

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 recorded its highest revenue
and net profit of S\$102 million for the financial year
ended 31 December 2016**

- **Full-year net profit after tax doubled from S\$51.5 million to S\$102.0 million**
- **Total revenue increased by S\$208.6 million or 62.1% to S\$544.6 million**

Singapore, 1 March 2017 – Mainboard-listed CITIC Envirotech Ltd (“CEL” or “Group”), a leading membrane-based water treatment solutions provider reported a two-fold increase in its full-year net profit after tax of S\$102.0 million on the back of a significant increase of 62.1% in its revenue, which rose by S\$208.6 million to S\$544.6 million.

The increase was mainly due to the engineering business, which rose from S\$124.6 million to S\$318.8 million, representing an increase of S\$194.2 million or 155.9%. The Company continues its growth momentum in the recurring water treatment business segment and its recurring water treatment revenue increased S\$30.9 million or 22.9% to S\$165.8 million for the year ended 31 December 2016 as compared to the last corresponding year ended 31 December 2015.

During the financial year, 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.

For the financial year ended 31 December 2016, the Board of Directors has proposed a final dividend of 0.75* Singapore cent and a special dividend of 0.25* Singapore cent per ordinary share.

** this is based on the post-split share base as at the date of announcement of 2,251,797,476.*

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Financial Highlights

	12 months ended 31/12/2016 (S\$'Mil)	12 months** ended 31/12/2015 (S\$'Mil)	Change (S\$ 'Mil)	Change (%)
- Engineering	318.8	124.6	194.2	155.9
- Membrane	60.0	76.5	(16.5)	(21.6)
- Treatment	165.8	134.9	30.9	22.9
Total Revenue	544.6	336.0	208	62.1
Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")	190.0	129.9	60.1	46.3
Net profit for the year	102.0	51.5	50.5	98.1

***During the last financial period, the Company changed its financial year end from 31 March to 31 December. The 12-month statement of comprehensive income of the Group for the period from 1 January 2015 to 31 December 2015 is included for comparison purposes.*

Outlook

In 2016, CEL witnessed a year of dynamic growth and expansion where key milestones were achieved when the Group secured new projects in river restoration, sludge and hazardous waste treatment. The Group also made good headway when it secured its first circular economy Public-Private- Partnership project in Shantou Chaonan, Guangdong Province, to provide a fully-integrated development project to achieve an efficient and self-sustained economy within the Shantou Chaonan industrial park.

The organic growth of the company's business in these strategic areas are in line with the China central government's overall plan to push for more stringent environmental policies and directives to combat water pollution, improve water ecological protection and water resource conservation and treatment. Also the Group continues to generate stable and recurring revenue from its investment in wastewater treatment plants to improve its bottom line.

Looking ahead in 2017, the Group is confident that with the tremendous opportunities present in the water and environmental sector, the Company will continue to secure large-scale and rewarding contracts to significantly boost the Company's financial performance.

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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.

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 owning a 23.85% stake. 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 stated-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

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