



**CITIC ENVIROTECH LTD**

**(Company Registration Number: 200306466G)**

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**RESPONSE TO SGX IN RELATION TO THE COMPANY'S ANNOUNCEMENT  
DATED 31 OCTOBER 2017**

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The Board of Directors (the "Board") of CITIC Envirotech Ltd ("CEL", the "Company" or "Group") wishes to respond to the queries raised by SGX in relation to the Company's announcement dated 31 October 2017, titled "CITIC Envirotech Secured a RMB 4.6 Billion project in Lanzhou City, Gansu Province, China".

**SGX query 1**

Please disclose the breakdown of the RMB 4.6 billion Public Private Partnership project ("PPP") and the Engineering Procurement and Construction ("EPC") project in Lanzhou.

**Company's response**

	Breakdown of Project Amount
<u>Public-Private-Partnership ("PPP") Project</u> The project involves the investment, upgrading and expansion of an existing conventional 200,000 m <sup>3</sup> /day municipal wastewater treatment plant ("WWTP") into a 400,000 m <sup>3</sup> /day underground WWTP using CEL's proprietary Membrane Bioreactor ("MBR") technology	RMB 2.6 billion
<u>Ancillary Services</u> To construct wastewater treatment facilities and piping network in thirteen townships within Lanzhou City	RMB 0.2 billion
<u>Engineering Procurement and Construction ("EPC") Project</u> The land remediation project involves the provision of land clean-up services as well as the planning, designing and implementation of an ecological environmental system for about 124,000 m <sup>2</sup> of land located in Anning District of Lanzhou City	RMB 1.8 billion
Total	RMB 4.6 billion

### **SGX query 2**

Please disclose the entity(s) involved in the PPP and EPC with the Company. The Company should also disclose the duties of (i) the Company; and (ii) each of the other entity(s), in the PPP and EPC.

#### **Company's response**

The PPP was awarded to CEL by the Lanzhou Urban and Rural Construction Bureau. CEL undertakes to complete the project for the Lanzhou Urban and Rural Construction Bureau within 2 years.

The EPC project was awarded to CEL by the Lanzhou City Anning District Municipal Government. A joint-venture company will be set-up between CEL, the municipal government and China Vanke Co., Ltd, with shareholdings of 65%, 5% and 30% respectively, to undertake this project. CEL's wholly-own subsidiary will undertake the entire RMB 1.8 billion EPC project.

### **SGX query 3**

Please disclose the Company's committed financial contribution to the PPP and EPC. Specifically, the Company should detail the types of contributions and its corresponding amount.

#### **Company's response**

The Company's committed financial contribution to the PPP is at an investment amount of RMB 2.8 billion. The Company's committed financial contribution to the EPC is RMB 1.17 billion, based on CEL's shareholding of 65% in the joint-venture company.

### **SGX query 4**

Please disclose the value of the "ancillary services" provided by CEL to construct the "wastewater treatment facilities and piping network" and whether it is a part of the RMB 4.6 billion highlighted in the Announcement.

#### **Company's response**

The value of the "ancillary services" provided by CEL to construct the "wastewater treatment facilities and piping network" is RMB 0.2 billion. It is part of the RMB 4.6 billion highlighted in the Announcement.

**SGX query 5**

Please disclose whether there was any additional capital contribution by the Company for the tender and award of the PPP.

**Company's response**

No additional capital contribution was made by the Company for the tender and award of the PPP.

**SGX query 6**

How is the relationship between the Company and each of the other entity(s) governed?

**Company's response**

Each entity is governed independently.

**SGX query 7**

Please disclose (i) the identity of the party awarding the project; and (ii) when the project was awarded.

**Company's response**

The PPP was awarded to CEL by the Lanzhou Urban and Rural Construction Bureau on 27 October 2017.

The EPC project was awarded to CEL by the Lanzhou City Anning District Municipal Government on 27 October 2017.

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua  
Company Secretary

3 November 2017