



**United Envirotech Ltd**

*(Incorporated in the Republic of Singapore)*

*(Unique Entity Number: 200306466G)*

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**ACQUISITION OF THE ENTIRE EQUITY INTEREST IN  
ATON ENVIRONMENTAL (SHENGYANG) CO. LTD.**

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**1. INTRODUCTION**

The board of directors ("Board") of United Envirotech Ltd. (the "Company") refers to the announcement made by the Company on 18 August 2010 in relation to the loan agreement pertaining to the possible acquisition of 50% of the equity interest in Aton Environmental (Shenyang) Co., Ltd.

The Board wishes to announce that it has exercised the Call Option and has acquired the entire equity interest of Tongji Environmental (China) Pte Ltd ("Tongji"), which is the holding company of Aton Environmental (Shenyang) Co., Ltd ("Aton", the "Target Company") today.

**2. INFORMATION ON TONGJI AND ATON**

Tongji Environmental (China) Pte Ltd is an investment company registered in Singapore on 19 July 2011. Tongji owns 100% of the equity interest in Aton.

Aton Environmental (Shenyang) Co Ltd is a company registered in the PRC and it owns and operates wastewater treatment facilities. Aton has a wastewater treatment plant with a treatment capacity of 50,000 m<sup>3</sup>/day in Xinmin city, Liaoning Province, PRC.

**3. CONSIDERATION**

3.1 The consideration (the "**Consideration**") for the Proposed Acquisition is approximately RMB 34.03 Million.

3.2 The Consideration is to be satisfied in the following manner:

- a) RMB 30 million loan advanced by the Company pursuant to the loan agreement dated 16 August 2010 and RMB 3.5 million cumulative interest earned on the loan; and
- b) RMB 0.53 million in cash.

3.3 The Consideration is arrived at on a willing-buyer, willing-seller basis after negotiations between the parties, valuing the treatment facilities at RMB69 million.

**4. FINANCIAL INFORMATION REGARDING THE TARGET COMPANY**

Based on the unaudited management accounts as at 31 August 2011 provided by the Target Company, it had a net tangible asset value of RMB30.9 million and net profits of approximately RMB 6.0 million for 12 months ended on 31 August 2011.

**5. RATIONALE**

The Board is of the view that the acquisition of the Target Company is consistent with the Company's long term objective of expanding its recurring income stream. The close proximity to the Group's existing treatment plants and management team will facilitate supervision of Aton's treatment plant.

**6. SOURCE OF FUNDS**

The Consideration will be funded by internal resources.

**7. 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 Singapore Exchange Securities Trading Limited (the "SGX-ST") are as follows:

<b>Listing Rule</b>	<b>Percentage</b>
(a) <u>Listing Rule 1006(a)</u>  The Acquisition is not a disposal of assets.	  Not applicable
(b) <u>Listing Rule 1006(b)</u>  The net profits of the Target company for 1Q2012 is approximately RMB 1.7 million (approximately S\$0.34 million based on the Exchange Rate) compared to the net profit of the Group for 1Q2012.	  9.6%
(c) <u>Listing Rule 1006(c)</u>  The Consideration of RMB34.03 million (approximately S\$6.8 million based on the Exchange Rate) compared to the Company's market capitalisation of approximately S\$143.5 million as at 29 September 2011.  The Group's market capitalisation of approximately S\$143.5 million was calculated based on 477,596,000 shares in issue (excluding treasury shares) and the volume-weighted average price of S\$0.3004 per share on 29 September 2011.	  4.7%
(d) <u>Listing Rule 1006(d)</u>  There are no shares to be issued by the Company pursuant to the Acquisition	  Not applicable

Exchange Rate refers to 1 SGD to 5 RMB.

Accordingly, the Acquisition is a discloseable transaction under Chapter 10 of the Listing Manual as the relative figure as computed under Rule 1006(c) exceeds 5.0% but does not exceed 20.0%.

## 8. FINANCIAL EFFECTS OF THE ACQUISITION

The financial effects of the Proposed Acquisition based on the audited financial statements of the Group for the financial year ended 31 March 2011 ("**FY2011**"), are set out below:

### (a) Effect on NTA per share

The financial effects of the Proposed Acquisition on the NTA per share of the Company assuming that the Acquisition was completed at the end of FY2011, are as follows:

	<b>As at 31 March 2011 (Audited)</b>
NTA (S\$'000)	139,222
Estimated increase in NTA as a result of the Acquisition	1,200
Total number of shares in the Company's issued share capital as at the end of FY2011 ('000)	477,596
NTA per share before the Acquisition (cents)	29.15
NTA per share after the Acquisition (cents)	29.40

### (b) Effect on EPS

The financial effects of the Acquisition on the earnings per share ("**EPS**") of the Company, assuming that the Acquisition was completed at the beginning of FY2011, are as follows:

	<b>FY2011</b>
Earnings attributable to Shareholders (S\$ '000)	16,008
Total number of shares in the Company's issued share capital as at the end of FY2011 (excluding treasury shares) ('000)	477,596
EPS before the Acquisition (cents)	3.35
EPS after the Acquisition (cents)	3.65

**9. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors and controlling Shareholders has any interest, direct and indirect (other than through their shareholdings in the Company) in the Acquisition. There are no directors who are proposed to be appointed to the Company in connection with the Acquisition.

BY ORDER OF THE BOARD

Dr Lin Yucheng  
Chairman and Chief Executive Officer  
29 September 2011