



United Envirotech Ltd

## MEDIA RELEASE

Company Registration No: 200306466G  
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### Immediate Release

# United Envirotech's net profit increases 383.6% to S\$5.2 million in 3QFY2010

- Revenue increased 114.3% to S\$18.8 million in 3QFY2010 largely due to higher engineering contribution arising mainly from the recently secured Guangzhou EPC project
- Recurring treatment revenue from wastewater investment projects improved to S\$3.6 million in 3QFY2010 in tandem with higher quantity of wastewater treated
- To focus on its twin-growth strategy of securing membrane-based industrial wastewater treatment projects and expanding into municipal wastewater investments and operation and maintenance (O&M) services to improve earnings and recurring income

**Singapore – 1 February 2010** – Mainboard-listed United Envirotech Ltd. (“United Envirotech”, “UEL”, “the Group”, or “联合环境技术有限公司”), a leading membrane-based water and wastewater treatment solutions provider, is pleased to announce a 383.6% year-on-year (yoy) increase in net profit of S\$5.2 million in 3QFY2010. On the back of higher engineering income and recurring treatment revenue, the Group recorded S\$18.8 million revenue in 3QFY2010, representing 114.3% yoy increase in revenue.

### 3QFY2010 Financial Review

Description (S\$'000)	3QFY2010	3QFY2009	(+/-) %	9MFY2010	9MFY2009	(+/-) %
<b>Revenue</b>	18,752	8,752	114.3	38,886	32,092	21.2
<b>Materials purchased, consumables used and subcontractors' fees</b>	(11,074)	(4,283)	158.6	(20,195)	(19,602)	3.0
<b>Profit before income tax</b>	5,560	1,188	368.0	10,340	3,959	161.2
<b>Net profit for the period</b>	5,150	1,065	383.6	9,360	3,532	165.0
<b>Earnings per share (Sing cents)</b>	1.19	0.27	340.7	2.29	0.93	146.2

Engineering income accounted S\$15.2 million or 80.9% of 3QFY2010 revenue, while recurring treatment revenue contributed S\$3.6 million or 19.1% of 3QFY2010 revenue. During the period, the Group recognised contributions arising from the recently secured Guangzhou EPC project and the higher quantity of wastewater treated for the operating plants.

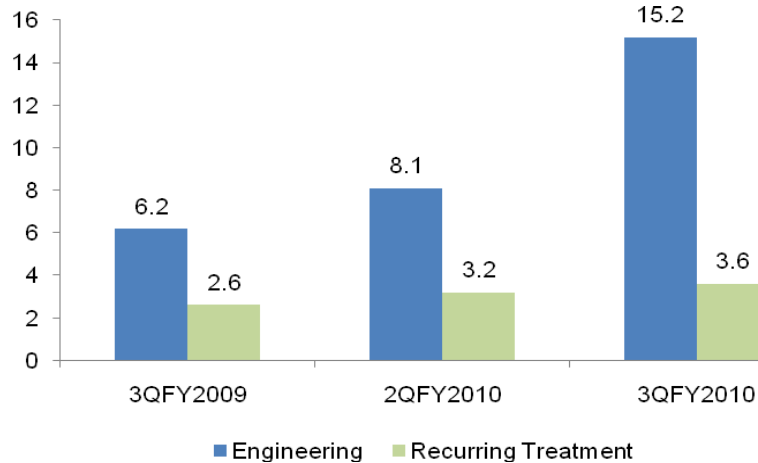


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Chart: Revenue Breakdown by Business Segment



In consistent with a higher proportion of revenue, the Group recorded a 158.6% yoy increase in materials purchased, consumables used, and subcontractors' fees to S\$11.1 million in 3QFY2010.

The Group generated S\$5.2 million net profit in 3QFY2010 net profit for the period, representing a 383.6% yoy increase. Earnings per share correspondingly increased to Sing 1.19 cents in 3QFY2010, up by 340.7% as compared to Sing 0.27 cents in 3QFY2009.

The Group's financial position remained strong with S\$23.4 million cash and bank balances as at 31 December 2009. Operating cash flow for the Group stood at negative S\$9.1 million mainly due to \$20.0 million tender deposit placed by the Group for a project during the period. As at date of announcement, the tender deposit has since been fully returned to the Group.

### **Strengthening the Pillars of Growth – Engineering and Wastewater Investments**

With signs that the global economic environment is gradually moving towards the recovery phase, the Group expects the operating environment to improve in the few quarters ahead.

**Dr. Lin Yucheng, Chairman and Chief Executive Officer of United Envirotech, elaborates on its twin-growth strategy: “On the engineering front, we will continue to leverage on our strengths in advanced membrane technologies, such as the MBR technology, to target the petrochemical and chemical industries, as well as the industrial parks. Given the**



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**increasing recognition of MBR in China, we expect increasing usage of MBR from both the industrial and municipal sectors.**

**With stricter discharge limits imposed by the Chinese government, we believe there are business opportunities for us to do plant upgrades to existing wastewater plants. Plant upgrades, in which we typically increase design capacity and apply our advanced membrane technologies, will lead to a higher tariff revision upon completion.**

**On the wastewater investments front, we will continue to build or acquire more treatment plants, operate our own treatment plants and provide O&M services. Since the implementation of this strategy, we have gradually seen rewards; going forward, we will continue to execute this strategy to improve our earnings and recurring income base.”**

Currently, the Group has seven wastewater investment plants with aggregate capacity of 665,000 m<sup>3</sup> per day. Out of the seven, five plants with aggregate capacity of 305,000 m<sup>3</sup> per day are currently in operation.

**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](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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