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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 Records Revenue of RMB7.596 Billion in FY2024 Net Profit Attributable to Shareholders Reaches RMB605 Million Board proposes final dividend of SGD0.011**

- *FY2024 revenue increased by 0.3% year-on-year (YOY) to RMB7.596 billion;*
- *FY2024 financial expenses decreased by RMB55 million, or 6.6%, compared with the same period in 2023;*
- *FY2024 net profit attributable to shareholders rose by 0.2% YOY to RMB605 million;*
- *In FY2024, the Group added four new projects in Hubei Province, Shandong Province, Guangxi Zhuang Autonomous Region and Hunan Province in China, with a total designed capacity of 445,000 tonnes per day. Two projects with a total designed capacity of 75,000 tonnes per day secured upgrading and expansion. Four expansion projects with a total designed capacity of 190,000 tonnes per day were completed and commenced commercial operation.*

#### **Financial Highlights**

<b>RMB('000)</b>	<b>FY2024</b>	<b>FY2023</b>	<b>Change</b>
<b>Revenue</b>	7,595,654	7,572,892	0.3%
<b>Gross Profit Margin</b>	34.5%	35.7%	-1.2 pp*
<b>Net Profit</b>	951,642	1,019,656	-6.7%

<b>Net Profit Attributable to Shareholders</b>	605,140	604,018	0.2%
<b>Earnings Per Share (EPS) (RMB cents)</b>	23.49	23.45	0.2%

\*pp: percentage point(s)

**Singapore and Hong Kong, 26 February 2025 - SIIC Environment Holdings Ltd. (“SIIC Environment” or the “Company”**, together with its subsidiaries, the **“Group”**), a leading water treatment and environmental protection company in China, today announced its unaudited results for the 12 months ended 31 December 2024 (**“FY2024”** or the **“Reporting Period”**). The Group’s total revenue went up by 0.3% YOY to RMB7.596 billion, and net profit attributable to shareholders reached RMB605 million, 0.2% more YOY.

During the Reporting Period, the Group’s construction revenue, including the financial income from service concession arrangements during the construction period, decreased by 7.7% YOY to RMB1.805 billion. The decrease was mainly from decline in construction scale. The Group’s operation revenue with higher gross profit margin, including financial income from service concession arrangements, was RMB5.791 billion, a 3.1% increase from RMB5.617 billion in the same period in 2023.

In terms of financing, during the Reporting Period, the Group continuously optimized its financing structure, resulting in a significant decrease in financial expenses against the same period in 2023, despite an increase in financing scale. During the Reporting Period, the Group’s financial expenses amounted to RMB780 million, 6.6% less than the RMB834 million in the same period in 2023. At the same time, able to avert exchange rate risk from RMB fluctuations, RMB24 million less in exchange losses were incurred compared with the same period in 2023.

The Group actively promoted business development, with four new projects added in 2024 in Hubei Province, Shandong Province, Guangxi Zhuang Autonomous Region and Hunan Province in China, with total capacity reaching 445,000 tonnes per day. The new projects included the Weifang City Weicheng District WWTP O&M Project (**“Weicheng Project”**), Beihai Daguansha WWTP O&M Project 2nd Phase (**“Beihai Project 2nd Phase”**), Hanxi WWTP Project 3rd Phase (**“Hanxi Project 3rd Phase”**), and Chenzhou 2nd and 4th WWTP Project (**“Chenzhou 2nd & 4th Project”**), with designed capacity of 50,000 tonnes per day, 35,000 tonnes per day, 200,000 tonnes per day, and 160,000 tonnes per day, respectively. In addition, during the Reporting

Period, two projects of the Group with a total designed capacity of 75,000 tonnes per day secured upgrading and expansion. Furthermore, four expansion projects with a total designed capacity of 190,000 tonnes per day were completed and commenced commercial operation.

The Board has recommended a final dividend of SGD0.011 per ordinary share, and will seek the approval from the Company's shareholders at the annual general meeting.

### **Prospects**

In 2024, China continued to recover with annual GDP up 5% year-on-year. Against the backdrop of China keeping pushing forward with “dual-carbon” works and the Central Economic Work Conference emphasizing the need to coordinate promotion of carbon reduction, pollution reduction and green growth, step up green transformation in overall economic and social development, and continue to deepen efforts to protect the blue sky, and clear water and soil, a series of policies favorable to environmental protection were introduced. In addition, new debt alleviation policies launched had helped notably mitigate receivable collection issues the environmental protection industry faced, easing corporate cash flow and presenting the industry with important development opportunities.

In November, the “State Council Bill on Raising the Ceiling on Local Government Debt to Replace Existing Hidden Debts” (《國務院關於提請審議增加地方政府債務限額置換存量隱性債務的議案》) was approved by the Standing Committee of the National People's Congress. On the ground that main responsibilities rest with local governments, it proposed to increase local government debt limit by RMB6 trillion to replace hidden debts, and for five consecutive years starting from 2024, allocate RMB800 billion each year from the new local government special bonds for debt alleviation. In October, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council issued the "Opinions on Addressing the Issue of Arrears in Corporate Payments" (《關於解決拖欠企業賬款問題的意見》), stating the need to strengthen supervision of government investment projects and use of project fund, regularly examine and track funding status and fund disbursements, improve the project payment settlement mechanism, and strengthen supervision of government procurement and payment. The synergistic rollout of relevant policies is helpful to reducing the account receivables of environmental protection enterprises, helping optimize their balance sheets and improve cash flow, thus create positive impact conducive to business development of the industry.

Regarding water policy, in December, the General Office of Shanghai Municipal Government issued a notice on the “Implementation Plan for Further Strengthening the City’s Wastewater

System Governance” (《關於進一步加強本市污水系統治理的實施方案》), calling on effective use of wastewater treatment plant resources and building benchmark green and low-carbon wastewater treatment plants, as well as encourage upgrade of old and inefficient equipment and improve supporting pipeline network. The Group’s benchmark wastewater treatment project in Shanghai - Xicen Water Purification Plant Project (“**Xicen Project**”), which commenced commercial operation in January 2025, is equipped with advanced water treatment technologies, making it one of the best underground wastewater treatment plants in the country in terms of discharge standard. While ensuring compliance with effluent discharge standards, the project has continued to improve resource usage efficiency. In addition, in December, the Office of the NDRC issued the “Notice on Further Improving the Standardized Implementation of Projects under the New Mechanism for Government and Social Capital Cooperation” (《關於進一步做好政府和社會資本合作新機制項目規範實施工作的通知》), indicating the country’s high emphasis on standardized implementation of the new PPP mechanism, focusing on user-paid projects, and reasonable use of the franchise model. It also raised the need to encourage franchisees to lower construction and operating costs via innovation in terms of technology, management and business model, to fully harness the project’s market value, raise the construction and operation standard of infrastructure and public utility projects, and push up return on investment. The Group is committed to driving corporate development with innovation, deepening integration of new generation information technologies with water operations, strengthening building of smart water service infrastructure, continuously improving project construction and operation standard, to the ends of reducing cost while improving quality and efficiency, and continuing to advance on the sustainable and quality development path.

As for green finance, in October, the People’s Bank of China, the Ministry of Ecology and Environment and other different departments issued the “Opinions on Leveraging Green Finance to Support the Beautiful China Initiative” (《關於發揮綠色金融作用服務美麗中國建設的意見》), supporting further advancement of pollution control, giving stronger backing to construction and upgrade of sewage collection and treatment facilities in industrial parks, new urban areas, towns, and rural areas, and encouraging large and medium cities with relevant advantages to deploy in advance for building centralized sludge treatment and disposal facilities. The document also proposed, using the Zero-Waste City initiative as the gripper, drive hazard-free treatment and comprehensive utilization of regional solid waste, as well as strengthen financial support for eco-environment-oriented development (EOD) projects and give yet more credit support to relevant projects. Related policies will improve the financing efficiency of the Group’s projects, optimize their financing channels, reduce project financing costs, thereby help promote steady development of the Group’s wastewater, sludge and solid waste businesses.

**Mr. Ji Guanglin, Chief Executive Officer of the Group**, said, “Looking ahead, the Group will firmly seize development opportunities brought by favorable industry policies, closely monitor M&A opportunities for high-quality businesses, continue to expand its business footprint, and actively develop operations in ‘Belt and Road’ associated Southeast Asian countries. It will continue to drive technological innovation, strengthen water affairs digitalization, promote digital intelligence empowerment, and boost its corporate competitiveness. In addition, the Group will press on with practicing the concept of ‘Green mountains and clear waters are equal to mountains of gold and silver’, following the green development path in firm strides to contribute to building a beautiful China and global environmental health.”

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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 nearly 250 wastewater treatment and water supply projects, 5 solid waste incineration projects and 14 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](http://www.siicenv.com)

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*As at the date of this announcement, the chairman of the board of Directors and the executive Director is Mr. Zhou Yuding; the executive Directors are Mr. Ji Guanglin, Mr. Wang Xiwang and Mr. Yang Xing; and the independent non-executive Directors are Ms. Kimmis Pun Kim Ming, Mr. An Hongjun and Mr. Zhong Ming.*

*\* For identification purpose only*