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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the capital of SIIC ENVIRONMENT HOLDINGS LTD., you should immediately hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**上海实业环境控股有限公司**

SIIC ENVIRONMENT HOLDINGS LTD.

**SIIC ENVIRONMENT HOLDINGS LTD.**

**上海實業環境控股有限公司**

*(Incorporated in the Republic of Singapore with limited liability)*

*(Company Registration Number 200210042R)*

**(Hong Kong stock code: 807)**

**(Singapore stock code: BHK)**

- (1) RENEWAL OF GENERAL MANDATE TO ISSUE SHARES;**
- (2) REPURCHASE SHARES;**
- (3) RE-ELECTION OF DIRECTORS;**
- (4) PROPOSED DECLARATION OF FINAL DIVIDEND;**
- AND**
- (5) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting of the Company to be held at The Conference Room, 26/F Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong (for Hong Kong Shareholders) and The Ritz-Carlton, Millenia Singapore, Millenia 3, Level 2, 7 Raffles Avenue, Singapore 039799 (for Singapore Shareholders) on Tuesday, 30 April 2019 at 10:00 a.m. is set out on pages 52 to 60 of this circular. Whether or not you intend to be present and vote at the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Registered Office in Singapore at One Temasek Avenue, #37-02 Millenia Tower, Singapore 039192 (for Singapore Shareholders) or the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for Hong Kong Shareholders) as soon as possible and in any event not less than seventy-two (72) hours before the time appointed for holding the Annual General Meeting or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the Annual General Meeting in person should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked.

27 March 2019

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions apply throughout this circular:—

<b>“2019 AGM”</b>	:	The AGM of the Company to be held at The Conference Room, 26/F Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong (for Hong Kong Shareholders) and The Ritz-Carlton, Millenia Singapore, Millenia 3, Level 2, 7 Raffles Avenue, Singapore 039799 (for Singapore Shareholders) on Tuesday, 30 April 2019 at 10:00 a.m., or any adjournment thereof
<b>“Act”</b>	:	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
<b>“AGM”</b>	:	Annual general meeting of the Company
<b>“Board”</b>	:	The board of Directors for the time being
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Company”</b>	:	SIIC ENVIRONMENT HOLDINGS LTD.
<b>“Constitution”</b>	:	The Constitution of the Company, as amended, modified or supplemented from time to time
<b>“Controlling Shareholder”</b>	:	A person who (a) holds directly or indirectly fifteen per cent. (15%) or more of the total number of issued shares excluding treasury shares and subsidiary holdings in the Company (unless the SGX-ST determines that such a person is not a Controlling Shareholder of the Company); or (b) in fact exercises control over the Company
<b>“Directors”</b>	:	The directors of the Company for the time being
<b>“General Mandate”</b>	:	A general and unconditional mandate to allot, issue or deal with Shares subject to and in accordance with the terms of the mandate
<b>“Group”</b>	:	The Company together with its Subsidiaries, Associated Companies and Joint Venture Company
<b>“Hong Kong”</b>	:	the Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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<b>“Hong Kong Listing Rules”</b>	:	The Rules Governing the Listing of Securities on the SEHK
<b>“Latest Practicable Date”</b>	:	15 March 2019, being the latest practicable date prior to the printing of this circular for the purpose of obtaining relevant information for inclusion herein
<b>“Listing Manual”</b>	:	The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
<b>“Listing Rules”</b>	:	The listing rules of the SGX-ST as set out in the Listing Manual
<b>“PRC”</b>	:	The People’s Republic of China
<b>“S\$”</b>	:	Singapore dollars, the lawful currency of Singapore
<b>“SEHK”</b>	:	The Stock Exchange of Hong Kong Limited
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Share Purchase”</b>	:	Purchase of Shares by the Company pursuant to the Share Purchase Mandate
<b>“Share Purchase Mandate”</b>	:	General mandate from the Shareholders to authorise the Directors to exercise all the powers of the Company to purchase Shares in accordance with the terms set out in this circular and Resolution 9 of the notice of the 2019 AGM authorising the same and subject to compliance with the Act and the rules and regulations of the SGX-ST and the SEHK
<b>“Shareholders”</b>	:	Registered holder of the Shares or where CDP is the registered holder, the term “Shareholders” shall in relation to such Shares and where the context admits, mean the Depositors who have the Shares entered against their names in the Depository Register
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company

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## DEFINITIONS

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“Subsidiaries”	:	A company (whether incorporated within or outside Singapore and wheresoever resident) being a subsidiary for the time being of the Company within the meaning of Section 5 of the Act and “Subsidiary” shall be construed accordingly
“subsidiary holdings”	:	shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Act
“Substantial Shareholder”	:	In relation to the Company, a person who has an interest in not less than five per cent. (5%) of the issued voting Shares in the capital of the Company
“Treasury Share(s)”	:	A Share that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled

### Currencies, Units of Measurement and Others

“HK\$”	:	Hong Kong dollar, the lawful currency of Hong Kong
“RMB”	:	PRC Renminbi
“S\$” and “cents”	:	Singapore dollars and cents, respectively, the lawful currency of Singapore
“%” or “per cent.”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository Register**” and “**Depository Agent**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.

Words importing the singular shall where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof or the Listing Manual or the Hong Kong Listing Rules and used in this circular shall, where applicable, have the meaning assigned to it under the said Act or any modification thereof or the Listing Manual or the Hong Kong Listing Rules, as the case may be.

Any reference to a time of day in this circular shall be a reference to Singapore time unless otherwise stated.

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## LETTER TO SHAREHOLDERS

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**上海實業環境控股有限公司**

SIIC ENVIRONMENT HOLDINGS LTD.

### **SIIC ENVIRONMENT HOLDINGS LTD.**

**上海實業環境控股有限公司**

*(Incorporated in the Republic of Singapore with limited liability)*

*(Company Registration Number 200210042R)*

**(Hong Kong stock code: 807)**

**(Singapore stock code: BHK)**

**Non-Executive Chairman:**

Zhou Jun

**Executive Directors:**

Feng Jun

Li Zengfu

Xu Xiaobing

Xu Zhan

**Independent Non-Executive Directors:**

Yeo Guat Kwang

An Hongjun

Zhong Ming

**Headquarters, Registered Office and  
Principal Place of Business  
in Singapore**

One Temasek Avenue

#37-02 Millenia Tower

Singapore 039192

**Principal Place of Business  
in Hong Kong**

Unit 912, 9/F

Two Harbourfront

2 Tak Fung Street

Hunghom, Kowloon

Hong Kong

27 March 2019

**To: The Shareholders of the Company**

Dear Sir/Madam

**(1) RENEWAL OF GENERAL MANDATE TO ISSUE SHARES;**

**(2) REPURCHASE SHARES;**

**(3) RE-ELECTION OF DIRECTORS;**

**(4) PROPOSED DECLARATION OF FINAL DIVIDEND;**

**AND**

**(5) NOTICE OF ANNUAL GENERAL MEETING**

#### **1. BACKGROUND**

The purpose of this circular is to provide the Shareholders with the relevant information in relation to seek the approval of the Shareholders at the 2019 AGM for the proposed (i) renewal of the General Mandate, (ii) renewal of the Share Purchase Mandate and (iii) re-election of Directors.

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## LETTER TO SHAREHOLDERS

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### 2. RENEWAL OF GENERAL MANDATE

An ordinary resolution as set out in the Notice of 2019 AGM will be proposed at the 2019 AGM, pursuant to Section 161 of the Companies Act and the Listing Manual and the Hong Kong Listing Rules, to seek the approval of the Shareholders to authorise and empower the Directors to:

- (a) (i) issue Shares in the Company, whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued during the continuance of such authority or thereafter, including but not limited to the creation and issue (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Board may, in their absolute discretion, deem fit; and

- (b) issue Shares in pursuance of any Instrument made or granted by the Board while such authority was in force (notwithstanding that such issue of the Shares pursuant to the Instruments may occur after the expiration of the authority contained in this Resolution);

provided always, that subject to any applicable regulations as may be prescribed by the SGX-ST and the SEHK,

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) of which the aggregate number of Shares to be issued other than on a pro-rata basis to Shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

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## LETTER TO SHAREHOLDERS

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- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (a) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
  - (b) any subsequent consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST as amended from time to time (unless such compliance has been waived by the SGX-ST), the Hong Kong Listing Rules as amended from time to time (unless such compliance has been waived by the SEHK) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

Notwithstanding the above, it must be noted that the Hong Kong Listing Rules provide that the general mandate obtained from Shareholders in general meeting shall be subject to a restriction that the aggregate number of Shares allotted or agreed to be allotted under the general mandate must not exceed 20% of the existing issued share capital of the Company. The Company will comply with the requirements under the Hong Kong Listing Rules or the Listing Manual for matters relating to the general mandate, whichever is more onerous.

As at the Latest Practicable Date, the Company had 2,606,588,726 Shares in issue and the maximum number of Shares that can be issued other than on a pro-rata basis to the Shareholders is 521,317,745 Shares, being 20% of the Shares in issue (assuming no Share is issued or repurchased after the Latest Practicable Date and up to the passing of the relevant Resolution).

The grant of the General Share Issue Mandate will provide flexibility to the Directors to issue new Shares when it is in the interest of the Company.

### **3. RENEWAL OF SHARE PURCHASE MANDATE**

The details of the proposed renewal of the Share Purchase Mandate are set out in the Appendix A to this circular.



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## LETTER TO SHAREHOLDERS

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### 4. RE-ELECTION OF DIRECTORS

Mr. Xu Xiaobing and Mr. Li Zengfu, the executive Directors, and Mr. Yeo Guat Kwang, an independent non-executive Director, shall retire from the office of Director at the 2019 AGM in accordance with the Constitution and code provision A.4.2 of Appendix 14 to the Hong Kong Listing Rules. All the aforesaid retiring Directors, being eligible, will offer themselves for re-election at the 2019 AGM. Mr. Yeo Guat Kwang who has been serving as an independent non-executive Director, has confirmed his independence with reference to the factors set out in Rule 3.13 of the Hong Kong Listing Rules. The Board considers him still independent in accordance with the independence guidelines as set out in the Hong Kong Listing Rules and believes that his will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Biographical details of the above-mentioned retiring Directors, which are required to be disclosed pursuant to the Hong Kong Listing Rules, are set out in Appendix B to this circular.

### 5. DIRECTORS' RECOMMENDATION

Save for Mr. Zhou Jun and Mr. Xu Zhan, who are required to abstain from recommending for Shareholders to vote in favour of the proposed Share Purchase Mandate, the Directors are of the opinion that (i) the proposed renewal of the General Mandate; (ii) the proposed renewal of Share Purchase Mandate; and (iii) the proposed re-election of the retiring Directors is in the best interest of the Company and the Shareholders as a whole. Accordingly, save for Mr. Zhou Jun and Mr. Xu Zhan, the Directors recommend that the Shareholders vote in favour of the resolutions as set out in the Notice of 2019 AGM.

### 6. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement contained herein or this Circular misleading.

### 7. PROPOSED DECLARATION OF FINAL DIVIDEND

The Board has resolved to recommend the payment of a final dividend of 1.0 Singapore cent per share tax exempt (one-tier) for the financial year ended 31 December 2018. The expected payment date of the final dividend is on or about 31 May 2019. Further announcement(s) regarding the closure of register of members of the Company for ascertaining shareholder's entitlement to the proposed final dividend will be made by the Company in due course.

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## LETTER TO SHAREHOLDERS

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### 8. AGM

The Company will convene the 2019 AGM at The Conference Room, 26/F Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong (for Hong Kong Shareholders) and The Ritz-Carlton, Millenia Singapore, Millenia 3, Level 2, 7 Raffles Avenue, Singapore 039799 (for Singapore Shareholders) on Tuesday, 30 April 2019 at 10:00 a.m. at which resolutions will be proposed for the purpose of considering and if thought fit, approving the resolutions set out in the Notice of 2019 AGM as set out on pages 52 to 60 of this circular.

A form of proxy for use in connection with the 2019 AGM is enclosed herewith. Whether or not you intend to be present and vote at the 2019 AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Registered Office in Singapore at One Temasek Avenue, #37-02 Millenia Tower, Singapore 039192 (for Singapore Shareholders) or the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for Hong Kong Shareholders) as soon as possible and in any event not less than seventy-two (72) hours before the time appointed for the holding of the AGM or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the AGM in person should you so wish. If you attend and vote at the AGM, the authority of your proxy will be revoked.

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules and the Constitution, voting by the Shareholders at the AGM will be by poll, except where the chairman of the AGM, in good faith, decides to allow a resolution which related purely to a procedural or administrative matter to be voted by a show of hands.

For the purpose of ascertaining shareholders' entitlement to attend and vote at the 2019 AGM, the register of members of the Company will be closed from Wednesday, 24 April 2019 to Tuesday, 30 April 2019, both days inclusive. In order to be eligible for attending and voting at the 2019 AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Singapore principal share registrar and transfer office, RHT Corporate Advisory Pte. Ltd. at 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619 (for Singapore Shareholders) no later than 5:00 p.m. on Tuesday, 23 April 2019, or the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for Hong Kong Shareholders) for registration no later than 4:30 p.m. on Tuesday, 23 April 2019.

Yours faithfully

For and on behalf of the Board of Directors of  
**SIIC ENVIRONMENT HOLDINGS LTD.**

Feng Jun  
Executive Director

**APPENDIX DATED 27 MARCH 2019**

**This Appendix is issued by SIIC Environment Holdings Ltd. (the “Company”). If you are in any doubt as to the contents herein or as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

This Appendix is circulated to the shareholders of the Company (the “Shareholders”) together with the circular to the Shareholders of the Company dated 27 March 2019. Its purpose is to provide the Shareholders with information relating to and explaining to Shareholders the rationale for the proposed renewal of the Share Purchase Mandate (as defined herein) to be tabled at the Annual General Meeting of the Company to be held at The Conference Room, 26/F Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong (for Hong Kong Shareholders) and The Ritz-Carlton, Millenia Singapore, Millenia 3, Level 2, 7 Raffles Avenue, Singapore 039799 (for Singapore Shareholders) on Tuesday, 30 April 2019 at 10:00 a.m. (the “**2019 AGM**”). The Notice of the 2019 AGM and the accompanying Proxy Form are to be circulated to the Shareholders together with this Appendix.

If you have sold or transferred all your shares in the capital of the Company, you should immediately forward this Appendix and the Notice of the 2019 AGM and the accompanying Proxy Form immediately to the purchaser, transferee or the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Appendix, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.

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**SIIC ENVIRONMENT HOLDINGS LTD.****上海實業環境控股有限公司***(Incorporated in the Republic of Singapore with limited liability)**(Company Registration Number 200210042R)***(Hong Kong stock code: 807)****(Singapore stock code: BHK)**

**APPENDIX TO THE CIRCULAR TO THE SHAREHOLDERS  
OF THE COMPANY  
DATED 27 MARCH 2019 IN RELATION TO  
THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

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This document is an appendix to the circular to the Shareholders of the Company dated 27 March 2019. Whether or not you intend to be present and vote at the 2019 AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Registered Office in Singapore at One Temasek Avenue, #37-02 Millenia Tower, Singapore 039192 (for Singapore Shareholders) or the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for Hong Kong Shareholders) as soon as possible and in any event not less than seventy-two (72) hours before the time appointed for holding the 2019 AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the 2019 AGM in person should you so wish. If you attend and vote at the 2019 AGM, the authority of your proxy will be revoked.

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions apply throughout the Appendix:–

<b>“2019 AGM”</b>	:	The AGM of the Company to be held at The Conference Room, 26/F Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong (for Hong Kong Shareholders) and The Ritz-Carlton, Millenia Singapore, Millenia 3, Level 2, 7 Raffles Avenue, Singapore 039799 (for Singapore Shareholders) on Tuesday, 30 April 2019 at 10.00 a.m., or any adjournment thereof
<b>“Act”</b>	:	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
<b>“AGM”</b>	:	Annual general meeting of the Company
<b>“Annual Report”</b>	:	The annual report of the Company for the FY2018
<b>“Appendix”</b>	:	This appendix to the Notice of the 2019 AGM dated 27 March 2019
<b>“Associate”</b>	:	Shall have the same meaning as defined in the Listing Manual or any other publication prescribing the rules or regulations of corporations admitted to the Main Board of the SGX-ST as modified, supplemented or amended from time to time
<b>“Associated Company”</b>	:	A company in which at least twenty per cent. (20%) but not more than fifty per cent. (50%) of its shares are held by the Company and/or the Subsidiaries, or a subsidiary of such company, and over whose management the Company has control over
<b>“Board”</b>	:	The board of Directors of the Company for the time being
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“close associate(s)”</b>	:	Has the same meaning ascribed to it under the Hong Kong Listing Rules
<b>“Code”</b>	:	Singapore Code on Take-over and Mergers, as amended, modified or supplemented from time to time

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## DEFINITIONS

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<b>“Company”</b>	:	SIIC ENVIRONMENT HOLDINGS LTD.
<b>“Constitution”</b>	:	The Constitution of the Company, as amended, modified or supplemented from time to time
<b>“Controlling Shareholder”</b>	:	A person who (a) holds directly or indirectly fifteen per cent. (15%) or more of the total number of issued shares excluding treasury shares and subsidiary holdings in the Company (unless the SGX-ST determines that such a person is not a Controlling Shareholder of the Company); or (b) in fact exercises control over the Company
<b>“core connected person(s)”</b>	:	Has the same meaning ascribed to it under the Hong Kong Listing Rules
<b>“Directors”</b>	:	The directors of the Company for the time being
<b>“EPS”</b>	:	Earnings per share
<b>“FY”</b>	:	Financial year of the Company ended or ending 31 December of a particular year
<b>“Group”</b>	:	The Company together with its Subsidiaries, Associated Companies and Joint Venture Company
<b>“Hong Kong”</b>	:	the Hong Kong Special Administrative Region of the PRC
<b>“Hong Kong Listing Rules”</b>	:	The Rules Governing the Listing of Securities on the SEHK
<b>“Joint Venture Company”</b>	:	A company where fifty per cent. (50%) of its shares is held by the Company and/or its Subsidiaries, in a joint arrangement whereby the shareholders have joint control over the Joint Venture Company
<b>“Latest Practicable Date”</b>	:	15 March 2019, being the latest practicable date prior to the printing of this Appendix for the purpose of obtaining relevant information for inclusion herein
<b>“Listing Manual”</b>	:	The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time

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## DEFINITIONS

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<b>“Market Day”</b>	:	A day on which the SGX-ST or the SEHK is open for securities trading
<b>“NTA”</b>	:	Net tangible assets
<b>“Off-Market Share Purchase”</b>	:	A Share Purchase by the Company effected pursuant to an equal access scheme for the purchase of Shares from the Shareholders
<b>“On-Market Share Purchase”</b>	:	on-market purchases transacted through the SGX-ST’s trading system or on another stock exchange on which the Company’s Shares are listed
<b>“PRC”</b>	:	The People’s Republic of China
<b>“Relevant Period”</b>	:	The period commencing from the date on which the last AGM was held and expiring on the conclusion of the next AGM or on the date by which such AGM is required to be held, whichever is the earlier, after the date the resolution relating to the Share Purchase Mandate is passed
<b>“SEHK”</b>	:	The Stock Exchange of Hong Kong Limited
<b>“SFO”</b>	:	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	:	Registered holder of the Shares or where CDP is the registered holder, the term “Shareholders” shall in relation to such Shares and where the context admits, mean the Depositors who have the Shares entered against their names in the Depository Register
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company
<b>“Share Purchase”</b>	:	Purchase of Shares by the Company pursuant to the Share Purchase Mandate

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## DEFINITIONS

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- “Share Purchase Mandate”** : General mandate from the Shareholders to authorise the Directors to exercise all the powers of the Company to purchase Shares in accordance with the terms set out in this Appendix and Resolution 9 of the notice of the 2019 AGM authorising the same and subject to compliance with the Act and the rules and regulations of the SGX-ST and the SEHK
- “Subsidiaries”** : A company (whether incorporated within or outside Singapore and wheresoever resident) being a subsidiary for the time being of the Company within the meaning of Section 5 of the Act and “Subsidiary” shall be construed accordingly
- “subsidiary holdings”** : shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Act
- “Substantial Shareholder”** : In relation to the Company, a person who has an interest in not less than five per cent. (5%) of the issued voting Shares in the capital of the Company
- “Takeovers Code”** : The Hong Kong Code on Takeovers and Mergers
- “Treasury Share(s)”** : A Share that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled

### Currencies, Units of Measurement and Others

- “HK\$”** : Hong Kong dollar, the lawful currency of Hong Kong
- “RMB”** : PRC Renminbi
- “S\$” and “cents”** : Singapore dollars and cents, respectively, the lawful currency of Singapore
- “%” or “per cent.”** : Per centum or percentage

The terms **“Depositor”**, **“Depository Register”** and **“Depository Agent”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.



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## DEFINITIONS

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Words importing the singular shall where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof or the Listing Manual or the Hong Kong Listing Rules and used in this Appendix shall, where applicable, have the meaning assigned to it under the said Act or any modification thereof or the Listing Manual or the Hong Kong Listing Rules, as the case may be.

Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.



上海實業環境控股有限公司

SIIC ENVIRONMENT HOLDINGS LTD.

**SIIC ENVIRONMENT HOLDINGS LTD.**

上海實業環境控股有限公司

*(Incorporated in the Republic of Singapore with limited liability)*

*(Company Registration Number 200210042R)*

**(Hong Kong stock code: 807)**

**(Singapore stock code: BHK)**

**Non-Executive Chairman:**

Zhou Jun

**Executive Directors:**

Feng Jun

Li Zengfu

Xu Xiaobing

Xu Zhan

**Independent Non-Executive Directors:**

Yeo Guat Kwang

An Hongjun

Zhong Ming

**Headquarters, Registered Office and  
Principal Place of Business  
in Singapore**

One Temasek Avenue

#37-02 Millenia Tower

Singapore 039192

**Principal Place of Business  
in Hong Kong**

Unit 912, 9/F

Two Harbourfront

2 Tak Fung Street

Hunghom, Kowloon

Hong Kong

27 March 2019

**To: The Shareholders of the Company**

Dear Sir/Madam

**THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

We refer to the circular to the Shareholders of the Company dated 27 March 2019, convening the 2019 AGM and resolution 9 set out under "Special Business" in the Notice of the 2019 AGM ("**Resolution 9**").

**1. BACKGROUND**

At the annual general meeting of the Company held on 28 June 2018 ("**2018 AGM**"), Shareholders had approved the renewal of the Share Purchase Mandate to enable the Company to purchase or otherwise acquire issued Shares. The authority conferred on the Directors under the Share Purchase Mandate at the 2018 AGM will expire on the date of the forthcoming 2019 AGM. The resolution relating to the proposed renewal of the Share Purchase Mandate is set out in Resolution 9.

The purpose of this Appendix is to provide the Shareholders with the relevant information in relation to the proposed renewal of the Share Purchase Mandate and to seek the approval of the Shareholders at the 2019 AGM for the proposed renewal of the Share Purchase Mandate.

## **2. RATIONALE FOR THE SHARE PURCHASE MANDATE**

The Act allows the Company to purchase its own Shares if permitted under the Constitution. Any purchase of Shares by the Company would have to be made in accordance with, and in the manner prescribed by the Act, the Listing Manual, the Hong Kong Listing Rules and such other laws and regulations as may, for the time being, be applicable.

The Share Purchase Mandate will give the Company the flexibility to purchase Shares if and when circumstances permit. Share Purchases provide the Company with an easy mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient and cost-efficient manner. The purchase of Shares may, depending on market conditions and funding arrangements, lead to an enhancement of the EPS and/or NTA per Share.

Share Purchases also allow the Directors to exercise control over the Company's share capital structure with a view to enhance the EPS and/or NTA per Share. The Share Purchase Mandate will further give the Company the opportunity to purchase Shares when such Shares are undervalued and help buffer short-term share price volatility and offset the effects of share price speculation, thereby boosting Shareholders' confidence and employees' morale.

If and when circumstances permit, the Directors will decide whether to effect the Share Purchases via On-Market Share Purchase or Off-Market Share Purchase, after taking into account the amount of surplus cash available, the then prevailing market conditions and the most cost effective and efficient approach.

The Directors have no present intention to purchase any Shares and will only make Share Purchases pursuant to the Share Purchase Mandate when they consider it to be in the best interests of the Company and the Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST or being insolvent. It should be noted that the purchases pursuant to the Share Purchase Mandate may not necessarily be carried out to the full ten per cent. (10%) as mandated.

No acquisition by the Company of its own Shares may be effected if, on the date on which the acquisition is to be effected, there are reasonable grounds for believing that the Company is, or after the acquisition would be, unable to pay its liabilities as they become due.

### 3. AUTHORITY AND LIMITS ON THE SHARE PURCHASE MANDATE

3.1 The authority and limitations placed on the Share Purchase Mandate, if renewed at the 2019 AGM, are set out below: –

(a) Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than ten per cent. (10%) of the total number of issued shares excluding Treasury Shares and subsidiary holdings in the Company as at the date of the AGM at which the Share Purchase Mandate is renewed ("**Approval Date**"), unless the share capital of the Company has been reduced in accordance with the applicable provisions of the Act, at any time during the Relevant Period in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered. For purposes of calculating the percentage of issued Shares above, any of the Shares which are held as Treasury Shares will be disregarded.

Purely for illustrative purposes, on the basis of the existing issued share capital (excluding Treasury Shares and subsidiary holdings) of the Company as the Latest Practicable Date of approximately 2,606,588,726 Shares, and assuming that no further Shares are issued on or prior to the 2019 AGM, not more than approximately 260,658,872 Shares (representing approximately ten per cent. (10%) of the total number of issued shares excluding Treasury Shares and subsidiary holdings in the Company as at the date of the passing of the relevant resolution at the 2019 AGM) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate. As at the Latest Practicable Date, the Company does not hold any Treasury Shares.

(b) Duration of Authority

Share Purchases may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:–

- (i) the conclusion of the next AGM or the date by which such AGM is required by law or the Constitution to be held; or
- (ii) the date on which Share Purchases pursuant to the Share Purchase Mandate is carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting.

The Share Purchase Mandate may be renewed at each AGM or other general meeting of the Company.

(c) Manner of Share Purchases

- (i) Share Purchases may be made by way of: –
  - (1) an On-Market Share Purchase; and/or
  - (2) an Off-Market Share Purchase effected pursuant to an equal access scheme (as defined in Section 76C of the Act, as modified, supplemented or amended from time to time).
- (ii) The SGX-ST announced the implementation of special trading counters for share purchases by companies listed on the SGX-ST with effect from 9 June 2000. As such, the Company may effect On-Market Share Purchase through normal ready counters and/or the special trading counter.
- (iii) An equal access scheme under an Off-Market Share Purchase must satisfy all the following conditions: –
  - (1) offers for the Share Purchases shall be made to every person who holds issued Shares to purchase or acquire the same percentage of their issued Shares;
  - (2) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and
  - (3) the terms of all the offers shall be the same, except that there shall be disregarded:
    - (A) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
    - (B) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable); and
    - (C) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.
- (iv) In addition, the Listing Manual provides that, in making an Off-Market Share Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:
  - (1) the terms and conditions of the offer;
  - (2) the period and procedures for acceptance;

- (3) the reasons for the proposed Share Purchases;
- (4) whether the Shares purchased will be cancelled or kept as Treasury Shares;
- (5) the consequences, if any, of Share Purchases by the Company that will arise under the Code or other applicable take-over rules;
- (6) whether the Share Purchases, if made, would have any effect on the listing of the Shares on the SGX-ST; and
- (7) details of any Share Purchases made by the Company in the previous twelve (12) months (whether On-Market Share Purchase or Off-Market Share Purchase), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the Share Purchases, where relevant, and the total consideration paid for the Share Purchases.

(d) Maximum Purchase Price

- (i) The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors.
  - (ii) However, the purchase price to be paid for the Shares pursuant to the Share Purchase Mandate must not exceed: –
    - (1) in the case of an On-Market Share Purchase, One Hundred and Five per cent. (105%) of the Average Closing Price (as defined below) of the Shares; and
    - (2) in the case of an Off-Market Share Purchase, One Hundred and Twenty per cent. (120%) of the Average Closing Price of the Shares,
- (“**Maximum Price**”) in either case, excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses of the Share Purchases.

(iii) For the above purposes:

**“Average Closing Price”** means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase or, as the case may be, the date of making of the offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days; and

**“date of making of the offer”** means the date on which the Company announces its intention to make an offer for the purchase or acquisition of the Shares to holders of the Shares, stating the purchase price (which shall not be more than the Maximum Price determined on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase.

### **3.2 Status of purchased Shares**

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a Treasury Share. Under the Act, as amended by the Companies (Amendment) Act 2005, Shares purchased or acquired by the Company may be held or dealt with as Treasury Shares.

Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Treasury Shares.

Any Shares purchased or acquired by the Company and cancelled will be automatically delisted by the SGX-ST. Certificates in respect of purchased or acquired Shares that are cancelled by the Company will be cancelled by the Company as soon as reasonably practicable following settlement of any purchase or acquisition of such Shares.

#### Shares repurchased by the Company

On 23 March 2018, the Shares of the Company have been successfully dual listed on the main board of SEHK by way of introduction, and hence, the Company shall comply with both the laws of Singapore and the laws of Hong Kong.

Pursuant to the Companies Ordinance (Chapter 622, the Laws of Hong Kong), the shares repurchased by a company incorporated in Hong Kong shall be treated as cancelled upon repurchase, and the amount of share capital and/or profits (depending on whether the shares were brought back out of capital or profits) shall then be reduced by the total amount of the price paid by the company for the shares. Furthermore, as regulated by the Hong Kong Listing Rules, the listing of

all shares repurchased by a listed company (whether incorporated in Hong Kong or not, and whether on the SEHK or otherwise) shall be automatically cancelled upon repurchase and the company must apply for listing of any further issues of that types of shares in the normal way.

Based on the above, although the Company is not incorporated under the laws of Hong Kong, the Company shall comply with the Hong Kong Listing Rules, and accordingly, the Shares purchased by the Company in accordance with this Share Purchase Mandate (if approved by the Shareholders by passing Resolution 9 at the 2019 AGM) would be cancelled.

### **3.3 Reporting requirements**

- (a) The Listing Manual specify that a listed company shall notify the SGX-ST of all purchases or acquisitions of its shares not later than 9.00 a.m.: –
  - (i) in the case of an On-Market Share Purchase, on the Market Day following the day on which the On-Market Share Purchase was made; and
  - (ii) in the case of an Off-Market Share Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form of Appendix 8.3.1 to the Listing Manual (or Appendix 8.3.2 for a company with a dual-listing on another stock exchange) and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the necessary information to the Company in a timely fashion to enable the Company to make the notifications to the SGX-ST.

- (b) for an Off-Market Purchase, the Listing Manual requires that the listed company issues an offer document to all shareholders containing the information as set out in Section 3.1(c)(iv) of this Appendix.

Under the Hong Kong Listing Rules, after a listed issuer has made a purchase of its shares whether on the SEHK or otherwise, the listed issuer shall:

- (c) submit for publication to the SEHK not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following any day on which the issuer makes a purchase or acquisition of shares (whether on the SEHK or otherwise), the total number of shares purchased or acquired by the issuer the previous day, the purchase price per share or the highest and lowest prices paid for such purchases or acquisitions of shares, where relevant, and shall confirm that those purchases or acquisitions of shares which were made on the SEHK were made in accordance with the Hong Kong Listing



Rules and if the issuer's primary listing is on the SEHK, that there have been no material changes to the particulars contained in the explanatory statement issued by the listed issuer in relation to the mandate pursuant to which such purchase or acquisition of shares is made. In respect of purchases or acquisitions of shares made on another stock exchange, the issuer's report must confirm that those purchases were made in accordance with the domestic rules applying to purchases on that other stock exchange. Such reports shall be made on a return in such form and containing such information as the SEHK may from time to time prescribe. In the event that no shares are purchased on any particular day then no return need be made to the SEHK; and

- (d) include in its annual report and accounts a monthly breakdown of purchases of shares made during the financial year under review showing the number of shares purchased each month (whether on the SEHK or otherwise) and the purchase price per share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate price paid by the issuer for such purchases. The section headed "Report of Directors" in the annual report shall contain reference to the purchases made during the year and the reasons for making such purchases.

### **3.4 Source of Funds**

The Company may not purchase or acquire its Shares on the SGX-ST for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST, Hong Kong Listing Rules, the laws of Singapore and the laws of Hong Kong.

Any Share Purchases may be made only if the Company is solvent, and out of the Company's capital or profits. It is an offence for a Director or chief executive officer of the Company to approve or authorise the Share Purchases, knowing that the Company is not solvent. For this purpose, pursuant to the Act, a company is solvent if:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if –
  - (i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
  - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and

- (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

The Company will use internal resources or external borrowings or a combination of both to fund Share Purchases pursuant to the Share Purchase Mandate. However, in considering the option of external financing, the Directors will consider particularly the prevailing gearing level of the Group. The Directors will only make purchases or acquisitions pursuant to the Share Purchase Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

#### **4. FINANCIAL EFFECTS**

Under the Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits.

Where the purchased Shares are cancelled, a reduction by the total amount of the purchase price paid by the Company for the Shares cancelled will be made to: –

- (a) the share capital of the Company where the Shares were purchased out of the capital of the Company;
- (b) the profits of the Company where the Shares were purchased out of the profits of the Company; or
- (c) the share capital and profits of the Company proportionately where the Shares were purchased out of both the capital and profits of the Company.

Where the purchased Shares are held as Treasury Shares, the total issued Shares of the Company remains unchanged.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from purchases of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or

acquired and the consideration paid at the relevant time. The financial impact would also depend on whether the Shares purchased or acquired are held as treasury shares or cancelled.

The impact of purchases or acquisitions under the Share Purchase Mandate on NTA per Share, EPS and gearing of the Company and the Group will depend, *inter alia*, on the number of Shares purchased or acquired, the price at which they are purchased or acquired and the manner in which the purchase or acquisition is funded. It is therefore not possible to realistically calculate or quantify the impact at this point of time.

Further, the Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase or acquisition of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment schemes of the Group and the prevailing market conditions. The Share Purchase Mandate will be exercised with a view to enhance the earnings and/or the NTA per Share of the Group.

**For purposes of illustration only**, based on the existing number of Shares of the Company as at the Latest Practicable Date, the proposed Share Purchases or acquisitions by the Company of up to a maximum of ten per cent. (10%) of the total number of issued shares excluding Treasury Shares and subsidiary holdings in the Company under the Share Purchase Mandate will result in the purchase of up to 260,658,872 Shares.

In the case of an On-Market Share Purchase by the Company, based on the existing issued and paid-up capital of the Company as at the Latest Practicable Date and the assumption that, pursuant to the Share Purchase Mandate, the Company purchases the maximum number of 260,658,872 Shares at the Maximum Price of S\$0.3906 per Share (being the price equivalent to five per cent. (5%) above the average of the closing market prices of the Shares over the last five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of 260,658,872 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S\$101,813,355 (or RMB504,498,410 based on an exchange rate of S\$1:RMB4.9551, being the closing exchange rate as at the Latest Practicable Date).

In the case of Off-Market Share Purchase by the Company, based on the existing issued and paid-up capital of the Company as at the Latest Practicable Date and the assumption that, pursuant to the Share Purchase Mandate, the Company purchases the maximum number of 260,658,872 Shares at the Maximum Price of S\$0.4464 per Share (being the price equivalent to twenty per cent. (20%) above the average of the closing market prices of the Shares over the last five (5) Market Days on which the Shares were traded on the SGX-ST immediately

preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of 260,658,872 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S\$116,358,120 (or RMB576,569,611 based on an exchange rate of S\$1:RMB4.9551, being the closing exchange rate as at the Latest Practicable Date).

On the basis of the assumptions set out above and the following:–

- (a) the Share Purchase Mandate had been effective on the Latest Practicable Date and the Company had purchased the maximum of 260,658,872 Shares representing ten per cent. (10%) of the total number of issued shares excluding Treasury Shares and subsidiary holdings in the Company as at the Latest Practicable Date out of profits and capital; and
- (b) the consideration for the purchase or acquisition of the Shares is funded by internal funds,

an illustration of the financial impact of Share Purchases by the Company pursuant to the Share Purchase Mandate on the Group and the Company's audited accounts for FY2018 is set out as follows: –

**(i) Purchases made entirely out of profits and cancelled**

	GROUP			COMPANY		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
	(RMB'000)	On-Market (RMB'000)	Off-Market (RMB'000)	(RMB'000)	On-Market (RMB'000)	Off-Market (RMB'000)
As at 31 December 2018						
Share Capital	5,951,793	5,951,793	5,951,793	5,951,793	5,951,793	5,951,793
Other Reserves	(49,672)	(49,672)	(49,672)	309,098	309,098	309,098
Retained earnings	1,942,675	1,438,177	1,366,105	133,458	(371,040)	(443,112)
Shareholders' funds	7,844,796	7,340,298	7,268,226	6,394,349	5,889,851	5,817,779
Non-controlling interest	3,068,874	3,068,874	3,068,874	–	–	–
Total Equity	10,913,670	10,409,172	10,337,100	6,394,349	5,889,851	5,817,779
NTA <sup>(1)</sup>	10,449,884	9,945,386	9,873,314	6,394,349	5,889,851	5,817,779
Current Assets	5,371,561	4,867,063	4,794,991	890,897	386,399	314,327
Current Liabilities	(8,010,427)	(8,010,427)	(8,010,427)	(801,443)	(801,443)	(801,443)
Working Capital	(2,638,866)	(3,143,364)	(3,215,436)	89,454	(415,044)	(487,116)
Total borrowings <sup>(2)</sup>	13,167,508	13,167,508	13,167,508	691,221	691,221	691,221
Net profit attributable to owners of the Company	540,237	540,237	540,237	326,332	326,332	326,332
Number of Shares net of treasury shares <sup>(3)</sup> ('000)	2,606,589	2,345,930	2,345,930	2,606,589	2,345,930	2,345,930
Financial Ratios						
NTA Per Share <sup>(6)</sup> (RMB cents)	400.90	423.94	420.87	245.31	251.07	247.99
EPS <sup>(6)</sup> (RMB cents)	20.73	23.03	23.03	12.52	13.91	13.91
Gearing <sup>(4)</sup> (times)	1.21	1.26	1.27	0.11	0.12	0.12
Current ratio <sup>(5)</sup> (times)	0.67	0.61	0.60	1.11	0.48	0.39

*(ii) Purchases made entirely out of capital and cancelled*

	GROUP			COMPANY		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
	(RMB'000)	On-Market (RMB'000)	Off-Market (RMB'000)	(RMB'000)	On-Market (RMB'000)	Off-Market (RMB'000)
<u>As at 31 December 2018</u>						
Share Capital	5,951,793	5,447,295	5,375,223	5,951,793	5,447,295	5,375,223
Other Reserves	(49,672)	(49,672)	(49,672)	309,098	309,098	309,098
Retained earnings	1,942,675	1,942,675	1,942,675	133,458	133,458	133,458
Shareholders' funds	7,844,796	7,340,298	7,268,226	6,394,349	5,889,851	5,817,779
Non-controlling interest	3,068,874	3,068,874	3,068,874	–	–	–
Total Equity	10,913,670	10,409,172	10,337,100	6,394,349	5,889,851	5,817,779
NTA <sup>(1)</sup>	10,449,884	9,945,386	9,873,314	6,394,349	5,889,851	5,817,779
Current Assets	5,371,561	4,867,063	4,794,991	890,897	386,399	314,327
Current Liabilities	(8,010,427)	(8,010,427)	(8,010,427)	(801,443)	(801,443)	(801,443)
Working Capital	(2,638,866)	(3,143,364)	(3,215,436)	89,454	(415,044)	(487,116)
Total borrowings <sup>(2)</sup>	13,167,508	13,167,508	13,167,508	691,221	691,221	691,221
Net profit attributable to owners of the Company	540,237	540,237	540,237	326,332	326,332	326,332
Number of Shares net of treasury shares <sup>(3)</sup> ('000)	2,606,589	2,345,930	2,345,930	2,606,589	2,345,930	2,345,930
<u>Financial Ratios</u>						
NTA Per Share <sup>(6)</sup> (RMB cents)	400.90	423.94	420.87	245.31	251.07	247.99
EPS <sup>(6)</sup> (RMB cents)	20.73	23.03	23.03	12.52	13.91	13.91
Gearing <sup>(4)</sup> (times)	1.21	1.26	1.27	0.11	0.12	0.12
Current ratio <sup>(5)</sup> (times)	0.67	0.61	0.60	1.11	0.48	0.39

**Notes:–**

- (1) Excludes goodwill of RMB457.24 million and intangible assets in relation to patent and licensing rights and computer software of RMB6.55 million. Includes operating concessions of RMB6,696.15 million.
- (2) Includes bank and other borrowings, finance lease and bills payable to banks.
- (3) Based on the number of Shares issued (excluding Treasury Shares) as at the Latest Practicable Date and adjusted for the effect of the Share Purchases.
- (4) Gearing equals total borrowings divided by total equity.
- (5) Current ratio equals current assets divided by current liabilities.

- (6) For illustration purposes, NTA per share and EPS are computed based on actual number of Shares in issue less Treasury Shares instead of weighted average number of Shares.

The actual impact will depend on the number and price of the Shares purchased. As aforementioned, the Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements or gearing of the Group. Share Purchases will only be effected after assessing the relative impact of a Share Purchase taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and performance of the Shares).

None of the Directors nor, any of their close associates, to the best of their knowledge and belief having made all reasonable enquiries, has any present intention to sell any Shares to the Company in the event that the Share Purchase Mandate is granted by the Shareholders.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Share Purchase Mandate is granted by the Shareholders.

The Directors have undertaken to the SEHK that, so far as the same may be applicable, they will exercise the powers of the Company to make purchases of Shares pursuant to the Share Purchase Mandate and in accordance with the Hong Kong Listing Rules, the Constitution, the Laws of Singapore and the Laws of Hong Kong.

During each of the previous 12 months up to the Latest Practicable Date, the highest and lowest prices for which the Shares were traded on the SEHK were as follows:

	Highest HK\$	Lowest HK\$
<b>2018</b>		
March <i>(note)</i>	3.25	2.79
April	2.80	2.31
May	2.61	2.24
June	2.66	1.99
July	2.70	2.18
August	2.23	2.00
September	2.00	1.71
October	1.86	1.42
November	1.69	1.47
December	1.66	1.48
<b>2019</b>		
January	1.97	1.53
February	2.23	1.81
March (up to the Latest Practicable Date)	2.24	2.07

**Note:**

The Shares have been listed on the Main Board of the SEHK since 23 March 2018.

Shareholders should note that the above financial effects, based on the respective aforementioned assumptions, are for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical audited financial statements as at 31 December 2018, save for the number of Shares, which are based on the number of Shares as at the Latest Practicable Date, and is not necessarily representative of future financial performance. Although the proposed renewal of the Share Purchase Mandate would authorise the Company to purchase or acquire up to ten per cent. (10%) of the total number of issued shares excluding Treasury Shares and subsidiary holdings in the Company, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten per cent. (10%) of the total number of issued shares excluding Treasury Shares and subsidiary holdings in the Company. In addition, the Company shall cancel all of the Shares repurchased (as described in Section 3.2 of this Appendix).



**5. LISTING RULES****Under Listing Manual**

The Listing Manual does not expressly prohibit purchase of shares by a listed company during any particular time or times. However, as the Company would be considered as an “insider” in relation to any purchase of its Shares, the Company will not undertake any purchase of Shares pursuant to the Share Purchase Mandate after a price sensitive development has occurred or has been the subject of a consideration and/or a decision of the Board until such time as the price sensitive information has been publicly announced. In particular, the Company will not purchase any Shares during the period commencing two (2) weeks before the announcement of the Company’s quarterly results, and one (1) month before the announcement of the Company’s annual (full year) results, as the case may be, and ending on the date of announcement of the relevant results.

The Listing Manual requires a listed company to ensure that at least ten per cent. (10%) of any class of its listed securities excluding treasury shares (excluding preference shares and convertible equity securities) is at all times held by the public. The “public”, as defined under the Listing Manual, are persons other than the Directors, Chief Executive Officer, Substantial Shareholders or Controlling Shareholders of the Company and its Subsidiaries, as well as the Associates of such persons.

Based on the Register of Directors’ Shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, there are 884,669,713 Shares held in the hands of the public, representing 33.94% of the issued ordinary share capital of the Company. Assuming the Company exercises the Share Purchase Mandate in full and purchases ten per cent. (10%) of the total number of issued shares excluding Treasury Shares and subsidiary holdings in the Company through On-Market Share Purchase from the public, the public float would be reduced to approximately 26.6% of the issued ordinary share capital of the Company (on the assumption that the Shares are not cancelled).

In undertaking any Share Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient number of Shares remain in public hands so that the Share Purchases will not:

- (a) adversely affect the listing status of the Shares on the SGX-ST;
- (b) cause market illiquidity; or
- (c) adversely affect the orderly trading of Shares.

**Under Hong Kong Listing Rules**

Pursuant to the Hong Kong Listing Rules, the Company shall ensure that after its purchase of Shares on any stock exchange, at least 25% of its Shares will remain in the hands of the public.

An issuer shall not purchase its shares on SEHK at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one (1) month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the SEHK in accordance with the Hong Kong Listing Rules) for the approval of the issuer's results for any year, half-year, quarterly or any other interim period (whether or not required under the Hong Kong Listing Rules); and (b) the deadline for the issuer to announce its results for any year or half-year under the Hong Kong Listing rules, or quarterly or any other interim period (whether or not required under the Hong Kong Listing Rules), and ending on the date of the results announcement, the issuer may not purchase its shares on the SEHK, unless the circumstances are exceptional. Further, an issuer shall not knowingly purchase its shares from a core connected person and a core connected person shall not knowingly sell shares to the issuer, on the SEHK.

In undertaking any Share Purchases, the Directors will use their best efforts to ensure that, notwithstanding such Share Purchases, a sufficient float in the hands of the public will be maintained so that the Share Purchases will not adversely affect the listing status of the Shares on the SEHK, cause market illiquidity or adversely affect the orderly trading of the Shares

**6. DETAILS OF THE SHARES PURCHASED BY THE COMPANY**

The Company has not, in the previous 12 months made any purchase of its Shares by way of market acquisition pursuant to the Share Purchase Mandate.

## 7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders, as at the Latest Practicable Date, the shareholdings of the Directors and the Substantial Shareholders before and after the purchase of Shares pursuant to the Share Purchase Mandate, assuming (a) the Company purchases the maximum amount of 10 per cent. (10%) of the total number of issued shares excluding Treasury Shares and subsidiary holdings in the Company, (b) there is no change in the number of Shares held by the Directors and the Substantial Shareholders or which they are deemed interested in, and (c) no new Shares are issued following the Shareholders' approval of the proposed Share Purchase Mandate at the AGM to be convened, will be as follows: –

	Before Share Purchase				After Share Purchase			
	Direct Number of Shares	% <sup>(1)</sup>	Deemed Number of Shares	% <sup>(1)</sup>	Direct Number of Shares	% <sup>(2)</sup>	Deemed Number of Shares	% <sup>(2)</sup>
<b>Directors</b>								
Zhou Jun	–	–	–	–	–	–	–	–
Feng Jun	–	–	–	–	–	–	–	–
Yang Yihua	–	–	–	–	–	–	–	–
Xu Xiaobing	–	–	–	–	–	–	–	–
Xu Zhan	–	–	–	–	–	–	–	–
Yeo Guat Kwang	–	–	–	–	–	–	–	–
An Hongjun	–	–	–	–	–	–	–	–
Zhong Ming	–	–	–	–	–	–	–	–
<b>Substantial Shareholders</b>								
Triumph Power Limited ("Triumph")	986,929,551	37.86	–	–	986,929,551	42.07	–	–
Shanghai Industrial Holdings Limited ("SIHL") <sup>(3)</sup>	–	–	1,217,602,926	46.71	–	–	1,217,602,926	51.90
S.I Infrastructure Holdings Limited ("SII") <sup>(3)</sup>	165,418,475	6.35	986,929,551	37.86	165,418,475	7.05	986,929,551	42.07
SIHL Treasury Limited <sup>(3)</sup>	65,254,900	2.50	–	–	65,254,900	2.78	–	–
China Energy Conservation & Environmental Protection (Hong Kong) Investment Co., Limited ("CECEPHK") <sup>(4)</sup>	223,712,917	8.58	–	–	223,712,917	9.54	–	–
China Energy Conservation and Environmental Protection Group ("CECEP") <sup>(4)</sup>	–	–	223,712,917	8.58	–	–	223,712,917	9.54
Value Partners Classic Fund	224,658,980	8.62	–	–	224,658,980	9.58	–	–
Value Partners Limited ("VPL") <sup>(5)</sup>	–	–	280,603,170	10.77	–	–	280,603,170	11.96
Value Partners Hong Kong Limited <sup>(5)</sup>	–	–	280,603,170	10.77	–	–	280,603,170	11.96
Value Partners Group Limited <sup>(5)</sup>	–	–	280,603,170	10.77	–	–	280,603,170	11.96
Cheah Capital Management Limited <sup>(5)</sup>	–	–	280,603,170	10.77	–	–	280,603,170	11.96
Cheah Company Limited <sup>(5)</sup>	–	–	280,603,170	10.77	–	–	280,603,170	11.96
BNP Paribas Jersey Nominee Company Limited <sup>(5)</sup>	–	–	280,603,170	10.77	–	–	280,603,170	11.96
BNP Paribas Jersey Trust Corporation Limited as trustee of The C H Cheah Family Trust <sup>(5)</sup>	–	–	280,603,170	10.77	–	–	280,603,170	11.96
Cheah Cheng Hye <sup>(5)</sup>	–	–	280,603,170	10.77	–	–	280,603,170	11.96
To Hau Yin <sup>(5)</sup>	–	–	280,603,170	10.77	–	–	280,603,170	11.96

**Notes:–**

- (1) As a percentage of the issued share capital of the Company comprising 2,606,588,726 Shares as at the Latest Practicable Date.
- (2) As a percentage of the issued share capital of the Company comprising 2,606,588,726 Shares as at the Latest Practicable Date; and assuming that the Company purchases the maximum number of 260,658,872 Shares under the Share Purchase Mandate.
- (3) Each of Shanghai Industrial Investment (Holdings) Company Limited, which is controlled by the Shanghai Municipal People's Government (through its wholly-owned subsidiaries, namely Shanghai Investment Holdings Limited, SIIC Capital (B.V.I.) Limited, SIIC Treasury (B.V.I.) Limited, SIIC Trading Company Limited, Shanghai Industrial Financial (Holdings) Company Limited, SIIC CM Development Funds Limited, The Tien Chu Ve Tsin (Hong Kong) Company Limited, South Pacific Hotel (Hong Kong) Limited, South Pacific International Trading Limited and SIIC CM Development Limited), and Shanghai Investment Holdings Limited, holds more than 20% of the issued and paid-up share capital of SIHL, which owns all the issued and paid-up share capital of SII, which in turn owns all the issued and paid-up share capital of Triumph. In addition, SIHL owns all the issued and paid-up share capital of SIHL Treasury Limited. As such, Shanghai Industrial Investment (Holdings) Company Limited, Shanghai Investment Holdings Limited, SIHL and SII are deemed to be interested in the shares held by Triumph and SIHL Treasury Limited (excluding SII). SIHL Treasury Limited holds 65,254,900 Shares.
- (4) CECEP is deemed to be interested in the Shares held by CECEPHK as CECEP owns the entire issued share capital of CECEPHK.
- (5) VPL is a fund manager deemed to be interested in the Shares by reason of Shares held directly by the funds under its management. Cheah Capital Management Limited is deemed to be interested in the Shares via its 21.82% ownership in Value Partners Group Limited. Value Partners Group Limited is deemed to be interested in the Shares via its 100% ownership in Value Partners Hong Kong Limited, which in turn 100% owns VPL. Value Partners Hong Kong Limited is deemed to be interested in the Shares via its 100% ownership in VPL. Cheah Company Limited is deemed to be interested in the Shares via its 100% ownership in Cheah Capital Management Limited. BNP Paribas Jersey Nominee Company Limited holds the shares in Cheah Company Limited as nominee for BNP Paribas Jersey Trust Corporation Limited. Cheah Cheng Hye is deemed to be interested in the Shares in his capacity as the founder of a discretionary trust ("The C H Cheah Family Trust") with BNP Paribas Jersey Trust Corporation Limited as the Trustee. To Hau Yin is deemed to be interested in the Shares in her capacity as the beneficiary of The C H Cheah Family Trust.

Shareholders should note the following: –

- (a) the figures in the above table are set out for illustrative purposes only and calculated on the assumption that (i) the maximum amount of ten per cent. (10%) of the total number of issued shares excluding Treasury Shares and subsidiary holdings in the Company are purchased under the Share Purchase Mandate will be cancelled and not held as Treasury Shares and (ii) there is no change in the number of Shares held or deemed to be held by the Directors and the Substantial Shareholders; and
- (b) if all the purchased Shares are held as Treasury Shares and not cancelled, there will be no change in the interests of the Directors after such purchase. However, the interest of the Substantial Shareholders as a percentage of the voting Shares in the Company will change after such purchase as the Treasury Shares do not carry any voting rights.

## 8. TAKE-OVER CODE IMPLICATIONS ARISING FROM SHARE PURCHASES

Appendix 2 of the Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

**8.1 Obligation to make a take-over offer**

The resultant increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him, following the purchase of Shares by the Company, will be treated as an acquisition for the purposes of Rule 14 of the Code. Consequently, depending on the number of Shares purchased by the Company and the total number of Shares in the capital of the Company at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate control of the Company and could become obliged to make an offer under Rule 14 of the Code.

Under the Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of Shares in a company to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons, inter alia, will be presumed to be acting in concert: –

- (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (b) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, and any company whose associated companies include any of the above companies;
- (c) an individual with his close relatives, related trusts, any person who is accustomed to act in accordance with his instructions and companies controlled by these persons, all with each other; and
- (d) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

For this purpose, ownership or control of twenty per cent. (20%) but not more than fifty per cent. (50%) of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a general offer under Rule 14 of the Code after a purchase or acquisition of Shares by the Company are set out Appendix 2 of the Code.

**8.2 Effect of Rule 14 and Appendix 2 of the Code**

In general terms, the effect of Rule 14 and Appendix 2 of the Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a general offer under Rule 14 of the Code if, as a result of the

Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to thirty per cent. (30%) or more, or if the voting rights of such Directors and their concert parties fall between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) in any period of six (6) months.

Under Rule 14 and Appendix 2 of the Code, a Shareholder and persons acting in concert with him will incur an obligation to make a take-over offer after a share purchase if, *inter alia*, their voting rights increase to thirty per cent (30%) or more as a result of share purchases by the Company and/or their acquisition of any ordinary shares between the date of the notice of resolution to authorise the Share Purchase Mandate and the date the next AGM of the Company is held or is required to be held, or, if they already hold between thirty per cent (30%) and fifty per cent (50%) of the Company's voting rights and their voting rights increase by more than one per cent (1%) in any period of six (6) months as a result of a share purchase by the Company and/or they acquire ordinary shares between the date of the notice of resolution to authorise the Share Purchase Mandate and the date the next AGM of the Company is held or is required to be held.

Under Appendix 2 of the Code, a Shareholder not acting in concert with the Directors will not be required to make a general offer under Rule 14 of the Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to thirty per cent. (30%) or more, or if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder needs not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

**Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers before they acquire any Shares in the Company during the period when the Share Purchase Mandate is in force.**

### 8.3 Application of the Code

As at the Latest Practicable Date, and for the purposes of the Code:

- (a) Zhou Jun (Non-Executive Chairman) and Xu Zhan (Executive Director) are Directors of the Company and are presumed to be acting in concert with the Company;
- (b) Zhou Jun and Xu Zhan are also directors of Shanghai Industrial Holdings Limited ("SIHL") and are presumed to be acting in concert with SIHL; and

(c) as set out in Section 7 of this Appendix, SIHL is deemed interested in 46.71% of the total number of issued Shares of the Company, and accordingly the Company would be an associated company of SIHL. SIHL's deemed interest arises from:

- (i) 65,254,900 Shares held by its wholly owned subsidiary, SIHL Treasury Limited;
- (ii) 165,418,475 Shares held by its wholly owned subsidiary, S.I. Infrastructure Holdings Limited ("**SII**"); and
- (iii) 986,929,551 Shares held by SII's wholly owned subsidiary, Triumph Power Limited,

(SIHL, SIHL Treasury Limited, SII and Triumph Power Limited collectively referred to as the "**SIHL Concert Party Group**").

Thus, the Company and the SIHL Concert Party Group would be presumed to be parties acting in concert.

Therefore, Zhou Jun, Xu Zhan, the SIHL Concert Party Group and the Company (“**Relevant Parties**”) are presumed to be parties acting in concert with each other. A table of the Relevant Parties’ shareholding are as set out below:

Number of Shares				
Relevant Parties	Direct Interest	Deemed Interest	Total Interest	Voting Rights in the Company
				(%)
Zhou Jun	–	–	–	–
Xu Zhan	–	–	–	–
SIHL Treasury Limited	65,254,900	–	65,254,900	2.50
S.I. Infrastructure Holdings Limited	165,418,475	986,929,551	1,152,348,026	44.21
Triumph Power Limited	986,929,551	–	986,929,551	37.86
Shanghai Industrial Holdings Limited	–	1,217,602,926	1,217,602,926	46.71

In the event that the Company undertakes any purchase or acquisition of Shares of up to the maximum limit of ten per cent. (10%) of the total number of issued shares excluding Treasury Shares and subsidiary holdings in the Company as permitted by the Share Purchase Mandate, the aggregate shareholdings and voting rights of the Relevant Parties in the Company will increase from approximately 46.71% to approximately 51.90%.

Accordingly, if such increase in shareholding were to occur over any 6-month period, the shareholding of the Relevant Parties would have increased by more than one per cent. (1%). Under the Code, the Relevant Parties and persons acting in concert with them, if any, unless exempted, would become obliged to make a general offer for the Shares held by the Shareholders pursuant to Rule 14.1(b) of the Code.



**8.4 Conditions for exemption from having to make a general offer under Rule 14 of the Code**

Pursuant to Section 3(a) of Appendix 2 of the Code, the Relevant Parties and persons acting in concert with them will be exempted from the requirement to make a general offer under Rule 14 of the Code as a result of any share buy-back carried out by the Company pursuant to the Share Purchase Mandate, subject to the following conditions:

- (a) the appendix to Shareholders seeking their approval for the Share Purchase Mandate contains:
  - (i) advice to the effect that by voting in favour of the resolution to approve the Share Purchase Mandate, Shareholders are waiving their rights to a general offer at the required price from the Relevant Parties and persons acting in concert with them who, as a result of the Company buying back its Shares, would increase their voting rights by more than one per cent. (1%) in any 6-month period; and
  - (ii) the names and voting rights of the Relevant Parties and persons acting in concert with them, and their voting rights at the time of the resolution and after the Company exercises the power under the Share Purchase Mandate in full and purchases ten per cent. (10%) of the total number of issued shares excluding Treasury Shares and subsidiary holdings in the Company;
- (b) the resolution to authorise the Share Purchase Mandate is approved by a majority of Shareholders who are present and voting at the AGM on a poll who could not become obliged to make an offer as a result of the share buy-back by the Company pursuant to the Share Purchase Mandate;
- (c) the Relevant Parties and persons acting in concert with them will abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to approve the Share Purchase Mandate;
- (d) within seven (7) days after the passing of the resolution to approve the Share Purchase Mandate, each of the Directors is to submit to the Securities Industry Council of Singapore (“**SIC**”) a duly signed form as prescribed by the SIC; and
- (e) the Relevant Parties and/or persons acting in concert with them together holding between thirty per cent. (30%) and fifty per cent. (50%) of the Company’s voting rights, not to have acquired and not to acquire any shares between the date on which they know that the announcement of the Share Purchase Mandate is imminent and the earlier of:
  - (i) the date on which the authority of the Share Purchase Mandate expires; and

- (ii) the date on which the Company announces it has bought back such number of Shares as authorised by the Share Purchase Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the buy-back, would cause their aggregate voting rights to increase by more than one per cent. (1%) in the preceding six (6) months.

#### **8.5 Effect of Takeovers Code**

A purchase of Shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

In the event that the Directors exercise in full the power to purchase the Shares which is proposed to be granted pursuant to the Share Purchase Mandate, the shareholding of the substantial shareholders in the Company who were interested or deemed to be interested in 5% or more will be as follows:

Name of substantial Shareholders	Nature of interest	Number of Shares interested	Approximate percentage of shareholdings in the Company as at the Latest Practicable Date	Approximate percentage of shareholdings in the Company after the Directors exercise in full the power to purchase the Shares
Triumph Power	Beneficial interest	986,929,551	37.86%	42.07%
S.I. Infrastructure	Beneficial interest/ Interests in controlled corporation	1,152,348,026	44.21%	49.12%
SIHL Holdings	Interests in controlled corporation	1,217,602,926	46.71%	51.90%
Value Partners Limited	Interests in controlled corporation	280,603,170	10.77%	11.96%
Value Partners Hong Kong Limited	Interests in controlled corporation	280,603,170	10.77%	11.96%
Value Partners Group Limited	Interests in controlled corporation	280,603,170	10.77%	11.96%
Shanghai Investment Holdings Limited	Interests in controlled corporation	1,217,602,926	46.71%	51.90%
Shanghai Industrial Investment Treasury Company Limited	Interests in controlled corporation	1,217,602,926	46.71%	51.90%
SIIC	Interests in controlled corporation	1,217,602,926	46.71%	51.90%
Value Partners Classic Fund	Beneficial interest	224,658,980	8.62%	9.58%
China Energy Conservation & Environmental Protection (Hong Kong) Investment Co., Limited	Beneficial interest	223,712,917	8.58%	9.54%
CECEP	Interests in controlled corporation	223,712,917	8.58%	9.54%

## 8.6 Advice to Shareholders

**Shareholders should note that by voting for the Share Purchase Mandate, they are waiving their rights to a take-over offer at the required price from the Relevant Parties in the circumstances set out above. Such a take-over**

**offer, if required to be made and had not been exempted by the SIC, would have to be made in cash or be accompanied by a cash alternative at the required price.**

Save as disclosed, based on the shareholdings of the Directors and Substantial Shareholders as at the Latest Practicable Date, the Directors are not aware of any facts or factors which suggest or imply that any particular person(s), Director(s) and/or Shareholder(s) who are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Purchase Mandate.

Appendix 2 of the Code requires that the resolution to authorise the Share Purchase Mandate to be approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer under the Code as a result of the share buy-back. Accordingly, the said resolution is proposed to be taken on a poll and the Relevant Parties and persons acting in concert with them shall abstain from voting on such resolution.

**The statements herein do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Code. Shareholders who are in doubt as to whether they would incur any obligation to make an offer under the Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or SIC at the earliest opportunity.**

## **9. TAX IMPLICATIONS**

Shareholders who are in doubt as to their respective tax positions or the tax implications of the Share purchases by the Company or who may be subject to tax whether in or outside Singapore should consult their own professional advisers.

## **10. DIRECTORS' RECOMMENDATION**

Save for Zhou Jun and Xu Zhan, who are required to abstain from recommending for Shareholders to vote in favour of the proposed Share Purchase Mandate, the Directors are of the opinion that the proposed renewal of the Share Purchase Mandate are in the best interest of the Company and the Shareholders as a whole. Accordingly, save for Zhou Jun and Xu Zhan, the Directors recommend that the Shareholders vote in favour of the Resolution 9 relating to the proposed renewal of the Share Purchase Mandate as set out in the Notice of 2019 AGM.

**11. ABSTENTION FROM VOTING**

The Relevant Parties have informed the Company that save for their nominees, there are no parties acting in concert (as defined in the Code) with them for the purpose of Resolution 9 relating to the proposed Share Purchase Mandate.

The Relevant Parties will abstain, and will procure that their nominees abstain, from voting on Resolution 9 in relation to the proposed Share Purchase Mandate, whether by representative or proxy, pursuant to the conditions for exemption under Appendix 2 of the Code (as set out in Section 8.4(c) above).

The Relevant Parties will also decline to accept appointment as proxies to attend and vote at the 2019 AGM, unless the Shareholder(s) appointing them as proxies give specific instructions in the relevant proxy form(s) as to the manner in which their votes are to be cast in respect of Resolution 9.

**12. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

**13. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at One Temasek Avenue #37-02 Millenia Tower Singapore 039192 and the principal place of business in Hong Kong of the Company at Unit 912, 9/F., Two Harbourfront, 22 Tak Fung Street, Hunghom, Kowloon, Hong Kong during normal business hours on any weekday (public holidays excepted) from the date of this Appendix up to and including the date of the 2019 AGM:

- (a) the Constitution of the Company; and
- (b) the Annual Report.

Yours faithfully

For and on behalf of the Board of Directors of  
**SIIC ENVIRONMENT HOLDINGS LTD.**

Feng Jun  
Executive Director

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## APPENDIX B      DETAILS OF THE DIRECTORS TO BE RE-ELECTED

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Stated below are the details of the Directors who will retire and be eligible for re-election at the AGM in accordance with the Constitution.

**Mr. Xu Xiaobing** (徐曉冰), aged 53, is our executive Director. He is mainly responsible for overseeing the merger and acquisition related matters of our Group. Mr. Xu was first appointed to our Board on November 5, 2014 and was last re-elected on April 25, 2017.

Mr. Xu joined our Group in October 2010 as a director of SIIC Environment Holdings (Weifang). Mr. Xu started his career as a manager of the business development department in Shenzhen Hong Hua Co., Beijing Subsidiary in January 1992 before he joined Beijing New Horizon Computer Image Ltd as a manager in December 1992. He had been an investment and financial analyst in Beijing Jingfang Investment Management & Consultant Co. Ltd. from October 1996 to June 1999. From February 2000 to December 2016, he had held various senior positions in SIIC Management (Shanghai) Limited such as deputy head of investment planning department from February 2000 to January 2002, the head of integrated management department from January 2002 to June 2004, the assistant general manager and head of integrated management department from June 2004 to March 2006, deputy general manager from March 2006 to December 2008 and the general manager from December 2008 to December 2016. He is currently the deputy chief executive officer of SIHL Holdings, a company listed on the Hong Kong Exchange (stock code: 363).

Mr. Xu graduated from Peking University in the PRC in July 1989 with a bachelor's degree in economics and a master's degree in business administration in July 1998, respectively.

No service contract or letter of appointment has been entered into between Mr. Xu and the Company but subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Constitution of the Company and the Hong Kong Listing Rules.

During the year ended 31 December 2018, Mr. Xu was entitled to a director fee of S\$50,000. The remuneration of Mr. Xu is determined by the Board having regard to the recommendations of the remuneration committee of the Company.

**Mr. Li Zengfu** (李增福), aged 55, is our executive Director. He is mainly responsible for coordinating the relationships of our Group with government authorities. Mr. Li was first appointed to our Board on May 12, 2016, and was last re-elected on April 25, 2017.

Mr. Li joined our Group in May 2016 as an executive Director. Mr. Li is the director of the Capital Operations Department of CECEP. Mr. Li started his career with the Management Office of State Infrastructure Materials Supply Bureau as a staff member in July 1986. In 1999, he joined CECEP Group and was appointed as deputy director of the Capital Operation Department of CECEP in May 2003 and a director of the Infrastructure Management Department of CECEP in August 2008. He was also appointed as the chief economist of China National Environmental Protection Group under CECEP Group in September 2004.

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## APPENDIX B      DETAILS OF THE DIRECTORS TO BE RE-ELECTED

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Mr. Li obtained a bachelor's degree in economics from Shanghai University of Finance and Economics in the PRC in July 1986, and a master's degree in business administration from the Open University of Hong Kong in June 2011, respectively.

No service contract or letter of appointment has been entered into between Mr. Li and the Company but subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Constitution of the Company and the Hong Kong Listing Rules.

During the year ended 31 December 2018, Mr. Li was entitled to a director fee of S\$50,000. The remuneration of Mr. Li is determined by the Board having regard to the recommendations of the remuneration committee of the Company.

**Mr. Yeo Guat Kwang** (楊木光), aged 58, is our independent non-executive Director. He is mainly responsible for providing independent advice on the operation and management of our Group. Mr. Yeo was first appointed to our Board on September 23, 2009 and was last re-elected on April 27, 2016.

Mr. Yeo was appointed the non-executive chairman of our Company in September 2009 and has been our independent non-executive Director since April 2010. He has been an independent non-executive director of Koyo International Ltd., a company listed on the SGX-ST (stock code: 50C), since July 2009. He was an independent non-executive director of HLH Group Limited, a company listed on the SGX-ST (stock code: H27), since September 2010 to April 2012. Mr. Yeo had also served as an independent director of several companies listed on SGX-ST, namely United Envirotech Ltd. (stock code: CEE) from August 2009 to November 2011, Neo Group Limited (stock code: 5UJ) from June 2012 to May 2014, and China Gaoxian Fibre Fabric Holdings Ltd. (stock code: AZZ) from September 2013 to April 2014, respectively.

Mr. Yeo had been a Member of the Parliament of Singapore from January 1997 to August 2015. He is also the president of the Consumers Association of Singapore and a member of the Workplace Safety and Health Council.

Mr. Yeo obtained a bachelor's degree in arts from the National University of Singapore in June 1986 and a Master degree in Public Administration and Management in Lee Kuan Yew School of Public Policy of NUS in Feb 2013.

No service contract or letter of appointment has been entered into between Mr. Yeo and the Company but subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Constitution of the Company and the Hong Kong Listing Rules.

During the year ended 31 December 2018, Mr. Yeo had received a director fee of S\$95,000. The remuneration of Mr. Yeo is determined by the Board having regard to the recommendations of the remuneration committee of the Company.



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**APPENDIX B      DETAILS OF THE DIRECTORS TO BE RE-ELECTED**

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Save as disclosed above, Mr. Xu, Mr. Li and Mr. Yeo (i) were not interested nor deemed to be interested in any Shares or underlying Shares within the meaning of Part XV of the SFO; (ii) had not held any other directorships in the last three years in any listed public company in Hong Kong or overseas; (iii) were not related to any Directors, senior management, substantial Shareholders or controlling Shareholders; and (iv) did not hold any other positions in the Company and its subsidiary as at the Latest Practicable Date.

Save as disclosed herein, there are no other matters related to the appointments that need to be brought to the attention of the Shareholders in connection with re-election of Mr. Xu, Mr. Li and Mr. Yeo and there is no other information that should be disclosed pursuant to Rule 13.51(2) sub-paragraphs (h) to (v) of the Hong Kong Listing Rules.

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## APPENDIX C STATISTICS OF SHAREHOLDINGS AS AT 15 MARCH 2019

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<b>No. of Ordinary Shares (excluding treasury shares and subsidiary holdings)</b>	:	2,606,588,726
<b>No. of treasury shares and percentage</b>	:	Nil
<b>No. of subsidiary holdings held and percentage</b>	:	Nil
<b>Class of Shares</b>	:	Ordinary share
<b>Voting rights</b>	:	One vote per share

### DISTRIBUTION OF SHAREHOLDINGS

<b>SIZE OF SHAREHOLDING</b>	<b>NO. OF SHAREHOLDERS</b>	<b>%</b>	<b>NO. OF SHARES</b>	<b>%</b>
1-99	41	2.89	781	0.00
100-1,000	206	14.52	111,895	0.00
1,001-10,000	659	46.44	3,623,593	0.14
10,001-1,000,000	492	34.67	28,212,316	1.08
1,000,001 AND ABOVE	21	1.48	2,574,640,141	98.78
<b>TOTAL</b>	<b>1,419</b>	<b>100.00</b>	<b>2,606,588,726</b>	<b>100.00</b>

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## APPENDIX C STATISTICS OF SHAREHOLDINGS AS AT 15 MARCH 2019

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### TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	HKSCC NOMINEES LIMITED	983,991,228	37.75
2	TRIUMPH POWER LIMITED	709,589,551	27.22
3	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	268,822,300	10.31
4	CHINA ENERGY CONSERVATION & ENVIRONMENTAL PROTECTION (HONG KONG) INVESTMENT CO., LIMITED	223,712,917	8.58
5	S I INFRASTRUCTURE HOLDINGS LIMITED	165,418,475	6.35
6	CITIBANK NOMINEES SINGAPORE PTE LTD	95,312,754	3.66
7	DBSN SERVICES PTE. LTD.	26,132,322	1.00
8	DBS NOMINEES (PRIVATE) LIMITED	21,823,666	0.84
9	RAFFLES NOMINEES (PTE.) LIMITED	19,926,908	0.76
10	HSBC (SINGAPORE) NOMINEES PTE LTD	17,720,231	0.68
11	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	16,057,943	0.62
12	MERRILL LYNCH (SINGAPORE) PTE. LTD.	6,620,747	0.25
13	MAYBANK KIM ENG SECURITIES PTE. LTD.	4,091,732	0.16
14	ABN AMRO CLEARING BANK N.V	3,970,363	0.15
15	PHILLIP SECURITIES PTE LTD	3,138,704	0.12
16	HUANG HANGUANG	2,500,376	0.10
17	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,274,950	0.05
18	BPSS NOMINEES SINGAPORE (PTE.) LTD.	1,206,534	0.05
19	OCBC SECURITIES PRIVATE LIMITED	1,205,160	0.05
20	BAO YIDONG	1,080,560	0.04
<b>TOTAL</b>		<b>2,573,597,421</b>	<b>98.74</b>

## APPENDIX C STATISTICS OF SHAREHOLDINGS AS AT 15 MARCH 2019

### Substantial Shareholders

(As recorded in the Register of Substantial Shareholders)

	Direct		Deemed	
	Number of Shares	%	Number of Shares	%
Triumph Power Limited ("Triumph")	986,929,551	37.86	–	–
Shanghai Industrial Holdings Limited ("SIHL") <sup>(1)</sup>	–	–	1,217,602,926	46.71
S.I Infrastructure Holdings Limited ("SII") <sup>(1)</sup>	165,418,475	6.35	986,929,551	37.86
China Energy Conservation & Environmental Protection (Hong Kong) Investment Co., Limited ("CECEPHK") <sup>(2)</sup>	223,712,917	8.58	–	–
China Energy Conservation and Environmental Protection Group ("CECEP") <sup>(2)</sup>	–	–	223,712,917	8.58
Value Partners Classic Fund	224,658,980	8.62	–	–
Value Partners Limited ("VPL") <sup>(3)</sup>	–	–	280,603,170	10.77
Value Partners Hong Kong Limited <sup>(3)</sup>	–	–	280,603,170	10.77
Value Partners Group Limited <sup>(3)</sup>	–	–	280,603,170	10.77
Cheah Capital Management Limited <sup>(3)</sup>	–	–	280,603,170	10.77
Cheah Company Limited <sup>(3)</sup>	–	–	280,603,170	10.77
BNP Paribas Jersey Nominee Company Limited <sup>(3)</sup>	–	–	280,603,170	10.77
BNP Paribas Jersey Trust Corporation Limited as trustee of The C H Cheah Family Trust <sup>(3)</sup>	–	–	280,603,170	10.77
Cheah Cheng Hye <sup>(3)</sup>	–	–	280,603,170	10.77
To Hau Yin <sup>(3)</sup>	–	–	280,603,170	10.77

#### Notes:–

- (1) Each of Shanghai Industrial Investment (Holdings) Company Limited, which is controlled by the Shanghai Municipal People's Government (through its wholly-owned subsidiaries, namely Shanghai Investment Holdings Limited, SIIC Capital (B.V.I.) Limited, SIIC Treasury (B.V.I.) Limited, SIIC Trading Company Limited, Shanghai Industrial Financial (Holdings) Company Limited, SIIC CM Development Funds Limited, The Tien Chu Ve Tsin (Hong Kong) Company Limited, South Pacific Hotel (Hong Kong) Limited, South Pacific International Trading Limited and SIIC CM Development Limited), and Shanghai Investment Holdings Limited, holds more than 20% of the issued and paid-up share capital of SIHL, which owns all the issued and paid-up share capital of SII, which in turn owns all the issued and paid-up share capital of SIHL Treasury Limited. In addition, SIHL owns all the issued and paid-up share capital of SIHL Treasury Limited. As such, Shanghai Industrial Investment (Holdings) Company Limited, Shanghai Investment Holdings Limited, SIHL and SII are deemed to be interested in the shares held by Triumph and SIHL Treasury Limited (excluding SII). SIHL Treasury Limited holds 65,254,900 Shares.

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## APPENDIX C STATISTICS OF SHAREHOLDINGS AS AT 15 MARCH 2019

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- (2) CECEP is deemed to be interested in the Shares held by CECEPHK as CECEP owns the entire issued share capital of CECEPHK.
- (3) VPL is a fund manager deemed to be interested in the Shares by reason of Shares held directly by the funds under its management. Cheah Capital Management Limited is deemed to be interested in the Shares via its 21.82% ownership in Value Partners Group Limited. Value Partners Group Limited is deemed to be interested in the Shares via its 100% ownership in Value Partners Hong Kong Limited, which in turn 100% owns VPL. Value Partners Hong Kong Limited is deemed to be interested in the Shares via its 100% ownership in VPL. Cheah Company Limited is deemed to be interested in the Shares via its 100% ownership in Cheah Capital Management Limited. BNP Paribas Jersey Nominee Company Limited holds the shares in Cheah Company Limited as nominee for BNP Paribas Jersey Trust Corporation Limited. Cheah Cheng Hye is deemed to be interested in the Shares in his capacity as the founder of a discretionary trust ("**The C H Cheah Family Trust**") with BNP Paribas Jersey Trust Corporation Limited as the Trustee. To Hau Yin is deemed to be interested in the Shares in her capacity as the beneficiary of The C H Cheah Family Trust.

### Shareholdings held by the Public

Based on the information available to the Company as at 15 March 2019, 33.94% of the issued ordinary shares of the Company are held by the public. Accordingly, the Company had complied with Rule 723 of the Listing Manual of the SGX-ST and Rule 8.08 of The Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited.

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## NOTICE OF ANNUAL GENERAL MEETING

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上海實業環境控股有限公司

SIIC ENVIRONMENT HOLDINGS LTD.

### SIIC ENVIRONMENT HOLDINGS LTD.

上海實業環境控股有限公司

*(Incorporated in the Republic of Singapore with limited liability)*

*(Company Registration Number 200210042R)*

**(Hong Kong stock code: 807)**

**(Singapore stock code: BHK)**

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of SIIC Environment Holdings Ltd. ("**Company**") will be held at The Conference Room, 26/F Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong (for Hong Kong Shareholders) and The Ritz-Carlton, Millenia Singapore, Millenia 3, Level 2, 7 Raffles Avenue, Singapore 039799 (for Singapore Shareholders) on Tuesday, 30 April 2019 at 10.00 a.m. for the following purposes:

#### AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2018 together with the Auditors' Report thereon.

**(Resolution 1)**

2. To declare a final dividend of 1.0 Singapore cent per share tax exempt (one-tier) for the financial year ended 31 December 2018. (2017: Nil)

**(Resolution 2)**

3. To approve the payment of Directors' fees of S\$800,000 for the financial year ending 31 December 2019. (2018: S\$800,000)

**(Resolution 3)**

4. To re-elect the following Directors of the Company retiring pursuant to Regulation 91 of the Constitution of the Company:

Mr. Xu Xiaobing	(Retiring under Regulation 91)	<b>(Resolution 4)</b>
Mr. Li Zengfu	(Retiring under Regulation 91)	<b>(Resolution 5)</b>
Mr. Yeo Guat Kwang	(Retiring under Regulation 91)	<b>(Resolution 6)</b>

[See Explanatory Note (i)]

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## NOTICE OF ANNUAL GENERAL MEETING

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5. To re-appoint Messrs Deloitte & Touche LLP, as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

**(Resolution 7)**

6. To transact any other ordinary business which may be properly transacted at an AGM.

### AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

#### 7. GENERAL MANDATE

That pursuant to Section 161 of the Companies Act, Chapter 50, Rule 806 of the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the Rules ("**Hong Kong Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**SEHK**"), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company shall

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## NOTICE OF ANNUAL GENERAL MEETING

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not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST and SEHK) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (a) new Shares arising from the conversion or exercise of any convertible securities;
  - (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
  - (c) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST and the Hong Kong Listing Rules for the time being in force (unless such compliance has been waived by the SGX-ST and the SEHK) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)]

**(Resolution 8)**

### **8. Renewal of Share Purchase Mandate**

**That:**

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of the Laws of Singapore, the exercise by the Directors of all the powers of the Company to purchase, or otherwise acquire, issued Shares of the Company not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Directors, from time to time, up to the Maximum Price (as hereinafter defined), whether by way of:



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## NOTICE OF ANNUAL GENERAL MEETING

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- (i) off-market purchases (each an “**Off-Market Share Purchase**”) effected pursuant to an equal access scheme (as defined in Section 76C of the Companies Act, as modified, supplemented or amended from time to time); and/or
- (ii) on-market purchases (each an “**On-Market Share Purchase**”) on the SGX-ST and/or the SEHK, through the ready markets, through one or more duly licensed stock brokers appointed by the Company for such purpose,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST, the Singapore Code on Take-overs and Mergers, the Hong Kong Listing Rules, the Code on Share Buybacks of Hong Kong, and the Code on Takeovers and Mergers of Hong Kong, as may for the time being, be applicable, be and is hereby authorised and approved generally and unconditionally (“**Share Purchase Mandate**”).

- (b) The purchase of Shares by the Company under the Share Purchase Mandate may be made, at any time and from time to time, on and from the date of the passing of this resolution, up to the earlier of:–

- (i) the conclusion of the next AGM or the date by which such AGM is required by law or the Constitution to be held; or
- (ii) the date on which Share Purchases pursuant to the Share Purchase Mandate is carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting.

- (c) For the purpose of this resolution:

“**Prescribed Limited**” means ten per centum (10%) of the issued share capital of the Company as at the date of the passing of this resolution; and

“**Maximum Price**” in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price (as hereinafter defined) of the Shares; and
- (ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price of the Shares,

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## NOTICE OF ANNUAL GENERAL MEETING

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where:

**“Average Closing Price”** means the average of the closing market prices of a Share over the last five (5) Market Days (**“Market Day”**, being a day on which the SGX-ST or the SEHK, as the case may be, is open for securities trading), on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase, or, as the case may be, the date of making an announcement for an offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days.

- (d) The Directors, and/or each and any of them, be and are hereby authorised, to complete and do all such acts and things, (including executing such documents as may be required), as they and/or he, may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this resolution.

[See Explanatory Note (iii)]

### (Resolution 9)

#### 9. Authority to issue shares under the SIIC Environment Share Option Scheme 2012 (“Share Option Scheme”)

That pursuant to Section 161 of the Companies Act, Chapter 50, the Directors of the Company be authorised and empowered to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of share options granted by the Company under the Share Option Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Share Option Scheme shall not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time, or such applicable limits so long as the Company remains a subsidiary of Shanghai Industrial Holdings Limited (“SIHL”) or the Shares remain listed on the SEHK, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iv)]

### (Resolution 10)

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## NOTICE OF ANNUAL GENERAL MEETING

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### **10. Authority to issue shares under the SIIC Environment Share Award Scheme (“Share Award Scheme”)**

That pursuant to Section 161 of the Companies Act, Chapter 50, the Directors of the Company be authorised and empowered to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of share awards under the Share Award Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Share Award Scheme shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (v)]

**(Resolution 11)**

By Order of the Board

Shirley Tan Sey Liy  
Man Yun Wah  
Company Secretaries

Singapore, 27 March 2019

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## NOTICE OF ANNUAL GENERAL MEETING

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### Explanatory Notes:

- (i) Mr. Xu Xiaobing will, upon re-election as a Director of the Company, remain as the Executive Director and Chief Executive Officer and a member of the Executive Committee of the Company.

Mr. Li Zengfu will, upon re-election as a Director of the Company, remain as the Executive Director of the Company.

Mr. Yeo Guat Kwang will, upon re-election as a Director of the Company, remain as the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee and will be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST and Rule 3.13 of the Hong Kong Listing Rules.

Please refer to the Company's Annual Report for the detailed information for Mr. Xu Xiaobing, Mr. Li Zengfu and Mr. Yeo Guat Kwang required pursuant to Rule 720(5) of the Listing Manual of the SGX-ST.

- (ii) Ordinary Resolution 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

Notwithstanding the above, it must be noted that the Hong Kong Listing Rules provide that the general mandate obtained from Shareholders in general meeting shall be subject to a restriction that the aggregate number of Shares allotted or agreed to be allotted under the general mandate must not exceed 20% of the existing issued share capital of the Company. The Company will comply with the requirements under the Hong Kong Listing Rules or the Listing Manual of the SGX-ST for matters relating to the general mandate, whichever is more onerous.

- (iii) Resolution 9 above, if passed, will empower the Directors of the Company from the date of this AGM until the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the Maximum Price as defined in the Appendix. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial accounts of the Group for the financial year ended 31 December 2018 are set out in greater detail in the Appendix.
- (iv) Resolution 10 above, if passed, will empower the Directors of the Company, from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of share options granted or to be granted under the Share Option Scheme provided that the aggregate additional shares to be issued pursuant to the Share Option Scheme do not exceed in total (for the entire duration of the Share Option Scheme) ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time, or such applicable limits so long as the Company remains a subsidiary of SIHL or the Shares remain listed on the SEHK.

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## NOTICE OF ANNUAL GENERAL MEETING

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Where the Company is a subsidiary of SIHL,

- (a) the total number of new shares which may be issued upon exercise of the options granted under the Share Option Scheme and any other share-based incentive scheme (but excluding the Share Award Scheme), must not in aggregate exceed 10% of the total number of issued shares as at the date of adoption of the Share Option Scheme. Options lapsed in accordance with the terms of the Share Option Scheme will not be factored in for the purpose of calculating the 10% limit; however;
- (b) notwithstanding (a) above, but subject to the abovementioned 10% limit, SIHL may seek the approval of the SIHL shareholders in a general meeting to refresh the 10% limit. However, the total number of Shares which may be issued upon exercise of all options, together with the Share issued and to be issued under other share-based incentive schemes (but excluding the Share Awards Scheme), under the limit as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the refreshing of the limit. Options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or exercised options) will not be counted for the purpose of calculating the limit as refreshed;
- (c) SIHL may seek separate approval by its shareholders in a general meeting for granting options beyond the 10% limit provided the options in excess of the limit are granted only to participants specifically identified by SIHL before such approval is sought; provided always that; and
- (d) the limit on the number of shares which may be issued upon the exercise of all outstanding options granted, but yet to be exercised under the Share Option Scheme and any other share incentive scheme (excluding the Share Award Scheme), must not exceed 30% of the shares in issue from time to time. No options may be granted under the Share Option Scheme if this will result in the 30% limit being exceeded.
- (v) Resolution 11 above, if passed, will empower the Directors of the Company, from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the vesting of share awards under the Share Award Scheme provided that the aggregate additional shares to be issued pursuant to the Share Award Scheme do not exceed in total (for the entire duration of the Scheme) fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

### Notes:

1. A Member of the Company (other than a Relevant Intermediary\*) entitled to attend and vote at the AGM (the “**Meeting**”) is entitled to appoint not more than two proxies to attend and vote in his/her stead. Where such members’ form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specific in the form of proxy. A proxy need not be a Member of the Company.
2. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified.)
3. The instrument appointing a proxy or proxies must be deposited at the Company’s Registered Office in Singapore at One Temasek Avenue #37-02 Millenia Tower Singapore 039192 (for Singapore Shareholders), or at the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for Hong Kong Shareholders) not less than seventy-two (72) hours before the time appointed for holding the Meeting or any adjournment thereof.

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## NOTICE OF ANNUAL GENERAL MEETING

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4. To ascertain the members' entitlement to attend and vote at the Meeting, the register of members will be closed from Wednesday, 24 April 2019 to Tuesday, 30 April 2019, both days inclusive, during which period no transfer of shares can be registered. In order to be eligible to attend and vote at the meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's principal share registrar in Singapore, RHT Corporate Advisory Pte. Ltd., at 9 Raffles Place, #29-01 Republic Plaza, Singapore 048619, (for Singapore Shareholders) no later than 5:00 p.m. on Tuesday, 23 April 2019, or with the Company's Hong Kong branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, (for Hong Kong Shareholders) not later than 4:30 p.m. on Tuesday, 23 April 2019.

Further announcement(s) regarding the closure of register of members of the Company for ascertaining shareholder's entitlement to the proposed final dividend will be made by the Company in due course.

\* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

### Personal Data Privacy

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

As at the date of this notice, the non-executive Chairman is Mr. Zhou Jun; the executive Directors are Mr. Feng Jun, Mr. Li Zengfu, Mr. Xu Xiaobing and Mr. Xu Zhan; and the independent non-executive Directors are Mr. Yeo Guat Kwang, Mr. An Hongjun and Mr. Zhong Ming.