



United Envirotech Ltd

(Company Registration Number: 200306466G)

United Envirotech Ltd's Subsidiary to Invest RMB 220 Million for the Acquisition and Operation of Two Industrial Wastewater Treatment Plants in Shandong Province, China

The Board of Directors of United Envirotech Ltd. (UEL or Company) is pleased to announce that on 23 July 2012, its 70% owned subsidiary, United Envirotech Water (Changyi) Co Ltd (Changyi Co), signed agreements to acquire two industrial wastewater treatment plants in Changyi City, Shandong Province China.

The two treatment plants are located at two industrial parks in Changyi City. The Phase I capacities of the plants are 40,000 m³/day and 30,000 m³/day respectively. Both plants will eventually have a total treatment capacity of 60,000 m³/day each upon completion of Phase II. The total investment for Phase I of the plants is estimated to be RMB 220 million (approximately SGD 44 million).

The treatment plant with the capacity of 40,000 m³/day currently treats wastewater generated from chemical industries and slaughter houses. The 30,000 m³/day plant treats mainly textile industrial wastewater. Both plants will be upgraded using our Membrane Bioreactor (MBR) technology immediately after the completion of acquisition to meet the more stringent discharge standard imposed by the local government.

Dr Lin Yucheng, Chairman and Chief Executive Officer of United Envirotech Ltd said, "We have been actively pursuing industrial wastewater projects which involve upgrading. Our MBR technology and track record puts us at an advantageous position compared to our competitors for such projects. Our recent project wins are indications which we have the right focus and strategy. We maintain our positive outlook in the wastewater plant upgrading market in China and we will continue our effort in clinching more such projects."

Dr Lin furthered, "In addition, we will continue to expand our presence in Shandong region. After the acquisition, United Envirotech Water Changyi Co. Ltd will own 4 plants, with aggregate capacities of 150,000 m³/day and 220,000 m³/day for Phase I and Phase II respectively. It is a good vehicle for us to develop into a sizable industrial wastewater solution provider in Shandong."

The project will be funded by the proceeds from the convertible bond issue to KKR in October 2011 and bank financing.

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

23 July 2012