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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 1HFY2023

Revenue Increases 9.0% YOY to RMB4.019 Billion

Gross Profit Increases 15.5% YOY to RMB1.438 Billion

- Revenue grew by 9.0% year-on-year to RMB 4.019 billion in the first half of FY2023
- Gross profit increased by 15.5% year-on-year to RMB 1.438 billion in the first half of 2023
- Net profit attributable to shareholders climbed by 3.1% year-on-year to RMB377 million in the first half of FY2023
- Construction revenue was RMB 1.287 billion in the first half of FY2023, slightly higher than the last corresponding period
- In the first half of FY2023, the operating and maintenance income and financial income from service concession arrangements increased by 12.09% year-on-year to RMB2.501 billion, driven by the commencement of the operation of Shanghai Baoshan Renewable Energy Utilization Center (“**Baoshan Project**”) in early 2023 as well as the increase in average unit price and volume of wastewater and water supply.

Financial Highlights

RMB ('000)	First half of FY2023	First half of FY2022	Change (%)
Revenue	4,018,849	3,686,875	+ 9.0
Gross Profit	1,437,712	1,244,608	+ 15.5
Net profit	593,632	547,780	+ 8.4

Net profit attributable to shareholders	377,351	366,011	+ 3.1
Earnings per share (EPS) (RMB cents)	14.65	14.21	+ 3.1

Singapore and Hong Kong, 11 August 2023 –SIIC Environment Holdings Ltd. (" **SIIC Environment**" or the "**Company**", together with its subsidiaries, collectively referred to as the "**Group**"), China's leading water treatment and environmental protection company, today announced its results for the six months ended 30 June 2023 (the "**first half of FY2023**" or the "**reporting period**"). The Group's total revenue grew by 9.0% year-on-year to RMB4.019 billion, and net profit attributable to shareholders climbed by 3.1% to RMB377 million.

In the first half of FY2023, the Group recorded construction revenue of RMB1.287 billion, which was slightly higher than the last corresponding period. During the reporting period, the Group's operating and maintenance income and financial income from service concession arrangements increased by 12.1% year-on-year to RMB2.501 billion, as the Baoshan Project commenced operation in early 2023 and the average unit price and volume of wastewater and water supply increased. During the reporting period, the Group's gross profit increased by 15.5% year-on-year to RMB 1.438 billion, mainly driven by the new service concession arrangements. Overall gross profit margin recorded a slight increase of 2.0%. The increase was mainly due to the higher gross profit contributed by Baoshan Project from the commencement of operation in the beginning of the year.

As of 30 June 2023, the Group's cash and cash equivalents remained at a healthy level of RMB2.205 billion. In the first half of FY2023, net cash inflow from the Group's operating activities was RMB930 million. Excluding the changes in receivables under service concession arrangements during the reporting period, net cash inflow from operating activities in the first half of FY2023 was RMB1.203 billion.

In terms of new projects, the Group firstly secured three wastewater treatment projects in Macau during the reporting period, namely the Macau Taipa WWTP Project, Macau International Airport WWTP Project and Macau Avenida Marginal do Lam Mau temporary WWTP Project, with respective designed processing capacity of 69,000 tonnes/day, 685

tonnes/day and 20,000 tonnes/day. In the second quarter, the Group secured the Beihai Economic Development Zone WWTP Project 1st Phase, with a designed processing capacity of 45,000 tonnes/day. It also secured the Hegang City WWTP Upgrading Project (West Plant Expansion 2nd Phase) with a designed processing capacity of 30,000 tonnes/day. Two projects commenced commercial operation, namely the Mudanjiang City Municipal WWTP Project and the Mudanjiang City WWTP Project 2nd Phase, both with a designed processing capacity of 100,000 tonnes/day.

In the first half of FY2023, the Group's wastewater treatment volume climbed by 2.7% year-on-year to 1,239,585,000 tonnes; water supply volume rose by 2.7% year-on-year to 155,761,000 tonnes. In terms of treatment tariff, the Group's average wastewater treatment tariff in the first half of FY2023 amounted to RMB1.80/tonne, a year-on-year increase of 4.5%, and the average water supply tariff increased by 1.1% year-on-year to RMB2.50/tonne.

PROSPECTS

In the first half of 2023, China's central government steadfastly promoted the development goals of "carbon peaking" and "carbon neutrality". In July this year, Chinese President Xi Jinping attended the National Conference on Ecological and Environmental Protection, emphasized the need to firmly establish and practice the concept of "clear waters and green mountains are as valuable as mountains of gold and silver", promote the construction of a beautiful China to achieve significant results and accelerate the realization of modernization in which human beings coexist harmoniously with nature. Since the second quarter, the central government and the Shanghai municipal government have continued to introduce relevant support policies for the development of the industry. In April and May, the Central Committee of the Communist Party of China, the State Council and the Ministry of Ecology and Environment issued the "Guideline on National Water Network Construction (國家水網建設規劃綱要)" and the "Water Ecological Environment Protection Planning for Key River Basins (重點流域水生態環境保護規劃)", raising the need to rid shortcomings and weaknesses in such areas as urban and rural water supply and intelligent water network, improve the urban water supply network layout, and stating clearly the task of continuing to enhance the quality of the water environment in the Yangtze River Basin, eliminating all Inferior Type V water bodies. Regarding digitalization of water supply operation, in April, the Shanghai Water Authority issued a Notice on the "Three-year Action Plan for the High-quality Development and Technological Innovation of Water and Ocean in Shanghai (2023-2025) (上海市水務海洋高質量發展科技創新三年行動計劃(2023-2025年))", indicating that it will

implement digital transformation, that is through digitalization to modernize water system management, as well as support the application of intelligent technologies such as 5G+AI in intelligent water supply and drainage management.

The Group actively responded to those national policies, firmly seized development opportunities sprouting in the green industry and continued to deepen strategic deployment in the Yangtze River Economic Belt and the Guangdong-Hong Kong-Macao Greater Bay Area, and fostered stable development of its various businesses. Following the direction of national policies, the Shanghai Qingpu Xicen Water Purification Plant ("**Xicen Project**") under construction adopts an all-underground design and implements the surface quasi-Class III water effluent standard, striving to set a national benchmark for similar sewage plants, and is expected to markedly improve the local water environment upon completion. In addition, in the first half of the year, the Group took over the operation and management of the Macau Taipa WWTP Project and Macau International Airport WWTP Project, which effectively improved the local water environment. In addition, The Group will step up digitalization and sustainable development, strengthen technologies and digital empowerment, and actively drive the construction and promotion of digital platforms. The Group will continue to optimize ESG performance with equipment and technology iterations giving it support, and stay on the track of high-quality sustainable development. It will put ESG concepts into practice, explore renewable energy applications, and continue to optimize ESG performance with equipment and technology iterations and stay on the track of high-quality sustainable development.

As for solid waste treatment, in May, the Shanghai Municipal Bureau of Ecology and Environment issued the "Implementation Plan for Winning the Battle for Protection and Restoration of Yangtze River in Shanghai (2023-2025) (上海市深入打好長江保護修復攻堅戰實施方案(2023-2025年))", which requires 100% harmless treatment of household waste, and household waste recycling and utilization rates to be above 45% in the city by 2025. That opens up the development outlook for the Group's solid waste treatment projects. In the second quarter, the Group's key solid waste treatment project – Shanghai Baoshan Renewable Energy Utilization Center – had two sets of wet waste biogas generating units connected to the grid generating power. As a benchmark solid waste treatment project in the Yangtze River Delta, the Baoshan Project has daily capacity reaching 3,800 tonnes. When in full operation, it will be able to effectively solve waste disposal issues in the area it serves, playing a key role in raising harmless waste treatment and resources utilization rates in Shanghai.

Mr. Yang Jianwei, CEO, said, "In the first half of 2023, China's economy and society returned to full normalcy and the overall economic growth rate also recovered. The Group firmly grasped the development opportunities and successfully took over the operation and management of the Macau Taipa WWTP Project and Macau International Airport WWTP Project in the first half of the year, expanding its business layout in the Greater Bay Area. In the future, the Group will continue to pay close attention to high-quality new projects and business M&A opportunities, enlarge its market share in the environmental protection industry, drive its steady and high-quality development with technological innovation, strengthen the practice of ESG development concepts, improve environmental governance, and actively participate in the construction of a beautiful China."

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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 about 250 wastewater treatment and water supply projects, 5 solid waste incineration projects and 13 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. Yang Jianwei

Executive Director

Hong Kong and Singapore, 11 August 2023

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*