

**OFFER DOCUMENT DATED 19 MARCH 2015**

**THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

If you are in any doubt about the Offer (as defined herein) or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Rothschild (Singapore) Limited ("**Rothschild**") is acting for and on behalf of CKM (Cayman) Company Limited (the "**Offeror**") and does not purport to advise the shareholders of United Envirotech Ltd. ("**UEL**" or the "**Company**") and/or any other person.

**The views of the directors of UEL who are considered independent for the purposes of the Offer and the IFA (as defined herein) on the Offer will be made available to you in due course by UEL. You may wish to consider their views before taking any action in relation to the Offer.**

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offer Document (as defined herein).

If you have sold or transferred all your issued and fully paid-up ordinary shares in the capital of UEL ("**UEL Shares**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Offer Document and the accompanying Form of Acceptance and Authorisation for Offer Shares ("**FAA**") to the purchaser or transferee as arrangements will be made by CDP for a separate Offer Document and the FAA to be sent to the purchaser or transferee. If you have sold or transferred all your UEL Shares which are not held through CDP, you should immediately hand this Offer Document and the accompanying Form of Acceptance and Transfer for Offer Shares ("**FAT**") to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

**VOLUNTARY CONDITIONAL CASH OFFER**

by



**ROTHSCHILD (SINGAPORE) LIMITED**

(Company Registration No.: 197301242C)  
(Incorporated in the Republic of Singapore)

for and on behalf of

**CKM (CAYMAN) COMPANY LIMITED**

(Company Registration No.: MC-292230)  
(Incorporated in the Cayman Islands)

to acquire all the issued and paid-up ordinary shares in the capital of

**UNITED ENVIROTECH LTD.**

(Company Registration No. 200306466G)  
(Incorporated in the Republic of Singapore)

other than those already owned, controlled or agreed to be acquired by the Offeror

**ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT 5.30 P.M. (SINGAPORE TIME) ON 16 APRIL 2015 (THE "CLOSING DATE").**

**THE OFFEROR DOES NOT INTEND TO EXTEND THE OFFER BEYOND 5.30 P.M. (SINGAPORE TIME) ON THE CLOSING DATE. ACCORDINGLY, NOTICE IS HEREBY GIVEN THAT THE OFFER WILL NOT BE OPEN FOR ACCEPTANCE BEYOND 5.30 P.M. (SINGAPORE TIME) ON THE CLOSING DATE.**

The procedures for acceptance of the Offer are set out in Appendix 2 to this Offer Document and in the accompanying FAA and/or FAT (as applicable).

## CONTENTS

	Pages
DEFINITIONS.....	3
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS.....	13
1. INTRODUCTION.....	14
2. THE PROPOSED TRANSACTION .....	14
3. THE OFFER.....	16
4. THE CONVERTIBLE BONDS OFFER.....	17
5. IRREVOCABLE UNDERTAKINGS.....	19
6. FURTHER DETAILS OF THE OFFER.....	20
7. PROCEDURES FOR ACCEPTANCE.....	20
8. INFORMATION ON THE OFFEROR, ITS CONCERT PARTIES AND THE CONSORTIUM ARRANGEMENTS.....	20
9. INFORMATION ON THE COMPANY.....	27
10. RATIONALE FOR THE PROPOSED TRANSACTION.....	28
11. THE OFFEROR'S INTENTIONS RELATING TO UEL .....	29
12. LISTING STATUS OF THE COMPANY .....	29
13. COMPULSORY ACQUISITION .....	30
14. FINANCIAL ASPECTS OF THE OFFER.....	30
15. DISCLOSURES OF HOLDINGS AND DEALINGS.....	31
16. CONFIRMATION OF FINANCIAL RESOURCES .....	32
17. OVERSEAS SHAREHOLDERS .....	32
18. INFORMATION PERTAINING TO CPFIS INVESTORS .....	33
19. GENERAL.....	33
20. RESPONSIBILITY STATEMENT.....	34
APPENDIX 1 DETAILS OF THE OFFER.....	35
APPENDIX 2 PROCEDURES FOR ACCEPTANCE OF THE OFFER.....	38
APPENDIX 3 ADDITIONAL INFORMATION ON THE OFFEROR.....	43
APPENDIX 4 ADDITIONAL INFORMATION ON CITIC LIMITED .....	44
APPENDIX 5 ADDITIONAL INFORMATION ON UEL.....	49
APPENDIX 6 DISCLOSURE OF HOLDINGS AND DEALINGS.....	52
APPENDIX 7 ADDITIONAL GENERAL INFORMATION.....	56

## DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Offer Document and the Acceptance Forms:

<i>“Accelerated Exercise Period”</i>	:	Has the meaning ascribed to it in paragraph 3 of Appendix 5 to this Offer Document
<i>“Acceptance Forms”</i>	:	The FAA and the FAT collectively or any one of them, as the case may be
<i>“Acquisition”</i>	:	Has the meaning ascribed to it in paragraph 3 of Appendix 4 to this Offer Document
<i>“ACRA”</i>	:	The Accounting and Corporate Regulatory Authority of Singapore
<i>“Amendment Date”</i>	:	14 February 2013, being the date on which the UEL Scheme was amended
<i>“Bonds FAT”</i>	:	Form of Acceptance and Transfer in respect of the Convertible Bonds Offer, which forms part of the Bonds Offer Letter and which is issued to KKRCW whose Convertible Bonds are not deposited with CDP
<i>“Bonds Offer Letter”</i>	:	The formal offer letter containing the terms and conditions of the Convertible Bonds Offer to KKRCW as the CB Holder
<i>“Bonds Record Date”</i>	:	In relation to any Distribution in respect of the Convertible Bonds, the date on which the CB Holder must be registered with the Company in order to participate in such Distribution
<i>“Business Day”</i>	:	Any day other than a Saturday, Sunday or other day on which commercial banks in the PRC, Singapore, Hong Kong or New York are required or authorised by law or executive order to be closed
<i>“CAGR”</i>	:	Compounded annual growth rate
<i>“CB Holder”</i>	:	KKRCW, as the sole holder of the Convertible Bonds
<i>“CB Settlement Date”</i>	:	Has the meaning ascribed to it in Section 4.2(c)(ii) of the Offer Document
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“CITIC Circular”</i>	:	Has the meaning ascribed to it in paragraph 3 of Appendix 4 to this Offer Document
<i>“CITIC Environment”</i>	:	CITIC Environment (International) Company Limited
<i>“CITIC EP”</i>	:	CITIC Environment Protection Co. Ltd.
<i>“CITIC Limited”</i>	:	CITIC Limited, a company listed on the Stock Exchange of Hong Kong

<i>“CITIC Loan”</i>	:	The loan in the aggregate amount of up to S\$1,266,000,000.00 granted by CITIC Environment to the Offeror in connection with the Proposed Transaction on and subject to the terms set out in the CITIC Loan Agreement
<i>“CITIC Loan Agreement”</i>	:	The loan agreement entered into between the Offeror (as borrower) and CITIC Environment (as lender) on the Signing Date in relation to the CITIC Loan
<i>“CITIC Loan Capitalisation”</i>	:	The capitalisation by CITIC Environment of that portion of the CITIC Loan actually drawn down by the Offeror (and utilised by the Offeror in connection with the Proposed Transaction) into new Offeror Shares allotted and issued to CITIC Environment at the Offeror Share Issue Price, on and subject to the terms set out in the CITIC Subscription Agreement
<i>“CITIC Offeror Sub”</i>	:	CENVIT (Cayman) Company Limited
<i>“CITIC Subscription Agreement”</i>	:	The subscription agreement entered into between CITIC Environment and the Offeror on the Signing Date
<i>“Closing Date”</i>	:	<b>5.30 p.m. (Singapore time) on 16 April 2015</b> , being the last day for the lodgement of acceptances of the Offer and the Convertible Bonds Offer
<i>“Code”</i>	:	The Singapore Code on Take-overs and Mergers
<i>“Companies Act”</i>	:	The Companies Act, Chapter 50 of Singapore
<i>“Company Securities”</i>	:	(a) UEL Shares; (b) Convertible Bonds; (c) Options; (d) other securities which carry voting rights in the Company; or (e) other convertible securities, warrants, options or derivatives in respect of UEL Shares or securities which carry voting rights in the Company
<i>“Concert Parties”</i>	:	Parties acting in concert with the Offeror in connection with the Offer
<i>“Consortium Agreement”</i>	:	The agreement entered into between KKRCW, CITIC Environment, the Key Management Shareholders, CITIC EP and the Offeror on the Signing Date, to govern the relationship of KKRCW, CITIC Environment and the Key Management Shareholders as shareholders of the Offeror
<i>“Conversion Ratio”</i>	:	Has the meaning ascribed to it in Section 4.2(b) of this Offer Document
<i>“Convertible Bonds”</i>	:	The aggregate outstanding principal amount of US\$44.0 million convertible bonds due 2016 held by KKRCW as the CB Holder
<i>“Convertible Bonds Interest Payments”</i>	:	Has the meaning ascribed to it in Section 4.2(c)(ii) of this Offer Document

<i>“Convertible Bonds Offer”</i>	:	The voluntary conditional cash offer by Rothschild, for and on behalf of the Offeror, to acquire the Convertible Bonds on the terms and subject to the conditions set out in the Bonds Offer Letter and the Bonds FAT
<i>“Convertible Bonds Offer Price”</i>	:	The offer price for each in principal amount of the Offer Convertible Bonds validly tendered in acceptance of the Convertible Bonds Offer, as specified in Section 4.2(b) of this Offer Document
<i>“CPF”</i>	:	Central Provident Fund
<i>“CPF Agent Banks”</i>	:	Agent banks included under the CPFIS
<i>“CPFIS”</i>	:	Central Provident Fund Investment Scheme
<i>“CPFIS Investors”</i>	:	Investors who have purchased UEL Shares using their CPF contributions pursuant to the CPFIS
<i>“Date of Receipt”</i>	:	The date of receipt of the relevant Acceptance Form by CDP or the Registrar (as the case may be) on behalf of the Offeror
<i>“Despatch Date”</i>	:	19 March 2015, being the date of despatch of this Offer Document
<i>“Directors”</i>	:	Directors of the Offeror as at the Latest Practicable Date
<i>“Distributions”</i>	:	Any dividends, rights and other distributions declared, paid or made by the Company (and return of capital (if any)) in respect of UEL Shares, or Convertible Bonds, as the case may be
<i>“Electronic Acceptance”</i>	:	The SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents
<i>“Encumbrances”</i>	:	Any claims, charges, mortgages, securities, liens, options, equities, powers of sale, hypothecation or other third party rights, retention of title, rights of pre-emption, rights of first refusal or security interests of any kind or any agreements, arrangements or obligations to create any of the foregoing
<i>“Excluded New UEL Shares”</i>	:	Has the meaning ascribed to it in Section 3.6 of this Offer Document
<i>“Extended Accelerated Exercise Period”</i>	:	Has the meaning ascribed to it in paragraph 3 of Appendix 5 to this Offer Document
<i>“FAA”</i>	:	Form of Acceptance and Authorisation for Offer Shares, which forms part of this Offer Document and which is issued to Shareholders whose Offer Shares are deposited with CDP
<i>“FAT”</i>	:	Form of Acceptance and Transfer for Offer Shares, which forms part of this Offer Document and which is issued to Shareholders whose Offer Shares are not deposited with CDP

<i>“Five-Year Plan”</i>	:	Has the meaning ascribed to it in Section 10.1(a) of this Offer Document
<i>“IFA”</i>	:	Ernst & Young Corporate Finance Pte Ltd, the independent financial adviser to the directors of the Company who are considered independent for the purposes of the Offer
<i>“in scrip form”</i>	:	Has the meaning ascribed to it in paragraph 2.1 of Appendix 2 to this Offer Document
<i>“Independent Shareholders”</i>	:	Means the following Shareholders and such number of UEL Shares in respect of which they have provided an Irrevocable Undertaking to the Offeror: (a) Mr Pang Lim, 22,546,000 UEL Shares; (b) Mr Zhuo Jing Ming, 6,000,000 UEL Shares; (c) Mr Tan Choon Wann, 4,000,000 UEL Shares; (d) Mr Yeo Chung Sun, 4,000,000 UEL Shares; (e) Mr Zheng He Peng, 3,000,000 UEL Shares; (f) Mr Paul Leong Kah Fook, 2,900,000 UEL Shares; (g) Mr Tan Swee Peng, 2,700,000 UEL Shares; (h) Mr Gregory Leong Goh Han, 2,205,000 UEL Shares; and (i) Mr Tay Siak Chwee, 915,000 UEL Shares
<i>“Inter-Consortium Members Transfers”</i>	:	Has the meaning ascribed to it in Section 8.5(e) of this Offer Document
<i>“Irrevocable Undertakings”</i>	:	Has the meaning ascribed to it in Section 5.1 of this Offer Document
<i>“Joyfield”</i>	:	Joyfield Group Limited, an affiliate of the UEL CIO
<i>“Key Management Shareholder Subscription Agreements”</i>	:	The Lin Subscription Agreement and the Pan Subscription Agreement
<i>“Key Management Shareholder’s Put Option”</i>	:	Has the meaning ascribed to it in Section 8.7(ii) of this Offer Document
<i>“Key Management Shareholders”</i>	:	The UEL CEO and the UEL CIO
<i>“Key Management Shareholders’ Agreements”</i>	:	The Key Management Shareholder Subscription Agreements, the Consortium Agreement, the Key Management Shareholders’ Irrevocable Undertakings and the Key Management Shareholders’ Service Contracts
<i>“Key UEL Senior Managers”</i>	:	Six key management employees of UEL comprising the following: (a) Dr Lin Yucheng (the UEL CEO), (b) Ms Pan Shuhong (the UEL CIO), (c) Dr Ge Hailin (the Chief Technology Officer of UEL), (d) Mr Wang Ning (Deputy Chief Executive Officer), (e) Mr Tan Huchuan (Deputy Chief Executive Officer) and (f) Mr Li Li (Deputy Chief Executive Officer)
<i>“KKR”</i>	:	Has the meaning ascribed to it in Section 8.2 of this Offer Document
<i>“KKRCW”</i>	:	KKR China Water Investment Holdings Limited

<i>“KKRCW Acceptances”</i>	:	The tendering of (a) all its 285,609,818 UEL Shares in acceptance of the Offer and (b) all the Convertible Bonds in acceptance of the Convertible Bonds Offer
<i>“KKRCW Offeror Sub”</i>	:	KKR China Water Investment Limited
<i>“KKRCW Put Option”</i>	:	Has the meaning ascribed to it in Section 8.7(i) of this Offer Document
<i>“KKRCW Subscription Agreement”</i>	:	The subscription agreement entered into between KKRCW and the Offeror on the Signing Date
<i>“KKRCW Swap”</i>	:	Has the meaning ascribed to it in Section 8.5(b)(iii) of this Offer Document
<i>“Latest Practicable Date”</i>	:	13 March 2015, being the latest practicable date prior to the printing of this Offer Document
<i>“Lin Offeror Sub”</i>	:	Green Resources Limited
<i>“Lin Subscription Agreement”</i>	:	The subscription agreement entered into between the Offeror and the UEL CEO on the Signing Date
<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST
<i>“Long-Stop Date”</i>	:	11 May 2015, being the date falling six months after the Signing Date or such other date as the Company and the Offeror may agree in writing
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading of securities
<i>“Offer”</i>	:	The voluntary conditional cash offer by Rothschild, for and on behalf of the Offeror, to acquire all the UEL Shares other than those already owned, controlled or agreed to be acquired by the Offeror, on the terms and subject to the conditions set out in this Offer Document, the FAA and the FAT
<i>“Offer Announcement”</i>	:	The announcement in connection with the Offer released by Rothschild, for and on behalf of the Offeror, on the Offer Announcement Date
<i>“Offer Announcement Date”</i>	:	5 March 2015, being the date of the Offer Announcement
<i>“Offer Condition”</i>	:	Has the meaning ascribed to it in Section 3.6 of this Offer Document
<i>“Offer Convertible Bonds”</i>	:	Has the meaning ascribed to it in Section 4.2 of this Offer Document
<i>“Offer Document”</i>	:	This document dated 19 March 2015 and any other document(s) which may be issued for and on behalf of the Offeror to supplement or update this document from time to time

<i>“Offer Period”</i>	:	The period commencing from the Pre-Conditional Offer Announcement Date until the date the Offer is declared to have closed or lapsed
<i>“Offer Pre-Conditions”</i>	:	The pre-conditions of the Offer, as set out in Section 3.1 of the Pre-Conditional Offer Announcement
<i>“Offer Price”</i>	:	S\$1.65 in cash for each Offer Share
<i>“Offer Settlement Date”</i>	:	In relation to any Offer Shares tendered in acceptance of the Offer, the settlement date in respect of such Offer Shares
<i>“Offer Shares”</i>	:	All the issued UEL Shares to which the Offer relates, as more particularly described in Section 3.3 of this Offer Document
<i>“Offeror”</i>	:	CKM (Cayman) Company Limited
<i>“Offeror Board”</i>	:	The board of directors of the Offeror
<i>“Offeror Group” and “Group Company”</i>	:	Has the meaning ascribed to it in Section 8.6(c) of this Offer Document
<i>“Offeror Share Issue Price”</i>	:	An issue price equal to the Offer Price for each Offeror Share
<i>“Offeror Shareholder”</i>	:	Shareholders of the Offeror
<i>“Offeror Shares”</i>	:	Ordinary shares in the capital of the Offeror
<i>“Options”</i>	:	Options to subscribe for new UEL Shares granted under the UEL Scheme
<i>“Overseas Shareholder”</i>	:	Has the meaning ascribed to it in Section 17.2 of this Offer Document
<i>“Pan Offeror Sub”</i>	:	P&L Capital Limited
<i>“Pan Subscription Agreement”</i>	:	The subscription agreement entered into among the Offeror, the UEL CIO and Joyfield on the Signing Date
<i>“Placement AIP”</i>	:	The approval in principle granted by the SGX-ST for the listing of and quotation for up to 90,909,091 Placement Shares on the Official List of the SGX-ST
<i>“Placement Completion”</i>	:	Completion of the Proposed Placement
<i>“Placement Conditions”</i>	:	The conditions precedent to the Proposed Placement, as set out in Sections 2.3(a) to 2.3(e) of this Offer Document
<i>“Placement IFA Opinion”</i>	:	The opinion from the IFA to UEL confirming that the terms of the Proposed Placement are on normal commercial terms and are not prejudicial to the interest of UEL and its minority Shareholders, in accordance with Rule 921(4)(a) of the Listing Manual



<i>“Placement Shareholders Approval”</i>	:	Approval from Shareholders in a general meeting in connection with the Placing Agreement and the Proposed Placement and the transactions contemplated therein as may be required under the Listing Manual and/or applicable law, including without limitation, Shareholders’ approvals required under Rules 805, 812 and 906 of the Listing Manual
<i>“Placement Shares”</i>	:	New UEL Shares to be placed by the Company to the Offeror pursuant to the Proposed Placement
<i>“Placing Agreement”</i>	:	The agreement entered into between the Company and the Offeror on the Signing Date in relation to the Proposed Placement
<i>“Placing Announcement”</i>	:	The announcement of the Proposed Placement by the Company on the Pre-Conditional Offer Announcement Date
<i>“Post-Amendment Options”</i>	:	Has the meaning ascribed to it in paragraph 3(b) of Appendix 5 to this Offer Document
<i>“PRC”</i>	:	People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, for the purposes of this Offer Document
<i>“PRC Regulatory Approvals”</i>	:	Requisite filing and approval processes in the PRC which are necessary pursuant to the laws and regulations of the PRC in connection with the Proposed Transaction, as more particularly outlined in Sections 3.1(a)(i) to (vi) of the Pre-Conditional Offer Announcement
<i>“Pre-Conditional Offer Announcement”</i>	:	The announcement dated 12 November 2014 released by Rothschild for and on behalf of the Offeror in connection with the pre-conditional voluntary offer for UEL
<i>“Pre-Conditional Offer Announcement Date”</i>	:	12 November 2014, being the date of the Pre-Conditional Offer Announcement
<i>“Proposed Placement”</i>	:	The proposed placement by the Company of, and the proposed subscription by the Offeror of, an aggregate of 30,303,031, 60,606,061 or 90,909,091 Placement Shares, at a subscription price per Placement Share of S\$1.65, pursuant to a private placement exemption under Section 272B of the SFA
<i>“Proposed Transaction”</i>	:	The Offer, the Convertible Bonds Offer and the Proposed Placement
<i>“Record Date”</i>	:	In relation to any Distribution in respect of the Shares, the date on which Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such Distribution
<i>“Reference Period”</i>	:	The period commencing three months prior to the Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date

<i>“Register”</i>	:	The register of holders of the UEL Shares, as maintained by the Registrar
<i>“Registrar” or “Tricor”</i>	:	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), in its capacity as the share registrar of the Company
<i>“Relevant Day”</i>	:	Has the meaning ascribed to it in paragraph 3.1 of Appendix 1 to this Offer Document
<i>“Relevant Maximum Potential Issued UEL Shares”</i>	:	Has the meaning ascribed to it in Section 3.6 of this Offer Document
<i>“Relevant Offeror Sub”</i>	:	Special purpose subsidiaries of the Offeror which are designated as the CITIC Offeror Sub, the KKRCW Offeror Sub, the Lin Offeror Sub and the Pan Offeror Sub
<i>“Relevant Placement Conditions”</i>	:	The Placement Conditions set out in Sections 2.3(a) to 2.3(d) of this Offer Document
<i>“Reserved Matters”</i>	:	Has the meaning ascribed to it in Section 8.6(c) of this Offer Document
<i>“Restricted Jurisdiction”</i>	:	Has the meaning ascribed to it in Section 17.1 of this Offer Document
<i>“Rothschild”</i>	:	Rothschild (Singapore) Limited, the financial adviser to the Offeror in relation to the Offer and the Convertible Bonds Offer
<i>“Securities Account”</i>	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
<i>“Service Contracts”</i>	:	The amended and restated service contracts to be entered into by UEL with each of the Key UEL Senior Managers on terms substantially similar to his or her existing employment terms
<i>“SFA”</i>	:	The Securities and Futures Act, Chapter 289 of Singapore
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Shareholders”</i>	:	Holders of the Offer Shares, including persons whose Offer Shares are deposited with CDP or who have purchased Offer Shares on the SGX-ST
<i>“Shut-Off Notice”</i>	:	Has the meaning ascribed to it in paragraph 1.3 of Appendix 1 to this Offer Document
<i>“SIC”</i>	:	Securities Industry Council of Singapore
<i>“SIC Ruling Date”</i>	:	7 November 2014, being the date on which the SIC provided its rulings in relation to the Proposed Transaction
<i>“Signing Date”</i>	:	11 November 2014, being the date on which the definitive agreements relating to the Proposed Transaction were signed

<i>“Singapore Business Day”</i>	:	Any day other than a Saturday, Sunday or public holiday in Singapore
<i>“Subscription Agreements”</i>	:	CITIC Subscription Agreement, the KKRCW Subscription Agreement and the Key Management Shareholder Subscription Agreements
<i>“Swaps”</i>	:	Collectively, the KKRCW Swap, the UEL CEO Swap and the UEL CIO Swap
<i>“UEL” or the “Company”</i>	:	United Envirotech Ltd.
<i>“UEL Board”</i>	:	The board of directors of UEL
<i>“UEL CEO”</i>	:	Dr Lin Yucheng, the Chairman and Chief Executive Officer of UEL
<i>“UEL CEO Acceptance”</i>	:	The tendering of all the 71,761,000 UEL Shares held by the UEL CEO in acceptance of the Offer
<i>“UEL CEO Swap”</i>	:	Has the meaning ascribed to it in Section 8.5(c)(ii) of this Offer Document
<i>“UEL CEO’s UEL Options”</i>	:	15,000,000 Options that the UEL CEO owns
<i>“UEL CIO”</i>	:	Ms Pan Shuhong, the Vice President and Chief Investment Officer of UEL
<i>“UEL CIO Acceptance”</i>	:	The tendering of all the 85,593,383 UEL Shares that the UEL CIO and Joyfield collectively hold in acceptance of the Offer
<i>“UEL CIO Swap”</i>	:	Has the meaning ascribed to it in Section 8.5(d)(ii) of this Offer Document
<i>“UEL Group”</i>	:	UEL and its subsidiaries
<i>“UEL Scheme”</i>	:	The United Envirotech Employee Share Option Scheme
<i>“UEL Shares”</i>	:	Ordinary shares in the capital of the Company
<i>“Unaffected Date”</i>	:	Has the meaning ascribed to it in Section 14(c) of this Offer Document
<i>“Unaudited Pro Forma Financial Information”</i>	:	Has the meaning ascribed to it in paragraph 6 of Appendix 4 to this Offer Document
<i>“Unconditional Date”</i>	:	Has the meaning ascribed to it in paragraph 3 of Appendix 5 to this Offer Document
<i>“Unreleased Post-Amendment UEL Options”</i>	:	45,083,500 Options (which are exercisable into 45,083,500 new UEL Shares) which were granted after the Amendment Date and are not expected to be released by UEL’s Remuneration Committee
<i>“VWAP”</i>	:	Volume weighted average price

“HK\$”	:	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	:	Renminbi, the lawful currency of the PRC
“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
“US\$” and “US cents”	:	United States dollars and cents, respectively, being the lawful currency of the United States of America
“%” or “per cent.”	:	Per centum or percentage

**Acting in concert.** The term “**acting in concert**” shall have the meaning ascribed to it in the Code.

**Announcements and Notices.** References to the making of an announcement or the giving of notice by the Offeror shall include the release of an announcement by Rothschild or advertising agents, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

**Depositors, etc.** The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meaning ascribed to them respectively in Section 130A of the Companies Act.

**Genders.** Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

**Headings.** The headings in this Offer Document are inserted for convenience only and shall be ignored in construing this Offer Document.

**Offer Document.** References to “**Offer Document**” shall include the Acceptance Forms, unless the context otherwise requires.

**Rounding.** Any discrepancies in figures included in this Offer Document between amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Document may not be an arithmetic aggregation of the figures that precede them.

**Shareholders.** References to “**you**”, “**your**” and “**yours**” in this Offer Document are, as the context so determines, to Shareholders.

**Statutes.** Any reference in this Offer Document to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Code or the Listing Manual or any modification thereof and used in this Offer Document shall, where applicable, have the meaning assigned to it under the Companies Act, the Code or the Listing Manual or any modification thereof, as the case may be, unless the context otherwise requires.

**Subsidiary and Related Corporation.** References to “**subsidiary**” and “**related corporation**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

**Time and Date.** Any reference to a time of the day and date in this Offer Document shall be a reference to Singapore time and date, respectively, unless otherwise stated.

**Total number of issued UEL Shares.** References in this Offer Document to the total number of issued UEL Shares are based on 963,361,368 UEL Shares in issue as at the Latest Practicable Date (based on a search conducted at the ACRA on such date), unless otherwise stated.

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

All statements other than statements of historical facts included in this Offer Document are or may be 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” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the Offeror regarding the future and assumptions in light of currently available information as at the Latest Practicable Date. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes 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, CITIC Environment, KKRCW or Rothschild undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

19 March 2015

To: **The Shareholders of United Envirotech Ltd.**

Dear Sir/Madam

**VOLUNTARY CONDITIONAL CASH OFFER BY ROTHSCHILD FOR AND ON BEHALF OF THE OFFEROR FOR THE OFFER SHARES**

**1. INTRODUCTION**

**1.1 Pre-Conditional Offer Announcement.** On 12 November 2014, Rothschild announced, for and on behalf of the Offeror, that the Offeror intends to make the Offer for the Offer Shares at the Offer Price of S\$1.65 in cash for each Offer Share, subject to the satisfaction or waiver of the Offer Pre-Conditions (as the case may be).

A copy of the Pre-Conditional Offer Announcement is available on the website of the SGX-ST at <http://www.sgx.com>.

**1.2 Offer Announcement.** On 5 March 2015, Rothschild announced for and on behalf of the Offeror that as of the Offer Announcement Date, all the Offer Pre-Conditions had been satisfied or waived (as the case may be), and that Rothschild (for and on behalf of the Offeror) would make the formal Offer.

A copy of the Offer Announcement is available on the website of the SGX-ST at <http://www.sgx.com>.

**1.3 Offer Document.** This Offer Document contains the formal Offer by Rothschild, for and on behalf of the Offeror, to acquire all the Offer Shares. This Offer Document, together with the Acceptance Forms, has been despatched to Shareholders on the Despatch Date. Shareholders are urged to read this Offer Document carefully.

**1.4 Aggregate Existing Holdings.** As at the Latest Practicable Date, based on responses received pursuant to enquiries that the Offeror has made, the Offeror and its Concert Parties own or control an aggregate of:

(a) 285,609,818 UEL Shares, representing approximately 29.65% of the total number of issued UEL Shares; and

(b) US\$44.0 million in principal amount of Convertible Bonds which are convertible into 117,926,189 new UEL Shares, representing approximately 10.23% of the enlarged total number of UEL Shares<sup>1</sup>, as at the Latest Practicable Date,

details of which are set out in Appendix 6 to this Offer Document.

**2. THE PROPOSED TRANSACTION**

**2.1 The Proposed Transaction.** The Offeror proposes to acquire at least a majority stake in the Company by way of:

(a) undertaking the Offer and the Convertible Bonds Offer; and

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<sup>1</sup> References in this Offer Document to the enlarged total number of UEL Shares are based on 1,152,237,557 UEL Shares. This figure has been arrived at on the basis set out in Section 9.1 of this Offer Document.

- (b) subscribing for new UEL Shares pursuant to a private placement exemption under Section 272B of the SFA after the close of the Offer and the Convertible Bonds Offer, as more particularly described in Section 2.2 of this Offer Document.

2.2 **The Proposed Placement.** Pursuant to the Placing Agreement, the Company agreed to place to the Offeror, and the Offeror agreed to subscribe from the Company, an aggregate of 30,303,031, 60,606,061 or 90,909,091 Placement Shares, at a subscription price per Placement Share of S\$1.65, representing an aggregate subscription amount of approximately S\$50 million, S\$100 million or S\$150 million respectively. The actual number of Placement Shares (i.e., whether 30,303,031, 60,606,061 or 90,909,091 new UEL Shares) to be placed by the Company to the Offeror shall be determined by the Offeror.

The Placement Shares to be placed by the Company to the Offeror will represent approximately 2.56%, 5.00% or 7.31% (as the case may be) of the enlarged total number of UEL Shares (after taking into account the Placement Shares to be issued by UEL)<sup>2</sup>.

2.3 **Placement Conditions.** The Proposed Placement is conditional upon the following Placement Conditions being satisfied or fulfilled:

- (a) the Company having obtained the Placement AIP and such Placement AIP not having been revoked or amended and being in full force and effect and, where the Placement AIP is subject to any other conditions, to the extent such other conditions are required to be fulfilled on or before the Placement Completion, they are so fulfilled;
- (b) the Company having obtained the Placement Shareholders Approval;
- (c) the receipt by the directors of UEL of the Placement IFA Opinion;
- (d) the PRC Regulatory Approvals being obtained by CITIC Environment and its affiliates; and
- (e) the Offer becoming or being declared unconditional in accordance with its terms upon the satisfaction or fulfilment of the Offer Condition.

Subject to the satisfaction or fulfilment of all the Placement Conditions, the Offeror will effect the Placement Completion not later than 5 Business Days after the Closing Date.

Pursuant to the terms of the Placing Agreement, the Relevant Placement Conditions are to be satisfied or fulfilled on or before the Long-Stop Date. **In the event (I) any of the Relevant Placement Conditions is not satisfied or fulfilled by the Long-Stop Date or (II) the Placement Condition is not satisfied or fulfilled, the Placing Agreement shall terminate and the Proposed Placement will not be made.**

2.4 **Satisfaction of the Relevant Placement Conditions.** On 15 January 2015, the SGX-ST indicated that it has no objection to the Proposed Placement and for the listing of and quotation for the Placement Shares on the Official List of the SGX-ST and on 6 February 2015, Shareholders approved the Proposed Placement. The Placement IFA Opinion was obtained on 22 January 2015 and all the PRC Regulatory Approvals in connection with the Proposed Transaction have been obtained or waived as at 3 March 2015. Accordingly, all the Relevant Placement Conditions have been satisfied as at the Offer Announcement Date.

Shareholders are advised to refer to future announcements to be released by the Company on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com) in relation to the Proposed Placement (including details relating to the Placement Completion) for further information.

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<sup>2</sup> For the avoidance of doubt, the enlarged total number of UEL Shares referred to in this paragraph is based on 1,152,237,557 UEL Shares plus the Placement Shares to be issued by UEL.

### 3. THE OFFER

3.1 **Offer.** Rothschild, for and on behalf of the Offeror, hereby makes the Offer to acquire the Offer Shares in accordance with Rule 15 of the Code and on the terms and subject to the conditions set out in this Offer Document, the FAA and the FAT.

3.2 **Offer Price.** The consideration for each Offer Share is as follows:

**For each Offer Share: S\$1.65 in cash**

**The Offeror does not intend to increase the Offer Price.**

3.3 **Offer Shares.** The Offer is extended, on the same terms and conditions, to all the UEL Shares owned, controlled or agreed to be acquired by the Concert Parties. For the purpose of the Offer, the expression “**Offer Shares**” shall include such UEL Shares.

3.4 **No Encumbrances.** The Offer Shares are to be acquired (a) fully paid, (b) free from all Encumbrances, and (c) together with all rights, interests, benefits, entitlements and advantages attached thereto as at the Pre-Conditional Offer Announcement Date, and thereafter attaching thereto, including all voting rights, the right to receive and retain all Distributions (if any), in respect of which, the Record Date falls on or after the Pre-Conditional Offer Announcement Date.

3.5 **Adjustments for Distributions.** Without prejudice to the generality of the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distributions, in respect of which, the Record Date falls on or after the Pre-Conditional Offer Announcement Date. In the event of any such Distribution, the Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer shall be reduced by an amount which is equal to the amount of such Distribution as follows, depending on when the Offer Settlement Date falls:

(a) if the Offer Settlement Date falls on or before the Record Date, the Offeror will pay the relevant accepting Shareholders the unadjusted Offer Price of S\$1.65 in cash for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; and

(b) if the Offer Settlement Date falls after the Record Date, the Offer Price payable for such Offer Shares tendered in acceptance shall be reduced by an amount which is equal to the Distribution in respect of such Offer Shares, as the Offeror will not receive such Distribution from the Company.

3.6 **Offer Condition.** The Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the UEL Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and its Concert Parties holding such number of UEL Shares carrying more than 50% of the voting rights attributable to the issued UEL Shares (excluding any UEL Shares held in treasury) as at the close of the Offer (the “**Offer Condition**”)<sup>3</sup>.

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Offer Shares which, when taken together with the UEL Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties (either before or during the Offer), will result in the Offeror and its Concert Parties holding such number of UEL Shares carrying more than 50% of the voting rights attributable to the maximum potential issued shares of the Company. For these purposes, the “**maximum**

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<sup>3</sup> For the purposes of this paragraph, the Offeror and its concert parties need to own, control or agree to acquire an aggregate of at least 490,863,935 UEL Shares in order for the Offer to be declared unconditional as to acceptances as at the close of the Offer, assuming the total number of UEL Shares issued or to be issued as at the close of the Offer is 981,727,868 UEL Shares, which excludes such number of new UEL Shares that would be issued pursuant to the valid conversion of any Convertible Bonds prior to the close of the Offer. As mentioned in Section 5.2(a) of this Offer Document, KKRCW has undertaken not to convert any of its Convertible Bonds into new UEL Shares during the Offer Period.



**potential issued shares of the Company**” means the total number of UEL Shares which would be in issue had all the aggregate outstanding Options and Convertible Bonds which are exercisable or convertible prior to the close of the Offer been validly exercised or converted as of the date of such declaration, but excluding any new UEL Shares which may be issued pursuant to (collectively, the **“Excluded New UEL Shares”**):

- (a) the valid exercise of any Unreleased Post-Amendment UEL Options;
- (b) the exercise of any of the UEL CEO’s UEL Options; and
- (c) the Proposed Placement,

(collectively, the **“Relevant Maximum Potential Issued UEL Shares”**).

The SIC has on the SIC Ruling Date confirmed to the Offeror that in determining whether, prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of UEL Shares which will result in the Offeror holding the Relevant Maximum Potential Issued UEL Shares, the Offeror shall be entitled to exclude the Excluded New UEL Shares.

**The Offer will not become or be capable of being declared unconditional in accordance with its terms unless the Offer Condition is satisfied or fulfilled.**

**The Offer is unconditional in all other respects.**

As set out in Section 1.4 of this Offer Document, as at the Latest Practicable Date, the Offeror and its Concert Parties own or control an aggregate of 285,609,818 UEL Shares, representing approximately 29.65% of the total number of issued UEL Shares. The Offer will become unconditional if the Offeror and its Concert Parties acquire additional UEL Shares representing more than 20.35% of the total number of issued UEL Shares through acceptances of the Offer and/or other acquisitions by the Closing Date.

- 3.7 **Warranty.** A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably represent, warrant and undertake to the Offeror that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof, (i) fully paid, (ii) free from all Encumbrances, and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Pre-Conditional Offer Announcement Date and thereafter attaching thereto, including the right to all Distributions (if any), the Record Date for which falls on or after the Pre-Conditional Offer Announcement Date.
- 3.8 **Choices.** In respect of the Offer, a Shareholder can, in relation to all or part of his Offer Shares, either:
  - (a) accept the Offer in respect of such Offer Shares in accordance with such procedures set out in Appendix 2 to this Offer Document and the FAA or FAT (as the case may be); or
  - (b) take no action and let the Offer lapse in respect of his Offer Shares and remain as a Shareholder.

#### **4. THE CONVERTIBLE BONDS OFFER**

- 4.1 **Convertible Bonds.** As at the Latest Practicable Date, based on the latest information available to the Offeror, the Company has an aggregate outstanding principal amount of US\$44.0 million convertible bonds due 2016 held by the CB Holder, representing all the Convertible Bonds issued by UEL as at the Latest Practicable Date, which are convertible at a conversion price of S\$0.45 per UEL Share into 117,926,189 new UEL Shares, representing approximately 10.23% of the enlarged total number of UEL Shares.

4.2 **Convertible Bonds Offer.** In addition to the Offer, Rothschild, for and on behalf of the Offeror, will also make an offer to the CB Holder for all the Convertible Bonds (the “**Offer Convertible Bonds**”) in accordance with Rule 19 of the Code, and on the terms and subject to the conditions set out in this Offer Document, the Bonds Offer Letter and the Bonds FAT.

- (a) **Condition of Convertible Bonds Offer.** The Convertible Bonds Offer will be subject to and conditional upon the Offer becoming or being declared unconditional in accordance with its terms and the Offer Convertible Bonds continuing to be transferable and convertible into new UEL Shares. **If the Offer lapses or is withdrawn or if the relevant Offer Convertible Bonds cease to be transferable or convertible into UEL Shares, the Convertible Bonds Offer shall lapse accordingly.**
- (b) **Convertible Bonds Offer Price.** The offer price for each in principal amount of the Offer Convertible Bonds tendered in acceptance of the Convertible Bonds Offer will, in accordance with Note 1(a) on Rule 19 of the Code, be the “see-through” price. The said “see-through” price is equal to the Offer Price multiplied by the number of new UEL Shares into which such principal amount of Offer Convertible Bonds may be converted (rounded down to the nearest UEL Share) (the “**Conversion Ratio**”). In the event the Conversion Ratio is or will be adjusted in accordance with the terms and conditions of the Convertible Bonds, the Offeror reserves the right to adjust the Convertible Bonds Offer Price subject to consultation with the SIC.
- (c) **No Encumbrances.** The Offer Convertible Bonds are to be acquired:
  - (i) fully paid and free from all Encumbrances; and
  - (ii) together with all rights, interests, benefits, entitlements and advantages attached thereto as at the Pre-Conditional Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all interests, payments, rights or other distributions (if any), the Bonds Record Date for which falls on or after the Pre-Conditional Offer Announcement Date (but excluding any payments of interest (including default interest) on the principal amount of the Offer Convertible Bonds (the “**Convertible Bonds Interest Payments**”), the Bonds Record Date for which falls before the relevant settlement date for the Offer Convertible Bonds tendered in acceptance of the Convertible Bonds Offer by the CB Holder) (the “**CB Settlement Date**”).

For the purpose of this Offer Document, the term “**Bonds Record Date**” means, in relation to any interests, payments, rights or other distributions, the date on which the CB Holder must be registered with the Company in order to participate in such interests, payments, rights or other distributions.

In the event of any such interests, payments, rights or other distributions or if any right arises for any reason whatsoever (other than the Convertible Bonds Interest Payments) on or after the Pre-Conditional Offer Announcement Date for the benefit of the CB Holder who validly accepts or has validly accepted the Convertible Bonds Offer, the Offeror reserves the right to reduce the Convertible Bonds Offer Price payable to the accepting CB Holder by the amount of such interests, payments, rights or other distributions, subject to consultation with the SIC.

In relation to the Convertible Bonds Interest Payments:

- (l) **the Bonds Record Date for which falls before the CB Settlement Date**, the SIC has on the SIC Ruling Date confirmed to the Offeror that KKRCW would be entitled to the amount of the Convertible Bonds Interest Payments in respect of the Convertible Bonds to be paid prior to the CB Settlement Date. Accordingly, the amount of Convertible Bonds Interest Payments in respect of the Convertible Bonds to be paid prior to the CB Settlement Date (if any) will not be deducted by the Offeror from the Convertible Bonds Offer Price payable to the accepting CB Holder; and

- (II) **the Bonds Record Date for which falls on or after the CB Settlement Date**, the SIC has on the SIC Ruling Date confirmed to the Offeror that the Offeror would be entitled to all Convertible Bonds Interest Payments to be paid on or after the CB Settlement Date. In addition, the SIC has also confirmed that all Convertible Bonds Interest Payments from and including the last interest payment date (i.e., 4 October 2014) up to and including the CB Settlement Date received by the Offeror on or after the CB Settlement Date, may be paid by the Offeror to KKRCW (as the accepting CB Holder) pursuant to the terms of the KKRCW Subscription Agreement, and KKRCW shall be entitled to all such Convertible Bonds Interest Payments.
- (d) **Offer and Convertible Bonds Offer Mutually Exclusive.** For the avoidance of doubt, whilst the Convertible Bonds Offer is conditional upon the Offer becoming or being declared unconditional in accordance with its terms, the Offer will not be conditional upon acceptances received in relation to the Convertible Bonds Offer. The Offer and the Convertible Bonds Offer are separate and mutually exclusive. The Convertible Bonds Offer does not form part of the Offer and *vice versa*.
- (e) **Letter to CB Holder.** Further details of the Convertible Bonds Offer are set out in the Bonds Offer Letter and the Bonds FAT.

## 5. IRREVOCABLE UNDERTAKINGS

- 5.1 **Irrevocable Undertakings in relation to the Offer.** As at the Latest Practicable Date, the following Shareholders have provided irrevocable undertakings to the Offeror (each, an “**Irrevocable Undertaking**”) to, amongst other things, accept the Offer in respect of an aggregate of 491,230,201 UEL Shares, representing approximately 50.99% of the total number of issued UEL Shares:

No.	Name of Shareholder	Number of UEL Shares undertaken	Percentage of UEL Shares (%)
1.	KKRCW	285,609,818	29.65
2.	UEL CEO	71,761,000	7.45
3.	UEL CIO and Joyfield	85,593,383	8.88
4.	Independent Shareholders	48,266,000	5.01
<b>Total number of UEL Shares in relation to the Irrevocable Undertakings:</b>		<b>491,230,201</b>	<b>50.99</b>

- 5.2 **Principal Terms of the Irrevocable Undertakings.** The other principal terms of the Irrevocable Undertakings are as follows:

- (a) the Irrevocable Undertaking by KKRCW includes an undertaking by KKRCW not to convert any of the Convertible Bonds held by it into new UEL Shares or exercise any right to request for early redemption by the Company of the Convertible Bonds during the Offer Period, but to tender all of the Convertible Bonds in acceptance of the Convertible Bonds Offer;
- (b) the Irrevocable Undertaking by the UEL CEO includes an undertaking by the UEL CEO not to exercise any of the UEL CEO’s UEL Options into new UEL Shares during the Offer Period; and
- (c) the Irrevocable Undertakings by the Independent Shareholders include an undertaking by each of them to vote, or procure the voting of, such number of UEL Shares which are the subject of their undertakings in favour of the resolution(s) to approve the Proposed Placement at a general meeting of the Company to be convened for that purpose.

Each of the Irrevocable Undertakings by KKRCW, the UEL CEO, the UEL CIO (including Joyfield) and the Independent Shareholders will terminate on the earlier of (i) the Long-Stop Date (or such later date as the Offeror may determine in consultation with the SIC) and (ii) the date on which the Offer lapses or is withdrawn (other than by reason of a breach of their respective Irrevocable Undertakings).

## 6. FURTHER DETAILS OF THE OFFER

Appendix 1 to this Offer Document sets out further details on:

- (a) the duration of the Offer;
- (b) the settlement of the consideration for the Offer;
- (c) the requirements relating to the announcement(s) of the level of acceptances of the Offer; and
- (d) the right of withdrawal of acceptances of the Offer.

## 7. PROCEDURES FOR ACCEPTANCE

Appendix 2 to this Offer Document sets out the procedures for acceptance of the Offer by a Shareholder.

## 8. INFORMATION ON THE OFFEROR, ITS CONCERT PARTIES AND THE CONSORTIUM ARRANGEMENTS

- 8.1 **Information on the Offeror.** The Offeror is an exempted company with limited liability incorporated under the laws of the Cayman Islands on 30 September 2014. Its principal activities are those of an investment holding company. As at the Latest Practicable Date, the Offeror has an authorised share capital of S\$13,000 divided into 1,300,000,000 shares of a par value of S\$0.00001 each and an issued and paid-up share capital of S\$0.00002 comprising two Offeror Shares, and each of KKRCW and CITIC Environment owns one Offeror Share.

As at the Latest Practicable Date, the Offeror Board comprise four members, consisting of (a) two nominees of CITIC Environment (namely, Mr Hao Weibao and Mr Wang Song) and (b) two nominees of KKRCW (namely, Mr David Haifeng Liu and Mr Zhao Fu).

Post-completion of the Proposed Transaction, it is currently expected that the Offeror Board will comprise nine members, consisting of (i) five nominees of CITIC Environment (namely, Mr Hao Weibao, Mr Zhang Yong, Mr Wang Song, Ms Ren Xia, and Ms Mao Yimin), (ii) two nominees of KKRCW (namely, Mr David Haifeng Liu and Mr Zhao Fu), and (iii) the Key Management Shareholders.

- 8.2 **Information on KKRCW.** KKRCW, a controlling shareholder<sup>4</sup> of the Company, is a company incorporated under the laws of the British Virgin Islands. Its principal activities are those of an investment holding company. As at the Latest Practicable Date, KKRCW is authorised to issue a maximum of 50,000 ordinary shares with a par value of US\$1.00 each and currently, 15,001 ordinary shares with a par value of US\$1.00 each have been issued for an aggregate subscription price of US\$153,800,001. KKRCW is an indirect wholly-owned subsidiary of KKR China Water Holdings I Limited, which in turn is approximately 93.20% held by KKR Asian Fund L.P. as at the Latest Practicable Date. The investment manager for KKR Asian Fund L.P. is Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, “KKR”).

KKR is a leading global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, credit and hedge funds. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation at the asset level. KKR invests its own capital alongside its partners’ capital and brings opportunities to others through its capital markets business. References to KKR’s investments may include the activities of its sponsored funds. For additional information about KKR (NYSE: KKR), please visit KKR’s website at [www.kkr.com](http://www.kkr.com).

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<sup>4</sup> The term “controlling shareholder” is as defined in the Listing Manual.

As at the Latest Practicable Date, the sole director of KKRCW is Mr William J. Janetschek, the Chief Financial Officer of KKR.

Since KKR's initial investment in UEL through KKRCW's subscription of the Convertible Bonds in 2011, KKR has been a value-added partner of UEL. KKR has played an active role in assisting and supporting UEL on all its significant investments since 2011 and has contributed not just its investment and mergers and acquisition expertise but also its capital markets network and know-how.

**8.3 Information on CITIC Environment.** CITIC Environment is an exempted company with limited liability incorporated under the laws of the Cayman Islands on 29 September 2014. Its principal activities are those of an investment holding company. As at the Latest Practicable Date, CITIC Environment has an authorised share capital of S\$13,000 divided into 1,300,000,000 shares of a par value of S\$0.00001 each and an issued and paid-up share capital of S\$0.00001 comprising one ordinary share, and is wholly-owned by CITIC EP.

As at the Latest Practicable Date, the directors of CITIC Environment are Mr Hao Weibao, Mr Zhang Yong and Mr Wang Song.

As at the Latest Practicable Date, CITIC EP is a wholly-owned subsidiary of CITIC Corporation Limited, which in turn, is a wholly-owned subsidiary of CITIC Limited (formerly known as CITIC Pacific Limited). CITIC Limited, 77.90% owned by CITIC Group Corporation which is incorporated in Beijing, and listed in Hong Kong (SEHK: 267), is one of the constituent stocks of the Hang Seng Index. As the largest conglomerate in the PRC, its businesses include financial services, resources and energy, manufacturing, real estate and infrastructure, engineering contracting, and other businesses in the PRC and overseas. For more information about CITIC Limited, please visit its company website at [www.citic.com](http://www.citic.com).

As at the Latest Practicable Date, the members on the board of directors of CITIC EP are (a) Mr Wang Jiong (President and Vice Chairman of CITIC Corporation Limited, President and Vice Chairman of CITIC Limited and Chairman of CITIC EP), (b) Mr Nie Xuequn (Vice Chairman of CITIC EP), (c) Mr Hao Weibao (President of CITIC EP), (d) Mr Chen Bin (Vice President of CITIC EP) and (e) Mr Luo Wei (Assistant President of CITIC EP).

As at the Latest Practicable Date, the members on the board of directors of CITIC Corporation Limited are (i) Mr Chang Zhenming (Chairman and Executive Director of CITIC Corporation Limited and Chairman of CITIC Limited), (ii) Mr Wang Jiong, (President and Vice Chairman of CITIC Corporation Limited, President and Vice Chairman and Executive Director of CITIC Limited and Chairman of CITIC EP), (iii) Mr Dou Jianzhong (Vice President and Executive Director of CITIC Corporation Limited, and Vice President and Executive Director of CITIC Limited), (iv) Mr Yang Jinming (Non-Executive Director), (v) Mr Yu Zhensheng (Non-Executive Director), (vi) Ms Cao Pu (Non-Executive Director) and (vii) Mr Liu Yeqiao (Non-Executive Director).

As at the Latest Practicable Date, the members on the board of directors of CITIC Limited are (1) Mr Chang Zhenming (Chairman and Executive Director of CITIC Corporation Limited and Chairman of CITIC Limited), (2) Mr Wang Jiong (President and Vice Chairman of CITIC Corporation Limited, President and Vice-Chairman and Executive Director of CITIC Limited, and Chairman of CITIC EP), (3) Mr Dou Jianzhong (Vice President and Executive Director of CITIC Corporation Limited, and Vice President and Executive Director of CITIC Limited), (4) Mr Zhang Jijing (Vice President and Executive Director of CITIC Limited), (5) Mr Yang Jinming (Non-Executive Director), (6) Mr Yu Zhensheng (Non-Executive Director), (7) Ms Cao Pu (Non-Executive Director), (8) Mr Liu Zhongyuan (Non-Executive Director), (9) Mr Liu Yeqiao (Non-Executive Director), (10) Mr Alexander Reid Hamilton (Independent Non-Executive Director), (11) Mr Francis Siu Wai Keung (Independent Non-Executive Director), (12) Dr Xu Jinwu (Independent Non-Executive Director), (13) Mr Anthony Francis Neoh (Independent Non-Executive Director) and (14) Ms Lee Boo Jin (Independent Non-Executive Director).

Additional information on CITIC Limited is set out in Appendix 4 to this Offer Document.

8.4 **Joint Offerors and Key Management Shareholders Retaining an Interest.** The SIC has on the SIC Ruling Date confirmed to the Offeror that:

- (a) CITIC Environment and KKRCW are regarded as joint offerors under Note 6 on Rule 10 of the Code for the purpose of making the Offer through the Offeror and that accordingly, the Consortium Agreement, the KKRCW Subscription Agreement and KKRCW's Irrevocable Undertaking (referred to in Section 5.1 of this Offer Document) will not constitute a special deal by CITIC Environment or the Offeror to KKRCW under Rule 10 of the Code;
- (b) pursuant to Note 4 on Rule 10 of the Code, the Key Management Shareholders' Agreements will not constitute a special deal by CITIC Environment or the Offeror to the Key Management Shareholders under Rule 10 of the Code, subject to the IFA to UEL publicly stating in its opinion that the terms of the Key Management Shareholders' Agreements are fair and reasonable; and
- (c) the Key Management Shareholders' Agreements will not amount to an agreement or understanding (whether formal or informal) to co-operate to obtain or consolidate effective control of UEL.

8.5 **Capitalisation of the Offeror.** On the Signing Date, KKRCW, CITIC Environment, the Key Management Shareholders and CITIC EP, have entered into the Consortium Agreement with the Offeror to govern the relationship of KKRCW, CITIC Environment and the Key Management Shareholders as shareholders of the Offeror. Pursuant to the Consortium Agreement, the Offeror Shareholders have agreed that the Offeror will be capitalised as follows:

- (a) pursuant to the CITIC Loan Agreement, CITIC Environment will extend to the Offeror the CITIC Loan to fund the payment obligations of the Offeror in connection with the Proposed Transaction.

Following the completion of the Offer, the Convertible Bonds Offer and the Placement Completion, the CITIC Loan Capitalisation will occur pursuant to the terms of the CITIC Subscription Agreement.

Further, CITIC Corporation Limited has, on the Signing Date, given a guarantee to KKRCW to guarantee the obligations of CITIC Environment (I) under the CITIC Loan Agreement (including all the payment obligations of the Offeror under or in connection with the Offer, the Convertible Bonds Offer and the Proposed Placement) and (II) in relation to the KKRCW Put Option.

- (b) pursuant to KKRCW's Irrevocable Undertaking and the KKRCW Subscription Agreement, KKRCW has agreed to:
  - (i) tender all its 285,609,818 UEL Shares in acceptance of the Offer;
  - (ii) tender all the Convertible Bonds in acceptance of the Convertible Bonds Offer;
  - (iii) subject to the Inter-Consortium Members Transfers, accept payment by the Offeror of approximately 66.67% of the aggregate consideration that KKRCW would receive as a result of the KKRCW Acceptances, in the form of new Offeror Shares at the Offeror Share Issue Price (the "**KKRCW Swap**"); and
  - (iv) subject to the Inter-Consortium Members Transfers, accept payment by the Offeror of the remaining approximately 33.33% of the aggregate consideration payable by the Offeror to KKRCW as a result of the KKRCW Acceptances, in the form of cash;
- (c) pursuant to the Irrevocable Undertaking given by the UEL CEO and the Lin Subscription Agreement, the UEL CEO has agreed to:
  - (i) tender all his 71,761,000 UEL Shares in acceptance of the Offer;

- (ii) subject to the Inter-Consortium Members Transfers, accept payment by the Offeror of approximately 59.70%<sup>5</sup> of the aggregate consideration that the UEL CEO would receive as a result of the UEL CEO Acceptance, in the form of new Offeror Shares at the Offeror Share Issue Price (the “**UEL CEO Swap**”); and
  - (iii) subject to the Inter-Consortium Members Transfers, accept payment by the Offeror of the remaining approximately 40.30%<sup>6</sup> of the aggregate consideration payable by the Offeror to the UEL CEO as a result of the UEL CEO Acceptance, in the form of cash;
- (d) pursuant to the Irrevocable Undertaking given by the UEL CIO and the Pan Subscription Agreement, the UEL CIO and Joyfield have agreed to:
- (i) tender all the 85,593,383 UEL Shares held by the UEL CIO and Joyfield (in the aggregate) in acceptance of the Offer;
  - (ii) subject to the Inter-Consortium Members Transfers, accept payment by the Offeror of approximately 66.67% of the aggregate consideration that the UEL CIO and Joyfield would receive as a result of the UEL CIO Acceptance, in the form of new Offeror Shares to be issued to the UEL CIO at the Offeror Share Issue Price (the “**UEL CIO Swap**”); and
  - (iii) subject to the Inter-Consortium Members Transfers, accept payment by the Offeror of the remaining approximately 33.33% of the aggregate consideration payable by the Offeror to the UEL CIO and Joyfield as a result of the UEL CIO Acceptance, in the form of cash; and
- (e) in the event, however, following the completion of the Proposed Transaction and the CITIC Loan Capitalisation, CITIC Environment fails to hold at least 51% of the Offeror, each of KKRCW and the Key Management Shareholders will transfer a proportionate number of Offeror Shares held by them (such number not exceeding (i) in the case of KKRCW, 26,902,401 Offeror Shares held by it, (ii) in the case of the UEL CEO, 5,784,067 Offeror Shares held by him and (iii) in the case of the UEL CIO, 5,706,225 Offeror Shares held by her) to CITIC Environment at the Offeror Share Issue Price, to enable CITIC Environment to hold at least 51% of the Offeror, immediately following such transfers (the “**Inter-Consortium Members Transfers**”).

8.6 **Board Seat Rights and Reserved Matters.** Post-completion of the Proposed Transaction and pursuant to the terms of the Consortium Agreement, the Offeror Shareholders have, amongst other things, agreed that:

- (a) the Offeror Board will comprise nine members as described in Section 8.1 of this Offer Document; and
- (b) the UEL Board will comprise eight members. It is currently contemplated that, subject to compliance with the Listing Manual and the Companies Act, the eight members of the UEL Board shall be:

No.	Name	Position
1.	Mr Hao Weibao	Chairman and Non-Executive Director (and nominee of CITIC Environment)
2.	Mr Zhang Yong	Non-Executive Director (and nominee of CITIC Environment)

<sup>5</sup> 59.70% of the aggregate consideration that the UEL CEO would receive is equivalent to the sum of 66.67% of the UEL CEO's 71,761,000 UEL Shares and the UEL CEO's UEL Options of 15,000,000.

<sup>6</sup> 40.30% of the aggregate consideration that the UEL CEO would receive is equivalent to the sum of 33.33% of the UEL CEO's 71,761,000 UEL Shares and the UEL CEO's UEL Options of 15,000,000.

No.	Name	Position
3.	Mr Wang Song	Non-Executive Director (and nominee of CITIC Environment)
4.	Dr Lin Yucheng	Chief Executive Officer
5.	Mr Zhao Fu	Non-Executive Director (and nominee of KKRCW)
6.	Mr Yeung Koon Sang alias David Yeung	Lead Independent Director
7.	Mr Tay Beng Chuan	Independent Director
8.	Mr Lee Suan Hiang	Independent Director

- (c) The Offeror Shareholders have further agreed pursuant to the terms of the Consortium Agreement, on a list of reserved matters (the “**Reserved Matters**”) which shall not be undertaken by the Offeror, UEL and/or any of their respective subsidiaries and associated companies (each, a “**Group Company**”, and collectively, the “**Offeror Group**”), without the affirmative vote of (i) a director of the Offeror Board nominated by each Offeror Shareholder, or (ii) three-fourths of the directors representing the Offeror Board. The Reserved Matters include, amongst other things, (I) any alterations to the constitutional documents of a Group Company, (II) the delisting of UEL from the SGX-ST, (III) the issuance of new equity securities by any Group Company save for permitted exceptions such as the granting of Options under the UEL Scheme and (IV) the conduct of any merger, consolidation, reorganisation or restructuring, or any dissolution, liquidation or winding up of any Group Company.

8.7 **Transfer Restrictions.** Pursuant to the Consortium Agreement, the Offeror Shareholders agreed that *pro rata* proportions of the UEL Shares corresponding to the shareholding percentages of CITIC Environment, KKRCW and the Key Management Shareholders in the Offeror will be held in the Relevant Offeror Sub, and the Offeror will direct that all Offer Shares tendered in acceptance of the Offer will be credited directly into the Securities Account (or securities sub-account) of each Relevant Offeror Sub pursuant to the terms of the Subscription Agreements.

The Consortium Agreement provides for restrictions on the transfer by:

- (a) each of the Offeror Shareholders of Offeror Shares held by it;
- (b) the Offeror of shares in the Relevant Offeror Sub held by the Offeror; and
- (c) the Relevant Offeror Sub of UEL Shares held by it,

except in certain circumstances.

The Consortium Agreement further contains, among other things, put option rights:

- (i) of KKRCW to require CITIC Environment to either purchase or cause the Offeror to redeem the Offeror Shares held by KKRCW at a price to be determined by reference to the financial performance and market prices of the UEL Group at the relevant time of exercise by KKRCW of its put option (the “**KKRCW Put Option**”). The KKRCW Put Option is exercisable on the expiry of 18 months after the Closing Date and for a period of 20 months thereafter; and
- (ii) of each of the Key Management Shareholders to require CITIC Environment to either purchase or cause the Offeror to redeem the Offeror Shares held by him/her at a price to be determined by reference to the market prices of the UEL Group at the relevant time of exercise by him/her of his/her put option (each, the “**Key Management Shareholder’s Put Option**”). The Key Management Shareholder’s Put Option is exercisable in agreed tranches, on the expiry of three years after settlement is made by the Offeror in respect of the Offer Shares that each Key Management Shareholder has tendered in acceptance of the Offer, and for a period of three years thereafter.



Each of KKRCW and the Key Management Shareholders will have to bear the risks associated with the business and financial performance of the Offeror Group going forward and will have to accept the restricted rights of minority shareholders in a privately held company.

8.8 **Resultant Shareholding in the Offeror.** Subject to the Offer becoming or being declared unconditional in accordance with its terms, and assuming that the only Shareholders who have tendered their Offer Shares in acceptance of the Offer are Shareholders who have provided the Irrevocable Undertakings:

(a) Upon the Swaps, the Placement Completion<sup>7</sup> and the CITIC Loan Capitalisation occurring (but prior to the Inter-Consortium Members Transfers), the resultant percentage of shareholding of the Offeror Shareholders in the Offeror will be as follows:

No.	Name of Shareholder	Percentage of enlarged issued share capital in the Offeror (%)
1.	CITIC Environment	44.9
2.	KKRCW	40.2
3.	Dr Lin Yucheng	6.4
4.	Ms Pan Shuhong	8.5

(b) Upon the Swaps, the Placement Completion, the CITIC Loan Capitalisation and the Inter-Consortium Members Transfers occurring, the resultant percentage of shareholding of the Offeror Shareholders in the Offeror will be as follows:

No.	Name of Shareholder	Percentage of enlarged issued share capital in the Offeror (%)
1.	CITIC Environment	50.6
2.	KKRCW	36.2
3.	Dr Lin Yucheng	5.5
4.	Ms Pan Shuhong	7.7

In summary, upon the Swaps, the Placement Completion, the CITIC Loan Capitalisation and the Inter-Consortium Members Transfers (if necessary) occurring, it is expected that the percentage of shareholding to be held by each Offeror Shareholder in the Offeror will be as follows:

No.	Name of Shareholder	Percentage <sup>8</sup> of enlarged issued share capital in the Offeror (%) <sup>9</sup>
1.	CITIC Environment	Between 50.6 to 67.4
2.	KKRCW	Between 23.8 to 36.2
3.	Dr Lin Yucheng	Between 3.8 to 5.5
4.	Ms Pan Shuhong	Between 5.0 to 7.7

<sup>7</sup> Assuming that the aggregate subscription amount for the Proposed Placement is approximately S\$100 million.

<sup>8</sup> Any discrepancies in this table between the listed percentages and the totals thereof are due to rounding.

<sup>9</sup> The enlarged issued share capital in the Offeror has been computed on the assumption that out of the 70,950,000 Options outstanding, only 18,366,500 Options will be exercised into new UEL Shares and tendered in acceptance of the Offer (after subtracting 45,083,500 Unreleased Post-Amendment UEL Options and 7,500,000 of the UEL CEO's UEL Options). This assumption is on the basis that (i) the UEL CEO undertakes not to convert any of his 15,000,000 Options into new UEL Shares during the Offer Period, and (ii) none of the 45,083,500 Unreleased Post-Amendment UEL Options will be exercised into new UEL Shares during the Offer Period, out of which 7,500,000 comprise the Options held by the UEL CEO.

The final percentage of shareholding to be held by each Offeror Shareholder would depend on (1) the level of acceptances of the Offer, (2) the number of Placement Shares to be issued to the Offeror, and (3) whether the Inter-Consortium Members Transfers occur.

After the close of the Offer (but prior to the Placement Completion, the CITIC Loan Capitalisation and the Inter-Consortium Members Transfers), CITIC Environment will hold less than 50% of all the Offeror Shares in issue and will subsequently increase its stake in the Offeror through (A) the Placement Completion and the CITIC Loan Capitalisation and/or (B) the Inter-Consortium Members Transfers, so as to acquire statutory control (i.e., more than 50%) of the Offeror (and thereby become the leader of the Offeror concert party group). The SIC has on the SIC Ruling Date ruled that such increase in shareholding in the Offeror by CITIC Environment will not result in CITIC Environment triggering a mandatory takeover obligation under Rule 14 of the Code, provided that (I) the Placement Completion and the CITIC Loan Capitalisation and (II) the Inter-Consortium Members Transfers are effected not later than 10 Business Days after the close of the Offer, and the Offeror releases a public announcement on the resulting shareholding of the Offeror and UEL thereafter.

The SIC has on the SIC Ruling Date further ruled that for so long as the Offeror holds more than 49% of all the UEL Shares in issue following the close of the Offer, and CITIC Environment holds more than 50% of all the Offeror Shares in issue, any acquisition (whether directly or indirectly) by CITIC Environment of (i) Offeror Shares, (ii) shares in the Relevant Offeror Subs or (iii) UEL Shares, whether pursuant to CITIC Environment's right of first refusal under the Consortium Agreement, the KKRCW Put Option, the Key Management Shareholder's Put Option or on or off-market purchases (whether through private placements or rights issues) or otherwise, would not result in CITIC Environment triggering a mandatory takeover obligation under Rule 14 of the Code.

**8.9 Conversion of the Convertible Bonds.** Pursuant to the terms of the Consortium Agreement, the Offeror Shareholders have agreed to procure that the Offeror (through KKRCW Offeror Sub) converts all the Convertible Bonds into new UEL Shares, post-completion of the Offer. Under the Consortium Agreement, the Offeror Shareholders have agreed that the Offeror will deliver a conversion notice in relation to the Convertible Bonds within 10 Business Days of the Closing Date. The SIC has on the SIC Ruling Date confirmed to the Offeror that the subscription of new UEL Shares by the Offeror (or the KKRCW Offeror Sub) following the conversion of the Convertible Bonds into new UEL Shares by the Offeror after the successful close of the Offer, would not contravene Rule 33.2 of the Code.

**8.10 Service Contracts.** Post-completion of the Proposed Transaction, UEL will enter into a Service Contract with each of the Key UEL Senior Managers on terms substantially similar to his or her existing employment terms, save for the following:

- (a) each Service Contract may not be terminated by UEL during the period commencing three years after the Closing Date, except for cause (as such term is defined or prescribed under each Service Contract);
- (b) the compensation of the Key UEL Senior Managers concerned (including bonuses and other discretionary compensation), will be recommended by UEL's Remuneration Committee for the UEL Board's approval; and
- (c) the non-compete provisions in each Service Contract will reflect the non-compete provisions in the Consortium Agreement.

In relation to the UEL CEO, his Service Contract will include the following additional provisions:

- (i) that his job responsibilities include being a director of UEL; and
- (ii) that he has the authority to appoint, terminate and determine the compensation of subordinate employees and to make recommendations to UEL's Remuneration Committee in relation to the compensation of the Key UEL Senior Managers (other than himself).

The SIC has confirmed on the SIC Ruling Date that the Service Contracts with the Key UEL Senior Managers will not:

- (1) constitute a special deal by the Offeror to the Key UEL Senior Managers under Rule 10 of the Code (but in relation to the Key Management Shareholders, such confirmation by the SIC is subject to the IFA of UEL publicly stating in its opinion that the terms of their Service Contracts are fair and reasonable); or
- (2) amount to an agreement or understanding (whether formal or informal) with the Offeror to cooperate to obtain or consolidate effective control of UEL.

## 9. INFORMATION ON THE COMPANY

9.1 **UEL.** UEL is a leading membrane-based water and wastewater treatment and recycling solutions provider with businesses mainly in the PRC's chemical, petrochemical and industrial park sectors. Its principal activities include design, fabrication, installation and commissioning of water and wastewater systems using its proprietary advanced membrane technologies such as the membrane bioreactor technology. UEL has designed and built several of the largest industrial wastewater treatment plants in Asia using the membrane bioreactor technology.

As at the Latest Practicable Date, the Company has:

- (a) an issued and paid-up ordinary share capital of approximately S\$430,267,223.30 comprising 963,361,368 issued UEL Shares;
- (b) an aggregate principal amount of outstanding Convertible Bonds of US\$44.0 million, which are convertible into 117,926,189 new UEL Shares, representing approximately 10.23% of the enlarged total number of UEL Shares; and
- (c) Options which are exercisable into 70,950,000 new UEL Shares.

Accordingly, assuming that all the Convertible Bonds and Options are exercised into UEL Shares as at the Latest Practicable Date, the total number of UEL Shares on an enlarged basis is 1,152,237,557.

9.2 **UEL Board.** As at the Latest Practicable Date, the UEL Board comprises the following members:

No.	Name	Position
1.	Dr Lin Yucheng	Chairman, Chief Executive Officer
2.	Mr Wang Ning	Executive Director, Deputy Chief Executive Officer
3.	Dr Chong Weng Chiew	Executive Director
4.	Mr Yeung Koon Sang alias David Yeung	Lead Independent Director
5.	Mr Tay Beng Chuan	Independent Director
6.	Mr Lee Suan Hiang	Independent Director
7.	Mr David Haifeng Liu	Non-Executive Director
8.	Mr Zhao Fu	Non-Executive Director
9.	Dr Li Yan	Non-Executive Director

9.3 **Key UEL Senior Managers.** As at the Latest Practicable Date, the Key UEL Senior Managers are (a) Dr Lin Yucheng (the UEL CEO), (b) Ms Pan Shuhong (the UEL CIO), (c) Dr Ge Hailin (the Chief Technology Officer of UEL), (d) Mr Wang Ning (Deputy Chief Executive Officer), (e) Mr Tan Huchuan (Deputy Chief Executive Officer) and (f) Mr Li Li (Deputy Chief Executive Officer).

9.4 **Additional Information.** Additional information on the Company is set out in Appendix 5 to this Offer Document.

## 10. RATIONALE FOR THE PROPOSED TRANSACTION

10.1 **Rationale for the Proposed Transaction.** The Offeror believes that the Proposed Transaction provides an opportunity for Shareholders to participate in the growth of the Company, a market leader in the membrane-based water and wastewater treatment industry, with CITIC Environment as the single largest shareholder and KKRCW as the second largest shareholder of the Offeror (which will, in turn, hold at least a majority stake in the Company), post-completion of the Proposed Transaction.

(a) Attractive industry dynamics

According to the “12<sup>th</sup> Five-Year Development Plan for the Energy Saving and Environmental Protection Industry” (the “**Five-Year Plan**”) issued by the State Council of the PRC in 2012, the energy saving and environmental protection industry has been identified as one of the seven strategic industries that the PRC government will nurture and develop. Based on the Five-Year Plan, it is expected that by 2015, the total industry output value of the energy saving and environmental protection industry will reach RMB4.5 trillion, which is more than twice the amount for 2010 (the last year of the 11th Five-Year Plan period). The Five-Year Plan projects that the industry is expected to grow with a CAGR of more than 15% per annum, and the increase in industry output value is estimated to reach 2% of the PRC’s gross domestic product by the end of the Five-Year Plan.

In addition, as the public expectation of environmental quality in the PRC continues to rise, investment in the environmental protection industry is expected to grow rapidly in the near future. According to the World Bank<sup>10</sup>, per capita water resources in the PRC are approximately one third of the world’s average. By applying advanced membrane technology in wastewater treatment and recycling, it is expected that companies like UEL can provide a viable solution to water shortage and pollution problems in the PRC, thereby supporting sustainable and environmentally friendly development of the economy. With this attractive industry backdrop, it is the vision of the Offeror and CITIC Limited to expand their business in the areas of environmental protection and water treatment.

(b) UEL will become the flagship for CITIC Limited in the water and wastewater treatment business

It is the intention of CITIC Limited to develop its business in the environmental protection sector and its investment in UEL provides a unique opportunity for CITIC Limited to invest in a leading membrane-based water and wastewater treatment and reclamation solution provider in the PRC’s chemical, petrochemical and industrial park sectors.

Pursuant to the Proposed Transaction, CITIC Environment will obtain an indirect controlling interest in UEL and the Offeror intends to maintain the listing status of UEL on the SGX-ST. It is noted that with an increasing number of state-owned enterprises being involved in water and wastewater treatment business in the PRC, the market is becoming more competitive. To increase the competitiveness of UEL, it is envisaged that CITIC Limited will leverage on its business network and resources in the PRC to support UEL’s business development strategy and growth plans. It is also the vision of CITIC Limited to continue to invest in the water and environmental protection industry in the PRC and to develop UEL as CITIC Limited’s flagship for its water and wastewater treatment sector. CITIC Limited also plans to use UEL as a strategic platform and new source of revenue in the water and environmental protection industry.

(c) Unique technologies and proven track record

UEL is a leading membrane-based water and wastewater treatment and recycling solutions provider in the PRC’s chemical, petrochemical and municipal sectors. Through the acquisition of Memstar Technology Ltd in 2014, UEL has not only acquired leading technologies in the manufacturing of Polyvinylidene Fluoride hollow fibre membrane and membrane products, but has also become one of the few companies with vertically integrated water and wastewater

<sup>10</sup> Source: World Bank (<http://data.worldbank.org/indicator/ER.H2O.INTR.PC>).

treatment and reclamation solution expertise with businesses spanning from fibre membrane production to engineering, procurement and construction projects and water treatment plant investments.

UEL has designed and built several of the largest industrial and municipal wastewater treatment plants in Asia using the membrane bioreactor technology. In the past three years<sup>11</sup>, it has also achieved exceptional growth in revenue (CAGR of 54.0%) and net profit attributable to Shareholders (CAGR of 38.5%).

(d) KKR supporting the Proposed Transaction

As at the Latest Practicable Date, KKRCW is a controlling shareholder and the single largest shareholder of UEL. KKRCW is supporting the Proposed Transaction as a joint offeror to enable CITIC Environment to indirectly obtain a controlling interest in UEL and become the largest shareholder of the Offeror post-completion of the Proposed Transaction with KKRCW as the second largest shareholder. KKR will continue to devote its global expertise and experience to UEL and, together with CITIC Environment as a value-added partner, work with UEL to support the long term growth and development of UEL.

(e) Management continuity

The Offeror highly values the experience and technical expertise of the existing management team of UEL and believes that the existing management team is an invaluable asset of UEL. To ensure continuity of the management of UEL, it is intended that after completion of the Proposed Transaction, the service contracts for the Key UEL Senior Managers shall be renewed for a three-year period. In addition, so as to incentivise and align the interest of the management team with that of the employees of UEL, it is expected that the existing UEL Scheme will be maintained post-completion of the Proposed Transaction.

**10.2 Proposed Placement at a premium to historical prices.** Unlike typical placement exercises which are usually priced at or at a discount to the prevailing market price, the Proposed Placement is at a premium of approximately 16.1% to the one-month VWAP of UEL prior to the Unaffected Date, which is a vote of confidence to the Company. It is intended that the Proposed Placement proceeds will be used for, amongst other things, business expansion and general working capital of the UEL Group, which is in line with the intention of the Key Management Shareholders and the Offeror to grow UEL's business and drive it to the next level.

## 11. THE OFFEROR'S INTENTIONS RELATING TO UEL

Save as disclosed in this Offer Document, the Offeror presently has no intention to (a) introduce any major changes to the business of the Company; (b) redeploy the fixed assets of the Company; or (c) discontinue the employment of the employees of the UEL Group, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options or opportunities in relation to UEL which may present themselves and which the Offeror may regard to be in the best interests of the Offeror. Following the close of the Offer, the Offeror will undertake a comprehensive review of the businesses of the UEL Group and the review will help the Offeror to determine the optimal business strategy for the UEL Group.

## 12. LISTING STATUS OF THE COMPANY

Under Rule 1105 of the Listing Manual, in the event that the Offeror and its Concert Parties, as a result of the Offer or otherwise, own or control more than 90% of all the UEL Shares (excluding treasury shares), the SGX-ST may suspend the listing of the UEL Shares until such time when the SGX-ST is satisfied that at least 10% of all the UEL Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public.

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the UEL Shares (excluding treasury shares) held in public hands falls below 10%, UEL must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the UEL Shares. Under Rule 1303(1) of the

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<sup>11</sup> From the financial year ended 31 March 2012 to the financial year ended 31 March 2014, based on the annual report of UEL for the financial year ended 31 March 2014, excluding any pro-forma impact from Memstar Technology Ltd.

Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90% of all the UEL Shares (excluding treasury shares), thus causing the percentage of UEL's total number of the UEL Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of UEL Shares at the close of the Offer.

Rule 724(2) of the Listing Manual states that the SGX-ST may allow UEL a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of the UEL Shares in public hands to at least 10%, failing which UEL may be delisted.

**It is the present intention of the Offeror to maintain the listing status of UEL on the SGX-ST, post-completion of the Proposed Transaction.**

If for any reason, post-completion of the Proposed Transaction, the free float requirements under the Listing Manual are not met, the Offeror currently intends to take steps to restore the free float of the UEL Shares within the period prescribed under Rule 724(2) of the Listing Manual, such as through the sell down of existing UEL Shares held by CITIC Offeror Sub, and/or the placement of new UEL Shares to the public by UEL, to be determined by the Offeror at the relevant time pursuant to the Consortium Agreement.

If UEL is delisted from the Main Board of the SGX-ST as a result of failure by UEL to maintain the free float requirements under the Listing Manual, the Offeror Shareholders have agreed, pursuant to the Consortium Agreement, to cooperate in good faith and use their best efforts to cause UEL to implement an initial public offering and listing of the UEL Shares on the Main Board of the SGX-ST as soon as possible.

### 13. COMPULSORY ACQUISITION

Under Section 215(1) of the Companies Act, if the Offeror receives acceptances pursuant to the Offer for not less than 90% of all the UEL Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer), the Offeror will be entitled to exercise its right under Section 215(1) of the Companies Act to compulsorily acquire, at the Offer Price, all the UEL Shares of Shareholders who have not accepted the Offer.

As the Offeror's intention is to acquire statutory control of the Company and to maintain the present listing status of the Company on the Main Board of the SGX-ST, **the Offeror does not intend to avail itself of the powers of compulsory acquisition pursuant to Section 215 of the Companies Act.**

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of UEL Shares which, together with the UEL Shares held by it, its related corporations and their respective nominees, comprise 90% or more of all the UEL Shares, Shareholders who have not accepted the Offer have a right to require the Offeror to acquire their UEL Shares at the Offer Price. **Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.**

### 14. FINANCIAL ASPECTS OF THE OFFER

The Offer Price of S\$1.65 for each Offer Share represents:

- (a) a premium of approximately 1.9% over S\$1.620, being the last transacted price of the UEL Shares on the SGX-ST on 3 March 2015, being the last full Market Day preceding the Offer Announcement Date on which the UEL Shares were traded on the SGX-ST;
- (b) a premium of approximately 12.6% over S\$1.465, being the last transacted price of the UEL Shares on the SGX-ST on 6 November 2014, being the last full Market Day preceding the Pre-Conditional Offer Announcement Date on which the UEL Shares were traded on the SGX-ST;
- (c) a premium of approximately 12.6% over S\$1.465, being the last transacted price of the UEL Shares on the SGX-ST on 2 July 2014, being the date of announcement of the possible transaction on which the UEL Shares were traded on the SGX-ST (the "**Unaffected Date**");

- (d) a premium of approximately 16.1% over S\$1.421, being the VWAP of the UEL Shares on the SGX-ST over the one-month period prior to and including the Unaffected Date;
- (e) a premium of approximately 19.5% over S\$1.380, being the VWAP of the UEL Shares on the SGX-ST over the three-month period prior to and including the Unaffected Date;
- (f) a premium of approximately 27.9% over S\$1.290, being the VWAP of the UEL Shares on the SGX-ST over the six-month period prior to and including the Unaffected Date; and
- (g) a premium of approximately 38.7% over S\$1.190, being the VWAP of the UEL Shares on the SGX-ST over the 12-month period prior to and including the Unaffected Date.

**Note:**

The figures set out above in relation to the last transacted price of the UEL Shares and the VWAP of the UEL Shares are based on data extracted from Bloomberg L.P.

**15. DISCLOSURES OF HOLDINGS AND DEALINGS**

**15.1 Holdings and Dealings.** Appendix 6 to this Offer Document sets out, based on responses received pursuant to enquiries that the Offeror has made:

- (a) the number of Company Securities owned, controlled or agreed to be acquired by the Offeror, its Concert Parties, the Independent Shareholders and the Key Management Shareholders as at the Latest Practicable Date; and
- (b) the dealings in the Company Securities by the Offeror, its Concert Parties, the Independent Shareholders and the Key Management Shareholders during the Reference Period.

**15.2 No Other Holdings and Dealings.** Save as disclosed in Appendix 6 to this Offer Document, and based on responses received pursuant to enquiries that the Offeror has made, as at the Latest Practicable Date, none of the Offeror, its Concert Parties, the Independent Shareholders and the Key Management Shareholders:

- (a) owns, controls or has agreed to acquire any Company Securities; or
- (b) has dealt for value in any Company Securities during the Reference Period.

**15.3 Other Arrangements.** Save as disclosed in this Offer Document, and based on responses received pursuant to enquiries that the Offeror has made, as at the Latest Practicable Date, none of the Offeror, its Concert Parties, the Independent Shareholders and the Key Management Shareholders has:

- (a) granted any security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise;
- (b) borrowed any Company Securities from another person (excluding borrowed Company Securities which have been on-lent or sold), or
- (c) lent any Company Securities to another person.

**15.4 No Irrevocable Undertakings.** As at the Latest Practicable Date and based on the latest information available to the Offeror, save as disclosed in Section 5 of this Offer Document, none of the Offeror and its Concert Parties has received any irrevocable undertaking from any party to accept or reject the Offer.

## 16. CONFIRMATION OF FINANCIAL RESOURCES

Rothschild, as the financial adviser to the Offeror in connection with the Offer and the Convertible Bonds Offer, confirms that sufficient financial resources are available to the Offeror to satisfy in full, all acceptances of the Offer by Shareholders on the basis of the Offer Price and all acceptances of the Convertible Bonds Offer by the CB Holder on the basis of the Convertible Bonds Offer Price, excluding:

- (a) the relevant cash equivalent of the Swaps<sup>12</sup>;
- (b) the relevant cash amounts in respect of the new UEL Shares which may be issued upon the exercise of the UEL CEO's UEL Options into new UEL Shares prior to the close of the Offer; and
- (c) the relevant cash amounts in respect of the Unreleased Post-Amendment UEL Options.

## 17. OVERSEAS SHAREHOLDERS

- 17.1 **Overseas Jurisdictions.** This Offer Document does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document in any jurisdiction in contravention of applicable law.

The release, publication or distribution of this Offer Document in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Offer Document is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Offer Document are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer will violate the laws of that jurisdiction ("**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

- 17.2 **Overseas Shareholders.** The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the Register or in the Depository Register (as the case may be) (each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions.

**For the avoidance of doubt, the Offer will be open to all Shareholders, including those to whom this Offer Document and the relevant Acceptance Forms may not be sent.**

It is the responsibility of Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws of the relevant overseas jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, or compliance

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<sup>12</sup> KKRCW would be receiving approximately 66.67% of the aggregate consideration payable by the Offeror to KKRCW as a result of the KKRCW Acceptances in the form of new Offeror Shares at the Offeror Share Issue Price (which is equal to the Offer Price). The UEL CEO would be receiving approximately 59.70% of the aggregate consideration payable by the Offeror to the UEL CEO as a result of the UEL CEO Acceptance in the form of new Offeror Shares at the Offeror Share Issue Price (which is equal to the Offer Price). The UEL CIO would be receiving approximately 66.67% of the aggregate consideration payable by the Offeror to the UEL CIO and Joyfield as a result of the UEL CIO Acceptance in the form of new Offeror Shares at the Offeror Share Issue Price (which is equal to the Offer Price).



with other necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholders shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, its related corporations, Rothschild, CDP, the Registrar and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholders for any such taxes, imposts, duties or other requisite payments as the Offeror, its related corporations, Rothschild, CDP, the Registrar and/or any person acting on their behalf may be required to pay. In accepting the Offer, each Overseas Shareholder represents and warrants to the Offeror and Rothschild that he is in full observance of the laws of the relevant jurisdiction in that connection and that he is in full compliance with all necessary formalities or legal requirements.

**Any Overseas Shareholder who is in doubt about his position should consult his professional adviser in the relevant jurisdiction.**

17.3 **Copies of this Offer Document and the relevant Acceptance Forms.** Where there are potential restrictions on sending this Offer Document and the relevant Acceptance Forms to any overseas jurisdiction, the Offeror and Rothschild each reserves the right not to send these documents to Overseas Shareholders in such overseas jurisdictions. Subject to compliance with applicable laws, any affected Overseas Shareholder may, nonetheless, attend in person and obtain a copy of this Offer Document, the relevant Acceptance Forms and any related documents during normal business hours and up to the Closing Date, from the office of the Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #02-00, Singapore 068898. Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws, write to the Offeror c/o the Registrar at the above-stated address to request for this Offer Document, the relevant Acceptance Forms and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to five Market Days prior to the Closing Date.

17.4 **Notice.** The Offeror and Rothschild each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published or circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement.

## 18. INFORMATION PERTAINING TO CPFIS INVESTORS

CPFIS Investors will receive further information on how to accept the Offer from their respective CPF Agent Banks directly. CPFIS Investors are advised to consult their respective CPF Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors should seek independent professional advice.

CPFIS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks accordingly by the deadline stated in the letter from their respective CPF Agent Banks. Subject to the Offer becoming or being declared unconditional in all respects in accordance with its terms, CPFIS Investors who accept the Offer will receive the Offer Price in respect of their Offer Shares, in their CPF investment accounts.

## 19. GENERAL

19.1 **Independent Advice.** The views of the directors of the Company who are considered independent for the purposes of the Offer and the IFA on the Offer will be made available by the Company to Shareholders within 14 days of the Despatch Date. Shareholders should consider their advice before taking any action in relation to the Offer.

19.2 **Governing Law and Jurisdiction.** The Offer, this Offer Document, the Acceptance Forms, all acceptances of the Offer, all contracts made pursuant thereto and all actions taken or deemed to be taken or made in connection with any of the foregoing shall be governed by, and construed in accordance with, the laws of Singapore. The Offeror and each accepting Shareholder submit to the exclusive jurisdiction of the courts of Singapore.

- 19.3 **No Third Party Rights.** Unless expressly provided to the contrary in this Offer Document and the Acceptance Forms, a person who is not a party to any contracts made pursuant to the Offer, this Offer Document and the Acceptance Forms has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- 19.4 **Valid Acceptances.** The Offeror and Rothschild each reserves the right to treat acceptances of the Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated herein or in the relevant Acceptance Forms, or if made otherwise than in accordance with the provisions herein and the instructions printed on the relevant Acceptance Forms.
- 19.5 **Accidental Omission.** Accidental omission to despatch this Offer Document, the Acceptance Forms, or any notice or announcement required to be given under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made or should be made, shall not invalidate the Offer in any way.
- 19.6 **Additional General Information.** Additional general information in relation to the Offer is provided in Appendix 7 to this Offer Document.
- 19.7 **Letter from Rothschild to Shareholders.** Rothschild is acting for and on behalf of the Offeror in connection with the Offer and does not purport to advise Shareholders or any other person. In preparing this letter to Shareholders on behalf of the Offeror, Rothschild has not had regard to the general or specific investment objectives, tax position, risk profiles, financial situation or particular needs and constraints of any individual Shareholder.

## 20. RESPONSIBILITY STATEMENT

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

Where any information has been extracted or reproduced from published or publicly available sources (including without limitation, information relating to the UEL Group), the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Offer Document.

Yours faithfully  
**ROTHSCHILD (SINGAPORE) LIMITED**

For and on behalf of  
**CKM (CAYMAN) COMPANY LIMITED**

## APPENDIX 1

### DETAILS OF THE OFFER

#### 1. DURATION OF THE OFFER

- 1.1 **Closing Date.** The Offer is open for acceptance by Shareholders for at least 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

**Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 16 April 2015, the Closing Date.**

**The Offeror does not intend to extend the Offer beyond 5.30 p.m. on the Closing Date. Accordingly, notice is hereby given that the Offer will not be open for acceptances beyond 5.30 p.m. on the Closing Date.**

- 1.2 **No Obligation to Extend the Offer.** The Offeror is not obliged to extend the Offer if the Offer Condition as set out in Section 3.6 of this Offer Document is not fulfilled by the Closing Date.
- 1.3 **Offer to Remain Open for 14 Days After Being Declared Unconditional as to Acceptances.** Pursuant to Rule 22.6 of the Code, if the Offer becomes or is declared unconditional as to acceptances, the Offer will remain open for a period of not less than 14 days after the date on which the Offer would otherwise have closed, in order to give Shareholders who have not accepted the Offer the opportunity to do so.

This requirement does not apply if, before the Offer has become or is declared unconditional as to acceptances, the Offeror has given Shareholders at least 14 days' notice in writing ("**Shut-Off Notice**") that the Offer will not be open for acceptance beyond a specified Closing Date, provided that:

- (a) the Offeror may not give a Shut-Off Notice in a competitive situation; and
- (b) the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.

For these purposes, the SIC would normally regard a "competitive situation" to have arisen if a competing offer for UEL has been announced.

**As indicated in paragraph 1.1 of this Appendix 1, a Shut-Off Notice is hereby given that the Offer will not be open for acceptances beyond 5.30 p.m. on the Closing Date.**

#### 2. SETTLEMENT FOR THE OFFER

- 2.1 **When Settlement Due.** Subject to the Offer becoming or being declared unconditional in all respects in accordance with its terms and the receipt by the Offeror from accepting Shareholders of valid acceptances and all relevant documents required by the Offeror which are complete in all respects and in accordance with the instructions given in this Offer Document and in the FAA and/or the FAT (as the case may be), and in the case of Depositors, the receipt by the Offeror of confirmations satisfactory to it that the relevant number of Offer Shares tendered by the accepting Shareholders in acceptance of the Offer are standing to the credit of the "Free Balance" of their respective Securities Accounts at the relevant time, remittances for the appropriate amounts will be despatched, pursuant to Rule 30 of the Code, to the accepting Shareholders (or in the case of Shareholders holding share certificate(s) which are not deposited with CDP, their designated agents, as they may direct) by means of a Singapore Dollar crossed cheque drawn on a bank in Singapore and sent by ordinary post to their respective addresses as they appear in the records of CDP or in the Register (as the case may be), at the risk of the accepting Shareholders (or in such other manner as the accepting Shareholders may have agreed with CDP for payment of any cash distribution) as soon as practicable and in any case:

- (a) in respect of acceptances of the Offer which are complete in all respects and are received **on or before** the date on which the Offer becomes or is declared to be unconditional in all respects in accordance with its terms, within 10 days of that date; or
- (b) in respect of acceptances of the Offer which are complete in all respects and are received **after** the Offer becomes or is declared to be unconditional in all respects in accordance with its terms, but before the Offer closes, within 10 days of the date of such receipt.

2.2 **Method of Settlement.** Payment of the Offer Price will be made by way of Singapore Dollar crossed cheques drawn on a bank in Singapore (or in such other manner as the accepting Shareholders may have agreed with CDP for payment of any cash distribution) for the appropriate amounts.

2.3 **Crediting of Offer Shares.** In connection with settlement of the Offer, the Offeror will direct CDP to credit the relevant number of Offer Shares that are tendered in acceptance of the Offer to the securities account or securities sub-account of the Relevant Offeror Sub that is maintained with CDP or a depository agent (as the case may be), in accordance with the arrangements set out in the Consortium Agreement and the Subscription Agreements.

### 3. ANNOUNCEMENTS

3.1 **Timing and Contents.** Pursuant to Rule 28.1 of the Code, by 8.00 a.m. (Singapore time) on the dealing day (the “**Relevant Day**”) immediately after the day on which, *inter alia*, the Offer is due to expire, or become or is declared to be unconditional as to acceptances, the Offeror will announce and simultaneously inform the SGX-ST of the total number of UEL Shares (as nearly as practicable):

- (a) for which valid acceptances of the Offer have been received;
- (b) held by the Offeror and any of its Concert Parties before the Offer Period; and
- (c) acquired or agreed to be acquired by the Offeror and any of its Concert Parties during the Offer Period,

and will specify the percentages of the total number of issued UEL Shares represented by such numbers.

3.2 **Suspension.** Under Rule 28.2 of the Code, if the Offeror is unable, within the time limit, to comply with any of the requirements of paragraph 3.1 of this Appendix 1, the SIC will consider requesting the SGX-ST to suspend dealings in the UEL Shares until the relevant information is given.

3.3 **Valid Acceptances for Offer Shares.** Subject to Section 19.4 of this Offer Document, in computing the number of Offer Shares represented by acceptances received by the Offeror, the Offeror will, at the time of making an announcement, take into account acceptances which are valid in all respects.

Acceptances of the Offer will only be treated as valid for the purposes of the acceptance condition if the relevant requirements of Note 2 on Rule 28.1 of the Code are met.

3.4 **Announcements.** In this Offer Document, references to the making of any announcement or the giving of notice by the Offeror include the release of an announcement by Rothschild, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

### 4. RIGHT OF WITHDRAWAL IN RELATION TO THE OFFER

4.1 **Acceptances Irrevocable.** Except as expressly provided in this Offer Document and the Code, acceptances of the Offer shall be irrevocable.

4.2 **Right of Withdrawal of Shareholders.** A Shareholder who has accepted the Offer may:

- (a) withdraw his acceptance immediately if the Offer has become or been declared to be unconditional but the Offeror fails to comply with any of the requirements set out in paragraph 3.1 of this Appendix 1 by 3.30 p.m. (Singapore time) on the Relevant Day. The Offeror may terminate this right of withdrawal not less than eight days after the Relevant Day by confirming (if that be the case) that the Offer is still unconditional as to acceptances and by complying with Rule 28.1 of the Code and the requirements set out in paragraph 3.1 of this Appendix 1; and
- (b) withdraw his acceptance immediately if a competing offer becomes or is declared unconditional as to acceptances. This right of withdrawal also applies in the converse situation i.e., if the Offer becomes or is declared unconditional, a Shareholder who has accepted a competing offer may likewise withdraw his acceptance for such competing offer immediately.

4.3 **Method of Withdrawal.** To withdraw his acceptance, a Shareholder who has accepted the Offer must give written notice to the Offeror:

- (a) c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, where the Offer Shares are deposited with the CDP; or
- (b) c/o Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), 80 Robinson Road #02-00, Singapore 068898, where the Offer Shares are not deposited with the CDP.

**A notice of withdrawal shall be effective only if signed by the accepting Shareholder or his agent duly appointed in writing and evidence of whose appointment is produced in a form satisfactory to the Offeror within the said notice and when actually received by the Offeror.**

## APPENDIX 2

### PROCEDURES FOR ACCEPTANCE OF THE OFFER

#### 1. DEPOSITORS

- 1.1 **Depositors whose Securities Accounts are credited with Offer Shares.** If you have Offer Shares standing to the credit of your Securities Account, you should receive this Offer Document together with the FAA. If you do not receive the FAA, you may obtain a copy of such FAA, upon production of satisfactory evidence that you are a Shareholder, from CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.

**Acceptance.** If you wish to accept the Offer, you should:

- (a) complete the FAA in accordance with the provisions and instructions in this Offer Document and the FAA (which provisions and instructions shall be deemed to form part of the terms of the Offer). In particular, you must state in Part A of the FAA the number of Offer Shares in respect of which you wish to accept the Offer. If you:
- (i) do not specify such number; or
  - (ii) specify a number which exceeds the number of Offer Shares standing to the credit of the "Free Balance" of your Securities Account as at 5.00 p.m. (Singapore time) on the Date of Receipt, or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. (Singapore time) on the Closing Date (provided always that the Date of Receipt must fall on or before the Closing Date),

you shall be deemed to have accepted the Offer in respect of all the Offer Shares already standing to the credit of the "Free Balance" of your Securities Account as at 5.00 p.m. (Singapore time) on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. (Singapore time) on the Closing Date;

- (b) sign the FAA in accordance with this Offer Document and the instructions printed on the FAA; and
- (c) deliver the completed and signed FAA in its entirety (no part may be detached or otherwise mutilated):
- (i) **by hand**, to CKM (Cayman) Company Limited c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or
  - (ii) **by post**, in the enclosed pre-addressed envelope at your own risk, to CKM (Cayman) Company Limited c/o The Central Depository (Pte) Limited, Robinson Road Post Office, P.O. Box 1984, Singapore 903934,

**in either case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date.** If the completed and signed FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope. It is your responsibility to affix adequate postage on the said envelope.

If you have sold or transferred all your Offer Shares held through CDP, you need not forward this Offer Document and the accompanying FAA to the purchaser or transferee, as CDP will arrange for a separate Offer Document and FAA to be sent to the purchaser or transferee.

If you are a Depository Agent, you may accept the Offer *via* Electronic Acceptance. CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf and such Electronic Acceptances must be submitted **not later than 5.30 p.m. (Singapore time) on the Closing Date.**

Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms and conditions contained in the FAA and this Offer Document as if the FAA had been completed and delivered to CDP.

- 1.2 **Depositors whose Securities Accounts will be credited with Offer Shares.** If you have purchased Offer Shares on the SGX-ST and such Offer Shares are in the process of being credited to the “Free Balance” of your Securities Account, you should also receive this Offer Document together with the FAA. If you do not receive that FAA, you may obtain a copy, upon production of satisfactory evidence that you have purchased the Offer Shares on the SGX-ST, from CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.

**Acceptance.** If you wish to accept the Offer in respect of such Offer Shares, you should, **AFTER** the “Free Balance” of your Securities Account has been credited with such number of Offer Shares purchased:

- (a) complete and sign the FAA in accordance with this Offer Document and the instructions printed on the FAA; and
- (b) deliver the completed and signed FAA in its entirety (no part may be detached or otherwise mutilated):
  - (i) **by hand**, to CKM (Cayman) Company Limited c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or
  - (ii) **by post**, in the enclosed pre-addressed envelope at your own risk, to CKM (Cayman) Company Limited c/o The Central Depository (Pte) Limited, Robinson Road Post Office, P.O. Box 1984, Singapore 903934,

**in either case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date.** If the completed and signed FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope. It is your responsibility to affix adequate postage on the said envelope.

- 1.3 **Depositors whose Securities Accounts are and will be credited with Offer Shares.** If you have Offer Shares credited to the “Free Balance” of your Securities Account, and have purchased additional Offer Shares on the SGX-ST which are in the process of being credited to the “Free Balance” of your Securities Account, you may accept the Offer in respect of the Offer Shares standing to the credit of the “Free Balance” of your Securities Account and may accept the Offer in respect of the additional Offer Shares purchased which are in the process of being credited to your Securities Account only **AFTER** the “Free Balance” of your Securities Account has been credited with such number of additional Offer Shares purchased. The provisions set out above shall apply *mutatis mutandis* to your acceptance of the Offer.

- 1.4 **Rejection.** If upon receipt by CDP, on behalf of the Offeror, of the FAA, it is established that such Offer Shares have not been credited to the “Free Balance” of your Securities Account (as, for example, where you are selling or have sold such Offer Shares), then your acceptance is liable to be rejected and none of CDP, Rothschild and the Offeror (and, for the avoidance of doubt, any of the Offeror’s related corporations) accepts any responsibility or liability for such a rejection, including the consequences of such a rejection.

If you purchase Offer Shares on the SGX-ST during the Offer Period and on a date near to the Closing Date, your acceptance of the Offer in respect of such Offer Shares will be rejected if the “Free Balance” of your Securities Account is not credited with such Offer Shares by 5.00 p.m. (Singapore time) on the Date of Receipt or 5.30 p.m. (Singapore time) on the Closing Date (if the Date of Receipt is on the Closing Date). None of CDP, Rothschild and the Offeror (and, for the avoidance of doubt, any of the Offeror’s related corporations) accepts any responsibility or liability for such a rejection, including the consequences of such a rejection.

- 1.5 **Receipt.** No acknowledgement of receipt will be given by CDP for submissions of the FAA made by hand or by post or deposited into boxes located at CDP’s premises. All communications, notices, documents and payments will be sent by ordinary post at your risk to your mailing address as it

appears in the records of CDP. For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Offer Shares credited to your Securities Account. You can verify the number of Offer Shares credited to your Securities Account through: (a) CDP Online if you have registered for the CDP Internet Access Service or (b) CDP Phone Service if you have a T-PIN.

- 1.6 **Suspense Account.** Upon receipt by CDP, for and on behalf of the Offeror, of the duly completed and signed original of the FAA, CDP will take such measures as it may consider necessary or expedient to prevent any trading of the Offer Shares in respect of which you have accepted the Offer during the period commencing on the Date of Receipt and ending on the date of settlement of the Offer Price, in the event the Offer becomes or is declared unconditional in all respects in accordance with its terms (including, without limitation, earmarking, blocking, and/or transferring the relevant number of such Offer Shares from the "Free Balance" of your Securities Account to a "Suspense Account").
- 1.7 **Return of Offer Shares.** In the event the Offer does not become or is not declared unconditional in all respects in accordance with its terms, the relevant Offer Shares in respect of which you have accepted the Offer will be returned to the "Free Balance" of your Securities Account as soon as possible but, in any event, not later than 14 days from the lapse of the Offer.
- 1.8 **Offer Conditional.** In the event the Offer becomes or is declared unconditional in all respects in accordance with its terms, CDP will send you a notification letter stating the number of Offer Shares debited from your Securities Account together with payment of the Offer Price by means of a Singapore Dollar cheque drawn on a bank in Singapore for the appropriate amount and sent by ordinary mail to your mailing address as recorded with CDP, or in such other manner as you may have agreed with CDP for the payment of any cash distribution, at your own risk.
- 1.9 **No Securities Account.** If you do not have any existing Securities Account in your own name at the time of acceptance of the Offer, your acceptance as contained in the FAA will be rejected.

## 2. SCRIP HOLDERS

- 2.1 **Shareholders whose Offer Shares are not deposited with CDP.** If you hold Offer Shares which are not deposited with CDP ("**in scrip form**"), you should receive this Offer Document together with the FAT.

**Acceptance.** If you wish to accept the Offer, you should:

- (a) complete the FAT in accordance with the provisions and instructions in this Offer Document and the FAT (which provisions and instructions shall be deemed to form part of the terms of the Offer). In particular, you must state in Part A of the FAT the number of Offer Shares in respect of which you wish to accept the Offer. If you:
  - (i) do not specify any number in the FAT; or
  - (ii) specify a number which exceeds the number of Offer Shares represented by the attached share certificate(s) accompanying the FAT,you shall be deemed to have accepted the Offer in respect of all the UEL Shares represented by the share certificate(s) accompanying the FAT;
- (b) sign the FAT in accordance with this Offer Document and the instructions printed on the FAT; and
- (c) deliver:
  - (i) the completed and signed FAT in its entirety (no part may be detached or otherwise mutilated);
  - (ii) the share certificate(s), other document(s) of title and/or other relevant document(s) required by the Offeror relating to the Offer Shares in respect of which you wish to accept the Offer. If you are recorded in the Register as holding Offer Shares but do



not have the relevant share certificate(s) relating to such Offer Shares, you, at your own risk, are required to procure the Company to issue such share certificate(s) in accordance with the Memorandum and Articles of Association of the Company and then deliver such share certificate(s) in accordance with the procedures set out in this Offer Document and the FAT; and

- (iii) where such Offer Shares are not registered in your name, a transfer form, duly executed by the person in whose name such share certificate(s) is/are registered and stamped, with the particulars of transferee left blank (to be completed by the Offeror or a person authorised by it),

either **by hand**, to CKM (Cayman) Company Limited c/o Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #11-02, Singapore 068898, or **by post**, in the enclosed pre-addressed envelope at your own risk, to CKM (Cayman) Company Limited c/o Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #02-00, Singapore 068898, **in either case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date**. If the completed and signed FAT is delivered by post to the Offeror, please use the enclosed pre-addressed envelope. It is your responsibility to affix adequate postage on the said envelope.

- 2.2 **Receipt.** No acknowledgement of receipt of any FAT, share certificate(s), other document(s) of title, transfer form(s) or any other accompanying document(s) will be given by the Offeror, Rothschild or the Registrar.
- 2.3 **Return of Offer Shares.** In the event that the Offer does not become or is not declared unconditional in all respects in accordance with its terms, the FAT, share certificate(s) and/or any other accompanying document(s) will be returned to you as soon as possible but, in any event, not later than 14 days from the lapse of the Offer.

### 3. GENERAL

- 3.1 **Disclaimer.** The Offeror, Rothschild, CDP and/or the Registrar will be entitled, at their sole and absolute discretion, to reject or treat as invalid any acceptance of the Offer through the FAA and/or the FAT, as the case may be, which is not entirely in order or which does not comply with the terms contained in this Offer Document and the relevant Acceptance Forms or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality, or invalid in any respect. If you wish to accept the Offer, it is your responsibility to ensure that the relevant Acceptance Forms are properly completed and executed in all respects and are submitted with original signature(s) and that all required documents (where applicable) are provided. Any decision to reject or treat as valid any acceptance will be final and binding and none of the Offeror (or, for the avoidance of doubt, any of the Offeror's related corporations), Rothschild, CDP and/or the Registrar accepts any responsibility or liability for such a decision, including the consequences of such a decision.
- 3.2 **Discretion.** The Offeror and Rothschild each reserves the right to treat acceptances of the Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated in this Offer Document or in the relevant Acceptance Forms, or if made otherwise than in accordance with the provisions of this Offer Document and in the relevant Acceptance Forms. In respect of the FAA, any decision by the Offeror or Rothschild to reject or treat as valid any acceptance will be final and binding and CDP takes no responsibility for any decision made by the Offeror or Rothschild. In respect of the FAT, any decision to reject or treat as valid any acceptance will be final and binding and none of the Offeror (or, for the avoidance of doubt, any of the Offeror's related corporations), Rothschild, and the Registrar accepts any responsibility or liability for such a decision, including the consequences of such a decision.
- 3.3 **Scrip and Scripless Offer Shares.** If you hold some Offer Shares in scrip form and others with CDP, you should complete a FAT for the former and a FAA for the latter in accordance with the respective procedures set out in this Appendix 2 and the relevant Acceptance Forms if you wish to accept the Offer in respect of all such Offer Shares.

- 3.4 **Acceptances received on Saturday, Sunday or public holiday.** Acceptances in the form of the FAA and/or the FAT received by CDP and/or the Registrar, for and on behalf of the Offeror, on a Saturday, Sunday or public holiday will only be processed and validated on the next Singapore Business Day.
- 3.5 **Deposit Time.** If you hold Offer Shares in scrip form, the Offer Shares may not be credited into your Securities Account with CDP in time for you to accept the Offer by way of the FAA if you were to deposit your share certificate(s) with CDP after the Despatch Date. If you wish to accept the Offer in respect of such Offer Shares held in scrip form, you should complete the FAT and follow the procedures set out in paragraph 2 of this Appendix 2 and the FAT.
- 3.6 **Correspondences.** All communications, certificates, notices, documents and remittances to be delivered or sent to you (or, in the case of scrip holders, your designated agent or, in the case of accepting joint Shareholders who have not designated any agent, to the one first named in the Register, as the case may be) will be sent by ordinary post to your mailing address appearing in the records of CDP or the Register, as the case may be, at the risk of the person(s) entitled thereto (or for the purposes of remittances only, to such address as may be specified by you in the FAT, at your own risk).
- 3.7 **Evidence of Title.** Delivery of the duly completed and signed FAA and/or FAT, as the case may be, together with the relevant share certificate(s) and/or other documents of title and/or other relevant documents required by the Offeror, to the Offeror, CDP and/or the Registrar, as the case may be, shall be conclusive evidence in favour of the Offeror (or its nominee), CDP and/or the Registrar, as the case may be, of the right and title of the person(s) signing it to deal with the same and with the Offer Shares to which it relates.
- 3.8 **Loss in Transmission.** The Offeror, Rothschild, CDP or the Registrar, as the case may be, shall not be liable for any loss in transmission of the FAA and/or the FAT.
- 3.9 **Acceptance Irrevocable.** The acceptance of the Offer made by you using the FAA and/or the FAT, as the case may be, shall be irrevocable and any instructions or subsequent FAA(s) and/or FAT(s) received by CDP and/or the Registrar, as the case may be, after the FAA and/or the FAT, as the case may be, has been received shall be disregarded.

## APPENDIX 3

### ADDITIONAL INFORMATION ON THE OFFEROR

#### 1. DIRECTORS

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are as follows:

Name	Address	Description
Hao Weibao	15F, Capital Mansion 6 Xinyuan Nanlu Chaoyang District Beijing, China, 100004	Director
Wang Song	15F, Capital Mansion 6 Xinyuan Nanlu Chaoyang District Beijing, China, 100004	Director
David Haifeng Liu	Level 56, Cheung Kong Centre 2 Queen's Road Central Hong Kong	Director
Zhao Fu	Level 56, Cheung Kong Centre 2 Queen's Road Central Hong Kong	Director

#### 2. PRINCIPAL ACTIVITIES AND SHARE CAPITAL

The Offeror is an exempted company incorporated in the Cayman Islands with limited liability on 30 September 2014. Its principal activities are those of an investment holding company. As at the Latest Practicable Date, the Offeror is jointly owned by each of CITIC Environment and KKRCW in equal proportion.

As at the Latest Practicable Date, the Offeror has an authorised share capital of S\$13,000 divided into 1,300,000,000 shares of a par value of S\$0.00001 each and an issued and paid-up share capital of S\$0.00002 comprising two Offeror Shares.

#### 3. SUMMARY OF FINANCIAL INFORMATION

As the Offeror was incorporated on 30 September 2014, no audited financial statements of the Offeror have been prepared as at the Latest Practicable Date.

#### 4. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save for (a) the disclosures in this Offer Document, (b) the making and financing of the Offer and (c) the entry by the Offeror into the various agreements and arrangements in connection with the Proposed Transaction (namely, the Consortium Agreement, the Subscription Agreements, the Placing Agreement and the CITIC Loan Agreement), there has been no known material change in the financial position of the Offeror since its incorporation.

#### 5. REGISTERED OFFICE

The registered office of the Offeror is at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

## APPENDIX 4

### ADDITIONAL INFORMATION ON CITIC LIMITED

#### 1. DIRECTORS

The names, addresses and descriptions of the directors of CITIC Limited as at the Latest Practicable Date are as follows:

<b>Name</b>	<b>Address</b>	<b>Description</b>
Chang Zhenming	32F, CITIC Tower 1 Tim Mei Avenue Central, Hong Kong	Chairman and Executive Director CITIC Corporation Limited and Chairman of CITIC Limited
Wang Jiong	32F, CITIC Tower 1 Tim Mei Avenue Central, Hong Kong	President and Vice Chairman of CITIC Corporation Limited, President and Vice-Chairman and Executive Director of CITIC Limited, and Chairman of CITIC EP
Dou Jianzhong	32F, CITIC Tower 1 Tim Mei Avenue Central, Hong Kong	Vice President and Executive Director of CITIC Corporation Limited, and Vice President and Executive Director of CITIC Limited
Zhang Jijing	32F, CITIC Tower 1 Tim Mei Avenue Central, Hong Kong	Vice President and Executive Director of CITIC Limited
Yang Jinming	32F, CITIC Tower 1 Tim Mei Avenue Central, Hong Kong	Non-Executive Director
Yu Zhensheng	32F, CITIC Tower 1 Tim Mei Avenue Central, Hong Kong	Non-Executive Director
Cao Pu	32F, CITIC Tower 1 Tim Mei Avenue Central, Hong Kong	Non-Executive Director
Liu Zhongyuan	32F, CITIC Tower 1 Tim Mei Avenue Central, Hong Kong	Non-Executive Director
Alexander Reid Hamilton	32F, CITIC Tower 1 Tim Mei Avenue Central, Hong Kong	Independent Non-Executive Director
Francis Siu Wai Keung	32F, CITIC Tower 1 Tim Mei Avenue Central, Hong Kong	Independent Non-Executive Director
Xu Jinwu	32F, CITIC Tower 1 Tim Mei Avenue Central, Hong Kong	Independent Non-Executive Director

## 2. PRINCIPAL ACTIVITIES AND SHARE CAPITAL

CITIC Limited is listed on the Stock Exchange of Hong Kong and is one of the constituent stocks of the Hang Seng Index. CITIC Limited is a public company limited by shares and was incorporated in Hong Kong on 8 January 1985. As the largest conglomerate in the PRC, its businesses include financial services, resources and energy, manufacturing, real estate and infrastructure, engineering contracting, and other businesses in the PRC and overseas. As at the Latest Practicable Date, CITIC Limited is approximately 77.90% owned by CITIC Group Corporation in Beijing.

As at the Latest Practicable Date, CITIC Limited has an issued and paid-up share capital of HK\$324,524,728,050.49 comprising 24,903,323,630 ordinary shares.

## 3. FINANCIAL INFORMATION OF CITIC LIMITED

On 16 April 2014, CITIC Limited, entered into a share transfer agreement to acquire 100% of the total issued share capital of CITIC Corporation Limited at a consideration of RMB226,995,660,900 (the “**Acquisition**”). The consideration of the Acquisition was satisfied partly by issuing new shares of CITIC Limited to CITIC Group Corporation’s designated wholly-owned subsidiaries and partly in cash raised by placing new shares of CITIC Limited to investors as well as from other internal resources. Details of the Acquisition are set out in the announcement of CITIC Limited dated 16 April 2014 and the circular of CITIC Limited dated 14 May 2014 (the “**CITIC Circular**”), both of which are available on the website of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>). Completion of the Acquisition took place on 25 August 2014 and CITIC Group Corporation’s controlling interest in CITIC Limited increased from approximately 57.50% to approximately 78.00%. Subsequent to the completion of the Acquisition and with effect from 26 August 2014, the name of CITIC Limited has been changed from CITIC Pacific Limited (中信泰富有限公司) to CITIC Limited (中國中信股份有限公司).

As the Acquisition was completed on 25 August 2014 and the audited financial statements of CITIC Limited for the year ended 31 December 2014 is not available as at the Latest Practicable Date, the historical financial information of CITIC Limited presented in paragraph 4 and paragraph 5 of this Appendix 4 only represent the financial information of CITIC Limited prior to the Acquisition.

For illustrative purposes, the unaudited pro forma financial information of CITIC Limited on an enlarged basis is included in this Offer Document as a reference point.

## 4. SUMMARY OF FINANCIAL PERFORMANCE

A summary of the audited consolidated profit and loss statements of CITIC Limited for the three financial years ended 31 December 2013 and the unaudited consolidated profit and loss statements of CITIC Limited for the six months ended 30 June 2014 are set out in the table below.

The summary is extracted from, and should be read in conjunction with, the audited consolidated financial statements of CITIC Limited for the three financial years ended 31 December 2013 and the unaudited consolidated financial statements of CITIC Limited for the six months ended 30 June 2014 (copies of which are available for inspection as mentioned in paragraph 4 of Appendix 7 to this Offer Document).

	<b>Audited financial year ended 31 December 2011 (HK\$'million)</b>	<b>Audited financial year ended 31 December 2012 (HK\$'million)</b>	<b>Audited financial year ended 31 December 2013 (HK\$'million)</b>	<b>Unaudited 6 months ended 30 June 2014 (HK\$'million)</b>
Turnover	100,086	93,272	88,041	46,685
Exceptional items	-	-	-	-
Profit before taxation	13,543	9,098	8,002	3,238
Profit for the year / period	10,983	8,284	9,126	2,966
Minority interests	1,419	831	657	399
Earnings per share for profit attributable to ordinary shareholders (HK\$)	2.53	1.91	2.08	1.22
Dividend per share (HK\$)	0.45	0.45	0.35	0.015

## 5. STATEMENT OF ASSETS AND LIABILITIES

A summary of the audited consolidated balance sheet of CITIC Limited as at 31 December 2013 and the unaudited consolidated balance sheet of CITIC Limited as at 30 June 2014 is set out in the table below. The summary is extracted from, and should be read in conjunction with, the audited consolidated financial statements of CITIC Limited for the financial year ended 31 December 2013 and the unaudited consolidated financial statements of CITIC Limited for the six months ended 30 June 2014 (copies of which are available for inspection as mentioned in paragraph 4 of Appendix 7 to this Offer Document).

	<b>Audited as at 31 December 2013 (HK\$'million)</b>	<b>Unaudited as at 30 June 2014 (HK\$'million)</b>
Property, plant and equipment	109,480	111,892
Investment properties	14,932	15,235
Properties under development	11,660	12,568
Joint ventures	22,647	21,561
Inventories	14,660	15,901
Cash and bank deposits	35,070	31,331
Other assets	59,330	59,882
Total assets	267,779	268,370
Bank loans, other loans, overdrafts and borrowings	120,730	121,737
Creditors, accounts payable, deposits and accruals	28,717	26,717
Other liabilities	10,019	11,142
Total liabilities	159,466	159,596
Net assets	108,313	108,774

## 6. UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is an illustrative and unaudited pro forma financial information of CITIC Limited as enlarged by the Acquisition ("**Unaudited Pro Forma Financial Information**"), which have been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Acquisition, as if it had taken place on 31 December 2013 for the unaudited pro forma consolidated balance sheet and on 1 January 2013 for the unaudited pro forma consolidated income statement.

The Unaudited Pro Forma Financial Information has been extracted from the CITIC Circular and is prepared by the Directors of the Company for illustrative purpose only.

The Unaudited Pro Forma Financial Information is based upon (i) the audited consolidated financial statements of CITIC Limited and its subsidiaries as at and for the year ended 31 December 2013, which have been extracted from CITIC Limited's annual report for the year ended 31 December 2013 dated 20 February 2014; (ii) the combined financial information of CITIC Corporation Limited as at and for the year ended 31 December 2013, which have been extracted from the accountants' report as set out in Appendix I to the CITIC Circular, and adjusted on a pro forma basis to reflect the effect of the Acquisition. These pro forma adjustments are (i) directly attributable to the Acquisition and not relating to other future events and decision and (ii) factually supportable based on the terms of the share transfer agreement as defined in the CITIC Circular.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position, results and cash flows of CITIC Limited had the Acquisition been completed as at 31 December 2013 or 1 January 2013, where applicable, or at any future dates.

#### 6.1 Summary of Unaudited Pro Forma Consolidated Income Statement

	<b>Unaudited financial year ended 31 December 2013 (HK\$'million)</b>
Turnover	409,747
Exceptional items	-
Profit before taxation	91,400
Profit for the year / period	70,459
Minority interests	21,148

#### 6.2 Summary of Unaudited Pro Forma Consolidated Balance Sheet

	<b>Unaudited as at 31 December 2013 (HK\$'million)</b>
Cash and deposits	899,198
Financial assets held under resale agreements	365,361
Loans and advances to customers and other parties	2,419,803
Available for sale financial assets	274,137
Held to maturity investments	196,886
Investments classified as receivables	381,783
Other assets	784,541
Total assets	5,321,709
Deposits from banks and non-bank financial institutions	709,621
Trade and other payables	205,776
Deposits from customers	3,345,943
Bank and other loans and debt securities issued	418,669
Other liabilities	125,148
Total liabilities	4,805,157
Net assets	516,552

**7. MATERIAL CHANGES IN FINANCIAL POSITION**

As at the Latest Practicable Date, save as disclosed in this Offer Document and save for:

- (a) information on CITIC Limited which is publicly available (including the unaudited consolidated financial statements of CITIC Limited for the six months ended 30 June 2014 and the information contained in the CITIC Circular); and
- (b) the making and financing of the Offer,

there has been no known material change in the financial position of CITIC Limited since 31 December 2013, being the date of the last audited consolidated financial statements of CITIC Limited laid before its shareholders in general meeting.

**8. SIGNIFICANT ACCOUNTING POLICIES**

The audited consolidated financial statements of CITIC Limited for the financial year ended 31 December 2013 have been prepared in accordance with the Hong Kong Financial Reporting Standards. The significant accounting policies of CITIC Limited are set out in Note 1 to the audited consolidated financial statements of CITIC Limited for the financial year ended 31 December 2013 (a copy of which is available for inspection at the registered office of the Company as mentioned in paragraph 4 of Appendix 7 to this Offer Document).

**9. CHANGES IN ACCOUNTING POLICIES**

As at the Latest Practicable Date, there has been no change in the accounting policies of CITIC Limited since the date of its audited consolidated financial statements for the financial year ended 31 December 2013 which will cause the figures set out in paragraphs 3 and 4 of this Appendix 4 to be not comparable to a material extent.

**10. REGISTERED OFFICE**

The registered office of CITIC Limited is at 32F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong.



## APPENDIX 5

### ADDITIONAL INFORMATION ON UEL

#### 1. DIRECTORS

The names, addresses and descriptions of the directors of UEL as at the Latest Practicable Date are as follows:

<b>Name</b>	<b>Address</b>	<b>Description</b>
Lin Yucheng	65 Andrew Road Singapore 299983	Chairman and Chief Executive Officer
Wang Ning	10 Science Park Road The Alpha Singapore 117684	Executive Director
Chong Weng Chiew	50 Berwick Drive Serangoon Garden Estate Singapore 559929	Executive Director
David Haifeng Liu	Level 56, Cheung Kong Centre 2 Queen's Road Central Hong Kong	Non-Executive Director
Zhao Fu	Level 56, Cheung Kong Centre 2 Queen's Road Central Hong Kong	Non-Executive Director
Li Yan	2303, Unit A, No. 2 Building, No. 216 of Balizhuangbeili Chaoyang District Beijing, China	Non-Executive Director
Yeung Koon Sang alias David Yeung	17 Jalan Seruling Faber Garden Singapore 576850	Lead Independent Director
Tay Beng Chuan	4 Goodman Road Singapore 438970	Independent Director
Lee Suan Hiang	16 Jalan Jelita Mcmahon Park Singapore 278340	Independent Director

#### 2. SHARE CAPITAL

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$430,267,223.30 comprising 963,361,368 UEL Shares (based on a search conducted at ACRA on the Latest Practicable Date). As at the Latest Practicable Date, the Company does not hold any UEL Shares in treasury.

Based on information provided by UEL, as at the Latest Practicable Date, there are outstanding Convertible Bonds which, if converted, would give rise to 117,926,189 UEL Shares. Assuming that all the outstanding Convertible Bonds and the Options are exercised into UEL Shares as at the Latest Practicable Date, the enlarged total number of UEL Shares would be 1,152,237,557.

### 3. OPTION SCHEME

The UEL Scheme was approved on 2 February 2010 and amended on 14 February 2013, being the Amendment Date. Based on information provided by UEL to the Offeror as at the Latest Practicable Date, UEL has Options granted under the UEL Scheme which are exercisable into 70,950,000 new UEL Shares, of which:

- (a) 3,400,000 of the 70,950,000 Options have been granted before the Amendment Date and
- (b) 67,550,000 of the 70,950,000 UEL Options have been granted on or after the Amendment Date (“**Post-Amendment Options**”). 22,466,500 of the Post-Amendment Options have met the performance criterion under the terms of the UEL Scheme and are expected to be released by UEL’s Remuneration Committee. The remaining 45,083,500 Post-Amendment Options are not expected to be released by UEL’s Remuneration Committee.

Pursuant to Rule 15.1 of the UEL Scheme, and subject to Rules 11.8 and 15.5 of the UEL Scheme, in the event of a takeover offer, participants (including participants holding Options which are not then exercisable) shall be entitled to exercise such Options in full or in part from the period commencing on the date the general offer becomes or is declared unconditional (“**Unconditional Date**”), and ending on the earlier of (the “**Accelerated Exercise Period**”):

- (i) the expiry of six months thereafter unless prior to the expiration of such six month period, at the recommendation of the Offeror and with the approval of UEL’s Remuneration Committee and the SGX-ST, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the option period relating thereto); or
- (ii) the date of expiry of the option period relating to such Options.

After the expiry of the Accelerated Exercise Period, any and all Options then remaining unexercised (including the Unreleased Post-Amendment UEL Options) shall immediately lapse and become null and void.

The Offeror has informed UEL that it intends to maintain the listing status of UEL following the close of the Offer, and has requested that UEL’s Remuneration Committee extends the expiry date of all Options (including the Unreleased Post-Amendment UEL Options) such that they do not lapse six months after the Unconditional Date, but will lapse only on the date of the expiry of the relevant option period(s) relating to each Option (the “**Extended Accelerated Exercise Period**”).

As at the Latest Practicable Date, the Offeror has been informed by UEL that both the UEL’s Remuneration Committee and the SGX-ST have approved the Extended Accelerated Exercise Period. **Accordingly, all Options will not lapse six months after the Unconditional Date, but will lapse only on the date of the expiry of the relevant option period(s) relating to each Option.**

### 4. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as disclosed in this Offer Document and save for information on the UEL Group which is publicly available (including without limitation, the announcements released by the Company on the SGX-ST and the documents as set out below) and save as may be announced by the Company from time to time, there has not been, within the knowledge of the Offeror, any material change in the financial position or prospects of the UEL Group since 31 March 2014, being the date of the last audited balance sheet of the Company laid before Shareholders in general meeting:

- (a) the audited consolidated financial statements of the UEL Group for the financial year ended 31 March 2014; and
- (b) the unaudited consolidated financial statements of the UEL Group for the nine months ended 31 December 2014 as announced by the Company on 12 March 2015.

Shareholders should note that, as disclosed in paragraph 6.2 of the Company's Placing Announcement, in the event the Offer becomes or is declared unconditional, the noteholders of the Company's medium term notes have a right of redemption. The Company intends to use the net proceeds from the Proposed Placement for (i) the possible redemption of its medium term notes by such noteholders; (ii) the acquisition of water and wastewater treatment plants; and/or (iii) the funding of the Company's working capital.

**5. REGISTERED OFFICE**

The registered office of the Company is at 80 Robinson Road, #02-00, Singapore 068898.

## APPENDIX 6

### DISCLOSURE OF HOLDINGS AND DEALINGS

The disclosures of holdings and dealings in the Company Securities set out below in this Appendix 6 are based on responses to enquiries that the Offeror has made.

#### 1. HOLDINGS IN THE COMPANY SECURITIES HELD BY THE OFFEROR AND ITS CONCERT PARTIES

Save as disclosed below, as at the Latest Practicable Date, the Offeror and its Concert Parties do not own or control any Company Securities:

##### UEL Shares

Name	No. of UEL Shares	%
KKRCW	285,609,818	29.65
<b>Total</b>	<b>285,609,818</b>	<b>29.65</b>

##### Convertible Bonds

Name	Conversion period	Principal amount of Convertible Bonds (US\$)	Conversion price (S\$)	Number of UEL Shares to which the Convertible Bonds relate
KKRCW	Convertible at any time up to 5 business days <sup>13</sup> prior to the maturity date of 4 October 2016	44,000,000	0.45	117,926,189

#### 2. HOLDINGS IN THE COMPANY SECURITIES HELD BY THE INDEPENDENT SHAREHOLDERS AND THE KEY MANAGEMENT SHAREHOLDERS

Save as disclosed below, and based on responses received pursuant to enquiries that the Offeror has made, as at the Latest Practicable Date, the Independent Shareholders and the Key Management Shareholders do not own or control any Company Securities:

##### UEL Shares

Name	No. of UEL Shares	% <sup>14</sup>
Dr Lin Yucheng (the UEL CEO)	71,761,000	7.45
Ms Pan Shuhong (the UEL CIO) and Joyfield	85,593,383	8.88
Mr Pang Lim	22,546,000	2.34
Mr Zhuo Jing Ming <sup>15</sup>	6,000,000	0.62
Mr Tan Choon Wann	4,000,000	0.42
Mr Yeo Chung Sun	24,815,850	2.58
Mr Zheng He Peng	3,002,000	0.31
Mr Paul Leong Kah Fook	2,900,000	0.30
Mr Tan Swee Peng	2,725,000	0.28

<sup>13</sup> For this purpose, “business day” means a day other than a Saturday, Sunday or public holiday on which banks are open for business in Singapore.

<sup>14</sup> Any discrepancies in this table between the listed percentages and the totals thereof are due to rounding.

<sup>15</sup> The Offeror understands that Mr Zhuo Jing Ming holds his UEL Shares through Full Summit Group Limited, a company wholly-owned by him.

Name	No. of UEL Shares	% <sup>14</sup>
Mr Gregory Leong Goh Han	2,205,000	0.23
Mr Tay Siak Chwee	915,000	0.09
<b>Total</b>	<b>226,463,233</b>	<b>23.51</b>

### 3. DEALINGS IN THE COMPANY SECURITIES BY THE OFFEROR AND ITS CONCERT PARTIES

Save as disclosed below, the Offeror and its Concert Parties have not dealt for value in the Company Securities during the Reference Period and ending on the Latest Practicable Date.

Name	Date of conversion notice	Principal amount of Convertible Bonds (US\$)	Conversion price (S\$)	Number of UEL Shares acquired
KKRCW	11 November 2014	18,700,000	0.45	50,118,630

### 4. DEALINGS IN THE COMPANY SECURITIES BY THE INDEPENDENT SHAREHOLDERS AND THE KEY MANAGEMENT SHAREHOLDERS

Save as disclosed below, and based on responses received pursuant to enquiries that the Offeror has made, the Independent Shareholders and the Key Management Shareholders have not dealt for value in the Company Securities during the Reference Period.

Name of party dealing in the Company Securities	Date of dealings	Nature of transaction (buy / sell / exercise / entering into / lapse / closing out / variation / issue)	Type of Company Securities	Number of Company Securities comprised in dealing	Price transacted <sup>15</sup> / Exercise price (S\$)	Exercise period (if applicable)	Holdings in Company Securities following the dealing / any other remarks
Tan Choon Wann	14 October 2014	Buy	Shares	500,000	1.273	N.A.	6,045,000
	15 October 2014	Buy	Shares	320,000	1.189	N.A.	6,365,000
	16 October 2014	Buy	Shares	50,000	1.187	N.A.	6,415,000
	20 October 2014	Sell	Shares	150,000	1.269	N.A.	6,265,000
	21 October 2014	Sell	Shares	350,000	1.234	N.A.	5,915,000
	31 October 2014	Sell	Shares	760,000	1.472	N.A.	5,155,000
	3 November 2014	Sell	Shares	240,000	1.484	N.A.	4,915,000
	4 November 2014	Sell	Shares	300,000	1.453	N.A.	4,615,000
	5 November 2014	Sell	Shares	200,000	1.453	N.A.	4,415,000
	13 November 2014	Sell	Shares	200,000	1.595	N.A.	4,215,000
	11 February 2015	Buy	Shares	300,000	1.615	N.A.	4,515,000
	18 February 2015	Sell	Shares	300,000	1.610	N.A.	4,215,000
	6 March 2015	Sell	Shares	65,000	1.645	N.A.	4,150,000
	6 March 2015	Sell	Shares	150,000	1.645	N.A.	4,000,000

Name of party dealing in the Company Securities	Date of dealings	Nature of transaction (buy / sell / exercise / entering into / lapse / closing out / variation / issue)	Type of Company Securities	Number of Company Securities comprised in dealing	Price transacted <sup>15</sup> / Exercise price (S\$)	Exercise period (if applicable)	Holdings in Company Securities following the dealing / any other remarks
Yeo Chung Sun	26 February 2015	Buy	Shares	160,700	1.610	N.A.	24,639,250
	27 February 2015	Buy	Shares	114,000	1.610	N.A.	24,753,250
	2 March 2015	Buy	Shares	62,600	1.610	N.A.	24,815,850
Gregory Leong Goh Han	30 October 2014	Buy	Shares	100,000	1.440	N.A.	2,205,000
Paul Leong Kah Fook	27 October 2014	Buy	Shares	50,000	1.285	N.A.	2,900,000
Pang Lim	15 October 2014	Buy	Shares	29,000	1.230	N.A.	23,198,000
	27 November 2014	Sell	Shares	652,000	1.620	N.A.	22,546,000
Tan Swee Peng	27 August 2014	Buy	Shares	50,000	1.400	N.A.	2,655,000
	27 August 2014	Sell	Shares	50,000	1.415	N.A.	2,605,000
	17 September 2014	Buy	Shares	50,000	1.345	N.A.	2,655,000
	18 September 2014	Sell	Shares	10,000	1.355	N.A.	2,645,000
	19 September 2014	Sell	Shares	40,000	1.355	N.A.	2,605,000
	30 September 2014	Buy	Shares	30,000	1.355	N.A.	2,635,000
	1 October 2014	Sell	Shares	30,000	1.360	N.A.	2,605,000
	14 October 2014	Buy	Shares	90,000	1.247	N.A.	2,695,000
	15 October 2014	Buy	Shares	39,000	1.223	N.A.	2,734,000
	16 October 2014	Sell	Shares	15,000	1.220	N.A.	2,719,000
	21 October 2014	Sell	Shares	39,000	1.235	N.A.	2,680,000
	24 October 2014	Buy	Shares	20,000	1.260	N.A.	2,700,000
	27 October 2014	Buy	Shares	15,000	1.265	N.A.	2,715,000
	27 October 2014	Buy	Shares	50,000	1.280	N.A.	2,765,000
28 October 2014	Sell	Shares	10,000	1.400	N.A.	2,755,000	
28 October 2014	Buy	Shares	10,000	1.395	N.A.	2,765,000	
29 October 2014	Sell	Shares	65,000	1.410	N.A.	2,700,000	

Name of party dealing in the Company Securities	Date of dealings	Nature of transaction (buy / sell / exercise / entering into / lapse / closing out / variation / issue)	Type of Company Securities	Number of Company Securities comprised in dealing	Price transacted <sup>15</sup> / Exercise price (S\$)	Exercise period (if applicable)	Holdings in Company Securities following the dealing / any other remarks
	29 October 2014	Buy	Shares	79,000	1.445	N.A.	2,779,000
	31 October 2014	Sell	Shares	79,000	1.470	N.A.	2,700,000
	13 November 2014	Buy	Shares	76,000	1.595	N.A.	2,776,000
	30 December 2014	Buy	Shares	50,000	1.595	N.A.	2,826,000
	2 January 2015	Sell	Shares	50,000	1.608	N.A.	2,776,000
	10 February 2015	Buy	Shares	30,000	1.610	N.A.	2,806,000
	13 February 2015	Sell	Shares	10,000	1.620	N.A.	2,796,000
	16 February 2015	Sell	Shares	20,000	1.615	N.A.	2,776,000
	10 March 2015	Sell	Shares	6,000	1.640	N.A.	2,770,000
	11 March 2015	Sell	Shares	45,000	1.645	N.A.	2,725,000
Zhuo Jing Ming	31 October 2014	Sell	Shares	250,000	1.475	N.A.	6,000,000

## APPENDIX 7

### ADDITIONAL GENERAL INFORMATION

#### 1. DISCLOSURE OF INTERESTS

- 1.1 **No Indemnity Arrangements.** To the best of the knowledge of the Directors as at the Latest Practicable Date, save as disclosed in this Offer Document, neither the Offeror nor any of its Concert Parties has entered into any arrangement with any person of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the Company Securities which may be an inducement to deal or refrain from dealing in the Company Securities.
- 1.2 **No Agreement having any Connection with or Dependence upon the Offer.** As at the Latest Practicable Date, save as disclosed in this Offer Document, in particular, in paragraphs 1.2(a) to 1.2(g) below, there is no agreement, arrangement or understanding between (i) the Offeror or any of its Concert Parties and (ii) any of the present or recent directors of the Company or the present or recent Shareholders having any connection with or dependence upon the Offer:
- (a) as described in Section 5 of this Offer Document, the Offeror has received Irrevocable Undertakings from Shareholders to, amongst other things, accept the Offer in respect of an aggregate of 491,230,201 UEL Shares, representing approximately 50.99% of the total number of issued UEL Shares;
  - (b) the Offeror has entered into the Consortium Agreement with KKRCW, Dr Lin Yucheng and Ms Pan Shuhong, along with other parties, to govern their relationship as shareholders of the Offeror;
  - (c) pursuant to the Consortium Agreement, the Offeror has entered into director indemnification agreements with each of Mr David Haifeng Liu, Mr Hao Weibao, Mr Wang Song and Mr Zhao Fu on 11 November 2014, and will enter into director indemnification agreements with each of Dr Lin Yucheng, Mr Zhang Yong, Ms Mao Yimin, Ms Pan Shuhong and Ms Ren Xia, pursuant to which, the Offeror shall indemnify and advance expenses to the relevant party respectively against litigation risks and expenses arising from his or her position as director of the Offeror;
  - (d) pursuant to the Consortium Agreement, the Offeror has entered into indemnification priority and information sharing agreements with each of KKRCW and CITIC Environment, pursuant to which, the Offeror shall assume primary responsibility to indemnify or advance expenses to the directors nominated by KKRCW and CITIC Environment against litigation risks and expenses arising from his or her position as a director of the Offeror respectively, and that the Offeror consents to information sharing by each such director with officers, directors, members, employees and representatives of each of KKRCW and CITIC Environment and its affiliates, subject to applicable insider trading and confidentiality restrictions;
  - (e) pursuant to the Consortium Agreement, the Offeror has entered into the KKRCW Subscription Agreement, the Lin Subscription Agreement, the Pan Subscription Agreement and the CITIC Subscription Agreement, pursuant to which, the Offeror shall allot and issue new Offeror Shares to each of KKRCW, Dr Lin Yucheng, Ms Pan Shuhong and CITIC Environment respectively;
  - (f) as described in Section 8.10 of this Offer Document, the Offeree will enter into Service Contracts with, amongst others, Dr Ge Hailin, Dr Lin Yucheng, Mr Wang Ning and Ms Pan Shuhong on terms substantially similar to his or her existing employment terms; and
  - (g) the Offeror has entered into share charge agreements with KKRCW and the Key Management Shareholders to secure the present and future obligations and liabilities of the Offeror and CITIC Environment under certain provisions of the Consortium Agreement relating to the transfers, and restrictions on the transfers, of Offeror Shares, shares in the



Relevant Offeror Sub and UEL Shares. The Offeror has also entered into a share charge agreement with CITIC Environment to secure the present and future obligations and liabilities of the Offeror under certain provisions of the Consortium Agreement relating to the transfers, and restrictions on the transfers, of Offeror Shares, shares in the Relevant Offeror Sub and UEL Shares.

- 1.3 **Transfer of Offer Shares.** As at the Latest Practicable Date, save for the terms of each of the KKRCW Subscription Agreement, the Lin Subscription Agreement, the Pan Subscription Agreement and the CITIC Subscription Agreement whereby the UEL Shares are to be credited into each of the securities account of the Relevant Offeror Sub that is maintained with CDP, there is no agreement, arrangement or understanding whereby any of the Offer Shares acquired pursuant to the Offer will or may be transferred to any other person. However, the Offeror reserves the right to transfer any of the Offer Shares to any of its related corporation or to any party in accordance with the terms of the Consortium Agreement.
- 1.4 **No Payment or Benefit to Directors of the Company.** As at the Latest Practicable Date, save as disclosed in paragraph 1.2 of this Appendix 7, no payment or other benefit will be made or given to any director of the Company or of any corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer.
- 1.5 **No Agreement Conditional upon Outcome of the Offer.** As at the Latest Practicable Date, save as disclosed in paragraph 1.2 of this Appendix 7, there is no agreement or arrangement made between (a) the Offeror and (b) any of the directors of the Company or any other person, in connection with or conditional upon the outcome of the Offer or is otherwise connected with the Offer.
- 1.6 **Transfer Restrictions.** There is no restriction in the Memorandum and Articles of Association of the Company on the right to transfer any Offer Shares, which has the effect of requiring the holders of such Offer Shares before transferring them, to offer them for purchase by members of the Company or any other person.
- 1.7 **No Material Change in Information.** Save as disclosed in this Offer Document, as far as the Offeror is aware, there has been no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date.

## 2. GENERAL

- 2.1 **Costs and Expenses.** All costs and expenses of or incidental to the Offer including the preparation and circulation of this Offer Document and the Acceptance Forms (other than professional fees and other costs relating to the Offer incurred or to be incurred by the Company) and stamp duty and transfer fees resulting from acceptances of the Offer will be paid by the Offeror.
- 2.2 **Financial Adviser's Consent.** Rothschild, as financial adviser to the Offeror in connection with the Offer, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto in the form and context in which it appears in this Offer Document.
- 2.3 **Registrar's Consent.** Tricor, as the share registrar of the Company, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto in the form and context in which it appears in this Offer Document.

### 3. MARKET QUOTATIONS

- 3.1 **Closing Prices.** The following table sets out the closing prices of the UEL Shares on the SGX-ST (as reported by Bloomberg L.P.) on (i) the Latest Practicable Date, (ii) 6 November 2014 (being the last full Market Day on which there were trades in the UEL Shares immediately preceding the Pre-Conditional Offer Announcement Date) and (iii) a monthly basis from May to October 2014 (being six calendar months preceding the Pre-Conditional Offer Announcement Date):

	<b>Closing Price (S\$)</b>
Latest Practicable Date	1.645
6 November 2014	1.465
October 2014	1.465
September 2014	1.355
August 2014	1.390
July 2014	1.370
June 2014	1.420
May 2014	1.295

- 3.2 **Highest and Lowest Prices.** The highest and lowest closing prices of the UEL Shares on the SGX-ST (as reported by Bloomberg L.P.) during the period commencing six calendar months prior to the Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date, and their respective dates transacted are as follows:

	<b>Price (S\$)</b>	<b>Date(s) transacted</b>
Highest closing price	1.645	13 March 2015 12 March 2015
Lowest closing price	1.185	16 October 2014

### 4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898, during normal business hours, while the Offer remains open for acceptance:

- (a) the Pre-Conditional Offer Announcement;
- (b) the Offer Announcement;
- (c) the Memorandum and Articles of Association of the Offeror;
- (d) the Irrevocable Undertakings;
- (e) the audited financial statements of CITIC Limited for the financial years ended 31 December 2011, 31 December 2012 and 31 December 2013;
- (f) the unaudited consolidated financial statements of CITIC Limited for the six months ended 30 June 2014; and
- (g) the letters of consent from Rothschild and Tricor referred to in paragraphs 2.2 and 2.3 respectively of this Appendix 7.

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