



United Envirotech Ltd

(Incorporated in the Republic of Singapore)

(Unique Entity Number: 200306466G)

ACQUISITION OF ANHUI WATER STAR WATER TREATMENT AND OPERATION CO. LTD.

The board of directors ("Board") of United Envirotech Ltd. (the "Company" or "UEL") is pleased to announce that its wholly owned subsidiary, NOVO Envirotech (Guangzhou) Co Ltd, has entered into a Share Transfer Agreement with Anhui Water Star Treatment and Operation Co. Ltd. ("Water Star") to acquire the shares from its existing shareholders for a consideration of RMB 5 million, (the "**Consideration**").

Anhui Water Star is a company established in 2003 with a paid up capital of RMB 3.5 million. It specialises in operation and maintenance (O&M) in wastewater treatment plants. With a team of over 40 experts from various disciplines, it offers comprehensive services in operation, maintenance, and optimisation of wastewater treatment facilities. The wastewater treatment plant under its management, which is located in Hefei, the Capital of Anhui Province, is named Top 10 outstanding wastewater treatment plant in China.

The Consideration is arrived at on a willing-buyer, willing-seller basis after negotiations between the parties based on Water Star's net tangible asset value of RMB 3.5 million at the time of acquisition. Water Star made a profit of approximately RMB 2 million in 2010 based on the last audited account. It made a profit of approximately RMB 1.2 million for the first 11 months based on the unaudited account ended on 30 November 2011. Accordingly, the Acquisition is a non-discloseable transaction under Chapter 10 of the Listing Manual as the relevant relative figures as computed under Rule 1006 is below 5.0%.

"We believe there will be significant synergy between the two companies," said Dr Lin Yucheng, Chairman and CEO of UEL. "We are impressed by the expertise and professionalism demonstrated by the management team and the established track record of Water Star. They are an excellent O&M service provider in China. The recent convertible bond investment by KKR has significantly strengthened our capital base to expand our wastewater treatment plant portfolio. The addition of Water Star and its team of over 40 members will significantly strengthen UEL's technical and manpower base in managing and optimising our plants," added Dr Lin.

Mr Ma Xuyong, Chairman and CEO of Water Star said "We are very honoured to be part of the United Envirotech group. We believe we will benefit greatly from UEL's fast growth, and its market leader positioning in the advanced membrane technology wastewater treatment

field. We are looking forward to working with the UEL team and contributing our expertise in UEL's growth."

The Consideration will be funded by internal resources.

None of the Directors and controlling Shareholders has any interest, direct and indirect (other than through their shareholdings in the Company) in the Acquisition.

BY ORDER OF THE BOARD

Dr Lin Yucheng
Chairman and Chief Executive Officer
3 January 2012