



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

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## **INCORPORATION OF A SUBSIDIARY**

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The Board of Directors (the “Board”) of CITIC Envirotech Ltd (“CEL” or the “Company”) wishes to announce that the Group has incorporated a subsidiary in Weifang City, Shandong Province, China.

The 100% owned subsidiary known as **Weifang United Envirotech Environmental Sci-tech Co., Ltd** (“Weifang UE”) has a registered capital of USD 12,000,000.

The setting up of Weifang UE is to undertake CEL’s first BOT Sludge Treatment Project in Weifang City, Shandong Province, China with the total investment of RMB 220 million. As announced on 13 April 2016, the project involves the design, construction and operation of a 700 tons/day sludge treatment plant to treat sludge generated from 6 municipal wastewater treatment plants in Weifang City. The final output of the treated sludge will meet the standard of soil conditioner and fertilizer for landscaping. The project has a concession period of 30 years. When completed by the end of 2016, the plant will be the largest sludge treatment plant in Shandong Province.

The capital injection of USD 12,000,000 is funded by the proceeds from the Company’s issuance of US\$175 million senior perpetual securities in November 2015.

The above investment has no material effect on the net tangible assets per share or earnings per share of the Company for the financial year ending 31 December 2016.

None of the directors or substantial shareholders of the Company have an interest, direct or indirect in the above investment.

**BY ORDER OF THE BOARD**

Lotus Isabella Lim Mei Hua  
Company Secretary

14 June 2016