



United Envirotech Ltd

(Company Registration Number: 200306466G)

United Envirotech Ltd Acquires 60% Share of Its Guangzhou Linhai Envirotech Co Ltd for RMB 23 Million

The Board of Directors of United Envirotech Ltd. (UEL or Company) is pleased to announce that it has acquired 60% share capital of its associate company Guangzhou Linhai Envirotech Co Ltd (Linhai) from Guangzhou Nansha Asset Management Company, a wholly owned subsidiary of Guangzhou Municipal Government, for a consideration of RMB 23 Million. Linhai will then be a fully owned subsidiary of UEL post acquisition.

Currently Linhai owns and manages a wastewater treatment plant on 116,000 Sqm of land at Nansha Guangzhou. The wastewater treatment plant is the only discharge point on Xiaohudao island, which is part of the integrated infrastructure provided for the Xiaohudao High Tech Industrial Park. The wastewater treatment plant will have a total treatment capacity of 40,000 m³/day. The near term project is constructed in 2 phases. Phase 1 has been completed with pretreatment capacity of 10,000 m³/day.

The Plant adopts Membrane Bioreactor (MBR) technology and is the only industrial park wastewater treatment plant in China that is able to achieve the high standard of treated wastewater with chemical oxygen demand (COD) of less than 40 mg/l.

Commenting on the rationale of the acquisition, Dr Lin Yucheng, Chairman and Chief Executive Officer of United Envirotech Ltd said, “We have been operating the plant for the past years and have seen an uptrend in the tenancy of the industrial park. After the acquisition, we plan to upgrade the plant to take in highly concentrated wastewater which we can treat at a higher tariff. The divestment by Guangzhou Nansha Asset Management Company gives us the opportunity to take a more active role in developing the treatment plant and pursue wastewater recycling opportunities. We are confident that the treatment plant will grow in tandem with the industrial park and has good growth prospect in both revenue and profit.”

The purchase price of RMB 23 million was derived from a willing buyer, willing seller basis. The acquisition is funded by the proceeds from the last share placement.

The acquisition is not expected to have any material impact on the net tangible assets and earning per share of the Group for the current financial year ending 31 March 2011.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction.

For and on behalf of the Board

Dr Lin Yucheng
Chairman and CEO

4 October 2010