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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)**

## **MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO FINANCIAL SERVICES AGREEMENT**

### **FINANCIAL SERVICES AGREEMENT**

The Board announces that on 27 February 2026, the Company entered into the Financial Services Agreement with SIIC Finance, pursuant to which it is agreed that members of the Group will engage SIIC Finance for the provision of deposit services, credit services and other financial services for a term not exceeding three (3) years.

### **HONG KONG LISTING RULES IMPLICATIONS**

As at the date of this announcement, SIIC Finance is a subsidiary of SIIC Shanghai, over which SIIC, the controlling shareholder of the Company, is the authorised representative exercising state-owned shareholder's right. As such, SIIC Finance is an associate of SIIC and a connected person of the Company, and the entering into of the Financial Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

#### **Deposit services**

As the highest applicable percentage ratio for the aggregate amounts of the maximum daily outstanding balance of deposits (including accrued interests) to be placed by the Group with SIIC Finance under the Financial Services Agreement is more than 25%, such deposit services constitute (i) non-exempt continuing connected transactions subject to the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules; and (ii) a major transaction subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules.

## **Credit services**

As the credit services to be provided by SIIC Finance to the Group under the Financial Services Agreement shall be on normal commercial terms or better, and the Group only expects to engage such credit services if and when no security will be granted by the Group over its assets in respect of such credit services, the credit services as contemplated under the Financial Services Agreement, if and when they occur, are fully exempt from the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Rule 14A.90 of the Hong Kong Listing Rules.

## **Other financial services**

As the highest applicable percentage ratio for the aggregate amounts of the maximum service fees to be paid by the Group for the other financial services to be provided by SIIC Finance to the Group under the Financial Services Agreement are expected to fall below the de minimis threshold as specified in Rule 14A.76(1) of the Hong Kong Listing Rules. Therefore, such other financial services are fully exempt from reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Rule 14A.76(1) of the Hong Kong Listing Rules.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee comprising all the independent non-executive Directors (namely, Dr. Kimmis Pun Kim Ming, Mr. An Hongjun, Mr. Zhong Ming) has been established to advise the Independent Shareholders in connection with the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps.

An independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in connection with the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps.

The AGM will be convened and held for the considering and, if thought fit, approving the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps. As SIIC, being the authorised representative exercising state-owned shareholder's right over SIIC Shanghai (being the controlling shareholder of SIIC Finance), has a material interest in the transactions contemplated under the Financial Services Agreement, SIIC and its associates, which together hold 50.12% of the total number of Shares in issue as at the date of this announcement, are required to abstain from voting at the AGM on the resolutions approving the same. Save for the aforementioned and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Shareholder has a material interest in the transactions contemplated under the Financial Services Agreement and is required to abstain from voting on the resolutions approving the same at the AGM.

## **DESPATCH OF CIRCULAR**

A circular containing, among other matters, (i) further details of the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps; and (iv) a notice of AGM, will be despatched to the Shareholders in compliance with the Hong Kong Listing Rules and the SGX Listing Manual.

## **BACKGROUND**

The Board announces that on 27 February 2026, the Company entered into the Financial Services Agreement with SIIC Finance, pursuant to which it is agreed that members of the Group will engage SIIC Finance for the provision of deposit services, credit services and other financial services for a term not exceeding three (3) years.

### **The Financial Services Agreement**

The principal terms of the Financial Services Agreement are set out below:

#### **Date**

27 February 2026

#### **Parties**

- (1) the Company; and
- (2) SIIC Finance.

#### **Term**

The term shall not exceed three (3) years commencing from the Effective Date until 31 December 2028, subject to both parties obtaining the necessary authorisations or approvals in accordance with their respective memorandum and articles of association or other constitutional documents, applicable laws and regulations (including but not limited to the Hong Kong Listing Rules). Either party may terminate the Financial Services Agreement early upon mutual agreement. The Financial Services Agreement may be renewed upon obtaining the necessary authorisations or approval and the term of each renewal shall not exceed three (3) years.

## **Financial services to be provided to the Group**

Pursuant to the Financial Services Agreement, the Group shall engage SIIC Finance for the provision of the following financial services:

### **(1) Deposit services**

Pursuant to the Financial Services Agreement, the Group shall engage SIIC Finance for the provision of deposit services. The interest rates for the deposits to be placed with SIIC Finance by the Group shall be determined on a fair basis in compliance with the interest rate policies of the People's Bank of China, taking into account the prevailing market interest rates whilst offering preferential terms. Under the same conditions, such rates shall not be lower than those offered by other major commercial banks in the PRC for the same type of deposits during the same period, nor shall they be lower than the rates offered by SIIC Finance for the same type of deposits accepted from third parties <sup>Note</sup> during the same period.

### **(2) Credit services**

Pursuant to the Financial Services Agreement, the Group shall engage SIIC Finance for the provision of credit services (including but not limited to loan services, bill acceptance and discounting services and non-financing guarantees). The interest rates or fees charged by SIIC Finance for the credit services provided to the Group shall be determined on a fair basis in compliance with the interest rate policies of the People's Bank of China, taking into account the prevailing market interest rates whilst offering preferential terms. Under the same conditions, such rates or fees shall not exceed those charged by other major commercial banks in the PRC for the same type of credit services during the same period, nor shall they exceed the rates or fees charged by SIIC Finance to third parties <sup>Note</sup> for the same type of credit services during the same period.

### **(3) Other financial services**

Pursuant to the Financial Services Agreement, the Group shall engage SIIC Finance for the provision of the other financial services (including but not limited to funds settlement, collection, payment services, entrusted loans, financial advisory, bond underwriting, credit verification and consulting agency services). The service fees to be charged by SIIC Finance for the provision of the other financial services to the Group shall be determined on a fair basis with reference to the fees charged for the same type of services provided by independent third parties and the prevailing market prices whilst offering preferential terms. Under the same conditions, such fees shall not exceed the prevailing fee standards (if any) prescribed by relevant government authorities for such services, nor shall they exceed fees charged by other major commercial banks in the PRC for the same type of services, nor shall they exceed fees charged by SIIC Finance for the same type of services provided to third parties <sup>Note</sup>.

*Note: The "third parties" herein means members of SIIC Shanghai (excluding the Group).*

## Individual agreements

Pursuant to the Financial Services Agreement, members of the Group and SIIC Finance may from time to time enter into individual agreements for the provision of the services specified in the Financial Services Agreement. Such individual agreements will set out detailed terms of the transactions (including but not limited to types of services, interest rates, service fees and payment terms) in accordance with normal commercial terms and the principles and provisions stipulated in the Financial Services Agreement.

## ANNUAL CAPS

### (1) Deposit services

The aggregate amounts of the maximum daily outstanding balance of deposits (including accrued interests) to be placed by the Group with SIIC Finance pursuant to the Financial Services Agreement for the period from the Effective Date to 31 December 2026 and each of the financial years ending 31 December 2027 and 2028 shall not exceed the maximum amounts set out below (i.e., the Proposed Deposit Services Annual Caps):

|                                                                                                 | <b>For<br/>the period from<br/>the Effective Date to<br/>31 December 2026<br/>RMB (million)</b> | <b>For the financial years ending<br/>31 December<br/>2027<br/>RMB (million)</b> | <b>2028<br/>RMB (million)</b> |
|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------|
| Aggregate amount of maximum daily outstanding balance of deposits (including accrued interests) | 2,000<br>(Note)                                                                                 | 2,000<br>(Note)                                                                  | 2,000<br>(Note)               |

*Note: The deposits of the Group to be placed with SIIC Finance may be denominated in multiple currencies.*

The Proposed Deposit Services Annual Caps are determined with reference to: (1) the strategies of the treasury management of the Company taking into account the cash flow requirements and financial needs of the Group for its business development plans; and (2) the bank balances (including pledged bank deposits, bank deposits and cash and cash equivalents) held by the Group as at 31 December 2025, amounting to approximately RMB 3,488,859,000.

### (2) Credit services

The credit services under the Financial Services Agreement involve the provision of financial assistance by SIIC Finance to the Group. As the credit services to be provided under the Financial Services Agreement shall be on normal commercial terms or better, and the Group only expects to engage such credit services if and when no security will be granted by the Group over its assets in respect of such credit services, the credit services as contemplated under the Financial Services Agreement, if and when they occur, are fully exempt from the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Rule 14A.90 of the Hong Kong Listing Rules.

### **(3) Other financial services**

As the highest applicable percentage ratio for the aggregate amounts of the maximum service fees to be paid by the Group for the other financial services to be provided by SIIC Finance to the Group under the Financial Services Agreement are expected to fall below the de minimis threshold as specified in Rule 14A.76(1) of the Hong Kong Listing Rules. Therefore, such other financial services are exempt from reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Rule 14A.76(1) of the Hong Kong Listing Rules.

### **INTERNAL CONTROL AND RISK MANAGEMENT MEASURES**

The Company will adopt the following measures in monitoring the transactions of the Group with SIIC Finance under the Financial Services Agreement:

- (1) before placing a deposit with SIIC Finance, the Group will assess the aggregate amount of daily outstanding balance of deposits placed by the Group with SIIC Finance to ensure compliance with the Proposed Deposit Services Annual Caps;
- (2) before placing a deposit with, or obtaining credit services from, SIIC Finance, the Group will compare the interest rates offered by SIIC Finance with the interest rates offered by at least two major commercial banks in PRC;
- (3) before engaging SIIC Finance for other financial services, the Group will compare the service fees charged by SIIC Finance with the service fees charged by at least two major commercial banks in PRC; and
- (4) the finance department of the Company shall be responsible for the operations and monitoring of the transactions under the Financial Services Agreement to ensure such transactions are conducted in accordance with the terms of the Financial Services Agreement.

The Company will also adopt the following measures to monitor and mitigate the credit risks arising from the transactions under the Financial Services Agreement:

- (1) the finance department of the Company will monitor the amount of daily outstanding balance of deposits placed by the Group with SIIC Finance on a regular basis;
- (2) the Company will, on an ongoing basis, monitor any enforcement actions issued by the relevant authorities in respect of SIIC Finance and will report to management as appropriate;
- (3) the Company will conduct risk assessments and reviews of SIIC Finance on a regular basis to assess its financial standing and creditworthiness, as well as the credit risk and/or default risk associated with the transactions contemplated under the Financial Services Agreement;
- (4) the Company will review SIIC Finance's financial statements, to the extent available, on an ongoing basis in order to monitor its performance and assess the safety of the deposits placed by the Group with SIIC Finance;

- (5) in the event that SIIC Finance fails to comply with any regulatory requirement which may have a material adverse impact on the deposits placed by the Group with SIIC Finance, the Group will take proper and appropriate measures to protect its deposits, including early withdrawal of deposits or discontinuation of further deposits placed with SIIC Finance;
- (6) the Audit Committee and an external auditor appointed by the Company pursuant to the Listing Rules will conduct annual reviews of the transactions under the Financial Services Agreement and ensure compliance with the Proposed Deposit Services Annual Caps; and
- (7) the Board will review annually the Group's internal control system and its effectiveness.

In addition, SIIC Finance has agreed to (i) assist the Group in monitoring and managing the amount of daily outstanding balance of deposits placed by the Group with SIIC Finance to ensure that the actual daily outstanding balance of deposits (including accrued interest) does not exceed the maximum daily outstanding balance of deposits; (ii) without contravening applicable laws and regulations, use its best endeavours to cooperate with the Group in auditing the relevant transactions and to provide such information as the Group may reasonably require for disclosure under the Listing Rules and for its review and evaluation, including, but not limited to, periodic financial and risk-monitoring information (such as quarterly, half-yearly and annual ongoing risk assessment or monitoring reports); and (iii) provide the finance department of the Company, with a monthly report detailing (A) the aggregate maximum daily outstanding balance of deposits (including accrued interests) placed by the Group with SIIC Finance; (B) the maximum daily outstanding balance of credit services provided by SIIC Finance to the Group; and (C) the aggregate maximum service fees payable for other financial services provided by SIIC Finance to the Group. This report is intended to assist the Group in monitoring its transactions with SIIC Finance under the Financial Services Agreement and ensuring compliance with the Proposed Deposit Services Annual Caps.

## **UNDERTAKINGS BY SIIC SHANGHAI AND SIIC FINANCE**

In respect of the deposits placed by the Group with SIIC Finance, SIIC Shanghai, as the controlling shareholder of SIIC Finance, has undertaken that if SIIC Finance encounters an emergency situation involving payment difficulties, it will make additional capital contributions as necessary to resolve such difficulties. SIIC Shanghai has also undertaken that, in the event of a liquidity crisis at SIIC Finance, it will not withdraw any capital and will provide liquidity support to the fullest extent possible. Such undertakings will effectively provide assurance to the Group on the safety of funds deposited with SIIC Finance.

According to the regulatory requirements of the Management Measures for Finance Companies of Enterprise Groups (《企業集團財務公司管理辦法》) promulgated by the China Banking and Insurance Regulatory Commission, the controlling shareholders of finance companies are required to replenish capital to such finance companies when necessary. Therefore, the articles of association of SIIC Finance states that the controlling shareholder of SIIC Finance shall replenish capital to SIIC Finance when necessary.

SIIC Finance has also undertaken to use its best endeavours and take all reasonable measures to ensure that the deposits placed by the Group with SIIC Finance are primarily utilised for providing credit services to the Group.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE FINANCIAL SERVICES AGREEMENT**

The Board is of the view that it is beneficial to utilise the financial services from SIIC Finance under the Financial Services Agreement due to the following reasons:

- (1) the centralised treasury management services provided by SIIC Finance enable the Group to optimise overall capital utilisation and enhance cost-effectiveness and operational efficiency through improved coordination of cash flows and liquidity management across the Group;
- (2) SIIC Finance offers competitive interest rates for both deposit services and credit services. The favourable deposit rates enhance the Group's returns on surplus funds, while the competitive lending rates help reduce the Group's overall finance costs. The terms (including interest rates) are no less favourable than those available from other major commercial banks or financial institutions in the PRC;
- (3) the service fees and charges levied by SIIC Finance are competitive and cost-effective, and the finance costs of the Group can be reduced due to such favourable service fees for the funds settlement, collection and payment services and the other financial services;
- (4) SIIC Finance is familiar with the Group's business, including its capital structure, strategic direction, operating model, funding requirements and cash-flow patterns. This enables SIIC Finance to offer more flexible and customised financial products and services tailored to the Group's operational needs, enhancing capital efficiency and supporting the Group's business requirements more effectively than standardised offerings from external financial institutions;
- (5) SIIC Finance has a streamlined organisational structure and efficient internal decision-making processes, enabling it to respond promptly to the Group's financial service needs and provide greater flexibility in structuring financing terms and tenors. This responsiveness supports faster decision-making, facilitates more efficient financial planning and unlocks strategic synergies through a deeper, more integrated relationship; and
- (6) the Group's portfolio of principal bankers and/or financial institutions will be diversified during the term of the Financial Services Agreement, thereby reducing concentration risk and enhancing the Group's financial flexibility. In addition, access to financial services from SIIC Finance strengthens the Group's negotiating position when dealing with other major commercial banks and financial institutions in the PRC, potentially resulting in more favourable terms across the Group's banking relationships.

The Directors (excluding the Independent Non-Executive Directors) consider that the terms of the Financial Services Agreement and the transactions contemplated thereunder (including the Proposed Deposit Services Annual Caps) are on normal commercial terms after arm's length negotiations and in the ordinary and usual course of business of the Group, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The views of the Independent Non-Executive Directors on the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps will be reserved and provided in their letter to be included in the circular.

## **HONG KONG LISTING RULES IMPLICATIONS**

As at the date of this announcement, SIIC Finance is a subsidiary of SIIC Shanghai, over which SIIC, the controlling shareholder of the Company, is the authorised representative exercising state-owned shareholder's right. As such, SIIC Finance is an associate of SIIC and a connected person of the Company, and the entering into of the Financial Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

### **Deposit services**

As the highest applicable percentage ratio for the aggregate amounts of the maximum daily outstanding balance of deposits (including accrued interests) to be placed by the Group with SIIC Finance under the Financial Services Agreement is more than 25%, such deposit services constitute (i) non-exempt continuing connected transactions subject to the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules; and (ii) a major transaction subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules.

### **Credit services**

As the credit services to be provided by SIIC Finance to the Group under the Financial Services Agreement shall be on normal commercial terms or better, and the Group only expects to engage such credit services if and when no security will be granted by the Group over its assets in respect of such credit services, the credit services as contemplated under the Financial Services Agreement, if and when they occur, are fully exempt from the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Rule 14A.90 of the Hong Kong Listing Rules.

### **Other financial services**

As the highest applicable percentage ratio for the aggregate amounts of the maximum service fees to be paid by the Group for the other financial services to be provided by SIIC Finance to the Group under the Financial Services Agreement are expected to fall below the de minimis threshold as specified in Rule 14A.76(1) of the Hong Kong Listing Rules. Therefore, such other financial services are fully exempt from reporting, announcement, annual review, circular and Independent Shareholders' approval requirements under Rule 14A.76(1) of the Hong Kong Listing Rules.

## **INFORMATION OF THE PARTIES TO THE TRANSACTIONS**

The Group is principally engaged in wastewater treatment, water supply, sludge treatment, solid waste incineration power generation, and other environmental protection-related fields.

SIIC Finance is a subsidiary of SIIC Shanghai, over which SIIC is the authorised representative exercising state-owned shareholder's right. SIIC Finance is a non-bank financial institution with financial license, under industrial regulation by the NAFR, which is principally engaged in accepting deposits from members of the group; providing loans to members of the group; discounting bills of members of the group; settling funds, collecting funds from and making payments to members of the group; providing entrusted loans to members of the group, bond underwriting, non-financial guarantees, financial consulting, credit verification and advisory agency services; engaging in inter-bank borrowing; accepting bills of members of the group; and investing in fixed-income marketable securities.

SIIC Shanghai is principally engaged in investment holding and property investment.

SIIC is wholly-owned by State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government and is principally engaged in financial investment, medicine, infrastructure and environmental protection, real estate and consumer products.

## **SINGAPORE LISTING MANUAL REQUIREMENT**

To comply with the relevant applicable requirements of the SGX Listing Manual, the Company hereby further discloses the following information in respect of its entry into the Financial Services Agreement with SIIC Finance: -

### **Interested Person Transaction**

Under Chapter 9 of the SGX Listing Manual, where an entity at risk proposes to enter into a transaction with an Interested Person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, entered into with the same Interested Person during the same financial year) is equal to or exceeds 5.0% of the latest audited consolidated NTA of the issuer and its subsidiaries, Shareholders' approval is required in respect of the transaction.

Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2024, the audited NTA of the Group was RMB 16.1 billion as at 31 December 2024. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by the Company with an Interested Person is, either in itself or in aggregate with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same Interested Person during the current financial year, equal to or in excess of 5.0% of the latest audited consolidated NTA of the Group (being RMB804.1 million, such a transaction would be subject to Shareholders' approval.

As at the date of this announcement, SIIC is deemed to be interested in an aggregate of 1,290,843,926 Shares, which is equivalent to approximately 50.12%<sup>1</sup> of the total number of Shares in issue. Accordingly, SIIC is regarded as a Controlling Shareholder (SGX) of the Company under Chapter 9 of the SGX Listing Manual.

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<sup>1</sup> Based on a total number of 2,575,665,726 Shares in issue as at the date of this announcement. The percentage is rounded down to the nearest 0.01%.

As at the date of this announcement, SIIC Finance is a subsidiary of SIIC Shanghai, over which SIIC, the controlling shareholder of the Company, is the authorised representative exercising state-owned shareholder's right. Accordingly, for the purposes of Chapter 9 of the SGX Listing Manual, SIIC Finance (being a company in which a Controlling Shareholder (SGX) of the Company has an interest of 30% or more) is an Interested Person of the Company.

The Financial Services Agreement is entered into between the Company and SIIC Finance. Therefore, the entry into the Financial Services Agreement will constitute an Interested Person Transaction under Chapter 9 of the SGX Listing Manual.

Given that the aggregate value of the Financial Services Agreement of approximately RMB 2 billion (which is approximately 12% of the latest audited NTA of the Group) exceeds 5.0% of the latest audited NTA of the Group of RMB 16.1 billion as at 31 December 2024, the Company's entry into the Financial Services Agreement is subject to Shareholders' approval pursuant to Rule 906(1)(a) of the SGX Listing Manual.

### **Total Value of Interested Person Transactions**

As at the date of this announcement, save for the Financial Services Agreement and any transaction whose value is less than S\$100,000<sup>2</sup>:

- (1) there are no Interested Person Transactions entered into between (a) the Company, its subsidiaries and its associated companies (as defined in the SGX Listing Manual) and (b) SIIC and its associates (as defined in the SGX Listing Manual) during the course of the current financial year ending 31 December 2026 pursuant to Rules 905 and 906 of the SGX Listing Manual; and
- (2) there are no Interested Person Transactions entered into between the Group and any of its interested persons (including SIIC and its associates (as defined in the SGX Listing Manual)) during the course of the current financial year ending 31 December 2026 pursuant to Rules 905 and 906 of the SGX Listing Manual.

### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee comprising all the independent non-executive Directors (namely, Dr. Kimmis Pun Kim Ming, Mr. An Hongjun, Mr. Zhong Ming) has been established to advise the Independent Shareholders in connection with the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps.

An independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in connection with the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps.

The AGM will be convened and held for considering and, if thought fit, approving the deposit services

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<sup>2</sup> Rules 905(1), 905(2) and 906 of the SGX Listing Manual do not apply to any transaction below S\$100,000.

contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps. As SIIC, being the authorised representative exercising state-owned shareholder's right over SIIC Shanghai (being the controlling shareholder of SIIC Finance), has a material interest in the transactions contemplated under the Financial Services Agreement, SIIC and its associates, which together hold 50.12% of the total number of Shares in issue as at the date of this announcement, are required to abstain from voting at the AGM on the resolutions approving the same. Save for the aforementioned and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Shareholder has a material interest in the transactions contemplated under the Financial Services Agreement and is required to abstain from voting on the resolutions approving the same at the AGM.

## **DESPATCH OF CIRCULAR**

A circular containing, among other matters, (i) further details of the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps; and (iv) a notice of AGM, will be despatched to the Shareholders in compliance with the Hong Kong Listing Rules and the SGX Listing Manual.

## **AUDIT COMMITTEE STATEMENT**

The Audit Committee will obtain an opinion from an independent financial adviser who is acceptable to Singapore Exchange on the Company's entry into the Financial Services Agreement with SIIC Finance before forming its view, which will be disclosed in the circular to be despatched to the Shareholders, as to whether the Company's entry into the Financial Services Agreement with SIIC Finance is on normal commercial terms and is not prejudicial to the interests of the Company and the Independent Shareholders.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

|                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Audit Committee”                                                                                                                                                                           | the audit committee of the Company                                                                                                                                                                                                                                                                                           |
| “AGM”                                                                                                                                                                                       | the annual general meeting of the Company to be convened to consider and, if thought fit, to approve, among others, the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps                                                                                   |
| “associate(s)”,<br>“close associate(s)”<br>“connected person(s)”,<br>“continuing connected transaction(s)”,<br>“controlling shareholder”,<br>“percentage ratio(s)” and<br>“subsidiary(ies)” | each has the meaning ascribed to it under the Hong Kong Listing Rules                                                                                                                                                                                                                                                        |
| “Board”                                                                                                                                                                                     | the board of Directors                                                                                                                                                                                                                                                                                                       |
| “Company”                                                                                                                                                                                   | SIIC Environment Holdings Ltd., a company incorporated in Singapore with limited liability, the shares of which are listed on the Main Board of the Singapore (Stock Code: BHK) and Hong Kong Stock Exchange (Stock Code: 807)                                                                                               |
| "Controlling Shareholder (SGX)"                                                                                                                                                             | <p>a person who:</p> <ul style="list-style-type: none"><li>(i) holds directly or indirectly 15% or more of the total voting rights in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or</li><li>(ii) in fact exercises control over a company.</li></ul> |
| “Director(s)”                                                                                                                                                                               | the directors of the Company                                                                                                                                                                                                                                                                                                 |
| “Effective Date”                                                                                                                                                                            | the date on which the parties to the Financial Services Agreement have obtained their respective necessary authorisations or approvals in relation to the transactions contemplated thereunder, including approval from the Independent Shareholders at the AGM                                                              |
| "entity at risk"                                                                                                                                                                            | has the meaning ascribed to it under the SGX Listing Manual                                                                                                                                                                                                                                                                  |
| “Financial Services Agreement”                                                                                                                                                              | the financial services agreement dated 27 February 2026 entered into between the Company and SIIC Finance in relation to the financial services to be provided by SIIC Finance to the Group                                                                                                                                  |

|                                         |                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Group”                                 | the Company and its subsidiaries                                                                                                                                                                                                                                                                                                             |
| “Hong Kong”                             | Hong Kong Special Administrative Region of the PRC                                                                                                                                                                                                                                                                                           |
| “Hong Kong Listing Rules”               | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)                                                                                                                                                                                  |
| “Independent Board Committee”           | the independent board committee of the Company comprising all the independent non-executive Directors, and each of them does not have any material interest in the transactions contemplated under the Financial Services Agreement                                                                                                          |
| “Independent Shareholders”              | Shareholders other than SIIC and its close associates                                                                                                                                                                                                                                                                                        |
| “Interested Person”                     | as defined in the SGX Listing Manual, the term "Interested Person" means: <ul style="list-style-type: none"> <li>(i) a director, chief executive officer, or Controlling Shareholder (SGX) of the Company; or</li> <li>(ii) an associate of any such director, chief executive officer, or Controlling Shareholder (SGX).</li> </ul>         |
| “Interested Person Transaction”         | a transaction between an entity at risk and an Interested Person                                                                                                                                                                                                                                                                             |
| “NAFR”                                  | The National Administration of Financial Regulation (國家金融監督管理總局)                                                                                                                                                                                                                                                                             |
| “NTA”                                   | net tangible assets                                                                                                                                                                                                                                                                                                                          |
| “PRC”                                   | the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, and Macao Special Administrative Region of the PRC and Taiwan                                                                                                                                                                                |
| “Proposed Deposit Services Annual Caps” | the proposed aggregate amounts of the maximum daily outstanding balance of deposits (including accrued interests) that may be placed by the Group with SIIC Finance pursuant to the Financial Services Agreement for the period from the Effective Date to 31 December 2026 and each of the financial years ending 31 December 2027 and 2028 |
| “RMB”                                   | Renminbi, the lawful currency of the PRC                                                                                                                                                                                                                                                                                                     |
| “SFO”                                   | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time                                                                                                                                                                                                                                    |

|                      |                                                                                                                                                                                                        |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| "SGX Listing Manual" | the listing manual of the SGX-ST                                                                                                                                                                       |
| "SGX-ST"             | Singapore Exchange Securities Trading Limited                                                                                                                                                          |
| "Shares"             | ordinary share(s) in the share capital of the Company                                                                                                                                                  |
| "Shareholder(s)"     | registered holder(s) of the Share(s)                                                                                                                                                                   |
| "SIIC"               | Shanghai Industrial Investment (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability and the controlling shareholder of the Company                                   |
| "SIIC Finance"       | SIIC Shanghai Group Finance Co., Ltd.* (上海上實集團財務有限公司), a company established in the PRC with limited liability and a subsidiary of SIIC Shanghai                                                       |
| "SIIC Shanghai"      | 上海上實（集團）有限公司 (SIIC Shanghai Holdings Co., Ltd.), a company established in the PRC with limited liability with SIIC as the authorised representative exercising state-owned shareholder's right over it |
| "Stock Exchange"     | The Stock Exchange of Hong Kong Limited                                                                                                                                                                |
| "subsidiary(ies)"    | has the meaning ascribed to it under the Hong Kong Listing Rules                                                                                                                                       |
| "%"                  | per cent                                                                                                                                                                                               |

By Order of the Board  
**SIIC Environment Holdings Ltd.**  
**Mr. Ji Guanglin**  
Executive Director

Singapore and Hong Kong, 1 March 2026

*As at the date of this announcement, the chairman of the board of Directors and the executive Director is Mr. Zhou Yuding; the executive Directors are Mr. Ji Guanglin, Mr. Wang Xiwan and Mr. Yang Xing; and the independent non-executive Directors are Dr. Kimmis Pun Kim Ming, Mr. An Hongjun and Mr. Zhong Ming.*

*\* For identification purpose only*