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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 FY2021 Revenue Increases by 16.2% YOY to RMB7.27 Billion; Net Profit Attributable to Shareholders Up 11.1% YOY to RMB706 Million

- *FY2021 revenue amounted to RMB7.27 billion, a 16.2% increase year-on-year (YOY)*
- *Net profit attributable to shareholders was RMB706 million, an increase of 11.1% YOY*
- *Operating and maintenance income and financial income from service concession arrangements amounted to RMB4,287 million, a growth of 13.6%, mainly due to an increase in wastewater treatment volume and average treatment tariff*
- *Construction revenue rose by 18.8% YOY to RMB2,486 million, mainly due to the increased number of projects under construction in 2021*
- *In terms of projects, the Group won 24 new projects, including water treatment projects with a total designed capacity of 232,400 tonnes per day and sludge treatment projects with a total designed capacity of 900 tonnes per day. Moreover, ten wastewater treatment projects, with a total designed capacity of 425,000 tonnes per day, were awarded upgrades, expansion, tariff increase and extended operation-and-management (O&M) service periods*
- *17 water treatment projects, with a total designed capacity of 420,300 tonnes per day, commenced commercial operation*
- *As of the end of FY2021, the Group had close to 250 wastewater treatment and water supply projects, with a total capacity of 12,810,000 tonnes per day*

Financial Highlights

RMB' million	FY2021	FY2020	Change (%)	4QFY2021	4QFY2020	Change (%)
Revenue	7,267	6,252	16.2	2,196	2,106	4.3
Gross Profit	2,404	2,184	10.1	631	709	(11.0)
Net profit	1,069	918	16.5	271	295	(8.2)
Net profit attributable to shareholders	706	635	11.1	192	191	0.9
Earnings per share (EPS) (RMB cents)	27.35	24.41	12.0	7.47	7.32	2.0

Singapore and Hong Kong, 24 February 2022 – 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 unaudited results for the 12 months ended 31 December 2021 ("**FY2021**"). The Group's total revenue increased by 16.2% to RMB7.27 billion while net profit attributable to shareholders rose by 11.1% to RMB706 million.

In FY2021, the Group's income from service concession arrangements—O&M income and financial income—climbed by 13.6% to RMB4,287 million, and was mainly attributable to the increase in wastewater treatment volume and average treatment tariff. Construction revenue rose by 18.8% YOY to RMB2,486 million, mainly due to the increased number of projects under construction in 2021. The Group's gross profit for the year increased by 10.1% YOY to RMB2,404 million.

The Group's finance expenses for FY2021, which reads RMB679 million and is lower than the previous fiscal year, reflects the Group's active efforts in optimizing its debt structure. By using corporate bonds issued in March and November 2021 to replace higher-interest loans, the Group successfully reduced its interest expenses. As at 31 December 2021, the Group's cash and cash equivalents remained at a healthy level of RMB2.79 billion for the year.

The Board has recommended a final dividend of SGD \$0.01 per ordinary share, and will seek approval from the Company's shareholders during the annual general meeting.

Business Review

With the People's Republic of China ("**PRC**") vigorously promoting the development of environmental industry and accelerating the construction of a "Beautiful China", governments at all levels actively commenced construction and bidding on new wastewater and water supply projects in FY2021, thereby driving the development of the Group's new projects. The Group was awarded 24 projects during the year - 21 of which were wastewater treatment, reclaimed water and water supply projects with a total designed capacity of 232,400 tonnes per day; and the other 3 were sludge treatment projects with a total designed capacity of 900 tonnes per day. 10 wastewater treatment projects, with a total designed capacity of 425,000 tonnes per day, were awarded upgrades, expansion, tariff increase and extended operation-and-management ("**O&M**") service periods. In addition, 17 of the Group's projects commenced commercial operation, among which, 3 were wastewater treatment and water supply projects with a total designed capacity of 100,300 tonnes per day, and 14 were upgrade and expansion projects, with a total designed capacity of 320,000 tonnes per day. As of the end of FY2021, the Group had close to 250 wastewater and water supply projects, and the total designed capacity reached 12,810,000 tonnes per day.

In FY2021, the Group's wastewater treatment volume rose by 0.98% YOY to 2.43 billion tonnes and its water supply volume was up by 10.2% YOY to 308 million tonnes. In terms of treatment tariff, the Group's average wastewater treatment tariff increased by 12.5% YOY to RMB1.69 per tonne. Average water supply fee was RMB2.52 per tonne, seeing an increase of 0.6% when compared with the previous fiscal year.

PROSPECTS

The year 2021 marked the beginning of the 14th Five-Year Plan. With the goal of fighting pollution and building a sound environmental governance system, the PRC launched various policies to promote development of the Chinese environmental industry. Covering multiple aspects, such as price, taxation, finance, and trading, those policies have helped broaden room and create opportunities for growth for the Group's water and solid waste incineration businesses.

In January 2022, the National Development and Reform Commission ("**NDRC**") published the "Comprehensive Management Plan of Water Environment in Key River Basins under

the 14th Five-Year Plan" (「十四五」重點流域水環境綜合治理規劃), aiming to achieve a more than 70% urban sewage centralized collection rate and basically eliminate black and odorous water bodies in cities by 2025. The Comprehensive Management Plan also aims to see continuous improvement of water environment quality of key river basins, such as the Yangtze River and the Yellow River, so as to effectively support the implementation of major national strategies, including integrated development of the Yangtze River Delta and the ecological protection of the Yellow River Basin. On the same day, the Ministry of Water Resources of the PRC also issued the "14th Five-Year Plan to Ensure Water Security" (「十四五」水安全保障規劃). According to the Plan, wastewater reclamation and recycling play an important role in ensuring national water security, and thus the government encourages construction of new wastewater treatment plants and modification of existing wastewater treatment plants, and will systematically promote use of reclaimed water.

The aforementioned plans will help to raise demand for wastewater treatment plants, which may create huge opportunities for the Group's wastewater project development. Moreover, with several favorable policies having been launched in 2021, including "The Yangtze River Protection Law of the People's Republic of China" (中華人民共和國長江保護法), "The Development Plan for Urban Wastewater Treatment and Resource Utilization in the 14th Five-Year Plan" (「十四五」城鎮污水處理及資源化利用發展規劃) and the "Measures for Administration of Prices of Water Supply in Urban and Rural Areas" (城鎮供水價格管理辦法), the Group has been showing continuous improvement in its water business, and is expected to see rising future revenue.

In regard of solid waste, the NDRC and the Ministry of Housing and Urban-Rural Development ("MOHURD") issued the "14th Five-Year Plan for the Development of Urban Domestic Waste Classification and Treatment Facilities" (「十四五」城鎮生活垃圾分類和處理設施發展規劃), which requires the incineration treatment capacity of municipal household waste in the PRC to increase to 800,000 tonnes per day by 2025. The Ministry of Ecology and Environment of the PRC also issued a work plan draft for comments regarding building "Zero-Waste Cities", aiming to raise the country's municipal solid waste treatment capacity. In 2022, the Group's Shanghai Baoshan Renewable Energy Utilization Center, which has a production capacity of up to 3,800 tonnes per day, will commence operation. It aspires to become a benchmark solid waste treatment project in the Yangtze River Delta region.

Mr. Yang Jianwei, CEO, said, "The pandemic was gradually brought under control in 2021, and the environmental market has enjoyed continuous expansion. With the support of national policies, the Group's revenue has witnessed steady growth and achieved good results throughout the year. As the PRC further strengthens its comprehensive environmental governance framework and implements a number of favorable policies, the environmental industry will enter a new period of development. The Group will closely follow

national strategic guidelines to seize unprecedented opportunities in the market. Through active mergers and acquisitions, we will expand our operations and market share, further optimize our strategic deployment in the Yangtze River Delta, and actively seek new opportunities in the environmental protection sector. Meanwhile, the Group will continue to improve its management and operational efficiency and further promote employee incentive policies, so as to enter a new stage of high-quality development, and bring more profitable investment returns to shareholders."

- The End -

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 Mainboard of Singapore Exchange Securities Trading Limited, the Company successfully launched on the Mainboard of The Stock Exchange of Hong Kong Limited (the "SEHK") in 2018. The controlling shareholder, SIIC Environment, Shanghai Industrial Holdings Limited ("**SIHL**", SEHK 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 the 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 water treatment and supply projects, 8 waste incineration projects and 13 sludge disposal 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 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: <http://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, 24 February 2022

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. Zhao Youmin; and the independent non-executive Directors are Mr. Yeo Guat Kwang, Mr. An Hongjun and Mr. Zhong Ming.

** For identification purpose only*