
United Envirotech Ltd Awarded RMB 100 Million Membrane Bioreactor BOT Contract in Shandong China

The Board of Directors of United Envirotech Ltd. (“UEL” or “Company”) is pleased to announce that on 19 August 2013, the Company’s wholly-owned subsidiary United Envirotech Water Resource Pte Ltd was awarded a 25-year Build-Operate-Transfer (BOT) contract from the local government of Yantai City for a municipal wastewater treatment project in Shandong Province, China.

The capacity of the treatment plant is 30,000 m³/day for Phase 1 and it will reach 80,000 m³/day upon completion of Phase 2. The total investment for Phase 1 is approximately RMB 100 million (SGD 20 million). Under the terms of the BOT contract, the minimum off-take quantity is 70% of the design capacity for Year 1 and it will be stepped up to 100% in 4 years’ time. The plant will use UEL’s membrane bioreactor (MBR) technology and it will be built underground, similar to the 100,000 m³/day, Asia’s largest underground MBR plant at Guangzhou City which the Company completed in 2010. The treated water quality will meet recycling water standard.

Commenting on the project, Dr Lin Yucheng, Chairman and Chief Executive Officer of United Envirotech Ltd said, “The project win is a clear vote of confidence in our membrane technology. Our Guangzhou underground MBR project has become a model for urban wastewater treatment plant and we are most honored that the same approach is adopted in Yantai, the second largest city in Shandong province. Because the compact design will free up valuable land space for the local government and the treated wastewater is of superior quality, we are able to command a much higher treatment fee for this project compared to treatment using conventional technology. In addition, we are exploring opportunities to supply treated wastewater for re-use by the industries nearby.”

Dr Lin added, “This project is a follow-on of the 100,000 m³/day milestone membrane based drinking project we secured in Yantai last year and we will continue our effort in securing more similar projects in Shandong and other parts of China.”

The project will be funded by the proceeds from the last convertible bond issue and share placement to KKR and bank financing. The project will commence immediately and Phase 1 is expected to be completed by third quarter of 2014.

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

For and on behalf of the Board

Dr Lin Yucheng
Chairman and CEO
20 August 2013