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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 Together with Baowu Environment and Canvest Signed Framework Agreement, Collaborating in Environmental Protection Technology Industry and Functional Transition and Escalation of Steel Industrial Parks to Build High-Quality Modern Environmental Projects

This announcement is made by SIIC ENVIRONMENT HOLDINGS LTD. (“**SIIC Environment**” or the “**Company**”, together with its subsidiaries, the “**Group**”), a water treatment and environmental protection company listed on the Mainboard of the SGX-ST and the Mainboard of the Hong Kong Stock Exchange on a voluntary basis to keep the shareholders and potential investors of the Company informed of the latest business development.

Shanghai Industrial Investment (Holdings) Co., LTD. (“**SIIC Group**”) and China Baowu Steel Group Corporation Limited (“**Baowu Group**”), hereinafter referred to as the two groups (“**Two Groups**”) have signed Memorandum of Cooperation about Facilitating Industrial Transformation and Urban Renewal by Jointly Promoting High-Quality Development (“**Memorandum**”, 《關於促進產業轉型城市更新、協同推動高質量發展的合作備忘錄》). In order to implement the essence of the Memorandum, SIIC Environment together with Baowu Group Environmental Resources Technology Co., Ltd. (“**Baowu Environment**”) and Canvest Environmental Protection Group Company Limited (“**Canvest**”), hereinafter referred to as the three parties (“**Three Parties**”) signed Framework Agreement on Comprehensive Cooperation to Promote and Implement Strategic Cooperation of Two Groups (“**Framework Agreement**”, 《關於全面合作以推動落實兩大集團戰略部署的框架協議》) on 29 December 2019.

The content of Framework Agreement mainly includes that Three Parties will utilize their respective resources and strengths to carry out cooperation in the environmental technology industry. Three Parties will build a national benchmark project of waste incineration, Shanghai Baoshan Renewable Energy Utilization Center Project, which is under construction and is expected to be superior to

current environmental standards.

Next, Three Parties will actively explore functional transformation and escalation of steel industrial parks in cities such as Nanjing, Wuhan, Ma'anshan, and Chongqing to create more high-quality and modern environmental projects, which aim to positively contribute to greater ecological protection of Yangtze River and further development of Yangtze River Economic Belt. In this respect, Three Parties will utilize their respective strengths such as capital management, team building, researching and developing advanced technology, and project management experience to actively participate in the construction of eco-industrial parks in economically developed areas.

On the basis of project cooperation, Three Parties harness resources from their respective shareholders to further promote research and development and enter the high-end manufacturing field of environmental protection equipment, which expands the business scope along the value chain. Responding to the Belt and Road Initiative, Three Parties will actively explore overseas markets.

About SIIC Environment

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 is 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 restructure 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 a nationwide portfolio of about 200 water treatment and supply projects and 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 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.

About Baowu Environment

Baowu Environment as a member of Baowu Group, commits to comprehensive utilization of solid waste and hazardous waste resources and to environmental protection practices for Baowu Group. Adhering to Baowu Group's main business in steel and iron industry, Baowu Environment has become a national professional platform company with seven regional headquarters. With the mission of becoming "the governor of industrial environment, the developer of urban mines, and the practitioner of the co-existence of steel mills and cities", Baowu Environment takes the opportunity of integrating production and the city, promotes the integration of steel and the city, to form a bigger commercial ecological environment. The vision of Baowu Environment is to build a professional third-party platform for environmental pollution control in industrial and urban areas based on the comprehensive utilization of Baowu Group's solid (hazardous) waste resources and environmental protection work, to provide strong support to the leap-forward development of the main business in steel industry and the integrated development of the steel industry and the city, and to become a professional, market-oriented and socialized first-class enterprise in the environmental resources industry of China, which is highly respected by the society.

About Canvest

Canvest Environmental Protection Group Company Limited is a leading provider of the urban environmental management industry chain, focusing on waste-to-energy, provision of environmental hygiene and related services. Currently, the Group has 29 WTE projects, with presence in Guangdong Province, Guangxi Zhuang Autonomous Region, Guizhou Province, Jiangxi Province, Sichuan Province, Shanxi Province, Hebei Province, Yunnan Province, Heilongjiang Province and Shanghai Municipality. A number of these projects have been awarded "Grade AAA Innocuous Waste Incineration Plant", the highest grade in the grading system. Going forward, Canvest will continue to expand its WTE portfolio and capture new business opportunities. The Company was listed on the Main Board of Hong Kong Stock Exchange on 29 December 2014 (stock code: 1381).

For investor relations inquiries, please contact ir@siicenv.com.

By Order of the Board
SIIC Environment Holdings Ltd.
Mr. Xu Xiaobing
Executive Director

Hong Kong and Singapore, 6 January 2020

As at the date of this announcement, the non-executive Chairman is Mr. Zhou Jun; the executive Directors are Mr. Feng Jun, Mr. Xu Xiaobing, Mr. Xu Zhan, 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*