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**(A) ADDITIONAL CAPITAL INJECTION OF RMB28 MILLION IN DALIAN XINYA HENGJI ENVIRONMENTAL CO., LTD.**  
**(B) UPDATE ON USE OF NET PROCEEDS FROM THE SHARE PLACEMENT**

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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**”) refers to the announcements made on 6 March 2012, 13 June 2012 and 10 August 2012 (the “**Announcements**”) in relation to the BOT concessionary agreement in Puwan New Area, Dalian City, Liaoning Province, the People’s Republic of China (“**PRC**”) and also the announcements made on 14 October 2013, 25 October 2013, 20 November 2013, 23 December 2013 and 23 January 2014 (the “**Share Placement Announcements**”) on the proposed placement of up to 3,100,000,000 new ordinary shares in the capital of the Company (the “**Share Placement**”). Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the Announcements and Share Placement Announcements.

The Board wishes to announce that the Group has injected additional capital of RMB28 million (approximately S\$5.8 million<sup>1</sup>) (“**Additional Injection 2**”), being its proportionate equity contribution into Dalian Xinya Hengji Environmental Co., Ltd. (大连新亚恒基环境有限公司) (“**Dalian Xinya Hengji**”). The Group will continue to hold an effective equity stake of 70% in Dalian Xinya Hengji after the completion of Additional Injection 2.

Additional Injection 2 is fully funded in cash and financed through the net proceeds raised from the Share Placement, in line with the intended utilization of the Share Placement proceeds to finance the Group’s business expansion and to enlarge the general working capital of the Group as stated in the Circular to Shareholders dated 3 December 2013.

Additional Injection 2 is not expected to have any material impact on the net tangible assets per share and earnings per share of the Company and the Group for the financial year ended 31 December 2013 and financial year ending 31 December 2014 respectively.

None of the Directors, substantial shareholders or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction.

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<sup>1</sup> Based on the exchange rate of S\$1:RMB4.839. Part of the net placement proceeds was received in Renminbi in accordance with the Subscription Agreements and was translated based on the exchange rate of S\$1:RMB4.839.

As at to-date, the net proceeds from the Share Placement has been utilized for the following purposes:

	<b>Balance (S\$'million)</b>
Net proceeds from the Share Placement <sup>1</sup>	260.2
<b>Purpose</b>	
Payment for purchase consideration in relation to the acquisition of 50% of the equity interest in the registered capital of Shanghai Pucheng Thermal Power Energy Co., Ltd.	109.5
Additional capital injection in Dalian Xinya Hengji Environmental Co., Ltd. <sup>1</sup>	5.8
<b>Net proceeds balance</b>	<b>144.9</b>

The Company will make further announcements via the SGXNET as and when the proceeds from the Share Placement are materially disbursed.

**By Order of the Board**

**Liu Yujie**  
**Executive Director**  
 27 January 2014