



CITIC ENVIROTECH LTD
(Company Registration Number: 200306466G)

INCORPORATION OF SUBSIDIARIES

- **CITIC Environment Water (Xinji) Co., Ltd**
 - **CITIC Environment Water Recycling (Changyi) Co., Ltd**
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The Board of Directors ("Board") of CITIC Envirotech Ltd ("CEL", "Group" or "Company") wishes to announce the incorporation of the following subsidiaries:

A) CITIC Environment Water (Xinji) Co., Ltd

With reference to the announcement made by the Company dated 24 April 2017 on the award of a Public-Private-Partnership ("PPP") project in Xinji City, Hebei Province, CITIC Environment Water (Xinji) Co., Ltd, with a paid-up capital of RMB 80 million has been set up to undertake this project ("Xinji Project").

The PPP project involves an investment of RMB 204 million in a 100,000 m³/day Transfer-Operate-Transfer ("TOT") cum Build-Operate-Transfer ("BOT") wastewater treatment plant. The subsidiary is a 90:10 joint investment between CEL and the local county government respectively. Construction of the BOT project will commence in July 2017 and is scheduled to be completed by March 2018. The project comes with minimum offtake from the local government and a service concession of 30 years.

B) CITIC Environment Water Recycling (Changyi) Co., Ltd

With reference to the announcement made by the Company dated 24 April 2017 on the award of a RMB 230 million Build-Operate-Transfer ("BOT") water recycling project in Changyi City, Shandong Province, CITIC Environment Water Recycling (Changyi) Co., Ltd, with a paid-up capital of RMB 34.5 million has been set up to undertake this project ("Changyi Project").

The 90,000 m³/day BOT water recycling plant will recycle treated wastewater generated from the Changyi North wastewater treatment plants and supply recycled water to two chemical and textile industrial parks, namely, Liu Tuan Industrial Park and Long Chi Industrial Park.

Phase 1 of the construction of the 30,000 m³/day recycling plant will commence immediately and is expected to be completed by October 2017. The recycled water will be treated to higher water quality using our membrane technology. The project has a concession period of 30 years.

The capital injections of RMB 72 million for the Xinji Project and RMB 34.5 million for the Changyi Project are funded from the proceeds of the issuance of the US\$180,000,000 perpetual capital securities in 2016 pursuant to its US\$750,000,000 multicurrency perpetual securities issuance programme and bank financing.

The above investments have no material effect on the net tangible assets per share or earnings per share of the Company for the financial year ending 31 December 2017.

None of the directors or controlling shareholders of the Company has an interest, direct or indirect in the above investments.

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company Secretary
19 June 2017