



## **United Envirotech Ltd**

*(Company Registration Number: 200306466G)*

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### **United Envirotech Ltd To Acquire Industrial Water Supply and Industrial Wastewater Treatment Plants in Changyi City, Shandong, China**

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The Board of Directors of United Envirotech Ltd. (UEL or Company) is pleased to announce that today it has signed the sales and purchase agreement to acquire a water supply plant and a wastewater treatment plant in Changyi City, Shandong Province, China. UEL will set up a 70%:30% joint venture company (JV) with the existing shareholders of the plants for the acquisition in which UEL will hold 70% of the JV.

Changyi City is well known for its textile industry. The water plant supplies industrial water and the wastewater plant treats industrial wastewater from the textile companies located in the industrial parks in Changyi.

The design capacities of the water supply and wastewater treatment plants are 40,000 m<sup>3</sup>/day each. The wastewater treatment plant is currently operating at near full capacity. The water supply plant is expected to start operation in the second quarter of this year.

The total investment by UEL is approximately RMB 165 million (SGD 33 million). RMB 105 million (SGD 21 million) is for acquiring the two plants and about RMB 60 million (SGD 12 million) is for the modification and upgrading of the existing wastewater treatment plant using UEL's advanced membrane technology.

Commenting on the project, Dr Lin Yucheng, Chairman and Chief Executive Officer of United Envirotech Ltd said, "The project is a significant development for the company. We like the upgrading and modification portion of the project which will capitalize on our strength in membrane bioreactor (MBR) technology and industrial wastewater treatment. This is our fourth industrial park MBR investment after similar investments in Guangdong, Jiangsu and Hebei Province. This is going to be our first large scale MBR plant treating textile industrial wastewater, which I believe the technology will have wide ranging applications in other Asian countries."

Dr Lin added, "The project will add 2 plants to our water plant portfolio in Shandong province. Currently we own and operate two municipal wastewater plants in Shandong's Xintai City. We are actively seeking new investment opportunities that match our investment criteria and technical strength. We are selective in the projects we invest."

The project will be funded by the proceeds from the convertible bond issue to KKR, internal resources and bank financing.

For and on behalf of the Board

Dr Lin Yucheng  
Chairman and CEO

29 March 2012