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CITIC Limited
中國中信股份有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00267)

OVERSEAS REGULATORY ANNOUNCEMENTS

(These overseas regulatory announcements are issued pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited)

The following announcements are released by CITIC Envirotech Ltd. (a subsidiary of CITIC Limited) to Singapore Exchange Limited on 25 July 2017:-

- (1) Second Quarter Financial Statement & Dividend Announcement for the Period Ended 30 June 2017; and**
- (2) Media release – CITIC Envirotech Ltd recorded \$40 million in net profit for the six months ended 30 June 2017.**

Hong Kong, 25 July 2017

As at the date of this announcement, the executive directors of CITIC Limited are Mr Chang Zhenming (Chairman), Mr Wang Jiong, Ms Li Qingping and Mr Pu Jian; the non-executive directors of CITIC Limited are Mr Liu Yeqiao, Mr Song Kangle, Ms Yan Shuqin, Mr Liu Zhongyuan and Mr Yang Xiaoping; and the independent non-executive directors of CITIC Limited are Mr Francis Siu Wai Keung, Dr Xu Jinwu, Mr Anthony Francis Neoh, Ms Lee Boo Jin, Mr Noriharu Fujita and Mr Paul Chow Man Yiu.



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".

Second Quarter Financial Statement & Dividend Announcement for the Period Ended 30 June 2017

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 30/6/2017	3 months ended 30/6/2016	% Increase/ (Decrease)	6 months ended 30/6/2017	6 months ended 30/6/2016	% Increase/ (Decrease)
Revenue	134,405	139,973	(4.0)	248,135	239,440	3.6
Other income	4,373	4,833	(9.5)	19,317	6,392	202.2
Changes in inventories	(651)	4,567	N/M	6,761	4,889	38.3
Material purchased, consumables used and subcontractors' fees	(66,385)	(76,780)	(13.5)	(135,593)	(116,922)	16.0
Employee benefits expense	(11,683)	(11,038)	5.8	(24,397)	(22,592)	8.0
Depreciation and amortisation expenses	(7,771)	(8,618)	(9.8)	(14,069)	(15,895)	(11.5)
Other operating expenses	(13,059)	(13,686)	(4.6)	(29,356)	(28,025)	4.7
Finance costs	(9,544)	(10,981)	(13.1)	(15,706)	(21,640)	(27.4)
Share of profit of associates	1,182	2,257	(47.6)	1,337	2,115	(36.8)
Profit before income tax	30,867	30,527	1.1	56,429	47,762	18.2
Income tax expense	(8,637)	(7,309)	18.2	(16,381)	(12,231)	33.9
Net profit for the period	22,230	23,218	(4.3)	40,048	35,531	12.7

The Group (\$'000)	3 months ended 30/6/2017	3 months ended 30/6/2016	% Increase/ (Decrease)	6 months ended 30/6/2017	6 months ended 30/6/2016	% Increase/ (Decrease)
Statement of Comprehensive Income						
Profit attributable to:						
Owners of the Company	21,002	22,789	(7.8)	38,028	34,850	9.1
Non-controlling interests	1,228	429	186.2	2,020	681	196.6
Profit for the period	22,230	23,218	(4.3)	40,048	35,531	12.7
Currency translation gain (loss)	1,812	(34,892)	N/M	(21,339)	(59,760)	(64.3)
Total other comprehensive income for the period	1,812	(34,892)	N/M	(21,339)	(59,760)	(64.3)
Total comprehensive income for the period	24,042	(11,674)	N/M	18,709	(24,229)	N/M
Total comprehensive income attributable to:						
Owners of the company	22,814	(12,103)	N/M	16,689	(24,910)	N/M
Non-controlling interests	1,228	429	186.2	2,020	681	196.6
Total comprehensive income for the period	24,042	(11,674)	N/M	18,709	(24,229)	N/M

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

The Group (\$'000)	3 months ended 30/6/2017	3 months ended 30/6/2016	% Increase/ (Decrease)	6 months ended 30/6/2017	6 months ended 30/6/2016	% Increase/ (Decrease)
Employee share option expense	409	1,392	(70.6)	817	3,702	(77.9)
Interest expense on bank borrowings and finance leases	6,908	6,801	1.6	10,462	12,459	(16.0)
Interest expense on MTN bond	2,636	4,180	(36.9)	5,244	9,181	(42.9)
Interest income	(636)	(594)	7.1	(1,186)	(1,417)	(16.3)
Foreign currency exchange (gain)/loss	(1,647)	2,330	N/M	3,522	6,790	(48.1)
Loss on disposal of subsidiary	-	-	-	781	-	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 30/6/2017 \$'000	Group 31/12/2016 \$'000	Company 30/6/2017 \$'000	Company 31/12/2016 \$'000
ASSETS				
Current assets:				
Cash and bank balances	539,617	493,541	74,782	110,426
Trade receivables	238,674	240,414	-	-
Service concession receivables	6,914	6,248	-	-
Other receivables and prepayments	229,330	141,233	813,460	851,053
Inventories	20,538	13,777	-	-
Prepaid leases	717	736	-	-
	1,035,790	895,949	888,242	961,479
Assets classified as held for sale	-	55,645	-	-
Total current assets	1,035,790	951,594	888,242	961,479
Non-current assets:				
Trade receivables	54,778	25,036	-	-
Service concession receivables	607,959	597,191	-	-
Other receivables and prepayments	15,180	15,577	-	-
Prepaid leases	63,266	39,996	-	-
Subsidiaries	-	-	450,930	413,323
Associates	26,111	17,807	10,588	10,588
Joint venture	524	-	-	-
Property, plant and equipment	425,041	374,470	154	182
Goodwill	255,365	255,365	-	-
Intangible assets	294,966	271,894	200	200
Deferred tax assets	1,083	1,111	-	-
Total non-current assets	1,744,273	1,598,447	461,872	424,293
Total assets	2,780,063	2,550,041	1,350,114	1,385,772
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	65,360	76,499	-	-
Trade payables	339,802	310,048	-	-
Other payables	81,904	79,410	35,052	15,064
Finance leases	151	161	17	17
Medium term notes	224,121	-	224,121	-
Income tax payable	37,176	30,534	-	-
	748,514	496,652	259,190	15,081
Liabilities directly associated with assets classified as held for sale	-	31,953	-	-
Total current liabilities	748,514	528,605	259,190	15,081
Non-current liabilities:				
Bank loans	496,452	256,868	-	-
Finance leases	140	169	57	66
Medium term notes	-	223,449	-	223,449
Deferred tax liabilities	47,317	45,432	-	-
Total non-current liabilities	543,909	525,918	57	223,515

	Group 30/6/2017 \$'000	Group 31/12/2016 \$'000	Company 30/6/2017 \$'000	Company 31/12/2016 \$'000
Capital, reserves and non-controlling interests:				
Share capital	616,508	608,063	616,508	608,063
Perpetual capital securities	481,250	481,250	481,250	481,250
General reserve	7,414	7,414	-	-
Capital reserve	2,096	2,096	-	-
Share option reserve	23,689	27,782	23,689	27,782
Currency translation reserve	(33,338)	(11,999)	(3,879)	7,160
Retained earnings	266,743	264,385	(26,701)	22,921
Equity attributable to owners of the Company	1,364,362	1,378,991	1,090,867	1,147,176
Non-controlling interests	123,278	116,527	-	-
Total equity	1,487,640	1,495,518	1,090,867	1,147,176
Total liabilities and equity	2,780,063	2,550,041	1,350,114	1,385,772

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 30/6/2017</u>		<u>As at 31/12/2016</u>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
65,511	224,121	76,660	-

Amount repayable after one year

<u>As at 30/6/2017</u>		<u>As at 31/12/2016</u>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
496,592	-	257,037	223,449

Details of any collateral

1. The finance leases of \$291,000 (31 December 2016: \$330,000) was secured over the Group's motor vehicles.
2. The bank loans of \$561,812,000 (31 December 2016: \$333,367,000) were 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.

	3 months ended 30/6/2017	3 months ended 30/6/2016	6 months ended 30/6/2017	6 months ended 30/6/2016
The Group (\$'000)				
Operating activities				
Profit before income tax	30,867	30,527	56,429	47,762
Adjustments for:				
Interest income	(636)	(594)	(1,186)	(1,417)
Interest expense	9,544	10,981	15,706	21,640
Share of profit of associates	(1,182)	(2,257)	(1,337)	(2,115)
Depreciation and amortization	7,771	8,618	14,069	15,895
Share option expense	409	1,392	817	3,702
Loss on disposal of subsidiary	-	-	781	-
Exchange differences arising on foreign currency translation	21,442	(47,023)	14,198	(63,221)
Operating profit before working capital changes	68,215	1,644	99,477	22,246
Trade receivables	(16,969)	(43,646)	(28,873)	(58,185)
Other receivables	(16,903)	53,308	(36,546)	90,781
Inventories	651	(4,567)	(6,761)	(4,889)
Trade payables	3,983	25,387	29,752	29,691
Other payables	13,466	11,931	3,586	(7,055)
Cash generated from operations	52,443	44,057	60,635	72,589
Interest received	636	594	1,186	1,417
Interest paid	(11,845)	(17,355)	(15,064)	(20,795)
Income tax paid	(3,002)	(3,343)	(8,129)	(5,976)
Net cash generated from operating activities	38,232	23,953	38,628	47,235
Investing activities				
Contribution from non-controlling shareholders	3,785	413	6,047	413
Acquisition of non-controlling shareholders in a subsidiary	-	-	(1,316)	-
Addition to property, plant and equipment	(76,828)	(51,727)	(121,728)	(76,482)
Addition to service concession receivables	-	(4,370)	-	(134,206)
Addition to intangible assets	(2,077)	(1,565)	(5,899)	(3,338)
Addition to prepaid lease	(6,985)	(4,363)	(24,569)	(4,363)
Addition to deposits for investment projects	-	-	(51,042)	-
Investment in associates	-	-	(6,967)	-
Investment in joint ventures	(524)	-	(524)	-
Disposal of subsidiary	-	-	21,717	-
Net cash used in investing activities	(82,629)	(61,612)	(184,281)	(217,976)
Financing activities				
Dividend paid	(36,360)	(10,640)	(36,360)	(10,640)
New bank loans raised	248,131	8,696	281,231	92,474
Proceeds from issuing new shares	6,748	-	6,748	-
Share buy-back and cancellation of shares	-	-	(3,213)	-
Repayment of obligations under finance leases	(11)	(37)	(40)	(64)
Repayment of bank borrowings	(28,279)	(52,556)	(41,151)	(214,697)
Net cash generated from (used in) financing activities	190,229	(54,537)	207,215	(132,927)

	3 months ended 30/6/2017	3 months ended 30/6/2016	6 months ended 30/6/2017	6 months ended 30/6/2016
The Group (\$'000)				
Net increase (decrease) in cash and cash equivalents	145,832	(92,196)	61,562	(303,668)
Cash and cash equivalents at beginning of period	399,474	332,034	493,541	540,466
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(5,689)	(13,743)	(15,486)	(10,703)
Cash and cash equivalents at end of period	539,617	226,095	539,617	226,095

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
Group										
At 1 January 2017	608,063	481,250	7,414	2,096	27,782	(11,999)	264,385	1,378,991	116,527	1,495,518
Total comprehensive income for the period	-	-	-	-	-	(23,151)	17,026	(6,125)	792	(5,333)
Recognition of share based payment	-	-	-	-	408	-	-	408	-	408
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	946	946
Share buy-back and cancellation of shares	(3,213)	-	-	-	-	-	-	(3,213)	-	(3,213)
Dividend payable	-	-	-	-	-	-	(6,147)	(6,147)	-	(6,147)
At 31 March 2017	604,850	481,250	7,414	2,096	28,190	(35,150)	275,264	1,363,914	118,265	1,482,179
Total comprehensive income for the period	-	-	-	-	-	1,812	21,002	22,814	1,228	24,042
Recognition of share based payment	-	-	-	-	409	-	-	409	-	409
Acquisition/ Incorporation of subsidiaries	-	-	-	-	-	-	-	-	3,785	3,785
Issuance of shares on exercise of ESOS	11,658	-	-	-	(4,910)	-	-	6,748	-	6,748
Dividend paid/payable	-	-	-	-	-	-	(29,523)	(29,523)	-	(29,523)
At 30 June 2017	616,508	481,250	7,414	2,096	23,689	(33,338)	266,743	1,364,362	123,278	1,487,640

	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
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)
Recognition of share-based payment	-	-	-	-	1,392	-	-	1,392	-	1,392
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	413	413
Dividend paid/payable	-	-	-	-	-	-	(9,422)	(9,422)	-	(9,422)
At 30 June 2016	607,973	242,055	5,330	2,096	24,147	(29,882)	216,060	1,067,779	40,102	1,107,881

	Share capital \$'000	Perpetual capital securities \$'000	Share option reserve \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total \$'000
<u>Company</u>						
At 1 January 2017	608,063	481,250	27,782	7,160	22,921	1,147,176
Total comprehensive income for the period	-	-	-	(11,539)	(8,080)	(19,619)
Recognition of share-based payment	-	-	408	-	-	408
Share buy-back and cancellation of shares	(3,213)	-	-	-	-	(3,213)
Dividend payable	-	-	-	-	(6,147)	(6,147)
At 31 March 2017	604,850	481,250	28,190	(4,379)	8,694	1,118,605
Total comprehensive income for the period	-	-	-	500	(5,872)	(5,372)
Recognition of share-based payment	-	-	409	-	-	409
Issuance of shares on exercise of ESOS	11,658	-	(4,910)	-	-	6,748
Dividend paid/payable	-	-	-	-	(29,523)	(29,523)
At 30 June 2017	616,508	481,250	23,689	(3,879)	(26,701)	1,090,867

	Share capital \$'000	Perpetual capital securities \$'000	Share option reserve \$'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	-	-	-	-	(9,422)	(9,422)
At 30 June 2016	607,973	242,055	24,147	(9,227)	(31,441)	833,507

- 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.**

Number of ordinary shares as at 1 April 2017	2,251,797,476
Issuance of New Shares on exercise of ESOS	20,928,800
Number of ordinary shares as at 30 June 2017	<u>2,272,726,276</u>

The total number of shares that may be issued on conversion of all the outstanding employee shares options were 86,256,200 (30 June 2016: 107,751,000 (pre-share split basis: 53,875,500)).

The perpetual capital securities comprised USD355 million (30 June 2016: USD355 million) issued at 5.45% 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.**

	30/6/2017	31/12/2016
Total number of issued shares ('000)	2,272,726	2,255,856 1,127,928 (<i>pre-share split basis</i>)

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 2016.

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 30/6/2017	Group 3 months ended 30/6/2016	Group 6 months ended 30/6/2017	Group 6 months ended 30/6/2016
Net profit attributable to shareholders of the Company (\$'000)	21,002	22,789	38,028	34,850
Weighted average number of shares in issue (in '000) for computation of Basic EPS - Post share split	2,260,287	2,255,530	2,260,287	2,255,530
Earnings per share (cents) - Basic	0.93	1.01	1.68	1.55
Weighted average number of shares in issue (in '000) for computation of Diluted EPS - Post share split	2,346,543	2,363,282	2,346,543	2,363,282
Earnings per share (cents) – Diluted	0.90	0.96	1.62	1.47

	Group 3 months ended 30/6/2017	Group 3 months ended 30/6/2016	Group 6 months ended 30/6/2017	Group 6 months ended 30/6/2016
Adjusted EPS				
Net profit attributable to shareholders of the Company adjusted for dividends attributable to perpetual capital securities (\$'000)	14,205	20,766	25,084	26,149
Weighted average number of shares in issue (in '000) for computation of Basic EPS - Post share split	2,260,287	2,255,530	2,260,287	2,255,530
Earnings per share (cents) - Basic	0.63	0.92	1.11	1.16
Weighted average number of shares in issue (in '000) for computation of Diluted EPS - Post share split	2,346,543	2,363,282	2,346,543	2,363,282
Earnings per share (cents) – Diluted	0.61	0.88	1.07	1.11

For the purpose of calculating diluted EPS, assumption was made that all the employee share options 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 30/6/2017	Group 31/12/2016	Company 30/6/2017	Company 31/12/2016
Net asset value (\$'000)	1,487,640	1,495,518	1,090,867	1,147,176
Net asset value per share (cents)	65.46	66.29	48.00	50.85

The net asset value per share is calculated based on the issued share capital of 2,272,726,276 (31 December 2016: 2,255,855,176 (pre-share split basis: 1,127,927,588)).

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 \$134.4 million, which was \$5.6 million or 4.0% lower than the last corresponding period ended 30 June 2016 of \$140.0 million. The breakdown of the revenue was as follows:

	Group 3 months ended 30/6/2017 \$'million	Group 3 months ended 30/6/2016 \$'million	% increase/ (decrease)
Engineering revenue	78.6	78.5	0.1
Treatment revenue	46.8	44.6	4.9
Membrane sale	9.0	16.9	(46.7)
Total	134.4	140.0	(4.0)

The decrease was mainly due to the decrease in membrane business from \$16.9 million to \$9.0 million, representing a decrease of \$7.9 million or 46.7%. The decrease in membrane sales was due to the completion of a major project.

Gross profit analysis for engineering and membrane segments

	Group 3 months ended 30/6/2017 \$'million	Group 3 months ended 30/6/2016 \$'million
Engineering revenue	78.6	78.5
Membrane sale	9.0	16.9
Total	87.6	95.4
Changes in inventories	(1.0)	4.6
Material purchased, consumables used and subcontractors' fees *	(52.4)	(66.7)
Gross profit	34.2	33.3
GP margin (%)	39.0	34.9

** Material purchased, consumables used and subcontractors' fees related to engineering and membrane division only.*

Materials purchased, consumables used and subcontractors' fees decreased to \$53.4 million from \$62.1 million, representing a decrease of \$8.7 million or 14.0% as compared to the last corresponding period ended 30 June 2016. The decrease was mainly due to decrease in membrane business from \$16.9 million to \$9.0 million, representing a decrease of \$7.9 million or 46.7% as compared to the last corresponding period ended 30 June 2016.

Finance costs decreased to \$9.5 million from \$11.0 million, representing a decrease of \$1.5 million or 13.1% as compared to the last corresponding period ended 30 June 2016. The decrease was mainly due to the redemption of the S\$100 million MTN bond in the last financial year ended 31 December 2016.

The Group generated a net profit of \$40.0 million for the 6-month period ended 30 June 2017 as compared to \$35.5 million for the last corresponding period ended 30 June 2016, representing an increase of \$4.5 million or 12.7%.

Statement of financial position

The Group's current assets increased to \$1,035.8 million as at 30 June 2017 from \$951.6 million as at 31 December 2016. The increase was mainly due to the increase of \$46.1 million in cash and bank balances from \$493.5 million as at 31 December 2016 to \$539.6 million. In addition, there was an increase of \$88.1 million in other receivables from \$141.2 million as at 31 December 2016 to \$229.3 million as at 30 June 2017. The increase was mainly due to the addition of deposits for investment projects of \$51.0 million.

The Group's non-current assets increased from \$1,598.4 million as at 31 December 2016 to \$1,744.3 million as at 30 June 2017. The Increase was mainly due to additions to prepaid lease of \$24.6 million and additions to property, plant and equipment of \$121.7 million during the period.

The Group's current liabilities increased from \$528.6 million as at 31 December 2016 to \$748.5 million as at 30 June 2017. The increase was mainly due to the reclassification of MTN notes from non-current to current, which will be due in April 2018.

The Group's non-current liabilities increased from \$525.9 million as at 31 December 2016 to \$543.9 million as at 30 June 2017. The increase was mainly due to the additions of longer-tenure bank loan of \$239.6 million to finance the acquisition of investment projects during the period. The increase was partially offset by the reclassification of MTN notes from non-current to current, which will be due in April 2018.

Statement of cash flow

The Group's net cash from financing activities of \$190.2 million for period ended 30 June 2017 was mainly due to the bank loans raised during the period of \$248.1 million.

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 Group is on track in its growth and expansion in the water sector and is strategically expanding into new segments, taking advantage of the growing demand in river restoration, sludge management, hazardous waste management as well as the provision of integrated environmental services within industrial parks.

At the same time, demand for industrial wastewater treatment continues to increase, driven by continued steady growth in China's economy as well as the government's commitment towards environmental conservation and pollution control. The Group is one of the market leaders in industrial wastewater treatment industry in China, with outstanding track record in employing membrane bioreactor technology. Leveraging on its advance membrane technologies, the Group is confident that it is well positioned to further its market share in the water sector, especially in the industrial water segment

Update of the use of proceeds

	\$ million
Unutilised balance as at last quarterly announcement	78
Investment in Xinji	(15)
Investment in Changyi Water Recycling	(7)
Investment in Zhounan and Huahong	(5)
Unutilised balance as at date of announcement	51

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

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 Second Quarter Results of the Group for the period ended 30 June 2017 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

Mr Hao Weibao
Director

Dr Lin Yucheng
Director

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company secretary
25 July 2017

CITIC Envirotech Ltd

Company Registration No: 200306466G

Company Address: 10 Science Park Road #01-01 The Alpha Singapore 117684

Tel: (65) 6774 7298 Fax: (65) 6774 8920

Immediate Release

CITIC Envirotech Ltd recorded \$40 million in net profit for the six months ended 30 June 2017

- **Total revenue up 3.6% from \$239.4 million to \$248.1 million**
- **Engineering revenue increased 18.5% from \$119.9 million to \$142.1 million**
- **Recurring water treatment revenue up by 4.8% from \$80.6 million to \$84.5 million**

Singapore, 25 July 2017 – Mainboard-listed CITIC Envirotech Ltd (“CEL” or “Group”), a leading membrane-based integrated environmental solutions provider reported a six months net profit after tax of \$40.0 million compared to \$35.5 million in the last corresponding period ended 30 June 2016.

The Group recorded a total revenue of \$248.1 million, which was \$8.7 million or 3.6% higher than the last six months corresponding period ended 30 June 2016 of \$239.4 million. The rise was mainly due to the increase in the revenue of the engineering and water treatment segments.

Engineering revenue increased from \$119.9 million to \$142.1 million, representing an increase of \$22.2 million or 18.5% compared to the last six months corresponding period ended 30 June 2016. The Company continues its growth momentum in the recurring water treatment business segment and its recurring water treatment revenue increased \$3.9 million or 4.8% to \$84.5 million for the six months ended 30 June 2017.

Membrane revenue for the six months ended 30 June 2017 decreased from \$39.0 million to \$21.5 million compared to the last corresponding period due to the completion of a major project.

CITIC Envirotech Ltd

Company Registration No: 200306466G

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Financial Highlights

	1 Apr 2017 to 30 Jun 2017 (S\$'Mil)	1 Apr 2016 to 30 Jun 2016 (S\$'Mil)	Change (%)	1 Jan 2017 to 30 Jun 2017 (S\$'Mil)	1 Jan 2016 to 30 Jun 2016 (S\$'Mil)	Change (%)
- Engineering	78.6	78.5	0.1	142.1	119.9	18.5
- Treatment	46.8	44.6	4.9	84.5	80.6	4.8
- Membrane	9.0	16.9	(46.7)	21.5	39.0	(44.9)
Total Revenue	134.4	140.0	(4.0)	248.1	239.4	3.6
Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")	47.5	49.5	(4.2)	85.0	83.9	1.3
Net profit for the period	22.2	23.2	(4.2)	40.0	35.5	12.7

Outlook

The Group is on track in its growth and expansion in the water sector and is strategically expanding into new business segments, taking advantage of the growing demand in river restoration, sludge management, hazardous waste management as well as the provision of integrated environmental services within industrial parks.

At the same time, demand for industrial wastewater treatment continues to increase, driven by continued steady growth in China's economy as well as the government's commitment towards environmental conservation and pollution control. The Group is one of the market leaders in industrial wastewater treatment industry in China, with outstanding track record in employing membrane bioreactor technology. Leveraging on its advance membrane technologies, the Group is confident that it is well positioned to further its market share in the water sector, especially in the industrial water segment.

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About CITIC Envirotech Ltd.

CITIC Envirotech Ltd ("CEL", "Group"), formerly known as United Envirotech Ltd, is a leading membrane-based integrated environmental solutions provider which specialises in the manufacturing of high quality membrane products and the application of membrane technologies for water and wastewater treatment and recycling. Its principal activities also include design, fabrication, installation and commissioning of water and wastewater systems using its proprietary advanced membrane technologies such as the Membrane Bioreactor (MBR) technology. CEL has designed and built several of the largest industrial wastewater treatment plants in Asia using the MBR technology. CEL undertakes both turnkey and water investment projects (TOT/BOT/BOO), as well as provides treatment plant operation and maintenance services. Through its wholly-owned subsidiary, Memstar Pte Ltd, the Group is one of the largest PVDF hollow fibre membrane manufacturers in the world.

CEL serves a strong prominent customer base such as petrochemical giants like China Petrochemical Corporation ("Sinopec"), China National Petroleum Corporation ("CNPC"), China National Offshore Oil Corporation ("CNOOC"), industrial parks and municipalities.

In August 2011, KKR became a strategic investor of CEL after injecting a US\$113.8 million convertible bond investment and follow-on equity investment of US\$40 million in January 2013. KKR is a leading global investment firm with more than US\$ 126 billion in assets under management.

In April 2015, CITIC joined KKR as a strategic investor of CEL and became its largest shareholder after making a joint voluntary unconditional offer with KKR. CITIC Limited is China's largest conglomerate operating domestically and overseas, with businesses in financial services, resources and energy, manufacturing, engineering, contracting and real estate, as well as other services.

In November 2016, CRF Envirotech Co., Ltd. completed the acquisition of the entire stake held by KKR China Water Investment Limited in CITIC Envirotech Ltd, and became its second largest shareholder. CRF Envirotech Co., Ltd is a joint venture between CRF Envirotech Fund L.P. and China Reform Soochow Overseas Fund I L.P., which are in turn sponsored mainly by China Reform Holdings Corporation Ltd ("CRHC"). CRHC, a wholly state-owned investment company plays a unique and crucial role in China's state-owned assets management and restructuring process.

CEL was listed on SGX Mainboard on 22 April 2004.

For more information, please log on www.citicenvirotech.com

Issued by CITIC Envirotech Ltd.