



CITIC ENVIROTECH LTD
(Company Registration Number: 200306466G)

INCORPORATION OF NEW SUBSIDIARY

CITIC Envirotech Ltd. (the “**Company**”) wishes to announce that the Company had on 11 November 2016 incorporated a new subsidiary, Memstar Holding Pte Ltd (“**Memstar Holding**”) in Singapore, pursuant to a joint venture agreement entered into between the Company, Dr. Lin Yucheng (“**Dr. Lin**”), Dr. Ge Hailin (“**Dr Ge**”) and Aquarius Membrane LLC (“**Joint Venture**”).

The purpose of the Joint Venture is to enter into, among other things, the new business of manufacturing and selling reverse osmosis membrane (“RO membrane”) and nanofiltration membrane (“NF membrane”), with a view towards accelerating sales of membrane products, including microfiltration membrane (“MF membrane”) and ultrafiltration membrane (“UF membrane”) currently manufactured by Memstar Pte Ltd, a wholly owned subsidiary of the Company. In addition, it will expand into high-value membrane-based process separation such as gas separations. Memstar Holding will immediately be setting up a subsidiary in the United States of America to carry out this business.

Pursuant to the Joint Venture, the Company will contribute capital of an aggregate of US\$12,000,000 in return for an approximate 80% initial interest in the issued share capital of Memstar Holding, while Dr. Lin and Dr. Ge will each contribute capital of an aggregate of US\$1,500,000 in return for an approximate 10% initial interest each in the issued share capital of Memstar Holding. Aquarius Membrane LLC will initially have one share in Memstar Holding.

As Dr. Lin is an Executive Director and Group Chief Executive Officer of the Company, the Joint Venture is an interested person transaction under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited. As the aggregate value of all interested person transactions entered into by the Company and Dr Lin (and his associates) for the current financial year (including the Company’s investment in Memstar Holding) does not exceed 3% of the Group’s latest audited net tangible assets value, the Joint Venture is not subject to the requirements under Rule 905 and 906 of the Listing Manual.

Save as disclosed above, none of the directors, substantial shareholders or controlling shareholders of the Company has any interest, direct or indirect, in the Joint Venture.

By Order of the Board of
Lotus Isabella Lim Mei Hua
Company Secretary

14 November 2016