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SIIC ENVIRONMENT HOLDINGS LTD.

上海實業環境控股有限公司*

(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong stock code: 807)

(Singapore stock code: BHK)

Unaudited Condensed Interim Financial Statements and Dividend Announcement for the Fourth Quarter and Twelve Months ended 31 December 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. The figures in respect of the Group's consolidated financial position, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2021 as set out in this announcement have been agreed by the Group's auditors, Deloitte & Touche LLP, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Deloitte & Touche LLP in this respect did not constitute an assurance engagement in accordance with Singapore Standards on Auditing or Singapore Standards on Review Engagements and consequently no assurance has been expressed by Deloitte & Touche LLP on this announcement. Shareholders and public investors should be cautious trading in the shares of the Company.

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

Singapore and Hong Kong, 24 February 2022

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 Condensed Interim Financial Statements and
Dividend Announcement for the Fourth Quarter and
Twelve Months ended 31 December 2021

24 February 2022

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

Fourth Quarter and Twelve Months of Financial Year 2021 Financial Statements And Dividend Announcement

Business Review

The board of SIIC Environment Holdings Ltd. (the “Company”) is pleased to announce the unaudited consolidated annual results of the Company and its subsidiaries (the “Group”) for the twelve months ended 31 December 2021 (“FY2021”). The Group’s net profit attributable to shareholders for the period amounted to RMB706.2 million, an increase of 11.1% year-on-year.

This performance was on the back of a 16.2% increase in revenue to RMB7.27 billion as supported by the increase in operating and maintenance income from service concession arrangement and construction revenue arising from the higher amount of construction activities in progress. Gross profit rose 10.1% to RMB2.40 billion, mainly driven by higher construction activity and the increase in both wastewater treatment volume and average tariff per tonne.

As at 31 December 2021, the Group’s cash and cash equivalents stood at a healthy RMB2.79 billion.

Review of Annual Results

The audit committee has reviewed the Company’s unaudited consolidated annual results for the twelve months ended 31 December 2021.

The figures in respect of the Group’s consolidated financial position, consolidated statement of comprehensive income, and the related notes thereto for FY2021 as set out in this announcement have been agreed by the Group’s auditors, Deloitte & Touche LLP, to the amounts set out in the Group’s draft consolidated financial statements for FY2021.

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 twelve months ended 31 December 2021.

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

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	3 Months Ended		Changes	12 Months Ended		Changes
		31.12.21 (unaudited)	31.12.20 (unaudited)		31.12.21 (unaudited)	31.12.20 (audited)	
		RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	5	2,195,516	2,105,768	4.3	7,267,139	6,251,939	16.2
Cost of sales		(1,565,011)	(1,397,241)	12.0	(4,862,862)	(4,067,575)	19.6
Gross profit		630,505	708,527	(11.0)	2,404,277	2,184,364	10.1
Other income		68,465	4,100	1,569.8	200,253	169,472	18.2
Other gains and losses		19,654	10,199	92.7	37,167	21,848	70.1
Selling and distribution costs		(20,546)	(20,427)	0.6	(80,834)	(72,932)	10.8
Administrative expenses		(147,010)	(161,996)	(9.3)	(486,526)	(454,623)	7.0
Finance expenses		(170,395)	(173,642)	(1.9)	(679,318)	(698,845)	(2.8)
Share of results of joint ventures		874	2,893	(69.8)	24,061	30,335	(20.7)
Share of results of associates		3,670	2,363	55.3	7,172	4,811	49.1
Profit before tax		385,217	372,017	3.5	1,426,252	1,184,430	20.4
Income tax expense	6	(114,233)	(76,764)	48.8	(357,233)	(266,592)	34.0
Profit for the period	7	270,984	295,253	(8.2)	1,069,019	917,838	16.5
Other comprehensive income:							
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
Exchange difference arising from translation		51,099	2,897	1,663.8	76,994	50,424	52.7
Fair value change on investments in equity instruments designated as at FVTOCI		(313)	(4,254)	(92.6)	2,180	(96)	N.M.
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange differences arising from translation of foreign operations		6,846	15,243	(55.1)	32,692	23,248	40.6
Total other comprehensive income for the period, net of tax		57,632	13,886	315.1	111,866	73,576	52.0
Total comprehensive income for the period		328,616	309,139	6.3	1,180,885	991,414	19.1
Profit for the period attributable to:							
Owners of the Company		192,357	190,614	0.9	706,159	635,344	11.1
Non-controlling interests		78,627	104,639	(24.9)	362,860	282,494	28.4
		270,984	295,253	(8.2)	1,069,019	917,838	16.5
Total comprehensive income attributable to:							
Owners of the Company		249,989	204,500	22.2	818,025	708,920	15.4
Non-controlling interests		78,627	104,639	(24.9)	362,860	282,494	28.4
		328,616	309,139	6.3	1,180,885	991,414	19.1
Earnings per share for profit for the period attributable to the owners of the Company during the period:							
-Basic (RMB in cent)		7.47	7.32	2.0	27.35	24.41	12.0
-Diluted (RMB in cent)		7.47	7.32	2.0	27.35	24.41	12.0

N.M. – Not Meaningful

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

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		As at 31.12.21 (unaudited)	As at 31.12.20 (audited)	As at 31.12.21 (unaudited)	As at 31.12.20 (audited)
		RMB'000	RMB'000	RMB'000	RMB'000
Current assets					
Cash and cash equivalents		2,794,951	2,668,525	285,802	94,528
Pledged bank deposits		118,371	161,729	-	-
Trade and other receivables	8	3,403,809	2,633,585	1,019	1,075
Bills receivables		3,377	3,617	-	-
Prepayments		72,091	71,565	3,069	-
Inventories		285,969	221,390	-	-
Receivables under service concession arrangements - current portion	9	680,394	677,871	-	-
Amounts due from customers for contract work		82,706	69,317	-	-
Amounts due from subsidiaries		-	-	2,008,502	1,680,734
Amounts due from joint venture		22,711	137	137	137
Amounts due from associate		10,902	10,902	-	-
Financial assets at fair value through profit or loss		9,307	3,167	-	-
Assets classified as held for sale		7,059	210,952	-	-
Total current assets		7,491,647	6,732,757	2,298,529	1,776,474
Non-current assets					
Financial assets at fair value through other comprehensive income		27,091	26,433	-	-
Prepayments		201,636	159,036	-	-
Receivables under service concession arrangements – non-current portion	9	20,950,596	19,306,418	-	-
Property, plant and equipment		346,926	324,656	63	100
Right-of-use assets		54,352	47,451	8,417	8,436
Intangible assets	10	6,932,793	6,631,481	-	-
Long term receivables		352,173	351,109	-	-
Deferred tax assets		63,335	67,518	-	-
Investment in subsidiaries		-	-	5,292,020	5,500,122
Interest in joint ventures		486,674	523,961	311,520	326,334
Interest in associates		128,674	99,496	-	-
Goodwill on consolidation		457,241	457,241	-	-
Loans to subsidiaries		-	-	2,806,380	-
Amounts due from associates		20,827	24,074	-	-
Total non-current assets		30,022,318	28,018,874	8,418,400	5,834,992
Total assets		37,513,965	34,751,631	10,716,929	7,611,466

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

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION – cont'd

	Note	Group		Company	
		As at 31.12.21 (unaudited)	As at 31.12.20 (audited)	As at 31.12.21 (unaudited)	As at 31.12.20 (audited)
		RMB'000	RMB'000	RMB'000	RMB'000
Current liabilities					
Trade and other payables	11	4,161,170	3,764,190	123,828	43,976
Bills payable to banks		48,762	45,342	-	-
Tax payable		202,815	165,727	-	-
Amounts due to customers for contract work		35,982	41,619	-	-
Amounts due to subsidiaries		-	-	212,487	222,383
Bank and other borrowings	12	4,977,515	4,710,362	1,385,531	1,056,928
Lease liabilities		7,880	10,598	4,050	6,946
Liabilities directly associated with assets classified as held for sale		92	151,884	-	-
Total current liabilities		9,434,216	8,889,722	1,725,896	1,330,233
Non-current liabilities					
Bank and other borrowings	12	11,650,786	10,542,101	2,992,151	-
Deferred tax liabilities		2,191,834	2,089,843	-	-
Other non-current liabilities		169,062	174,914	-	-
Lease liabilities		31,866	33,052	4,568	1,925
Total non-current liabilities		14,043,548	12,839,910	2,996,719	1,925
Capital, reserves and non-controlling interests					
Share capital	13	5,920,175	5,947,420	5,920,175	5,947,420
Retained earnings		3,188,828	2,805,242	182,128	156,405
Other reserves		423,508	175,112	(107,989)	175,483
Equity attributable to owners of the Company		9,532,511	8,927,774	5,994,314	6,279,308
Non-controlling interests		4,503,690	4,094,225	-	-
Total equity		14,036,201	13,021,999	5,994,314	6,279,308
Total liabilities and equity		37,513,965	34,751,631	10,716,929	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:-

Please refer to Note 12 to the Condensed Interim Consolidated Financial Statements.

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group For 3 Months Ended		Group For 12 Months Ended	
	31.12.21 (unaudited)	31.12.20 (unaudited)	31.12.21 (unaudited)	31.12.20 (audited)
	RMB'000	RMB'000	RMB'000	RMB'000
Operating activities:				
Profit before tax	385,217	372,017	1,426,252	1,184,430
Adjustments for:				
Loss allowance for trade receivables, net	2,674	5,313	7,324	7,319
Loss allowance for non-trade receivables, net	4,999	2,000	5,105	2,000
Bad debts written off for non-trade receivables	-	116	-	116
Depreciation of property, plant and equipment	11,130	9,384	38,799	36,720
Amortisation of intangible assets	53,560	83,187	293,288	306,447
Depreciation of right-of-use assets	3,147	8,190	11,426	13,452
Loss on disposal of property, plant and equipment	216	14	234	62
Loss on disposal of intangible assets	-	953	-	957
Gain on disposal of an associate	-	-	-	(1,678)
Gain on disposal of a subsidiary	-	-	(23,566)	(48)
Gain on bargain purchase arising from acquisition of a subsidiary	-	-	(6,512)	-
Finance income	(9,667)	(4,371)	(33,561)	(20,583)
Finance expenses	170,395	173,642	679,318	698,845
Share of results of associates	(3,670)	(2,363)	(7,172)	(4,811)
Share of results of joint ventures	(874)	(2,893)	(24,061)	(30,335)
Gain on disposal of financial asset at fair value through other comprehensive income	-	-	-	(9,953)
Fair value loss/(gain) on financial assets at fair value through profit and loss	10	(288)	366	186
Operating cash flows before working capital changes	617,137	644,901	2,367,240	2,183,126
(Increase)/Decrease in:				
Inventories	(49,509)	(19,989)	(64,579)	(62,275)
Amounts due from/to customers for contract work, net	84,212	122,557	(19,025)	27,999
Trade receivables, other receivables and prepayments	(105,983)	(95,644)	(666,617)	(441,779)
Bills receivables	773	5,047	240	10,130
Amounts due from joint ventures	(22,699)	(917)	(22,574)	-
Amounts due from associates	(1,263)	(268)	3,247	32,574
Increase/(Decrease) in:				
Trade and other payables (inclusive of non-current liabilities)	335,539	204,405	468,707	358,288
Bills payable to banks	(9,155)	20,058	3,420	2,785
Cash generated from operating activities before service concession arrangement projects	849,052	880,150	2,070,059	2,110,848
Change in receivables under service concession arrangements (Note A)	(661,160)	(689,127)	(1,589,293)	(1,833,268)
Cash generated from operating activities after service concession arrangement projects	187,892	191,023	480,766	277,580
Interest received	9,008	3,965	28,648	14,282
Income tax refund	-	9,290	-	14,444
Income tax paid	(47,511)	(41,152)	(193,799)	(153,412)
Net cash generated from operating activities	149,389	163,126	315,615	152,894

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS – cont'd

	Group		Group	
	For 3 Months Ended		For 12 Months Ended	
	31.12.21 (unaudited)	31.12.20 (unaudited)	31.12.21 (unaudited)	31.12.20 (audited)
	RMB'000	RMB'000	RMB'000	RMB'000
Investing activities:				
Purchase of property, plant and equipment	(129,049)	(10,247)	(164,171)	(38,485)
Purchase of intangible assets, net of amount on credit terms	(523,112)	(81,045)	(667,064)	(195,294)
Movement in prepayment for property, plant and equipment and intangible assets, net	(25,462)	164,555	(40,010)	(27,952)
Proceeds from disposal of property, plant and equipment	6,753	480	6,950	530
Proceeds from disposal of intangible assets	-	9	-	9
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	-	-	23,196
Net cash outflow on acquisition of a subsidiary (Note 16)	-	-	(51,801)	-
Net cash inflow/(outflow) on disposal of a subsidiary (Note 17)	4,000	(6,603)	30,986	(631)
Net cash inflow from disposal of an associate	-	-	-	4,160
Dividend received from joint venture	(1,222)	27	18,035	19,199
Net cash (used in)/generated from investing activities	(668,092)	67,176	(867,075)	(215,268)
Financing activities:				
Proceeds from bank and other borrowings	2,598,122	1,006,687	6,711,821	4,702,828
Repayment of bank and other borrowings	(1,750,611)	(649,563)	(5,235,560)	(3,608,914)
Interest paid	(166,402)	(160,412)	(648,138)	(671,175)
Principal and interest elements of lease payments	(3,185)	(9,248)	(12,737)	(15,390)
Repurchase of shares	-	-	(27,245)	-
Dividend paid to equity shareholders	-	-	(186,043)	(131,989)
Dividend paid to non-controlling interest in subsidiaries	-	-	(13,615)	(15,840)
Acquisition of non-controlling interests	-	(5,243)	-	(5,243)
Contribution from non-controlling interests upon additional capital injection in a subsidiary	-	-	46,705	32,150
(Increase)/Decrease in pledged banks deposits	(1,086)	(64,879)	43,358	72,943
Net cash generated from financing activities	676,838	117,342	678,546	359,370
Net increase in cash and cash equivalents	158,135	347,644	127,086	296,996
Cash and cash equivalents at beginning of period	2,611,421	2,317,716	2,668,525	2,374,770
Effects of exchange rate changes on cash and cash equivalents	25,395	3,165	(660)	(3,241)
Cash and cash equivalents at end of the period	2,794,951	2,668,525	2,794,951	2,668,525

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS – cont'd

	Group For 3 Months Ended		Group For 12 Months Ended	
	31.12.21 (unaudited)	31.12.20 (unaudited)	31.12.21 (unaudited)	31.12.20 (audited)
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents at end of the period				
Cash and bank balances	2,913,322	2,830,254	2,913,322	2,830,254
Less: Pledged bank deposits	(118,371)	(161,729)	(118,371)	(161,729)
Cash and cash equivalents	2,794,951	2,668,525	2,794,951	2,668,525

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 FY2021 and 4QFY2021 respectively.

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

GROUP	Share capital	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1.1.21 (audited)	5,947,420	2,805,242	175,112	405,422	(10,248)	(9,581)	(10,166)	(200,315)	8,927,774	4,094,225	13,021,999
Profit for the period	-	160,116	-	-	-	-	-	-	160,116	80,450	240,566
<u>Other comprehensive loss</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 loss for the period, net of tax	-	-	(7,691)	-	(751)	(6,940)	-	-	(7,691)	-	(7,691)
Total comprehensive income for the period	-	160,116	(7,691)	-	(751)	(6,940)	-	-	152,425	80,450	232,875
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	(15,006)	15,006	15,006	-	-	-	-	-	-	-
Total	-	(15,006)	15,006	15,006	-	-	-	-	-	-	-
<u>Others</u>											
Repurchase of shares	(23,254)	-	-	-	-	-	-	-	(23,254)	-	(23,254)
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	(9,670)	(9,670)
Total	(23,254)	-	-	-	-	-	-	-	(23,254)	(9,670)	(32,924)
Balance at 31.3.21 (unaudited)	5,924,166	2,950,352	182,427	420,428	(10,999)	(16,521)	(10,166)	(200,315)	9,056,945	4,165,005	13,221,950

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont'd

GROUP	Share capital	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1.4.21 (unaudited)	5,924,166	2,950,352	182,427	420,428	(10,999)	(16,521)	(10,166)	(200,315)	9,056,945	4,165,005	13,221,950
Profit for the period	-	172,625	-	-	-	-	-	-	172,625	115,789	288,414
<u>Other comprehensive income</u>											
Exchange differences arising on translation	-	-	36,992	-	-	36,992	-	-	36,992	-	36,992
Exchange differences arising on translation of foreign operations	-	-	8,764	-	-	8,764	-	-	8,764	-	8,764
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	929	-	929	-	-	-	929	-	929
Other comprehensive income for the period, net of tax	-	-	46,685	-	929	45,756	-	-	46,685	-	46,685
Total comprehensive income for the period	-	172,625	46,685	-	929	45,756	-	-	219,310	115,789	335,099
<u>Transactions with owners recognised directly in equity</u>											
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	19,620	19,620
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	(4,108)	(4,108)
Contribution from non-controlling interests upon additional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	25,200	25,200
Total	-	-	-	-	-	-	-	-	-	40,712	40,712
<u>Others</u>											
Repurchase of shares	(3,991)	-	-	-	-	-	-	-	(3,991)	-	(3,991)
Dividend declared to equity shareholders	-	(124,906)	-	-	-	-	-	-	(124,906)	-	(124,906)
Total	(3,991)	(124,906)	-	-	-	-	-	-	(128,897)	-	(128,897)
Balance at 30.6.21 (unaudited)	5,920,175	2,998,071	229,112	420,428	(10,070)	29,235	(10,166)	(200,315)	9,147,358	4,321,506	13,468,864

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont'd

GROUP				Effects of changes in ownership interest in subsidiaries where there is no change in control					Equity attributable to owners of the Company		
	Share capital	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve	Merger reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1.7.21 (unaudited)	5,920,175	2,998,071	229,112	420,428	(10,070)	29,235	(10,166)	(200,315)	9,147,358	4,321,506	13,468,864
Profit for the period	-	181,061	-	-	-	-	-	-	181,061	87,994	269,055
<u>Other comprehensive income</u>											
Exchange differences arising on translation	-	-	11,822	-	-	11,822	-	-	11,822	-	11,822
Exchange differences arising on translation of foreign operations	-	-	1,103	-	-	1,103	-	-	1,103	-	1,103
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	2,315	-	2,315	-	-	-	2,315	-	2,315
Other comprehensive income for the period, net of tax	-	-	15,240	-	2,315	12,925	-	-	15,240	-	15,240
Total comprehensive income for the period	-	181,061	15,240	-	2,315	12,925	-	-	196,301	87,994	284,295
<u>Transactions with owners recognised directly in equity</u>											
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	(1,997)	(1,997)
Transfer to general reserve	-	(32,453)	32,453	32,453	-	-	-	-	-	-	-
Contribution from non-controlling interests upon additional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	21,505	21,505
Total	-	(32,453)	32,453	32,453	-	-	-	-	-	19,508	19,508
<u>Others</u>											
Dividend declared to equity shareholders	-	(61,137)	-	-	-	-	-	-	(61,137)	-	(61,137)
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	(3,945)	(3,945)
Total	-	(61,137)	-	-	-	-	-	-	(61,137)	(3,945)	(65,082)
Balance at 30.9.21 (unaudited)	5,920,175	3,085,542	276,805	452,881	(7,755)	42,160	(10,166)	(200,315)	9,282,522	4,425,063	13,707,585

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont'd

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

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont'd

GROUP	Share capital	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1.1.20 (audited)	5,947,420	2,356,306	41,793	351,003	(10,152)	(83,253)	(15,490)	(200,315)	8,345,519	3,514,211	11,859,730
Profit for the period	-	130,108	-	-	-	-	-	-	130,108	38,073	168,181
<u>Other comprehensive loss</u>											
Exchange differences arising on translation	-	-	(74,465)	-	-	(74,465)	-	-	(74,465)	-	(74,465)
Exchange differences arising on translation of foreign operations	-	-	9,358	-	-	9,358	-	-	9,358	-	9,358
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	(1,918)	-	(1,918)	-	-	-	(1,918)	-	(1,918)
Other comprehensive loss for the period, net of tax	-	-	(67,025)	-	(1,918)	(65,107)	-	-	(67,025)	-	(67,025)
Total comprehensive income for the period	-	130,108	(67,025)	-	(1,918)	(65,107)	-	-	63,083	38,073	101,156
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	(8,883)	8,883	8,883	-	-	-	-	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	(1,477)	(1,477)
Total	-	(8,883)	8,883	8,883	-	-	-	-	-	(1,477)	(1,477)
<u>Others</u>											
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	(6,000)	(6,000)
Total	-	-	-	-	-	-	-	-	-	(6,000)	(6,000)
Balance at 31.3.20 (unaudited)	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

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont'd

GROUP	Share capital	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1.4.20 (unaudited)	5,947,420	2,477,531	(16,349)	359,886	(12,070)	(148,360)	(15,490)	(200,315)	8,408,602	3,544,807	11,953,409
Profit for the period	-	151,131	-	-	-	-	-	-	151,131	71,993	223,124
<u>Other comprehensive income</u>											
Exchange differences arising on translation	-	-	29,792	-	-	29,792	-	-	29,792	-	29,792
Exchange differences arising on translation of foreign operations	-	-	(3,109)	-	-	(3,109)	-	-	(3,109)	-	(3,109)
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	3,737	-	3,737	-	-	-	3,737	-	3,737
Other comprehensive income for the period, net of tax	-	-	30,420	-	3,737	26,683	-	-	30,420	-	30,420
Total comprehensive income for the period	-	151,131	30,420	-	3,737	26,683	-	-	181,551	71,993	253,544
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	(8,134)	8,134	8,134	-	-	-	-	-	-	-
Contribution from non-controlling interests upon additional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	32,150	32,150
Total	-	(8,134)	8,134	8,134	-	-	-	-	-	32,150	32,150
<u>Others</u>											
Dividend declared to equity shareholders	-	(131,989)	-	-	-	-	-	-	(131,989)	-	(131,989)
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	(9,840)	(9,840)
Total	-	(131,989)	-	-	-	-	-	-	(131,989)	(9,840)	(141,829)
Balance at 30.6.20 (unaudited)	5,947,420	2,488,539	22,205	368,020	(8,333)	(121,677)	(15,490)	(200,315)	8,458,164	3,639,110	12,097,274

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont'd

GROUP	Share capital	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1.7.20 (unaudited)	5,947,420	2,488,539	22,205	368,020	(8,333)	(121,677)	(15,490)	(200,315)	8,458,164	3,639,110	12,097,274
Profit for the period	-	163,491	-	-	-	-	-	-	163,491	67,789	231,280
<u>Other comprehensive income</u>											
Exchange differences arising on translation	-	-	92,200	-	-	92,200	-	-	92,200	-	92,200
Exchange differences arising on translation of foreign operations	-	-	1,756	-	-	1,756	-	-	1,756	-	1,756
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	2,339	-	2,339	-	-	-	2,339	-	2,339
Other comprehensive income for the period, net of tax	-	-	96,295	-	2,339	93,956	-	-	96,295	-	96,295
Total comprehensive income for the period	-	163,491	96,295	-	2,339	93,956	-	-	259,786	67,789	327,575
<u>Transactions with owners recognised directly in equity</u>											
Contribution from non-controlling interests upon additional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	219,672	219,672
Total	-	-	-	-	-	-	-	-	-	219,672	219,672
Balance at 30.9.20 (unaudited)	5,947,420	2,652,030	118,500	368,020	(5,994)	(27,721)	(15,490)	(200,315)	8,717,950	3,926,571	12,644,521

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont'd

GROUP				Effects of changes in ownership interest in subsidiaries where there is no change in control					Equity attributable to owners of the Company		Total equity
	Share capital	Retained earnings	Other reserves, total	General reserve	Investment revaluation reserve	Translation reserve	Merger reserve	RMB'000	Non-controlling interests	RMB'000	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1.10.20 (unaudited)	5,947,420	2,652,030	118,500	368,020	(5,994)	(27,721)	(15,490)	(200,315)	8,717,950	3,926,571	12,644,521
Profit for the period	-	190,614	-	-	-	-	-	-	190,614	104,639	295,253
<u>Other comprehensive income</u>											
Exchange differences arising on translation	-	-	2,897	-	-	2,897	-	-	2,897	-	2,897
Exchange differences arising on translation of foreign operations	-	-	15,243	-	-	15,243	-	-	15,243	-	15,243
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	(4,254)	-	(4,254)	-	-	-	(4,254)	-	(4,254)
Other comprehensive income for the period, net of tax	-	-	13,886	-	(4,254)	18,140	-	-	13,886	-	13,886
Total comprehensive income for the period	-	190,614	13,886	-	(4,254)	18,140	-	-	204,500	104,639	309,139
<u>Transactions with owners recognised directly in equity</u>											
Transfer to general reserve	-	(37,402)	37,402	37,402	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	5,324	-	-	-	5,324	-	5,324	(10,567)	(5,243)
Contribution from non-controlling interests upon additional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	93,582	93,582
Total	-	(37,402)	42,726	37,402	-	-	5,324	-	5,324	83,015	88,339
<u>Others</u>											
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	(20,000)	(20,000)
Total	-	-	-	-	-	-	-	-	-	(20,000)	(20,000)
Balance at 31.12.20 (audited)	5,947,420	2,805,242	175,112	405,422	(10,248)	(9,581)	(10,166)	(200,315)	8,927,774	4,094,225	13,021,999

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont'd

COMPANY	Share capital	Retained earnings	Other reserves*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1.1.21 (audited)	5,947,420	156,405	175,483	6,279,308
Profit for the period	-	602	-	602
<u>Other comprehensive loss</u>				
Exchange differences arising on translation, net of tax	-	-	(82,629)	(82,629)
Other comprehensive loss for the period, net of tax	-	-	(82,629)	(82,629)
Total comprehensive loss for the period	-	602	(82,629)	(82,027)
<u>Others</u>				
Repurchase of shares	(23,254)	-	-	(23,254)
Balance at 31.3.21 (unaudited)	5,924,166	157,007	92,854	6,174,027
Loss for the period	-	(22,085)	-	(22,085)
<u>Other comprehensive loss</u>				
Exchange differences arising on translation, net of tax	-	-	(89,926)	(89,926)
Other comprehensive loss for the period, net of tax	-	-	(89,926)	(89,926)
Total comprehensive loss for the period	-	(22,085)	(89,926)	(112,011)
<u>Others</u>				
Repurchase of shares	(3,991)	-	-	(3,991)
Dividend declared to equity shareholders	-	(124,906)	-	(124,906)
Balance at 30.6.21 (unaudited)	5,920,175	10,016	2,928	5,933,119
Profit for the period	-	263,109	-	263,109
<u>Other comprehensive loss</u>				
Exchange differences arising on translation, net of tax	-	-	(69,245)	(69,245)
Other comprehensive loss for the period, net of tax	-	-	(69,245)	(69,245)
Total comprehensive income for the period	-	263,109	(69,245)	193,864
<u>Others</u>				
Dividend declared to equity shareholders	-	(61,137)	-	(61,137)
Balance at 30.9.21 (unaudited)	5,920,175	211,988	(66,317)	6,065,846

* Relates to translation reserve.

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont'd

COMPANY	Share capital	Retained earnings	Other reserves*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1.10.21 (unaudited)	5,920,175	211,988	(66,317)	6,065,846
Loss for the period	-	(29,860)	-	(29,860)
<u>Other comprehensive loss</u>				
Exchange differences arising on translation, net of tax	-	-	(41,672)	(41,672)
Other comprehensive loss for the period, net of tax	-	-	(41,672)	(41,672)
Total comprehensive loss for the period	-	(29,860)	(41,672)	(71,532)
Balance at 31.12.21 (unaudited)	5,920,175	182,128	(107,989)	5,994,314

* Relates to translation reserve.

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont'd

COMPANY	Share capital RMB'000	Retained earnings RMB'000	Other reserves* RMB'000	Total equity RMB'000
Balance at 1.1.20 (audited)	5,947,420	(54,850)	468,636	6,361,206
Profit for the period	-	31,014	-	31,014
<u>Other comprehensive loss</u>				
Exchange differences arising on translation, net of tax	-	-	(241,447)	(241,447)
Other comprehensive loss for the period, net of tax	-	-	(241,447)	(241,447)
Total comprehensive loss for the period	-	31,014	(241,447)	(210,433)
Balance at 31.3.20 (unaudited)	5,947,420	(23,836)	227,189	6,150,773
Profit for the period	-	164,836	-	164,836
<u>Other comprehensive income</u>				
Exchange differences arising on translation, net of tax	-	-	113,209	113,209
Other comprehensive income for the period, net of tax	-	-	113,209	113,209
Total comprehensive income for the period	-	164,836	113,209	278,045
<u>Others</u>				
Dividend declared to equity shareholders	-	(131,989)	-	(131,989)
Balance at 30.6.20 (unaudited)	5,947,420	9,011	340,398	6,296,829
Loss for the period	-	(4,459)	-	(4,459)
<u>Other comprehensive loss</u>				
Exchange differences arising on translation, net of tax	-	-	(118,697)	(118,697)
Other comprehensive loss for the period, net of tax	-	-	(118,697)	(118,697)
Total comprehensive loss for the period	-	(4,459)	(118,697)	(123,156)
Balance at 30.9.20 (unaudited)	5,947,420	4,552	221,701	6,173,673

* Relates to translation reserve

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY – cont'd

COMPANY	Share capital	Retained earnings	Other reserves*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1.10.20 (unaudited)	5,947,420	4,552	221,701	6,173,673
Profit for the period	-	151,853	-	151,853
<u>Other comprehensive loss</u>				
Exchange differences arising on translation, net of tax	-	-	(46,218)	(46,218)
Other comprehensive loss for the period, net of tax	-	-	(46,218)	(46,218)
Total comprehensive income for the period	-	151,853	(46,218)	105,635
Balance at 31.12.20 (audited)	5,947,420	156,405	175,483	6,279,308

* Relates to translation reserve

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

SIIC Environment Holdings Ltd. (the “Company”) is a public limited company, incorporated and domiciled in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The shares of the Company (the “Share(s)”) have been listed on the mainboard of SGX-ST and subsequently dual listed (the “Listing”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 23 March 2018 (the “Listing Date”).

These condensed interim consolidated financial statements as at and for the Fourth Quarter and Twelve Months ended 31 December 2021 comprise the Company and its subsidiaries’ (collectively, “the Group”). The registered office and principal place of business of the Company is located at One Temasek Avenue, #37-02 Millenia Tower, Singapore 039192. There were no changes to the principal activities of the Company and its subsidiaries.

2. BASIS OF PREPARATION

The unaudited condensed interim consolidated financial statements for the Fourth Quarter and Twelve Months ended 31 December 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 34 “*Interim Financial Reporting*” issued by the Accounting Standards Council Singapore (ASC) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 September 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

The presentation currency of the condensed interim financial statements is Renminbi (“RMB”) as the Group’s operations are substantially based in the People’s Republic of China (“PRC”).

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2. BASIS OF PREPARATION – cont'd

2.2 Use of judgements and estimates

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2020.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 9 – Receivables under service concession arrangements

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

- Note 16 – Acquisition of a subsidiary

Management has determined that there is no impairment loss for the Group's goodwill on consolidation as at 31 December 2021.

2.3 Financial Risk Management Objectives and Policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include (i) foreign currency risk; (ii) interest rate risk; (iii) liquidity risk; and (iv) credit risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer and Management.

The condensed interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2020.

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

3. SEASONAL OPERATIONS

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

4. SEGMENT INFORMATION

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

(i) Water and Sludge Treatment:

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

(ii) Water Supply:

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

(iii) Waste Incineration:

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

Other operations include design and consultancy on the projects and installation of water meters. None of these segments meets any of the quantitative thresholds for determining reportable segments for the financial period ended 31 December 2021 and 31 December 2020.

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Group's financing and income taxes are managed on a Group basis and are not allocated to operating segments. Unallocated assets/liabilities mainly comprise of corporate assets and liabilities, tax assets and liabilities and interest income and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

Transfer prices between operating segments are on agreed-term basis in a manner similar to transactions with third parties.

4. SEGMENT INFORMATION - cont'd

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments:

Twelve months ended 31 December 2021 (unaudited)

All amount in RMB'000	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Revenue	4,215,986	1,052,414	1,721,748	6,990,148	276,991	-	7,267,139
Reportable segment profit/(loss) from operations	1,505,449	170,538	204,860	1,880,847	79,200	(82,527)	1,877,520
Finance income	-	-	-	-	-	33,561	33,561
Finance expenses	-	-	-	-	-	(679,318)	(679,318)
Other non-operating income	138,664	18,669	5,590	162,923	11	322	163,256
Share of results of associates	6,936	-	-	6,936	236	-	7,172
Share of results of joint ventures	-	-	24,061	24,061	-	-	24,061
Income tax expense	(197,839)	(50,771)	(65,247)	(313,857)	(13,671)	(29,705)	(357,233)
Profit after tax							1,069,019
Segment depreciation and amortisation	188,915	125,081	17,406	331,402	420	11,691	343,513
Segment non-cash income	(5,673)	(301)	-	(5,974)	-	-	(5,974)
Segment non-cash expenses	18,403	-	-	18,403	366	-	18,769

4. **SEGMENT INFORMATION - cont'd**

Segment revenue and results – cont'd

Twelve months ended 31 December 2020 (audited)

All amount in RMB'000	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Revenue	4,295,023	903,833	838,489	6,037,345	214,594	-	6,251,939
Reportable segment profit/(loss) from operations	1,460,293	138,637	135,614	1,734,544	61,768	(65,976)	1,730,336
Finance income	-	-	-	-	-	20,583	20,583
Finance expenses	-	-	-	-	-	(698,845)	(698,845)
Other non-operating income	83,323	13,437	-	96,760	160	290	97,210
Share of results of associates	2,857	-	-	2,857	1,230	724	4,811
Share of results of joint ventures	-	-	30,335	30,335	-	-	30,335
Income tax expense	(195,258)	(34,367)	(27,677)	(257,302)	(7,856)	(1,434)	(266,592)
Profit after tax							917,838
Segment depreciation and amortisation	203,604	126,930	9,922	340,456	2,249	13,914	356,619
Segment non-cash expenses	5,022	1,561	-	6,583	3,038	-	9,621

4. SEGMENT INFORMATION - cont'd

Segment assets and liabilities

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

At 31 December 2021 (unaudited)

All amount in RMB'000	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Segment assets	27,418,173	4,096,690	3,725,862	35,240,725	608,298	1,006,137	36,855,160
Interest in joint ventures	-	-	486,674	486,674	-	-	486,674
Interest in associates	89,683	-	-	89,683	12,250	26,741	128,674
Financial assets at fair value through profit or loss	6,506	-	-	6,506	2,801	-	9,307
Financial assets at fair value through other comprehensive income	10,400	-	-	10,400	3,000	13,691	27,091
Assets classified as held for sale	7,059	-	-	7,059	-	-	7,059
Total assets							37,513,965
Segment liabilities	11,356,948	1,842,371	2,450,549	15,649,868	1,276,405	6,551,491	23,477,764
Segment capital expenditure	264,333	43,813	23,928	332,074	154	40	332,268

4. SEGMENT INFORMATION - cont'd

Segment assets and liabilities - cont'd

At 31 December 2020 (audited)

All amount in RMB'000	Water and Sludge Treatment	Water Supply	Waste Incineration	Total for Reportable Segments	Others Segment	Unallocated	Consolidated
Segment assets	27,211,845	3,752,974	2,031,315	32,996,134	565,975	325,513	33,887,622
Interest in joint ventures	-	-	523,961	523,961	-	-	523,961
Interest in associates	59,860	-	-	59,860	12,015	27,621	99,496
Financial assets at fair value through profit or loss	-	-	-	-	3,167	-	3,167
Financial assets at fair value through other comprehensive income	10,400	-	-	10,400	3,500	12,533	26,433
Assets classified as held for sale	210,952	-	-	210,952	-	-	210,952
Total assets							34,751,631
Segment liabilities	13,757,819	1,704,463	952,063	16,414,345	1,291,249	4,024,038	21,729,632
Segment capital expenditure	12,730	(301)	-	12,429	366	-	12,795

5. REVENUE

	3 months ended 31 December		12 months ended 31 December	
	2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)	2021 RMB'000 (unaudited)	2020 RMB'000 (audited)
Construction revenue	849,903	812,492	2,485,972	2,092,004
Operating and maintenance income from services concession arrangements	785,521	826,252	3,131,628	2,709,847
Financial income from service concession arrangements	336,253	300,168	1,155,593	1,063,362
Service income	88,233	71,286	216,955	172,132
Other revenue	135,606	95,570	276,991	214,594
	2,195,516	2,105,768	7,267,139	6,251,939
Timing of revenue recognition				
At a point in time:	785,521	826,252	3,131,628	2,709,847
Over time:	1,409,995	1,279,516	4,135,511	3,542,092
	2,195,516	2,105,768	7,267,139	6,251,939

6. INCOME TAX EXPENSE

	3 months ended 31 December		12 months ended 31 December	
	2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)	2021 RMB'000 (unaudited)	2020 RMB'000 (audited)
Current tax:				
- Current year	116,724	93,770	270,606	213,598
- Overprovision in respect of prior periods	(8,881)	(24,955)	(11,282)	(35,010)
Deferred tax:				
- Current year	6,133	10,022	98,121	84,534
- Under/(Over) provision in respect of prior periods	257	(2,073)	(212)	3,470
	114,233	76,764	357,233	266,592

The corporate income tax applicable to the Singapore companies of the Group is 17% (Twelve Months ended 31 December 2020: 17%).

Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax ("EIT") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards. In accordance with the "Income Tax Law of the PRC for Enterprises with Foreign Investment and Foreign Enterprises", certain subsidiaries, engaging in public infrastructure projects, are entitled to full exemption from EIT for the first three years and a 50% reduction in EIT for the next three years from the first year of generating operating income.

7. PROFIT FOR THE PERIOD

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

	3 months ended 31 December		12 months ended 31 December	
	2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)	2021 RMB'000 (unaudited)	2020 RMB'000 (audited)
Loss allowance for trade receivables, net	2,674	5,313	7,324	7,319
Loss allowance for non-trade receivables, net	4,999	2,000	5,105	2,000
Bad debts written off for non-trade receivables	-	116	-	116
Depreciation of property, plant and equipment	11,130	9,384	38,799	36,720
Amortisation of intangible assets	53,560	83,187	293,288	306,447
Depreciation of right-of-use assets	3,147	8,190	11,426	13,452
Gain on disposal of financial asset held at fair value through other comprehensive income	-	-	-	(9,953)
Gain on disposal of an associate	-	-	-	(1,678)
Gain on disposal of a subsidiary	-	-	(23,566)	(48)
Gain from bargain purchase arising from acquisition of a subsidiary	-	-	(6,512)	-
Foreign exchange (gain)/loss, net	(2,024)	(9,970)	3,672	(10,414)
Fair value loss/(gain) on financial assets at fair value through profit and loss	10	(288)	366	186

8. TRADE AND OTHER RECEIVABLES

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

	31 December 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Within 30 days	705,754	562,466
Within 31 to 60 days	248,522	241,096
Within 61 to 90 days	189,181	129,676
Within 91 to 180 days	357,373	282,412
Within 181 to 365 days	447,736	246,274
Over 365 days	463,581	421,635
	<u>2,412,147</u>	<u>1,883,559</u>

9. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

Consideration given by the grantor for a service concession arrangement is accounted for as an intangible asset (operating concessions) or a financial asset (receivables under service concession arrangements) or a combination of both, as appropriate. The financial asset component is as follows:

	31 December 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Receivables under service concession arrangements		
Current portion	680,394	677,871
Non-current portion	20,950,596	19,306,418
	<u>21,630,990</u>	<u>19,984,289</u>

Expected collection schedule is analysed as follows:

Within 1 year	680,394	677,871
Within 2 to 5 years	2,944,166	2,824,426
Over 5 years	18,006,430	16,481,992
	<u>21,630,990</u>	<u>19,984,289</u>

10. INTANGIBLE ASSETS

During the year, the Group's additions of intangible assets amounted to RMB253,545,000 (31 December 2020: RMB198,143,000).

Certain intangibles with carrying value of RMB1,355,517,000 were pledged to secure the Group's bank borrowings as at 31 December 2021 (31 December 2020: RMB977,513,000).

11. TRADE AND OTHER PAYABLES

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

	31 December 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Within 30 days	1,272,781	1,104,956
Within 31 to 60 days	129,638	90,902
Within 61 to 90 days	61,203	49,453
Within 91 to 180 days	208,679	120,914
Within 181 to 365 days	202,642	169,069
Over 365 days	764,928	744,809
	<u>2,639,871</u>	<u>2,280,103</u>

12. BANK AND OTHER BORROWINGS

	31 December 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Amount repayable within one year or on demand		
Secured	3,118,018	2,066,118
Unsecured	1,859,497	2,644,244
	<u>4,977,515</u>	<u>4,710,362</u>
Amount repayable after one year		
Secured	7,085,409	9,229,311
Unsecured	4,565,377	1,312,790
	<u>11,650,786</u>	<u>10,542,101</u>

The Group has completed the issuance of two tranches of the Corporate Bonds in March and November 2021 with the aggregate size of RMB3,000,000,000 and interest rates of 3.89% and 3.40% for first and second tranches, respectively. The maturity date of the Corporate Bonds is five years from the issue date. The Corporate Bonds have been fully subscribed by the professional investors in the PRC.

Details of any collateral

The bank and other borrowings are secured/ guaranteed on concessionary arrangements, trade receivables (relating to concessionary arrangements) collection rights, guarantees by subsidiaries, guarantees by third party company and/or secured by a corporate guarantee by SIIC Environment Holdings Ltd.

13. SHARE CAPITAL

	Group and Company	
	Number of ordinary shares	Amount
	(unaudited)	RMB'000 (unaudited)
Issued and paid up share capital		
At 1 January 2020 and 31 December 2020	2,602,817,726	5,947,420
Share buy-back and cancelled	(27,152,000)	(27,245)
At 31 December 2021	2,575,665,726	5,920,175

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

Purchase, Sale or Redemption of Listed Securities

During the twelve months ended 31 December 2021, the Company bought back a total of 27,152,000 shares of the Company on the Singapore Stock Exchange and Hong Kong Stock Exchange at an aggregate consideration of RMB27,245,351 (before expenses). As at 31 December 2021, 27,152,000 repurchased Shares have been cancelled and the total number of shares of the Company in issue was 2,575,665,726. Details of the shares bought back during the period are as follows:

Singapore Stock Exchange

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

Hong Kong Stock Exchange

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

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the twelve months ended 31 December 2021.

13. SHARE CAPITAL – cont'd

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 December 2021, there were no convertible securities outstanding (31 December 2020: Nil).

14. DIVIDENDS

A final one-tier tax exempt dividend of S\$0.01 per ordinary share in respect of the financial year ended 31 December 2020 was approved in the annual general meeting held on 30 April 2021 and fully paid out in May 2021.

On 6 August 2021, the Board has resolved to declare an interim dividend of S\$0.005 per ordinary share to shareholders who are on the register as at 1 September 2021. This interim dividend was fully paid out in September 2021.

15. NET ASSET VALUE

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	RMB cents (unaudited)	RMB cents (audited)	RMB cents (unaudited)	RMB cents (audited)
Net asset value per ordinary share	370.10	343.00	232.73	241.25

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

16. ACQUISITION OF A SUBSIDIARY

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

In April 2021, the Group through its 92.2% owned subsidiary, Fudan Water Engineering and Technology Co., Ltd. and its 75% owned subsidiary, SIIC Henan Investment Co., Ltd. (“SIIC Henan”), completed the acquisition of 80% equity interest in Henan Wennuo for a total consideration of approximately RMB63,982,000.

The consideration was arrived based on the total identifiable net asset value of the shares acquired of approximately RMB70,494,000. The acquisition is funded through the Group’s internal resources. At the end of the reporting period, the Group have paid RMB52,210,000 to the vendor in cash and the deferred consideration amounting to RMB11,772,000 will be due upon completion of procedures.

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

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

	Henan Wennuo RMB’000 (unaudited)
<u>Consideration</u>	
Cash paid	52,210
Deferred consideration	11,772
Total	<u><u>63,982</u></u>
<u>Fair value of assets acquired and liabilities recognised at the respective date of acquisition</u>	
Property, plant and equipment	5,318
Receivables under service concession arrangements	107,068
Trade and other receivables	45,720
Prepayments	295
Cash and cash equivalents	409
Interest in associates	25,259
Financial assets at fair value through profit and loss	6,506
Trade and other payables	(90,454)
Deferred tax liabilities	(12,004)
Non-controlling interest	(17,623)
	<u><u>70,494</u></u>
<u>Gain on bargain purchase arising from acquisition</u>	
Cash paid	52,210
Deferred consideration	11,772
Less: Net assets acquired	(70,494)
	<u><u>(6,512)</u></u>
<u>Net cash outflow arising from acquisition</u>	
Cash consideration paid	52,210
Less: Cash and cash equivalents acquired	(409)
Net cash outflow on acquisition	<u><u>51,801</u></u>

17. DISPOSAL OF A SUBSIDIARY

In June 2021, the Group through its non-wholly owned subsidiary, Longjiang Environmental Protection Group Co., Ltd. disposed the entire 80% equity interest in Lingbi Chenxin Green Industry Development Co., Ltd. (“Lingbi”) for consideration of RMB40,000,000 to a third party.

The consideration was arrived at after arm’s length negotiation based on normal commercial terms. At the end of the reporting period, the Group have received cash consideration amounting to RMB31,000,000.

Further details of the consideration, and assets and liabilities disposed of in respect of the disposed subsidiary during the reporting period are set out below:

	Lingbi RMB'000 (unaudited)
Analysis of assets and liabilities over which control was lost	
Inventories	475
Receivables under service concession arrangements	183,198
Trade and other receivables	31,945
Prepayments	25
Cash and cash equivalents	14
Trade and other payables	(55,072)
Bank and other borrowings	(135,750)
Deferred tax liabilities	(4,293)
Total identifiable net assets at fair value	<u>20,542</u>
Non-controlling interest	<u>(4,108)</u>
	<u>16,434</u>
Gain on disposal	
Cash consideration	31,000
Consideration receivable	9,000
Less: Net assets disposed of	(16,434)
	<u>23,566</u>
Net cash inflow arising on disposal	
Cash consideration received	31,000
Less: Cash and cash equivalents disposed of	(14)
	<u>30,986</u>

The subsidiary disposed of during the period did not have a significant contribution to the results and cash flows of the Group during the period prior to the disposal.

18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Except as detailed in the following tables below, the directors of the Company consider that the carrying amounts of all other financial assets and financial liabilities that are recorded at amortised cost in the consolidated financial statements to approximate their fair value, due to their short-term nature, that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period, or the discount rate used to amortise the instruments approximates the prevailing market interest rates.

The Group classifies financial assets measured at fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- b) Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- c) Inputs for the assets or liabilities which are not based on observable market data (unobservable inputs) (Level 3).

(i) Fair value of financial assets that are measured at fair value on a recurring basis

Financial assets	Fair value		Fair value hierarchy
	31 December 2021	31 December 2020	
	RMB'000 (Unaudited)	RMB'000 (Audited)	
Financial assets at FVTOCI			
Listed equity security	13,691	12,533	Level 1
Unlisted equity security	13,400	13,900	Level 3
Financial assets at FVTPL			
Listed equity security	2,801	3,167	Level 1
Put option of unlisted equity security	6,506	-	Level 3

18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS - cont'd

(ii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis and whose carrying amounts are not reasonable approximation of fair value

	31 December 2021		31 December 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (audited)	RMB'000 (audited)
Financial assets				
Receivables under service concession arrangements ^(a)	17,766,460	18,631,768	16,459,507	17,557,898
Financial liabilities				
Bank and other borrowings (fixed rate borrowings) ^(a)	(5,236,856)	(5,118,759)	(1,833,762)	(1,793,941)
Other non-current liabilities ^(a)	(38,495)	(30,755)	(47,368)	(39,170)

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

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

19. RELATED PARTY TRANSACTIONS

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

20. SUBSEQUENT EVENTS

The Group proposes to sell its 100% equity interest in Dazhou Jiajing Environment Renewable Resource Co., Ltd. through its wholly owned subsidiary, Hongkong Nany New Energy (Dazhou) Limited. On 24 January 2022, the proposal has been approved and listed on the website of Shanghai United Assets and Equity Exchange for the purpose of public invitation for bidding. The proposed consideration amounted to or not less than RMB283,281,000, was based on the fair value assessment performed by independent valuer as of 31 March 2021.

Subsequent to the end of the reporting period, the Directors proposed that a final dividend of S\$0.01 per share be paid to shareholders. This dividend is subject to the approval of the shareholders of the Annual General Meeting and has not been included as a liability in these financial statements. The total estimated dividend to be paid is S\$25.76 million (approximately RMB121.5 million).

OTHER INFORMATION REQUIRED BY SGX LISTING RULE APPENDIX 7.2

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

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

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

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

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

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

There were no sales, transfers, disposal, cancellation and/or use of subsidiary holdings for the financial period ended 31 December 2021.

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

The condensed interim consolidated statement of financial position of the Company and its subsidiaries as at 31 December 2021 and the related condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the twelve-month period then ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

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

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

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

Not applicable.

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

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

Please refer to condensed interim consolidated statement of comprehensive income.

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

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

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

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

STATEMENT OF COMPREHENSIVE INCOME

Overall Review

The Group recorded an increase in revenue from RMB6,251.9 million in FY2020 to RMB7,267.1 million in FY2021, representing an increase of 16.2%. Gross profit ("GP") has increased from RMB2,184.4 million in FY2020 to RMB2,404.3 million in FY2021.

Meanwhile, the Group's profit for the period amounted to RMB1,069.0 million, up 16.5% as compared to FY2020. The Group's profit after tax (attributable to owners of the Company) increased from RMB635.3 million in FY2020 to RMB706.2 million in FY2021, representing an increase of 11.1%.

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

(A) Revenue

Construction Revenue

Construction revenue amounted to RMB849.9 million and RMB2,486.0 million in 4QFY2021 and FY2021 respectively (4QFY2020: RMB812.5 million; FY2020: RMB2,092.0 million). The increase in revenue in FY2021 was mainly due to higher amount of construction activities in progress throughout FY2021 as compared to FY2020 as the outbreak of Covid-19 which limited the construction activities in the first half of previous year.

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

The aggregate of operating and maintenance income and financial income from service concession arrangements amounted to RMB1,121.8 million and RMB4,287.2 million in 4QFY2021 and FY2021 respectively (4QFY2020: RMB1,126.4 million; FY2020: RMB3,773.2 million). The higher revenue was mainly lead by the increase in both wastewater treatment volume and average tariff per tonne.

Service Income

Service income from non-service concession arrangements amounted to RMB88.2 million and RMB217.0 million in 4QFY2021 and FY2021 respectively (4QFY2020: RMB71.3 million; FY2020: RMB172.1 million). The revenue was increased mainly due to higher average tariff per tonne in water treatment from operations and maintenance projects.

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

Other Revenue

Other revenue for 4QFY2021 and FY2021 were RMB135.6 million and RMB277.0 million respectively (4QFY2020: RMB95.6 million; FY2020: RMB214.6 million). The other revenue mainly consists of installation works carried out, which are ad-hoc in nature.

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

The Group's GP increased by RMB219.9 million or 10.1% from RMB2,184.4 million in FY2020 to RMB2,404.3 million in FY2021. The increase in GP in FY2021 was mainly due to the higher treatment volume and average tariff per tonne achieved by the Group as explained in Note A and higher amount of construction activities in progress throughout FY2021 as compared to FY2020. Meanwhile, GP contracted 11.0% from RMB708.5 million in 4QFY2020 to RMB630.5 million in 4QFY2021, which was caused by sharp spike in both electricity and chemical costs brought about by the macro-economy and policy impact, other than the above-mentioned, the manpower cost rose as well caused by higher employee welfare cost which is partially offset by the increase in overall wastewater treatment volume and tariff achieved by the Group.

Gross profit margin lowered by 1.8% from 34.9% in FY2020 to 33.1% in FY2021 and dipped from 33.6% in 4QFY2020 to 28.7% in 4QFY2021. The margin was brought down by the lower proportion of revenue from finance income (which has a 100% profit margin) and higher proportion of revenue from construction revenue (which has a relatively lower profit margin). Furthermore, the above-mentioned spike in major cost categories in Mainland China triggered a temporary fall in gross profit margin in 4QFY2021.

(C) Other Income

Other income amounted to RMB68.5 million and RMB200.3 million in 4QFY2021 and FY2021 respectively (4QFY2020: RMB4.1 million; FY2020: RMB169.5 million). Other income in 4QFY2021 increased by RMB64.4 million as compared to 4QFY2020, mostly due to increase in government subsidies. The higher other income in FY2021 as compared to FY2020 was mainly due to higher bank interest income.

(D) Other Gains and Losses

Other gains and losses increased from a gain of RMB10.2 million in 4QFY2020 and a gain of RMB21.8 million in FY2020 to a gain of RMB19.7 million in 4QFY2021 and a gain of RMB37.2 million in FY2021 respectively. The other gains and losses increase in FY2021 as compared to FY2020 is mainly due to the gain on disposal of a subsidiary in June 2021.

(E) Selling and Distribution Costs

Selling and distribution costs increased from RMB20.4 million in 4QFY2020 to RMB20.5 million in 4QFY2021 and RMB72.9 million in FY2020 to RMB80.8 million in FY2021. There is no significant movement in 4QFY2021 as compared to 4QFY2020. The costs increase in FY2021 was due to higher business activities as compared to the first half of FY2020 due to the Covid-19 situation.

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

(F) Administrative Expenses

Administrative expenses increased from RMB162.0 million in 4QFY2020 to RMB147.0 million in 4QFY2021 and RMB454.6 million in FY2020 to RMB486.5 million in FY2021. The increase in administrative expenses was due to higher business activities as the Covid-19 situation have been eased since the second half of FY2020.

(G) Finance Expenses

Finance expenses amounted to RMB170.4 million in 4QFY2021 (4QFY2020: RMB173.6 million) and RMB679.3 million in FY2021 (FY2020: RMB698.8 million). The decrease was mainly due to the loan restructuring effort to replace the higher interest rate borrowings with the two tranches of Corporate Bonds issued in March and November 2021 with lower interest rate.

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

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

The increase in share of results of associates in FY2021 as compared to FY2020 was mainly due to higher contribution from associates.

The decrease in share of results of joint ventures in FY2021 as compared to FY2020 was mainly due to lower contribution from joint ventures.

(I) Income Tax Expense

Income tax expense amounted to RMB114.2 million and RMB357.2 million in 4QFY2021 and FY2021 (4QFY2020: RMB76.8 million and FY2020: RMB266.6 million). The increase in income tax expense was in line with the increase in profit generated in 4QFY2021 and FY2021 as compared to 4QFY2020 and FY2020.

STATEMENTS OF FINANCIAL POSITION

(J) Current Assets

Current assets as at 31 December 2021 amounted to RMB7.49 billion (31 December 2020: RMB6.73 billion). The increase was mainly due to the increase in trade receivables balance which was in line with the growth in overall revenue during the year and higher cash and cash equivalent balance as at year end.

(K) Non-current Assets

Non-current assets as at 31 December 2021 amounted to RMB30.02 billion (31 December 2020: RMB28.02 billion). The increase was due to the construction of certain waste water and waste incineration projects during FY2021 resulting in the increase in receivables under service concession arrangements.

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

(L) Current Liabilities

Current liabilities as at 31 December 2021 amounted to RMB9.43 billion (31 December 2020: RMB8.89 billion). The increase was mainly due to the higher trade and other payables balance related to the construction of certain wastewater and waste incineration projects during FY2021 and increase in current bank and other borrowing balance.

(M) Non-current Liabilities

Non-current liabilities as at 31 December 2021 amounted to RMB14.04 billion (31 December 2020: RMB12.84 billion). The increase was mainly due to the issuance of two tranches of Corporate Bonds in March and November 2021.

STATEMENT OF CASH FLOWS

As at 31 December 2021, the Group's cash and cash equivalents stood at RMB2,795.0 million (31 December 2020: RMB2,668.5 million). In FY2021, net cash of RMB315.6 million was generated from the Group's operating activities, a significant of cash was used towards the Group's investments in projects with service concession arrangements. Excluding cash used in these projects with service concession arrangements, cash generated from operating activities in FY2021 was RMB1,904.9 million.

Net cash used in the Group's investing activities of RMB867.0 million in FY2021 was mainly due to net cash outflow from purchase of property, plant and equipments and intangible assets.

Net cash generated from financing activities of RMB678.5 million in FY2021 was mainly due to the net proceeds from issuance of corporate bonds and bank and other borrowings, which are partially offset by interest paid and dividend paid to equity shareholders.

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

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

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

The year 2021 marked the beginning of the 14th Five-Year Plan. With the goal of fighting pollution and building a sound environmental governance system, the People's Republic of China ("the PRC") launched various policies to promote development of the Chinese environmental industry and building of a "beautiful China". Covering multiple aspects, such as price, taxation, finance, and trading, those policies have helped and increased opportunities for growth for the Group's water and solid waste incineration businesses.

On 11 January 2022, the National Development and Reform Commission ("NDRC") published the "Comprehensive Management Plan of Water Environment in Key River Basins under the 14th Five-Year Plan" (「十四五」重點流域水環境綜合治理規劃), aiming to achieve a more than 70% urban sewage centralized collection rate and basically eliminate black and odorous water bodies in cities by 2025. The Comprehensive Management Plan also aims to see continuous improvement of water environment quality of key river basins, such as the Yangtze River and the Yellow River, so as to effectively support the implementation of major national strategies, including the integrated development of the Yangtze River Delta and the ecological protection of the Yellow River Basin. On the same day, the Ministry of Water Resources of the PRC also issued the "14th Five-Year Plan to Ensure Water Security" (「十四五」水安全保障規劃). According to the Plan, wastewater reclamation and recycling play an important role in ensuring national water security, and thus the government encourages construction of new wastewater treatment plants and modification of existing wastewater treatment plants, and will systematically promote use of reclaimed water.

The aforementioned plans will help to raise demand for wastewater treatment plants, which may create huge opportunities for the Group's wastewater project development. Moreover, with several favorable policies having been launched in 2021, including "The Yangtze River Protection Law of the People's Republic of China" (中華人民共和國長江保護法), "The Development Plan for Urban Wastewater Treatment and Resource Utilization in the 14th Five-Year Plan" (「十四五」城鎮污水處理及資源化利用發展規劃) and the "Measures for Administration of Prices of Water Supply in Urban and Rural Areas" (城鎮供水價格管理辦法), the Group has been showing continuous improvement in its water business, and is expected to see rising future revenue.

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

In regard to solid waste, the NDRC and the Ministry of Housing and Urban-Rural Development (“MOHURD”) issued the “14th Five-Year Plan for the Development of Urban Domestic Waste Classification and Treatment Facilities” (「十四五」城鎮生活垃圾分類和處理設施發展規劃), which requires the incineration treatment capacity of municipal household waste in the PRC to increase to 800,000 tonnes per day by 2025. The Ministry of Ecology and Environment of the PRC also issued a work plan draft for comments regarding building “Zero-Waste Cities”, aiming to raise the country’s municipal solid waste treatment capacity. The Group has diligently followed the national strategic guidance and seized development opportunities for its solid waste business. In 2022, the Group’s Shanghai Baoshan Renewable Energy Utilization Center, which has a production capacity of up to 3,800 tonnes per day, will commence operation. It aspires to become a benchmark solid waste treatment project in the Yangtze River Delta region.

Looking forward, with the PRC further enhancing its comprehensive environmental governance and launching and implementing associated legislation, Chinese environmental industry will enter a new period of development. The Group will seize opportunities of this era, step up merger and acquisition efforts, enlarge market share, expand its business scale and enhance its business efficiency, so as to enter a new stage of high-quality development.

11. Dividend

If a decision regarding dividend has been made:

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

(b) Current Financial Period Reported On:

Any dividend declared for the current financial period reported on?

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

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

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

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

Corresponding Period of the Immediately Preceding Financial Year:

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

Yes, the follow dividend was declared for the corresponding period of FY2020.

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

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

One-tier tax exempt.

(d) The date the dividend is payable.

The final dividend would be payable on 31 May 2022 to shareholders registered in the Share Transfer Books and Register of Members of the Company as at 5.00 p.m. on 20 May 2022.

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

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 20 May 2022 for the purpose of determining the entitlements of the Company's shareholders to the Final Dividend.

Duly completed registrable transfers of Shares received by the Company's share registrar in Singapore, In.Corp Corporate Services Pte. Ltd., 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712, no later than 5.00 p.m. on 20 May 2022 will be registered before entitlements to the Final Dividend are determined.

Duly completed registrable transfers of Shares received by the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 20 May 2022 will be registered before entitlements to the Final Dividend are determined.

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

Not applicable.

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

No IPT mandate has been obtained from shareholders.

14. 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 December 2021, to be false or misleading, in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers.

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

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

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

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

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

18. **A breakdown of sales**

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

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

Total annual dividend	FY2021	FY2020
	RMB'000	RMB'000
Ordinary	186,043	131,989
Preference	Nil	Nil
Total	186,043	131,989

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

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

BY ORDER OF THE BOARD
Mr. Yang Jianwei
Executive Director
24 February 2022