



United Envirotech Ltd

Company Registration No: 200306466G

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MEDIA RELEASE

Immediate Release

UEL delivers net profit of S\$4.1 million for 3QFY2011

- **Net Profit for first 9 months of FY2011 amounts to S\$14.4 million, representing 96.7% of FY2010 full year net profit**
- **Recurring treatment revenue from wastewater investment projects jumped 50.0% to S\$5.4 million in 3QFY2011, in tandem with higher quantity of wastewater treated**
- **Group remains firmly committed to the strategy of growing recurring income through investment and operation and maintenance (O&M) projects**

Singapore – 31 January 2011 – Mainboard-listed United Envirotech Ltd. (“United Envirotech”, “UEL”, “The Group” or “聯合環境”), announced a net profit of S\$4.1 million on the back of revenue of S\$12.8 million in the three months ended 31 December 2010 (“3QFY2011”). Cumulatively, the Group achieved a net profit after tax of S\$14.4 million in the 9 months ending 31 December 2010, which constitutes 96.7% of FY2010 total net profit.

3QFY2011 Segmental Review

The Group’s Engineering business contributed \$7.4 million or 57.8% of the total revenue in 3QFY2011 as compared to S\$15.2 million or 80.9% in 3QFY2010. The decline is mainly attributable to the lower engineering income for the current period.

In contrast, the Group’s recurring income arising from the Wastewater Treatment segment, increased substantially to S\$5.4 million in 3QFY2011 from S\$3.6 million in 3QFY2010. The 50.0% jump is due to contributions from the newly acquired subsidiary, Guangzhou Linhai Envirotech Co Ltd (Linhai) and the newly completed Build-Operate-Transfer (BOT) plant in Hegang.

The steady increase reflects the effort and progress that the Group has made to increase the total treatment capacity, thereby strengthening the recurring income base.



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3QFY2011 Financial Review

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Table 2: Financial Highlights

Description (S\$'000)	3Q FY2011	3Q FY2010	% Change
Revenue	12,789	18,752	(31.8)
Materials purchased, consumables used and subcontractors' fees	(5,879)	(11,074)	(46.9)
Other operating expenses	(3,188)	(1,588)	100.8
Profit before income tax	4,673	5,560	(16.0)
Net profit for the period	4,078	5,150	(20.8)
Earnings per share (Sing cents) *	0.86	1.30	(33.8)

* Based on 473,097,000 and 397,596,000 ordinary shares for 3QFY2011 and 3QFY2010 respectively, on a fully diluted basis

Materials purchased, consumables used and subcontractors' fees decreased 46.9% to S\$5.9 million in 3QFY2011, consistent with the decline in revenue. Other operating expenses for 3QFY2011 grew 100.8% yoy from S\$1.6 million to S\$3.2 million, due to higher operating costs as a result of the increase in investment projects.

Outlook

The outlook of China's water and wastewater treatment remains optimistic as the Chinese government maintains its commitment towards the country's water pollution and scarcity problems. Citing Bi Xiaogang, spokesman for the Beijing Water Authority, he shared that seven Chinese provinces and municipalities, including Beijing, will start to take water-conservation efforts into consideration when assessing officials' performance. This new initiative is expected to further boost accountability of officers in a bid to ease China's water woes.

Dr Lin Yucheng, Chairman and CEO of United Envirotech, commented on the prospects ahead for the Group: "The Chinese government's recent urgency to establish effective wastewater resource management infrastructure and programmes, points towards strong growth prospects in China's municipal and industrial sector.



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Moving forward, we will leverage on our strong presence in China to capture the growth opportunities present in the market. Strategically, we will continue to seek more water investment projects to generate long- term sustainable and strategic returns for the Group.”

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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 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 and on the Taiwan Stock Exchange on the 22 October 2010.

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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