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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 1QFY2023

Revenue Up 7.5% YOY to RMB1.919 Billion

Gross Profit Grows 16.9% YOY to RMB676 Million

- 1QFY2023 revenue amounted to RMB1.919 billion, a 7.5% year-on-year (YOY) increase
- Gross profit in 1QFY2023 was RMB676 million, a YOY increase of 16.9%
- Construction income amounted to RMB614 million for the quarter, basically flat compared with 1QFY2022
- Operating and maintenance income and financial income from service concession arrangements rose by 12.10% YOY, reaching RMB1.204 billion in 1QFY2023, due to increased wastewater treatment volume and average wastewater treatment tariff, plus higher financial income from service concession arrangements
- Net profit attributable to shareholders was RMB150 million for 1QFY2023

Financial Highlights

RMB'000	1Q2023	1Q2022	Change (%)
Revenue	1,918,732	1,784,879	7.5%
Gross Profit	675,953	578,185	16.9%
Net Profit	241,999	255,843	-5.4%

Net Profit Attributable to Shareholders	150,031	175,821	-14.7%
Earnings Per Share (RMB cents)	5.82	6.83	-14.8%

Singapore and Hong Kong, 28 April 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 results for the three months ended 31 March 2023 (“**1QFY2023**” or the “**Reporting Period**”). The Group’s total revenue for the quarter climbed by 7.5% YOY to RMB1.919 billion and gross profit also rose by 16.9% YOY to RMB676 million. Net profit attributable to shareholders decreased by 14.7% to RMB150 million due to increase in administrative and finance expenses.

The Group’s construction income amounted to RMB614 million in 1QFY2023, which was basically flat as compared with 1QFY2022. Its benchmark solid waste treatment project Shanghai Baoshan Renewable Energy Utilization Center (“**Baoshan Project**”) is scheduled to be fully constructed and operated in 2023. During the Reporting Period, the Group’s operating and maintenance income and financial income from service concession arrangements rose by 12.10% YOY to RMB1.204 billion, mainly due to increased wastewater treatment volume and average treatment tariff, plus higher financial income from service concession arrangements.

In the first quarter of fiscal year 2023, the Group's gross profit and gross profit margin showed a year-on-year growth trend, following the recovery of the Chinese economy. The gross profit increased by 16.9% YOY to RMB 676 million, and the gross profit margin increased by 2.8% YOY to 35.2%. As at 31 March 2023, the Group had cash and cash equivalents of RMB2.578 billion. The Group's net cash inflow from operating activities was RMB47 million, excluding the investment in service concession arrangement projects, cash generated from the Group’s operating activities was RMB276 million in the Reporting Period.

As for new projects, the Group expanded its layout in the Guangdong-Hong Kong-Macao Greater Bay Area (“**Greater Bay Area**”) during the Reporting Period. It secured for the first time three wastewater treatment projects in Macau, namely the Macau Taipa WWTP Project, Macau International Airport WWTP Project and Macau Avenida Marginal do Lam Mau temporary WWTP Project, with designed capacity of 69,000 tonnes per day, 685 tonnes per day and 20,000 tonnes per day, respectively. Moreover, it had another WWTP project in Harbin, with a designed capacity of 20,000 tonnes per day, commenced commercial operation.

In 1QFY2023, the Group treated 604,191,000 tonnes of wastewater, up by 1.8% YOY, and supplied 74,744,000 tonnes of water, up by 1.1% YOY. Regarding treatment tariff, the average wastewater treatment tariff in the quarter rose by 9.2% YOY to RMB1.82 per tonne relative to RMB1.67 per tonne in the same period last year. The average water supply tariff read RMB 2.47 per tonne, showing a slight YOY decrease of 0.7%.

PROSPECTS

With China having fully lifted pandemic control measures which lasted for three years, economic activities in the country have gradually resumed. China has continued to push forward with such major strategies as "Carbon Peaking and Carbon Neutrality Goals", "Building a Beautiful China" and "Country's Digital Development", and as such, the green energy and environmental protection industries are taking on a new stage of high-quality development. Since stepping into 2023, the Chinese government has issued a series of policies to promote environmental management and wastewater recycling. On 18 January, the National Development and Reform Commission, the Ministry of Housing and Urban-Rural Development and the Ministry of Ecology and Environment together issued the "Implementation Plan for Promoting Construction and Management of Domestic Wastewater and Wastes Treatment Facilities in Administrative Towns (關於推進建制鎮生活污水垃圾處理設施建設和管理的實施方案)". The plan explicitly calls for addressing the shortcomings of domestic wastewater collection and treatment facilities, promoting upgrade of wastewater treatment facilities in cities and counties, and requiring the Beijing-Tianjin-Hebei region, the Yangtze River Delta region and the Greater Bay Area to basically achieve full coverage of domestic wastewater treatment needs.

Heeding national policies, the Group has been looking for new development opportunities in those key regions. In the first quarter of 2023, the Group's benchmark project Shanghai Qingpu Xicen Water Purification Plant ("**Xicen Project**") has completed all pile foundation works, standing as proof of the Group's commitment to building an all-underground wastewater treatment plant with the highest discharge standard in China. In January, the Macau Taipa Wastewater Treatment Plant Operation & Maintenance Project ("**Taipa Project**") commenced full operation. In February, the Group won the bid for the Avenida Marginal do Lam Mau temporary wastewater treatment project ("**Lam Mau Project**") in Macau. When in full operation, the projects in Macau will enhance the quality of local wastewater management as well as the Group's business development in the Greater Bay Area. In the future, drawing on its own advantages, the Group will seize market opportunities at home and abroad, pay close attention to project opportunities in key areas, align with the green, low carbon and high-quality development direction and accelerate a new round of layout and development.

Regarding digital development in the water supply realm, on 27 February, the Central Committee of the Communist Party of China and the State Council issued "The Overall Layout of the Country's Digital Development (數字中國建設整體布局規劃)", which requires extensive integration of digital technology with eco-environmental conservation to speed up setting up a smart and efficient ecological environment information system. The Group has continuously invested in innovation, research and development, and digital development of its water businesses, and is committed to the use of information, digital and intelligent technologies to enhance operational efficiency. In terms of technological innovation, the Group's benchmark project Shanghai Baoshan Renewable Energy Utilization Center ("Baoshan Project") has actively explored using digital and intelligent technologies for waste disposal, and increased investment in R&D of key technologies, such as real-time carbon emission detection. On the back of the Group's continuous innovation to improve quality and efficiency, the Baoshan Project has become the most efficient waste-to-energy project in Shanghai. In terms of intelligent and digital development, the Group has actively pressed on with construction and promotion of digital platforms and been able to, with the help of online systems, enhanced overall management and service efficiency. Going forward, it will continue to promote digital transformation of relevant businesses, so as to realize synergies in water management, efficient use of water resources and easy access to water services. The Group aims to lay the foundation for long-term development with high-quality management.

Mr. Yang Jianwei, Chief Executive Officer, said, "In 2023, with pandemic control measures fully lifted in China, the Chinese economy has recovered gradually. The Group will continue to seize development opportunities and, on the back of favorable policies, give full play to its strengths, forcefully work by ESG-oriented development concept and establish relevant systems, while steadily advancing various work items. Furthermore, it will increase investment in key regions such as the Yangtze River Economic Belt, the Yangtze River Delta and the Greater Bay Area to unearth new development opportunities and keep enlarging market share. Our aims are to generate long-term sustainable value returns for shareholders, and make contributions to Chinese modernization that emphasizes harmonious coexistence of humankind and nature."

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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 provinces, municipalities, autonomous regions and special administrative region 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.

Mr. Yang Jianwei

Executive Director

Hong Kong and Singapore, 28 April 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*