

For Immediate Release

CITIC Envirotech continues growth trajectory with more than two-fold increase in sales and earnings in 2Q2018

- *Attributes stellar performance to numerous projects secured over the past 12 months.*
- *Declares its first interim dividend pay-out of 0.5 Singapore cents per share.*

Financial Highlights (S\$' million)	3 months ended 30 June			6 months ended 30 June		
	2Q 2018	2Q 2017	Change (%)	1H 2018	1H 2017	Change (%)
Total Revenue	291.0	123.2	136.1	550.2	234.4	134.7
– Engineering	112.5	53.3	111.1	234.4	107.1	118.9
– Membrane systems	122.8	23.1	431.6	213.7	42.8	399.3
– Treatment ^a	55.7	46.8	19.0	102.1	84.5	20.8
EBITDA	77.5	43.7	77.3	152.4	80.2	90.0
Net Profit for the period	43.5	19.3	125.0	85.3	36.4	134.1
Basic earnings per share (“EPS”) (Singapore cents) ^b	1.82	0.95	91.6	3.54	1.54	129.9
Net asset value (“NAV”) per share (Singapore cents) ^c	81.00 (as at 30 June 2018)			80.37 (as at 31 December 2017)		

a. *Includes finance income from service concessions.*

b. *EPS was computed based on the weighted average number of 2,376,330 shares in 2Q2018 and 2,333,662 shares 1H2018; and 2,260,287 shares in 2Q2017 and 1H2017.*

c. *NAV was computed based on 2,405,040,356 shares as at 30 June 2018 and 2,284,973,276 shares as at 31 December 2017.*

SINGAPORE – 25 July 2018 – Riding on the same growth trajectory that saw it achieve record revenues and net profits for the last three consecutive financial years, SGX-Mainboard listed CITIC Envirotech Ltd (“**CEL**”, or together with their subsidiaries, the “**Group**”), a leading membrane-based water and wastewater treatment and recycling solutions provider, has recorded a more than two-fold increase in sales and earnings for the three months ended 30 June 2018 (“**2Q2018**”).

The Group’s net profit in 2Q2018 leapt 125.0% year-on-year (“**YOY**”) to S\$43.5 million on the back of revenue which surged 136.1% to S\$291.0 million. Rising in tandem, net profit for the six months ended 30 June 2018 jumped 134.1% YOY to S\$85.3 million on revenue which expanded 134.7% to S\$550.2 million.

Revenue growth in 2Q2018 was led by the engineering segment and membrane systems sales, which expanded 111.1% and 431.6% YOY to S\$112.5 million and S\$122.8 million respectively.

Executive Chairman and Group Chief Executive Officer, Mr Hao Weibao, said: “Demand for wastewater and hazardous treatment solutions has been growing in tandem with the increasing attention on environmental protection in China. The Chinese government in its 13th Five-Year Plan, had also outlined its aim to increase spending on such projects¹. The recent rapid pace of project wins secured by our Group not only shows this but also attests to CEL’s track record and expertise in this segment.

“The Group’s recent performance reflects our diversification beyond wastewater treatment projects to other segments within the environmental technologies space.”

In view of the healthy financial results, CEL has declared its maiden interim dividend payout of 0.5 Singapore cents per share for the six months ended 30 June 2018.

¹ Article “China’s 13th five year plan: what role will wastewater play?” by Water & Wastewater International (<https://www.waterworld.com/articles/wwi/print/volume-33/issue-1/technology-case-studies/china-s-13th-five-year-plan-what-role-will-wastewater-play.html>)

Outlook

CEL remains upbeat about the opportunities available in the environment protection industry in China. Besides securing more projects in the water segment, the Group has increased its presence in related environmental services such as ecological restoration, hazardous waste treatment, sludge management and integrated environmental services.

At the recent Singapore International Water Week from 8 to 12 July 2018, the Group announced two strategic moves that are expected to have a potentially positive impact on future growth.

The first was the official launch of its wholly-owned subsidiary, Singapore Envirotech Accelerator Pte Ltd (“**SEA**”), which aims to accelerate the innovation and commercialisation of environmental technologies drawn from intellectual properties and Research and Development performed locally and internationally by institutions, industry and technopreneurs.

Supported by the Singapore Economic Development Board, SEA will identify promising Small and Medium Enterprises to fund and mentor and to bring their innovations to market and eventually for a potential listing on the Singapore bourse. Its work is expected to complement the Group’s existing services and technologies as well as introduce new innovations to the market.

The second was in relation to CEL’s wholly owned subsidiary Memstar Pte Ltd (“**Memstar**”), which announced the opening of its first plant outside Asia. The US\$15 million, 40,500 sq ft membrane manufacturing facility in Conroe, Texas, USA, will manufacture Memstar’s latest product, the Memstar Advance Reverse Osmosis and Nano Filtration Membrane, which enables the removal of salt from water to facilitate desalination, water recycling and many other water purification applications. With the new product as well as its existing Microfiltration and Ultrafiltration Membranes, Memstar now offers a complete range of membrane filtration products used in water treatment.

*“These recent corporate developments demonstrate the Group’s commitment to build a sustainable business for the long term. While we are busy chasing down every lead to secure more projects to maintain a robust order book, we are at the same time ramping up for future growth by continuing our development of new products as well as exploring opportunities to invest in technology that will keep us at the forefront of breakthroughs and advancements in clean technologies,” said **Mr Hao**.*



This press release should be read in conjunction with CEL's announcement released via SGXNet on 25 July 2018.

About CITIC Envirotech Ltd ("CEL")

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.
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