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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 Financial Statements and Dividend Announcement for the Fourth Quarter and Twelve Months ended 31 December 2019

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 2019 as set out in the 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 the 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. Xu Xiaobing
Executive Director

Hong Kong, 26 February 2020

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

** For identification purpose only*



SIIC ENVIRONMENT HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No: 200210042R)

Unaudited Financial Statements and Dividend
Announcement for the Fourth Quarter and Twelve
Months ended 31 December 2019

26 February 2020

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

Fourth Quarter and Financial Year 2019 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 2019 ("FY2019"). The Group posted a 12.2% increase in its full year revenue to RMB5.96 billion FY2019.

The growth in revenue can be attributed by the increased operating and maintenance, and financial income from service concession arrangements and higher service income. Gross profit increased 22.0% from RMB1.58 billion in FY2018 to RMB1.93 billion in FY2019 mainly due to increased operation activities on an overall basis.

Consequently, net profit attributable to shareholders grew 11.1% to RMB600.3 million in FY2019. Earnings per share increased by 11.1 percentage points year-on-year in FY2019.

Net asset value per share edged up to RMB320.63 cents as at 31 December 2019, from RMB300.96 cents from a year ago.

Review of Annual Results

The audit committee has reviewed the Company's unaudited consolidated annual results for the twelve months ended 31 December 2019.

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 2019.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities for the financial year ended 31 December 2019.

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 FOURTH QUARTER ("4QFY2019") AND FINANCIAL YEAR ENDED 31 December 2019 ("FY2019")

	Note	Group					
		3 Months Ended		Changes	12 Months Ended		Changes
		31.12.19	31.12.18		31.12.19	31.12.18	
		RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	8(A)	1,466,500	1,388,482	5.6	5,959,521	5,313,344	12.2
Cost of sales		(972,777)	(984,069)	(1.1)	(4,026,072)	(3,728,745)	8.0
Gross profit	8(B)	493,723	404,413	22.1	1,933,449	1,584,599	22.0
Other income	8(C)	101,780	92,898	9.6	274,308	269,429	1.8
Other gains and losses	8(C)	1,435	115,176	(98.8)	(896)	121,783	N.M
Selling and distribution costs	8(D)	(18,143)	(19,835)	(8.5)	(72,585)	(74,190)	(2.2)
Administrative expenses	8(E)	(139,719)	(142,808)	(2.2)	(464,255)	(437,875)	6.0
Finance expenses	8(F)	(180,797)	(164,411)	10.0	(687,267)	(585,399)	17.4
Share of results of joint ventures	8(G)	12,276	2,029	>100.0	46,550	43,338	7.4
Share of results of associates	8(G)	(4,336)	1,091	N.M	(9,737)	(1,004)	>100.0
Profit before tax	8(H)	266,219	288,553	(7.7)	1,019,567	920,681	10.7
Income tax expense	8(I)	(76,837)	(77,328)	(0.6)	(265,174)	(236,428)	12.2
Profit for the period		189,382	211,225	(10.3)	754,393	684,253	10.3
Other comprehensive income: <i>Items that will not be reclassified to profit or loss:</i>							
Exchange difference arising from translation		127,718	355	>100.0	66,375	(57,263)	N.M
Fair value change on investments in equity instruments designated as at FVTOCI		(165)	(7,269)	(97.7)	(2,883)	(7,269)	(60.3)
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange differences arising from translation of foreign operations		(10,560)	(10,992)	(3.9)	(26,868)	(17,797)	51.0
Total comprehensive income for the period		306,375	193,319	58.5	791,017	601,924	31.4
Profit for the period attributable to:							
Owners of the Company		150,057	170,383	(11.9)	600,251	540,237	11.1
Non-controlling interests		39,325	40,842	(3.7)	154,142	144,016	7.0
		189,382	211,225	(10.3)	754,393	684,253	10.3
Total comprehensive income attributable to:							
Owners of the Company		267,050	152,477	75.1	636,875	457,908	39.1
Non-controlling interests		39,325	40,842	(3.7)	154,142	144,016	7.0
		306,375	193,319	58.5	791,017	601,924	31.4
Earnings per share (RMB cents)	6						
-Basic		5.77	6.54	(11.8)	23.04	20.73	11.1
-Dilute		5.77	6.54	(11.8)	23.04	20.73	11.1

N.M. – Not Meaningful

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

	Note	Group		Company	
		As At 31.12.19	As At 31.12.18	As At 31.12.19	As At 31.12.18
		RMB'000	RMB'000	RMB'000	RMB'000
Current assets					
Cash and cash equivalents		2,374,770	2,133,225	172,687	37,910
Pledged bank deposits		234,672	119,354	-	-
Trade and other receivables	8(J)	2,336,371	2,286,958	5,146	4,667
Bills receivables		13,747	1,964	-	-
Prepayments		60,303	45,781	2,399	76
Inventories		159,115	121,219	-	-
Receivables under service concession arrangements		476,970	361,619	-	-
Amounts due from customers for contract work		66,772	56,553	-	-
Amounts due from subsidiaries		-	-	1,171,378	848,107
Amounts due from joint venture		137	137	137	137
Amounts due from associate		10,902	43,250	-	-
Financial assets at fair value through profit or loss		3,353	3,067	-	-
Assets classified as held for sale		202,150	198,434	-	-
Total current assets	8(K)	5,939,262	5,371,561	1,351,747	890,897
Non-current assets					
Financial assets at fair value through other comprehensive income		45,306	44,017	15,470	15,080
Prepayments		501,275	67,464	-	-
Receivables under service concession arrangements		17,193,272	15,484,851	-	-
Property, plant and equipment		318,413	315,635	511	927
Intangible assets		6,741,574	6,702,690	-	-
Land use rights		5,893	6,189	-	-
Long term receivables		350,058	362,528	-	-
Deferred tax assets		70,996	67,045	-	-
Investment in subsidiaries		-	-	5,762,344	5,731,030
Interest in joint ventures		532,607	736,516	342,043	557,858
Interest in associates		99,078	80,927	-	-
Goodwill on consolidation		457,241	457,241	-	-
Amounts due from associate		56,648	22,081	-	-
Right-of-use assets		55,010	-	17,561	-
Total non-current assets	8(L)	26,427,371	24,347,184	6,137,929	6,304,895
Total assets		32,366,633	29,718,745	7,489,676	7,195,792
Current liabilities					
Trade and other payables	8(M)	3,630,937	3,253,304	48,406	40,296
Bills payable to banks		42,557	59,070	-	-
Tax payable		127,713	126,198	-	-
Amounts due to customers for contract work		11,075	5,098	-	-
Amounts due to subsidiaries		-	-	70,589	69,926
Bank and other borrowings		5,283,615	4,285,898	991,791	691,221
Finance lease		-	123,194	-	-
Liabilities directly associated with assets classified as held for sale		156,195	157,665	-	-
Lease liabilities		9,995	-	6,515	-
Total current liabilities	8(N)	9,262,087	8,010,427	1,117,301	801,443
Non-current liabilities					
Bank and other borrowings		9,066,342	8,235,639	-	-
Finance lease		-	463,707	-	-
Deferred tax liabilities		2,009,597	1,890,824	-	-
Other non-current liabilities		122,929	204,478	-	-
Lease liabilities		45,948	-	11,169	-
Total non-current liabilities	8(O)	11,244,816	10,794,648	11,169	-
Capital, reserves and non-controlling interest					
Share capital	1(d)(ii)	5,947,420	5,951,793	5,947,420	5,951,793
Retained earnings		2,356,306	1,942,675	(54,850)	133,458
Other reserves		41,793	(49,672)	468,636	309,098
Equity attributable to owners of the Company		8,345,519	7,844,796	6,361,206	6,394,349
Non-controlling interests		3,514,211	3,068,874	-	-
Total equity		11,859,730	10,913,670	6,361,206	6,394,349
Total liabilities and equity		32,366,633	29,718,745	7,489,676	7,195,792

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

Amount repayable in one year or less, or on demand

As at 31.12.19 RMB'000		As at 31.12.18 RMB'000	
Secured/ Guaranteed	Unsecured/ Unguaranteed	Secured/ Guaranteed	Unsecured/ Unguaranteed
3,042,482	2,283,690	2,712,387	1,755,775

Amount repayable after one year

As at 31.12.19 RMB'000		As at 31.12.18 RMB'000	
Secured/ Guaranteed	Unsecured/ Unguaranteed	Secured/ Guaranteed	Unsecured/ Unguaranteed
7,418,498	1,647,844	7,201,062	1,498,284

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 12 Months Ended	
	31.12.19	31.12.18	31.12.19	31.12.18
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Profit before tax	266,219	288,553	1,019,567	920,681
Adjustments for:				
(Reversal of)/Loss allowance for trade receivables, net	(79)	(542)	231	4,665
Loss allowance for/(Reversal of) for non-trade receivables, net	-	22	-	(29)
Bad debts written off (trade)	5,938	-	5,938	-
Bad debts written off (non-trade)	-	17	-	17
Depreciation of property, plant and equipment	6,342	9,670	32,834	32,426
Amortisation of intangible assets	84,896	82,738	298,490	285,057
Amortisation of land use rights	77	66	295	270
Loss on disposal of property, plant and equipment	4,505	122	4,625	1,312
Loss on disposal of intangible assets	-	2	-	-
Depreciation of right use asset	6,706	-	6,706	-
Gain on disposal of subsidiaries	-	(91,692)	-	(91,692)
Finance income	(4,475)	(7,128)	(21,397)	(14,592)
Finance expenses	180,797	164,411	687,267	585,399
Share of results of associates	4,336	(1,091)	9,737	1,004
Share of results of joint ventures	(12,276)	(2,029)	(46,550)	(43,338)
Foreign exchange loss/(gain)	71	(121)	206	127
Gain from bargain purchase of investment in subsidiaries	-	(19,645)	-	(19,645)
Fair value loss/(gain) on financial assets at fair value through profit or loss	28	1,257	(286)	1,822
Operating cash flow before working capital changes	543,085	424,610	1,997,663	1,663,484
(Increase)/decrease in:				
Inventories	(32,084)	(6,627)	(35,267)	(25,113)
Amounts due from/to customers for contract work, net	32,367	(4,429)	(6,869)	(27,259)
Trade receivables, other receivables and prepayments	66,951	218,699	(166,167)	(95,087)
Bills receivables	(8,868)	(693)	(11,783)	5,796
Amounts due from joint ventures	(20)	(20)	896	1,221
Amounts due from associates	790	(6,441)	(2,419)	(5,037)
Increase/(decrease) in:				
Trade payables and other payables(inclusive of non-current liabilities)	24,473	171,262	329,375	664,963
Bills payable to banks	(8,782)	7,205	13,135	282
Cash from operating activities before service concession arrangement projects	617,912	803,566	2,118,564	2,183,250
Change in receivables under service concession arrangements (Note A)	(216,031)	(614,073)	(1,824,496)	(2,466,779)
Cash generated from/(used in) operating activities after service concession arrangement projects	401,881	189,493	294,068	(283,529)
Interest received	3,029	5,101	15,497	9,679
Income tax paid	(24,271)	(26,094)	(157,632)	(112,751)
Net cash generated from/(used in) operating activities	380,639	168,500	151,933	(386,601)
Cash flows from investing activities:				
Purchase of property, plant and equipment	(20,087)	(49,881)	(53,724)	(79,164)
Purchase of intangible assets, net of amount on credit terms	(27,813)	(16,243)	(344,586)	(209,417)
(Decrease) /increase in prepayment for property, plant and equipment and intangible assets	(373,789)	6,606	(378,937)	(9,764)
Proceeds from disposal of property, plant and equipment	521	-	684	124
Proceeds from capital reduction from joint venture	-	-	225,000	-
Proceeds from disposal of intangible assets	-	-	-	2
Net cash outflow on acquisition of subsidiaries (Note B)	-	-	-	(157,269)
Net cash outflow on disposal of subsidiaries	-	(1,758)	-	(1,758)
Net cash inflow on disposal of an associate	-	-	-	1,250
Net cash outflow on acquisition of an associate	(28,607)	-	(28,607)	-
Purchase of financial assets at fair value through other comprehensive income	-	-	(3,000)	-
Dividend received from joint ventures	12,221	10,944	35,109	41,950
Net cash used in investing activities	(437,554)	(50,332)	(548,061)	(414,046)

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 12 Months Ended	
	31.12.19	31.12.18	31.12.19	31.12.18
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from financing activities:				
Proceeds from bank and other borrowings	964,202	985,385	4,382,623	3,939,761
Repayment of bank and other borrowings	(675,345)	(524,124)	(3,136,004)	(2,018,345)
Proceeds from finance leaseback arrangement	-	-	-	362,000
Repayment under finance leaseback arrangements	-	(4,306)	-	(206,545)
Interest paid	(178,528)	(145,485)	(662,931)	(534,351)
Dividend paid to equity shareholders	-	-	(131,779)	(130,773)
Dividend paid to non-controlling interest in subsidiaries	-	(2,541)	(6,560)	(19,834)
Contribution from non-controlling interests upon additional capital injection of a subsidiaries	296,682	52,073	299,255	216,533
Repurchase of shares	-	-	(4,373)	-
Acquisition of non-controlling interests	-	-	-	(74,682)
Return of capital to non-controlling interest on capital reduction of a subsidiary	-	-	(1,500)	(2,500)
Principal and interest elements of lease payments	(8,189)	-	(8,189)	-
Decrease/(Increase) in deposits pledged to banks	(135,474)	38,279	(115,318)	11,196
Net cash generated from financing activities	263,348	399,281	615,224	1,542,460
Net increase in cash and cash equivalents	206,433	517,449	219,096	741,813
Cash and cash equivalents at beginning of period	2,147,581	1,627,256	2,133,225	1,402,104
Effects of exchange rate changes on the balance of cash held in foreign currencies	20,756	(11,480)	22,449	(10,692)
Cash and cash equivalents at end of period	2,374,770	2,133,225	2,374,770	2,133,225
Cash and cash equivalents at end of period				
Cash and bank balances	2,609,442	2,252,579	2,609,442	2,252,579
Less: Pledged bank deposits	(234,672)	(119,354)	(234,672)	(119,354)
Cash and cash equivalents	2,374,770	2,133,225	2,374,770	2,133,225

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 of new or existing water treatment facilities for FY2019 and 4QFY2019 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.

GROUP	Attributable to owners of the Company											
	Share capital	Treasury shares	Retained earnings	Other reserves, total	General Reserve	Investment revaluation reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1.1.19	5,951,793	-	1,942,675	(49,672)	296,162	(7,269)	(122,760)	(15,490)	(200,315)	7,844,796	3,068,874	10,913,670
Profit for the period	-	-	150,085	-	-	-	-	-	-	150,085	40,628	190,713
<u>Other comprehensive income</u>												
Exchange differences arising on translation	-	-	-	45,372	-	-	45,372	-	-	45,372	-	45,372
Exchange differences arising on translation of foreign operations	-	-	-	3,606	-	-	3,606	-	-	3,606	-	3,606
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	-	(1,781)	-	(1,781)	-	-	-	(1,781)	-	(1,781)
Other comprehensive income for the period, net of tax	-	-	-	47,197	-	(1,781)	48,978	-	-	47,197	-	47,197
Total comprehensive income for the period	-	-	150,085	47,197	-	(1,781)	48,978	-	-	197,282	40,628	237,910
<u>Transactions with owners recognised directly in equity</u>												
Transfer to general reserve	-	-	(11,500)	11,500	11,500	-	-	-	-	-	-	-
Total	-	-	(11,500)	11,500	11,500	-	-	-	-	-	-	-
<u>Others</u>												
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(3,480)	(3,480)
Total	-	-	-	-	-	-	-	-	-	-	(3,480)	(3,480)
Balance at 31.3.19	5,951,793	-	2,081,260	9,025	307,662	(9,050)	(73,782)	(15,490)	(200,315)	8,042,078	3,106,022	11,148,100
Profit for the period	-	-	150,098	-	-	-	-	-	-	150,098	32,743	182,841
<u>Other comprehensive loss</u>												
Exchange differences arising on translation	-	-	-	(38,796)	-	-	(38,796)	-	-	(38,796)	-	(38,796)
Exchange differences arising on translation of foreign operations	-	-	-	(9,428)	-	-	(9,428)	-	-	(9,428)	-	(9,428)
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	-	(787)	-	(787)	-	-	-	(787)	-	(787)
Other comprehensive loss for the period, net of tax	-	-	-	(49,011)	-	(787)	(48,224)	-	-	(49,011)	-	(49,011)
Total comprehensive income for the period	-	-	150,098	(49,011)	-	(787)	(48,224)	-	-	101,087	32,743	133,830
<u>Others</u>												
Dividend declared to equity shareholders	-	-	(131,779)	-	-	-	-	-	-	(131,779)	-	(131,779)
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,610)	(1,610)
Total	-	-	(131,779)	-	-	-	-	-	-	(131,779)	(1,610)	(133,389)
Balance at 30.6.19	5,951,793	-	2,099,579	(39,986)	307,662	(9,837)	(122,006)	(15,490)	(200,315)	8,011,386	3,137,155	11,148,541

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'

GROUP	Attributable to owners of the Company											
					Effects of changes in ownership interest in subsidiaries where there is no change in control					Equity attributable to owners of the Company	Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings	Other reserves, total	General Reserve	Investment revaluation reserve	Translation reserve	Merger reserve				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 30.6.19	5,951,793	-	2,099,579	(39,986)	307,662	(9,837)	(122,006)	(15,490)	(200,315)	8,011,386	3,137,155	11,148,541
Profit for the period	-	-	150,011	-	-	-	-	-	-	150,011	41,446	191,457
Other comprehensive loss												
Exchange differences arising on translation	-	-	-	(67,919)	-	-	(67,919)	-	-	(67,919)	-	(67,919)
Exchange differences arising on translation of foreign operations	-	-	-	(10,486)	-	-	(10,486)	-	-	(10,486)	-	(10,486)
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	-	(150)	-	(150)	-	-	-	(150)	-	(150)
Other comprehensive loss for the period, net of tax	-	-	-	(78,555)	-	(150)	(78,405)	-	-	(78,555)	-	(78,555)
Total comprehensive income for the period	-	-	150,011	(78,555)	-	(150)	(78,405)	-	-	71,456	41,446	112,902
Others												
Repurchased and cancelled shares	(4,373)	-	-	-	-	-	-	-	-	(4,373)	-	(4,373)
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,470)	(1,470)
Contribution from non-controlling interests upon additional capital injection of a subsidiary	-	-	-	-	-	-	-	-	-	-	2,573	2,573
Return of capital to non-controlling interest on capital reduction of a subsidiary	-	-	-	-	-	-	-	-	-	-	(1,500)	(1,500)
Total	(4,373)	-	-	-	-	-	-	-	-	(4,373)	(397)	(4,770)
Balance at 30.9.19	5,947,420	-	2,249,590	(118,541)	307,662	(9,987)	(200,411)	(15,490)	(200,315)	8,078,469	3,178,204	11,256,673
Profit for the period	-	-	150,057	-	-	-	-	-	-	150,057	39,325	189,382
Other comprehensive income												
Exchange differences arising on translation	-	-	-	127,718	-	-	127,718	-	-	127,718	-	127,718
Exchange differences arising on translation of foreign operations	-	-	-	(10,560)	-	-	(10,560)	-	-	(10,560)	-	(10,560)
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	-	(165)	-	(165)	-	-	-	(165)	-	(165)
Other comprehensive income for the period, net of tax	-	-	-	116,993	-	(165)	117,158	-	-	116,993	-	116,993
Total comprehensive income for the period	-	-	150,057	116,993	-	(165)	117,158	-	-	267,050	39,325	306,375
Transactions with owners recognised directly in equity												
Transfer to general reserve	-	-	(43,341)	43,341	43,341	-	-	-	-	-	-	-
Total	-	-	(43,341)	43,341	43,341	-	-	-	-	-	-	-
Others												
Contribution from non-controlling interests upon additional capital injection of a subsidiary	-	-	-	-	-	-	-	-	-	-	296,682	296,682
Total	-	-	-	-	-	-	-	-	-	-	296,682	296,682
Balance at 31.12.19	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

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											
				Other				Effects of changes		Equity	Non-	
	Share capital	Treasury	Retained earnings	reserves, total	General	Investment	Translation	in ownership	Merger	attributable to	controlling	Total equity
	RMB'000	shares	RMB'000	RMB'000	Reserve	revaluation	reserve	interest in	reserve	owners of the	interests	
		RMB'000			RMB'000	RMB'000	RMB'000	subsidiaries where	RMB'000	Company	RMB'000	RMB'000
								there is no change				
								in control				

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

GROUP	Attributable to owners of the Company											
	Share capital	Treasury shares	Retained earnings	Other reserves, total	General Reserve	Investment revaluation reserve	Translation reserve	Effects of changes in ownership interest in subsidiaries where there is no change in control	Merger reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 30.6.18	5,951,793	-	1,843,114	(43,814)	241,859	-	(65,104)	(20,254)	(200,315)	7,751,093	2,890,604	10,641,697
Profit for the period	-	-	114,254	-	-	-	-	-	-	114,254	18,184	132,438
Other comprehensive loss												
Exchange differences arising on translation	-	-	-	(33,286)	-	-	(33,286)	-	-	(33,286)	-	(33,286)
Exchange differences arising on translation of foreign operations	-	-	-	(13,733)	-	-	(13,733)	-	-	(13,733)	-	(13,733)
Other comprehensive loss for the period, net of tax	-	-	-	(47,019)	-	-	(47,019)	-	-	(47,019)	-	(47,019)
Total comprehensive income for the period	-	-	114,254	(47,019)	-	-	(47,019)	-	-	67,235	18,184	85,419
Transactions with owners recognised directly in equity												
Transfer to general reserve	-	-	191	(191)	(191)	-	-	-	-	-	-	-
Return of capital to non-controlling interest on capital reduction of a subsidiary	-	-	-	-	-	-	-	-	-	-	(2,500)	(2,500)
Non-controlling interest upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	-	149,200	149,200
Acquisition of non-controlling interests	-	-	-	4,764	-	-	-	4,764	-	4,764	(79,446)	(74,682)
Total	-	-	191	4,573	(191)	-	-	4,764	-	4,764	67,254	72,018
Others												
Dividend declared to equity shareholders	-	-	(130,773)	-	-	-	-	-	-	(130,773)	-	(130,773)
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(973)	(973)
Total	-	-	(130,773)	-	-	-	-	-	-	(130,773)	(973)	(131,746)
Balance at 30.9.18	5,951,793	-	1,826,786	(86,260)	241,668	-	(112,123)	(15,490)	(200,315)	7,692,319	2,975,069	10,667,388
Profit for the period	-	-	170,383	-	-	-	-	-	-	170,383	40,842	211,225
Other comprehensive loss												
Exchange differences arising on translation	-	-	-	355	-	-	355	-	-	355	-	355
Exchange differences arising on translation of foreign operations	-	-	-	(10,992)	-	-	(10,992)	-	-	(10,992)	-	(10,992)
Fair value change on investments in equity instruments designated as at FVTOCI	-	-	-	(7,269)	-	(7,269)	-	-	-	(7,269)	-	(7,269)
Other comprehensive loss for the period, net of tax	-	-	-	(17,906)	-	(7,269)	(10,637)	-	-	(17,906)	-	(17,906)
Total comprehensive income for the period	-	-	170,383	(17,906)	-	(7,269)	(10,637)	-	-	152,477	40,842	193,319
Transactions with owners recognised directly in equity												
Transfer to general reserve	-	-	(54,494)	54,494	54,494	-	-	-	-	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(686)	(686)
Non-controlling interest upon proportional capital injection in a subsidiary	-	-	-	-	-	-	-	-	-	-	56,190	56,190
Total	-	-	(54,494)	54,494	54,494	-	-	-	-	-	55,504	55,504
Others												
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,541)	(2,541)
Total	-	-	-	-	-	-	-	-	-	-	(2,541)	(2,541)
Balance at 31.12.18	5,951,793	-	1,942,675	(49,672)	296,162	(7,269)	(122,760)	(15,490)	(200,315)	7,844,796	3,068,874	10,913,670

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	Treasury shares	Retained earnings	Other reserves*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1.1.19	5,951,793	-	133,458	309,098	6,394,349
Loss for the period	-	-	(3,210)	-	(3,210)
<u>Other comprehensive loss</u>					
Exchange differences arising on translation, net of tax	-	-	-	(120,263)	(120,263)
Other comprehensive loss for the period, net of tax	-	-	-	(120,263)	(120,263)
Total comprehensive loss for the period	-	-	(3,210)	(120,263)	(123,473)
Balance at 31.3.19	5,951,793	-	130,248	188,835	6,270,876
Loss for the period	-	-	(32,123)	-	(32,123)
<u>Other comprehensive income</u>					
Exchange differences arising on translation, net of tax	-	-	-	153,483	153,483
Other comprehensive income for the period, net of tax	-	-	-	153,483	153,483
Total comprehensive income for the period	-	-	(32,123)	153,483	121,360
<u>Others</u>					
Dividend declared to equity shareholders	-	-	(131,779)	-	(131,779)
Balance at 30.6.19	5,951,793	-	(33,654)	342,318	6,260,457
Loss for the period	-	-	(6,411)	-	(6,411)
<u>Other comprehensive income</u>					
Exchange differences arising on translation, net of tax	-	-	-	95,211	95,211
Other comprehensive income for the period, net of tax	-	-	-	95,211	95,211
Total comprehensive income for the period	-	-	(6,411)	95,211	88,800
<u>Others</u>					
Repurchased and cancelled shares	(4,373)	-	-	-	(4,373)
Balance at 30.9.19	5,947,420	-	(40,065)	437,529	6,344,884
Loss for the period	-	-	(14,785)	-	(14,785)
<u>Other comprehensive income</u>					
Exchange differences arising on translation, net of tax	-	-	-	31,107	31,107
Other comprehensive income for the period, net of tax	-	-	-	31,107	31,107
Total comprehensive income for the period	-	-	(14,785)	31,107	16,322
Balance at 31.12.19	5,947,420	-	(54,850)	468,636	6,361,206

* Relates to translation reserve.

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

COMPANY	Attributable to owners of the Company				
	Share capital RMB'000	Treasury shares RMB'000	Retained earnings RMB'000	Other reserves* RMB'000	Total equity RMB'000
Balance at 1.1.18	5,951,889	(96)	(62,101)	62,283	5,951,975
Loss for the period	-	-	(45,295)	-	(45,295)
<u>Other comprehensive loss</u>					
Exchange differences arising on translation, net of tax	-	-	-	(71,170)	(71,170)
Other comprehensive loss for the period, net of tax	-	-	-	(71,170)	(71,170)
Total comprehensive loss for the period	-	-	(45,295)	(71,170)	(116,465)
Cancellation of treasury shares	(96)	96	-	-	-
Balance at 31.3.18	5,951,793	-	(107,396)	(8,887)	5,835,510
Profit for the period	-	-	140,291	-	140,291
<u>Other comprehensive income</u>					
Exchange differences arising on translation, net of tax	-	-	-	79,401	79,401
Other comprehensive income for the period, net of tax	-	-	-	79,401	79,401
Total comprehensive income for the period	-	-	140,291	79,401	219,692
Balance at 30.6.18	5,951,793	-	32,895	70,514	6,055,202
Profit for the period	-	-	98,280	-	98,280
<u>Other comprehensive income</u>					
Exchange differences arising on translation, net of tax	-	-	-	210,161	210,161
Other comprehensive income for the period, net of tax	-	-	-	210,161	210,161
Total comprehensive income for the period	-	-	98,280	210,161	308,441
<u>Other</u>					
Dividend declared to equity shareholders	-	-	(130,773)	-	(130,773)
	-	-	(130,773)	-	(130,773)
Balance at 30.9.18	5,951,793	-	402	280,675	6,232,870
Profit for the period	-	-	133,056	-	133,056
<u>Other comprehensive income</u>					
Exchange differences arising on translation, net of tax	-	-	-	28,423	28,423
Other comprehensive income for the period, net of tax	-	-	-	28,423	28,423
Total comprehensive income for the period	-	-	133,056	28,423	161,479
Balance at 31.12.18	5,951,793	-	133,458	309,098	6,394,349

* 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 2019	2,606,588,726	5,951,793
Less: Share buy-back and cancelled	(3,771,000)	(4,373)
Balance at 31 December 2019	2,602,817,726	5,947,420

As at 31 December 2019, the number of ordinary shares in issue was 2,602,817,726 (31 December 2018: 2,606,588,726 ordinary shares).

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

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

As at 31 December 2019, there were no convertible securities outstanding (31 December 2018: Nil).

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

As at 31 December 2019, there were no treasury shares held (31 December 2018: 56,400). Total number of issued shares excluding treasury shares, as at 31 December 2019 was 2,602,817,726 (31 December 2018: 2,606,588,726).

- 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 31 December 2019.

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 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 2018, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 January 2019 as follows:

SFRS(I) 16 Leases

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

The Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. SFRS(I) 16 will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance lease is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term leases and leases of low value assets. The accounting for lessors will not change significantly.

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		12 Months Ended	
	31.12.19	31.12.18	31.12.19	31.12.18
	RMB cents	RMB cents	RMB cents	RMB cents
Earnings per ordinary share of the Group based on net profit attributable to owners of the Company:-				
(i) Based on weighted average number of ordinary shares in issue (RMB cents)	5.77	6.54	23.04	20.73
- Weighted average number of shares ('000)	2,602,818	2,606,589	2,605,597	2,606,589
(ii) On a fully diluted basis of ordinary shares (RMB cents)	5.77	6.54	23.04	20.73
- Weighted average number of shares ('000)	2,602,818	2,606,589	2,605,597	2,606,589

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.**

	Group	Company
	RMB cents	RMB cents
As at 31 December 2019	320.63	244.40
As at 31 December 2018	300.96	245.31

Net asset value per share is calculated based on the number of shares in issue of 2,602,817,726 as at 31 December 2019 (31 December 2018: 2,606,588,726).

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 RMB5,313.3 million in FY2018 to RMB5,959.5 million in FY2019, representing an increase of 12.2%. Gross profit ("GP") has increased from RMB1,584.6 million in FY2018 to RMB1,933.4 million in FY2019.

Consequently, the Group's profit after tax (attributable to owners of the Company) increased from RMB540.2 million in FY2018 to RMB600.3 million in FY2019, representing an increase of 11.1%.

The increase was due mainly to higher water treatment and supply sales volume as well as increased average wastewater treatment price from existing entities.

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

(A) Revenue

	4QFY2019	4QFY2018	Change	FY2019	FY2018	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Construction	373,240	516,846	(27.8)	2,172,455	2,229,238	(2.5)
Operating and maintenance income from service concession arrangements	684,811	523,441	30.8	2,403,147	1,843,151	30.4
Financial income from service concession arrangements	231,265	236,495	(2.2)	944,920	859,148	10.0
Service income	37,248	47,832	(22.1)	164,928	164,870	0.0
Other revenue	139,936	63,868	119.1	274,071	216,937	26.3
Total	1,466,500	1,388,482	5.6	5,959,521	5,313,344	12.2

Overall, the Group's revenue increased by RMB646.2 million or 12.2%, from RMB5,313.3 million in FY2018 to RMB5,959.5 million in FY2019. Meanwhile, the Group's revenue increased by RMB78.0 million or 5.6%, from RMB1,388.5million in 4QFY2018 to RMB1,466.5 million in 4QFY2019. Except for "Construction revenue" in 4QFY2019 and FY2019 and "Service Income" and "Financial income from service concession arrangements" in 4QFY2019, revenue across all categories increased in FY2019 and 4QFY2019 as compared to FY2018 and 4QFY2018.

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

(A) Revenue – cont'd

Construction Revenue

Construction revenue amounted to RMB373.2 million and RMB2,172.5 million in 4QFY2019 and FY2019 respectively (4QFY2018: RMB516.8 million; FY2018: RMB2,229.2 million). The lower revenue was mainly due to relatively lower amount of construction activities in progress in 4QFY2019 and FY2019 as compared to 4QFY2018 and FY2018.

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 RMB916.1 million and RMB3,348.1 million in 4QFY2019 and FY2019 respectively (4QFY2018: RMB759.9 million; FY2018: RMB2,702.3 million). The higher revenue was due mainly to higher water treatment and supply sales volume as well as increased average wastewater treatment price.

Service Income

Service income amounted to RMB37.2 million and RMB164.9 million in 4QFY2019 and FY2019 respectively (4QFY2018: RMB47.8 million; FY2018: RMB164.9 million). The lower revenue in 4QFY2019 was mainly due to lower water treatment volume from operations and maintenance projects as compared to 4QFY2018.

Other Revenue

Other revenue amounted to RMB139.9 million and RMB274.1 million in 4QFY2019 and FY2019 respectively (4QFY2018: RMB63.9 million; FY2018: RMB216.9 million). The increase in FY2019 as compared to FY2018 was mainly due to higher volume of installation works carried out, which are ad-hoc in nature during the year.

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

The Group's GP increased by RMB89.3 million or 22.1% from RMB404.4 million in 4QFY2018 to RMB493.7 million in 4QFY2019. Meanwhile, GP increased by RMB348.9 million or 22.0% from RMB1,584.6 million in FY2018 to RMB1,933.4 million in FY2019. The increase was mainly due to higher revenue from the operation category achieved by the Group as explained in Note A.

GPM increased from 29.1% in 4QFY2018 to 33.7% in 4QFY2019 and increased from 29.8% in FY2018 to 32.4% in FY2019. The increase was due mainly to higher contribution from operation category during 4QFY2019 and FY2019 as compared to 4QFY2018 and FY2018 (which has a relatively higher GPM).

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

(C) Other income/other gains and losses

Other income increased from RMB92.9 million in 4QFY2018 to RMB101.8 million in 4QFY2019 and RMB269.4 million in FY2018 to RMB274.3 million in FY2019. The increase was mainly due to ad hoc maintenance work carried out in 4QFY2019 compared to 4QFY2018.

Other gains and losses decreased from a gain of RMB115.2 million in 4QFY2018 to a gain of RMB1.4 million in 4QFY2019. From FY2018 to FY2019, other gains and losses decreased from a gain of RMB121.8 million to a loss of RMB0.9 million. The movement in other gains and losses is mainly due to the gain on disposal of subsidiaries and gain from bargain purchase of investment in subsidiaries in FY2018. There was no such cases in FY2019.

(D) Selling and Distribution costs

Selling and distribution expenses decreased from RMB19.8 million in 4QFY2018 to RMB18.1 million in 4QFY2019. The decrease in selling and distribution expenses was due mainly to lesser expenses incurred during the quarter. There is no material variance for selling and distribution costs in FY2019 as compared to FY2018.

(E) Administrative Expenses

Administrative expenses increased from RMB437.9 million in FY2018 to RMB464.3 million in FY2019. The increase in administrative expenses was due mainly to expansion of business.

(F) Finance expenses

Finance expenses amounted RMB180.8 million in 4QFY2019 (4QFY2018: RMB164.4 million) and RMB687.3 million in FY2019 (FY2018: RMB585.4 million). The increase in finance expenses was due mainly to new borrowings taken up.

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

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

The increase in share of results of joint ventures in 4QFY2019 and FY2019 as compared to 4Q2018 and FY2018 was due mainly to higher contribution from joint ventures.

Share of results of associates amounted to a loss of RMB4.3 million in 4QFY2019 and a loss of RMB9.7 million in FY2019 (4QFY2018: profit of RMB1.1 million and FY2018 loss of RMB1.0 million). The decrease in shares of associates was mainly due to lower contribution from associates.

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

(H) Profit before tax

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

	3 Months Ended		12 Months Ended	
	31.12.19	31.12.18	31.12.19	31.12.18
	RMB'000	RMB'000	RMB'000	RMB'000
Amortisation of intangible assets	84,896	82,738	298,490	285,057
Amortisation of land use rights	77	66	295	270
Depreciation of property, plant and equipment	6,342	9,670	32,834	32,426
Loss on disposal of property, plant and equipment	4,505	122	4,625	1,312
Loss on disposal of intangible assets	-	2	-	-
Foreign exchange(loss)/ gain, net	(1,463)	(5,096)	1,182	(12,268)
(Reversal of)/Loss allowance for trade receivables, net trade	(79)	(542)	231	4,665
Loss allowance for/(Reversal of) non-trade receivables, net non-trade	-	22	-	(29)
Bad debts written off (trade)	5,938	-	5,938	-
Bad debts written off (non-trade)	-	17	-	17
Fair value loss /(Gain) on financial assets at fair value through profit or loss	28	1,257	(286)	1,822
Gain from bargain purchase of investment in subsidiaries	-	(19,645)	-	(19,645)
Gain on disposal of subsidiaries	-	(91,692)	-	(91,692)

Amortisation of intangible assets amounted to RMB84.9 million in 4QFY2019 (4QFY2018: RMB82.7 million) and RMB298.5 million in FY2019 (FY2018: RMB285.1 million). There is no material variance for amortisation of intangible assets in 4QFY2019 and FY2019 as compared to 4QFY2018 and FY2018.

(I) Income Tax Expenses

Income tax expense amounted to RMB76.8 million and RMB265.2 million in 4QFY2019 and FY2019 (4QFY2018: RMB77.3 million and FY2018: RMB236.4 million). The higher income tax expense was due mainly to higher profit generated in FY2019 as compared to FY2018.

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

(I) Income Tax Expenses – cont'd

	3 Months Ended		12 Months Ended	
	31.12.19	31.12.18	31.12.19	31.12.18
	RMB'000	RMB'000	RMB'000	RMB'000
Current tax				
- Current period	78,050	55,820	179,463	158,235
- Overprovision in respect of prior periods	(17,307)	(3,078)	(17,648)	(2,726)
Deferred tax				
- Current period	12,031	27,131	97,660	87,536
- Under/(over) provision in respect of prior periods	4,063	(2,545)	5,699	(6,617)
	76,837	77,328	265,174	236,428

STATEMENTS OF FINANCIAL POSITION

(J) 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:

	As at	
	31.12.19	31.12.18
	RMB'000	RMB'000
Within 30 days	509,619	451,627
Within 31 to 60 days	187,899	129,658
Within 61 to 90 days	110,662	117,634
Within 91 to 180 days	192,680	152,305
Within 181 to 365 days	219,624	116,424
Over 365 days	395,877	473,660
	1,616,361	1,441,308

(K) Current Assets

Current assets as at 31 December 2019 amounted to RMB5.94 billion (31 December 2018: RMB5.37 billion). The increase was mainly due to net cash inflow during FY2019 (for details, please refer to analysis on "Statement of cash flows" below).

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

(L) Non-current Assets

Non-current assets as at 31 December 2019 amounted to RMB26.43 billion (31 December 2018: RMB24.35 billion). The increase was due mainly construction of certain wastewater treatment projects during FY2019.

(M) Trade and Other Payables

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

	As at	
	31.12.19	31.12.18
	RMB'000	RMB'000
Within 30 days	598,022	867,117
Within 31 to 60 days	144,958	87,391
Within 61 to 90 days	54,166	88,816
Within 91 to 180 days	233,677	147,619
Within 181 to 365 days	551,491	192,286
Over 365 days	609,413	518,798
	2,191,727	1,902,027

(N) Current Liabilities

Current liabilities as at 31 December 2019 amounted to RMB9.26 billion (31 December 2018: RMB8.01 billion). The increase was due mainly to (i) new borrowings taken up which are due for repayment within one year as well (ii) increase in trade and other payables as a result of higher amount of construction activities in progress in FY2019.

(O) Non-current Liabilities

Non-current liabilities as at 31 December 2019 amounted to RMB11.24 billion (31 December 2018: RMB10.79 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 31 December 2019, the Group's cash and cash equivalents stood at RMB2,374.8 million (31 December 2018: RMB2,133.2 million). In FY2019, net cash of RMB151.9 million was generated from the Group's operating activities. Excluding cash used in projects with service concession arrangements, net cash generated from operating activities was RMB2,118.6 million.

Net cash used in the Group's investing activities of RMB548.1 million in FY2019 was due mainly to net cash outflow from acquisition of associates and purchase of property, plant and equipments and intangibles assets, partially offset by dividends received and proceeds from capital reduction from joint ventures.

Net cash generated from financing activities of RMB615.2 million in FY2019 was due mainly to net proceeds from bank borrowings and contribution from non-controlling interests upon additional capital injection of subsidiaries, which is partially offset by the interest paid, dividend paid to equity shareholders and increase in deposit pledged to banks.

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.

On 17 January 2020, the Government of the People's Republic of China ("PRC") convened a press conference to present strategies of ecological and environmental protection in the new year. At the conference, the Government stressed that it will continue to strictly implement the "Action Plan for Prevention and Control of Water Pollution" to protect water sources and step up investment in water treatment. The aim is to limit the portion of black and odorous waterbody below 10% in urban and built-up areas at the prefectural level by 2020.

With the implementation of 13th Five-Year Plan, investment of urban sewage treatment and reclaimed water equipment in China is expected to reach RMB 565.4 billion, while waste incineration projects are expected to treat nearly 600,000 tonnes per day by the end of 2020. The Group will strive to seize opportunities presented, actively upgrade existing sewage treatment projects to meet the government's stricter discharge standards for municipal sewage treatment plants, and seek to increase treatment costs. At the same time, the Group will strengthen cooperation with strategic partners to further develop business of solid waste treatment.

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.

Based on the Belt and Road Ecological and Environmental Protection Cooperation Plan, issued by the Ministry of Environmental Protection of the State Council, PRC will promote the realization of environmental goals of the 2030 Agenda for Sustainable Development, and deepen and raise the level of cooperation on ecological and environmental protection by 2030. The Belt and Road Initiative has enhanced development of domestic environmental protection industry and carved out international collaboration in the field of environmental protection.

The Group will continue to follow national strategic guidelines, work closely with local governments on providing state-of-the-art environmental protection services, and concurrently develop water and solid waste treatment businesses. As it strives to secure more projects, the Group will also persist in upgrading standards, achieving a steady increase in scale and revenue, and delivering better returns to shareholders.

11. Dividend

If a decision regarding dividend has been made:

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

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

(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

Corresponding Period of the Immediately Preceding Financial Year

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

Yes

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

11. Dividend – cont'd

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

One-tier tax exempt

- (d) The date the dividend is payable**

To be announced at a later date

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

To be announced at a later date

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

Not applicable.

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

No IPT mandate has been obtained from shareholders.

14. 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). 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.

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

[illegible]

15. **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. – cont'd**

Group	Revenue		Non-current Assets		Capital Expenditure	
	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
PRC	5,959,521	5,313,344	26,411,390	24,331,177	383,338	606,728
Singapore	-	-	15,981	16,007	20	29

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

Please refer to paragraph 8.

17. **A breakdown of sales**

Group	FY2019	FY2018	Increase/ (Decrease)
	RMB'000	RMB'000	%
Sales reported for first half year	2,921,779	2,850,922	2.5
Profit after tax before deducting minority interests reported for first half year	373,554	340,590	9.7
Sales reported for second half year	3,037,742	2,462,422	23.4
Profit after tax before minority interests reported for second half year	380,839	343,663	10.8

18. **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	FY2019	FY2018
	RMB'000	RMB'000
Ordinary	131,779	130,773
Preference	-	-
Total	131,779	130,773

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

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

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

20. 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 Xiaobing

Executive Director

26 February 2020