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PROPOSED PLACEMENT OF 1,000,000,000 ORDINARY SHARES IN THE CAPITAL OF SIIC ENVIRONMENT HOLDINGS LTD. (THE "PLACEMENT") – UPDATE ANNOUNCEMENT

The Board of Directors ("**Directors**") of SIIC Environment Holdings Ltd. ("**Company**" and together with its subsidiaries, the "**Group**") refers to the announcements made by the Company on 8 July 2014, 14 July 2014, 1 August 2014, 25 September 2014, 14 October 2014 and 17 October 2014 on the Placement ("**Announcements**"). Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the Announcements.

Further to the Announcements, the Board wishes to update that the Company has received a notification from its substantial shareholder, Best Investment Corporation ("**BIC**") on its change in percentage level pursuant to the allotment and issuance of the New Shares.

The updated interests of the Directors and substantial shareholders of the Company pursuant to the Placement are as follows:

	Before Placement				After Placement and allotment and issued of New Shares			
	Direct		Deemed		Direct		Deemed	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors								
Zhou Jun	-	-	-	-	-	-	-	-
Feng Jun	-	-	-	-	-	-	-	-
Liu Yujie ⁽¹⁾	-	-	750,000	0.01	-	-	750,000	0.01
Yang Changmin	125,418,474	1.46	-	-	125,418,474	1.31	-	-
Yang Yihua	-	-	-	-	-	-	-	-
Yeo Guat Kwang	-	-	-	-	-	-	-	-
Tay Ah Kong Bernard	-	-	-	-	-	-	-	-
Tan Chong Huat	-	-	-	-	-	-	-	-
Tan Gim Soo	-	-	-	-	-	-	-	-
Substantial Shareholders								
Triumph Power Limited (" Triumph ")	3,184,647,757	37.08	-	-	3,184,647,757	33.21	-	-
Shanghai Industrial Holdings Limited (" SIHL ")	-	-	4,012,841,132	46.72	-	-	4,012,841,132	41.85
S.I Infrastructure Holdings Limited (" SIH ") ⁽²⁾	827,092,375	9.63	3,184,647,757	37.08	827,092,375	8.63	3,184,647,757	33.21
China Energy Conservation & Environmental Protection (Hong Kong) Investment Co., Limited (" CECEPHK ")	1,118,564,586	13.02	-	-	1,118,564,586	11.66	-	-
China Energy Conservation and Environmental Protection Group (" CECEP ") ⁽³⁾	-	-	1,118,564,586	13.02	-	-	1,118,564,586	11.66
Best Investment Corporation (" BIC ")	660,000,000	7.68	-	-	660,000,000 ⁽⁵⁾	6.88	-	-
CIC International Co., Ltd. (" CIC International ") ⁽⁴⁾	-	-	660,000,000	7.68	-	-	660,000,000	6.88
China Investment Corporation (" CIC ") ⁽⁴⁾	-	-	660,000,000	7.68	-	-	660,000,000	6.88
Dalvey Asset Holding Ltd. (" Dalvey Asset ")	450,000,000	5.24	-	-	450,000,000	4.69	-	-

	Before Placement				After Placement and allotment and issued of New Shares			
	Direct		Deemed		Direct		Deemed	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
RRJ Capital Master Fund II, L.P. ("RRJ Capital") ⁽⁶⁾	-	-	450,000,000	5.24	-	-	450,000,000	4.69
Public Float (%)					25.87%			
Public Float (Number of Shares)					2,221,717,940			
					38.30%			
					3,672,467,940 ⁽⁴⁾⁽⁷⁾			

Note:

- (1) Ms. Liu Yujie is deemed to be interested in the shares held by her spouse, Mr. Li Chao Yang. Ms. Liu ceased to be director of the Company with effect from 8 August 2014. Accordingly, the deemed interest of 750,000 shares is included as part of the public float after Placement.
- (2) Each of Shanghai Industrial Investment (Holdings) Company Limited, which is controlled by the Shanghai Municipal People's Government (through its wholly-owned subsidiaries, namely Shanghai Investment Holdings Limited, SIIC Capital (B.V.I.) Limited, SIIC Treasury (B.V.I.) Limited, SIIC Trading Company Limited, Billion More Investments Limited, Shanghai Industrial Financial (Holdings) Company Limited, South Pacific International Trading Limited and SIIC CM Development Limited, and Shanghai Investment Holdings Limited, holds more than 20% of the issued and paid-up share capital of SIHL, which owns all the issued and paid-up share capital of SII which in turn owns all the issued and paid-up share capital of Triumph. In addition, SIHL owns all the issued and paid-up share capital of SIHL Treasury Limited. As such, Shanghai Industrial Investment (Holdings) Company Limited, Shanghai Investment Holdings Limited, SIHL and SII are deemed to be interested in the shares held by Triumph and SIHL Treasury Limited (excluding SII). SIHL Treasury Limited holds 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) BIC is a wholly-owned subsidiary of CIC International, which is a subsidiary controlled by CIC. Therefore, both CIC International and CIC are deemed to be interested in the shares held by BIC.
- (5) As announced by the Company on 1 August 2014, 21,000,000 Placement Shares were placed to BIC. The resultant number of shares held by BIC upon completion of the Placement on 14 July 2014 was 681,000,000, owning approximately 7.93% interest in the Company. However, prior to the Company's announcement on the issuance of New Shares on 17 October 2014, BIC had disposed of the 21,000,000 Placement Shares ("**Disposal**"), which reverted its shareholding in the Company to 660,000,000, at approximately 7.68% interest in the Company. As the Disposal did not result in a change in the percentage level in the interest held by BIC, there was no requirement for notification of such change in interest pursuant to Section 136 of the Securities and Futures Act (Cap. 289).
- (6) RRJ Capital is deemed to be interested in shares held by Dalvey Asset as RRJ Capital owns the entire issued share capital of Dalvey Asset.
- (7) Dalvey Asset and RRJ Capital ceased to be substantial shareholders following the allotment and issuance of New Shares on 17 October 2014. Accordingly, the 450,000,000 shares is included as part of the public float after Placement.

The New Shares free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank *pari passu* in all respects with all other existing issued ordinary shares save that they will not rank for any dividend, rights, allotments or other distributions, the record date of which falls on or before the Completion Date of the Placement.

By Order of the Board

Feng Jun
Executive Director
21 October 2014