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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 2023**

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

This quarterly report is prepared in accordance with the relevant regulations of The Singapore Exchange Securities Trading Limited and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This results announcement contains financial information based on Singapore Financial Reporting Standards (International) and International Financial Reporting Standards. 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 2023 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 exercise caution when trading in the shares of the Company.

By Order of the Board
SIIC Environment Holdings Ltd.
Mr. Zhu Dazhi
Executive Director

Singapore and Hong Kong, 26 February 2024

As at the date of this announcement, the Chairman and Executive Director is Mr. Zhou Yuding; the executive Directors are Mr. Zhu Dazhi, Mr. Xu Xiaobing, Mr. Jiang Kai and Mr. Yang Xing; and the independent non-executive Directors are 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 2023

26 February 2024

Table of Contents

	Page No
Business Review	1
Review of Interim Results	1
Corporate Governance	1
Condensed Interim Consolidated Statement of Comprehensive Income	2
Condensed Interim Statements of Financial Position	3
Condensed Interim Consolidated Statement of Cash Flows	5
Condensed Interim Statements of Changes in Equity	8
Notes to the Condensed Interim Consolidated Financial Statements	20
Other Information Required by SGX Listing Rule Appendix 7.2	35



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

Fourth Quarter and Twelve Months of Financial Year 2023 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 2023 (“FY2023”). The Group’s net profit attributable to shareholders for the period amounted to RMB604.0 million, a decrease of 22.6% year-on-year.

Total revenue of the Group decreased by 8.8% to RMB7,572.9 million in FY2023. Gross profit rose 2.7% to RMB2,704.4 million.

As at 31 December 2023, the Group’s cash and cash equivalents stood at a healthy RMB2.89 billion.

Review of Annual Results

The audit committee has reviewed the Company’s unaudited consolidated annual results for the twelve months ended 31 December 2023.

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 statements, and the related notes thereto for FY2023 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 FY2023.

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 2023.

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

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Group					
		3 Months Ended		Changes	12 Months Ended		Changes
		31.12.23 (Unaudited)	31.12.22 (Unaudited)		31.12.23 (Unaudited)	31.12.22 (Audited)	
		RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	5	1,223,933	2,516,089	(51.4)	7,572,892	8,303,884	(8.8)
Cost of sales		(733,929)	(1,814,937)	(59.6)	(4,868,530)	(5,670,782)	(14.1)
Gross profit		490,004	701,152	(30.1)	2,704,362	2,633,102	2.7
Other income		90,132	42,728	110.9	181,303	121,847	48.8
Other gains and losses		(30,957)	(231)	13,301.3	(16,402)	6,830	N.M.
Selling and distribution costs		(22,820)	(21,237)	7.5	(79,628)	(80,217)	(0.7)
Administrative expenses		(180,336)	(155,660)	15.9	(576,539)	(518,163)	11.3
Finance expenses		(200,224)	(192,053)	4.3	(834,254)	(715,207)	16.6
Share of results of joint ventures		(5,864)	10,995	N.M.	10,762	26,840	(59.9)
Share of results of associates		(2,294)	323	N.M.	3,916	10,918	(64.1)
Profit before tax		137,641	386,017	(64.3)	1,393,520	1,485,950	(6.2)
Income tax expense	6	(42,504)	(108,010)	(60.6)	(373,864)	(364,169)	2.7
Profit for the period/year	7	95,137	278,007	(65.8)	1,019,656	1,121,781	(9.1)
Other comprehensive income (loss):							
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
Exchange difference arising from translation		102,773	64,207	60.1	(76,493)	(251,991)	(69.6)
Fair value change on investments in equity instruments designated as at FVTOCI		-	-	-	-	(1,891)	N.M.
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange differences arising from translation of foreign operations		(62,948)	(24,769)	154.1	(90,020)	(51,147)	76.0
Total other comprehensive income (loss) for the period/year, net of tax		39,825	39,438	1.0	(166,513)	(305,029)	(45.4)
Total comprehensive income for the period/year		134,962	317,445	(57.5)	853,143	816,752	4.5
Profit for the period/year attributable to:							
Owners of the Company		20,634	209,184	(90.1)	604,018	780,196	(22.6)
Non-controlling interests		74,503	68,823	8.3	415,638	341,585	21.7
		95,137	278,007	(65.8)	1,019,656	1,121,781	(9.1)
Total comprehensive income attributable to:							
Owners of the Company		60,459	248,622	(75.7)	437,505	475,167	(7.9)
Non-controlling interests		74,503	68,823	8.3	415,638	341,585	21.7
		134,962	317,445	(57.5)	853,143	816,752	4.5
Earnings per share for profit for the period/year attributable to the owners of the Company during the period/year:							
-Basic (RMB in cent)	15	0.80	8.12	(90.1)	23.45	30.29	(22.6)
-Diluted (RMB in cent)	15	0.80	8.12	(90.1)	23.45	30.29	(22.6)

N.M. – Not Meaningful

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

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		As at 31.12.23 (Unaudited)	As at 31.12.22 (Audited)	As at 31.12.23 (Unaudited)	As at 31.12.22 (Audited)
		RMB'000	RMB'000	RMB'000	RMB'000
Current assets					
Cash and cash equivalents		2,885,781	2,512,625	103,228	93,920
Pledged bank deposits		63,010	93,880	-	-
Trade and other receivables	8	4,990,374	4,523,881	1,173	1,114
Bills receivables		1,724	1,184	-	-
Prepayments		68,959	72,075	3,660	56
Inventories		250,123	233,483	-	-
Receivables under service concession arrangements - current portion	9	887,152	733,089	-	-
Amounts due from customers for contract work		75,889	77,767	-	-
Amounts due from subsidiaries		-	-	4,180,243	2,414,593
Amounts due from joint venture		30,500	23,028	22,439	137
Amounts due from associates		7,895	44,723	-	-
Financial assets at fair value through profit or loss		9,579	9,415	-	-
Total current assets		9,270,986	8,325,150	4,310,743	2,509,820
Non-current assets					
Financial assets at fair value through other comprehensive income		13,400	13,400	-	-
Prepayments		394,660	175,189	-	-
Receivables under service concession arrangements – non-current portion	9	22,374,059	22,816,306	-	-
Property, plant and equipment		477,195	444,770	44	59
Right-of-use assets		43,963	45,275	8,357	14,912
Intangible assets	10	8,667,682	7,070,383	5,553	5,870
Long term receivables		84,395	371,580	-	-
Deferred tax assets		51,301	57,481	-	-
Investment in subsidiaries		-	-	5,786,607	5,980,969
Interest in joint ventures		524,225	517,763	355,474	340,632
Interest in associates		233,409	232,467	-	-
Goodwill on consolidation		457,241	457,241	-	-
Loans to subsidiaries		-	-	2,997,534	3,161,219
Amounts due from associates		15,424	18,210	-	-
Total non-current assets		33,336,954	32,220,065	9,153,569	9,503,661
Total assets		42,607,940	40,545,215	13,464,312	12,013,481

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 31.12.23 (Unaudited)	As at 31.12.22 (Audited)	As at 31.12.23 (Unaudited)	As at 31.12.22 (Audited)
		RMB'000	RMB'000	RMB'000	RMB'000
Current liabilities					
Trade and other payables	11	4,306,433	3,912,018	163,773	151,070
Bills payable to banks		-	24,994	-	-
Tax payable		150,132	139,337	-	-
Amounts due to customers for contract work		24,278	29,053	-	-
Amounts due to subsidiaries		-	-	254,399	259,286
Bank and other borrowings	12	5,767,008	3,772,704	3,547,536	1,960,206
Lease liabilities		10,494	9,056	6,783	6,466
Total current liabilities		10,258,345	7,887,162	3,972,491	2,377,028
Non-current liabilities					
Bank and other borrowings	12	14,491,791	15,374,835	2,993,898	2,993,697
Deferred tax liabilities		2,420,065	2,286,296	-	-
Other non-current liabilities		115,163	148,971	-	-
Lease liabilities		32,120	33,379	1,889	8,672
Total non-current liabilities		17,059,139	17,843,481	2,995,787	3,002,369
Capital, reserves and non-controlling interests					
Share capital	13	5,920,175	5,920,175	5,920,175	5,920,175
Retained earnings (Accumulated losses)		3,955,497	3,682,917	(163,761)	253,832
Other reserves		255,835	212,468	739,620	460,077
Equity attributable to owners of the Company		10,131,507	9,815,560	6,496,034	6,634,084
Non-controlling interests		5,158,949	4,999,012	-	-
Total equity		15,290,456	14,814,572	6,496,034	6,634,084
Total liabilities and equity		42,607,940	40,545,215	13,464,312	12,013,481

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 flows (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 For 3 Months Ended		Group For 12 Months Ended	
	31.12.23 (Unaudited)	31.12.22 (Unaudited)	31.12.23 (Unaudited)	31.12.22 (Audited)
	RMB'000	RMB'000	RMB'000	RMB'000
Operating activities:				
Profit before tax	137,641	386,017	1,393,520	1,485,950
Adjustments for:				
Loss allowance for trade receivables, net	8,868	30,865	10,875	31,771
Loss allowance for non-trade receivables, net	17,948	1,770	16,502	1,770
Depreciation of property, plant and equipment	6,075	10,082	38,142	41,211
Amortisation of intangible assets	126,118	110,074	399,846	345,557
Depreciation of right-of-use assets	3,072	2,721	11,392	11,139
Loss (Gain) on disposal of property, plant and equipment	9	(209)	21	(72)
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)
Finance income	(5,614)	(8,081)	(28,805)	(35,935)
Finance expenses	200,224	192,053	834,254	715,207
Share of results of associates	2,294	(323)	(3,916)	(10,918)
Share of results of joint ventures	5,864	(10,995)	(10,762)	(26,840)
Fair value gain on financial assets at fair value through profit and loss	(22)	(424)	(164)	(108)
Operating cash flows before working capital changes	502,477	713,527	2,660,905	2,555,296
(Increase) decrease in:				
Inventories	7,016	86,546	(16,640)	52,486
Amounts due from/to customers for contract work, net	16,330	33,285	(2,897)	(1,990)
Trade receivables, other receivables and prepayments	577,104	(203,606)	(258,462)	(1,162,712)
Bills receivables	2,936	5,338	(540)	2,193
Amounts due from joint ventures	(30,500)	974	(7,472)	(317)
Amounts due from associates	3,819	16,133	39,614	(31,204)
Increase (decrease) in:				
Trade and other payables (inclusive of non-current liabilities)	(461,577)	(259,580)	(226,944)	(310,031)
Bills payable to banks	(4,943)	8,586	(24,994)	(23,768)
Cash generated from operating activities before service concession arrangement projects	612,662	401,203	2,162,570	1,079,953
Change in receivables under service concession arrangements (Note A)	(319,296)	(1,262,110)	(76,024)	(2,331,697)
Cash generated from (used in) operating activities after service concession arrangement projects	293,366	(860,907)	2,086,546	(1,251,744)
Interest received	3,592	7,570	22,074	34,928
Income tax refund	-	7,988	-	9,759
Income tax paid	(43,585)	(29,175)	(207,423)	(187,598)
Net cash generated from(used in) operating activities	253,373	(874,524)	1,901,197	(1,394,655)

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS – cont'd

	Group For 3 Months Ended		Group For 12 Months Ended	
	31.12.23 (Unaudited) RMB'000	31.12.22 (Unaudited) RMB'000	31.12.23 (Unaudited) RMB'000	31.12.22 (Audited) RMB'000
Investing activities:				
Purchase of property, plant and equipment	(38,721)	(32,384)	(75,659)	(103,934)
Purchase of intangible assets, net of amount on credit terms	604,575	(92,047)	(1,018,554)	(299,346)
Movement in prepayment for property, plant and equipment and intangible assets, net	11,305	(13,789)	(34,663)	(50,508)
Proceeds from disposal of property, plant and equipment	-	8	162	121
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 joint ventures	23,147	29,087	33,579	29,087
Net cash outflow on acquisition of a subsidiary	-	(279,640)	-	(279,640)
Prepayment for service concession arrangement	(338,860)	-	(338,860)	-
Net cash (outflow) inflow on disposal of subsidiaries	-	(4)	-	124,519
Net cash used in investing activities	261,446	(388,738)	(1,433,995)	(658,122)
Financing activities:				
Proceeds from bank and other borrowings	1,072,447	2,910,075	4,723,748	5,980,458
Repayment of bank and other borrowings	(1,023,573)	(1,678,811)	(3,794,034)	(3,439,217)
Interest paid	(166,132)	(233,230)	(769,761)	(793,488)
Principal and interest elements of lease payments	(2,601)	(3,141)	(11,124)	(12,478)
Dividend paid to equity shareholders	-	-	(202,703)	(192,118)
Dividend paid to non-controlling interest in subsidiaries	6,666	(43,630)	(55,092)	(92,674)
Contribution from non-controlling interests upon additional capital injection in subsidiaries	-	1,314	23,238	289,326
Acquisition of non-controlling interests	(34,600)	-	(34,600)	-
Decrease (Increase) in pledged bank deposits	25,623	(999)	30,870	24,491
Net cash (used in) generated from financing activities	(122,170)	951,578	(89,458)	1,764,300
Net increase (decrease) in cash and cash equivalents	392,649	(311,684)	377,744	(288,477)
Cash and cash equivalents at beginning of period	2,499,873	2,825,385	2,512,625	2,794,951
Effects of exchange rate changes on cash and cash equivalents	(6,741)	(1,076)	(4,588)	6,151
Cash and cash equivalents at end of period	2,885,781	2,512,625	2,885,781	2,512,625

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS – cont'd

	Group For 3 Months Ended		Group For 12 Months Ended	
	31.12.23 (Unaudited)	31.12.22 (Audited)	31.12.23 (Unaudited)	31.12.22 (Audited)
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents at end of period				
Cash and bank balances	2,948,791	2,606,505	2,948,791	2,606,505
Less: Pledged bank deposits	(63,010)	(93,880)	(63,010)	(93,880)
Cash and cash equivalents	2,885,781	2,512,625	2,885,781	2,512,625

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 FY2023 and 4QFY2023 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 1.1.23 (Audited)	5,920,175	3,682,917	212,468	625,982	-	(203,033)	(10,166)	(200,315)	9,815,560	4,999,012	14,814,572
Profit for the period	-	150,031	-	-	-	-	-	-	150,031	91,968	241,999
<u>Other comprehensive income</u>											
Exchange differences arising on translation	-	-	31,945	-	-	31,945	-	-	31,945	-	31,945
Exchange differences arising on translation of foreign operations	-	-	(9,470)	-	-	(9,470)	-	-	(9,470)	-	(9,470)
Other comprehensive income for the period, net of tax	-	-	22,475	-	-	22,475	-	-	22,475	-	22,475
Total comprehensive income for the period	-	150,031	22,475	-	-	22,475	-	-	172,506	91,968	264,474
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	(18,568)	18,568	18,568	-	-	-	-	-	-	-
Total	-	(18,568)	18,568	18,568	-	-	-	-	-	-	-
<u>Others</u>											
Dividends declared to NCI	-	-	-	-	-	-	-	-	-	(4,000)	(4,000)
Total	-	-	-	-	-	-	-	-	-	(4,000)	(4,000)
Balance at 31.3.23 (Unaudited)	5,920,175	3,814,380	253,511	644,550	-	(180,558)	(10,166)	(200,315)	9,988,066	5,086,980	15,075,046

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 1.4.23 (Unaudited)	5,920,175	3,814,380	253,511	644,550	-	(180,558)	(10,166)	(200,315)	9,988,066	5,086,980	15,075,046
Profit for the period	-	227,320	-	-	-	-	-	-	227,320	124,313	351,633
<u>Other comprehensive loss</u>											
Exchange differences arising on translation	-	-	(184,943)	-	-	(184,943)	-	-	(184,943)	-	(184,943)
Exchange differences arising on translation of foreign operations	-	-	(17,753)	-	-	(17,753)	-	-	(17,753)	-	(17,753)
Other comprehensive loss for the period, net of tax	-	-	(202,696)	-	-	(202,696)	-	-	(202,696)	-	(202,696)
Total comprehensive income for the period	-	227,320	(202,696)	-	-	(202,696)	-	-	24,624	124,313	148,937
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	(6,401)	6,401	6,401	-	-	-	-	-	-	-
Total	-	(6,401)	6,401	6,401	-	-	-	-	-	-	-
<u>Others</u>											
NCI upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	16,000	16,000
Dividend declared to NCI	-	-	-	-	-	-	-	-	-	(3,920)	(3,920)
Dividend declared to equity shareholders	-	(132,902)	-	-	-	-	-	-	(132,902)	-	(132,902)
Total	-	(132,902)	-	-	-	-	-	-	(132,902)	12,080	(120,822)
Balance at 30.6.23 (Unaudited)	5,920,175	3,902,397	57,216	650,951	-	(383,254)	(10,166)	(200,315)	9,879,788	5,223,373	15,103,161

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 1.7.23 (Unaudited)	5,920,175	3,902,397	57,216	650,951	-	(383,254)	(10,166)	(200,315)	9,879,788	5,223,373	15,103,161
Profit for the period	-	206,033	-	-	-	-	-	-	206,033	124,854	330,887
<u>Other comprehensive loss</u>											
Exchange differences arising on translation	-	-	(26,268)	-	-	(26,268)	-	-	(26,268)	-	(26,268)
Exchange differences arising on translation of foreign operations	-	-	151	-	-	151	-	-	151	-	151
Other comprehensive loss for the period, net of tax	-	-	(26,117)	-	-	(26,117)	-	-	(26,117)	-	(26,117)
Total comprehensive income for the period	-	206,033	(26,117)	-	-	(26,117)	-	-	179,916	124,854	304,770
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	2,401	(2,401)	(2,401)	-	-	-	-	-	-	-
Total	-	2,401	(2,401)	(2,401)	-	-	-	-	-	-	-
<u>Others</u>											
NCI upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	7,238	7,238
Dividend declared to equity shareholders	-	(69,801)	-	-	-	-	-	-	(69,801)	-	(69,801)
Total	-	(69,801)	-	-	-	-	-	-	(69,801)	7,238	(62,563)
Balance at 30.09.23 (Unaudited)	5,920,175	4,041,030	28,698	648,550	-	(409,371)	(10,166)	(200,315)	9,989,903	5,355,465	15,345,368

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 1.10.23 (Unaudited)	5,920,175	4,041,030	28,698	648,550	-	(409,371)	(10,166)	(200,315)	9,989,903	5,355,465	15,345,368
Profit for the period	-	20,634	-	-	-	-	-	-	20,634	74,503	95,137
<u>Other comprehensive income</u>											
Exchange differences arising on translation	-	-	102,773	-	-	102,773	-	-	102,773	-	102,773
Exchange differences arising on translation of foreign operations	-	-	(62,948)	-	-	(62,948)	-	-	(62,948)	-	(62,948)
Other comprehensive income for the period, net of tax	-	-	39,825	-	-	39,825	-	-	39,825	-	39,825
Total comprehensive income for the period	-	20,634	39,825	-	-	39,825	-	-	60,459	74,503	134,962
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	(106,167)	106,167	106,167	-	-	-	-	-	-	-
Total	-	(106,167)	106,167	106,167	-	-	-	-	-	-	-
<u>Others</u>											
Effects of changes in ownership interest in subsidiaries where there is no change in control	-	-	81,145	-	-	-	81,145	-	81,145	(230,743)	(149,598)
Dividend declared to NCI	-	-	-	-	-	-	-	-	-	(40,276)	(40,276)
Total	-	-	81,145	-	-	-	81,145	-	81,145	(271,019)	(189,874)
Balance at 31.12.23 (Unaudited)	5,920,175	3,955,497	255,835	754,717	-	(369,546)	70,979	(200,315)	10,131,507	5,158,949	15,290,456

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 1.1.22 (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. – 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 1.4.22 (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. – 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 1.7.22 (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 a subsidiary	-	-	-	-	-	-	-	-	-	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					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 1.10.22 (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

COMPANY	Share capital	Retained earnings	Other reserves*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1.1.23 (Audited)	5,920,175	253,832	460,077	6,634,084
Loss for the period	-	(46,060)	-	(46,060)
<u>Other comprehensive income</u>				
Exchange differences arising on translation, net of tax	-	-	13,671	13,671
Other comprehensive income for the period, net of tax	-	-	13,671	13,671
Total comprehensive loss for the period	-	(46,060)	13,671	(32,389)
Balance at 31.3.23 (Unaudited)	5,920,175	207,772	473,748	6,601,695
Loss for the period	-	(34,809)	-	(34,809)
<u>Other comprehensive income</u>				
Exchange differences arising on translation, net of tax	-	-	245,662	245,662
Other comprehensive income for the period, net of tax	-	-	245,662	245,662
Total comprehensive income for the period	-	(34,809)	245,662	210,853
<u>Others</u>				
Dividend declared to equity shareholders	-	(132,902)	-	(132,902)
Balance at 30.6.23 (Unaudited)	5,920,175	40,061	719,410	6,679,646
Profit for the period	-	41,319	-	41,319
<u>Other comprehensive loss</u>				
Exchange differences arising on translation, net of tax	-	-	(25,671)	(25,671)
Other comprehensive loss for the period, net of tax	-	-	(25,671)	(25,671)
Total comprehensive income for the period	-	41,319	(25,671)	15,648
<u>Others</u>				
Dividend declared to equity shareholders	-	(69,801)	-	(69,801)
Balance at 30.9.23 (Unaudited)	5,920,175	11,579	693,739	6,625,493

* 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 (Accumulated losses)	Other reserves*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 30.9.23 (Unaudited)	5,920,175	11,579	693,739	6,625,493
Loss for the period	-	(175,340)	-	(175,340)
<u>Other comprehensive income</u>				
Exchange differences arising on translation, net of tax	-	-	45,881	45,881
Other comprehensive income for the period, net of tax	-	-	45,881	45,881
Total comprehensive loss for the period	-	(175,340)	45,881	(129,459)
Balance at 31.12.23 (Unaudited)	<u>5,920,175</u>	<u>(163,761)</u>	739,620	6,496,034

* 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 1.1.22 (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 (Audited)	5,920,175	253,832	460,077	6,634,084

* Relates to translation reserve.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

SIIC Environment Holdings Ltd. (the “Company”) is a public limited company, incorporated and domiciled in the Republic of Singapore and is dual listed on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and The Stock Exchange of Hong Kong Limited (the “SEHK”). These condensed interim consolidated financial statements as at and for the fourth quarter and twelve months ended 31 December 2023 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 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last audited annual financial statements for the year ended 31 December 2022.

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 audited consolidated financial statements for the year ended 31 December 2022.

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 2023.

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 audited annual financial statements as at 31 December 2022.

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

3. SEASONAL OPERATIONS

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

4. SEGMENT INFORMATION

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

(i) Water and Sludge Treatment:

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

(ii) Water Supply:

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

(iii) Waste Incineration:

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

Other operations include design and consultancy on the projects and installation of water meters. None of these segments meets any of the quantitative thresholds for determining reportable segments for the financial year ended 31 December 2023 and 31 December 2022.

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. The 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 2023 (Unaudited)

All amount in RMB'000	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Revenue	5,030,061	1,376,001	976,180	7,382,242	190,650	-	7,572,892
Reportable segment profit (loss) from operations	1,649,102	183,929	346,155	2,179,186	50,574	(127,584)	2,102,176
Finance income	-	-	-	-	-	28,805	28,805
Finance expenses	-	-	-	-	-	(834,254)	(834,254)
Other non-operating income	(97,968)	43,361	18	(54,589)	-	136,704	82,115
Share of results of associates	2,791	-	-	2,791	1,125	-	3,916
Share of results of joint ventures	-	-	10,762	10,762	-	-	10,762
Income tax expense	(197,976)	(57,354)	(52,735)	(308,065)	(8,863)	(56,936)	(373,864)
Profit after tax							1,019,656
Segment depreciation and amortisation	329,629	107,369	24	437,022	251	12,107	449,380
Segment non-cash income	-	-	-	-	164	-	164
Segment non-cash expenses	(25,990)	(1,408)	-	(27,398)	-	-	(27,398)

4. SEGMENT INFORMATION - cont'd

Segment revenue and results – cont'd

Twelve Months Ended 31 December 2022 (Audited)

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	(29,300)	(4,241)	-	(33,541)	-	-	(33,541)

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 2023 (Unaudited)

All amount in RMB'000	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Segment assets	29,539,784	5,658,851	5,587,573	40,786,208	538,585	502,534	41,827,327
Interest in joint ventures	-	-	524,225	524,225	-	-	524,225
Interest in associates	93,056	-	-	93,056	107,987	32,366	233,409
Financial assets at fair value through profit or loss	6,506	-	-	6,506	3,073	-	9,579
Financial assets at fair value through other comprehensive income	10,400	-	-	10,400	3,000	-	13,400
Total assets							42,607,940
Segment liabilities	10,792,646	2,604,892	3,912,881	17,310,419	1,307,950	8,699,115	27,317,484
Segment capital expenditure	780,287	217,125	957,148	1,954,560	96	24	1,954,680

4. SEGMENT INFORMATION - cont'd

Segment assets and liabilities - cont'd

At 31 December 2022 (Audited)

All amount in RMB'000	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Segment assets	27,623,624	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

5. REVENUE

	3 Months Ended 31 December		12 Months Ended 31 December	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)	2022 RMB'000 (Audited)
Construction revenue	(280,734)	929,511	1,868,214	2,969,149
Operating and maintenance income from services concession arrangements	1,091,564	962,542	3,949,888	3,456,284
Financial income from service concession arrangements	268,009	324,225	1,231,658	1,248,018
Service income	23,833	41,785	178,458	142,037
Other revenue	121,261	258,026	344,674	488,396
	<u>1,223,933</u>	<u>2,516,089</u>	<u>7,572,892</u>	<u>8,303,884</u>
Timing of revenue recognition:				
At a point in time	1,091,564	962,542	3,949,888	3,456,284
Over time	132,369	1,553,547	3,623,004	4,847,600
	<u>1,223,933</u>	<u>2,516,089</u>	<u>7,572,892</u>	<u>8,303,884</u>

6. TAXATION

	3 Months Ended 31 December		12 Months Ended 31 December	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)	2022 RMB'000 (Audited)
Current tax:				
Current year	98,694	74,483	298,237	247,687
Over provision in respect of prior periods	(21,737)	(2,320)	(23,143)	(20,847)
Deferred tax:				
Current year	(37,058)	27,862	94,997	129,133
Under provision in respect of prior periods	2,605	7,985	3,773	8,196
	<u>42,504</u>	<u>108,010</u>	<u>373,864</u>	<u>364,169</u>

The corporate income tax applicable to the Singapore companies of the Group is 17% (Twelve Months Ended 31 December 2022: 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/YEAR

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

	3 Months Ended 31 December		12 Months Ended 31 December	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)	2022 RMB'000 (Audited)
Loss allowance for trade receivables, net	8,868	30,865	10,875	31,771
Loss allowance for non-trade receivables, net	17,948	1,770	16,502	1,770
Depreciation of property, plant and equipment	6,075	10,082	38,142	41,211
Amortisation of intangible assets	126,118	110,074	399,846	345,557
Depreciation of right-of-use assets	3,072	2,721	11,392	11,139
Loss (Gain) on disposal of property, plant and equipment	9	(209)	21	(72)
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)
Finance income	(5,614)	(8,081)	(28,805)	(35,935)
Finance expenses	200,224	192,053	834,254	715,207
Share of results of associates	2,294	(323)	(3,916)	(10,918)
Share of results of joint ventures	5,864	(10,995)	(10,762)	(26,840)
Fair value gain on financial assets at fair value through profit and loss	(22)	(424)	(164)	(108)
Foreign exchange loss, net	20,026	17,044	5,329	9,154

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 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Within 30 days	1,133,684	989,081
Within 31 to 60 days	382,217	335,935
Within 61 to 90 days	348,617	286,136
Within 91 to 180 days	684,525	475,927
Within 181 to 365 days	554,497	622,382
Over 365 days	915,629	728,482
	<u>4,019,169</u>	<u>3,437,943</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 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Receivables under service concession arrangements:		
Current portion	887,152	733,089
Non-current portion	22,374,059	22,816,306
	<u>23,261,211</u>	<u>23,549,395</u>

Expected collection schedule is analysed as follows:

Within 1 year	887,152	733,089
Within 2 to 5 years	3,671,624	3,198,396
Over 5 years	18,702,435	19,617,910
	<u>23,261,211</u>	<u>23,549,395</u>

10. INTANGIBLE ASSETS

During the period, the Group's additions of intangible assets amounted to RMB 1,860,474,000 (Twelve Months Ended 31 December 2022: RMB 368,187,000).

Certain intangibles with carrying value of RMB 1,432,240,000 were pledged to secure the Group's bank borrowings as at 31 December 2023 (31 December 2022: RMB 1,413,402,000).

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 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Within 30 days	702,713	1,066,380
Within 31 to 60 days	93,223	123,720
Within 61 to 90 days	57,274	52,847
Within 91 to 180 days	124,272	159,635
Within 181 to 365 days	641,800	140,732
Over 365 days	705,475	699,078
	<u>2,324,757</u>	<u>2,242,392</u>

12. BANK AND OTHER BORROWINGS

	31 December 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Amount repayable within one year or on demand:		
Secured	1,678,545	780,766
Unsecured	4,088,463	2,991,938
	<u>5,767,008</u>	<u>3,772,704</u>
Amount repayable after one year:		
Secured	7,583,338	9,272,142
Unsecured	6,908,453	6,102,693
	<u>14,491,791</u>	<u>15,374,835</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 RMB'000
	(Unaudited)	(Unaudited)
Issued and paid up share capital		
At 1 January 2022, 31 December 2022 and 31 December 2023	<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 redeemed, purchased or sold any of the Company's listed securities for the financial period ended 31 December 2023.

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 2022 was approved in the annual general meeting held on 28 April 2023 and paid out on 31 May 2023.

On 11 August 2023, the Board resolved to declare an interim dividend of S\$0.005 per ordinary share to shareholders. The interim dividend was fully paid out on 28 September 2023.

15. NET ASSET VALUE AND EARNINGS PER SHARE

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	RMB cents (Unaudited)	RMB cents (Audited)	RMB cents (Unaudited)	RMB cents (Audited)
Net asset value per ordinary share	393.35	381.09	252.21	257.57

Net asset value per share is calculated based on the number of shares in issue of 2,575,665,726 as at 31 December 2023 (31 December 2022: 2,575,665,726).

	3 Months Ended 31 December		12 Months Ended 31 December	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Profit for the period attributable to the Owners of the Company (RMB'000)	20,634	209,184	604,018	780,196
Earnings per share for profit for the period attributable to the owners of the Company during the period:				
-Basic (RMB in cent)	0.80	8.12	23.45	30.29
-Diluted (RMB in cent)	0.80	8.12	23.45	30.29

Basis and diluted earnings per share are calculated based on the weighted average number of shares in issue of 2,575,665,726 (31 December 2022: 2,575,665,726) during the period.

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);
- 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 2023	31 December 2022	
	RMB'000 (Unaudited)	RMB'000 (Audited)	
Financial assets at FVTOCI			
Unlisted equity security	13,400	13,400	Level 3
Financial assets at FVTPL			
Listed equity security	3,073	2,909	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 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Financial assets				
Receivables under service concession arrangements	21,410,273	22,740,832	17,571,277	17,932,803
Financial liabilities				
Bank and other borrowings (fixed rate)	(4,506,445)	(4,538,736)	(3,815,538)	(3,689,497)

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

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

17. 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, subdivision, consolidation, 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 2023, there were no treasury shares held (31 December 2022: Nil). Total number of issued shares as at 31 December 2023 was 2,575,665,726 (31 December 2022: 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 2023.

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

There were no sales, transfers, cancellation and/or use of subsidiary holdings during the financial period ended 31 December 2023.

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

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

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

Not applicable.

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as that of the audited financial statements for the year ended 31 December 2022.

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

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

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

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

- 7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the**

- (a) current financial period reported on; and
(b) immediately preceding financial year.**

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

- 8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affect the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

STATEMENT OF COMPREHENSIVE INCOME

Overall Review

The Group recorded a decrease in revenue from RMB8,303.9 million in FY2022 to RMB7,572.9 million in FY2023, representing a decrease of 8.8%. Gross profit ("GP") has increased 2.7% from RMB2,633.1 million in FY2022 to RMB2,704.4 million in FY2023.

Meanwhile, the Group's profit for the period amounted to RMB1,019.7 million, which is a decrease of 9.1% as compared to FY2022. The Group's profit after tax (attributable to owners of the Company) decreased from RMB780.2 million in FY2022 to RMB604.0 million in FY2023, representing a decrease of 22.6%.

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 RMB1,868.2 million in FY2023 (FY2022: RMB2,969.1 million). Shanghai Baoshan Renewable Energy Utilization Centre which construction activities had been completed and commenced operations during FY2023 was the main reason for the decrease in construction revenue.

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 RMB1,359.6 million and RMB5,181.5 million in 4QFY2023 and FY2023 respectively (4QFY2022: RMB1,286.8 million; FY2022: RMB4,704.3 million). The higher revenue was largely attributable to the Group’s benchmark solid waste treatment and power generation project, Shanghai Baoshan Renewable Energy Utilization Centre, which commenced operations during the year, and also higher volume and average price in water treatment and water supply.

Service Income

Service income from non-service concession arrangements amounted to RMB23.8 million and RMB178.5 million in 4QFY2023 and FY2023 respectively (4QFY2022: RMB41.8 million; FY2022: RMB142.0 million). The increase in service income was due to a higher average price and new project awarded in Macau SAR, China.

Other Revenue

Other revenue for 4QFY2023 and FY2023 was RMB121.3 million and RMB344.7 million respectively (4QFY2022: RMB258.0 million; FY2022: RMB488.4 million). Changes in other revenue mainly due to the changes in the volume of installation works carried out, which were ad-hoc in nature.

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

The Group’s GP decreased by RMB211.1 million or 30.1% from RMB701.2 million in 4QFY2022 to RMB490.0 million in 4QFY2023. Meanwhile, total GP increased by RMB71.3 million or 2.7% from RMB2,633.1 million in FY2022 to RMB2,704.4 million in FY2023. The increase in GP was mainly contributed by the new service concession arrangements with a higher profit margin.

The rise in wastewater treatment and water supply volume, increase in average treatment and supply tariff per tonne, higher GP contributed by the Shanghai Baoshan Renewable Energy Utilization Centre since its commencement of operations during the year, and lower proportion of construction revenue as compared to prior period.

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

(B) Gross Profit (“GP”) / Gross Profit Margin (“GPM”) – cont’d

GPM recorded an increase of 12.1% from 27.9% in 4QFY2022 to 40.0% in 4QFY2023, and an increase of 4.0% from 31.7% in FY2022 to 35.7% in FY2023. The increase was mainly due to the higher GP contributed by the Shanghai Baoshan Renewable Energy Utilization Centre since its commencement of operations during the FY2023, and lower proportion of construction revenue as compared to prior period.

(C) Other Income

Other income amounted to RMB90.1 million and RMB181.3 million in 4QFY2023 and FY2023 respectively (4QFY2022: RMB42.7 million; FY2022: RMB121.8 million). The increase in 4QFY2023 and FY2023 as compared to 4QFY2022 and FY2022 was mainly due to the increment in volume of work and production not related to core business activities.

(D) Other Gains and Losses

Other gains and losses increased from a loss of RMB0.23 million in 4QFY2022 to a loss of RMB30.96 million in 4QFY2023 were mainly due to the higher unrealised foreign exchange loss recorded as compared to the corresponding period in prior period and loss allowance for non-trade receivables recorded. Other gains and losses changed from a gain of RMB6.83 million in FY2022 to a loss of RMB16.40 million in FY2023 were mainly due to the accumulated unrealised foreign exchange loss recorded in the current year and loss allowance for non-trade receivables recorded.

(E) Selling and Distribution Costs

Selling and distribution costs slightly increased from RMB21.20 million in 4QFY2022 to RMB22.80 million in 4QFY2023 and decreased from RMB80.20 million in FY2022 to RMB79.60 million in FY2023. Decrease in the selling and distribution costs were mainly due to improvement of repair and maintenance costs.

(F) Administrative Expenses

Administrative expenses increased from RMB155.7 million in 4QFY2022 to RMB180.3 million in 4QFY2023, the total administrative expenses increased from RMB518.2 million in FY2022 to RMB576.5 million in FY2023. The overall increase in administrative expenses was mainly caused by the increase in manpower costs which is in line with the growth in overall revenue and water treatment volume, and administrative expenses for the newly acquired subsidiaries since the end of FY2022.

(G) Finance Expenses

Finance expenses amounted to RMB200.2 million and RMB834.3 million in 4QFY2023 and FY2023 respectively (4QFY2022: RMB192.1 million; FY2022: RMB715.2 million). The increase in 4QFY2023 and FY2023 as compared to the corresponding preceding period was predominantly contributed by the interest rate hikes in certain markets outside of Mainland China since May 2022, eventually increased the finance expenses of the floating rate borrowings. Also, there was an increase in outstanding balance of bank and other borrowings, which was injected to support the ongoing projects construction and upgrading.

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 the joint ventures and associates.

The share of results of joint ventures in FY2023 decreased as compared to FY2022 respectively, due to higher production costs incurred for the year.

The share of results of associates in FY2023 decreased as compared to FY2022 due to lower contribution from associates in China.

(I) Income Tax Expenses

Income tax expenses amounted to RMB42.5 million and RMB373.9 million in 4QFY2023 and FY2023 respectively (4QFY2022: RMB108.0 million; FY2022: RMB364.2 million). The overall increase in income tax expenses was due to higher taxable income generated during the year.

STATEMENTS OF FINANCIAL POSITION

(J) Current Assets

Current assets as at 31 December 2023 amounted to RMB9.27 billion (31 December 2022: RMB8.33 billion). The increase in current assets was mainly due to the increase in trade receivables balance related to the higher operating and maintenance income and the increase in cash and cash equivalents.

(K) Non-current Assets

Non-current assets as at 31 December 2023 amounted to RMB33.34 billion (31 December 2022: RMB32.22 billion). The increase in non-current assets was mainly due to the increase in intangible assets arising from the construction activities under the service concession arrangements.

(L) Current Liabilities

Current liabilities as at 31 December 2023 amounted to RMB10.26 billion (31 December 2022: RMB7.89 billion). The increase was mainly due to the bank and other borrowings, and trade and other payables related to the operating activities for revenue. The Group's current liabilities exceeds its current assets by RMB1.0 billion was mainly due to the portion of long term loan becoming due in the next 12 months. In January 2024, the Group had obtained a RMB1.0 billion long term loan to replace its short term loans that are due in 2024.

(M) Non-current Liabilities

Non-current liabilities as at 31 December 2023 amounted to RMB17.06 billion (31 December 2022: RMB17.84 billion). The decrease was mainly due to repayment of bank and other borrowings in FY2023.

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

STATEMENT OF CASH FLOWS

As at 31 December 2023, the Group's cash and cash equivalents stood at RMB2.89 billion (31 December 2022: RMB2.51 billion). In FY2023, net cash of RMB1,901.2 million was generated from the Group's operating activities, a significant amount of cash was used towards the Group's investments in projects with service concession arrangements. Excluding cash used in these projects, cash generated from operating activities in FY2023 was RMB1,977.2 million.

Net cash used in the Group's investing activities of RMB1,434.0 million in FY2023 was mainly due to net cash outflow from purchase of property, plant and equipments, and intangibles assets.

Net cash used in the Group's financing activities of RMB89.5 million in FY2023 was mainly due to acquisition of non-controlling interests in subsidiaries, and net proceeds from borrowings after offsetting by dividends and interest payments.

SEGMENT REPORTING

Water and Sludge Treatment segment revenue increased by 6.55%, from RMB4,720.9 million in FY2022 to RMB5,030.1 million in FY2023. The segment profit increased from RMB1,526.2 million in FY2022 to RMB1,649.1 million in FY2023. 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 slightly increased by 2.64%, from RMB1,340.6 million in FY2022 to RMB1,376.0 million in FY2023. The segment profit increased from RMB153.5 million in FY2022 to RMB183.9 million in FY2023. The increase in ad-hoc consultation and installation works which generated higher profit margin led to an increase in segment profit in FY2023.

Waste Incineration segment revenue decreased by 44.34%, from RMB1,753.9 million in FY2022 to RMB976.2 million in FY2023. The segment profit increased from RMB329.2 million in FY2022 to RMB346.2 million in FY2023. The decrease in segment revenue and increase in profits were mainly due to the construction activities of Shanghai Baoshan Renewable Energy Utilization Center had been completed during the year, and has been put into operation, generating operating revenue with higher profit as compared to construction revenue.

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

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

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

In 2023, as the People's Republic of China ("China") stepped up macroeconomic regulation and control, the economy rebounded and kept heading firmly toward high-quality development. Against the dual-carbon strategy backdrop, the Chinese economy and society entered the stage of high-quality development with greening and low-carbon development picking up speed. In December 2023, the Communist Party of China Central Committee and the State Council issued the "Guidelines to Comprehensively Promote the Development of a Beautiful China" (關於全面推進美麗中國建設的意見) calling for coordinated efforts to promote carbon and pollution reduction, greenery expansion and growth, for the purpose of assuring the country's ecological security. The set targets are that, by 2035, green methods of production and ways of life will have been developed broadly, carbon emissions will have peaked and be in steady decline, and the country's ecological environment will have improved fundamentally, and the Beautiful China goal will have basically achieved, translating into important development opportunities to China's green environmental protection industry. In that same period, the National Development and Reform Commission ("NDRC") and the Ministry of Finance issued the "Guiding Opinions on Regulating the New Mechanism of Public-Private Partnerships" (關於規範實施政府和社會資本合作新機制的指導意見), the aim of which is to encourage new public-private partnership construction (including reconstruction and expansion) projects, which is also expected to present new opportunities to the Group's wastewater and solid waste treatment projects, conducive to promoting industry upgrade.

On the water policy front, in December 2023, the NDRC, the Ministry of Housing and Urban-Rural Development, and the Ministry of Ecology and Environment together issued the "Implementation Opinions on Promoting Wastewater Treatment to Reduce Pollution and Carbon, Creating Synergies and Strengthening Efficiency" (關於推進污水處理減污降碳協同增效的實施意見) ("Implementation Opinions"), stating that, by 2025, the recycled water utilization rate in water-scarce cities at prefecture level and above should reach more than 25% and that 100 guidepost green and low-carbon wastewater treatment plants capable of efficient recycling of energy resources have to be built. In October 2023, the NDRC issued the "National Carbon Peaking Pilot Construction Plan" (國家碳達峰試點建設方案), with the goals of selecting 100 representative cities and industrial parks in China to carry out carbon peaking pilot construction and planning and implementing key projects in such as energy infrastructure, energy-saving and carbon-reduction transformation, advanced technology demonstration, environmental infrastructure, resource recycling, and ecological protection and restoration. In 2023, the Group secured five high-quality new projects in Guangxi Province, Heilongjiang Province and the Macau Special Administrative Region ("Macau") of total capacity reaching near 200,000 tonnes. Among them, the Macau Taipa WWTP O&M Project ("Taipa Project") is the Group's first overseas WWTP project, which not only expanded the business footprint of the Group in the Guangdong-Hong Kong-Macau Greater Bay Area, but also notably optimized its project layout. In addition, during the year, the Group had other projects with capacity of 220,000 tonnes starting commercial operation and upgraded and expanded a close to 500,000-tonne project. Construction of the Qingpu Xicen Water Purification Plant ("Xicen Project"), a guidepost WWTP project of the Group, was well underway with raft foundation construction completed and the pool walls of the wastewater treatment filters (negative second layer) 90% completed at the end of 2023. In the future, the Group will keep its eyes on

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.

high-quality new project opportunities to strengthen business development momentum and consolidate its industry leadership.

As for green finance, national policies encourage financial institutions to actively take part in financing and investing in environmental protection projects to promote the development of the eco-environmental protection industry. In December 2023, the NDRC issued the "Three-year Action Plan for Major Projects of the Yangtze River Delta Eco-Green Integrated Demonstration Zone" (長三角生態綠色一體化發展示範區建設三年行動計劃), supportive of Eco-Environment-Oriented Development (EOD) projects, with eligible cross-provincial projects included into the Reservation Storage of Ecological Environmental Protection Financial Support Projects and backing eligible new infrastructure projects on issuing Real Estate Investment Trusts (REITs). In addition, the NDRC and two other departments in their Implementation Opinions stated the need to step up financial support for wastewater treatment, reduction of pollution and carbon emissions upgrade projects, and for local governments to include eligible projects into dedicated supporting bond scheme. With the encouragement and support of national policies, the Group is looking at more financing opportunities and has added advantage in broadening financing channels to help expand its wastewater, sludge and solid waste treatment business.

Regarding solid waste, also in December 2023, the NDRC issued the "Industrial Structure Adjustment Guidance Catalogue (2024)" (產業結構調整指導目錄(2024年本)), which encourages projects that can reduce, convert into resources, harmlessly treat and realize integrated use of municipal waste, rural household waste, sludge and other solid wastes. It also supports the development of waste sorting-related technologies, equipment and facilities, and technologies relevant to small-scale distributed organic waste treatment in cities, towns and farming villages. The Group has been active in advancing the development of its solid waste, sludge and related businesses. Adopting top-grade treatment technologies and equipment, its guidepost project Shanghai Baoshan Renewable Energy Utilization Center ("Baoshan Project") has effectively improved harmless waste treatment and turning waste into useful resources in Shanghai, proving to have significant meaning in fostering the city's sustainable development.

The Central Economic Work Conference has stressed the need to further strengthen ecological conservation and pursue green and low-carbon development, to work actively and prudently toward the goals of reaching carbon emissions peaking and carbon neutrality, and make sustained efforts to keep skies blue, waters clear, and lands clean. The Group will closely follow national policy guidance, give full play to its experience and resource advantages in operating green and low-carbon projects to help promote green development and the harmonious coexistence of man and nature, playing an active part in building a beautiful China. At the same time, it will empower business development with digitalization, scientific management and independent innovation, keep consolidating its core competitiveness, enhance its ability to secure new projects and advance on the high-quality sustainable development path.

11. Dividend

If a decision regarding dividend has been made:

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

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

Any dividend declared for the current financial period reported on?

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\$0.006 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 FY2022.

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, Zhu Dazhi and Jiang Kai, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the period ended 31 December 2023, 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	FY2023	FY2022
	RMB'000	RMB'000
Ordinary	202,703	192,118
Preference	-	-
Total	202,703	192,118

- 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. Zhu Dazhi

Executive Director

26 February 2024