



**SIIC ENVIRONMENT HOLDINGS LTD.**

(Incorporated in the Republic of Singapore)

(Company Registration No: 200210042R)

Unaudited Financial Statements and Dividend  
Announcement for the Second Quarter and Six Months  
ended 30 June 2017

11 August 2017

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

## Second Quarter and First Half of Financial Year 2017 Financial Statements And Dividend Announcement

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

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

UNAUDITED RESULTS FOR THE SECOND QUARTER ("2QFY2017") AND FIRST HALF FINANCIAL YEAR ("1HFY2017") ENDED 30 JUNE 2017

	Note	← Group →					
		3 Months Ended		Changes	6 Months Ended		Changes
		30.6.17	30.6.16		30.6.17	30.6.16	
		RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	(A)	995,360	556,269	78.9	1,995,054	1,119,300	78.2
Cost of sales		(642,983)	(364,592)	76.4	(1,287,355)	(751,049)	71.4
<b>Gross profit</b>	(B)	<b>352,377</b>	<b>191,677</b>	83.8	<b>707,699</b>	<b>368,251</b>	92.2
Other operating income	(C)	10,517	7,854	33.9	24,930	18,030	38.3
Selling and distribution costs	(D)	(15,811)	(8,635)	83.1	(32,344)	(14,994)	>100.0
Administrative expenses	(E)	(66,786)	(57,192)	16.8	(142,285)	(101,779)	39.8
<b>Profit from operations</b>		<b>280,297</b>	<b>133,704</b>	>100.0	<b>558,000</b>	<b>269,508</b>	>100.0
Finance income	(F)	4,117	2,075	98.4	8,541	3,867	>100.0
Finance expenses	(F)	(127,091)	(47,276)	>100.0	(255,593)	(93,334)	>100.0
Other income	(G)	46,322	45,915	0.9	94,114	63,215	48.9
Share of results of joint ventures	(H)	14,080	17,765	(20.7)	25,830	35,760	(27.8)
Share of results of associates	(H)	(1,056)	5,386	N.M.	(1,982)	10,733	N.M.
<b>Profit before tax</b>	(i)	<b>216,669</b>	<b>157,569</b>	37.5	<b>428,910</b>	<b>289,749</b>	48.0
Income tax expense	(ii)	(58,894)	(35,123)	67.7	(118,431)	(61,145)	93.7
<b>Profit for the period</b>		<b>157,775</b>	<b>122,446</b>	28.9	<b>310,479</b>	<b>228,604</b>	35.8
<b>Other comprehensive income:</b> <i>Items that may be reclassified subsequently to profit or loss:</i>							
Foreign currency translation, net of tax		28,249	556	>100.0	62,254	55,648	11.9
Investment revaluation reserve	(K)	(28,421)	(3,299)	>100.0	15,362	11,873	29.4
<b>Total comprehensive income for the period</b>		<b>157,603</b>	<b>119,703</b>	31.7	<b>388,095</b>	<b>296,125</b>	31.1
<b>Profit for the period attributable to:</b>							
Owners of the Company		119,909	101,162	18.5	240,026	190,616	25.9
Non-controlling interests		37,866	21,284	77.9	70,453	37,988	85.5
		<b>157,775</b>	<b>122,446</b>	28.9	<b>310,479</b>	<b>228,604</b>	35.8
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		119,737	98,419	21.7	317,642	258,137	23.1
Non-controlling interests		37,866	21,284	77.9	70,453	37,988	85.5
		<b>157,603</b>	<b>119,703</b>	31.7	<b>388,095</b>	<b>296,125</b>	31.1

N.M. – Not Meaningful

**Notes:**

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

	<b>3 Months Ended</b>		<b>6 Months Ended</b>	
	<b>30.6.17</b>	<b>30.6.16</b>	<b>30.6.17</b>	<b>30.6.16</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Amortisation of intangible assets (Note I)	64,172	35,085	129,388	68,009
Amortisation of land use rights	67	67	134	122
Depreciation of property, plant and equipment	5,486	3,010	10,836	6,011
Loss on disposal of property, plant and equipment	80	153	34	414
Gain on disposal of intangible assets	-	(2,553)	-	(2,553)
Foreign exchange loss/(gain), net (Note C)	6,882	(1,542)	1,769	563
(Reversal of)/Allowance for doubtful receivables (trade)	(7,546)	906	(5,613)	(863)
Reversal of doubtful receivables, net ( non-trade)	-	(3,176)	-	(8,232)
Reversal of allowance for inventories	-	(7)	-	(7)
Fair value (gain)/ loss from held-for-trading investment	(4,013)	780	(4,966)	(1,000)

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

	<b>3 Months Ended</b>		<b>6 Months Ended</b>	
	<b>30.6.17</b>	<b>30.6.16</b>	<b>30.6.17</b>	<b>30.6.16</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
(Over)/Under provision of tax in respect of prior periods	(740)	434	1,536	164

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

	Note	Group		Company	
		As At 30.6.17	As At 31.12.16	As At 30.6.17	As At 31.12.16
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Current assets</b>					
Cash and cash equivalents		2,013,731	1,634,556	389,931	8,726
Pledged bank deposits		95,426	191,918	-	-
Trade and other receivables		2,036,973	1,628,685	101,490	710
Bills receivables		6,133	3,313	-	-
Prepayments		40,021	34,387	5,329	358
Inventories		81,871	73,371	-	-
Receivables under service concession arrangements		226,470	203,993	-	-
Amounts due from customers for contract work		95,982	57,581	-	-
Amounts due from subsidiaries		-	-	2,797,994	2,114,688
Amounts due from joint venture		787	137	787	137
Amounts due from associate		36,490	37,894	-	-
Held-for-trading investment		32,653	26,795	-	-
<b>Total current assets</b>	(J)	<b>4,666,537</b>	<b>3,892,630</b>	<b>3,295,531</b>	<b>2,124,619</b>
<b>Non-current assets</b>					
Available-for-sale financial instruments		224,979	206,288	13,526	13,189
Prepayments		139,677	68,072	-	-
Receivables under service concession arrangements		11,621,997	10,948,086	-	-
Property, plant and equipment		180,660	183,580	1,521	1,697
Intangible assets		6,482,829	6,439,239	-	-
Land use rights		6,317	6,451	-	-
Retention monies		65,450	11,547	-	-
Deferred tax assets		30,896	22,376	-	-
Investment in subsidiaries		-	-	2,631,134	2,565,418
Interest in joint ventures		746,321	705,256	544,667	531,064
Interest in associates		80,674	82,976	-	-
Goodwill on consolidation		457,241	457,241	-	-
Amounts due from associate		14,543	14,543	-	-
<b>Total non-current assets</b>	(K)	<b>20,051,584</b>	<b>19,145,655</b>	<b>3,190,848</b>	<b>3,111,368</b>
<b>Total assets</b>		<b>24,718,121</b>	<b>23,038,285</b>	<b>6,486,379</b>	<b>5,235,987</b>
<b>Current liabilities</b>					
Trade and other payables		2,102,151	2,122,531	23,791	23,080
Bills payable to banks		21,918	18,342	-	-
Tax payable		57,418	55,444	-	-
Amounts due to customers for contract work		21,316	21,386	-	-
Amounts due to subsidiaries		-	-	108,318	137,132
Bank and other borrowings		3,319,113	3,838,382	246,305	119,026
Finance lease		69,935	96,988	-	-
<b>Total current liabilities</b>	(L)	<b>5,591,851</b>	<b>6,153,073</b>	<b>378,414</b>	<b>279,238</b>
<b>Non-current liabilities</b>					
Bank and other borrowings		7,020,412	6,275,862	-	-
Finance lease		395,010	331,433	-	-
Deferred tax liabilities		1,659,241	1,602,513	-	-
Other non-current liabilities		137,509	142,227	-	-
<b>Total non-current liabilities</b>	(M)	<b>9,212,172</b>	<b>8,352,035</b>	<b>-</b>	<b>-</b>
<b>Capital, reserves and non-controlling interest</b>					
Share capital		5,951,889	4,861,138	5,951,889	4,861,138
Treasury shares		(96)	(96)	(96)	(96)
Retained earnings		1,328,162	1,199,172	2,513	65,815
Other reserves		(9,819)	(87,481)	153,659	29,892
<b>Equity attributable to owners of the Company</b>		<b>7,270,136</b>	<b>5,972,733</b>	<b>6,107,965</b>	<b>4,956,749</b>
Non-controlling interests		2,643,962	2,560,444	-	-
<b>Total equity</b>		<b>9,914,098</b>	<b>8,533,177</b>	<b>6,107,965</b>	<b>4,956,749</b>
<b>Total liabilities and equity</b>		<b>24,718,121</b>	<b>23,038,285</b>	<b>6,486,379</b>	<b>5,235,987</b>

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

**Amount repayable in one year or less, or on demand**

<b>As at 30.6.17 RMB'000</b>		<b>As at 31.12.16 RMB'000</b>	
Secured/ Guaranteed	Unsecured/ Unguaranteed	Secured/ Guaranteed	Unsecured/ Unguaranteed
2,464,435	946,531	3,276,915	676,797

**Amount repayable after one year**

<b>As at 30.6.17 RMB'000</b>		<b>As at 31.12.16 RMB'000</b>	
Secured/ Guaranteed	Unsecured/ Unguaranteed	Secured/ Guaranteed	Unsecured/ Unguaranteed
6,040,920	1,374,502	5,357,877	1,249,418

**Details of any collateral**

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

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

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

	Group		Group	
	For 3 Months Ended		For 6 Months Ended	
	30.6.17	30.6.16	30.6.17	30.6.16
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Cash flows from operating activities</b>				
<b>Profit before tax</b>	<b>216,669</b>	<b>157,569</b>	<b>428,910</b>	<b>289,749</b>
Adjustments for:				
(Reversal of)/Allowance for doubtful receivables, net (trade)	(7,546)	906	(5,613)	(863)
Reversal of doubtful receivables, net ( non-trade)	-	(3,176)	-	(8,232)
Reversal of allowance for inventories	-	(7)	-	(7)
Depreciation of property, plant and equipment	5,486	3,010	10,836	6,011
Amortisation of intangible assets	64,172	35,085	129,388	68,009
Amortisation of land use rights	67	67	134	122
Loss on disposal of property, plant and equipment	80	153	34	414
Gain on disposal of intangible assets	-	(2,553)	-	(2,553)
Finance income	(4,117)	(2,075)	(8,541)	(3,867)
Finance expenses	127,091	47,276	255,593	93,334
Share of results of associates	1,056	(5,386)	1,982	(10,733)
Share of results of joint ventures	(14,080)	(17,765)	(25,830)	(35,760)
Foreign exchange (gain)/loss	(971)	(2,971)	(5,055)	2,728
Fair value (gain)/loss from held for trading investment	(4,013)	780	(4,966)	(1,000)
<b>Operating cash flow before working capital changes</b>	<b>383,894</b>	<b>210,913</b>	<b>776,872</b>	<b>397,352</b>
(Increase)/decrease in:				
Inventories	(6,236)	693	(8,484)	(577)
Amounts due from/to customers for contract work, net	(9,469)	(51,126)	(38,488)	(78,686)
Trade receivables, other receivables and prepayments	(143,571)	(46,115)	(488,923)	115,013
Bills receivables	(2,953)	(557)	(2,820)	(1,488)
Receivables under service concession arrangements	(377,194)	(152,716)	(665,407)	(277,416)
Amounts due from joint ventures	306	(349)	611	470
Amounts due from associate	(1,106)	(2,862)	(18,634)	(2,365)
Increase/(decrease) in:				
Trade payables and other payables(inclusive of non-current liabilities)	12,829	120,065	(101,303)	37,931
Bills payable to banks	2,819	(1,247)	3,576	(557)
<b>Cash (used in)/from operating activities</b>	<b>(140,681)</b>	<b>76,699</b>	<b>(543,000)</b>	<b>189,677</b>
Interest received	4,048	1,467	7,508	2,726
Income tax paid	(31,163)	(19,888)	(68,934)	(38,186)
<b>Net cash (used in)/from operating activities (Note A)</b>	<b>(167,796)</b>	<b>58,278</b>	<b>(604,426)</b>	<b>154,217</b>
<b>Cash flows from investing activities:</b>				
Purchase of property, plant and equipment	(5,247)	(3,472)	(7,984)	(8,035)
Purchase of intangible assets, net of amount on credit terms	(1,245)	(31,884)	(56,590)	(51,698)
(Increase)/Decrease in prepayment for property, plant and equipment and intangible assets	(1,363)	263	(6,893)	(1,431)
Proceeds from disposal of property, plant and equipment	17	16	94	171
Net cash (outflow)/inflow on acquisition of subsidiaries (Note B)	-	-	(110,870)	28,190
Prepayment for investment in a subsidiary	(70,000)	-	(70,000)	-
Net cash outflow on acquisition of an associate	-	-	-	(150)
Dividend received from associates	-	180	3,224	300
<b>Net cash used in investing activities</b>	<b>(77,838)</b>	<b>(34,897)</b>	<b>(249,019)</b>	<b>(32,653)</b>

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

	Group		Group	
	For 3 Months Ended		For 6 Months Ended	
	30.6.17	30.6.16	30.6.17	30.6.16
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Cash flows from financing activities:</b>				
Proceeds from bank and other borrowings	979,207	57,000	1,945,982	109,000
Repayment of bank and other borrowings	(1,258,783)	(104,053)	(1,659,001)	(139,574)
Proceeds from finance leaseback arrangement	120,000	-	120,000	-
Repayment under finance leaseback arrangements	(9,399)	(8,334)	(97,730)	(16,667)
Interest paid	(57,222)	(53,550)	(149,391)	(76,818)
Dividend paid to equity shareholders	(110,990)	-	(110,990)	-
Dividend paid to non-controlling interest in subsidiaries	-	-	(7,300)	(4,600)
Contribution from non-controlling interests upon additional capital injection of a subsidiary	7,165	-	17,865	-
Proceeds from share placement	1,090,751	-	1,090,751	-
(Increase)/Decrease in deposits pledged to banks	(14,022)	18,181	96,492	13,029
<b>Net cash generated from/(used in) financing activities</b>	<b>746,707</b>	<b>(90,756)</b>	<b>1,246,678</b>	<b>(115,630)</b>
Net increase/(decrease) in cash and cash equivalents	501,073	(67,375)	393,233	5,934
Cash and cash equivalents at beginning of period	1,519,640	866,361	1,634,556	795,228
Effects of exchange rate changes on the balance of cash held in foreign currencies	(6,982)	1,713	(14,058)	(463)
<b>Cash and cash equivalents at end of period</b>	<b>2,013,731</b>	<b>800,699</b>	<b>2,013,731</b>	<b>800,699</b>

<b>Cash and cash equivalents at end of period</b>				
Cash and bank balances	2,109,157	864,438	2,109,157	864,438
Less: Pledged bank deposits	(95,426)	(63,739)	(95,426)	(63,739)
Cash and cash equivalents	<b>2,013,731</b>	<b>800,699</b>	<b>2,013,731</b>	<b>800,699</b>

**Note A**

In accordance with the application of INT FRS 112 *Service Concession Arrangements* and FRS 7 *Statement of Cash Flows*, the movement in the receivables under service concession arrangements has been classified under operating activities. The movement in working capital changes for 1HFY2017 and 2QFY2017 includes (i) cash outflow in relation to the additions of receivables under service concession arrangements (i.e. arising from the construction and/or purchase of water treatment facilities) of RMB705.5 million (1HFY2016: RMB220.9 million) and RMB280.4 million (2QFY2016: RMB133.6 million) respectively; and (ii) cash outflow in relation to refundable deposit for bidding of service concession projects of RMB28.0 million (1HFY2016: cash inflow of RMB100.0 million) and RMB28.0 million (2QFY2016: cash outflow of Nil) respectively. Excluding these additions of receivables under service concession arrangements and refundable deposits, the net cash generated from operating activities for 1HFY2017 and 2QFY2017 would be RMB129.1 million (1HFY2016: RMB275.1 million) and RMB140.6 million (2QFY2016: RM191.9 million) respectively.



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

**Note B**

**(i) Acquisition of Citic Envirotech Water Resource (Hegang) Co., Ltd. (“CEW Hegang”)**

In January 2017, the Group through its 57.97% owned subsidiary, Longjiang Environmental Protection Group Co., Ltd. (“Longjiang Group”), completed the acquisition of 100% equity interest in CEW Hegang for a total purchase consideration of RMB111,870,000. CEW Hegang is principally involved in the operation of two waste water treatment plants and one reclaimed water project with total design capacity of 110,000 tons/day, and is based in Hegang City, Heilongjiang Province, PRC.

The purchase price allocation (“PPA”) exercise in respect of the above acquisition has not been completed as at 31 March 2017. The Group has 12 months from date of acquisition to finalise the fair value measurement and accounting as allowed under FRS 103R Business Combinations. For 1HFY2017, the Group has determined that the purchase consideration for this acquisition to approximate the provisional fair value of the net identifiable asset acquired. Accordingly, no provisional goodwill or negative goodwill arising from this acquisition was recognised.

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

	<b>CEW Hegang RMB'000</b>
<u>Provisional fair value of assets acquired and liabilities recognised at the date of acquisition*</u>	
Current assets	64,023
Non-current assets	176,859
Current liabilities	(127,295)
Non-current liabilities	(1,717)
Total identifiable net assets at fair value	111,870
Non-controlling interest measures at fair value	-
	<b>111,870</b>
<u>Consideration transferred</u>	
Cash paid	111,870
Less: Net assets acquired	(111,870)
Goodwill	-
<u>Net cash inflow arising from acquisitions</u>	
Cash consideration paid	111,870
Less: Cash and cash equivalents acquired	(1,000)
Net cash inflow on acquisitions	<b>110,870</b>

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

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

GROUP	Attributable to owners of the Company											
	Share capital	Treasury shares	Retained earnings	Other reserves, total	General Reserve	Investment revaluation reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1.1.17</b>	4,861,138	(96)	1,199,172	(87,481)	205,538	73,191	(145,641)	(20,254)	(200,315)	5,972,733	2,560,444	8,533,177
Profit for the period	-	-	120,117	-	-	-	-	-	-	120,117	32,587	152,704
<u>Other comprehensive income</u>												
Exchange differences arising on translation, net of tax	-	-	-	34,005	-	-	34,005	-	-	34,005	-	34,005
Fair value change on available-for-sale financial instrument	-	-	-	43,783	-	43,783	-	-	-	43,783	-	43,783
Other comprehensive income for the period, net of tax	-	-	-	77,788	-	43,783	34,005	-	-	77,788	-	77,788
Total comprehensive income for the period	-	-	120,117	77,788	-	43,783	34,005	-	-	197,905	32,587	230,492
<u>Transactions with owners recognised directly in equity</u>												
Transfer to general reserve	-	-	(46)	46	46	-	-	-	-	-	-	-
Non-controlling interest upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	-	10,700	10,700
Total	-	-	(46)	46	46	-	-	-	-	-	10,700	10,700
<u>Others</u>												
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,800)	(4,800)
Total	-	-	-	-	-	-	-	-	-	-	(4,800)	(4,800)
<b>Balance at 31.3.17</b>	4,861,138	(96)	1,319,243	(9,647)	205,584	116,974	(111,636)	(20,254)	(200,315)	6,170,638	2,598,931	8,769,569
Profit for the period	-	-	119,909	-	-	-	-	-	-	119,909	37,866	157,775
<u>Other comprehensive income</u>												
Exchange differences arising on translation, net of tax	-	-	-	28,249	-	-	28,249	-	-	28,249	-	28,249
Fair value change on available-for-sale financial instrument	-	-	-	(28,421)	-	(28,421)	-	-	-	(28,421)	-	(28,421)
Other comprehensive income for the period, net of tax	-	-	-	(172)	-	(28,421)	28,249	-	-	(172)	-	(172)
Total comprehensive income for the period	-	-	119,909	(172)	-	(28,421)	28,249	-	-	119,737	37,866	157,603
<u>Transactions with owners recognised directly in equity</u>												
Share placement	1,090,751	-	-	-	-	-	-	-	-	1,090,751	-	1,090,751
Non-controlling interest upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	-	7,165	7,165
Total	1,090,751	-	-	-	-	-	-	-	-	1,090,751	7,165	1,097,916
<u>Others</u>												
Dividend declared to equity share holders	-	-	(110,990)	-	-	-	-	-	-	(110,990)	-	(110,990)
Total	-	-	(110,990)	-	-	-	-	-	-	(110,990)	-	(110,990)
<b>Balance at 30.6.17</b>	5,951,889	(96)	1,328,162	(9,819)	205,584	88,553	(83,387)	(20,254)	(200,315)	7,270,136	2,643,962	9,914,098

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

GROUP	Attributable to owners of the Company										Equity attributable to owners of the Company	Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings	Other reserves, total	General Reserve	Investment revaluation reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1.1.16</b>	<b>4,861,138</b>	<b>(96)</b>	<b>797,571</b>	<b>(147,051)</b>	<b>152,213</b>	<b>56,862</b>	<b>(125,638)</b>	<b>(30,173)</b>	<b>(200,315)</b>	<b>5,511,562</b>	<b>1,067,887</b>	<b>6,579,449</b>	
Profit for the period	-	-	89,454	-	-	-	-	-	-	89,454	16,704	106,158	
<u>Other comprehensive income</u>													
Exchange differences arising on translation, net of tax	-	-	-	55,092	-	-	55,092	-	-	55,092	-	55,092	
Fair value change on available-for-sale financial instrument	-	-	-	15,172	-	15,172	-	-	-	15,172	-	15,172	
Other comprehensive income for the period, net of tax	-	-	-	70,264	-	15,172	55,092	-	-	70,264	-	70,264	
Total comprehensive income for the period	-	-	89,454	70,264	-	15,172	55,092	-	-	159,718	16,704	176,422	
<u>Transactions with owners recognised directly in equity</u>													
Transfer to general reserve	-	-	56	(56)	(56)	-	-	-	-	-	-	-	
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	32,021	32,021	
Total	-	-	56	(56)	(56)	-	-	-	-	-	32,021	32,021	
<u>Others</u>													
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,600)	(4,600)	
Total	-	-	-	-	-	-	-	-	-	-	(4,600)	(4,600)	
<b>Balance at 31.3.16</b>	<b>4,861,138</b>	<b>(96)</b>	<b>887,081</b>	<b>(76,843)</b>	<b>152,157</b>	<b>72,034</b>	<b>(70,546)</b>	<b>(30,173)</b>	<b>(200,315)</b>	<b>5,671,280</b>	<b>1,112,012</b>	<b>6,783,292</b>	
Profit for the period	-	-	101,162	-	-	-	-	-	-	101,162	21,284	122,446	
<u>Other comprehensive income</u>													
Exchange differences arising on translation, net of tax	-	-	-	556	-	-	556	-	-	556	-	556	
Fair value change on available-for-sale financial instrument	-	-	-	(3,299)	-	(3,299)	-	-	-	(3,299)	-	(3,299)	
Other comprehensive income for the period, net of tax	-	-	-	(2,743)	-	(3,299)	556	-	-	(2,743)	-	(2,743)	
Total comprehensive income for the period	-	-	101,162	(2,743)	-	(3,299)	556	-	-	98,419	21,284	119,703	
<u>Transactions with owners recognised directly in equity</u>													
Transfer to general reserve	-	-	(3,094)	3,094	3,094	-	-	-	-	-	-	-	
Non-controlling interest upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	-	46,000	46,000	
Total	-	-	(3,094)	3,094	3,094	-	-	-	-	-	46,000	46,000	
<u>Others</u>													
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(490)	(490)	
Total	-	-	-	-	-	-	-	-	-	-	(490)	(490)	
<b>Balance at 30.6.16</b>	<b>4,861,138</b>	<b>(96)</b>	<b>985,149</b>	<b>(76,492)</b>	<b>155,251</b>	<b>68,735</b>	<b>(69,990)</b>	<b>(30,173)</b>	<b>(200,315)</b>	<b>5,769,699</b>	<b>1,178,806</b>	<b>6,948,505</b>	

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

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

\* Relates to translation reserve.

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

COMPANY	Attributable to owners of the Company				
	Share capital RMB'000	Treasury shares RMB'000	Retained earnings RMB'000	Other reserves* RMB'000	Total equity RMB'000
<b>Balance at 1.1.16</b>	<b>4,861,138</b>	<b>(96)</b>	<b>107,746</b>	<b>(205,859)</b>	<b>4,762,929</b>
Loss for the period	-	-	(29,828)	-	(29,828)
<u>Other comprehensive income</u>					
Exchange differences arising on translation, net of tax	-	-	-	217,938	217,938
Other comprehensive income for the period, net of tax	-	-	-	217,938	217,938
Total comprehensive (loss)/ income for the period	-	-	(29,828)	217,938	188,110
<b>Balance at 31.3.16</b>	<b>4,861,138</b>	<b>(96)</b>	<b>77,918</b>	<b>12,079</b>	<b>4,951,039</b>
Loss for the period	-	-	(24,859)	-	(24,859)
<u>Other comprehensive income</u>					
Exchange differences arising on translation, net of tax	-	-	-	153,885	153,885
Other comprehensive income for the period, net of tax	-	-	-	153,885	153,885
Total comprehensive (loss)/ income for the period	-	-	(24,859)	153,885	129,026
<b>Balance at 30.6.16</b>	<b>4,861,138</b>	<b>(96)</b>	<b>53,059</b>	<b>165,964</b>	<b>5,080,065</b>

\* Relates to translation reserve.

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

Share Capital

	Group and Company	
	Number of ordinary shares	Share Capital RMB'000
<u>Issued and paid up share capital</u>		
Balance at 1 January 2017	2,256,645,126	4,861,138
Placement of 350,000,000 new ordinary shares	350,000,000	1,090,751
Balance at 30 June 2017	<b>2,606,645,126</b>	<b>5,951,889</b>

On 5 May 2017, the Company completed the placement of 350,000,000 new ordinary shares in the capital of the Company to Shanghai Industrial Holdings Ltd. ("SIHL") and/or such nominee as designated by SIHL, being Triumph Power Limited.

As at 30 June 2017, the number of ordinary shares in issue was 2,606,645,126 of which 56,400 shares were held by the Company as treasury shares (30 June 2016: 2,256,645,126 ordinary shares of which 56,400 shares were held as treasury shares).

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

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

As at 30 June 2017, there were no subsidiary holdings and convertible securities outstanding (30 June 2016: Nil).

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

As at 30 June 2017, there were 56,400 treasury shares held (31 December 2016: 56,400). Total number of issued shares excluding treasury shares, as at 30 June 2017 was 2,606,588,726 (31 December 2016: 2,256,588,726).

- 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 30 June 2017.

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

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

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period, consistent with those of the audited financial statements as at 31 December 2016.

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

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

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

	3 Months Ended		6 Months Ended	
	30.6.17	30.6.16	30.6.17	30.6.16
	RMB cents	RMB cents	RMB cents	RMB cents
Earnings per ordinary share of the Group based on net profit attributable to owners of the Company:-				
(i) Based on weighted average number of ordinary shares in issue (RMB cents)	4.83	4.48	10.12	8.45
- Weighted average number of shares ('000)	2,484,850	2,256,589	2,372,611	2,256,589
(ii) On a fully diluted basis of ordinary shares (RMB cents)	4.83	4.48	10.12	8.45
- Weighted average number of shares ('000)	2,484,850	2,256,589	2,372,611	2,256,589

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.**

	<b>Group</b>	<b>Company</b>
	<b>RMB cents</b>	<b>RMB cents</b>
As at 30 June 2017	278.91	234.33
As at 31 December 2016	264.68	219.66

Net asset value per share is calculated based on the number of shares in issue (excluding treasury shares) of 2,606,588,726 as at 30 June 2017 (31 December 2016: 2,256,588,726).

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

## **STATEMENT OF COMPREHENSIVE INCOME**

### **Overall Review**

The Group recorded an increase in revenue from RMB1,119.3 million in 1HFY2016 to RMB1,995.1 million in 1HFY2017, representing an increase of 78.2%. Gross profit ("GP") has increased from RMB368.3 million in 1HFY2016 to RMB707.7 million in 1HFY2017. Profit from operations improved by 107.0% from RMB269.5 million in 1HFY2016 to RMB558.0 million in 1HFY2017.

Consequently, the Group's profit after tax (attributable to owners of the Company) increased from RMB190.6 million in 1HFY2016 to RMB240.0 million in 1HFY2017, representing an increase of 25.9%.

The increase was due mainly to contribution from newly acquired entities as well as from existing entities.

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



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

### (A) Revenue

	2QFY2017	2QFY2016	Change	1HFY2017	1HFY2016	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Construction	353,442	222,032	59.2	776,623	470,004	65.2
Operating and maintenance income from service concession arrangements	406,594	210,272	93.4	745,235	405,776	83.7
Financial income from service concession arrangements	158,204	83,846	88.7	336,442	159,409	111.1
Service income	29,184	28,566	2.2	56,537	56,965	(0.8)
Other revenue	47,936	11,553	>100.0	80,217	27,146	>100.0
<b>Total</b>	<b>995,360</b>	<b>556,269</b>	<b>78.9</b>	<b>1,995,054</b>	<b>1,119,300</b>	<b>78.2</b>

Overall, the Group's revenue increased by RMB875.8 million or 78.2%, from RMB1,119.3 million in 1HFY2016 to RMB1,995.1 million in 1HFY2017. Except for "Service income" in 1HFY2017, revenue across all categories increased in 2QFY2017 and 1HFY2017 as compared to 2QFY2016 and 1HFY2016.

#### **Construction Revenue**

Construction revenue amounted to RMB353.4 million and RMB776.6 million in 2QFY2017 and 1HFY2017 respectively (2QFY2016: RMB222.0 million; 1HFY2016: RMB470.0 million). The higher revenue was mainly due to the contribution by newly acquired entities.

#### **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 RMB564.8 million and RMB1,081.7 million in 2QFY2017 and 1HFY2017 respectively (2QFY2016: RMB294.1 million; 1HFY2016: RMB565.2 million). The higher revenue was due mainly to (i) higher water treatment and supply sales volume; and (ii) contribution by newly acquired entities.

#### **Service Income**

Service income from non-service concession arrangements amounted to RMB29.2 million and RMB56.5 million in 2QFY2017 and 1HFY2017 respectively (2QFY2016: RMB28.6 million; 1HFY2016: RMB57.0 million). There was no material variance for service income in 2QFY2017 and 1HFY2017 as compared to 2QFY2016 and 1HFY2016.

#### **Other Revenue**

Other revenue amounted to RMB47.9 million and RMB80.2 million in 2QFY2017 and 1HFY2017 respectively (2QFY2016: RMB11.6 million; 1HFY2016: RMB27.1 million). The increase was mainly due to (i) higher volume of installation works carried out, which are ad-hoc in nature; and (ii) contribution by newly acquired entities.

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

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

The Group's GP increased by RMB160.7 million or 83.8% from RMB191.7 million in 2QFY2016 to RMB352.4 million in 2QFY2017. Meanwhile, GP increased by RMB339.4 million or 92.2% from RMB368.3 million in 1HFY2016 to RMB707.7 million in 1HFY2017. The increase was mainly due to contribution from newly acquired entities.

GPM increased by 2.6 percentages from 32.9% in 1HFY2016 to 35.5% in 1HFY2017. The increase was due mainly to lower contribution from construction category during 1HFY2017 (which has a relatively lower GPM). Meanwhile there is no material variance for GPM in 2QFY2017 as compared to 2QFY2016.

### **(C) Other Operating Income / Foreign Exchange Loss/(Gain)**

Other operating income increased from RMB7.9 million in 2QFY2016 to RMB10.5 million in 2QFY2017 and increased from RMB18.0 million in 1HFY2016 to RMB24.9 million in 1HFY2017. The increase was due mainly to higher volume of installation of water meters carried out in 2QFY2017 and 1HFY2017, which are ad-hoc in nature. The increase was partially offset by the impact from the foreign exchange loss recorded in 1HFY2017 whereas foreign exchange gain was recorded in 1HFY2016.

### **(D) Selling and Distribution costs**

Selling and distribution costs increased from RMB8.6 million in 2QFY2016 to RMB15.8 million in 2QFY2017 and RMB15.0 million in 1HFY2016 to RMB32.3 million in 1HFY2017. The increase in selling and distribution costs was due mainly to newly acquired entities.

### **(E) Administrative Expenses**

Administrative expenses increased from RMB57.2 million in 2QFY2016 to RMB66.8 million in 2QFY2017 and RMB101.8 million in 1HFY2016 to RMB142.3 million in 1HFY2017. The increase in administrative expenses was due mainly to expansion of business and newly acquired entities.

### **(F) Finance Income/Finance expenses**

Finance income and finance expenses amounted to RMB4.1 million and RMB127.1 million in 2QFY2017 (1QFY2016: RMB2.1 million and RMB47.3 million) and RMB8.5 million and RMB255.6 million in 1HFY2017 (1HFY2016: RMB3.9 million and RMB93.3 million) respectively. The increase in finance income and finance expenses was due mainly to newly acquired entities.

### **(G) Other Income**

Other income mainly consists of government subsidies and it increased from RMB63.2 million in 1HFY2016 to RMB94.1 million in 1HFY2017. The increase was due mainly to newly acquired entities. Meanwhile there is no material variance for other income in 2QFY2017 as compared to 2QFY2016.

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

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

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

The decrease in share of results of associates in 2QFY2017 and 1HFY2017 as compared to 2QFY2016 and 1HFY2016 was due mainly to the additional acquisition of 32.6562% equity interest in Longjiang Group, which has become a subsidiary of the Group in November 2016.

The decrease in share of results of joint ventures in 2QFY2017 and 1HFY2017 as compared to 2QFY2016 and 1HFY2016 was due mainly to the recognition of a one-off government subsidy by a joint venture in 2QFY2016 and 1HFY2016.

### **(I) Amortisation of Intangible Assets**

Amortisation of intangible assets increased from RMB35.1 million in 2QFY2016 to RMB64.2 million in 2QFY2017 and RMB68.0 million in 1HFY2016 to RMB129.4 million in 1HFY2017. The increase was due to newly acquired entities.

## **STATEMENTS OF FINANCIAL POSITION**

### **(J) Current Assets**

Current assets as at 30 June 2017 amounted to RMB4.67 billion (31 December 2016: RMB3.89 billion). The increase was mainly due to (i) net cash inflow during 1HFY2017 (for details, please refer to analysis on "Statement of cash flows" below); (ii) higher trade receivables due to billings raised net of collections during the period; and (iii) consolidation of a newly acquired subsidiary.

### **(K) Non-current Assets**

Non-current assets as at 30 June 2017 amounted to RMB20.05 billion (31 December 2016: RMB19.15 billion). The increase was due mainly to (i) consolidation of a newly acquired subsidiary; (ii) construction of certain wastewater treatment projects during 1HFY2017; and (iii) fair value gain on investment in Canvest Environmental Protection Group Company Limited ("Canvest"), which was recorded in investment revaluation reserve.

### **(L) Current Liabilities**

Current liabilities as at 30 June 2017 amounted to RMB5.59 billion (31 December 2016: RMB6.15 billion). The decrease was due mainly to the repayment of bank and other borrowings which are due within one year.

### **(M) Non-current Liabilities**

Non-current liabilities as at 30 June 2017 amounted to RMB9.21 billion (31 December 2016: RMB8.35 billion). The increase was due mainly to new borrowings taken up which are due for repayment after one year.

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

**STATEMENT OF CASH FLOWS**

As at 30 June 2017, the Group's cash and cash equivalents stood at RMB2,013.7 million (31 December 2016: RMB1,634.6 million). In 1HFY2017, net cash of RMB604.4 million was used in the Group's operating activities. The movement in working capital changes for 1HFY2017 includes (i) cash outflow in relation to the additions of receivables under service concession arrangements (i.e. arising from the construction and/or purchase of water treatment facilities) of RMB705.5 million (1HFY2016: RMB220.9 million); and (ii) cash outflow in relation to refundable deposit for bidding of service concession projects of RMB28.0 million (1HFY2016: cash inflow of RMB100.0 million). Excluding these additions of receivables under service concession arrangements and refundable deposits, the net cash generated from operating activities for 1HFY2017 would be RMB129.1 million (1HFY2016: RMB275.1 million).

Net cash used in the Group's investing activities of RMB249.0 million in 1HFY2017 was due mainly to (i) net cash outflow from acquisition of an entity; (ii) purchase of property, plant and equipments and intangibles assets; and (iii) prepayment for investment in a subsidiary.

Net cash generated from financing activities of RMB1,246.7 million in 1HFY2017 was due mainly to (i) net proceeds from bank borrowings and finance leaseback arrangement; (ii) proceeds from share placement; and (iii) decrease in deposits pledged to banks, which is partially offset by interest paid, dividend paid to equity shareholders and dividend paid to non-controlling interest shareholders.

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

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

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

The Group's plan to add new capacity to its portfolio in FY2017 is on track as our acquisition-driven expansion continues to deliver significant impact in the water treatment market in the People's Republic of China (PRC). The completion of the acquisition of Longjiang Environment ramped up the Group's design capacity to above 10 million tonnes a day, which also expanded the Group's geographical footprint in the PRC.

For the remaining months of 2017, the Group will be executing projects under its order books with main revenue contributions from the Build-Operate-Transfer (BOT) and Transfer-Operate-Transfer (TOT) water treatment and waste management businesses in China. As new water projects expand, construction revenue is expected to grow along with increasing treatment volume and operating capacity.

The PRC government attaches high attention to energy conservation and environment protection. The continued support and investment in the utilities industries in China as well as the focus on the 'Belt and Road' initiative by the PRC government are expected to present extensive investment opportunities in environmental sector. The PRC's 13th Five-Year plan policies to invest about RMB 560 billion in the wastewater treatment facilities and pipelines construction between 2016 and 2020. We expect these developments to contribute positively to the Group's overall operations and performance.

**11. Dividend**

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

Any dividend declared for the current financial period reported on?

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared or recommended.

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

No IPT mandate has been obtained from shareholders.

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

The Company raised approximately S\$154.8 million and S\$220.0 million from the share placement exercise in July 2014 (“**2014 Share Placement**”) and May 2017 (“**2017 Share Placement**”) respectively. Deployment of the net proceeds has been in accordance with the intended utilisation as stated in the announcement dated 8 July 2014 and 16 January 2017. Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the announcement.

As at to-date, the net proceeds from the 2014 Share Placement has been fully utilised for the following purposes:

<b>Purpose</b>	<b>Amount S\$ 'million</b>
<b>Net proceeds raised from the 2014 Share Placement in July 2014</b>	<b>154.78</b>
<i>Less utilisation:</i>	
- Payment for the Additional Investment of RMB74.5 million in Wuhan Huang-Pi Kaidi Water Services Co., Ltd.	(15.52)
- Payment for the purchase consideration of RMB195 million for the 12.1875% acquisition of Longjiang	(41.06)
- Payment for the Additional Investment of RMB150.3 million in SIIC Environment Holdings (Wuhan) Co., Ltd.	(32.68)
- Payment for the 70% equity of RMB124.0 million for incorporation of Yinchuan SIIC Environment Binhe Wastewater Treatment Co., Ltd. and SIIC Environment (Yinchuan) Wastewater Treatment Co., Ltd.	(26.55)
- Payment for the subscription of HK\$155.2 million in the capital of Canvest	(26.46)
- Payment for the purchase consideration in relation to the Acquisition	(2.2)
- Payment for the additional capital injection into Dazhou Jiajing Environment Renewable Resource Co., Ltd.	(3.09)
- General working capital use:	
a. Repayment of loan obtained from SIHL Finance Limited and professional fees for the acquisition of Global Envirotech Investment Ltd.	(3.93)
b. Repayment of bank borrowings	(1.41)
c. Payment of operating expenses and tax expenses	(1.88)
<b>Balance of net proceeds raised from the 2014 Share Placement as at date of this result announcement</b>	<b>-</b>

**14. Status on the use of net proceeds raised from two Share Placement – cont'd**

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

<b>Purpose</b>	<b>Amount S\$ 'million</b>
<b>Net proceeds raised from the 2017 Share Placement in May 2017</b>	<b>220.5</b>
<i>Less utilisation:</i>	
- Repayment of loan obtained from SIHL Finance Limited	(133.3)
- Payment of interest of loan obtained from holding company	(3.7)
- Payment of professional fees	(0.7)
<b>Balance of net proceeds raised from the 2017 Share Placement as at date of this result announcement</b>	<b>82.8</b>

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

We, Feng Jun and Xu Zhan, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the period ended 30 June 2017, to be false or misleading, in any material aspect.

**16. Confirmation that the Issuer has procured undertakings from all its Directors and Executive Officers**

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

**BY ORDER OF THE BOARD**

**Xu Zhan**  
**Executive Director**  
 11 August 2017