



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

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**Incorporation of Subsidiaries**

- Novo Environmental Water (Hanchuan) Co., Ltd
  - Novo Environmental Water (Xiaogan) 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 the following subsidiaries:

**A) Novo Environmental Water (Hanchuan) Co., Ltd**

Novo Environmental Water (Hanchuan) Co., Ltd has been set up to undertake a Public-Private-Partnership (“PPP”) project in Xiaogan City, Hubei Province. The subsidiary with a registered capital of RMB 154 million is owned by CEL and the local county government, with shareholdings of 90% and 10% respectively.

The PPP project involves the investment of RMB 219 million in 20 Build-Operate-Transfer (“BOT”) wastewater treatment plants to treat municipal wastewater for 20 townships in the Hanchuan County. The local government will provide 90% minimum offtake on the first year and 100% minimum offtake from the second year onwards until the end of the service concession period. The total design capacity of the wastewater treatment plants is 8,723,500 m<sup>3</sup> per year and comes with a service concession of 29 years.

**B) Novo Environmental Water (Xiaogan) Co., Ltd**

Novo Environmental Water (Xiaogan) Co., Ltd has been set up to undertake a Public-Private-Partnership (“PPP”) project in Xiaogan City, Hubei Province. The subsidiary with a paid-up capital of RMB 137 million is owned by CEL and the local county government, with shareholdings of 90% and 10% respectively.

The PPP project involves the investment of RMB 243 million in 7 Build-Operate-Transfer (“BOT”) wastewater treatment plants to treat municipal wastewater for 7 townships in the Xiaonan District. The total design capacity of the wastewater treatment plants is 3,528,000 m<sup>3</sup> per year and comes with a service concession of 30 years. The local government will guarantee fixed return over the life of the concession.

The aforementioned capital injections are funded by internal resources and bank financing.

The aforementioned investments have 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 investments.

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua  
Company Secretary  
11 December 2018