SIIC Environment Holdings Ltd.
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SIIC Environment's 9MFY2018 revenue up 17.0% to RMB3.9 billion

- *Group net profit attributable to shareholders increased 5.6% to RMB369.9 million in 9MFY2018, on contribution from newly acquired entities and existing entities*
- *Awarded 3 upgrading and expansion projects, 4 new concessionary projects and 1 O&M project during the quarter*
- *Group continues to seek opportunities in water and wastewater treatment infrastructure, in line with the PRC government's anti-pollution initiatives*

Financial Highlights

RMB thousand	3QFY2018	3QFY2017	Change (%)	9MFY2018	9MFY2017	Change (%)
Revenue	1,073,940	1,358,562	(21.0)	3,924,862	3,353,616	17.0
Gross Profit	375,912	347,937	8.0	1,180,186	1,055,636	11.8
Net Profit	132,438	146,155	(9.4)	473,028	456,634	3.6
Net Profit Attributable to Shareholders	114,254	110,214	3.7	369,854	350,240	5.6
Diluted Earnings per Ordinary Share* (RMB cents)	4.38	4.23	0.15 pp	14.19	14.29	(0.1) pp

Note:

**pp: percentage points. Calculated based on weighted average number of shares of 2,606,589,000 in 3QFY2018, 2,606,589,000 in 3QFY2017, 2,606,589,000 in 9MFY2018 and 2,451,461,000 in 9MFY2017.*

SINGAPORE & HONG KONG, 14 November 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 RMB369.9 million, up 5.6% for the comparative period in the nine months ended 30 September 2018 ("9MFY2018").

This rise in net profit is on the back of a healthy 17.0% increase in revenue to RMB3.9 billion in 9MFY2018, supported by higher contributions across all business categories apart from construction, which recorded lower activities during the quarter ("3QFY2018"). The higher revenue was due mainly to higher water treatment and supply sales volume, and contribution from newly acquired entities.

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Notably, gross profit increased 11.8% from RMB1,055.6 million in 9MFY2017 to RMB1,180.2 million in 9MFY2018 on an overall basis mainly due to higher revenue from the operation category as well as contribution from newly acquired entities.

As at 30 September 2018, the Group's cash and cash equivalents stood at RMB1,627.3 million.

Outlook

As part of the Water Pollution Prevention and Control Action Plan to reduce black and odorous water to less than 10 percent of rivers in urban areas by 2020, the People Republic of China's (PRC) Ministry of Ecology and Environment has stepped up checks in the cities and mandated the upgrading of the national sewage pipeline system that is seen as necessary to improve water bodies nationwide. This is in addition to the current environmental initiatives that include the Water Ten Plan, the River Chief System and Beautiful China.

Of note, during the quarter, the Group was awarded 3 upgrading and expansion projects, 4 new concessionary projects and 1 O&M project, adding up to a design capacity of 425,000 tons/day, in Guangxi, Zhejiang, Henan, Heilongjiang, Jilin and Jiangxi Provinces. Year to date, the Group has obtained new projects across China with design capacity totalling 814,000 tons/day.

Non-Executive Chairman, Mr. Zhou Jun, said, "The Group remains focused on the upgrading and expansion development of some of our existing wastewater treatment projects to meet the higher sewage discharge standards required today. Under the current macro financial situation, the group will continue to strive for solid development and prevent relevant risks. Given the PRC government's long-standing fight against water pollution, we believe that there will continue to be development and investment opportunities in the water and environmental sector that tie in well with the Group's expertise and strategic strength."

As part of the anti-pollution drive, the PRC's National Development and Reform Commission has recommended changes to pricing mechanisms and policies in favour of green development, also by 2020. China will accelerate the establishment of a pricing mechanism that can cover the cost of sewage, sludge and solid waste treatment that are expected to bring revenue to such businesses, which the Group is poised to benefit from.

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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 in 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 188 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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