

*The Singapore Exchange Securities Trading Limited, Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.*



## **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)**

### **DISCLOSEABLE TRANSACTION**

#### **FORMATION OF A JOINT VENTURE COMPANY FOR WUXI HUISHAN PROJECT**

The board (the “**Board**”) of directors (“**Directors**”) of SIIC ENVIRONMENT HOLDINGS LTD. (“**Company**” and with its subsidiaries, collectively the “**Group**”) is pleased to announce that the Group's indirect wholly-owned subsidiary, Global Environment Investment (HK) Limited (“**GEI(HK)**”) and indirect 92.15%-owned subsidiary, Fudan Water Engineering and Technology Co., Ltd. (“**Fudan Water**”), have entered into a joint venture agreement (the “**JV Agreement**”) and a supplemental joint venture agreement (the “**Supplemental Agreement**”) with Wuxi Huishan Water Treatment Co., Ltd. (無錫惠山水處理有限公司\*) (“**Huishan Water Treatment**”) (together with GEI(HK) and Fudan Water, collectively as the “**Parties**”) and established Wuxi SIIC Huitou Environment Ltd. (無錫上實惠投環保有限公司\*) (the “**JV Company**”) in the People’s Republic of China (the “**PRC**”) on 7 July 2020.

The JV Company is mainly engaged in water pollution treatment; wastewater treatment and reclamation; water environment pollution prevention service, technical service, technology development, technical consultation, technology exchange, technology transfer, technology promotion; municipal facilities management; environmental protection monitoring.

#### **THE JV AGREEMENT AND SUPPLEMENTAL AGREEMENT**

Pursuant to the JV Agreement and Supplemental Agreement, the registered capital of the JV Company is in the sum of RMB 441,819,192 with contribution from the Parties as follow:

<b>Parties</b>	<b>Contribution (RMB)</b>	<b>Equity Interest of the JV Company (%)</b>
GEI(HK)	216,491,400	49
Fudan Water	8,836,392	2
Huishan Water Treatment	216,491,400	49

The JV Company is a project company established for the Group's newly awarded Wuxi Huishan Economic Development Zone Wastewater Treatment Project (“**Wuxi Huishan Project**”). Wuxi Huishan Project has 5 phases with total designed capacity of 100,000 tonnes per day. The discharge standard of first 4 phases as Class I Standard A, and the fifth phase as Discharge Standard of Main Water Pollutants for Municipal Wastewater Treatment Plant & Key Industries of Taihu Area (太湖地區城鎮污水處理廠及重點工業行業主要水污染物排放限值\*). The project concession period shall be 30 years and water tariff is RMB 3.249 per tonne.

## **REASONS FOR AND BENEFITS OF THE FORMATION OF THE JV COMPANY**

The Wuxi Huishan Project is located in Wuxi, Jiangsu Province. It is one of the central cities in Yangtze River Delta of PRC recognized by the State Council of the PRC. The Yangtze River Economic Belt City is an important part of the Yangtze River city cluster and honored as the “Pearl of Taihu”. The Wuxi Huishan Project is one of the core projects secured by the Company in Yangtze River Delta region, also representing another step taken by the Company in promoting the integration development of Yangtze River Delta.

The terms and conditions of the JV Agreement and the Supplemental Agreement were arrived at after arm’s length negotiations between the Parties. The Board is of the view that the terms of the JV Agreement and the Supplemental Agreement and the transactions contemplated thereunder were negotiated on an arm’s length basis between the Parties and are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **INFORMATION OF THE GROUP**

The Group is principally engaged in wastewater treatment, water supply, sludge treatment, solid waste incineration and other environmental related businesses.

## **INFORMATION OF GEI (HK)**

An indirect wholly-owned subsidiary of the Company and is principally engaged in environmental infrastructure.

## **INFORMATION OF FUDAN WATER**

An indirect 92.15%-owned subsidiary of the Company and is principally engaged in the development of high-technology wastewater treatment and project investment.

## **INFORMATION OF HUIZHAN WATER TREATMENT**

Huishan Water Treatment is principally engaged in enterprise sewage, domestic wastewater treatment and wastewater treatment technical services. Huishan Water Treatment is a limited liability company in the PRC. The ultimate beneficiary owner is Wuxi Huishan Economic Development Zone State-owned Assets Management Committee.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Huishan Water Treatment and its ultimate beneficial owner are third parties independent from the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**")).

## **IMPLICATION UNDER THE HONG KONG LISTING RULES**

As one or more of the applicable percentage ratios in respect of the formation of the JV Company exceed 5% and all of the percentage ratios are less than 25%, the formation of the JV Company constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

## **FINANCIAL IMPACT OF THE FORMATION OF THE JV COMPANY**

The formation of the JV Company is funded through internal resources of the Group and is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 December 2020.

None of the Directors, controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect, in the formation of the JV Company, save for their shareholdings in the Company.

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

Hong Kong and Singapore, 9 July 2020

*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. Yang Jianwei, 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*