

UNITED ENVIROTECH LTD
(Incorporated in the Republic of Singapore)
(Company registration no.: 200306466G)

**ACQUISITION OF THE BUSINESS, ASSETS AND PRINCIPAL SUBSIDIARIES OF
MEMSTAR TECHNOLOGY LTD BY UNITED ENVIROTECH LTD – (A) CORRIGENDUM TO
THE ANNOUNCEMENT DATED 9 APRIL 2014; AND (B) UPDATES IN RELATION TO THE
TRANSACTION**

1. INTRODUCTION

The board of directors (the “**Board**”) of United Envirotech Ltd (the “**Company**”) refers to the announcements made by the Company on 29 July 2013, 7 August 2013, 13 August 2013, 26 November 2013, 9 January 2014, 20 January 2014 and 9 April 2014 (the “**Prior Announcements**”), and the circular despatched by the Company on 20 January 2014 (the “**Circular**”), in relation to the acquisition of the business, assets and principal subsidiaries of Memstar Technology Ltd (the “**Vendor**”) by the Company (the “**Transaction**”).

Unless otherwise expressly specified, capitalised terms herein shall bear the same meanings as defined in the Prior Announcements and the Circular.

2. (A) CORRIGENDUM TO THE ANNOUNCEMENT DATED 9 APRIL 2014

The Board wishes to announce that the Purchase Consideration of the Side Agreement as set out in paragraph 2.3.2 of the announcement dated 9 April 2014 should read as follows (amendments in italics, bold and underline):

“The aggregate consideration for the purchase and transfer of the Sale Subjects shall be S\$293,414,807 (the “**Transfer Consideration**”), and was arrived at by agreement between the Company and UEW based on a willing-buyer willing-seller basis.

The **Transfer** Consideration shall be satisfied by UEW to the Company partly in cash and partly by way of issuance and allotment of new ordinary shares in the capital of **UEW** (the “**UEW Shares**”) as follows:

- (i) payment of S\$55,000,000 in cash; and
- (ii) the remaining S\$238,414,807 shall be satisfied by way of allotment and issuance of 196,807,069 **UEW** Shares by **UEW** to the **Company**, credited as fully paid-up.”

All other information in the announcement dated 9 April 2014 remains unchanged.

3. (B) UPDATES IN RELATION TO THE TRANSACTION

3.1 Completion

Further to the Prior Announcements and the Circular, all the conditions precedent as

set out in the S&P Agreement (the “**CPs**”) have either been satisfied or waived (details of which are set out in paragraph 3.2 of this Announcement). In this connection, the Board is pleased to announce that Completion has taken place today.

3.2 Deed of Waiver

The Company and the Vendor have entered into a Deed of Waiver dated 10 April 2014 (the “**Deed**”) to waive certain CPs, details of which are set out below:

3.2.1 Patent

Pursuant to clause 4.2.4 of the S&P Agreement, it is a CP that the Vendor shall transfer to MPL all rights, title and interest in and to the Patent in all relevant jurisdictions.

The Company noted that:

- (i) on 15 March 2014, the Vendor had entered into a written agreement with Memstar (Guangzhou) Co. Ltd. (“**MGCL**”), a wholly owned subsidiary of MPL, pursuant to which the Vendor agreed to assign its rights and interest in the Patent to MGCL (“**Assignment Agreement**”); and
- (i) on 5 April 2014, the Assignment Agreement was duly submitted to the State Intellectual Property Office of the People’s Republic of China (“**Authority**”) for registration of the assignment.

In light of the execution of the Assignment Agreement and the submission of an application to register the same with the Authority, the Company has waived the CP set out in clause 4.2.4 of the S&P Agreement, provided that the transfer of the Patent to MGCL is completed within 30 business days from the date of the Deed.

3.2.2 Concession Arrangement Contract

Pursuant to clause 4.2.6 of the S&P Agreement, it is a CP that the Vendor shall novate its rights and obligations under the Concession Arrangement Contract, which was entered into between the Vendor and the Company with the Tangshan government, to MPL.

The Company noted that:

- (i) clause 2.4.2 of the Concession Arrangement Contract provides that an operating company (“**Operating Company**”) is to be jointly set up by the Vendor and the Company to take over all the rights and obligations of the Vendor and the Company under the Concession Arrangement Contract;
- (ii) on 1 November 2012, the Tangshan government, the Vendor and the Company had entered into a supplemental agreement to the Concession Arrangement Contract (“**Supplemental Agreement**”), wherein the Tangshan government expressly acknowledged that Maxrise Envirogroup Ltd., a joint venture company set up by Memstar Water Pte. Ltd. (a wholly owned subsidiary of MPL) and the Company, shall take over all the rights and liabilities of the Vendor and the Company under the Concession Arrangement Contract.

In light of the Supplemental Agreement, the Company has waived the CP set out in clause 4.2.6 of the S&P Agreement.

3.2.3 Records

Pursuant to clause 5.4.11 of the S&P Agreement, it is a requirement that the Vendor shall deliver to the Company the originals/copies of all relevant statutory records and books relating to MPL and its subsidiaries (collectively, “**Group Companies**”) and their business (“**Records**”) on or before the Completion.

The Company notes that the Records are currently maintained and kept by each respective Group Company, and the Vendor and the Company have reached an understanding that the Records shall continue to be maintained and kept by each respective Group Company and need not be delivered to the Company on Completion.

In light of the above, the Company has waived the requirement set out in clause 5.4.11 of the S&P Agreement.

3.3 **Issuances of Shares in the Company**

3.3.1 Consideration Shares

In accordance with the terms of the S&P Agreement, 173,805,550 Shares in the capital of the Company, credited as fully paid, have been allotted and issued to the Vendor as Consideration Shares today.

3.3.2 KKR Conversion Undertaking

In accordance with the terms of the KKR Conversion Undertaking, KKR has also converted US\$51.1 million in aggregate principal amount of its Convertible Bonds into an aggregate number of 136,955,188 Shares in the capital of the Company (the “**KKR Conversion Shares**”), at the conversion price of S\$0.45 per KKR Conversion Share.

Pursuant to the Completion of the Transaction and the KKR Conversion, as at the date of this Announcement, KKR holds in aggregate (i) 235,491,188 Shares; and (ii) Convertible Bonds of US\$62.7 million in aggregate principal amount.

3.3.3 Listing of Consideration Shares and KKR Conversion Shares

The Consideration Shares and KKR Conversion Shares are expected to be listed and quoted on the Official List of the Singapore Exchange Securities Trading Limited with effect from 9 a.m. on 15 April 2014, and will rank *pari passu* in all respects with and carry all rights similar to the existing Shares, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of issue of the Consideration Shares.

Pursuant to the issuance and allotment of the Consideration Shares and KKR Conversion Shares, the number of issued and paid-up Shares in the capital of the Company now consists of 904,892,738 ordinary Shares.

3.4 Transfer of Sale Subjects pursuant to the Side Agreement

Pursuant to the Completion of the S&P Agreement, the Company has also completed the Transfer in accordance with the terms and conditions of the Side Agreement.

4. FURTHER UPDATES

The Company will make further announcements as and when there are material updates on this matter.

BY ORDER OF THE BOARD

Dr. Lin Yucheng
Chairman and Chief Executive Officer
11 April 2014