APPENDIX DATED 12 APRIL 2016

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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 Company's Annual Report (as defined herein). 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 Pan Pacific Singapore, Ocean 6, Level 2, 7 Raffles Boulevard, Marina Square, Singapore 039595 on Wednesday, 27 April 2016 at 9.30 a.m. (the "**2016 AGM**"). The Notice of the 2016 AGM and the accompanying Proxy Form are enclosed with the Annual Report.

If you have sold or transferred all your shares in the capital of the Company, you should immediately forward this Appendix and the Annual Report with the Notice of the 2016 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**") assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.

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

SIIC ENVIRONMENT HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number 200210042R)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING DATED 27 APRIL 2016 IN RELATION TO THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

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DEFINITIONS

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

"**2016 AGM**"	:	The AGM of the Company to be held on 27 April 2016 at 9.30 a.m.
"**Act**"	:	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
"**AGM**"	:	Annual general meeting of the Company
"**Annual Report**"	:	The annual report of the Company for the FY2015
"**Appendix**"	:	This appendix dated 12 April 2016
"**Articles**"	:	The Articles of Association of the Company, as amended or modified from time to time
"**Associate**"	:	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
"**Associated Company**"	:	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
"**Board**"	:	The Board of Directors of the Company for the time being
"**CDP**"	:	The Central Depository (Pte) Limited
"**Code**"	:	Singapore Code on Take-over and Mergers, as amended, modified or supplemented from time to time
"**Company**"	:	SIIC Environment Holdings Ltd.
"**Controlling Shareholder**"	:	A person who (a) holds directly or indirectly fifteen per cent. (15%) or more of the nominal amount of all issued voting Shares 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
"**Directors**"	:	The directors of the Company for the time being
"**EPS**"	:	Earnings per share
"**FY**"	:	Financial year of the Company ended or ending 31 December of a particular year
"**Group**"	:	The Company, its Subsidiaries, Associated Companies and Joint Venture Company
"**Joint Venture Company**"	:	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

"**Latest Practicable Date**"	:	28 March 2016, being the latest practicable date prior to the printing of this Appendix for the purpose of obtaining relevant information for inclusion herein
"**Listing Manual**"	:	The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
"**Listing Rules**"	:	The listing rules of the SGX-ST as set out in the Listing Manual
"**Market Day**"	:	A day on which the SGX-ST is open for securities trading
"**NTA**"	:	Net tangible assets
"**Off-Market Share Purchase**"	:	A Share Purchase by the Company effected pursuant to an equal access scheme for the purchase of Shares from the Shareholders
"**On-Market Share Purchase**"	:	A Share Purchase by the Company effected on the SGX-ST through the SGX-ST's trading system or through one or more duly licensed stock brokers appointed by the Company for the purpose
"PRC"	:	The People's Republic of China
"**Relevant Period**"	:	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
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	Registered holder of 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 Shares entered against their names in the Depository Register
"**Share Purchase**"	:	Purchase of Shares by the Company pursuant to the Share Purchase Mandate
"**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 10 of the notice of the 2016 AGM authorising the same and subject to compliance with the Act and the rules and regulations of the SGX-ST
"**Shares**"	:	Ordinary shares in the capital of the Company
"**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

"**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

"**RMB**"	:	PRC Renminbi
"**S$**" **and** "**cents**"	:	Singapore dollars and cents, respectively
"**%**" **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 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 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, 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.

SIIC ENVIRONMENT HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number 200210042R)

Directors

Zhou Jun (Executive Chairman)
Feng Jun (Executive Director)
Yang Changmin (Executive Director)
Yang Yihua (Executive Director)
Xu Xiaobing (Executive Director)
Xu Zhan (Executive Director)
Yeo Guat Kwang (Lead Independent Director)
Tay Ah Kong Bernard (Independent Director)
Tan Chong Huat (Independent Director)
Tan Gim Soo (Independent Director)

Registered Office

One Temasek Avenue
#37-02 Millenia Tower
Singapore 039192

To: The Shareholders of SIIC Environment Holdings Ltd. 12 April 2016

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

We refer to the Notice of the 2016 AGM of the Company dated 12 April 2016 accompanying the Annual Report, convening the 2016 AGM to be held on 27 April 2016 and resolution 10 set out under "Special Business" in the Notice of the 2016 AGM ("**Resolution 10**").

1. BACKGROUND

At the annual general meeting of the Company held on 27 April 2015 ("**2015 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 2015 AGM will expire on the date of the forthcoming 2016 AGM.

The resolution relating to the proposed renewal of the Share Purchase Mandate is set out in Resolution 10. The purpose of this Appendix is to provide 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 2016 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 Articles. Any purchase of Shares by the Company would have to be made in accordance with, and in the manner prescribed by the Act and the Listing Manual 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 to 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 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 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 2016 AGM, are the same as previously approved at the 2015 AGM and 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 issued ordinary share capital of the Company as at the date of the last AGM, or at the date of the 2016 AGM at which the Share Purchase Mandate is renewed, whichever is higher (the "**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) of the Company as the Latest Practicable Date of approximately 2,256,588,726 Shares, and assuming that no further Shares are issued on or prior to the 2016 AGM, not more than approximately 225,658,872 Shares (representing approximately ten per cent. (10%) of the issued ordinary Shares (excluding the Shares held in treasury) as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate. As at the Latest Practicable Date, the Company holds 56,400 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 Articles 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,

(the "**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.

Where Shares purchased or acquired by the Company are cancelled, the amount of the Company's issued share capital shall be diminished by the nominal value of those Shares but the cancellation of the Shares shall not be taken as reducing the amount of the Company's share capital.

Shares held as Treasury Shares

Section 76K of the Act also allows the Company to transfer the Treasury Shares for purposes of or pursuant to an employee share scheme; or sell, transfer or use the Treasury Shares for such other purpose as the Minister of Finance may by order prescribe.

Where the Company holds the purchased Shares as Treasury Shares, the Company may deal with such Treasury Shares in such manner as may be permitted by and in accordance with the Act. In the event the Shares are held as Treasury Shares, the Act provides that:-

(a) the number of Shares held as Treasury Shares cannot at any time exceed ten (10%) of the total number of issued Shares;

(b) the Company shall be registered as a member in respect of the Treasury Shares but shall not have any right to vote or attend at meetings and the Treasury Shares will be treated as having no voting rights; and

(c) no dividend may be paid, and no other distribution of the Company's assets may be made whether in cash or otherwise, to the Company in respect of the Treasury Shares.

However, the Company is allowed to allot the Treasury Shares as fully paid bonus shares or pay any amount payable on the redemption of shares held by the Company as Treasury Shares (if they are redeemable shares). A subdivision or consolidation of any Treasury Shares into Treasury Shares of a smaller amount is also allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

Under the Act, the Company when acquiring its own Shares to be held as Treasury Shares may:-

(a) hold all or any of the Shares;

(b) dispose of or transfer all or any of the Shares for cash or other consideration; or

(c) cancel all or any of the Shares;

(d) transfer the shares for the purpose of or pursuant to an employee scheme; or

(e) transfer the shares as consideration for the acquisition of shares in or assets of another company or assets of a person.

The purchased Shares, unless held by the Company as Treasury Shares would be cancelled.

3.3 Reporting requirements

(a) The Listing Rules 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 acceptance of the offer for the Off-Market Share Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form 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.

(c) under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of Treasury Shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such Treasury Shares, the purpose of such sale, transfer, cancellation and/or use of such Treasury Shares, the number of Treasury Shares which have been sold, transferred, cancelled and/or used, the number of Treasury Shares before and after such sale, transfer, cancellation and/or use,

the percentage of the number of Treasury Shares against the total number of issued shares (of the same class as the Treasury Shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use, and the value of the Treasury Shares if they are used for a sale or transfer, or cancelled.

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.

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 manager 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 with 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 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 its Shares under the Share Purchase Mandate will result in the purchase of up to 225,658,872 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 225,658,872 Shares at the Maximum Price of S$0.714 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 225,658,872 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S$161,120,435 (or RMB765,789,314 based on an exchange rate of S$1:RMB4.7529, 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 225,658,872 Shares at the Maximum Price of S$0.816 per Share (being the price equivalent to twenty per cent. (20.0%) 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 225,658,872 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S$184,137,640 (or RMB875,187,787 based on an exchange rate of S$1:RMB4.7529, 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 225,658,872 Shares representing ten per cent. (10%) of the Shares in issue 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 FY2015 is set out as follows:-

(i) Purchases made entirely out of profits and held as Treasury Shares/ Purchases made entirely out of capital and held as Treasury Shares

	<----------GROUP---------->			<----------COMPANY---------->		
	Before Share Purchase	**After Share Purchase**		**Before Share Purchase**	**After Share Purchase**	
		On-Market	**Off-Market**		**On-Market**	**Off-Market**
	(RMB'000)	**(RMB'000)**	**(RMB'000)**	**(RMB'000)**	**(RMB'000)**	**(RMB'000)**
As at 31 December 2015						
Share Capital	4,861,138	4,861,138	4,861,138	4,861,138	4,861,138	4,861,138
Other Reserves	(147,051)	(147,051)	(147,051)	(205,859)	(205,859)	(205,859)
Treasury Shares	(96)	(765,885)	(875,284)	(96)	(765,885)	(875,284)
Retained earnings	797,571	797,571	797,571	107,746	107,746	107,746
Shareholders' funds	5,511,562	4,745,773	4,636,374	4,762,929	3,997,140	3,887,741
Non-controlling interest	1,067,887	1,067,887	1,067,887	–	–	–
Total Equity	6,579,449	5,813,660	5,704,261	4,762,929	3,997,140	3,887,741
NTA[1]	6,121,175	5,355,386	5,245,987	4,762,929	3,997,140	3,887,741
Current Assets	2,006,761	1,240,972	1,131,573	2,168,548	1,402,759	1,293,360
Current Liabilities	(3,037,495)	(3,037,495)	(3,037,495)	(161,042)	(161,042)	(161,042)
Working Capital	(1,030,734)	(1,796,523)	(1,905,922)	2,007,506	1,241,717	1,132,318
Total borrowings[2]	3,735,894	3,735,894	3,735,894	123,884	123,884	123,884
Net profit/(Loss) attributable to owners of the Company	360,390	360,390	360,390	(1,505)	(1,505)	(1,505)
Number of Shares net of treasury shares[3] ('000)	2,256,588	2,030,930	2,030,930	2,256,588	2,030,930	2,030,930
Financial Ratios						
NTA Per Share[6] (RMB cents)	271.26	263.69	258.30	211.07	196.81	191.43
EPS/(Loss per share)[6] (RMB cents)	15.97	17.75	17.75	(0.07)	(0.07)	0.07
Gearing[4] (times)	0.57	0.64	0.65	0.03	0.03	0.03
Current ratio[5] (times)	0.66	0.41	0.37	13.47	8.71	8.03

(ii) Purchases made entirely out of profits and cancelled

	<----------GROUP---------->			<----------COMPANY---------->		
	Before Share Purchase	**After Share Purchase**		**Before Share Purchase**	**After Share Purchase**	
		On-Market	**Off-Market**		**On-Market**	**Off-Market**
	(RMB'000)	**(RMB'000)**	**(RMB'000)**	**(RMB'000)**	**(RMB'000)**	**(RMB'000)**
As at 31 December 2015						
Share Capital	4,861,138	4,861,138	4,861,138	4,861,138	4,861,138	4,861,138
Other Reserves	(147,051)	(147,051)	(147,051)	(205,859)	(205,859)	(205,859)
Treasury Shares	(96)	(96)	(96)	(96)	(96)	(96)
Retained earnings	797,571	31,782	(77,617)	107,746	(658,043)	(767,442)
Shareholders' funds	5,511,562	4,745,773	4,636,374	4,762,929	3,997,140	3,887,741
Non-controlling interest	1,067,887	1,067,887	1,067,887	–	–	–
Total Equity	6,579,449	5,813,660	5,704,261	4,762,929	3,997,140	3,887,741
NTA[1]	6,121,175	5,355,386	5,245,987	4,762,929	3,997,140	3,887,741
Current Assets	2,006,761	1,240,972	1,131,573	2,168,548	1,402,759	1,293,360
Current Liabilities	(3,037,495)	(3,037,495)	(3,037,495)	(161,042)	(161,042)	(161,042)
Working Capital	(1,030,734)	(1,796,523)	(1,905,922)	2,007,506	1,241,717	1,132,318
Total borrowings[2]	3,735,894	3,735,894	3,735,894	123,884	123,884	123,884
Net profit/(Loss) attributable to owners of the Company	360,390	360,390	360,390	(1,505)	(1,505)	(1,505)
Number of Shares net of treasury shares[3] ('000)	2,256,588	2,030,930	2,030,930	2,256,588	2,030,930	2,030,930
Financial Ratios						
NTA Per Share[6] (RMB cents)	271.26	263.69	258.30	211.07	196.81	191.43
EPS/(Loss per share)[6] (RMB cents)	15.97	17.75	17.75	(0.07)	(0.07)	0.07
Gearing[4] (times)	0.57	0.64	0.65	0.03	0.03	0.03
Current ratio[5] (times)	0.66	0.41	0.37	13.47	8.71	8.03

(iii) Purchases made entirely out of capital and cancelled

	<----------GROUP---------->			<----------COMPANY---------->		
	Before Share Purchase	**After Share Purchase**		**Before Share Purchase**	**After Share Purchase**	
		On-Market	**Off-Market**		**On-Market**	**Off-Market**
	(RMB'000)	**(RMB'000)**	**(RMB'000)**	**(RMB'000)**	**(RMB'000)**	**(RMB'000)**
As at 31 December 2015						
Share Capital	4,861,138	4,095,349	3,985,950	4,861,138	4,095,349	3,985,950
Other Reserves	(147,051)	(147,051)	(147,051)	(205,859)	(205,859)	(205,859)
Treasury Shares	(96)	(96)	(96)	(96)	(96)	(96)
Retained earnings	797,571	797,571	797,571	107,746	107,746	107,746
Shareholders' funds	5,511,562	4,745,773	4,636,374	4,762,929	3,997,140	3,887,741
Non-controlling interest	1,067,887	1,067,887	1,067,887	-	-	-
Total Equity	6,579,449	5,813,660	5,704,261	4,762,929	3,997,140	3,887,741
NTA[1]	6,121,175	5,355,386	5,245,987	4,762,929	3,997,140	3,887,741
Current Assets	2,006,761	1,240,972	1,131,573	2,168,548	1,402,759	1,293,360
Current Liabilities	(3,037,495)	(3,037,495)	(3,037,495)	(161,042)	(161,042)	(161,042)
Working Capital	(1,030,734)	(1,796,523)	(1,905,922)	2,007,506	1,241,717	1,132,318
Total borrowings[2]	3,735,894	3,735,894	3,735,894	123,884	123,884	123,884
Net profit/(Loss) attributable to owners of the Company	360,390	360,390	360,390	(1,505)	(1,505)	(1,505)
Number of Shares net of treasury shares[3] ('000)	2,256,588	2,030,930	2,030,930	2,256,588	2,030,930	2,030,930
Financial Ratios						
NTA Per Share[6] (RMB cents)	271.26	263.69	258.30	211.07	196.81	191.43
EPS/(Loss per share)[6] (RMB cents)	15,97	17.75	17.75	(0.07)	(0.07)	0.07
Gearing[4] (times)	0.57	0.64	0.65	0.03	0.03	0.03
Current ratio[5] (times)	0.66	0.41	0.37	13.47	8.71	8.03

Notes:-

(1) Excludes goodwill of RMB457.2 million and intangible assets in relation to patent and licensing rights and computer software of RMB1.03 million. Includes operating concessions of RMB3,218.7 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).

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 2015, 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 issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten per cent. (10%) of its issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased as Treasury Shares.

5. LISTING RULES

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 equity securities of any class that is listed 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 698,188,551 Shares held in the hands of the public, representing 30.94% 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 issued ordinary share capital of the Company through On-Market Share Purchase from the public, the public float would be reduced to approximately 23.27% 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.

6. TAKE-OVER CODE IMPLICATIONS ARISING FROM SHARE PURCHASES

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 in 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 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 need 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 or acquisition 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.

7. 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 Buyback Mandate.

8. 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 issued ordinary share capital of the Company, and (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, will be as follows:-

	Before Share Purchase				After Share Purchase			
	Direct		Deemed		Direct		Deemed	
	Number of Shares	%[1]	Number of Shares	%[1]	Number of Shares	%[2]	Number of Shares	%[2]
Directors								
Zhou Jun	–	–	–	–	–	–	–	–
Feng Jun	–	–	–	–	–	–	–	–
Yang Changmin	11,083,694	0.49	–	–	11,083,694	0.55	–	–
Yang Yihua	–	–	–	–	–	–	–	–
Xu Xiao Bing								
Xu Zhan								
Yeo Guat Kwang	–	–	–	–	–	–	–	–
Tay Ah Kong, Bernard	–	–	–	–	–	–	–	–
Tan Chong Huat	–	–	–	–	–	–	–	–
Tan Gim Soo	–	–	–	–	–	–	–	–
Substantial Shareholders								
Triumph Power Limited ("**Triumph**")	636,929,551	28.23	–	–	636,929,551	31.36	–	–
Shanghai Industrial Holdings Limited ("**SIHL**") [3]	–	–	802,568,226	35.57	–	–	802,568,226	39.52
S.I Infrastructure Holdings Limited ("**SII**") [3]	165,418,475	7.33	636,929,551	28.23	165,418,475	8.14	636,929,551	31.36
China Energy Conservation & Environmental Protection (Hong Kong) Investment Co., Limited ("**CECEPHK**") [4]	223,712,917	9.91	–	–	223,712,917	11.02	–	–
China Energy Conservation and Environmental Protection Group ("**CECEP**")[4]	–	–	223,712,917	9.91	–	–	223,712,917	11.02
Value Partners Classic Fund	204,923,480	9.08	–	–	204,923,480	10.09	–	–
Value Partners Limited ("**VPL**")[5]	–	–	316,026,900	14.00	–	–	316,026,900	15.56
Value Partners Hong Kong Limited ("**VPLHK**")[5]	–	–	316,026,900	14.00	–	–	316,026,900	15.56
To Hau Yin[5]	–	–	316,026,900	14.00	–	–	316,026,900	15.56
Value Partners Group Limited ("**VPGL**")[5]	–	–	316,026,900	14.00	–	–	316,026,900	15.56
Cheah Capital Management Limited ("**CCML**")[5]	–	–	316,026,900	14.00	–	–	316,026,900	15.56
Cheah Cheng Hye[5]	–	–	316,026,900	14.00	–	–	316,026,900	15.56
Cheah Company Limited ("**CCL**")[5]	–	–	316,026,900	14.00	–	–	316,026,900	15.56
BNP Paribas Jersey Trust Corporation Limited as trustee of The C H Cheah Family Trust[5]	–	–	316,026,900	14.00	–	–	316,026,900	15.56
BNP Paribas Jersey Nominee Company Limited ("**BNP Nominee**")[5]	–	–	316,026,900	14.00	–	–	316,026,900	15.56

Notes:-

(1) As a percentage of the issued share capital of the Company comprising 2,256,588,726 Shares, excluding Treasury Shares of 56,400 as at the Latest Practicable Date.

(2) As a percentage of the issued share capital of the Company comprising 2,256,588,726 Shares, (i) excluding Treasury Shares of 56,400 as at the Latest Practicable Date; and (ii) assuming that the Company purchases the maximum number of 225,658,872 Shares under the Share Purchase Mandate.

(3) SII and SIHL are deemed to be interested in the Shares held by Triumph as SIHL owns the entire issued share capital of SII and SII owns the entire issued share capital of Triumph. SIHL is also deemed to be interested in the Shares held by its wholly-owned subsidiary, SIHL Treasury Limited, which owns 220,200 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 share of the Company by reason of shares held directly by the funds under its management. VPLHK is deemed to be interested in the shares of the Company via its 100% ownership in VPL. To Hau Yin is deemed to be interested in the shares of the Company in her capacity as the beneficiary of a discretionary trust with BNP Paribas Jersey Trust Corporation Limited ("BNP Trust") as the trustee. VPGL is deemed to be interested in the shares of the Company via its 100% ownership in VPLHK, which in turn 100% owns VPL. CCML is deemed to be interested in the shares of the Company via its 27.16% ownership in VPGL. Cheah Cheng Hye is deemed to be interested in the shares of the Company in his capacity as the founder of a discretionary trust with BNP Trust as the Trustee. CCL is deemed to be interested in the shares of the Company via its 100% ownership in CCML. BNP Trust as trustee of the C H Cheah Family Trust is deemed to be interested in the shares of the Company via its holdings in BNP Nominee. BNP Nominee holds the shares in CCL as nominee for BNP 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 issued ordinary share capital of 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.

Triumph, SIHL, SIHL Treasury Limited and SII are deemed under the Code to be parties acting in concert with each other. As at the Latest Practicable Date, Triumph, SIHL, SIHL Treasury Limited and SII have an aggregate interest in 802,568,226 Shares, which is equivalent to 35.57% of the total voting rights of the Company. Even if the Share Purchase is exercised in full, it will not result in Triumph, SIHL, SIHL Treasury and SII incurring an obligation to make a general offer under Rule 14 and Appendix 2 of the Code.

Based on the above information, as at the Latest Practicable Date, none of the Directors will become obligated to make a mandatory offer in the event that the Company purchases the maximum number of 225,658,872 Shares under the Share Purchase Mandate. Based on the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the Directors are not aware of any Substantial Shareholder who may become obligated to make a mandatory offer in the event that the Company purchases the maximum number of 225,658,872 Shares under the Share Purchase Mandate.

Save as disclosed in this Appendix, the Directors and the Substantial Shareholders of the Company do not have any interest, direct or indirect, in the Shares.

9. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interest of the Company. The Directors accordingly recommend that the Shareholders vote in favour of Resolution 10 relating to the proposed renewal of the Share Purchase Mandate as set out in the Notice of 2016 AGM on page 171 of the Annual Report.

10. 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.

11. 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 during normal business hours on any weekday (public holidays excepted) from the date of this Appendix up to and including the date of the 2016 AGM:

(a) the Memorandum and Articles of Association 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

12 April 2016