

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 a 39.1% increase in net profit of S\$12.3 million for the first quarter ended 31 March 2016

- **Total revenue up 62.5% from S\$61.2 million to S\$99.5 million**
- **Engineering revenue increased 100% from S\$20.7 million to S\$41.4 million**
- **Recurring water treatment revenue up by 25.9% from S\$28.6 million to S\$36.0 million**
- **Membrane sales increased 85.7% from S\$11.9 million to S\$22.1 million of revenue**

Singapore, 28 April 2016 – Mainboard-listed CITIC Envirotech Ltd (“CEL” or “Group”), a leading membrane-based water treatment solutions provider reported a 39.1% increase in net profit from S\$8.9 million to S\$12.3 million compared to the last corresponding period ended 31 March 2015.

The Group recorded a total revenue of S\$99.5 million, which was S\$38.3 million or 62.5% higher than the last corresponding period ended 31 March 2015. This was mainly due to the increase in engineering business from S\$20.7 million to S\$41.4 million, representing an increase of \$20.7 million or 100.0%; and the increase of membrane sales from S\$11.9 million to S\$22.1 million, representing an increase of S\$10.2 million or 85.7%.

In addition, the Company continues its growth momentum in the recurring water treatment business segment and its recurring water treatment revenue increased S\$7.4 million or 25.9% to S\$36.0 million for the quarter ended 31 March 2016.

Profit after tax increased to S\$12.3 million from S\$8.9 million, representing an increase of S\$3.4 million or 39.1% as compared to the last corresponding period ended 31 March 2015.

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Financial Highlights

	1 Jan 2016 to 31 Mar 2016 (S\$'Mil)	1 Jan 2015 to 31 Mar 2015 (S\$'Mil)	Change (S\$ 'Mil)	Change (%)
- Engineering	41.4	20.7	20.7	100
- Treatment	36.0	28.6	7.4	25.9
- Membrane	22.1	11.9	10.2	85.7
Total Revenue	99.5	61.2	38.3	62.5
Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")	34.3	28.5	5.8	20.4
Net profit for the period	12.3	8.9	3.4	39.1

Outlook

The Group continues to remain upbeat about its prospects in the water sector in China given that addressing pollution issues is a key political mission of the Central Government of China. With the urban land getting scarce and the tightening of discharge standard beyond Grade 1A standard, the demand for highly effective and efficient advanced treatment technology is set to rise. This would benefit the Group as its strength lies in advanced wastewater treatment technology like Membrane Bioreactor ("MBR") technology which occupies less land, generates less sludge and delivers better-quality discharge.

In addition, the Group will further leverage on its strong track record and core expertise by engaging in strategic and large-scale merger and acquisition activities to expand its asset portfolio, particularly in the industrial sectors.

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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 about US\$ 120 billion in assets under management as at 31 Dec 2015.

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.

CEL was listed on SGX Mainboard on 22 April 2004.

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

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