

**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 increases in Treatment Revenue and Membrane Revenue by 28.9% and 96.3% respectively for the second quarter

- Recurring water treatment revenue up by S\$7.3 million to S\$32.6 million
- Membrane sales increased by S\$5.2 million to S\$10.6 million

**Singapore, 28 October 2015** – Mainboard-listed CITIC Envirotech Ltd, a leading membrane-based water treatment solutions provider reported a 28.9% increase year-on-year (yoy) in its recurring water treatment revenue of S\$7.3 million to S\$32.6 million for the second quarter ended 30 September 2015. Its membrane sales revenue also increased 96.3% yoy from S\$5.2 million to S\$10.6 million for the same period.

In addition, gross profit margin for the engineering and membrane sales has increased from 29.2% to 37.6% due to the increase in membrane sales which has a higher margin for the current period.

However, its total revenue was S\$70.9 million, which was S\$34.5 million or 32.7% lower than the last corresponding period ended 30 September 2014 of S\$105.4 million. This was mainly due to the decrease in engineering business, which is lumpy, from S\$74.7 million to S\$27.7 million, representing a decrease of S\$47.0 million or 62.9%.

**Financial Highlights**

	1 July to 30 Sept 2015 (S\$ 'Mil)	1 July to 30 Sept 2014 (S\$ 'Mil)	Change (S\$ 'Mil)	Change (%)
- Engineering	27.7	74.7	(47)	(62.9)
- Treatment	32.6	25.3	7.3	28.9
- Membrane	10.6	5.4	5.2	96.3
<b>Total Revenue</b>	<b>70.9</b>	<b>105.4</b>	<b>(34.5)</b>	<b>(32.7)</b>
<b>Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")</b>	<b>32.9</b>	<b>33.3</b>	<b>(0.4)</b>	<b>(1.2)</b>
<b>Net profit for the period</b>	<b>15.0</b>	<b>18.0</b>	<b>(3.0)</b>	<b>(16.7)</b>

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**Adjusted Net Profit Analysis for the 6-month period ended 30 September 2015:**

	Group 6 months ended 30/9/2015	Group 6 months ended 30/9/2014	% Increase/(Decrease)
	S\$'million	S\$'million	
Net profit for the year	18.7	40.8	(54.2)
<u>Adjusted for one-off items:</u>			
One-off fees relating to the Voluntary General Offer in April 2015	6.5	-	N/M
One-off gain on disposal of AFS	-	(14.2)	N/M
Net profit adjusted for one-off items	25.2	26.6	(5.3)

For the 6-month period ended 30 September 2015, after the adjustment for one-off items, the Group generated a net profit of S\$25.2 million as compared to S\$26.6 million for the last corresponding period ended 30 September 2014, representing a decrease of S\$1.4 million or 5.3%.

**Outlook**

Following the Voluntary General Offer in April 2015, CITIC Environment Investment Group Co., Ltd ("CITIC Environment") and KKR China Water Investment Holdings Ltd ("KKR") become the major shareholders of CITIC Envirotech Ltd ("CEL"). The Company has since changed its name from United Envirotech Ltd to CITIC Envirotech Ltd.

The outlook for the Chinese water treatment sector, especially the industrial wastewater sector, continues to be positive with more opportunities arising from stricter government policies, like the Water Pollution Prevention Plan ("水十条") which was announced in April 2015.

In addition, CITIC Limited ("CITIC") announced on 24 June 2015 that its banking, securities, trust and construction divisions will jointly invest more than 700 billion yuan to support China's "One Belt, One Road" initiative. As CITIC's flagship water treatment platform, this new initiative provides an excellent opportunity for CEL to participate in the water infrastructure development projects along the One Belt, One Road trade routes.

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**About CITIC Envirotech Ltd.**

CITIC Envirotech Ltd (“CEL”, “Group”), formerly known as United Envirotech Ltd, is a leading membrane technology-based integrated environmental solutions provider which specialised in the manufacturing of high quality membrane products and the application of membrane technologies for water and wastewater treatment and recycling. Its principal activities 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.

CEL serves a strong prominent customer base such as petrochemical giants like China Petrochemical Corporation (“Sinopec”), China National Petroleum Corporation (“CNPC”), China National Offshore Oil Corporation (“CNOOC”), industrial parks and municipalities.

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 about US\$ 101.6 billion in assets under management as at June 2015.

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 is one of China’s largest conglomerate and state owned enterprise which has its businesses in multiple sectors, including financial services and engineering contracting in China.

CEL was listed on SGX Mainboard on 22 April 2004.

For more information, please log on [www.citicenvirotech.com](http://www.citicenvirotech.com)

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**Issued by CITIC Envirotech Ltd.**