportable segment profit (loss) from operations	654,613	43,832	40,949	739,394	17,535	(31,244)	725,685
Finance income	-	-	-	-	-	10,922	10,922
Finance expenses	-	-	-	-	-	(354,000)	(354,000)
Other non-operating income	65,540	25,681	2,755	93,976	-	205	94,181
Share of results of associates	2,730	-	-	2,730	(92)	-	2,638
Share of results of joint ventures	-	-	17,298	17,298	-	-	17,298
Income tax expense	(81,504)	(12,723)	(8,684)	(102,911)	(2,470)	(38)	(105,419)
Profit after tax							391,305
Segment depreciation and amortisation	99,124	62,077	4,910	166,111	1,113	3,687	170,911
Segment non-cash income	-	-	-	-	-	-	-
Segment non-cash expenses	-	1,560	-	1,560	270	-	1,830

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

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

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

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

We, 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 June 2021, to be false or misleading, in any material aspect.

17. Confirmation that the Issuer has Procured Undertakings from All Its Directors and Executive Officers

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

BY ORDER OF THE BOARD

Yang Jianwei

Executive Director

6 August 2021