SIIC ENVIRONMENT HOLDINGS LTD.
上海實業環境控股有限公司*

(Incorporated in the Republic of Singapore with limited liability)
(Hong Kong stock code: 807)
(Singapore stock code: BHK)

Unaudited Financial Statements and Dividend Announcement for the Second Quarter and Six Months ended 30 June 2018

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 and have not been reviewed by auditors. Shareholders and public investors should be cautious trading in the shares of the Company.

By Order of the Board
SIIC Environment Holdings Ltd.
Mr. Feng Jun
Executive Director

Hong Kong, 13 August 2018

As at the date of this announcement, the non-executive Chairman is Mr. Zhou Jun; the executive Directors are Mr. Feng Jun, Mr. Yang Changmin, Mr. Li Zengfu, Mr. Xu Xiaobing and Mr. Xu Zhan; and the independent non-executive Directors are Mr. Yeo Guat Kwang, Mr. An Hongjun and Mr. Zhong Ming.

* *For identification purpose only*

SIIC ENVIRONMENT HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No: 200210042R)

Unaudited Financial Statements and Dividend Announcement for the Second Quarter and Six Months ended 30 June 2018

13 August 2018

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

Second Quarter and First Half of Financial Year 2018 Financial Statements And Dividend Announcement

Business Review

The board of SIIC Environment Holdings Ltd. (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2018 ("1HFY2018"). The Group's net profit attributable to shareholders amounted to RMB255.6 million, up 6.5% for the comparative period in 1HFY2018.

This was on the back of a 42.9% increase in revenue to RMB2.9 billion as revenue across all business divisions increased in 1HFY2018, supported by higher amount of construction activities, higher water treatment and supply sales volume, as well as contribution from newly acquired entities. Gross profit rose 13.6% to RMB804.3 million, mainly on contribution from increased construction activities and newly acquired entities. The increase was partially offset by listing expenses related to the Group's dual primary listing in Hong Kong incurred in the first quarter of the year.

As at 30 June 2018, the Group's cash and cash equivalents stood at a healthy RMB1,151.4 million.

Review of Interim Results

The audit committee has reviewed the Company's unaudited consolidated interim results for the six months ended 30 June 2018.

Corporate Governance

The Company has complied with all the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of the Hong Kong Limited (the "Stock Exchange") throughout the six months ended 30 June 2018.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities during 1HFY2018.

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

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

UNAUDITED RESULTS FOR THE SECOND QUARTER ("2QFY2018") AND FIRST HALF FINANCIAL YEAR ("1HFY2018) ENDED 30 JUNE 2018

		Group					
		3 Months Ended		**Changes**	**6 Months Ended**		**Changes**
	Note	**30.6.18**	**30.6.17**		**30.6.18**	**30.6.17**	
		RMB'000	**RMB'000**	**%**	**RMB'000**	**RMB'000**	**%**
Revenue	8(A)	1,673,601	995,360	68.1	2,850,922	1,995,054	42.9
Cost of sales		(1,241,908)	(642,983)	93.1	(2,046,648)	(1,287,355)	59.0
Gross profit	8(B)	**431,693**	**352,377**	22.5	**804,274**	**707,699**	13.6
Other income		62,337	63,826	(2.3)	130,543	124,389	4.9
Other gains and losses	8(C)	1,775	(2,870)	N.M.	757	3,196	(76.3)
Selling and distribution costs	8(D)	(17,588)	(15,811)	11.2	(36,370)	(32,344)	12.4
Administrative expenses	8(E)	(98,740)	(66,786)	47.8	(208,709)	(142,285)	46.7
Finance expenses	8(F)	(133,889)	(127,091)	5.3	(263,830)	(255,593)	3.2
Share of results of joint ventures	8(G)	13,759	14,080	(2.3)	28,439	25,830	10.1
Share of results of associates	8(G)	(720)	(1,056)	(31.8)	(1,404)	(1,982)	(29.2)
Profit before tax	8(H)	**258,627**	**216,669**	19.4	**453,700**	**428,910**	5.8
Income tax expense	8(I)	(64,782)	(58,894)	10.0	(113,110)	(118,431)	(4.5)
Profit for the period		**193,845**	**157,775**	22.9	**340,590**	**310,479**	9.7
Other comprehensive (loss)/ income:							
Items that will not be reclassified to profit or loss:							
Exchange difference arising from translation		(79,766)	28,249	N.M.	(24,332)	62,254	N.M.
Items that may be reclassified subsequently to profit or loss:							
Exchange differences arising from translation of foreign operations		17,265	-	N.M.	6,928	-	N.M.
Fair value change on available-for-sale financial instruments		-	(28,421)	(100.0)	-	15,362	(100.0)
Total comprehensive income for the period		**131,344**	**157,603**	(16.7)	**323,186**	**388,095**	(16.7)
Profit for the period attributable to:							
Owners of the Company		153,735	119,909	28.2	255,600	240,026	6.5
Non-controlling interests		40,110	37,866	5.9	84,990	70,453	20.6
		193,845	**157,775**	22.9	**340,590**	**310,479**	9.7
Total comprehensive income attributable to:							
Owners of the Company		91,234	119,737	(23.8)	238,196	317,642	(25.0)
Non-controlling interests		40,110	37,866	5.9	84,990	70,453	20.6
		131,344	**157,603**	(16.7)	**323,186**	**388,095**	(16.7)
Earnings per share (RMB cents)	(6)						
-Basic		5.90	4.83	22.2	9.81	10.12	(3.1)
-Dilute		5.90	4.83	22.2	9.81	10.12	(3.1)

N.M. – Not Meaningful

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

	Note	Group		Company	
		As At 30.6.18	As At 31.12.17	As At 30.6.18	As At 31.12.17
		RMB'000	RMB'000	RMB'000	RMB'000
Current assets					
Cash and cash equivalents		1,151,430	1,402,104	126,874	243,860
Pledged bank deposits		164,171	130,637	-	-
Trade and other receivables	8(J)	2,065,302	1,832,883	2,512	642
Bills receivables		2,340	7,760	-	-
Prepayments		52,149	38,729	3,263	1,573
Inventories		112,191	96,066	-	-
Receivables under service concession arrangements		293,915	260,888	-	-
Amounts due from customers for contract work		50,776	37,796	-	-
Amounts due from subsidiaries		-	-	268,934	120,753
Amounts due from joint venture		787	137	787	137
Amounts due from associate		49,290	40,766	-	-
Financial assets		26,057	34,750	-	-
Total current assets	8(K)	**3,968,408**	**3,882,516**	**402,370**	**366,965**
Non-current assets					
Financial assets		28,003	26,803	14,523	13,323
Prepayments		272,065	390,364	-	-
Receivables under service concession arrangements		14,520,877	12,991,865	-	-
Property, plant and equipment		285,867	206,032	1,094	1,298
Intangible assets		6,708,898	6,466,660	-	-
Land use rights		6,323	6,459	-	-
Long term receivables		361,861	361,423	-	-
Deferred tax assets		62,244	48,009	-	-
Investment in subsidiaries		-	-	5,385,917	5,378,078
Interest in joint ventures		742,837	713,523	537,257	536,475
Interest in associates		81,779	83,858	-	-
Goodwill on consolidation		457,241	457,241	-	-
Amounts due from associate		14,543	14,543	-	-
Total non-current assets	8(L)	**23,542,538**	**21,766,780**	**5,938,791**	**5,929,174**
Total assets		**27,510,946**	**25,649,296**	**6,341,161**	**6,296,139**
Current liabilities					
Trade and other payables	8(M)	2,882,432	2,376,262	28,668	34,069
Bills payable to banks		62,674	49,235	-	-
Tax payable		74,393	69,662	-	-
Amounts due to customers for contract work		18,488	16,720	-	-
Amounts due to subsidiaries		-	-	14,337	67,494
Bank and other borrowings		4,215,317	3,660,906	242,954	242,601
Finance lease		73,587	71,746	-	-
Total current liabilities	8(N)	**7,326,891**	**6,244,531**	**285,959**	**344,164**
Non-current liabilities					
Bank and other borrowings		7,252,334	6,950,833	-	-
Finance lease		321,423	359,700	-	-
Deferred tax liabilities		1,844,231	1,739,910	-	-
Other non-current liabilities		124,370	110,731	-	-
Total non-current liabilities	8(O)	**9,542,358**	**9,161,174**	**-**	**-**
Capital, reserves and non-controlling interest					
Share capital	1(d)(ii)	5,951,793	5,951,889	5,951,793	5,951,889
Treasury shares		-	(96)	-	(96)
Retained earnings		1,843,114	1,591,879	32,895	(62,101)
Other reserves		(43,814)	(30,775)	70,514	62,283
Equity attributable to owners of the Company		**7,751,093**	**7,512,897**	**6,055,202**	**5,951,975**
Non-controlling interests		2,890,604	2,730,694	-	-
Total equity		**10,641,697**	**10,243,591**	**6,055,202**	**5,951,975**
Total liabilities and equity		**27,510,946**	**25,649,296**	**6,341,161**	**6,296,139**

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

Amount repayable in one year or less, or on demand

As at 30.6.18 RMB'000		**As at 31.12.17 RMB'000**	
Secured/ Guaranteed	Unsecured/ Unguaranteed	Secured/ Guaranteed	Unsecured/ Unguaranteed
2,420,916	1,930,662	2,366,439	1,415,448

Amount repayable after one year

As at 30.6.18 RMB'000		**As at 31.12.17 RMB'000**	
Secured/ Guaranteed	Unsecured/ Unguaranteed	Secured/ Guaranteed	Unsecured/ Unguaranteed
6,657,252	916,505	6,294,910	1,015,623

Details of any collateral

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

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

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.

	Group		Group	
	For 3 Months Ended		For 6 Months Ended	
	30.6.18	30.6.17	30.6.18	30.6.17
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Profit before tax	**258,627**	**216,669**	**453,700**	**428,910**
Adjustments for:				
Allowance for/(Reversal of) doubtful receivables, net (trade)	139	(7,546)	504	(5,613)
Reversal of doubtful receivables, net (non-trade)	(51)	-	(51)	-
Depreciation of property, plant and equipment	8,040	5,486	14,478	10,836
Amortisation of intangible assets	68,295	64,172	135,684	129,388
Amortisation of land use rights	66	67	136	134
Loss on disposal of property, plant and equipment	1,046	80	1,260	34
Finance income	(2,538)	(4,117)	(5,518)	(8,541)
Finance expenses	133,889	127,091	263,830	255,593
Share of results of associates	720	1,056	1,404	1,982
Share of results of joint ventures	(13,759)	(14,080)	(28,439)	(25,830)
Foreign exchange gain	(2,942)	(971)	(245)	(5,055)
Fair value loss/(gain) from held for trading investment	711	(4,013)	829	(4,966)
Operating cash flow before working capital changes	**452,243**	**383,894**	**837,572**	**776,872**
(Increase)/decrease in:				
Inventories	(7,696)	(6,236)	(14,034)	(8,484)
Amounts due from/to customers for contract work, net	3,184	(9,469)	(11,913)	(38,488)
Trade receivables, other receivables and prepayments	69,476	(143,571)	(270,335)	(488,923)
Bills receivables	1,652	(2,953)	5,420	(2,820)
Amounts due from joint ventures	305	306	611	611
Amounts due from associate	1,135	(1,106)	2,552	(18,634)
Increase/(decrease) in:				
Trade payables and other payables(inclusive of non-current liabilities)	301,170	12,829	340,215	(101,303)
Bills payable to banks	(1,585)	2,819	(15,941)	3,576
Cash from operating activities before service concession arrangement projects	**819,884**	**236,513**	**874,147**	**122,407**
Change in receivables under service concession arrangements (Note A)	(872,920)	(377,194)	(1,229,132)	(665,407)
Cash used in operating activities after service concession arrangement projects	**(53,036)**	**(140,681)**	**(354,985)**	**(543,000)**
Interest received	2,358	4,048	2,824	7,508
Income tax paid	(39,267)	(31,163)	(65,445)	(68,934)
Net cash used in operating activities	**(89,945)**	**(167,796)**	**(417,606)**	**(604,426)**
Cash flows from investing activities:				
Purchase of property, plant and equipment	(4,297)	(5,247)	(16,082)	(7,984)
Purchase of intangible assets, net of amount on credit terms	(63,040)	(1,245)	(113,157)	(56,590)
Increase in prepayment for property, plant and equipment and intangible assets	(5,181)	(1,363)	(9,728)	(6,893)
Proceeds from disposal of property, plant and equipment	51	17	51	94
Net cash outflow on acquisition of subsidiaries (Note B)	(4,910)	-	(157,269)	(110,870)
Prepayment for investment in a subsidiary	-	(70,000)	-	(70,000)
Dividend received from associates	-	-	-	3,224
Net cash used in investing activities	**(77,377)**	**(77,838)**	**(296,185)**	**(249,019)**

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

	Group		Group	
	For 3 Months Ended		For 6 Months Ended	
	30.6.18	30.6.17	30.6.18	30.6.17
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from financing activities:				
Proceeds from bank and other borrowings	755,434	979,207	1,615,284	1,945,982
Repayment of bank and other borrowings	(319,908)	(1,258,783)	(829,741)	(1,659,001)
Proceeds from finance leaseback arrangement	-	120,000	131,420	120,000
Repayment under finance leaseback arrangements	(130,780)	(9,399)	(167,856)	(97,730)
Interest paid	(139,423)	(57,222)	(255,309)	(149,391)
Dividend paid to equity shareholders	-	(110,990)	-	(110,990)
Dividend paid to non-controlling interest in subsidiaries	-	-	(16,320)	(7,300)
Contribution from non-controlling interests upon additional capital injection of a subsidiary	-	7,165	15,260	17,865
Proceeds from share placement	-	1,090,751	-	1,090,751
(Increase)/Decrease in deposits pledged to banks	(70,541)	(14,022)	(33,535)	96,492
Net cash generated from financing activities	**94,782**	**746,707**	**459,203**	**1,246,678**
Net (decrease)/increase in cash and cash equivalents	(72,540)	501,073	(254,588)	393,233
Cash and cash equivalents at beginning of period	1,223,299	1,519,640	1,402,104	1,634,556
Effects of exchange rate changes on the balance of cash held in foreign currencies	671	(6,982)	3,914	(14,058)
Cash and cash equivalents at end of period	**1,151,430**	**2,013,731**	**1,151,430**	**2,013,731**

Cash and cash equivalents at end of period				
Cash and bank balances	1,315,601	2,109,157	1,315,601	2,109,157
Less: Pledged bank deposits	(164,171)	(95,426)	(164,171)	(95,426)
Cash and cash equivalents	**1,151,430**	**2,013,731**	**1,151,430**	**2,013,731**

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 facilities for 1HFY2018 and 2QFY2018 respectively.

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

Note B

(i) Acquisition of Dalian Ziguang Water Treatment Co., Ltd ("Dalian Ziguang") and Dalian Ziguang Lingshui Waste Water Treatment Co., Ltd. ("Ziguang Lingshui")

In February 2018, the Group through its 75.5% owned subsidiary, SIIC Environment Holdings (Weifang) Co., Ltd ("SIIC Weifang"), completed the acquisition of 100% equity interest in Dalian Ziguang for a total cash consideration of RMB108,480,000.

In February 2018, the Group through SIIC Weifang and its 100% owned subsidiary, Hong Kong Jinhaide Holdings Limited, completed the acquisition of 100% equity interest in Ziguang Lingshui for a total cash consideration of RMB101,910,000.

Dalian Ziguang and Ziguang Lingshui are principally involved in the operation of two waste water treatment plants with total design capacity of 170,000 tons/day, and are based in Dalian City, Liaoning Province, PRC.

(ii) Weifang City Fangzi District SIIC Environment Water Co., Ltd. ("Fangzi Water")

In February 2018, the Group through its 51.3% owned subsidiary, Weifang City Tap Water Co., Ltd. ("Weifang Tap Water"), completed the acquisition of 51% equity interest in Fangzi Water for a total subscription consideration of RMB79,080,000. Fangzi Water is involved in the operation of one water supply project with total design capacity of 40,000 tons/day, and is based in Weifang City, Shandong Province, PRC.

The purchase price allocation ("PPA") exercise in respect of the above acquisitions has not been completed as at 30 June 2018. The Group has 12 months from date of acquisition to finalise the fair value measurement and accounting as allowed under SFRS(I) 3 Business Combinations. For 2QFY2018, the Group has determined that the purchase consideration for the above acquisitions approximates the provisional fair value of the net identifiable asset acquired. Accordingly, no provisional goodwill or negative goodwill arising from this acquisition was recognised.

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

Note B (cont'd)

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

	Dalian Ziguang RMB'000	Ziguang Lingshui RMB'000	Fangzi Water RMB'000	Total RMB'000
Provisional fair value of assets acquired and liabilities recognised at the respective date of acquisition*				
Current assets	31,432	13,405	16,848	61,685
Non-current assets	167,875	200,131	82,892	450,898
Current liabilities	(49,028)	(52,969)	(23,760)	(125,757)
Non-current liabilities	(41,799)	(58,657)	-	(100,456)
Total identifiable net assets at fair value	108,480	101,910	75,980	286,370
Non-controlling interest measures at fair value	-	-	(75,980)	(75,980)
	108,480	**101,910**	**-**	**210,390**
Consideration transferred				
Cash paid	69,100	91,350	-	160,450
Cash prepaid in previous financial year	39,380	10,560	-	49,940
Less: Net assets acquired	(108,480)	(101,910)	-	(210,390)
Goodwill	**-**	**-**	**-**	**-**
Net cash inflow arising from acquisitions				
Cash consideration paid	69,100	91,350	-	160,450
Less: Cash and cash equivalents acquired	(932)	(1,157)	(1,092)	(3,181)
Net cash inflow on acquisitions	**68,168**	**90,193**	**(1,092)**	**157,269**

* The fair value of assets acquired and liabilities recognised presented may be subjected to changes upon the completion and finalisation of the PPA exercise.

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

GROUP	Attributable to owners of the Company											
	Share capital	Treasury shares	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	RMB'000
Balance at 1.1.18	**5,951,889**	**(96)**	**1,591,879**	**(30,775)**	**237,494**	**-**	**(47,700)**	**(20,254)**	**(200,315)**	**7,512,897**	**2,730,694**	**10,243,591**
Profit for the period	-	-	101,865	-	-	-	-	-	-	**101,865**	44,880	**146,745**
Other comprehensive income												
Exchange differences arising on translation	-	-	-	**55,434**	-	-	55,434	-	-	**55,434**	-	**55,434**
Exchange differences arising on translation of foreign operations	-	-	-	**(10,337)**	-	-	(10,337)	-	-	**(10,337)**	-	**(10,337)**
Other comprehensive income for the period, net of tax	-	-	-	**45,097**	-	-	**45,097**	-	-	**45,097**	-	**45,097**
Total comprehensive income for the period	-	-	**101,865**	**45,097**	-	-	**45,097**	-	-	**146,962**	**44,880**	**191,842**
Transactions with owners recognised directly in equity												
Transfer to general reserve	-	-	(4,365)	**4,365**	4,365	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	75,980	**75,980**
Non-controlling interest upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	-	15,260	**15,260**
Cancellation of treasury shares	(96)	96	-	-	-	-	-	-	-	-	-	-
Total	**(96)**	**96**	**(4,365)**	**4,365**	**4,365**	-	-	-	-	-	**91,240**	**91,240**
Others												
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(16,320)	**(16,320)**
Total	-	-	-	-	-	-	-	-	-	-	**(16,320)**	**(16,320)**
Balance at 31.3.18	**5,951,793**	**-**	**1,689,379**	**18,687**	**241,859**	**-**	**(2,603)**	**(20,254)**	**(200,315)**	**7,659,859**	**2,850,494**	**10,510,353**
Profit for the period	-	-	153,735	-	-	-	-	-	-	**153,735**	40,110	**193,845**
Other comprehensive loss												
Exchange differences arising on translation	-	-	-	**(79,766)**	-	-	(79,766)	-	-	**(79,766)**	-	**(79,766)**
Exchange differences arising on translation of foreign operations	-	-	-	**17,265**	-	-	17,265	-	-	**17,265**	-	**17,265**
Other comprehensive loss for the period, net of tax	-	-	-	**(62,501)**	-	-	**(62,501)**	-	-	**(62,501)**	-	**(62,501)**
Total comprehensive income for the period	-	-	**153,735**	**(62,501)**	-	-	**(62,501)**	-	-	**91,234**	**40,110**	**131,344**
Balance at 30.6.18	**5,951,793**	**-**	**1,843,114**	**(43,814)**	**241,859**	**-**	**(65,104)**	**(20,254)**	**(200,315)**	**7,751,093**	**2,890,604**	**10,641,697**

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

GROUP	Attributable to owners of the Company											
	Share capital	Treasury shares	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	RMB'000
Balance at 1.1.17	**4,861,138**	**(96)**	**1,199,172**	**(87,481)**	**205,538**	**73,191**	**(145,641)**	**(20,254)**	**(200,315)**	**5,972,733**	**2,560,444**	**8,533,177**
Profit for the period	-	-	120,117	-	-	-	-	-	-	**120,117**	32,587	**152,704**
Other comprehensive income												
Exchange differences arising on translation	-	-	-	**34,005**	-	-	34,005	-	-	**34,005**	-	**34,005**
Fair value change on available-for-sale financial instrument	-	-	-	**43,783**	-	43,783	-	-	-	**43,783**	-	**43,783**
Other comprehensive income for the period, net of tax	-	-	-	**77,788**	-	43,783	34,005	-	-	**77,788**	-	**77,788**
Total comprehensive income for the period	-	-	**120,117**	**77,788**	-	**43,783**	**34,005**	-	-	**197,905**	**32,587**	**230,492**
Transactions with owners recognised directly in equity												
Transfer to general reserve	-	-	(46)	**46**	46	-	-	-	-	-	-	-
Non-controlling interest upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	-	10,700	**10,700**
Total	-	-	**(46)**	**46**	**46**	-	-	-	-	-	**10,700**	**10,700**
Others												
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,800)	(4,800)
Total	-	-	-	-	-	-	-	-	-	-	**(4,800)**	**(4,800)**
Balance at 31.3.17	**4,861,138**	**(96)**	**1,319,243**	**(9,647)**	**205,584**	**116,974**	**(111,636)**	**(20,254)**	**(200,315)**	**6,170,638**	**2,598,931**	**8,769,569**
Profit for the period	-	-	119,909	-	-	-	-	-	-	**119,909**	37,866	**157,775**
Other comprehensive loss												
Exchange differences arising on translation	-	-	-	**28,249**	-	-	28,249	-	-	**28,249**	-	**28,249**
Fair value change on available-for-sale financial instrument	-	-	-	**(28,421)**	-	(28,421)	-	-	-	**(28,421)**	-	**(28,421)**
Other comprehensive loss for the period, net of tax	-	-	-	**(172)**	-	(28,421)	28,249	-	-	**(172)**	-	**(172)**
Total comprehensive income for the period	-	-	**119,909**	**(172)**	-	**(28,421)**	**28,249**	-	-	**119,737**	**37,866**	**157,603**
Transactions with owners recognised directly in equity												
Share placement	1,090,751	-	-	-	-	-	-	-	-	**1,090,751**	-	**1,090,751**
Non-controlling interest upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	-	7,165	**7,165**
Total	**1,090,751**	-	-	-	-	-	-	-	-	**1,090,751**	**7,165**	**1,097,916**
Others												
Dividend declared to equity share holders	-	-	(110,990)	-	-	-	-	-	-	**(110,990)**	-	(110,990)
Total	-	-	**(110,990)**	-	-	-	-	-	-	**(110,990)**	-	**(110,990)**
Balance at 30.6.17	**5,951,889**	**(96)**	**1,328,162**	**(9,819)**	**205,584**	**88,553**	**(83,387)**	**(20,254)**	**(200,315)**	**7,270,136**	**2,643,962**	**9,914,098**

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

COMPANY	Attributable to owners of the Company				
	Share capital RMB'000	Treasury shares RMB'000	Retained earnings RMB'000	Other reserves* RMB'000	Total equity RMB'000
Balance at 1.1.18	**5,951,889**	**(96)**	**(62,101)**	**62,283**	**5,951,975**
Loss for the period	-	-	(45,295)	-	**(45,295)**
Other comprehensive loss					
Exchange differences arising on translation, net of tax	-	-	-	(71,170)	**(71,170)**
Other comprehensive loss for the period, net of tax	**-**	**-**	**-**	**(71,170)**	**(71,170)**
Total comprehensive loss for the period	**-**	**-**	**(45,295)**	**(71,170)**	**(116,465)**
Cancellation of treasury shares	**(96)**	**96**	**-**	**-**	**-**
Balance at 31.3.18	**5,951,793**	**-**	**(107,396)**	**(8,887)**	**5,835,510**
Profit for the period	-	-	140,291	-	**140,291**
Other comprehensive income					
Exchange differences arising on translation, net of tax	-	-	-	79,401	**79,401**
Other comprehensive income for the period, net of tax	**-**	**-**	**-**	**79,401**	**79,401**
Total comprehensive income for the period	**-**	**-**	**140,291**	**79,401**	**219,692**
Balance at 30.6.18	**5,951,793**	**-**	**32,895**	**70,514**	**6,055,202**

* Relates to translation reserve.

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

COMPANY	Attributable to owners of the Company				
	Share capital RMB'000	**Treasury shares RMB'000**	**Retained earnings RMB'000**	**Other reserves* RMB'000**	**Total equity RMB'000**
Balance at 1.1.17	**4,861,138**	**(96)**	**65,815**	**29,892**	**4,956,749**
Loss for the period	-	-	(22,215)	-	**(22,215)**
Other comprehensive income					
Exchange differences arising on translation, net of tax	-	-	-	128,972	**128,972**
Other comprehensive income for the period, net of tax	**-**	**-**	**-**	**128,972**	**128,972**
Total comprehensive income for the period	**-**	**-**	**(22,215)**	**128,972**	**106,757**
Balance at 31.3.17	**4,861,138**	**(96)**	**43,600**	**158,864**	**5,063,506**
Profit for the period	-	-	69,903	-	**69,903**
Other comprehensive loss					
Exchange differences arising on translation, net of tax	-	-	-	(5,205)	**(5,205)**
Other comprehensive loss for the period, net of tax	**-**	**-**	**-**	**(5,205)**	**(5,205)**
Total comprehensive income for the period	**-**	**-**	**69,903**	**(5,205)**	**64,698**
Transactions with owners recognised directly in equity					
Share placement	1,090,751	-	-	-	**1,090,751**
	1,090,751	**-**	**-**	**-**	**1,090,751**
Others					
Dividend declared to equity shareholders	-	-	(110,990)	-	**(110,990)**
	-	**-**	**(110,990)**	**-**	**(110,990)**
Balance at 30.6.17	**5,951,889**	**(96)**	**2,513**	**153,659**	**6,107,965**

* Relates to translation reserve

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

Share Capital

	Group and Company	
	Number of ordinary shares	**Share Capital RMB'000**
Issued and paid up share capital		
Balance at 1 January 2018	2,606,645,126	5,951,889
Cancellation of treasury shares	(56,400)	(96)
Balance at 30 June 2018	**2,606,588,726**	**5,951,793**

As at 30 June 2018, the number of ordinary shares in issue was 2,606,588,726 (30 June 2017: 2,606,645,126 ordinary shares of which 56,400 shares were held as treasury shares).

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

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

As at 30 June 2018, there were no subsidiary holdings and convertible securities outstanding (30 June 2017: Nil).

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

As at 30 June 2018, there were no treasury shares held (31 December 2017: 56,400). Total number of issued shares excluding treasury shares, as at 30 June 2018 was 2,606,588,726 (31 December 2017: 2,606,588,726 excluding treasury shares).

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.

As at 8 March 2018, the Company has cancelled the treasury shares of 56,400 in compliance with the listing rules of the Stock Exchange of Hong Kong Limited.

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

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

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

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

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

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.

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Group's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with SFRS(I) issued by the ASC, and IFRS issued by the IASB.

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 2017, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 January 2018 as follows:

SFRS(I) 9 *Financial Instruments*
SFRS(I) 15 *Revenue from Contracts with Customers*

The adoption of the above new and revised standards does not have any significant impact on the financial statements of the Group.

For 1HFY2018, there were no material differences between the consolidated financial statements of the Group prepared under SFRS and IFRS.

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.

Please refer to Note 4 above.

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

	3 Months Ended		6 Months Ended	
	30.6.18	**30.6.17**	**30.6.18**	**30.6.17**
	RMB cents	**RMB cents**	**RMB cents**	**RMB cents**
Earnings per ordinary share of the Group based on net profit attributable to owners of the Company:- (i) Based on weighted average number of ordinary shares in issue (RMB cents)	5.90	4.83	9.81	10.12
- Weighted average number of shares ('000)	2,606,589	2,484,850	2,606,589	2,372,611
(ii) On a fully diluted basis of ordinary shares (RMB cents)	5.90	4.83	9.81	10.12
- Weighted average number of shares ('000)	2,606,589	2,484,850	2,606,589	2,372,611

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

	Group	**Company**
	RMB cents	**RMB cents**
As at 30 June 2018	297.37	232.30
As at 31 December 2017	288.23	228.34

Net asset value per share is calculated based on the number of shares in issue (excluding treasury shares) of 2,606,588,726 as at 30 June 2018 (31 December 2017: 2,606,588,726, excluding treasury shares).

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 RMB1,995.1 million in 1HFY2017 to RMB2,850.9 million in 1HFY2018, representing an increase of 42.9%. Gross profit ("**GP**") has increased from RMB707.7 million in 1HFY2017 to RMB804.3 million in 1HFY2018.

Consequently, the Group's profit after tax (attributable to owners of the Company) increased from RMB240.0 million in 1HFY2017 to RMB255.6 million in 1HFY2018, representing an increase of 6.5%.

The increase was due mainly to contribution from newly acquired entities as well as from existing entities. The increase was partially offset by the listing expenses incurred in 1QFY2018.

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

(A) Revenue

	2QFY2018 RMB '000	2QFY2017 RMB '000	Change %	1HFY2018 RMB '000	1HFY2017 RMB '000	Change %
Construction	908,881	353,442	>100.0	1,408,526	776,623	81.4
Operating and maintenance income from service concession arrangements	434,138	406,594	6.8	845,916	745,235	13.5
Financial income from service concession arrangements	214,923	158,204	35.9	414,369	336,442	23.2
Service income	44,228	29,184	51.5	74,180	56,537	31.2
Other revenue	71,431	47,936	49.0	107,931	80,217	34.5
Total	**1,673,601**	**995,360**	**68.1**	**2,850,922**	**1,995,054**	**42.9**

Overall, the Group's revenue increased by RMB855.8 million or 42.9%, from RMB1,995.1 million in 1HFY2017 to RMB2,850.9 million in 1HFY2018. Revenue across all categories increased in 2QFY2018 and 1HFY2018 as compared to 2QFY2017 and 1HFY2017.

Construction Revenue

Construction revenue amounted to RMB908.9 million and RMB1,408.5 million in 2QFY2018 and 1HFY2018 respectively (2QFY2017: RMB353.4 million; 1HFY2017: RMB776.6 million). The higher revenue was mainly due to relatively higher amount of construction activities in progress in 2QFY2018 and 1HFY2018 as compared to 2QFY2017 and 1HFY2017.

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

(A) <u>Revenue – cont'd</u>

<u>Operating and Maintenance Income from Service Concession Arrangements/ Financial Income from Service Concession Arrangements</u>

The aggregate of operating and maintenance income and financial income from service concession arrangements amounted to RMB649.1 million and RMB1,260.3 million in 2QFY2018 and 1HFY2018 respectively (2QFY2017: RMB564.8 million; 1HFY2017: RMB1,081.7 million). The higher revenue was due mainly to (i) higher water treatment and supply sales volume; and (ii) contribution by newly acquired entities.

<u>Service Income</u>

Service income from non-service concession arrangements amounted to RMB44.2 million and RMB74.2 million in 2QFY2018 and 1HFY2018 respectively (2QFY2017: RMB29.2 million; 1HFY2017: RMB56.5 million). The higher revenue was due mainly to a newly acquired entity.

<u>Other Revenue</u>

Other revenue amounted to RMB71.4 million and RMB107.9 million in 2QFY2018 and 1HFY2018 respectively (2QFY2017: RMB47.9 million; 1HFY2017: RMB80.2 million). The increase was mainly due to higher volume of installation works carried out, which are ad-hoc in nature.

(B) <u>Gross Profit ("GP") / Gross Profit Margin ("GPM")</u>

The Group's GP increased by RMB79.3 million or 22.5% from RMB352.4 million in 2QFY2017 to RMB431.7 million in 2QFY2018. Meanwhile, GP increased by RMB96.6 million or 13.6% from RMB707.7 million in 1HFY2017 to RMB804.3 million in 1HFY2018. The increase was mainly due to higher construction revenue achieved by the Group as explained in Note A as well as the contribution from newly acquired entities.

GPM decreased by 9.6 percentages from 35.4% in 2QFY2017 to 25.8% in 2QFY2018 and 7.3 percentages from 35.5% in 1HFY2017 to 28.2% in 1HFY2018. The decrease was due mainly to higher contribution from construction category during 2QFY2018 and 1HFY2018 (which has a relatively lower GPM).

(C) <u>Other gains and losses</u>

Other gains and losses increased from a loss of RMB2.9 million in 2QFY2017 to a gain of RMB1.8 million in 2QFY2018. From 1HFY2017 to 1HFY2018, other gains and losses decreased from a gain of RMB3.2 million to RMB0.8 million.. The movement in other gains and losses is due mainly to the fluctuation of foreign exchange (mainly resulting from movement of RMB against SGD) as well as fair value change from financial assets during the period.

(D) <u>Selling and Distribution costs</u>

Selling and distribution costs increased from RMB15.8 million in 2QFY2017 to RMB17.6 million in 2QFY2018 and RMB32.3 million in 1HFY2017 to RMB36.4 million in 1HFY2018. The increase in selling and distribution costs was due mainly to a newly acquired entity.

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

(E) Administrative Expenses

Administrative expenses increased from RMB66.8 million in 2QFY2017 to RMB98.7 million in 2QFY2018 and RMB142.3 million in 1HFY2017 to RMB208.7 million in 1HFY2018. The increase in administrative expenses was due mainly to the listing expenses incurred in 1QFY2018 as well as newly acquired entities.

(F) Finance expenses

Finance expenses amounted RMB133.9 million in 2QFY2018 (2QFY2017: RMB127.1 million) and RMB263.8 million in 1HFY2018 (1HFY2017: RMB255.6 million). There is no material variance for finance expenses in 2QFY2018 and 1HFY2018 as compared to 2QFY2017 and 1HFY2017.

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

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

The increase in share of results of joint ventures in 1HFY2018 as compared to 1HFY2017 was in line with the increase in amount of waste been processed as well as better cost control in 1HFY2018.

(H) Profit before tax

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

	3 Months Ended		6 Months Ended	
	30.6.18	**30.6.17**	**30.6.18**	**30.6.17**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Amortisation of intangible assets	68,295	64,172	135,684	129,388
Amortisation of land use rights	66	67	136	134
Depreciation of property, plant and equipment	8,040	5,486	14,478	10,836
Loss on disposal of property, plant and equipment	1,046	80	1,260	34
Foreign exchange (gain)/loss, net	(2,486)	6,882	(1,586)	1,769
Allowance for /(reversal of) doubtful receivables (trade)	139	(7,546)	504	(5,613)
Reversal of doubtful receivables (non-trade)	(51)	-	(51)	-
Fair value loss/(gain) from held-for-trading investment	711	(4,013)	829	(4,966)

Amortisation of intangible assets increased from RMB64.2 million in 2QFY2017 to RMB68.3 million in 2QFY2018 and RMB129.4 million in 1HFY2017 to RMB135.7 million in 1HFY2018. The increase was due to newly acquired entities.

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

(I) Income Tax Expenses

	3 Months Ended		6 Months Ended	
	30.6.18	**30.6.17**	**30.6.18**	**30.6.17**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Current tax				
- Current period	38,589	32,736	68,931	70,831
- Under provision in respect of prior periods	1,375	109	1,175	166
Deferred tax				
- Current period	25,263	26,898	44,290	46,064
- (Over)/Under provision in respect of prior periods	(445)	(849)	(1,286)	1,370
	64,782	**58,894**	**113,110**	**118,431**

STATEMENTS OF FINANCIAL POSITION

(J) Trade and Other Receivables

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

	As at	
	30.6.18	**31.12.17**
	RMB'000	**RMB'000**
Within 30 days	307,757	410,159
Within 31 to 60 days	154,600	93,484
Within 61 to 90 days	145,246	70,030
Within 91 to 180 days	182,492	128,753
Within 181 to 365 days	262,862	185,090
Over 365 days	365,815	405,513
	1,418,772	**1,293,029**

(K) Current Assets

Current assets as at 30 June 2018 amounted to RMB3.97 billion (31 December 2017: RMB3.88 billion). There was no material variance for the Group's current assets as at 30 June 2018 as compared to 31 December 2017.

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

(L) Non-current Assets

Non-current assets as at 30 June 2018 amounted to RMB23.54 billion (31 December 2017: RMB21.77 billion). The increase was due mainly to (i) consolidation of newly acquired subsidiaries and (ii) construction of certain wastewater treatment projects during 1HFY2018. The increase is partially offset by the decrease in prepayments made for investment in subsidiaries in FY2017 as a result of completion of consolidation in 1HFY2018.

(M) Current Liabilities

Current liabilities as at 30 June 2018 amounted to RMB7.33 billion (31 December 2017: RMB6.24 billion). The increase was due mainly to (i) new borrowings taken up which are due for repayment within one year as well (ii) increase in trade and other payables as a result of higher amount of construction activities in progress in 1HFY2018 and also better trade payables management.

(N) Trade and Other Payables

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

	As at	
	30.6.18	**31.12.17**
	RMB'000	**RMB'000**
Within 30 days	924,194	495,949
Within 31 to 60 days	83,493	61,987
Within 61 to 90 days	92,843	77,975
Within 91 to 180 days	79,714	238,950
Within 181 to 365 days	329,817	128,869
Over 365 days	346,439	413,615
	1,856,500	**1,417,345**

(O) Non-current Liabilities

Non-current liabilities as at 30 June 2018 amounted to RMB9.54 billion (31 December 2017: RMB9.16 billion). The increase was due mainly to new borrowings taken up which are due for repayment after one year and consolidation of newly acquired subsidiaries.

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

STATEMENT OF CASH FLOWS

As at 30 June 2018, the Group's cash and cash equivalents stood at RMB1,151.4 million (31 December 2017: RMB1,402.1 million). In 1HFY2018, net cash of RMB417.6 million was used in the Group's operating activities, mainly towards the Group's investments in projects with service concession arrangements. Excluding cash used in these projects, net cash generated from operating activities was RMB874.1 million.

Net cash used in the Group's investing activities of RMB296.2 million in 1HFY2018 was due mainly to net cash outflow from acquisition of subsidiaries and purchase of property, plant
and equipments and intangibles assets.

Net cash generated from financing activities of RMB459.2 million in 1HFY2018 was due mainly to net proceeds from bank borrowings, which is partially offset by the interest paid, net repayment of finance leaseback arrangement and dividend paid to non-controlling interest shareholders.

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

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

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

As the People's Republic of China (PRC) intensifies it's battle against pollution, various new policies have been rolled out and current ones revised to specifically target the protection of water resources in the country, including the Water Ten Plan, the Water Pollution Prevention and Control Law and the water resource tax expansion. The Group remains aligned with the Government's environmental objectives and continues to be an integral part of this process, with growing contributions to China's water supply and wastewater treatment infrastructure. The Group is currently focusing on the upgrades of some existing wastewater treatment projects to meet higher sewage discharge standards.

The Government's steadfast commitment to environmental protection is expected to present greater investment opportunities for the Group in wastewater treatment, water supply and other related environmental projects. The Group continues to enhance its operating efficiency and to implement more concessionary arrangement projects across the country, which all contribute positively to the Group's performance.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

The following interim dividend is recommended:

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

The applicable exchange rate for converting Singapore dollars ("**S$**") into Hong Kong dollars ("**HK$**") for the purpose of dividend payment in HK$ is made at the rate of S$1.00 to HK$5.70776, which was the exchange rate quoted by Monetary Authority of Singapore on 13 August 2018.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

The interim dividend would be payable on 28 September 2018 to shareholders registered in the Share Transfer Books and Register of Members of the Company as at 5.00 p.m. on 3 September 2018.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 3 September 2018 for the purpose of determining the entitlements of the Company's shareholders to the Interim Dividend.

Duly completed registrable transfers received by the Company's share registrar in Singapore, RHT Corporate Advisory Pte. Ltd., 9 Raffles Place, #29-01, Republic Plaza Tower 1, Singapore 048619, up to 5.00 p.m. on 3 September 2018 will be registered before entitlements to the Interim Dividend are determined.

Duly completed registrable transfers received by the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shop 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, up to 4.30 p.m. on 3 September 2018 will be registered before entitlements to the Interim Dividend are determined.

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

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

No IPT mandate has been obtained from shareholders.

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

Six months ended 30 June 2018

All amount in RMB'000	Construction	Water and Sludge Treatment	Water supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Revenue	2,785	2,163,337	534,494	42,375	2,742,991	107,931	-	2,850,922
Reportable segment profit (loss) from operations	908	534,293	83,746	14,176	633,123	10,912	(56,133)	587,902
Finance income	-	-	-	-	-	-	5,518	5,518
Finance expenses	-	-	-	-	-	-	(263,830)	(263,830)
Other income	-	65,187	29,154	4,862	99,203	(1,127)	(1,001)	97,075
Share of results of associates	-	(1,011)	-	-	(1,011)	(393)	-	(1,404)
Share of results of joint ventures	-	-	-	28,439	28,439	-	-	28,439
Income tax expense	(212)	(86,643)	(23,043)	(845)	(110,743)	(2,328)	(39)	(113,110)
Profit after tax								340,590
Segment depreciation and amortisation	904	81,412	57,928	4,271	144,515	165	5,618	150,298
Segment non-cash income	-	30	21	-	51	-	-	51
Segment non-cash expenses	-	-	504	-	504	(300)	1,129	1,333

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

Six months ended 30 June 2017

All amount in RMB'000	Construction	Water and Sludge Treatment	Water supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Revenue	1,820	1,579,203	287,110	46,704	1,914,837	80,217	-	1,995,054
Reportable segment profit (loss) from operations	609	483,476	61,117	27,582	572,784	21,790	(36,574)	558,000
Finance income	-	-	-	-	-	-	8,541	8,541
Finance expenses	-	-	-	-	-	-	(255,593)	(255,593)
Other income	-	62,013	25,739	2,783	90,535	(3,139)	6,718	94,114
Share of results of associates	-	(1,775)	-	-	(1,775)	(207)	-	(1,982)
Share of results of joint ventures	-	-	-	25,830	25,830	-	-	25,830
Income tax expense	(133)	(94,410)	(14,759)	(3,064)	(112,366)	(5,977)	(88)	(118,431)
Profit after tax								310,479
Segment depreciation and amortisation	1,105	76,865	52,378	4,206	134,554	193	5,611	140,358
Segment non-cash income	-	-	-	-	-	(1,442)	6,408	4,966
Segment non-cash expenses	(422)	6,413	(378)	-	5,613	-	-	5,613

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

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

As at to-date, the net proceeds from the 2017 Share Placement has been utilised for the following purposes:

Purpose	**Amount S$ 'million**
Net proceeds raised from the 2017 Share Placement in May 2017	**220.5**
Less utilisation:	
- Repayment of loan obtained from SIHL Finance Limited	(135.4)
General corporate purpose:	
a. Payment for the purchase consideration of RMB9.1 million in relation to the acquisition of 100% equity interest in Pinghu Dushan Wastewater Treatment Co., Ltd.	(8.2)
a. Payment for the 100% equity of USD8 million for incorporation of SIIC Environment Industrial (Taixing) Co.Ltd.	(10.8)
b. Payment for the purchase consideration in relation to the acquisition of Dalian Ziguang Lingshui Waste Water Treatment Co., Ltd.	(8.1)
c. Repayment of interest of loan obtained from holding company	(16.3)
d. Payment of professional fees and operating expenses	(16.7)
Balance of net proceeds raised from the 2017 Share Placement as at date of this result announcement	**25.0**

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

We, Feng Jun and Xu Zhan, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the period ended 30 June 2018, to be false or misleading, in any material aspect.

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

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

BY ORDER OF THE BOARD
Feng Jun
Executive Director
13 August 2018