



CITIC ENVIROTECH LTD
(Company Registration Number: 200306466G)

CHANGE IN SHAREHOLDING IN SUBSIDIARY

CITIC Envirotech Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 14 November 2016 in relation to the incorporation of 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. Ge Hailin and Aquarius Membrane LLC (“**Aquarius**”) (the “**Joint Venture**”), and the Company’s announcement dated 5 December 2016 in relation to the incorporation of a subsidiary in the United States of America under the name “Memstar USA Inc” by Memstar Holding pursuant to the Joint Venture.

The purpose of the Joint Venture was to enter into, among other things, the new business of manufacturing and selling reverse osmosis membrane and nanofiltration membrane, with a view towards accelerating global sales of membrane products, including microfiltration membrane and ultrafiltration membrane currently manufactured by Memstar Pte Ltd, a wholly owned subsidiary of the Company.

The Company wishes to announce that the Company has on 13 August, 2019 transferred 3,749,999 shares held by it in Memstar Holding to Aquarius pursuant to a supplemental agreement entered into among the parties to the Joint Venture (“**Share Transfer**”). Aquarius is a special purpose vehicle owned by the key employees of Memstar USA Inc. The Share Transfer is for no consideration as it is intended to reward the Key Employees for the achievement of certain performance milestones. Following the Share Transfer, the Company and Aquarius respectively hold 55% and 25% of the issued and paid-up share capital of Memstar Holding.

The Share Transfer is not expected to have any material impact on the net tangible assets per share of the Group for the financial year ending 31 December 2019.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Share Transfer.

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

14 August 2019