



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

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**Incorporation of Subsidiary – Jiangyin Longyun Wastewater Treatment Co., Ltd**

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The Board of Directors (“Board”) of CITIC Envirotech Ltd (“CEL”, “Group” or “Company”) wishes to announce the incorporation of a subsidiary, Jiangyin Longyun Wastewater Treatment Co., Ltd (“Jiangyin Longyun”), in Jiangyin City, Jiangsu Province, China.

Jiangyin Longyun with a paid-up capital of RMB 10 million is 70% owned by Baiyi Environment Investment Jiangsu Co., Ltd (“Baiyi Environment”) and 30% owned by Jiangyin Zhouxi Investment Co., Ltd (“Zhouxi Investment”).

Jiangyin Longyun has acquired a 10,000 m<sup>3</sup>/day industrial Transfer-Operate-Transfer (“TOT”) wastewater treatment plant in Zhouxi, Jiangyin City. The total investment amount for the project is RMB 25.8 million (including RMB 4.6 million for upgrading of the wastewater treatment plant). As a 49.9% shareholder in Baiyi Environment, CEL’s investment for the acquisition will be RMB 9.0 million. The existing owner, Zhouxi Investment, which has businesses in real estate, ecological and environmental protection, logistics and energy saving, will retain the remainder 30% shareholding in the project. The project has a service concession of 15 years.

The capital injection of the above investment is 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

30 November 2017

*About Baiyi Environment Investment Jiangsu Co., Ltd*

*On 28 March 2017, the Company announced the incorporation of Baiyi Environment in Jiangyin City, Jiangsu Province. Baiyi Environment is a joint venture (“JV”) between CEL, Hui Sheng Equity Investment Fund Management and Hui Yu Equity Investment Fund Management Partnership, with shareholdings of 49.9%, 49.9% and 0.02% respectively. The JV was set up to undertake projects as well as explore investment opportunities in water-related projects in the Jiangsu Province.*