



United Envirotech Ltd

(Company Registration Number: 200306466G)

United Envirotech Ltd Signed Framework Agreement to Set Up a Joint Venture Company with Chengdu Xingrong Investment Co. Ltd in Sichuan China

The Board of Directors of United Envirotech Ltd. (“UEL” or “Company”) is pleased to announce that on 9 October 2014, the Company signed a framework agreement (the “Agreement” with Chengdu Xingrong Investment Co. Ltd (“XRTZ” or the “Xingrong Group”) to set up a 49%:51% joint venture (“JV”) company with paid up capital of RMB50 million (SGD10 million) in Sichuan, China.

XRTZ is a state-owned enterprise listed in the A-share of the Shenzhen Stock Exchange (stock quote: 000598), its market capitalization was RMB17.7 billion (SGD 3.5 billion) based the closing price of its shares on 9 October 2014. XRTZ is a prominent water company in China who owns about 5 million m³/day of water treatment concessions.

The new JV company will provide Engineering, Procurement and Construction (EPC) services using UEL’s membrane technologies and membrane products, as well as to undertake investments in water treatment projects in the western China. The first block of projects to be undertaken by the JV is the expansion and upgrading of wastewater treatment plants and recycling of treated wastewater with combined capacity of 1 million m³/day using UEL’s proprietary membrane bioreactor (MBR) and continuous membrane filtration (CMF) technology. The total value of the first block of projects is estimated to exceed RMB 1.5 billion (SGD 300 million).

“Xingrong Group is one of the largest water players in China. We are very honoured to form this strategic partnership with them. Combining our membrane technology and their strong regional presence, I believe we can transform the water treatment landscape in the region.” Commented Dr Lin Yucheng, Chairman and CEO of UEL. “The growing market share of membrane technology for upgrading, expansion and recycling is great news for our Memstar membrane products. The value of Memstar membrane products to be used for this first block of projects alone is estimated to be RMB 300 million (SGD 60 million).”

The first block of projects will commence immediately and is expected to be completed by the end of 2015. It is not expected to have any material financial impact on the net tangible assets per share and earning per share of the group for the financial year ending 31 March 2015.

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 October 2014