



UNITED ENVIROTECH LTD. (Company registration number: 200306466G)

Listed companies must provide the information required by Appendix 7.2 of the Listing Manual. Adequate disclosure should be given to explain any material extraordinary item either as a footnote of the material extraordinary item or in the "Review of the performance of the group".

Full Year Financial Statement & Dividend Announcement for the Year Ended 31 March 2012

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | Group 12 months ended 31/3/2012 \$'000 | Group 12 months ended 31/3/2011 \$'000 | % Increase/ (Decrease) |
|---|---|---|------------------------------|
| Revenue | 85,319 | 77,984 | 9.4 |
| Other income | 1,692 | 5,818 | (70.9) |
| Changes in inventories | (137) | (81) | 69.1 |
| Material purchased, consumables used and subcontractors' fees | (46,961) | (48,478) | (3.1) |
| Employee benefits expense | (7,186) | (6,510) | 10.4 |
| Depreciation and amortisation expenses | (1,711) | (910) | 88.0 |
| Other operating expenses | (11,761) | (8,372) | 40.5 |
| Finance costs | (6,186) | (1,176) | 426.0 |
| Share of profit (loss) of associates | 153 | (84) | N/m |
| Share of profit of joint venture | 810 | 756 | 7.1 |
| Profit before income tax | 14,032 | 18,947 | (25.9) |
| Income tax expense | (3,557) | (2,939) | 21.0 |
| Net profit for the year | 10,475 | 16,008 | (34.6) |

| | Group 12 months ended 31/3/2012 \$'000 | Group 12 months ended 31/3/2011 \$'000 | % Increase/ (Decrease) |
|--|---|---|------------------------------|
| Statement of Comprehensive Income | | | |
| Net profit for the year | 10,475 | 16,008 | (34.6) |
| Currency translation profit (loss) | 5,015 | (6,113) | N/m |
| Total comprehensive income for the year | 15,490 | 9,895 | 56.5 |

1(a)(ii) Breakdown to statement of comprehensive income

| | Group 12 months ended 31/3/2012 \$'000 | Group 12 months ended 31/3/2011 \$'000 | % Increase/ (Decrease) |
|--|---|---|------------------------------|
| Depreciation of property, plant and equipment | 1,534 | 831 | 84.6 |
| Amortisation of prepaid lease | 177 | 79 | 124.1 |
| Share option expense | 679 | 567 | 19.8 |
| Interest expense on bank borrowings | 1,968 | 1,176 | 67.3 |
| Coupon interest expense on convertible bonds | 1,841 | - | N/m |
| Amortisation of equity component of convertible bonds | 2,377 | - | N/m |
| Interest income | (771) | (190) | 305.8 |
| Loss (gain) on disposal of property, plant and equipment | 24 | (15) | N/m |
| Negative goodwill | - | (3,494) | N/m |
| Foreign currency exchange gain | (407) | (486) | (16.3) |

N/m: Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

| | Group 31/3/2012 \$'000 | Group 31/3/2011 \$'000 | Company 31/3/2012 \$'000 | Company 31/3/2011 \$'000 |
|--------------------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and bank balances | 89,458 | 47,235 | 83,420 | 15,639 |
| Trade receivables | 39,724 | 25,849 | - | 440 |
| Service concession receivables | 1,364 | 39 | - | - |
| Other receivables and prepayments | 59,638 | 9,966 | 38,993 | 18,509 |
| Inventories | 469 | 606 | - | - |
| Prepaid lease | 199 | 199 | - | - |
| Total current assets | 190,852 | 83,894 | 122,413 | 34,588 |
| Non-current assets: | | | | |
| Trade receivables | 1,887 | 1,841 | - | - |
| Prepaid lease | 9,921 | 9,972 | - | - |
| Service concession receivables | 147,292 | 102,005 | - | - |
| Subsidiaries | - | - | 84,064 | 53,494 |
| Associates | 20,805 | 718 | 22,342 | 2,089 |
| Joint venture | 9,020 | 8,362 | 7,841 | 7,201 |
| Property, plant and equipment | 19,056 | 13,140 | 293 | 307 |
| Goodwill | 1,468 | 1,488 | - | - |
| Intangible assets | 200 | 200 | 200 | 200 |
| Deferred tax assets | 579 | 569 | - | - |
| Total non-current assets | 210,228 | 138,295 | 114,740 | 63,291 |
| Total assets | 401,080 | 222,189 | 237,153 | 97,879 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities: | | | | |
| Bank loans | 13,981 | 12,938 | 800 | 4,200 |
| Trade payables | 23,649 | 12,391 | - | - |
| Other payables | 13,800 | 7,766 | 795 | 929 |
| Finance leases | 73 | 93 | 52 | 60 |
| Income tax payable | 4,146 | 2,796 | - | - |
| Total current liabilities | 55,649 | 35,984 | 1,647 | 5,189 |
| Non-current liabilities: | | | | |
| Bank loans | 44,978 | 41,309 | - | 800 |
| Finance leases | 115 | 179 | 92 | 135 |
| Convertible bonds | 119,451 | - | 121,292 | - |
| Deferred tax liabilities | 5,098 | 3,807 | - | - |
| Total non-current liabilities | 169,642 | 45,295 | 121,384 | 935 |

| | Group 31/3/2012 \$'000 | Group 31/3/2011 \$'000 | Company 31/3/2012 \$'000 | Company 31/3/2011 \$'000 |
|-------------------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| Capital and reserves: | | | | |
| Share capital | 92,659 | 92,659 | 92,659 | 92,659 |
| General reserve | 2,646 | 2,009 | - | - |
| Share option reserve | 1,290 | 611 | 1,290 | 611 |
| Convertible bonds reserve | 20,143 | - | 20,143 | |
| Currency translation reserves | (1,799) | (6,814) | (1,813) | (3,011) |
| Accumulated profits | 60,850 | 52,445 | 1,843 | 1,496 |
| Total equity | 175,789 | 140,910 | 114,122 | 91,755 |
| | | | | |
| Total liabilities and equity | 401,080 | 222,189 | 237,153 | 97,879 |

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

| <u>As at 31/3/2012</u> | | <u>As at 31/3/2011</u> | |
|------------------------|---------------------|------------------------|---------------------|
| Secured \$'000 | Unsecured \$'000 | Secured \$'000 | Unsecured \$'000 |
| 8,054 | 6,000 | 6,527 | 6,504 |

Amount repayable after one year

| <u>As at 31/3/2012</u> | | <u>As at 31/3/2011</u> | |
|------------------------|---------------------|------------------------|---------------------|
| Secured \$'000 | Unsecured \$'000 | Secured \$'000 | Unsecured \$'000 |
| 8,431 | 36,662 | 15,131 | 26,357 |

Details of any collateral

1. The finance leases of \$188,000 (31 March 2011: \$272,000) is secured over the Group's motor vehicles with carrying value of \$273,000 (31 March 2011: \$356,000).
2. The bank term loan of \$120,000 (31 March 2011: \$507,000) is secured over the freehold properties of its Malaysia subsidiary, Dataran Tenaga (M) Sdn Bhd with carrying value of \$298,000 (31 March 2011: \$306,000).
3. The long term bank loans of \$16,177,000 (31 March 2011: \$20,879,000) are secured over the service concession receivables and the treatment plant and prepaid lease of its subsidiaries with carrying value of \$76,797,000 (31 March 2011: \$70,098,000).

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | Group 12 months ended 31/3/2012 \$'000 | Group 12 months ended 31/3/2011 \$'000 |
|--|--|--|
| Operating activities | | |
| Profit before income tax | 14,032 | 18,947 |
| Adjustments for: | | |
| Loss (gain) on disposal of property, plant and equipment | 24 | (15) |
| Interest income | (771) | (190) |
| Interest expense | 6,186 | 1,176 |
| Share of (profit) loss of associates | (153) | 84 |
| Share of profit of joint venture | (810) | (756) |
| Depreciation and amortisation expense | 1,711 | 910 |
| Share option expense | 679 | 567 |
| Negative goodwill | - | (3,494) |
| Exchange differences arising on foreign currency translation | 5,363 | (3,852) |
| Operating profit before working capital changes | 26,261 | 13,377 |
| Trade receivables | (13,059) | 15,464 |
| Other receivables and prepayments | (14,357) | (1,018) |
| Inventories | 237 | 62 |
| Trade payables | 10,029 | (12,716) |
| Other payables | (1,811) | (407) |
| Cash generated from operations | 7,300 | 14,762 |
| Interest received | 771 | 190 |
| Interest paid | (1,968) | (1,176) |
| Income tax paid | (1,264) | (1,186) |
| Net cash from operating activities | 4,839 | 12,590 |
| Investing activities | | |
| Other receivables and prepayment – tender deposits | (41,726) | - |
| Purchase of property, plant and equipment | (6,964) | (1,881) |
| Addition to service concession receivables | (33,357) | (32,701) |
| Proceeds on disposal of property, plant and equipment | - | 44 |
| Acquisition of subsidiary (Note A) | (278) | (2,815) |
| Investment of associate | (19,934) | (718) |
| Net cash used in investing activities | (102,259) | (38,071) |

| | Group 12 months ended 31/3/2012 \$'000 | Group 12 months ended 31/3/2011 \$'000 |
|--|--|--|
| Financing activities | | |
| New bank loans raised | 13,409 | 28,624 |
| Proceeds from issuing shares | - | 20,222 |
| Proceeds from issuing convertible bonds | 136,320 | - |
| Loan to third party | - | (3,212) |
| Dividend paid | (1,433) | (2,188) |
| Repayment of obligations under finance lease | (84) | (129) |
| Repayment of bank borrowings | (8,697) | (5,869) |
| Fixed deposits pledged as security | (67) | (46) |
| Net cash from financing activities | 139,448 | 37,402 |
| Net increase in cash and cash equivalents | 42,028 | 11,921 |
| Cash and cash equivalents at beginning of year | 47,096 | 37,160 |
| Net effect of exchange rate changes on the balance and cash held in foreign currencies | 128 | (1,985) |
| Cash and cash equivalents at end of year (Note B) | 89,252 | 47,096 |

Note A

| | Group 31/3/2012 \$'000 |
|--|------------------------------|
| Consideration paid in cash | 1,000 |
| Less: cash and cash equivalents acquired | (722) |
| Net cash outflow | 278 |

Note B

Cash and cash equivalents consist of:

| | Group 31/3/2012 \$'000 | Group 31/3/2011 \$'000 |
|------------------------------|------------------------------|------------------------------|
| Cash and bank balances | 89,458 | 47,235 |
| Less: pledged fixed deposits | (206) | (139) |
| Cash and cash equivalents | 89,252 | 47,096 |

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders.

| | Share capital \$'000 | General reserve \$'000 | Share option reserves \$'000 | Convertible bonds reserves \$'000 | Currency translation reserve \$'000 | Accumulated profits \$'000 | Total \$'000 |
|---|-------------------------|---------------------------|---------------------------------|--------------------------------------|--|-------------------------------|-----------------|
| Group | | | | | | | |
| At 1 April 2011 | 92,659 | 2,009 | 611 | - | (6,814) | 52,445 | 140,910 |
| Total comprehensive income for the year | - | - | - | - | 5,015 | 10,475 | 15,490 |
| Recognition of equity component of convertible bonds, net of bonds issue expenses | - | - | - | 22,520 | - | - | 22,520 |
| De-recognition of equity component of convertible bonds | - | - | - | (2,377) | - | - | (2,377) |
| Recognition of share-based payment | - | - | 679 | - | - | - | 679 |
| Dividend paid | - | - | - | - | - | (1,433) | (1,433) |
| Transfer to general reserve | - | 637 | - | - | - | (637) | - |
| At 31 March 2012 | 92,659 | 2,646 | 1,290 | 20,143 | (1,799) | 60,850 | 175,789 |
| | | | | | | | |

| | Share capital \$'000 | Share option reserve \$'000 | Convertible bond reserve \$'000 | Currency translation reserve \$'000 | Accumulated profits \$'000 | Total \$'000 |
|---|-------------------------|-----------------------------------|--|--|----------------------------------|-----------------|
| <u>Company</u> | | | | | | |
| At 1 April 2011 | 92,659 | 611 | - | (3,011) | 1,496 | 91,755 |
| Total comprehensive income for the year | - | - | - | 1,198 | 1,780 | 2,978 |
| Recognition of equity component of convertible bonds, net of bonds issue expenses | - | - | 22,520 | - | - | 22,520 |
| De-recognition of equity component of convertible bonds | | | (2,377) | | | (2,377) |
| Recognition of share-based payment | - | 679 | - | - | - | 679 |
| Dividend paid | - | - | - | - | (1,433) | (1,433) |
| At 31 March 2012 | 92,659 | 1,290 | 20,143 | (1,813) | 1,843 | 114,122 |

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the current financial period, there is no change in the company's share capital.

During the period, the Company issued an USD113.8 million convertible bond with 2.5% coupon and due October 3, 2016. The conversion price is set at 45 Singapore cents. The number of shares that may be issued on conversion of all the outstanding convertibles as at 31 March 2012 and 31 March 2011 was 305 million and Nil respectively.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

| | 31/3/2012 | 31/3/2011 |
|--------------------------------------|-----------|-----------|
| Total number of issues shares ('000) | 477,596 | 477,596 |

The company does not have any treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation are the same as in the Company's audited consolidated financial statements for the financial year ended 31 March 2011.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

There is no change in the accounting policies and methods of computation.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

| | Group 31/3/2012 | Group 31/3/2011 |
|---|--------------------|--------------------|
| Net profit attributable to shareholders of the Company (\$'000) | 10,475 | 16,008 |
| Weighted average number of shares in issue (in '000) for computation of Basic EPS | 477,596 | 455,130 |
| Earning per share (cents)- Basic | 2.19 | 3.52 |
| Weighted average number of shares in issue (in '000) for computation of Diluted EPS | 489,446 | 466,768 |
| Earning per share (cents) – Diluted | 2.14 | 3.43 |

For the purpose of calculating diluted EPS, assumption was made that the total employee share options issued will be converted to ordinary shares. The computation does not assume the exercise of the convertible bond as the exercise price of those convertible bond was higher than the average market price of the shares for the twelve months ended 31 March 2012.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

| | Group 31/3/2012 | Group 31/3/2011 | Company 31/3/2012 | Company 31/3/2011 |
|-----------------------------------|--------------------|--------------------|----------------------|----------------------|
| Net asset value (\$'000) | 175,789 | 140,910 | 114,122 | 91,755 |
| Net asset value per share (cents) | 36.81 | 29.50 | 23.90 | 19.21 |

The net asset value per share is calculated based on the issued share capital of 477,596,000 (31 March 2011: 477,596,000).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of comprehensive income

The Group's revenue for the year was \$85.3 million, which was \$7.3 million or 9.4% higher than last corresponding year ended 31 March 2011 of \$78.0 million. The increase was mainly due to the increase in the water treatment business from \$16.0 million to \$23.0 million, representing an increase of \$7.0 million or 43.8%.

Other income decreased from \$5.8 million to \$1.7 million, a decrease of \$4.1 million or 70.9%. The decrease was mainly due to the negative goodwill of \$3.5 million arising from the acquisition of a subsidiary during the last corresponding year ended 31 March 2011.

Employee benefits expense increased to \$7.2 million from \$6.5 million, representing an increase of \$0.7 million or 10.4% as compared to the corresponding year ended 31 March 2011. The increase was mainly due to the additional staff strength for the operation and maintenance of the new plants during the year, namely Hegang, Xinmin and Anhui Waterstar .

The increase in other operating expenses from \$8.4 million to \$11.8 million, representing an increase of \$3.4 million or 40.5% as compared to the corresponding year ended 31 March 2011 was consistent with the additions of the new plants.

Finance costs increased from \$1.2 million to \$6.2 million, representing an increase of \$5.0 million or 426.0% as compared to the corresponding year ended 31 March 2011. The increase was mainly due to the amortisation of equity component of convertible bonds of \$2.4 million and coupon interest on the convertible bonds of \$1.8 million, totaling \$4.2 million. During the year, the company issued an USD113.8 million convertible bond with 2.5% coupon and due 3 October 2016.

The income tax expense increased from \$2.9 million to \$3.6 million, representing an increase of \$0.7 million or 21.0% from the last corresponding year ended 31 March 2011. The effective tax rates for the year ended 31 March 2012 and 31 March 2011 were 25.3% and 15.5% respectively. The increase was mainly due to:

1. the overprovision of income tax in the last corresponding year ended 31 March 2011 of \$0.6 million; and
2. the tax effect on the finance costs relating to the convertible bonds of \$4.2 million which were not deducted in determining the taxable income.

The Group generated net profit for the year of \$10.5 million for the current year as compared to \$16.0 million in the corresponding period ended 31 March 2011. A decrease of \$5.5 million or 34.6% from the last corresponding period ended 31 March 2011. The decrease was mainly due to:

1. the amortisation of equity component of convertible bonds and coupon interest on convertible bonds relating to the issuance of the convertible bonds (\$Nil for the last corresponding year ended 31 March 2011)
2. the negative goodwill of \$3.5 million charged during the last corresponding year ended 31 March 2011 (\$Nil for the current year ended 31 March 2012)

Assume that the above mentioned items were excluded from the net profit for the year, the net profit for the year ended 31 March 2012 and 2011 will be \$14.7 million and \$12.5 million respectively.

Statement of financial position

The Group's current assets increased from \$84.0 million as at 31 March 2011 to \$190.9 million as at 31 March 2012. The increase was mainly due to the cash and bank balances and other receivables. Cash and bank balances increased from \$47.2 million as at 31 March 2011 to \$89.5 million as at 31 March 2012, representing

an increase of \$42.3 million. The increase was mainly from the proceeds from the issuance of the convertible bonds during the current year to raise \$137.2 million. Other receivables increased from \$10.0 million as at 31 March 2011 to \$59.6 million as at 31 March 2012, representing an increase of \$49.6 million. The higher other receivables was mainly due to the placement of tender deposits of \$40.0 million. Out of which, \$20 million of the tender deposit was refunded to the Company in April 2012. The remaining \$20 million had been converted to performance bonds for the engineering project after we had secured it in April 2012.

The Group's non-current assets increased from \$138.3 million as at 31 March 2011 to \$210.2 million as at 31 March 2012. The increase was mainly due to the additions of service concession receivables arising from the Hegang BOT project and the newly acquired subsidiary, Xinmin.

The Group's non-current liabilities increased from \$45.3 million as at 31 March 2011 to \$169.6 million as at 31 March 2012. The increase was mainly due to the debt component of the convertible bonds issued during the year of \$121.3 million.

The Group's shareholders' equity increased from \$140.9 million as at 31 March 2011 to \$175.8 million as at 31 March 2012. The increase was mainly due to the increase in the convertible bonds reserve during the year through the issuance of convertible bonds and the profit generated by the Group during the current year.

Statement of cash flow

Net cash from financing activities increased from \$37.4 million to \$139.4 million in the current year. The increase was mainly due to the proceeds from the issuance of the convertible bonds of \$136.3 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

As a long term growth strategy for the Group, the Group continues to expand its stable and recurring treatment income and it believes that there are opportunities for TOT/BOT/BOO investment projects in China. The Group will actively seek suitable projects for investment.

The Group believes that there is a growing demand for membrane based water and wastewater treatment services, especially in China. This is mainly due to the stricter discharge limits imposed by the Chinese government and the shortage of water supply in various parts of China. The 12th Five-year plan by the Chinese government has incorporated clear directive to increase investment in environment and water related projects. The Group believe its advanced membrane technologies, particularly Membrane Bioreactor (MBR), have a competitive edge in treating wastewater of a greater complexity to meet the stricter discharge limits and also to reclaim the treated wastewater for reuse more effectively and efficiently.

In the past year, the Group completed the 100,000 m³/day Guangzhou Jingxi MBR Plant, one of the biggest MBR plants in terms of treatment capacity in the world. The underground design of the Jingxi plant, the membrane technology and its small foot print has attracted a lot of interest from various parts of China and overseas. As such, the Group is optimistic that there are opportunities for new and upgrading projects to be secured, both in wastewater treatment as well as reclamation of water for both municipal and industrial sectors.

To fund its projects and working capital requirements, the Group had on 4 October 2011 completed the issuance of convertible bond to KKR China Water Investment Holdings Limited of USD113.8 million. The Group will also actively source for bank financing to fund its investment projects. Since the issuance of the convertible bonds, the Group has so far secured the following investment in wastewater treatment projects.

1. Acquisition of 80% stake in two wastewater treatment plants in Fuqing and Shaxian cities in Fujian province for RMB116 million;
2. Acquisition of 70% stake in a wastewater and a water supply plants in Changyi city, Shandong province for RMB165 million, including the upgrading of the plants;
3. Acquisition of wastewater treatment in Shangzhi city, Heilongjiang province for RMB70 million; and
4. Acquisition of Anhui Water Star Co Ltd, an operation and maintenance services provider for RMB5 million.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

| | |
|--------------------------------------|------------|
| Name of Dividend | Final |
| Dividend Type | Final |
| Dividend Amount per Share (in cents) | 0.30 |
| Optional:- Dividend Rate (in %) | N/A |
| Par value of shares | N/A |
| Tax Rate | Tax exempt |

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
Yes

| | |
|--------------------------------------|------------|
| Name of Dividend | Final |
| Dividend Type | Final |
| Dividend Amount per Share (in cents) | 0.30 |
| Optional:- Dividend Rate (in %) | N/A |
| Par value of shares | N/A |
| Tax Rate | Tax exempt |

(c) Date payable

To be announced at a later date.

(d) Books closure date

Notice of books closure date for determining shareholders' entitlement of the proposed dividend will be announced at a later date.

12. If no dividend has been declared/recommended, a statement to that effect.

Final dividends have been declared/recommended.

13. Related parties and interested person transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.

12 months ended 31 March 2012

| | Engineering \$’000 | Treatment \$’000 | Total \$’000 |
|-----------------------------------|-----------------------|---------------------|-----------------|
| Revenue | | | |
| External sales | 62,319 | 23,000 | 85,319 |
| Results | | | |
| Segment result | 8,125 | 11,774 | 19,899 |
| Finance costs | | | (6,186) |
| Unallocated corporate expenses | | | (1,822) |
| Foreign currency exchange gain | | | 407 |
| Share of profit of associates | | | 153 |
| Share of profit of joint venture | | | 810 |
| Interest income | | | 771 |
| Profit before income tax | | | 14,032 |
| Income tax expense | | | (3,557) |
| Net profit for the year | | | 10,475 |
| Other information | | | |
| Segment assets | 76,625 | 217,930 | 294,555 |
| Unallocated corporate assets | | | 106,525 |
| Consolidated total assets | | | 401,080 |
| Segment liabilities | 47,237 | 54,382 | 101,619 |
| Unallocated corporate liabilities | | | 123,672 |
| Consolidated total liabilities | | | 225,291 |
| Addition to non-current assets | 108 | 6,856 | 6,964 |
| Depreciation and amortisation | 298 | 1,413 | 1,711 |
| Finance costs | 401 | 5,785 | 6,186 |
| Interest income | (157) | (614) | (771) |

12 months ended 31 March 2011

| | Engineering \$'000 | Treatment \$'000 | Total \$'000 |
|-----------------------------------|-------------------------------|-----------------------------|-------------------------|
| Revenue | | | |
| External sales | 61,986 | 15,998 | 77,984 |
| Results | | | |
| Segment result | 8,665 | 8,609 | 17,274 |
| Finance costs | | | (1,176) |
| Unallocated corporate expenses | | | (1,993) |
| Foreign currency exchange gain | | | 486 |
| Negative goodwill | | | 3,494 |
| Share of loss of associate | | | (84) |
| Share of profit of joint venture | | | 756 |
| Interest income | | | 190 |
| Profit before income tax | | | 18,947 |
| Income tax expense | | | (2,939) |
| Net profit for the year | | | 16,008 |
| Other information | | | |
| Segment assets | 70,173 | 128,391 | 198,564 |
| Unallocated corporate assets | | | 23,625 |
| Consolidated total assets | | | 222,189 |
| Segment liabilities | 16,156 | 58,608 | 74,764 |
| Unallocated corporate liabilities | | | 6,515 |
| Consolidated total liabilities | | | 81,279 |
| Addition to non-current assets | 69 | 1,812 | 1,881 |
| Depreciation and amortisation | 285 | 625 | 910 |
| Finance costs | 221 | 955 | 1,176 |
| Interest income | (138) | (52) | (190) |

Unallocated corporate assets mainly represent Group's Cash and bank balances and other financial assets.

Unallocated corporate liabilities represent Group's finance lease, bank loans, deferred tax liabilities, convertible bonds and other financial liabilities.

Analysis By Geographical Segments (Secondary segment)

The Group's revenue from external customers and information about its segment assets (non-current assets excluding investment in associates, joint venture and other financial assets) by geographical location are detailed below:

12 months ended 31 March 2012

| | Revenue from external customers \$'000 | Non-current assets \$'000 |
|-----------|---|--------------------------------------|
| PRC | 75,529 | 28,970 |
| Singapore | 81 | 493 |
| Malaysia | 9,709 | 1,761 |
| Total | 85,319 | 31,224 |

12 months ended 31 March 2011

| | Revenue from external customers \$'000 | Non-current assets \$'000 |
|-----------|---|--------------------------------------|
| PRC | 68,337 | 23,010 |
| Singapore | - | 507 |
| Malaysia | 9,647 | 1,852 |
| Total | 77,984 | 25,369 |

Information about major customers

Revenue from major customers which accounts for 10% of more of the Group's revenue are as follows:

| | Group 2012 \$'000 | Group 2011 \$'000 |
|--------------|----------------------------------|----------------------------------|
| Engineering | | |
| - Customer 1 | 19,903 | 28,987 |
| - Customer 2 | - | 10,319 |
| Treatment | 8,829 | 8,245 |

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Business segment analysis

The engineering segment remained stable, contributing \$62.3 million of revenue and segment result of \$8.1 million for the current year as compared to the last corresponding year ended 31 March 2011 of \$62.0 million of revenue and segment results of \$8.7 million.

The segment revenue from the treatment business increased to \$23.0 million from the last corresponding year of \$16.0 million, representing an increase of \$7.0 million or 43.8%. The segment result increased from \$8.6 million to \$11.8 million, representing an increase of \$3.2 million or 36.8%. With the increase in the treatment capacity of the current plants and the additions to the treatment capacity arising from the newly acquired plants in the coming year, the Group expects the contribution from the treatment business to continue its uptrend going forward.

Geographical segment analysis

PRC segment remained the major contributor for our Group's revenue due to the greater market and demand for our advanced membrane technology for the treatment and recycling of wastewater.

16. A breakdown of sales.

| | Group 12 months ended 31/3/2012 \$'000 | Group 12 months ended 31/3/2011 \$'000 | % increase (decrease) |
|--|--|--|--------------------------|
| Breakdown of sales | | | |
| Sales reported for first half year | 46,010 | 45,369 | 1.4 |
| Operating profit after tax reported for first half year | 7,250 | 10,282 | (29.5) |
| Sales reported for second half year | 39,309 | 32,615 | 20.5 |
| Operating profit after tax reported for second half year | 3,225 | 5,726 | (43.7) |

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

| | Group 12 months ended 31/3/2012 \$'000 | Group 12 months ended 31/3/2011 \$'000 |
|------------------------------|---|---|
| Total annual dividend | | |
| Final | 1,433 | 1,433 |

18. Persons occupying managerial positions who are related to the directors, Chief Executive Officer or substantial shareholders

There are no persons occupying managerial positions who are related to the directors, Chief Executive Officer or substantial shareholders.

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company secretary
29 May 2012