



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".

First Quarter Financial Statement & Dividend Announcement for the Period Ended 30 June 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 3 months ended 30/6/2012 \$'000	Group 3 months ended 30/6/2011 \$'000	% Increase/ (Decrease)
Revenue	32,057	20,789	54.2
Other income	334	199	67.8
Changes in inventories	70	174	(59.8)
Material purchased, consumables used and subcontractors' fees	(17,857)	(11,930)	49.7
Employee benefits expense	(1,799)	(1,479)	21.6
Depreciation and amortisation expenses	(350)	(315)	11.1
Other operating expenses	(3,530)	(2,710)	30.3
Finance costs	(2,957)	(674)	338.7
Share of profit of associate	790	-	N/m
Share of profit of joint venture	161	295	(45.4)
Profit before income tax	6,919	4,349	59.1
Income tax expense	(1,035)	(810)	27.8
Net profit for the period	5,884	3,539	66.3
<u>Statement of Comprehensive Income</u>			
Net profit for the period	5,884	3,539	66.3
Currency translation loss	(575)	(1,281)	(55.1)
Total comprehensive income for the period	5,309	2,258	135.1

N/m: Not meaningful

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

	Group 3 months ended 30/6/2012 \$'000	Group 3 months ended 30/6/2011 \$'000	% Increase/ (Decrease)
Depreciation of property, plant and equipment	300	265	13.2
Amortisation of prepaid lease	50	50	-
Share option expense	153	151	1.3
Interest expense	815	674	20.9
Coupon interest on convertible bonds	904	-	N/m
Amortisation of equity component of convertible bonds	1,238	-	N/m
Interest income	(214)	(77)	177.9
Foreign currency exchange gain	(120)	(122)	(1.6)

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 30/6/2012 \$'000	Group 31/3/2012 \$'000	Company 30/6/2012 \$'000	Company 31/3/2012 \$'000
ASSETS				
Current assets:				
Cash and bank balances	98,555	89,458	37,123	83,420
Trade receivables	47,160	39,724	-	-
Service concession receivables	1,364	1,364	-	-
Other receivables and prepayments	57,801	73,255	47,630	53,589
Inventories	539	469	-	-
Prepaid lease	199	199	-	-
Total current assets	205,618	204,469	84,753	137,009
Non-current assets:				
Trade receivables	1,887	1,887	-	-
Service concession receivables	147,267	147,292	-	-
Prepaid lease	9,903	9,921	-	-
Subsidiaries	-	-	137,194	85,754
Associates	7,978	7,188	7,035	7,035
Joint venture	9,181	9,020	7,841	7,841
Property, plant and equipment	22,161	19,056	288	293
Goodwill	1,435	1,468	-	-
Intangible assets	200	200	200	200
Deferred tax assets	579	579	-	-
Total non-current assets	200,591	196,611	152,558	101,123
Total assets	406,209	401,080	237,311	238,132
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	17,197	13,981	500	800
Trade payables	25,474	23,649	-	-
Other payables	10,203	13,800	3,337	2,636
Finance leases	73	73	52	52
Income tax payable	4,698	4,146	-	-
Total current liabilities	57,645	55,649	3,889	3,488
Non-current liabilities:				
Bank loans	42,977	44,978	-	-
Finance leases	96	115	80	92
Convertible bonds	116,740	117,074	116,740	117,074
Deferred tax liabilities	5,123	5,098	-	-
Total non-current liabilities	164,936	167,265	116,820	117,166

	Group 30/6/2012 \$'000	Group 31/3/2012 \$'000	Company 30/6/2012 \$'000	Company 31/3/2012 \$'000
Capital and reserves:				
Share capital	92,659	92,659	92,659	92,659
General reserve	2,646	2,646	-	-
Share option reserve	1,443	1,290	1,443	1,290
Convertible bonds reserve	22,520	22,520	22,520	22,520
Currency translation reserves	(2,374)	(1,799)	(1,812)	(1,813)
Accumulated profits	66,734	60,850	1,792	2,822
Total equity	183,628	178,166	116,602	117,478
Total liabilities and equity	406,209	401,080	237,311	238,132

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 30/6/2012</u>		<u>As at 31/3/2012</u>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
7,530	9,740	8,054	6,000

Amount repayable after one year

<u>As at 30/6/2012</u>		<u>As at 31/3/2012</u>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
8,411	34,662	8,431	36,662

Details of any collateral

1. The finance leases of \$169,000 (31 March 2012: \$188,000) is secured over the Group's motor vehicles with carrying value of \$252,000 (31 March 2012: \$273,000).
2. The bank term loan of \$115,000 (31 March 2012: \$120,000) is secured over the freehold properties of its Malaysia subsidiary, Dataran Tenaga (M) Sdn Bhd with carrying value of \$297,000 (31 March 2012: \$298,000).
3. The long term bank loans of \$15,657,000 (31 March 2012: \$16,177,000) are secured over the service concession receivables and the treatment plant and prepaid lease of its subsidiaries with carrying value of \$75,471,000 (31 March 2012: \$76,797,000).

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

	Group 3 months ended 30/6/2012 \$'000	Group 3 months ended 30/6/2011 \$'000
Operating activities		
Profit before income tax	6,919	4,349
Adjustments for:		
Interest income	(214)	(77)
Interest expense	2,957	674
Share of profit of associate	(790)	-
Share of profit of joint venture	(161)	(295)
Depreciation and amortization	350	315
Share option expense	153	151
Exchange difference arising on foreign currency translation	(823)	(879)
Operating profit before working capital changes	8,391	4,238
Trade receivables	(7,436)	(1,424)
Other receivables and prepayments	15,454	(922)
Inventories	(70)	(174)
Trade payables	1,825	416
Other payables	(5,739)	(2,598)
Cash generated from operations	12,425	(464)
Interest received	214	77
Interest paid	(815)	(674)
Income tax paid	(458)	(1,274)
Net cash from (used in) operating activities	11,366	(2,335)
Investing activities		
Purchase of property, plant and equipment	(3,437)	(1,632)
Service concession receivables	-	(6,666)
Net cash used in investing activities	(3,437)	(8,298)
Financing activities		
Repayment of obligations under finance lease	(19)	(27)
Addition of borrowings	1,215	8,697
Net cash from financing activities	1,196	8,670
Net increase (decrease) in cash and cash equivalents	9,125	(1,963)
Cash and cash equivalents at beginning of period	89,458	47,235
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(28)	(372)
Cash and cash equivalents at end of period	98,555	44,900

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 2012	92,659	2,646	1,290	22,520	(1,799)	60,850	178,166
Total comprehensive income for the period	-	-	-	-	(575)	5,884	5,309
Recognition of share-based payment	-	-	153	-	-	-	153
At 30 June 2012	92,659	2,646	1,443	22,520	(2,374)	66,734	183,628

	Share capital \$'000	Share option reserve \$'000	Convertible bond reserve \$'000	Currency translation reserve \$'000	Accumulated profits \$'000	Total \$'000
Company						
At 1 April 2012	92,659	1,290	22,520	(1,813)	2,822	117,478
Total comprehensive income for the period	-	-	-	1	(1,030)	(1,029)
Recognition of share-based payment	-	153	-	-	-	153
At 30 June 2012	92,659	1,443	22,520	(1,812)	1,792	116,602

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.

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.

	30/6/2012	31/3/2012
Total number of issued 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 2012.

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 30/6/2012	Group 30/6/2011
Net profit attributable to shareholders of the Company (\$'000)	5,884	3,539
Weighted average number of shares in issue (in '000) for computation of Basic EPS	477,596	477,596
Earning per share (cents)- Basic	1.23	0.74
Weighted average number of shares in issue (in '000) for computation of Diluted EPS	489,446	490,147
Earning per share (cents) – Diluted	1.23	0.75

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 three months ended 30 June 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 30/6/2012	Group 31/3/2012	Company 30/6/2012	Company 31/3/2012
Net asset value (\$'000)	183,628	178,166	116,602	117,478
Net asset value per share (cents)	38.45	37.30	24.41	24.60

The net asset value per share is calculated based on the issued share capital of 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 period was \$32.1 million, which was \$11.3 million or 54.2% higher than last corresponding period ended 30 June 2011 of \$20.8 million. The increase was mainly due to the higher engineering revenue for the current period. The engineering revenue increased from \$16.0 million to \$25.3 million, an increase of 58.1%. The treatment revenue increased from \$4.8 million to \$6.8 million, an increase of 41.7%.

The increase in material purchased, consumables used and subcontractors' fees of \$5.9 million or 49.7% as compared to the last corresponding period ended 30 June 2011 was consistent with the increase in the engineering revenue.

The increase in other operating expenses from \$2.7 million to \$3.5 million or 30.3% as compared to the last corresponding period ended 30 June 2011 was largely due to the inclusion of the expenses from the 2 newly acquired subsidiaries, namely Aton Environmental (Shenyang) Co Ltd and Anhui Water Star Treatment and Operation Co Ltd, after 30 June 2011. Both of these subsidiaries managed and operated wastewater treatment facilities.

Finance costs pertained to bank borrowings and convertible bonds. The increase in finance costs from \$0.7 million to \$3.0 million, or 338.7% as compared to the last corresponding period ended 30 June 2011 was mainly due to the finance expense on the convertible bonds of \$2.1 million.

The Group generated profit after tax of \$5.9 million for the current period as compared to \$3.5 million in the last corresponding period ended 30 June 2011, representing an increase of 66.3%. Taking away the effect of the amortization of the equity component of convertible bonds, the Group's net profit would have increased 101.2% to \$7.1 million, as compared to \$3.5 million in the last corresponding period ended 30 June 2011.

Statement of financial position

Total current assets amounted to \$205.6 million, which was \$1.1 million higher than \$204.5 million as at 31 March 2012. The increase was mainly due to higher cash and bank balances and trade receivables.

The cash and bank balances increased from \$89.5 million to \$98.6 million mainly due to the refund of the tender deposit during the current financial period of \$20 million.

Trade receivables increased from \$39.7 million to \$47.2 million. The increase was consistent with the higher revenue generated during the current financial period.

The increase in the total current assets was offset by the decrease in other receivables and prepayments. The other receivables and prepayments decreased from \$73.3 million to \$57.8 million. The reduction was mainly due to the refund of the tender deposit.

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.

During the past few months, the Group secured two membrane based engineering projects, namely drinking water project in Yantai city, Shandong province and upgrading project for the municipal wastewater treatment plant in Liaoyang city, Liaoning province, with a total contract amount of RMB320 million (S\$64 million). In addition, the Group also invested in 3 wastewater and a water supply projects in the industrial parks located in Changyi city, Shandong province. The total capacity for the 4 plants is 150,000m³/day and it is expected to expand to 220,000m³/day in phase 2.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No

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

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

Not applicable

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.**

Not applicable

- 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.**

Not applicable

- 16. A breakdown of sales.**

Not applicable

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

Not applicable

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

Not applicable

Statement by Directors

Pursuant to SGX Listing Rule 705(4)

To the best of our knowledge and belief, nothing has come to the attention of the Directors of the Company which may render the First Quarter Results of the Group for the financial period ended 30 June 2012 to be false or misleading. The financial statements and other information included in this report, present fairly in all material respects the financial condition, results of operations and cash flows of the Group of, and for the periods presented in this report.

On behalf of the Board

Dr Lin Yucheng

Director

Yeung Koon Sang

Director

BY ORDER OF THE BOARD

**Lotus Isabella Lim Mei Hua
Company secretary
6 August 2012**