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NEWS RELEASE – FOR IMMEDIATE RELEASE

SIIC Environment Signs Supplementary Agreement for Three Wastewater Treatment Projects in China's Puwan Economic Zone in Dalian City

SINGAPORE & HONG KONG, 18 December 2018 – SGX Mainboard-listed and SEHK Mainboard-listed water treatment and environmental protection company, **SIIC Environment Holdings Ltd**. ("**SIIC Environment**" or the "**Company**", and together with its subsidiaries or collectively as the "**Group**"), today announced that SIIC Environment (Dalian) Co., Ltd. ("**SIIC Dalian**"), an indirect 92.65% owned subsidiary of the Company, has signed a supplementary agreement with Dalian Administration Committee (the "**Committee**") in relation to the concession arrangements of three BOT (build-operate-transfer) wastewater treatment projects (the "**Projects**") in Puwan Economic Zone, Dalian City, Liaoning Province, the People's Republic of China (the "**PRC**").

Details of the Projects' concession arrangements are as follows:

1. The Committee will reimburse the SIIC Dalian for the build and operate expenses of Liujia Wastewater Treatment project (刘家污水处理厂项目), with a designed capacity of 10,000 tonnes per day by 31 December 2018.
2. The Sanshilibao Wastewater Treatment Grade 1A project (三十里堡污水处理厂项目) has a design capacity of 20,000 tonnes per day and is expected to become operational by 1 January 2019. Its base rate for the water tariff has also been increased from RMB1.65/m^3 to RMB1.92/m^3.
3. The construction of the Houhai Wastewater Treatment Grade 1A project (后海污水处理厂项目) has been commenced, with a designed capacity of 20,000 tonnes per day. The base rate for the water tariff has been tentatively increased from RMB1.65/m^3 to RMB2.07/m^3, with the final total investment value to determine the final water tariff.

The Projects are expected to contribute to the Group's performance positively going forward.

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About SIIC Environment Holdings Ltd.

SIIC Environment Holdings Ltd. ("**SIIC Environment**", stock code: BHK.SG, 807.HK) is a top-tier integrated enterprise in China's water and environmental markets. It is engaged in wastewater treatment, water supply, solid waste management and other environment-related businesses. SIIC Environment was 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 Asia Water and completed its debt restructure. It was then renamed SIIC Environment and transferred to the SGX-ST Mainboard in 2012. Since the restructuring, SIIC Environment has shown tremendous growth and continues to increase its market share in China's water and environmental 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. Currently, it boasts an overall portfolio of 188 water treatment and supply projects and 5 waste incineration projects across 19 municipalities and provinces in China, namely Shandong, Guangdong, Hubei, Hunan, Jiangsu, Shanghai, Zhejiang, Jiangxi, Anhui, Fujian, Guangxi, Ningxia, Henan, Liaoning, Inner Mongolia, Shanxi, Sichuan, Jilin and Heilongjiang.

Leveraging on its scalability and competencies, SIIC Environment will continue to expand its water and solid waste businesses and explore new markets such as industrial wastewater treatment, seawater desalination, sludge treatment and handling, soil treatment, renewable energy, water technology and pollution control, thereby strengthening its top-tier position in China's water and environmental industry.

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

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