SIIC Environment Holdings Ltd.
Registration No. 200210042R
One Temasek Avenue #37-02
Singapore 039192
Tel: +65 6538 2598
Fax: +65 6538 2896
www.siicenv.com

PRESS RELEASE

For Immediate Release

SIIC Environment Enters into Sales and Purchase Agreement with Ranhill Water

SINGAPORE, 27 September 2016 – 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**"), is pleased to announce that it has entered into a sale and purchase agreement (the "**SPA**") with its indirect wholly-owned subsidiary Asia Wisdom Investments Limited, Ranhill Water Technologies (Cayman) Limited and Ranhill Holdings Berhad, for the acquisition of 159,989,376 ordinary shares in the share capital of Ranhill Water (Hong Kong) Ltd currently held by Ranhill Water Technologies (Cayman) Limited, representing 60% of the issued and paid-up share capital of Ranhill Water (Hong Kong) Ltd. ("**RWHK**", or the "**Sale Shares**") for an aggregate consideration of RMB273,900,000.

Incorporated in Hong Kong on 26 November 2008, RWHK is an indirect, wholly-owned subsidiary of Malaysian water and power conglomerate, Ranhill Holdings Berhad ("Ranhill"). RWHK's principal activities in the People's Republic of China include undertaking industrial wastewater treatment services, providing consultancy services on potable water, wastewater technologies and project management, and conducting design, construction and operation of wastewater treatment and environmental protection facilities.

RWHK's current wastewater treatment services are supplied to industrial parks in Jiangxi, Anhui, Liaoning and Henan based on concession agreements with the local counties, with a total design treatment capacity of 260,000 ton/day.

In addition, RWHK is engaged in a joint venture and holds 37% of the equity interest in Pinang Water Ltd., a company incorporated in the Federal Territory of Labuan, Malaysia, whose principal activities include construction of water-infrastructure projects, water treatment, management and supply of treated water for government, industries, commercial and domestic consumers.

SIIC Environment is focused on capturing investment opportunities on wastewater treatment for industrial parks in the People's Republic of China. Deploying its patented technology, it has

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extensive expertise in the investment and operation of industrial wastewater treatment projects. The Group is optimistic on the potential and market demand of the effective treatment of industrial water in China.

The Company is of the view that the Proposed Acquisition will be in the best interests of the Group – it not only presents an opportunity for the Group to acquire a profitable business in the industrial wastewater treatment sector, it will also serve as an opportunity for the Company and Ranhill to cooperate and further explore the Southeast Asian market.

"The proposed acquisition is in line with the Group's ordinary course of business, and together with the sustained organic growth of our current projects, I am confident about the expansion of the Group's current business and its landscape, which will bring growth and enhancement of shareholders' value."

Mr. Zhou Jun, Executive Chairman of SIIC Environment

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About SIIC Environment Holdings Ltd.

SIIC Environment Holdings Ltd. ("SIIC Environment" or the "Group", stock code: BHK.SG) is a top-tier integrated player in China's environmental industry. The Group is engaged in water treatment, solid waste treatment and other environment-related businesses. The Group is previously known as Asia Water Technology Ltd ("Asia Water") which was listed on the SGX-ST Catalist in 2005. In 2010 Shanghai Industrial Holdings Ltd. ("SIHL", stock code: 363.HK) acquired a controlling stake and completed debt restructure in Asia Water. The Group was renamed SIIC Environment Holdings Ltd and transferred to the SGXST Mainboard in 2012. Since the restructuring, the Group has shown tremendous growth and continues to increase its market share in China's water and environmental protection sector.

SIIC Environment is an active investor and operator of environment-related assets and has been operating in China's water sector for over a decade. At present, the Group's portfolio boasts over 80 water treatment and supply projects and 3 waste incineration projects across 15 municipalities and provinces, namely Shandong, Guangdong, Hubei, Hunan, Jiangsu, Shanghai, Zhejiang, Fujian, Guangxi, Ningxia, Henan, Liaoning, Shanxi, Sichuan and Heilongjiang.

By leveraging on its business strategy and structure scalability and its technique extensiveness, SIIC Environment seeks to expand its competencies to include related sectors in the water and

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environmental protection industries such as industrial wastewater treatment, seawater desalination, 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**.**

About Ranhill Holdings Berhad

Ranhill Holdings Berhad ("Ranhill") is a Malaysian conglomerate listed on the Main Market of Bursa Malaysia Securities Berhad and has invested extensively in environment and power sectors. In the environment sector, it provides water supply services, operates water and wastewater treatment plants, and provides specialized services in the management and optimization of water utility assets. In the power sector, it develops, owns and operates power generation assets. Its operations and services are primarily in Malaysia, and its international operations are centered in Asian markets such as China, Thailand and South East Asia.

In the environment business, it has been granted an exclusive license (renewable every three years) by the Minister of Energy, Green Technology and Water, Malaysia to provide source-to-tap water supply services with total capacity of 1,986 MLD (million litres per day) to the end-customers in the entire State of Johor. Outside Malaysia, it operates water concession assets on a BOT and TOT basis through its wholly owned subsidiary, Ranhill Water Technologies (Cayman) Ltd in China with total capacity of 260 MLD and in Thailand with total capacity of 102 MLD, including a 10 MLD reclaimed water treatment plant.

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

Ms. Rachel Cai
Head of Investor Relations
SIIC Environment Holdings Ltd.
Email: caihuijing@siicenv.com

Ms. Holly Huang / Mr. Aaron Ng
Investor Relations
Hill+Knowlton Strategies
Email: siicenvironment@hkstrategies.com
DID: (65) 6390 3335