

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 44.7% increase in net profit from S\$12.3 million to S\$17.8 million for the first quarter ended 31 March 2017

- Total revenue up 14.3% from S\$99.5 million to S\$113.7 million
- Engineering revenue increased 53.4% from S\$41.4 million to S\$63.5 million
- Recurring water treatment revenue up by 4.7% from S\$36 million to S\$37.7 million

Singapore, 25 April 2017 – Mainboard-listed CITIC Envirotech Ltd (“CEL” or “Group”), a leading membrane-based water treatment solutions provider reported a 44.7% increase in net profit from S\$12.3 million to S\$17.8 million compared to the last corresponding period ended 31 March 2016.

The Group recorded a total revenue of S\$113.7 million, which was S\$14.2 million or 14.3% higher than the last corresponding period ended 31 March 2016. This was mainly due to the increase in engineering business from S\$41.4 million to S\$63.5 million, representing an increase of \$22.1 million or 53.4%.

In addition, the Company continues its growth momentum in the recurring water treatment business segment. Its recurring water treatment revenue increased S\$1.7 million or 4.7% to S\$37.7 million for the quarter ended 31 March 2017. Membrane sales decreased 43.4% from S\$22.1 million to S\$12.5 million due to the completion of a major project.

Financial Highlights

	1 Jan 2017 to 31 Mar 2017 (S\$'Mil)	1 Jan 2016 to 31 Mar 2016 (S\$'Mil)	Change (S\$ 'Mil)	Change (%)
- Engineering	63.5	41.4	22.1	53.4
- Treatment	37.7	36.0	1.7	4.7
- Membrane	12.5	22.1	(9.6)	(43.4)
Total Revenue	113.7	99.5	14.2	14.3
Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”)	37.5	34.3	3.2	9.3
Net profit for the period	17.8	12.3	5.5	44.7

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Outlook

The Water Ten Plan (水十条) set out by the China Central Government has many specific and measurable targets to be achieved by 2020 and 2030 which aims to restore and improve the water ecological system. CEL continues to register strong growth momentum in the water sector and recently expanded into new areas in river restoration, sludge and hazardous waste treatment. In view of the government's commitment to environmental conservation and pollution reduction and given CEL's advanced membrane technologies, the Group is confident that it is well positioned to secure more projects in the pipeline.

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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 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



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