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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's 9MFY2019 Revenue up 14.5% to RMB4.5 billion and Net Profit Attributable to Shareholders Increased by 21.7% to RMB450.2 million

- The aggregate of operating and maintenance income and financial income from service concession arrangements amounted to RMB2.4 billion in 9MFY2019, a 25.2% YOY increase
- Gross profit increased 22% to RMB1.4 billion in 9MFY2019, mainly due to higher revenue from operation category
- The Group's total cash and cash equivalents stood at a well-grounded RMB2.1 billion as at 30 September 2019 and its net cash generated from operating activities amounted to RMB1.5 billion in 9MF2019

#### Financial Highlights

RMB (million)	9MFY2019	9MFY2018	Change (%)
Revenue	4,493.0	3,924.9	14.5
Gross Profit	1,439.7	1,180.2	22.0
Net Profit	565.0	473.0	19.4
Net Profit Attributable to Shareholders	450.2	369.9	21.7
Diluted Earnings per ordinary share* (RMB cents)	17.27	14.19	3.08 pp

Note:

\*pp: percentage points. Calculated based on weighted average number of shares of 2,606,533,000 in 9MFY2019 and 2,606,589,000 in 9MFY2018.

**SINGAPORE & HONG KONG, 6 November 2019** - SIIC Environment Holdings Ltd. (“**SIIC Environment**” or the “**Company**”, together with its subsidiaries as the “**Group**”), a water treatment and environmental protection company listed on the Mainboard of the Singapore Exchange Securities Trading Limited and the Mainboard of The Stock Exchange of Hong Kong Limited, today announced net profit attributable to shareholders recorded to RMB450.2 million, a 21.7% YOY increase for the nine months ended 30 September 2019 (“9MFY2019”).

The Group’s revenue grew 14.5% to RMB4.5 billion in 9MFY2019 supported by higher contribution of operating and maintenance income/financial income from service concession arrangements. The aggregate of operating and maintenance income and financial income from service concession arrangements amounted to RMB2.4 billion in 9MFY2019 due mainly to higher water treatment and supply sales volume. Notably, gross profit increased 22% from RMB1.2 billion in 9MFY2018 to RMB1.4 billion in 9MFY2019, mainly due to higher revenue from operation category.

As at 30 September 2019 the Group’s total cash and cash equivalents stood at a well-grounded RMB2.1 billion. In 9MFY2019, net cash of RMB228.7 million was used in the Group’s operating activities, mainly towards the Group’s investments in projects with service concession arrangements. Excluding cash investment used in these projects, net cash generated from operating activities was RMB1.5 billion.

## **Outlook**

**Mr Xu Xiaobing, Chief Executive Office**, said: “On behalf of the Group, I am pleased to present another set of healthy financial figures in 2019, which solidifies the Group’s top-tier position in China’s water and environmental industry. During the quarter, 5 wastewater treatment plant (“WWTP”) projects commenced commercial operation in Henan and Hubei provinces with total designed capacity of 675,000 tonnes per day. 2 WWTP projects with a total designed capacity of 130,000 tonnes per day signed water tariff adjustment agreements in Liaoning and Zhejiang provinces. In addition, the Group won a bid on WWTP project in Jilin province with a total designed capacity of 15,000 tonnes per day. We keep focusing on water and WTE concessionary projects backed by stable and guaranteed cash payment. The Group maintains a strong balance sheet and efficient capital structure to seize quality business opportunities.

The Chinese government has announced multiple measures to strengthen the effectiveness and enhance the impact of water and land conservation activities. Implemented in a number of provinces since April 2019, “Three-year Action Plan for Improving Quality and Increasing Efficiency of Municipal Wastewater Treatment (2019-2021)”, aims to improve municipal

wastewater collection and treatment efficiency by polishing water tariff policies and promoting other relative policies. “The Action Plan for Water Pollution Prevention and Control” issued by the State Council is another principal policy also emphasized the importance of modifying existing wastewater treatment facilities and promoted further potential business opportunities in upgrading facilities.

Developing municipal solid waste treatment is a main priority of environmental protection in China lately. With a decreasing availability of spare lands, waste incineration tends to gradually take the place of landfill, a traditional way of treating MSW. The capacity of waste-to-energy projects throughout the country is projected to reach approximately 600 thousand tonnes per day by 2020, according to “13th Five-Year Plan on the Construction of Urban Domestic Waste Treatment and Disposal Facilities”. The above-mentioned governmental policies and promotions are favourable for the Group's development in solid waste management and WTE business.

SIIC Yangtze Delta Environmental Resources (Hong Kong) Limited, an indirect 70%-owned subsidiary of the Company together with BAOWU Group Environmental Resources Technology Co., Ltd. has incorporated a joint venture company (“JV Co”), Shanghai SIIC Baojin’gang Environmental Resources Technology Co., Ltd. on 27 September 2019 with a registered capital of RMB1.1 billion. The JV Co will be principally engaged in construction, maintenance and management of waste incineration power generation projects and serves the needs from urban industrial zones in functional transition and escalation in Shanghai.

As we move into the final quarter of 2019, the Group remains focused and aligned with key objectives and policies of the government and will continue to strategically invest in the upgrading and expansion of our portfolio including wastewater treatment and WTE business to further increase its market shares in China’s environmental protection industry.”

For investor relations inquiries, please contact [ir@siicenv.com](mailto:ir@siicenv.com).

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

Hong Kong, 6 November 2019

*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*