

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 5-fold increase in net profit of S\$23.2 million for the second quarter ended 30 June 2016

- **Total revenue up 66.9% from S\$83.8 million to S\$140.0 million**
- **Engineering revenue increased 105.0% from S\$38.3 million to S\$78.5 million**
- **Membrane sales increased 77.9% from S\$9.5 million to S\$16.9 million of revenue**
- **Recurring water treatment revenue up by 23.9% from S\$36.0 million to S\$44.6 million**

Singapore, 27 July 2016 – Mainboard-listed CITIC Envirotech Ltd (“CEL” or “Group”), a leading membrane-based water treatment solutions provider reported a 527.9% increase in net profit after tax from S\$3.7 million to S\$23.2 million compared to the last corresponding period ended 30 June 2015.

The Group recorded a total revenue of S\$140.0 million, which was S\$56.2 million or 66.9% higher than the last corresponding period ended 30 June 2015. This was due to the increase in revenue of all three business segments, namely, engineering, membrane sales and water treatment.

Engineering revenue increased from S\$38.3 million to S\$78.5 million, representing an increase of S\$40.2 million or 105.0%; and membrane sales increased from S\$9.5 million to S\$16.9 million, representing an increase of S\$7.4 million or 77.9%. The Company continues its growth momentum in the recurring water treatment business segment and its recurring water treatment revenue increased S\$8.6 million or 23.9% to S\$44.6 million for the quarter ended 30 June 2016.

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Financial Highlights

	1 Apr 2016 to 30 Jun 2016 (S\$'Mil)	1 Apr 2015 to 30 Jun 2015 (S\$'Mil)	Change (S\$ 'Mil)	Change (%)
- Engineering	78.5	38.3	40.2	105.0
- Membrane	16.9	9.5	7.4	77.9
- Treatment	44.6	36.0	8.6	23.9
Total Revenue	140.0	83.8	56.2	66.9
Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")	49.5	19.9	29.6	148.7
Net profit for the period	23.2	3.7	19.5	527.9

Outlook

The outlook for the water treatment industry remains positive as the China central government continues its push towards stricter environmental protection policies.

Besides the water and wastewater sector, there is growing focus on sludge treatment in the China central government's overall plan to combat environmental pollution. In April 2016, CEL announced its first 700 tonnes/day BOT sludge treatment project in Weifang City, Shandong Province, China. CEL believes that given the more stringent environmental regulations, the sludge treatment market is poised to expand.

To meet the increase in demand for membranes, CEL's wholly-owned subsidiary, Memstar, in conjunction with the Singapore International Water Week 2016, officially opened its \$25 million innovation centre and membrane production facility in Singapore. With the completion of the new plant, which is supported by the Singapore Economic Development Board (EDB), Memstar will double the production capacity of its patented 3rd generation Thermally Induced Phase Separation (3G-TIPS) membranes to 10 million square meters per annum.

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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\$ 126 billion in assets under management as at 31 March 2016.

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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