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## **BUILD-OPERATE-TRANSFER (“BOT”) AND TRANSFER-OPERATE-TRANSFER (“TOT”) WASTEWATER PROJECTS AWARDED IN YINCHUAN CITY, THE PEOPLE’S REPUBLIC OF CHINA (“PRC”)**

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The Board of Directors (the “**Board**”) of SIIC Environment Holdings Ltd. (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) is pleased to announce that the Group has entered into the following agreements with Yinchuan City municipal government:

1. BOT concessionary agreement to undertake the construction, operation and maintenance of a wastewater treatment plant in Yinchuan City (Riverfront District Wastewater Treatment Plant) with a design capacity of 50,000 tons/day for a concessionary period of 30 years, and a minimum off-take guarantee (“**Riverfront WWT Project**”).
2. TOT concessionary agreement and TOT assets transfer agreement in relation to the operation and maintenance of a wastewater treatment plant in Yinchuan City (Yinchuan Fifth Wastewater Treatment Plant) with a design capacity of 50,000 tons/day for a concessionary period of 30 years, and a minimum off-take guarantee (“**Yinchuan Fifth WWT Project**”).

The TOT consideration is approximately RMB176.10 million (approximately S\$37.0 million<sup>1</sup>) (“**TOT Consideration**”) and will be fully satisfied in cash and finance through the internal resources<sup>2</sup> of the Group and/or bank financing. The TOT Consideration was determined based on a ‘willing-buyer and willing-seller basis’ after taking into account, *inter alia*:

- a) the earnings and growth potential of Yinchuan Fifth WWT Project; and
- b) the fair value of the net tangible assets acquired of approximately RMB176.10 million (approximately S\$37.0 million<sup>1</sup>).

The relative figures computed pursuant to Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) do not exceed 5%, the Yinchuan Fifth WWT Project constitute to a “Non-Discloseable Transaction” pursuant to Chapter 10 of the Listing Manual of the SGX-ST.

The Company and its wholly-owned subsidiary, SIIC Environment Holdings (Wuhan) Co., Ltd. (“**SEHL Wuhan**”) will incorporate two new wholly-owned project companies, namely Yinchuan SIIC Environment Binhe Wastewater Treatment Co., Ltd. (“**Yinchuan Binhe**”) and SIIC Environment (Yinchuan) Wastewater Treatment Co., Ltd. (“**SEHL Yinchuan**”) in the PRC with a registered capital of RMB49,030,000 and RMB128,100,000 to undertake the Riverfront WWT Project and Yinchuan Fifth WWT Project respectively. The equity interest in Yinchuan Binhe and SEHL Yinchuan held by the Company and SEHL Wuhan will be 70% and 30% respectively. The capital injection will be fully funded in cash and financed through the internal resources<sup>2</sup> of the Group.

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<sup>1</sup>Based on exchange rate of S\$1:RMB4.7603 as at 11 November 2014.

<sup>2</sup>Include net proceeds raised from the placement of 1 billion shares.



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The above is not expected to have material impact on the net tangible assets per share and earnings per share of the Company and the Group for the financial year ending 31 December 2014.

None of the directors, controlling shareholders or substantial shareholders of the Company have any interest, direct or indirect, in the Riverfront WWT Project and Yinchuan Fifth WWT Project.

**By Order of the Board**

**Feng Jun**  
**Executive Director**

12 November 2014