

KKR and Citic bid S\$1.5B for the control of United Envirotech

KKR and Citic have launched a joint \$1.5bn bid for control for a Chinese water treatment group, in the first collaboration between the US private equity group and one of China's oldest and most sprawling state-owned enterprises.

The conditional offer values Singapore-listed United Envirotech at S\$1.9bn (\$1.5bn), which at S\$1.65 a share would see KKR profit handsomely from its initial 2011 investment in UEL via bonds convertible into shares at 45 cents.

The deal marks another example of the private equity group's strategy of investing in China's environmental and consumer needs, often alongside state-owned enterprises. Earlier this year it injected \$400m into the country's largest chicken producer and led an investment into a pork producer owned by Cofco, the state-owned agribusiness group.