



CITIC ENVIROTECH LTD
(Company Registration Number: 200306466G)

PROPOSED SHARE SPLIT

1. INTRODUCTION

The directors of CITIC Envirotech Ltd. (the “**Company**”) wish to announce that the Company is proposing to split every one existing ordinary share in its share capital (“**Share**”) into two Shares (“**Share Split**”).

As at the date of this announcement, the Company has an issued and paid-up share capital of S\$542,231,313.50 comprising 1,127,927,588 Shares.

Upon the completion of the Share Split, the number of issued Shares will increase to 2,255,855,176 Shares, assuming that no further Shares are issued on or prior to the completion of the Share Split. All Shares after the Share Split shall rank *pari passu* with one another.

Shareholders of the Company (“**Shareholders**”) are not required to make any payment to the Company in respect of the Share Split.

2. RATIONALE FOR THE SHARE SPLIT

The directors believe that the Share Split will be beneficial to the Company and its Shareholders for the following reasons:

- (a) the reduced price of each Share after the Share Split will make each Share more affordable to investors, thus encouraging greater participation by and providing greater flexibility in terms of the size of the trades to investors with different investment profiles. Furthermore, the reduced price of each board lot of Shares would enhance the trading liquidity of the Shares over time; and
- (b) the number of Shareholders after the Share Split may increase with the increase in the number of Shares available for trading purposes, given that an investment in the Shares would be made more accessible to investors.

Shareholders should note, however, that there can be no assurance that the intended effect of the Share Split above can be achieved, nor is there any assurance that such effect can be sustained in the longer term. Shareholders should also note that there can be no assurance that the price of the Shares after the implementation of the Share Split would be equal to or higher than the theoretical Share price of S\$0.623 subsequent to the implementation of the Share Split (based on the volume weighted average price per Share for trades done on 25 November 2016 of S\$1.245).

3. ADJUSTMENTS

The Company does not have any outstanding or existing warrants or other convertibles, save for the share options (“**Options**”) granted under the Company’s Employee Share Option Scheme as approved by the Shareholders on 2 February 2010 (“**CEL ESOS**”). As at the date of this announcement, there are outstanding Options exercisable into 53,592,500 Shares.

Pursuant to Rule 10 of the rules of the CEL ESOS, in the event of a variation in the issued share capital of the Company by way of, *inter alia*, a subdivision:

- (a) the exercise price of the Shares pursuant to the exercise of the Option; and/or
- (b) the class and/or number of the Shares over which additional Options may be granted to the participants of the CEL ESOS,

shall be adjusted in such manner as the committee administering the CEL ESOS may determine to be appropriate including retrospective adjustments where such variation occurs after the date of exercise of an Option but the date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the auditors of the Company (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

4. APPROVALS REQUIRED

The Share Split is subject to:

- (a) the approval of Shareholders by way of an ordinary resolution at an extraordinary general meeting of the Company (“**EGM**”) to be convened; and
- (b) the approval in-principle of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the listing and quotation of the additional Shares arising from the Share Split (“**Additional Shares**”) on the SGX-ST.

The Company will be making an additional listing application to the SGX-ST in due course for its approval in-principle for the listing and quotation of the Additional Shares.

5. ADDITIONAL INFORMATION

A circular containing further details of the Share Split and the EGM will be despatched to Shareholders in due course.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Share Split, the Company and its subsidiaries, and the directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this 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 announcement in its proper form and context.

BY ORDER OF THE BOARD

Dr Lin Yucheng
Executive Director and Chief Executive Officer
28 November 2016