



Company Registration No: 200306466G

Company Address: 10 Science Park Road #01-01 The Alpha Singapore 117684

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Immediate Release

United Envirotech records an 80.6% increase in revenue to S\$116.1 million for 3Q2015

- **EPC revenue almost doubled to S\$76.9 million for 3Q2015**
- **Recurring treatment EBITDA increased 42.5% to S\$15.1 million for 3Q2015**

Singapore, 12 March 2015 – Mainboard-listed United Envirotech Ltd. (“United Envirotech” or “the Group”), a leading membrane-based water treatment solutions provider, recorded a 80.6% increase year-on-year (‘yoy’) in revenue to S\$116.1 million and a 37.1% yoy increase in net profit to S\$12.8 million for its third quarter ended 31 December 2014 (“3Q2015”). Net profit for the nine months of financial year 2015 (“9M2015”) more than doubled to S\$53.6 million from S\$22.8 million a year ago.

Revenue from the recurring water treatment business segment increased 37.6% yoy from S\$20.2 million to S\$27.8 million. Earnings before income tax, depreciation and amortization (“EBITDA”) for the recurring water treatment business segment increased 42.5% yoy from S\$10.6 million to S\$15.1 million for 3Q2015. Meanwhile, revenue from Engineering, Procurement, and Construction (“EPC”) projects increased 74.4% yoy from S\$44.1 million to S\$76.9 million. Furthermore, the Group’s acquired membrane business contributed additional revenue of S\$11.4 million for 3Q2015, which was not present in the period a year ago.

In tandem with the increase of ongoing EPC projects, material purchased, consumables used and subcontractors’ fees increased 106.7% yoy from S\$35.0 million to S\$72.4 million. On the other hand, other operating expenses rose 56.6% yoy to S\$16.0 million, and employee benefits expense increased 62.8% yoy to S\$6.1 million for 3Q2015 due to the cost incurred for operation and maintenance of new treatment plants, as well as the additional operating cost of Memstar.

Changes in inventories increased 146.2% for 3Q2015 and 506.1% for 9M2015 mainly due to new raw material purchased for Memstar’s membrane production. Depreciation and amortization expenses increased 92.5% yoy to S\$2.6 million for 3Q2015.

Finance costs increased 41.9% yoy to S\$6.7 million due to additional finance costs arising from bank borrowings during the period.

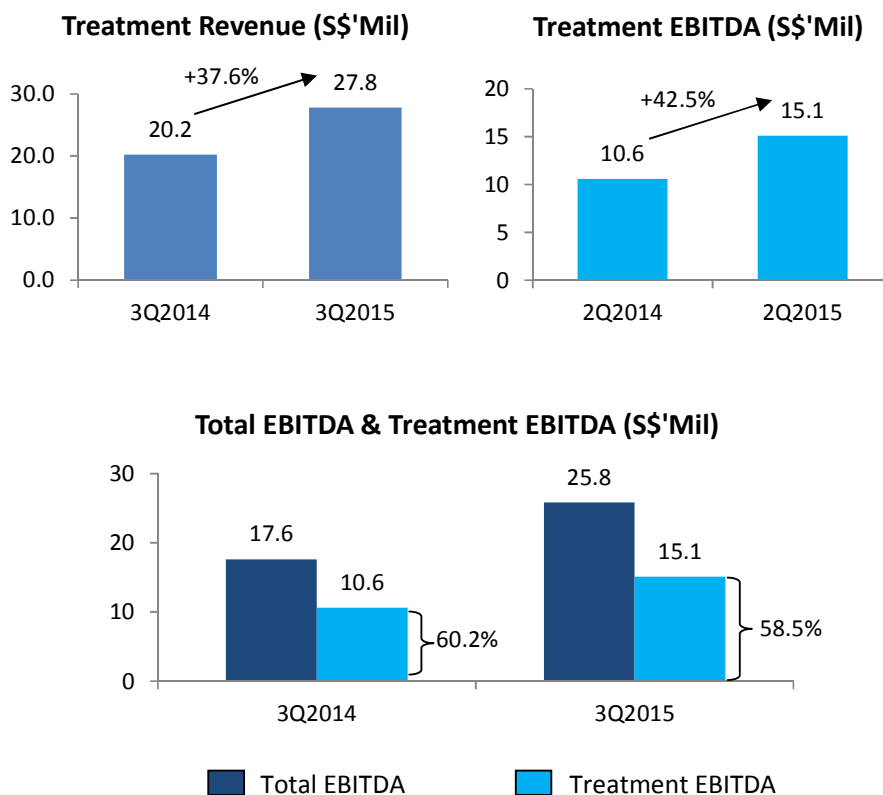


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Financial Highlights

(S\$ 'Mil)	3Q2015	3Q2014	Change (%)	9M2015	9M2014	Change (%)
Revenue	116.1	64.3	80.6	287.7	160.3	79.5
- Engineering	76.9	44.1	74.4	190.0	111.8	69.9
- Treatment	27.8	20.2	37.6	73.6	48.5	51.8
- Membrane	11.4	-	n.m.	24.1	-	n.m
Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")	25.8	17.6	46.6	92.9	43.7	112.6
Net profit for the period	12.8	9.3	37.1	53.6	22.8	135.1

Significant Improvements from Recurring Water Treatment Business Segment





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Outlook

The Group remains positive about the outlook of the Chinese water treatment sector, as well as the demand for membrane products and Membrane Bioreactor (“MBR”) technology. The application of membrane technology will become widely accepted as the Chinese government continues to increase water discharge standard across China. To fully capture this growing market, the Group will continue to explore Joint-Ventures (“JV”) with strategic partners 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

Issued for and on behalf of United Envirotech Ltd.

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