

Pre-Conditional Exit Offer for CITIC Envirotech Ltd.

Investor Presentation

6 November 2019

Disclaimer

Unless otherwise defined herein, all capitalised terms which are used in this presentation shall have the meanings ascribed to them in the pre-conditional offer announcement dated 6 November 2019 (“Pre-Conditional Offer Announcement”). A copy of the Pre-Conditional Offer Announcement is available on <http://www.sgx.com>. This presentation does not capture all the terms of the Pre-Conditional Offer Announcement and shareholders are advised to read this presentation in conjunction with, and in the context of, the full text of the Pre-Conditional Offer Announcement. In the event of any inconsistency or conflict between the terms of the Pre-Conditional Offer Announcement and the information contained in this presentation, the terms of the Pre-conditional Offer Announcement shall prevail.

This presentation may contain 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”, “targets” and similar expressions or future or conditional verbs such as “will”, “would”, “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 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 none of the Offeror and the Financial Adviser undertakes any obligation to update publicly or revise any forward-looking statements.

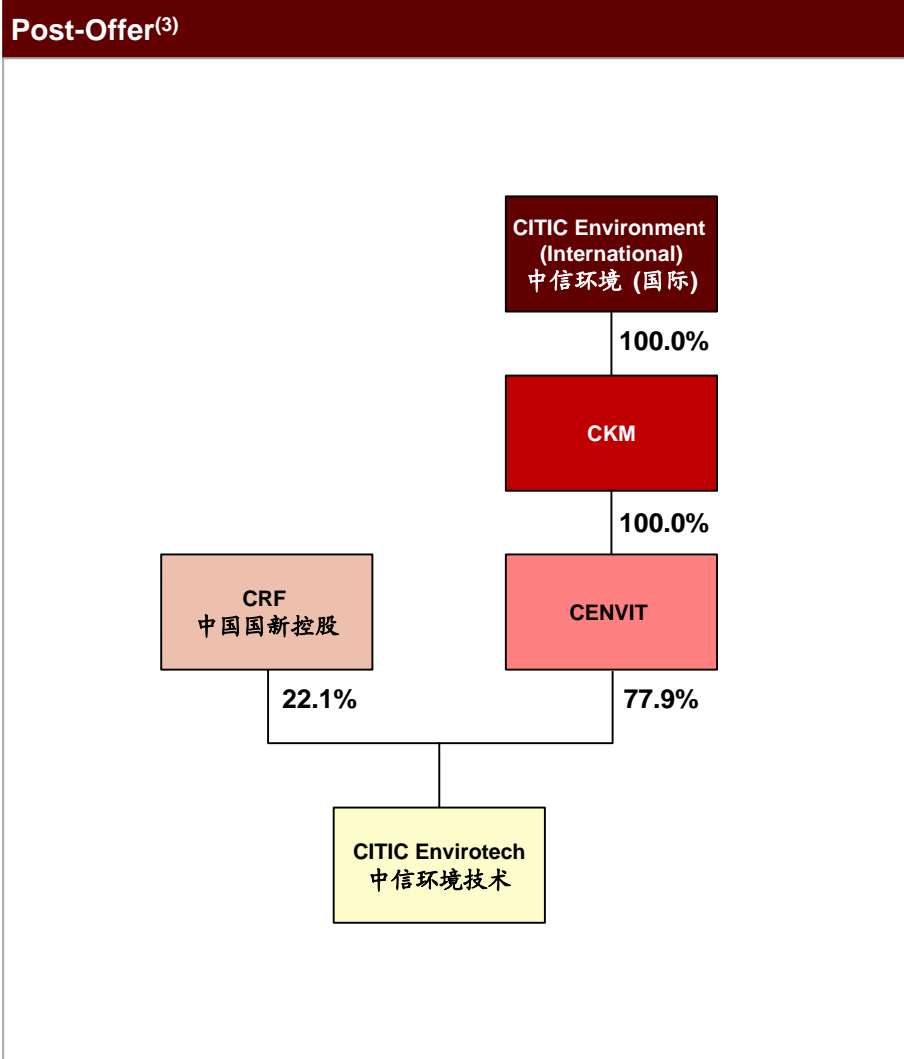
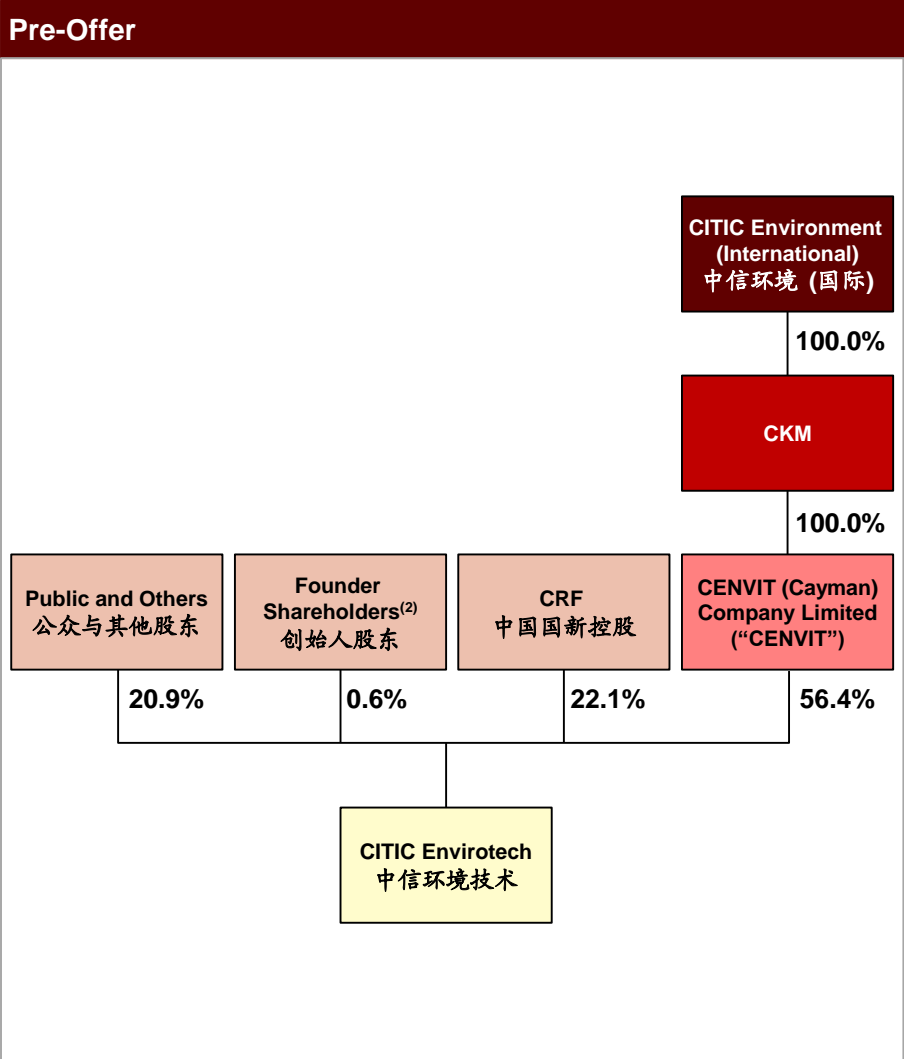
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Overview of the Exit Offer

<p>Transaction</p>	<ul style="list-style-type: none"> ▪ Pre-conditional Exit Offer (“Exit Offer”) by CKM (Cayman) Company Limited (“CKM” or “Offeror”) for CITIC Envirotech Ltd (“CITIC Envirotech”) ▪ Subject to the fulfilment or waiver of the Pre-Condition, CLSA Singapore Pte Ltd will make, for and on behalf of the Offeror, a conditional Exit Offer in cash, to acquire all the issued and paid-up ordinary shares (“Shares”) in CITIC Envirotech ▪ The Offeror 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 ▪ The Offeror and its Concert Group⁽¹⁾ have a deemed interest of 79.1% in CITIC Envirotech
<p>Intentions</p>	<ul style="list-style-type: none"> ▪ 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
<p>Offer Price</p>	<ul style="list-style-type: none"> ▪ Cash offer of S\$0.55 per CITIC Envirotech Share (“Offer Price”)
<p>Irrevocable Undertakings</p>	<ul style="list-style-type: none"> ▪ The Offeror has received irrevocable undertakings from the following Founder Shareholders to accept the Exit Offer (if and when made) in respect of an aggregate 15,560,244 Shares (comprising 0.6% of the entire issued shares): <ol style="list-style-type: none"> 1. Dr. Lin Yucheng in respect of 7,010,834 Shares; and 2. Ms. Pan Shuhong in respect of 8,549,410 Shares, such undertakings being valid for the period until the earlier of lapse or close of the Exit Offer ▪ The Offeror has received an irrevocable undertaking from CRF Envirotech Co., Ltd (“CRF”) to reject the Exit Offer (if and when made) in respect of 538,048,010 Shares (comprising 22.1% of the entire issued Shares), such undertakings being valid for the period until the earlier of lapse or close of the Exit Offer or (unless approved by CRF) material revision or amendment in the terms of the Exit Offer
<p>Pre-requisites</p>	<ul style="list-style-type: none"> ▪ 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 within four calendar months of this Joint Announcement, or such Pre-Condition being waived by the Offeror ▪ Condition: The Exit Offer and delisting are conditional on Shareholders’ Approval being obtained

Note (1): Concert parties include the Offeror, their respective upstream shareholders, wholly owned subsidiaries and directors as well as, CRF, Dr. Lin Yucheng and Ms. Pan Shuhong

Potential Pro forma Shareholding Structure of CITIC Envirotech⁽¹⁾



Note (1): The figures do not factor in the potential dilutive effect of options. As at the date of the Pre-Conditional Exit Offer Announcement, there were 7,857,200 options outstanding
 (2): Founder Shareholders refer to Dr. Lin Yucheng and Ms. Pan Shuhong
 (3): Assuming all shareholders other than CENVIT and CRF accept the Exit Offer

Rationale for the Exit Offer

1

To Further Drive the Growth of CITIC Envirotech's Business

- ✓ The successful delisting of CITIC Envirotech will enable, amongst others, the Offeror together with the management 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 CITIC Envirotech

2

Opportunity for Minority Shareholders to Realise their Investment at an Attractive Premium

- ✓ The Exit Offer price is at an attractive premium to the prevailing share prices in the last 12 months, representing a premium of approximately 68.5% over the 3-month VWAP S\$0.326
- ✓ The Exit Offer Price provides 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
- ✓ CITIC Envirotech's Price-to-NAV multiple of 1.15 times implied by the Exit Offer Price exceeds its 1-year historical average
- ✓ 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

3

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

- ✓ Average Daily Trading Volume as a % of total number of issued Shares was 0.077% for the 12 month period up to and including the Last Trading Day on 1 November 2019

4

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

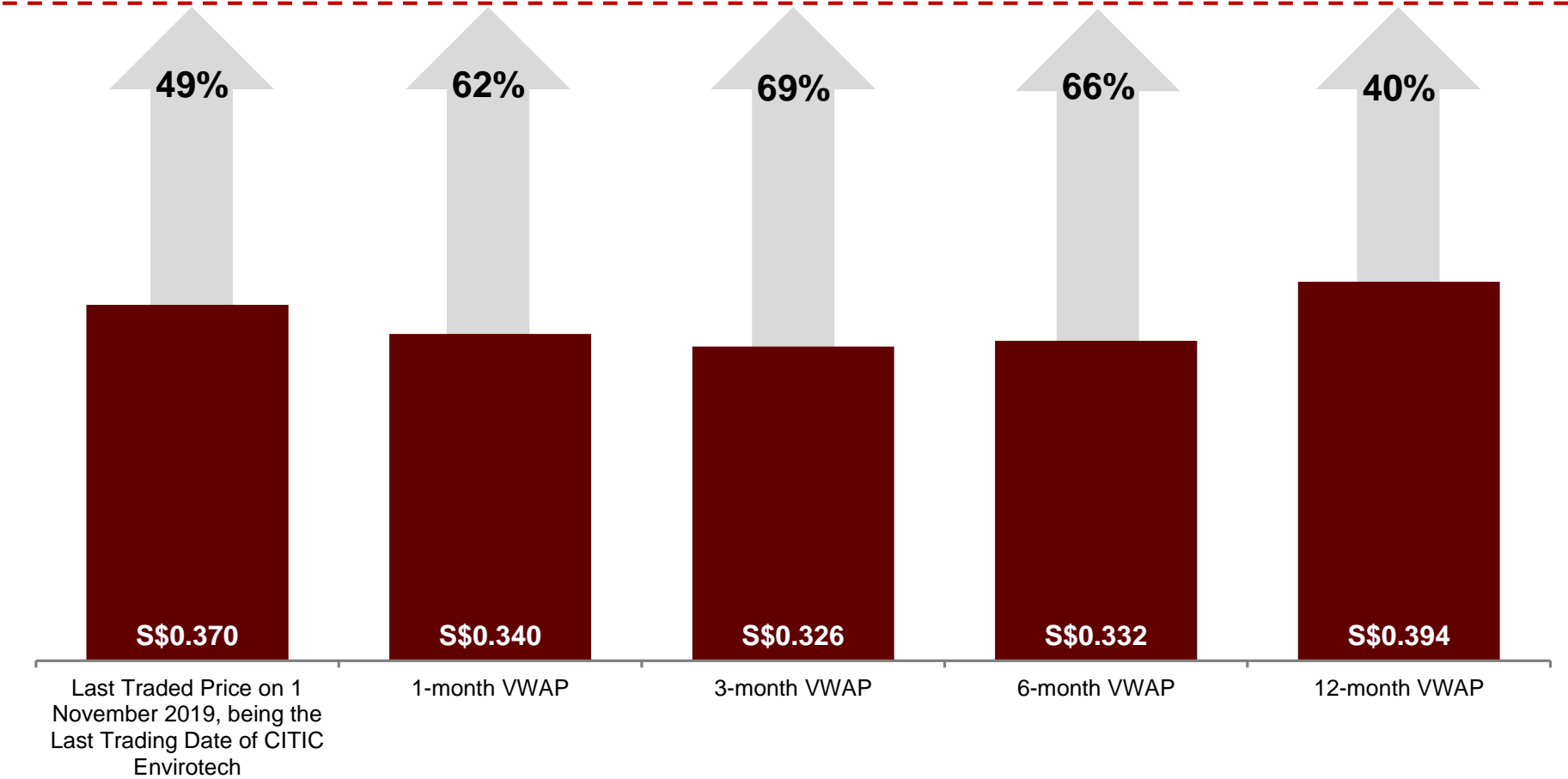
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Compliance Costs of Maintaining Listing

- ✓ 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

Exit Offer Price Analysis – Attractive Premium to Historical Prices

Offer Price: S\$0.55 per CITIC Envirotech Share



Source: Bloomberg as at 1 November 2019

Indicative Timeline of the Exit Offer

Key milestones assuming the Pre-Condition is fulfilled within 7 weeks of Announcement of the Pre-Conditional Exit Offer

Key Dates

6 November 2019 (“A”)

- Pre-Conditional Exit Offer Announcement

A + 7 Weeks

Est. Week of 23 December 2019

- Estimated receipt of necessary approvals to fulfill the pre-condition

A + 10 Weeks

Week of 13 January 2020

- Earliest possible close of Exit Offer



A + 5 Weeks

Week of 9 December 2019

- Dispatch of Delisting Circular (with IFA’s opinion) and Exit Offer Document

A + 8 Weeks

Est. Week of 30 December 2019

- Estimated EGM Date

Responsibility Statement

- The directors of the Offeror (including any director who may have delegated detailed supervision of this Presentation) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Presentation are fair and accurate and that there are no other material facts not contained in this Presentation, the omission of which would make any statement in this Presentation misleading.
- Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from CITIC Envirotech, the sole responsibility of the directors of the Offeror has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Presentation.
- The directors of the Offeror jointly and severally accept responsibility accordingly.

Enquiries

Enquiries relating to the Exit Offer should be directed to:

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Thank You