

## SIIC Environment's net profit attributable to shareholders up 25.9% to RMB240 million for the first half of FY2017

- Revenue increased 78.2% on comparison to 1HFY2016 to RMB1.995 billion.
- Higher gross profit due mainly to contribution from newly acquired and existing entities.
- Strong organic growth and acquisition-driven expansion continue to spearhead SIIC Environment's trajectory towards achieving industry leader status.

**SINGAPORE, 11 August 2017** – 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**”), has reported a net profit attributable to shareholders increase of 25.9% year-on-year (“yoy”) to RMB240 million for the six months period ended 30 June 2017 (“**1HFY2017**”). The increase was due mainly to contribution from newly acquired and existing entities, arising from M&A efforts and organic growth.

### Financial Highlights

RMB Million	1HFY2017	1HFY2016	Change (%)
<b>Revenue</b>	1,995	1,119	78.2
<b>Gross Profit</b>	707.7	368.3	92.2
<b>Net Profit</b>	310.5	228.6	35.8
<b>Net Profit Attributable to Shareholders</b>	240.0	190.6	25.9
<b>Diluted Earnings Per Ordinary Share * (RMB cents)</b>	10.12	8.45	19.8

Note:

pp: Percentage points

\* Calculated based weighted average number of shares of 2,372,611,000 and 2,256,589,000 shares as of 1HFY2017 and 1HFY2016 respectively.

The Group's revenue rose 78.2% yoy to RMB1,995.1 million in 1HFY2017 due mainly to increases in construction revenue, operating and maintenance income from service concession arrangements and financial income from service concession arrangements. Gross profit rose to RMB707.7 million from RMB368.3 million for the same period under review. Profit from operations improved by 107.0% yoy to RMB558.0 million from RMB269.5 million.

### **Outlook**

Strong organic growth and acquisition-driven expansion continue to spearhead SIIC Environment's trajectory towards achieving industry leader status. The Group's plan to add new capacity to its portfolio in FY2017 is on track as acquisition-driven expansion continues to deliver significant impact in the wastewater treatment market in the People's Republic of China (PRC).

The Chinese government's commitment to environmental conservation and pollution reduction, through the introduction of 13th Five-Year plan in water sector<sup>1</sup> announced in December 2016, bode well for the Group's overall operations and performance.

"The healthy numbers is a reflection of the continued success of our two-pronged strategy in organic growth and acquisition-driven expansion of quality assets that contributes positively to our revenue stream and profitability. The steady growth of the PRC economy is a fundamental driver of the development of the environmental sector, resulting in an increase in demand for tap water supply, wastewater treatment and waste management services.

"The PRC government attaches high attention to energy conservation and environment protection. Looking ahead, the continued support and investment in the utilities industries in China as well as the focus on the 'Belt and Road' initiative by the PRC government are expected to present extensive investment opportunities in environmental sector. These policies and opportunities will play a pivotal role in the Group's growth strategies." said Mr Zhou Jun, Executive Chairman of SIIC Environment.

The Group has also added the following new projects to its existing portfolio so far in FY2017:

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<sup>1</sup> In December 2016, PRC's National Development and Reform Commission and Department of Housing and Urban-Rural Development issued a 13th Five-Year plan outlining that China would invest about RMB560 billion in the wastewater treatment facilities and pipelines construction between 2016 and 2020.

Project	Type	Capacity (tonnes/day)	Standard	Base Tariff (RMB/ton)	Note
Yuyao City (Xiao cao'e) WWT Phase 3, Zhejiang Province	BOT	75,000	Grade 1 A	0.923	To be constructed in the near term
Pinghu City East Area PPP Project, Zhejiang Province-Industrial Park Waste Water Treatment	TOT	50,000		2.96	Upgrade with technical changes in the near term
Pinghu City East Area PPP Project, Zhejiang Province-Municipal sewage treatment	BOT	180,000	Grade 1 A	1.16	To be constructed in the near term
Lingbi South WWT PPP Project, Suzhou City, Anhui Province	TOT	75,000	Grade 1 A	1.027	Acquired and in operations
Lingbi South Reclaimed Water Project, Suzhou City, Anhui Province		25,000	N/A	N/A	To be constructed in the near term
Lingbi North Reclaim Water Project, Suzhou City, Anhui Province	BOT	25,000	Grade 1 A	1.096	To be constructed in the near term
Hegang East WWT Project, Heilongjiang province	BOT	30,000	Grade 1 A	0.9	Acquired and in operations since 2011
Hegang West WWT Project, Heilongjiang province	BOT	50,000	Grade 1 A	0.9	Acquired and in operations since 2010
Hegang Reclaimed Water Project, Heilongjiang province		30,000	N/A	N/A	To be constructed in the near term
Total		540,000			

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

SIIC Environment Holdings Ltd. (“SIIC Environment”) is a top-tier integrated player in China’s water and environmental markets. It is engaged in water treatment, water supply, solid waste treatment and other environment-related businesses. It 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: 00363.HK) acquired a controlling stake and completed debt restructuring in Asia Water. It was renamed SIIC Environment and transferred to the SGX-ST Mainboard in 2012. Since the restructuring, SIIC Environment has shown tremendous growth and continues to increase its market share in China’s water and environmental 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. Currently, it boasts an overall portfolio of over 123 water treatment and supply projects and 4 waste incineration projects across 18 municipalities and provinces in China, namely Shandong, Guangdong, Hubei, Hunan, Jiangsu, Shanghai, Zhejiang, Jiangxi, Anhui, Fujian, Guangxi, Ningxia, Henan, Liaoning, Inner Mongolia, Shanxi, Sichuan and Heilongjiang.

Leveraging on its scalability and competencies, SIIC Environment will continue to expand its business and explore new markets such as industrial wastewater treatment, seawater desalination, sludge treatment and handling, soil treatment, renewable energy, water technology and pollution control, thereby strengthening its top-tier position in China’s water and environmental industry.

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

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