上海实业环境控股有限公司
SIIC ENVIRONMENT HOLDINGS LTD.

SIIC Environment Holdings Ltd.
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APPROVAL ON COMMERCIAL OPERATIONS FOR THE EXPANSION AND UPGRADING PROJECT OF THE HANXI WASTE WATER TREATMENT PLANT

The Board of Directors (the "**Board**") of SIIC Environment Holdings Ltd. (the "**Company**", and together with its subsidiaries, collectively the "**Group**") refers to the announcements made by the Company on 25 November 2013 and 23 December 2014 on the Hanxi Expansion and Upgrading Project (the "**Hanxi Announcements**"). Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the Hanxi Announcements.

The Board is pleased to announce that the commercial operations for the Expansion and Upgrading Project of the Hanxi Waste Water Treatment Plant had been approved by the Wuhan Water Bureau. It had commenced operations since 24 August 2017.

The daily design capacity of the Hanxi Waste Water Treatment Plan would rise to 600,000 tons/day with a discharge standard of Grade 1B. The base tariff had increased from RMB0.723 per ton to RMB1.139 per ton. The guaranteed minimum treatment volume for the first two years is 560,000 tons per day. From the third year within the concessionary period, the guaranteed minimum treatment volume will be 600,000 tons per day.

The above is not expected to have material impact on the net tangible assets per share and earning per share of the Company and the Group for the financial year ending 31 December 2017.

None of the directors, controlling shareholders or substantial shareholders of the Company have any interest, direct or indirect, in the Hanxi Expansion and Upgrading Project.

By Order of the Board

Feng Jun
Executive Director
12 October 2017