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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 9MFY2022

Revenue Climbs 14.1% YOY to RMB5.788 Billion

Net Profit Attributable to Shareholders Up 11.1% YOY to RMB571 Million

- Revenue in 9MFY2022 amounted to RMB5.788 billion, a 14.1% year-on-year (YOY) increase
- Construction revenue amounted to RMB2.040 billion, a 24.67% YOY increase, mainly due to the accelerated construction progress of Shanghai Baoshan Renewable Energy Utilization Center, which has entered into commissioning phase and thus contributed to higher construction revenue during the Reporting Period
- Operating and maintenance income and financial income from service concession arrangements rose by 7.96% YOY to RMB3.418 billion, mainly due to an increase in wastewater treatment volume and water supply volume, as well as the higher average wastewater treatment tariff
- Net profit attributable to shareholders amounted to RMB571 million, a YOY growth of 11.1%

Financial Highlights

RMB'000	9MFY2022	9MFY2021	Change (%)
Revenue	5,787,795	5,071,623	14.1
Gross Profit	1,931,950	1,773,772	8.9
Profit	843,774	798,035	5.7
Net Profit Attributable to Shareholders	571,012	513,802	11.1
Earnings per Share (RMB cents)	22.17	19.89	11.5

(Singapore and Hong Kong, 10 November 2022) – 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 results for the nine months ended 30 September 2022 (“**9MFY2022**” or the “**Reporting Period**”). The Group's total revenue was up by 14.1% to RMB5.788 billion and net profit attributable to shareholders increased 11.1% to RMB571 million.

During 9MFY2022, the Group's construction revenue was up by 24.67% YOY to RMB2.040 billion, mainly due to the fact that the Group's key solid waste project, Shanghai Baoshan Renewable Energy Utilization Center (“**Baoshan Project**”), has entered commissioning phase in September 2022, which resulted in an increase in construction revenue during the Reporting Period as compared with the same period last year. Income from service concession arrangements — operating and maintenance income and financial income increased by 7.96% YOY to RMB3.418 billion, mainly attributable to the rise in both wastewater treatment volume and water supply volume, as well as the higher average wastewater treatment tariff. During the Reporting Period, gross profit was up by 8.9% YOY to RMB1.932 billion.

As at 30 September 2022, the Group's cash and cash equivalents maintained at a healthy level of RMB2.83 billion. During 9MFY2022, net cash of RMB520 million was used in the Group's operating activities, while cash generated from operating activities read RMB549 million, excluding cash used towards the Group's investments in projects with service concession arrangements. The Company is in good financial health and has a strong balance sheet.

In terms of new projects, the Group was awarded the Shijiaba Wastewater Treatment Plant project in Cangxi County, Sichuan Province in the third quarter, with a total designed capacity of 37,500 tonnes per day. This is the Group's first wastewater treatment project in Sichuan Province, laying a good foundation for its future business expansion. Moreover, two wastewater treatment projects, with a total designed capacity of 600,000 tonnes per day, were awarded tariff increase.

During 9MFY2022, the Group's wastewater treatment volume increased by 1.7% YOY to 1.847 billion tonnes and water supply volume increased by 3.0% YOY to 236 million tonnes. In terms of treatment tariffs, the average wastewater treatment tariff climbed from RMB1.66 per tonne to RMB1.74 per tonne, a YOY rise of 4.8%; average water supply tariff read RMB2.48 per tonne, close to that of the same period last year.

PROSPECTS

China's economic performance began to improve in the third quarter and the Central Government remained committed to achieving its “carbon peak” and “carbon neutrality” goals. It continuously launched favorable policies related to environmental protection, such as wastewater treatment and solid waste recycling, in order to promote the comprehensive green transformation in economic and social development. In early July, the Ministry of Housing and Urban-Rural Development (“**MOHURD**”) and the China Development Bank announced that priority credit support would be provided to counties for the construction of household wastewater and waste treatment facilities, and the credit term can be extended to 30 years. At the end of August, 17 departments including the Ministry of Ecology and Environment issued instructions for "Deepening the Protection and Restoration of the Yangtze River", according to which, by the end of 2025, all water in the river basin area should meet Grade II classification and black and odorous water in county-level cities along the Yangtze River Economic Belt should be eliminated.

In addition to capitalizing on polices favorable to the industry and exploring quality M&A opportunities, the Group also focuses on driving the construction and operation of existing projects, as well as consolidating its strategic layout in the Yangtze River Delta region. The recently acquired Xicen Water Purification Plant Project (“**Xicen Project**”), located in Jinze Town, Qingpu District, Shanghai, is an important supporting facility for the Xicen Science and Technology Innovation Center. According to the “Implementation Plan for Carbon Peaking in the Demonstration Zone of Green and Integrated Ecological Development of the Yangtze River Delta” (長三角生態綠色一體化發展示範區碳達峰實施方案), the Xicen Science and Technology Innovation Center will build a green and low-carbon infrastructure network and become a key area for leading innovation. The Xicen Project integrates green concepts and smart technologies in its design by adopting an advanced fully underground model and observing a high water discharge standard of Quasi Grade III. It is expected to

significantly raise local wastewater treatment capacity and improve the water environment after full operation. The Group will strive to realize the demonstration effect of the project and develop it into a benchmark water project in the Yangtze River Delta region.

In terms of solid waste treatment, the MOHURD and the National Development and Reform Commission issued the "Implementation Plan for Carbon Peaking in Urban-Rural Construction" (城鄉建設領域碳達峰實施方案) in July, requiring the urban household waste reutilization rate to reach 65% by 2030. Shanghai has also issued the "Implementation Plan for Carbon Peaking in Shanghai City" (上海市碳達峰實施方案), which aims to reduce carbon emissions by 70% in 2030 compared with the 2005 level, with specific mention that biomass power generation projects should be developed to complement existing household waste incineration facilities in regions including Baoshan District, and that total installed capacity of biomass power generation projects should reach 840,000 kilowatts. The Baoshan Project, meticulously built by the Group, entered commissioning phase in late September. Its first unit has been connected to the grid for power generation, and the system is operating stably with indicators in good state. Upon full operation, its production capacity will reach 3,800 tonnes per day. This project is of great importance towards raising Shanghai's capability of harmless treatment and reutilization of solid waste, and is also proof of the Group's strength in solid waste treatment sector.

Mr. Yang Jianwei, Chief Executive Officer of SIIC Environment, said, "With the introduction of a series of policies favorable to the water and solid waste industries and the continuous improvement of relevant laws and regulations, the environmental protection industry will be presented with various new opportunities. As an integrated environmental protection company that stands out in management, technology, operation and capital capabilities, we will continue to notice and seize quality M&A opportunities in the industry, fully utilize our experience and advantages, actively enhance synergies and focus on our business deployment in key cities and river basins. Winning the bid for Xicen Project, plus successful operation of Baoshan Project, has laid a solid foundation for the Group to achieve rapid and quality growth. The Group is acquiring water projects in Yangtze River Delta region in an orderly manner, and already signed the agreement to purchase Yun Shui Technology Co., Ltd on 3 November. Looking ahead, we are confident of soaring to greater heights, achieving stable and long-term development, while contributing to the country's green and low-carbon development."

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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, 7 solid waste incineration projects and 13 sludge treatment 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: 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, 10 November 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. Yang Wei; and the independent non-executive Directors are Mr. Yeo Guat Kwang, Mr. An Hongjun and Mr. Zhong Ming.

** For identification purpose only*