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上海实业环境控股有限公司
SIIC ENVIRONMENT HOLDINGS LTD.

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 1QFY2021
Revenue Climbs 54% Rise to RMB1.62 Billion
Net Profit Attributable to Shareholders Up 23.1% YOY to RMB160 Million

- *The Group's revenue amounted to RMB1.62 billion, an increase of 54% year-on-year (YOY) in 1QFY2021*
- *The Group's net profit attributable to shareholders was RMB160 million, an increase of 23.1% YOY in 1QFY2021*
- *Construction income amounted to RMB571 million in 1QFY2021, a 226.7% increase YOY, owed to the relatively larger amount of construction activities in progress in the quarter as compared to 1QFY2020*
- *Operating and maintenance income and financial income from service concession arrangements amounted to RMB981 million in 1QFY2021, a 19.3% increase YOY, due to the increase in wastewater treatment volume and average wastewater treatment tariff*

Financial Highlights

RMB Thousand	1QFY2021	1QFY2020	Change (%)
Revenue	1,621,816	1,052,924	54.0
Gross Profit	553,450	412,806	34.1
Net Profit	240,566	168,181	43.0

Net Profit Attributable to Shareholders	160,116	130,108	23.1
Diluted Earnings Per Ordinary Share (RMB cents)	6.16	5.00	23.2

SINGAPORE and HONG KONG, 10 May 2021 – **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, today announced a net profit attributable to shareholders of RMB160 million for the three months ended 31 March 2021 ("**1QFY2021**").

The Group's construction income increased by more than two folds YOY to RMB571 million in 1QFY2021, which was mainly due to the delaying of construction projects during COVID-19 pandemic outbreak in 1QFY2020, fewer projects were undertaken, whereas work on projects was back to normal in 1QFY2021 with a marked increase in number of projects against 1QFY2020. Operating and maintenance income and financial income from service concession arrangements was up 19.3% YOY to RMB981 million as a result of increase in wastewater treatment volume and average treatment tariff. With lower gross profit margin projects contributing a larger share of profit, overall gross profit margin narrowed by 5.1% to 34.1%. However, the Group's actual operating business maintains a stable gross profit margin than that in the previous periods.

As at 31 March 2021, the Group's cash and cash equivalents stood at RMB3.710 billion.Net cash outflow in used in operating activities was RMB325 million and, if change in receivables from service concession arrangement were exclude, net cash inflow from operating activities was RMB143 million. The Group completed the issuance of the first batch of corporate bonds ("**Panda Bonds**") of aggregate size RMB1.5 billion carrying an interest rate of 3.89% on 15 March 2021, which have subscribed by professional investors in the People's Republic of China ("**China**"), allowing the Group to secure lower cost financing. As at 31 March 2021, the Group's financial ratio was further optimized with current ratio up notably to 1.02.

Business Review

In terms of projects, the Group was awarded upgrade and expansion of two wastewater treatment projects of total designed capacity 40,000 tonnes per day. Two wastewater treatment projects of total designed capacity 70,000 tonnes per day have completed upgrade and expansion, plus a sludge treatment project of total designed capacity 300 tonnes per day, which had commenced commercial operation.

In the first quarter, the volume of wastewater treated by the Group increased 0.2% YOY to 576 million tonnes, and the average wastewater treatment tariff increased to RMB1.66 per tonne from

RMB1.37 per tonne, up 21.1% YOY. Water supply volume increased by 16.2% YOY to 71.1 million tonnes and average water supply tariff rose by a slight 1.7% YOY from RMB 2.47 per tonne to RMB 2.51 per tonne.

Outlook

2021 kicks off the 14th Five-Year Plan of the PRC. Looking at the domestic environmental protection industry, the PRC government committed to preventing and controlling pollution has stepped up related efforts.

The government published in March the "Outline of the 14th Five-Year Plan for the National Economic and Social Development and the Long-Range Objectives Through the Year 2035" to pave the way for the acceleration of efforts to prevent and control pollution and establish a sound environmental governance system. These efforts include improving the coordination mechanism for water pollution prevention and control in rivers, promoting full coverage of the sewage pipe network in urban areas, and initially eliminating black and odorous water in urban areas. In March 2021, the "Yangtze River Protection Law of the People's Republic of China" began to take effect. The law intensifies the prevention, control and supervision of water pollution in the Yangtze River; prevents, controls and reduces water pollution; establishes local discharge standards on water pollutants which are more stringent than the national water pollutants discharge standards; and it clearly specifies the key control indicators on the total pollutant discharge volume in all provincial administrative regions along the Yangtze River. The Group has established footholds along the Yangtze River Delta region in earlier years. Banking on its regional advantages, the Group has secured a number of projects and further increased its investments in environmental protection in the Yangtze River Delta region to solidify its strategic position.

In April 2021, Chinese President Xi Jinping stated at the “Leaders Summit on Climate” that the “14th Five-Year Plan” covers a critical period, a window period, for capping carbon emission. China should incorporate capping carbon emission and carbon neutrality into the overall ecological civilization construction plan guided by the comprehensive green transformation of economic and social development. With green energy and low-carbon development as the key to speed up the formation of industrial structures, production, lifestyle and spatial pattern that converses resources and protects the environment. Unswervingly follow the high-quality development path of ecological priority, green and low-carbon to achieve the goal of peaking carbon by 2030 and carbon neutral by 2060 on schedule. The Group will seize the historic opportunities of “Carbon Peak” and “Carbon Neutrality” to brave new heights in the environmental protection business sector and help build a beautiful China.

Mr. Yang Jianwei, CEO, said, “In the 1QFY2021, the Group recorded revenue growth across all business segments. Construction income, in particular, surged by 226.7% YOY, indicating that the Group's operations are back on the fast growth track. In addition, in April, the Group secured in Jiaxing City, Zhejiang Province in the Yangtze River Delta an 80,000-tonne wastewater treatment

plant project, a 30,000-tonne reclaimed water plant project and a 50,000-tonne pre-treatment project, expanding its investment in environmental protection in the Yangtze River Delta. With the extensive experience, high quality of projects, strong potential and support of national policies that management have, the Company will keep strengthening its strategic development plan for the Yangtze River Delta and also the Guangdong-Hong Kong-Macao Bay Area by actively enrich project resources, speed up the development of environmental technologies and push for the integration of industry and finance with the aims of driving high-quality development of the Company and enhance a long-term sustainable returns for shareholders."

—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 200 water treatment and supply projects, 8 waste incineration projects and 10 sludge disposal 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

Singapore and Hong Kong, 10 May 2021

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*