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CITIC Limited
中國中信股份有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00267)

OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is issued pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited)

The following document is released by United Envirotech Ltd. (a subsidiary of CITIC Limited) to Singapore Exchange Limited on 8 April 2015:-

General Announcement - United Envirotech Ltd Secures RMB 800 million TOT cum BOT Projects in Gaoyang County, Hebei

Hong Kong, 8 April 2015

As at the date of this announcement, the executive directors of CITIC Limited are Mr Chang Zhenming (Chairman), Mr Wang Jiong, Mr Dou Jianzhong and Mr Zhang Jijing; the non-executive directors of CITIC Limited are Mr Yu Zhensheng, Mr Yang Jinming, Ms Cao Pu, Mr Liu Yeqiao and Mr Liu Zhongyuan; and the independent non-executive directors of CITIC Limited are Mr Alexander Reid Hamilton, Mr Francis Siu Wai Keung, Dr Xu Jinwu, Mr Anthony Francis Neoh and Ms Lee Boo Jin.

United Envirotech Ltd Secures RMB 800 million TOT cum BOT Projects in Gaoyang County, Hebei Province, PRC

1. INTRODUCTION

- 1.1 The Board of Directors (the "**Directors**") of United Envirotech Ltd (the "**Company**") wishes to announce that the Company has entered into a share transfer agreement (the "**Share Transfer Agreement**") with the shareholders of Bishui Lantian Co. Ltd ("**BSLT**") in relation to the acquisition (the "**Acquisition**") of the total issued share capital in BSLT.

2. INFORMATION ON ACQUISITION OF BSLT

- 2.1 BSLT is located in Gaoyang County, Hebei Province, People's Republic of China ("**China**"). Gaoyang County is a major textile centre of China. Among others, its production of towels, blankets and wool yarn accounts for about 1/3 of the total output of these products in China.
- 2.2 BSLT currently owns a wastewater treatment plant ("**WWTP**") with a capacity of 200,000 m3/day (Phase 1 capacity is 80,000 m3/day, and Phase 2 capacity is 120,000m3/day and a recycling plant with a capacity of 20,000m3/day (to be expanded to 40,000 m3/day + 40,000 m3/day). BSLT has also received approval and has acquired the land for a new 60,000 m3/day wastewater treatment plant (Phase 3).
- 2.3 The Acquisition will allow the Company to own the existing Phase 1 and Phase 2 WWTP and the recycling plant, the "TOT" (Transfer-Operate-Transfer) project, as well as to secure the right to develop the Phase 3 WWTP and undertake the expansion of recycling plant, the "BOT" (Build-Operate-Transfer) project.

3. CONSIDERATION

- 3.1 Pursuant to the Share Transfer Agreement, the consideration for the Acquisition shall be RMB**500.0 million** (approximately S\$111.1 million) (the "**Consideration**") for the acquisition of the existing Phase 1 and Phase 2 WWTP and recycling plant.
- 3.2 The Consideration was arrived at on a willing buyer-willing seller basis after negotiations between the parties and is based on the net profit attributable to the WWTP.
- 3.3 Based on the audited financial statements of BSLT for the 12 months ended 31 December 2014, the net tangible asset value ("**NTA**") is approximately RMB434.2 million (approximately S\$96.5 million).
- 3.4 Based on the audited financial statements of BSLT for the 12 months ended 31 December 2014, the net profits is approximately RMB 21.5 million (approximately S\$4.8 million).

4. **RATIONALE**

The Company is undertaking the Acquisition for the following reasons:

- (a) the acquisition of BLST will add 200,000 m³/day of industrial wastewater treatment capacity and 20,000 m³/day of recycled water to UEL's existing plant portfolio, which constitutes a significant increase;
- (b) the Phase 1 and Phase 2 treatment plants are currently operating at nearly full capacity;
- (c) the acquisition will give the Company and its subsidiaries ("**Group**") the right to develop Phase 3 WWTP, which involves the construction of a 60,000 m³/day WWTP using UEL's Membrane Bioreactor (MBR) technology and the construction of a 40,000 m³/day recycling plant using UEL's double membrane technology of Continuous Membrane Filtration (CMF) and Reverse Osmosis (RO) technologies. The total investment for this BOT project is estimated to be RMB 300 million; and
- (d) Gaoyang County is a major textile centre of Northern China. The Company will use this project as a springboard to penetrate the wastewater treatment market in Hebei region and any growth in demand for the wastewater treatment services and supply of recycled water.

5. **SOURCE OF FUNDS**

The Consideration will be funded by a combination of internal resource, bank financing and proceeds from the Company's Medium Term Note program.

6. **RELATIVE FIGURES OF THE PROPOSED ACQUISITION UNDER CHAPTER 10 OF THE LISTING MANUAL**

The relative figures that were computed on the bases set out in Rule 1006 of the Listing Manual (the "**Listing Manual**") of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") are as follows:

Listing Rule	Percentage
(a) <u>Listing Rule 1006(a)</u>	
The Acquisition is not a disposal of assets.	Not applicable
(b) <u>Listing Rule 1006(b)</u>	
The net profits attributable to BSLT for the 12 months ended 31 December 2014 of approximately RMB21.5 million (approximately S\$4.8 million based on the Exchange Rate) compared to the net profit of the Group for the 12 months ended 31 March 2014.	15.3%

(c) Listing Rule 1006(c)

The Consideration of RMB500.0 million (approximately S\$111.1 million based on the Exchange Rate) compared to the Company's market capitalisation of approximately S\$1,586.4 million as at 8 April 2015. 7.0%

The Group's market capitalisation of approximately S\$1,586.4 million was calculated based on 963,361,368 shares in issue (excluding treasury shares) and the volume-weighted average price of S\$1.6467 per share on 8 April 2015.

(d) Listing Rule 1006(d)

There are no shares to be issued by the Company pursuant to the Acquisition Not applicable

Note:

- (1) Under Rule 1002(3)(b) of the Listing Manual, "net profits" means profit or loss before income tax, minority interests and extraordinary items.

Accordingly, the Acquisition is a discloseable transaction under Chapter 10 of the Listing Manual as the relative figure as computed under Rule 1006 exceeds 5% but does not exceed 20%.

7. FINANCIAL EFFECTS OF THE ACQUISITION

The financial effects of the Proposed Acquisition based on the audited financial statements of the Group for the financial year ended 31 March 2014 ("**FY2014**"), are set out below:

(a) Effect on NTA per share

The financial effects of the Proposed Acquisition on the NTA per share of the Company assuming that the Acquisition was completed at the end of FY2014, are as follows:

As at 31 March 2014 (Audited)	
NTA (S\$'000)	317,818
Estimated increase / decrease in NTA as a result of the Acquisition	303,195
Total number of shares in the Company's issued share capital as at the end of FY2014 (excluding treasury shares) ('000)	594,132
NTA per share before the Acquisition (cents)	53.5
NTA per share after the Acquisition (cents)	51.0

(b) Effect on EPS

The financial effects of the Acquisition on the earnings per share ("**EPS**") of the Company, assuming that the Acquisition was completed at the beginning of FY2014, are as follows:

	FY2014
Earnings attributable to Shareholders (S\$ '000)	21,010
Estimated increase / decrease in earnings attributable to Shareholders as a result of the Acquisition	25,796
Total number of shares in the Company's issued share capital as at the end of FY2014 (excluding treasury shares) ('000)	594,132
EPS before the Acquisition (cents)	3.54
EPS after the Acquisition (cents)	4.34

Note:

- (1) EPS is computed based on total number of shares in the Company's issued share capital as at the end of FY2014 (excluding treasury shares).

Exchange rate used in this announcement is S\$1 = RMB4.5

8. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and controlling Shareholders has any interest, direct and indirect (other than through their shareholdings in the Company) in the Acquisition. There are no Directors who are proposed to be appointed to the Company in connection with the Acquisition.

9. DOCUMENT FOR INSPECTION

The Share Transfer Agreement is available for inspection during normal business hours at the registered office of the Company at 80 Robinson Road #02-00, Singapore 068898 for a period of three months from the date of this Announcement.

10. Directors' Responsibility Statement

The Directors (including any who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and that, where appropriate, no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement.

BY ORDER OF THE BOARD

Dr Lin Yucheng
Chairman and Chief Executive Officer
8 April 2015