

---

**ACQUISITION OF 100% OF THE EQUITY INTEREST IN CITIC ENVIROTECH WATER RESOURCE (HEGANG) CO., LTD. BY LONGJIANG ENVIRONMENTAL PROTECTION GROUP CO., LTD.**

---

The Board of Directors (the “**Board**”) of SIIC Environment Holdings Ltd. (“**SIIC**” and, together with its subsidiaries, the “**Group**”) is pleased to announce that SIIC’s indirect subsidiary, Longjiang Environmental Protection Co., Ltd. (“**Longjiang**”) has on 24 January 2017 completed its acquisition of 100% of the equity interest in CITIC Envirotech Water Resource (Hegang) Co., Ltd. (“**CEW Hegang**”) from CITIC Envirotech Ltd. (the “**Acquisition**”).

CEW Hegang is principally involved in the operation of 2 waste water treatment plants and 1 reclaimed water project with total design capacity of 110,000 tons/day, and is based in Hegang City, Heilongjiang Province, People's Republic of China.

The purchase consideration paid by Longjiang to CITIC Envirotech Ltd. for the Acquisition is RMB112,090,000 (approximately S\$23,180,212 based on exchange rate of RMB1:S\$0.2068 as at 24 January 2017), and was funded by internal cash resources. The purchase consideration was arrived at on a willing buyer willing seller basis after taking into account the following factors:

- (a) the net tangible asset value of CEW Hegang as at 31 March 2016 of RMB112,056,451, based on CEW Hegang’s audited financial statements;
- (b) the prevailing market conditions of the waste water treatment industry in Hegang City, Heilongjiang Province, People’s Republic of China;
- (c) the capabilities and synergies between the Group and CEW Hegang; and
- (d) an independent valuation conducted by the Independent Valuer (as defined below).

For the purpose of the Acquisition, Longjiang has appointed Beijing Zhuoxindahua Appraisal Co., Ltd. as the independent valuer (“**Independent Valuer**”) to conduct a desktop fair value estimate range of CEW Hegang as at 31 March 2016.

The Independent Valuer has relied primarily on the discounted cash flow methodology and comparable company methodology to determine the fair value estimate of CEW Hegang. The Independent Valuer has relied on certain assumptions for its valuation analysis. After due consideration of the key assumptions, limitations and valuation basis, the fair value estimate of the value of CEW Hegang as determined by the Independent Valuer ranges between RMB110.89 million to 111.05 million.

For the purposes of Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited, none of the relative figures of the Acquisition computed on the bases set out in Rule 1006(a) to (e) exceeds 5%, or is a negative figure. Accordingly, the Acquisition constitutes a “*non-discloseable transaction*” as defined under Chapter 10 of the Listing Manual.

**By Order of the Board**

**Feng Jun**  
**Executive Director**  
25 January 2017