

UNITED ENVIROTECH LTD.
(THE "COMPANY")
(Incorporated in the Republic of Singapore on 9 July 2003)
(Company Registration Number: 200306466G)

**PROPOSED SUBSCRIPTION (THE "PROPOSED SUBSCRIPTION") OF 35,000,000 NEW
ORDINARY SHARES IN THE CAPITAL OF ASIA WATER TECHNOLOGY LTD. ("ASIA WATER")**

Unless otherwise defined, all capitalised terms shall bear the same meanings as used in the Company's announcement dated 24 September 2009.

Further to the announcement dated 24 September 2009 relating to the Proposed Subscription, the Board of Directors (the "**Directors**") of the Company (together with its subsidiaries, the "**Group**") wishes to inform the following:-

1. CONDITIONS PRECEDENT OF THE PROPOSED SUBSCRIPTION

The Proposed Subscription is subject to certain conditions precedent more particularly set out in the Subscription Agreement, including the approval from the SGX-ST for the listing and quotation of the AWT Shares on the Catalist and all other necessary consents, approvals and waivers required from any person or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to AWT and/or applicable laws for the Proposed Subscription and to give effect to the Proposed Subscription being obtained and not having been revoked or amended before the completion of the Proposed Subscription.

2. RELATIVE FIGURES OF THE PROPOSED ACQUISITION UNDER CHAPTER 10 OF THE LISTING MANUAL

The relative figures that were computed on the bases set out in Rule 1006 of the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") are as follows:

Listing Rule	Percentage
(a) <u>Listing Rule 1006(a)</u>	
The Proposed Acquisition is not a disposal of assets.	Not applicable
(b) <u>Listing Rule 1006(b)</u>	
The net loss attributable to the AWT Shares of S\$0.49 million based on the audited financial statements for FY2008 compared to the net profit of the Group of S\$4.4 million based on the audited financial statements for FY2009.	-11.1%
(c) <u>Listing Rule 1006(c)</u>	
The aggregate consideration of S\$6.3 million compared to the Company's market capitalisation of approximately S\$185 million as at 24 September 2009.	3.4%

(d) Listing Rule 1006(d)

There are no shares to be issued by the Company pursuant to the Proposed Subscription Not applicable

Based on the latest market capitalisation of Asia Water prior to the suspension of its Shares of approximately S\$39,383,792, the market value of the AWT Shares is approximately S\$7 million.

3. FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION

The financial effects of the Proposed Subscription set out below are based on, *inter alia*, the following key bases and assumptions:

- (a) the audited financial statements of the Group for the financial year ended 31 March 2009;
- (b) the financial effects on the Group's earnings and earnings per share are computed assuming that the said transactions were completed on 1 April 2008;
- (c) the financial effects on Group's net tangible assets ("**NTA**") are computed assuming that the Proposed Subscription was completed on 1 April 2008; and
- (d) the issued capital of the Company of 397,596,000 shares as at 31 March 2009.

3.1 Effect on NTA per share as at 31 March 2009

	Before the Proposed Subscription	After the Proposed Subscription
NTA (S\$'000)	83,814	83,814
Estimated increase / decrease in NTA as a result of the Proposed Subscription	-	-
Number of shares outstanding ('000)	397,596	397,596
Adjusted NTA per share (Singapore cents)	21.08	21.08

3.2 Effect on earnings per share as at 31 March 2009

	Before the Proposed Subscription	After the Proposed Subscription
Earnings after tax and minority interests (S\$'000)	3,663	3,663
Weighted average number of shares in issue ('000)	383,253	383,253
Earnings per share (Singapore cents)	0.96	0.96

4. **SERVICE CONTRACTS**

No directors will be appointed to the Company in connection with the Proposed Subscription.

BY ORDER OF THE BOARD

Dr. Lin Yucheng
Chairman and CEO
2 October 2009