

For Immediate Release

CITIC Envirotech achieves net profit of S\$23.9 million as revenue rises 4.1% to S\$238.2 million in 3Q2018

- On a nine-month basis, net profit rises 22.0% to S\$109.1 million as revenue swells 70.2% to S\$788.4 million.

Financial Highlights (S\$' million)	3 months ended 30 Sept			9 months ended 30 Sept		
	3Q2018	3Q2017	Change (%)	9M2018	9M2017	Change (%)
Total Revenue	238.2	228.7	4.1	788.4	463.2	70.2
– Engineering	122.9	157.5	(22.0)	357.3	219.1	63.1
– Membrane systems	65.5	26.5	147.2	279.2	114.9	143.0
– Treatment ^a	49.8	44.7	11.4	151.9	129.2	17.6
EBITDA	56.5	80.8	(30.1)	208.9	161.0	29.8
Net Profit for the period	23.9	53.1	(55.0)	109.1	89.5	22.0
Basic earnings per share (“EPS”) (Singapore cents) ^b	0.91	2.17	(58.1)	4.43	3.84	15.4
Net asset value (“NAV”) per share (Singapore cents) ^c	78.81 (as at 30 Sept 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 2,412,408,000 and 2,360,008,000 shares in 3Q2018 and 9M2018 respectively; and 2,265,234,000 shares in 3Q2017 and 9M2017.

c. NAV was computed based on 2,419,412,356 shares as at 30 Sept 2018 and 2,284,973,276 shares as at 31 December 2017.



SINGAPORE – 24 October 2018 – 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 achieved a 4.1% increase year on year (“**YOY**”) in revenue to S\$238.2 million for the three months ended 30 September 2018 (“**3Q2018**”) as compared to S\$228.7 million in the corresponding three months in 2017 (“**3Q2017**”).

While CEL’s Engineering segment remained its main revenue generator contributing more than half its total revenue, the improved 3Q2018 top-line was driven mainly by the sterling performance of the Group’s Membrane System segment whose sales swelled 147.2% YOY to S\$65.5 million followed by the Treatment segment, which achieved double-digit growth of 11.4% YOY to S\$49.8 million. Despite the healthy revenue growth, the Group’s net profit for the period fell 55.0% YOY to S\$23.9 million. This was due to the composition of the revenue recognized during the period. Revenue for the current period pertained mainly to the civil works which had relatively lower gross profit margin as compared to the corresponding period ended 30 September 2017.

On a nine-month basis, CEL’s top and bottom-lines continued to generate strong double-digit YOY expansion with revenue and net profit increasing 70.2% and 22.0% respectively for the nine months ended 30 September 2018.

Executive Chairman and Group Chief Executive Officer, Mr Hao Weibao, said: “We are pleased to have improved on our topline in 3Q2018 despite the uncertain global economic condition.

“In China, which is our main market, the government has rolled out increasingly progressive environmental policies to curb pollution and promote ecological restoration. As such, the Group remains optimistic about our prospects because we believe our expertise and solutions to address these environmental issues positions us very well to reap the benefits of the country’s efforts.”

CEL will continue to leverage its technological advantage to secure more projects in the water treatment segment, while sourcing for opportunities in other related environmental services such as ecological restoration, hazardous waste treatment, sludge management and the provision of integrated environmental services.

– End –

This press release should be read in conjunction with CEL’s announcement released via SGXNet on 24 October 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 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

For analyst and media queries, please contact:

August Consulting

Tel: +65 6733 8873

Wrisney Tan, wrisneytan@august.com.sg

Zavier Ong, zavierong@august.com.sg