

CITIC Envirotech Ltd

Company Registration No: 200306466G

Company Address: 10 Science Park Road #01-01 The Alpha Singapore 117684

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Immediate Release

CITIC Envirotech Ltd recorded a stellar net profit of \$101 million for the 9 months ended 30 September 2017

- **9-month net profit-after-tax increased 70.7% to \$101.0 million, comparable to 2016's 12-month net profit-after-tax of \$102.0 million**
- **Third quarter revenue doubled to \$273.9 million**

Singapore, 2 November 2017 – Mainboard-listed CITIC Envirotech Ltd (“CEL” or “Group”), a leading membrane-based integrated environmental solutions provider reported a 158.0% increase in net profit-after-tax for the third quarter FY2017 to \$61.0 million as compared to the last corresponding period ended 30 September 2016. The total net profit-after-tax for the 9-month period from January to September 2017 amounts to \$101.0 million on the back of a total revenue of \$522.0 million.

For the third quarter FY2017, the Group recorded a revenue of \$273.9 million, which was \$136.8 million or 99.8% higher than the last corresponding period ended 30 September 2016. The increase was mainly due to the increase in engineering business from \$83.0 million to \$226.0 million, representing an increase of \$143.0 million or 172.3%. The Company continues its growth momentum in the recurring water treatment business segment which increased from \$39.8 million to \$44.6 million, representing an increase of \$4.8 million or 12.1% for the quarter ended 30 September 2017.

The Group has been actively exploring various fund raising options for its investments and operations. In October 2017, the Group successfully raised SGD 240,000,000 perpetual capital securities under its USD 1.5 billion Multicurrency Perpetual Securities Issuance Programme. The launch of the securities saw strong demands with order book of over SGD 1.4 billion, which enabled CEL to tighten the coupon to 3.9%. This marks the Group's lowest funding cost to-date in the bond/perpetual capital securities market and is a testament to CEL's strong parentage and excellent track record.

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Financial Highlights

	1 Jul 2017 to 30 Sep 2017 (\$'Mil)	1 Jul 2016 to 30 Sep 2016 (\$'Mil)	Change (\$ 'Mil)	Change (%)
- Engineering	226.0	83.0	143.0	172.3
- Treatment	44.6	39.8	4.8	12.1
- Membrane	3.3	14.3	(11.0)	(76.9)
Total Revenue	273.9	137.1	136.8	99.8
Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")	91.3	41.8	49.5	118.4
Net profit for the period	61.0	23.6	37.4	158.0

Outlook

The Group has gained significant traction in securing more projects in its water investment and engineering businesses.

In addition, the Group has been providing more comprehensive environmental services in river restoration, hazardous waste, sludge management and integrated environmental services. With the Chinese government's push towards protecting the environment, we anticipate that these new business segments will form the next growth driver and contribute positively to the revenue for the Group in the coming year.

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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.

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 more than US\$ 126 billion in assets under management.

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. 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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