

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 net profit of
S\$23.6 million for the third quarter
ended 30 September 2016**

- **9-month net profit after tax increased 114.6% to S\$59.2 million**
- **Total revenue increased 93.4% to S\$137.1 million from S\$70.9 million**
 - **Engineering revenue tripled to S\$83.0 million**
 - **Membrane sales increased 34.9% from S\$10.6 million to S\$14.3 million**
 - **Recurring water treatment revenue up by 22.1% from S\$32.6 million to S\$39.8 million**

Singapore, 26 October 2016 – Mainboard-listed CITIC Envirotech Ltd (“CEL” or “Group”), a leading membrane-based water treatment solutions provider reported a 57.4% increase in net profit after tax for the third quarter FY2016 to S\$23.6 million as compared to the last corresponding period ended 30 September 2015. The total net profit after tax for the 9-month period from January to September 2016 amounts to S\$59.2 million on the back of a total revenue of S\$376.5 million.

For the third quarter FY2016, the Group recorded a revenue of S\$137.1 million, which was S\$66.2 million or 93.4% higher than the last corresponding period ended 30 September 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\$27.7 million to S\$83.0 million, representing an increase of S\$55.3 million or 199.6%; and membrane sales increased from S\$10.6 million to S\$14.3 million, representing an increase of S\$3.7 million or 34.9%. The Company continues its growth momentum in the recurring water treatment business segment and its recurring water treatment revenue increased S\$7.2 million or 22.1% to S\$39.8 million for the quarter ended 30 September 2016.

During the period, the Company issued USD180 million perpetual capital securities with effective coupon of 4.25%. Partial of the proceeds were used to repay the first S\$100 million 7.25% Medium Term Notes (“MTN”). The Company continues to explore various channels of financing to lower its overall cost of borrowings in order to stay competitive in this capital-intensive water industry.

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Financial Highlights

	1 Jul 2016 to 30 Sep 2016 (S\$'Mil)	1 Jul 2015 to 30 Sep 2015 (S\$'Mil)	Change (S\$ 'Mil)	Change (%)
- Engineering	83.0	27.7	55.3	199.6
- Membrane	14.3	10.6	3.7	34.9
- Treatment	39.8	32.6	7.2	22.1
Total Revenue	137.1	70.9	66.2	93.4
Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")	35.7	28.8	6.9	23.8
Net profit for the period	23.6	15.0	8.6	57.4

Outlook

The China Central Government continues to focus its efforts on improving the overall quality of the water environment of the whole country and restoring the functions of the water ecological system. Action plans by the government to tackle pollution problems open up new business opportunities for CEL including urban river rehabilitation and restoration as well as hazardous waste/sludge treatment and management.

Equipped with the technological know-how and competitive edge, CEL is confident that it has the capability and resources to pursue opportunities in these strategic growth areas.

New substantial shareholder

China Reform Puissance Overseas entered into a conditional share purchase agreement with KKR China Water Investment Limited on 2 October 2016 to acquire 269,024,005 ordinary shares or approximately 23.85% of CITIC Envirotech Ltd.

Upon completion of the transaction, China Reform will be CEL's second largest shareholder. The company will be able to leverage on China Reform's strong business network, financial support and strategic guidance to bring the company to new heights.

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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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