

First China Contract

Highlights

- Contract signed for 2.28m RMB (approx. \$480K AUD)
- Significant serviceable market in China for new solution
- Solution to go-live in July 2020
- Strong pipeline of opportunities emerging in China

17 June 2020 - Constellation Technologies Limited (ASX:CT1) (the 'Company') is pleased to advise that its wholly-owned China subsidiary has signed its first customer contract in China.

CT1 has expanded its existing IoT platform to service a significant addressable market in China for water infrastructure and management. CT1 has demonstrated that it can develop enhanced products to meet exacting requirements for the Chinese market.

The contract is with Beijing BHZQ Environmental Engineering Technology Co., Ltd. (**BHZQ**) to provide a new Operational Management Solution (**OMS**) for a large-scale ecological corridor construction project managed by BHZQ in the Daxing district of Beijing.

The OMS is designed and built by CT1, on CT1's existing IoT architecture and expertise. The first deployment incorporates operational information including personnel and task scheduling with field datasets received from IoT sensors implemented by CT1 at 33 drainage outlets that discharge into natural water courses such as lakes and rivers within the Daxing district.

Additionally, the CT1 OMS mobile application will help enable the management and collection of manual observational information from a further 80 drainage outlets, to which sensors may be added as part of future contracts. The OMS web and mobile applications are both operational in Chinese and English for deployment worldwide both as Software as a Service (SaaS) and local installation.

In this one vertical application for drainage outlets, this new solution has a substantial serviceable market in China of approximately 1 million estimated outlets.

Under recent Chinese legislation, the Ministry of Ecology and Environment of China has tasked local governments to strictly regulate monitoring, testing, tracing and treatment controls for major rivers, basins and lakes covering millions of drainage discharge outlets around China.¹² Consequently CT1's Chinese subsidiary is currently exploring further opportunities to sell the OMS in China.

The Board is encouraged by the strong pipeline of potential contracts in China. The current contract pipeline of the Chinese subsidiary, excluding other group revenues, exceeds an estimated RMB41.7m (AUD\$8.5m) of revenues to be potentially contracted over the next 12 months.

¹ <http://www.chinawaterrisk.org/resources/analysis-reviews/water-ten-comply-or-else/>

² http://english.mee.gov.cn/Resources/laws/environmental_laws/201712/P020171212587967385688.pdf

The contract pipeline includes potential smart city opportunities which the Board considers to be a fertile area of development for the Company into the future, particularly in China. In addition to this there are many other significant international and domestic opportunities being pursued by the Company.

In accordance with ASX Guidance Note 8 the Company provides the following details regarding the contract:

- The initial contract value is 2.28m RMB (approx. \$480,000 AUD)
- The majority of the contract payments are expected to be received within the next two months.
- The contract involves the provision of hardware, SaaS for one year, software provision locally and a two-year maintenance and support program.
- There are no other material conditions or information relevant to assessing the impact of the contract on the Company's securities.

ENDS

Authorised for release by the Board of Constellation Technologies Limited

Further information:

CT1: www.constellationtechnologies.net

BHZQ: <http://en.bhzq-bewg.com/>

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