



United Envirotech Ltd

Company Registration No: 200306466G

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

Tel: (65) 6774 7298 Fax: (65) 6774 8920

Immediate Release

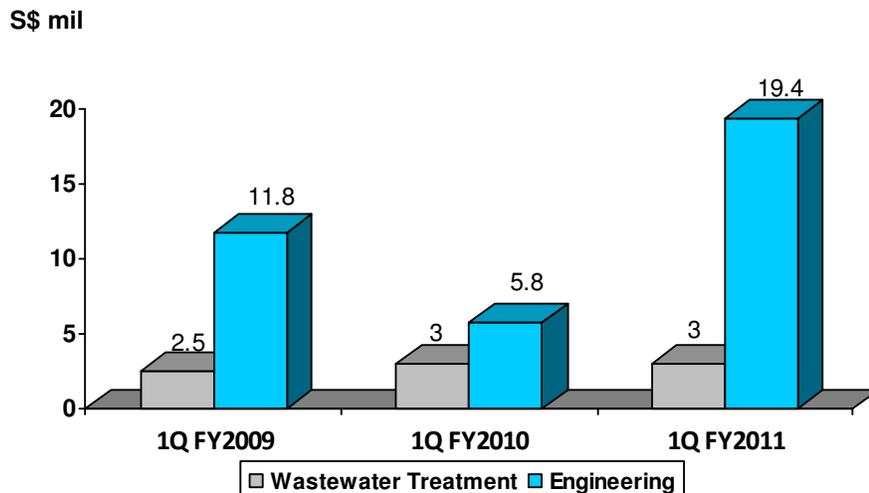
UEL achieves near four-fold increase in net profit to S\$4.2 million in 1Q FY2011

- Revenue in 1Q FY2011 increased 152.8% to S\$22.4 million on higher engineering income recognised arising from Guangzhou EPC project
- Guangzhou EPC project has completed construction
- Maintained net cash position with cash and bank balances healthy at S\$25.9 million
- Contribution from Phase One Hegang BOT project to come on stream in September 2010 and increase recurring revenue base
- Group to actively look out for more new EPC and investment projects in China and overseas

Singapore – 10 August 2010 – Mainboard-listed United Envirotech Ltd. (“United Envirotech”, “UEL”, “The Group” or “联合环境技术有限公司”), is pleased to announce a net profit growth of 284.9% to S\$4.2 million for the first three months ended 30 June 2010 (“1Q FY2011”) on the back of a 152.8% growth in revenue to S\$22.4 million in 1Q FY2011. The growth was due to higher engineering income recognised mainly arising from the Guangzhou EPC project. As at date of announcement, the Guangzhou EPC project is officially completed.

1Q FY2011 Segmental Review

Chart 1: Revenue Breakdown by Business Segment





United Envirotech Ltd

Company Registration No: 200306466G

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

Tel: (65) 6774 7298 Fax: (65) 6774 8920

The Group's *Engineering* business continued to be the key growth revenue driver, contributing S\$19.4 million or 86.6% of total 1Q FY2011 revenue. The increase was due to the higher engineering income recognised chiefly arising from Guangzhou EPC project. Referring to Chart 1 above, the Group outperformed and saw an overall increase in contribution from the *Engineering* business in 1Q FY2011 against 1Q FY2010 and 1Q FY2009. The drop in engineering revenue in 1Q FY2010 was mainly due to lower projects secured during the global economic downturn.

The Group's recurring income from its *Wastewater Treatment* business grew steadily over the quarters, contributing S\$3.0 million or 13.4% of total 1Q FY2011 revenue. Wastewater treatment revenue in 1Q FY2011 remained comparable as in 1Q FY2010.

1Q FY2011 Financial Review

Table 2: Financial Highlights

Description (S\$'000)	1Q FY2011	1Q FY2010	% Change
Revenue	22,357	8,845	152.8
Materials purchased, consumables used and subcontractors' fees	(14,734)	(4,827)	205.2
Profit before income tax	4,707	1,323	255.8
Net profit for the period	4,226	1,098	284.9
Net profit margin	18.9%	12.4%	6.5 ppt
Basic earnings per share (Sing cents)	0.97	0.28	246.4
Net asset value per share (Sing cents)	26.79	21.24	26.1

Materials purchased, consumables used and subcontractors' fees increased 205.2% to S\$14.7 million in 1Q FY2011 from S\$4.9 million in 1Q FY2010 as a result of higher engineering business activities. Overall, the Group turned in a net profit before tax of S\$4.7 million in 1Q FY2011, signifying 255.8% increase from S\$1.3 million in 1Q FY2010. Due to higher taxable income, the Group's net profit after tax was S\$4.2 million in 1Q FY2011, representing 284.9% increase from S\$1.1 million in 1Q FY2010. Net profit margin improved by six percentage points to 18.9% in 1Q FY2011 from 12.4% in 1Q FY2010 (refer to Table 2).



United Envirotech Ltd

Company Registration No: 200306466G

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

Tel: (65) 6774 7298 Fax: (65) 6774 8920

The Group's balance sheet continued to stay healthy, maintaining net cash position and with cash and bank balances standing at S\$25.9 million as at 30 June 2010. Cash and bank balances decreased 30.6% to S\$25.9 million as at 30 June 2010 from S\$37.3 million as at 31 March 2010 due to S\$13.6 million cash injection into the Group's Hegang BOT and Hedong BOT investment projects. Net cash generated from operations increased to S\$2.8 million in 1Q FY2011 from S\$0.1 million in 1Q FY2010.

Outlook

Dr Lin Yucheng, Chairman and CEO of United Envirotech, says: "With our strong funding support and business fundamentals, we are optimistic that United Envirotech will continue to expand by securing new and bigger projects, be it in China or overseas, EPC or water investment projects."

The Group expects Phase One of one of the two Hegang BOT plants with design capacity of 50,000 m³ per day to commence operation in September 2010. The BOT plant is expected to run at full capacity as minimum off-take volume guaranteed by the Government.

In addition, given its dual service and revenue components of Hegang BOT, the Group expects to further reap income from recycling 30,000 m³ per day of treated wastewater and selling it directly to neighbouring industries as high-grade recycled water within FY2011.

Dr Lin continues: "Going forward, on a longer term outlook, we believe our recurring revenue base will continue to strengthen as Phase Two of Hegang BOT and Hedong BOT come on board."

Furthermore, with the increasing demand for effective and efficient water and wastewater treatment services in China to meet the stricter discharge limits, we anticipate that there are continued opportunities for new and upgrading projects to be secured."

With its advanced membrane technologies, particularly the Membrane Bioreactor ("MBR"), the Group believes that it has a competitive edge in treating wastewater of a greater complexity to meet the stricter discharge limits more effectively and efficiently. As a testament of the Group's capabilities and growing demand for MBR, the Group has successfully completed one of Asia's largest MBR project with design capacity of 100,000 m³ per day.

The Group expects its *Engineering* business to continue to be the key revenue driver with steady and significant support arising from its *Wastewater Treatment* business.



United Envirotech Ltd

Company Registration No: 200306466G

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

Tel: (65) 6774 7298 Fax: (65) 6774 8920

END

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 principle 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 staff 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.

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

For more information please contact:

Kathy, ZHANG

Rachel, HO

Staff@financialpr.com.sg

Tel: (65) 64382990 Fax: (65) 64380064