



CITIC ENVIROTECH LTD

(Company Registration Number: 200306466G)

CLARIFICATION ON THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The Board of Directors (the "Board") of CITIC Envirotech Ltd ("Group" or the "Company") wishes to announce the clarification set out below in respect of the Annual Report of the Company for the financial year ended 31 December 2016.

SGX Query 1

As required under Listing Rule 710, please make disclosures as recommended in the Code of Corporate Governance 2012 (the "Code") or otherwise explain the reason(s) for the deviation from the following Code guidelines:-

- a. With reference to paragraph 11.3 of the Code, it stipulates that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report. The Board's commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems.

Company's response

The Board, with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls and risk management systems are effective and adequate to meet the financial, operational, compliance and information technology risks of the Group in its current business environment.

SGX Query 2

As required under Listing Rule 1207(20) for Annual Reports, please make disclosures to the Use of Proceeds where a status report on the use of IPO proceeds and any proceeds arising from any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with stated use and is in accordance with the percentage allocated in the prospectus or the announcement of the issuer. Where there is any material deviation from the stated use of proceeds, the issuer must announce the reasons for such deviation.

Company's response

The Company's use of IPO proceeds and any proceeds arising from any offerings pursuant to Chapter 8 is in accordance with the stated use and there have not been any deviation in the stated use of proceeds for the financial year ended 31 December 2016.

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company Secretary

12 May 2017