

Unaudited Financial Statements For Full Year Ended 31 December 2016

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

- 1(a)(i) **An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

(RMB'000)	Full year ended		% change
	31 December 2016 (Unaudited)	31 December 2015 (Audited)	
Revenue	1,626,168	1,435,338	13.3
Cost of sales	(1,217,883)	(1,115,116)	9.2
Gross profit	408,285	320,222	27.5
Other operating income	31,869	14,777	115.7
Selling and distribution expenses	(37,560)	(39,090)	(3.9)
Administrative expenses	(164,766)	(151,736)	8.6
Other operating expenses	(35,283)	(21,547)	63.8
Finance costs	(24,873)	(23,939)	3.9
Profit before income tax	177,672	98,687	80.0
Income tax expense	(31,996)	(18,501)	72.9
Profit for the year	145,676	80,186	81.7
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of foreign operation	150	123	22.0
Total comprehensive income for the year	145,826	80,309	81.6
Profit for the year attributable to:			
Equity holders of the Company	142,173	81,495	74.4
Non-controlling interest	3,503	(1,309)	(367.6)
Profit for the year	145,676	80,186	81.7
Total comprehensive income for the year attributable to:			
Equity holders of the Company	142,323	81,618	74.4
Non-controlling interest	3,503	(1,309)	(367.6)
Profit for the year	145,826	80,309	81.6

1(a)(ii) Other information:

(RMB'000)	Full year ended		% change
	31 December 2016	31 December 2015	
Depreciation expense	29,484	30,557	(3.5)
Amortisation of land use rights	1,755	1,412	24.3
Amortisation of intangible assets	981	981	nil
Impairment allowance on trade and non-trade receivables	33,575	19,188	75.0
Reversal of impairment allowance on trade and non-trade receivables	(25,696)	(4,969)	417.1
Impairment allowance on inventories	5,596	5,307	5.5
Impairment allowance on property, plant and equipment	-	1,794	-
Loss on disposal of property, plant and equipment	214	161	32.9
Interest expense	24,873	23,939	3.9
Share option expense	7,931	4,897	62.0
Foreign Exchange (loss)/gain - net	(422)	3,973	(110.6)

Other operating income comprises:

(RMB'000)	Full year ended		% change
	31 December 2016	31 December 2015	
Government grant	3,617	2,444	48.0
Interest income	1,196	2,246	(46.7)
Foreign exchange gain	-	3,973	-
Gain on disposal of plant and equipment	-	4	-
Reversal of impairment allowance on trade and non-trade receivables	25,696	4,969	417.1
Others	1,360	1,141	19.2
Total	31,869	14,777	115.7

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

STATEMENT OF FINANCIAL POSITION

(RMB'000)	Group		Company	
	(Unaudited) As at 31 December 2016	(Audited) As at 31 December 2015	(Unaudited) As at 31 December 2016	(Audited) As at 31 December 2015
ASSETS				
Current assets:				
Cash and cash equivalents	281,277	397,527	3,522	122,105
Pledged bank deposits	69,218	65,066	-	-
Trade receivables	1,018,281	1,261,959	-	-
Other receivables and prepayments	117,650	94,317	14,764	5,623
Inventories	209,769	234,823	-	-
Land use rights	3,748	1,412	-	-
Total current assets	<u>1,699,943</u>	<u>2,055,104</u>	<u>18,286</u>	<u>127,728</u>
Non-current assets:				
Land use rights	170,466	146,297	-	-
Property, plant and equipment	250,208	307,013	-	-
Investment in subsidiaries	-	-	325,476	218,944
Other receivables and prepayments	8,535	-	20,000	30,000
Intangible assets ⁽¹⁾	635,369	2,534	-	-
Goodwill	5,483	5,483	-	-
Deferred tax assets	13,227	12,073	-	-
Total non-current assets	<u>1,083,288</u>	<u>473,400</u>	<u>345,476</u>	<u>248,944</u>
Total assets	<u>2,783,231</u>	<u>2,528,504</u>	<u>363,762</u>	<u>376,672</u>
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables	846,801	871,721	-	-
Other payables	187,681	183,860	38,684	32,821
Borrowings	401,000	438,000	-	-
Income tax payable	30,894	18,094	-	-
Total current liabilities	<u>1,466,376</u>	<u>1,511,675</u>	<u>38,684</u>	<u>32,821</u>
Non-current liabilities:				
Deferred tax liabilities	16,120	8,071	-	-
Borrowings	157,000	16,000	-	-
Total non-current liabilities	<u>173,120</u>	<u>24,071</u>	<u>-</u>	<u>-</u>
Capital and reserves :				
Share capital	53,531	53,531	53,531	53,531
Share premium	266,938	266,938	266,938	266,938
General reserve	70,508	56,466	-	-
Share option reserve	12,828	4,897	12,828	4,897
Foreign currency translation reserve	261	111	-	-
Accumulated profits	713,976	590,126	(8,219)	18,485
Equity attributable to equity holders of the Company	1,118,042	972,069	325,078	343,851
Non-controlling interest	25,693	20,689	-	-
Total equity	<u>1,143,735</u>	<u>992,758</u>	<u>325,078</u>	<u>343,851</u>
Total liabilities and equity	<u>2,783,231</u>	<u>2,528,504</u>	<u>363,762</u>	<u>376,672</u>

Note: (1) Please refer to Section 8 on page 11 for more details.

(b)(ii) Aggregate amount of group borrowings and debt securities

Amount repayable in one year or less, or on demand

(RMB'000)	As at 31 December 2016		As at 31 December 2015	
	Secured	Unsecured	Secured	Unsecured
Borrowings	40,000	361,000	90,000	348,000

Amount repayable after one year

(RMB'000)	As at 31 December 2016		As at 31 December 2015	
	Secured	Unsecured	Secured	Unsecured
Borrowings	94,000	63,000	-	16,000

Details of any collaterals:

<u>Collaterals</u>	FY2016	FY2015
	(RMB' 000)	(RMB' 000)
Bank deposit	-	50,000
Land-use rights and buildings of subsidiaries	134,000	40,000

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

STATEMENT OF CASH FLOWS FOR THE FULL YEAR ENDED 31 DECEMBER 2016

RMB'000	Full year ended	
	31 December 2016 (Unaudited)	31 December 2015 (Audited)
Operating activities		
Profit before income tax	177,672	98,687
Adjustments for:		
Depreciation expense	29,484	27,792
Interest expense	24,873	23,939
Amortisation of land use rights	1,755	1,412
Amortisation of intangible assets	981	(1,069)
Exchange differences arising on foreign currency translation	(823)	(1,782)
Loss on disposal of property, plant and equipment	214	161
Share option expense	7,931	4,897
Impairment allowance on inventories	5,596	5,307
Interest income	(1,196)	(2,246)
Impairment allowance on trade and non-trade receivables-net of reversals	5,086	14,219
Impairment allowance on property, plant and equipment	-	1,794
Operating cash flows before movements in working capital	251,573	173,111
Trade receivables	238,594	(239,937)
Other receivables and prepayments	(22,510)	(9,958)
Inventories	19,458	25,195
Trade payables	(24,920)	219,418
Other payables	3,821	(18,872)
Cash generated from operations	466,016	148,957
Income tax paid	(12,301)	(13,615)
Interest received	1,196	2,246
Interest paid	(24,873)	(23,939)
Net cash from operating activities	430,038	113,649
Investing activities		
Purchase of property, plant and equipment	(12,311)	(20,092)
Prepayment for projects	(8,535)	-
Acquisition of intangible assets	(594,465)	-
Payment for land use rights acquired	(28,260)	(14,286)
Proceeds from disposal of property, plant and equipment	67	286
Acquisition of subsidiaries	-	(56,308)
Contribution from non-controlling interest holders	1,500	-
Net cash used in investing activities	(642,004)	(90,400)
Financing activities		
Proceeds from new borrowings	677,000	449,000
Proceeds of share issuance	-	213,809
Pledged bank deposits	(4,152)	7,550
Payment of dividend	(4,282)	(1,799)
Repayment of borrowings	(573,000)	(405,994)
Net cash from financing activities	95,566	262,566
Net (decrease) increase in cash and cash equivalents	(116,400)	285,815
Cash and cash equivalents at beginning of year	397,527	110,486
Effects of foreign exchange rate changes	150	1,226
Cash and cash equivalents at end of year	281,277	397,527

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	Share capital	Share premium	General reserve	Share option reserve	Foreign currency translation reserve	Accumulated profits	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2015	31,281	75,379	51,642	-	(12)	515,254	673,544	21,998	695,542
<u>Total Comprehensive income for the year</u>									
Profit for the year	-	-	-	-	-	81,495	81,495	(1,309)	80,186
Other comprehensive income for the year	-	-	-	-	123	-	123	-	123
Total	-	-	-	-	123	81,495	81,618	(1,309)	80,309
<u>Transactions with owners recognised directly in equity</u>									
Ordinary shares issued	22,250	191,559	-	-	-	-	213,809	-	213,809
Dividends paid	-	-	-	-	-	(1,799)	(1,799)	-	(1,799)
Transfer to general reserve	-	-	4,824	-	-	(4,824)	-	-	-
Employee share option expenses	-	-	-	4,897	-	-	4,897	-	4,897
Total	22,250	191,559	4,824	4,897	-	(6,623)	216,907	-	216,907
Balance at 31 December 2015	53,531	266,938	56,466	4,897	111	590,126	972,069	20,689	992,758
<u>Total Comprehensive income for the year</u>									
Profit for the year	-	-	-	-	-	142,173	142,173	3,503	145,676
Other comprehensive income for the year	-	-	-	-	150	-	150	-	150
Total	-	-	-	-	150	142,173	142,323	3,504	145,822
<u>Transactions with owners recognised directly in equity</u>									
Dividends paid	-	-	-	-	-	(4,282)	(4,282)	-	(4,282)
Transfer to general reserve	-	-	14,042	-	-	(14,042)	-	-	-
Contribution from non-controlling interest holders	-	-	-	-	-	-	-	1,500	1,500
Employee share option expenses	-	-	-	7,931	-	-	7,931	-	7,931
Total	-	-	14,042	7,931	-	(18,324)	3,649	1,500	5,149
Balance at 31 December 2016	53,531	266,938	70,508	12,828	261	713,976	1,118,042	25,693	1,143,735

<u>Company</u>	<u>Share capital</u>	<u>Share premium</u>	<u>Share option reserve</u>	<u>Accumulated profits</u>	<u>Equity attributable to equity holders of the Company</u>	<u>Total</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'00</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Balance at 1 January 2015	31,281	75,379	-	30,948	137,608	137,608
Loss for the year, representing total comprehensive loss for the year	-	-	-	(10,664)	(10,664)	(10,664)
<u>Transactions with owners, recognized directly in equity</u>						
Ordinary shares issued	22,250	191,559	-	-	213,809	213,809
Employee share option expenses	-	-	4,897	-	4,897	4,897
Dividends paid	-	-	-	(1,799)	(1,799)	(1,799)
Total	<u>22,250</u>	<u>191,559</u>	<u>4,897</u>	<u>(1,799)</u>	<u>216,907</u>	<u>216,907</u>
Balance at 31 December 2015	<u>53,531</u>	<u>266,938</u>	<u>4,897</u>	<u>18,485</u>	<u>343,851</u>	<u>343,851</u>
Loss for the year, representing total comprehensive loss for the year	-	-	-	(22,422)	(22,422)	(22,422)
<u>Transactions with owners, recognized directly in equity</u>						
Employee share option expenses	-	-	7,931	-	7,931	7,931
Dividends paid	-	-	-	(4,282)	(4,282)	(4,282)
Total	<u>-</u>	<u>-</u>	<u>7,931</u>	<u>(4,282)</u>	<u>3,649</u>	<u>3,649</u>
Balance at 31 December 2016	<u>53,531</u>	<u>266,938</u>	<u>12,828</u>	<u>(8,219)</u>	<u>325,078</u>	<u>325,078</u>

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

On 19 May 2015, the Group had granted a total of 59,220,000 share options at an exercise price of S\$0.116. The options will vest at the end of two years from 19 May 2015 and are exercisable for eight years from the date of vesting.

There was no change in share capital during the financial year ended 31 December 2016.

There were no outstanding convertibles or treasury shares held as at 31 December 2016.

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.

The Company's total issued shares as at 31 December 2016 and 31 December 2015 was 737,657,142.

There were no shares held as treasury shares as at 31 December 2016 and 31 December 2015.

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.

Not applicable.

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

The figures have neither been reviewed nor audited.

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 adopted all the new and revised Singapore Financial Reporting Standards ("FRSs") and Interpretations of FRS ("INT FRSs") that are relevant to its operations and effective for annual periods beginning on or after January 1, 2016. The adoption of the new/revised FRSs, INT FRSs and amendments to FRSs has no material effect on the financial statements.

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.

Not applicable.

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:

(a) Based on the weighted average number of ordinary shares on issue; and

	Full year ended	
	31 December 2016	31 December 2015
Net profit attributable to equity holders of the Group (RMB'000)	142,173	81,495
Weighted average number of ordinary shares outstanding ('000)	737,657	396,679
Earnings per share – basic (RMB cent)	19.27	20.54

Basic earnings per share for the full year ended 31 December 2016 and 31 December 2015 have been calculated by dividing the net profit attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding.

(b) On a fully diluted basis (detailing any adjustments made to the earnings)

	Full year ended	
	31 December 2016	31 December 2015
Net profit attributable to equity holders of the Group (RMB'000)	142,173	81,495
Weighted average number of ordinary shares outstanding ('000)	755,735	420,524
Earnings per share – diluted (RMB cent)	18.81	19.38

Diluted earnings per share for FY2016 has been calculated assuming the share options granted have been exercised during FY2016.

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.

	<u>Group</u>		<u>Company</u>	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Net asset value per share (RMB cents)	151.57	131.78	44.07	46.61

The net asset value per share for 31 December 2016 and 31 December 2015 has been computed based on shareholders' equity as at these dates and the 737,657,142 ordinary shares as at 31 December 2016 and 31 December 2015.

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**

Review of the Group's Performance for the year ended 31 December 2016 ("FY2016") compared to that of the year ended 31 December 2015 ("FY2015")

Revenue

The Group's revenue increased by RMB 190.9 million or 13.3% from RMB1,435.3 million in FY2015 to RMB 1,626.2 million in FY2016. The increase was attributed to an increase of RMB 152.6 million from EPC Integrated Solutions segment and an increase of RMB 38.3 million from Environmental Equipment Manufacturing segment respectively.

Gross Profit

The Group's gross profit increased by RMB 88.1 million or 27.5% from RMB 320.2 million in FY2015 to RMB 408.3 million in FY2016. Gross profit margin of 25.1% for FY2016 is fairly consistent compared to 22.3% for FY2015.

Profit Before Income Tax

Profit before tax increased by RMB 79.0 million or 80.0% from RMB 98.7 million in FY2015 to RMB 177.7 million in FY2016. The increase was mainly contributed by the following factors:

- (a) Increase in the gross profit of RMB 88.1 million; and
- (b) Increase in other operating income of RMB 17.1 million in FY2016 mainly due to higher government grant received and reversal of impairment allowance on trade and non-trade receivables of RMB 21.9 million in FY2016; and

The above were offset mainly by:

- (a) Increase in administrative expenses of RMB 13.0 million in FY2016 largely due to full-year impact of employee share option expenses and personnel expenses in line with group's performance.

- (b) Increase in other operating expenses of RMB 13.6 million in FY2016 mainly due to increased impairment allowance made on trade and non-trade receivables of RMB 14.4 million.

Income Tax Expense

Lower income tax rate at 15% applied by some subsidiaries. Other subsidiaries are taxed at 25% income tax rate.

As a result, the Group's effective income tax rate is 18.0% for FY2016.

Profit for the Year

The Group's net profit attributable to shareholders increased by RMB 60.7 million or 74.5% from RMB 81.5 million in FY2015 to RMB 142.2 million in FY2016.

- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of the Group's Financial Position

The Group's total current assets decreased by RMB 355.2 million or 17.3% from RMB 2,055.1 million as at 31 December 2015 to RMB 1,699.9 million as at 31 December 2016. The decrease was mainly due to:

- (a) Decrease in cash and cash equivalents of approximately RMB 116.3 million which resulted from the usage of funds from share placement in December 2015 for BOT projects during the financial year ended 2016.
- (b) Decrease in trade receivables of RMB 243.7 million arising from improved trade receivables monitoring.

Approximately 14.7% of the trade receivables as at 31 December 2016 were collected as of 17 February 2017. Most of the trade receivables are due from customers that are state-owned enterprises, listed companies or multinational corporations. Overall, the Group's customers are creditworthy but payments remain slow due to tightening credit in China.

- (c) Decrease in inventories of RMB 25.1 million is due to impairment allowance on inventories, decrease in work in progress and finished goods of RMB 42.0 million, offset by the increase in raw materials of RMB 16.9 million.

The above decreases were partly offset by increase in other receivables and prepayments of RMB 23.3 million mainly due to advance payments for purchase of imported materials.

The Group's total non-current assets increased by RMB 609.9 million or 128.8% from RMB 473.4 million as at 31 December 2015 to RMB 1,083.3 million as at 31 December 2016. The increase was mainly due to the following:

- (a) Increase in intangible assets of RMB 632.8 million mainly due to service concession arrangements (BOT projects) in respect of which construction work had commenced in FY2016; and
- (b) Increase in land use rights of RMB 24.2 million to accommodate needs of the business and the new BOT projects.

The Group's total liabilities increased by RMB 103.8 million or 6.8% from RMB 1,535.7 million as at 31 December 2015 to RMB 1,639.5 million as at 31 December 2016. The increase was mainly due to long term bank loans borrowed for BOT projects.

Review of the Group's Cash Flow Statement

Net cash generated from operating activities amounted to approximately RMB 430.0 million in FY2016, primarily due to operating cash flows before movements in working capital of approximately RMB 255.2 million that were derived from:

- (a) Higher working capital requirements arising from increase in other receivables and a decrease in trade payables (RMB 47.4 million in aggregate);
- (b) Lower working capital requirements arising from decrease in trade receivables, inventories and increase in other payables (RMB 261.9 million in aggregate); and
- (c) Payment for interest and income tax totalling RMB 37.2 million.

Net cash used in investing activities amounted to RMB 642.0 million mainly due to expenditure on intangible assets and payment for land use rights.

Net cash generated from financing activities amounted to RMB 95.6 million mainly due to proceeds from bank loans of RMB 677.0 million which were offset by the repayment of bank loans of RMB 573.0 million.

Use of Proceeds

The net proceeds raised from the placement completed on 30 December 2015 (“Placement Proceeds”) amounted to approximately S\$46.6 million (equivalent to RMB 213.89 million) (after deducting estimated costs and expenses of approximately S\$1.4 million (equivalent to RMB 6.43 million)).

As of 1 February 2017, the Company has fully utilised RMB 213.72 million (approximately S\$46.56 million) of the Placement Proceeds as follows:

Project	Use of Placement Proceeds	Amount ⁽¹⁾
Changrun	Registered capital, purchase of land and payment to suppliers in respect of the Changrun Project.	RMB170.22 million (approximately S\$37.08 million)
Lianshui	Registered capital, including purchase of land and payment to suppliers in respect of the Lianshui Project.	RMB28.50 million (approximately S\$6.21 million)
Quanjiao	Registered capital, including purchase of land and payment to suppliers in respect of the Quanjiao Project.	RMB15.00 million (approximately S\$3.27 million)
Total Placement Proceeds utilised		RMB213.72 million (approximately S\$46.56 million)
Balance of Placement Proceeds available for use		nil

(1) Based on the exchange rate of RMB4.59:S\$1.

Each of the above utilisation of Placement Proceeds is consistent with the intended use as disclosed in the Company’s circular to shareholders dated 20 November 2015.

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

There is no variance between the actual results and the forecast, or prospect statement 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.

In FY2016, the Group achieved a 13.3% and 74.4% growth in revenue and net profit attributable to shareholders respectively. With the economic reform and restructuring, China's economy grew by 6.7% in 2016 marking the slowest growth for the past 25 years. China's economic development has entered into a "New Normal" phase of slower growth.

Coping with the severe air pollution and smog hazard in China, the Chinese government is relentlessly implementing a series of environmental protection policies. Following the implementation of the new Environmental Protection Law of the PRC in December 2016, the Environmental Protection Law will have far-reaching impact on the environmental protection industry. In the future, the Chinese government will accelerate its effort in haze treatment, improve the enforcement of environmental protection policies and achieve sustainability of the development of a green economy. Looking ahead, there will be opportunities and good potential to boost the Group's business.

Supported by rich experiences in the environmental protection industry, the Group has successfully repositioned itself as an environmental protection service provider and will actively tap into the huge potential in the China environmental protection industry. Recently, the Group has successfully secured two major projects to build cogeneration facilities in Shantou and centralised heat transfer oil facilities in Liutuan. In the future, the Group will exert continuous efforts to increase its market penetration and increase investments in centralised steam/electricity and clean energy area in order to achieve stable EPC income and long-term recurring income from the BOT/BOO/TOT projects, which will enhance the quality of the Group's earnings and shareholders' value.

On 14 December 2016, the Company entered into a proposed subscription by CDH Investment for convertible bond of an aggregate principal amount of US\$110 million to fund the green investment related business, including BOT/BOO/TOT projects. CDH Investment is one of the largest and most experienced China-focused private equity and alternative asset management firms. With CDH Investment as a strategic value-added investor, it will not only inject capital but also provide institutional support for the Company's long term growth. The proposed subscription will be seeking shareholders' approval in the coming Special General Meeting.

The total orders on hand amounted to approximately RMB 1.10 billion as at 31 December 2016. Barring any unforeseen circumstances, the Directors expect the Group to remain profitable for FY2017.

11. If a decision regarding dividend has been made:

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

A first and final ordinary dividend has been recommended.

**(b) (i) Amount per share in cents
(ii) Previous corresponding period in cents**

	<u>FY2016</u>	<u>FY2015</u>
Dividend Amount Per Share:	S\$ 0.0012 per ordinary share	S\$ 0.0012 per ordinary share
Par Value:	US\$ 0.01	US\$ 0.01
Dividend Type:	Cash	Cash

(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).

The dividend is tax exempt and is not taxable in the hands of shareholders.

(d) The date the dividend is payable.

To be announced later.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

To be announced later.

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

Not applicable.

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

The Company does not have an Interested Person Transaction mandate.

14. Negative confirmation pursuant to Rule 705(5). (Not Required for announcement on full year results).

Not applicable.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company has obtained undertakings from all directors and executive officers.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

	Environmental Equipment Manufacturing	EPC Integrated Solutions	Green Investments	Total
	RMB'000	RMB'000	RMB'000	RMB'000
2016				
Revenue	1,030,002	596,166	-	1,626,168
Result:				
Segment result	138,425	94,824	(5,023)	228,226
Unallocated corporate expenses				(26,877)
Interest income	798	291	107	1,196
Finance cost	(20,803)	(4,069)	-	(24,873)
Profit before income tax				177,672
Income tax expense				(31,996)
Profit after income tax				145,676
2015				
Revenue	991,724	443,614	-	1,435,338
Result:				
Segment result	100,749	34,130	-	134,879
Unallocated corporate expenses				(14,499)
Interest income	1,628	618	-	2,246
Finance cost	(19,059)	(4,880)	-	(23,939)
Profit before income tax				98,687
Income tax expense				(18,501)
Profit after income tax				80,186

	Environmental Equipment Manufacturing	EPC Integrated Solutions	Green Investments	Total
<u>2016</u>	RMB'000	RMB'000	RMB'000	RMB'000
Statement of Net Assets				
Assets:				
Segment assets	1,547,456	462,270	768,166	2,777,892
Unallocated assets				5,339
Total assets				<u>2,783,231</u>
Liabilities:				
Segment liabilities	832,827	412,866	369,540	1,615,233
Unallocated liabilities				24,262
Total liabilities				<u>1,639,495</u>

2015

Statement of Net Assets

Assets:				
Segment assets	1,639,153	578,606	187,292	2,405,051
Unallocated assets				123,453
Total assets				<u>2,528,504</u>
Liabilities:				
Segment liabilities	886,222	474,710	158,280	1,519,212
Unallocated liabilities				16,534
Total liabilities				<u>1,535,746</u>

Other Information

	Environmental Equipment Manufacturing	EPC Integrated Solutions	Green Investments	Total
<u>2016</u>	RMB'000	RMB'000	RMB'000	RMB'000
Capital expenditure				
- Property, plant and equipment	7,940	2,858	483	11,281
- Intangible assets	-	-	594,465	594,465
- Land use rights	16,330	-	13,670	30,000
Depreciation expenses	28,510	974	-	29,484
Impairment allowance on				
- trade and non-trade receivables-net	7,804	75	-	7,879
- inventories	5,596	-	-	5,596
- Property, plant and equipment	-	-	-	-
Amortisation of intangible assets	-	981	-	981
Amortisation of land use rights	1,256	499	1,740	3,495
<u>2015</u>				
Capital expenditure				
- Property, plant and equipment	17,084	3,008	-	20,092
- Land use rights	14,286	-	-	14,286
Depreciation expenses	29,864	693	-	30,557
Impairment allowance on				
- trade and non-trade receivables-net	11,660	2,559	-	14,219
- inventory	65	5,242	-	5,307
- property, plant and equipment	1,794	-	-	1,794
Amortisation of intangible assets	-	2,428	-	2,428
Amortisation of land use rights	1,392	20	-	1,412

Geographical information

The geographical locations of the customers of the Group principally comprise the People's Republic of China ("PRC"), United States of America ("USA"), Europe, Middle East, Asia (except PRC), South East Asia and South America.

	Revenue from External customer		Non-current assets	
	2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000
PRC	1,448,371	1,265,272	1,083,288	473,400
Canada	-	18,300	-	-
U.S.A.	9,007	27,416	-	-
Asia	9,540	-	-	-
South East Asia	78,969	52,191	-	-
Middle East	55,146	65,767	-	-
Europe	14,881	1,493	-	-
South America	6,278	4,899	-	-
Oceania	3,976	-	-	-
Total	1,626,168	1,435,338	1,083,288	473,400

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

Please refer to Paragraph 8.

18. A breakdown of sales

	Group		% change
	2016 RMB'000	2015 RMB'000	Total
16(a) Sales reported for first half year	683,517	568,376	20.3
16(b) Operating profit/loss after tax before deducting non-controlling interest reported for first half year	60,373	24,816	143.3
16(c) Sales reported for second half year	942,651	866,962	8.7
16(d) Operating profit/loss after tax before deducting non-controlling interest reported for second half year	85,303	55,370	54.1

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

	FY2016		FY2015	
	S\$	RMB	S\$	RMB
Final tax-exempt dividend paid per share	0.0012	0.006	0.0012	0.0054
Number of shares	737,657,142	737,657,142	737,657,142	737,657,142
Total	885,189	4,425,943	885,189	3,983,349

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

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company wishes to advise that none of the persons occupying managerial positions in the Company or any of its principal subsidiaries are related to a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Guo Hong Xin
Executive Chairman

28 February 2017