



CITIC ENVIROTECH LTD

(Company Registration Number: 200306466G)

INCORPORATION OF A SUBSIDIARY AND AN ASSOCIATE COMPANY

The Board of Directors (the “Board”) of CITIC Envirotech Ltd (“CEL” or the “Company”) wishes to announce that the Group has incorporated a subsidiary and an associate company in Dongguan City, Guangdong Province, China.

The 60% owned subsidiary is known as **Guangdong Zhi Hui Environmental Engineering Technology Co., Ltd** and has a registered capital of RMB 10 million. Dongguan Zhi Hui Technology Co., Ltd (“Dongguan Zhi Hui”) holds the remaining 40% stake. Dongguan Zhi Hui is a wholly owned subsidiary of Dongguan Water Investment Group Co., Ltd. Dongguan Water Investment Group Co. Ltd is a state-owned water company established under the approval of the Dongguan Municipal Government in September 2011. Their main business activities are in investment, construction, operation, and development of water-related projects in Dongguan City. The purpose of the incorporation of the subsidiary is to undertake potential Engineering, Procurement and Construction (“EPC”) water projects in Dongguan City.

The 40% owned associate company is known as **Dongguan Huache Low Carbon Environmental Industry Park Management Co., Ltd** and has a registered capital of RMB 5 million. The three-party collaboration consists of CEL, Dongguan Zhi Hui and Guangdong Zhong Tian Investment Co., Ltd, with shareholdings of 40%, 40% and 20% respectively. The associate company will provide administration and management of the Sino-British Low Carbon Environmental Park as well as attract and invite new investments. Set up in 2014, the Sino-British Low Carbon Environmental Protection Industry Park is a collaboration between the China and British governments to pilot and develop low-carbon industries, promote innovative energy conservation techniques and develop new forms of energy in the industrial park in Dongguan City.

The capital injection of the above RMB 8 million is funded from the proceeds of 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

20 June 2016