
**SIIC Environment generates 15.0% increase in net profit
attributable to shareholders to RMB150.1 million for FY2013**

- Revenue increased 51.0% year-on-year to RMB1.2 billion on higher sales in the construction and recurring water treatment & water supply business segments
- Revenue from recurring water treatment and water supply business segment grew 27.9% to RMB681.3 million
- Allocation of part of the net proceeds from the recent shares placement in line with Group's active expansion via its two-pronged strategy of organic growth & M&As

SINGAPORE, 19 February 2014 – SGX Mainboard-listed water treatment and environmental protection company SIIC Environment Holdings Ltd. ("**SIIC Environment**", the "**Company**", and together with its subsidiaries or collectively as the "**Group**"), today announced a 15.0% year-on-year (yoy) increase in net profit attributable to shareholders to RMB150.1 million for its twelve months ended 31 December 2013 ("**FY2013**").

"We've concluded FY2013 on a positive note, posting significant growth in our revenue. We are seeing increase in our recurring income streams and expect to enlarge these streams as we diversify further into other areas of China's environmental sector. Our firm business model, coupled with continued support from our key shareholders, has enabled us to deliver higher earnings for the year. We have over the year reinforced our portfolio of water assets and reaffirmed our status as one of the fastest-growing water player listed in Singapore."

Mr. Zhou Jun, Executive Chairman of SIIC Environment

Financial Highlights

| RMB Million | 4Q2013 | 4Q2012 | Change (%) | FY2013 | FY2012 | Change (%) |
|--|--------|--------|------------|---------|--------|------------|
| Revenue | 436.6 | 281.8 | 54.9 | 1,214.5 | 804.5 | 51.0 |
| Gross Profit | 104.0 | 57.9 | 79.8 | 361.5 | 277.4 | 30.3 |
| Gross Profit Margin (%) | 23.8 | 20.5 | 3.3pp | 29.8 | 34.5 | (4.7)pp |
| Net Profit | 45.2 | 71.6 | (36.8) | 214.6 | 177.2 | 21.1 |
| Net Profit Margin (%) | 10.4 | 25.4 | (15.0)pp | 17.7 | 22.0 | (4.3)pp |
| Net Profit Attributable to Shareholders | 31.3 | 57.2 | (45.3) | 150.1 | 130.5 | 15.0 |
| Diluted EPS* (RMB cents) | 0.53 | 1.13 | (53.1) | 2.70 | 2.58 | 4.7 |

Note:

Pp: Percentage points

*Calculated based on the weighted average number of 5,851,954,000 shares, 5,060,563,000 shares, 5,554,745,000 shares and 5,051,370,000 shares for 4Q2013, 4Q2012, FY2013, FY2012 respectively.

The higher net profit attributable to shareholders for FY2013 was mainly attributable to the contribution from the Nanfang water assets, which was acquired in 3Q2012 and higher construction gross profit recognised in FY2013.

Revenue for FY2013 jumped 51.0% yoy to RMB1.2 billion on 136.1% increase in sales from construction business segment to RMB485.7 million and 27.9% higher sales from the recurring water treatment and water supply business segment to RMB681.3 million.

Gross profit for FY2013 increased 30.3% to RMB361.5 million mainly due to full year contribution from the Nanfang water assets and higher level of completion and margin achieved by certain projects during the year.

Finance income increased 56.3% to RMB194.4 million for FY2013 primarily due to contribution from the Nanfang Group in relation to financial income from service concession arrangements.

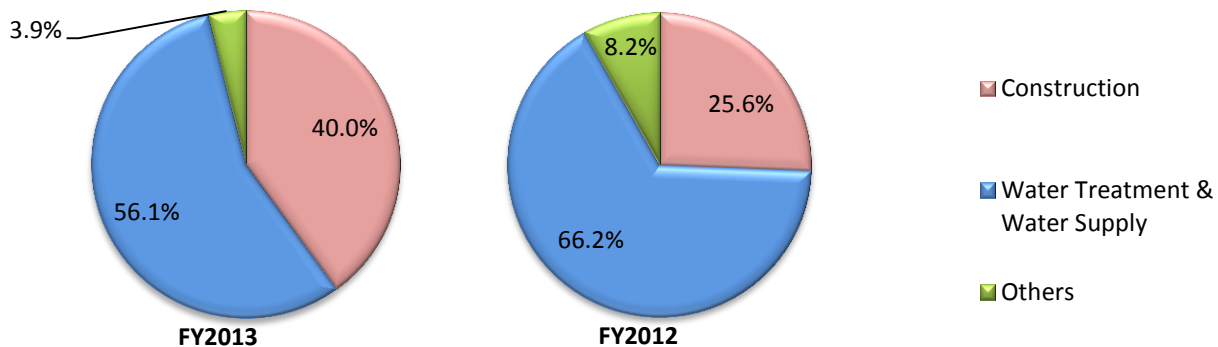
Finance expenses went up 22.2% to RMB125.7 million largely due to contribution from the Nanfang Group and higher bank and other borrowings drawn down in FY2013.

Income tax expenses increased 168.6% to RMB74.2 million mainly due to higher taxable profits, withholding taxes and lower write-back for over-provisioning of tax of prior years.



Consequent to higher earnings, the Group saw an 4.7% improvement in its diluted earnings per share (“EPS”) from RMB2.58 cents for FY2012 to RMB2.70 cents for FY2013.

Revenue Mix by Business Segments



Outlook

Mr. Zhou shared, “As we move towards a new chapter of development in China’s environmental protection sector, we shall step up our efforts in strengthening our asset base via organic growth such as subsequent expansion and upgrading works of existing projects and viable M&As. To further diversify our recurring income streams, we’re also exploring other areas of environmental protection such as thermal power generation and air purification.”

Part of the Group’s S\$260.2 million net proceeds from the 3.1 billion shares placement has been utilised. Of which, S\$109.5 million was used as payment for the purchase consideration of 50.0% equity interest in Shanghai Pucheng Thermal Power Energy Co., Ltd., S\$5.8 million as additional capital injection in Dalian Xinya Hengji Environmental Co., Ltd. and S\$17.4 million to partially fund the purchase consideration of 100.0% equity interest in Dazhou Jiajing Environment Renewable Resource Co., Ltd..

On November 2013, the Group has been awarded to undertake the expansion and upgrading of Hanxi Waste Water Treatment Plant and upon completion, the daily design capacity of this plant will increase from 400,000 tons/day to 600,000 tons/day.

As the Group rides on the favorable industry dynamics present in China’s environmental protection industry, it hopes to play a pivotal role in the development of this sector through its investment and consolidation of environmental protection assets.

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About SIIC Environment Holdings Ltd.

Listed on the SGX-ST Catalist in 2005 and subsequently transferred to the SGX-ST Mainboard in 2012, SIIC Environment Holdings Ltd., a top-tier integrated player in the China's environmental investment industry, is committed to enlarging its market share in the water and environmental protection sector. In 2010, Shanghai Industrial Holdings Limited ("SIHL") invested, restructured and gained control of the Group.

SIIC Environment has been operating in China's environmental protection sector for more than a decade. Currently, the Group boasts a portfolio of more than 40 water treatment projects and 3 waste incineration projects across Shanghai City and the other 13 provinces, namely Hubei, Shandong, Hunan, Zhejiang, Shanxi, Henan, Liaoning, Jiangsu, Yunan, Fujian, Guangdong, Guangxi and Sichuan.

Leveraging on the scalability of its technologies, SIIC Environment has expanded its competencies to include related sectors in the water and environmental protection industries such as industrial wastewater treatment, seawater desalination, waste-to-power and new energy resources thereby strengthening its position in China's environmental investment industry. For more information, please visit us at www.siicenv.com

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