

SIIC Environment's revenue rose 42.9% to RMB2.9 billion in 1HFY2018

- Group recorded higher revenue across all business divisions, which saw 1HFY2018 revenue increase 42.9% compared to 1HFY2017
- After deducting listing expenses of RMB28 million, net profit attributable to shareholders still increased 6.5% to RMB255.6 million in 1HFY2018
- Year to date, the Group's newly contracted and secured projects' design capacity amount to 800,000 tons/day
- Key environmental policies by the People's Republic of China government expected to contribute positively to the Group's performance going forward

Financial Highlights

RMB thousand	2QFY2018	2QFY2017	Change (%)	1HFY2018	1HFY2017	Change (%)
Revenue	1,673,601	995,360	68.1	2,850,922	1,995,054	42.9
Gross Profit	431,693	352,377	22.5	804,274	707,699	13.6
Net Profit	193,845	157,775	22.9	340,590	310,479	9.7
Net Profit Attributable to Shareholders	153,735	119,909	28.2	255,600	240,026	6.5
Diluted Earnings per Ordinary Share* (RMB cents)	5.90	4.83	1.07 pp	9.81	10.12	(0.31) pp

Note:

*pp: percentage points. Calculated based on weighted average number of shares of 2,606,589,000 in 2QFY2018, 2,484,850,000 in 2QFY2017, 2,606,589,000 in 1HFY2018 and 2,372,611,000 in 1HFY2017.

SINGAPORE, 13 August 2018 – SGX Mainboard-listed and HKEX 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**"), today announced a net profit attributable to shareholders of RMB255.6 million. This was up 6.5% for the comparative period in the six months ended 30 June 2018 ("1HFY2018"), after deducting listing expenses amounting to RMB28.0 million incurred during the first quarter of the year ("1QFY2018").

This was on the back of a 42.9% increase in revenue to RMB2.9 billion as revenue across all business divisions increased in 1HFY2018, supported by higher amount of construction activities, higher water treatment and supply sales volume, as well as contribution from newly

acquired entities. Gross profit rose 13.6% to RMB804.3 million, mainly on contribution from increased construction activities and newly acquired entities. The increase was partially offset by listing expenses related to the Group's dual primary listing in Hong Kong incurred in the first quarter of the year.

As at 30 June 2018, the Group's cash and cash equivalents stood at a healthy RMB1,151.4 million.

Outlook

Non-Executive Chairman, Mr. Zhou Jun, said, "On behalf of the Group, I am pleased to report another set of healthy numbers, signaling that we remain on the right trajectory when it comes to the Group strategy of nurturing organic growth and seeking accretive acquisitions. Our investments into the upgrades of some existing wastewater treatment projects, as well as new concessionary projects have paid off as evidenced in our results in the first half of this year."

The Group remains aligned with the People's Republic of China (PRC) government's environmental priorities and key policies tackling pollution that include the Water Ten Plan, the Water Pollution Prevention and Control Law and the water resource tax expansion. Year to date, the Group has under contract and secured new projects across China in Hunan, Shenzhen, Ningbo, Henan, Heilongjiang, Jilin and Jiangxi, with design capacity totalling approximately 800,000 tons/day, which include the upgrading of two wastewater treatment projects to the highest standard of Class Super 1A.

To this end, the Group is committed to continue contributing to China's water and wastewater treatment infrastructure, with a focus on enhancing its operating efficiency and implementing more concessionary arrangement projects across the country.

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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, solid waste management and other environment-related businesses. It was 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 the debt restructure of Asia Water. It was then 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 180 water treatment and supply projects and 5 waste incineration 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 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

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