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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 1HFY2022

Revenue Climbs 11.7% YOY to RMB3.687 Billion

Net Profit Attributable to Shareholders Up 10.0% YOY to RMB366 Million

- *1HFY2022 revenue read RMB3.687 billion, a 11.7% year-on-year (YOY) increase*
- *Net profit attributable to shareholders in 1HFY2022 amounted to RMB366 million, a YOY increase of 10.0%*
- *Construction income amounted to RMB1.267 billion in 1HFY2022, with a 17.97% YOY increase, mainly due to the accelerated construction progress of the Shanghai Baoshan Renewable Energy Utilization Center, which is scheduled to commence operation within the year*
- *Operating and maintenance income and financial income from service concession arrangements rose by 7.69% YOY and reached RMB2.232 billion in 1HFY2022, mainly due to an increase in wastewater treatment and water supply volume and average wastewater treatment tariff*

Financial Highlights

RMB'000	1HFY2022	1HFY2021	Change (%)
Revenue	3,686,875	3,300,010	11.7
Gross Profit	1,244,608	1,157,812	7.5
Net Profit	547,780	528,980	3.6
Net Profit Attributable to Shareholders	366,011	332,741	10.0
Earnings Per Share (EPS) (RMB cents)	14.21	12.86	10.5

SINGAPORE and HONG KONG, 5 August 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 in China, today announced its results for the six months ended 30 June 2022 (“1HFY2022” or the “Reporting Period”). The Group’s total revenue was up by 11.7% to RMB3.687 billion and net profit attributable to shareholders saw a 10.0% climb to RMB366 million. The Group’s Board of Directors declared an interim dividend of SGD0.005 per ordinary share.

The Group’s construction income increased by 17.97% YOY to RMB1.267 billion in 1HFY2022. Its benchmark solid waste treatment project, Shanghai Baoshan Renewable Energy Utilization Center (“Baoshan Project”), which is scheduled to commence operation in 2022, saw accelerated construction progress and contributed to substantial YOY growth in construction income. Such growth, however, was partially offset by the delay of other projects’ construction progress. Operating and maintenance income and financial income from service concession arrangements was up by 7.69% YOY to RMB2.232 billion, mainly due to an increase in wastewater treatment and water supply volume and average wastewater treatment tariff. For the Reporting Period, the Group’s gross profit reached RMB1.245 billion, a 7.5% YOY growth.

Registering RMB337 million, the Group’s finance expenses as at 30 June 2022 decreased relative to the corresponding period last year, at the success of efforts to optimize debt structure. In order to lower interest payment, the Group replaced higher interest rate loans with corporate bonds issued in March and November of 2021. During the Reporting Period,

the Group's cash and cash equivalents were at a healthy level of RMB3.14 billion.

In terms of new projects, the Group secured three new wastewater treatment projects (including one forward project) in the second quarter, with a total designed capacity of 80,000 tonnes per day. One wastewater treatment project with a designed capacity of 10,000 tonnes per day was awarded upgrading; one sludge treatment project with a designed capacity of 200 tonnes per day signed a tariff increase agreement; and four other projects commenced commercial operation, including one reclaimed water treatment project with a designed capacity of 40,000 tonnes per day, and three wastewater treatment upgrading and expansion projects, which are designed to have capacity of 75,000 tonnes per day, 50,000 tonnes per day and 25,000 tonnes per day, respectively.

In 1HFY2022, the Group's wastewater treatment volume increased by 1.6% YOY to over 1.2 billion tonnes, while water supply volume rose by 3.9% YOY to over 1.5 hundred million tonnes. In terms of treatment tariff, average wastewater treatment tariff climbed from RMB1.69 per tonne to RMB1.72 per tonne, up by 1.8% YOY; average water supply tariff read RMB2.47 per tonne, slightly decreasing by 2.4% YOY.

PROSPECTS

In recent years, China has been putting increasing emphasis on environmental protection, and favorable policies have been launched continuously. On 25 May, China's National Development and Reform Commission ("**NDRC**") issued the "Guideline for Further Revitalizing Stock Assets and Increasing Effective Investment" (關於進一步盤活存量資產擴大有效投資的意見), which encourages to explore the sinking of sewage treatment plants and comprehensive development of spaces above and underground, both in light of local circumstances. Furthermore, the NDRC, together with five other departments, issued a new edition of the "Overall Plan for Comprehensive Treatment of Water Environment in the Taihu Lake Basin" (太湖流域水環境綜合治理總體方案) in June, pointing out that while improving the quality of aquatic ecological environment, "Development of Yangtze River Economic Belt" and "Integration of Yangtze River Delta" should be closely followed as strategic objectives.

As an environmental protection enterprise that closely serves national strategies, the Group has actively responded to relevant policies. The recently acquired Xicen Water Purification Plant Project ("**Xicen Project**") in Qingpu, Shanghai, is to be built completely underground.

It observes Quasi Grade III water discharge standard, making it the underground wastewater treatment plant with the highest discharge standard in the country to date. A water cultural landmark is planned for its spaces above ground, and will be paired with ornamental design such as greenery and lighting. The Project will not only improve local landscape and lead green living trends in the area, but will enhance the Group's geographical layout and strengthen its development strategy as well.

In addition, in April, the Ministry of Housing and Urban-Rural Development, the Ministry of Ecology and Environment, the NDRC and the Ministry of Water Resources jointly issued the "Implementation Plan for Deepening the Battle for the Treatment of Urban Black and Odorous Water" (the "**Plan**") (深入打好城市黑臭水體治理攻堅戰實施方案). According to the Plan, by 2025, the removal rate of black and odorous water bodies in the built-up areas of the Beijing-Tianjin-Hebei Region, Yangtze River Delta and Pearl River Delta regions should reach 90%, and the centralized collection rate of urban domestic wastewater should reach more than 70%. The Plan also requires local authorities to adjust wastewater treatment charging standards as soon as possible in accordance with relevant regulations, and encourages financial institutions to provide credit support to market-oriented urban black and odorous water treatment projects. China's wastewater treatment market is expected to further expand, benefiting the Group's relevant sectors. At the same time, with its financing channels broadening, the Group is to see continuous and strong growth of its business.

Mr. Yang Jianwei, Chief Executive Officer, said, "In the first half of 2022, despite the recurrent COVID-19 outbreaks in China, the Group was able to maintain resilience and effective execution capability, achieving stable development and ensuring project progress in various regions. Guided by the strategic goals of 'carbon peak and carbon neutrality', China's emphasis on environmental protection has reached a new level. Favorable policies have been frequently introduced, expanding the room for further development of the environmental protection industry. The 14th Five-year Plan also forged a major initiative for 'promoting comprehensive green transformation of economic and social development'. The Group has been firmly adhering to national policies, embracing the idea that 'lucid waters and lush mountains are invaluable assets', and strives to transform Baoshan and Xicen Projects into its iconic 'one mountain and one river' projects. While strengthening its regional layout and consolidating leading position, the Group will further enhance its ability to secure new projects and fully seize the opportunities to raise standards and implement smart upgrades for existing projects. It will shoulder the important task of realizing the 'dual-carbon'

goals, while contributing to the harmonious coexistence between man and nature."

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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 waste water 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, 5 August 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*