



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 FY2015 net profit surges 197% to record S\$62.4 million

- **Revenue up 72.5% to a new record high of S\$349 million**
- **Recurring water treatment segment EBITDA increased 73.5% to S\$47.9 million**
- **Membrane sales increased to S\$58.6 million of revenue**
- **Proposed final dividend of 0.5 Singapore cent per share**

Singapore, 27 May 2015 – Mainboard-listed United Envirotech Ltd. (“United Envirotech” or “the Group”), a leading membrane-based water treatment solutions provider, reported a 197.1% jump in net profit to record high of S\$62.4 million for its full year ended 31 March 2015 (“FY2015”).

Revenue increased 72.5% to a new record high of S\$349.0 million on higher revenue contribution from both engineering and treatment businesses. The group also benefitted from new contribution from membranes sales generated from Memstar Technology Ltd (“Memstar”), which was acquired by the group in FY2015.

Revenue from the recurring water treatment business segment increased 63.3% yoy to S\$102.2 million. EBITDA for the recurring water treatment business segment increased 73.5% to S\$47.9 million. Meanwhile, revenue from Engineering, Procurement, and Construction (“EPC”) projects increased 42.6% yoy to S\$199.4 million.

Materials purchased, consumables used and subcontractors’ fees increased 85.4% to S\$198.0 million in tandem with higher engineering revenue and membrane sales. Employee benefits expense and other operating expenses rose 72.5% and 22.9% to S\$25.0 million and S\$41.6 million respectively, attributable to higher costs incurred for new treatment plants acquired and from the acquisition of Memstar.

Finance costs increased 64.2% to S\$29.0 million due to additional finance costs arising from bonds issuance and additional debt borrowings during the period.



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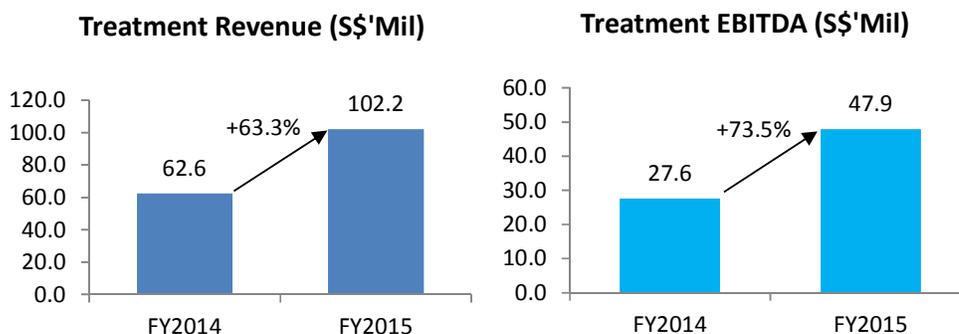
In line with the increase in revenue and recurring treatment EBITDA, net profit surged 197.1.0% to record high of S\$62.4 million.

The Board has recommended a final dividend of 0.5 Singapore cents per share, subject to approval by shareholders at the forthcoming Annual General Meeting.

Financial Highlights

(S\$ 'Mil)	FY2015	FY2014	Change (S\$)	Change (%)
Revenue	349.0	202.3	146.7	72.5
- Engineering	199.4	139.8	59.6	42.7
- Treatment	102.2	62.6	39.6	63.3
- Membrane	58.6	-	58.6	n.m.
- Elimination	(11.2)	-	n.m.	n.m.
Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”)	120.7	54.2	66.3	122.3
Net profit for the period	62.4	20.1	42.3	210.4

Significant Improvements from Recurring Water Treatment Business Segment



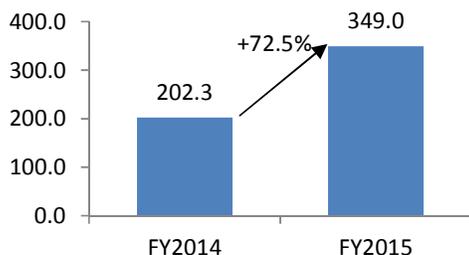


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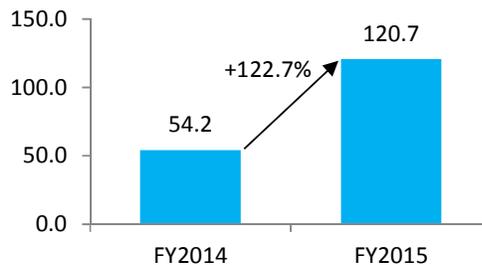
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Total Revenue (S\$'Mil)



Total EBITDA (S\$'Mil)



Outlook

The outlook for the Chinese water treatment sector continues to be positive with more opportunities arising from government policies. In April 2015, the Chinese government announced the long-awaited Water Pollution Prevention Plan (“水十条”) that includes a list of measures to tackle water pollution throughout the country. One such measure requires all industrial parks to install proper wastewater treatment facilities in accordance with stricter water discharge standard. The Group is currently the market leader in China’s vast industrial wastewater treatment industry with outstanding track record in employing membrane bioreactor technology. With the new policy in place, there are tremendous opportunities to further increase our market share in the industrial and municipal wastewater space as we are able to overcome the high entry barrier and meet high discharge standards.

Over the last three months, the Group continues to gain strong traction in securing projects, including providing wastewater treatment services in Xinjiang, Hebei and Jiangsu provinces in China, as well as a Joint-Venture (“JV”) with China National Offshore Oil Corporation (“CNOOC”) to construct a wastewater treatment plant for CNOOC’s petrochemical complex in Huizhou City, Guangdong province. Leveraging on its advance membrane technologies, the Group is confident on expanding its client base and operations. In addition, the Group will actively seek out strategic partners to form Joint-Ventures so as to secure more EPC projects and boost membrane sales.

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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\$ 99.1 billion in assets under management as at March 2015.

In April 2015, CITIC joined KKR as a strategic investor of UEL and became its largest shareholder after making a joint voluntary unconditional offer with KKR. CITIC is one of China’s largest conglomerate and state owned enterprise which has its businesses in multiple sectors, including financial services and engineering contracting in China.

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.

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