



**CITIC ENVIROTECH LTD**

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

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**DISCLOSURE PURSUANT TO CHAPTER 9 (INTERESTED PERSON TRANSACTIONS)  
OF THE LISTING MANUAL  
- GRANT OF LOAN FACILITIES BY CITIC FINANCE COMPANY LIMITED**

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**1. INTRODUCTION**

This announcement is made by the Board of Directors of CITIC Envirotech Ltd ("**Company**", and together with its subsidiaries, "**Group**") in accordance with Rule 905 of the Listing Manual of the Singapore Exchange Trading and Securities Limited ("**Listing Manual**") in relation to the grant of loan facilities by CITIC Finance Company Limited (中信财务有限公司) ("**Lender**") to the following Group subsidiaries (collectively "**Borrowers**"), namely:

- (a) Weifang Bofa Water Treatment Co., Ltd (潍坊渤发水处理有限公司) ("**Weifang Bofa**");
- (b) CITIC Envirotech (Guangzhou) Co., Ltd (中信环境技术(广州)有限公司) ("**CE Guangzhou**");
- (c) Weifang United Envirotech Environmental Sci-Tech Co., Ltd (潍坊联合环境环保科技有限公司) ("**Weifang United**");
- (d) CITIC Environmental Water (Xinji) Co., Ltd. (中信环境水务(辛集)有限公司) ("**CE Xinji**");
- (e) Sichuan Zhongyu Environment Management Co., Ltd (四川中喻环境治理有限公司) ("**Sichuan Zhongyu**"); and
- (f) CITIC Envirotech (Tianjin) Co., Ltd (中信环境技术(天津)有限公司) ("**CE Tianjin**").

The facilities are guaranteed by the Company and another Group company, CITIC Envirotech Investment (China) Co. Ltd. (中信环境技术投资(中国)有限公司). No security over assets is required to be provided by the Group.

The Lender is a subsidiary of CITIC Limited, which is in turn controlled by CITIC Group Corporation Ltd ("**CITIC Group**"). CITIC Group is also a controlling shareholder (as defined in the Fourth Schedule to the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 and the Listing Manual) of the Company and as at the date of this announcement has an indirect interest in 1,437,493,128 ordinary shares in the capital of the Company representing approximately 60.55% of the entire issued share capital of the Company (excluding treasury shares).

## **2. LOAN FACILITIES**

Under the loan facilities, the Lender has to-date disbursed an aggregate RMB725 million, comprising: (a) RMB100 million to Weifang Bofa; (b) RMB300 million to CE Guangzhou; (c) RMB150 million to Weifang United; and (d) RMB175 million to CE Xinji, at interest rates ranging from 4.5125% to 4.9% per annum, and with tenures of between 2 years to 8 years. Assuming these loans are repaid in accordance with their repayment schedules, the aggregate interest payable by the Group is estimated to be approximately RMB129 million.

The Lender has also committed to extend a further aggregate RMB1,297 million for a 3-year tenure, comprising (a) RMB500 million to CE Guangzhou; (b) RMB400 million to Sichuan Zhongyu; (c) RMB200 million to CE Tianjin; and (d) RMB197 million to a Group company to be identified, based on interest rates of 105% above the benchmark lending rate announced by the People's Bank of China for deposits as at the relevant dates of disbursement. Assuming these loans are also disbursed in due course at an interest rate of 4.9875% per annum and subsequently repaid in accordance with their repayment schedules, the additional aggregate interest payable by the Group will be approximately RMB194 million.

The terms of the loan facilities were negotiated and agreed upon by the parties on an arm's length basis

## **3. USE OF PROCEEDS**

The proceeds from the loan facilities are principally to be applied for the Borrowers' general working capital purposes (including acquisitions in the ordinary course of business).

The Borrowers are entitled to prepay outstanding amounts under the loan facilities, subject to the terms therein and advance written notification of not less than five (5) business days being given to the Lender.

## **4. RATIONALE AND BENEFIT**

The loan facilities allow the Borrowers to obtain financing at commercially competitive interest rates to supplement its cash resources without having to furnish security to third-party financial institutions, which allows the Group to retain the flexibility to conduct its business and operations.

## **5. INTERESTED PERSON TRANSACTIONS**

The Lender is an "interested person" for the purposes of Chapter 9 of the Listing Manual.

The maximum amount at risk to the Group in this case is the aggregate interest payable under the loan facilities. Assuming the facilities are entirely drawn down, the aggregate interest payable by the Group for the loan facilities for the entire tenure would be RMB323 million (approximately S\$68.1 million, based on the exchange rate of S\$1.00: RMB 4.74 as at the date of this announcement). This represents approximately 4.3% of the Group's latest audited consolidated net tangible assets as at 31 December 2017 of S\$1,585.75 million.

As such, the value of the aforesaid interested person transaction exceeds 3% but does not exceed 5% of the Group's latest audited consolidated net tangible assets, and is not subject to

shareholders' approval.

For the current financial period from 1 January 2018 up to the date of this announcement, save for the loan facilities, there are no other interested person transactions (excluding transactions below S\$100,000) entered into by the Group with its interested persons.

**6. AUDIT AND RISK MANAGEMENT COMMITTEE STATEMENT**

The Audit Committee of the Company (currently comprising Mr Yeung Koon Sang, Mr Tay Beng Chuan, Mr Lee Suan Hiang and Mr Bi Jingshuang), is of the view that the loan facilities have been made on normal commercial terms, and is not prejudicial to the interests of the Company and its minority shareholders.

**7. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Mr Hao Weibao, the Executive Chairman of the Company, is the President and Vice Chairman of CITIC Environment Investment Group Co., Ltd.

Mr Zhang Yong, an Executive Director of the Company, is the Chief Financial Officer of CITIC Environment Investment Group Co., Ltd.

Mr Wang Song, an Executive Director of the Company, is the Assistant President of CITIC Environment Investment Group Co., Ltd.

Save as disclosed herein, none of the Directors or controlling shareholders of the Company and their associates has any interest, direct or indirect, in the loan facilities, other than through their respective shareholdings in the Company.

**BY ORDER OF THE BOARD**

Lotus Isabella Lim Mei Hua  
Company Secretary  
10 May 2018