



CITIC ENVIROTECH LTD

(Company Registration Number: 200306466G)

CITIC Envirotech Ltd awarded a RMB 198 million (SGD 42 million) Project to Upgrade a 200,000 m³/day Wastewater Treatment Plant using MBR Technology

The Board of Directors of CITIC Envirotech Ltd. (“CEL” or “Company”) is pleased to announce that the Company has been awarded a project by the local government of Gaoyang County, Hebei Province, PRC, to upgrade an existing 200,000 m³/day industrial wastewater treatment plant (“Gaoyang WWTP”) for RMB 198 million (SGD 42 million).

Gaoyang WWTP serves the textile and dye companies located in the largest print and dye industrial park in the PRC, which provides more than 70% of China’s print and dye supplies. The industrial park is also one of the 18 sites in China to pilot-test the “Circular Economy”, an initiative launched by China’s National Development and Reform Commission (“NDRC”) in 2006 with the objective of promoting sustainable economic growth by creating an economic structure to achieve close-loop flow of resources and efficient management of environmental impacts. NDRC has articulated its intention to gradually expand the Circular Economy to the whole country by 2020.

CEL acquired the Gaoyang WWTP in April 2015 and the plant is currently operating at full capacity. The upgrading project is needed because the discharge standard applicable has been raised from Grade 1B to Surface Water Quality Grade V. CEL’s proprietary Membrane Bioreactor (MBR) technology will be used for the upgrading project.

The Company believes that the more stringent discharge standards and incentives to turn wastewater into resources will amplify the many advantages of MBR technology compared to other conventional technologies. As an established solution provider in industrial wastewater treatment and a market leader in the MBR technology, the Company is confident that there will be more opportunities for such upgrading projects in China.

The Company has incorporated a 100% owned subsidiary known as United Envirotech Water Resource (Gaoyang) Co., Ltd with a registered capital of RMB 250 million to undertake the Gaoyang project.

The project will commence immediately and will be completed by December 2016. Upon completion of the project, CEL will enjoy an upward revision in water tariff for the plant.

The capital required for the above project will be funded by proceeds from the Company's US\$175 million senior perpetual securities under the US\$750 million Multicurrency Perpetual Securities Issuance Programme.

The project is not expected to have any material financial impact on the net tangible assets per share and earning per share of the group for the financial year ending 31 December 2016.

For and on behalf of the Board

Dr Lin Yucheng
Group CEO and Executive Director
10 March 2016