



UNITED ENVIROTECH LTD. (Company registration number: 200306466G)

Listed companies must provide the information required by Appendix 7.2 of the Listing Manual. Adequate disclosure should be given to explain any material extraordinary item either as a footnote of the material extraordinary item or in the "Review of the performance of the group".

Full Year Financial Statement & Dividend Announcement for the Year Ended 31 March 2009

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 12 months ended 31/3/2009 \$'000	Group 12 months ended 31/3/2008 \$'000	% Increase/ (Decrease)
Revenue	42,857	(Restated) 51,209	(16.3)
Other income	745	1,969	(62.2)
Changes in inventories	(10)	278	N/m
Material purchased, consumables used and subcontractors' fees	(26,029)	(29,190)	(10.8)
Employee benefits expense	(4,879)	(4,186)	16.6
Depreciation and amortisation expenses	(952)	(887)	7.3
Other operating expenses	(6,102)	(7,579)	(19.5)
Finance costs	(903)	(1,408)	(35.9)
Share of loss of associate	(358)	(224)	59.8
Profit before income tax	4,369	9,982	(56.2)
Income tax expense	(706)	(1,527)	(53.8)
Net profit for the year	<u>3,663</u>	<u>8,455</u>	(56.7)

N/m: Not meaningful

1(a)(ii) Breakdown to income statements

	Group 12 months ended 31/3/2009 \$'000	Group 12 months ended 31/3/2008 \$'000	% Increase/ (Decrease)
Depreciation of property, plant and equipment	344	305	12.8
Amortisation of intangible assets	608	582	4.5
(Reversal of allowance) Impairment allowance on trade receivables	(240)	8	N/m
Impairment allowance on other receivables	77	-	N/m
Interest expense	903	1,408	(35.9)
Interest income	(244)	(354)	(31.1)
Gain on disposal of property, plant and equipment	(24)	(53)	(54.7)
Foreign currency exchange gain	(379)	(1,515)	(75.0)

N/m: Not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group 31/3/2009 \$'000	Group 31/3/2008 \$'000	Company 31/3/2009 \$'000	Company 31/3/2008 \$'000
ASSETS		(Restated)		
Current assets:				
Cash and bank balances	20,365	19,910	8,344	10,660
Trade receivables	23,470	19,636	1,125	558
Long term receivables	10	7	-	-
Other receivables and prepayments	3,405	7,025	3,472	41
Inventories	712	722	-	-
Total current assets	47,962	47,300	12,941	11,259
Non-current assets:				
Long term receivables	58,801	48,584	-	-
Subsidiaries	-	-	30,725	27,465
Associate	1,595	1,953	2,230	2,230
Joint venture	7,688	-	7,688	-
Property, plant and equipment	1,946	1,573	229	256
Goodwill	1,547	1,531	-	-
Intangible assets	747	1,055	200	-
Deferred tax assets	708	410	-	200
Total non-current assets	73,032	55,106	41,072	30,151
Total assets	120,994	102,406	54,013	41,410
LIABILITIES AND EQUITY				
Current liabilities:				
Bank overdrafts and loans	5,667	3,473	700	1,200
Trade payables	2,413	8,081	-	-
Other payables	6,222	6,145	543	608
Current portion of finance leases	84	84	38	35
Income tax payable	791	1,095	17	19
Total current liabilities	15,177	18,878	1,298	1,862
Non-current liabilities:				
Bank loans	18,437	19,384	-	700
Deferred tax liabilities	1,066	563	-	-
Finance leases	206	302	48	87
Total non-current liabilities	19,709	20,249	48	787
Capital and reserves:				
Share capital	56,045	42,148	56,045	42,148
General reserve	1,046	-	-	-
Currency translation reserves	4,280	(2,182)	-	-
Accumulated profits (losses)	24,737	23,313	(3,378)	(3,387)
Total equity	86,108	63,279	52,667	38,761
Total liabilities and equity	120,994	102,406	54,013	41,410

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

<u>As at 31/3/2009</u>		<u>As at 31/3/2008</u>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
4,151	1,600	1,218	2,339

Amount repayable after one year

<u>As at 31/3/2009</u>		<u>As at 31/3/2008</u>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
18,643	-	18,986	700

Details of any collateral

1. The finance leases of \$290,000 (31 March 2008: \$386,000) is secured over the Group's motor vehicles with carrying value of \$378,000 (31 March 2008: \$509,000).
2. The bank term loan of \$18,000 (31 March 2008: \$27,000) is secured over the freehold property of its Malaysia subsidiary, Dataran Tenaga (M) Sdn Bhd with carrying value of \$158,000 (31 March 2008: \$167,000).
3. The long term bank loans of \$22,486,000 (31 March 2008: \$19,791,000) are secured over the Wastewater treatment plant of its two subsidiaries, United Envirotech Water Treatment (Liaoyang) Co Ltd and United Envirotech Water Treatment (Xintai) Co Ltd with carrying value of \$58,811,000 (31 March 2008: \$48,591,000).

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 12 months ended 31/3/2009 \$'000	Group 12 months ended 31/3/2008 \$'000
Operating activities		(Restated)
Profit before income tax	4,369	9,982
Adjustments for:		
Share of loss of associate	358	224
Depreciation and amortisation expense	952	887
Gain on disposal of property, plant and equipment	(24)	(53)
Interest expense	903	1,408
Interest income	(244)	(354)
(Reversal of) impairment allowance on trade receivables	(240)	8
Impairment allowance on other receivables	77	-
Exchange differences arising on foreign currency translation	4,979	190
Operating profit before working capital changes	11,130	12,292
Trade receivables	(3,594)	(2,977)
Other receivables and prepayments	3,543	(3,275)
Inventories	10	(278)
Trade payables	(5,668)	1,768
Other payables	77	(11,462)
Cash generated from (used in) operations	5,498	(3,932)
Interest paid	(903)	(1,408)
Income tax paid	(805)	(734)
Interest received	244	354
Net cash from (used in) operating activities	4,034	(5,720)
Investing activities		
Purchase of property, plant and equipment (Note A)	(677)	(183)
Purchase of intangible assets	(200)	-
Addition to long term receivables	(10,220)	(9,258)
Proceeds from sales of property, plant and equipment	82	62
Acquisition of additional shares from minority shareholders	-	(246)
Investment in joint venture	(7,688)	-
Net cash used in investing activities	(18,703)	(9,625)
Financing activities		
Proceeds from issuing shares	13,897	-
Dividend paid	(1,193)	-
Repayment of obligations under finance lease	(96)	(192)
Bank borrowings	(2,976)	(1,966)
Proceeds from bank borrowing	4,223	20,930
Fixed deposits released (pledged) as security	1,011	(1,101)
Net cash from financing activities	14,866	17,671

	Group 12 months ended 31/3/2009 \$'000	Group 12 months ended 31/3/2008 \$'000
Net increase in cash and cash equivalents	197	2,326
Cash and cash equivalents at beginning of year	18,809	16,617
Net effect of exchange rate changes on the balance and cash held in foreign currencies	1,269	(134)
Cash and cash equivalents at end of year (Note B)	20,275	18,809

Note A

During the year, the Group acquired property, plant and equipment with an aggregate cost of \$677,000 (2008: \$489,000), of which \$Nil (2008: \$306,000) was acquired under finance lease arrangement. Cash payments of \$677,000 (2008: \$183,000) were made to purchase property, plant and equipment.

Note B

Cash and cash equivalents consist of:

	Group 31/3/2009 \$'000	Group 31/3/2008 \$'000
Cash and bank balances	20,365	19,910
Less: pledged fixed deposits	(90)	(1,101)
Cash and cash equivalents	20,275	18,809

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders.

	Share capital \$'000	General reserve \$'000	Currency translation reserve \$'000	Accumulated profits \$'000	Total equity \$'000
Group					
At 1 April 2008	42,148	-	(2,182)	23,313	63,279
Issuance of ordinary shares, net of share issue expenses	13,897	-	-	-	13,897
Currency translation differences representing expenses recognised directly in equity	-	-	6,462	-	6,462
Profit for the year	-	-	-	3,663	3,663
Transfer to general reserve	-	1,046	-	(1,046)	-
Dividend paid	-	-	-	(1,193)	(1,193)
At 31 March 2009	56,045	1,046	4,280	24,737	86,108

	Share capital \$'000	Accumulated losses \$'000	Attributable to shareholders of the company \$'000
Company			
At 1 April 2008	42,148	(3,387)	38,761
Issuance of ordinary shares, net of share issue expenses	13,897	-	13,897
Profit for the year	-	1,202	1,202
Dividend paid	-	(1,193)	(1,193)
At 31 March 2009	56,045	(3,378)	52,667

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the year, the Company issued 66,266,000 new ordinary shares at \$0.21 each in the capital of the Company.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31/3/2009	31/3/2008
Total number of issues shares ('000)	397,596	331,330

The company does not have any treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation are the same as in the Company's audited consolidated financial statements for the financial year ended 31 March 2008 except for those disclosed in paragraph 5.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

With effect from 1 April 2008, the Group has adopted the new Interpretation of FRS (INT FRS) 112 Service Concession Agreements.

INT FRS 112 requires the recognition of construction revenue and the corresponding financial receivable and/or intangible assets for public-to-private service concession arrangement if:

The party grants the service agreement (the “grantor”) controls or regulates what services the entity (the “operator”) must provide with the infrastructure, to whom it must provide them, and at what price; and

The grantor controls, through ownership, beneficial entitlement or otherwise, any significant residual interest in the infrastructure asset at the end of the term of arrangement.

The Group has concession arrangements with various governing bodies or agencies of the government of the People’s Republic of China (the “grantor”) to operate wastewater treatment plants. Under the concession arrangements, the Group will modify and operate the treatment plants for Concession period of 30 years and transfer the plants to the grantors at the end of the concession period at no residual value. Such concession arrangements fall within the scope of the INT FRS 112. Under the Group’s accounting policies, the revenue for the construction services provided under the arrangements and the corresponding financial receivables and/or intangible assets arising are recognised based on the stage of completion method during the construction phase. FRSs 32, 39 and 107 apply to the financial receivable recognised.

The financial effects of the adoption on the profit and loss statement resulted in an increase in profit after tax of \$2.3 million. Moreover, certain material reclassifications were made to the consolidated balance sheet items as follows:

	31 March 2008 \$'000
Consolidated balance sheet	
<i>Debit/(credit) in:</i>	
Long term receivables	48,591
Lease premium for land	(6,535)
Property, plant and equipment	(41,343)
Deferred tax liabilities	(535)
Other payables	(178)

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group 31/3/2009	Group 31/3/2008
Net profit (loss) attributable to shareholders of the Company (\$'000)	3,663	8,455
Weighted average number of shares in issue (in '000)	383,435	331,330
Earning (loss) per share (cents)	0.96	2.55

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.**

	Group 31/3/2009	Group 31/3/2008	Company 31/3/2009	Company 31/3/2008
Net asset value (\$'000)	86,108	63,279	52,667	38,761
Net asset value per share (cents)	21.66	19.10	13.25	11.70

The net asset value per share is calculated based on the issued share capital of 397,596,000 (31 March 2008: 331,330,000).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Profit and loss

The Group's revenue for the year was \$42.9 million, which was \$8.3 million or 16.3% lower than last corresponding year ended 31 March 2008 of \$51.2 million. The decrease was mainly due to the reduction in the engineering business from \$42.9 million to \$32.1 million, representing a decrease of \$10.8 or 25.2%. The decrease was offset by increase in the treatment business from \$8.3 million to \$10.8 million, representing an increase of \$2.5 million or 30.1%.

Other income pertained mainly to the unrealised foreign exchange gain and interest income. The decrease was due to lower unrealised foreign exchange gain of \$0.4 million in current year as compared to a gain of \$1.5 million in the last corresponding year ended 31 March 2008. The unrealised foreign exchange gain arose from the revaluation of the Hong Kong Dollar denominated bank loans to our subsidiaries in China.

The decrease in material purchased, consumables used and subcontractors' fees of \$3.1 million or 10.8% as compared to the corresponding year ended 31 March 2008 was consistent with the decrease in the engineering revenue.

The other operating expenses decreased to \$6.1 million from \$7.6 million or 19.5% as compared to the corresponding year ended 31 March 2008. The decrease was mainly due to an one-off various fees incurred to obtain the financing for the two TOT projects in Liaoyang and Xintai in the last corresponding year ended 31 March 2008; and lower project-related expenses incurred during the current year to meet a lower engineering projects.

Finance costs pertained mainly to the bank loans interest expenses for the two TOT projects in Liaoyang and Xintai. The decrease in the interest expense was consistent with the reduction in the borrowing rate.

The income tax expense for the year was \$0.7 million, which was \$0.8 million or 53.8% lower than the last corresponding year ended 31 March 2008 of \$1.5 million. The decrease was consistent with the decrease in the profit generated.

The Group generated profit after tax of \$3.7 million for the current year as compared to \$8.5 million in the corresponding period ended 31 March 2008.

Balance sheet

The Group's shareholders' equity increased from \$63.3 million as at 31 March 2008 to \$86.1 million as at 31 March 2009. The increase was mainly attributed to the increase in the share capital during the year through the issuance of new shares; and the positive translation reverse arising from the strengthening of RMB against SGD.

Total non-current assets as at 31 March 2009 amounted to \$73.0 million, an increase of \$17.9 million from \$55.1 million as at 31 March 2008. The increase was mainly due to the additions to the long term receivables. The long term receivables pertained to our Transfer-Operate-Transfer projects in China. The increase in long term receivables was mainly due to the strengthening of the RMB against SGD, which translated to a higher SGD value for the Group. Moreover, the Group invested in a joint venture company of \$7.7 million during the year.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group experienced slow down in the engineering business due to our customers take a longer time to make any capital commitments as the current economic downtown. The Group believes that its advanced membrane technologies, particularly Membrane Bioreactor (MBR), will have a competitive edge over others when competing for treatment for greater complexity of wastewater, mainly for petrochemical and chemical industries and industrial parks.

The Group had seen the increased contribution from the treatment business over the years and will continue to improve on its treatment business by building or acquiring more treatment plants, operating its own treatment plants and providing operation and maintenance to its customers' treatment plants.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

Name of Dividend	N/A
Dividend Type	N/A
Dividend Amount per Share (in cents)	N/A
Optional:- Dividend Rate (in %)	N/A
Par value of shares	N/A
Tax Rate	N/A

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
Yes

Name of Dividend	Final
Dividend Type	Final
Dividend Amount per Share (in cents)	0.30
Optional:- Dividend Rate (in %)	N/A
Par value of shares	N/A
Tax Rate	Tax exempt

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared/recommended

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

12 months ended 31 March 2009

	Engineering \$'000	Treatment \$'000	Total \$'000
Revenue			
External sales	32,100	10,757	42,857
Results			
Segment result	1,432	4,962	6,394
Finance costs			(903)
Unallocated corporate expenses			(1,387)
Foreign currency exchange gain			379
Share of loss of associate			(358)
Interest income			244
Profit before income tax			4,369
Income tax expense			(706)
Net profit for the year			3,663
Other information			
Segment assets	46,647	66,354	113,001
Unallocated corporate assets			7,993
Consolidated total assets			120,994
Segment liabilities	6,556	25,483	32,039
Unallocated corporate liabilities			2,847
Consolidated total liabilities			34,886
Capital expenditure	840	37	877
Depreciation and amortisation	911	41	952
Reversal of allowance on trade receivables	(240)	-	(240)
Impairment allowance on other receivables	77	-	77

12 months ended 31 March 2008

	Engineering \$'000	Treatment \$'000	Total \$'000
Revenue			
External sales	42,889	8,320	51,209
Results			
Segment result	6,817	4,407	11,224
Finance costs			(1,408)
Unallocated corporate expenses			(1,479)
Foreign currency exchange gain			1,515
Share of loss of associate			(224)
Interest income			354
Profit before income tax			9,982
Income tax expense			(1,527)
Net profit for the year			8,455

	Engineering \$'000	Treatment \$'000	Total \$'000
Other information			
Segment assets	38,840	51,799	90,639
Unallocated corporate assets			11,767
Consolidated total assets			<u>102,406</u>
Segment liabilities	10,812	24,904	35,716
Unallocated corporate liabilities			3,411
Consolidated total liabilities			<u>39,127</u>
Capital expenditure	360	129	489
Depreciation and amortisation	862	25	887
Impairment allowance on trade receivables	8	-	8

Analysis By Geographical Segments (Secondary segment)

Segment revenue: Segment revenue is analysed based on the location of customers.

Segment assets and capital expenditure: Segment assets and capital expenditure are analysed based on the location of those assets. Capital expenditure includes the total cost incurred to acquire property, plant and equipment and intangible assets.

12 months ended 31 March 2009

	Revenue \$'000	Assets \$'000	Capital expenditure \$'000
PRC	31,687	104,248	662
Singapore	4,476	9,939	203
Malaysia	6,694	6,807	12
Total	42,857	120,994	877

12 months ended 31 March 2008

	Revenue \$'000	Assets \$'000	Capital expenditure \$'000
PRC	40,984	82,589	178
Singapore	1,144	11,615	5
Malaysia	9,081	8,202	306
Total	51,209	102,406	489

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Business segment analysis

Although engineering business remained a major contributor to our revenue, its contribution to the Group's revenue had fallen from 83.8% to 74.9%. Segment profit contributed by engineering business had also decreased from \$6.8 million to \$1.4 million, or 79.4%.

The segment revenue from the treatment business remained stable and improving. With the increase in the treatment capacity of the TOT plants in Liaoyang and Xintai, we expect the contribution from the treatment business to increase in the coming years.

Geographical segment analysis

PRC segment remained the major contributor for our Group's revenue due to the greater market and demand for our advanced membrane technology for the treatment and recycling of wastewater.

15. A breakdown of sales.

	Group 12 months ended 31/3/2009 \$'000	Group 12 months ended 31/3/2008 \$'000	% increase (decrease)
Breakdown of sales			
Sales reported for first half year	23,340	21,934	6.4
Operating profit after tax reported for first half year	2,467	5,235	(52.9)
Sales reported for second half year	19,516	29,275	(33.3)
Operating profit after tax reported for second half year	1,196	3,220	(62.9)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Group 12 months ended 31/3/2009 \$'000	Group 12 months ended 31/3/2008 \$'000
Total annual dividend		
Ordinary	1,193	-

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company secretary
26 May 2009