



**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 2019**

**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.**

<b>The Group (\$'000)</b>	<b>3 months ended 30/9/2019</b>	<b>3 months ended 30/9/2018</b>	<b>% Increase/ (Decrease)</b>	<b>9 months ended 30/9/2019</b>	<b>9 months ended 30/9/2018</b>	<b>% Increase/ (Decrease)</b>
Revenue	164,298	238,212	(31.0)	439,275	788,438	(44.3)
Other income	5,179	3,356	54.3	11,535	12,368	(6.7)
Changes in inventories	8,639	6,922	24.8	10,438	5,740	81.8
Material purchased, consumables used and subcontractors' fees	(77,975)	(154,782)	(49.6)	(206,489)	(499,005)	(58.6)
Employee benefits expense	(23,274)	(13,454)	73.0	(52,514)	(40,966)	28.2
Depreciation and amortisation expenses	(10,701)	(9,137)	17.1	(28,935)	(25,298)	14.4
Other operating expenses	(19,293)	(20,847)	(7.5)	(57,091)	(52,511)	8.7
- Foreign currency exchange loss	(26,004)	(2,169)	1,098.9	(25,851)	(3,395)	661.4
Finance costs	(17,159)	(10,709)	60.2	(53,145)	(30,544)	74.0
Share of profit of associates	1,245	208	498.6	1,228	949	29.4
<b>Profit before income tax</b>	<b>4,955</b>	<b>37,600</b>	<b>(86.8)</b>	<b>38,451</b>	<b>155,776</b>	<b>(75.3)</b>
Income tax expense	(8,957)	(13,739)	(34.8)	(23,075)	(46,660)	(50.5)
<b>Net (loss)/profit for the period</b>	<b>(4,002)</b>	<b>23,861</b>	<b>N/M</b>	<b>15,376</b>	<b>109,116</b>	<b>(85.9)</b>

<b>The Group (\$'000)</b>	3 months ended 30/9/2019	3 months ended 30/9/2018	% Increase/ (Decrease)	9 months ended 30/9/2019	9 months ended 30/9/2018	% Increase/ (Decrease)
<b>Statement of Comprehensive Income</b>						
<b>(Loss)/Profit attributable to:</b>						
Owners of the Company	(7,193)	21,940	N/M	10,606	104,597	(89.9)
Non-controlling interests	3,191	1,921	66.1	4,770	4,519	5.6
<b>(Loss)/Profit for the period</b>	<b>(4,002)</b>	<b>23,861</b>	<b>N/M</b>	<b>15,376</b>	<b>109,116</b>	<b>(85.9)</b>
Currency translation loss	(1,635)	(61,825)	(97.4)	(7,505)	(68,949)	(89.1)
<b>Total other comprehensive income for the period</b>	<b>(1,635)</b>	<b>(61,825)</b>	<b>(97.4)</b>	<b>(7,505)</b>	<b>(68,949)</b>	<b>(89.1)</b>
<b>Total comprehensive (loss)/ income for the period</b>	<b>(5,637)</b>	<b>(37,964)</b>	<b>(85.2)</b>	<b>7,871</b>	<b>40,167</b>	<b>(80.4)</b>
<b>Total comprehensive (loss)/ income attributable to:</b>						
Owners of the company	(9,510)	(32,038)	(70.3)	990	43,494	(97.7)
Non-controlling interests	3,873	(5,926)	N/M	6,881	(3,327)	N/M
<b>Total comprehensive (loss)/ income for the period</b>	<b>(5,637)</b>	<b>(37,964)</b>	<b>(85.2)</b>	<b>7,871</b>	<b>40,167</b>	<b>(80.4)</b>

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

<b>The Group (\$'000)</b>	3 months ended 30/9/2019	3 months ended 30/9/2018	% Increase/ (Decrease)	9 months ended 30/9/2019	9 months ended 30/9/2018	% Increase/ (Decrease)
Employee share option expense	-	343	N/M	-	685	N/M
Shares award expense to key employees	5,138	-	N/M	5,138	-	N/M
Interest expense on bank borrowings and finance leases	17,159	10,709	60.2	53,145	27,038	96.6
Interest expense on MTN bond	-	-	-	-	3,506	N/M
Interest income	(1,706)	(972)	75.5	(3,651)	(2,723)	34.1
Foreign currency exchange loss	26,004	2,169	1,098.9	25,851	3,395	661.4
Gain on disposal of subsidiaries	-	-	-	-	(3,136)	N/M
Loss on strike-off of subsidiary	-	960	N/M	-	960	N/M
Gain on disposal of intangible asset	-	-	-	(14)	-	N/M
Allowance for doubtful receivables	-	-	-	-	556	N/M
Reversal of allowance for doubtful receivables	(104)	-	N/M	(276)	(281)	(1.8)

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 30/9/2019 \$'000	Group 31/12/2018 \$'000	Company 30/9/2019 \$'000	Company 31/12/2018 \$'000
<b>ASSETS</b>				
Current assets:				
Cash and bank balances	520,642	376,521	16,883	17,873
Trade receivables	231,273	245,240	-	-
Contract assets	112,607	47,287	-	-
Service concession receivables	17,586	15,739	-	-
Other receivables and prepayments	364,957	383,258	896,191	893,534
Inventories	36,687	26,249	-	-
Prepaid leases	-	2,158	-	-
Total current assets	1,283,752	1,096,452	913,074	911,407
Non-current assets:				
Contract assets	1,112,119	1,106,461	-	-
Service concession receivables	605,725	611,881	-	-
Trade receivables	23,166	23,586	-	-
Other receivables and prepayments	40,703	18,866	13,796	8,000
Prepaid leases	-	86,353	-	-
Subsidiaries	-	-	934,898	750,665
Associates	44,240	44,357	10,588	12,316
Property, plant and equipment	379,181	231,672	186	228
Goodwill	255,365	255,365	-	-
Intangible assets	284,180	295,423	200	200
Financial assets at fair value through profit or loss	4,479	4,639	60	-
Deferred tax assets	12,515	11,704	-	-
Right-of-use assets	118,122	-	-	-
Total non-current assets	2,879,795	2,690,307	959,728	771,409
Total assets	4,163,547	3,786,759	1,872,802	1,682,816
<b>LIABILITIES AND EQUITY</b>				
Current liabilities:				
Bank loans	166,518	377,736	97,635	136,344
Trade payables	544,643	721,884	-	-
Contract liabilities	488	-	-	-
Other payables	228,970	200,980	151,357	184,606
Finance leases	76	98	39	39
Lease liabilities	1,627	-	-	-
Income tax payable	32,281	49,174	-	-
Total current liabilities	974,603	1,349,872	249,031	320,989
Non-current liabilities:				
Bank loans	1,738,483	1,005,744	724,734	409,033
Finance leases	84	135	70	99
Lease liabilities	9,344	-	-	-
Deferred tax liabilities	62,847	56,900	-	-
Total non-current liabilities	1,810,758	1,062,779	724,804	409,132

	Group 30/9/2019 \$'000	Group 31/12/2018 \$'000	Company 30/9/2019 \$'000	Company 31/12/2018 \$'000
Capital, reserves and non-controlling interests:				
Share capital	723,648	717,855	723,648	717,855
Perpetual capital securities	236,350	236,350	236,350	236,350
General reserve	28,432	28,121	-	-
Capital reserve	6,073	6,073	-	-
Share option reserve	10,245	12,733	10,245	12,733
Currency translation reserve	(82,789)	(73,173)	(15,502)	(33,795)
Retained earnings/ (Accumulated losses)	239,958	254,839	(55,774)	19,552
Equity attributable to owners of the Company	1,161,917	1,182,798	898,967	952,695
Non-controlling interests	216,269	191,310	-	-
Total equity	1,378,186	1,374,108	898,967	952,695
Total liabilities and equity	4,163,547	3,786,759	1,872,802	1,682,816

**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 30/9/2019</u>		<u>As at 31/12/2018</u>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
44,096	122,498	241,490	136,344

**Amount repayable after one year**

<u>As at 30/9/2019</u>		<u>As at 31/12/2018</u>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
555,627	1,182,940	596,846	409,033

**Details of any collateral**

1. The finance leases of \$160,000 (31 December 2018: \$233,000) is secured over the Group's motor vehicles.
2. The bank loans of \$599,563,000 (31 December 2018: \$838,103,000) are secured over the concession receivables, intangible assets, treatment plants, right-of-use assets, 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.**

<b>The Group (\$'000)</b>	<b>3 months ended 30/9/2019</b>	<b>3 months ended 30/9/2018</b>	<b>9 months ended 30/9/2019</b>	<b>9 months ended 30/9/2018</b>
<b>Operating activities</b>				
Profit before income tax	4,955	37,600	38,451	155,776
Adjustments for:	-	-	-	-
Interest income	(1,706)	(972)	(3,651)	(2,723)
Interest expense	17,159	10,709	53,145	30,544
Share of profit of associates	(1,245)	(208)	(1,228)	(949)
Depreciation and amortisation	10,701	9,137	28,935	25,298
Share option expense	-	343	-	685
Shares award expense to key employees	5,138	-	5,138	-
Allowance for doubtful receivables	-	-	-	556
Reversal of allowance for doubtful receivables	(104)	-	(276)	(281)
Gain on disposal of intangible asset	-	-	(14)	-
Gain on disposal of subsidiaries	-	-	-	(3,136)
Loss on strike off of subsidiary	-	960	-	960
<b>Operating profit before working capital changes</b>	<b>34,898</b>	<b>57,569</b>	<b>120,500</b>	<b>206,730</b>
Contract assets	(79,940)	(164,866)	(181,149)	(293,140)
Trade receivables	11,096	41,401	11,022	(17,984)
Other receivables and prepayments	8,890	(47,165)	6,321	(95,646)
Inventories	(9,075)	(6,923)	(11,073)	(5,797)
Trade payables	(33,457)	62,240	(149,601)	22,525
Other payables	19,366	(8,499)	19,664	15,747
Lease liabilities	(433)	-	(1,310)	-
<b>Cash used in operations before service concession arrangement projects</b>	<b>(48,655)</b>	<b>(66,243)</b>	<b>(185,626)</b>	<b>(167,565)</b>
Changes in receivables under service concession arrangement projects (Note A)	2,435	11,276	9,446	8,983
<b>Cash used in operations after service concession arrangement projects</b>	<b>(46,220)</b>	<b>(54,967)</b>	<b>(176,180)</b>	<b>(158,582)</b>
Interest received	1,706	972	3,651	2,723
Interest paid	(20,880)	(10,709)	(67,841)	(31,870)
Income tax paid	(13,696)	(5,169)	(32,509)	(15,730)
<b>Net cash used in operating activities</b>	<b>(79,090)</b>	<b>(69,873)</b>	<b>(272,879)</b>	<b>(203,459)</b>
<b>Investing activities</b>				
Net cash outflow on acquisition of a subsidiary	-	-	(12,016)	-
Addition to property, plant and equipment	(20,709)	(11,327)	(24,767)	(19,763)
Addition to intangible assets	(11)	(2,114)	(503)	(2,114)
Addition to right-of-use assets	(24,574)	-	(27,175)	-
Addition to deposits for investment projects	(13,796)	21,418	(13,796)	(40,608)
Deposits received	4,278	-	22,910	-
Dividend received from associate	1,430	-	1,430	-
Addition to financial assets at fair value through profit or loss	-	(783)	-	(1,870)
Investment in associate	(3,016)	-	(3,016)	-
Disposal of associate	1,728	-	1,728	-
Disposal of subsidiary	-	-	-	10,378
<b>Net cash from (used in) investing activities</b>	<b>(54,670)</b>	<b>7,194</b>	<b>(55,205)</b>	<b>(53,977)</b>

<b>The Group (\$'000)</b>	3 months ended 30/9/2019	3 months ended 30/9/2018	9 months ended 30/9/2019	9 months ended 30/9/2018
<b>Financing activities</b>				
Contribution from non-controlling shareholders	1,286	14,513	10,018	17,548
Dividend paid	-	(12,027)	(22,962)	(65,278)
New bank loans raised	294,340	165,944	842,710	449,666
Redemption of medium term notes	-	-	-	(225,000)
Proceeds from issuing new shares	-	2,813	3,305	83,750
Share buy-back and cancellation of shares	-	-	-	(544)
Repayment of obligations under finance leases	(25)	(30)	(73)	(90)
Repayment of bank borrowings	(194,633)	(38,892)	(360,685)	(238,523)
<b>Net cash from financing activities</b>	<b>100,968</b>	<b>132,321</b>	<b>472,313</b>	<b>21,529</b>
Net increase (decrease) in cash and cash equivalents	(32,792)	69,642	144,229	(235,907)
Cash and cash equivalents at beginning of period	560,088	328,235	376,521	631,304
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(6,654)	(12,490)	(108)	(10,010)
Cash and cash equivalents at end of period	520,642	385,387	520,642	385,387

Note A:

In accordance with the application of SFRS (I) INT 12 *Service Concession Arrangements* and SFRS(I) 1-7 *Statement of Cash Flows*, the movement in the receivables under service concession arrangements has been classified under operating activities.

**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	Currency translation reserve \$'000	Retained earnings \$'000	Total equity attributable to owners of the Company \$'000	Non controlling interests \$'000	Total equity \$'000
<b>Group</b>										
At 1 January 2019	717,855	236,350	28,121	6,073	12,733	(73,173)	254,839	1,182,798	191,310	1,374,108
Profit for the period	-	-	-	-	-	-	3,084	3,084	1,305	4,389
Other comprehensive income for the period	-	-	-	-	-	22,348	-	22,348	2,651	24,999
Total comprehensive income for the period	-	-	-	-	-	22,348	3,084	25,432	3,956	29,388
Incorporation of subsidiaries	-	-	-	-	-	-	-	-	5,268	5,268
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	5,852	5,852
Dividend payable	-	-	-	-	-	-	(2,308)	(2,308)	-	(2,308)
At 31 March 2019	717,855	236,350	28,121	6,073	12,733	(50,825)	255,615	1,205,922	206,386	1,412,308
Profit for the period	-	-	-	-	-	-	14,715	14,715	274	14,989
Other comprehensive income for the period	-	-	-	-	-	(29,647)	-	(29,647)	(1,222)	(30,869)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(29,647)	14,715	(14,932)	(948)	(15,880)
Issuance of shares on exercise of ESOS	5,793	-	-	-	(2,488)	-	-	3,305	-	3,305
Transfer to general reserve	-	-	311	-	-	-	(311)	-	-	-
Incorporation of subsidiaries	-	-	-	-	-	-	-	-	2,966	2,966
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	2,825	2,825
Dividend paid/ payable	-	-	-	-	-	-	(20,509)	(20,509)	-	(20,509)
At 30 June 2019	723,648	236,350	28,432	6,073	10,245	(80,472)	249,510	1,173,786	211,229	1,385,015
(Loss)/Profit for the period	-	-	-	-	-	-	(7,193)	(7,193)	3,191	(4,002)
Other comprehensive income for the period	-	-	-	-	-	(2,317)	-	(2,317)	682	(1,635)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(2,317)	(7,193)	(9,510)	3,873	(5,637)
Incorporation of subsidiaries	-	-	-	-	-	-	-	-	1,286	1,286
Dividend paid/ payable	-	-	-	-	-	-	(2,359)	(2,359)	(119)	(2,478)
At 30 September 2019	723,648	236,350	28,432	6,073	10,245	(82,789)	239,958	1,161,917	216,269	1,378,186

	Share capital \$'000	Perpetual capital securities \$'000	General reserve \$'000	Capital reserve \$'000	Share option 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
<b>Group</b>										
At 1 January 2018	622,741	717,600	15,137	6,073	21,848	(15,625)	240,083	1,607,857	146,763	1,754,620
Profit for the period	-	-	-	-	-	-	39,332	39,332	2,410	41,742
Other comprehensive income for the period	-	-	-	-	-	17,085	-	17,085	826	17,911
Total comprehensive income for the period	-	-	-	-	-	17,085	39,332	56,417	3,236	59,653
Issuance of new shares	70,734	-	-	-	-	-	-	70,734	-	70,734
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	947	947
Incorporation of subsidiaries	-	-	-	-	-	-	-	-	1,382	1,382
Dividend payable	-	-	-	-	-	-	(8,619)	(8,619)	-	(8,619)
At 31 March 2018	693,475	717,600	15,137	6,073	21,848	1,460	270,796	1,726,389	152,328	1,878,717
Profit for the period	-	-	-	-	-	-	43,325	43,325	188	43,513
Other comprehensive income for the period	-	-	-	-	-	(24,210)	-	(24,210)	(825)	(25,035)
Total comprehensive (loss)/ income for the period	-	-	-	-	-	(24,210)	43,325	19,115	(637)	18,478
Recognition of share based payment	-	-	-	-	342	-	-	342	-	342
Issuance of shares on exercise of ESOS	17,498	-	-	-	(7,295)	-	-	10,203	-	10,203
Share buy-back and cancellation of shares	(544)	-	-	-	-	-	-	(544)	-	(544)
Incorporation of subsidiaries	-	-	-	-	-	-	-	-	706	706
Transfer to general reserve	-	-	104	-	-	-	(104)	-	-	-
Dividend paid/payable	-	-	-	-	-	-	(41,661)	(41,661)	-	(41,661)
At 30 June 2018	710,429	717,600	15,241	6,073	14,895	(22,750)	272,356	1,713,844	152,397	1,866,241
Profit for the period	-	-	-	-	-	-	21,940	21,940	1,921	23,861
Other comprehensive income for the period	-	-	-	-	-	(53,978)	-	(53,978)	(7,847)	(61,825)
Total comprehensive (loss)/ income for the period	-	-	-	-	-	(53,978)	21,940	(32,038)	(5,926)	(37,964)
Recognition of share based payment	-	-	-	-	343	-	-	343	-	343
Issuance of shares on exercise of ESOS	4,631	-	-	-	(1,818)	-	-	2,813	-	2,813
Incorporation of subsidiaries	-	-	-	-	-	-	-	-	14,513	14,513
Transfer to general reserve	-	-	606	-	-	-	(606)	-	-	-
Dividend paid/payable	-	-	-	-	-	-	(20,915)	(20,915)	-	(20,915)
At 30 September 2018	715,060	717,600	15,847	6,073	13,420	(76,728)	272,775	1,664,047	160,984	1,825,031



	Share capital \$'000	Perpetual capital securities \$'000	Share option reserve \$'000	Currency translation reserve \$'000	Retained earnings/ (Accumulated losses) \$'000	Total \$'000
<b><u>Company</u></b>						
At 1 January 2019	717,855	236,350	12,733	(33,795)	19,552	952,695
Loss for the period	-	-	-	-	(8,493)	(8,493)
Other comprehensive income for the period	-	-	-	22,945	-	22,945
Total comprehensive income for the period	-	-	-	22,945	(8,493)	14,452
Dividend payable	-	-	-	-	(2,308)	(2,308)
At 31 March 2019	717,855	236,350	12,733	(10,850)	8,751	964,839
Loss for the period	-	-	-	-	(19,552)	(19,552)
Other comprehensive income for the period	-	-	-	5,554	-	5,554
Total comprehensive income for the period	-	-	-	5,554	(19,552)	(13,998)
Issuance of shares on exercise of ESOS	5,793	-	(2,488)	-	-	3,305
Dividend paid/ payable	-	-	-	-	(20,509)	(20,509)
At 30 June 2019	723,648	236,350	10,245	(5,296)	(31,310)	933,637
Loss for the period	-	-	-	-	(22,105)	(22,105)
Other comprehensive income for the period	-	-	-	(10,206)	-	(10,206)
Total comprehensive income for the period	-	-	-	(10,206)	(22,105)	(32,311)
Dividend paid/ payable	-	-	-	-	(2,359)	(2,359)
At 30 September 2019	723,648	236,350	10,245	(15,502)	(55,774)	898,967

	Share capital \$'000	Perpetual capital securities \$'000	Share option reserve \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total \$'000
<b><u>Company</u></b>						
At 1 January 2018	622,741	717,600	21,848	(13,005)	37,187	1,386,371
Loss for the period	-	-	-	-	(8,062)	(8,062)
Other comprehensive income for the period	-	-	-	9,126	-	9,126
Total comprehensive income for the period	-	-	-	9,126	(8,062)	1,064
Dividend payable	-	-	-	-	(8,619)	(8,619)
Issuance of new shares	70,734	-	-	-	-	70,734
At 31 March 2018	693,475	717,600	21,848	(3,879)	20,506	1,449,550
Profit for the period	-	-	-	-	64,336	64,336
Other comprehensive income for the period	-	-	-	828	-	828
Total comprehensive income/(loss) for the period	-	-	-	828	64,336	65,164
Issuance of shares on exercise of ESOS	17,498	-	(7,295)	-	-	10,203
Recognition of share- based payment	-	-	342	-	-	342
Share buy-back and cancellation of shares	(544)	-	-	-	-	(544)
Dividend paid/payable	-	-	-	-	(41,661)	(41,661)
At 30 June 2018	710,429	717,600	14,895	(3,051)	43,181	1,483,054
Loss for the period	-	-	-	-	(919)	(919)
Other comprehensive income for the period	-	-	-	(829)	-	(829)
Total comprehensive income/(loss) for the period	-	-	-	(829)	(919)	(1,748)
Issuance of shares on exercise of ESOS	4,631	-	(1,818)	-	-	2,813
Recognition of share- based payment	-	-	343	-	-	343
Dividend paid/payable	-	-	-	-	(20,915)	(20,915)
At 30 September 2018	715,060	717,600	13,420	(3,880)	21,347	1,463,547

**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, there was no change to the Company's share capital. The total number of shares that may be issued on conversion of all the outstanding employee shares options were 7,857,200 (30 September 2018: 38,970,200).

The perpetual capital securities comprised Nil (30 September 2018: USD355 million) issued at 5.45% per annum; and S\$240 million (30 September 2018: S\$240 million) issued at 3.9% per annum.

**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.**

	30/9/2019	31/12/2018
Total number of issued shares ('000)	2,432,361	2,420,387

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 year ended 31 December 2018. Other than SFRS(I) 16, the new and revised FRSs and Interpretation of FRS ("INT FRS") that are effective from 1 January 2019 have no material effect on the amounts reported for the current or prior year. The Group adopted SFRS(I) 16 *Leases* using the transition approach with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, January 1, 2019, with no restatement of comparative information.

**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 except as described in note 4 above.

**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 30/9/2019	Group 3 months ended 30/9/2018	Group 9 months ended 30/9/2019	Group 9 months ended 30/9/2018
Net (loss) profit attributable to shareholders of the Company (\$'000)	(7,193)	21,940	10,606	104,597
Weighted average number of shares in issue (in '000) for computation of Basic EPS	2,432,361	2,412,408	2,426,037	2,360,008
(Loss) Earnings per share (cents) - Basic	(0.30)	0.91	0.44	4.43
Weighted average number of shares in issue (in '000) for computation of Diluted EPS	2,432,361	2,451,379	2,433,894	2,398,978
(Loss) Earnings per share (cents) – Diluted	(0.30)	0.89	0.44	4.36

Adjusted EPS	Group 3 months ended 30/9/2019	Group 3 months ended 30/9/2018	Group 9 months ended 30/9/2019	Group 9 months ended 30/9/2018
Net (loss) profit attributable to shareholders of the Company adjusted for dividends attributable to perpetual capital securities (\$'000)	(9,552)	13,052	3,605	81,040
Weighted average number of shares in issue (in '000) for computation of Basic EPS	2,432,361	2,412,408	2,426,037	2,360,008
(Loss) Earnings per share (cents) - Basic	(0.39)	0.54	0.15	3.43
Weighted average number of shares in issue (in '000) for computation of Diluted EPS	2,432,361	2,451,379	2,433,894	2,398,978
(Loss) Earnings per share (cents) – Diluted	(0.39)	0.53	0.15	3.38

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

The potential ordinary shares that may be issued on conversion of all the outstanding employee share options were excluded in the diluted weighted average number of ordinary shares computation for the 3 months ended 30 September 2019 because their effect would decrease the loss per share and have anti-dilutive effect.

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 30/9/2019	Group 31/12/2018	Company 30/9/2019	Company 31/12/2018
Net asset value (\$'000)	1,378,186	1,374,108	898,967	952,695
Net asset value per share (cents)	56.66	56.77	36.96	39.36

The net asset value per share is calculated based on the issued share capital of 2,432,361,356 (31 December 2018: 2,420,387,356).

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 \$164.3 million, which was \$73.9 million or 31.0% lower than last corresponding period ended 30 September 2018 of \$238.2 million. The breakdown of the revenue was as follows:

	Group 3 months ended 30/9/2019 \$'million	Group 3 months ended 30/9/2018 \$'million	% increase/ (decrease)
Engineering revenue	47.7	122.9	(61.2)
Membrane system sales	53.5	65.5	(18.3)
	101.2	188.4	(46.3)
Treatment revenue *	63.1	49.8	26.7
Total	164.3	238.2	(31.0)

\* *Included finance income from service concessions.*

The decrease was mainly due to the decrease in engineering revenue from \$122.9 million to \$47.7 million, representing a decrease of \$75.2 million or 61.2%; and membrane system sales from \$65.5 million to \$53.5 million, representing a decrease of \$12.0 million or 18.3%.

### **Gross profit margin analysis for engineering and membrane system sales**

	<b>Group 3 months ended 30/9/2019 \$'million</b>	<b>Group 3 months ended 30/9/2018 \$'million</b>
Engineering revenue	47.7	122.9
Membrane system sales	53.5	65.5
Total	101.2	188.4
Material purchased, consumables used and subcontractors' fees <sup>#</sup>	(53.3)	(140.6)
Gross profit	<b>47.9</b>	<b>47.8</b>
GP margin (%)	47.3%	25.4%

<sup>#</sup> *Material purchased, consumables used and subcontractors' fees related to engineering and membrane division only.*

Materials purchased, consumables used and subcontractors' fees decreased to \$78.0 million from \$154.8 million, representing a decrease of \$76.8 million or 49.6% as compared to the last corresponding period ended 30 September 2018. The decrease was consistent with the decrease in engineering revenue and membrane system sales from \$188.4 million to \$101.2 million, representing a decrease of \$87.2 million or 46.3% as compared to the last corresponding period ended 30 September 2018. The increase in gross profit margin was mainly due to membrane based engineering projects with relatively higher gross profit margin.

Employee benefits expense increased to \$23.3 million from \$13.5 million, representing an increase of \$9.8 million or 73.0% as compared to the last corresponding period ended 30 September 2018. The increase was mainly due to shares award expense of \$5.1 million during the period. On 14 August 2019, the Company announced the share transfer to reward key employees in Memstar USA for achieving certain performance milestones.

Other operating expenses - foreign currency exchange loss increased from \$2.2 million to \$26.0 million, representing an increase of \$23.8 million or 1,098.9% as compared to the last corresponding period ended 30 September 2018.

Finance costs increased to \$17.2 million from \$10.7 million, representing an increase of \$6.5 million or 60.2% as compared to the last corresponding period ended 30 September 2018. The increase was mainly due to additions of bank loans to finance the new investment projects during the period; and to re-finance the perpetual capital securities in November 2018.

The Group incurred loss after tax of \$4.0 million as compared to profit after tax of \$23.9 million mainly due to the net foreign exchange loss of \$26.0 million.

### **Statement of financial position**

The Group's current assets increased from \$1,096.5 million as at 31 December 2018 to \$1,283.8 million as at 30 September 2019, representing an increase of \$187.3 million or 17.1% as compared to 31 December 2018. The increase was mainly due to cash and bank balances increased from \$376.5 million as at 31 December 2018 to \$520.6 million as at 30 September 2019, representing an increase of \$144.1 million or 38.3% as compared to 31 December 2018.

The Group's current liabilities decreased from \$1,349.9 million as at 31 December 2018 to \$974.6 million as at 30 September 2019, representing a decrease of \$375.3 million or 27.8% as compared to 31

December 2018. The decrease was mainly due to re-financing of short tenure bank loans with longer tenure bank loans during the period.

The Group's non-current liabilities increased from \$1,062.8 million as at 31 December 2018 to \$1,810.8 million as at 30 September 2019, representing an increase of \$748.0 million or 70.4% as compared to 31 December 2018. The increase was mainly due to new additions of longer-tenure bank loans to re-finance the current bank loans and the addition of investment projects during the period.

### **Statement of cash flow**

The net cash used in operating activities of the Group increased to \$79.1 million from \$69.9 million in the last corresponding period ended 30 September 2018. The net cash used in operating activities for the current period was mainly due to cash outflow for the construction of the investment projects during the 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.**

Despite the headwinds caused by the macroeconomic environment, CEL is optimistic that the fundamentals of its core wastewater treatment business and its hazardous waste treatment business remain strong as China's clean-tech solutions industry is well-supported by the country's strict environmental mandates<sup>1</sup>.

CEL will continue to leverage its proprietary membrane technology and expertise in environmental engineering to entrench its position as a leading player in the environmental protection. The Group is committed to prudently pursue opportunities and secure projects in the municipalities that are within its areas of expertise.

**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***

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<sup>1</sup> Ministry of Ecology and Environment, The People's Republic of China ([http://english.mee.gov.cn/About\\_MEE/Mandates](http://english.mee.gov.cn/About_MEE/Mandates))

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/recommendeded, a statement to that effect.**

No dividend has been declared/recommendeded.

**13. Related parties and interested person transactions**

The Company does not have a general shareholders' mandate for recurrent interested person transactions. The aggregate value of interested person transactions entered into during 3QFY2019 under review in excess of S\$100,000 is as follows:-

Name of interested persons	Aggregate value of all IPTs during the 3Q FY2019 under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S\$)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
CITIC Finance Company Limited	38,646,271	Not Applicable
China CITIC Bank	490,763	Not Applicable

Of the aggregate value S\$38,646,271 for IPTs conducted with CITIC Finance Company Limited during 3QFY2019, S\$24,913,743 is attributable to the Group's entry into the RMB Loan Facility, USD Loan Facility and Fund Placement Agreement, being IPTs specifically approved by the shareholders at the extraordinary general meeting on 12 October 2018.

**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

19. **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 period ended 30 September 2019 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**

**David Yeung**  
**Director**

**BY ORDER OF THE BOARD**

**Lotus Isabella Lim Mei Hua**  
**Company secretary**  
**24 October 2019**