CTEG SIGNS OPERATION AGREEMENTS FOR SHUNDE AND ZHONGSHAN ASSETS

GROUP’S SELECTION IN HANG SENG BENCHMARK INDICES HIGHLIGHTS FIRST ANNIVERSARY OF LISTING

(Hong Kong, 24 September 2014) – CT Environmental Group Limited (“CTEG” or the “Group;” stock code: 1363), a provider of one-stop centralised and customised wastewater treatment services, industrial water supply services and sludge treatment services in China, has announced that its subsidiary Guangzhou Xintao Wastewater Treatment Company Limited (“Guangzhou Xintao”) has signed asset operation agreements with Foshan City Shunde District Ganghui Environmental Wastewater Treatment Limited and Zhongshan City Zhong Tuo Kai Lan Industrial Limited. Under these agreements, Guangzhou Xintao has been appointed to operate and upgrade Shunde and Zhongshan Target Assets for a concession period of 20 years starting 1 October 2014.

The Shunde Target Asset is a wastewater treatment factory in the industrial base of Junan County, Shunde District with a designed capacity of 60,000 m³ per day. The Group has been appointed to operate the existing wastewater treatment facility and will invest approximately RMB50,000,000. The upgraded treatment and reusable water facilities are to be completed within this year. After the renovation, the Group’s operation fee is expected to notably increase from RMB0.8/ m³ to RMB2/ m³.

The Zhongshan Target Asset mainly provides industrial water supply and wastewater treatment services for enterprises in Shazai Village, Minzhong Town, Zhongshan City and Xinping Industrial Park. The Group is responsible for the operation of existing facilities and the development of the Asset’s second phase. The first phase has an industrial wastewater treatment and industrial water supply capacity of 40,000 m³ per day and 30,000 m³ per day respectively while the second phase has a designed capacity of 30,000 m³ per day for each industrial wastewater treatment and industrial water supply. After the asset upgrade and the second phase is completed, its designed industrial water supply and wastewater treatment capacity will be increased to 60,000 m³ and 70,000 m³ per day respectively. The Group is expected to invest approximately RMB70,000,000 into upgrading the assets and construction of the second phase and related facilities, which has to be completed within a year. Currently, the operation fee is RMB1.5/ m³ for industrial water treatment and RMB0.5/ m³ for industrial water supply. The operation fee for wastewater treatment service for the second phase is expected to exceed RMB 2/ m³ and RMB 1/ m³ for industrial water supply.

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The commencement of operations at both projects is expected to generate more than RMB80,000,000 of service income for the Group every year.

Mr. Tsui Cham To, Chairman of CTEG, said, "On the first anniversary of our listing on 25 September, we are pleased with our progress in expanding our projects. The Group’s designed daily industrial water supply and wastewater treatment capacity have increased by 60,000 m³ and 70,000 m³ respectively, representing approximately 40.0% and 14.7% of the Group’s aggregate constructed designed daily processing capacity as at 30 June 2014. This expansion also has strengthened the Group’s revenue base. Meanwhile, within just one year, CTEG has been included as a constituent of a number of Hang Seng Indices, which reflect wide recognition of the Group’s business development in capital markets. Looking ahead, we will continue to grasp the opportunities presented by the Chinese government’s support for the environmental protection industry. By adhering to a proven effective business strategy, we have continued to focus on developing wastewater treatment projects for specialised industrial parks or clusters in a bid to reinforce the Group’s leading position in the industrial wastewater treatment and solid waste treatment market in Guangdong Province and make a greater contribution to the environmental protection industry."

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About CT Environmental Group Limited
Headquartered in Zengcheng city in Guangdong province, CTEG provides one-stop centralized and customized wastewater treatment and industrial water supply services. CTEG has historically focused on providing wastewater treatment and industrial water supply services to the textile industry and has subsequently extended wastewater treatment services to pulp and paper-making as well as the food and beverage industry, with future plans to expand into other industries. The Group currently has treatment facilities in Guangdong and Hunan provinces, and is building a new facility in Sichuan province. These facilities have daily aggregate constructed capacities of 475,000m³ for wastewater treatment and 150,000m³ for industrial water supply. Projects under construction or in the pipeline have total designed daily capacities of 425,000m³ for wastewater treatment and 160,000m³ for industrial water supply. The Group is also engaged in the sludge treatment business. The sludge treatment facilities have commenced operations in the second half year of 2013, and have an annual aggregate capacity of 693,000 tonnes for sludge treatment. The Group’s capacity of sludge treatment ranks first in Guangdong Province. On March 6, 2014, CTEG was honored as a “Green Participant” in the “Hang Seng Pan Pearl River Delta Environmental Awards” jointly organized by Hong Kong Hang Seng Bank and Federation of Hong Kong Industries. Since May 30, 2014, CTEG has been included as a constituent of Morgan Stanley Capital International (“MSCI”) China Small Cap Index. Since Sep 8, 2014, CTEG has been included as a constituent of Hang Seng Global Composite Index ("HSGCI"), Hang Seng Infrastructure Index ("HSII"), and Hang Seng Composite Index ("HSCI") series, including Hang Seng Composite Index, Hang Seng Composite Industry Index – Utilities as well as Hang Seng Composite SmallCap Index.

Media Enquiries
Strategic Financial Relations (China) Limited
Ms. Esther Lau Tel: (852) 2864 4845 Email: esther.lau@sprg.com.hk
Ms. Janice Au Tel: (852) 2864 4874 Email: janice.au@sprg.com.hk