



United Envirotech Ltd

(Company Registration Number: 200306466G)

United Envirotech Ltd Inked RMB 286 Million Contract to Acquire, Upgrade and Expand a Wastewater Treatment Plant In Liaoning Province, China

The Board of Directors of United Envirotech Ltd. (“UEL” or “Company”) is pleased to announce that on 10 September 2013, the Company has signed a RMB 286 million (SGD 59 million) 30 year Transfer-Operate-Transfer (TOT) cum Build-Operate-Transfer (BOT) agreement (the “Agreement”) with the municipal government of Hong Wei District, Liaoyang City, Liaoning Province, China.

With a land area of about twice the size of Singapore, Hong Wei is an important industrial district in the Liaoyang City. The pace of industrialization has been greatly accelerated after its official designation as a “high-tech” district by the State Council (国务院) in 2010. Hong Wei is home to the Liaoyang Branch of CNPC, China’s largest oil and gas producer and supplier.

UEL has been providing Operation and Maintenance (O&M) service to the wastewater treatment plant in Hong Wei since 2010. Due to the rapid pace of industrialization and with the implementation of the more stringent Grade 1A discharge standard by the Central Government, the existing treatment facility is not able to cope. Upgrading and expansion of the treatment plant is required.

Under the terms of the Agreement, UEL will acquire the existing 15,000 m³/day treatment plant for a consideration of RMB 25 million (the “TOT project”). It will upgrade the plant using its advance Membrane Bioreactor (MBR) technology.

The BOT project involves adding an additional 45,000 m³/day of treatment capacity to cater to the increase in demand. Upon completion, the plant will have a total treatment capacity of 60,000 m³/day and will treat 30,000 m³/day of municipal wastewater and 30,000 m³/day of industrial wastewater. The upgrading work will commence immediately and is expected to be completed by September 2014. The expansion work is expected to commence in early 2014 and will take 12 months to complete.

Reiterating the positive outlook for China’s water industry, Dr Lin Yucheng, Chairman and Chief Executive Officer of UEL said, “The macro environment is very favorable to the water industry in China. Fast industrialization and urbanization, the commitment by the Chinese government to clean up the environment and the strong enforcement of more stringent discharge standards all provide strong impetus for the growing demand of water

treatment solution. We believe with our technology, capital and established track record, we are well positioned to grow in tandem with the Chinese water market.”

“We have expanded our footprint in Liaoyang since our first TOT investment in 2005. This is also the city where invested in our first water supply plant and is where our largest MBR reference plant, the 200,000 m³/day municipal treatment plant is built. We are delighted by the project win as it signified our first major industrial wastewater treatment asset in the city.”

The project will be funded by the proceeds from the last convertible bond issue and share placement to KKR 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
10 September 2013