

**UNITED ENVIROTECH LTD**  
(Incorporated in the Republic of Singapore)  
Company Registration No.: 200306466G  
(the "**Company**")

**PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN  
A WHOLLY-OWNED SUBSIDIARY OF TONGJI ENVIRONMENTAL (ASIA) PTE. LTD.  
IN THE PEOPLE'S REPUBLIC OF CHINA**

**CESSATION AND DETERMINATION OF SALE AND PURCHASE AGREEMENT**

**ARBITRATION PROCEEDINGS COMMENCED BY  
TONGJI ENVIRONMENTAL (ASIA) PTE. LTD.**

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1. The board of directors ("**Board**") of the Company refers to the announcement (the "**11 June Announcement**") made by the Company on 11 June 2009 in relation to the Sale and Purchase Agreement and the subscription agreement entered into with Tongji Environment (Asia) Pte. Ltd. ("**Tongji**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the 11 June Announcement.
2. The Board was and remains of the view that certain conditions precedent to the Completion of the Sale and Purchase Agreement were not fulfilled by 31 December 2009, being the long stop date provided in the Sale and Purchase Agreement. Accordingly, the Sale and Purchase Agreement ceased and determined, and the subscription agreement was terminated.
3. Tongji has taken a contrary position and disputes, amongst other things, the Board's position that the conditions precedent to the Completion of the Sale and Purchase Agreement were not fulfilled. By a notice of dispute/ arbitration dated 6 January 2010, Tongji commenced arbitration proceedings against the Company. Tongji seeks specific performance of the transaction and for the Completion of the Sale and Purchase Agreement. The Company has instructed solicitors to take conduct of the said arbitration proceedings, including to defend against all claims of Tongji.
4. The non-completion of the Proposed Acquisition does not have any material impact on the net tangible assets or the earnings per share of the Group.

By Order of the Board

Lotus Isabella Lim Mei Hua  
Company Secretary  
Singapore, 27 January 2010