

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 \$40 million in net profit
for the six months ended 30 June 2017**

- **Total revenue up 3.6% from \$239.4 million to \$248.1 million**
- **Engineering revenue increased 18.5% from \$119.9 million to \$142.1 million**
- **Recurring water treatment revenue up by 4.8% from \$80.6 million to \$84.5 million**

Singapore, 25 July 2017 – Mainboard-listed CITIC Envirotech Ltd (“CEL” or “Group”), a leading membrane-based integrated environmental solutions provider reported a six months net profit after tax of \$40.0 million compared to \$35.5 million in the last corresponding period ended 30 June 2016.

The Group recorded a total revenue of \$248.1 million, which was \$8.7 million or 3.6% higher than the last six months corresponding period ended 30 June 2016 of \$239.4 million. The rise was mainly due to the increase in the revenue of the engineering and water treatment segments.

Engineering revenue increased from \$119.9 million to \$142.1 million, representing an increase of \$22.2 million or 18.5% compared to the last six months corresponding period ended 30 June 2016. The Company continues its growth momentum in the recurring water treatment business segment and its recurring water treatment revenue increased \$3.9 million or 4.8% to \$84.5 million for the six months ended 30 June 2017.

Membrane revenue for the six months ended 30 June 2017 decreased from \$39.0 million to \$21.5 million compared to the last corresponding period due to the completion of a major project.

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Financial Highlights

	1 Apr 2017 to 30 Jun 2017 (S\$'Mil)	1 Apr 2016 to 30 Jun 2016 (S\$'Mil)	Change (%)	1 Jan 2017 to 30 Jun 2017 (S\$'Mil)	1 Jan 2016 to 30 Jun 2016 (S\$'Mil)	Change (%)
- Engineering	78.6	78.5	0.1	142.1	119.9	18.5
- Treatment	46.8	44.6	4.9	84.5	80.6	4.8
- Membrane	9.0	16.9	(46.7)	21.5	39.0	(44.9)
Total Revenue	134.4	140.0	(4.0)	248.1	239.4	3.6
Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")	47.5	49.5	(4.2)	85.0	83.9	1.3
Net profit for the period	22.2	23.2	(4.2)	40.0	35.5	12.7

Outlook

The Group is on track in its growth and expansion in the water sector and is strategically expanding into new business segments, taking advantage of the growing demand in river restoration, sludge management, hazardous waste management as well as the provision of integrated environmental services within industrial parks.

At the same time, demand for industrial wastewater treatment continues to increase, driven by continued steady growth in China's economy as well as the government's commitment towards environmental conservation and pollution control. The Group is one of the market leaders in industrial wastewater treatment industry in China, with outstanding track record in employing membrane bioreactor technology. Leveraging on its advance membrane technologies, the Group is confident that it is well positioned to further its market share in the water sector, especially in the industrial water segment.

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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.

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 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 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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