

SIIC Environment Signed Three Agreements in Jiamusi City and Two Supplementary Agreements in Dalian City, China

SINGAPORE and HONG KONG, 17 May 2019 – SGX Mainboard-listed and HKEX Mainboard-listed water treatment and environmental protection company, **SIIC Environment Holdings Ltd.** (上海實業環境控股有限公司, “**SIIC Environment**” or the “**Company**”, and together with its subsidiaries or collectively as the “**Group**”) today announced that through its 57.9687%-owned subsidiary, Longjiang Environmental Protection Group Co., Ltd. (龍江環保集團股份有限公司, “**Longjiang Environmental**”), has signed three agreements with the Bureau of Housing and Urban-Rural Development of Jiamusi City (佳木斯市住房和城鄉建設局, the “**Jiamusi Bureau**”), in Jiamusi City, Heilongjiang Province in the People’s Republic of China (the “**PRC**”). At the same time, SIIC Environment also announced that its wholly-owned subsidiaries, Dalian Ziguang Water Treatment Co., Ltd. (大連紫光水務有限公司, “**Dalian Ziguang**”) and Dalian Ziguang Lingshui Waste Water Treatment Co., Ltd (大連紫光凌水污水處理有限公司, “**Dalian Ziguang Lingshui**”), have signed supplementary agreements on concession rights with the Dalian City Administration Bureau (大連市城市管理局, the “**Dalian Bureau**”), respectively in Dalian City, Liaoning Province, People’s Republic of China (the “**PRC**”).

Details are as follows:

1. Longjiang Environmental and the Jiamusi Bureau have signed a supplementary agreement on concession of Jiamusi City East Wastewater Treatment Plant (“JCEWWTP”) Project. The agreement addresses the integration of the following four projects which are Phases I & II, Upgrade and Reconstruction, and Reclaimed Water Treatment Project of JCEWWTP into an integrated project named as JCEWWTP Project.

The total design capacity of the wastewater treatment project and reclaimed water project are 100,000 tonnes/day and 40,000 tonnes/day respectively, with the discharge standard as Grade 1A.

Consequently, the water tariff for wastewater treatment will be adjusted from RMB0.914/m³ to a tiered pricing structure based on volume of treated wastewater:

- RMB1.55/m³ for 60,000 – 85,000 tonnes/day
- RMB1.35/m³ for 85,000 – 100,000 tonnes/day
- RMB0.81/m³ for more than 100,000 tonnes/day

The adjustment to the water tariff is effective from 28 April 2018. The concession term has also been adjusted from “2005 to 2032”, to “2018 to 2038”.

2. Longjiang Environmental and the Jiamusi Bureau have signed two agreements on concession rights and operation and maintenance of Jiamusi City Wastewater Treatment Plant Sludge Disposal Project (“Sludge Disposal Project”). The agreed service fee of sludge treatment based on volume of treated sludge is as follows:
 - RMB562/tonne for less than 85 tonnes/day
 - RMB498/tonne for 85 - 100 tonnes/day

With a design capacity of 100 tonnes/day, the Sludge Disposal Project has commenced commercial operation since 14 February 2018.

3. Dalian Ziguang and the Dalian Bureau have signed a supplementary agreement on Dalian Laohutan Wastewater Treatment Plant in Dalian City, stipulating that the water tariff is raised from RMB0.9271/tonne to RMB2.055/tonne, effective from 1 January 2018. The design capacity is 90,000 tonnes/day, with the discharge standard as Grade 1A.
4. Dalian Ziguang Lingshui and the Dalian Bureau have signed a supplementary agreement on Dalian Lingshui River Wastewater Treatment Plant Project in Dalian City, stipulating that the water tariff is raised from RMB0.9079/tonne to RMB1.898/tonne, effective from 1 January 2018. The design capacity is 80,000 tonnes/day, with the discharge standard as Grade 1A.

These projects are expected to contribute to the Group’s performance positively going forward.

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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, solid waste management and other environment-related businesses. It was previously known as Asia Water Technology Ltd (“Asia Water”), which was listed on the SGX-ST Catalist in 2005. In 2010, Shanghai Industrial Holdings Ltd. (“SIHL”, stock code: 363.HK) acquired a controlling stake and completed debt restructuring in Asia Water. It was renamed SIIC Environment and transferred to the SGX-ST Mainboard in 2012. Since the restructuring, SIIC Environment has shown tremendous growth and continues to increase its market share in China’s water and environmental sector.

SIIC Environment is an active investor and operator of environment-related assets and has been operating in China’s water sector for over a decade. Currently, it boasts an overall portfolio of about 200 water treatment and supply projects, 7 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 on its scalability and competencies, SIIC Environment will continue to expand its business and explore new markets such as industrial wastewater treatment, seawater desalination, sludge treatment and handling, soil treatment, renewable energy, water technology and pollution control, thereby strengthening its top-tier position in China’s water and environmental industry.

For more information, please visit us at www.siicenv.com

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