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 First Quarter and Three Months ended 31 March 2021

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

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

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

Singapore and Hong Kong, 10 May 2021

As at the date of this announcement, the non-executive Chairman is Mr. Zhou Jun; the executive Directors are Mr. Yang Jianwei, Mr. Zhu Dazhi, Mr. Xu Xiaobing, Mr. Huang Hanguang and Mr. Zhao Youmin; and the independent non-executive Directors are Mr. Yeo Guat Kwang, Mr. An Hongjun and Mr. Zhong Ming.

* *For identification purpose only*

SIIC ENVIRONMENT HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No: 200210042R)

Unaudited Financial Statements and Dividend Announcement for the First Quarter and Three Months ended 31 March 2021

10 May 2021

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

First Quarter of Financial Year 2021 Financial Statements And Dividend Announcement

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 FIRST QUARTER ("1QFY2021") ENDED 31 MARCH 2021

		Group		
		3 Months Ended		**Changes**
	Note	**31.3.21**	**31.3.20**	
		RMB'000	**RMB'000**	**%**
Revenue	8(A)	1,621,816	1,052,924	54.0
Cost of sales		(1,068,366)	(640,118)	66.9
Gross profit	8(B)	**553,450**	**412,806**	34.1
Other income	8(C)	44,469	58,723	(24.3)
Other gains and losses	8(D)	(2,855)	3,071	N.M
Selling and distribution costs	8(E)	(19,359)	(15,428)	25.5
Administrative expenses	8(F)	(95,181)	(75,355)	26.3
Finance expenses	8(G)	(169,235)	(175,816)	(3.7)
Share of results of joint ventures	8(H)	6,282	8,372	(25.0)
Share of results of associates	8(H)	47	(815)	N.M
Profit before tax	(i)	**317,618**	**215,558**	**47.3**
Income tax expense	(ii), 8(J)	(77,052)	(47,377)	62.6
Profit for the period		**240,566**	**168,181**	**43.0**
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Exchange difference arising from translation		(22,919)	(74,465)	(69.2)
Fair value change on investments in equity instruments designated as at FVTOCI		(751)	(1,918)	(60.8)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising from translation of foreign operations		15,979	9,358	70.8
Total comprehensive income for the period		**232,875**	**101,156**	**130.2**
Profit for the period attributable to:				
Owners of the Company		160,116	130,108	23.1
Non-controlling interests		80,450	38,073	111.3
		240,566	**168,181**	**43.0**
Total comprehensive income attributable to:				
Owners of the Company		152,425	63,083	141.6
Non-controlling interests		80,450	38,073	111.3
		232,875	**101,156**	**130.2**

N.M. – Not Meaningful

Notes:

1(a) (i) Profit before tax is arrived at after charging/(crediting) the following:

	3 Months Ended	
	31.3.21	**31.3.20**
	RMB'000	**RMB'000**
Amortisation of intangible assets (Note 8(I))	79,535	76,072
Depreciation of right-of-use asset	2,760	1,754
Depreciation of property, plant and equipment	9,357	9,122
Loss on disposal of property, plant and equipment	4	11
Gain on disposal of intangible assets	(5)	-
Gain on disposal of subsidiary	-	(48)
Foreign exchange loss/ (gain), net	2,697	(3,699)
(Reversal of)/ loss allowance for trade receivables, net	(260)	466
Fair value loss on financial assets at fair value through profit and loss	158	650

1(a) (ii) Adjustment for under/(over) provision of tax in respect of prior periods

	3 Months Ended	
	31.3.21	**31.3.20**
	RMB'000	**RMB'000**
Under provision of tax in respect of prior periods	141	1,990

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 31.03.21	As At 31.12.20	As At 31.03.21	As At 31.12.20
		RMB'000	RMB'000	RMB'000	RMB'000
Current assets					
Cash and cash equivalents		3,709,999	2,668,525	1,574,018	94,528
Pledged bank deposits		115,999	161,729	-	-
Trade and other receivables		2,998,543	2,633,585	8,317	1,075
Bills receivables		14,488	3,617	-	-
Prepayments		73,891	71,565	584	-
Inventories		218,584	221,390	-	-
Receivables under service concession arrangements		690,907	677,871	-	-
Amounts due from customers for contract work		116,536	69,317	-	-
Amounts due from subsidiaries		-	-	1,662,968	1,680,734
Amounts due from joint venture		462	137	462	137
Amounts due from associate		10,902	10,902	-	-
Financial assets at fair value through profit or loss		3,009	3,167	-	-
Assets classified as held for sale		215,310	210,952	-	-
Total current assets	8(K)	**8,168,630**	**6,732,757**	**3,246,349**	**1,776,474**
Non-current assets					
Financial assets at fair value through other comprehensive income		24,882	26,433	-	-
Prepayments		272,385	159,036	-	-
Receivables under service concession arrangements		19,632,134	19,306,418	-	-
Property, plant and equipment		323,004	324,656	91	100
Intangible assets		6,600,591	6,631,481	-	-
Long term receivables		351,381	351,109	-	-
Deferred tax assets		67,561	67,518	-	-
Investment in subsidiaries		-	-	5,427,752	5,500,122
Interest in joint ventures		525,087	523,961	322,040	326,334
Interest in associates		99,584	99,496	-	-
Goodwill on consolidation		457,241	457,241	-	-
Amounts due from associate		23,660	24,074	-	-
Right-of-use assets		44,692	47,451	6,758	8,436
Total non-current assets	8(L)	**28,422,202**	**28,018,874**	**5,756,641**	**5,834,992**
Total assets		**36,590,832**	**34,751,631**	**9,002,990**	**7,611,466**
Current liabilities					
Trade and other payables		3,737,546	3,764,190	52,428	43,976
Bills payable to banks		39,545	45,342	-	-
Tax payable		127,938	165,727	-	-
Amounts due to customers for contract work		49,583	41,619	-	-
Amounts due to subsidiaries		-	-	219,521	222,383
Bank and other borrowings		3,877,971	4,710,362	1,054,990	1,056,928
Liabilities directly associated with assets classified as held for sale		151,154	151,884	-	-
Lease liabilities		9,387	10,598	5,691	6,946
Total current liabilities	8(M)	**7,993,124**	**8,889,722**	**1,332,630**	**1,330,233**
Non-current liabilities					
Bank and other borrowings		13,015,617	10,542,101	1,494,890	-
Deferred tax liabilities		2,153,738	2,089,843	-	-
Other non-current liabilities		174,790	174,914	-	-
Lease liabilities		31,613	33,052	1,443	1,925
Total non-current liabilities	8(N)	**15,375,758**	**12,839,910**	**1,496,333**	**1,925**
Capital, reserves and non-controlling interest					
Share capital	1(d)(ii)	5,924,166	5,947,420	5,924,166	5,947,420
Retained earnings		2,950,352	2,805,242	157,007	156,405
Other reserves		182,427	175,112	92,854	175,483
Equity attributable to owners of the Company		**9,056,945**	**8,927,774**	**6,174,027**	**6,279,308**
Non-controlling interests		4,165,005	4,094,225	-	-
Total equity		**13,221,950**	**13,021,999**	**6,174,027**	**6,279,308**
Total liabilities and equity		**36,590,832**	**34,751,631**	**9,002,990**	**7,611,466**

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

Amount repayable in one year or less, or on demand

As at 31.3.21 RMB'000		As at 31.12.20 RMB'000	
Secured/ Guaranteed	Unsecured/ Unguaranteed	Secured/ Guaranteed	Unsecured/ Unguaranteed
1,172,896	2,744,620	2,111,460	2,644,244

Amount repayable after one year

As at 31.3.21 RMB'000		As at 31.12.20 RMB'000	
Secured/ Guaranteed	Unsecured/ Unguaranteed	Secured/ Guaranteed	Unsecured/ Unguaranteed
9,848,703	3,166,914	9,229,311	1,312,790

Details of any collateral

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

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

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

	Group	
	For 3 Months Ended	
	31.3.21	31.3.20
	RMB'000	RMB'000
Cash flows from operating activities		
Profit before tax	**317,618**	**215,558**
Adjustments for:		
(Reversal of)/ loss allowance for trade receivables, net	(260)	466
Depreciation of property, plant and equipment	9,357	9,122
Amortisation of intangible assets	79,535	76,072
Loss on disposal of property, plant and equipment	4	11
Gain on disposal of intangible assets	(5)	-
Depreciation of right use asset	2,760	1,754
Gain on disposal of subsidiary	-	(48)
Finance income	(6,891)	(5,609)
Finance expenses	169,235	175,815
Share of results of associates	(47)	815
Share of results of joint ventures	(6,282)	(8,372)
Fair value loss on financial assets at fair value through profit or loss	158	650
Operating cash flow before working capital changes	**565,182**	**466,234**
(Increase)/decrease in:		
Inventories	2,806	(18,647)
Amounts due from/to customers for contract work, net	(39,250)	(16,146)
Trade receivables, other receivables and prepayments	(408,441)	(300,928)
Bills receivables	(10,871)	(5,725)
Amounts due from joint venture	-	306
Amounts due from associates	414	(1,008)
Increase/(decrease) in:		
Trade payables and other payables (inclusive of non-current liabilities)	39,068	(252,319)
Bills payable to banks	(5,797)	(25,761)
Cash generated from/ (used in) operating activities before service concession arrangement projects	**143,111**	**(153,994)**
Change in receivables under service concession arrangements (Note A)	(421,208)	(95,797)
Cash used in operating activities after service concession arrangement projects	**(278,097)**	**(249,791)**
Interest received	3,956	1,974
Income tax paid	(50,435)	(50,846)
Net cash used in operating activities	**(324,576)**	**(298,663)**
Cash flows from investing activities:		
Purchase of property, plant and equipment	(4,971)	(5,740)
Purchase of intangible assets, net of amount on credit terms	(81,404)	(28,226)
Proceeds from disposal of property, plant and equipment	148	4
Proceeds from disposal of intangible assets	5	-
Increase in prepayment for property, plant and equipment and intangible assets	(11,017)	(14,418)
Net cash outflow on disposal of subsidiary	-	(631)
Prepayment for investment in subsidiaries	(26,700)	-
Net cash used in investing activities	**(123,939)**	**(49,011)**

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	
	For 3 Months Ended	
	31.3.21	31.3.20
	RMB'000	RMB'000
Cash flows from financing activities:		
Proceeds from bank and other borrowings	2,349,419	1,127,001
Repayment of bank and other borrowings	(708,294)	(954,895)
Interest paid	(159,254)	(178,815)
Repurchase of shares	(23,254)	-
Principal and interest elements of lease payments	(3,184)	(2,047)
Dividend paid to non-controlling interest in subsidiaries	(9,670)	(6,000)
Decrease in deposits pledged to banks	45,730	45,624
Net cash from financing activities	**1,491,493**	**30,868**
Net increase/ (decrease) in cash and cash equivalents	1,042,978	(316,806)
Cash and cash equivalents at beginning of period	2,668,525	2,374,770
Effects of exchange rate changes on the balance of cash held in foreign currencies	(1,504)	(1,662)
Cash and cash equivalents at end of period	**3,709,999**	**2,056,302**

Cash and cash equivalents at end of period		
Cash and bank balances	3,825,998	2,245,349
Less: Pledged bank deposits	(115,999)	(189,047)
Cash and cash equivalents	**3,709,999**	**2,056,302**

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 for 1QFY2021.

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	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 1.1.21	**5,947,420**	**2,805,242**	**175,112**	**405,422**	**(10,248)**	**(9,581)**	**(10,166)**	**(200,315)**	**8,927,774**	**4,094,225**	**13,021,999**
Profit for the period	**-**	160,116	**-**	**-**	-	-	**-**	**-**	**160,116**	80,450	**240,566**
<u>Other comprehensive income</u>											
Exchange differences arising on translation	**-**	-	**(22,919)**	**-**	**-**	(22,919)	**-**	**-**	**(22,919)**	**-**	**(22,919)**
Exchange differences arising on translation of foreign operations	**-**	-	**15,979**	**-**	**-**	15,979	-	**-**	**15,979**	**-**	**15,979**
Fair value change on investments in equity instruments designated as at FVTOCI	**-**	-	**(751)**		(751)	-	**-**	**-**	**(751)**	**-**	**(751)**
Other comprehensive income for the period, net of tax	**-**	**-**	**(7,691)**	**-**	**(751)**	**(6,940)**	**-**	**-**	**(7,691)**	**-**	**(7,691)**
Total comprehensive income for the period	**-**	**160,116**	**(7,691)**	**-**	**(751)**	**(6,940)**	**-**	**-**	**152,425**	**80,450**	**232,875**
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	(15,006)	**15,006**	15,006	-	-	-	-	**-**	-	**-**
Total	**-**	**(15,006)**	**15,006**	**15,006**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
<u>Others</u>											
Repurchased shares	(23,254)	-	**-**	-	-	-	-	-	**(23,254)**	-	(23,254)
Dividend declared to non-controlling interests	-	-	**-**	-	-	-	-	-	**-**	(9,670)	**(9,670)**
Total	**(23,254)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(23,254)**	**(9,670)**	**(32,924)**
Balance at 31.3.21	**5,924,166**	**2,950,352**	**182,427**	**420,428**	**(10,999)**	**(16,521)**	**(10,166)**	**(200,315)**	**9,056,945**	**4,165,005**	**13,221,950**

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	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 1.1.20	**5,947,420**	**2,356,306**	**41,793**	**351,003**	**(10,152)**	**(83,253)**	**(15,490)**	**(200,315)**	**8,345,519**	**3,514,211**	**11,859,730**
Profit for the period	-	130,108	-	-	-	-	-	-	**130,108**	38,073	**168,181**
<u>Other comprehensive income</u>											
Exchange differences arising on translation	-	-	**(74,465)**	-	-	(74,465)	-	-	**(74,465)**	-	**(74,465)**
Exchange differences arising on translation of foreign operations	-	-	**9,358**	-	-	9,358	-	-	**9,358**	-	**9,358**
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	**(1,918)**		(1,918)	-	-	-	**(1,918)**	-	**(1,918)**
Other comprehensive income for the period, net of tax	-	-	**(67,025)**	-	**(1,918)**	**(65,107)**	-	-	**(67,025)**	-	**(67,025)**
Total comprehensive income for the period	-	**130,108**	**(67,025)**	-	**(1,918)**	**(65,107)**	-	-	**63,083**	**38,073**	**101,156**
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	(8,883)	**8,883**	8,883	-	-	-	-	-	-	-
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	(1,477)	**(1,477)**
Total	-	**(8,883)**	**8,883**	**8,883**	-	-	-	-	-	**(1,477)**	**(1,477)**
<u>Others</u>											
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	(6,000)	**(6,000)**
Total	-	-	-	-	-	-	-	-	-	**(6,000)**	**(6,000)**
Balance at 31.3.20	**5,947,420**	**2,477,531**	**(16,349)**	**359,886**	**(12,070)**	**(148,360)**	**(15,490)**	**(200,315)**	**8,408,602**	**3,544,807**	**11,953,409**

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	Retained earnings RMB'000	Other reserves* RMB'000	Total equity RMB'000
Balance at 1.1.21	**5,947,420**	**156,405**	**175,483**	**6,279,308**
Profit for the period	-	602	-	**602**
Other comprehensive loss				
Exchange differences arising on translation, net of tax	-	-	(82,629)	**(82,629)**
Other comprehensive loss for the period, net of tax	**-**	**-**	**(82,629)**	**(82,629)**
Total comprehensive loss for the period	**-**	**602**	**(82,629)**	**(82,027)**
Others				
Repurchased shares	(23,254)	-	-	**(23,254)**
Balance at 31.3.21	**5,924,166**	**157,007**	**92,854**	**6,174,027**
Balance at 1.1.20	**5,947,420**	**(54,850)**	**468,636**	**6,361,206**
Profit for the period	-	31,014	-	**31,014**
Other comprehensive loss				
Exchange differences arising on translation, net of tax	-	-	(241,447)	**(241,447)**
Other comprehensive loss for the period, net of tax	**-**	**-**	**(241,447)**	**(241,447)**
Total comprehensive loss for the period	**-**	**31,014**	**(241,447)**	**(210,433)**
Balance at 31.3.20	**5,947,420**	**(23,836)**	**227,189**	**6,150,773**

* 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 2021	2,602,817,726	5,947,420
Less : Share buy-backs*	(23,303,000)	(23,254)
Balance at 31 March 2021	2,579,514,726	5,924,166

* The number of shares repurchased by the Company in 1QFY2021 was in the process of cancellation as at 31 March 2021 and the process has been completed on 27 April 2021.

As at 31 March 2021, the number of ordinary shares in issue was 2,579,514,726 (31 March 2020: 2,602,817,726 ordinary shares).

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

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

As at 31 March 2021, there were no convertible securities outstanding (31 March 2020: Nil).

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

As at 31 March 2021, there were no treasury shares held (31 December 2020: Nil). Total number of issued shares as at 31 March 2021 was 2,579,514,726 (31 December 2020: 2,602,817,726).

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares for the financial period ended 31 March 2021.

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

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

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

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

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

Not applicable.

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

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

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

Not applicable.

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

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

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

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

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

	3 Months Ended	
	31.3.21	**31.3.20**
	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)	6.16	5.00
- Weighted average number of shares ('000)	2,600,333	2,602,818
(ii) On a fully diluted basis of ordinary shares (RMB cents)	6.16	5.00
- Weighted average number of shares ('000)	2,600,333	2,602,818

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

	Group	**Company**
	RMB cents	**RMB cents**
As at 31 March 2021	351.11	239.35
As at 31 December 2020	343.00	241.25

Net asset value per share is calculated based on the number of shares in issue of 2,579,514,726 as at 31 March 2021 (31 December 2020: 2,602,817,726).

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

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

STATEMENT OF COMPREHENSIVE INCOME

Overall Review

The Group recorded an increase in revenue from RMB1,052.9 million in 1QFY2020 to RMB1,621.8 million in 1QFY2021, representing an increase of 54.0%. Gross profit ("**GP**") increased from RMB412.8 million in 1QFY2020 to RMB553.5 million in 1QFY2021.

Meanwhile, the Group's profit after tax (attributable to owners of the Company) increased from RMB130.1 million in 1QFY2020 to RMB160.1 million in 1QFY2021, representing an increase of 23.1%.

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

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

(A) Revenue

	1QFY2021 RMB '000	1QFY2020 RMB '000	Change %
Construction	570,905	174,765	226.7
Operating and maintenance income from service concession arrangements	711,107	579,890	22.6
Financial income from service concession arrangements	270,391	243,139	11.2
Service income	39,159	30,926	26.6
Others	30,254	24,204	25.0
Total	**1,621,816**	**1,052,924**	54.0

Overall, the Group's revenue increased by RMB568.9 million or 54.0%, from RMB1,052.9 million in 1QFY2020 to RMB1,621.8 million in 1QFY2021. Revenue across all categories increased in 1QFY2021 as compared to 1QFY2020.

Construction Revenue

Construction revenue amounted to RMB570.9 million in 1QFY2021 (1QFY2020: RMB174.8 million). The higher revenue was mainly due to relatively higher amount of construction activities in progress in 1QFY2021 as compared to 1QFY2020 as a result of recovery from Covid-19 in Mainland China since the second half of FY2020.

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 RMB981.5 million in 1QFY2021 (1QFY2020: RMB823.0 million). The higher revenue was due mainly to the increase in both water treatment volume and average treatment tariff.

Service Income

Service income from non-service concession arrangements amounted to RMB39.2 million in 1QFY2021 (1QFY2020: RMB30.9 million). The higher revenue was due mainly to the increase in average treatment tariff in 1QFY2021 as compared to 1QFY2020.

Other Revenue

Other revenue amounted to RMB30.3 million 1QFY2021 (1QFY2020: RMB24.2million). The other revenue mainly consists of installation works carried out, which are ad-hoc in nature.

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

The Group's GP increased by RMB140.6 million or 34.1% from RMB412.8 million in 1QFY2020 to RMB553.5 million in 1QFY2021. The increase was mainly due to higher construction revenue and operating and maintenance income as explained in Note A.

GPM decreased by 5.1% from 39.2% in 1QFY2020 to 34.1% in 1QFY2021. The decrease was due mainly to higher contribution from construction category (which has a relatively lower GPM) during 1QFY2021 as compared to 1QFY2020.

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

(C) Other income

Other income decreased from RMB58.7 million in 1QFY2020 to RMB44.5 million in 1QFY2021. Other income consisted mainly of government subsidies and ad hoc maintenance work which amounted to RMB26.8 million in 1QFY2021 (1QFY2020: RMB 48.9 million). The decrease was mainly due to the revision of government grants in 1QFY2021 as compared to 1QFY2020.

(D) Other gains and losses

Other gains and losses moved from a gain of RMB3.1 million in 1QFY2020 to a loss of RMB2.9 million in 1QFY2021. The movement in other gains and losses is due mainly to the fluctuation of foreign exchange (mainly resulting from movement between HKD and SGD) during the period.

(E) Selling and Distribution costs

Selling and distribution costs increase from RMB15.4 million in 1QFY2020 to RMB19.4 million in 1QFY2021. The increase in selling and distribution expenses was due to the recovery from Covid-19 as business activities have back to normal since the second half of FY2020.

(F) Administrative Expenses

Administrative expenses increased from RMB75.4 million in 1QFY2020 to RMB95.2 million in 1QFY2021. The increase in administrative expenses was due to the recovery from Covid-19 which has resulted into the increase in business activities in 1QFY2021 as compared to 1QFY2020.

(G) Finance Expenses

Finance expenses amounted to RMB169.2 million in 1QFY2021 (1QFY2020: RMB175.8 million). There is a slightly decrease for finance expenses in 1QFY2021 as compared to 1QFY2020.

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

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

The decrease in share of results of joint ventures in 1QFY2021 as compared to 1QFY2020 was due mainly to lower contribution from joint ventures.

(I) Amortisation of Intangible Assets

Amortisation of intangible assets increased from RMB76.1 million in 1QFY2020 to RMB79.5 million in 1QFY2021. There is no material variance for amortisation of intangible asset in 1QFY2021 as compared to 1QFY2020.

(J) Income Tax Expenses

Income tax expenses increased from RMB47.4 million in 1QFY2020 to RMB77.1 million in 1QFY2021. The increase in income tax expense was in line with the increase in profit generated in 1QFY2021 as compared to 1QFY2020.

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

STATEMENTS OF FINANCIAL POSITION

(K) Current Assets

Current assets as at 31 March 2021 amounted to RMB8.17 billion (31 December 2020: RMB6.73 billion). The increase was mainly due to net cash inflows during 1QFY2021 (for details, please refer to analysis on "Statement of cash flows" below).

(L) Non-current Assets

Non-current assets as at 31 March 2021 amounted to RMB28.42 billion (31 December 2020: RMB28.02 billion). The increase was mainly due to construction of waste incineration project during 1QFY2021 leading to increase in receivables under service concession arrangements.

(M) Current Liabilities

Current liabilities as at 31 March 2021 amounted to RMB7.99 billion (31 December 2020: RMB8.89 billion). The decrease was due mainly to the repayments of borrowings which are due for repayment within one year.

(N) Non-current Liabilities

Non-current liabilities as at 31 March 2021 amounted to RMB15.38 billion (31 December 2020: RMB12.84 billion). The increase was mainly due to new long term borrowings taken up in 1QFY2021.

STATEMENT OF CASH FLOWS

As at 31 March 2021, the Group's cash and cash equivalents stood at RMB3,710.0 million (31 December 2020: RMB2,668.5 million). In 1QFY2021, net cash of RMB324.6 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 in operating activities were RMB143.1 million.

Net cash used in the Group's investing activities of RMB123.9 million in 1QFY2021 was mainly due to net cash outflow from purchase of intangibles assets as well as the prepayment made for investment in subsidiaries.

Net cash generated from financing activities of RMB1,491.5 million in 1QFY2021 was due mainly to net proceeds from bank and other borrowings, which is partially offset by the interest paid and repurchase of share.

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

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

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

The "Outline of the 14th Five-Year Plan for the National Economic and Social Development and the Long-Range Objectives Through the Year 2035" was announced in March 2021 to pave the way for the acceleration of efforts to prevent and control pollution and establish a sound environmental governance system. These efforts include improving the coordination mechanism for water pollution prevention and control in rivers, promoting full coverage of the sewage pipe network in urban areas, and initially eliminating black and odorous water in urban areas.

On March 1, 2021, the "Yangtze River Protection Law of the People's Republic of China" began to take effect. The law intensifies the prevention, control and supervision of water pollution in the Yangtze River; prevents, controls and reduces water pollution; establishes local discharge standards on water pollutants which are more stringent than the national water pollutants discharge standards; and it clearly specifies the key control indicators on the total pollutant discharge volume in all provincial administrative regions along the Yangtze River. The Group has established footholds along the Yangtze River Delta region in earlier years. Banking on its regional advantages, the Group has secured a number of projects and further increased its investments in environmental protection in the Yangtze River Delta region to solidify its strategic position in the Yangtze River Delta region and to assist in building a beautiful China.

On April 22, 2021, President Xi Jinping announced during the Leaders’ Summit on Climate that China would include peaking of carbon emissions and carbon neutrality in its overall plan to build an ecological civilization, and that the country is formulating an action plan for peaking carbon emissions to support qualified areas, key industries and key enterprises to be among the first with peak carbon emissions. China will also strictly control coal-fired power projects. During the 14th Five-Year Plan period, China will strictly control growth of coal consumption and it will also gradually reduce consumption of this energy resource during the 15th Five-Year Plan period. In addition, China has decided to accept the "Kigali Amendment to the Montreal Protocol" which aims to strengthen controls over non-carbon dioxide greenhouse gases, and it will launch online trading in its national carbon market. Since China considers that cooperation in ecological civilization will play a key role in the “Belt and Road” initiative, it has initiated various green initiatives, including green infrastructures, green energy, green transportation and green finance. Compared with traditional fossil fuels, renewable energy utilization and solid waste incineration businesses can reduce carbon emissions significantly, a positive development that can help the country achieve its carbon neutrality target. Against this backdrop, the solid waste incineration industry will have broad development prospects.

With the pandemic effectively brought under control in China, many enterprises in the country have resumed their operation and production. The government has also gradually resumed construction and bidding for new municipal environmental protection projects. Amidst the sustainable development of environmental infrastructures in China, the Group will follow the national development strategy and guidelines, as well as the overall requirements of the ecological and environmental protection goals. The Group will therefore continuously upgrade its existing facilities, expedite its pace to secure more water and environmental protection related projects, and continue maintaining close cooperation with local governments to explore more high-quality new projects and new markets. The Group will also grasp historical development opportunities presented by “peaking carbon emissions and achieving carbon neutrality”, accelerate its layout in environmental technology, integrate industry and finance, and emphasize a dual development strategy of asset-light and asset-heavy businesses, in a bid to promote the Company’s high-quality development and enhance long-term sustainable value for shareholders.

11. Dividend

If a decision regarding dividend has been made:

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

None

(b) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the Dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended.

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. Status on the use of net proceeds raised from Rights Issue and Share Placement.

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

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

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

We, Yang Jianwei and Xu Xiaobing, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the period ended 31 March 2021, to be false or misleading, in any material aspect.

16. Confirmation that the Issuer has Procured Undertakings form All Its Directors and Executive Officers

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

BY ORDER OF THE BOARD
Yang Jianwei
Executive Director
10 May 2021