



CITIC ENVIROTECH LTD

(Company Registration Number: 200306466G)

CITIC ENVIROTECH'S SUBSIDIARY ENTERS INTO A JOINT VENTURE AGREEMENT TO UNDERTAKE THE COGENERATION PROJECT UNDER THE PPP IN SHANTOU CITY, GUANGDONG PROVINCE, CHINA

The Board of Directors of CITIC Envirotech Ltd. (“CEL” or “Company” or collectively with its subsidiaries, “Group”) refers to the announcements made on 7 December 2016, 9 January 2017 and 12 January 2017, where a consortium comprising CEL, Guangdong Keying Zhiran Environmental Co., Ltd (“Guangdong KZ”) and Zhongsheng Technology (Jiangsu) Co., Ltd (“Zhongsheng”) was awarded a RMB 3.2 billion Public-Private-Partnership (PPP) project in Shantou Chaonan, Guangdong Province, China.

In relation to the above project, a three-party joint venture company, CITIC Envirotech (Shantou) Integrated Dyestuff Environmental Development Co., Ltd (“CEL Shantou”) with a total registered capital of RMB 600 million has been set up with CEL, Guangdong KZ and Chaonan District Dyeing Park Management Company (“Chaonan MC”). CEL owns 51% of the shareholding of CEL Shantou, while Guangdong KZ and Chaonan MC owns 24% and 25% respectively.

CEL Shantou, Zhongsheng and Guangdong KZ have entered into an agreement to set up a new joint venture company (“New JVC”) with a total registered capital of RMB 260 million. CEL Shantou will own 10% of the shareholding in the New JVC, while Zhongsheng and Guangdong KZ will own 51% and 39% of the shareholdings respectively.

This New JVC will undertake the investment, design, build and operation of the cogeneration plant under the PPP project in Shantou City. The total project value of the cogeneration plant is estimated to be up to RMB1.6 billion to be built in 2 phases. The investment in Phase 1 is estimated to be approximately RMB700 million and the building of the cogeneration plant will commence as soon as practicable and is expected to complete by the first half year of 2018.

The investment in the New JVC by CEL Shantou will be funded by the proceeds from the paid-up capital of CEL Shantou and bank financing.

The incorporation of the new JVC is not expected to have any material financial impact on the net tangible assets per share and earning per share of the Group for the financial year ending 31 December 2017.

None of the Directors and controlling Shareholders has any interest, direct and indirect (other than through their shareholdings in the Company) in the project, except for Dr Lin Yucheng, the Group CEO and Executive Director of the Group, who is a substantial shareholder of Sunpower Group Ltd whose subsidiary, Zhongsheng is a member of the consortium and a shareholder of the New JV.

For and on behalf of the Board

Dr Lin Yucheng
Group CEO and Executive Director

18 January 2017