



Company Registration No: 200306466G

Company Address: 10 Science Park Road #01-01 The Alpha Singapore 117684

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**Immediate Release**

## **United Envirotech's water treatment revenue jumps 70% to S\$28.4 million for 1H2014**

- **EBITDA from recurring water treatment business segment increased 54.3% to S\$16.2 million for 1H2014**
- **Contribution of water treatment EBITDA towards total EBITDA increased from 45.3% to 62.5%**
- **Newly acquired treatment plants and increasing utilization rate set to strengthen the Group's recurring income stream**

**Singapore and Taiwan, 11 November 2013** – Mainboard-listed United Envirotech Ltd. (“United Envirotech” or “the Group”), a leading membrane-based water treatment solutions provider, recorded a net profit of S\$7.4 million for its second quarter ended 30 September 2013 (“2Q2014”). Net profit for the first half of financial year 2014 (“1H2014”) reached S\$13.4 million.

Revenue from the recurring water treatment business segment, jumped 56.6% year-on-year (“yoy”) from S\$9.9 million to S\$15.5 million. Earnings before income tax, depreciation and amortization (“EBITDA”) for the recurring water treatment business segment increased 39.0% from S\$5.9 million a year ago to S\$8.2 million for 2Q2014. However, overall revenue declined 3.6% to S\$52.0 million yoy mainly due to a 17.0% yoy fall in the revenue from the engineering business segment to S\$36.5 million for 2Q2014.

**“The significant hike in our recurring water treatment business reflects the contribution from newly acquired treatment plants and increasing utilisation rates of our existing plants. We shall continue to concert our efforts to drive growth in this segment, particularly in securing more industrial wastewater treatment projects in China.”**

**Dr Lin Yucheng, Chairman and CEO**

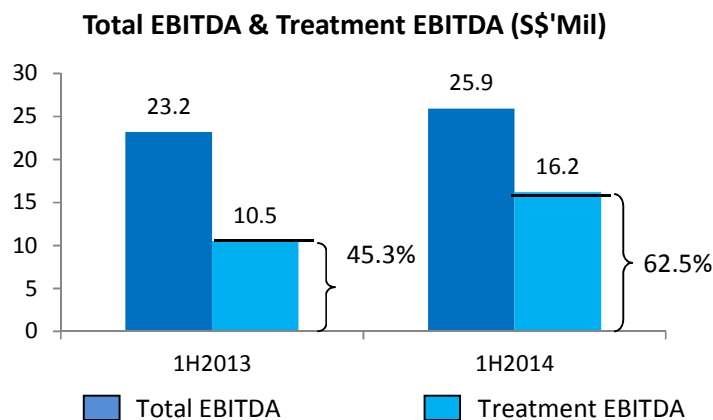
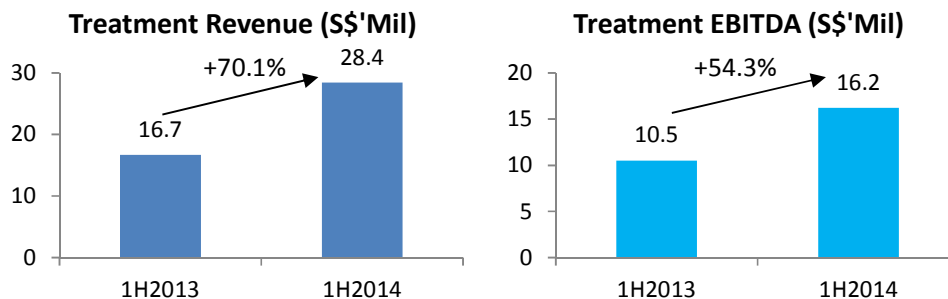


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**Significant Improvements from Recurring Water Treatment Business Segment**



**Financial Highlights**

(\$\$ 'Mil)	2Q 2014	2Q 2013	Change (%)	1H 2014	1H 2013	Change (%)
<b>Revenue</b>	52.0	53.9	(3.6)	96.0	86.0	11.7
- <b>Engineering</b>	36.5	44.0	(17.0)	67.7	69.3	(2.3)
- <b>Treatment</b>	15.5	9.9	56.6	28.4	16.7	70.1
<b>Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")</b>	13.8	13.2	5.0	25.9	23.2	11.7



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Finance costs increased 27.5% yoy to S\$3.9 million largely due to the finance costs relating to the convertible bonds and interest expense on the bond issued during the period. Other operating expenses increased 66.1% yoy to S\$8.7 million largely due to higher operating expenses incurred for the operation and maintenance of new treatment plants and increase in share option expense.

### **Outlook**

The Group remains positive in the outlook of the water treatment market in China. Since the beginning of this financial year, the Group has clinched 3 investment projects with the total treatment capacity of 130,000 m<sup>3</sup> per day and the total investment is estimated to be RMB491 million. In addition, the Group has been awarded a RMB90 million Engineering Procurement and Construction ("EPC") project to upgrade a 100,000 m<sup>3</sup> per day industrial wastewater treatment plant in Jiangsu Province, China.

As the Group's newly acquired treatment plants and the completion of Build-Operate-Transfer ("BOT") projects, the Group's recurring water treatment business segment is set to grow. The increase in utilization rate of the existing treatment plants will further improve the segment performance.

**- END -**



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**About United Envirotech Ltd.**

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

The Group’s membrane systems are also used in other industries such as pharmaceutical, food & beverage and textile & dye stuff industries. 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 etc.

In August 2011, KKR became a strategic investor of UEL after injecting a US\$113.8 million convertible bond investment. KKR is a leading global investment firm with about US\$78.3 billion in assets under management as at end March 2013. In January 2013, KKR entered into a definitive agreement with UEL for a US\$40 million equity investment.

UEL was listed on SGX Mainboard on 22 April 2004. UEL TDRs (stock code: 911610) was listed on Taiwan Stock Exchange on 22 October 2010.

For more information, please log on [www.unitedenvirotech.com](http://www.unitedenvirotech.com)

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**Issued for and on behalf of United Envirotech Ltd.**

**By Financial PR Pte Ltd**

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