



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's net profit surges 144.9% to S\$18.0 million for 2Q2015; revenue more than doubles to S\$105.4 million**

- **Recurring water treatment revenue and EBITDA grow 63.2% and 51.5% respectively; EPC revenue jumps 104.7% to S\$74.7 million**
- **Group to form JV with strategic partners to secure constant EPC revenue and boost membrane sales**

**Singapore, 11 November 2014** – Mainboard-listed United Envirotech Ltd. (“United Envirotech” or “the Group”), a leading membrane-based water treatment solutions provider, recorded outstanding growth for its second quarter ended 30 September 2014 (“2Q2015”) with a 144.9% year-on-year (“yoy”) increase in its net profit to S\$18.0 million on the back of 102.8% yoy increase in revenue to S\$105.4 million.

Revenue from the recurring water treatment business segment for 2Q2015 grew 63.2% yoy from S\$15.5 million to S\$25.3 million. Earnings before income tax, depreciation and amortization (“EBITDA”) for the recurring water treatment business segment increased 51.5% yoy from S\$6.8 million a year ago to S\$10.3 million for 2Q2015. Revenue from Engineering, Procurement, and Construction (“EPC”) contracts jumped by 104.7% yoy to S\$74.7 million.

In line with the increases in EPC revenue and membrane sales, material purchased, consumables used and subcontractors’ fees increased 108.3% yoy to S\$60.2 million. Depreciation and amortisation expenses increased 90.5% to S\$2.2 million mainly due to the amortisation of intangible assets relating to the newly acquired concessions, and the depreciation on the property, plant and equipment of the membrane manufacturing facilities.

Other operating expenses increased only 28.4% yoy to S\$11.2 million, mainly arising from the additional operating cost of Memstar, as well as the operation and maintenance of the newly acquired treatment plants.

Finance costs for 2Q2015 increased 101.7% yoy from \$3.9 million to S\$7.8 million mainly due to additional finance costs arising from the \$100 million Medium Term Note issued and bank borrowings, as compared to the last corresponding period ended 30 September 2013.



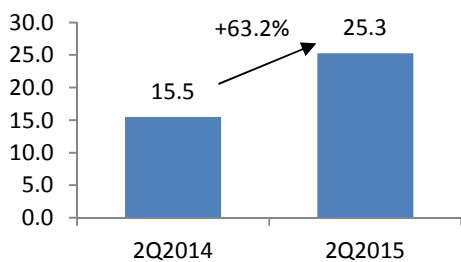
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**Financial Highlights**

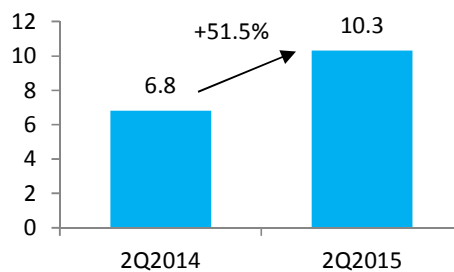
(S\$ 'Mil)	2Q2015	2Q2014	Change (%)	1H2015	1H2014	Change (%)
<b>Revenue</b>	105.4	52.0	102.8	171.7	96.0	78.8
- Engineering	74.7	36.5	104.7	113.1	67.7	67.1%
- Treatment	25.3	15.5	63.2	45.8	28.4	61.3
- Membrane	5.4	-	N/m	12.8	-	N/m
<b>Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")</b>	33.1	13.8	139.9	66.8	25.9	157.9
<b>Net profit for the period</b>	18.0	7.4	144.9	40.8	13.4	203.2

**Significant Improvements from Recurring Water Treatment Business Segment**

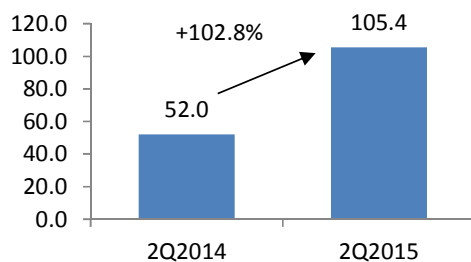
**Treatment Revenue (S\$'Mil)**



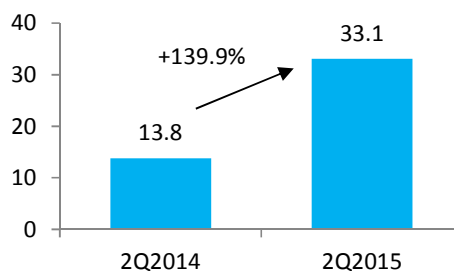
**Treatment EBITDA (S\$'Mil)**



**Total Revenue (S\$'Mil)**



**Total EBITDA (S\$'Mil)**



■ Total EBITDA      ■ Treatment EBITDA



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### **Outlook**

The Group remains confident in China's water treatment industry, as well as the demand for membrane products and Membrane Bioreactor ("MBR") technology. As the government continues to increase water discharge standard across China, the application of membrane technology will become more prevalent. The Group is actively seeking for strategic partners to form joint venture companies to secure more EPC projects and boost membrane sales.

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### **About United Envirotech Ltd.**

United Envirotech (“UEL”, “Group”) is a leading membrane technology-based integrated environmental solutions provider which specialised in the manufacturing of high quality membrane products and the application of membrane technologies for water and wastewater treatment and recycling. Its principal 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. UEL undertakes both turnkey and water investment projects (TOT/BOT/BOO), as well as provides treatment plant operation and maintenance services. Through its wholly-owned subsidiary, Memstar Pte Ltd, the Group is one of the largest PVDF hollow fibre membrane manufacturers in the world.

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”), industrial parks and municipalities.

In August 2011, KKR became a strategic investor of UEL after injecting a US\$113.8 million convertible bond investment and follow-on equity investment of US\$40 million in January 2013. KKR is a leading global investment firm with about US\$103.2 billion in assets under management as at March 2014.

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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