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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)

**SIIC Environment reports a 12.2% rise to RMB5.96 billion in revenue, net profit attributable to shareholders up 11.1% YOY to RMB600.3 million in FY2019**

- Revenue increased 12.2% year-over-year(YOY) to RMB5.96 billion due to the increase of service concession arrangements in FY2019.
- The Group's net profit attributable to shareholders amounted to RMB600.3 million, an increase of 11.1% YOY
- The Group's cash from operating activities before service concession arrangement projects reach RMB 2.12 billion, with total cash and cash equivalents of RMB 2.37 billion
- The increase was mainly due to 11% YOY rise in sewage treatment volume and 10% YOY rise in water supply volume, respectively, and an increase in average wastewater treatment price of 15%
- 13 new wins of water projects, amounting to a design capacity of 720,000 tonnes/day
- 2 new wins waste incineration projects, amounting to a design capacity of 5,000 tonnes/day

**Financial Highlights**

RMB thousand	2019FY	2018FY	Change (%)
Revenue	5,959,521	5,313,344	12.2
Gross Profit	1,933,449	1,584,599	22.0
Net Profit	754,393	684,253	10.3

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<b>Net Profit Attributable to Shareholders</b>	600,251	540,237	11.1
<b>Cash and Cash Equivalents</b>	2,374,770	2,133,225	11.3
<b>Diluted Earnings Per Ordinary Share (RMB cents)</b>	23.04	20.73	11.1
<b>Net Asset Value Per Ordinary Share (RMB cents)</b>	320.63	300.96	6.5

SINGAPORE & HONG KONG, 26 February 2020 - **SIIC Environment Holdings Ltd.** ("**SIIC Environment**" or the "**Company**", together with its subsidiaries, collectively referred to as the "**Group**"), a leading water treatment and environmental protection company, today announced its annual results for the twelve months ended 31 December 2019 ("**FY2019**").

During FY2019, SIIC Environment achieved an increase in operating and maintenance income and financial income from service concession arrangement, higher service income which led to revenue rising by 12.2% to RMB5.96 billion. Gross profit rose 22% YOY increase to RMB 1.93 billion from RMB1.58 billion in FY2018, mainly due to an increase in operating income. Net profit attributable to shareholders amounted to RMB600.3 million, up 11.1% YOY.

As at 31 December 2019, the Group's cash and cash equivalents stood at RMB2,374.8 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 (construction of project facilities), net cash generated from operating activities was RMB2,118.6 million.

The board has recommended a final dividend of SGD \$0.01 per ordinary share, and will seek approval from the company's shareholders during the annual general meeting.

## **Outlook**

**SIIC Environment** has observed PRC's national development guideline of "Lucid Waters and Lush Mountains Are Invaluable Assets" (綠水青山就是金山銀山), and adhered to the principles of the "13th Five-Year Plan", by co-operating with the nation in tackling water pollution, while actively capitalising on favourable policies and industry tailwinds.

While continuing to develop new water projects, the Group has also focused on completing orders for upgrading water projects awarded by local governments to meet higher emission standards and witnesses higher water tariffs. In 2019, the Group won 8 new concessionary and O&M projects, as well as 5 wastewater treatment plant expansion and upgrading

projects located in Shandong, Jilin, Zhejiang, Shanghai, Guangdong, Henan, Heilongjiang, Anhui and Jiangxi Provinces, amounting to a total design capacity of 720,000 tonnes/day. In addition, 14 wastewater treatment projects with a total design capacity of 507,500 tonnes/day and 11 expansion and upgrading projects with a total design capacity of 1,060,000 tonnes/day have commenced commercial operation. During the review year, the Group's average water supply fee moved from RMB 2.61 to RMB 2.58 which remains at the same level. And the Group's average sewage treatment fee climbed from RMB 1.11/ton to RMB 1.28/ton, a YOY increase of 15%.

The Group has continued to optimise its development strategy and expanded its business landscape for solid waste treatment, added 2 waste incineration projects with a total design capacity of 5,000 tonnes/day. The Group, together with Baowu Environment and Canvest Environment (the "Parties"), signed a strategic cooperation framework agreement. The Parties will utilise their respective strengths and resources to collaborate on efforts pertaining to environmental technologies, and ensure that the Shanghai Baoshan Renewable Energy Utilization Center Project, which is currently under construction, will follow international environmental standards and serve as a national benchmark. Furthermore, the Parties plan to actively explore opportunities arising from the transformation of steel industrial parks in cities such as Nanjing, Wuhan, Ma'anshan, and Chongqing, establish more high-standard and modern environmental projects, and make contributions to ecological protection and development in the Yangtze River Economic Belt. The Parties will leverage the resources of shareholders to vigorously strengthen research and development of technologies, enter the field of high-end manufacturing of environmental protection equipment in a timely manner, extend value chain, respond to the Belt and Road Initiative, and actively expand into overseas markets.

**Mr. Xu Xiaobing, CEO**, said, "During the past year, we actively explored new development ideas, and we not only promoted the upgrading of existing sewage treatment projects, but also promoted solid waste treatment and other environment-related projects resulting in a steady growth. It is worth noting that at the start of the new year, the Group has performed stably and has been able to manage costs despite the outbreak of the novel coronavirus. As for the municipal utilities sector, some local governments have introduced preferential fiscal and tax policies for epidemic prevention and control. We will duly monitor the circumstance and assess the impact of the outbreak on our business in the immediate future. Looking ahead, we will continue to closely observe PRC's national strategy and work closely with local governments to provide state-of-art environmental services while concurrently develop water and solid waste treatment businesses. As we look to seize more projects, we will also stick to upgrading our emission standards to achieve a steady increase in scale and revenue, and deliver better returns to our shareholders."

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## **About SIIC Environment Holdings Ltd.**

SIIC Environment Holdings Ltd. ("SIIC Environment", stock code: BHK.SG, 807.HK) is a top-tier integrated player in China's water and environmental markets. It is engaged in waste water treatment, water supply, sludge treatment, solid waste incineration and other environment related businesses. Headquartered in Singapore and listed on the Mainboard of SGX-ST, the Company successfully launched on the Mainboard of HKEX in 2018. The controlling shareholder SIIC Environment, Shanghai Industrial Holdings Limited ("SIHL", HKEX stock code:363.HK), was established in 1996, with infrastructure, real estate and consumer products as the core businesses. The important strategic investor of the Company, China Energy Conservation and Environmental Protection Group ("CECEP"), is a state-owned enterprise mainly engaged in energy conservation and environmental protection, which was reorganized and established in 2010 with the approval of PRC's state council. SIIC Environment has shown tremendous growth and continued to increase its market share in China's environmental sector.

SIIC Environment is an active investor and operator in the environmental protection industry, with an operating history of more than 15 years in China. Currently, it boasts an overall portfolio of about 200 water treatment and supply projects, 8 waste incineration projects and 10 sludge disposal projects across 19 municipalities and provinces in China, namely Shandong, Guangdong, Hubei, Hunan, Jiangsu, Shanghai, Zhejiang, Jiangxi, Anhui, Fujian, Guangxi, Ningxia, Henan, Liaoning, Inner Mongolia, Shanxi, Sichuan, Jilin and Heilongjiang.

Leveraging on the Group's distinctive strategic positioning and business model, SIIC Environment will continue to expand its business in water and solid waste treatment and explore opportunities in other environmental-related markets such as industrial wastewater treatment, seawater desalination, sludge treatment and disposal, soil remediation, renewable energy, water treatment technology and pollution prevention. The group is committed to expanding its market share, increasing its scale and efficiency, and consolidating its leading position in China's water and environmental protection industry.

For more information, please visit: [www.siicenv.com](http://www.siicenv.com)

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By Order of the Board  
**SIIC Environment Holdings Ltd.**  
**Mr. Xu Xiaobing**  
*Executive Director*

Hong Kong and Singapore, 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. Xu Xiaobing, Mr. Xu Zhan, Mr. Huang Hanguang and Mr. Zhao Youmin; and the independent non-executive Directors are Mr. Yeo Guat Kwang, Mr. An Hongjun and Mr. Zhong Ming.*

*\* For identification purpose only*