

The Singapore Exchange Securities Trading Limited (the “SGX”), Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “SEHK”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 1QFY2022

Revenue Climbs 10.1% YOY to RMB1.785 Billion

Net Profit Attributable to Shareholders Up 9.8% YOY to RMB176 Million

- 1QFY2022 revenue read RMB1.785 billion, a 10.1% year-on-year (YOY) increase
- Net profit attributable to shareholders in 1QFY2022 amounted to RMB176 million, a YOY increase of 9.8%
- Construction income amounted to RMB611 million in the quarter, with a 7.1% YOY increase; accelerated construction of the Shanghai Baoshan Renewable Energy Utilization Center, which is scheduled to commence operation within the year, was the main reason for the construction income surge
- Operating and maintenance income and financial income from service concession arrangements rose by 9.5% YOY and reached RMB1.074 billion in 1QFY2022, due to an increase in wastewater treatment volume and average wastewater treatment tariff, plus higher financial income from service concession arrangements

Financial Highlights

RMB'000	1QFY2022	1QFY2021	Change (%)
Revenue	1,784,879	1,621,816	10.1
Gross Profit	578,185	553,450	4.5
Net Profit	255,843	240,566	6.4
Net Profit Attributable to Shareholders	175,821	160,116	9.8
Earnings Per Share (EPS) (RMB cents)	6.83	6.16	10.8

SINGAPORE and HONG KONG, 13 May 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 three months ended 31 March 2022 (“1QFY2022” or the “Reporting Period”). The Group’s total revenue was up by 10.1% to RMB1.785 billion and net profit attributable to shareholders saw a 9.8% climb to RMB176 million.

The Group’s construction income increased by 7.1% YOY to RMB611 million in 1QFY2022. 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 compared with the corresponding period last year, and thus led to the higher 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 9.5% YOY to RMB1.074 billion, mainly due to an increase in wastewater treatment volume and average treatment tariff, plus higher financial income from service concession arrangements. For the Reporting Period, the Group’s gross profit reached RMB578 million, seeing a 4.5% YOY growth.

Reading RMB165 million, the Group’s finance expenses for the quarter 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 lower

interest rate corporate bonds, which were issued in March and November of 2021. As at 31 March 2022, the Group's cash and cash equivalents were at a healthy level of RMB2.684 billion.

Capitalizing on its unique strategic positioning and business model, the Group will continue to improve its strategic deployment in the Yangtze River Delta region, strengthen operation of its main business, maintain close cooperation with local governments, and carry out project upgrade and expansion work in an orderly manner. During the Reporting Period, 6 of the Group's wastewater treatment projects, with a total designed capacity of 900,000 tonnes per day, completed upgrade or expansion and commenced operation, 5 of which are located in the Yangtze River Delta region.

In 1QFY2022, the volume of wastewater treated by the Group increased 2.9% YOY to 593,226,000 tonnes, while water supply volume amounted to 73,958,000 tonnes, up by 4.0% YOY. Regarding treatment tariff, the average wastewater treatment tariff in the quarter was RMB1.67 per tonne, 2.6% higher than the RMB1.63 per tonne in the same period last year. The average water supply tariff read RMB 2.49 per tonne, showing a slight YOY decrease of 0.7%.

PROSPECTS

China's central and local governments continue to strengthen their policies on environmental management, allowing the environmental industry to maintain growth momentum and even expand the scope of development. The "Guideline to Accelerate Construction of Urban and Rural Environmental Infrastructure" ("**Guideline**") (關於加快推進城鎮環境基礎設施建設的指導意見), which was jointly formulated by the National Development and Reform Commission ("**NDRC**") and three other departments, was released in February 2022. The Guideline proposes to realize intelligent upgrade of urban and rural environmental infrastructure and achieve high-quality development by fully utilizing technologies such as big data and IoT. For the Yangtze River Basin specifically, the NDRC issued the "Implementation Plan for the Development of the City Cluster along the Middle Reaches of the Yangtze River during the 14th Five-Year Plan Period" (長江中游城市群發展「十四五」實施方案) on 15 March, requiring relevant departments in provinces and cities, such as Jiangxi and Hubei, to promote collaborative management of the Yangtze River water environment, and to raise wastewater treatment capacity by 20 million tonnes by 2025. In the same month, the Ministry of Ecology

and Environment also published the "Work Plan for the "One City, One Policy" Longitudinal Study (Phase 2) for Protection and Remediation of Yangtze River Ecological Environment" (長江生態環境保護修復「一市一策」駐點跟蹤研究(二期)工作方案), which stresses the need to continuously provide technical support for the treatment of black and odorous water bodies in urban areas.

With "Development of the Yangtze River Economic Belt" and "Protection of the Yangtze River" as its bases for development, the Group has continuously promoted integrated development in the Yangtze River Delta region and actively expanded its business in the Yangtze River Basin. To date, it has close to one hundred projects in the region, and is always striving to consolidate its market position and obtain synergies. In addition to making best use of its geographical advantages to develop new projects, the Group has incorporated informatization reform of existing projects into its work priorities. As of the end of last year, construction of the initial phase of its Intelligent Water Information System was completed, and the digital transformation of related business segments has also been in progress. Through upgrading and replacement of both hardware equipment and software systems, the Group plans to achieve visual, precise and intelligent management. In doing so, it is complying with China's high-quality development policies, while at the same time, creating greater value for shareholders by lowering expenses and boosting efficiency.

Regarding solid waste incineration power generation, the NDRC and the National Energy Administration issued the "14th Five-Year Plan for Modern Energy System" (「十四五」現代能源體系規劃) in March, urging for steady development of urban household waste incineration power generation. In the same month, the "Key Tasks for the Development of New Urbanization and Urban-Rural Integration in 2022" (2022年新型城鎮化和城鄉融合發展重點任務) received approval. It specifies the need to improve the comprehensive utilization system for bulk waste, implying that the waste-to-energy industry still has room for development. The Group will thus continue its search for suitable investment targets. The aforementioned key solid waste project, Shanghai Baoshan Renewable Energy Utilization Center, which is currently under construction, is expected to commence operation within the year. Thanks to its first-class equipment and facilities, sufficient production capacity and advanced designs, the project is of significance to Shanghai's infrastructure construction and is set to become a benchmark solid waste incineration project in the Yangtze River Delta region.

Mr. Yang Jianwei, Chief Executive Officer, said, "Since March 2022, the COVID-19 pandemic has rebounded in China. Always highly concerned about the epidemic situation and committed to epidemic prevention work, the Group has strived to minimize the potential short-term impacts of the epidemic on its business operation. In the long run, China is still determined to promote environmental infrastructure construction, which is conducive to development of the industry. The Group will capture development opportunities in the water industry brought by relevant policies, and actively plan its business in the Yangtze River Basin. Drawing on its geographical advantages, it will keep exploring quality projects, while promoting informatization and intelligent reforms, as well as upgrade and expansion of existing projects. On the solid waste incineration power generation front, the Group will continue its search for suitable investment targets, and actively move forward with construction of the Baoshan Project, so as to boost revenue from the waste-to-energy sector and strengthen its overall strategic layout."

—End—

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.

For Investor enquiries:

SIIC Environment Holdings Ltd.

Investor Relation Department

Email: ir@siicenv.com

For press enquires:

Strategic Financial Relations (China) Limited

Ms. Evan Lu

Tel: (852) 2864 4838

Email: sprg-siic@sprg.com.hk

By Order of the Board
SIIC ENVIRONMENT HOLDINGS LTD.
Mr. Yang Jianwei
Executive Director

Hong Kong and Singapore, 13 May 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. Zhao Youmin; and the independent non-executive Directors are Mr. Yeo Guat Kwang, Mr. An Hongjun and Mr. Zhong Ming.

** For identification purpose only*