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 Announces Its Results for the First Half of FY2026

Resilient Profitability with Net Profit Attributable to Shareholders Reaching RMB325 Million

Financial Highlights

RMB'000	First half of FY2026	First half of FY2025	Changes
Revenue	3,185,021	3,177,120	0.2%
Gross profit margin	38.9%	39.6%	（0.7pp*）
Finance expenses	285,646	350,104	（18.4%）
Profit before tax	625,014	651,369	（4.0%）
Net profit attributable to shareholders	325,210	344,258	（5.5%）

Earnings per share (RMB in cent)	**12.63**	**13.37**	**（5.5%）**

*pp: percentage point

(Singapore and Hong Kong, August 13, 2026) –**SIIC Environment Holdings Ltd.** ("SIIC Environment" or the "Company", together with its subsidiaries, collectively referred to as the "Group"), China's leading water and environmental protection company, today announced its results for the six months ended 30 June 2026 (the "first half of FY2026" or the "Reporting Period").

In the first half of FY2026, the Group seized market opportunities and upheld the development strategy of "achieving breakthroughs through mergers and acquisitions, and enhancing quality and efficiency", achieving revenue of RMB3.185 billion, representing a year-on-year increase of 0.2%; net profit attributable to shareholders reached RMB325 million; while finance expenses decreased by 18.4% year on year. During the period, the Group continuously enhanced the competitiveness of its core businesses, further consolidated its operational strengths, steadily advanced its merger and acquisition strategy, and simultaneously optimized its financing and capital structure, thereby consistently strengthening its capacity for sustainable development.

Among the core business segments, the operating and maintenance income from service concession arrangements and related financial income amounted to RMB2.568 billion, accounting for 81% of total revenue. The Group continued to focus on its core business, with operating revenue remaining robust. Meanwhile, accompanied by a notable result regarding the continuous expansion of the asset-light businesses, the service income substantially increased from RMB120 million in the first half of FY2025 to RMB215 million, representing a year-on-year growth of 79.4%.

During the Reporting Period, the Group recorded construction revenue of RMB205 million. During the period, the Group orderly advanced its major projects as planned. In particular, Hanxi Phase III successfully commenced water commissioning in line with the schedule, which will gradually provide support for the Group's future operating performance.

In terms of financing, the Group has continued to broaden its financing channels, optimized its financing structure, and decreased its financing costs, so as to further enhance the efficiency of resource allocation. During the Reporting Period, the Group's finance expenses amounted to RMB286 million, representing a decrease of 18.4% as compared with RMB350 million in the same period of FY2025.

In terms of capital structure, the financial structure was continuously optimized. As at 30 June 2026, the Group's debt-to-asset ratio further decreased from 63.8% as at 30 June 2025 to 61.8%, while the current ratio increased from 114% to 147%, demonstrating a more robust capital structure and further reinforced solvency. Net cash flow from operating activities remained sound, with the net inflow reaching RMB547 million in the first half of the year. As at the end of the Reporting Period, the Group recorded cash and cash equivalents of RMB2.846 billion, maintaining ample liquidity.

In the first half of FY2026, the Group adopted a dual-pronged strategy of "optimizing existing assets and pursuing external expansion" in terms of market expansion, realizing positive progress:

In terms of strategic mergers and acquisitions, Longjiang Environmental Protection Group Co., Ltd* (龍江環保集團股份有限公司, "Longjiang Environmental Protection"), a controlling subsidiary of the Company, completed the acquisition of 100% equity interests in Anshan Qingchang Water Services Co., Ltd.* (鞍山清暢水務有限公司, "Qingchang Water Services") and Anshan Qinglang Water Services Co., Ltd.* (鞍山清朗水務有限公司, "Qinglang Water Services") held by Qingdao Qing'an Technology Investment Co., Ltd.* (青島清鞍科技投資有限公司), for a total consideration of RMB 270,000,000, adding 230,000 tonnes per day to the Group's wastewater treatment capacity. Specifically, Ningyuan Wastewater Treatment Plant Project* (寧遠污水處理廠項目) operated by Qingchang Water Services possesses a daily treatment capacity of 80,000 tonnes, while Dongtai Wastewater Treatment Plant Project* (東台污水處理廠項目) operated by Qinglang Water Services possesses a daily treatment capacity of 150,000 tonnes. Having been in operation for years, both projects feature mature and stable operational capabilities and generate steady cash flow. Furthermore, the Group concurrently completed the handover of the Dalian Lüshun Economic Development Zone Wastewater Treatment Plant Project* (大連旅順經濟開發區污水處理廠項目) (30,000 tonnes per day) and the Lüshun Economic Development Zone Reclaimed Water Pipeline Construction Project * (旅順經濟開發區再生水管道建設項目) (30,000 tonnes per day), thereby further refining its regional business layout.

In terms of project development, the newly commissioned Entrusted Operation Project of the Shanghai Hangzhou Bay Economic and Technological Development Zone Industrial Wastewater Treatment Plant O&M Project* (上海杭州灣經濟技術開發區工業廢水處理廠委託運營項目) commenced operation (12,000 tonnes per day), with a new bid secured for the Sino-Italy Ningbo Eco-Park Wastewater Treatment Plant Project* (中意寧波生態園污水處理廠項目) (70,000 tonnes per day), further deepening its market presence in the Yangtze River Delta region and solidifying its strengths in asset-light businesses. In terms of existing projects, the Group signed a supplementary agreement for the Longmen Town Wastewater Treatment Plant Upgrading and Expansion O&M Project, Anxi County, Quanzhou* (泉州安溪縣龍門鎮污水處理廠提標及擴建委託運營項目), increasing the designed capacity from the original 25,000 tonnes per day to 32,500 tonnes per day. Additionally, the works of Shanting District Wastewater Treatment Plant Upgrading and Expansion Project, Zaozhuang City* (棗莊市山亭區污水處理廠改擴建項目) (30,000 tonnes per day), the Phase I Upgrading Project of Xingang Industrial Park Wastewater Treatment Plant, Jingjiang City* (靖江市新港園區污水處理一期項目提標改造工程) (20,000 tonnes per day), and the Phase I Upgrading Project of Huangqiao Wastewater Treatment Plant, Taixing City* (泰興市黃橋污水處理廠一期項目提標改造工程) (25,000 tonnes per day) were completed and commenced operation during the Reporting Period, consistently underpinning the Group's operating performance.

Smooth advancement of the aforesaid projects has further expanded the Group's scale of operations, optimized its regional market footprint, and strengthened its core competitive advantages, injecting sustained momentum for the Group's high-quality development.

Prospects

In the first half of 2026, the People's Republic of China ("China") continued to promote the construction of a Beautiful China, with various tasks of ecological and environmental governance being implemented in an orderly manner. The Report on the Work of the Government (2026) proposed to pursue green transformation driven by the "dual carbon" goals (carbon peaking and carbon neutrality goals), and make concerted efforts to cut carbon emissions, reduce pollution, pursue green development and boost economic growth. It is planned to reduce carbon dioxide emissions per unit of GDP by approximately 3.8% in 2026, whilst implementing the dual control system for both carbon emissions and carbon emission intensity. China will continue to fight the tough battle of pollution prevention and control, and carry out ecological conservation and restoration. "Two high" projects (projects with high energy consumption and high emissions) will be strictly regulated to promote industrial carbon reduction; green industries such as hydrogen energy, energy storage and green fuels will be developed. With the accelerated construction of a new electric power system, the national carbon market is expected to be expanded; with the principle of establishing the new before abolishing the old, China will balance energy security and orderly progress of carbon peaking, and consolidate the foundation for low-carbon development during the 15th Five-Year Plan period. In June 2026, the State Council issued the 15th Five-Year Plan for Building a Beautiful China (《美麗中國建設"十五五"規劃》), which advocates for firmly establishing and putting into practice the philosophy that lucid waters and lush mountains are invaluable assets, deepening efforts to protect the blue sky, clear water and pure land, and comprehensively implementing precise, scientific and law-based pollution control. Guided by the goals of carbon peaking and carbon neutrality, China will coordinate industrial restructuring, pollution control, ecological conservation and climate change response, persistently deepen efforts in pollution prevention and control and ecosystem improvement, step up green transformation in overall economic and social development, and consolidate the ecological foundation for the great rejuvenation of the Chinese nation. The Group will seize the window of opportunity featured by favorable industry policies, steadily advance the construction and quality enhancement of the existing projects, and simultaneously explore high-quality investment opportunities for new projects. At present, the Group's "One Mountain and One River" benchmark projects have achieved outstanding results in respect of construction and operation. The benchmark solid waste treatment project, Shanghai Baoshan Renewable Energy Utilization Center, is now operating smoothly, and the core sewage treatment project, Qingpu Xicen Water Purification Plant, is operating steadily on a commercial basis. Moving forward, the Group will continue to optimize its business layout across all regions, further explore the market, and expand its business scale to consolidate its leadership in the domestic water and environmental protection industries.

On the water policy front, in March 2026, the National People's Congress approved and issued the Outline of the 15th Five-Year Plan (《"十五五" 規劃綱要》), which stipulates the core development and governance objectives of water affairs for the years 2026 to 2030. Specifically, the Outline proposes the upgrading and reconstruction of urban sewage treatment plants, raise effluent discharge standards, and strengthen the large-scale recycling and reuse of treated wastewater; to advance efforts across all regions to eliminate black-odor water bodies in both urban and rural areas, conduct inspections and remediation of sewage outfalls into rivers, and refine the governance of small and medium-sized rivers, reinforce the risk-elimination projects for dilapidated reservoirs, so as to strengthen the capacity to prevent and mitigate flood and drought disasters. In March 2026, the Shanghai Municipal Government issued the Notice on Organizing the Application for the 2026 Special Support Projects for Water Conservation and Emission Reduction (《2026年節水減排專項扶持項目申報通知》), which specifies the scope of support and application requirements for municipal-level special water subsidies. The support targets are water conservation and emission reduction projects that were completed and implemented in compliance with regulations from 2022 to 2025, covering industrial water-saving technological transformation, on-site wastewater reuse within plant premises, municipal wastewater resource utilization, rainwater harvesting and utilization, and other unconventional water source development projects. Priority shall be given to large-scale reclaimed water reuse projects in industrial parks and water-intensive enterprises, leading the city's industrial sector to reduce water consumption, and decrease the withdrawal of fresh water, and enhancing the utilization rate of urban unconventional water sources. In June 2026, the State Council issued the 15th Five-Year Plan for Building a Beautiful China (《美麗中國建設“十五五”規劃》), which proposes to establish the "Three Waters Coordination" ("water resources, water environment, and water ecology"); consolidate the achievements in remediating urban black-odor water bodies, establish a long-term inspection and source-tracing mechanism to prevent any recurrence; and attach great importance to tackling the remediation of small and micro water bodies in townships and villages, so as to basically eliminate black-odor water bodies across all townships. The Plan proposes to intensify the risk prevention and control at centralized drinking water sources, regularly implement inspections to identify potential hazards and clean up and remediate sources of pollution, systematically advance the prevention and control of groundwater pollution and the management of ecological flow in river basins, restore the aquatic ecosystems of rivers, lakes and wetlands, comprehensively enhancing the water environment quality and ecological carrying capacity of river basins.

On the sewage treatment front, the Group has consistently aligned itself with the national strategic directives, fully carried out the green and low-carbon development plans, and leveraged technological innovation to enhance the quality of its wastewater treatment operations whilst reducing carbon emissions. With continuous introduction of new energy-saving processes and low-carbon treatment solutions, the Group has reduced carbon emissions from wastewater treatment projects across all regions. With the low-carbon practices in core water services business, the Group has supported the delivery of national carbon peaking and carbon neutrality goals, and has cooperated with the industry to create a green and low-carbon industrial ecosystem.

In terms of green financing, in January 2026, the People's Bank of China (PBOC) comprehensively upgraded the carbon emission reduction support tool, increasing industrial energy-saving retrofits, green technological transformation of traditional industries, and new-type energy storage supporting facilities. The interest rate on the one-year relending facility was lowered to 1.25%, with an annual operation quota of RMB800 billion, to be disbursed on a quarterly basis. The PBOC updated the rules for recognizing green assets as collateral, incorporated loans for low-carbon plant retrofitting and energy storage supporting facilities into its pool of eligible collateral, and introduced differentiated assessment of banks' green credit performance. By leveraging low-cost and targeted long-term funding, the PBOC has continued to reduce enterprises' green transformation costs, covering a full chain of new energy, industrial low-carbon initiatives, and energy-saving equipment. This fills the gap in low-cost financing channels for the transformation of high energy-consuming industries and refines the monetary policy toolkit of direct green finance instruments. Accompanied by the releases of numerous support policies, the Group's financing channels have been continuously broadened, effectively decreasing its overall financing costs and optimizing capital allocation efficiency, as well as providing robust support for the Group to expand its operating scale and advance the implementation of varied new projects.

Mr. Ji Guanglin, the Chief Executive Officer, stated: "In the first half of 2026, China's economy continued a steady and improving trend, with policy dividends in respect of the green development being consistently released, ensuring an overall positive operating environment for the Group. The Group has insisted on a steady yet progressive development philosophy and made concerted efforts to propel business expansion and risk management, achieving phased results in various major initiatives in the first half of the year. Looking ahead to the second half of the year, the Group will anchor its high-quality development goal, and be steadfast in advancing operational upgrades and lean management empowered by technological innovation and digital and intelligent transformation, so as to continuously improve operational efficiency. By seizing the policy and market opportunities during the 15th Five-Year Plan period, the Group will positively pursue high-quality projects and strategic mergers and acquisitions and consistently expand its market share. The Group will attach greater importance to expanding into fields such as reclaimed water, industrial water, and desalinated water, continue to extend and upgrade its value chain, and strive to deliver returns to investors through outstanding performance, contributing greater strength to the construction of a Beautiful China through concrete actions."

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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 of SIIC Environment is Shanghai Industrial Holdings Limited ("SIHL", HKEX stock code: 363.HK), which was established in 1996, with infrastructure, real estate and consumer products as its core businesses. 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 over 250 wastewater treatment and water supply projects, solid waste incineration projects and 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: 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 Dr. Kimmis Pun Kim Ming, Mr. An Hongjun and Mr. Zhong Ming.

* *For identification purpose only*