



**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**

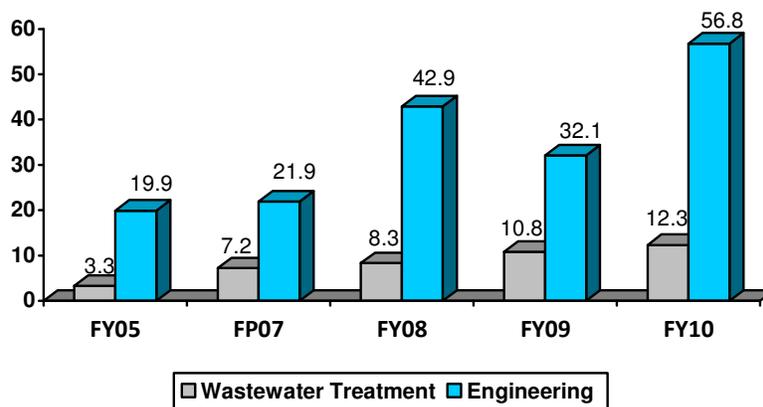
**United Envirotech turns in 305.4% increase in net profit to S\$14.9 million for FY2010**

- Revenue grew 61.3% to S\$69.1 million on higher project milestones and higher treatment capacity of its operational plants
- Cash and cash balances strengthened to S\$37.3 million; operating at net cash position
- Treatment capacity to double in the next two years
- Board proposed final dividend of 0.3 cents per share and special dividend of 0.2 cents per share, a total payout ratio of 15%

**Singapore – 18 May 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 305.4% to S\$14.9 million for the 12 months ended 31 March 2010 (“FY2010”) on the back of 61.3% increase in revenue to S\$69.1 million in FY2010. The growth was due to higher contributions from both its *Engineering* and *Wastewater treatment* businesses.

**FY2010 Segmental Review**

**Table 1: Revenue Breakdown by Business Segment**



The Group’s *Engineering* business continued to be the key growth revenue driver, contributing S\$56.8 million or 82.2% of total FY2010 revenue. The increase was mainly due to project milestones recognised for several projects and was chiefly arising from Guangzhou EPC project. (Refer to Table 1).



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The Group's recurring income from its *Wastewater Treatment* business continued to grow steadily over the years, contributing S\$12.3 million or 17.8% of total FY2010 revenue. The increase was a result of higher treatment capacity of its existing operational plants.

**FY2010 Financial Review**

**Table 2: Financial Highlights**

Description (S\$'000)	FY2010	FY2009	% Change
<b>Revenue</b>	69,144	42,857	61.3
<b>Materials purchased, consumables used and subcontractors' fees</b>	(38,412)	(26,029)	47.6
<b>Profit before income tax</b>	18,892	4,369	332.4
<b>Net profit for the year</b>	14,851	3,663	305.4
<b>Net profit margin</b>	21.5%	8.5%	13 ppt
<b>Earnings per share (Sing cents)</b>	3.57	0.96	271.9
<b>Net asset value per share (Sing cents)</b>	25.69	21.66	18.6

Overall, the Group turned in a net profit before tax of S\$18.9 million in FY2010, signifying 332.4% increase from S\$4.4 million in FY2009. Due to higher taxable income, the Group's net profit after tax was S\$14.9 million in FY2010, representing 305.4% increase from S\$3.7 million in FY2009. Net profit margin improved over two folds to 21.5% in FY2010 from 8.5% in FY2009 (refer to Table 2).

The Group's balance sheet continued to strengthen with lower debt and is in net cash position. The Group's cash and bank balances increased 82.8% to S\$37.3 million as at 31 March 2010 from S\$20.4 million in the corresponding year. Net cash generated from operations also increased 349.6% to S\$18.1 million in FY2010 from S\$4.0 million in FY2009.

**Dr Lin Yucheng, Chairman and CEO of United Envirotech, says: "Over the years, the Group has adhered to a sound strategy of improving its business fundamentals. We improved our working capital management and cash flow generation; grew our cash balances and assets; and even amid business expansion, the company has turned to a net cash position. In addition, we also strengthened our recurring income base as a strategy to offset the volatilities of our EPC business. Today, United Envirotech stands as a stronger and leaner outfit, well ready to take on bigger projects going forward."**



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**Strengthening Twin Growth Engines**

The outlook of China's water and wastewater treatment industry remains optimistic, and the Group believes that there are opportunities for new and upgrading projects to be secured, both in the municipal and industrial sectors. With its advanced membrane technologies, particularly the Membrane Bioreactor ("MBR"), United Envirotech 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 secured one of Asia's largest MBR project with treatment capacity of 100,000 m<sup>3</sup> per day last year.

The Group's wastewater treatment revenue stream continues to improve as a strong recurring base for the Group. The total treatment capacity is expected to double in 2 years' time after the completion of the 2 BOT projects in Heilongjiang and Liaoning. The Group expects contribution from its wastewater treatment business will continue its uptrend in the near future.

**Continues Dr Lin: "We will continue to build or acquire more BOT or TOT plants and operate them as a long-term strategy to improve our recurring income base and earnings visibility. Apart from investments, we are actively seeking Operation and Maintenance (O&M) projects that reward us with recurring income, high margins, and yet with zero capital expenditure requirements."**

Going forward, the Group expects its *Engineering* business to continue to be the key revenue driver with strong growth support arising from its *Wastewater Treatment* business.

**Dividend**

In appreciation of its loyal shareholders, the Board has proposed final tax-exempt dividend of Singapore 0.3 cents per share and special tax-exempt dividend of Singapore 0.2 cents per share, signifying a total payout ratio of 14.7%.

**END**



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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.

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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