



**CITIC ENVIROTECH LTD**  
*(Company Registration Number: 200306466G)*

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**CLARIFICATION ON THE COMPANY'S FULL YEAR RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

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The Board of Directors (the "Board") of CITIC Envirotech Ltd ("Group" or the "Company") wishes to announce the clarification set out below in respect of the full year results of the Company for the financial year ended 31 December 2016.

**SGX query**

**Please address/provide an explanation on the increase in the impairment loss on non-current assets held for sale and allowance for doubtful receivables. In particular, please provide a breakdown of the assets that have been impaired and the circumstances for the increase in allowance for doubtful receivables.**

Company response

The impairment loss on the non-current assets held for sale pertained to the loss from the disposal of CITIC Envirotech Water Resource (Hegang) Co Ltd ("Hegang"). Subsequent to the financial year ended 31 December 2016, the disposal of Hegang was completed.

The allowance for doubtful receivables was provided based on the management's assessment on the trade receivables. The allowance was made for the long outstanding trade debtors that were unlikely to be collected.

**SGX query**

**Please address/provide an explanation on the increase in the balance of the intangible assets at the CEL Group level.**

Company response

Intangible assets pertained to the concessions/investment projects that the Group had secured. An increase in the balance of the intangible assets was mainly due to new additions/investments during the financial year.

### SGX query

**Please address/provide an explanation on the Board's assessment on the recoverability of the trade receivables under the Company's current assets. Please also disclose an aging list of the trade receivables and details of the credit terms which have been extended.**

#### Company response

In assessing the recoverability of the Group's trade receivables, the Board takes into consideration the aging status and the likelihood of collection. Following the identification of doubtful debts, the management personnel responsible for the project discusses with the relevant customers and reports on the recoverability of such debts. Specific allowance is made for receivables that are unlikely to be collected.

Aging list of the Trade Receivables:

Aging profile	31 Dec 2016 (S\$'000)
0 – 6 months	149,056
6 – 12 months	74,350
1 – 2 years	34,636
> 2 years	7,408
<b>Total trade receivables</b>	<b>265,450</b>

The average credit period on sales of goods and rendering of services are 180 days.

### SGX query

**Please disclose the terms of receipt and an aging list for the service concession receivables under the Company's non-current assets.**

#### Company response

Service concession receivables pertained to the concessions/investment projects that the Group had secured. The service concession receivables will be amortised over the tenure of the concessions.

The maturity analysis of service concession receivables:

	\$'000
In operation:	
On demand or within one year	6,248
In the second to fifth year inclusive	65,090
After five years	448,659
Total	<u>519,997</u>
Under construction	<u>83,442</u>
Total service concession receivables	<u><u>603,439</u></u>

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua  
Company Secretary

14 March 2017