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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 Fourth Quarter and
Twelve Months Ended 31 December 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. The figures in respect of the Group’s consolidated financial position, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2022 as set out in this announcement have been agreed by the Group’s auditors, Deloitte & Touche LLP, to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by Deloitte & Touche LLP in this respect did not constitute an assurance engagement in accordance with Singapore Standards on Auditing or Singapore Standards on Review Engagements and consequently no assurance has been expressed by Deloitte & Touche LLP on this announcement. Shareholders and public investors should be cautious trading in the shares of the Company.

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

Singapore and Hong Kong, 24 February 2023

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 Fourth Quarter and
Twelve Months Ended 31 December 2022

24 February 2023

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

Fourth Quarter and Twelve 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 consolidated annual results of the Company and its subsidiaries (the “Group”) for the twelve months ended 31 December 2022 (“FY2022”). The Group’s net profit attributable to shareholders for the period amounted to RMB780.2 million, an increase of 10.5% year-on-year.

This performance was on the back of a 14.3% increase in revenue to RMB8,303.9 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 9.5% to RMB2,633.1 million, mainly driven by the increase in construction activities in progress and financial income from service concession arrangements.

As at 31 December 2022, the Group’s cash and cash equivalents stood at a healthy RMB2.51 billion.

Review of Annual Results

The audit committee has reviewed the Company’s unaudited consolidated annual results for the twelve months ended 31 December 2022.

The figures in respect of the Group’s consolidated financial statements, and the related notes thereto for FY2022 as set out in this announcement have been agreed by the Group’s auditors, Deloitte & Touche LLP, to the amounts set out in the Group’s draft consolidated financial statements for FY2022.

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 twelve months ended 31 December 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	Twelve Months Ended		Changes
		31.12.22 (Unaudited)	31.12.21 (Unaudited)		31.12.22 (Unaudited)	31.12.21 (Audited)	
		RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	5	2,516,089	2,195,516	14.6	8,303,884	7,267,139	14.3
Cost of sales		(1,814,937)	(1,565,011)	16.0	(5,670,782)	(4,862,862)	16.6
Gross profit		701,152	630,505	11.2	2,633,102	2,404,277	9.5
Other income		42,728	68,465	(37.6)	121,847	200,253	(39.2)
Other gains and losses		(231)	19,654	N.M.	6,830	37,167	(81.6)
Selling and distribution costs		(21,237)	(20,546)	3.4	(80,217)	(80,834)	(0.8)
Administrative expenses		(155,660)	(147,010)	5.9	(518,163)	(486,526)	6.5
Finance expenses		(192,053)	(170,395)	12.7	(715,207)	(679,318)	5.3
Share of results of joint ventures		10,995	874	1,158.0	26,840	24,061	11.5
Share of results of associates		323	3,670	(91.2)	10,918	7,172	52.2
Profit before tax		386,017	385,217	0.2	1,485,950	1,426,252	4.2
Income tax expense	6	(108,010)	(114,233)	(5.4)	(364,169)	(357,233)	1.9
Profit for the period	7	278,007	270,984	2.6	1,121,781	1,069,019	4.9
Other comprehensive income/(loss):							
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
Exchange difference arising from translation		64,207	51,099	25.7	(251,991)	76,994	N.M.
Fair value change on investments in equity instruments designated as at FVTOCI		-	(313)	N.M.	(1,891)	2,180	N.M.
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange differences arising from translation of foreign operations		(24,769)	6,846	N.M.	(51,147)	32,692	N.M.
Total other comprehensive income/(loss) for the period, net of tax		39,438	57,632	(31.6)	(305,029)	111,866	N.M.
Total comprehensive income for the period		317,445	328,616	(3.4)	816,752	1,180,885	(30.8)
Profit for the period attributable to:							
Owners of the Company		209,184	192,357	8.7	780,196	706,159	10.5
Non-controlling interests		68,823	78,627	(12.5)	341,585	362,860	(5.9)
		278,007	270,984	2.6	1,121,781	1,069,019	4.9
Total comprehensive income attributable to:							
Owners of the Company		248,622	249,989	(0.5)	475,167	818,025	(41.9)
Non-controlling interests		68,823	78,627	(12.5)	341,585	362,860	(5.9)
		317,445	328,616	(3.4)	816,752	1,180,885	(30.8)
Earnings per share for profit for the period attributable to the owners of the Company during the period:							
-Basic (RMB in cent)		8.12	7.47	8.7	30.29	27.35	10.7
-Diluted (RMB in cent)		8.12	7.47	8.7	30.29	27.35	10.7

N.M. – Not Meaningful

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

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		As at 31.12.22 (Unaudited)	As at 31.12.21 (Audited)	As at 31.12.22 (Unaudited)	As at 31.12.21 (Audited)
		RMB'000	RMB'000	RMB'000	RMB'000
Current assets					
Cash and cash equivalents		2,512,625	2,794,951	93,920	285,802
Pledged bank deposits		93,880	118,371	-	-
Trade and other receivables	8	4,523,881	3,403,809	1,114	1,019
Bills receivables		1,184	3,377	-	-
Prepayments		72,075	72,091	56	3,069
Inventories		233,483	285,969	-	-
Receivables under service concession arrangements - current portion	9	733,089	680,394	-	-
Amounts due from customers for contract work		77,767	82,706	-	-
Amounts due from subsidiaries		-	-	2,414,593	2,008,502
Amounts due from joint venture		23,028	22,711	137	137
Amounts due from associates		44,723	10,902	-	-
Financial assets at fair value through profit or loss		9,415	9,307	-	-
Assets classified as held for sale		-	7,059	-	-
Total current assets		8,325,150	7,491,647	2,509,820	2,298,529
Non-current assets					
Financial assets at fair value through other comprehensive income		13,400	27,091	-	-
Prepayments		175,189	201,636	-	-
Receivables under service concession arrangements – non-current portion	9	22,816,306	20,950,596	-	-
Property, plant and equipment		444,770	346,926	59	63
Right-of-use assets		45,275	54,352	14,912	8,417
Intangible assets	10	7,070,383	6,932,793	5,870	-
Long term receivables		371,580	352,173	-	-
Deferred tax assets		57,481	63,335	-	-
Investment in subsidiaries		-	-	5,980,969	5,292,020
Interest in joint ventures		517,763	486,674	340,632	311,520
Interest in associates		232,467	128,674	-	-
Goodwill on consolidation		457,241	457,241	-	-
Loans to subsidiaries		-	-	3,161,219	2,806,380
Amounts due from associates		18,210	20,827	-	-
Total non-current assets		32,220,065	30,022,318	9,503,661	8,418,400
Total assets		40,545,215	37,513,965	12,013,481	10,716,929

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 31.12.22 (Unaudited)	As at 31.12.21 (Audited)	As at 31.12.22 (Unaudited)	As at 31.12.21 (Audited)
		RMB'000	RMB'000	RMB'000	RMB'000
Current liabilities					
Trade and other payables	11	3,912,018	4,161,170	151,070	123,828
Bills payable to banks		24,994	48,762	-	-
Tax payable		139,337	202,815	-	-
Amounts due to customers for contract work		29,053	35,982	-	-
Amounts due to subsidiaries		-	-	259,286	212,487
Bank and other borrowings	12	3,772,704	4,977,515	1,960,206	1,385,531
Lease liabilities		9,056	7,880	6,466	4,050
Liabilities directly associated with assets classified as held for sale		-	92	-	-
Total current liabilities		7,887,162	9,434,216	2,377,028	1,725,896
Non-current liabilities					
Bank and other borrowings	12	15,374,835	11,650,786	2,993,697	2,992,151
Deferred tax liabilities		2,286,296	2,191,834	-	-
Other non-current liabilities		148,971	169,062	-	-
Lease liabilities		33,379	31,866	8,672	4,568
Total non-current liabilities		17,843,481	14,043,548	3,002,369	2,996,719
Capital, reserves and non-controlling interests					
Share capital	13	5,920,175	5,920,175	5,920,175	5,920,175
Retained earnings		3,682,917	3,188,828	253,832	182,128
Other reserves		212,468	423,508	460,077	(107,989)
Equity attributable to owners of the Company		9,815,560	9,532,511	6,634,084	5,994,314
Non-controlling interests		4,999,012	4,503,690	-	-
Total equity		14,814,572	14,036,201	6,634,084	5,994,314
Total liabilities and equity		40,545,215	37,513,965	12,013,481	10,716,929

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 Twelve Months Ended	
	31.12.22 (Unaudited)	31.12.21 (Unaudited)	31.12.22 (Unaudited)	31.12.21 (Audited)
	RMB'000	RMB'000	RMB'000	RMB'000
Operating activities:				
Profit before tax	386,017	385,217	1,485,950	1,426,252
Adjustments for:				
Loss allowance for trade receivables, net	30,865	2,674	31,771	7,324
Loss allowance for non-trade receivables, net	1,770	4,999	1,770	5,105
Depreciation of property, plant and equipment	10,082	11,130	41,211	38,799
Amortisation of intangible assets	110,074	53,560	345,557	293,288
Depreciation of right-of-use assets	2,721	3,147	11,139	11,426
(Gain)/Loss on disposal of property, plant and equipment	(209)	216	(72)	234
Gain on disposal of intangible assets	(42)	-	(33)	-
Loss/(Gain) on disposal of FVTOCI	16	-	(826)	-
Loss/(Gain) on disposal of subsidiaries	3	-	(2,577)	(23,566)
Gain on bargain purchase arising from acquisition of a subsidiary	-	-	-	(6,512)
Finance income	(8,081)	(9,667)	(35,935)	(33,561)
Finance expenses	192,053	170,395	715,207	679,318
Share of results of associates	(323)	(3,670)	(10,918)	(7,172)
Share of results of joint ventures	(10,995)	(874)	(26,840)	(24,061)
Fair value (gain)/loss on financial assets at fair value through profit and loss	(424)	10	(108)	366
Operating cash flows before working capital changes	713,527	617,137	2,555,296	2,367,240
(Increase)/decrease in:				
Inventories	86,546	(49,509)	52,486	(64,579)
Amounts due from/to customers for contract work, net	33,285	84,212	(1,990)	(19,025)
Trade receivables, other receivables and prepayments	(203,606)	(105,983)	(1,162,712)	(666,617)
Bills receivables	5,338	773	2,193	240
Amounts due from joint ventures	974	(22,699)	(317)	(22,574)
Amounts due from associates	16,133	(1,263)	(31,204)	3,247
Increase/(decrease) in:				
Trade and other payables (inclusive of non-current liabilities)	(259,580)	335,539	(310,031)	468,707
Bills payable to banks	8,586	(9,155)	(23,768)	3,420
Cash generated from operating activities before service concession arrangement projects	401,203	849,052	1,079,953	2,070,059
Change in receivables under service concession arrangements (Note A)	(1,262,110)	(661,160)	(2,331,697)	(1,589,293)
Cash (used in)/generated from operating activities after service concession arrangement projects	(860,907)	187,892	(1,251,744)	480,766
Interest received	7,570	9,008	34,928	28,648
Income tax refund	7,988	-	9,759	-
Income tax paid	(29,175)	(47,511)	(187,598)	(193,799)
Net cash (used in)/generated from operating activities	(874,524)	149,389	(1,394,655)	315,615

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 Twelve Months Ended	
	31.12.22 (Unaudited) RMB'000	31.12.21 (Unaudited) RMB'000	31.12.22 (Unaudited) RMB'000	31.12.21 (Audited) RMB'000
Investing activities:				
Purchase of property, plant and equipment	(32,384)	(129,049)	(103,934)	(164,171)
Purchase of intangible assets, net of amount on credit terms	(92,047)	(523,112)	(299,346)	(667,064)
Movement in prepayment for property, plant and equipment and intangible assets, net	(13,789)	(25,462)	(50,508)	(40,010)
Proceeds from disposal of property, plant and equipment	8	6,753	121	6,950
Proceeds from disposal of intangible assets	47	-	62	-
Proceeds from disposal of financial assets at FVTOCI	(16)	-	14,517	-
Additional capital injection in an associate	-	-	(93,000)	-
Dividend received from associates	29,087	(1,222)	29,087	18,035
Net cash outflow on acquisition of a subsidiary (Note 19)	(279,640)	-	(279,640)	(51,801)
Net cash inflow on disposal of subsidiaries (Note 18)	(4)	4,000	124,519	30,986
Net cash used in investing activities	(388,738)	(668,092)	(658,122)	(867,075)
Financing activities:				
Proceeds from bank and other borrowings	2,910,075	2,598,122	5,980,458	6,711,821
Repayment of bank and other borrowings	(1,678,811)	(1,750,611)	(3,439,217)	(5,235,560)
Interest paid	(233,230)	(166,402)	(793,488)	(648,138)
Principal and interest elements of lease payments	(3,141)	(3,185)	(12,478)	(12,737)
Repurchase of shares	-	-	-	(27,245)
Dividend paid to equity shareholders	-	-	(192,118)	(186,043)
Dividend paid to non-controlling interest in subsidiaries	(43,630)	-	(92,674)	(13,615)
Contribution from non-controlling interests upon additional capital injection in subsidiaries	1,314	-	289,326	46,705
(Increase)/Decrease in pledged bank deposits	(999)	(1,086)	24,491	43,358
Net cash generated from financing activities	951,578	676,838	1,764,300	678,546
Net (decrease)/increase in cash and cash equivalents	(311,684)	158,135	(288,477)	127,086
Cash and cash equivalents at beginning of period/year	2,825,385	2,611,421	2,794,951	2,668,525
Effects of exchange rate changes on cash and cash equivalents	(1,076)	25,395	6,151	(660)
Cash and cash equivalents at end of period/year	2,512,625	2,794,951	2,512,625	2,794,951

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		Twelve Months Ended	
	31.12.22 (Unaudited)	31.12.21 (Unaudited)	31.12.22 (Audited)	31.12.21 (Audited)
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents at end of period/year				
Cash and bank balances	2,606,505	2,913,322	2,606,505	2,913,322
Less: Pledged bank deposits	(93,880)	(118,371)	(93,880)	(118,371)
Cash and cash equivalents	2,512,625	2,794,951	2,512,625	2,794,951

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 FY2022 and 4QFY2022 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	Share capital	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1.1.22 (Audited)	5,920,175	3,188,828	423,508	541,952	(8,068)	100,105	(10,166)	(200,315)	9,532,511	4,503,690	14,036,201
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	-	175,821	22,529	-	56	22,473	-	-	198,350	80,022	278,372
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	(8,459)	8,459	8,459	-	-	-	-	-	-	-
Total	-	(8,459)	8,459	8,459	-	-	-	-	-	-	-
<u>Others</u>											
NCI upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	84,063	84,063
Total	-	-	-	-	-	-	-	-	-	84,063	84,063
Balance at 31.3.22 (Unaudited)	5,920,175	3,356,190	454,496	550,411	(8,012)	122,578	(10,166)	(200,315)	9,730,861	4,667,775	14,398,636

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					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
Balance at 1.4.22 (Unaudited)	5,920,175	3,356,190	454,496	550,411	(8,012)	122,578	(10,166)	(200,315)	9,730,861	4,667,775	14,398,636
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	-	190,190	(158,613)	-	(1,659)	(156,954)	-	-	31,577	101,747	133,324
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	1,617	(1,617)	(1,617)	-	-	-	-	-	-	-
Total	-	1,617	(1,617)	(1,617)	-	-	-	-	-	-	-
<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	-	(121,379)	-	-	-	-	-	-	(121,379)	132,560	11,181
Balance at 30.6.22 (Unaudited)	5,920,175	3,426,618	294,266	548,794	(9,671)	(34,376)	(10,166)	(200,315)	9,641,059	4,902,082	14,543,141

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	
Balance at 1.7.22 (Unaudited)	5,920,175	3,426,618	294,266	548,794	(9,671)	(34,376)	(10,166)	(200,315)	9,641,059	4,902,082	14,543,141	
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	-	205,001	(208,383)	-	(288)	(208,095)	-	-	(3,382)	90,993	87,611	
<u>Transactions with owners recognised directly in equity</u>												
Transfer to general reserve	-	398	(398)	(398)	-	-	-	-	-	-	-	
Total	-	398	(398)	(398)	-	-	-	-	-	-	-	
<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	-	(70,739)	-	-	-	-	-	-	(70,739)	42,345	(28,394)	
Balance at 30.9.22 (Unaudited)	5,920,175	3,561,278	85,485	548,396	(9,959)	(242,471)	(10,166)	(200,315)	9,566,938	5,035,420	14,602,358	

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	
Balance at 1.10.22 (Unaudited)	5,920,175	3,561,278	85,485	548,396	(9,959)	(242,471)	(10,166)	(200,315)	9,566,938	5,035,420	14,602,358	
Profit for the period	-	209,184	-	-	-	-	-	-	209,184	68,823	278,007	
<u>Other comprehensive income</u>												
Exchange differences arising on translation	-	-	64,207	-	-	64,207	-	-	64,207	-	64,207	
Exchange differences arising on translation of foreign operations	-	-	(24,769)	-	-	(24,769)	-	-	(24,769)	-	(24,769)	
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	-	-	-	-	-	
Other comprehensive income for the period, net of tax	-	-	39,438	-	-	39,438	-	-	39,438	-	39,438	
Total comprehensive income for the period	-	209,184	39,438	-	-	39,438	-	-	248,622	68,823	317,445	
<u>Transactions with owners recognised directly in equity</u>												
Transfer to general reserve	-	(77,586)	77,586	77,586	-	-	-	-	-	-	-	
Transfer to retained earnings due to disposal	-	(9,959)	9,959	-	9,959	-	-	-	-	-	-	
Total	-	(87,545)	87,545	77,586	9,959	-	-	-	-	-	-	
<u>Others</u>												
NCI upon proportional capital injection in subsidiaries	-	-	-	-	-	-	-	-	-	1,314	1,314	
Dividend declared to NCI	-	-	-	-	-	-	-	-	-	(106,545)	(106,545)	
Total	-	-	-	-	-	-	-	-	-	(105,231)	(105,231)	
Balance at 31.12.22 (Unaudited)	5,920,175	3,682,917	212,468	625,982	-	(203,033)	(10,166)	(200,315)	9,815,560	4,999,012	14,814,572	

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	
Balance at 1.1.21 (Audited)	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 (Unaudited)	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

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	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 1.4.21 (Unaudited)	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 (Unaudited)	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

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont'd

GROUP	Share capital	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1.7.21 (Unaudited)	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
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
Total comprehensive income for the period	-	181,061	15,240	-	2,315	12,925	-	-	196,301	87,994	284,295
<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
Total	-	(32,453)	32,453	32,453	-	-	-	-	-	19,508	19,508
<u>Others</u>											
Dividend declared to equity shareholders	-	(61,137)	-	-	-	-	-	-	(61,137)	-	(61,137)
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	(3,945)	(3,945)
Total	-	(61,137)	-	-	-	-	-	-	(61,137)	(3,945)	(65,082)
Balance at 30.9.21 (Unaudited)	5,920,175	3,085,542	276,805	452,881	(7,755)	42,160	(10,166)	(200,315)	9,282,522	4,425,063	13,707,585

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
Balance at 1.10.21 (Unaudited)	5,920,175	3,085,542	276,805	452,881	(7,755)	42,160	(10,166)	(200,315)	9,282,522	4,425,063	13,707,585
Profit for the period	-	192,357	-	-	-	-	-	-	192,357	78,627	270,984
<u>Other comprehensive income</u>											
Exchange differences arising on translation	-	-	51,099	-	-	51,099	-	-	51,099	-	51,099
Exchange differences arising on translation of foreign operations	-	-	6,846	-	-	6,846	-	-	6,846	-	6,846
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	(313)	-	(313)	-	-	-	(313)	-	(313)
Other comprehensive income for the period, net of tax	-	-	57,632	-	(313)	57,945	-	-	57,632	-	57,632
Total comprehensive income for the period	-	-	57,632	-	(313)	57,945	-	-	249,989	78,627	328,616
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	(89,071)	89,071	89,071	-	-	-	-	-	-	-
Total	-	(89,071)	89,071	89,071	-	-	-	-	-	-	-
Balance at 31.12.21 (Unaudited)	5,920,175	3,188,828	423,508	541,952	(8,068)	100,105	(10,166)	(200,315)	9,532,511	4,503,690	14,036,201

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
Balance at 1.1.22 (Audited)	5,920,175	182,128	(107,989)	5,994,314
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	-	(10,340)	(41,232)	(51,572)
Balance at 31.3.22 (Unaudited)	5,920,175	171,788	(149,221)	5,942,742
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	-	28,989	164,918	193,907
<u>Others</u>				
Dividend declared to equity shareholders	-	(121,379)	-	(121,379)
Balance at 30.6.22 (Unaudited)	5,920,175	79,398	15,697	6,015,270
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 income for the period	-	(27,703)	187,080	159,377
<u>Others</u>				
Dividend declared to equity shareholders	-	(70,739)	-	(70,739)
Balance at 30.9.22 (Unaudited)	5,920,175	(19,044)	202,777	6,103,908

* 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

COMPANY	Share capital	Retained earnings	Other reserves*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 30.9.22 (Unaudited)	5,920,175	(19,044)	202,777	6,103,908
Profit for the period	-	272,876	-	272,876
<u>Other comprehensive income</u>				
Exchange differences arising on translation, net of tax	-	-	257,300	257,300
Other comprehensive income for the period, net of tax	-	-	257,300	257,300
Total comprehensive income for the period	-	272,876	257,300	530,176
Balance at 31.12.22 (Unaudited)	5,920,175	253,832	460,077	6,634,084

* 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

COMPANY	Share capital RMB'000	Retained earnings RMB'000	Other reserves* RMB'000	Total equity RMB'000
Balance at 1.1.21 (Audited)	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 (Unaudited)	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 (Unaudited)	5,920,175	10,016	2,928	5,933,119
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 income for the period	-	263,109	(69,245)	193,864
<u>Others</u>				
Dividend declared to equity shareholders	-	(61,137)	-	(61,137)
Balance at 30.9.21 (Unaudited)	5,920,175	211,988	(66,317)	6,065,846

* 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

COMPANY	Share capital	Retained earnings	Other reserves*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 30.9.21 (Unaudited)	5,920,175	211,988	(66,317)	6,065,846
Loss for the period	-	(29,860)	-	(29,860)
<u>Other comprehensive loss</u>				
Exchange differences arising on translation, net of tax	-	-	(41,672)	(41,672)
Other comprehensive loss for the period, net of tax	-	-	(41,672)	(41,672)
Total comprehensive loss for the period	-	(29,860)	(41,672)	(71,532)
Balance at 31.12.21 (Audited)	5,920,175	182,128	(107,989)	5,994,314

* 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 Fourth Quarter and Twelve Months Ended 31 December 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 Group.

2. BASIS OF PREPARATION

The unaudited condensed interim consolidated financial statements for the Fourth Quarter and Twelve Months Ended 31 December 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 of Hong Kong Limited (the “Listing Rules”). The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual consolidated 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 31 December 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 the 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 met any of the quantitative thresholds for determining reportable segments for the financial period ended 31 December 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:

Twelve Months Ended 31 December 2022 (Unaudited)

All amount in RMB'000	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Revenue	4,720,907	1,340,635	1,753,946	7,815,488	488,396	-	8,303,884
Reportable segment profit/(loss) from operations	1,526,198	153,457	329,187	2,008,842	100,676	(58,722)	2,050,796
Finance income	-	-	-	-	-	35,935	35,935
Finance expenses	-	-	-	-	-	(715,207)	(715,207)
Other non-operating income	15,284	71,472	(13,568)	73,188	7	3,473	76,668
Share of results of associates	6,875	-	-	6,875	1,612	2,431	10,918
Share of results of joint ventures	-	-	26,840	26,840	-	-	26,840
Income tax expense	(175,917)	(42,982)	(79,086)	(297,985)	(16,007)	(50,177)	(364,169)
Profit after tax							1,121,781
Segment depreciation and amortisation	281,940	102,037	1,860	385,837	268	11,802	397,907
Segment non-cash income	-	-	-	-	108	-	108
Segment non-cash expenses	(1,854)	(4,329)	-	(6,183)	-	-	(6,183)

4. SEGMENT INFORMATION - cont'd

Segment revenue and results – cont'd

Twelve Months Ended 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
Revenue	4,215,986	1,052,414	1,721,748	6,990,148	276,991	-	7,267,139
Reportable segment profit/(loss) from operations	1,505,449	170,538	204,860	1,880,847	79,200	(82,527)	1,877,520
Finance income	-	-	-	-	-	33,561	33,561
Finance expenses	-	-	-	-	-	(679,318)	(679,318)
Other non-operating income	138,664	18,669	5,590	162,923	11	322	163,256
Share of results of associates	6,936	-	-	6,936	236	-	7,172
Share of results of joint ventures	-	-	24,061	24,061	-	-	24,061
Income tax expense	(197,839)	(50,771)	(65,247)	(313,857)	(13,671)	(29,705)	(357,233)
Profit after tax							1,069,019
Segment depreciation and amortisation	188,915	125,081	17,406	331,402	420	11,691	343,513
Segment non-cash income	5,673	301	-	5,974	-	-	5,974
Segment non-cash expenses	(18,403)	-	-	(18,403)	(366)	-	(18,769)

4. SEGMENT INFORMATION - cont'd

Segment assets and liabilities

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

At 31 December 2022 (Unaudited)

All amount in RMB'000	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Segment assets	27,623,624	5,143,292	6,000,859	38,767,775	580,002	424,393	39,772,170
Interest in joint ventures	-	-	517,763	517,763	-	-	517,763
Interest in associates	94,070	-	-	94,070	106,862	31,535	232,467
Financial assets at fair value through profit or loss	6,506	-	-	6,506	2,909	-	9,415
Financial assets at fair value through other comprehensive income	10,400	-	-	10,400	3,000	-	13,400
Total assets							40,545,215
Segment liabilities	10,811,541	2,428,834	3,851,122	17,091,497	1,236,313	7,402,833	25,730,643
Segment capital expenditure	268,982	132,284	410	401,676	278	6,385	408,339

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 31 December		Twelve Months Ended 31 December	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Audited)
Construction revenue	929,511	849,903	2,969,149	2,485,972
Operating and maintenance income from services concession arrangements	962,542	785,521	3,456,284	3,131,628
Financial income from service concession arrangements	324,225	336,253	1,248,018	1,155,593
Service income	41,785	88,233	142,037	216,955
Other revenue	258,026	135,606	488,396	276,991
	<u>2,516,089</u>	<u>2,195,516</u>	<u>8,303,884</u>	<u>7,267,139</u>
Timing of revenue recognition				
At a point in time:	962,542	785,521	3,456,284	3,131,628
Over time:	1,553,547	1,409,995	4,847,600	4,135,511
	<u>2,516,089</u>	<u>2,195,516</u>	<u>8,303,884</u>	<u>7,267,139</u>

6. TAXATION

	Three Months Ended 31 December		Twelve Months Ended 31 December	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Audited)
Current tax:				
- Current year	74,483	116,724	247,687	270,606
- Over provision in respect of prior periods	(2,320)	(8,881)	(20,847)	(11,282)
Deferred tax:				
- Current year	27,862	6,133	129,133	98,121
- Under/(Over) provision in respect of prior periods	7,985	257	8,196	(212)
	<u>108,010</u>	<u>114,233</u>	<u>364,169</u>	<u>357,233</u>

The corporate income tax applicable to the Singapore companies of the Group is 17% (Twelve Months ended 31 December 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 31 December		Twelve Months Ended 31 December	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2021 RMB'000 (Audited)
Loss allowance for trade receivables, net	30,865	2,674	31,771	7,324
Loss allowance for non-trade receivables, net	1,770	4,999	1,770	5,105
Depreciation of property, plant and equipment	10,082	11,130	41,211	38,799
Amortisation of intangible assets	110,074	53,560	345,557	293,288
Depreciation of right-of-use assets	2,721	3,147	11,139	11,426
(Gain)/Loss on disposal of property, plant and equipment	(209)	216	(72)	234
Gain on disposal of intangible assets	(42)	-	(33)	-
Loss/(Gain) on disposal of FVTOCI	16	-	(826)	-
Loss/(Gain) on disposal of subsidiaries	3	-	(2,577)	(23,566)
Gain on bargain purchase arising from acquisition of a subsidiary	-	-	-	(6,512)
Finance income	(8,081)	(9,667)	(35,935)	(33,561)
Finance expenses	192,053	170,395	715,207	679,318
Share of results of associates	(323)	(3,670)	(10,918)	(7,172)
Share of results of joint ventures	(10,995)	(874)	(26,840)	(24,061)
Fair value (gain)/loss on financial assets at fair value through profit and loss	(424)	10	(108)	366
Foreign exchange loss/(gain), net	17,044	(2,024)	9,154	3,672

8. TRADE AND OTHER RECEIVABLES

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

	31 December 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Within 30 days	989,081	705,754
Within 31 to 60 days	335,935	248,522
Within 61 to 90 days	286,136	189,181
Within 91 to 180 days	475,927	357,373
Within 181 to 365 days	622,382	447,736
Over 365 days	728,482	463,581
	<u>3,437,943</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:

	31 December 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Receivables under service concession arrangements		
Current portion	733,089	680,394
Non-current portion	22,816,306	20,950,596
	<u>23,549,395</u>	<u>21,630,990</u>

Expected collection schedule is analysed as follows:

Within 1 year	733,089	680,394
Within 2 to 5 years	3,198,396	2,944,166
Over 5 years	19,617,910	18,006,430
	<u>23,549,395</u>	<u>21,630,990</u>

10. INTANGIBLE ASSETS

During the period, the Group's additions of intangible assets amounted to RMB 368,188,000 (Twelve Months Ended 31 December 2021: RMB 253,545,000).

Certain intangibles with carrying value of RMB 1,413,402,000 were pledged to secure the Group's bank borrowings as at 31 December 2022 (31 December 2021: RMB 1,355,517,000).

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:

	31 December 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Within 30 days	1,066,380	1,272,781
Within 31 to 60 days	123,720	129,638
Within 61 to 90 days	52,847	61,203
Within 91 to 180 days	159,635	208,679
Within 181 to 365 days	140,732	202,642
Over 365 days	699,078	764,928
	<u>2,242,392</u>	<u>2,639,871</u>

12. BANK AND OTHER BORROWINGS

	31 December 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Amount repayable within one year or on demand		
Secured	780,766	3,118,018
Unsecured	2,991,938	1,859,497
	<u>3,772,704</u>	<u>4,977,515</u>
Amount repayable after one year		
Secured	9,272,142	7,085,409
Unsecured	6,102,693	4,565,377
	<u>15,374,835</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)
Issued and paid up share capital		
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 31 December 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 Twelve Months ended 31 December 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 fully 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	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	RMB cents (Unaudited)	RMB cents (Audited)	RMB cents (Unaudited)	RMB cents (Audited)
Net asset value per ordinary share	<u>381.09</u>	<u>370.10</u>	<u>257.57</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 31 December 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
	31 December 2022	31 December 2021	
	RMB'000 (Unaudited)	RMB'000 (Audited)	
Financial assets at FVTOCI			
Listed equity security	-	13,691	Level 1
Unlisted equity security	13,400	13,400	Level 3
Financial assets at FVTPL			
Listed equity security	2,909	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

	31 December 2022		31 December 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Audited)	RMB'000 (Audited)
Financial assets				
Receivables under service concession arrangements	17,571,277	17,932,803	17,943,313	18,631,768
Financial liabilities				
Bank and other borrowings (Fixed rate borrowings)	(3,759,424)	(3,689,497)	(3,457,803)	(3,341,343)
Other non-current liabilities	(40,596)	(42,313)	(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 FY2022 and 4QFY2022.

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:

	Dazhou RMB’000 (Unaudited)	Shenxian RMB’000 (Unaudited)
Analysis of assets and liabilities over which control was lost		
Cash and cash equivalents	102,768	636
Trade and other receivables	72,929	204
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>
Gain on disposal		
Cash consideration	283,281	4,131
Less: Net assets disposed of	(282,158)	(2,677)
	<u>1,123</u>	<u>1,454</u>
Net cash inflow arising on disposal		
Cash consideration received	223,792	4,131
Less: Cash and cash equivalents disposed of	(102,768)	(636)
	<u>121,024</u>	<u>3,495</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. ACQUISITION OF A SUBSIDIARY

Acquisition of Yun Shui Technology Co., Ltd. (“Yun Shui”)

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 Yun Shui through its indirect wholly owned subsidiary, Global Environment Investment (HK) Limited, at a consideration of RMB296,260,000.

The consideration was arrived based on the total identifiable net asset value of the shares acquired of approximately RMB296,260,000. The acquisition is funded through the Group’s internal resources. At the end of the reporting period, the Group have paid RMB296,260,000 to the vendor in cash.

Yun Shui is principally involved in the operation of 3 treatment plants and 1 water supply with total design capacity of 160,000 tonnes/day, and is based in provinces of Jiangsu and Zhejiang, PRC.

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

	Yun Shui RMB'000 (unaudited)
<u>Consideration</u>	
Cash paid	296,260
Total	<u>296,260</u>
<u>Fair value of assets acquired and liabilities recognised at the date of acquisition</u>	
Property, plant and equipment	118
Trade and other receivables	115,217
Prepayments	33,920
Cash and cash equivalents	16,620
Inventories	443
Intangible assets	372,555
Deferred tax assets	677
Trade and other payables	(148,640)
Bank borrowings	(94,650)
	<u>296,260</u>
<u>Net cash outflow arising from acquisition</u>	
Cash consideration paid	296,260
Less: Cash and cash equivalents acquired	(16,620)
Net cash outflow on acquisition	<u>279,640</u>

The purchase price allocation to determine the fair value of the assets and liabilities of Yun Shui has not commenced.

20. SUBSEQUENT EVENTS

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

OTHER INFORMATION REQUIRED BY SGX LISTING RULE APPENDIX 7.2

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

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

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

As at 31 December 2022, there were no treasury shares held (31 December 2021: Nil). Total number of issued shares as at 31 December 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 31 December 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 31 December 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 twelve-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 RMB7,267.1 million in FY2021 to RMB8,303.9 million in FY2022, representing an increase of 14.3%. Gross profit ("GP") has increased from RMB2,404.3 million in FY2021 to RMB2,633.1 million in FY2022.

Meanwhile, the Group's profit for the period amounted to RMB1,121.8 million, up 4.9% as compared to FY2021. The Group's profit after tax (attributable to owners of the Company) increased from RMB706.2 million in FY2021 to RMB780.2 million in FY2022, representing an increase of 10.5%.

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 RMB929.5 million and RMB2,969.1 million in 4QFY2022 and FY2022 respectively (4QFY2021: RMB849.9 million; FY2021: RMB2,486.0 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 previous year.

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 RMB1,286.8 million and RMB4,704.3 million in 4QFY2022 and FY2022 respectively (4QFY2021: RMB1,121.8 million; FY2021: RMB4,287.2 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 RMB41.8 million and RMB142.0 million in 4QFY2022 and FY2022 respectively (4QFY2021: RMB88.2 million; FY2021: RMB217.0 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 4QFY2022 and FY2022 were RMB258.0 million and RMB488.4 million respectively (4QFY2021: RMB135.6 million; FY2021: RMB277.0 million). Increase in other revenue mainly due to installation works carried out, which are ad-hoc in nature.

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

The Group's GP increased by RMB70.6 million or 11.2% from RMB630.5 million in 4QFY2021 to RMB701.2 million in 4QFY2022. Meanwhile, GP increased by RMB228.8 million or 9.5% from RMB2,404.3 million in FY2021 to RMB2,633.1 million in FY2022. 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 4QFY2022 was comparable to 4QFY2021, 27.9% and 28.7% were recorded in 4QFY2022 and 4QFY2021 respectively. GPM in FY2022 was 31.7%, represent a decrease of 1.4% as compared to the corresponding period in the previous year. The decrease in profit margin was mainly due to the energy price and chemical costs have remained at high level since the last quarter of FY2021, and the man-power cost has also gradually increased throughout the year. On the other hand, Management has been initiating the wastewater treatment tariff revision process on a timely basis with the principal governments according to the concession agreements.

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

(C) Other Income

Other income amounted to RMB42.73 million and RMB121.9 million in 4QFY2022 and FY2022 respectively (4QFY2021: RMB68.5 million; FY2021: RMB200.3 million). The decrease in FY2022 as compared to FY2021 was mainly due to the reduction in government grant income, offset with the increase in interest income on bank balance.

(D) Other Gains and Losses

Other gains and losses shifted from a gain of RMB19.7 million in 4QFY2021 to a loss of RMB0.23 million in 4QFY2022 and shifted from a gain of RMB37.2 million in FY2021 to a gain of RMB6.83 million in FY2022. The changes in 4QFY2022 compared to 4QFY2021 were mainly due to unrealised foreign exchange loss recorded in 4QFY2022, while the changes in year to date were due to the ad-hoc gain on disposal of a subsidiary in June FY2021 and unrealised foreign exchange loss recorded in FY2022.

(E) Selling and Distribution Costs

Selling and distribution costs increased from RMB20.5 million in 4QFY2021 to RMB21.2 million in 4QFY2022 and decreased from RMB80.8 million in FY2021 to RMB80.2 million in FY2022. The selling and distribution costs were relatively stable in both comparative periods.

(F) Administrative Expenses

Administrative expenses increased 5.9% from RMB147.0 million in 4QFY2021 to RMB155.7 million in 4QFY2022, a similar trend was observed in full year, increasing 6.5% from RMB486.5 million in FY2021 to RMB518.2 million in FY2022. 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.

(G) Finance Expenses

Finance expenses amounted to RMB192.1 million and RMB715.2 million in 4QFY2022 and FY2022 respectively (4QFY2021: RMB170.4 million; FY2021: RMB679.3 million). The increase in 4QFY2022 and FY2022 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. Since May 2022, the interest rate hike in certain markets outside of Mainland China also increase a minor portion of finance expenses of the floating rate borrowings.

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

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

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

The share of results of joint ventures in 4QFY2022 rebounded significantly as compared to 4QFY2021, as the 4QFY2021 result was affected by the Covid epidemic in Mainland China, which incurred additional ad-hoc costs. The full year result in FY2022 increased steadily as compared to FY2021 as a result of the better business performance.

The share of results of associates in FY2022 saw a strong increase as compared to FY2021, arising from more efficient operations and better management.

(I) Income Tax Expenses

Income tax expenses amounted to RMB108.0 million and RMB364.2 million in 4QFY2022 and FY2022 respectively (4QFY2021: RMB114.2 million; FY2021: RMB357.2 million). The increase in income tax expense was in line with the increase in profit generated in FY2022 as compared to FY2021. On the other hand, the income tax expenses in 4QFY2022 decreased slightly as compared to 4QFY2021, which was due to the over-provision adjustments in respect of prior periods.

STATEMENTS OF FINANCIAL POSITION

(J) Current Assets

Current assets as at 31 December 2022 amounted to RMB8.33 billion (31 December 2021: RMB7.49 billion). Due to Covid-19, increase in trade and other receivable balance and receivables under service concession arrangements - current portion resulted the overall increase in current assets.

(K) Non-current Assets

Non-current assets as at 31 December 2022 amounted to RMB32.22 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.

(L) Current Liabilities

Current liabilities as at 31 December 2022 amounted to RMB7.89 billion (31 December 2021: RMB9.43 billion). The decrease was mainly due to the loan restructuring that took place to replace short-term bank loans with longer term borrowings.

(M) Non-current Liabilities

Non-current liabilities as at 31 December 2022 amounted to RMB17.84 billion (31 December 2021: RMB14.04 billion). The increase was due to new long-term borrowings taken up in FY2022 which were mainly for the purpose of ongoing construction and upgrading projects and the loan restructuring mentioned in note (L) above.

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

STATEMENT OF CASH FLOWS

As at 31 December 2022, the Group's cash and cash equivalents stood at RMB2.51 billion (31 December 2021: RMB2.79 billion). In FY2022, net cash of RMB1,394.7 million was used in the Group's operating activities, as significant 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 before service concession arrangement projects in FY2022 was RMB1,080.0 million.

Net cash used in the Group's investing activities of RMB658.1 million in FY2022 was mainly due to net cash outflow from purchase of property, plant and equipment, intangibles assets, acquisition of subsidiaries and additional capital injection in an associate, partially offset with the net cash inflow arising on disposal of subsidiaries.

Net cash generated from financing activities of RMB1,764.3 million in FY2022 was mainly contributed from the net inflow from the net proceeds from bank and other borrowings and the equity contribution from non-controlling interests upon additional capital injection in subsidiaries, partially offset with the interest and dividend paid during the year.

SEGMENT REPORTING

Water and Sludge Treatment segment revenue increased by 12.0%, from RMB4,216.0 million in FY2021 to RMB4,720.9 million in FY2022. The segment profit increased from RMB1,505.4 million in FY2021 to RMB1,526.2 million in FY2022. The increase in revenue was mainly contributed by the rise in wastewater treatment tariff and volume, and with the impact of higher operating costs partially offset by the profit generated from the additional revenue.

Water Supply segment revenue increased by 27.4%, from RMB1,052.4 million in FY2021 to RMB1,340.6 million in FY2022. The segment profit decreased from RMB170.5 million in FY2021 to RMB153.5 million in FY2022. The total volume increased in FY2022, which contribute to the additional revenue. However the rate of increase of operating costs in this segment was higher than that of revenue, which caused a decrease in profit margin and lead to a decrease in segment profit in FY2022.

Waste Incineration segment revenue increased by 1.9%, from RMB1,721.7 million in FY2021 to RMB1,753.9 million in FY2022. The segment profit increased from RMB204.9 million in FY2021 to RMB329.2 million in FY2022. 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, which started to generate operating revenue and has a higher profit margin than construction revenue, which contributed higher segment profit in FY2022.

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.**

Looking back at 2022, the economy of the People's Republic of China ("PRC") overcame numerous obstacles from factors that exceeded expectations and began to stabilize and pick up in the third quarter, with annual GDP growth of 3% in the face of complicated and grim circumstances both at home and abroad as well as recurrent COVID-19 outbreaks. The Central Economic Working Conference has once again reiterated the need to advance a green transformation with regard to economic and social development, jointly promote carbon reduction, pollution reduction, green expansion, growth, and build a beautiful China. Furthermore, financial institutions should be guided to increase support for green development. With outstanding resilience and execution, the Group calmly faced many challenges. All the colleagues have worked collectively to ensure the smooth progress of projects in various regions and have actively responded to market changes, resulting in steady growth across all business indicators throughout the year. In addition, the Group has actively seized market opportunities. Two benchmark projects in Shanghai have made tremendous strides. Specifically, Shanghai Baoshan Renewable Energy Utilization Center Project ("**Baoshan Project**") has commenced operation, while construction of Xicen Water Purification Plant ("**Xicen Project**") in Qingpu, Shanghai, has started. At the same time, Taipa Waste Water Treatment Plant ("**Macau Project**") - the Group's first project outside mainland China-in Macau and Cangxi project - the Group's first water treatment project in Sichuan Province in Sichuan have successfully won through joint tenders. These projects represent a major breakthrough for the Group in terms of project development. While further strengthening the strategic layout of the Yangtze River Delta, the Group will accelerate the expansion of the Guangdong-Hong Kong-Macao Greater Bay Area and the Yangtze River Economic Belt.

In 2022, the PRC successively introduced policies in the field of water treatment and solid waste treatment such as "Implementation Plan for the Development of City Clusters along the Middle Reaches of Yangtze River during the 14th Five-Year Plan Period" (長江中游城市群發展「十四五」實施方案), "Implementation Plan for Deepening the Battle for the Treatment of Urban Black and Odorous Water" (深入打好城市黑臭水體治理攻堅戰實施方案), "Action Plan for Deepening the Battle for Protection and Restoration of the Yangtze River" (深入打好長江保護修復攻堅戰行動方案) and "Guiding Opinions on Strengthening the Construction of County-level Household Waste Incineration and Treatment Facilities" (關於加強縣級地區生活垃圾焚燒處理設施建設的指導意見). Such policies clearly require coordinated promotion of the Yangtze River aquatic environment management, the improvement of the centralized collection rate of urban domestic wastewater and the elimination ratio of black and odorous water, proposing that by 2025, the Yangtze River Economic Belt and the future "zero-waste cities", including Shanghai, should have as many household waste incineration and treatment facilities as needed. Four departments, including The Shanghai Municipal Economic Information Commission, have also jointly issued the "Implementation Plan for Carbon Peaking in the Industrial Sector of Shanghai" (上海市工業領域碳達峰實施方案). They propose strengthening the collaborative disposal capacity of industries and regions, and start developing household waste incineration facilities for coordinating the disposal of municipal sludge, industrial solid waste and construction waste. A regulatory plan for construction of the Xicen Science and Technology Innovation Center was formally approved in September 2022, and officially commenced in January 2023. It is an important carrier for Shanghai to implement the "Integration of Yangtze River Delta" national strategy. The aforementioned Xicen Project is a significant municipal ancillary project belonging to the Xicen Science and Technology Innovation Center, and construction of the project began in November 2022. Upon completion, it will be built into an all-underground wastewater treatment plant with the highest discharge standard in the country, which will play an important role in protecting the water ecology of the conservation area and ensure the construction and development of the Xicen Science and Technology Innovation Center. The aforementioned Baoshan Project entered the commissioning phase in September 2022, and will serve as a solid waste benchmark project in the Yangtze River Delta. It will also drive the coordinated development of the region, which is of great significance for Shanghai to achieve zero landfill treatment of domestic waste.

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.

In addition, the Central Government has issued the "China's Green Development in the New Era" (新時代的中國綠色發展) white paper at the beginning of 2023. The PRC will unswervingly move towards green development, remain committed to eco-environmental conservation, strive for higher quality, more efficient and more sustainable development, and work collectively towards a beautiful planet. Going forward, the Group will actively respond to national policies, maintain strategic focus, accelerate digitalization and low-carbon development, and closely monitor merger and acquisition opportunities of high-quality businesses. It will establish Baoshan Project and Xicen Project as benchmark projects, practice the concept of "clear waters and green mountains are as valuable as mountains of gold and silver", and contribute "new" forces for advancing a green transformation and creating a cleaner and more beautiful world.

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?

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

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

The shareholders of the Company who hold their shares on the Hong Kong register of members of the Company shall receive their final dividend payment in Hong Kong dollar while the shareholders of the Company who hold their shares on the Singapore register of members of the Company shall receive their final dividend payment in Singapore dollar.

The exchange rate for converting S\$ into HK\$ for the purpose of final dividend payment in HK\$ will be calculated with reference to the exchange rate quoted by Monetary Authority of Singapore on the date of the forthcoming AGM.

Corresponding Period of the Immediately Preceding Financial Year

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

Yes, the following dividend was declared for the corresponding period of FY2021.

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

(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.

To be announced at a later date.

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

To be announced at a later date.

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

We, Xu Xiaobing and Zhu Dazhi, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the period ended 31 December 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.

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

Please refer to Note 4 of the Notes to the Condensed Interim Consolidated Financial Statements.

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

Please refer to Note 8 of the Other Information Required by SGX Listing Rule Appendix 7.2.

- 18. A breakdown of sales**

Please refer to Note 5 of the Notes to the Condensed Interim Consolidated Financial Statements.

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

Total annual dividend	FY2022	FY2021
	RMB'000	RMB'000
Ordinary	192,118	186,043
Preference	Nil	Nil
Total	192,118	186,043

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

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

BY ORDER OF THE BOARD

Mr. Xu Xiaobing
Executive Director
24 February 2023