

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

- Full-year net profit after tax increased 24.9% from \$102.0 million to \$127.3 million
- Total revenue increased by \$364.2 million or 66.9% to \$908.8 million

Singapore, 27 February 2018 – Mainboard-listed CITIC Envirotech Ltd (“CEL” or “Group”), a leading membrane-based integrated environmental solutions provider reported a 24.9% increase in its full-year net profit after tax of \$127.3 million on the back of a significant increase of 66.9% in its revenue, which rose from \$544.6 million to \$908.8 million.

With stricter discharge standards imposed by the Chinese government, CEL’s advanced membrane technology provides a competitive edge and key driving force in propelling the growth of its business segments. Its membrane-based engineering segment rose from \$318.8 million to \$686.5 million, representing an increase of \$367.7 million or 115.3%. Recurring treatment revenue continues its growth momentum and increased \$26.7 million or 16.1% to \$192.5 million as compared to the last corresponding year ended 31 December 2016.

In 2017, CEL was able to ride on a strong momentum of order book to secure contracts valued in aggregate of more than RMB 10 billion. In addition to clinching a steady flow of contracts, CEL is also expanding its membrane technology division to manufacture nanofiltration (NF) and reverse osmosis (RO) membranes in USA by Memstar USA, a subsidiary of CEL, and start production by the first half of 2018.

For the financial year ended 31 December 2017, the Board of Directors has proposed a final dividend of 1.5 Singapore cent per ordinary share.

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Financial Highlights

	12 months ended 31/12/2017 (S\$'Mil)	12 months ended 31/12/2016 (S\$'Mil)	Change (S\$ 'Mil)	Change (%)
- Engineering	686.5	318.8	367.7	115.3
- Treatment	192.5	165.8	26.7	16.1
- Membrane Sales	70.3	75.3	(5.0)	(6.6)
- Internal Membrane Sales	40.5	15.3		
Total Revenue	908.8	544.6	364.2	66.9
Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")	231.3	190.0	41.3	21.7
Net profit for the year	127.3	102.0	25.3	24.9

Outlook

Opportunities continue to abound in the environmental sector in China with its ongoing focus on improving environmental quality. Given the Company's technological advantage, it is an immediate beneficiary of any move by China to raise water treatment and waste disposal standards.

The Group is actively carrying out Research, Development and Design and has successfully developed and filed 22 patents, some of which will be commercialised in 2018. These commercialisation will be instrumental in driving operational excellence in all aspects of CEL's business and operations; as well as in providing innovative, effective and efficient solutions to its customers.

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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 Conson 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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