

**EXIT OFFER LETTER DATED 16 DECEMBER 2019**

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

**If you are in any doubt about the matters contained in this Exit Offer Letter or as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

CLSA Singapore Pte Ltd is acting for and on behalf of the Offeror and does not purport to advise any Shareholder and/or any other person.

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

**The views of the Independent Directors and the IFA on the Exit Offer will be set out in the Delisting Circular. You may wish to consider their views before taking any action in relation to the Exit Offer.**

The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Exit Offer Letter.

*All capitalised terms used below shall bear the same meanings in ascribed to them in this Exit Offer Letter.*

**PRE-CONDITIONAL EXIT OFFER**

in connection with

**THE PROPOSED VOLUNTARY DELISTING OF CITIC ENVIROTECH LTD. FROM THE OFFICIAL LIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

by



**CLSA SINGAPORE PTE LTD**

(Registration No. 198703750W)  
(Incorporated in Singapore)

for and on behalf of

**CKM (CAYMAN) COMPANY LIMITED**

(Cayman Company No. 292230)  
(Incorporated in the Cayman Islands)

to acquire all the issued ordinary shares in the capital of

**CITIC ENVIROTECH LTD.**

(Registration No. 200306466G)  
(Incorporated in Singapore)

other than those already owned, controlled or agreed to be acquired by the Offeror and the parties acting in concert with it

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Exit Offer Letter, the FAA and the FAT:

<b>“Acceptance Forms”</b>	:	The FAA and/or the FAT (as the case may be)
<b>“Accepting Shareholder”</b>	:	A Shareholder who validly accepts the Exit Offer
<b>“ADTV”</b>	:	Average daily trading volume
<b>“Business Day”</b>	:	A day other than a Saturday, a Sunday or other day on which commercial banks in the People’s Republic of China, Singapore or Hong Kong are required or authorised by law or executive order to be closed
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“CITIC Environment”</b>	:	CITIC Environment Investment Group Co., Ltd
<b>“Closing Date”</b>	:	5.30 p.m. (Singapore time) on such date as may be announced by or on behalf of the Offeror, such date being the last day for the lodgement of acceptances of the Exit Offer
<b>“Code”</b>	:	The Singapore Code on Take-overs and Mergers
<b>“Companies Act”</b>	:	Companies Act, Chapter 50 of Singapore
<b>“Company”</b>	:	CITIC Envirotech Ltd.
<b>“Company Securities”</b>	:	(a) Shares; (b) securities which carry voting rights in the Company; and (c) convertible securities, warrants, options (including any options granted under any employee share scheme of the Company) or derivatives in respect of any Shares or securities which carry voting rights in the Company
<b>“Concert Group”</b>	:	The Offeror and the parties acting or deemed to be acting in concert with it
<b>“Consortium Agreement”</b>	:	The consortium agreement dated 11 November 2014 made between, <i>inter alia</i> , the Founder Shareholders, CITIC Environment Protection Co. Ltd., CITIC Environment (International) Company Limited and the Offeror, as supplemented from time to time (including the shareholders’ agreement dated 3 September 2018 made between the parties to the Consortium Agreement)
<b>“CPF”</b>	:	Central Provident Fund

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## DEFINITIONS

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“ <b>CPF Agent Banks</b> ”	:	Agent banks included under the CPFIS
“ <b>CPFIS</b> ”	:	Central Provident Fund Investment Scheme
“ <b>CPFIS Investors</b> ”	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
“ <b>CRF</b> ”	:	CRF Envirotech Co., Ltd.
“ <b>Date of Receipt</b> ”	:	The date of receipt of the FAA by CDP
“ <b>Delisting</b> ”	:	The proposed voluntary delisting of the Company from the Official List of the SGX-ST
“ <b>Delisting Circular</b> ”	:	The circular issued by the Company to the Shareholders in relation to the Delisting
“ <b>Delisting Proposal</b> ”	:	The formal proposal presented by the Offeror to the board of directors of the Company to seek the Delisting pursuant to Rules 1307 and 1309 of the Listing Manual
“ <b>Delisting Resolution</b> ”	:	Shall have the meaning ascribed to it in <b>Paragraph 1.2</b>
“ <b>Despatch Date</b> ”	:	16 December 2019, being the date of despatch of this Exit Offer Letter
“ <b>Directors</b> ”	:	The directors of the Offeror as at the Latest Practicable Date
“ <b>Dissenting Shareholders</b> ”	:	Shall have the meaning ascribed to it in <b>Paragraph 7.6</b>
“ <b>Dr. Lin</b> ”	:	Dr. Lin Yucheng
“ <b>EGM</b> ”	:	The extraordinary general meeting to be convened by the Company on 31 December 2019 to seek Shareholders’ Approval to the Delisting Resolution, notice of which is given in the Delisting Circular
“ <b>Electronic Acceptance</b> ”	:	Acceptance of the Exit Offer via the SGX-SFG service provided by CDP as listed in the Terms and Conditions for User Services for Depository Agents
“ <b>Encumbrances</b> ”	:	Shall have the meaning ascribed to it in <b>Paragraph 3.3(b)</b>
“ <b>Entitlements</b> ”	:	Shall have the meaning ascribed to it in <b>Paragraph 3.3(c)</b>
“ <b>Existing Relevant Shares</b> ”	:	Shall have the meaning ascribed to it in <b>Paragraph 3.9(b)</b>

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## DEFINITIONS

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<b>“Exit Offer”</b>	:	Subject to fulfilment or waiver of the Pre-Condition, the exit offer in cash to be made by CLSA, for and on behalf of the Offeror, to be announced in the Formal Exit Offer Announcement, to acquire all the issued ordinary shares in the capital of the Company other than those already owned, controlled or agreed to be acquired by the Concert Group as at the date of the Exit Offer, but including the Shares held by the Founder Shareholders
<b>“Exit Offer Letter”</b>	:	This document dated 16 December 2019, including the FAA and FAT, and any supplemental documents as may be issued by or on behalf of the Offeror from time to time
<b>“Exit Offer Price”</b>	:	S\$0.55 in cash for each Offer Share
<b>“FAA”</b>	:	Form of Acceptance and Authorisation for Offer Shares in respect of the Exit Offer which forms part of this Exit Offer Letter and which is issued to Shareholders whose Offer Shares are deposited with CDP
<b>“FAT”</b>	:	Form of Acceptance and Transfer for Offer Shares in respect of the Exit Offer which forms part of this Exit Offer Letter and which is issued to Shareholders whose Offer Shares are not deposited with CDP
<b>“Financial Adviser” or “CLSA”</b>	:	CLSA Singapore Pte Ltd
<b>“Formal Exit Offer Announcement”</b>	:	Shall have the meaning ascribed to it in <b>Paragraph 2.2</b>
<b>“Founder Shareholders”</b>	:	Dr. Lin and Ms. Pan
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“Independent Directors”</b>	:	The directors of the Company who are considered independent for the purposes of the Exit Offer
<b>“Independent Financial Adviser” or “IFA”</b>	:	Novus Corporate Finance Pte. Ltd., the independent financial adviser to the Independent Directors in relation to the Exit Offer
<b>“Irrevocable Undertakings”</b>	:	Shall have the meaning ascribed to it in <b>Paragraph 3.9(c)</b>
<b>“Joint Announcement”</b>	:	The joint announcement made by the Offeror and the Company on 6 November 2019 in connection with the Exit Offer for the Delisting

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## DEFINITIONS

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<b>“Joint Announcement Date”</b>	:	6 November 2019, being the date of the Joint Announcement
<b>“Last Trading Day”</b>	:	1 November 2019, being the last full day of trading in the Shares on the SGX-ST immediately prior to the Joint Announcement Date
<b>“Latest Practicable Date”</b>	:	9 December 2019, being the latest practicable date prior to the printing of this Exit Offer Letter
<b>“Listing Manual”</b>	:	The Listing Manual of the SGX-ST
<b>“Long-Stop Date”</b>	:	Shall have the meaning ascribed to it in <b>Paragraph 2.1</b>
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“Ms. Pan”</b>	:	Ms. Pan Shuhong
<b>“NTA”</b>	:	Net tangible assets
<b>“Offer Shares”</b>	:	Shall have the meaning ascribed to it in <b>Paragraph 3.2</b>
<b>“Offeror”</b>	:	CKM (Cayman) Company Limited
<b>“Option Price”</b>	:	Shall have the meaning ascribed to it in <b>Paragraph 4.1</b>
<b>“Option Scheme”</b>	:	Shall have the meaning ascribed to it in <b>Paragraph 3.2</b>
<b>“Optionholders”</b>	:	Shall have the meaning ascribed to it in <b>Paragraph 4.1</b>
<b>“Options”</b>	:	Shall have the meaning ascribed to it in <b>Paragraph 3.2</b>
<b>“Options Proposal”</b>	:	Shall have the meaning ascribed to it in <b>Paragraph 4.1</b>
<b>“Overseas Shareholders”</b>	:	Shall have the meaning ascribed to it in <b>Paragraph 13.1</b>
<b>“Pre-Condition”</b>	:	Shall have the meaning ascribed to it in <b>Paragraph 2.1</b>
<b>“Register”</b>	:	The register of holders of Shares as maintained by the Registrar
<b>“Registrar”</b>	:	Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.)
<b>“Relevant Directors”</b>	:	Shall have the meaning ascribed to it in <b>Paragraph 9(e)</b>

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## DEFINITIONS

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“ <b>Relevant Period</b> ”	:	The period commencing three months prior to the Joint Announcement Date and ending on the Latest Practicable Date
“ <b>Relevant Persons</b> ”	:	Shall have the meaning ascribed to it in <b>Paragraph 3.9</b> of <b>Appendix 1</b>
“ <b>Restricted Jurisdiction</b> ”	:	Shall have the meaning ascribed to it in <b>Paragraph 13.1</b>
“ <b>S\$</b> ” and “ <b>cents</b> ”	:	Singapore dollars and Singapore cents, respectively
“ <b>Securities Account</b> ”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“ <b>SFA</b> ”	:	Securities and Futures Act, Chapter 289 of Singapore
“ <b>SGX-ST</b> ”	:	Singapore Exchange Securities Trading Limited
“ <b>Shareholders</b> ”	:	Persons who are registered as holders of Shares in the Register and Depositors who have Shares entered against their names in the Depository Register
“ <b>Shareholders’ Approval</b> ”	:	Shall have the meaning ascribed to it in <b>Paragraph 1.2</b>
“ <b>Shares</b> ”	:	Issued and paid-up ordinary shares in the capital of the Company
“ <b>SIC</b> ”	:	Securities Industry Council
“ <b>SRS</b> ”	:	Supplementary Retirement Scheme
“ <b>SRS Agent Banks</b> ”	:	Agent banks included under the SRS
“ <b>SRS Investors</b> ”	:	Investors who have purchased Shares using their SRS contributions pursuant to the SRS
“ <b>VWAP</b> ”	:	Volume-weighted average price
“ <b>%</b> ” or “ <b>per cent</b> ”	:	Percentage or per centum

**Acting in Concert and Associates.** The expressions “**acting in concert**” and “**associates**” shall have the meanings ascribed to them respectively in the Code. References to “**concert party**” shall be construed accordingly.

**Announcement, Notice, etc.** References to the making of an announcement or the giving of notice by the Offeror shall include the release of an announcement to the press or the delivery of or transmission by telephone, telex, 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.

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## DEFINITIONS

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**Depositor, Depository Agent and Depository Register.** The expressions “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

**Genders, etc.** 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 and *vice versa*. References to persons shall, where applicable, include corporations.

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

**Shares.** References in this Exit Offer Letter to the total number of Shares is a reference to a total of 2,432,361,356 Shares in issue as at the Latest Practicable Date, unless the context otherwise requires.

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

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

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

**Subsidiary and Related Corporations.** The expressions “**subsidiary**” and “**related corporations**” 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 day and date in this Exit Offer Letter shall be a reference to Singapore time and date, unless otherwise specified.

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

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All statements other than statements of historical facts included in this Exit Offer Letter 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”, “shall”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results 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 neither the Offeror nor CLSA 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.

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## LETTER TO SHAREHOLDERS

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**CLSA SINGAPORE PTE LTD**

(Registration No. 198703750W)  
(Incorporated in Singapore)

16 December 2019

To: The Shareholders of CITIC Envirotech Ltd.

Dear Sir/Madam

### **PROPOSED VOLUNTARY DELISTING OF CITIC ENVIROTECH LIMITED – EXIT OFFER LETTER**

#### **1. INTRODUCTION**

##### **1.1 Joint Announcement**

On the Joint Announcement Date, the Offeror and the Company jointly announced that the Offeror had presented to the board of directors of the Company the Delisting Proposal to seek the Delisting, subject to fulfilment or waiver of the Pre-Condition.

##### **1.2 Extraordinary General Meeting**

In addition to fulfilment or waiver of the Pre-Condition, the Company will be convening an EGM to seek the approval of the Shareholders for the Delisting. The resolution to approve the Delisting (“**Delisting Resolution**”) must be approved by a majority of at least 75% of the total number of issued Shares excluding treasury shares and subsidiary holdings held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM (“**Shareholders’ Approval**”). The Concert Group (which includes the Founder Shareholders and CRF) must abstain from voting on the Delisting Resolution.

##### **1.3 Exit Offer Letter**

This Exit Offer Letter, together with the Acceptance Forms, contains the terms of the Exit Offer. The Exit Offer may only be accepted by the relevant Shareholder to whom this Exit Offer Letter is addressed.

**THIS EXIT OFFER LETTER IS SUBJECT TO FULFILMENT OR WAIVER OF THE PRE-CONDITION. ACCORDINGLY, ALL REFERENCES TO THE EXIT OFFER IN THIS EXIT OFFER LETTER REFER TO AN EXIT OFFER IN CASH WHICH WILL BE DEEMED TO HAVE BEEN MADE ONLY IF AND WHEN THE PRE-CONDITION IS FULFILLED OR WAIVED BY THE LONG-STOP DATE.**

**THE DELISTING AND THE EXIT OFFER WILL ALSO BE CONDITIONAL UPON SHAREHOLDERS’ APPROVAL BEING OBTAINED AT THE EGM AND FAILING WHICH, (A) THE DELISTING WILL NOT PROCEED AND THE COMPANY WILL REMAIN LISTED ON THE SGX-ST, AND (B) THE EXIT OFFER WILL ALSO LAPSE AND ALL ACCEPTANCES OF THE EXIT OFFER WILL BE RETURNED.**

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## LETTER TO SHAREHOLDERS

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**IN THE EVENT THAT THE EXIT OFFER LAPSES, PURSUANT TO RULE 33.1 OF THE CODE, NONE OF THE CONCERT GROUP MAY, EXCEPT WITH THE CONSENT OF THE SIC, WITHIN 12 MONTHS FROM THE DATE ON WHICH THE EXIT OFFER LAPSES (I) ANNOUNCE AN OFFER OR POSSIBLE OFFER FOR THE COMPANY OR (II) ACQUIRE ANY VOTING RIGHTS OF THE COMPANY IF THE CONCERT GROUP WOULD THEREBY BECOME OBLIGED UNDER RULE 14 OF THE CODE TO MAKE AN OFFER.**

A copy of the Delisting Circular issued by the Company to the Shareholders in relation to the Delisting is despatched together with this Exit Offer Letter and the relevant Acceptance Forms.

Electronic copies of the Delisting Circular, this Exit Offer Letter and the Acceptance Forms are available on the website of the SGX-ST at <https://www2.sgx.com>.

### 1.4 **Caution**

Please read this Exit Offer Letter carefully in its entirety, in conjunction with the Delisting Circular, which sets out the advice of (a) Novus Corporate Finance Pte. Ltd., the Independent Financial Adviser to the Independent Directors, and (b) the recommendations of the Independent Directors on the Exit Offer, carefully and in their respective entirety.

## 2. **PRE-CONDITION**

### 2.1 **Pre-Condition**

The making of the Exit Offer remains subject to the approvals and requisite filings of/with PRC National Development and Reform Commission, PRC Ministry of Commerce and PRC State Administration for Foreign Exchange having been obtained ("**Pre-Condition**") on or before 5 March 2020 ("**Long-Stop Date**"), being a date falling within four calendar months of the Joint Announcement Date, or such Pre-Condition being waived by the Offeror by the Long-Stop Date.

In accordance with Rule 15 of the Code, the Pre-Condition shall not be relied upon to cause the Exit Offer to lapse unless: (a) the Offeror has demonstrated reasonable efforts to fulfil the Pre-Condition within the time frame specified; and (b) the circumstances that give rise to the right to rely upon the Pre-Condition are material in the context of the Exit Offer. The Offeror will make an announcement when the Pre-Condition has been fulfilled or waived by the Long-Stop Date.

### 2.2 **Formal Exit Offer Announcement**

If and when the Pre-Condition has been fulfilled or waived by the Long-Stop Date, the Offeror will announce its firm intention to undertake the Exit Offer ("**Formal Exit Offer Announcement**") within five Business Days of fulfilment or waiver of the Pre-Condition. On 17 October 2019, the SIC confirmed that it has no objections to the Formal Exit Offer Announcement being released within the said five Business Days period.

**For avoidance of doubt, if the Pre-Condition is not fulfilled or otherwise waived by the Long-Stop Date, nothing in this Exit Offer Letter (including the Acceptance Forms) shall constitute an offer to acquire the Offer Shares and the Offeror is under no obligation to acquire or make an offer to acquire the Offer Shares, and CLSA will issue an announcement, for and on behalf of the Offeror, to update Shareholders as soon as reasonably practicable.**

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## LETTER TO SHAREHOLDERS

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### 3. TERMS OF THE EXIT OFFER

Subject to fulfilment or waiver of the Pre-Condition, CLSA, for and on behalf of the Offeror, hereby offers to acquire all the Offer Shares, on the terms and subject to the conditions set out in this Exit Offer Letter (including the Acceptance Forms), and on the following basis:

#### 3.1 Exit Offer Price

<b>For each Offer Share: S\$0.55 in cash.</b>
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The Exit Offer Price shall be applicable to any number of the Offer Shares that are tendered in acceptance of the Exit Offer.

#### 3.2 Offer Shares

The Exit Offer is extended to:

- (a) all Shares, other than those held by the Company as treasury shares and those already owned, controlled or agreed to be acquired by the Offeror and CRF as at the date of the Formal Exit Offer Announcement;
- (b) all new Shares unconditionally issued or to be issued prior to Closing Date pursuant to the valid exercise of outstanding options granted by the Company ("**Options**") pursuant to the CITIC Envirotech Share Option Scheme which was last amended and adopted by Shareholders on 14 February 2013 ("**Option Scheme**"),

(collectively, "**Offer Shares**").

#### 3.3 Rights and Encumbrances

The Offer Shares will be acquired:

- (a) fully paid;
- (b) free from all claims, charges, pledges, mortgages, encumbrances, liens, options, equity, power of sale, declarations of trust, hypothecation, retention of title, rights of pre-emption, rights of first refusal, moratoriums or other third party rights or interests of any nature whatsoever ("**Encumbrances**"); and
- (c) together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date, and thereafter attaching thereto (including but not limited to all voting rights and the right to all dividends, rights and other distributions, if any, which may be announced, declared, paid or made thereon by the Company, on or after the Joint Announcement Date (collectively "**Entitlements**")).

If any Entitlement is declared, made or paid by the Company on or after the Joint Announcement Date, the Offeror reserves the right to reduce the Exit Offer Price by the amount of such Entitlement.

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## LETTER TO SHAREHOLDERS

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### 3.4 Shareholders' Approval

Subject to the fulfilment or waiver of the Pre-Condition, the Delisting and the Exit Offer will further be conditional on Shareholders' Approval being obtained. The Concert Group (which includes the Founder Shareholders and CRF) must abstain from voting on the Delisting Resolution.

**Shareholders are to note that even if the Pre-Condition is fulfilled or waived by the Long-Stop Date, but Shareholders' Approval is not obtained at the EGM, the Delisting will not proceed and the Company will remain listed on the SGX-ST. The Exit Offer will also lapse and all acceptances of the Exit Offer will be returned.**

### 3.5 Acceptances

Shareholders may choose to accept the Exit Offer in respect of all or part of their holdings of Offer Shares.

Shareholders may choose to accept the Exit Offer in respect of their Offer Shares before fulfilment or waiver of the Pre-Condition and/or the Shareholders' Approval is obtained at the EGM. However, the Offeror will only be bound to acquire these Offer Shares and pay the Exit Offer Price for these Offer Shares if the Pre-Condition is fulfilled or waived by the Long-Stop Date AND Shareholders' Approval is obtained at the EGM.

As at the Latest Practicable Date, the Concert Group holds Shares representing more than 50% of the total number of issued Shares. Accordingly, the Exit Offer is not conditional on a minimum number of acceptances being received by the Offeror.

### 3.6 Warranty

A Shareholder who tenders his Offer Shares in acceptance of the Exit Offer will be deemed to unconditionally and irrevocably warrant that he sells such Offer Shares as, or on behalf of, the beneficial owner(s) thereof, (a) fully paid, and (b) free from all Encumbrances, and (c) together with all Entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto (including but not limited to the right to all Entitlements, if any, which may be announced, declared, paid or made thereon by the Company on or after the Joint Announcement Date).

### 3.7 Choices

A Shareholder can, in relation to all or part of his Offer Shares, either:

- (a) accept the Exit Offer in respect of such Offer Shares in full or in part, in accordance with such procedures set out in **Appendix 1**; or
- (b) take no action and let the Exit Offer lapse in respect of his Offer Shares.

Subject to fulfilment or waiver of the Pre-Condition, and provided that the Shareholders' Approval is obtained at the EGM, Shareholders should note that the Company will be delisted from the Official List of the SGX-ST after the close of the Exit Offer, irrespective of the level of acceptances of the Exit Offer. In such event, Shareholders who do not accept the Exit Offer will be left holding Shares in an unlisted company.

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## LETTER TO SHAREHOLDERS

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Shareholders should also note that voting in favour of the Delisting Resolution does not constitute an acceptance of the Exit Offer and Shareholders who wish to accept the Exit Offer must tender their acceptances in accordance with the procedures set out in **Appendix 1**.

### 3.8 Duration

In the event that:

- (a) the Pre-Condition is fulfilled or waived by the Long-Stop Date; and
- (b) Shareholders' Approval is obtained at the EGM,

the Exit Offer will be open for acceptance by the Shareholders for at least 14 days after the later of (i) the date of the Formal Exit Offer Announcement, and (ii) the date of the announcement on Shareholders' Approval being obtained, and in other words, when the Exit Offer becomes or is declared to be unconditional in all respects in accordance with its terms.

CLSA will issue an announcement for and on behalf of the Offeror to update Shareholders of the Closing Date as soon as reasonably practicable.

If the Exit Offer is extended, an announcement will be made and the Exit Offer will remain open for acceptance for such period as may be announced.

### 3.9 Irrevocable Undertakings

- (a) **Undertakings to Accept:** As at the Latest Practicable Date, the Offeror has received irrevocable undertakings from the following Shareholders to accept the Exit Offer in respect of an aggregate 15,560,244 Shares (comprising 0.64% of the issued Shares):
  - (i) Dr. Lin in respect of 7,010,834 Shares (held through his wholly-owned special purpose vehicle, Green Resources Limited); and
  - (ii) Ms. Pan in respect of 8,549,410 Shares (held through her wholly-owned special purpose vehicle, P&L Capital Limited),

such undertakings being valid for the period until the earlier of lapse or close of the Exit Offer. The Founder Shareholders are part of the Concert Group pursuant to the Consortium Agreement. The Consortium Agreement was entered into in connection with the earlier pre-conditional voluntary offer announcement dated 12 November 2014 wherein the Offeror first acquired shares in the Company. The Consortium Agreement remains binding on its parties as it is intended to regulate the relationship of the parties to the extent they continue to hold shares in the Company post the earlier offer. The Consortium Agreement will cease to apply subsequent to Dr. Lin and Ms. Pan accepting their shares into the Exit Offer pursuant to their Irrevocable Undertakings. For the avoidance of doubt, while CRF is part of the Concert Group, CRF is not a party to the Consortium Agreement.

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## LETTER TO SHAREHOLDERS

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- (b) **Undertaking to Reject:** As at the Latest Practicable Date, the Offeror has received an irrevocable undertaking from CRF (being part of the Concert Group) to reject the Exit Offer in respect of 538,048,010 Shares (comprising 22.12% of the issued Shares) (“**Existing Relevant Shares**”), such undertaking being valid for the period until the earlier of lapse or close or (unless approved by CRF) material revision or amendment in the terms of the Exit Offer. Please refer to **paragraph 5.3** for more information on CRF.
- (c) Save for the irrevocable undertakings as set out in **paragraphs 3.9(a) and 3.9(b)** (“**Irrevocable Undertakings**”), as at the Latest Practicable Date, neither the Offeror nor any party in the Concert Group has received any undertakings from any other party to accept or reject the Exit Offer.
- (d) Copies of the Irrevocable Undertakings are available for inspection at the office of CLSA at 80 Raffles Place, No. 18-01, UOB Plaza 1, Singapore 048624 during normal business hours from the Joint Announcement Date until the date on which the Exit Offer closes or lapses or is withdrawn in accordance with its terms.

### 3.10 Procedures for Acceptance and Settlement

The procedures for acceptance of the Exit Offer are set out in **Appendix 1** and the accompanying FAA and/or FAT (as the case may be).

## 4. OPTIONS PROPOSAL

### 4.1 Options Proposal

As at the Latest Practicable Date, there are 7,857,200 outstanding Options which are exercisable into an equivalent number of Shares, which exercise prices vary between S\$0.276 to S\$0.5675 per Share.

Under the rules of the Option Scheme, the Options are not transferable by the holders thereof (“**Optionholders**”). In view of this restriction, the Offeror will not make an offer to acquire the Options although, for the avoidance of doubt, the Exit Offer will be extended to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any Options prior to the final Closing Date. Instead, the Offeror will make a proposal (“**Options Proposal**”) to the Optionholders on the following terms, that subject to:

(a) the Exit Offer becoming or being declared unconditional in all respects in accordance with its terms; and

(b) the relevant Options continuing to be exercisable into new Shares,

the Offeror will pay to such Optionholders a cash amount (as determined below) (“**Option Price**”) in consideration of such Optionholders agreeing:

(i) not to exercise any of such Options into new Shares; and

(ii) not to exercise any of their rights as Optionholders,

and in each case from the date of their acceptance of the Options Proposal to the respective dates of expiry of such Options.

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## LETTER TO SHAREHOLDERS

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Further, if the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms, Optionholders who have accepted the Options Proposal will also be required to surrender their relevant Options for cancellation. If the Exit Offer lapses or is withdrawn or if the relevant Options cease to be exercisable into new Shares, the Options Proposal will lapse accordingly.

The Option Price is computed on a “see-through” basis. In other words, the price to be paid for each Option will be the amount (if positive) of the Exit Offer Price less the exercise price of the Option. If the exercise price of an Option is equal to or more than the Exit Offer Price, the Option Price for each Option will be the nominal amount of S\$0.000001.

Details of the Options Proposal are set out in the letter to Optionholders which has been despatched on the Despatch Date.

As at the Latest Practicable Date, none of members of the Concert Party Group (including the Founder Shareholders and CRF) holds any Options in the Company.

### 4.2 **Exit Offer and Options Proposal Mutually Exclusive**

The Exit Offer and the Options Proposal are separate and mutually exclusive. Whilst the Options Proposal is conditional upon the Exit Offer becoming or being declared unconditional in all respects in accordance with its terms, the Exit Offer will not be conditional upon acceptances received in relation to the Options Proposal. The Options Proposal does not form part of the Exit Offer, and *vice versa*.

Without prejudice to the foregoing, if Optionholders exercise their Options in order to accept the Exit Offer in respect of the new Shares to be issued pursuant to such exercise, they may not accept the Options Proposal in respect of such Options. Conversely, if Optionholders wish to accept the Options Proposal in respect of their Options, they may not exercise those Options in order to accept the Exit Offer in respect of the new Shares to be issued pursuant to such exercise.

Subject to fulfilment or waiver of the Pre-Condition, and provided that Shareholders' Approval is obtained at the EGM, Optionholders should note that the Company will be delisted from the Official List of the SGX-ST after the close of the Exit Offer, irrespective of the level of acceptances of the Exit Offer. In such event, Optionholders who do not exercise their Options and do not accept the Options Proposal will be left holding Options in an unlisted company. Optionholders who have exercised their Options and do not accept the Exit Offer will be left holding Shares in an unlisted company.

## 5. **INFORMATION ON THE CONCERT GROUP**

### 5.1 **Offeror**

The Offeror is an investment holding company incorporated in the Cayman Islands on 30 September 2014 and is an indirect wholly-owned subsidiary of CITIC Environment, through CITIC Environment (International) Company Limited.

The Directors are set out in **Paragraph 1 of Appendix 2**.

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## LETTER TO SHAREHOLDERS

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As at the Latest Practicable Date, the Offeror owns (directly and/or indirectly) 1,370,889,284 Shares, representing approximately 56.36% of the total number of issued Shares.

### 5.2 CITIC Limited

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. CITIC Environment is a subsidiary of CITIC Corporation Limited which is in turn a subsidiary of CITIC Limited. CITIC Limited is incorporated in the People's Republic of China and majority owned by CITIC Group Corporation. It is listed in Hong Kong (SEHK: 267) and is one of the constituent stocks of the Hang Seng Index. CITIC Environment is accordingly a member of the CITIC Group Corporation which comprises one of the largest PRC state-owned conglomerates and international conglomerates, with diverse interests in businesses in the PRC and internationally ranging from financial, securities and brokerage services, resources and energy, manufacturing, real estate and infrastructure to engineering contracting. For more information about CITIC Limited, please visit its company website at <https://www.citic.com>.

As at the Latest Practicable Date, the directors of CITIC Limited are Mr. Chang Zhenming (Chairman and Executive Director), Mr. Wang Jiong (Vice Chairman and President), Ms. Li Qingping (Executive Director), Mr. Song Kangle (Non-Executive Director), Ms. Yan Shuqin (Non-Executive Director), Mr. Liu Zhuyu (Non-Executive Director), Mr. Peng Yanxiang (Non-Executive Director), Mr. Liu Zhongyuan (Non-Executive Director), Mr. Yang Xiaoping (Non-Executive Director), Mr. Francis Siu Wai Keung (Independent Non-Executive Director), Dr. Xu Jinwu (Independent Non-Executive Director), Mr. Anthony Francis Neoh (Independent Non-Executive Director), Mr. Shohei Harada (Independent Non-Executive Director) and Mr. Gregory Lynn Curl (Independent Non-Executive Director).

### 5.3 CRF Envirotech Co., Ltd

CRF is a joint venture between CRF Envirotech Fund L.P. and China Reform Conson Soochow Overseas Fund I L.P., which are in turn sponsored mainly by China Reform Holdings Corporation Ltd ("CRHC"). CRHC, a wholly state-owned investment company plays a unique and crucial role in China's state-owned assets management and restructuring process. The Offeror is also ultimately PRC state-owned. CRF is part of the Concert Group, as it has irrevocably undertaken to reject the Exit Offer and will also, subsequent to the delisting, be involved in the Offeror's strategic review of the corporate structure, businesses and operations of the Group, with a view to managing and driving its future growth (including supporting the Group in competing effectively in the industry, facilitating its business growth and transformation, promoting implementation of strategic and operational changes and optimising use of management and capital resources).

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## LETTER TO SHAREHOLDERS

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### 5.4 Concert Group Shareholding

As at the Latest Practicable Date, the shareholding of the Concert Group is set out as follows:

Concert Group member	Number of Shares	Percentage of Shareholding
The Offeror <sup>(1)</sup>	1,370,889,284	56.36%
CRF	538,048,010	22.12%
Dr. Lin <sup>(2)</sup>	7,010,834	0.29%
Ms. Pan <sup>(3)</sup>	8,549,410	0.35%

**Notes:**

(1) Held through its wholly-owned special purpose vehicle, CENVIT (Cayman) Company Limited.

(2) Held through his wholly-owned special purpose vehicle, Green Resources Limited.

(3) Held through her wholly-owned special purpose vehicle, P&L Capital Limited.

5.5 Additional information on the Offeror and CITIC Limited can be found in **Appendix 2**.

## 6. INFORMATION ON THE COMPANY

### 6.1 Introduction

The Company was incorporated in Singapore in July 2003 and is an indirect subsidiary of CITIC Environment through the Offeror. The Company is a leading membrane-based integrated environmental solutions provider specialising in water and wastewater treatment, water supply and recycling. It is also engaged in sludge and hazardous waste treatment as well as river restoration. It undertakes both turnkey and investment projects as well as provides plant operation and maintenance services in water and environmental projects.

Additional information on the Company can be found at its website at <http://www.unitedenvirotech.com>.

### 6.2 Directors of the Company

As at the Latest Practicable Date, the board of directors of the Company are Mr. Hao Weibao (Executive Chairman and Group Chief Executive Officer), Mr. Wang Song (Executive Director), Dr. Chong Weng Chiew (Executive Director), Mr. Bi Jingshuang (Non-Executive Director), Mr. Sun Lei (Non-Executive Director), Mr. Yeung Koon Sang alias David Yeung (Lead Independent Director), Mr. Tay Beng Chuan (Independent Director) and Mr. Lee Suan Hiang (Independent Director).

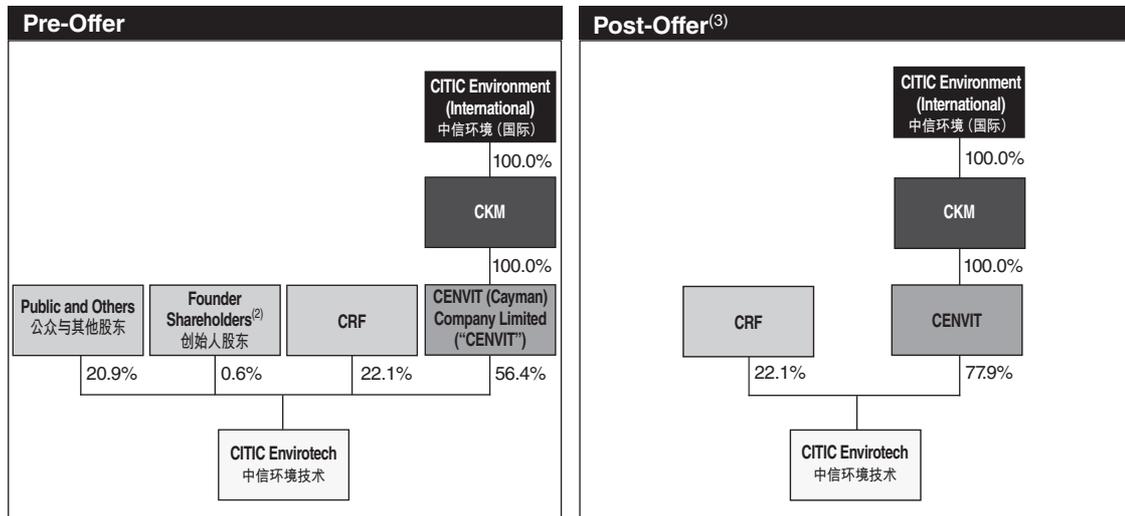
### 6.3 Share Capital of the Company

As at the Latest Practicable Date, based on the latest information available to the Offeror, the Company has (a) an issued and fully paid up share capital of S\$723,648,000 comprising 2,432,361,356 Shares; and (b) up to 7,857,200 outstanding Options, which are exercisable into Shares. The Company does not hold any Shares in treasury.

## LETTER TO SHAREHOLDERS

### 6.4 Potential Pro forma Shareholding Structure of the Company

The current shareholding structure of the Company and the potential pro forma shareholding structure of the Company following the close of the Exit Offer are set out as follows:



Notes (1): The figures do not factor in the potential dilutive effect of options. As at the Latest Practicable Date, there were 7,857,200 options outstanding

(2): Founder Shareholders refer to Dr. Lin Yucheng and Ms. Pan Shuhong

(3): Assuming all shareholders other than CENVIT and CRF accept the Exit Offer

### 6.5 Registered Office of the Company

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

**Appendix 3** sets out additional information on the Company.

## 7. RATIONALE FOR THE EXIT OFFER AND INTENTIONS RELATING TO THE COMPANY

### 7.1 To further drive the growth of the Company's business

The successful delisting of the Company will enable, amongst others, the Offeror together with the management of the Company to have a longer horizon to manage and plan its business. It will also provide the Offeror and the management more control and flexibility to manage and drive the future business growth of the Company.

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## LETTER TO SHAREHOLDERS

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The Offeror, as part of the CITIC group of companies, has a wealth of industry experience and resources which it has contributed and will continue to contribute to the Company's operations and its water and environmental businesses. By the successful delisting of the Company through the Exit Offer and with the combined resources to be contributed by the Offeror's upstream shareholder group, the Offeror can better support the Company in competing effectively in the industry, facilitating its business growth and transformation, promote implementation of strategic and operational changes and optimise use of management and capital resources.

### 7.2 **Opportunity for minority Shareholders to realise their investment in the Shares at a premium without incurring brokerage costs**

#### (a) **The Exit Offer Price is at an attractive premium to the prevailing share prices in the last 12 months**

The Exit Offer Price is at an attractive premium to the prevailing share prices in the last 12 months, and provides an opportunity for Shareholders who are not prepared to bear the business risks associated with the Group to realise a clean cash exit at a premium.

The Exit Offer Price is at a premium above the historical market prices of the Shares over the last 12-month period prior to the Joint Announcement Date. The Exit Offer also represents a premium of approximately 48.6% over the last transacted price per Share of S\$0.370 on the Last Trading Day.

The Exit Offer Price also represents a premium of approximately 61.9%, 68.5%, 65.5% and 39.6% above the VWAP per Share for the one-month, three-month, six-month and 12-month periods, respectively.

Shareholders who tender their Offer Shares pursuant to the Exit Offer will have an opportunity to realise their investment in the Company for a cash consideration at a premium above the historical market share prices, without incurring any brokerage and other trading costs.

#### (b) **The Company's price-to-NAV<sup>(1)</sup> multiple implied by the Exit Offer Price exceeds its historical average**

The price-to-NAV multiple as implied by the Exit Offer Price is 1.15 times, which is higher when compared to the historical average for the past one year, up to and including the Last Trading Day.

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## LETTER TO SHAREHOLDERS

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(c) **Opportunity for Shareholders who may find it difficult to exit their investment in the Company on-market amidst the low historical trading liquidity of Shares**

The historical trading liquidity of the Shares on the SGX-ST has been relatively low. The average daily trading volume of the Shares over the last one-month, three-month, six-month and 12-month periods up to and including the Last Trading Day are detailed in the table below:

	<b>ADTV<sup>(2)</sup> (No. of Shares)</b>	<b>ADTV as a percentage of total number of issued Shares<sup>(3)(4)</sup> (%)</b>
One month period up to and including the Last Trading Day	2,078,761	0.085
Three month period up to and including the Last Trading Day	1,204,147	0.050
Six month period up to and including the Last Trading Day	1,583,633	0.065
12 month period up to and including the Last Trading Day	1,864,618	0.077

**Notes:**

- (1) The NAV calculated is adjusted for the Company's preferred equity, hybrid capital and minority interest as of 30 September 2019.
- (2) The figures set out in the table above are based on data extracted from Bloomberg L.P.. The average daily trading volume is computed based on the total trading volume of the Shares divided by the number of Market Days with respect to the relevant period immediately prior to and including the Last Trading Day.
- (3) Calculated using the average daily total volume of Shares traded divided by the total number of issued Shares.
- (4) Rounded to the nearest three decimal places.

### 7.3 **No need for access to capital markets**

The Offeror is of the view that the Company is unlikely to require access to Singapore capital markets to finance its operations in the foreseeable future. Accordingly, it is not necessary for the Company to maintain a listing on the SGX-ST.

### 7.4 **Compliance costs of maintaining listing**

The Company incurs compliance and associated costs in maintaining its listed status. Delisting will allow the Company to save on expenses relating to the maintenance of a listed status and focus its resources on its business operations.

### 7.5 **Offeror's intentions**

The Offeror does not currently have any intention to (a) introduce any major changes to the business of the Company; (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of any of the existing employees of the Group, other than in the ordinary course of business.

Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves.

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## LETTER TO SHAREHOLDERS

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### 7.6 No right of compulsory acquisition

Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror receives valid acceptances pursuant to the Exit Offer (or otherwise acquires Shares during the period when the Exit Offer is open for acceptance) in respect of not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or its nominees as at the date of the Exit Offer and excluding any Shares held by the Company as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of the Shareholders who have not accepted the Exit Offer (“**Dissenting Shareholders**”) at a price equal to the Exit Offer Price.

In addition, Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at a price equal to the Exit Offer Price in the event that the Offeror, its related corporations or its nominees acquire, pursuant to the Exit Offer, such number of Shares which, together with the treasury shares and the Shares held by the Offeror, its related corporations or its nominees, comprise 90% or more of the total number of issued Shares.

**In view that CRF has undertaken to reject the Exit Offer (if and when made), such rights under Sections 215(1) and (3) of the Companies Act will not arise.**

## 8. MARKET QUOTATIONS

### 8.1 Closing Prices

The closing price of the Shares on SGX-ST (as reported by Bloomberg L.P.) on the Latest Practicable Date was S\$0.540 and on the Last Trading Day was S\$0.370.

The following table sets out the closing prices of the Shares on the SGX-ST (as reported by Bloomberg L.P.) on the last Market Day on which there was trading in the Shares on the SGX-ST for each of the six calendar months preceding the Joint Announcement Date, and the corresponding premia based on the Exit Offer Price:

<b>Period</b>	<b>Closing Price<sup>(1)</sup> (S\$)</b>	<b>Premium over Closing Price<sup>(2)</sup> (%)</b>
October 2019	0.345	59.4
September 2019	0.320	71.9
August 2019	0.305	80.3
July 2019	0.325	69.2
June 2019	0.305	80.3
May 2019	0.325	69.2

**Notes:**

(1) Figures rounded to the nearest three decimal places.

(2) Percentage figures are rounded to the nearest one decimal place.

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## LETTER TO SHAREHOLDERS

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### 8.2 Highest and Lowest Closing Prices

The highest and lowest closing prices of the Shares on the SGX-ST (as reported by Bloomberg L.P.) during the period commencing six calendar months prior to the Joint Announcement Date and ending on the Latest Practicable Date, the respective dates transacted and corresponding premium based on the Exit Offer Price are as follows:

	<b>Closing Price<sup>(1)</sup> (S\$)</b>	<b>Date(s) transacted</b>	<b>Premium of Exit Offer Price over Closing Price<sup>(2)</sup></b>
Highest closing price	0.540	15 November 2019, 26 November 2019, 27 November 2019, 2 December 2019, 3 December 2019, 5 December 2019, 6 December 2019 and 9 December 2019	1.9%
Lowest closing price	0.290	21 June 2019, 13 August 2019, 14 August 2019, 28 August 2019, 3 October 2019 and 4 October 2019	89.7%

**Notes:**

(1) Figures rounded to the nearest three decimal places.

(2) Percentage figures are rounded to the nearest one decimal place.

### 9. REGULATORY APPROVALS

An application was made by the Offeror to the SIC regarding the extent to which the provisions of the Code applied to the Exit Offer. The SIC has ruled, *inter alia*, that:

- (a) the SIC has no objections to the Pre-Condition;
- (b) the SIC has no objections to a period of four calendar months for the satisfaction of the Pre-Condition;
- (c) the Exit Offer is exempted from compliance with the following provisions of the Code:
  - (i) Rule 20.1 to keep offer open for 14 days after it is revised;
  - (ii) Rule 22 on offer timetable;
  - (iii) Rule 28 on acceptances; and
  - (iv) Rule 29 on the right of acceptors to withdraw their acceptances,

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## LETTER TO SHAREHOLDERS

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subject to:

- (A) Shareholders' Approval being obtained within three months from the date of the Formal Exit Offer Announcement;
- (B) disclosure in the Delisting Circular of:
  - (1) the consolidated NTA per Share of the Group comprising the Company, its subsidiaries and associated companies based on the published accounts prior to the date of the Delisting Circular; and
  - (2) particulars of all known material changes as of the Latest Practicable Date which may affect the consolidated NTA per Share referred to in **sub-paragraph (1)** above or a statement that there are no such known material changes; and
- (C) the Exit Offer remaining open for at least:
  - (1) 21 days after the date of the despatch of the Exit Offer Letter if the Exit Offer Letter, together with the relevant acceptance form(s), are despatched after Shareholders' Approval has been obtained; or
  - (2) 14 days after the date of the announcement of Shareholders' Approval if the Exit Offer Letter, together with the relevant acceptance form(s), are despatched on the same date as the Delisting Circular;
- (d) the financial resources confirmation to be given by CLSA (acting as the Financial Adviser to the Offeror) pursuant to Rule 3.5 of the Code may exclude the Shares held by the Offeror and CRF as at the date of the Exit Offer; and
- (e) Mr. Hao Weibao, Mr. Wang Song, Dr. Chong Weng Chiew, Mr. Sun Lei and Mr. Bi Jingshuang (collectively, "**Relevant Directors**") are exempted under Rule 24.1 of the Code from the requirement to make a recommendation to the Shareholders on the Exit Offer as the Relevant Directors, being Directors and parties acting in concert with the Offeror, face irreconcilable conflicts of interest in doing so. Nevertheless, the Relevant Directors must still assume responsibility for the accuracy of the facts stated and opinions expressed in documents or advertisements issued by, or on behalf of, the Company in connection with the Exit Offer.

### 10. DISCLOSURES

#### 10.1 Offeror and the Concert Group

As at the Latest Practicable Date, save as disclosed in **Appendix 2**, none of the Offeror and the Concert Group:

- (a) owns, controls or has agreed (other than pursuant to the Irrevocable Undertakings) to acquire any Company Securities; or
- (b) has dealt for value in any Company Securities during the Relevant Period.

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## LETTER TO SHAREHOLDERS

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### 10.2 No other Arrangements

As at the Latest Practicable Date, save for the Irrevocable Undertakings, none of the Offeror and the Concert Group has:

- (a) entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code with any person, including any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to any Company Securities which may be an inducement to deal or refrain from dealing;
- (b) received any irrevocable undertaking from any party to accept the Exit Offer in respect of any Company Securities;
- (c) granted any security interest in respect of any Company Securities in favour of any other person, whether through a charge, pledge or otherwise;
- (d) borrowed any Company Securities from another person (excluding borrowed Company Securities which have been on-lent or sold); or
- (e) lent any Company Securities to another person.

### 11. CONFIRMATION OF FINANCIAL RESOURCES

CLSA, being the Offeror's Financial Adviser for the Delisting and in connection with the Exit Offer, will provide the requisite confirmation of financial resources in accordance with Rule 23.8 of the Code in the Formal Exit Offer Announcement on the basis that, taking into account the Irrevocable Undertakings, sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Exit Offer at the Exit Offer Price (excluding the Shares held (directly and indirectly) by the Offeror and the Existing Relevant Shares held by CRF as at the date of the Exit Offer).

### 12. ACTIONS TO BE TAKEN BY THE SHAREHOLDERS

This Exit Offer Letter and the Acceptance Forms are despatched on the same date as the Delisting Circular. If you have Offer Shares standing to the credit of the "Free Balance" of your Securities Account (not including a securities sub-account) maintained with CDP, you should receive a FAA together with this Exit Offer Letter. If you do not receive a 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.

If you hold Offer Shares which are not deposited with CDP, you should receive a FAT together with this Exit Offer Letter. If you do not receive a FAT, you may obtain a copy of such FAT, upon production of satisfactory evidence that you are a Shareholder, from the office of the Offeror's Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road #11-02 Singapore 068898.

The Exit Offer may only be accepted by the relevant Shareholder to whom this Exit Offer Letter is addressed.

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## LETTER TO SHAREHOLDERS

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Shareholders may choose to accept the Exit Offer in respect of their Offer Shares before fulfilment or waiver of the Pre-Condition and/or Shareholders' Approval is obtained at the EGM. However, the Offeror will only be bound to acquire these Offer Shares and pay the Exit Offer Price for these Offer Shares if the Pre-Condition is fulfilled or waived by the Long-Stop Date AND Shareholders' Approval is obtained at the EGM.

If you wish to accept the Exit Offer, you should complete, sign and return the relevant Acceptance Form(s) in accordance with the provisions and instructions in this Exit Offer Letter and the relevant Acceptance Form(s) during the period commencing from the Despatch Date and ending at 5.30 p.m. on the Closing Date.

If you hold share certificate(s) of the Offer Shares beneficially owned by you and wish to accept the Exit Offer in respect of such Offer Shares, you **SHOULD NOT** deposit the share certificate(s) with CDP during the period commencing on the Despatch Date and ending on the Closing Date (both dates inclusive) as the "Free Balance" of your Securities Account may not be credited with the relevant number of Offer Shares in time for you to accept the Exit Offer.

If you decide not to accept the Exit Offer, you do not have to take any action. In the event that the Pre-Condition is fulfilled or waived by the Long-Stop Date and the Shareholders' Approval is obtained at the EGM, you will continue to hold unlisted Shares in the Company as an unlisted company.

If you hold Shares that are deposited with CDP, a share certificate in respect of your Shares that are deposited with CDP will be sent, by ordinary post and at your own risk, to your address as it appears in the records of CDP, after the Company has been delisted from the Official List of the SGX-ST.

### 13. OVERSEAS SHAREHOLDERS

#### 13.1 Overseas Shareholders

This Exit Offer Letter, the relevant Acceptance Forms and/or any related documents do not constitute an offer to sell or a solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction in contravention of applicable law, nor shall there be any sale, issuance or transfer of the securities referred to in this Exit Offer Letter, the relevant Acceptance Forms, and/or any related documents in any jurisdiction in contravention of applicable law.

The availability of the Exit Offer to Shareholders whose addresses are outside Singapore, as shown on the Register of Members of the Company or, as the case may be, in the records of CDP ("**Overseas Shareholders**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves about and observe any applicable legal requirements in their own jurisdictions, and exercise caution in relation to the Exit Offer, as this Exit Offer Letter, the Acceptance Forms and the Delisting Circular have not been reviewed by any regulatory authority in any overseas jurisdiction. **Where there are potential restrictions on sending this Exit Offer Letter, the Acceptance Forms and the Delisting Circular to any overseas jurisdiction, the Offeror, CLSA, CDP and the Company each reserves the right not to send these documents to such overseas jurisdictions.** For the avoidance of doubt, the Exit Offer is

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## LETTER TO SHAREHOLDERS

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open to all Shareholders holding Offer Shares, including those to whom this Exit Offer Letter, the Acceptance Forms and the Delisting Circular have not been, or may not be, sent.

Copies of this Exit Offer Letter, the Acceptance Forms, the Delisting Circular and any other formal documentation relating to the Exit Offer 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 Exit Offer would violate the applicable law of that jurisdiction (“**Restricted Jurisdiction**”). The Exit Offer 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 Exit 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 Exit Offer will not be capable of acceptance by any such use, means, instrumentality or facility.

### 13.2 Copies of the Exit Offer Letter, Acceptance Forms and Delisting Circular

Overseas Shareholders may, nonetheless, obtain copies of this Exit Offer Letter, the relevant Acceptance Forms, the Delisting Circular and any related documents, during normal business hours, from the date of this Exit Offer Letter and up to the Closing Date, from as the case may be, (a) the Registrar, at Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road #11-02 Singapore 068898 or (b) CDP at 11 North Buona Vista Drive, #01-19/02 The Metropolis Tower 2, Singapore 138589. Electronic copies of the Exit Offer Letter, the relevant Acceptance Forms, the Delisting Circular and any related documents may also be obtained from the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

Alternatively, an Overseas Shareholder may write in to the Registrar at the address listed above to request for this Exit Offer Letter, the relevant Acceptance Forms, the Delisting Circular and any related documents to be sent to an address in Singapore by ordinary post at the Overseas Shareholder’s own risk (the last day for despatch in respect of such request shall be a date falling three Market Days prior to the Closing Date).

### 13.3 Compliance with Applicable Laws

It is the responsibility of any Overseas Shareholder who wishes to (a) request for this Exit Offer Letter, the relevant Acceptance Form(s), the Delisting Circular, and/or any related documents, and/or (b) accept the Exit Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any taxes, imposts, duties or other requisite payments payable and the Offeror, CLSA, CDP, the Company and/or any person acting on its behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments as the Offeror, CLSA, CDP, the Company and/or any person acting on its behalf may be required to pay. In (i) requesting for this Exit Offer Letter, the relevant

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## LETTER TO SHAREHOLDERS

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Acceptance Form(s), the Delisting Circular and/or any related documents, and/or (ii) accepting the Exit Offer, the Overseas Shareholder represents and warrants to the Offeror, CLSA, CDP and the Company 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.

**OVERSEAS SHAREHOLDERS WHO ARE IN DOUBT ABOUT THEIR POSITIONS SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISERS IN THE RELEVANT JURISDICTIONS.**

### 13.4 Notice

The Offeror and CLSA each reserves the right to (a) reject any acceptance of the Exit Offer where it believes, or has reason to believe, that such acceptance may violate the applicable laws of any jurisdiction, and (b) notify any matter, including the despatch of this Exit Offer Letter, any formal documentation relating to the Exit Offer, and the fact that the Exit Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST and if necessary, paid advertisement in a newspaper published and 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.

### 14. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS

Investors who have purchased Shares using (a) their CPF savings under the CPFIS or (b) using their SRS contributions pursuant to the SRS should receive further information on how to accept the Exit Offer from their respective CPF Agent Banks approved by CPF to be its agent banks or SRS Agent Banks. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

CPFIS Investors and SRS Investors who wish to accept the Exit Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks accordingly by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks, which may be earlier than the Closing Date. CPFIS Investors and SRS Investors will receive the Exit Offer Price payable in respect of their Offer Shares validly tendered in acceptance of the Exit Offer through appropriate intermediaries in their respective CPF investment accounts and SRS investment accounts.

### 15. GENERAL

#### 15.1 Exit Offer Letter not an Offer

This Exit Offer Letter, the relevant Acceptance Forms and/or any related documents do not constitute an offer to sell or a solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction in contravention of applicable law, nor shall there be any sale, issuance or transfer of the securities referred to in this Exit Offer Letter, the relevant Acceptance Forms, and/or any related documents in any jurisdiction in contravention of applicable law.

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## LETTER TO SHAREHOLDERS

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### 15.2 Governing Law and Jurisdiction

The Exit Offer, this Exit Offer Letter, the Acceptance Forms, all acceptances of the Exit Offer and all contracts made pursuant thereto and actions taken or made or deemed to be taken or made thereunder shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Offeror and each Accepting Shareholder agree to submit to the non-exclusive jurisdiction of the Singapore courts.

### 15.3 No Third Party Rights

Unless expressly provided to the contrary in this Exit Offer Letter and the Acceptance Forms, a person who is not a party to any contracts made pursuant to the Exit Offer, this Exit Offer Letter 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.

### 15.4 Accidental Omission

Accidental omission to despatch this Exit Offer Letter, the Acceptance Forms or any notice or announcement required to be given under the terms of the Exit Offer or any failure to receive the same by any person to whom the Exit Offer is made or should be made shall not invalidate the Exit Offer in any way.

### 15.5 Independent Advice

The Financial Adviser is acting for and on behalf of the Offeror and does not purport to advise the Shareholders and/or any other person. In preparing this Letter to Shareholders on behalf of the Offeror, the Financial Adviser has not had regard to the general or specific investment objectives, tax positions, risk profiles, financial situation or particular needs and constraints of any Shareholder.

The advice of the IFA to the Independent Directors on the Exit Offer, and the recommendations of the Independent Directors on the Delisting and the Exit Offer, are available in the Delisting Circular. Shareholders may wish to consider their views before taking any action in relation to the Exit Offer.

### 15.6 Costs and Expenses

All costs and expenses of or incidental to the Exit Offer including the preparation and circulation of this Exit Offer Letter, the Acceptance Forms (other than professional fees and other costs relating to the Exit Offer incurred or to be incurred by the Company) and stamp duty and transfer fees resulting from acceptances of the Exit Offer will be paid by the Offeror.

### 15.7 Consents

CLSA, as Financial Adviser to the Offeror in connection with the Exit Offer, and the Registrar have given and have not withdrawn their written consent to the issue of this Exit Offer Letter with the inclusion herein of their name and all references thereto in the form and context in which they appear in this Exit Offer Letter.

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## LETTER TO SHAREHOLDERS

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### 16. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at 80 Robinson Road, #02-00, Singapore 068898 during normal business hours for the period for which the Exit Offer remains open for acceptance:

- (a) the Memorandum and Articles of Association of the Offeror;
- (b) the Joint Announcement;
- (c) the Irrevocable Undertakings referred to in **Paragraph 3.9** above entitled "*Irrevocable Undertakings*";
- (d) the letters of consent from CLSA and the Registrar referred to in **Paragraph 15.7** of this Exit Offer Letter;
- (e) the audited financial statements of the Offeror for the financial years ended 31 December 2016 and 31 December 2017;
- (f) the unaudited financial statements of the Offeror for the financial year ended 31 December 2018;
- (g) the audited consolidated financial statements of CITIC Limited for the financial years ended 31 December 2016, 31 December 2017 and 31 December 2018; and
- (h) the unaudited consolidated financial statements of CITIC Limited for the six months ended 30 June 2019.

### 17. RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of this Exit Offer Letter) have taken all reasonable care to ensure that the facts stated and all opinions expressed herein (other than those relating to the Company and any opinion expressed by the Company) are fair and accurate and that, where appropriate, no material facts have been omitted from this Exit Offer Letter, the omission of which would make any statement in this Exit Offer Letter misleading, and they hereby collectively and individually accept full responsibility.

Where any information in this Exit Offer Letter has been extracted from, published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from such sources and/or reproduced in this Exit Offer Letter in its proper form and context.

Yours faithfully,

**CLSA SINGAPORE PTE LTD**

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

**Any enquiries relating to the Exit Offer or this Exit Offer Letter should be directed during office hours to the CLSA helpline at (65) 6416 7888.**

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## APPENDIX 1

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### PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE EXIT OFFER

#### 1. THE EXIT OFFER

##### 1.1 Depositors

- (a) **Depositors whose Securities Accounts are credited with Offer Shares.** If you have Offer Shares standing to the credit of the “Free Balance” of your Securities Account, you should receive this Exit Offer Letter together with a FAA. If you do not receive a 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 Exit Offer, you should:

- (i) complete the FAA in accordance with this Exit Offer Letter and the instructions printed on the FAA. 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 Exit Offer.

(A) If you:

- (1) do not specify such number; or
- (2) specify a number which exceeds the number of Offer Shares standing to the credit of the “Free Balance” of your Securities Account on the Date of Receipt, or, in the case where the Date of Receipt is on the Closing Date, by 5.30 p.m. (Singapore time) on the Closing Date,

you shall be deemed to have accepted the Exit Offer in respect of all the Offer Shares standing to the credit of the “Free Balance” of your Securities Account on the Date of Receipt or 5.30 p.m. (Singapore time) on the Closing Date (if the FAA is received by CDP on the Closing Date).

- (B) if **paragraph 1.1(a)(i)(A)(2)** above applies and at the time of verification by CDP of the FAA on the Date of Receipt, there are outstanding settlement instructions with CDP to receive further Offer Shares into the “Free Balance” of your Securities Account (“**Unsettled Buy Position**”), and the Unsettled Buy Position settles such that the Offer Shares in the Unsettled Buy Position are transferred to the “Free Balance” of your Securities Account at any time during the period the Exit Offer is open, up to 5.30 p.m. on the Closing Date (“**Settled Shares**”), you shall be deemed to have accepted the Exit Offer in respect of the balance number of Offer Shares inserted in Part A of the FAA which have not yet been accepted pursuant to **paragraph 1.1(a)(i)(A)(2)** above, or the number of Settled Shares, whichever is less;

- (ii) sign the FAA in accordance with this **Appendix 1** and the instructions printed on the FAA; and

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## APPENDIX 1

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(iii) deliver the completed and signed FAA:

(A) **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

(B) **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 which is not pre-paid for posting. 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 the Exit Offer Letter and the accompanying FAA to the purchaser or transferee, as CDP will arrange for a separate Exit Offer Letter and FAA to be sent to the purchaser or transferee.

If you are a Depository Agent, you may accept the Exit 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. Such Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms and conditions contained in the FAA and this Exit Offer Letter as if the FAA had been completed and delivered to CDP.

(b) **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 Exit Offer Letter together with a FAA. If you do not receive a 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 Exit 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:

(i) complete and sign the FAA in accordance with **paragraph 1.1(a)** of this **Appendix 1** and the instructions printed on the FAA; and

(ii) deliver the completed and signed FAA:

(A) **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

(B) **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,

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## APPENDIX 1

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**in each 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 which is enclosed with the FAA, which is not pre-paid for posting. It is your responsibility to affix adequate postage on the said envelope.

**Rejection.** If upon receipt by CDP, on behalf of the Offeror, of the FAA, it is established that such Offer Shares have not been or will not be credited to the “Free Balance” of your Securities Account (as, for example, where you sell or have sold such Offer Shares), your acceptance is liable to be rejected. None of the Offeror, CLSA or CDP accepts any responsibility or liability in relation to such a rejection, including the consequences thereof.

If you purchase Offer Shares on the SGX-ST on a date close to the Closing Date, your acceptance in respect of such Offer Shares is liable to be rejected if the “Free Balance” of your Securities Account is not credited with such Offer Shares by the Date of Receipt or 5.30 p.m. (Singapore time) on the Closing Date (if the FAA is received by CDP on the Closing Date), unless **paragraph 1.1(a)(i)(A)(2)** read together with **paragraph 1.1(a)(i)(B)** of this **Appendix 1** apply. If the Unsettled Buy Position does not settle by 5.30 p.m. on the Closing Date, your acceptance in respect of such Offer Shares will be rejected. None of the Offeror, CLSA or CDP accepts any responsibility or liability in relation to such a rejection, including the consequences thereof.

- (c) **Depositors whose Securities Accounts are and will be credited with Offer Shares.** If you have Offer Shares credited to your Securities Account, and have purchased additional Offer Shares on the SGX-ST which are in the process of being credited to your Securities Account, you may accept the Exit Offer in respect of the Offer Shares standing to the credit of the “Free Balance” of your Securities Account and may accept the Exit 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 Offer Shares.
- (d) **FAAs received on Saturday, Sunday and public holidays.** For the avoidance of doubt, FAAs received by CDP on a Saturday, Sunday or public holiday in Singapore will only be processed and validated on the next Business Day.
- (e) **General.** No acknowledgement will be given by CDP for submissions of FAAs. All communications, notices, documents and payments to be delivered or sent to you will be sent by ordinary post at your own risk to your 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 in your Securities Account: (i) through CDP Online if you have registered for the CDP Internet Access Service; or (ii) through the CDP Phone Service using SMS OTP, under the option “To check your securities balance”.
- (f) **Blocked Balance.** Upon receipt of the FAA which is complete and valid in all respects, CDP will transfer the Offer Shares in respect of which you have accepted the Exit Offer from the “Free Balance” of your Securities Account to the “Blocked Balance” of your Securities Account. Such Offer Shares will be held in the “Blocked Balance” until the consideration for such Offer Shares has been despatched to you.

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## APPENDIX 1

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- (g) **Notification.** If you have accepted the Exit Offer in accordance with the provisions contained in this **Appendix 1** and the FAA, upon the Exit Offer becoming or being declared to be 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 aggregate Exit Offer Price in respect of such Offer Shares by way of a cheque in Singapore currency drawn on a bank in Singapore for the appropriate amount, or in such other manner as you may have agreed with CDP for the payment of any cash distributions, at your own risk, as soon as practicable and in any event:
- (i) in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received on or before the date on which the Exit Offer becomes or is declared to be unconditional in all respects in accordance with its terms, within seven Business Days of that date; or
  - (ii) in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received after the Exit Offer becomes or is declared to be unconditional in all respects in accordance with its terms, but before the Exit Offer closes, within seven Business Days of the date of such receipt.
- (h) **Return of Offer Shares.** In the event the Exit Offer (i) is not made or (ii) if and when made, does not become or is not declared to be unconditional in all respects in accordance with its terms, CDP will return the aggregate number of Offer Shares in respect of which you have submitted an Acceptance Form(s) or accepted the Exit Offer and tendered for acceptance under the Exit Offer to the “Free Balance” of your Securities Account as soon as possible but in any event within 14 days from the lapse or withdrawal of the Exit Offer or the announcement by CLSA for and on behalf of the Offeror that the Exit Offer will not be made (as the case may be).
- (i) **No Securities Account.** If you do not have an existing Securities Account in your own name at the time of acceptance of the Exit Offer, your acceptance as contained in the FAA will be rejected.

### 1.2 Holders of Offer Shares in Scrip Form

- (a) **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 Exit Offer Letter together with a FAT. If you do not receive a FAT, you may obtain a copy of such FAT, upon production of satisfactory evidence that you are a Shareholder, from the Registrar at 80 Robinson Road #11-02 Singapore 068898.
- (b) **Acceptance.** If you wish to accept the Exit Offer, you should:
- (i) complete the FAT in accordance with this Exit Offer Letter and the instructions printed on the FAT. In particular, you must state in the FAT the number of Offer Shares in respect of which you wish to accept the Exit Offer and state in the FAT the share certificate number(s) of the relevant share certificate(s). If you:
    - (A) do not specify such number in the FAT; or
    - (B) specify a number in the FAT which exceeds the number of Offer Shares represented by the share certificate(s) accompanying the FAT,

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## APPENDIX 1

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you shall be deemed to have accepted the Exit Offer (if and when made) in respect of the total number of Offer Shares represented by the share certificate(s) accompanying the FAT.

- (ii) sign the FAT in accordance with this **Appendix 1** and the instructions printed on the FAT; and
- (iii) deliver:
  - (A) the completed and signed FAT;
  - (B) the share certificate(s), other document(s) of title and/or other relevant document(s) required by the Offeror and/or the Registrar relating to the Offer Shares in respect of which you wish to accept the Exit Offer (if and when made). If you are recorded in the Register of Members of the Company as holding Offer Shares but you 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 Constitution of the Company and then deliver such share certificate(s) in accordance with the procedures set out in this Exit Offer Letter and the FAT; and
  - (C) 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 the transferee left blank (to be completed by the Offeror, or any person nominated in writing by the Offeror or a person authorised by either); and
  - (D) any other relevant document(s),

either:

- (1) **by hand**, to **CKM (CAYMAN) COMPANY LIMITED** c/o Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road #11-02 Singapore 068898; or
- (2) **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.) at 80 Robinson Road #11-02 Singapore 068898; or

**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, which is not pre-paid for posting. It is your responsibility to affix adequate postage on the said envelope.

- (c) **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, CLSA or the Registrar.

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- (d) **FATs received on Saturday, Sunday and public holidays.** For the avoidance of doubt, FATs received by the Offeror, CLSA and/or the Registrar on a Saturday, Sunday or public holiday in Singapore will only be processed and validated on the next Business Day.
- (e) **Return of Offer Shares.** In the event the Exit Offer (i) is not made or (ii) if and when made, does not become or is not declared to be 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 by ordinary post to the address stated in the FAT or if none is stated, to you (or in the case of joint Accepting Shareholders, to the one first named in the Register of Members of the Company) by ordinary post at the relevant address maintained in the Register of Members of the Company, at your own risk as soon as possible but in any event within 14 days from the lapse or withdrawal of the Exit Offer or the announcement by CLSA for and on behalf of the Offeror that the Exit Offer will not be made (as the case may be).

### 2. SETTLEMENT FOR THE EXIT OFFER

Subject to the Exit Offer (if and when made) becoming or being declared to be unconditional in all respects in accordance with its terms and to the receipt by the Offeror of valid acceptances and all relevant documents required by the Offeror which are complete and valid in all respects and in accordance with such requirements as may be stated in this Exit Offer Letter and the relevant FAA or FAT and/or the terms and conditions for Electronic Acceptance (as the case may be), including, without limitation, (in the case of a Shareholder holding Offer Shares in scrip form) the receipt by the Offeror of share certificate(s) relating to the Offer Shares tendered by such Shareholder in acceptance of the Exit Offer (if and when made) and (in the case of a Depositor) the receipt by the Offeror of confirmation satisfactory to it that the relevant number of Offer Shares tendered by such Depositor in acceptance of the Exit Offer (if and when made) are standing to the credit of the "Free Balance" of the Depositor's Securities Account at the relevant time, then pursuant to Rule 30 of the Code, remittances in the form of cheques in Singapore currency drawn on a bank in Singapore for the aggregate Exit Offer Price in respect of the Offer Shares validly tendered in acceptance of the Exit Offer (if and when made) will be despatched to the Accepting Shareholders (or, in the case of Shareholders holding Offer Shares in scrip form, their designated agents, as they may direct) by ordinary post, at the risk of the Accepting Shareholders or in such other manner as they may have agreed with CDP for the payment of any cash distributions, as soon as practicable and in any event:

- (a) in respect of acceptances of the Exit Offer (if and when made) which are complete and valid in all respects and are received on or before the date on which the Exit Offer (if and when made) becomes or is declared to be unconditional in all respects in accordance with its terms, within seven Business Days of that date; or
- (b) in respect of acceptances of the Exit Offer (if and when made) which are complete and valid in all respects and are received after the date on which the Exit Offer (if and when made) becomes or is declared to be unconditional in all respects in accordance with its terms, but on or before the Closing Date, within seven Business Days of the date of such receipt.

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## APPENDIX 1

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### 3. GENERAL

- 3.1 **Disclaimer.** The Offeror, CLSA, CDP and/or the Registrar will be authorised and entitled, in their sole and absolute discretion, to reject any acceptance of the Exit Offer (if and when made) 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 of this Exit Offer Letter 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 Exit Offer (if and when made), it is your responsibility to ensure that the relevant Acceptance Forms are properly completed and executed in all respects and 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, CLSA, CDP 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 CLSA each reserves the right to treat acceptances of the Exit Offer (if and when made) 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 Exit Offer Letter or in the FAA and FAT, as the case may be, or if made otherwise than in accordance with the provisions of this Exit Offer Letter and the FAA and FAT, as the case may be. Any decision to reject or treat such acceptances as valid will be final and binding and none of the Offeror, CLSA, CDP and/or the Registrar accepts any responsibility or liability for such a decision, including the consequences of such a decision.
- 3.3 **Scriptless and Scrip Offer Shares.** If you hold some Offer Shares with CDP and others in scrip form, you should complete the FAA for the former and the FAT for the latter in accordance with the respective procedures set out in this **Appendix 1** and the respective Acceptance Forms if you wish to accept the Exit Offer (if and when made) in respect of such Offer Shares.
- 3.4 **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 Exit Offer (if and when made) if you were to deposit your share certificate(s) with CDP after the date of despatch of this Exit Offer Letter. If you wish to accept the Exit Offer (if and when made) in respect of such Offer Shares, you should complete the FAT and follow the procedures set out in **Paragraph 1.2** of this **Appendix 1**.
- 3.5 **Correspondences.** All communications, certificates, notices, documents, payments and remittances to be delivered or sent to you (or, in the case of scrip holders, your designated agent or, in the case of joint Accepting Shareholders who have not designated any agent, to the one first named in the Register of Members of the Company) will be sent by ordinary post to your respective addresses as they appear in the records of CDP or the Registrar, as the case may be, at the risk of the person entitled thereto.
- 3.6 **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 document(s) of title and/or other relevant document(s) required by the Offeror, to the Offeror, CDP and/or the Registrar, shall be conclusive evidence in favour of the Offeror, CLSA, CDP and/or the Registrar 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.

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## APPENDIX 1

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- 3.7 **Loss in Transmission.** The Offeror, CLSA, CDP and/or the Registrar as the case may be, shall not be liable for any loss in transmission of the FAA and/or FAT.
- 3.8 **Acceptances Irrevocable.** Except as expressly provided in this Exit Offer Letter and the Code, the acceptance of the Exit Offer (if and when made) made by you using the FAA and/or the FAT, as the case may be, shall be irrevocable.
- 3.9 **Personal Data Privacy.** By completing and delivering a FAA and/or FAT, each person (a) consents to the collection, use and disclosure of his personal data by the Offeror, CLSA, CDP, the Registrar, the Company, CPF Board, and the SGX-ST (collectively, the “**Relevant Persons**”) for the purpose of facilitating his acceptance of the Exit Offer (if and when made), and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines, (b) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable laws, and (c) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

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## APPENDIX 2

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### ADDITIONAL INFORMATION ON THE CONCERT GROUP

#### 1. DIRECTORS

##### 1.1 The Offeror

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are set out below.

<b>Name</b>	<b>Address</b>	<b>Description</b>
Mr. Hao Weibao	P.O. Box 309, Ugland House Grand Cayman, KY1-1104 Cayman Islands	Director
Mr. Zhang Yong	P.O. Box 309, Ugland House Grand Cayman, KY1-1104 Cayman Islands	Director
Mr. Wang Song	P.O. Box 309, Ugland House Grand Cayman, KY1-1104 Cayman Islands	Director
Mr. Ren Xia	P.O. Box 309, Ugland House Grand Cayman, KY1-1104 Cayman Islands	Director
Mr. Mao Yimin	P.O. Box 309, Ugland House Grand Cayman, KY1-1104 Cayman Islands	Director

##### 1.2 CITIC Limited

The names, addresses and descriptions of the directors of CITIC Limited as at the Latest Practicable Date are set out below.

<b>Name</b>	<b>Address</b>	<b>Description</b>
Mr. Chang Zhenming	32nd Floor, CITIC Tower 1 Tim Mei Avenue, Central Hong Kong, SAR	Chairman and Executive Director
Mr. Wang Jiong	32nd Floor, CITIC Tower 1 Tim Mei Avenue, Central Hong Kong, SAR	Vice Chairman and President
Ms. Li Qingping	32nd Floor, CITIC Tower 1 Tim Mei Avenue, Central Hong Kong, SAR	Executive Director
Mr. Song Kangle	32nd Floor, CITIC Tower 1 Tim Mei Avenue, Central Hong Kong, SAR	Non-Executive Director

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Name	Address	Description
Ms. Yan Shuqin	32nd Floor, CITIC Tower 1 Tim Mei Avenue, Central Hong Kong, SAR	Non-Executive Director
Mr. Liu Zhuyu	32nd Floor, CITIC Tower 1 Tim Mei Avenue, Central Hong Kong, SAR	Non-Executive Director
Mr. Peng Yanxiang	32nd Floor, CITIC Tower 1 Tim Mei Avenue, Central Hong Kong, SAR	Non-Executive Director
Mr. Liu Zhongyuan	32nd Floor, CITIC Tower 1 Tim Mei Avenue, Central Hong Kong, SAR	Non-Executive Director
Mr. Yang Xiaoping	32nd Floor, CITIC Tower 1 Tim Mei Avenue, Central Hong Kong, SAR	Non-Executive Director
Mr. Francis Siu Wai Keung	32nd Floor, CITIC Tower 1 Tim Mei Avenue, Central Hong Kong, SAR	Independent Non-Executive Director
Dr. Xu Jinwu	32nd Floor, CITIC Tower 1 Tim Mei Avenue, Central Hong Kong, SAR	Independent Non-Executive Director
Mr. Anthony Francis Neoh	32nd Floor, CITIC Tower 1 Tim Mei Avenue, Central Hong Kong, SAR	Independent Non-Executive Director
Mr. Shohei Harada	32nd Floor, CITIC Tower 1 Tim Mei Avenue, Central Hong Kong, SAR	Independent Non-Executive Director
Mr. Gregory Lynn Curl	32nd Floor, CITIC Tower 1 Tim Mei Avenue, Central Hong Kong, SAR	Independent Non-Executive Director

## 2. REGISTERED OFFICE

### 2.1 The Offeror

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

### 2.2 CITIC Limited

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

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## APPENDIX 2

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### 3. PRINCIPAL ACTIVITIES AND SHARE CAPITAL

#### 3.1 The Offeror

The Offeror is a company incorporated in the Cayman Islands on 30 September 2014. The principal activity of the Offeror is that of investment holding. As at the Latest Practicable Date, the Offeror has authorised share capital of S\$13,000 comprising 1,300,000,000 ordinary shares, with a par value of S\$0.00001 each and an issued and paid-up share capital of S\$0.00002 comprising two ordinary shares, 100% of which is held by CITIC Environment, through CITIC Environment (International) Company Limited.

#### 3.2 CITIC Limited

CITIC Limited is listed in Hong Kong (SEHK: 267) 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 one of the largest PRC state-owned conglomerates and international conglomerates, CITIC Limited has diverse interests in businesses in the PRC and internationally ranging from financial, securities and brokerage services, resources and energy, manufacturing, real estate and infrastructure to engineering contracting. As at the Latest Practicable Date, CITIC Limited is approximately majority owned by CITIC Group Corporation which is incorporated in the People's Republic of China.

### 4. SUMMARY OF FINANCIAL INFORMATION

#### 4.1 The Offeror

##### (a) Summary of Financial Performance

A summary of the audited profit and loss statements of the Offeror for the two financial years ended 31 December 2016 and 31 December 2017 and the unaudited profit and loss statements of the Offeror for the financial year ended 31 December 2018 are set out in the table below.

The summary is extracted from, and should be read in conjunction with, the audited financial statements of the Offeror for the two financial years ended 31 December 2016 and 31 December 2017 and the unaudited financial statements of the Offeror for the financial year ended 31 December 2018 (copies of which are available for inspection as mentioned in **paragraph 16** of this Exit Offer Letter).

	<b>Audited Financial Year ended 31 December 2016 (S\$' million)</b>	<b>Audited Financial Year ended 31 December 2017 (S\$' million)</b>	<b>Unaudited Financial Year ended 31 December 2018 (S\$' million)</b>
Turnover	3.56	14.4	21.6
Exceptional items	–	–	–
Profit before taxation	3.56	14.4	21.6
Profit for the year/period	3.56	14.4	21.6
Minority interests	–	–	–

## APPENDIX 2

	<b>Audited Financial Year ended 31 December 2016 (S\$' million)</b>	<b>Audited Financial Year ended 31 December 2017 (S\$' million)</b>	<b>Unaudited Financial Year ended 31 December 2018 (S\$' million)</b>
Earnings per share for profit attributable to ordinary shareholders (HK\$)	–	–	–
Dividend per share (HK\$)	–	–	–

### (b) Statement of Assets and Liabilities

A summary of the audited balance sheet of the Offeror as at 31 December 2017 and the unaudited balance sheet of the Offeror as at 31 December 2018 is set out in the table below.

The summary is extracted from, and should be read in conjunction with, the audited financial statements of the Offeror for the financial year ended 31 December 2017 and the unaudited financial statements of the Offeror for the financial year ended 31 December 2018 (copies of which are available for inspection as mentioned in **paragraph 16** of this Exit Offer Letter).

	<b>Audited as at 31 December 2017 (S\$' million)</b>	<b>Unaudited as at 31 December 2018 (S\$' million)</b>
Fixed Assets	–	–
Investment Properties	–	–
Joint Ventures	–	–
Inventories	–	–
Cash and Bank Deposits	–	–
Investments in financial assets	1,186	1,076
Loans and Advances to Customers and Other Parties	–	–
Other Assets	–	–
<b>Total Assets</b>	<b>1,186</b>	<b>1,076</b>
Bank Loans, Other Loans, Overdrafts and Borrowings	–	–
Debt instruments issued	–	–
Trade and Other Payables	–	–
Deposits from customers	–	–
Other Liabilities	–	–
<b>Total Liabilities</b>	<b>–</b>	<b>–</b>
<b>Net Assets</b>	<b>1,186</b>	<b>1,076</b>

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## APPENDIX 2

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### 4.2 CITIC Limited (on a Consolidated Basis)

#### (a) 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 2016, 31 December 2017 and 31 December 2018 and the unaudited consolidated profit and loss statements of CITIC Limited for the six months ended 30 June 2019 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 2016, 31 December 2017 and 31 December 2018 and the unaudited consolidated financial statements of CITIC Limited for the six months ended 30 June 2019 (copies of which are available for inspection as mentioned in **paragraph 16** of this Exit Offer Letter).

	<b>Audited Financial Year ended 31 December 2016 (HK\$' million)</b>	<b>Audited Financial Year ended 31 December 2017 (HK\$' million)</b>	<b>Audited Financial Year ended 31 December 2018 (HK\$' million)</b>	<b>Unaudited 6 months ended 30 June (HK\$' million)</b>
Turnover	381,662	450,536	533,285	277,176
Exceptional items				
Profit before taxation	70,791	82,783	93,969	57,194
Profit for the year/ period	62,696	65,096	75,025	47,170
Minority interests	18,760	20,521	24,186	13,652
Earnings per share for profit attributable to ordinary shareholders (HK\$)	1.13	1.51	1.73	1.15
Dividend per share (HK\$)	0.33	0.36	0.41	0.18

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### (b) Statement of Assets and Liabilities

A summary of the audited consolidated balance sheet of CITIC Limited as at 31 December 2018 and the unaudited consolidated balance sheet of CITIC Limited as at 30 June 2019 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 2018 and the unaudited consolidated financial statements of CITIC Limited for the six months ended 30 June 2019 (copies of which are available for inspection as mentioned in **paragraph 16** of this Exit Offer Letter).

	<b>Audited as at 31 December 2018 (HK\$' million)</b>	<b>Unaudited as at 30 June 2019 (HK\$' million)</b>
Fixed Assets	189,647	168,585
Investment Properties	32,579	32,950
Joint Ventures	38,620	41,108
Inventories	58,087	61,987
Cash and Bank Deposits	832,968	595,044
Investments in financial assets	1,884,427	2,093,867
Loans and Advances to Customers and Other Parties	4,024,401	4,260,898
Other Assets	599,984	751,949
<b>Total Assets</b>	<b>7,660,713</b>	<b>8,006,388</b>
Bank Loans, Other Loans, Overdrafts and Borrowings	1,373,273	1,383,099
Debt instruments issued	745,031	788,713
Trade and Other Payables	171,093	164,256
Deposits from customers	4,159,924	4,572,686
Other Liabilities	400,732	258,826
<b>Total Liabilities</b>	<b>6,850,053</b>	<b>7,167,580</b>
<b>Net Assets</b>	<b>810,660</b>	<b>838,808</b>

## 5. MATERIAL CHANGES IN FINANCIAL POSITION

### 5.1 The Offeror

As at the Latest Practicable Date, save as a result of the making and financing of the Exit Offer, there has been no known material change in the financial position of the Offeror since 31 December 2017, being the date of the last audited consolidated financial statements of the Offeror laid before the company in general meeting.

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## APPENDIX 2

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### 5.2 CITIC Limited

As at the Latest Practicable Date, save as a result of the making and financing of the Exit Offer, there has been no known material change in the financial position of CITIC Limited since 31 December 2018, being the date of the last audited consolidated financial statements of CITIC Limited laid before the company in general meeting.

## 6. SIGNIFICANT ACCOUNTING POLICIES

### 6.1 The Offeror

The audited financial statements of the Offeror for the financial year ended 31 December 2017 have been prepared in accordance with the Hong Kong Financial Reporting Standards. The significant accounting policies of the Offeror are set out in Note 1 to the audited financial statements of the Offeror for the financial year ended 31 December 2017 (a copy of which is available at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898).

### 6.2 CITIC Limited

The audited consolidated financial statements of CITIC Limited for the financial year ended 31 December 2018 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 2018 (a copy of which is available at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898).

## 7. CHANGES IN ACCOUNTING POLICIES

### 7.1 The Offeror

As at the Latest Practicable Date, there has been no change in the accounting policies of the Offeror since the date of its audited financial statements for the financial year ended 31 December 2017 which will cause the figures set out in **Paragraph 4** of this Appendix 2 to be not comparable to a material extent.

### 7.2 CITIC Limited

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 2018 which will cause the figures set out in **Paragraph 4** of this **Appendix 2** to be not comparable to a material extent.

## APPENDIX 2

### 8. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

#### 8.1 Shareholdings in the Company

Save as set out in the table below, none of the Concert Group owns, controls or has agreed to acquire any Company Securities as at the Latest Practicable Date.

	Direct		Deemed	
	Number of Shares	% of total issued Shares <sup>(1)</sup>	Number of Shares	% of total issued Shares <sup>(1)</sup>
<b>CKM</b>				
CKM (Cayman) Company Limited <sup>(2)</sup>	–	–	1,370,889,284	56.36%
CITIC Environment (International) Company Limited <sup>(3)</sup>	–	–	1,370,889,284	56.36%
CITIC Environment Investment Group Co., Ltd. <sup>(4)</sup>	–	–	1,370,889,284	56.36%
CITIC Corporation Limited <sup>(4)</sup>	–	–	1,370,889,284	56.36%
CITIC Limited <sup>(4)</sup>	–	–	1,370,889,284	56.36%
CITIC Group Corporation <sup>(4)</sup>	–	–	1,370,889,284	56.36%
CENVIT (Cayman) Company Limited	1,370,889,284	56.36%	1,370,889,284	56.36%
<b>CRF</b>				
CRF Envirotech Co., Ltd.	538,048,010	22.12%	–	–
CRF Envirotech Fund L.P. <sup>(5)</sup>	–	–	538,048,010	22.12%
China Reform Conson Soochow Overseas Fund I L.P. <sup>(6)</sup>	–	–	538,048,010	22.12%
CRF Envirotech GP Ltd. <sup>(7)</sup>	–	–	538,048,010	22.12%
China Reform Puissance Overseas GP L.P. <sup>(8)</sup>	–	–	538,048,010	22.12%
China Reform Puissance Overseas Holdings Limited <sup>(9)</sup>	–	–	538,048,010	22.12%
China Reform Overseas Feeder GP Ltd. <sup>(10)</sup>	–	–	538,048,010	22.12%
China Reform Overseas Cayman Company Limited <sup>(11)</sup>	–	–	538,048,010	22.12%
China Reform Fund Management Co., Ltd. <sup>(12)</sup>	–	–	538,048,010	22.12%
Golden Bridge Capital Holdings Limited <sup>(13)</sup>	–	–	538,048,010	22.12%
Soochow International Capital Limited <sup>(14)</sup>	–	–	538,048,010	22.12%
Soochow Securities (Hong Kong) Financial Holdings Limited <sup>(15)</sup>	–	–	538,048,010	22.12%
Soochow Securities Co., Ltd. <sup>(16)</sup>	–	–	538,048,010	22.12%

## APPENDIX 2

	Direct		Deemed	
	Number of Shares	% of total issued Shares <sup>(1)</sup>	Number of Shares	% of total issued Shares <sup>(1)</sup>
<b>CRF</b>				
Bi Jingshuang <sup>(17)</sup>	–	–	538,048,010	22.12%
Haitian (HK) Holdings Limited <sup>(18)</sup>	–	–	538,048,010	22.12%
Qingdao Conson Financial Holdings Co., Ltd. <sup>(19)</sup>	–	–	538,048,010	22.12%
Qingdao Conson Development (Group) Co., Ltd. <sup>(20)</sup>	–	–	538,048,010	22.12%
SASAC of the Qingdao Municipal Government <sup>(21)</sup>	–	–	538,048,010	22.12%
<b>Founder Shareholders</b>				
Dr. Lin Yucheng	–	–	7,010,834	0.29%
Ms. Pan Shuhong	–	–	8,549,410	0.35%

**Notes:**

- (1) There are 2,432,361,356 issued Shares as at the Latest Practicable Date.
- (2) CKM (Cayman) Company Limited is deemed interested in the Shares held by its subsidiaries, CENVIT (Cayman) Company Limited.
- (3) CITIC Environment (International) Company Limited is deemed interested in the Shares held by CKM (Cayman) Company Limited through its controlling interest in CKM (Cayman) Company Limited.
- (4) These companies are deemed interested in the Shares held by CITIC Environment (International) Company Limited through their direct and indirect shareholding interest in CITIC Environment (International) Company Limited.
- (5) CRF Envirotech Fund L.P. is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its holding of two-thirds of the voting power in CRF Envirotech Co., Ltd..
- (6) China Reform Conson Soochow Overseas Fund I L.P. is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its holding of one-third of the voting power in CRF Envirotech Co., Ltd..
- (7) CRF Envirotech GP Ltd. is deemed interested in the Shares held by CRF Envirotech Co., Ltd. as it is the general partner of CRF Envirotech Fund L.P..
- (8) China Reform Puissance Overseas GP L.P. is deemed interested in the Shares held by CRF Envirotech Co., Ltd. as it is the general partner of China Reform Conson Soochow Overseas Fund I L.P. and the parent company of CRF Envirotech GP Ltd..
- (9) China Reform Puissance Overseas Holdings Limited is deemed interested in the Shares held by CRF Envirotech Co., Ltd. as it is the general partner of China Reform Puissance Overseas GP L.P..
- (10) China Reform Overseas Feeder GP Ltd. is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its holding of 25.5% of the voting power in China Reform Puissance Overseas Holdings Limited.
- (11) China Reform Overseas Cayman Company Limited is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its shareholding interest in China Reform Overseas Feeder GP Ltd..
- (12) China Reform Fund Management Co., Ltd. is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its shareholding interest in China Reform Overseas Cayman Company Limited.
- (13) Golden Bridge Capital Holdings Limited is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its holding of 24.5% of the voting power in China Reform Puissance Overseas Holdings Limited.
- (14) Soochow International Capital Limited is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its holding of 22% of the voting power in China Reform Puissance Overseas Holdings Limited.
- (15) Soochow Securities (Hong Kong) Financial Holdings Limited is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its shareholding interest in Soochow International Capital Limited.

## APPENDIX 2

- (16) Soochow Securities Co., Ltd is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its shareholding interest in Soochow Securities (Hong Kong) Financial Holdings Limited.
- (17) Bi Jingshuang is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through his shareholding interest in Golden Bridge Capital Holdings Limited.
- (18) Haitian (HK) Holdings Limited is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its holding of 22% of the voting power in China Reform Puissance Overseas Holdings Limited.
- (19) Qingdao Conson Financial Holdings Co., Ltd. is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its shareholding interest in Haitian (HK) Holdings Limited.
- (20) Qingdao Conson Development (Group) Co., Ltd. is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its shareholding interest in Qingdao Conson Financial Holdings Co., Ltd..
- (21) SASAC of the Qingdao Municipal Government is deemed interested in the Shares held by CRF Envirotech Co., Ltd. through its shareholding interest in Qingdao Conson Development (Group) Co., Ltd..

### 8.2 Dealings in Company Securities

Save as disclosed below, none of the Offeror, the Directors and the Concert Group have dealt for value in any Company Securities during the Relevant Period:

No.	Name	Date	No. of Shares Acquired	No. of Shares Sold	Average Transaction price per Share
1.	CENVIT (Cayman) Company Limited	13 August 2019	66,601,000	–	S\$0.469
2.	Green Resources Limited	13 August 2019	–	28,560,000	S\$0.469
3.	P&L Capital Limited	13 August 2019	–	38,041,000	S\$0.469
4.	Green Resources Limited	30 September 2019	–	200,000	S\$0.315
5.	Green Resources Limited	1 October 2019	–	253,800	S\$0.315
6.	Green Resources Limited	2 October 2019	–	48,500	S\$0.315
7.	Green Resources Limited	3 October 2019	–	1,737,000	S\$0.298
8.	Green Resources Limited	4 October 2019	–	260,000	S\$0.293
9.	Green Resources Limited	21 October 2019	–	500,000	S\$0.300
10.	Green Resources Limited	22 October 2019	–	1,000,000	S\$0.304
11.	Green Resources Limited	23 October 2019	–	500,000	S\$0.3075
12.	Green Resources Limited	24 October 2019	–	125,000	S\$0.322
13.	Green Resources Limited	25 October 2019	–	250,000	S\$0.330
14.	Green Resources Limited	29 October 2019	–	250,000	S\$0.345
15.	P&L Capital Limited	1 November 2019	–	2,650,607	S\$0.373

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## APPENDIX 2

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### 9. GENERAL

#### 9.1 Agreement having any Connection with or Dependence upon the Exit Offer

Save for (a) the Irrevocable Undertakings provided by the Undertaking Shareholders, details of which are set out in **Paragraph 3.9** of this Exit Offer Letter entitled “*Irrevocable Undertakings*” and (b) as otherwise disclosed in this Exit Offer Letter, there is no agreement, arrangement or understanding as at the Latest Practicable Date between (i) the Concert Group and (ii) any of the current or recent directors or any of the current or recent Shareholders having any connection with or dependence upon the Exit Offer.

#### 9.2 Payment or Benefit to the Directors of the Company

As at the Latest Practicable Date, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any director of the Company or any director of a corporation deemed to be related to the Company by virtue of Section 6 of the Companies Act as compensation for loss of office or as consideration for or in connection with his retirement from office or otherwise in connection with the Exit Offer.

#### 9.3 Transfer of Shares

As at the Latest Practicable Date, there is no agreement, arrangement or understanding whereby any Shares acquired pursuant to the Exit Offer will be transferred to any other person. The Offeror, however, reserves the right to transfer any of the Offer Shares to any of its related corporations or for the purpose of granting security in favour of financial institutions which have extended or shall extend credit facilities to it.

#### 9.4 No Agreement Conditional upon Outcome of Exit Offer

Save for the Irrevocable Undertakings, details of which are set out in **Paragraph 3.9** of this Exit Offer Letter entitled “*Irrevocable Undertakings*”, as at the Latest Practicable Date, there is no agreement, arrangement or understanding between the Offeror and any of the Directors or any other person in connection with or conditional upon the outcome of the Exit Offer or otherwise connected with the Exit Offer.

#### 9.5 Transfer Restrictions

The constitution of the Company does not contain any restrictions on the right to transfer Offer Shares, which has the effect of requiring the holders of the Offer Shares, before transferring them, to first offer them for purchase to Shareholders or to any other person.

#### 9.6 Material Change in Information

Save as disclosed in this Exit Offer Letter and save for the information relating to the Offeror and the Exit Offer that is publicly available, there has been no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Joint Announcement Date and ending on the Latest Practicable Date.

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## APPENDIX 3

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### ADDITIONAL INFORMATION ON THE COMPANY

#### 1. DIRECTORS

The names, addresses and descriptions of the directors of the Company as at the Latest Practicable Date are set out below.

Name	Address	Description
Mr. Hao Weibao	80 Robinson Road, #02-00, Singapore 068898	Executive Chairman and Group Chief Executive Officer
Mr. Wang Song	80 Robinson Road, #02-00, Singapore 068898	Executive Director
Dr. Chong Weng Chiew	80 Robinson Road, #02-00, Singapore 068898	Executive Director
Mr. Bi Jingshuang	80 Robinson Road, #02-00, Singapore 068898	Non-Executive Director
Mr. Sun Lei	80 Robinson Road, #02-00, Singapore 068898	Non-Executive Director
Mr. Yeung Koon Sang <i>alias</i> David Yeung	80 Robinson Road, #02-00, Singapore 068898	Lead Independent Director
Mr. Tay Beng Chuan	80 Robinson Road, #02-00, Singapore 068898	Independent Director
Mr. Lee Suan Hiang	80 Robinson Road, #02-00, Singapore 068898	Independent Director

#### 2. REGISTERED OFFICE

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

#### 3. PRINCIPAL ACTIVITIES AND SHARE CAPITAL

As at the Latest Practicable Date, based on the latest information available to the Offeror, the Company has (a) an issued and fully paid up share capital of S\$723,648,000 comprising 2,432,361,356 Shares; and (b) up to 7,857,200 outstanding Options, which are exercisable into Shares. The Company does not hold any Shares in treasury.

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## APPENDIX 3

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### 4. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as disclosed in this Exit Offer Letter and save for information on the Group, which is publicly available (including without limitation, the announcements released by the Company on the SGX-ST) and as may be announced by the Company from time to time, there have not been, to the best knowledge of the Offeror, any material changes in the financial position of the Company since 31 December 2018, being the date of the last audited consolidated financial statements of the Company laid before the Shareholders in general meeting.

The audited consolidated financial statements of the Group for the financial year ended 31 December 2018 and the unaudited consolidated financial statements of the Group for the nine-month financial period ended 30 September 2019 are available on the website of the SGX-ST at <https://www2.sgx.com>.