

A dynamic splash of clear water against a blue gradient background, with numerous bubbles and droplets trailing behind the main wave.

UNITED ENVIROTECH LTD.

INVESTOR PRESENTATION

FY2014 Results Briefing

June 2014



United Envirotech Ltd

+ Disclaimer



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FINANCIAL OVERVIEW

+ Financial Highlights

(S\$ 'Mil)	FY2014	FY2013	Change (S\$)	Change (%)
Revenue	202.3	185.0	17.3	9.3
- Engineering	139.7	144.4	4.7	(3.3)
- Treatment	62.6	40.6	32.0	54.3
EBITDA ⁽¹⁾	54.3	53.3	1.0	1.6
<i>Employee Share Options</i>	<i>(4.7)</i>	<i>(1.8)</i>	<i>(2.9)</i>	<i>158.6</i>
<i>Interest expense on bond and bank borrowing</i>	<i>(8.0)</i>	<i>(3.7)</i>	<i>(4.3)</i>	<i>116.2</i>
<i>Foreign exchange gain/(loss)</i>	<i>(1.4)</i>	<i>2.1</i>	<i>(3.5)</i>	<i>n.m</i>
<i>Finance cost on convertible bonds ⁽²⁾</i>	<i>(9.6)</i>	<i>(9.2)</i>	<i>(0.4)</i>	<i>4.7</i>
Reporting net profit ⁽³⁾	21.0	31.0	(10.0)	(32.3)
Adjusted profit for the year	44.7	43.6	1.1	2.5

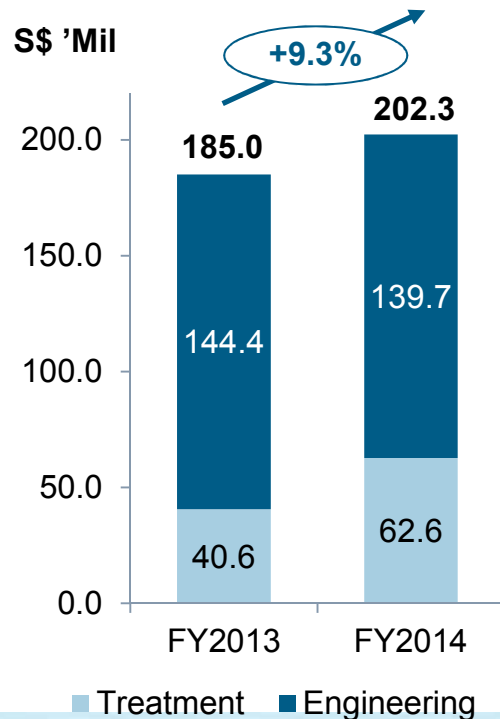
Notes:

- 1) EBITDA before employee share option expense which is phantom cost
- 2) The amortization of convertible bond which is purely accounting expense
- 3) Net profit which is before minority interest

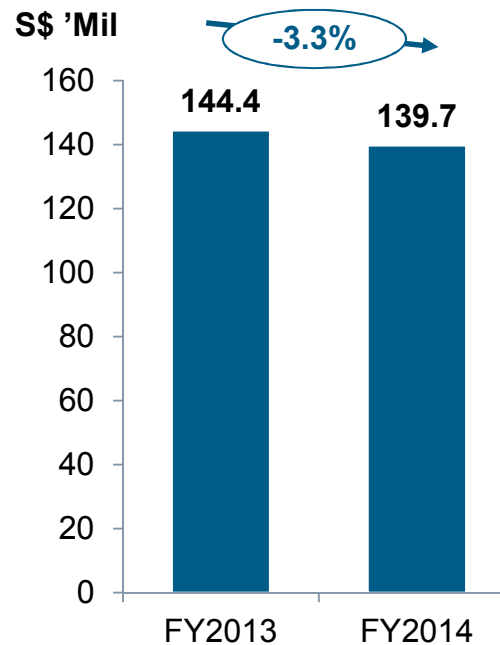
+ Segment Revenue Performance

- FY2014 revenue increased 9.3% year-on-year, from S\$185.0 million to S\$202.3 million
- Water treatment segment revenue increased by 54.3%, from S\$40.6 million to S\$62.6 million for FY2014
- The water treatment business accounted for 30.9% of total revenue, up from 21.9% year-on-year. Company's newly acquired water plants are ramping up and are expected to generate stable and recurring revenue streams in the future

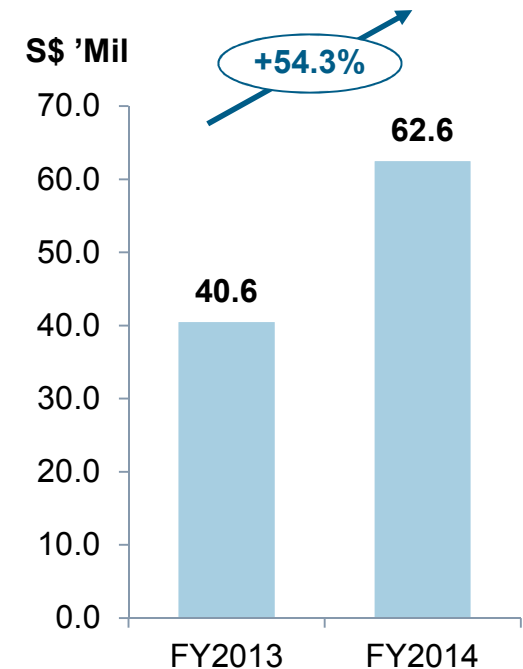
Total Revenue



Engineering Revenue

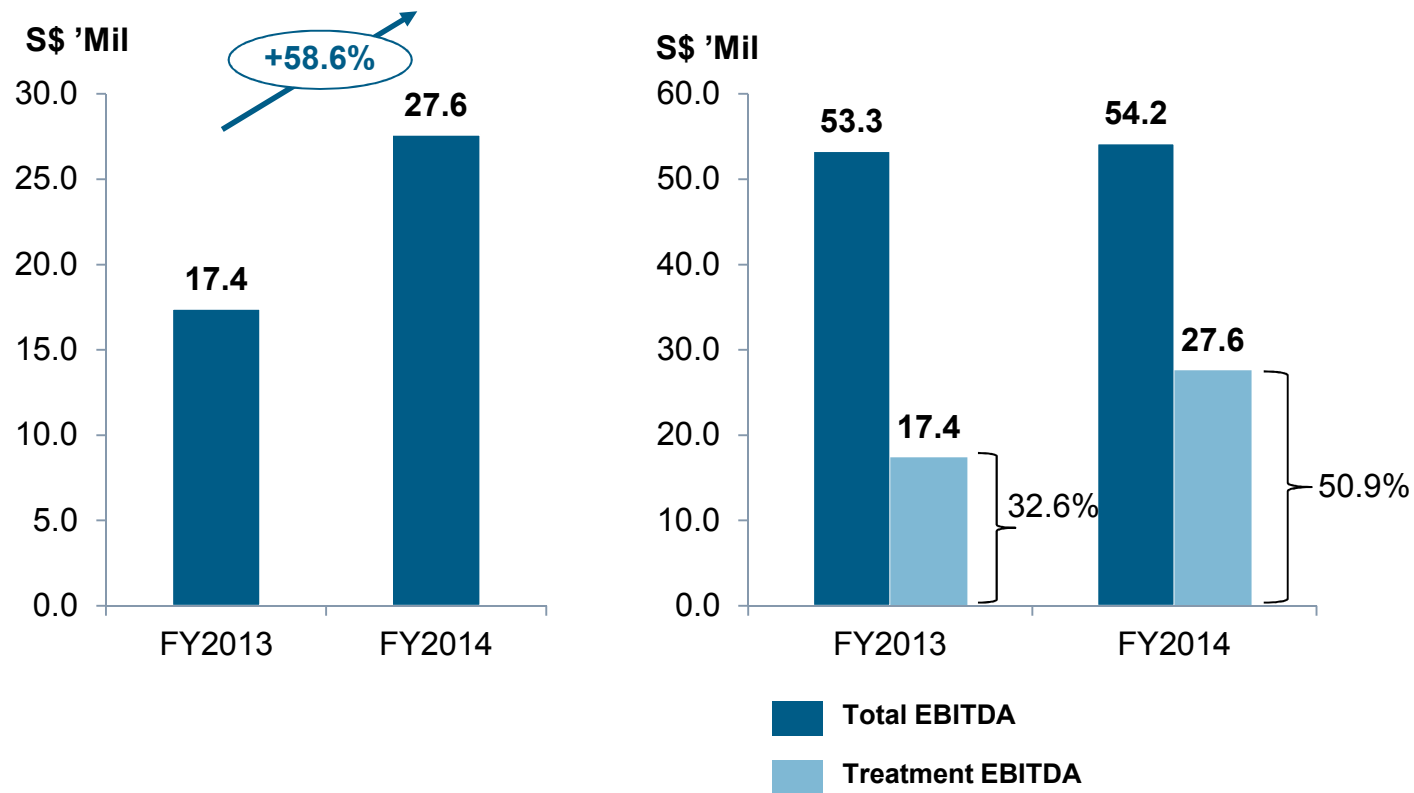


Treatment Revenue



+ Treatment EBITDA Performance

- Recurring water treatment EBITDA increased 58.6% for FY2014
- With the highly recurring and predictable water treatment business contributing to a larger percentage of EBITDA and newly acquired plants ramping up, we expect to see more healthy and stable growth going forward



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CORPORATE UPDATES



+ Post Memstar Acquisition

After the acquisition of Memstar, UEL has become a vertically integrated water solutions provider. Its integrated business model provides membrane product manufacturing, engineering, procurement, construction (“EPC”), and operational capabilities for water and wastewater treatment and reclamation projects. UEL’s extensive project capabilities enable it to capture the entire value chain from membrane sales, construction to operation.

Segment	Description
<p>Engineering, Procurement and Construction (“EPC”)</p> 	<ul style="list-style-type: none"> Provision of turnkey design and construction services in membrane based water and wastewater treatment, principally applying MBR Tailored to specific technological requirements of customers Services provided to the Investment Projects Segment and third-party municipal and industrial clients High profile projects completed for clients such as Sinopec , CNPC, CNOOC, and Sembcorp
<p>Water Investment Projects</p> 	<ul style="list-style-type: none"> Investment in water and wastewater treatment assets typically backed by long term off-take arrangements Primarily Transfer Operate Transfer (“TOT”) assets, but also Build Operate Transfer (“BOT”) and Build Operate Own (“BOO”) arrangements Off-take contracts provides a stable recurring cash flow Provision of O&M services to 3rd party treatment facilities for a fee Key customers in the municipal and industrial sectors
<p>Membrane Products</p> 	<ul style="list-style-type: none"> Leading manufacturer and supplier of polyvinylidene fluoride (“PVDF”) hollow fibre membrane and membrane products, with strong R&D capabilities Original Equipment Manufacturer for international brands like Hydranautics

+ On the Roll- FY2014 New Projects



Projects Clinched in FY2014

Date	Location	Capacity (m ³ /day)	Value (S\$ m)	Project/Plant Type
19 Aug 2013	Shandong, China	40,000	20.0	BOT / wastewater treatment plant
28 Aug 2013	Jiangsu, China	100,000	19.0	EPC / wastewater treatment plant
10 Sep 2013	Liaoning, China	60,000	57.2	TOT, BOT / wastewater treatment plant
21 Oct 2013	Shandong, China	40,000	21.0	BOT / wastewater treatment plant
13 Jan 2014	Sichuan, China	150,000 100,000 80,000	33.0	BOT / wastewater treatment plant BOT / water supply BOT / wastewater recycling
14 Jan 2014	Hebei, China	60,000	50.0	EPC / wastewater treatment plant
12 Feb 2014	Jiangsu, China	30,000	31.0	TOT, BOT / wastewater treatment plant
27 Feb 2014	Fujian, China	200,000	120.0	EPC / wastewater treatment plant

- **FY2014: Clinched 3 EPC projects and 5 investment projects in water and wastewater treatment to-date**

KKR investment- Catalyst that provided the Group enough growth capital to seize opportunities as they emerge

UEL's portfolio comprises more than 40 plants with a total of more than 2.5 million m³ /day capacity**

Heilongjiang

- Heilongjiang Shangzhi Harbin (M)**
 - Capacity: 40,000 m³/day
- Heilongjiang Hegang Wastewater (2 plants) (M)**
 - Capacity: 80,000 m³/day
- Heilongjiang Qitaihe Wastewater (M)**
 - Capacity: 50,000 m³/day
- Heilongjiang Hegang Water Recycling (M)**
 - Capacity: 30,000 m³/day
- Heilongjiang Qitaihe Water Recycling (M)**
 - Capacity: 40,000 m³/day

Sichuan

- Sichuan, Guangan Wastewater (I)**
 - Capacity: 40,000 m³/day

Henan

- Henan Mengzhou Wastewater (M)**
 - Capacity: 25,000 m³/day
- Henan Mengzhou Water Recycling (M) – O&M**
 - Capacity: 30,000 m³/day

Anhui

- Anhui Hefei Wastewater (M) – O&M**
 - Capacity: 180,000 m³/day

Guangdong

- Guangdong Nansha Wastewater (I)**
 - Capacity: 6,000 m³/day
- Guangdong Huizhou Wastewater (I) – O&M**
 - Capacity: 14,400 m³/day

Fujian

- Fujian Yangli Wastewater (M)**
 - Capacity: 200,000 m³/day

Hebei

- Hebei Bazhou Wastewater (M)**
 - Capacity: 40,000 m³/day
- Hebei Shengfang Wastewater (M)**
 - Capacity: 50,000 m³/day
- Hebei Nanbao Wastewater (M)**
 - Capacity: 80,000 m³/day

Liaoning

- Liaoning Zhongxin Wastewater (M)**
 - Capacity: 200,000 m³/day
- Liaoning Xinmin Wastewater (M)**
 - Capacity: 50,000 m³/day
- Liaoning Hedong Wastewater (M) – O&M**
 - Capacity: 30,000 m³/day
- Liaoning Hedong Water Supply (M)**
 - Capacity: 50,000 m³/day
- Liaoning Diaobingshan Wastewater (M)**
 - Capacity: 30,000 m³/day
- Liaoning Liaoyang Wastewater (2 plants) (M)**
 - Capacity: 55,000 m³/day
- Liaoning Hongwei Wastewater (M)**
 - Capacity: 15,000 m³/day

Shandong

- Shandong Xintai Wastewater (M)**
 - Capacity: 30,000 m³/day
- Shandong Xinwen Wastewater (M)**
 - Capacity: 50,000 m³/day
- Shandong Changyi Wastewater (3 plants) (I)**
 - Capacity: 95,000 m³/day
- Shandong Changyi Water supply (I)**
 - Capacity: 30,000 m³/day
- Shandong Weifang Wastewater (I)**
 - Capacity: 10,000 m³/day
- Shandong Loude Wastewater (I)**
 - Capacity: 20,000 m³/day
- Shandong Yantai Wastewater (2 plants) (M)**
 - Capacity: 70,000 m³/day

Jiangsu

- Jiangsu Dafeng Port Wastewater (I)**
 - Capacity: 30,000 m³/day
- Jiangsu Dafeng Petrochem Wastewater (I)**
 - Capacity: 10,000 m³/day
- Jiangsu Siyang Wastewater (4 plants) (I)**
 - Capacity: 70,000 m³/day
- Jiangsu Qidong Wastewater (I)**
 - Capacity: 30,000 m³/day

Note:
M – Municipal I – Industrial
O&M – Operations and Maintenance

**Translated to municipal water capacity based on tariff of RMB1/m³

TOT/BOT/BOO Projects

Type	Plants	Status	Treatment Capacity (tonnes/day)
Municipal	13	In Operation	695,000
	8	Under Construction / In transition	445,000
Industrial	8	In Operation	226,000
	6	Under Construction / In transition	105,000

O&M

Type	Plants	Status	Treatment Capacity (tonnes/day)
Municipal	5	In Operation	295,000
Industrial	1	In Operation	14,400

TOTAL

41

1,780,400

- 1 Expand contribution from recurring treatment business segment via TOT/BOT/O&M and membrane business
- 2 Higher emphasis on industrial over municipal water treatment projects
- 3 Focus on TOT over BOT projects
- 4 Create synergies through strategic alliances, cooperation and joint ventures
- 5 Diversified financing options
- 6 Continue focus on China
- 7 Further developing the upstream membrane business

3 **THANK YOU**
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