

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 145% increase in
net profit of \$41.7 million
for the first quarter ended 31 March 2018**

- **Total revenue up 133% from \$111.2 million to \$259.2 million**
- **Revenue increased for all three business segments**
- **Membrane system sales increased 361% to \$90.9 million**

Singapore, 25 April 2018 – Mainboard-listed CITIC Envirotech Ltd (“CEL” or “Group”), a leading membrane-based integrated environmental solutions provider reported a 145% increase in net profit from \$17.1 million to \$41.7 million, while revenue grew 133% from \$111.2 million to \$259.2 million, compared to the last corresponding period ended 31 March 2017.

The quarter’s strong earnings were contributed by the increase in revenue in all its business segments, particularly its engineering business and membrane system sales segments. Its engineering segment rose from \$53.8 million to \$121.9 million, representing an increase of \$68.1 million or 127%, while its membrane system sales rose from \$19.7 million to \$90.9 million, representing an increase of \$71.2 million or 361%. In addition, recurring treatment revenue continues its growth momentum and increased 23% from \$37.7 million to \$46.4 million, as compared to the last corresponding year ended 31 December 2017.

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Financial Highlights

	1 Jan 2018 to 31 Mar 2018 (S\$'Mil)	1 Jan 2017 to 31 Mar 2017 (S\$'Mil)	Change (S\$ 'Mil)	Change (%)
- Engineering	121.9	53.8	68.1	126.6
- Treatment	46.4	37.7	8.7	23.1
- Membrane System Sales	90.9	19.7	71.2	361.4
Total Revenue	259.2	111.2	148.0	133.1
Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")	74.9	36.5	38.4	105.2
Net profit for the period	41.7	17.1	24.7	144.5

Outlook

Following the 19th National Congress of the Communist Party of China in Beijing in October 2017, the Chinese government declared that more efforts will be put into improving and building a "clean and beautiful China". The government's latest vision on environmental regulation focuses on promoting green development initiatives, solving prominent environmental problems, intensifying the protection of ecosystems and reforming the environmental regulation system. Environmental management and protection continues to be urgent issues that need to be addressed by China, and this translates to immense growth opportunities for the environmental protection industry.

In March 2018, China reiterated its stand on environmental protection with the formation of the new Ministry of Ecological Environment, which has sweeping powers to curb pollution. It is a major step to protect the environment and will help prevent systemic destruction of China's ecology.

China's stringent policies on pollution protection will continue to generate new opportunities for CEL. CEL with its advance environmental technologies and proven track record is poised to tap on the growing market to meet these demands. The Group continues its strong momentum in securing more environmental projects and is on track to deliver comprehensive and sustainable solutions to tackle environmental pollution.

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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 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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