
SIIC Environment sets foot in China's sludge treatment industry via strategic investment in MTI Environment Group

SINGAPORE, 24 April 2015 – SGX Mainboard-listed water treatment and environmental protection company SIIC Environment Holdings Ltd. (“**SIIC Environment**”, the “**Company**”, and together with its subsidiaries or collectively as the “**Group**”) today announced that the Company and International Finance Corporation (“**IFC**”), a member of the World Bank Group, have entered into a share subscription agreement with MTI Environment Group Ltd. (“**MTI**”). SIIC Environment and IFC will invest US\$4 million each in the preference shares of MTI.

The management of SIIC Environment, IFC and MTI attended the signing ceremony in Hong Kong today:

Mr. Zhou Jun, Executive Chairman of SIIC Environment,

Mr. Feng Jun, Executive Director of SIIC Environment,

Mr. Simon Andrews, Country Manager for China, Korea & Mongolia of IFC,

Mr Liu Feng, Chairman of MTI,

Mr Gao Di, CEO of MTI.

MTI Environment Group is a well-known enterprise in the domestic sludge treatment industry and an Engineering, Procurement and Construction (“**EPC**”) contractor in the water treatment industry. Since its founding in 1997, MTI has successfully completed close to 100 municipal sewage treatment, water supply engineering, and sludge treatment projects and has built a professional team with in-house core technologies and a wealth of experience in engineering.

In recent years, MTI has successfully won and completed numerous sludge treatment and deodorisation projects by virtue of its proprietary sludge aerobic composting and deodorisation technologies patented by BacTee Systems, Inc. (“**BacTee Systems**”), a subsidiary of MTI. Notably, MTI has successfully applied these world-leading technologies to projects such as Tianjin Zhangguizhuang Sludge Treatment and Handling Project, Heilongjiang Harbin Sludge Treatment and Handling Project, Henan Xinxiang Sludge Treatment and Handling Project, as well as Shenyang Sludge Composting Plant Deodorization Project. As such, MTI has a strong track record and experience in handling class-leading municipal sludge treatment and construction projects.

As an innovative technology enterprise devoted to environmental protection and recycling, MTI's subsidiary, MTI Engineering Technology (Beijing) Co., Ltd., has been honored as the Top 10 Outstanding Engineering Company in the Water Industry by China Water Net (www.h2o-China.com), while BacTee Systems has been named as the Most Prospective Engineering Technology Company in the Water Industry for consecutive years and was awarded as the Benchmark Enterprise of Sludge Biological Deodorisation Technology in 2013 by China Water Net.

This is the Group's first investment in the sludge treatment sector, which boasts promising prospects due to recently released policies. In April 2015, the State Council announced the *Action Plan on the Prevention of Water Pollution* (水十条). According to the plan, the current sludge treatment facilities need to be upgraded by the end of 2017, and the sludge treatment rate to turn the sludge into harmless substance for safe disposal in all prefecture-level cities should reach 90% by 2020. As a result, the sludge treatment rate is expected to surge within the next five years. Leveraging on the investment in MTI, SIIC Environment is well-positioned to tap on the tremendous market opportunities in the environmental protection industry.

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About SIIC Environment Holdings Ltd.

Listed on the SGX-ST Catalist in 2005 and subsequently transferred to the SGX-ST Mainboard in 2012, SIIC Environment Holdings Ltd., a top-tier integrated player in the China's environmental investment industry, is committed to enlarging its market share in the water and environmental protection sector. In 2010, Shanghai Industrial Holdings Limited ("SIHL") invested, restructured and gained control of the Group.

SIIC Environment is an active investor and operator of environmental related assets and has been operating in China's environmental protection sector for more than a decade. Currently, the Group boasts an overall portfolio of about 70 water treatment and supply projects and 3 waste-to-power projects across 15 municipality and provinces, namely Shandong, Guangdong, Hubei, Hunan, Jiangsu, Shanghai, Zhejiang, Fujian, Guangxi, Ningxia, Henan, Liaoning, Shanxi, Sichuan and Heilongjiang.

Leveraging on the scalability of its capability and business structure, SIIC Environment will continue to expand its competencies to include related sectors in the water and environmental protection industries such as industrial wastewater treatment, seawater desalination, waste-to-power, sludge treatment and handling, soil treatment and new energy resources, thereby strengthening its top-tier position in China's environmental investment industry.

For more information, please visit us at www.siicenv.com.

For media and/or investor relations matters, please contact:

Zhang Yuchao / Jin Ling / Ngo Yit Sung

Financial PR Pte Ltd

Email: staff@financialpr.com.sg

Tel: (65) 6438 2990