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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 to Build 3,800 tonnes per day Waste Treatment Project in Shanghai, PRC

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.

The Company is pleased to announce that the Group’s indirect non-wholly owned subsidiary, Shanghai SIIC Baojin’gang Environmental Resources Technology Co., Ltd. (上海上實寶金剛環境資源科技有限公司) (“**Baojin’gang**”) has on 25 November 2019 obtained the approval from the Shanghai Baoshan District Development and Reform Commission, about Baojin’gang as the project company for the Baoshan Renewable Energy Utilization Center Project (the “**Project**”).

Located in Baoshan District, Shanghai, the People's Republic of China (the “**PRC**”), the Project integrates dry waste incineration and wet waste disposal in an individual facility. The designed treatment capacity is 3,000 tonnes per day solid waste incineration and 800 tonnes per day food and kitchen waste disposal, amounting the total designed waste treatment capacity of the Project to be 3,800 tonnes per day.

The total investment of the Project is expected to be approximately RMB3.041 billion, among which the project company Baojin’gang’s registered capital is RMB1.1 billion with contribution from two shareholders. SIIC Yangtze Delta Environmental Resources (Hong Kong) Limited (上實環境長三角環保資源(香港)有限公司) (“**SIIC Yangtze Delta**”) contributed RMB660 million with an equity interest of 60%; BAOWU Group Environmental Resources Technology Co., Ltd. (寶武集團環境資源科技有限公司) (“**Baowu Environment**”) contributed RMB440 million with an equity interest of 40%.

As a pilot city for waste sorting in China, Shanghai implemented the Shanghai Domestic Waste Management Regulations in July 2019. The Project is expected to become the first innocuous domestic waste treatment facility to be built after the implementation of mandatory waste sorting practices in Shanghai. Once completion, the Project will relieve the ongoing pressure from current limited waste treatment capacity of Shanghai. It will furthermore elevate the capability of innocuous waste treatment and resources utilization of Baoshan District and improve sustainable development on regional socioeconomic environment. The Project contributes to Shanghai in realizing the goal of zero landfill of domestic garbage and encouraging land use efficiency. The eco-industrial park of this Project is projected to establish a new benchmark of waste treatment facility in Yangtze River Delta.

The Company together with Baowu Environment, based on the strategy of BAOWU Steel Group Corporation Ltd. (中國寶武鋼鐵集團有限公司) (“**China Baowu**”) in transforming its steel business along the Yangtze River, are planning to build a series of eco-industrial parks with the Project as an illustration. The series of parks aims to promote a working mechanism of the circular economy value chain, and improve the living environment and quality of local residents.

INFORMATION OF BAOJIN’GANG

Baojin’gang is an indirect non-wholly owned subsidiary of the Company, with a registered capital of RMB1.1 billion. It is a joint venture company incorporated by SIIC Yangtze Delta and Baowu Environment which hold 60% and 40% of the equity interest of Baojin’gang, respectively. Principally engaged in waste-to-energy (WTE) business in Shanghai, Baojin’gang further expands WTE business opportunities in Shanghai and serves the needs from urban industrial zones in functional transition and escalation.

INFORMATION OF SIIC YANGTZE DELTA

SIIC Yangtze Delta is an indirect 70%-owned subsidiary of the Company. It is a joint venture company incorporated by the Company’s wholly-owned subsidiary, SIIC Environment Tech (Hong Kong) Limited (“**SIIC Environment Tech**”) and Canvest Environmental Investment Company Limited (“**Canvest Environmental Investment**”), a wholly-owned subsidiary of Canvest Environmental Protection Group Company Limited. SIIC Environment Tech and Canvest Environment Investment hold 70% and 30% equity interest in SIIC Yangtze Delta, respectively. SIIC Yangtze Delta is principally engaged in potential investment, construction and operation of WTE project opportunities in Yangtze River Delta.

INFORMATION OF BAOWU ENVIRONMENT

Baowu Environment is an independent third party to the Company. As a member of China Baowu, Baowu Environment commits to comprehensive utilization of solid waste and hazardous waste resources and to environmental protection practices for China Baowu, with the aim of being a third-party environmental pollution treatment company in both industrial and municipal areas.

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

Hong Kong and Singapore, 25 November 2019

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*