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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 1HFY2019 Net Profit Attributable to Shareholders increased a YOY 17.4% to RMB300.2 million

- Operating and maintenance income in 1HFY2019 increased by 27.7% comparing to 1HFY2018 due to higher water treatment and supply sales volume
- Gross profit increased by 15.3% to RMB927.4 million in 1HFY2019, mainly due to higher wastewater treatment operating and maintenance income
- Gross profit margin (GPM) increased from 28.2% in 1HFY2018 to 31.7% in 1HFY2019 due mainly to higher contribution from operation category which has a relatively higher GPM.
- The Group's net profit attributable to shareholders amounted to RMB300.2 million, a year-over-year (YOY) 17.4% increase for the comparative period in 1HFY2019
- During the period the Group generated cash from operating before service concession arrangement projects amounting to RMB941 million and its total cash and cash equivalents stood at RMB2.4 billion as at 1HFY2019

Financial Highlights

RMB thousand	1HFY2019	1HFY2018	Change (%)
Revenue	2,921,779	2,850,922	2.5
Gross Profit	927,384	804,274	15.3
Net Profit	373,554	340,590	9.7
Net Profit Attributable to Shareholders	300,183	255,600	17.4
Diluted Earnings per Ordinary Share* (RMB cents)	11.52	9.81	1.71 pp

Note:

*pp: percentage points. Calculated based on weighted average number of shares of 2,606,589,000 in 2QFY2019,

2,606,589,000 in 2QFY2018, 2,606,589,000 in 1HFY2019 and 2,606,589,000 in 1HFY2018.

SINGAPORE & HONG KONG, 7 August 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 a net profit attributable to shareholders of RMB300.2 million, a YOY 17.4% increase for the comparative period in the six months ended 30 June 2019 (“1HFY2019”).

Group revenue grew 2.5% to RMB2.9 billion, gross profit increased by 15.3% to RMB927.4 million, and GPM increased to 31.7% in 1HFY2019 from 28.2% in 1HFY2018 mainly due to higher operating and maintenance income attributed from greater water treatment and supply sales volume during the period. The Group achieved satisfactory results in 1HFY2019.

During the period, the Group generated cash from operating before service concession arrangement projects amounting to RMB941 million. As of 30 June 2019, the Group’s total cash and cash equivalents stood at a healthy level as RMB2.4 billion.

Outlook

Mr. Xu Xiaobing, Chief Executive Officer, said: “On behalf of the Group, I am pleased to report a set of healthy numbers in the first half of this year, indicating that the Group’s focus on nurturing quality water and waste to energy (WTE) operating assets across China has been paid off. During the period, the Group signed 7 wastewater treatment projects adding a designed capacity of 297,500 tonnes/day and 1 WTE project of 1,200 tonnes/day in Jilin, Zhejiang, Shandong, Henan and Heilongjiang provinces. 8 wastewater treatment projects amounting up to 232,500 tonnes/day received governmental approvals and commenced commercial operation in Jilin, Zhejiang, Jiangxi and Liaoning provinces. In addition, 5 wastewater treatment projects amounting to 375,000 tonnes/day signed upgrading supplementary agreements and water tariff adjustment agreements in Shanghai, Jiangxi and Heilongjiang provinces. The Government’s firm commitment to environmental protection, and strict regulation of the sector to achieve its goals in the 13th Five-Year Plan, have led us to maintain our optimism on the industry outlook. The Group remains aligned with the Government’s key objectives and policies of tackling pollution and will continue to invest in areas such as wastewater treatment and solid waste management.”

The Government has continued to make significant strides in its battle against pollution to protect

the environment. In this regard, China's Ministries of Housing and Urban-Rural Development, Ecology and Environment, and the National Development and Reform Commission released a three-year plan in May to greatly diminish the direct discharge of domestic sewage as well as black and odorous water bodies, and to improve sewage collection and treatment facilities in urban villages, old towns, and urban-rural fringes. With the increasing upgrades on existing municipal solid waste treatment facilities, Solid Waste Pollution Prevention and Control Act (Draft) has been passed during the conference of the State Council of China in this June. The Government will hence encourage a large diminish of waste from the source, efficient resources utilization and biosafe waste management. The above-mentioned policies and governmental promotions are favorable for the Group's ongoing planning in water treatment and WTE industry.

For investor relations inquiries, please contact ir@siicenv.com.

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

Hong Kong and Singapore, 7 August 2019

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*