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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 RMB5.273 Billion in 9MFY2024 Net Profit Attributable to Shareholders Reaches RMB500 Million

- 9MFY2024 revenue decreased by 17.0% year-on-year (YOY) to RMB5.273 billion. Construction revenue and financial income from service concession arrangements during the construction period in 9MFY2024 decreased by 56.2% YOY to RMB1.021 billion. However, operation income with higher gross profit margin (including financial income from service concession arrangements during the operating period) increased by 5.8% YOY to RMB4.252 billion
- 9MFY2024 gross profit margin increased by 2.8 percentage points to 37.7% from 34.9% for the same period in 2023
- 9MFY2024 finance expenses decreased by RMB42 million, or 6.7%, compared with the same period in 2023
- 9MFY2024 net profit margin increased by 0.2 percentage point to 14.8% from 14.6% for the same period in 2023
- 9MFY2024 net profit attributable to shareholders amounted to RMB500 million, a YOY decrease of 14.4%

Financial Highlights

RMB('000)	9MFY2024	9MFY2023	Change
Revenue	5,272,606	6,348,959	-17.0%

Gross Profit Margin	37.7%	34.9%	2.8 pp*
Net Profit	779,551	924,519	-15.7%
Net Profit Margin	14.8%	14.6%	0.2 pp*
Net Profit Attributable to Shareholders	499,627	583,384	-14.4%
Earnings Per Share (EPS) (RMB cents)	19.40	22.65	-14.3%

*pp: percentage point(s)

Singapore and Hong Kong, 12 November 2024 - 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 2024 (the “**9MFY2024**” or the “**Reporting Period**”). The Group’s total revenue decreased by 17.0% YOY to RMB5.273 billion, and net profit attributable to shareholders declined by 14.4% YOY to RMB500 million.

The decrease in the Group’s revenue and net profit attributable to shareholders during the Reporting Period was mainly due to the completion of certain significant construction projects in FY2023, while the main construction work of key new projects in 2024 will only commence in the second half of the year, resulting in a 56.2% YOY decline in construction revenue (including financial income from service concession arrangements during the construction period) to RMB1.021 billion. However, with the higher volume and average price of water treatment and water supply during the Reporting Period, the Group’s operation revenue (including financial income from service concession arrangements) continued to grow steadily, increasing by 5.8% YOY to RMB4.252 billion.

During the Reporting Period, the Group’s gross profit margin increased by 2.8 percentage points to 37.7%, when compared with the same period in 2023. This was mainly due to the higher proportion of operation revenue with higher gross profit margin and lower unit cost owing to the higher volume and higher average price of water treatment and water supply.

In terms of financing, during the reporting period, the Group replaced high-interest non-RMB loans with lower-interest RMB loans and continued to optimize its financing structure. As such, although the financing scale of the Group had increased during the period, its financial expenses had come

down notably against the same period last year. In 9MFY2024, the Group's financial expenses were RMB592 million, down RMB42 million, or 6.7%, from RMB634 million in the same period in 2023. Average financial costs decreased by 0.6 percentage points from 4.3% to 3.7%.

The Group actively promoted its business development in 9MFY2024 and made progress in three new projects in Hubei Province, Shandong Province and Guangxi Zhuang Autonomous Region in China. The projects have a total capacity of 285,000 tonnes per day. The new projects include the Weifang City Weicheng District WWTP O&M Project ("**Weicheng Project**"), Beihai Daguansha WWTP O&M Project 2nd Phase ("**Beihai Project 2nd Phase**") and Hanxi WWTP Project 3rd Phase ("**Hanxi Project 3rd Phase**"), with a designed capacity of 50,000 tonnes per day, 35,000 tonnes per day and 200,000 tonnes per day, respectively. In addition, during the reporting period, the two projects of the Group 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.

In 9MFY2024, the Group's wastewater treatment volume increased by 3.0% YOY to 1948.511 million tonnes and the water supply volume increased by 3.8% YOY to 251.191 million tonnes. In terms of treatment tariffs, the Group's average wastewater treatment tariff increased by 3.8% YOY to RMB1.86 per tonne, while the average water supply tariff remained relatively stable.

Prospects

In the third quarter of 2024, the macro-economy of the People's Republic of China maintained a steady growth momentum. The central government continued to promote the green and low-carbon transition of economic and social development, providing important development opportunities for the environmental protection industry. As a leader in China's water and environmental protection industries, the Group will follow the green, low-carbon and high-quality development path, firmly grasp the industry development opportunities created by national policies, and promote the steady development of the Group's core businesses.

In July, the CPC Central Committee and the State Council issued the "Guidelines to Ramp up Green Transition of Economic, Social development" (《關於加快經濟社會發展全面綠色轉型的意見》). According to the guidelines, by 2035, a green, low-carbon, and circular development economic system will be basically established, green production and lifestyles will be widely popularized, economic and social development will be completely shifted to a green and low-carbon path, carbon emissions will be stabilized and decline somewhat after peaking, and the

goal of building a beautiful China will be basically achieved. The guidelines also mention that the country will pursue fiscal and taxation policies that are conducive to green transition, enrich relevant financial instruments, optimize investment mechanisms and improve pricing policies accordingly. The policy will create a favorable market environment and business conditions, and expand financing channels for the environmental protection industry, which will encourage the Group to pursue a sustainable and high-quality development path. In July, the National Development and Reform Commission and the Ministry of Finance issued the "Measures to Strengthen Support for Large-Scale Equipment Upgrading and Trade-In of Old Consumer Goods" (《關於加力支持大規模設備更新和消費品以舊換新的若干措施》), which included the establishment of ultra-long-term special government bond funds of approximately RMB300 billion. The funds will be used to strengthen support for large-scale equipment upgrades and trade-in of old consumer goods, which will provide financial support for the Group's project equipment upgrades, so as to lay a solid foundation for business expansion.

As for solid waste, the Ministry of Ecology and Environment issued the "Implementation Opinions on Promoting the Accelerated Rise of the Central Region through High-Level Protection" (《關於以高水平保護促進中部地區加快崛起的實施意見》) in September. It proposes to further deepen the construction of "zero-waste city"; supports Anhui, Jiangxi, Henan, Hubei and Hunan in their orderly promotion of the construction of "zero-waste cities" in all regions; encourages the reduction of solid waste at source; and improves the level of resource utilization. The Group's benchmark solid waste treatment project, Baoshan Project, has commenced operation. As the first municipal-level key project for dry and wet household waste treatment after the formal implementation of the waste sorting policy in Shanghai, the Baoshan Project, with a daily capacity of 3,800 tonnes, is set to effectively solve waste treatment issues in the service areas after its operation, and plays a critical role in improving the harmless waste treatment and resource utilization rate in Shanghai. The Group will constantly look for opportunities associated with quality solid waste projects and actively participate in the construction of "zero-waste cities" to promote the harmless treatment, reduction and recycling of household waste.

Mr. Ji Guanglin, Chief Executive Officer of the Group, said, "The Group will continue to actively respond to national policies, achieve modernization in which man and nature coexist harmoniously, and actively build the Group's "One Mountain and One River" benchmark projects to achieve synergy in reducing pollution and carbon emissions, and contribute to the realization of carbon peaking and carbon neutrality. In addition, the Group will continue to explore market opportunities. While focusing on its core businesses of water treatment and water resource

recycling, it will proactively seek opportunities in other environment-related markets, continue to promote technological innovation, and follow the path of sustainable and high-quality 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 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

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By order of the Board
SIIC ENVIRONMENT HOLDINGS LTD.
Mr. Ji Guanglin
Executive Director

Hong Kong and Singapore, 12 November 2024

As at the date of this announcement, the Chairman and 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*