

UNITED ENVIROTECH LTD.

Co. Reg. No. 200306466G

**PROPOSED SUBSCRIPTION OF SHARES BY NOVENA HOLDINGS LIMITED AND
OEI HONG LEONG FOUNDATION (PTE) LTD IN UNITED ENVIROTECH LTD.**

I. The Subscription

The Board of Directors (the “**Board**”) of United Envirotech Ltd. (the “**Company**”) wishes to announce that the Company had on 26 May 2008 entered into subscription agreements (the “**Subscription Agreements**”) with Novena Holdings Limited (“**NHL**”) and Oei Hong Leong Foundation (Pte) Ltd (“**OHLF**”) respectively in relation to a proposed subscription (the “**Subscription**”) of an aggregate of 66,266,000 new ordinary shares in the capital of the Company (the “**New Shares**”).

Under the terms of the Subscription Agreements, NHL and OHLF will subscribe for, and the Company will allot and issue, 49,666,367 and 16,599,633 New Shares respectively, at an issue price of S\$0.21 each (the “**Subscription Price**”). The 49,666,367 New Shares to be subscribed by NHL and the 16,599,633 New Shares to be subscribed by OHLF respectively represents approximately 12.49% and 4.18% of the total number of issued ordinary shares in the capital of the Company following completion of the Subscription.

The New Shares will be issued pursuant to the general share issue mandate obtained at the annual general meeting of the Company held on 27 July 2007. The New Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing issued ordinary shares of the Company, except that they will not rank for any dividend, right, allotment or other distribution accruing on a record date which falls on or before the date of completion of the Subscription (the “**Completion Date**”).

The Subscription Price of S\$0.21 for each New Share represents a discount of approximately 7.73% to the weighted average price of the ordinary shares of the Company for trades done on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 26 May 2008, being the full market day prior to the entry into the Subscription Agreements.

NHL shall on completion of its subscription of the New Shares be entitled to nominate Mr Toh Soon Huat as a non-executive director of the Company.

II. Conditions Precedent

The completion of the Subscription by each of NHL and OHLF is subject to certain conditions precedent more particularly set out in the respective Subscription Agreements, including the approval in-principle for the listing and quotation of the New Shares on the Official List of the SGX-ST being obtained from the SGX-ST and not having been revoked, and where such approval is subject to conditions, such conditions being reasonably acceptable to the Company and NHL and OHFL (as the case may be) and to the extent that any conditions are required to be fulfilled on or before the Completion Date, they are so fulfilled.

III. The Subscribers

NHL is a diversified group listed on Catalist, with interests in investments, beauty and wellness products and services, and distribution of FMCG (fast moving consumer goods). For investments, the NHL group is actively sourcing for new businesses that will create good value and benefits.

OHLF, formally known as Chip Lian Investments Pte Ltd, is a private company limited by shares and was incorporated in Singapore on 12 September 1980. Its principal activities are those of an investment holding company. It has substantial interests in several listed companies on the Mainboard of the SGX-ST. Currently, it owns 111,932,547 shares of NHL.

IV. Rationale and Use of Proceeds

The proceeds from the allotment and issue of all the New Shares is approximately S\$13.9 million, less expenses. The purpose of the Subscription is to raise funds for, and the Company intends to use the net proceeds from the Subscription for, the investment in Build-Operate-Transfer (BOT), Transfer-Operate-Transfer and Build-Own-Operate (BOO) projects.

V. Financial Effect

As at the date of this announcement, the Company has an issued and paid-up share capital of S\$42,148,000 comprising 331,330,000 ordinary shares. Pursuant to the allotment and issue of all the New Shares, the issued and paid-up capital of the Company will be increased to S\$56,044,000 comprising of 397,596,000 ordinary shares.

Based on the unaudited consolidated full year financial statements of the Group for the year ended 31 March 2008 announced by the Company on 23 May 2008, the consolidated net asset per ordinary share of the Group, after adjusting for the issue of all the New Shares, will increase from 19.10 cents to 19.41 cents, and the consolidated earnings per ordinary share of the Group, after adjusting for the issue of all the New Shares, will decrease from 2.55 cents to 2.13 cents.

VI. General

The Company will be submitting an additional listing application to the SGX-ST for the listing and quotation of the New Shares.

None of the Directors or substantial shareholders of the Company or their associates has any interests direct or indirect, in the Subscription (other than through their shareholdings in the Company).

Copies of the Subscription Agreements will be made available for inspection during normal business hours at the Company's registered office for a period of 3 months from the date of this announcement.

The Company will make further announcements in line with the requirements of the SGX-ST at the appropriate juncture.

BY ORDER OF THE BOARD

Dr Lin Yucheng
Chairman and CEO

27 May 2008