

United Envirotech to acquire Memstar's Business And Assets For \$293.4 Million

Mainboard-listed United Envirotech announced today that it has agreed to acquire a 100% stake in Memstar Pte Ltd, a wholly owned subsidiary of Memstar, and certain assets from Memstar, for \$293.4 million.

United Envirotech is a leading membrane-based water treatment solution provider. United Envirotech's principle activities involve the provision of water treatment solutions using its proprietary advanced membrane technologies, such as the Membrane Bioreactor (MBR) technology and the Continuous Membrane Filtration (CMF) technology.

Memstar is one of the leading manufacturers and suppliers of polyvinylidene fluoride (PVDF) hollow fibre membrane and membrane products, with a global presence. Listed on SGX Mainboard in 2007, Memstar is equipped with strong R&D capabilities and has manufacturing facilities in Singapore and China. It's membrane products have been used extensively by UEL in its water and wastewater treatment projects.

United Envirotech's acquisition of Memstar Pte Ltd will make the combined entity a vertically integrated water solutions provider with enhanced competitiveness to capture the opportunities in the fast growing membrane-based water and wastewater treatment industry, leveraging on both Memstar's proprietary membrane technologies and United Envirotech's strong engineering and marketing capabilities in China and the global market. United Envirotech had previously acquired a 13.2% stake in Memstar, in January 2013.

Dr Lin Yucheng, Chairman and CEO of United Envirotech, said, "The transaction marks a new milestone for both companies. Memstar has been a long term supplier and partner of United Envirotech and we believe that the combination of the two companies will ensure higher quality water treatment solutions and sharpen our competitive edge to give better service and bring better value to our customers. We look forward to working closely with the Memstar management team to capture the enormous growth opportunities, particularly in China's environmental and water treatment sector."

Twenty-five percent of the consideration will be satisfied by way of \$73.4 Million in cash and the balance 75%, or \$220.1 million, through the issuance of 200.1 million UEL shares, at \$1.10 per share.