



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

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## **INCORPORATION OF SUBSIDIARY**

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The Board of Directors (the “Board”) of CITIC Envirotech Ltd (“Company” or “Group”) wishes to announce that it has won the bid for a Build-Operate-Transfer (“BOT”) project in the Xiaochang Economic Development Zone (Xiaochang EDZ) in Xiaochang County, Hubei Province, China.

The total investment value of the 10,000 m<sup>3</sup>/day BOT industrial wastewater treatment project, which includes related piping works, is RMB 62.15 million.

Xiaochang County is located in the northeast of Hubei Province with a population of approximately 600,000 people. Xiaochang County is one of the fastest growing economy in China with an average 49.9% increase in its yearly industrial output. The Xiaochang EDZ was established in 1996 and is located in the south of Xiaochang County covering an area of 1,000 hectares. The Xiaochang EDZ has a total of more than 40 enterprises in the industrial park which are involved in circuit board manufacturing, bio-medicine, chemical building materials, auto parts, food and beverages, processing of agricultural products, information communication services and other major leading industries.

The subsidiary, Novo Environmental Water Treatment (Xiaochang) Co., Ltd. with a registered capital of RMB 35,760,500, has been set up to undertake the BOT project.

The project is 90% owned by the Group and 10% by the local county government. Construction of the BOT project will commence immediately and is expected to be completed by September 2017. The project comes with 100% minimum offtake from the local county government.

The capital injection of the above subsidiary is funded from the proceeds of the last issuance of the Perpetual Capital 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 2017.

None of the directors or controlling 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

16 March 2017