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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)

(Hong Kong stock code: 807)

(Singapore stock code: BHK)

Internal Share Transfer of Pinghu Dushan Wastewater Treatment Co., Ltd.

Introduction

The Board (the “**Board**”) of Directors (the “**Directors**”) of SIIC ENVIRONMENT HOLDINGS LTD. (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) wishes to announce that the Company had, on 27 August 2019, entered into a share transfer agreement with its indirect non-wholly owned subsidiary, Shanghai Fudan Water Engineering and Technology Co., Ltd. (上海復旦水務工程技術有限公司, “**Shanghai Fudan**”), to transfer the entire issued and paid-up share capital in Pinghu Dushan Wastewater Treatment Co., Ltd. (平湖市獨山污水處理有限公司, “**Pinghu Dushan**”), a direct wholly-owned subsidiary of the Company, to Shanghai Fudan (the “**Proposed Restructuring**”). The Proposed Restructuring is part of our ongoing efforts to rationalise the Group business management structure and to make consolidated progress in Yangtze Delta Area.

Upon completion of the Proposed Restructuring, the Company’s ultimate shareholding in Pinghu Dushan will decrease from 100% to 92.15%. Accordingly, the Proposed Restructuring constitutes a non-discloseable transaction as defined under Chapter 10 of the Singapore Exchange Securities Trading Limited’s Listing Manual.

Consideration

The total consideration for the Proposed Restructuring is RMB112,800,000 (the “**Consideration**”), which is determined after arm’s length negotiations between the Company and Shanghai Fudan based on the asset valuation report of Pinghu Dushan dated 31 October 2018 (“**Valuation**”). The Consideration will be satisfied in cash and funded by the internal resources of the Group.

The Valuation was commissioned by the Company and conducted by Wanlong (Shanghai) Asset

Appraisal Co., Ltd. (萬隆(上海)資產評估有限公司, the “**Valuer**”), an independent third party to the Group, according to the available audited financial information of Pinghu Dushan as at 31 October 2018. In carrying out the Valuation, the Valuer had relied primarily on the assets-based methodology and income method to determine the value of Pinghu Dushan. The Valuer had also relied on certain assumptions for its valuation analysis.

Financial Effects

The Proposed Restructuring is not expected to have a material impact on the consolidated net tangible assets and earnings per share of the Group for the financial year ending 31 December 2019.

Interests of the Directors and Controlling Shareholders

None of the Directors or controlling shareholders of the Company have any interest, directly or indirectly, in the Proposed Restructuring.

By Order of the Board
SIIC Environment Holdings Ltd.
Mr. Xu Xiaobing
Executive Director

Hong Kong and Singapore, 27 August 2019

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

** For identification purpose only*