



Company Registration No: 200306466G

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

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Immediate Release

United Envirotech records EBITDA of S\$54.3 million with a net profit of S\$21.0 million for FY2014

- **Net profit for FY2014 dropped mainly due to minimal contribution from newly secured EPC projects, increase in interest expenses, and one-off expenses**
- **Group's recurring water treatment revenue grows 54.3% to S\$62.6 million for FY2014**
- **Completion of Memstar acquisition enhanced Group's value proposition as a vertically integrated water solutions provider**

Singapore, 30 May 2014 – Mainboard-listed United Envirotech Ltd. ("United Envirotech" or "the Group"), a leading membrane-based water treatment solutions provider, recorded an increase in its total EBITDA to S\$54.3 million for its full year ended 31 March 2014 ("FY2014") on the back of a 9.3% year-on-year ("yoy") increase in revenue to S\$202.3 million. However, net profit decreased 32.3% to S\$21.0 million for FY2014.

Net profit for the group decreased due to the followings:

- a) Minimal contributions from new engineering contracts with a total amount of approximately S\$200 million secured during the last quarter of the financial year ended 31 March 2014. These projects will be mostly completed in FY2015, ended 31 March 2015;
- b) Finance costs arising from the MTN bond of S\$100 million and additional bank borrowings for investment projects which resulted in the increase of financial cost of S\$4.6 million as compared to the last corresponding year ended 31 March 2013. In addition, returns from newly invested projects have yet to be reflected financially for FY2014. Going forward, finance costs arising from the convertible bond will be reduced after it was partly converted to ordinary shares on 11 April 2014. The reduction will be around S\$4.5 million;
- c) Strengthening of the USD against S\$/RMB resulted in the foreign currency exchange loss of S\$1.4 million as compared to gain of S\$2.1 million in the last corresponding year ended 31 March 2013; and
- d) Employee share option expense increased from S\$1.8 million to S\$4.7 million, representing an increase of S\$2.9 million as compared to the last corresponding year ended 31 March 2013.



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Financial Highlights

(S\$ 'Mil)	FY2014	FY2013	Change (S\$)	Change (%)
Revenue	202.3	185.0	17.3	9.3
- Engineering	139.7	144.4	4.7	(3.3)
- Treatment	62.6	40.6	32.0	54.3
Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")	54.3	53.3	1.0	1.6
Employee Share Options expenses	(4.7)	(1.8)	(2.9)	158.6
Interest expense on bond and bank borrowing	(8.0)	(3.7)	(4.3)	116.2
Foreign exchange gain/(loss)	(1.4)	2.1	(3.5)	<i>n.m</i>
Finance cost on convertible bonds	(9.6)	(9.2)	(0.4)	4.7
Net profit for the period	21.0	31.0	(10.0)	(32.3)
Adjusted profit for the year	44.7	43.6	1.1	2.5



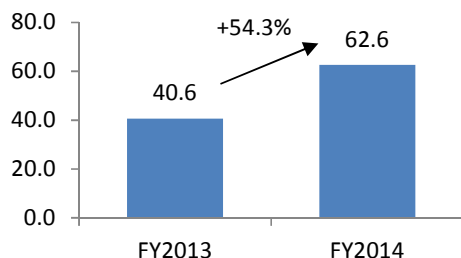
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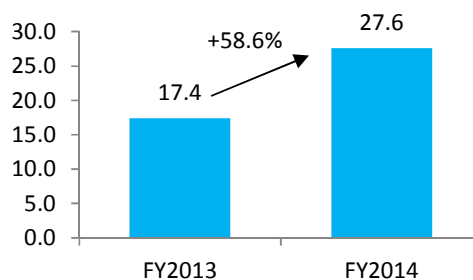
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Significant Improvements from Recurring Water Treatment Segment

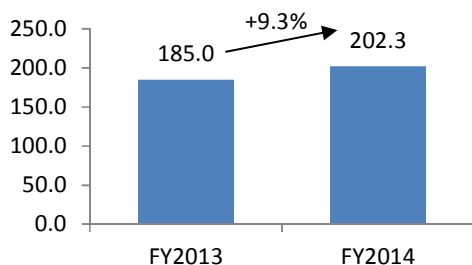
Treatment Revenue (S\$'Mil)



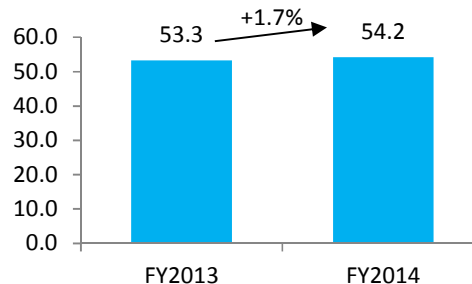
Treatment EBITDA (S\$'Mil)



Total Revenue (S\$'Mil)



Total EBITDA (S\$'Mil)



Outlook

The Group sees a growing demand for membrane-based water and wastewater treatment services, particularly in China. Thus, it will continue to expand its stable and recurring treatment income through active pursuits of suitable investment projects.

In February 2014, the Group has secured the largest Membrane Bioreactor (“MBR”) project in China with a treatment capacity of 200,000 tons per day. This further affirmed its advanced membrane technologies and its competitive edge in meeting China’s stringent discharge standards. With the completion of the acquisition of Memstar in April 2014, the Group has become a vertically integrated water treatment solutions provider. This will empower the Group to expand its client base in and beyond China. The Group is confident that Memstar will contribute significantly towards its revenue in FY2015.

The Board of Directors has proposed a final dividend of 0.3 Singapore cents per ordinary share for the financial year ended 31 March 2014. The proposed final ordinary dividend shall be tabled for approval at the Annual General Meeting in July 2014.

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About United Envirotech Ltd.

United Envirotech (“UEL”, “Group”) is a leading membrane technology-based integrated environmental solutions provider which specialised in the manufacturing of high quality membrane products and the application of membrane technologies for water and wastewater treatment and recycling. 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. UEL undertakes both turnkey and water investment projects (TOT/BOT/BOO), as well as provides treatment plant operation and maintenance services. Through its wholly-owned subsidiary, Memstar Pte Ltd, the Group is one of the largest PVDF hollow fibre membrane manufacturers in the world.

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”), industrial parks and municipalities.

In August 2011, KKR became a strategic investor of UEL after injecting a US\$113.8 million convertible bond investment and follow-on equity investment of US\$40 million in January 2013. KKR is a leading global investment firm with about US\$90.2 billion in assets under management as at 30 September 2013.

UEL was listed on SGX Mainboard on 22 April 2004.

For more information, please log on www.unitedenvirotech.com

Issued for and on behalf of United Envirotech Ltd.

By Financial PR Pte Ltd

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