
JOINT ANNOUNCEMENT

**PRE-CONDITIONAL EXIT OFFER FOR THE PROPOSED VOLUNTARY DELISTING OF
CITIC ENVIROTECH LTD.**

1. INTRODUCTION

1.1 Pre-Conditional Exit Offer

CITIC Envirotech Ltd. ("**Company**") and CKM (Cayman) Company Limited ("**CKM**" or "**Offeror**") wish to jointly announce that, the Offeror has presented to the directors of the Company ("**Directors**") a formal proposal ("**Delisting Proposal**") to seek the voluntary delisting of the Company ("**Delisting**") from the Official List of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") pursuant to Rules 1307 and 1309 of the listing manual of the SGX-ST ("**Listing Manual**").

Under the Delisting Proposal, subject to the fulfilment or waiver of the Pre-Condition (as defined in paragraph 3.1 below), CLSA Singapore Pte Ltd ("**CLSA**") will make, for and on behalf of the Offeror, a conditional exit offer ("**Exit Offer**") in cash, to acquire all the issued and paid-up ordinary shares ("**Shares**") in the capital of the Company other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (collectively "**Concert Group**") as at the date of the Exit Offer, but including the Shares held by the Founder Shareholders (as defined in paragraph 4.8 below) ("**Offer Shares**"). The Delisting and the Exit Offer, if made, will also be conditional on the obtaining of the Shareholders' Approval (as defined in paragraph 2.1 below).

THE EXIT OFFER WILL NOT BE MADE UNLESS AND UNTIL THE PRE-CONDITION IS FULFILLED OR WAIVED. ACCORDINGLY, ALL REFERENCES TO THE EXIT OFFER IN THIS JOINT ANNOUNCEMENT REFER TO A POSSIBLE EXIT OFFER IN CASH WHICH WILL ONLY BE MADE IF AND WHEN THE PRE-CONDITION IS FULFILLED OR WAIVED.

The Directors have reviewed the Delisting Proposal and have resolved to, subject to the fulfilment or waiver of the Pre-Condition, (a) apply to the SGX-ST for the Delisting; and (b) subject to the approval of the SGX-ST, convene an extraordinary general meeting of the Company ("**EGM**") to seek the approval of the shareholders of the Company ("**Shareholders**") for the Delisting pursuant to Rules 1307 and 1309 of the Listing Manual.

2. LISTING MANUAL PROVISIONS PERTAINING TO THE DELISTING

2.1 Under Rule 1307 of the Listing Manual, the SGX-ST may agree to an application by the Company to delist from the Official List of the SGX-ST if:

- (a) the Company convenes the EGM to obtain Shareholders' approval for the Delisting; and
- (b) the resolution to approve the Delisting ("**Delisting Resolution**") has been approved by a majority of at least 75% of the total number of issued Shares excluding treasury shares and subsidiary holdings held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM. The Concert Group must abstain from voting on the Delisting Resolution,

(collectively, "**Shareholders' Approval**").

2.2 In addition, under Rule 1309 of the Listing Manual, if the Company is seeking to delist from the SGX-ST:

- (a) an exit offer must be made to the issuer's shareholders and holders of any other classes of listed securities to be delisted. The exit offer must:
 - (i) be fair and reasonable; and
 - (ii) include a cash alternative as the default alternative; and
- (b) the Company must appoint an independent financial adviser to advise on the Exit Offer and the independent financial adviser must opine that the Exit Offer is fair and reasonable.

3. PRE-CONDITION

3.1 Pre-Condition

The making of the Exit Offer is subject to the approvals and requisite filings of/with PRC National Development and Reform Commission, PRC Ministry of Commerce and PRC State Administration for Foreign Exchange having been obtained ("**Pre-Condition**") within four calendar months of this Joint Announcement, or such Pre-Condition being waived by the Offeror.

In accordance with Rule 15 of the Singapore Code on Take-overs and Mergers ("**Code**"), the Pre-Condition shall not be relied upon to cause the Exit Offer to lapse unless: (a) the Offeror has demonstrated reasonable efforts to fulfil the Pre-Condition within the time frame specified; and (b) the circumstances that give rise to the right to rely upon the Pre-Condition are material in the context of the Exit Offer.

3.2 Formal Exit Offer Announcement

If and when the Pre-Condition has been fulfilled or waived (as applicable), the Offeror will announce its firm intention to undertake the Exit Offer ("**Formal Exit Offer Announcement**") within five business days¹ of fulfilment or waiver of the Pre-Condition. On 17 October 2019, the Securities Industry Council ("**SIC**") confirmed that it has no objections to the Formal Exit Offer Announcement being released within the said five business days period.

However, if the Pre-Condition is not fulfilled or otherwise waived, the Exit Offer will not be made and CLSA will issue an announcement, for and on behalf of the Offeror, to update Shareholders as soon as reasonably practicable.

4. DELISTING PROPOSAL

Under the Delisting Proposal, subject to and contingent upon the fulfilment or waiver of the Pre-Condition and the terms and conditions of the Exit Offer to be set out in the formal offer document to be issued by the Offeror ("**Exit Offer Letter**"), the Offeror will make the Exit Offer for all the Offer Shares on the following basis:

4.1 Offer Shares

The Exit Offer will be made for:

- (a) all the Shares other than those held as treasury shares and those held, directly or indirectly, by the Offeror and CRF (as defined in paragraph 4.8(b) below) as at the date of the Exit Offer; and

¹ For this purpose, "business day" means any day other than a Saturday, Sunday or other day on which commercial banks in the People's Republic of China, Singapore or Hong Kong are required or authorised by law or executive order to be closed.

- (b) all new Shares unconditionally issued or to be issued prior to the final closing date of the Exit Offer ("**Closing Date**") pursuant to the valid exercise of outstanding options granted by the Company ("**Options**") pursuant to the CITIC Envirotech Share Option Scheme which was last amended and adopted by Shareholders on 14 February 2013 ("**Option Scheme**"). For the purposes of the Exit Offer, the expression "Offer Shares" shall include all such Shares

in accordance with Rule 15 of the Code and subject to the terms and conditions to be set out in the Formal Exit Offer Announcement and the Exit Offer Letter.

4.2 **Exit Offer Price**

The consideration for the Exit Offer payable by the Offeror for the Offer Shares will be:

For each Offer Share: S\$0.55 in cash ("Exit Offer Price").

The Exit Offer Price represents an attractive premium of approximately 68.5% over the volume weighted average price ("**VWAP**") of S\$0.326 for the three month period up to and including 1 November 2019, being the last full day of trading ("**Last Trading Day**") in the Shares on the SGX-ST immediately prior to the date of this Joint Announcement.

The Exit Offer Price shall be applicable to any number of Offer Shares that are tendered in acceptance of the Exit Offer. Each Shareholder who accepts the Exit Offer will receive S\$550 for every 1,000 Offer Shares tendered for acceptance under the Exit Offer.

The Offer Shares will be acquired fully paid and free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever ("**Encumbrances**"), and together with all rights, benefits and entitlements attached thereto as at the date of this Joint Announcement ("**Pre-Conditional Exit Offer Announcement Date**") and thereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions, if any, which may be announced, declared, paid or made thereon by the Company, on or after the Pre-Conditional Exit Offer Announcement Date (collectively "**Entitlements**")). If any Entitlement is declared, made or paid by the Company on or after the Pre-Conditional Exit Offer Announcement Date, the Offeror reserves the right to reduce the Exit Offer Price by the amount of such Entitlement.

Further details on the Exit Offer will be set out in the Exit Offer Letter.

4.3 **Condition**

The Exit Offer and Delisting are conditional on Shareholders' Approval being obtained.

As at the date of this Joint Announcement, the Concert Group holds Shares representing more than 50% of the total number of issued Shares. Accordingly, the Delisting and the Exit Offer will not be conditional upon a minimum number of acceptances being received by the Offeror.

4.4 **Options Proposal**

- (a) As at the date of this Joint Announcement, based on the latest information available to the Offeror, there are 7,857,200 outstanding Options which are exercisable into an equivalent number of Shares. Under the rules of the Option Scheme, the Options are not transferable by the holders thereof ("**Optionholders**"). In view of this restriction, the Offeror will not make an offer to acquire the Options although, for the avoidance of doubt, the Exit Offer will be extended to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any Options prior to the final Closing Date. Instead, the Offeror will make a proposal ("**Options Proposal**") to the Optionholders on the following terms, that subject to:

- (i) the Exit Offer becoming or being declared unconditional in all respects; and
- (ii) the relevant Options continuing to be exercisable into new Shares,

the Offeror will pay to such Optionholders a cash amount (as determined below) ("**Option Price**") in consideration of such Optionholders agreeing:

- (1) not to exercise any of such Options into new Shares; and
- (2) not to exercise any of their rights as Optionholders,

and in each case from the date of their acceptance of the Options Proposal to the respective dates of expiry of such Options. Further, if the Exit Offer becomes or is declared unconditional, Optionholders who have accepted the Options Proposal will also be required to surrender their relevant Options for cancellation. If the Exit Offer lapses or is withdrawn or if the relevant Options cease to be exercisable into new Shares, the Options Proposal will lapse accordingly.

- (b) The Option Price is computed on a "see-through" basis. In other words, the price to be paid for each Option will be the amount (if positive) of the Exit Offer Price less the exercise price of the Option. If the exercise price of an Option is equal to or more than the Exit Offer Price, the Option Price for each Option will be the nominal amount of S\$0.000001.
- (c) For the avoidance of doubt, whilst the Options Proposal is conditional upon the Exit Offer becoming or being declared unconditional in all respects, the Exit Offer will not be conditional upon acceptances received in relation to the Options Proposal. The Exit Offer and the Options Proposal are accordingly separate and mutually exclusive (i.e. the Options Proposal does not form part of the Exit Offer, and vice versa). Without prejudice to the foregoing, if Optionholders exercise their Options in order to accept the Exit Offer in respect of the new Shares to be issued pursuant to such exercise, they may not accept the Options Proposal in respect of such Options. Conversely, if Optionholders wish to accept the Options Proposal in respect of their Options, they may not exercise those Options in order to accept the Exit Offer in respect of the new Shares to be issued pursuant to such exercise.
- (d) Details of the Options Proposal will be despatched to Optionholders no later than the date of despatch of the Exit Offer Letter.

4.5 **Acceptances**

Shareholders may choose to accept the Exit Offer (if and when made) in respect of all or part of their holdings of Offer Shares. Shareholders may choose to accept the Exit Offer (if and when made) before the EGM. However, such acceptances would be conditional and if the Delisting Resolution is not approved at the EGM, the conditions to the Delisting and the Exit Offer will not be fulfilled and the Exit Offer will lapse. The Exit Offer will be open for acceptance by Shareholders for a period of at least 14 days after the date of the announcement of Shareholders' Approval being obtained.

4.6 **Warranty**

Acceptance of the Exit Offer (if and when made) by a Shareholder will be deemed to constitute an unconditional and irrevocable warranty by that Shareholder that each Share in respect of which the Exit Offer is accepted is sold by him as, or on behalf of, the beneficial owner(s) thereof, fully paid and free from all Encumbrances, and together with all Entitlements attached thereto as at the Pre-Conditional Exit Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions, if any, which may be announced, declared, paid or made thereon by the Company on or after the Pre-Conditional Exit Offer Announcement Date).

4.7 Duration

It is intended that the Exit Offer Letter and the relevant acceptance form(s) will be despatched to Shareholders on the same day as the circular to be issued by the Company in connection with the Delisting ("**Delisting Circular**") containing, *inter alia*, further information on the Delisting Proposal and the terms and conditions of the Exit Offer. The Exit Offer will be open for acceptance by Shareholders from the date of the despatch of the Delisting Circular and Exit Offer Letter and will remain open for a period of at least 14 days after the date of the announcement of Shareholders' Approval being obtained.

4.8 Undertakings to accept or reject the Exit Offer

- (a) The Offeror has received irrevocable undertakings from the following Shareholders to accept the Exit Offer (if and when made) in respect of an aggregate 15,560,244 Shares (comprising 0.64% of the entire issued Shares):
- (i) Dr. Lin Yucheng ("**Dr. Lin**") in respect of 7,010,834 Shares (held through his wholly-owned special purpose vehicle, Green Resources Limited); and
 - (ii) Ms. Pan Shuhong (together with Dr. Lin, "**Founder Shareholders**") in respect of 8,549,410 Shares (held through her wholly-owned special purpose vehicle, P&L Capital Limited),

such undertakings being valid for the period until the earlier of lapse or close of the Exit Offer. The Founder Shareholders are part of the Concert Group pursuant to a consortium agreement dated 11 November 2014 made with the Offeror and its related corporations.

- (b) The Offeror has received an irrevocable undertaking from CRF Envirotech Co., Ltd. ("**CRF**") (being part of the Concert Group) to reject the Exit Offer (if and when made) in respect of 538,048,010 Shares (comprising 22.12% of the entire issued Shares), such undertaking being valid for the period until the earlier of lapse or close or (unless approved by CRF) material revision or amendment in the terms of the Exit Offer.
- (c) Save for the irrevocable undertakings as set out in paragraphs 4.8(a) and 4.8(b) ("**Irrevocable Undertakings**"), as at the Pre-Conditional Exit Offer Announcement Date, neither the Offeror nor any party in the Concert Group has received any undertakings from any other party to accept or reject the Exit Offer.
- (d) Copies of the Irrevocable Undertakings are available for inspection at the office of CLSA at 80 Raffles Place, No. 18-01, UOB Plaza 1, Singapore 048624 during normal business hours from the Pre-Conditional Exit Offer Announcement Date until the date on which the Exit Offer closes or lapses or is withdrawn in accordance with its terms.

5. INFORMATION ON THE OFFEROR AND THE COMPANY

5.1 Offeror

CKM is an investment holding company incorporated in the Cayman Islands and is an indirect wholly-owned subsidiary of CITIC Environment Investment Group Co., Ltd ("**CITIC Environment**"). CITIC Environment is in turn a member of the CITIC Group Corporation which comprises one of the largest PRC state-owned conglomerates and international conglomerates, with diverse interests in businesses in the PRC and internationally ranging from financial, securities and brokerage services, resources and energy, manufacturing, real estate and infrastructure to engineering contracting ("**CITIC Group**").

5.2 Company

The Company was incorporated in July 2003 and is an indirect subsidiary of CITIC Environment through CKM. The Company is a leading membrane-based integrated environmental solutions provider specialising in water and wastewater treatment, water supply and recycling. It is also engaged in sludge and hazardous waste treatment as well as river restoration. It undertakes both turnkey and investment projects as well as provides plant operation and maintenance services in water and environmental projects.

As at the Pre-Conditional Exit Offer Announcement Date, based on the latest information available to the Offeror, the Company has (a) an issued and fully paid up share capital of S\$723,648,000 comprising 2,432,361,356 Shares; and (b) 7,857,200 outstanding Options, which are exercisable into Shares. The Company does not hold any Shares in treasury.

Save as disclosed above, the Offeror is not aware of any outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities which carry voting rights in the Company.

Additional information on the Company can be found at its website at <http://www.unitedenvirotech.com>.

6. FINANCIAL EVALUATION

The Exit Offer Price represents the following premium over the historical transacted prices of the Shares on the SGX-ST:

Period	Benchmark Price⁽¹⁾⁽²⁾ (S\$)	Premium over Benchmark Price⁽³⁾ (%)
Last traded price of the Shares on the SGX-ST on the Last Trading Day	0.370	48.6
VWAP per Share for the one-month period up to and including the Last Trading Day	0.340	61.9
VWAP per Share for the three-month period up to and including the Last Trading Day	0.326	68.5
VWAP per Share for the six-month period up to and including the Last Trading Day	0.332	65.5
VWAP per Share for the 12-month period up to and including the Last Trading Day	0.394	39.6

Notes:

- (1) Based on data extracted from Bloomberg L.P..
- (2) Figures rounded to the nearest three decimal places.
- (3) Percentage figures are rounded to the nearest one decimal place.

7. RATIONALE FOR THE EXIT OFFER

(a) *To further drive the growth of the Company's business*

The successful delisting of the Company will enable, amongst others, the Offeror together with the management of the Company to have a longer horizon to manage and plan its business. It will also provide the Offeror and the management more control and flexibility to manage and drive the future business growth of the Company.

CKM, as part of the CITIC Group, has a wealth of industry experience and resources which it has contributed and will continue to contribute to the Company's operations and its water and environmental businesses. By the successful delisting of the Company through the Exit Offer and with the combined resources to be contributed by the Offeror's upstream shareholder group, the Offeror can better support the Company in competing effectively in the industry, facilitating its business growth and transformation, promote implementation of strategic and operational changes and optimise use of management and capital resources.

(b) *Opportunity for Minority Shareholders to realise their Investment in the Shares at a Premium Without Incurring Brokerage Costs*

- (i) The Exit Offer Price is at an attractive premium to the prevailing share prices in the last 12 months, and provide an opportunity for Shareholders who are not prepared to bear the business risks associated with the Group to realise a clean cash exit at a premium.

The Exit Offer Price is at a premium above the historical market prices of the Shares of over the last 12-month period prior to the Pre-Conditional Exit Offer Announcement Date. The Exit Offer also represents a premium of approximately 48.6% over the last transacted price per Share of S\$0.370 on the Last Trading Day.

The Exit Offer Price also represents a premium of approximately 61.9%, 68.5%, 65.5% and 39.6% above the VWAP per Share for the one-month, three-month, six-month and 12-month periods, respectively.

Shareholders who tender their Shares pursuant to the Exit Offer will have an opportunity to realise their investment in the Company for a cash consideration at a premium above the historical market share prices, without incurring any brokerage and other trading costs.

- (ii) The Company's Price-to-NAV⁽¹⁾ multiple implied by the Exit Offer Price exceeds its historical average.

The price-to-NAV multiple as implied by the Exit Offer Price is 1.15 times, which is higher when compared to the historical average for the past one year, up to and including the Last Trading Day.

- (iii) Opportunity for Shareholders who may find it difficult to exit their investment in the Company on-market amidst the low historical trading liquidity of Shares

The historical trading liquidity of the Shares on the SGX-ST has been relatively low. The average daily trading volume of the Shares over the last one-month, three-month, six-month and 12-month periods up to and including the Last Trading Day are detailed in the table below:

	Average Daily Trading Volume ("ADTV")⁽²⁾ (No. of Shares)	ADTV as a percentage of total number of issued Shares⁽³⁾⁽⁴⁾ (%)
One month period up to and including the Last Trading Day	2,078,761	0.085
Three month period up to and including the Last Trading Day	1,204,147	0.050
Six month period up to and including the Last Trading Day	1,583,633	0.065
12 month period up to and including the Last Trading Day	1,864,618	0.077

Notes:

- (1) The NAV calculated is adjusted for the Company's preferred equity, hybrid capital and minority interest as of 30 September 2019.
- (2) The figures set out in the table above are based on data extracted from Bloomberg L.P.. The average daily trading volume is computed based on the total trading volume of the Shares divided by the number of market days with respect to the relevant period immediately prior to and including the Last Trading Day.
- (3) Calculated using the average daily total volume of Shares traded divided by the total number of issued Shares.
- (4) Rounded to the nearest three decimal places.

(c) ***No need for access to capital markets***

The Offeror is of the view that the Company is unlikely to require access to Singapore capital markets to finance its operations in the foreseeable future. Accordingly, it is not necessary for the Company to maintain a listing on the SGX-ST.

(d) ***Compliance costs of maintaining listing***

The Company incurs compliance and associated costs in maintaining its listed status. Delisting will allow the Company to save on expenses relating to the maintenance of a listed status and focus its resources on its business operations.

8. COMPULSORY ACQUISITION

8.1 No Right of Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror receives valid acceptances pursuant to the Exit Offer (or otherwise acquires Shares during the period when the Exit Offer is open for acceptance) in respect of not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or its nominees as at the date of the Exit Offer and excluding any Shares held by the Company as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of the Shareholders who have not accepted the Exit Offer ("**Dissenting Shareholders**") at a price equal to the Exit Offer Price.

In addition, Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at a price equal to the Exit Offer Price in the event that the Offeror, its related corporations or its nominees acquire, pursuant to the Exit

Offer, such number of Shares which, together with the treasury shares and the Shares held by the Offeror, its related corporations or its nominees, comprise 90% or more of the total number of issued Shares.

In view that CRF has undertaken to reject the Exit Offer (if and when made), such rights under Sections 215(1) and (3) of the Companies Act will not arise.

8.2 Offeror's Intentions

The Offeror presently has no intention to introduce any major changes to the business of the Company, or to discontinue the employment of any of the existing employees of the Company or re-deploy any of the fixed assets of the Company, other than in the ordinary course of business. The Offeror however retains the flexibility at any time to consider options or opportunities which may present themselves.

9. RULINGS SOUGHT FROM THE SECURITIES INDUSTRY COUNCIL

An application was made by the Offeror to the SIC to seek clarification regarding the extent to which the provisions of the Code applied to the Exit Offer. The SIC has ruled, inter alia, that:

- (a) the SIC has no objections to the Pre-Condition;
- (b) the SIC has no objections to a period of four calendar months for the satisfaction of the Pre-Condition;
- (c) the Exit Offer is exempted from compliance with the following provisions of the Code:
 - (i) Rule 20.1 to keep offer open for 14 days after it is revised;
 - (ii) Rule 22 on offer timetable;
 - (iii) Rule 28 on acceptances; and
 - (iv) Rule 29 on the right of acceptors to withdraw their acceptances,subject to:
 - (A) Shareholders' Approval being obtained within three months from the date of the Formal Exit Offer Announcement;
 - (B) disclosure in the Delisting Circular of:
 - (1) the consolidated net tangible assets ("NTA") per Share of the Group comprising the Company, its subsidiaries and associated companies based on the published accounts prior to the date of the Delisting Circular; and
 - (2) particulars of all known material changes as of the latest practicable date which may affect the consolidated NTA per Share referred to in subparagraph (1) above or a statement that there are no such known material changes; and
 - (C) the Exit Offer remaining open for at least:
 - (1) 21 days after the date of the despatch of the Exit Offer Letter if the Exit Offer Letter, together with the relevant acceptance form(s), are despatched after Shareholders' Approval has been obtained; or

- (2) 14 days after the date of the announcement of Shareholders' Approval if the Exit Offer Letter, together with the relevant acceptance form(s), are despatched on the same date as the Delisting Circular;
- (d) the financial resources confirmation to be given by CLSA (acting as the financial adviser to the Offeror) pursuant to Rule 3.5 of the Code may exclude the Shares held by the Offeror and CRF as at the date of the Exit Offer; and
- (e) Mr. Hao Weibao, Mr. Wang Song, Dr. Chong Weng Chiew, Mr. Sun Lei and Mr. Bi Jingshuang (collectively, the "**Relevant Directors**") are exempted under Rule 24.1 of the Code from the requirement to make a recommendation to the Shareholders on the Exit Offer as the Relevant Directors, being Directors and parties acting in concert with the Offeror, face irreconcilable conflicts of interest in doing so. Nevertheless, the Relevant Directors must still assume responsibility for the accuracy of the facts stated and opinions expressed in documents or advertisements issued by, or on behalf of, the Company in connection with the Exit Offer.

10. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

10.1 Aggregate Holdings

As at the Pre-Conditional Exit Offer Announcement Date, the Concert Group comprising the persons set out in paragraphs 10.2(a) and 10.2(b) own or control an aggregate of 1,924,497,538 Shares, representing approximately 79.12% of the total number of Shares.

10.2 Holdings of Company Securities

As at the Pre-Conditional Exit Offer Announcement Date, and based on the latest information available to the Offeror, save as disclosed in Annex 1, none of the following:

- (a) the Offeror;
 - (b) its upstream shareholders, wholly owned subsidiaries and directors as well as, CRF and the Founder Shareholders; and
 - (c) CLSA (as financial adviser to the Offeror in connection with the Exit Offer)
- (collectively "**Relevant Persons**"),
- owns, controls or has agreed (other than pursuant to the Irrevocable Undertakings) to acquire any:
- (i) Shares;
 - (ii) securities which carry voting rights in the Company; or
 - (iii) convertible securities, warrants, options or derivatives in respect of the Shares or securities which carry voting rights in the Company,

(collectively "**Company Securities**").

10.3 Dealings in Company Securities

Save as disclosed in Annex 2, none of the Relevant Persons has dealt for value in any Company Securities during the three-month period immediately preceding the Pre-Conditional Exit Offer Announcement Date and up to the Pre-Conditional Exit Offer Announcement Date ("**Reference Period**").

10.4 **Irrevocable Undertakings**

Save for the Irrevocable Undertakings, none of the Relevant Persons has received any irrevocable undertaking from any party to accept or reject the Exit Offer as at the Pre-Conditional Exit Offer Announcement Date.

10.5 **Other Arrangements**

As at the Pre-Conditional Exit Offer Announcement Date and based on the latest information available to the Offeror, save as disclosed in this Joint Announcement, none of the Relevant Persons has:

- (a) entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company which might be material to the Exit Offer, other than the Irrevocable Undertakings;
- (b) granted any security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise;
- (c) borrowed any Company Securities from another person (excluding borrowed Company Securities which have been on-lent or sold); or
- (d) lent any Company Securities to another person.

10.6 **Confidentiality**

In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with the Offeror in connection with the Exit Offer (if and when made). Further enquiries will be made of such persons and the relevant disclosures will be made in due course and in the Exit Offer Letter.

11. **INDEPENDENT FINANCIAL ADVISER**

The Company has appointed Novus Corporate Finance Pte. Ltd. as independent financial adviser ("IFA") to advise the Directors who are considered independent for the purposes of the Delisting Proposal and the Exit Offer ("**Independent Directors**") on the Exit Offer.

12. **OVERSEAS SHAREHOLDERS**

This Joint Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Joint Announcement in any jurisdiction in contravention of applicable law. The Exit Offer (if and when made), will be made solely by the Exit Offer Letter and the relevant forms of acceptance accompanying the same, which will contain the full terms and conditions of the Exit Offer, including details of how it may be accepted. For the avoidance of doubt, the Exit Offer (if and when made) is open to all Shareholders holding Shares, including those to whom the Exit Offer Letter and relevant forms of acceptance may not be sent.

The release, publication or distribution of this Joint Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Joint Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Joint Announcement and any formal documentation relating to the Exit Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Exit Offer would violate the law of that jurisdiction ("**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and

persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Exit Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Exit Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

The ability of Shareholders who are not resident in Singapore to accept the Exit Offer may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in Singapore should inform themselves of, and observe, any applicable requirements.

13. FURTHER INFORMATION

No immediate action is required of Shareholders on their part in respect of the Delisting Proposal and the Exit Offer.

The Delisting Circular will be despatched by the Company to Shareholders in due course. The Delisting Circular shall include, *inter alia*, further information regarding the Delisting Proposal, the terms and conditions of the Exit Offer, the Options Proposal, the advice of the IFA and the recommendation of the Independent Directors regarding the Exit Offer, and a notice of the EGM. The Exit Offer Letter, together with the relevant acceptance form(s), are expected to be despatched by or on behalf of the Offeror to Shareholders on the same day as the Delisting Circular.

14. CAUTIONARY STATEMENT

SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN TRADING IN THE SHARES, AND WHERE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, ACCOUNTANT, SOLICITOR, TAX ADVISER OR OTHER PROFESSIONAL ADVISERS.

15. RESPONSIBILITY STATEMENTS

The directors of the Offeror ("**Offeror Directors**") (including any who may have delegated supervision of this Joint Announcement) have taken all reasonable care to ensure the facts stated and all opinions expressed herein (other than those relating to the Company and any opinion expressed by the Company) are fair and accurate, and where appropriate, no material facts have been omitted, the omission of which would make any statement in this Joint Announcement misleading and they hereby collectively and individually accept full responsibility. Where information in this Joint Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Offeror Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Joint Announcement in its proper form and context.

The Directors (including any who may have delegated supervision of this Joint Announcement) have taken all reasonable care to ensure the facts stated and all opinions expressed herein (other than those relating to the Delisting Proposal, the Offeror and persons acting in concert with it, including the Relevant Persons) are fair and accurate, and where appropriate, no material facts have been omitted, the omission of which would make any statement in this Joint Announcement misleading and they hereby collectively and individually accept full responsibility. Where information in this Joint Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Joint Announcement in its proper form and context.

BY ORDER OF THE BOARD
CITIC ENVIROTECH LTD.

Dr. Chong Weng Chiew
Director

BY ORDER OF THE BOARD
CKM (CAYMAN) COMPANY LIMITED

Mr. Wang Song
Director

6 November 2019

Any enquiries relating to this Joint Announcement or the Exit Offer should be directed during office hours to the CLSA helpline at (65) 6416 7888.

Forward-Looking Statements

All statements other than statements of historical facts included in this Joint Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "shall", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor CLSA undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

Disclosure of Dealings

The associates (as defined under the Code, and which includes all substantial shareholders) of the Company and the Offeror are hereby reminded to disclose their dealings in any securities of the Company in accordance with Rule 12 of the Code.

ANNEX 1

Shareholding Interests of the Relevant Persons as at the Pre-Conditional Exit Offer Announcement Date

	Direct		Deemed	
	Number of Shares	% of total issued Shares ⁽¹⁾	Number of Shares	% of total issued Shares ⁽¹⁾
CKM				
CKM (Cayman) Company Limited ⁽²⁾	-	-	1,370,889,284	56.36%
CITIC Environment (International) Company Limited ⁽³⁾	-	-	1,370,889,284	56.36%
CITIC Environment Investment Group Co., Ltd. ⁽⁴⁾	-	-	1,370,889,284	56.36%
CITIC Corporation Limited ⁽⁴⁾	-	-	1,370,889,284	56.36%
CITIC Limited ⁽⁴⁾	-	-	1,370,889,284	56.36%
CITIC Group Corporation ⁽⁴⁾	-	-	1,370,889,284	56.36%
CENVIT (Cayman) Company Limited	1,370,889,284	56.36%	-	-
CRF Envirotech Co., Ltd.				
CRF Envirotech Co., Ltd.	538,048,010	22.12%	-	-
CRF Envirotech Fund L.P. ⁽⁵⁾	-	-	538,048,010	22.12%
China Reform Conson Soochow Overseas Fund I L.P. ⁽⁶⁾	-	-	538,048,010	22.12%
CRF Envirotech GP Ltd. ⁽⁷⁾	-	-	538,048,010	22.12%
China Reform Puissance Overseas GP L.P. ⁽⁸⁾	-	-	538,048,010	22.12%
China Reform Puissance Overseas Holdings Limited ⁽⁹⁾	-	-	538,048,010	22.12%
China Reform Overseas Feeder GP Ltd. ⁽¹⁰⁾	-	-	538,048,010	22.12%
China Reform Overseas Cayman Company Limited ⁽¹¹⁾	-	-	538,048,010	22.12%
China Reform Fund Management Co., Ltd. ⁽¹²⁾	-	-	538,048,010	22.12%
Golden Bridge Capital Holdings Limited ⁽¹³⁾	-	-	538,048,010	22.12%
Soochow International Capital Limited ⁽¹⁴⁾	-	-	538,048,010	22.12%
Soochow Securities (Hong Kong) Financial Holdings Limited ⁽¹⁵⁾	-	-	538,048,010	22.12%
Soochow Securities Co., Ltd. ⁽¹⁶⁾	-	-	538,048,010	22.12%
Bi Jingshuang ⁽¹⁷⁾	-	-	538,048,010	22.12%
Haitian (HK) Holdings Limited ⁽¹⁸⁾	-	-	538,048,010	22.12%
Qingdao Conson Financial Holdings Co., Ltd. ⁽¹⁹⁾	-	-	538,048,010	22.12%
Qingdao Conson Development (Group) Co., Ltd. ⁽²⁰⁾	-	-	538,048,010	22.12%
SASAC of the Qingdao Municipal Government ⁽²¹⁾	-	-	538,048,010	22.12%
Founder Shareholders				
Dr. Lin Yucheng ⁽²²⁾	-	-	7,010,834	0.29%
Ms. Pan Shuhong ⁽²³⁾	-	-	8,549,410	0.35%

Notes:

- (1) There are 2,432,361,356 issued Shares as at the Pre-Conditional Exit Offer Announcement Date.
- (2) CKM (Cayman) Company Limited is deemed interested in the Shares held by its subsidiaries, CENVIT (Cayman) Company Limited.
- (3) CITIC Environment (International) Company Limited is deemed interested in the Shares held by CKM (Cayman) Company Limited through its controlling interest in CKM (Cayman) Company Limited.
- (4) These companies are deemed interested in the Shares held by CITIC Environment (International) Company Limited through their direct and indirect shareholding interest in CITIC Environment (International) Company Limited.
- (5) CRF Envirotech Fund L.P. is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its holding of two-thirds of the voting power in CRF Envirotech Co., Ltd..
- (6) China Reform Conson Soochow Overseas Fund I L.P. is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its holding of one-third of the voting power in CRF Envirotech Co., Ltd..
- (7) CRF Envirotech GP Ltd. is deemed interested in the Shares held by CRF Envirotech Co., Ltd. as it is the general partner of CRF Envirotech Fund L.P..
- (8) China Reform Puissance Overseas GP L.P. is deemed interested in the Shares held by CRF Envirotech Co., Ltd. as it is the general partner of China Reform Conson Soochow Overseas Fund I L.P. and the parent company of CRF Envirotech GP Ltd..
- (9) China Reform Puissance Overseas Holdings Limited is deemed interested in the Shares held by CRF Envirotech Co., Ltd. as it is the general partner of China Reform Puissance Overseas GP L.P..
- (10) China Reform Overseas Feeder GP Ltd. is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its holding of 25.5% of the voting power in China Reform Puissance Overseas Holdings Limited.
- (11) China Reform Overseas Cayman Company Limited is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its shareholding interest in China Reform Overseas Feeder GP Ltd..
- (12) China Reform Fund Management Co., Ltd. is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its shareholding interest in China Reform Overseas Cayman Company Limited.
- (13) Golden Bridge Capital Holdings Limited is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its holding of 24.5% of the voting power in China Reform Puissance Overseas Holdings Limited.
- (14) Soochow International Capital Limited is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its holding of 22% of the voting power in China Reform Puissance Overseas Holdings Limited.
- (15) Soochow Securities (Hong Kong) Financial Holdings Limited is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its shareholding interest in Soochow International Capital Limited.
- (16) Soochow Securities Co., Ltd is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its shareholding interest in Soochow Securities (Hong Kong) Financial Holdings Limited.
- (17) Bi Jingshuang is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through his shareholding interest in Golden Bridge Capital Holdings Limited.
- (18) Haitian (HK) Holdings Limited is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its holding of 22% of the voting power in China Reform Puissance Overseas Holdings Limited.
- (19) Qingdao Conson Financial Holdings Co., Ltd. is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its shareholding interest in Haitian (HK) Holdings Limited.
- (20) Qingdao Conson Development (Group) Co., Ltd. is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its shareholding interest in Qingdao Conson Financial Holdings Co., Ltd..
- (21) SASAC of the Qingdao Municipal Government is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its shareholding interest in Qingdao Conson Development (Group) Co., Ltd..
- (22) Dr. Lin Yucheng is deemed interested in the Shares held by Green Resources Limited.
- (23) Ms. Pan Shuhong is deemed interested in the Shares held by P&L Capital Limited.

ANNEX 2

Details of Dealings in Shares by the Relevant Persons in the Reference Period

No.	Name	Date	No. of Shares Acquired	No. of Shares Sold	Average Transaction price per Share
1.	CENVIT (Cayman) Company Limited	13 August 2019	66,601,000	-	\$\$0.469
2.	Green Resources Limited	13 August 2019	-	28,560,000	\$\$0.469
3.	P&L Capital Limited	13 August 2019	-	38,041,000	\$\$0.469
4.	Green Resources Limited	30 September 2019	-	200,000	\$\$0.315
5.	Green Resources Limited	1 October 2019	-	253,800	\$\$0.315
6.	Green Resources Limited	2 October 2019	-	48,500	\$\$0.315
7.	Green Resources Limited	3 October 2019	-	1,737,000	\$\$0.298
8.	Green Resources Limited	4 October 2019	-	260,000	\$\$0.293
9.	Green Resources Limited	21 October 2019	-	500,000	\$\$0.300
10.	Green Resources Limited	22 October 2019	-	1,000,000	\$\$0.304
11.	Green Resources Limited	23 October 2019	-	500,000	\$\$0.3075
12.	Green Resources Limited	24 October 2019	-	125,000	\$\$0.322
13.	Green Resources Limited	25 October 2019	-	250,000	\$\$0.330
14.	Green Resources Limited	29 October 2019	-	250,000	\$\$0.345
15.	P&L Capital Limited	1 November 2019	-	2,650,607	\$\$0.373