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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 FY2022 Revenue Increases by 14.3% YOY to RMB8.304 Billion

Net Profit Attributable to Shareholders up 10.5% YOY to RMB780 Million

- *FY2022 revenue amounted to RMB8.304 billion, a 14.3% year-on-year (YOY) increase*
- *Net profit attributable to shareholders was RMB780 million, a 10.5% YOY increase*
- *Operating and maintenance income and financial income from service concession arrangements amounted to RMB4.704 billion, a growth of 9.7% YOY, mainly due to an increase in wastewater treatment and water supply volumes, as well as the higher average wastewater treatment tariffs.*
- *Construction revenue rose by 19.4% YOY to RMB2.969 billion, mainly due to the commencement of the commissioning phase of the Shanghai Baoshan Renewable Energy Utilization Center, which contributed higher construction revenue during the Reporting Period.*
- *In terms of projects, the Group won 13 new projects, including water treatment projects with a total designed capacity of 367,200 tonnes per day. In addition, 7 wastewater treatment projects, with a total designed capacity of 880,000 tonnes per day, were awarded upgrades, expansions, tariff increases and extended operation and management (O&M) service periods.*
- *12 water treatment projects, with a total designed capacity of 1.13 million tonnes per day, were put into commercial operations*
- *As of the end of FY2022, the Group had nearly 250 wastewater treatment and water supply projects, with a total capacity of 13.04 million tonnes per day*

Financial Highlights

RMB' million	FY2022	FY2021	Change (%)	4QFY2022	4QFY2021	Change (%)
Revenue	8,304	7,267	14.3	2,516	2,196	14.6
Gross Profit	2,633	2,404	9.5	701	631	11.2
Net profit	1,122	1,069	4.9	278	271	2.6
Net profit attributable to shareholders	780	706	10.5	209	192	8.7
Earnings per share (EPS) (RMB cents)	30.29	27.35	10.7	8.12	7.47	8.7

Singapore and Hong Kong, 24 February 2023 – 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 unaudited results for the twelve months ended 31 December 2022 ("FY2022" or the "Reporting Period"). The Group's total revenue increased by 14.3% to RMB8.304 billion, and net profit attributable to shareholders rose by 10.5% to RMB780 million.

In FY2022, the Group's income from service concession arrangements – O&M income and financial income – climbed by 9.7% to RMB 4.704 billion, which was mainly attributable to the increase in wastewater treatment and water supply volumes and average treatment tariff. Construction revenue rose by 19.4% YOY to RMB2.969 billion, primarily due to the increase in construction revenue during the Reporting Period compared with the same period last year as the Group's major solid waste project, Shanghai Baoshan Renewable Energy Utilization Center ("**Baoshan Project**"), commenced commissioning phase in September 2022. The Group's gross profit for the year increased by 9.5% YOY to RMB2.633 billion.

The Group's finance expenses in FY2022 were RMB715 million. This amount was higher than the same period last year, chiefly due to additional bank loans used for the construction of new projects and various upgrades. While interest rate hiked in some markets outside Mainland China also increased the finance costs of floating rate loans, the impact on overall finance cost was slight. As at 31 December 2022, the Group's cash and cash equivalents

remained at a healthy level of RMB2.51 billion for the year.

The Board has recommended a final dividend of SGD\$0.01 per ordinary share and will seek approval from the Company's shareholders at the annual general meeting.

Business Review

Although the environmental protection industry was hit hard by the pandemic and economic downturn in 2022, the Government of the People's Republic of China ("**PRC**" or "**the country**") made the development of the environmental protection industry a national priority. The Group's new projects under planning are progressing well, benefiting from the favorable policies introduced by the country and the efforts of local governments to commence construction and bidding on new wastewater and water supply projects. A total of 13 new wastewater treatment and water supply projects with a total designed capacity of 367,200 tonnes per day were awarded during the year. Moreover, 7 existing wastewater treatment projects with a total designed capacity of 880,000 tonnes per day were awarded upgrades, expansion or extension of the operation and maintenance ("O&M") period. The Group also signed a tariff increase agreement for a sludge treatment project with a designed capacity of 200 tonnes per day. In addition, 12 of the Group's projects commenced commercial operations, of which 1 reclaimed water treatment project, with a total designed capacity of 40,000 tonnes per day, was completed and started commercial operations, and 11 upgrade and expansion projects, with a total designed capacity of 1,090,000 tonnes per day, was completed and began commercial operations. As of the end of FY2022, the Group boasted an overall portfolio of nearly 250 wastewater treatment and water supply projects, with a total production capacity of 13,040,000 tonnes per day.

In FY2022, the Group's wastewater treatment volume increased by 1.5% YOY to 2,470,000,000 tonnes, while water supply volume rose by 3.1% YOY to 317,000,000 tonnes. In terms of treatment tariffs, the average wastewater treatment tariff increased by 9.5% YOY to RMB1.86 per tonne and the average water supply tariff was RMB2.48 per tonne, down by 1.9% YOY.

PROSPECTS

In 2022, despite the recurring COVID-19 pandemic and difficult conditions at home and abroad, the PRC economy overcame numerous obstacles from factors that exceeded expectations and achieved positive growth of 3% in gross domestic product (GDP) for the year. The country continued to attach tremendous importance to the development of the

environmental protection industry, introducing various favorable policies such as the implementation of water conservation to enhance efficiency and constructing more municipal wastewater treatment facilities, leading the industry into a phase of high-quality development. In the white paper "China's Green Development in the New Era" (《新時代的中國綠色發展》白皮書) released at the beginning of the year, the Central Government clearly stated that it would unswervingly follow the path of green development; remain committed to eco-environmental conservation; strive for higher quality, more efficient and sustainable development, and work collectively to create a beautiful planet. The Group will closely follow the national strategy and pursue green development, accelerate digitalization and low-carbon development, and constantly seek new opportunities in the environmental protection sector.

During the year, policies such as the "Implementation Plan for the Development of the City Cluster along the Middle Reaches of the Yangtze River during the 14th Five-Year Plan Period" (長江中游城市群發展「十四五」實施方案), "Implementation Plan for Deepening the Battle for the Treatment of Urban Black and Odorous Water" (深入打好城市黑臭水體治理攻堅戰實施方案), "Overall Plan for Comprehensive Treatment of the Water Environment in the Taihu Lake Basin" (太湖流域水環境綜合治理總體方案) and "Action Plan for Deepening the Battle for Protection and Restoration of the Yangtze River" (深入打好長江保護修復攻堅戰行動方案), were launched successively. They clearly require coordinated promotion of the Yangtze River aquatic environment management and improve the centralized collection rate of urban domestic wastewater and the removal rate of black and odorous water. Driven by a series of favorable policies, the Group has leveraged its resource advantages and unwaveringly followed its development path. It won the bid for the Cangxi Project in Sichuan in August 2022, commenced construction of the Xicen Project in November 2022, and won the bid for the Macau Project in December 2022. While further strengthening its strategic layout in the Yangtze River Delta, the Group will also accelerate the expansion of the Guangdong-Hong Kong-Macao Greater Bay Area and the Yangtze River Economic Belt.

In terms of solid waste incineration, five departments, including the National Development and Reform Commission, have jointly issued the "Guiding Opinions on Strengthening the Construction of County-level Household Waste Incineration and Treatment Facilities" (關於加強縣級地區生活垃圾焚燒處理設施建設的指導意見), proposing that by 2025, the Yangtze River Economic Belt and the future "zero-waste cities", including Shanghai, should have as many household waste incineration and treatment facilities as needed. Four departments, including the Shanghai Municipal Economic Information Commission, have also jointly

issued the "Implementation Plan for Carbon Peaking in the Industrial Sector of Shanghai" (上海市工業領域碳達峰實施方案). They proposed to strengthen the collaborative disposal capacity of industries and regions, and proceed with the development of household waste incineration facilities to coordinate the disposal of municipal sludge, industrial solid waste and construction waste. The Group's key solid waste project, Baoshan Project, which entered into commissioning phase in September 2022, will serve as a solid waste benchmark project in the Yangtze River Delta and will be of great significance for Shanghai to achieve zero landfill treatment of household waste.

Mr. Yang Jianwei, Chief Executive Officer, said, "Looking back on 2022, the Group, with outstanding execution, actively responded to the challenges posed by COVID-19 pandemic and macroeconomic downturn, resulting in steady growth across all business indicators and remarkable results for the year. Supported by a series of favorable national policies, the Group will focus on realizing the concept of green development in Baoshan and Xicen Projects. While further strengthening its strategic layout in the Yangtze River Delta, the Group will actively expand into other key areas and basins and build more high-standard and modern environmental protection projects to achieve steady and high-quality development, maintaining its leading position among the top-tier players in China's water and environmental protection industries."

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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 wastewater treatment, water supply, sludge treatment, solid waste incineration and other environmentally related businesses. Headquartered in Singapore and listed on the Main board of SGX-ST, the Company successfully launched on the Main board 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 business. 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 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 250 wastewater treatment and water supply projects, 5 solid waste incineration projects and 13 sludge treatment projects across 20 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, Heilongjiang, and Macau.

Leveraging 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 environmentally-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

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By Order of the Board

SIIC ENVIRONMENT HOLDINGS LTD.

Executive Director

Mr. Xu Xiaobing

Hong Kong and Singapore, 24 February 2023

As at the date of this announcement, the non-executive Chairman is Mr. Zhou Jun; the executive Directors are Mr. Yang Jianwei, Mr. Zhu Dazhi, Mr. Xu Xiaobing, Mr. Huang Hanguang and Mr. Yang Wei; and the independent non-executive Directors are Mr. Yeo Guat Kwang, Mr. An Hongjun and Mr. Zhong Ming.

** For identification purpose only*