



中信环境技术

CITIC ENVIROTECH

CITIC ENVIROTECH LTD. (Company registration number: 200306466G)

Listed companies must provide the information required by Appendix 7.2 of the Listing Manual. Adequate disclosure should be given to explain any material extraordinary item either as a footnote of the material extraordinary item or in the "Review of the performance of the group".

Full Year Financial Statement & Dividend Announcement for the 9-month Period Ended 31 December 2015

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 9 months ended 31/12/2015 \$'000	Group 9 months ended 31/12/2014 \$'000	Group 12 months ended 31/3/2015 \$'000	9 months ended 31/12/2015 VS 9 months ended 31/12/2014 % Increase/ (Decrease)
Revenue	274,761	287,764	348,982	(4.5)
Other income	20,248	16,249	23,427	24.6
Changes in inventories	(2,673)	13,194	12,817	N/M
Material purchased, consumables used and subcontractors' fees	(111,973)	(173,478)	(197,955)	(35.5)
Employee benefits expense	(34,023)	(18,931)	(32,101)	79.7
Depreciation and amortisation expenses	(15,962)	(6,470)	(13,127)	146.7
Other operating expenses	(39,692)	(33,196)	(34,462)	19.6
Finance costs	(29,212)	(20,666)	(28,953)	41.4
Share of loss of associates	(3)	-	-	N/M
Share of profit of joint venture	-	1,283	1,283	N/M
Profit before income tax	61,471	65,749	79,911	(6.5)
Income tax expense	(18,861)	(12,173)	(17,480)	54.9
Net profit for the year	42,610	53,576	62,431	(20.5)

During the financial period, the Company changed its financial year end from 31 March to 31 December. The financial year for the current financial period ended 31 December 2015 covers the 9-month period from 1 April 2015 to 31 December 2015. The corresponding financial year is for the 12-month period from 1 April 2014 to 31 March 2015. 9-month statement of comprehensive income of the group for the period from 1 April 2014 to 31 December 2014 is included for comparison purposes.

	Group 9 months ended 31/12/2015 \$'000	Group 9 months ended 31/12/2014 \$'000	Group 12 months ended 31/3/2015 \$'000	9 months ended 31/12/2015 VS 9 months ended 31/12/2014 % Increase/ (Decrease)
Statement of Comprehensive Income				
Profit for the year attributable to:				
Owners of the Company	40,762	51,731	59,268	(21.2)
Non-controlling interests	1,848	1,845	3,163	0.2
Profit for the year	42,610	53,576	62,431	(20.5)
Fair value change in available-for-sale investment	-	-	(17,252)	N/M
Currency translation (loss)/gain	(5,054)	23,753	31,955	N/M
Total comprehensive income for the year	37,556	77,329	77,134	(51.4)
Total comprehensive income attributable to:				
Owners of the Company	35,708	75,484	73,971	(52.7)
Non-controlling interests	1,848	1,845	3,163	0.2
Total comprehensive income for the year	37,556	77,329	77,134	(51.4)

1(a)(ii) Breakdown to statement of comprehensive income

	Group 9 months ended 31/12/2015 \$'000	Group 9 months ended 31/12/2014 \$'000	Group 12 months ended 31/3/2015 \$'000	9 months ended 31/12/2015 VS 9 months ended 31/12/2014 % Increase/ (Decrease)
Employee share option expense	6,930	3,873	7,109	78.9
Interest expense on bank borrowings and finance leases	16,189	11,412	13,682	41.9
Interest expense on MTN bond	12,469	5,437	8,463	129.3
Finance cost on convertible bonds	554	3,817	6,808	(85.5)
Interest income	(5,276)	(676)	(1,251)	680.5
Foreign currency exchange (gain)/loss	(3,111)	804	(2,953)	N/M
One-off fees relating to the General Offer in April 2015	6,508	-	-	N/M
Loss/(Gain) on disposal of property, plant and equipment	122	(38)	(38)	N/M
Gain on disposal of available-for-sale investment	-	(14,181)	(14,181)	N/M

N/M: Not meaningful

1(b)(I) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group 31/12/2015 \$'000	Group 31/3/2015 \$'000	Company 31/12/2015 \$'000	Company 31/3/2015 \$'000
ASSETS				
Current assets:				
Cash and bank balances	540,466	113,757	198,024	17,530
Trade receivables	218,323	212,686	-	-
Service concession receivables	4,342	4,776	-	-
Other receivables and prepayments	163,691	70,023	732,231	471,839
Inventories	10,570	13,244	-	-
Prepaid leases	766	108	-	-
	938,158	414,594	930,255	489,369
Assets classified as held for sale	34,582	28,696	-	-
Total current assets	972,740	443,290	930,255	489,369
Non-current assets:				
Trade receivables	4,687	11,677	-	-
Service concession receivables	504,819	384,814	-	-
Other receivables and prepayments	16,293	16,116	-	-
Prepaid leases	36,704	7,541	-	-
Subsidiaries	-	-	279,023	235,396
Associates	10,608	-	10,611	-
Property, plant and equipment	148,871	76,790	249	298
Goodwill	255,365	255,365	-	-
Intangible assets	222,282	190,181	200	200
Deferred tax assets	517	950	-	-
Total non-current assets	1,200,146	943,434	290,083	235,894
Total assets	2,172,886	1,386,724	1,220,338	725,263
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	237,141	60,379	-	1,350
Medium term notes	97,700	-	97,700	-
Trade payables	140,708	112,605	-	-
Other payables	52,641	79,398	21,071	35,132
Finance leases	180	47	100	16
Income tax payable	25,054	22,656	-	-
	553,424	275,085	118,871	36,498
Non-current liabilities held for sale	31,238	26,204	-	-
Total current liabilities	584,662	301,289	118,871	36,498
Non-current liabilities:				
Bank loans	188,610	160,395	-	-
Finance leases	256	180	-	96
Convertible bonds	-	58,782	-	58,782
Medium term notes	222,226	98,228	222,226	98,228
Deferred tax liabilities	36,376	26,505	-	-
Total non-current liabilities	447,468	344,090	222,226	157,106

	Group 31/12/2015 \$'000	Group 31/3/2015 \$'000	Company 31/12/2015 \$'000	Company 31/3/2015 \$'000
Capital and reserves:				
Share capital	607,973	484,125	607,973	484,125
Perpetual capital securities	242,055	-	242,055	-
General reserve	5,330	4,469	-	-
Capital reserve	2,096	2,096	-	-
Share option reserve	20,445	13,515	20,445	13,515
Convertible bonds reserve	-	8,707	-	8,707
Currency translation reserve	29,878	34,932	4,415	18,939
Retained earnings	193,971	160,816	4,353	6,373
Equity attributable to owners of the Company	1,101,748	708,660	879,241	531,659
Non-controlling interests	39,008	32,685	-	-
Total equity	1,140,756	741,345	879,241	531,659
Total liabilities and equity	2,172,886	1,386,724	1,220,338	725,263

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

<u>As at 31/12/2015</u>		<u>As at 31/3/2015</u>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
234,139	100,882	55,828	4,598

Amount repayable after one year

<u>As at 31/12/2015</u>		<u>As at 31/3/2015</u>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
173,813	237,279	144,394	114,409

Details of any collateral

1. The finance leases of \$436,000 (31 March 2015: \$227,000) is secured over the Group's motor vehicles.
2. The bank term loan of \$ Nil (31 March 2015: \$98,000) is secured over the freehold properties of its Malaysia subsidiary.
3. The bank loans of \$407,516,000 (31 March 2015: \$199,897,000) are secured over the time deposits, concession receivables, intangible assets, treatment plants, prepaid lease of its subsidiaries and all assets of Memstar Pte Ltd Group.

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 9 months ended 31/12/2015 \$'000	Group 12 months ended 31/3/2015 \$'000
Operating activities		
Profit before income tax	61,471	79,911
Adjustments for:		
Gain on disposal of available-for-sale investment	-	(14,181)
Loss/(Gain) on disposal of property, plant and equipment	122	(38)
Interest income	(5,276)	(1,251)
Finance costs	29,212	28,953
Share of loss of associates	3	-
Share of profit of joint venture	-	(1,283)
Depreciation and amortisation expenses	15,962	13,127
Share option expense	6,930	7,109
Exchange differences arising on foreign currency translation	1,029	30,164
Operating profit before working capital changes	109,453	142,511
Trade receivables	11,231	(92,795)
Other receivables and prepayments	(92,713)	23,230
Inventories	2,671	(659)
Trade payables	26,356	8,101
Other payables	(32,940)	(22,332)
Cash generated from operations	24,058	58,056
Interest received	4,691	1,251
Interest paid	(18,208)	(23,764)
Income tax paid	(8,284)	(4,284)
Net cash from operating activities	2,257	31,259
Investing activities		
Addition to service concession receivables	(34,876)	(89,946)
Addition to intangible assets	(7,365)	(57,117)
Investment in associates	(10,611)	-
Proceeds from disposal of property, plant and equipment	87	38
Disposal of available-for-sale investment	-	6,159
Contribution from non-controlling shareholders	2,009	-
Purchase of property, plant and equipment	(76,946)	(10,138)
Net cash outflow from acquisition of subsidiaries	(86,100)	(22,283)
Net cash used in investing activities	(213,802)	(173,287)

	Group 9 months ended 31/12/2015 \$'000	Group 12 months ended 31/3/2015 \$'000
Financing activities		
Proceeds from bank borrowings	171,770	157,635
Proceeds from issuing shares	56,359	2,090
Proceeds from issuing medium term notes	222,048	-
Redemption of medium term notes	(1,010)	-
Proceeds from issuing perpetual capital securities	242,055	-
Dividend paid	(5,633)	(2,739)
Repayment of obligations under finance lease	(55)	(119)
Repayment of bank borrowings	(50,323)	(43,100)
Net cash from financing activities	635,211	113,767
Net increase (decrease) in cash and cash equivalents	423,666	(28,261)
Cash and cash equivalents at beginning of year	113,757	141,672
Net effect of exchange rate changes on the balance and cash held in foreign currencies	3,043	346
Cash and cash equivalents at end of year	540,466	113,757

1(d)(I) A statement (for the issuer and group) showing either (I) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders.

	Share capital \$'000	Perpetual capital securities \$'000	General reserve \$'000	Capital reserve \$'000	Share option reserves \$'000	Convertible bonds reserves \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total equity attributable to owners of the Company \$'000	Non controlling interests \$'000	Total equity \$'000
Group											
At 1 April 2015	484,125	-	4,469	2,096	13,515	8,707	34,932	160,816	708,660	32,685	741,345
Total comprehensive income for the period	-	-	-	-	-	-	(5,054)	40,762	35,708	1,848	37,556
Recognition of share-based payment	-	-	-	-	6,930	-	-	-	6,930	-	6,930
Issuance of shares capital	47,562	-	-	-	-	-	-	-	47,562	-	47,562
Issuance of shares on conversion of convertible bonds	67,489	-	-	-	-	(8,707)	-	-	58,782	-	58,782
Issuance of shares on exercise of the ESOS	8,797	-	-	-	-	-	-	-	8,797	-	8,797
Issuance of perpetual capital securities	-	242,055	-	-	-	-	-	-	242,055	-	242,055
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	4,475	4,475
Transfer to general reserve	-	-	861	-	-	-	-	(861)	-	-	-
Dividend paid/ payable	-	-	-	-	-	-	-	(6,746)	(6,746)	-	(6,746)
At 31 December 2015	607,973	242,055	5,330	2,096	20,445	-	29,878	193,971	1,101,748	39,008	1,140,756

	Share capital \$'000	General reserve \$'000	Capital reserve \$'000	Share option reserves \$'000	Convertible bonds reserves \$'000	Fair value reserve \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total equity attributable to owners of the Company \$'000	Non controlling interests \$'000	Total equity \$'000
Group											
At 1 April 2014	151,325	4,410	-	7,766	22,520	17,252	765	104,287	308,325	10,882	319,207
Total comprehensive income for the period	-	-	-	-	-	(17,252)	31,955	59,268	73,971	3,163	77,134
Acquisition of subsidiaries	236,375	59	2,096	-	-	-	2,212	-	240,742	18,640	259,382
Recognition of share based payment	-	-	-	7,109	-	-	-	-	7,109	-	7,109
Issuance of shares on conversion of convertible bonds	92,975	-	-	-	(13,813)	-	-	-	79,162	-	79,162
Issuance of shares on exercise of the ESOS	3,450	-	-	(1,360)	-	-	-	-	2,090	-	2,090
Dividends	-	-	-	-	-	-	-	(2,739)	(2,739)	-	(2,739)
At 31 March 2015	484,125	4,469	2,096	13,515	8,707	-	34,932	160,816	708,660	32,685	741,345

	Share capital \$'000	Perpetual capital securities \$'000	Share option reserve \$'000	Convertible bonds reserves \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total \$'000
<u>Company</u>							
At 1 April 2015	484,125	-	13,515	8,707	18,939	6,373	531,659
Total comprehensive income for the period	-	-	-	-	(14,524)	4,726	(9,798)
Recognition of share-based payment	-	-	6,930	-	-	-	6,930
Issuance of share capital	47,562	-	-	-	-	-	47,562
Issuance of shares on conversion of convertible bonds	67,489	-	-	(8,707)	-	-	58,782
Issuance of shares on exercise of ESOS	8,797	-	-	-	-	-	8,797
Issuance of perpetual capital securities	-	242,055	-	-	-	-	242,055
Dividend	-	-	-	-	-	(6,746)	(6,746)
At 31 December 2015	607,973	242,055	20,445	-	4,415	4,353	879,241

	Share capital \$'000	Share option reserve \$'000	Fair value reserve \$'000	Convertible bonds reserves \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total \$'000
<u>Company</u>							
At 1 April 2014	151,325	7,766	17,252	22,520	802	3,594	203,259
Total comprehensive income for the period	-	-	(17,252)	-	18,137	5,518	6,403
Recognition of share-based payment	-	7,109	-	-	-	-	7,109
Acquisition of subsidiaries	236,375	-	-	-	-	-	236,375
Issuance of shares on conversion of convertible bonds	92,975	-	-	(13,813)	-	-	79,162
Issuance of shares on exercise of ESOS	3,450	(1,360)	-	-	-	-	2,090
Dividend	-	-	-	-	-	(2,739)	(2,739)
At 31 March 2015	484,125	13,515	-	8,707	18,939	6,373	531,659

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The total number of shares that may be issued on conversion of all the outstanding convertibles bonds and employee shares options were Nil (31 December 2014: 117,926,189) and 53,875,500 (31 December 2014: 70,950,000) respectively.

The perpetual capital securities comprised USD175 million issued at 5.45% per annum (31 December 2014: Nil).

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	31/12/2015	31/3/2015
Total number of issues shares ('000)	1,127,765	963,361

The company does not have any treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasure shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The accounting policies and methods of computation are the same as in the Company's audited consolidated financial statements for the financial year ended 31 March 2015.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

There is no change in the accounting policies and methods of computation.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group 31/12/2015	Group 31/3/2015
Net profit attributable to shareholders of the Company (\$'000)	40,762	59,268
Weighted average number of shares in issue (in '000) for computation of Basic EPS	1,115,504	921,170
Earnings per share (cents)- Basic	3.65	6.43
Weighted average number of shares in issue (in '000) for computation of Diluted EPS	1,169,380	1,109,646
Earnings per share (cents) – Diluted	3.49	5.95

	Group 31/12/2015	Group 31/3/2015
Adjusted EPS		
Net profit attributable to shareholders of the Company adjusted for dividends attributable to perpetual capital securities (\$'000)	39,649	59,268
Weighted average number of shares in issue (in '000) for computation of Basic EPS	1,115,504	921,170
Earnings per share (cents)- Basic	3.55	6.43
Weighted average number of shares in issue (in '000) for computation of Diluted EPS	1,169,380	1,109,646
Earnings per share (cents) – Diluted	3.39	5.95

For the purpose of calculating diluted EPS, assumption was made that all the employee share options and convertible bonds issued will be converted to ordinary shares.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group 31/12/2015	Group 31/3/2015	Company 31/12/2015	Company 31/3/2015
Net asset value (\$'000)	1,140,756	741,345	879,241	531,659
Net asset value per share (cents)	101.15	76.95	77.96	55.19

The net asset value per share is calculated based on the issued share capital of 1,127,765,088 (31 March 2015: 963,361,368).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of comprehensive income

The Group's revenue for the current period was \$274.8 million, which was \$13.0 million or 4.5% lower than last corresponding period ended 31 December 2014 of \$287.8 million. The breakdown of the revenue was as follows:

	Group 9 months ended 31/12/2015 \$'million	Group 9 months ended 31/12/2014 \$'million	% increase/ (decrease)
Engineering revenue	114.6	168.9	(32.1)
Treatment revenue	106.5	66.1	61.1
Membrane sale	53.7	52.8	1.7
Total	274.8	287.8	(4.5)

The decrease was mainly due to the engineering business from \$168.9 million to \$114.6 million, representing a decrease of \$54.3 million or 32.1%.

	Group 9 months ended 31/12/2015 \$'million	Group 9 months ended 31/12/2014 \$'million
Engineering revenue	114.6	168.9
Membrane sale	53.7	52.8
Total	168.3	221.7
Changes in inventories	(2.7)	13.2
Material purchased, consumables used and subcontractors' fees	(112.0)	(173.5)
Gross profit	53.6	61.4
GP margin (%)	31.8%	27.7%

Materials purchased, consumables used and subcontractors' fees decreased to \$112.0 million from \$173.5 million, representing a decrease of \$61.5 million or 35.5% as compared to the last corresponding period ended 31 December 2014. The decrease was consistent with the decrease in engineering revenue and membrane sale to \$168.3 million from \$221.7 million, representing a decrease of \$53.4 million or 24.1% as compared to the last corresponding period ended 31 December 2014. Gross profit margin has increased from 27.7% to 31.8%.

Employee benefits expense increased to \$34.0 million from \$18.9 million, representing an increase of \$15.1 million or 79.7% as compared to the last corresponding period ended 31 December 2014. The increase was mainly due to the additional staff strength for the operation and maintenance of the new treatment plants and manufacturing facilities of membrane products of Memstar.

Depreciation and amortisation expenses increased to \$16.0 million from \$6.5 million, representing an increase of \$9.5 million or 146.7% as compared to the last corresponding period ended 31 December 2014. The increase was mainly due to the amortisation of intangible assets relating to the newly acquired concessions.

Finance costs increased from \$20.7 million to \$29.2 million, representing an increase of \$8.5 million or 41.4% as compared to the last corresponding period ended 31 December 2014. The increase was mainly due to the additional finance costs arising from the newly issued bond and bank borrowings during the period.

Analysis for the 9-month period ended 31 December 2015:

	Group 9 months ended 31/12/2015 \$'million	Group 9 months ended 31/12/2014 \$'million	% Increase/ (Decrease)
Net profit for the period	42.6	53.6	(20.5)
Adjusted for one-off items:			
One-off fees relating to the General Offer by CKM	6.5	-	N/M
One-off gain on disposal of AFS	-	(14.2)	N/M
Net profit adjusted for one-off items	49.1	39.4	24.6

After the adjustment for one-off items, the Group generated a net profit of \$49.1 million as compared to \$39.4 million for the last corresponding period ended 31 December 2014, representing an increase of \$9.7 million or 24.6%.

Statement of financial position

The Group's current assets increased from \$443.3 million as at 31 March 2015 to \$972.7 million as at 31 December 2015. The increase was mainly due to the increase in cash and bank balances from \$113.8 million as at 31 March 2015 to \$540.5 million, an increase of \$426.7 million. The increase was mainly due to the proceeds from the newly issued medium term notes ("MTN") of \$225 million and USD175 million perpetual capital securities during the financial period.

The Group's non-current assets increased from \$943.4 million as at 31 March 2015 to \$1,200.1 million as at 31 December 2015. The increase was mainly due to the additions of service concession receivables during the financial year.

The Group's current liabilities increased from \$301.3 million as at 31 March 2015 to \$584.7 million as at 31 December 2015. The increase was mainly due to the reclassification of first series of MTN notes from non-current to current, the first series notes will be due in September 2016. In addition, new loans to finance the acquisition of the investment projects.

The Group's non-current liabilities increased from \$344.1 million as at 31 March 2015 to \$447.5 million as at 31 December 2015. The increase was mainly due to the newly issued medium term note of \$225 million during the financial period. The increase was offset by the decrease in convertible bonds of \$58.8 million and the reclassification of the first series MTN notes to current liabilities. During the financial period, the convertible bonds were fully converted into new shares by KKR.

The Group's total equity increased from \$741.3 million as at 31 March 2015 to \$1,140.8 million as at 31 December 2015. The increase was mainly due to:

- a. 30,303,031 of new ordinary shares were placed to CENVIT (Cayman) Company Limited at \$1.65 a share;
- b. 117,926,189 of new ordinary shares were issued to KKR China Water Investment Holdings Limited pursuant to the conversion of USD44 million of the convertible bonds;

- c. 16,174,500 of new ordinary shares were issued pursuant to the conversion of the Employee Share Option Scheme; and
- d. Issuance of perpetual capital securities of USD175 million.

Statement of cash flow

The net cash from financing activities of the group increased from \$113.8 million to \$635.2 million as compared to the last corresponding year ended 31 March 2015. The increase was mainly due to the proceeds from the medium term notes of \$222.0 million, bank borrowings of \$171.8 million, and perpetual capital securities of \$242.1 million during the financial period.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Following the Voluntary General Offer in April 2015, CITIC Environment Investment Group Co., Ltd (“CITIC Environment”) and KKR China Water Investment Holdings Ltd (“KKR”) become the major shareholders of CITIC Envirotech Ltd (“CEL”). The Company has since changed its name from United Envirotech Ltd to CITIC Envirotech Ltd.

For CITIC group, the stewardship of environmental protection are of great significance to China’s sustainable development, and this is one of the strategic areas that CITIC plans to actively explore and develop. CITIC Environment’s investment in CEL provides a powerful platform for developing China’s water and wastewater treatment sector. CEL will be the only vehicle moving forward to undertake all water projects for the CITIC group.

The outlook for the Chinese water treatment sector, especially the industrial wastewater sector, continues to be positive with more opportunities arising from stricter government policies, like the Water Pollution Prevention Plan (“水十条”) which was announced during April 2015.

With the ongoing China central government’s push for strong environmental protection policies, we are confident that the outlook for the water sector will continue to be positive. In addition, it is expected that more Public-Private Partnerships (PPP) projects will be rolled out by the China government to attract more funding from the private sector for infrastructure development. It is also anticipated that the 13th 5-Year Plan (FYP) which will be announced in March 2016 will see substantial investment in the environmental sector, including more details on environmental policies. These developments will provide CEL with good opportunities to further pick up the momentum to tap on both the municipal and industrial wastewater treatment sectors.

Update of the use of proceeds

	\$ million
Unutilised balance as at last quarterly announcement	85
Issuance of perpetual capital securities	241

Investment in Xingrong	(5)
Investment in water projects	
- Xinmin	(11)
- Weishan	(5)
- Medan	(8)
- Taizihe	(40)
Unutilised balance as at date of announcement	257

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Final
Dividend Type	Final
Dividend Amount per Share (in cents)	0.36
Optional:- Dividend Rate (in %)	N/A
Par value of shares	N/A
Tax Rate	Tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Final
Dividend Type	Final
Dividend Amount per Share (in cents)	0.5
Optional:- Dividend Rate (in %)	N/A
Par value of shares	N/A
Tax Rate	Tax exempt

(c) Date payable

To be announced at a later date.

(d) Books closure date

Notice of books closure date for determining shareholders' entitlement of the proposed dividend will be announced at a later date.

12. If no dividend has been declared/recommended, a statement to that effect.

Final dividends have been declared/recommended.

13. Related parties and interested person transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.

9 months ended 31 December 2015

	Engineering	Treatment	Membrane	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Sales	119,809	106,460	68,894	(20,402)	274,761
Results					
Segment result	20,132	51,606	33,729	(20,402)	85,065
Finance costs					(29,212)
Unallocated corporate expenses					(2,607)
Foreign currency exchange gain					2,952
Share of loss of associates					(3)
Interest income					5,276
Profit before income tax					61,471
Income tax expense					(18,861)
Net profit for the year					42,610
Other information					
Segment assets	275,718	1,269,275	265,667		1,810,660
Unallocated corporate assets					362,226
Consolidated total assets					2,172,886
Segment liabilities	288,092	248,978	66,829		603,899
Unallocated corporate liabilities					428,231
Consolidated total liabilities					1,032,130
Addition to non-current assets	132	127,391	14,824		142,347
Depreciation and amortisation	231	9,233	6,498		15,962

12 months ended 31 March 2015

	Engineering	Treatment	Membrane	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Sales	199,441	102,202	58,559	(11,220)	348,982
Results					
Segment result	27,946	43,680	31,397	(11,220)	91,803
Finance costs					(28,953)
Unallocated corporate expenses					(2,607)
Gain on disposal of available-for-sale investment					14,181
Foreign currency exchange loss					2,953
Share of profit of joint venture					1,283
Interest income					1,251
Profit before income tax					79,911
Income tax expense					(17,480)
Net profit for the year					64,431
Other information					
Segment assets	335,103	826,121	150,698		1,311,922
Unallocated corporate assets					74,802
Consolidated total assets					1,386,724
Segment liabilities	139,433	241,493	26,264		407,190
Unallocated corporate liabilities					238,189
Consolidated total liabilities					645,379
Addition to non-current assets	356	149,691	39,466		389,513
Depreciation and amortisation	268	7,766	5,093		13,127

Segment assets represent property, plant and equipment, service concession receivables, associates, intangible assets, goodwill, inventories, trade and other receivables and bank balances and cash, which are attributable to each operating segments. Segment liabilities represent trade and other payables and bank borrowings, which are attributable to each operating segments.

Unallocated corporate assets mainly represent Group's cash and bank balances and other financial assets.

Unallocated corporate liabilities represent Group's finance leases, bank loans, deferred tax liabilities and, medium term notes and convertible bonds at corporate level.

Analysis by Geographical Segments (Secondary segment)

The geographical locations of the customers of the Group principally comprise the People's Republic of China ("PRC"), United States of America ("USA") and Malaysia.

The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

9 months ended 31 December 2015

	Revenue from external customers \$'000	Non-current assets \$'000
PRC	264,008	1,168,870
Singapore	-	29,676
Malaysia	8,193	1,600
USA	2,560	-
Total	274,761	1,200,146

12 months ended 31 March 2015

	Revenue from external customers \$'000	Non-current assets \$'000
PRC	329,523	935,314
Singapore	-	6,498
Malaysia	16,241	1,622
USA	3,218	-
Total	348,982	943,434

Non-current assets information presented above mainly consist of prepaid lease, property, plant and equipment, service concession receivables, intangible assets, club memberships, goodwill and deferred tax assets.

Information about major customers

Revenue from major customers which accounts for 10% of more of the Group's revenue are as follows:

	Group 9 months ended 31 December 2015 \$'000	Group 12 months ended 31 March 2015 \$'000
Engineering		
- Customer 1	-	104,444
Treatment	-	-

15. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Business segment analysis

9 months ended 31 December 2015 vs 12 months ended 31 March 2015

The segment revenue from the engineering business decreased to \$119.8 million from the last corresponding year of \$199.4 million, representing a decrease of \$79.6 million or 39.9%. The segment result decreased from \$27.9 million to \$20.1 million, representing a decrease of \$7.8 million or 38.8%.

The segment revenue from the treatment business increased to \$106.5 million from the last corresponding year of \$102.2 million, representing an increase of \$4.3 million or 4.2%. The segment result increased from \$43.7 million to \$51.6 million, representing an increase of \$7.9 million or 18.1%. With the increase in the treatment capacity of the current plants and the additions to the treatment capacity arising from the newly acquired plants in the coming year, the Group expects the contribution from the treatment business to continue its uptrend going forward.

The segment revenue from the membrane business increased to \$68.9 million from the last corresponding year of \$58.6 million, representing an increase of \$10.3 million or 17.6%. The segment result increased from \$31.4 million to \$33.7 million, representing an increase of \$2.3 million or 7.3%.

Geographical segment analysis

PRC segment remained the major contributor for our Group's revenue due to the greater market and demand for our advanced membrane technology for the treatment and recycling of wastewater.

16. A breakdown of sales.

	Group 9 months ended 31/12/2015 \$'000	Group 12 months ended 31/3/2015 \$'000	% increase (decrease)
Breakdown of sales			
Sales reported for first half year	154,729	171,696	(9.9)
Operating profit after tax reported for first half year	18,705	40,768	(54.1)
Sales reported for second half year*	120,032	177,286	(32.3)
Operating profit after tax reported for second half year*	23,905	21,663	10.3

* - the sales and operating profit after tax reported for second half year pertained to the period from 1 October 2015 to 31 December 2015.

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Group 9 months ended 31/12/2015 \$'000	Group 12 months ended 31/3/2015 \$'000
Total annual dividend		
Ordinary	5,633	2,739
Perpetual capital securities	1,113	-

18. Persons occupying managerial positions who are related to the directors, Chief Executive Officer or substantial shareholders

Not applicable

**CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS
AND EXECUTIVE OFFICERS**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual

BY ORDER OF THE BOARD

**Lotus Isabella Lim Mei Hua
Company secretary
22 February 2016**