



CITIC ENVIROTECH LTD

(Company Registration Number: 200306466G)

CITIC Envirotech secured two projects with a total investment value of RMB 1.685 billion in Xichang City, Sichuan Province, China

The Board of Directors (“Board”) of CITIC Envirotech Ltd (“CEL”, “Group” or “Company”) is pleased to announce that the Group has secured two build-own-transfer (“BOT”) projects with a total investment value of RMB 1.685 billion in Xichang City, Sichuan Province, China.

The first is a water supply development project for which CEL will undertake the design, construction and operation of water supply pipelines at an investment amount of RMB 1.34 billion. This project aims to provide an additional water source for the population in Xichang City.

A project company, Changxin (Liangshan) Water Resource Engineering Co., Ltd, with a registered capital of RMB 446 million will be formed to undertake the water supply development project. The project comes with a service concession of 30 years inclusive of a two-year construction period.

The shareholding interests in the project company are as follow:

- a. CEL - 78.9%
- b. Xichang Anning Water Construction Investment Co., Ltd - 19%
- c. Mianning County Modern Agriculture Investment Development Co., Ltd - 1%
- d. China Water Resources and Hydropower Seventh Engineering Bureau Co., Ltd - 1%
- e. Sichuan Zhongyu Environment Management Co., Ltd - 0.1%

The second project, with an investment value of RMB 345 million, involves the design, construction and operation of a 30,000 m³/day wastewater treatment plant and related piping works. The plant will be located at the Chengdu Liangshan Industrial Park, north of Xichang City, which has been identified by the China government as one of the 20 strategic key industrial parks in Sichuan province for development and growth.

A project company, CITIC Environment Management (Liangshan) Co., Ltd, with a registered capital of RMB 115 million will be formed to undertake the project. The project comes with a service concession of 32 years, inclusive of a two-year construction period. CEL’s membrane bioreactor (“MBR”) technology will be employed in this plant for the treatment of approximately 60% of municipal wastewater and 40% industrial wastewater to Grade 1A discharge standard.

The shareholding interests in the project company are as follow:

- a. CEL - 89%
- b. Xichang Water Supply and Drainage Corporation - 10%
- c. Sichuan Zhongyu Environment Management Co., Ltd - 0.9%
- d. Tianjin Municipal Engineering Design and Research Institute – 0.1%

The above capital injections are from internal resources and bank financing.

The above 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 2019.

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
28 August 2019