

SIIC Environment's Net Profit Attributable to Shareholders up 30.8% to RMB89.45 million for 1QFY2016

- Revenue up 50.6% to RMB563.0 million for 1QFY2016 due to improvement in contribution across all business categories
- Two-pronged strategy of active M&A and organic growth expected to contribute positively to the Group's performance

SINGAPORE, 27 April 2016 – 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**"), recorded a 30.8% year-on-year ("**yoy**") increase in its net profit attributable to shareholders to RMB89.45 million for its first quarter ended 31 March 2016 ("**1QFY2016**").

Financial Highlights

RMB Million	1QFY2016	1QFY2015	Change (%)
Revenue	563.0	374.0	50.6
Gross Profit	176.6	151.6	16.5
Net Profit	106.2	84.2	26.1
Net Profit Attributable to Shareholders	89.5	68.4	30.8
Basic and diluted Earnings Per Ordinary Share * (RMB cents)	3.96	3.52	12.5

Note:

pp: Percentage points

* Calculated based on the weighted average number of 2,256,589,000 shares and 1,944,589,000 shares for 1QFY2016 and 1QFY2015 respectively.

The Group's revenue increased 50.6% yoy to RMB563.0 million in 1QFY2016 mainly due to higher revenue across all categories – rising amounts of construction activities in progress,

higher water treatment and supply sales volume and positive contribution by newly acquired entities. Service income also went up due to a newly acquired entity in 2QFY2015.

The Group's gross profit increased by RMB25.0 million or 16.5% from RMB151.6 million in 1QFY2015 to RMB176.6 million in 1QFY2016. The increase was mainly due to contribution from newly acquired entities, buoyed by the Group's M&A efforts.

Outlook

In January 2016, the Group signed a supplementary agreement for Qingpu's Second Wastewater Treatment Project (the "**Qingpu Project**") to increase via a tariff hike of RMB0.06/m³. The price adjustment serves to subsidise for the cost increase due to the value added tax (VAT) levy. Under the new VAT policy by the China State Taxation Bureau, the VAT rebate of wastewater and sewage treatment fee will be set at 70%, effective from 1 July 2015. Previously, wastewater and sewage treatment companies were fully exempted to pay VAT on treatment fees.

In February 2016, the Group completed the assets transfer of Yiyang City Water Company, following the contract signed with the Authority of Yiyang City Housing Bureau, Hunan Province in November 2015. The Yiyang City Tap Water Company undertakes a 28-year Water Supply Concessionary Project (the "**Yiyang Project**") in Yiyang City, with a total design capacity of 320,000 tons/day.

In April 2016, the Group announced that its 92.15% owned subsidiary company, Fudan Water Engineering and Technology Co., Ltd. entered into a concession agreement for a concessionary period of 25 years with Suizhou City Housing and Urban Development Committee for the Suizhou City Cheng Nan Wastewater Treatment PPP Project (the "**Suizhou Project**"). The total design capital of Suizhou Project is 50,000 tons/day.

The Group is also focused on entering new sectors – according to China's "Action Plan for Water Pollution Prevention", sludge treatment ratio of prefecture and higher level cities should reach 90% by end 2020, and the Group has obtained around 80 water treatment projects and, going forward, is well-positioned to embark on add new sludge treatment projects. A 435 tons/day sludge treatment project is under construction in Wuhan Hanxi Wastewater Treatment Plant, and is targeted to commence commercial operation at the end of this year.

"With the Chinese government's continued commitment to conservation and increasing investments in water projects, these are exciting times for the water and environment industry. Leveraging our strong company fundamentals and strategically-located projects, we

will continue to seek suitable M&A opportunities in the sector while growing the business organically. We are confident that we are well-equipped to embrace the favourable industry dynamics and take the business to the next level.”

Mr. Zhou Jun

Executive Chairman of SIIC Environment

—END—

About SIIC Environment Holdings Ltd.

SIIC Environment Holdings Ltd. (“SIIC Environment” or the “Group”, stock code: BHK.SG) is a top-tier integrated player in China’s environmental industry. The Group is engaged in water treatment, solid waste treatment and other environment-related businesses. The Group is previously known as Asia Water Technology Ltd (“Asia Water”) which was listed on the SGX-ST Catalist in 2005. In 2010 Shanghai Industrial Holdings Ltd. (“SIHL”, stock code: 363.HK) acquired a controlling stake and completed debt restructure in Asia Water. The Group was renamed SIIC Environment Holdings Ltd and transferred to the SGX-ST Mainboard in 2012. Since the restructuring, the Group has shown tremendous growth and continues to increase its market share in China’s water and environmental protection sector.

SIIC Environment is an active investor and operator of environment-related assets and has been operating in China’s water sector for over a decade. At present, the Group’s portfolio boasts over 80 water treatment and supply projects and 3 waste incineration projects across 15 municipalities and provinces, namely Shandong, Guangdong, Hubei, Hunan, Jiangsu, Shanghai, Zhejiang, Fujian, Guangxi, Ningxia, Henan, Liaoning, Shanxi, Sichuan and Heilongjiang.

By leveraging on its business strategy and structure scalability and its technique extensiveness, SIIC Environment seeks to expand its competencies to include related sectors in the water and environmental protection industries such as industrial wastewater treatment, seawater desalination, sludge treatment and handling, soil treatment and new energy resources, thereby strengthening its top-tier position in China’s environmental investment industry.

For more information, please visit us at www.siicenv.com.



SIIC Environment Holdings Ltd.

Registration No. 200210042R

One Temasek Avenue #37-02

Singapore 039192

Tel: +65 6538 2598

Fax: +65 6538 2896

www.siicenv.com

For investor relations matter and/or media enquiry, please contact:

Ms. Rachel Cai

Head of Investor Relations

SIIC Environment Holdings Ltd.

Email: caihuijing@siicenv.com

Mr. Aaron Ng

Investor Relations Executive

Hill+Knowlton Strategies

Email: siicenvironment@hkstrategies.com

DID: (65) 6390 3335