



United Envirotech Ltd

(Company Registration Number: 200306466G)

United Envirotech Ltd's Subsidiary Inked Contract for the Acquisition, Upgrading and Expansion of Industrial Wastewater Treatment Plant in Shandong Province, China

The Board of Directors of United Envirotech Ltd. (UEL or Company) is pleased to announce that on 20 September 2012, the Company's 70% owned subsidiary, United Envirotech Water (Changyi) Co Ltd (Changyi Co), signed a contract for the acquisition, upgrading and expansion of an industrial wastewater treatment plant in Weifang City, Shandong Province, China.

The design capacity of the industrial wastewater treatment plant is 10,000 m³/day for Phase I. The plant capacity will be expanded to 20,000 m³/day for Phase II and 50,000 m³/day for Phase III of the project. It will use UEL's membrane bioreactor (MBR) technology to treat chemical industrial wastewater and other mixed industrial wastewater from a local industrial park. The total investment for Phase I is approximately RMB 120 million (SGD 24 million). Under the terms of the agreement, Changyi Co will be granted a 30-year concession to operate the plant starting from the date of the completion of upgrading of Phase I in January 2013.

Commenting on the project, Dr Lin Yucheng, Chairman and Chief Executive Officer of United Envirotech Ltd said, "This is the fourth acquisition, upgrading and expansion project in industrial wastewater treatment plant we have recently secured in Shandong region. We prefer acquisition of industrial wastewater treatment plants because such projects can generate cash flow immediately and have a better return on investment. For this particular project, we have secured 100% off-take for Phase I, at 10,000 m³/day, from the industrial park authority. The upgrading and expansion portion can capitalize on our technology and execution capability. We believe this business model maximizes our strengths as both technology provider and investor in industrial wastewater treatment plants. We will continue to pursue more such industrial wastewater treatment projects."

The project will be funded by the proceeds from the last convertible bond issue to KKR and bank financing. The project will commence immediately.

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 September 2012