



**CITIC ENVIROTECH LTD**  
*(Company Registration Number: 200306466G)*

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## **INCORPORATION OF A SUBSIDIARY**

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The Board of Directors (the “Board”) of CITIC Envirotech Ltd (“CEL” or the “Company”) wishes to announce that the Group has incorporated a subsidiary in Liaoyang City, Liaoning Province, China.

The 100% owned subsidiary known as United Envirotech Water Resource (Liaoyang Taizihe) Co., Ltd (“UE Liaoyang Taizihe”) has a registered capital of USD 28,623,200. As announced on 23 November 2015, the setting up of UE Liaoyang Taizihe is to undertake the PPP project involving an investment of RMB 549 million into 4 wastewater treatment plants and/or its associated pipe network in Liaoyang City. In return, the Company is expected to enjoy a mutually agreed rate of return on the capital invested and will be granted concessions to operate and maintain (“O&M”) these 4 plants. The total wastewater treatment capacity of the 4 plants is approximately 285,000 m<sup>3</sup>/day and the concession periods for the O&M vary between 15-20 years.

The capital injection of USD 28,623,200 is funded from the proceeds of the previous issuance of the MTN bond and the Senior Perpetual Securities.

The above investment has no material effect on the net tangible assets per share or earnings per share of the Company for the financial year ending 31 December 2016.

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

**BY ORDER OF THE BOARD**

Lotus Isabella Lim Mei Hua  
Company Secretary

6 January 2016