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Cleantech Building Material PLC

Cleantech Building Materials PLC and Nantong Acetic Acid Chemical Company Ltd sign agreement to build the first Accoya® wood factory in Asia

Cleantech Building Materials PLC ("CBM" or the "Company") is pleased to announce the signing of a legally binding Investment Agreement to build the first Accoya® wood factory in China. Under the terms of the agreement, a Joint Venture will be formed between CBM's subsidiary, Diamond Wood China Limited ("Diamond Wood China") and **Nantong Acetic Acid Chemical Company Ltd** ("NTAAC"), an international Chinese chemical group, to construct an Accoya® factory with an initial design capacity of 160,000 m^3, and ultimate target annual capacity of 480.000 m^3. The initial financing is for circa US$50m.

Accoya® wood is currently only available from the Titan Wood factory in Arnhem, Netherlands, and is principally sold to small construction projects. The new CBM-NTAAC Joint Venture plans to industrialise the production of Accoya® wood on a large scale. By leveraging significantly lower costs in chemical, wood and other key inputs, the planned China Joint Venture will supply Accoya® wood to high-volume wood-product manufacturers in China and Asia, which dominate global markets in windows, doors, flooring and outdoor furniture.

Representatives from CBM and NTAAC have been in discussions for over twelve months to conduct a feasibility study for an Accoya® wood factory in China, and to work through the engineering, government permitting and contractual details of the project.

With 2018 revenues of over RMB 2 billion, NTAAC is amongst China's top 100 specialty chemical companies, and a National High-Tech Enterprise with approximately 800 employees located in Nantong city, within the greater Shanghai region. NTAAC specialises in acetyls derivatives and currently has an annual capacity of 168,000 tons of specialty chemicals. NTAAC is a leading supplier of sorbic acid to major global food and beverage companies. One derivative product of acetic acid, acetic anhydride, is the key chemical used in producing Accoya® wood.

Commenting, Qing Jiu, Chairman of NTAAC Group, said: "Accoya® wood is a premium, long-lasting wood with excellent market prospects in China and Asia. NTAAC will be able to provide significant expertise in the construction and operation of the planned Accoya® wood factory. We will use our own strength of acetylation technology and other synergies to provide green, environmentally-friendly and sustainable new materials to customers in China and Asia."

Commenting, Paul Richards, Chairman of Cleantech Building Materials, said: "CBM is bringing to the Joint Venture a mature marketing channel, and the intellectual property rights to sell and produce Accoya® wood in Asia. NTAAC brings extensive experience in building and operating chemical facilities in China, which will help reduce the time and cost required to build the planned Accoya® wood factory. The Joint Venture brings together a strong team to commercialise Accoya® wood on a scale previously unimagined."

Commenting, Greg Lee, Chairman of Diamond Wood China, said: "Diamond Wood China has spent a decade developing the market for Accoya® wood in China and the ASEAN region. We have numerous offtake agreements with regional wholesalers, and a number of joinery manufacturers wishing to begin offering Accoya® made products. Our clients and channel partners are overjoyed to learn that Accoya® wood will soon be produced locally."

THE DIRECTORS OF CLEANTECH BUILDING MATERIALS PLC ACCEPT RESPONSIBILITY FOR THE CONTENTS OF THIS ANNOUNCEMENT

Further information may be found at the Company's website at www.cbm-plc.com or by contacting:

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Notes to Editors

Diamond Wood China has an exclusive licence from Titan Wood Limited, a wholly owned subsidiary of Accsys Technologies plc (AIM:AXS), to produce and sell Accoya® wood in China and the ASEAN countries. On 23 December 2016, CBM acquired Diamond Wood China and the shares of CBM were admitted to trading on the Nasdaq First North market in Copenhagen.