



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".

Third Quarter Financial Statement & Dividend Announcement for the Period Ended 30 September 2016

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.

The Group (\$'000)	3 months ended 30/9/2016	3 months ended 30/9/2015	% Increase/ (Decrease)	9 months ended 30/9/2016	9 months ended 30/9/2015	% Increase/ (Decrease)
Revenue	137,096	70,882	93.4	376,536	215,947	74.4
Other income	4,826	8,589	(43.8)	11,218	17,325	(35.2)
Changes in inventories	575	1,980	(71.0)	5,464	2,672	104.5
Material purchased, consumables used and subcontractors' fees	(78,424)	(25,928)	202.5	(195,346)	(85,780)	127.7
Employee benefits expense	(10,491)	(10,164)	3.2	(33,083)	(35,424)	(6.6)
Depreciation and amortisation expenses	(8,874)	(5,205)	70.5	(21,530)	(16,458)	30.8
Other operating expenses	(10,216)	(9,946)	2.7	(41,480)	(29,058)	42.7
Finance costs	(8,017)	(12,319)	(34.9)	(29,657)	(30,045)	(1.3)
Share of profit of associates	3,162	-	N/M	5,277	-	N/M
Profit before income tax	29,637	17,889	65.7	77,399	39,179	97.6
Income tax expense	(6,011)	(2,882)	108.6	(18,242)	(11,619)	57.0
Net profit for the period	23,626	15,007	57.4	59,157	27,560	114.6

The Group (\$'000)	3 months ended 30/9/2016	3 months ended 30/9/2015	% Increase/ (Decrease)	9 months ended 30/9/2016	9 months ended 30/9/2015	% Increase/ (Decrease)
Statement of Comprehensive Income						
Profit attributable to:						
Owners of the Company	23,108	13,917	66.0	57,958	24,777	133.9
Non-controlling interests	518	1,090	(52.5)	1,199	2,783	(56.9)
Profit for the period	23,626	15,007	57.4	59,157	27,560	114.6
Fair value change in available-for-sale investment	-	-	-	-	(17,252)	N/M
Currency translation gain/(loss)	474	20,671	(97.7)	(59,286)	19,328	N/M
Total other comprehensive income for the period	474	20,671	(97.7)	(59,286)	2,076	N/M
Total comprehensive income for the period	24,100	35,678	(32.5)	(129)	29,636	N/M
Total comprehensive income attributable to:						
Owners of the company	23,582	34,588	(31.8)	(1,328)	26,853	N/M
Non-controlling interests	518	1,090	(52.5)	1,199	2,783	(56.9)
Total comprehensive income for the period	24,100	35,678	(32.5)	(129)	29,636	N/M

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

The Group (\$'000)	3 months ended 30/9/2016	3 months ended 30/9/2015	% Increase/ (Decrease)	9 months ended 30/9/2016	9 months ended 30/9/2015	% Increase/ (Decrease)
Employee share option expense	1,784	2,511	(29.0)	5,486	7,523	(27.1)
Interest expense on bank borrowings and finance leases	4,392	7,644	(42.5)	16,851	16,925	(0.4)
Interest expense on bond	3,625	4,675	(22.5)	12,806	10,064	27.2
Finance cost on convertible bonds	-	-	-	-	3,056	N/M
Interest income	(431)	(2,478)	(82.6)	(1,848)	(4,355)	(57.6)
Unrealised net foreign exchange loss/(gain)	(1,118)	(1,181)	(5.3)	4,672	(4,657)	N/M
One-off fees relating to the General Offer by CKM	-	-	-	-	6,508	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 30/9/2016 \$'000	Group 31/12/2015 \$'000	Company 30/9/2016 \$'000	Company 31/12/2015 \$'000
ASSETS				
Current assets:				
Cash and bank balances	406,613	540,466	161,958	198,024
Trade receivables	262,558	218,323	-	-
Service concession receivables	4,452	4,342	-	-
Other receivables and prepayments	55,995	163,691	820,407	732,231
Inventories	16,034	10,570	-	-
Prepaid leases	656	766	-	-
	746,308	938,158	982,365	930,255
Assets classified as held for sale	32,372	34,582	-	-
Total current assets	778,680	972,740	982,365	930,255
Non-current assets:				
Trade receivables	22,266	4,687	-	-
Service concession receivables	633,166	504,819	-	-
Other receivables and prepayments	15,257	16,293	-	-
Prepaid leases	39,530	36,704	-	-
Subsidiaries	-	-	315,207	279,023
Associates	15,860	10,608	10,586	10,611
Property, plant and equipment	341,205	148,871	195	249
Goodwill	255,365	255,365	-	-
Intangible assets	229,820	222,282	200	200
Deferred tax assets	1,441	517	-	-
Total non-current assets	1,553,910	1,200,146	326,188	290,083
Total assets	2,332,590	2,172,886	1,308,553	1,220,338
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	88,779	237,141	-	-
Medium term notes	-	97,700	-	97,700
Trade payables	277,911	140,708	-	-
Other payables	39,145	52,641	11,014	21,071
Finance leases	164	180	87	100
Income tax payable	30,322	25,054	-	-
	436,321	553,424	11,101	118,871
Non-current liabilities held for sale	29,242	31,238	-	-
Total current liabilities	465,563	584,662	11,101	118,871
Non-current liabilities:				
Bank loans	223,543	188,610	-	-
Finance leases	188	256	-	-
Medium term notes	222,972	222,226	222,972	222,226
Deferred tax liabilities	40,924	36,376	-	-
Total non-current liabilities	487,627	447,468	222,972	222,226

	Group 30/9/2016 \$'000	Group 31/12/2015 \$'000	Company 30/9/2016 \$'000	Company 31/12/2015 \$'000
Capital and reserves:				
Share capital	608,062	607,973	608,062	607,973
Perpetual capital securities	487,830	242,055	487,830	242,055
General reserve	5,330	5,330	-	-
Capital reserve	2,096	2,096	-	-
Share option reserve	25,931	20,445	25,931	20,445
Currency translation reserve	(29,408)	29,878	(8,776)	4,415
Retained earnings	235,873	193,971	(38,567)	4,353
Equity attributable to owners of the Company	1,335,714	1,101,748	1,074,480	879,241
Non-controlling interests	43,686	39,008	-	-
Total equity	1,379,400	1,140,756	1,074,480	879,241
Total liabilities and equity	2,332,590	2,172,886	1,308,553	1,220,338

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 30/9/2016</u>		<u>As at 31/12/2015</u>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
85,923	3,020	234,139	100,882

Amount repayable after one year

<u>As at 30/9/2016</u>		<u>As at 31/12/2015</u>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
212,609	234,094	173,813	237,279

Details of any collateral

1. The finance leases of \$352,000 (31 December 2015: \$436,000) is secured over the Group's motor vehicles.
2. The bank loans of \$298,180,000 (31 December 2015: \$407,516,000) are secured over the concession receivables, intangible assets, treatment plants, prepaid lease and leasehold buildings of its subsidiaries.

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.

The Group (\$'000)	3 months ended 30/9/2016	3 months ended 30/9/2015	9 months ended 30/9/2016	9 months ended 30/9/2015
Operating activities				
Profit before income tax	29,637	17,889	77,399	39,179
Adjustments for:				
Interest income	(431)	(2,478)	(1,848)	(4,355)
Interest expense	8,017	12,319	29,657	30,045
Share of profit of associates	(3,162)	-	(5,277)	-
Depreciation and amortization	8,874	5,205	21,530	16,458
Share option expense	1,784	2,511	5,486	7,523
Exchange difference arising on foreign currency translation	10,244	35,602	(52,977)	39,585
Operating profit before working capital changes	54,963	71,048	73,970	128,435
Trade receivables	(3,482)	(22,074)	(61,667)	(27,566)
Other receivables	18,214	14,728	108,995	44,794
Inventories	(572)	(1,989)	(5,461)	9,477
Trade payables	106,942	(30,063)	136,633	(30,759)
Other payables	(11,353)	(29,209)	(16,485)	(81,157)
Cash generated from operations	164,712	2,441	235,985	43,224
Interest received	431	1,312	1,848	2,341
Interest paid	(1,636)	(11,195)	(21,115)	(26,370)
Income tax paid	(5,062)	(2,865)	(11,038)	(3,809)
Net cash generated from (used in) operating activities	158,445	(10,307)	205,680	15,386
Investing activities				
Additions to property, plant and equipment	(123,967)	(16,785)	(200,449)	(32,749)
Additions to service concession receivables	-	(54,569)	(134,206)	(195,804)
Additions to intangible assets	(26,226)	(7,350)	(29,564)	(26,819)
Additions to prepaid lease	(1,365)	-	(5,728)	-
Deposit for acquisition of subsidiary	-	(8,232)	-	(8,232)
Contribution from non-controlling shareholders	3,066	878	3,479	878
Net cash inflow on acquisition of subsidiary	-	-	-	34,597
Net cash used in investing activities	(148,492)	(86,058)	(366,468)	(228,129)
Financing activities				
Dividend paid	-	(5,633)	(10,640)	(5,633)
Proceeds from issuance of medium term notes	-	-	-	222,048
Proceeds from issuance of perpetual capital securities, net of expenses	245,775	-	245,775	-
New bank loans raised	34,022	-	126,496	170,306
Proceeds from issuing shares	89	366	89	56,359
Redemption of medium term notes	(99,000)	-	(99,000)	(1,010)
Repayment of obligations under finance leases	(20)	(11)	(84)	(42)
Repayment of bank borrowings	(10,478)	(17,158)	(225,175)	(49,956)
Net cash (used in) from financing activities	170,388	(22,436)	37,461	392,072
Net (decrease) increase in cash and cash equivalents	180,341	(118,801)	(123,327)	179,329
Cash and cash equivalents at beginning of period	226,095	414,151	540,466	116,335
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	177	1,391	(10,526)	1,077
Cash and cash equivalents at end of period	406,613	296,741	406,613	296,741

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 January 2016	607,973	242,055	5,330	2,096	20,445	-	29,878	193,971	1,101,748	39,008	1,140,756
Total comprehensive income for the period	-	-	-	-	-	-	(24,868)	12,061	(12,807)	252	(12,555)
Recognition of share-based payment	-	-	-	-	2,310	-	-	-	2,310	-	2,310
Dividend payable	-	-	-	-	-	-	-	(3,339)	(3,339)	-	(3,339)
At 31 March 2016	607,973	242,055	5,330	2,096	22,755	-	5,010	202,693	1,087,912	39,260	1,127,172
Total comprehensive income for the period	-	-	-	-	-	-	(34,892)	22,789	(12,103)	429	(11,674)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	413	413
Recognition of share-based payment	-	-	-	-	1,392	-	-	-	1,392	-	1,392
Dividend paid/ payable	-	-	-	-	-	-	-	(7,399)	(7,399)	-	(7,399)
At 30 June 2016	607,973	242,055	5,330	2,096	24,147	-	(29,882)	218,083	1,069,802	40,102	1,109,904
Total comprehensive income for the period	-	-	-	-	-	-	474	23,108	23,582	518	24,100
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	3,066	3,066
Issuance of perpetual capital securities	-	245,775	-	-	-	-	-	-	245,775	-	245,775
Issuance of shares on exercise of ESOS	89	-	-	-	(67)	-	-	-	22	-	22
Recognition of share-based payment	-	-	-	-	1,851	-	-	-	1,851	-	1,851
Dividend paid/ payable	-	-	-	-	-	-	-	(5,318)	(5,318)	-	(5,318)
At 30 September 2016	608,062	487,830	5,330	2,096	25,931	-	(29,408)	235,873	1,335,714	43,686	1,379,400

	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 January 2015	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
Dividend paid	-	-	-	-	-	-	-	(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
Total comprehensive income for the period	-	-	-	-	-	-	(9,545)	9,610	65	375	440
Recognition of share based payment	-	-	-	1,776	-	-	-	-	1,776	-	1,776
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 ESOS	8,217	-	-	(6,287)	-	-	-	-	1,930	-	1,930
At 30 June 2015	607,393	4,469	2,096	9,004	-	-	25,387	170,426	818,775	33,060	851,835
Total comprehensive income for the period	-	-	-	-	-	-	20,671	14,353	35,024	1,090	36,114
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	878	878
Recognition of share based payment	-	-	-	2,511	-	-	-	-	2,511	-	2,511
Issuance of shares on exercise of ESOS	580	-	-	(436)	-	-	-	-	144	-	144
Dividend paid	-	-	-	-	-	-	-	(5,633)	(5,633)	-	(5,633)
At 30 September 2015	607,973	4,469	2,096	11,079	-	-	46,058	179,146	850,821	35,028	885,849

	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 January 2016	607,973	242,055	20,445	-	4,415	4,353	879,241
Total comprehensive income for the period	-	-	-	-	(13,196)	(13,521)	(26,717)
Recognition of share-based payment	-	-	2,310	-	-	-	2,310
Dividend payable	-	-	-	-	-	(3,339)	(3,339)
At 31 March 2016	607,973	242,055	22,755	-	(8,781)	(12,507)	851,495
Total comprehensive income for the period	-	-	-	-	(446)	(9,512)	(9,958)
Recognition of share-based payment	-	-	1,392	-	-	-	1,392
Dividend paid/ payable	-	-	-	-	-	(7,399)	(7,399)
At 30 June 2016	607,973	242,055	24,147	-	(9,227)	(29,418)	835,530
Total comprehensive income for the period	-	-	-	-	451	(3,831)	(3,380)
Issuance of perpetual capital securities	-	245,775	-	-	-	-	245,775
Issuance of shares on exercise of ESOS	89	-	(67)	-	-	-	22
Recognition of share-based payment	-	-	1,851	-	-	-	1,851
Dividend paid/ payable	-	-	-	-	-	(5,318)	(5,318)
At 30 September 2016	608,062	487,830	25,931	-	(8,776)	(38,567)	1,074,480

	Share capital \$'000	Share option reserve \$'000	Fair value reserve \$'000	Convertible bonds reserves \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total \$'000
Company							
At 1 January 2015	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 paid	-	-	-	-	-	(2,739)	(2,739)
At 31 March 2015	484,125	13,515		8,707	18,939	6,373	531,659
Total comprehensive income for the period	-	-		-	(3,716)	(7,090)	(10,806)
Recognition of share- based payment	-	1,776		-	-	-	1,776
Issuance of shares 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	8,217	(6,287)		-	-	-	1,930
At 30 June 2015	607,393	9,004		-	15,223	(717)	630,903
Total comprehensive income for the period	-	-			(27,998)	(4,506)	(32,504)
Recognition of share- based payment	-	2,511		-	-	-	2,511
Issuance of shares on exercise of ESOS	580	(436)		-	-	-	144
Dividends	-					(5,633)	(5,633)
At 30 September 2015	607,973	11,079		-	(12,775)	(10,856)	595,421

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.

During the period, 162,500 of the employee shares options were converted to New Shares and 120,500 of the employee shares options were cancelled. Subsequent to the issuance of the New Shares, the issued shares of the Company increased from 1,127,765,088 to 1,127,927,588.

The total number of shares that may be issued on conversion of all the outstanding employee shares options were 53,592,500 (30 September 2015: 53,875,500).

During the period, USD180 million of perpetual capital securities were issued. Subsequent to the issuance, the perpetual capital securities comprised USD355 million issued at 5.45% per annum (30 September 2015: 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.

	30/9/2016	31/12/2015
Total number of issues shares ('000)	1,127,928	1,127,765

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 treasury 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 period ended 31 December 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 3 months ended 30/9/2016	Group 3 months ended 30/9/2015	Group 9 months ended 30/9/2016	Group 9 months ended 30/9/2015
Net profit attributable to shareholders of the Company (\$'000)	23,108	13,917	57,958	24,777
Weighted average number of shares in issue (in '000) for computation of Basic EPS	1,127,869	1,127,103	1,127,800	1,109,340
Earnings per share (cents) - Basic	2.05	1.23	5.14	2.23
Weighted average number of shares in issue (in '000) for computation of Diluted EPS	1,181,462	1,180,978	1,181,393	1,163,616
Earnings per share (cents) – Diluted	1.96	1.18	4.91	2.13

	Group 3 months ended 30/9/2016	Group 3 months ended 30/9/2015	Group 9 months ended 30/9/2016	Group 9 months ended 30/9/2015
Adjusted EPS				
Net profit attributable to shareholders of the Company adjusted for dividends attributable to perpetual capital securities (\$'000)	17,790	13,917	45,962	24,777
Weighted average number of shares in issue (in '000) for computation of Basic EPS	1,127,869	1,127,103	1,127,800	1,109,340
Earnings per share (cents) - Basic	1.58	1.23	4.08	2.23
Weighted average number of shares in issue (in '000) for computation of Diluted EPS	1,181,462	1,180,978	1,181,393	1,163,616
Earnings per share (cents) – Diluted	1.51	1.18	3.89	2.13

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 30/9/2016	Group 31/12/2015	Company 30/9/2016	Company 31/12/2015
Net asset value (\$'000)	1,379,400	1,140,756	1,074,480	879,241
Net asset value per share (cents)	122.30	101.15	95.26	77.96

The net asset value per share is calculated based on the issued share capital of 1,127,927,588 (31 December 2015: 1,127,765,088).

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 \$137.1 million, which was \$66.2 million or 93.4% higher than last corresponding period ended 30 September 2015 of \$70.9 million. The breakdown of the revenue was as follows:

	Group 3 months ended 30/9/2016 \$'million	Group 3 months ended 30/9/2015 \$'million	% increase/ (decrease)
Engineering revenue	83.0	27.7	199.6
Treatment revenue	39.8	32.6	22.1
Membrane sale	14.3	10.6	34.9
Total	137.1	70.9	93.4

The increase was mainly due to the increase in engineering business from \$27.7 million to \$83.0 million, representing an increase of \$55.3 million or 199.6%; and treatment revenue from \$32.6 million to \$39.8 million, representing an increase of \$7.2 million or 22.1%.

The increase in materials purchased, consumables used and subcontractors' fees was incurred mainly due to the engineering business, which increased to \$78.4 million from \$25.9 million, representing an increase of \$52.5 million or 202.5% as compared to the last corresponding period ended 30 September 2015. The increase was consistent with the increase in engineering revenue to \$83.0 million from \$27.7 million, representing an increase of \$55.3 million or 199.6% as compared to the last corresponding period ended 30 September 2015.

Depreciation and amortisation expenses increased to \$8.9 million from \$5.2 million, representing an increase of \$3.7 million or 70.5% as compared to the last corresponding period ended 30 September 2015. The increase was mainly due to the amortisation of intangible assets relating to the newly acquired concessions.

Finance costs decreased to \$8.0 million from \$12.3 million, representing a decrease of \$4.3 million or 34.9% as compared to the last corresponding period ended 30 September 2015. The decrease was mainly due to repayment of short-term bank loans of \$148.4 million and redemption of short-term medium term notes of S\$97.7 million during the period.

The Group generated a net profit of \$23.6 million as compared to \$15.0 million for the last corresponding period ended 30 September 2015, representing an increase of \$8.6 million or 57.4%.

Statement of financial position

The Group's current assets decreased to \$778.7 million as at 30 September 2016 from \$972.7 million as at 31 December 2015. The decrease was mainly due to the decrease in cash and bank balances to \$406.6 million as at 30 September 2016 from \$540.5 million as at 31 December 2015, a decrease of \$133.9 million. The decrease was mainly due to repayment of short-term bank loans of \$148.4 million during the period. In addition, the decrease in other receivables and prepayments to \$56.0 million as at 30 September 2016 from \$163.7 million as at 31 December 2015, was mainly due to the decrease in deposits for acquisitions as a result of the completion of acquisitions during the period.

The Group's non-current assets increased to \$1,553.9 million as at 30 September 2016 from \$1,200.1 million as at 31 December 2015. The increase was mainly due to the additions of service concession receivables and property, plant and equipment during the period.

The Group's current liabilities decreased to \$465.6 million as at 30 September 2016 from \$584.7 million as at 31 December 2015. The decrease was mainly due to the repayment of short-term bank loans of \$148.4 million and redemption of short-term medium term notes of \$97.7 million during the financial period. The Group's trade payables increased from \$140.7 million as at 31 December 2015 to \$277.9 million as at 30 September 2016. The increase was mainly due to higher engineering revenue generated during the period.

The Group's non-current liabilities increased from \$447.5 million as at 31 December 2015 to \$487.6 million as at 30 September 2016. The increase was mainly due to the additions of longer bank loan tenures of \$34.9 million to finance the acquisition of the investment projects during the period.

Statement of cash flow

The net cash generated from financing activities of the group increased to \$170.4 million for the period ended 30 September 2016 as compared to net cash used in financing activities of \$22.4 million for the last corresponding period ended 30 September 2015. The increase was mainly due to the proceeds from issuance of perpetual capital securities of \$245.8 million and bank borrowings of \$34.0 million during the current 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.

The China Central Government continues to focus its efforts on improving the overall quality of the water environment of the whole country and restoring the functions of the water ecological system. Action plans by the government to tackle pollution problems open up new business opportunities for CEL including urban river rehabilitation and restoration as well as hazardous waste/sludge treatment and management.

Equipped with the technological know-how and competitive edge, CEL is confident that it has the capability and resources to pursue opportunities in these strategic growth areas.

New substantial shareholder

China Reform Puissance Overseas entered into a conditional share purchase agreement with KKR China Water Investment Limited on 2 October 2016 to acquire 269,024,005 ordinary shares or approximately 23.85% of CITIC Envirotech Ltd.

Upon completion of the transaction, China Reform will be CEL's second largest shareholder. The company will be able to leverage on China Reform's strong business network, financial support and strategic guidance to bring the company to new heights.

Update of the use of proceeds

	\$ million
Unutilised balance as at last quarterly announcement	362
Redemption of medium term notes	(99)
Unutilised balance as at date of announcement	263

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

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

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has 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.

Not Applicable

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.

Not Applicable

16. A breakdown of sales.

Not Applicable

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

Not Applicable

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.

Statement by Directors

Pursuant to SGX Listing Rule 705(5)

To the best of our knowledge and belief, nothing has come to the attention of the Directors of the Company which may render the Third Quarter Results of the Group for the financial period ended 30 September 2016 to be false or misleading. The financial statements and other information included in this report, present fairly in all material respects the financial condition, results of operations and cash flows of the Group of, and for the periods presented in this report.

On behalf of the Board

Hao Weibao
Director

Dr Lin Yucheng
Director

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company secretary
26 October 2016