



**CITIC ENVIROTECH LTD**

***(Company Registration Number: 200306466G)***

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**Reduction of Shareholdings in CITIC Envirotech Water Resource (Siyang) Co. Ltd and CITIC Envirotech Water Resource (Yancheng Dafeng) Co. Ltd, in Jiangsu Province, China**

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The Board of Directors (the “Board”) of CITIC Envirotech Ltd (“Group” or the “Company”) wishes to announce that the Group has reduced its shareholdings in two subsidiaries, CITIC Envirotech Water Resource (Siyang) Co. Ltd (“Siyang Company”) and CITIC Envirotech Water Resource (Yancheng Dafeng) Co. Ltd (“Dafeng Company”), from the current shareholding of 100% to 30%. Both companies are engaged in industrial wastewater treatment business activities in Jiangsu Province.

CEL has sold 70% of its shareholding of Siyang Company and Dafeng Company respectively to Fujian Haixia Environmental Protection Group Co. Ltd (“Fujian Haixia”) for a total consideration of RMB 134 million. The resultant shareholding for CEL after the sale to Fujian Haixia is 30% in each company. The consideration was satisfied in cash and was arrived at after arm’s length negotiation.

Siyang Company has been renamed to Jiangsu Siyang Haixia Environment Co., Ltd and Dafeng Company has been renamed to Jiangsu Haihuan Water Co., Ltd, following the reduction in CEL’s shareholdings in both companies.

As each of the relative figures computed on the applicable bases as set out in Rule 1006 of the Listing Manual of the SGX-ST is less than 5%, the reduction in shareholdings are “Non-Discloseable Transactions” for the purpose of Chapter 10 of the SGX-ST’s Listing Manual.

The above reduction in shareholdings are not expected to have any material impact on the net tangible assets per share or earnings per share of the Company for the financial year ending 31 December 2018.

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

**BY ORDER OF THE BOARD**

Lotus Isabella Lim Mei Hua

Company Secretary

26 June 2018