



CITIC ENVIROTECH LTD
(Company Registration Number: 200306466G)

**RESPONSE TO SGX IN RELATION TO THE COMPANY'S ANNOUNCEMENT
DATED 24 APRIL 2017**

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 24 April 2017, titled "CITIC Envirotech Won Bid For a RMB 204 million PPP Project in Xinji City, Hebei Province, China".

SGX query 1

Please disclose the breakdown of the RMB 204 million Public Private Partnership project ("PPP") in Xinji.

Company's response

The bid price of RMB 204 million is based on the investment and operation of an existing 66,000 m³/day wastewater treatment plant (TOT) valued at RMB 154 million, as well as the design, construction, investment and operation of a 34,000 m³/day wastewater treatment plant (BOT) valued at RMB 50 million.

SGX query 2

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

Company's response

The Company's share of the financial contribution to the RMB 204 million PPP project is RMB 183.6 million, which is equivalent to 90% of its shareholding in the PPP. The financial contribution of the Company will be RMB 72 million from internal source of fund and RMB 111.6 million from bank financing.

SGX query 3

Please provide details of the Transfer-Operate-Transfer ("TOT") cum Build-Operate-Transfer ("BOT") arrangements.

Company’s response

The Transfer-Operate-Transfer (“TOT”) arrangement is to invest and operate an existing 66,000 m3/day wastewater plant. The Build-Operate-Transfer (“BOT”) arrangement is to design, construct, invest and operate a 34,000 m3/day wastewater plant.

SGX query 4

Please provide details of the “minimum offtake from the local government and a service concession of 30 years” as indicated in the announcement.

Company’s response

The PPP project comes with a concession life of 30 years and the guaranteed minimum quantity offtake by the government is as follows:

Minimum off-take	Year 1-2	Year 3-4	Years 5,6,7	Year 8	Year 9	Year 10	Year 11 onwards
Water Volume	40,000 m3/day	50,000 m3/day	60,000 m3/day	70,000 m3/day	80,000 m3/day	90,000 m3/day	100,000 m3/day

SGX query 5

What is the local county’s government’s role and objective in the PPP joint venture?

Company’s response

The local county government has a 10% stake in the PPP. The roles and objectives of the local government in the PPP include raising fund for the project, sharing the risks of the project with the Company which will be receiving the water tariff from the government as well as utilizing the technical and project management skills of the Company.

SGX query 6

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.

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company Secretary
28 April 2017