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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 24 October 2018:-

- (1) Third Quarter Financial Statement & Dividend Announcement for the Period Ended 30 September 2018; and**
- (2) Media release – CITIC Envirotech achieves net profit of S\$23.9 million as revenue rises 4.1% to S\$238.2 million in 3Q2018.**

Hong Kong, 24 October 2018

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 Song Kangle, Ms Yan Shuqin, Mr Liu Zhuyu, Mr Peng Yanxiang, Mr Liu Zhongyuan, Mr Yang Xiaoping and Mr Wu Youguang; 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 Paul Chow Man Yiu and Mr Shohei Harada.



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 2018

**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 30/9/2018	3 months ended 30/9/2017 (Restated)	% Increase/ (Decrease)	9 months ended 30/9/2018	9 months ended 30/9/2017 (Restated)	% Increase/ (Decrease)
Revenue	216,790	217,136	(0.2)	743,832	428,388	73.6
Finance income from service concession	21,422	11,592	84.8	44,606	34,777	28.3
	238,212	228,728	4.1	788,438	463,165	70.2
Other income	3,356	1,319	154.4	12,368	20,636	(40.1)
Changes in inventories	6,922	1,952	254.6	5,740	8,713	(34.1)
Material purchased, consumables used and subcontractors' fees	(154,782)	(123,890)	24.9	(499,005)	(250,632)	99.1
Employee benefits expense	(13,454)	(11,270)	19.4	(40,966)	(35,667)	14.9
Depreciation and amortisation expenses	(9,137)	(4,730)	93.2	(25,298)	(18,799)	34.6
Other operating expenses	(23,016)	(15,988)	44.0	(55,906)	(45,344)	23.3
Finance costs	(10,709)	(8,526)	25.6	(30,544)	(24,232)	26.0
Share of profit of associates	208	734	(71.7)	949	2,071	(54.2)
Profit before income tax	37,600	68,329	(45.0)	155,776	119,911	29.9
Income tax expense	(13,739)	(15,277)	(10.1)	(46,660)	(30,446)	53.3
Net profit for the period	23,861	53,052	(55.0)	109,116	89,465	22.0

Finance income represents the interest income on the long-term receivables recognised in respect of the service concession arrangements in accordance with INT FRS 112 Service Concession Arrangements.

The Group (\$'000)	3 months ended 30/9/2018	3 months ended 30/9/2017 (Restated)	% Increase/ (Decrease)	9 months ended 30/9/2018	9 months ended 30/9/2017 (Restated)	% Increase/ (Decrease)
Statement of Comprehensive Income						
Profit attributable to:						
Owners of the Company	21,940	49,168	(55.4)	104,597	86,966	20.3
Non-controlling interests	1,921	3,884	(50.5)	4,519	2,499	80.8
Profit for the period	23,861	53,052	(55.0)	109,116	89,465	22.0
Currency translation gain (loss)	(61,825)	12,741	N/M	(68,949)	(4,815)	1,332.0
Total other comprehensive income for the period	(61,825)	12,741	N/M	(68,949)	(4,815)	1,332.0
Total comprehensive income for the period	(37,964)	65,793	N/M	40,167	84,650	(52.5)
Total comprehensive income attributable to:						
Owners of the company	(32,038)	67,837	N/M	43,494	84,296	(48.4)
Non-controlling interests	(5,926)	(2,044)	189.9	(3,327)	354	N/M
Total comprehensive income for the period	(37,964)	65,793	N/M	40,167	84,650	(52.5)

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

The Group (\$'000)	3 months ended 30/9/2018	3 months ended 30/9/2017 (Restated)	% Increase/ (Decrease)	9 months ended 30/9/2018	9 months ended 30/9/2017 (Restated)	% Increase/ (Decrease)
Employee share option expense	343	409	(16.1)	685	1,226	(44.1)
Interest expense on bank borrowings and finance leases	10,709	5,364	99.6	27,038	15,826	70.8
Interest expense on MTN bond	-	3,162	N/M	3,506	8,406	(58.3)
Interest income	(972)	(782)	24.3	(2,723)	(1,968)	38.4
Foreign currency exchange loss/(gain)	2,169	4,610	(53.0)	3,395	8,132	(58.3)
(Gain)/Loss on disposal of subsidiaries	-	-	-	(3,136)	781	N/M
Loss on strike-off of subsidiary	960	-	N/M	960	-	N/M
Allowance for doubtful receivables	-	-	-	556	-	N/M
Reversal of allowance for doubtful receivables	-	-	-	(281)	-	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 30/9/2018 \$'000	Group 31/12/2017 \$'000 (Restated)	Group 1/1/2017 \$'000 (Restated)	Company 30/9/2018 \$'000	Company 31/12/2017 \$'000
ASSETS					
Current assets:					
Cash and bank balances	385,387	631,304	493,541	5,407	259,081
Trade receivables	282,236	267,518	240,414	-	-
Service concession receivables	6,578	6,113	6,248	-	-
Other receivables and prepayments	342,039	204,550	141,233	881,074	918,580
Inventories	31,110	25,370	13,777	-	-
Prepaid leases	1,835	2,134	736	-	-
	1,049,185	1,136,989	895,949	886,481	1,177,661
Assets classified as held for sale	-	55,546	55,645	-	-
Total current assets	1,049,185	1,192,535	951,594	886,481	1,177,661
Non-current assets:					
Contract assets	167,806	291,801	9,412	-	-
Service concession receivables	678,675	672,826	597,191	-	-
Other receivables and prepayments	32,889	32,163	15,577	-	-
Prepaid leases	87,847	85,850	39,996	-	-
Subsidiaries	-	-	-	785,762	595,233
Associates	41,059	29,720	17,807	10,588	10,588
Property, plant and equipment	1,260,781	720,545	374,470	246	309
Goodwill	255,365	255,365	255,365	-	-
Intangible assets	281,873	252,636	271,894	200	200
Available-for-sale financial asset	4,530	2,660	-	-	-
Deferred tax assets	590	470	1,111	-	-
Total non-current assets	2,811,415	2,344,036	1,582,823	796,796	606,330
Total assets	3,860,600	3,536,571	2,534,417	1,683,277	1,783,991
LIABILITIES AND EQUITY					
Current liabilities:					
Bank loans	193,434	197,070	76,499	13,640	-
Medium term notes	-	224,559	-	-	224,559
Trade payables	937,154	692,519	301,029	-	-
Other payables	90,067	85,587	77,849	205,942	172,883
Finance leases	100	116	161	39	39
Income tax payable	67,678	55,336	29,273	-	-
	1,288,433	1,255,187	484,811	219,621	397,481
Liabilities directly associated with assets classified as held for sale	-	4,779	31,952	-	-
Total current liabilities	1,288,433	1,259,966	516,763	219,621	397,481
Non-current liabilities:					
Bank loans	607,939	387,725	256,868	-	-
Finance leases	163	236	169	109	139
Medium term notes	-	-	223,449	-	-
Deferred tax liabilities	57,304	52,294	45,432	-	-
Total non-current liabilities	665,406	440,255	525,918	109	139

	Group 30/9/2018 \$'000	Group 31/12/2017 \$'000 (Restated)	Group 1/1/2017 \$'000 (Restated)	Company 30/9/2018 \$'000	Company 31/12/2017 \$'000
Capital, reserves and non-controlling interests:					
Share capital	715,060	622,741	608,063	715,060	622,741
Perpetual capital securities	717,600	717,600	481,250	717,600	717,600
General reserve	11,279	10,569	7,414	-	-
Capital reserve	6,073	6,073	2,096	-	-
Share option reserve	13,420	21,848	27,782	13,420	21,848
Currency translation reserve	(80,259)	(19,156)	(11,999)	(3,880)	(13,005)
Retained earnings	357,111	324,419	260,981	21,347	37,187
Equity attributable to owners of the Company	1,740,284	1,684,094	1,375,587	1,463,547	1,386,371
Non-controlling interests	166,477	152,256	116,149	-	-
Total equity	1,906,761	1,836,350	1,491,736	1,463,547	1,386,371
Total liabilities and equity	3,860,600	3,536,571	2,534,417	1,683,277	1,783,991

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 30/9/2018</u>		<u>As at 31/12/2017</u>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
193,534	-	197,186	224,559

Amount repayable after one year

<u>As at 30/9/2018</u>		<u>As at 31/12/2017</u>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
608,102	-	387,961	-

Details of any collateral

1. The finance leases of \$263,000 (31 December 2017: \$352,000) is secured over the Group's motor vehicles.
2. The bank loans of \$801,373,000 (31 December 2017: \$584,795,000) 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 30/9/2018	3 months ended 30/9/2017 (Restated)	9 months ended 30/9/2018	9 months ended 30/9/2017 (Restated)
Operating activities				
Profit before income tax	37,600	68,329	155,776	119,911
Adjustments for:				
Interest income	(972)	(782)	(2,723)	(1,968)
Interest expense	10,709	8,526	30,544	24,232
Share of profit of associates	(208)	(734)	(949)	(2,071)
Depreciation and amortisation	9,137	4,730	25,298	18,799
Share option expense	343	409	685	1,226
Allowance for doubtful receivables	-	-	556	-
Reversal of allowance for doubtful receivables	-	-	(281)	-
(Gain)/Loss on disposal of subsidiaries	-	-	(3,136)	781
Loss on strike off of subsidiary	960	-	960	-
Exchange differences arising on foreign currency translation	15,475	(568)	19,601	18,671
Operating profit before working capital changes	73,044	79,910	226,331	179,581
Contract assets	(90,417)	(94,124)	(67,185)	(84,712)
Trade receivables	41,401	(1,445)	(17,984)	13,122
Other receivables	(47,571)	69,078	(96,055)	(22,246)
Inventories	(6,923)	(1,952)	(5,797)	(8,713)
Trade payables	97,304	89,696	11,356	119,618
Other payables	(7,364)	9,561	16,706	14,709
Cash generated from operations	59,474	150,724	67,372	211,359
Interest received	972	782	2,723	1,968
Interest paid	(10,709)	(5,712)	(31,870)	(20,776)
Income tax paid	(5,169)	(4,414)	(15,730)	(12,543)
Net cash generated from operating activities	44,568	141,380	22,495	180,008
Investing activities				
Acquisition of non-controlling shareholders in a subsidiary	-	-	-	(1,317)
Addition to property, plant and equipment	(126,075)	(199,151)	(245,717)	(320,879)
Addition to intangible assets	(1,807)	(28,896)	(2,114)	(34,795)
Addition to service concession receivables	-	(40,763)	-	(40,763)
Addition to prepaid lease	-	(11,416)	-	(35,985)
Refund/(Addition) to deposits for investment projects	21,418	(583)	(40,608)	(51,625)
Investment in associates	-	-	-	(6,967)
Investment in joint ventures	(783)	-	(1,870)	(524)
Disposal of subsidiary	-	-	10,378	21,717
Net cash used in investing activities	(107,247)	(280,809)	(279,931)	(471,138)
Financing activities				
Contribution from non-controlling shareholders	14,513	22,380	17,548	28,427
Dividend paid	(12,027)	-	(65,278)	(36,360)
New bank loans raised	165,944	22,315	449,666	303,546
Redemption of medium term notes	-	-	(225,000)	-
Proceeds from issuing new shares	2,813	-	83,750	6,748
Share buy-back and cancellation of shares	-	-	(544)	(3,213)
Repayment of obligations under finance leases	(30)	(26)	(90)	(66)
Repayment of bank borrowings	(38,892)	(6,840)	(238,523)	(47,991)
Net cash generated from financing activities	132,321	37,829	21,529	251,091

The Group (\$'000)	3 months ended 30/9/2018	3 months ended 30/9/2017 (Restated)	9 months ended 30/9/2018	9 months ended 30/9/2017 (Restated)
Net increase/(decrease) in cash and cash equivalents	69,642	(101,600)	(235,907)	(40,039)
Cash and cash equivalents at beginning of period	328,235	493,541	631,304	493,541
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(12,490)	48,015	(10,010)	(13,546)
Cash and cash equivalents at end of period	385,387	439,956	385,387	439,956

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 2018 (Restated)	622,741	717,600	10,569	6,073	21,848	(19,156)	324,419	1,684,094	152,256	1,836,350
Profit for the year	-	-	-	-	-	-	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 (Restated)	693,475	717,600	10,569	6,073	21,848	(2,071)	355,132	1,802,626	157,821	1,960,447
Profit for the year	-	-	-	-	-	-	43,325	43,325	188	43,513
Other comprehensive income for the period	-	-	-	-	-	(24,210)	-	(24,210)	(825)	(25,035)
Total comprehensive 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 (Restated)	710,429	717,600	10,673	6,073	14,895	(26,281)	356,692	1,790,081	157,890	1,947,971
Profit for the year	-	-	-	-	-	-	21,940	21,940	1,921	23,861
Other comprehensive income for the period	-	-	-	-	-	(53,978)	-	(53,978)	(7,847)	(61,825)
Total comprehensive 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 (Restated)	715,060	717,600	11,279	6,073	13,420	(80,259)	357,111	1,740,284	166,477	1,906,761

	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 (Restated)	608,063	481,250	7,414	2,096	27,782	(11,999)	260,981	1,375,587	116,149	1,491,736
Profit for the year	-	-	-	-	-	-	16,354	16,354	717	17,071
Other comprehensive loss for the period	-	-	-	-	-	(19,676)	-	(19,676)	(3,475)	(23,151)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(19,676)	16,354	(3,322)	(2,758)	(6,080)
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 (Restated)	604,850	481,250	7,414	2,096	28,190	(31,675)	271,188	1,363,313	114,337	1,477,650
Profit for the year	-	-	-	-	-	-	21,444	21,444	(2,102)	19,342
Other comprehensive income for the period	-	-	-	-	-	(1,663)	-	(1,663)	7,258	5,595
Total comprehensive income for the period	-	-	-	-	-	(1,663)	21,444	19,781	5,156	24,937
Issuance of shares on exercise of ESOS	11,658	-	-	-	(4,910)	-	-	6,748	-	6,748
Recognition of share based payment	-	-	-	-	409	-	-	409	-	409
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	3,785	3,785
Dividend payable	-	-	-	-	-	-	(29,523)	(29,523)	-	(29,523)
At 30 June 2017 (Restated)	616,508	481,250	7,414	2,096	23,689	(33,338)	263,109	1,360,728	123,278	1,484,006
Profit for the year	-	-	-	-	-	-	49,168	49,168	3,884	53,052
Other comprehensive income for the period	-	-	-	-	-	18,669	-	18,669	(5,928)	12,741
Total comprehensive income for the period	-	-	-	-	-	18,669	49,168	67,837	(2,044)	65,793
Recognition of share based payment	-	-	-	-	409	-	-	409	-	409
Incorporation of subsidiaries	-	-	-	-	-	-	-	-	22,002	22,002
Dividend payable	-	-	-	-	-	-	(6,804)	(6,804)	-	(6,804)
At 30 September 2017 (Restated)	616,508	481,250	7,414	2,096	24,098	(14,669)	305,473	1,422,170	143,236	1,565,406

	Share capital \$'000	Perpetual capital securities \$'000	Share option reserve \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total \$'000
Company						
At 1 January 2018	622,741	717,600	21,848	(13,005)	37,187	1,386,371
Loss for the year	-	-	-	-	(8,062)	(8,062)
Other comprehensive income for the period	-	-	-	9,126	-	9,126
Total comprehensive income/(loss) 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 year	-	-	-	-	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
Profit for the year	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	(829)	(919)	(1,748)
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

	Share capital \$'000	Perpetual capital securities \$'000	Share option reserve \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total \$'000
Company						
At 1 January 2017	608,063	481,250	27,782	7,160	22,921	1,147,176
Loss for the year	-	-	-	-	(8,080)	(8,080)
Other comprehensive loss for the period	-	-	-	(11,539)	-	(11,539)
Total comprehensive loss 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
Loss for the year	-	-	-	-	(5,872)	(5,872)
Other comprehensive income for the period	-	-	-	500	-	500
Total comprehensive income/(loss) for the period	-	-	-	500	(5,872)	(5,372)
Issuance of shares on exercise of ESOS	11,658	-	(4,910)	-	-	6,748
Recognition of share-based payment	-	-	409	-	-	409
Issuance of shares on placement	-	-	-	-	-	-
Dividend paid/payable	-	-	-	-	(29,523)	(29,523)
At 30 June 2017	616,508	481,250	23,689	(3,879)	(26,701)	1,090,867
Loss for the year	-	-	-	-	96,838	96,838
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	96,838	96,838
Recognition of share-based payment	-	-	409	-	-	409
Issuance of shares on placement	-	-	-	-	-	-
Dividend paid/payable	-	-	-	-	(6,804)	(6,804)
At 30 September 2017	616,508	481,250	24,098	(3,879)	63,333	1,181,310

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 July 2018	2,405,040,356
Issuance of New Shares on exercise of ESOS	<u>14,372,000</u>
Number of ordinary shares as at 30 September 2018	<u>2,419,412,356</u>

During the period, 14,372,000 of the employee share options were exercised. The total number of shares that may be issued on conversion of all the outstanding employee shares options were 38,970,200 (30 September 2017: 86,256,200).

The perpetual capital securities comprised USD355 million (30 September 2017: USD355 million) issued at 5.45% per annum; and S\$240 million (30 September 2017: Nil) 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.

	30/9/2018	31/12/2017
Total number of issues shares ('000)	2,419,412	2,284,973

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 2017. The new and revised FRSs and Interpretation of FRS ("INT FRS") that are effective from 1 January 2018 have no material effect on the amounts reported for the current or prior year, except for SFRS(I) 15 *Revenue from Contracts with Customers*.

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.

With the adoption of SFRS(I) 15 *Revenue from Contracts with Customers*, which is effective from 1 January 2018, the effect is as follows.

	Third Quarter 2017	
	Reported under SFRS \$'000	Reported under SFRS(I) \$'000
<u>Group Consolidated Statement of Comprehensive Income</u>		
Revenue	273,879	228,728
Profit for the period	60,955	53,052
Attributable to:		
Owners of the Company	58,757	49,168
Non-controlling interests	2,198	3,884
	60,955	53,052
Earnings per share (cents)		
- basic	2.59	2.17
- diluted	2.50	2.08
Adjusted earnings per share (cents)		
- basic	2.29	1.87
- diluted	2.21	1.79
<u>As at 31.12.2017</u>		
	Reported under SFRS \$'000	Reported under SFRS(I) \$'000
<u>Group Consolidated Balance Sheet</u>		
Non-current assets	2,416,235	2,344,036
Current liabilities	1,327,399	1,259,966
Total equity	1,841,116	1,836,350
Net assets value per share (cents)	80.57	80.37

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 30/9/2018	Group 3 months ended 30/9/2017 (Restated)	Group 9 months ended 30/9/2018	Group 9 months ended 30/9/2017 (Restated)
Net profit attributable to shareholders of the Company (\$'000)	21,940	49,168	104,597	86,966
Weighted average number of shares in issue (in '000) for computation of Basic EPS	2,412,408	2,265,234	2,360,008	2,265,234
Earnings per share (cents) - Basic	0.91	2.17	4.43	3.84
Weighted average number of shares in issue (in '000) for computation of Diluted EPS	2,451,379	2,362,924	2,398,978	2,362,924
Earnings per share (cents) – Diluted	0.89	2.08	4.36	3.68

Adjusted EPS	Group 3 months ended 30/9/2018	Group 3 months ended 30/9/2017 (Restated)	Group 9 months ended 30/9/2018	Group 9 months ended 30/9/2017 (Restated)
Net profit attributable to shareholders of the Company adjusted for dividends attributable to perpetual capital securities (\$'000)	13,052	42,363	81,040	67,218
Weighted average number of shares in issue (in '000) for computation of Basic EPS	2,412,408	2,265,234	2,360,008	2,265,234
Earnings per share (cents) - Basic	0.54	1.87	3.43	2.97
Weighted average number of shares in issue (in '000) for computation of Diluted EPS	2,451,379	2,362,924	2,398,978	2,362,924
Earnings per share (cents) – Diluted	0.53	1.79	3.38	2.84

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 30/9/2018	Group 31/12/2017 (Restated)	Company 30/9/2018	Company 31/12/2017
Net asset value (\$'000)	1,906,761	1,836,350	1,463,547	1,386,371
Net asset value per share (cents)	78.81	80.37	60.49	60.67

The net asset value per share is calculated based on the issued share capital of 2,419,412,356 (31 December 2017: 2,284,973,276).

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 \$238.2 million, which was \$9.5 million or 4.1% higher than last corresponding period ended 30 September 2017 of \$228.7 million. The breakdown of the revenue was as follows:

	Group 3 months ended 30/9/2018 \$'million	Group 3 months ended 30/9/2017 \$'million (Restated)	% increase/ (decrease)
Engineering revenue	122.9	157.5	(22.0)
Membrane system sales	65.5	26.5	147.2
	188.4	184.0	2.4
Treatment revenue *	49.8	44.7	11.4
Total	238.2	228.7	4.1

* Included finance income from service concessions.

The increase was mainly due to the increase in engineering revenue and membrane system sales from \$184.0 million to \$188.4 million, representing an increase of \$4.4 million or 2.4%.

Gross profit analysis for engineering and membrane system sales

	Group 3 months ended 30/9/2018 \$'million	Group 3 months ended 30/9/2017 \$'million (Restated)
Engineering revenue	122.9	157.5
Membrane system sales	65.5	26.5
Total	188.4	184.0
Changes in inventories	(6.0)	(2.2)
Material purchased, consumables used and subcontractors' fees [#]	(134.6)	(110.3)
Gross profit	47.8	71.5
GP margin (%)	25.4%	38.9%

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

Materials purchased, consumables used and subcontractors' fees increased to \$134.6 million from \$110.3 million, representing an increase of \$24.3 million or 22.0% as compared to the last corresponding period ended 30 September 2017. Gross profit margin decreased from 38.9% to 25.4%. The decrease in gross profit margin was mainly due to the composition of the revenue recognised during the period. Revenue for the current period pertained mainly to the civil works which had relatively lower gross profit margin as compared to the last corresponding period ended 30 September 2017.

Other income increased to \$3.4 million from \$1.3 million, representing an increase of \$2.1 million or 161.5% as compared to the last corresponding period ended 30 September 2017. The increase was mainly due to VAT rebates of \$0.6 million received by newly acquired treatment plants during the period.

Depreciation and amortisation expenses increased to \$9.1 million from \$4.7 million, representing an increase of \$4.4 million or 93.6% as compared to the last corresponding period ended 30 September 2017. The increase was mainly due to new additions of treatment plants during the period.

Other operating expenses increased to \$23.0 million from \$16.0 million, representing an increase of \$7.0 million or 43.8% as compared to the last corresponding period ended 30 September 2017. The increase was mainly due to new additions of treatment plants during the period.

Profit after tax decreased to \$23.9 million from \$53.1 million, representing a decrease of \$29.2 million or 55.0% as compared to the last corresponding period ended 30 September 2017.

Statement of financial position

The Group's non-current assets increased from \$2,344.0 million as at 31 December 2017 to \$2,811.4 million as at 30 September 2018. The increase was mainly due to additions to property, plant and equipment of \$245.7 million.

The Group's non-current liabilities increased from \$440.3 million as at 31 December 2017 to \$665.4 million as at 30 September 2018. The increase was mainly due to the additions of longer-tenure bank loan of \$449.7 million to finance the acquisition of investment projects during the period.

The Group's total equity increased from \$1,836.4 million as at 31 December 2017 to \$1,906.8 million as at 30 September 2018. The increase was mainly due to placement of 83,216,080 of new ordinary shares and issuance of 37,831,000 new ordinary shares on exercise of ESOS 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.

The environmental sector in China remains in focus with ongoing government efforts to improve eco-conditions in the country. Against this backdrop, the Group will continue to leverage its technological advantage to secure more projects in the water treatment segment, while sourcing opportunities in related environmental services such as ecological restoration, hazardous waste treatment, sludge management and the provision of integrated environmental services.

CEL remains upbeat and optimistically confident of its long-term prospects in environmental protection and the resulting demand for its technologies and environmental solutions. The Group believes its ongoing efforts and investments to strengthen its fundamentals and diversify its business over the years puts it in a favourable position to take advantage of the growing trends.

Update of the use of proceeds

	\$ million
Balance brought forward	66
Issuance of new shares pursuant to exercise of ESOS	4
Investment in Project Yingcheng	(15)
Investment in Project Aktau	(5)
Investment in Project Lanzhou	(30)
Investment in Project Xiaonan	(15)
Investment in Project Yunfu	(5)
Unutilised balance as at date of announcement	-

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/recommendeded, a statement to that effect.

No dividend has been declared/recommendeded.

13. Related parties and interested person transactions

The Group does not have a general mandate from shareholders for interested person transactions (“IPT”) pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”). Subsequent to 30 September 2018, the Company obtained shareholders’ approval for the IPT mandate for loan facilities and fund placement with CITIC Finance Company Limited.

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 2018 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

Zhang Yong
Director

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company secretary
24 October 2018

For Immediate Release

CITIC Envirotech achieves net profit of S\$23.9 million as revenue rises 4.1% to S\$238.2 million in 3Q2018

- On a nine-month basis, net profit rises 22.0% to S\$109.1 million as revenue swells 70.2% to S\$788.4 million.

Financial Highlights (S\$' million)	3 months ended 30 Sept			9 months ended 30 Sept		
	3Q2018	3Q2017	Change (%)	9M2018	9M2017	Change (%)
Total Revenue	238.2	228.7	4.1	788.4	463.2	70.2
– Engineering	122.9	157.5	(22.0)	357.3	219.1	63.1
– Membrane systems	65.5	26.5	147.2	279.2	114.9	143.0
– Treatment ^a	49.8	44.7	11.4	151.9	129.2	17.6
EBITDA	56.5	80.8	(30.1)	208.9	161.0	29.8
Net Profit for the period	23.9	53.1	(55.0)	109.1	89.5	22.0
Basic earnings per share (“EPS”) (Singapore cents) ^b	0.91	2.17	(58.1)	4.43	3.84	15.4
Net asset value (“NAV”) per share (Singapore cents) ^c	78.81 (as at 30 Sept 2018)			80.37 (as at 31 December 2017)		

a. Includes finance income from service concessions.

b. EPS was computed based on the weighted average number of 2,412,408,000 and 2,360,008,000 shares in 3Q2018 and 9M2018 respectively; and 2,265,234,000 shares in 3Q2017 and 9M2017.

c. NAV was computed based on 2,419,412,356 shares as at 30 Sept 2018 and 2,284,973,276 shares as at 31 December 2017.



SINGAPORE – 24 October 2018 – SGX-Mainboard listed CITIC Envirotech Ltd (“**CEL**”, or together with their subsidiaries, the “**Group**”), a leading membrane-based water and wastewater treatment and recycling solutions provider, has achieved a 4.1% increase year on year (“**YOY**”) in revenue to S\$238.2 million for the three months ended 30 September 2018 (“**3Q2018**”) as compared to S\$228.7 million in the corresponding three months in 2017 (“**3Q2017**”).

While CEL’s Engineering segment remained its main revenue generator contributing more than half its total revenue, the improved 3Q2018 top-line was driven mainly by the sterling performance of the Group’s Membrane System segment whose sales swelled 147.2% YOY to S\$65.5 million followed by the Treatment segment, which achieved double-digit growth of 11.4% YOY to S\$49.8 million. Despite the healthy revenue growth, the Group’s net profit for the period fell 55.0% YOY to S\$23.9 million. This was due to the composition of the revenue recognized during the period. Revenue for the current period pertained mainly to the civil works which had relatively lower gross profit margin as compared to the corresponding period ended 30 September 2017.

On a nine-month basis, CEL’s top and bottom-lines continued to generate strong double-digit YOY expansion with revenue and net profit increasing 70.2% and 22.0% respectively for the nine months ended 30 September 2018.

Executive Chairman and Group Chief Executive Officer, Mr Hao Weibao, said: “We are pleased to have improved on our topline in 3Q2018 despite the uncertain global economic condition.

“In China, which is our main market, the government has rolled out increasingly progressive environmental policies to curb pollution and promote ecological restoration. As such, the Group remains optimistic about our prospects because we believe our expertise and solutions to address these environmental issues positions us very well to reap the benefits of the country’s efforts.”

CEL will continue to leverage its technological advantage to secure more projects in the water treatment segment, while sourcing for opportunities in other related environmental services such as ecological restoration, hazardous waste treatment, sludge management and the provision of integrated environmental services.

– End –

This press release should be read in conjunction with CEL’s announcement released via SGXNet on 24 October 2018.



About CITIC Envirotech Ltd (“CEL”)

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.

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 Conson 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

For analyst and media queries, please contact:

August Consulting

Tel: +65 6733 8873

Wrisney Tan, wrisneytan@august.com.sg

Zavier Ong, zavierong@august.com.sg