



CITIC ENVIROTECH LTD
(Company Registration Number: 200306466G)

CITIC ENVIROTECH WON RMB 300 MILLION PPP PROJECT IN XIAOGAN CITY, HUBEI PROVINCE, CHINA

The Board of Directors (“Board”) of CITIC Envirotech Ltd (“CEL”, “Group” or “Company”) is pleased to announce that the Group was awarded a Public-Private-Partnership (“PPP”) project in Xiaogan City, Hubei Province, China. The PPP project involves an investment of RMB 300 million in a 40,000 m³/day Build-Operate-Transfer (“BOT”) wastewater treatment facility.

The project involves the design, construction and operation of the wastewater treatment plant and piping works stretching 12.2 kilometres. The Company will apply its proprietary Membrane Bioreactor (“MBR”) technology for the wastewater treatment plant to treat 70% municipal wastewater and 30% industrial wastewater to grade 1A level.

A new subsidiary Novo Envirotech (Xiaogan) Co., Ltd with a registered capital of RMB 99.66 million has been set up and is 90% owned by CEL and 10% owned by the local municipal government. Construction of the BOT project will commence immediately and is expected to be completed by 2018. The project has a service concession of 30 years and comes with minimum offtake from the local government as follows:

Min offtake	Year 1	Year 2	Year 3 onwards
Water volume	30,000 m ³ /day	35,000 m ³ /day	40,000 m ³ /day

MBR is a very efficient technology as it only requires 20-30% of the land area occupied by conventional wastewater treatment plant. The Company is confident that MBR technology will become more widely adopted across China. As an integrated membrane-based water solutions provider with excellent track record, the Company is well poised to benefit from this trend.

The above capital injection is from the proceeds of the issuance of the SGD 240,000,000 perpetual capital securities in 2017 pursuant to its US\$1,500,000,000 multicurrency perpetual securities issuance programme.

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 2018.

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
8 March 2018