



United Envirotech Announces a New US\$113.8 Million Convertible Bond Investment by KKR

SINGAPORE & BEIJING--(BUSINESS WIRE)-- United Envirotech Limited ("UEL", SGX: U19), a leading water treatment and recycling solution provider in China, today announced that an affiliate of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "KKR"), a leading global investment firm with US\$ 61 billion in assets under management, has entered into a definitive agreement with the company for a US\$113.8 million convertible bond investment.

UEL provides engineering services using membrane technology to municipal and industrial waste water treatment projects, and also operates a portfolio of waste water treatment plants across China. KKR's investment will support UEL's rapid business expansion to seize the attractive opportunities in China's fast growing water industry.

"We are extremely excited to have world-class investor KKR as our long-term value-added partner. KKR's investment will allow us to achieve further growth at a crucial time in the development of the China waste water treatment industry," said Dr. Lin Yucheng, Chairman and CEO of UEL. "In addition to bringing in capital to support our growth, KKR's global network, strong operational capabilities and extensive local knowledge will add significant value to our future development.

"Together with KKR, UEL will continue to grow and cement its market leadership, contributing to the overall improvement of the environment in China," Dr. Lin added.

According to latest World Bank statistics, per capita water resources in China are less than one third of the world's average¹. By applying advanced membrane technology in waste water treatment and recycling, companies like UEL provide a viable solution to water shortage and pollution problems, supporting sustainable and environmentally-friendly development of the economy.

"KKR is delighted to have the opportunity to invest in UEL," said David Liu, Member of KKR and CEO of KKR Greater China. "We are extremely impressed with the company's strong track record, outstanding management team and deep industry knowledge. We look forward to fully utilizing our global network and industry expertise to support UEL in its future growth. Equally, we look forward to working together with UEL on its environmental initiatives in China."

The 2.5% coupon convertible bond investment will have a five-year tenure and could be converted into equity shares at a conversion price of S\$0.450 per share, which represents a 37.3% premium to S\$0.328 per share, being the average closing price for trades done for the last 30 trading days.

The convertible bond investment is expected to conclude before the end of this year and is subject to customary conditions, including approval from UEL's shareholders. A circular detailing the investment will be dispatched to UEL's shareholders followed by an extraordinary general meeting to be held on a date to be determined.

Stirling Coleman Capital Limited is the Arranger for the transaction and Credit Suisse (Singapore) Limited is the Financial Advisor of KKR.

ABOUT United Envirotech Ltd.

United Envirotech ("UEL") is a leading membrane-based water and waste water treatment and recycling solutions provider in China's chemical, petrochemical and municipal sectors. Its principle activities include design, fabrication, installation and commissioning of water and waste water systems using its proprietary advanced membrane technologies such as the Membrane Bioreactor (MBR) technology. UEL has designed and built several of the largest industrial and municipal wastewater treatment plants in Asia using the MBR technology.

UEL undertakes both turnkey and water investment projects (TOT/BOT/BOO), as well as provides treatment plant operation and maintenance services. UEL serves a strong prominent customer base such as petrochemical giants like China Petrochemical Corporation ("Sinopec"), China National Petroleum Corporation ("CNPC"), China National Offshore Oil Corporation ("CNOOC") and Sembcorp Industries in Singapore.

UEL was listed on SGX Mainboard on 22 April 2004 and on the Taiwan Stock Exchange on the 22 October 2010. For additional information, please visit UEL's website at www.unitedenvirotech.com.

ABOUT KKR

Founded in 1976 and led by Henry Kravis and George Roberts, KKR is a leading global investment firm with US\$61.0 billion in assets under management as of March 31, 2011. With 14 offices around the world, KKR manages assets through a variety of investment funds and accounts covering multiple asset classes. KKR seeks to create value by bringing operational expertise to its portfolio companies and through active oversight and monitoring of its investments. KKR complements its investment expertise and strengthens interactions with investors through its client relationships and capital markets platforms. KKR is publicly traded on the New York Stock Exchange (NYSE: KKR). For additional information, please visit KKR's website at www.kkr.com.

¹ <http://data.worldbank.org/indicator/ER.H2O.INTR.PC/countries>

Photos/Multimedia Gallery Available: <http://www.businesswire.com/cgi-bin/mmg.cgi?eid=6813462&lang=en>

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