

CIRCULAR DATED 30 APRIL 2015

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your issued and fully paid-up ordinary shares in the capital of SIIC Environment Holdings Ltd. (the “**Company**”), you should immediately forward this Circular, the enclosed Notice of Extraordinary General Meeting and the enclosed Proxy Form to the purchaser or transferee, or the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made or opinions expressed or reports contained in this Circular.

Terms appearing on the cover of this Circular have the same meanings as defined in this Circular.



SIIC ENVIRONMENT HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200210042R)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP CAPITAL OF GLOBAL ENVIROTECH INVESTMENT LTD. (“TARGET COMPANY”) (THE “PROPOSED ACQUISITION”); AND**
- (2) THE PROPOSED ALLOTMENT AND ISSUE OF 1,560,000,000 ORDINARY SHARES IN THE ISSUED AND PAID-UP CAPITAL OF THE COMPANY (“CONSIDERATION SHARES”) AT AN ISSUE PRICE OF S\$0.132 PER CONSIDERATION SHARE IN SATISFACTION OF THE BALANCE PURCHASE CONSIDERATION (AS DEFINED BELOW) (THE “PROPOSED ALLOTMENT AND ISSUE OF CONSIDERATION SHARES”).**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	13 May 2015 at 3 p.m.
Date and time of Extraordinary General Meeting	:	15 May 2015 at 3 p.m.
Place of Extraordinary General Meeting	:	East West Ballroom, Level 2, Conrad Centennial Singapore, Two Temasek Boulevard, Singapore 038982

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:-

“Board”	: The board of Directors as at the date of this Circular
“CDP”	: The Central Depository (Pte) Limited
“Circular”	: This circular to Shareholders dated 30 April 2015
“Companies Act”	: The Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
“Company”	: SIIC Environment Holdings Ltd.
“Directors”	: The directors of the Company as at the date of this Circular
“EGM”	: The Extraordinary General Meeting of the Company to be convened on 15 May 2015, notice of which is set out on pages N-1 and N-2 of this Circular
“EPS”	: Earnings per Share
“FY2014”	: Financial year ended 31 December 2014
“Fudan Water”	: Fudan Water Engineering and Technology Co., Ltd
“Fudan Water Group”	: Fudan Water together with its subsidiaries, associated companies and companies it holds an interest in (details of which are listed in Appendix 1 of this Circular)
“Vendor”	: Global Environment Investment Ltd.
“Group”	: The Company and its subsidiaries
“Independent Valuer”	: Shanghai International Tendering Co., Ltd
“Latest Practicable Date”	: 24 April 2015, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	: The listing manual of the SGX-ST, as may be amended or modified from time to time
“PRC”	: The People’s Republic of China
“Proxy Form”	: The proxy form in respect of the EGM as set out in this Circular
“Sale Shares”	: The one hundred (100) ordinary shares of USD100.00, representing the entire issued and paid-up share capital of the Target Company
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shareholders”	: The registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to those Shares, mean the Depositors who have shares entered against their names in the Depository Register

DEFINITIONS

- “Shares” : Ordinary shares in the capital of the Company
- “SPA” : The sale and purchase agreement entered into between the Company, the Vendor, Target Company, HK Co and Fudan Water (as amended, modified, or supplemented from time to time)
- “subsidiary” or “subsidiaries” : Has the meaning ascribed to it in Section 5 of the Companies Act, where a corporation shall be deemed a subsidiary of another corporation if –
- (a) that other corporation –
- (i) controls the composition of the board of directors of the first-mentioned corporation;
- (ii) controls more than half of the voting power of the first-mentioned corporation; or
- (iii) holds more than half of the issued share capital of the first-mentioned corporation (excluding any part thereof which consists of preference shares and treasury shares); or
- the first-mentioned corporation is a subsidiary of any corporation which is that other corporation’s subsidiary.
- “Substantial Shareholder” : A person who has an interest in voting shares in the Company and the total votes attached to which is not less than five per cent. of the total votes attached to all the voting shares in the Company
- “Target Company” : Global Envirotech Investment Ltd.
- “Target Group” : Target Company, HK Co and the Fudan Water Group

Currencies and Units

- “S\$” or “cents” : Singapore dollars and cents, respectively
- “RMB” : PRC Renminbi
- “USD” : United States Dollars
- “%” or “per cent.” : Percentage or per centum

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meaning ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

DEFINITIONS

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, Listing Manual or any statutory modification thereof and used in this Circular shall have the same meaning assigned to it under the Companies Act, Listing Manual or any statutory modification thereof, as the case may be.

Any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

LETTER TO SHAREHOLDERS

SIIC ENVIRONMENT HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200210042R)

Directors:

Zhou Jun (*Executive Chairman*)
Feng Jun (*Executive Director*)
Yang Changmin (*Executive Director*)
Yang Yihua (*Executive Director*)
Xu Xiaobing (*Executive Director*)
Xu Zhan (*Executive Director*)
Yeo Guat Kwang (*Lead Independent Director*)
Tay Ah Kong Bernard (*Independent Director*)
Tan Chong Huat (*Independent Director*)
Tan Gim Soo (*Independent Director*)

Registered Office:

One Temasek Avenue
#37-03 Millenia Tower
Singapore 039192

30 April 2015

To: The Shareholders of SIIC Environment Holdings Ltd.

Dear Sir / Madam,

THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP CAPITAL OF GLOBAL ENVIROTECH INVESTMENT LTD. ("TARGET COMPANY") (THE "PROPOSED ACQUISITION")

1. INTRODUCTION

- 1.1 The Directors propose to convene an EGM to seek Shareholders' approval for the Proposed Acquisition.
- 1.2 The purpose of this Circular is to explain the rationale for, and provide Shareholders with the relevant information relating to the Proposed Acquisition and the Proposed Allotment and Issue of Consideration Shares, and to seek Shareholders' approval for the ordinary resolutions thereof to be tabled at the EGM, notice of which is set out on pages N-1 and N-2 of this Circular.
- 1.3 The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Circular.

2. PROPOSED ACQUISITION AS A MAJOR TRANSACTION

- 2.1 On 24 March 2015, the Company announced that the Company had entered into a sale and purchase agreement ("**SPA**") with Global Environment Investment Ltd. ("**Vendor**"), Target Company, Global Environment Investment (HK) Limited ("**HK Co**") and Fudan Water Engineering and Technology Co., Ltd. ("**Fudan Water**") for the acquisition of the entire issued and paid-up share capital of the Target Company by the Company (or its subsidiary) from the Vendor, consisting of one hundred (100) ordinary shares of USD100 ("**Sale Shares**"), for a purchase consideration of RMB1,068,820,000 (equivalent to approximately S\$240,509,000¹) ("**Purchase Consideration**"). In addition to the Purchase Consideration, the Company has agreed to, upon Completion (as defined below), to pay off an outstanding debt amounting to RMB479,180,000 (equivalent to approximately S\$107,826,000¹) in HK Co ("**Outstanding Debt**"). Therefore, the total consideration payable for the Sale Shares, being the aggregate of the Purchase Consideration and the Outstanding Debt, is RMB1,548,000,000 ("**Total Consideration**") (equivalent to approximately S\$348,335,000¹).

¹ Based on exchange rate of S\$1: RMB4.444 as at 23 March 2015 (being the market day preceding the date of the SPA)

LETTER TO SHAREHOLDERS

2.2 The Proposed Acquisition is conditional upon the receipt of approval from the Shareholders and the SGX-ST.

2.3 Relative figures under Rule 1006 of the Listing Manual

2.3.1 The relative figures in relation to the Proposed Acquisition pursuant to Rule 1006 of the Listing Manual, using the audited announced consolidated accounts of the Group as at 31 December 2014, are:-

- | | | |
|-----|---|----------------------|
| (a) | net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets | Not applicable |
| (b) | net profits ⁽¹⁾ attributable to the assets acquired or disposed of, compared with the Group's net profits ⁽¹⁾ | 28.4% ⁽²⁾ |
| (c) | aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares | 24.1% ⁽³⁾ |
| (d) | number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue | 16.3% |
| (e) | aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the group's proven and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets | Not applicable |

Notes:

- (1) Under Rule 1002(3)(b) of the Listing Manual, "net profits" means profit or loss before income tax, minority interests and extraordinary items.
- (2) Based on the PRC audited accounts of net profits attributable to the Proposed Acquisition of RMB116,367,000 for the financial year ended 31 December 2014 and the Group's latest audited announced consolidated net profits for the financial year ended 31 December 2014 of RMB409,651,000.
- (3) Based on Total Consideration for the Proposed Acquisition of S\$348,335,000 and the market capitalisation of the Company of S\$1,445,106,324 as at 23 March 2015 (being the market day preceding the date of the SPA). Under Rule 1002(5) of the Listing Manual, the market capitalisation of the Company is determined by multiplying the number of shares in issue (excluding treasury shares) being 9,589,292,132 shares by the weighted average price of S\$0.1507 of such shares transacted on 23 March 2015 (being the market day preceding the date of the SPA).

2.3.2 As the relative figures under Rule 1006(c) exceeds 20%, the Proposed Acquisition constitutes a **"major transaction"** as defined in Chapter 10 of the Listing Manual. Accordingly, the Proposed Acquisition is subject to the approval of the Shareholders at an extraordinary general meeting.

3. RATIONALE FOR THE PROPOSED ACQUISITION

3.1 The Company is of the view that the Proposed Acquisition will be in the best interests of the Group. The Group is an active investor and operator of water and environmental related assets. The Target Group engages in wastewater treatment in Shanghai City, Jiangsu, Zhejiang and Guangdong provinces in the PRC.

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- 3.2 The Proposed Acquisition is a strategic addition and complementary to the Group's existing business and operational capabilities. In addition, the Target Group currently has projects in regions where the Group does not have any existing projects in, in particular, the Fengxian district of Shanghai, the Nantong city of Jiangsu and the Ningbo city of Zhejiang. On a provincial level however, the Group has existing projects in the Shanghai, Jiangsu and Zhejiang provinces. The acquisition of the Target Group has a strategic significance to the Group as it allows the Group to expand its presence to these new regions, at the same time strengthening its presence in these provinces, creating a stronger track record as a platform for the Group to secure more opportunities in future.
- 3.3 Overall, the Proposed Acquisition presents an opportunity for the Group to acquire a business in the same industry and is in line with the Group's ordinary course of business, with a view to expand the Group's current business operations including expansion in the Group's geographical coverage and daily treatment capacity, thereby enhancing shareholders' value. Upon Completion, the daily designed treatment capacity of the Group shall increase by approximately 18.5%, from 5.4 million tons to about 6.4 million tons.

4. INFORMATION ON THE VENDOR AND THE TARGET GROUP

- 4.1 The Vendor is an investment holding company incorporated in British Virgin Islands. As at Latest Practicable Date, the sole shareholder of the Vendor is Daisy Tsoi Yan. Ms Tsoi is a permanent resident of Hong Kong, who has over 20 years of experience in the business of international trade and enterprise management. Save for the Target Company, she is also separately involved in another Hong Kong international trading company in the capacity of a shareholder. Subsequent to the Completion, Ms Tsoi will no longer be involved in the business of the Target Group.

This paragraph 4.1 is based on information provided by the Vendor. The Board has not conducted an independent review or verification of the accuracy of the statements and information on the Vendor.

- 4.2 The Target Company is an investment holding company incorporated in the British Virgin Islands, with an issued and paid-up capital of USD100.00, consisting of one hundred (100) ordinary shares. The HK Co is an investment holding company incorporated in Hong Kong, with an issued and paid-up capital of USD10,000, consisting of 10,000 ordinary shares.
- 4.3 The Target Company owns the entire issued and paid-up capital of the HK Co, and the HK Co owns 92.15% of the total shareholding in Fudan Water (the Target Company, HK Co, and the Fudan Water Group (as defined below) shall be referred collectively as the "**Target Group**"). Fudan Water is a company with limited liability duly incorporated in the People's Republic of China ("**PRC**"), and as at the Latest Practicable Date, has a total registered and paid-up capital of RMB300,000,000.
- 4.4 Fudan Water was established in 2002 and first commenced its operations in the Business in 2003. In the last 12 years in operation, the aggregate water treatment design capacity of the Fudan Water Group has increased from approximately 80,000 tons/day to over 1 million tons/day currently. The Fudan Water Group (details of which are listed in Appendix 1 of this Circular) is engaged principally in the business of water treatment management and engineering, research and development, technology transfer, technology consultation and technology service in the water ecological restoration area; and development of water treatment materials and equipment (the "**Business**").
- 4.5 The Fudan Water Group currently undertakes 10 projects relating to the Business in various locations such as Shanghai City, Jiangsu, Zhejiang and Guangdong provinces in the PRC, with a water treatment design capacity of over 1 million tons/day. The three (3) largest projects are currently undertaken by the following Fudan Water Group companies: namely Shanghai Fengxian Xibu Wastewater Treatment Co., Ltd (上海奉贤西部污水处理有限公司), Dongguan Chang'an Jinxia Sanzhou Water Purification Co., Ltd (东莞市长安锦厦三洲水质净化有限公司) and Yuyao Xiaocao'e Wastewater Treatment Co., Ltd (余姚市小曹娥城市污水处理有限公司), each having a water treatment design capacity of 150,000 tons/day.

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5. TERMS OF PAYMENT

- 5.1 The Total Consideration for the Sale Shares is RMB1,548,000,000, consisting of the Purchase Consideration and the Outstanding Debt.
- 5.2 The Purchase Consideration shall be payable to the Vendor by the Company as follows:
- 5.2.1 an amount of RMB151,701,741 to be paid by cash as deposit (“**Deposit**”); and
- 5.2.2 the balance RMB917,118,259 (“**Balance Purchase Consideration**”) to be wholly satisfied by the allotment and issue of 1,560,000,000 ordinary shares in the capital of the Company (“**Consideration Shares**”) at an issue price of S\$0.132 per share (“**Issue Price**”) by the Company to the Vendor and/or its designated nominee(s), credited as fully paid-up and free and clear from any encumbrances and together with all rights attaching or accruing thereto and such Consideration Shares shall rank pari passu with the existing issued Shares of the Company as at the date of the allotment and issue of the Consideration Shares.
- 5.3 The payment of the Deposit shall be paid in USD to the Vendor on or before the expiry of ten (10) days after the date of signing of the SPA. As security for the payment of the Deposit, the Vendor will execute a share charge over 20% of its shareholdings in the Target Company in favour of the Company.
- 5.4 On 1 April 2015, the Vendor executed a share charge over 20% of its shareholdings in the Target Company in favour of the Company and accordingly, the Deposit was paid to the Vendor.
- 5.5 In the event any of the Conditions Precedent I is not satisfied on or before the Long Stop Date I, or if the SPA is terminated for any reason whatsoever, the Deposit shall immediately become a debt due and owing by the Vendor to the Company. The Vendor shall within ten (10) business days upon demand by the Company refund the entire amount of the Deposit to the Company.
- 5.6 Following Completion, the Company shall within ten (10) days of receipt of the relevant party’s account details from the Vendor, allocate the amount of funds which is equivalent to the Outstanding Debt to repay the outstanding debt in the HK Co.
- 5.7 Basis of Purchase Consideration
- 5.7.1 The Purchase Consideration was arrived after taking into consideration:
- (i) the earnings and growth potential of the Target Group;
 - (ii) the value of the net assets acquired through the Proposed Acquisition; and
 - (iii) an independent valuation conducted by the Independent Valuer.
- 5.7.2 As at 30 September 2014, both the book value² and the net tangible asset value² in relation to 92.15% equity interest in Fudan Water Group was RMB531.2 million.
- 5.7.3 For the purpose of the Proposed Acquisition, the Company has appointed Shanghai International Tendering Co., Ltd (上海国际招标有限公司) as the independent valuer (“**Independent Valuer**”) to conduct a fair value estimate range as at 30 September 2014 (“**Valuation Date**”).

² Based on unaudited PRC management accounts

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- 5.7.4 The Independent Valuer, Shanghai International Tendering Co., Ltd provides consultancy and valuation services to various entities, including listed and non-listed overseas and the PRC enterprises relating to water treatment and environment protection projects. Separately, the Independent Valuer also actively assists the Shanghai government with the drafting of concession-related regulations.³
- 5.7.5 Fair value is defined as the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. Fair value estimate is a valuation analysis conducted with limited information without the requirement on the Independent Valuer to independently verify and validate the information provided to them. However, discussions have been held with the management of the Company and the Target Group, and the Independent Valuer has reviewed the information provided to them, upon which the valuation analysis is based on.
- 5.7.6 The Independent Valuer has adopted a combination of (i) discounted cash flow ("**DCF**") methodology; (ii) price-to-earnings ratio ("**PER**") comparison (comparable company valuation methodology); and (iii) price-to-book ("**PBR**") comparison (comparable company valuation methodology) (collectively, "**Valuation Methods**") to determine the blended range of the fair value estimate of Fudan Water Group. Under the DCF methodology, the fair value estimate of the future operating cash flows of the Target Group on a standalone going concern basis is based on the projected operating cash flow streams of the Target Group (based on sum of parts of each of the relevant companies) which are discounted based on an appropriate weighted average cost of capital, from the Valuation Date to the end of their respective concession period typically. Comparable company valuation is a process used to evaluate the value of a company using the metrics of other businesses in the similar industry. Comparable company methodology operates under the assumption that similar companies have similar valuations multiples, such as PER or PBR. PER is a valuation indicator which suggests how much investors/shareholders are paying for a unit earning. PBR is a valuation ratio which compares a company's market value to its book value. PER, expressed as a multiple is an indication of how much investors/shareholders are paying for the net assets of a company.
- 5.7.7 The Independent Valuer has relied on certain assumptions for its valuation analysis. Based on the above Valuation Methods and after due consideration of the key assumptions, limitations and valuation basis, the blended range of fair value estimate of 92.15% equity interest of Fudan Water Group as determined by the Independent Valuer is between RMB1.569 billion and RMB1.749 billion.

5.8 Source of funds

- 5.8.1 The Total Consideration will be funded by a loan ("**Parent Company Loan**") from Shanghai Industrial Holdings Limited ("**SIHL**") and the issuance of Consideration Shares.
- 5.8.2 As at date of this announcement, SIHL is a controlling shareholder of the Company, indirectly holding 41.85% of the Company's total issued share capital. As SIHL is considered an "**interested person**" within the meaning of Rule 904 of the Listing Manual, the Parent Company Loan will constitute an "**interested person transaction**" pursuant to Chapter 9 of the Listing Manual.
- 5.8.3 Pursuant to Rule 905 of the Listing Rules, an issuer must make an immediate announcement of any interested person transaction of a value equal to, or more than:
- (i) 3% of the listed group's latest audited consolidated net tangible asset ("**NTA**"); or

³ Based on information provided by the Independent Valuer to the Company

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- (ii) 3% of the listed group's latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Rules) during the same financial year.

5.8.4 For purposes of Rule 905 of the Listing Manual, the aggregate value of all the IPTs (including the Parent Company Loan) entered into in the current financial period to date does not exceed 3% of the Group's latest audited NTA.

6. PROPOSED ALLOTMENT AND ISSUE OF CONSIDERATION SHARES

- 6.1 Rule 805(1) of the Listing Manual requires the approval of shareholders in a general meeting to be obtained for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer.
- 6.2 Accordingly, Shareholders' approval is sought for the issue of the Consideration Shares, pursuant to Rule 805(1) of the Listing Manual. For the avoidance of doubt, the Company will not be utilising the share issue mandate granted by the Shareholders at the annual general meeting of the Company held on 27 April 2015 for the issue of the Consideration Shares. The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects with the existing issued Shares of the Company as at the date of the allotment and issue of the Consideration Shares.
- 6.3 Rule 811 of the Listing Manual provides that an issue of securities must not be priced more than 10% discount to the weighted average price for the trades done on SGX-ST for the full market day on which the agreement is signed unless specific shareholders' approval is sought. The Issue Price represents a discount of approximately 12.2% to the volume weighted average price of the Shares traded on the SGX-ST on 24 March 2015, being the full market day on which the SPA was signed. The discount was arrived at following discussions with the Vendor and accepted by the Company after taking into account the historical share price of the Company.
- 6.4 Subject to the conditions set out in the SPA:
- 6.4.1 98% of the Consideration Shares ("**Part Consideration Shares**") shall be allotted and issued by the Company upon the fulfilment of Conditions Precedent I (as defined below); and
 - 6.4.2 the remaining 2% of the Consideration Shares ("**Balance Consideration Shares**") shall be allotted and issued by the Company upon the fulfilment of the Conditions Precedent II (as defined below).
- 6.5 In the event that, for the period between the date of the SPA and the date of issue of the Part Consideration Shares and/or the Balance Consideration Shares (as the case may be), the Company has completed a share consolidation or share subdivision exercise on the issued and paid-up share capital of the Company, the Consideration Shares ("**Adjusted Consideration Shares**") and the Issue Price ("**Adjusted Issue Price**") shall be adjusted in accordance with the following formula:

Adjusted Issue Price = Issue Price x Adjustment Ratio

Adjusted Consideration Shares = (Consideration Shares x Issue Price) / Adjusted Issue Price

"**Adjustment Ratio**" shall mean the ratio of the shares to be consolidated or subdivided into one (1) share in the issued and paid-up capital of the Company. For illustrative purposes: (a) if five (5) shares are to be consolidated into one (1) share, the Adjustment Ratio shall be 5; or (b) if one (1) share is to be subdivided into five (5) shares, the Adjustment Ratio shall be 0.2.

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- 6.6 As at the Latest Practicable Date, the issued and paid-up share capital of the Company comprises 9,589,292,132 (excluding 282,000 treasury shares). The 1,560,000,000 Consideration Shares represents approximately 16.3% of the existing issued and paid-up share capital of the Company, and approximately 14.0% of the enlarged share capital of the Company comprising 11,149,292,132 Shares.
- 6.7 The Company had on 27 April 2015 received in-principle approval from the SGX-ST for the listing and quotation of the Consideration Shares on the Mainboard of the SGX-ST, subject to certain conditions including *inter alia*, the approval of the Shareholders for the Proposed Acquisition and the issuance of the Consideration Shares at the EGM.

7. PRINCIPLE TERMS OF THE SPA

- 7.1 The completion of the Proposed Acquisition ("**Completion**") is subject to the following conditions ("**Conditions Precedent I**"), to be satisfied on or before 30 June 2015 ("**Long Stop Date I**") or such later date as may be mutually agreed upon by the Company and the Vendor in writing:

7.2 Conditions Precedent to be fulfilled by the Vendor

- 7.2.1 The Vendor shall execute a share charge over 20% of its shareholdings in the Target Company in favour of the Company;
- 7.2.2 The warranties by the Vendor in favour of the Company (or its subsidiary) shall be true in all material respects on and as of the date of Completion with the same force and effect as though made on and as of the date of Completion. The Target Group shall have performed and complied with all covenants and agreements required by the SPA to be performed or complied with by the Target Group on, or prior to the date of Completion;
- 7.2.3 All required consents shall have been obtained without restrictions or limitations whatsoever unacceptable to the Company, and be in full force and effect, in particular, and without limitation, the approval of the Vendor's shareholders at a general meeting (if necessary) and their respective board of directors.

7.3 Conditions Precedent to be fulfilled by the Company

- 7.3.1 The warranties by the Company in favour of the Vendor shall be true in all material respects on and as of the date of Completion with the same force and effect as though made on and as of the date of Completion. The Company shall have performed and complied with all covenants and agreements required by the SPA to be performed or complied with by the Company on, or prior to the date of Completion;
- 7.3.2 All required consents shall have been obtained without restrictions or limitations whatsoever unacceptable to the Vendor, and be in full force and effect, in particular, and without limitation, the approval of the Company's shareholders at a general meeting and its board of directors and the regulatory authorities (including the SGX-ST) in respect of the Proposed Acquisition required under the Listing Manual;
- 7.3.3 The results of the legal, financial and structural due diligence to be undertaken by the Company and its advisors on the Target Group being satisfactory to the Company in its sole and absolute discretion;
- 7.3.4 The receipt and non-withdrawal of the approval-in-principle from SGX-ST ("**Listing Approval**") for, amongst other things, the listing and quotation of the Consideration Shares on the Mainboard and any such conditions as may be attached to the Listing Approval which is required to be and which can be fulfilled on or before the Long Stop Date I, has been fulfilled on or before the Long Stop Date I to the satisfaction of SGX-ST or waived by SGX-ST.

LETTER TO SHAREHOLDERS

7.3.5 Save for the outstanding debts amounting to RMB479,180,000, any liabilities outstanding in the books of the HK Co and the Target Company shall be novated to the Company or any party designated by the Company.

7.4 The issue and allotment of the Balance Consideration Shares by the Company is subject to the following conditions (“**Conditions Precedent II**”), to be satisfied within ninety (90) days of Completion or such later date as the Vendor and the Company may mutually agree in writing (“**Long Stop Date II**”):

7.4.1 The warranties by the Vendor in favour of the Company (or its subsidiary) shall be true in all material respects on and as of the date of allotment and issue of the Balance Consideration Shares (“**Balance Consideration Shares Issue Date**”) with the same force and effect as though made on and as of the Balance Consideration Shares Issue Date. The Target Group shall have performed and complied with all covenants and agreements required by the SPA to be performed or complied with by the Target Group on, or prior to the Balance Consideration Shares Issue Date; and

7.4.2 The Vendor providing the Company with evidence (to the satisfaction of the Company) of the extent that the receivables amounting to RMB1,800,000 owing to Fudan Water by Shanghai Kexing Biotechnology Ltd has been settled.

8. FINANCIAL EFFECTS

8.1 The financial effects of the Proposed Acquisition are purely for illustrative purposes and should not be taken as an indication of the actual financial performance of the Group following the Proposed Acquisition nor a projection of the future financial performance or position of the Group after Completion.

8.2 For purposes of illustration only, and based on the audited financial statements of the Group for FY2014, the financial effects of the Proposed Acquisition on the Group are set out below:

8.2.1 Share Capital

The financial effects of the Proposed Acquisition on the issued share capital of the Company as at the Latest Practicable Date is as follows:

	Number of issued Shares (‘000)	Share Capital RMB’000
Issued and paid-up share capital as at 31 December 2014	9,589,292	3,278,603
Issued and paid-up share capital as at the date of this announcement (excluding treasury shares)	9,589,292	3,278,603
Add: Newly issued Consideration Shares	1,560,000	917,118 ⁽¹⁾
Enlarged issued and paid-up share capital post-Proposed Acquisition	11,149,292	4,195,721

Note:

(1) For the purposes of illustration, the effects of Consideration Shares is computed based on the issue price of S\$0.132 per share, translated at exchange rate of S\$1:RMB4.4538.

LETTER TO SHAREHOLDERS

8.2.2 Net Tangible Assets

Assuming that the Proposed Acquisition had been effected on 31 December 2014, the net tangible assets per share of the Group as at 31 December 2014 would be as follows:

	31 December 2014	Before the Proposed Acquisition	After the Proposed Acquisition
Net tangible assets value ("NAV") ⁽¹⁾ (RMB'000)	4,266,347	4,266,347	5,183,465 ⁽⁴⁾
NAV attributable to owners of the Company ("NAV to Owners") ⁽¹⁾⁽²⁾ (RMB'000)	3,680,015	3,680,015	4,597,133 ⁽⁴⁾
Number of shares ('000)	9,589,292	9,589,292	11,149,292
NAV per share (RMB cents)	44.49	44.49	46.49
NAV to Owners per share (RMB cents)	38.38	38.38	41.23

Notes:

- (1) Excludes goodwill of RMB9.55 million and intangible assets in relation to patent and licensing rights and computer software of RMB1.06 million. Includes operating concessions of RMB1,514.8 million.
- (2) Excludes non-controlling interest of RMB586.3 million.
- (3) For the purpose of illustration, the Company has assumed that the net total assets of the Target Group approximate its fair value. The actual impact may differ depending on the outcome of the purchase price allocation ("PPA"). No adjustments have been made to align any differences that may result from the adoption of different accounting standards and policies by the Group.
- (4) For the purposes of illustration, the NAV and NAV to Owners have been adjusted for effects of the Consideration Shares of RMB917,118,000.

8.2.3 Earnings per Share

The financial effect of the Proposed Acquisition on the earnings per share of the Company for the financial year ended 31 December 2014 assuming that the Proposed Acquisition had been effected on 1 January 2014 would be as follows:

	FY2014	Before the Proposed Acquisition	After the Proposed Acquisition
Net profit attributable to owners of the Company (RMB'000)	262,416	262,416	351,802 ⁽²⁾
Weighted average number of shares used in the computation of basic EPS ('000)	9,057,785	9,057,785	10,617,785
Basic EPS (RMB cents) ⁽¹⁾	2.90	2.90	3.31

Notes:

- (1) Basic EPS is computed based on the weighted average number of shares for the full financial year.
- (2) For the purpose of illustration, the Company has assumed that the net total assets of the Target Group approximate its fair value and the impact of PPA exercise to the profit and loss has not been factored. The actual impact will differ depending on the outcome of the PPA. In addition, interest expenses in relation to the Parent Company Loan have not been factored. No adjustments have been made to align any differences that may result from the adoption of different accounting standards and policies by the Group. Based on the net profits attributable to 92.15% equity interest in Fudan Water Group for the financial year ended 31 December 2014, based on PRC audited accounts, of RMB89.4 million.

LETTER TO SHAREHOLDERS

8.2.4 Gearing

The effect of the Proposed Acquisition on the gearing of the Group as at 31 December 2014 is as follows:

	FY2014	Before the Proposed Acquisition	After the Proposed Acquisition ⁽⁴⁾
Total borrowings ⁽¹⁾ (RMB'000)	2,675,808	2,675,808	2,998,263
Less: Cash and cash equivalents	(1,119,272)	(1,119,272)	(1,210,331)
Net debt	1,556,536	1,556,536	1,787,932
Total equity ('000)	4,276,959	4,276,959	5,194,077
Total equity attributable to owners of the Company ('000)	3,690,627	3,690,627	4,607,745
Net debt ratio ⁽²⁾ (times)	0.42	0.42	0.39
Net gearing ratio ⁽³⁾ (times)	0.36	0.36	0.34

Notes:

- (1) Total borrowings comprise bank and other borrowings and finance lease.
- (2) Net debt/Equity attributable to owners of the Company
- (3) Net debt/Total equity
- (4) Adjusted for the bank and other borrowings and cash and cash equivalents of the Fudan Water Group amounting to RMB129.9 million and RMB50.2 million respectively. Adjusted for the Parent Company Loan of USD110 million obtained, repayment of Outstanding Debt of RMB479.2 million and taking into account the Deposit of RMB151.7 million respectively.

9. NO SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

10.1 Interests of Directors

As at the Latest Practicable Date, the interests of the Directors in the Shares, as recorded in the Register of Directors' Shareholdings of the Company maintained pursuant to Section 164 of the Companies Act, are as follows:-

Directors	Number of Shares		Total ⁽¹⁾ (%)
	Direct Interest	Deemed Interest	
Zhou Jun	—	—	—
Feng Jun	—	—	—
Yang Changmin	55,418,474	—	0.58
Yang Yihua	—	—	—
Xu Xiaobing	—	—	—
Xu Zhan	—	—	—
Yeo Guat Kwang	—	—	—
Tay Ah Kong Bernard	—	—	—
Tan Chong Huat	—	—	—
Tan Gim Soo	—	—	—

Note:

- (1) Computed based on 9,589,292,132 Shares (excluding 282,000 treasury shares) as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

10.2 Interests of Substantial Shareholders

As at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares, as recorded in the Register of Directors' Shareholdings of the Company maintained pursuant to Section 88 of the Companies Act, are as follows:-

Substantial Shareholder	Number of Shares		Total ⁽¹⁾ (%)
	Direct Interest	Deemed Interest	
Triumph Power Limited (" Triumph ")	3,184,647,757	–	33.21
Shanghai Industrial Holdings Limited (" SIHL ") ⁽²⁾	–	4,012,841,132	41.85
S.I Infrastructure Holdings Limited (" SII ") ⁽²⁾	827,092,375	3,184,647,757	41.84
China Energy Conservation & Environmental Protection (Hong Kong) Investment Co., Limited (" CECEPHK ") ⁽³⁾	1,118,564,586	–	11.66
China Energy Conservation and Environmental Protection Group (" CECEP ") ⁽³⁾	–	1,118,564,586	11.66
Value Partners Limited ⁽⁴⁾ (" VPL ")	–	773,391,300	8.06
Value Partners Hong Kong Limited ⁽⁴⁾ (" VPLHK ")	–	773,391,300	8.06
To Hau Yin ⁽⁴⁾	–	773,391,300	8.06
Value Partners Group Limited ⁽⁴⁾ (" VPGL ")	–	773,391,300	8.06
Cheah Capital Management Limited ⁽⁴⁾ (" CCML ")	–	773,391,300	8.06
Cheah Cheng Hye ⁽⁴⁾	–	773,391,300	8.06
Cheah Company Limited ⁽⁴⁾ (" CCL ")	–	773,391,300	8.06
BNP Paribas Jersey Trust Corporation as trustee of The C H Cheah Family Trust ⁽⁴⁾	–	773,391,300	8.06
BNP Paribas Jersey Nominee Company Limited ⁽⁴⁾ (" BNP Nominee ")	–	773,391,300	8.06

Notes:

- (1) Computed based on 9,589,292,132 Shares (excluding 282,000 treasury shares) as at the Latest Practicable Date.
- (2) SII and SIHL are deemed to be interested in the Shares held by Triumph as SIHL owns the entire issued share capital of SII and SII owns the entire issued share capital of Triumph. SIHL is also deemed to be interested in the Shares held by its wholly-owned subsidiary, SIHL Treasury Limited, which owns 1,101,000 Shares.
- (3) CECEP is deemed to be interested in the Shares held by CECEPHK as CECEP owns the entire issued share capital of CECEPHK.
- (4) VPL is a fund manager deemed to be interested in the Shares of the Company by reason of shares held directly by the funds under its management. VPLHK is deemed to be interested in the Shares of the Company via its 100% ownership in VPL. VPGL is deemed to be interested in the Shares of the Company via its 100% ownership in VPLHK. CCML is deemed to be interested in the Shares of the Company via its 27.16% ownership in VPGL. CCL is deemed to be interested in the Shares of the Company via its 100% ownership in CCML. BNP Trust as trustee of the C H Cheah Family Trust is deemed to be interested in the Shares of the Company via its holdings in BNP Nominee. BNP Nominee holds the shares in CCL as nominee for BNP Trust. To Hau Yin is deemed to be interested in the Shares of the Company in her capacity as the beneficiary of a discretionary trust with BNP Paribas Jersey Trust Corporation Limited ("**BNP Trust**") as the trustee. Cheah Cheng Hye is deemed to be interested in the Shares of the Company in his capacity as the founder of a discretionary trust with BNP Trust as the Trustee.

10.3 None of the Directors or Substantial Shareholders has any interest, direct or indirect, in the Proposed Acquisition (other than through their respective shareholdings in the Company).

LETTER TO SHAREHOLDERS

11. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the Proposed Acquisition is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolutions 1 and 2 as set out in the EGM notice.

12. INTER-CONDITIONALITY

Shareholders should note that Ordinary Resolution 1 (Proposed Acquisition) and Ordinary Resolution 2 (Proposed Allotment and Issue of the Consideration Shares) are inter-conditional upon each other. This means that: (i) if Ordinary Resolution 2 is not passed, Ordinary Resolution 1 would not be passed; and (ii) if Ordinary Resolution 1 is not passed, Ordinary Resolution 2 would not be passed.

13. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out in this Circular, will be held on 15 May 2015 for the purpose of considering and, if thought fit, passing with or without modifications the ordinary resolutions set out therein.

14. ACTION TO BE TAKEN BY SHAREHOLDERS

14.1 Appointment of Proxies

Shareholders who are unable to attend the EGM and wishes to appoint a proxy/proxies to attend and vote on their behalf will find enclosed with this Circular, a proxy form ("**Proxy Form**") which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the registered office of the Company not less than 48 hours before the time appointed for the holding of the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM in place of his proxy/proxies if he finds that he is able to do so. In such an event, the Proxy Form will be deemed to be revoked.

14.2 Depositors

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the time fixed for the EGM.

15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Proposed Allotment and Issue of Consideration Shares, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

LETTER TO SHAREHOLDERS

16. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours for three (3) months from 24 March 2015, being the date of the announcement of the Proposed Acquisition:-

- (a) the SPA;
- (b) the valuation report by the Independent Valuer; and
- (c) the Memorandum and Articles of Association of the Company.

Yours faithfully

For and on behalf of the Board of Directors of
SIIC ENVIRONMENT HOLDINGS LTD.

Feng Jun
Executive Director
30 April 2015

APPENDIX 1 – DETAILS OF THE FUDAN WATER GROUP STRUCTURE

No.	Name of Company	Company Reg. No.	Registered Capital (RMB)	Paid-up Capital (RMB)	Shareholding Interest (%)	Registered Address
1	Shanghai Fengxian Xibu Water Treatment Co., Ltd. 上海奉贤西部污水处理有限公司	310226000733385	76,000,000	76,000,000	80	No. 244 Linchang Road, Tuolin County, Fengxian District, Shanghai 上海市奉贤区柘林镇林场路244号
2	Nantong Guanyinshan Water Purification Co., Ltd. 南通观音山水质净化有限公司	3206000000011776	13,550,000	13,550,000	90	Group 10, Shibawan Village, Guanyinshan Street, Chongchuan District, Nantong 南通市崇川区观音山街道十八湾村十组
3	Cixi Hangzhouwan Water Treatment Co., Ltd. 慈溪市杭州湾水处理有限公司	3302180000003199	10,000,000	10,000,000	70	Cixi Economic Development District, Hangzhouwan New Zone 慈溪经济开发区杭州湾新区
4	Ningbo Huangjiabu Binhai Water Treatment Co., Ltd. 宁波黄家埠滨海污水处理有限公司	3302811004018	10,000,000	10,000,000	70	Ningbo Huangjiabu Hengtang Village 宁波黄家埠镇横塘村
5	Yuyao Xiaocao'e Water Treatment Co., Ltd. 余姚市小曹娥城市污水处理有限公司	330281000110949	40,000,000	40,000,000	75	Yuyao Xiaocao'e Binhai Village 余姚市小曹娥镇滨海村
6	Cixi Shanshui Water Treatment Management Service Co., Ltd. 慈溪善水污水处理管理服务有限公司	330282000264356	5,000,000	5,000,000	65	Cixi Zonghan Road Dangshan Village 慈溪市宗汉街道漾山村

APPENDIX 1 – DETAILS OF THE FUDAN WATER GROUP STRUCTURE

No.	Name of Company	Company Reg. No.	Registered Capital (RMB)	Paid-up Capital (RMB)	Shareholding Interest (%)	Registered Address
7	Dongguan Chang'an Jinxia Sanzhou Water Purification Co., Ltd. 东莞市长安锦厦三洲水质净化有限公司	441900000554019	20,000,000	20,000,000	38.5	No. 2 Jinxiasanzhou Road Dongguan Chang'an County 东莞市长安镇锦厦三洲路2号
8	Dongguan Chang'an Xinmin Water Purification Co., Ltd. 东莞市长安新民水质净化有限公司	441900000457937	1,000,000	1,000,000	33	#1-103, No. 29 Xing'er Street, Wushachenwu Industry Zone, Chang'an County, Dongguan 东莞市长安镇乌沙陈屋工业区兴二路29号1楼103号
9	Huichuan(Shanghai) Environment Technology Co., Ltd. 惠川（上海）环保科技有限公司	310110000698682	5,000,000	–	87	#1-403, Fudan Science Park, No.127 Guotai Road, Yangpu District, Shanghai 上海市杨浦区国泰路127弄复旦科技园1号楼403室
10	Shanghai Fengxian Haiwan Water Treatment Co., Ltd. 上海奉贤海湾水处理有限公司	310120001441541	10,000,000	10,000,000	75	No. 3#18, Haibin Avenue West, Fengxin County, Fengxian District, Shanghai 上海市奉贤区奉新镇海滨大道西侧3#18号
11	Yiliuqing (Shanghai) Environment Technology Co., Ltd. 一流清（上海）环保科技有限公司	310120002624024	5,000,000	–	25	#4-5041, No.469 Fengjin Road, Fengxian District, Shanghai 上海市奉贤区奉金路469号4幢5041室
12	Guizhou Shencheng High-Tech Development Ltd. 贵州申城高科技环境发展股份有限公司	5201900000034598	50,000,000	10,000,000	5	No. 1 to 4, Unit 3, Building 1 to 5, and Office Building 1 to 5, Unit X, Guiyang Shiji Cheng, Shanhui District, Guiyang 贵阳市观山湖区贵阳世纪城X组团1-5栋写字楼和1-5栋商业3单元16层1至4号房

NOTICE OF EXTRAORDINARY GENERAL MEETING

SIIC ENVIRONMENT HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200210042R)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the shareholders of SIIC Environment Holdings Ltd. (the “**Company**”) will be held at East West Ballroom, Level 2, Conrad Centennial Singapore, Two Temasek Boulevard, Singapore 038982, on Friday, 15 May 2015 at 3 p.m., for the purpose of considering and, if thought fit, passing with or without amendment, the ordinary resolution as set out below.

All capitalised terms used in this Notice which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 30 April 2015.

ORDINARY RESOLUTIONS:

ORDINARY RESOLUTION 1: THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP CAPITAL OF GLOBAL ENVIROTECH INVESTMENT LTD. (“TARGET COMPANY”) (THE “PROPOSED ACQUISITION”)

That pursuant to the Articles of Association of the Company, approval be and is hereby given:-

- (a) the proposed acquisition by the Company of the entire issued and paid-up capital of Global Envirotech Investment Ltd. on the terms and subject to the conditions set out in the SPA, being a major transaction for the purposes of Chapter 10 of the Listing Manual;
- (b) authority be and is hereby given to the Directors to carry out and implement the Proposed Acquisition in accordance with the SPA; and
- (c) the Directors be and are hereby authorised to complete and do all acts and things as they may consider necessary or expedient for the purposes of or in connection with Proposed Acquisition and the SPA to give effect this resolution as they think fit and in the interests of the Company.

ORDINARY RESOLUTION 2: THE PROPOSED ALLOTMENT AND ISSUE OF 1,560,000,000 ORDINARY SHARES IN THE ISSUED AND PAID-UP CAPITAL OF THE COMPANY (“CONSIDERATION SHARES”) AT AN ISSUE PRICE OF S\$0.132 PER CONSIDERATION SHARE IN SATISFACTION OF THE BALANCE PURCHASE CONSIDERATION (THE “PROPOSED ALLOTMENT AND ISSUE OF CONSIDERATION SHARES”)

THAT subject to and contingent upon Resolution 1 being passed and pursuant to Section 161 of the Companies Act (Chapter 50) and Rule 805 of the Listing Manual:-

- (a) authority be and is hereby given to the Directors to allot and issue to the Vendor and/or its designated nominee(s) an aggregate of 1,560,000,000 Consideration Shares at the Issue Price (or such other number of Consideration Shares and Issue Price as adjusted) on the terms and subject to the conditions set out in the SPA (as amended, modified or supplemented from time to time); and
- (b) the Directors be and are hereby authorised to complete and do all acts and things as they may consider necessary or expedient for the purposes of or to give effect to this resolution as they think fit and in the interests of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Shareholders should note that Ordinary Resolutions 1 and 2 are inter-conditional upon each other. This means that:

- (a) if Ordinary Resolution 2 is not passed, Ordinary Resolution 1 would not be passed; and
- (b) if Ordinary Resolution 1 is not passed, Ordinary Resolution 2 would not be passed.

By order of the Board

Feng Jun
Executive Director
30 April 2015

Notes:-

1. A shareholder entitled to attend and vote at the Extraordinary General Meeting (the “**Meeting**”) is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a shareholder of the Company.
2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at One Temasek Avenue #37-03 Millenia Tower Singapore 039192 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

PERSONAL DATA PRIVACY

Where a shareholder of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

SIIC ENVIRONMENT HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200210042R)

PROXY FORM – EXTRAORDINARY GENERAL MEETING

IMPORTANT:

1. For investors who have used their CPF monies to buy SIIC Environment Holdings Ltd.'s Shares, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

I/We, _____ (Name) NRIC/Passport No. _____

of _____ (Address)

being a member/members of **SIIC ENVIRONMENT HOLDINGS LTD.** (the “Company”), hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholding	
			No. of Shares	(%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Shareholding	
			No. of Shares	(%)

or failing the person, or either or both of the persons, referred to above, the Chairman of the Extraordinary General Meeting of the Company (“EGM”) as my/our* proxy/proxies* to vote for me/us* on my/our* behalf and, if necessary, to demand a poll at the EGM to be held at East West Ballroom, Level 2, Conrad Centennial Singapore, Two Temasek Boulevard, Singapore 038982, on Friday, 15 May 2015 at 3 p.m. and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the Original Resolution proposed at the EGM as indicated hereunder. If no specific directions as to voting are given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her/their* discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote “For” or “Against” with a tick “X” within the box provided)

No.	Resolutions relating to:	For	Against
	Ordinary Business:		
1	To approve the Proposed Acquisition		
2	To approve the Proposed Allotment and Issue of Consideration Shares		

Dated this _____ day of _____ 2015

Total number of Shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s)
or, Common Seal of Corporate Shareholder

*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM OVERLEAF



Notes:-

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A shareholder of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a shareholder of the Company.
3. Where a shareholder appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. Completion and return of this instrument appointing a proxy shall not preclude a shareholder from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a shareholder attends the meeting in person, and in such an event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at One Temasek Avenue, #37-03 Millenia Tower, Singapore 039192, not less than 48 hours before the time appointed for the EGM.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. A corporation which is a shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:-

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 30 April 2015.