Environmental: United Envirotech is an environmental solution provider focusing on water and wastewater treatment.

United Envirotech Ltd

Our Solutions to Future Challenges

Annual Report 2008/09

CONTENT

Technology: United Envirotech provide engineering services which involve the design, fabrication, installation and commissioning of membrane based water and wastewater treatment systems.

Our Mission:

leading membrane based water and wastewater treatment and reclamation solution provider in chemical, petrochemical and industrial park sectors.

Our Story: The company was founded by Dr Lin Yucheng, our Chairman and CEO, who has about 20 years experience in the environmental research and business.

Principal Activities: United Envirotech Ltd is a holding company registered in Singapore and has been listed on the main board of Singapore Stocks Exchange since April 2004. It is an environmental solution provider focusing on water and wastewater treatment. The company was founded by Dr Lin Yucheng, the Chairman and CEO of United Envirotech in 2003. Under his leadership, UEL has become a leading membrane based water & wastewater treatment and reclamation solution provider in China's chemical, petrochemical and industrial park sectors. Our membrane systems have also been used successfully in pharmaceutical, food & beverage and textile & dyestuff industries.

We provide engineering services which involve the design, fabrication, installation and commissioning of membrane based water and wastewater treatment systems using our advanced membrane technology namely membrane bioreactor (MBR) and continuous membrane filtration (CMF) processes in microfiltration, ultrafiltration and reverse osmosis (RO).

Our Story:

"We have established track record in MBR especially in the chemical, petro-chemical & industrial park sectors."

We undertake turnkey projects in the capacity of Engineering, Procurement and Construction (EPC) contractor or as a membrane system specialist. As an EPC contractor, we served clients such as petrochemical giants like China Petrochemical Corporation (" Sinopec "), China National Petroleum Corporation ("CNPC"), China National Offshore Oil Corporation ("CNOOC"), as well as large industrial parks such as those in the fast developing Daya Bay Hui Zhou, Guangzhou Nansha and Tianjin Economic Development Zone.

We invest in wastewater treatment plants under Build Operate Transfer (BOT), and Transfer Operate Transfer (TOT) agreements. These projects are typically municipal plants backed by off-take agreements from Chinese Government. Our investments in China's Liaoyang and Shandong are examples of such projects. In addition, we also invest in industrial park wastewater projects. One such example is the MBR wastewater treatment plant in Xiao Hu Dao, Nansha.

Track record: Our membrane based advanced water treatment system has been used in water and wastewater treatment and wastewater reclamation. We have an established track record in MBR especially in the chemical, petrochemical and industrial park sectors. In the chemical and petrochemical sector, our largest MBR in terms of capacity completed to date is the 11,000 m^3/day oil refinery wastewater treatment system for Sinopec Hainan Branch. Besides oil refining wastewater, our MBRs have been used by other companies under the Sinopec Group for treating wastewaters from different processing plants like caprolactam, PTA, polyethylene etc. Our MBR in industrial parks typically receives mixed industrial water from various tenants located in the industrial parks. Examples are the 25,000 m^3/day plant at Huizhou Daya Bay Petrochemical Hub and the 10,000 m^3/day plant at Guangzhou Nansha Chemical Industrial Park.

Our CMF and RO systems are used mainly in wastewater recycling (NEWater application), especially in the area of industrial wastewater recycling. For example, our two projects for Sembcorp Utilities on Jurong Island at 5,000 m^3/day each, purify treated industrial effluent from different sources to various degrees of purity.

Our CMF+RO project in SinopecGuangzhou Branch at a capacity of 7,200 m^3/day was the first large scale membrane wastewater reclamation plant in Sinopec China to recycle wastewater from refinery.

Chairman's Statement:

Dear Shareholders,

On behalf of the Board, it is my pleasure to present United Envirotech Ltd's annual report for the financial year ended 31 March 2009. Following the last financial year's record-breaking growth, the current year in review reflects the impact of the global economic slowdown.

The Group's profit decreased due to the dip in the engineering revenue. The current economic climate has also had a direct impact on our opportunity to secure any sizeable new projects, with potential customers finding it increasingly difficult to get financing. Confirmed projects are also experiencing unavoidable delays.

However, amid the very real challenges faced by our engineering business, our wastewater treatment plant business has continued to achieve steady growth, contributing to a higher proportion of the Group's profit in this financial year.

Strong treatment plant potential in PRC: A growing emphasis on environmental responsibility and stricter rules on discharge limits continue to highlight the PRC as a key market for United Envirotech Ltd's business of industrial wastewater treatment and recycling. The Group's membrane-based water treatment systems have gained recognition as a more cost-effective and efficient solution for large-scale projects and difficult to treat wastewater. Our competitive edge is our advanced MBR technology, which allows wastewater to be more efficiently treated to a higher degree before it is discharged or recycled.

This business also offers greater stability as a recurring revenue stream as we have signed long-term contracts with relevant government authorities, making it less prone to fluctuations in the market.

During the year, the business grew further. Firstly, we upgraded the wastewater treatment plant in Xintai to the tune of $3.1 million. Secondly, we secured a contract worth $6 million for an MBR plant in Dafeng City, Jiangsu Province. The first phase of this BOT contract involves converting an existing 15,000 m3/day industrial wastewater treatment facility to our advanced MBR system. Following this, a 25,000 m3/day wastewater treatment plant is also scheduled to be built using MBR technology.

The existing treatment facility, which was based on conventional treatment technology, struggled to meet the discharge limits in dealing with the highly contaminated wastewater generated by various industrial plants located within the park. Extensive pilot testing with our MBR technology proved it to be the most workable and cost-effective solution. This latest achievement adds to a growing list of our successes in other industrial parks in the PRC.

The Dafeng plant has a concessionary period of 30 years and will be undertaken by a project company, which will be owned 50% by United Envirotech Ltd.

Financial Highlights: The Group's revenue for the current financial year was $42.9 million, a 16.3% decrease from the $51.2 million earned in the corresponding period ending 31 March 2008. This reduction was mainly due to a 25.2% drop in engineering business from $42.9 million to $32.1 million, which was partially offset by a 30.1% increase in the wastewater treatment business from $8.3 million to $10.8 million.

"Demand is growing for the Group's membrane-based water treatment systems for larger-scale projects in the PRC with the enforcement of stricter environmental laws and the recognition that our technology is more cost effective and efficient in the treatment."

Dr Lin Yucheng,
Chairman & CEO

Other income came mainly from unrealised foreign exchange gain and interest income. Again, the foreign exchange gain arose from the revaluation of the Hong Kong Dollar denominated bank loans to our subsidiaries in China, although the amount of $0.4 million was significantly less than the $1.5 million gain arising last year.

In line with the decrease in engineering business, the cost of materials purchased, consumables used and subcontractors' fees dipped by $3.1 million, or 10.8% compared with the previous year.

Other operating expenses also decreased from $7.6 million to $6.1 million. This decrease of 19.5% was mainly due to an one-off various fees incurred to obtain the financing for the two TOT projects in Liaoyang and Xintai in the last corresponding year ended 31 March 2008. Working on fewer engineering projects in the current year also resulted in lower project-related costs.

Although the engineering business remains a major contributor to the Group's total revenue, the relative slowdown in this segment saw the Group achieve profit after tax of $3.7 million for the current year compared to $8.5 million in the previous year.

In the first quarter of 2008, the Group raised $14 million through a share placement exercise. Of this, $8 million was invested in the newly secured Dafeng wastewater treatment plant. The balance $6 million together with $10 million brought forward from the last share placement on February 2007 remains unutilised at the financial year-end.

Prospects: Barring any unforeseen circumstances, we expect demand for our advanced membrane technology in the treatment of industrial wastewater to continue growing in line with increasing environmental awareness and regulations. This business is likely to remain the main contributor to our revenues and profit while the uncertain economic climate persists. Meanwhile we will also focus on strategies to best manage the delays in the engineering business. Overall, given current market conditions, we move ahead cautiously but with confidence in the demand for our technology.

Directors: During the Annual General Meeting held in July 2008, Mr Goh Ching Wah retired as a Director of the Company. I would like to extend my sincere gratitude to him for his contributions over the years. I am also pleased to welcome on board Mr Tay Beng Chuan, who has been appointed an Independent Director of the Company as of 1 October 2008, Mr Peter Kwok Kian Tow, who has been appointed as a Non-executive Director of the Company as of 1 April 2009, Mr Wang Ning, who has been appointed as an Executive Director of the Company as of 1 July 2009, and Mr Andy Lim, who has been appointed as a Non-executive Director of the Company as of 8 July 2009.

Appreciation: I would like to extend my appreciation to all of our customers, business partners and shareholders for their continued support. My sincere thanks also to our Board members, management and staff for their hard work and commitment. The year ahead poses challenges but I have every confidence in us as a team to overcome them.

Our Future:

barring any unforeseen circumstances, we expect demand for our advanced membrane technology in the treatment of industrial wastewater to continue growing healthily.

Service Excellence: United Envirotech add value to our customers by embracing our technology and skills to help them achieve their objectives.

Board of Directors

Sitting from left:
Yeung Koon Sang
Dr Lin Yucheng

Standing from left:
Loh Weng Whye
Tay Beng Chuan
Dr Chong Weng Chiew

Absent:
Peter Kwok Kian Tow
Wang Ning
Andy Lim

Dr Lin Yucheng
Chairman & Ceo
Dr. Lin Yucheng is the Chairman & CEO and founder of our company. Dr Lin has about 20 years of experience in the environmental research and consultancy business in Singapore, UK and China.

In November 1996, Dr Lin started NOVO Environmental Technology Services Pte Ltd (NOVO ETS), a subsidiary of PSB Corporation and was its General Manager and Executive Director. When NOVO Safety and Environmental Technology (Guangzhou) Co, Ltd, a fully owned subsidiary of NOVO ETS, was established in April 2001, Dr Lin was appointed as the Managing Director of the company.

Dr Lin obtained his Ph.D degree from Imperial College of Science and Technology, London on a Sino-British Government Scholarship. After spending 6 years on environmental research in UK, Dr Lin was recruited by the Singapore Economic Development Board in 1990 to conduct research and development work in SISIR, Singapore.

Tay Beng Chuan
Independent Director
Tay Beng Chuan was appointed as our Independent Director on 1 October 2008. He is also an Independent Director of Novena Holdings Ltd effective 4 December 2000. Mr Tay was a Nominated Member of Parliament from 1 October 1997 till dissolution of Parliament on 18 October 2001. He is a member of the Singapore Parliamentary Society. A Board Member of the Traditional Chinese Medicine Practitioners Board since April 2005 and was appointed as the Board's Chairman with effect from 7 February 2007 by the Minister of Health. Having served various committees in the Singapore Chinese Chamber of Commerce & Industry since 1977, he was elected as its President from March 1997 till March 2001 and currently is the Honorary President of the said Chamber. Mr Tay is the Chairman of Premium Funding Singapore Pte Ltd operating under the Moneylending Act which provides insurance premium funding and small loans to SMEs and individuals. He is also the Managing Director of Winnow Investments Pte Ltd, Ocean Navigation Pte Ltd and Alor Star Shipping Pte Ltd. These companies are involved in general trading, investments, ship chartering and shipping related activities. He holds a Diploma of Commerce from the Gordon Technical Institution in Geelong, Victoria (Australia).

Loh Weng Whye
Independent Director
Loh Weng Whye was appointed as our Independent Director on March 16, 2004. He is a veteran in infrastructure development and energy business in Singapore and the region, with over 35 years of experience in senior and corporate-level appointments with the civil service, government-linked companies and the private sector. While with the Public Utilities Board, he headed Generation Projects responsible for the management and commissioning of power station projects worth more that S$3 billion. He was also the founding General Manager (Projects) of Tuas Power Ltd.

Mr Loh was formerly President of ST Energy Pte Ltd and SembCorp Energy Pte Ltd. He was later appointed Advisor to Green Dot Capital, an investment and holding company under Temasek Holdings. He was also appointed Senior Advisor by YTL Power International for the bidding of the three Singapore gencos and the S$3.8 billion acquisition of PowerSeraya. Currently he sits on the boards of four SGX mainboard-listed companies.

He also holds advisory appointments in external councils and institutions of tertiary education. Holding MSc (Industrial Eng.) and B Eng. (Mechanical) degrees, he is a Professional Engineer (Singapore), Member of the Singapore Institute of Directors and was elected a Fellow of the Institution of Engineers Singapore in 1995.

Yeung Koon Sang
Independent Director
Yeung Koon Sang alias David Yeung was appointed as our Independent Director on March 16, 2004. He is currently a public accountant with David Yeung & Co. PAC, which he founded in 1987. He has over 20 years experience in public accountancy and had worked previously with Deloitte & Touche, UK and Ernst and Young, Singapore. He holds a Master of Social Science (Accounting) degree from the University of Birmingham, England. He is also a fellow of the Institute of Certified Public Accountants of Singapore and a fellow of the Association of Chartered Certified Accountants, UK. He was conferred the Public Service Medal by the President of the Republic of Singapore in 2001. He is currently a non executive Chairman of AEI Corporation Ltd.

Dr Chong Weng Chiew
Independent Director
Dr Chong Weng Chiew was appointed as an Independent Director on 1 October 2005. Dr Chong is a medical doctor. He was previously the Chief Executive Officer of Ang Mo Kio Hospital from 2003 till June 2005. The hospital is a 200-bedded community hospital which provides medical care and rehabilitation services for its patients. Prior to joining Ang Mo Kio Hospital, Dr Chong was a medical director of Thye Hua Kwan Moral Society from December 2001 to December 2002, a medical director of the Singapore Buddhist Welfare Services from May 1997 to November 2001, and a medical doctor with the Ministry of Health (Singapore) Health Care from May 1993 to April 1995. Dr Chong holds a MBBS (Bachelor of Surgery, Medicine) degree from the National University of Singapore and was a Member of Parliament representing the Tanjong Pagar Group Representation Constituency from 2001 till 2006.

Peter Kwok Kian Tow
Non-executive Director
Peter Kwok Kian Tow is a Non-executive Director of our Group. He was appointed on April 1, 2009. He is currently Executive Director at Endeavor Capital Partners Pte Ltd, a Private Equity Venture Capital and Corporate Advisory firm based in Singapore. After working at the Ministry of Trade and Industry, he held management positions in various MNCs as well as Times Publishing Ltd. As Director of Far East Holdings International Limited (Hong Kong), he started the Singapore and Malaysia business. Since 1992, he has been in private equity and led investments in many companies in Singapore, Malaysia and China. He obtained an Overseas Merit Scholarship and holds BA (Economics), MA from Cambridge University and MBA from London Business School , University of London. He is currently an Independent Director at Advance SCT Ltd.

Andy Lim
Non-executive Director

Mr Andy Lim is the founder and Chairman of private equity firm Tembusu Partners and the Chairman and substantial shareholder of a publicly listed company Novena Holdings Ltd. He is also the Executive Director of Associated Leisure International, a family holding company and Chairman of MoneyWorld Group of Companies, a leading foregin exchange player with offices in China, Hong Kong, Singapore and New Zealand.

His other Board appointments include Chairman of Alpha Singapore, Chairman of government cooperative for ex-offenders, ISCOS, Council Member of the National Council for Anti-Drug Abuse (NCADA) and President of the Enterprise 50 Club, a leading association of the top 50 privately held companies in Singapore. In September 2004, Mr Lim was appointed Honorary Consul to the Republic of Lithuania. The Shanghai-Pudong Branch of the China Overseas Friendship Association also appointed him as one of its Council members in May 2005.

Mr Lim was the top 'O' level student in Anglo-Chinese School in 1973. He then took an Overseas Merit Scholarship to study Engineering in Cambridge University wher he graduated with First Class Honors in 1979 and won a Book Prize from Trinity College for outstanding performance. After an 8 year stint with the Singapore government, he went on to receive an MBA Degree at University of California at Los Angeles (UCLA) in 1989. He is married to Lim Hwee Hua and they have a son, Daniel and two daughters, Rebekah and Rachel.

Wang Ning
Executive Director/Chief Operating Officer

Wang Ning was appointed as our Chief Operating Officer on April 26, 2004 and is responsible for operations of our Group. Prior to joining our Company, Wang Ning has served the Sinopec Group for more than 10 years, where his last positioned held was Deputy General Manager of Sinopec Guangzhou Branch.

Prior to that, Wang Ning was employed by Liaoning Panjing Natural Gas Chemical Plant as Assistant Engineer and Deputy Director between 1987 to 1992. Wang Ning obtained his Bachelor degree in Electrochemistry from Tianjin University and MBA from South China University of Technology.

Heng Peng Siang
Director and CEO of UE NOVO (Malaysia) Group

Heng Peng Siang heads our Malaysia team in project and pumps trading. He is responsible for management in businesses and management strategy, organisational development and long term growth of the Malaysia Group. He is in charge of management, execution and delivery of our projects in Malaysia.

Prior to joining our Group, he was an Executive Director and Founder of Ecowater Ltd (now known as EMS Energy Ltd). Mr. Heng is a registered chemist with Institute Kimia Malaysia (Malaysia Institute of Chemistry). Mr. Heng has a Bachelor of Applied Science (Hons) in Analytical Chemistry from University Science Malaysia, Penang and a Master of Engineering (Civil Environmental) from University Technology Malaysia, Johor.

Li Li
Technical Director and Deputy General Manager of NOVO Tianjin

Li Li is the technical director for our Group and also the deputy general manager of NOVO Envirotech (Tianjin) Co Ltd. He oversees the research and development initiatives in the area of developing new membrane products, improving membrane performance, developing new membrane processes and applications. Mr Li was involved in various wastewater treatment projects and was awarded many prestigious awards for his contribution. Mr Li holds a bachelor degree in civil engineering specialised in environmental engineering from Tianjin University and he is a certified engineer for water and wastewater treatment in PRC.

Tan Huchuan
Engineering Director

Tan Huchuan is the Chief Engineer for the Group. He oversees the execution of the integrated systems for environmental engineering solutions in relation to our membrane technology for the Group. From 2003 to 2005, he was a manager in NOVO Environmental Technology Services Pte Ltd, in charge of the projects in China. Mr Tan also worked for two other engineering companies in Singapore from 1995 to 2003. Prior to that, he worked in Design institute for the petrochemical industry in Heilongjiang province from 1983 to 1995 as design supervisor.

Mr Tan holds a bachelor degree in Storage and Logistic in Petrochemical from the Harbin Commerce University.

Ngoo Lin Fong
Chief Financial Officer

Ngoo Lin Fong is the Chief Financial Officer. He is responsible for the planning and management of our Group's financial and accounting operations. Prior to joining our Company, he worked for Deloitte & Touche Singapore as an audit manager. He holds a Masters in Applied Finance, and a Bachelor of Business Degree (Accountancy). He is currently a member of the Institute of Certified Public Accountants of Singapore and CPA Australia.

Our Committment: We reaffirmed our one commitment to deliver service excellence always.

Corporate Information

Board of Directors
Dr Lin Yucheng
(Chairman and CEO)
Wang Ning
(Executive Director and COO)
Peter Kwok Kian Tow
(Non-Executive Director)
Andy Lim
(Non-executive Director)
Loh Weng Whye
(Independent Director)
Yeung Koon Sang alias David Yeung
(Independent Director)
Dr Chong Weng Chiew
(Independent Director)
Tay Beng Chuan
(Independent Director)

Company Secretaries
Lotus Isabella Lim Mei Hua, FCIS
Lee Bee Fong, ACIS

Registration Number
200306466G

Nominating Committee
Loh Weng Whye
(Chairman)
Dr Lin Yucheng
Dr Chong Weng Chiew
Yeung Koon Sang alias David Yeung
Tay Beng Chuan

Remuneration Committee
Dr Chong Weng Chiew
(Chairman)
Loh Weng Whye
Yeung Koon Sang alias David Yeung
Tay Beng Chuan

Audit Committee
Yeung Koon Sang alias David Yeung
(Chairman)
Loh Weng Whye
Dr Chong Weng Chiew
Tay Beng Chuan

Principal Place of Business
10 Science Park Road
#01-01 The Alpha
Singapore 117684

Registered Office
8 Cross Street
#11-00 PWC Building
Singapore 048424
Tel: 6236 3333
Fax: 6236 4399

Share Registrar and Share Transfer Office
Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
8 Cross Street
#11-00 PWC Building
Singapore 048424

Auditors
Deloitte & Touche LLP
Certified Public Accountants
6 Shenton Way #32-00
DBS Building Tower Two
Singapore 068809

Partner-in-charge
Lim Kuan Meng
Date of appointment: July 27, 2007

Principal Banker
Malayan Banking Berhad
2 Battery Road
Maybank Tower
Singapore 049907

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of United Envirotech Ltd. (the "Company"), are committed to high standards of corporate governance and adopting the corporate governance practices contained in the new Code of Corporate Governance 2005 ('Code") so as to ensure greater transparency and protection of shareholders' interests. The Board recognises the need to keep balance with accountability, in creating and preserving shareholder value and achieving its corporate vision for the Group of companies. This statement outlines the main corporate governance practices that were in place throughout the financial period.

I. BOARD MATTERS

1.1 The Board's Conduct of its Affairs

The Board has the responsibility for the overall management of the Group. It establishes the corporate strategies of the Group, sets direction and goals for the executive management. It supervises the executive management and monitors performance of these goals to enhance shareholders' value. The Board is responsible for the overall corporate governance of the Group.

1.2 Board Composition

The Board of Directors comprises eight directors, four of whom are independent directors. The Directors of the Company as at the date of this statement are :-

(i) Dr Lin Yucheng, Chairman and Chief Executive Officer
(ii) Mr Wang Ning, Executive Director and Chief Operating Officer
(iii) Mr Peter Kwok Kian Tow, Non-executive Director
(iv) Mr Andy Lim, Non-executive Director
(v) Mr Loh Weng Whye, Independent Director
(vi) Mr Yeung Koon Sang alias David Yeung, Independent Director
(vii) Dr Chong Weng Chiew, Independent Director
(viii) Mr Tay Beng Chuan, Independent Director

The Board examines its size to satisfy that it is an appropriate size for effective decision making, taking into account the nature and scope of the Company's operations.

Key information regarding the Directors is given in "Directors' Information" on pages 10 and 12.

1.3 Independent Directors

The Board of Directors has four directors who are independent members. The criteria for independence is determined based on the definition as provided in the Code.

The Board considers an "independent" director as one who has no relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independent judgement of the Group's affairs.

1.4 Chairman and CEO

The roles of the Chairman and Chief Executive Officer ("CEO"), are both held by Dr Lin Yucheng, who is the largest single shareholder of the Company, holding approximately 18.05% of the issued share capital of the Company. The Chairman and CEO, Dr Lin Yucheng, believes that the scope of our business and the structure of our organisation does not warrant the additional costs which would be incurred in the appointment of a third party Chairman of the Board. Dr Lin also believes that the interests of the minority shareholders will not be prejudiced with him maintaining his position as Chairman and CEO, and as a majority shareholder himself, would endeavour to enhance shareholders' value.

I. BOARD MATTERS (CONT'D)

1.4 Chairman and CEO (cont'd)

The Board also believes that as major decisions made by the Chairman and CEO are being reviewed by other independent committees such as the Audit Committee, Nominating Committee and Remuneration Committee chaired by Independent Directors of the Company, there are adequate safeguards against an uneven concentration of power and authority in a single individual.

Dr Lin Yucheng as the Group's Chairman and CEO is responsible for the day-to-day running of the Group as well as the exercise of control over the quality, quantity and timeliness of information flow between the Board and management. He has played an instrumental role in developing the business of the Group and has also provided the group with strong leadership and vision.

1.5 Board Processes

To assist in the execution of its responsibilities, the Board has established an Audit Committee, Nominating Committee and Remuneration Committee. These committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The effectiveness of each committee is also constantly reviewed by the Board.

The full Board meets on a regular basis and as when necessary to address any specific significant matters that may arise.

The number of Board and Board Committees meetings held during the financial year 2009 and the attendance of each director where relevant are as follows:-

	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of Meetings	5	4	3	1
No. of Meetings attended by respective directors				
Dr Lin Yucheng	5	4	3	1
Mr Loh Weng Whye	5	4	3	1
Mr Yeung Koon Sang alias David Yeung	5	4	3	1
Dr Chong Weng Chiew	5	4	3	1
Mr Tay Beng Chuan (appointed on 1 October 2008)	2	2	1	–
Mr Goh Ching Wah (retired on 28 July 2008)	2	1	1	1

* Mr Peter Kwok Kian Tow, Mr Wang Ning and Mr Andy Lim were appointed after the financial year 2009

1.6 Matters Requiring Board Approval

The Board has identified a number of areas for which the Board has direct responsibility for decision-making. Interested Persons Transactions and the Group's internal control procedures are also reviewed by the Board. Major investments and funding decisions are approved by the Board.

The Board will also meet to consider the following corporate matters:-

- Approval of quarterly and year end result announcements;
- Approval of the Annual Reports and Accounts;
- Convening of Shareholder's Meetings
- Approval of Corporate Strategies; and
- Material Acquisitions and disposal of assets

1.7 Access to Information

The Board has separate and independent access to senior management and the company secretary at all times. Requests for information from the Board are dealt with promptly by management. The Board is informed of all material events and transactions as and when they occur. The management provides the Board with quarterly reports of the Company's performance. The management also consults with Board members regularly whenever necessary and appropriate. The Board is issued with board papers timely and prior to Board meetings.

The company secretary administers, attends and prepares minutes of Board meetings, and assists the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively and the Company's Memorandum and Articles of Association and the relevant rules and regulations applicable to the Company are complied with.

The Board in fulfilling its responsibilities, can as a group or individually, when deemed fit, direct the Company to appoint professional adviser to render professional advice.

2. BOARD COMMITTEES

2.1 Nominating Committee

The Nominating Committee ("NC") comprises of five members, a majority of whom are independent. The members of the NC are:

- Mr. Loh Weng Whye, Chairman and Independent Director
- Dr Lin Yucheng, CEO
- Mr. Yeung Koon Sang alias David Yeung, Independent Director
- Dr Chong Weng Chiew, Independent Director
- Mr. Tay Beng Chuan, Independent Director

The NC's principal functions will be as follows:

(a) recommend to the Board on all board appointments and re- appointments;

(b) determine independence of the Directors annually;

(c) determine whether or not a Director is able to and has been adequately carrying out his duties as Director of the Company;

(d) evaluate the performance and effectiveness of the Board as a whole.

The Articles of Association of the Company require that one-third of the Board retire from office at each Annual General Meeting ("AGM"). Accordingly, the Directors will submit themselves for re-nomination and re-election at regular intervals of at least once every 3 years.

2. BOARD COMMITTEES (CONT'D)

2.2 Audit Committee

The Audit Committee ("AC") comprises four members, all of whom, including the Chairman, are independent. At the date of this report, the Audit Committee comprises the following members:

- Mr. Yeung Koon Sang alias David Yeung, Chairman and Independent Director
- Mr. Loh Weng Whye, Independent Director
- Dr Chong Weng Chiew, Independent Director
- Mr Tay Beng Chuan, Independent Director

The functions of the AC are as follows:

(a) review with the internal and external auditors of the Company, their audit plan, evaluation of the internal accounting controls, audit report and ensures co-operation is given by the Company's management to the internal and external auditors;

(b) review the interim and annual financial statements and the Auditors' report on the Company's annual financial statements before they are presented to the Board;

(c) review with the management, external and internal auditors the adequacy and effectiveness of the company's internal controls, business and service systems and practices;

(d) review related and interested party transactions;

(e) consider the appointment and re-appointment of the external auditors.

The AC has the power to conduct or authorize investigations into any matters within the AC's scope of responsibility. The AC is authorized to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company.

The AC has full access to and co-operation of the Company's management and has full discretion to invite any director or executive officer to attend the meetings, and has been given reasonable resources to enable it to discharge its functions.

The AC, having reviewed the range and value of non-audit services performed by the external auditors, Deloitte & Touche LLP and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors, are pleased to confirm their re-nomination.

2.2.1 Whistle-Blowing Policy

A Whistle-Blowing Policy was approved by the Board and implemented on 14 February 2007. The Board believes that this policy will provide an avenue for employees to bring their complaints to the attention of the Board without fear of reprisal. The establishment of the Whistle-Blowing structure is to allow the Group to detect and deter wrongdoing in preparing and implementing financial policies, reports and materials as well as internal controls essential to support its financial and accounting system.

The policy was presented and published on the notice board to all employees for implementation.

2.2.2 *Internal Audit and Internal Controls*

The Company has outsourced its internal audit function to an external professional firm, who reports directly to the Chairman of AC. The objective of the internal audit function is to determine whether the Group's risk management, control and governance processes, as designed by the Company, is adequate and functioning in the required manner. The Audit Committee will review the adequacy of the internal audit function annually and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company.

2.3 *Remuneration Committee*

The Remuneration Committee ("RC") comprises four members, all of whom are independent or non-executive. The members of the RC are:

- Dr Chong Weng Chiew, Chairman and Independent Director
- Mr. Loh Weng Whye, Independent Director
- Mr. Yeung Koon Sang alias David Yeung, Independent Director
- Mr. Tay Beng Chuan, Independent Director

The functions of the RC will be review and recommend the remuneration packages of the Executive Director, CEO and key executives of the Company, and to review the appropriateness of compensation for Non-Executive Director including but not limited to Directors' fees and allowances.

The payment of fees to Non-Executive Director is subject to approval at the annual general meeting of the Company. No director is involved in deciding his own remuneration.

The Company does not have any employee who is an immediate family member of a Director or CEO.

2.3.1 *Remuneration Matters*

A breakdown showing the level and mix of each individual director's remuneration payable for FY 2009 is as follows:

	FY2009	FY2008
$500,000 to below $750,000	1	1
$250,000 to below $500,000	–	–
Below $250,000	4	4
Total	5	5

Name	Remuneration Band	Salary %	Bonus %	Fringe Benefits %	Directors' Fees %	Total %
Dr Lin Yucheng	$500,000 to below $750,000	81	19	–	–	100
Mr Loh Weng Whye	Below $250,000	–	–	–	100	100
Mr Yeung Koon Sang alias David Yeung	Below $250,000	–	–	–	100	100
Dr Chong Weng Chiew	Below $250,000	–	–	–	100	100
Mr Tay Beng Chuan	Below $250,000	–	–	–	100	100

Mr Peter Kwok Kian Tow, Mr Wang Ning and Mr Andy Lim were apppointed after financial year 2009.

2. BOARD COMMITTEES (CONT'D)

2.3 Remuneration Committee (cont'd)

2.3.1 Remuneration Matters (cont'd)

Remuneration of the top 5 key executives

Name	Remuneration Band $
Mr Wang Ning	$250,000 to below $500,000
Mr Heng Peng Siang	Below $250,000
Mr Li Li	Below $250,000
Mr Tan Huchuan	Below $250,000
Mr Ngoo Lin Fong	Below $250,000

The Company does not have any employee who is an immediate family member of a Director or CEO.

3. COMMUNICATION WITH SHAREHOLDERS

The Company does not practise selective disclosure. In line with continuous obligations of the Company pursuant to the Singapore Exchange's Listing Rules, the Board's policy is that all shareholders should be equally informed of all major developments impacting the Group.

Information is disseminated to shareholders on a timely basis through:

- SGXNET announcements and news release
- Annual Report prepared and issued to all shareholders
- Company's website at www.unitedenvirotech.com at which shareholders can access information on the Group.

At the Company's annual general meetings, shareholders are given the opportunity to voice their views and ask directors or management questions regarding the Company. The Chairmen of the Audit, Remuneration and Nominating Committees will be normally present at future annual general meetings to answer any questions relating to the work of these committees.

4. RISK MANAGEMENT

The Company regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as take appropriate measures to control and mitigate these risks. The Company reviews all significant control policies and procedures and highlights all significant matters to the AC and Board. The risk issues are highlighted on Pages 48 to 53.

5. DEALING IN SECURITIES

The Group has adopted internal codes pursuant to the Listing Rule 1207(18) of the Listing Manual applicable to all its officers in relation to dealing in the Company securities. Its officers are not allowed to deal in the United Envirotech Ltd.'s shares during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, or one month before the full year results announcement, as the case may be, and ending on the date of announcement of the relevant results. Directors and employees are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading period.

6. MATERIAL CONTRACTS

There were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the CEO, any Director, or controlling shareholder.

7. INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders. There were no interested person transactions entered into by the Group during the financial year ended 31 March 2009.

8. NON-AUDIT FEE PAID TO THE AUDITORS

During the financial year, non-audit fee of $5,000 is paid to the auditors of the Company.

9. USE OF PROCEEDS

The Company had completed the subsciption of shares by Novena Holdings Limited (49,666,367 shares) and Oei Hong Leong Foundation (Pte) Ltd (16,599,633 shares) at a price of S$0.21 per share. To date, $8 million was invested in the newly secured Dafeng Wastewater Treatment plant. Further announcements will be made as and when the funds are disbursed accordingly.

FINANCIAL CONTENT

REPORT OF THE DIRECTORS

The directors present their report together with the audited consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company for the financial year ended March 31, 2009.

1 DIRECTORS

The directors of the Company in office at the date of this report are:

Dr Lin Yucheng	
Loh Weng Whye	
Yeung Koon Sang alias David Yeung	
Dr Chong Weng Chiew	
Tay Beng Chuan	(Appointed on October 1, 2008)
Peter Kwok Kian Tow	(Appointed on April 1, 2009)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

Name of directors and company in which interests are held	**At April 1, 2008**	**At March 31, 2009**
The Company - Ordinary shares		
Dr Lin Yucheng	71,761,000	71,761,000
Loh Weng Whye	200,000	250,000

By virtue of Section 7 of the Singapore Companies Act, Dr Lin Yucheng is deemed to have an interest in the Company and all the related corporations of the Company.

The directors' interests in the shares of the Company at April 21, 2009 were the same at March 31, 2009.

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest except for salaries, bonuses and other benefits as disclosed in the financial statements.

5 SHARE OPTIONS

(a) Options to take up unissued shares

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

(b) Options exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

6 AUDIT COMMITTEE

The Board has adopted the principles of corporate governance as described in the Code of Corporate Governance formulated by the Singapore Exchange Securities Trading Limited ("SGX-ST") with regards to the Audit Committee.

The Audit Committee of the Company is chaired by Yeung Koon Sang alias David Yeung and include Loh Weng Whye, Dr Chong Weng Chiew and Tay Beng Chuan (appointed on November 5, 2008). All the members of the Audit Committee are independent directors of the Company.

The Audit Committee has met at least four times during the financial year ended March 31, 2009. The Audit Committee has reviewed the following, where relevant, with the executive director and the external auditors of the Company:

a) the scope of internal and external audit plans and the results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;

b) the Group's financial and operating results and accounting policies;

c) the balance sheet and statement of changes in equity of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and the external auditors' report on those financial statements;

d) the quarterly and annual announcements as well as the related press release on the results and financial position of the Company and the Group;

e) the co-operation and assistance given by the management to the Group's external auditors;

f) the re-appointment of the external auditors of the Company;

g) interested person transactions; and

h) all non-audit services provided by the Group's external auditors.

The Audit Committee has full access to and co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for the re-appointment as external auditors of the Company at the forthcoming annual general meeting.

7 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Dr Lin Yucheng

Yeung Koon Sang alias David Yeung

June 22, 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNITED ENVIROTECH LTD. AND ITS SUBSIDIARIES

We have audited the financial statements of United Envirotech Ltd. (the "Company") and its subsidiaries (the "Group") which comprise the balance sheets of the Group and the Company as at March 31, 2009, the profit and loss statement, statement of changes in equity and cash flow statement of the Group and the statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 28 to 79.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit preparation of true and fair profit and loss account and balance sheet and to maintain accountability of asset; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion,

a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and Company as at March 31, 2009 and of the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date; and

b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants

Singapore
June 22, 2009

BALANCE SHEETS
MARCH 31, 2009

	Note	Group 2009 $'000	Group (Restated) 2008 $'000	Company 2009 $'000	Company 2008 $'000
ASSETS					
Current assets					
Cash and bank balances	6	**20,365**	19,910	**8,344**	10,660
Trade receivables	7	**23,470**	19,636	**1,125**	558
Long term receivables	8	**10**	7	**–**	–
Other receivables and prepayment	9	**3,405**	7,025	**3,472**	41
Inventories	10	**712**	722	**–**	–
Total current assets		**47,962**	47,300	**12,941**	11,259
Non-current assets					
Long term receivables	8	**58,801**	48,584	**–**	–
Subsidiaries	11	**–**	–	**30,725**	27,465
Associate	12	**1,595**	1,953	**2,230**	2,230
Joint venture	13	**7,688**	–	**7,688**	–
Property, plant and equipment	14	**1,946**	1,573	**229**	256
Goodwill	15	**1,547**	1,531	**–**	–
Intangible assets	16	**747**	1,055	**200**	–
Deferred tax assets	17	**708**	410	**–**	200
Total non-current assets		**73,032**	55,106	**41,072**	30,151
Total assets		**120,994**	102,406	**54,013**	41,410
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans	18	**5,667**	3,473	**700**	1,200
Trade payables	19	**2,413**	8,081	**–**	–
Other payables	20	**6,222**	6,145	**543**	608
Finance leases	21	**84**	84	**38**	35
Income tax payable		**791**	1,095	**17**	19
Total current liabilities		**15,177**	18,878	**1,298**	1,862

	Note	Group 2009 $'000	Group (Restated) 2008 $'000	Company 2009 $'000	Company 2008 $'000
Non-current liabilities					
Bank loans	18	**18,437**	19,384	**–**	700
Deferred tax liabilities	17	**1,066**	563	**–**	–
Finance leases	21	**206**	302	**48**	87
Total non-current liabilities		**19,709**	20,249	**48**	787
Capital and reserves					
Share capital	22	**56,045**	42,148	**56,045**	42,148
General reserve	23	**1,046**	–	**–**	–
Currency translation reserves		**4,280**	(2,182)	**–**	–
Accumulated profits (losses)		**24,737**	23,313	**(3,378)**	(3,387)
Total equity		**86,108**	63,279	**52,667**	38,761
Total liabilities and equity		**120,994**	102,406	**54,013**	41,410

See accompanying notes to financial statements.

CONSOLIDATED PROFIT AND LOSS STATEMENT
YEAR ENDED MARCH 31, 2009

	Note	2009 $'000	(Restated) 2008 $'000
Revenue	24	**42,857**	51,209
Other income	25	**745**	1,969
Changes in inventories		**(10)**	278
Material purchased, consumables used and subcontractors' fees		**(26,029)**	(29,190)
Employee benefits expense	27	**(4,879)**	(4,186)
Depreciation and amortisation expenses	27	**(952)**	(887)
Other operating expenses		**(6,102)**	(7,579)
Finance costs	26	**(903)**	(1,408)
Share of loss of associate	12	**(358)**	(224)
Profit before income tax	27	**4,369**	9,982
Income tax expense	28	**(706)**	(1,527)
Profit for the year		**3,663**	8,455
Basic and diluted earnings per share (cents)	29	**0.96**	2.55

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY
YEAR ENDED MARCH 31, 2009

	Share capital $'000	General reserve $'000	Currency translation reserves $'000	Accumulated profits $'000	Attributable to equity holders of the Company $'000	Minority interest $'000	Total $'000
Group							
Balance at April 1, 2007	42,148	–	(2,338)	14,858	54,668	140	54,808
Currency translation differences representing expenses recognised directly in equity	–	–	156	–	156	–	156
Profit for the year	–	–	–	8,455	8,455	–	8,455
Total recognised income and expense for the year	–	–	156	8,455	8,611	–	8,611
Payment to minority interest	–	–	–	–	–	(140)	(140)
Balance at March 31, 2008	42,148	–	(2,182)	23,313	63,279	–	63,279
Currency translation differences representing expenses recognised directly in equity	–	–	6,462	–	6,462	–	6,462
Profit for the year	–	–	–	3,663	3,663	–	3,663
Total recognised income and expense for the year	–	–	6,462	3,663	10,125	–	10,125
Issue of ordinary shares, net of share issue expenses	13,897	–	–	–	13,897	–	13,897
Transfer to general reserve	–	1,046	–	(1,046)	–	–	–
Dividend paid (Note 30)	–	–	–	(1,193)	(1,193)	–	(1,193)
Balance at March 31, 2009	56,045	1,046	4,280	24,737	86,108	–	86,108

STATEMENTS OF CHANGES IN EQUITY
YEAR ENDED MARCH 31, 2009

	Share capital $'000	Accumulated losses $'000	Total $'000
Company			
Balance at April 1, 2007	42,148	(2,143)	40,005
Loss for the year	–	(1,244)	(1,244)
Balance at March 31, 2008	42,148	(3,387)	38,761
Issue of ordinary shares, net of share issue expenses	13,897	–	13,897
Profit for the year	–	1,202	1,202
Dividend paid (Note 30)	–	(1,193)	(1,193)
Balance at March 31, 2009	56,045	(3,378)	52,667

See accompanying notes to financial statements.

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED MARCH 31, 2009

	2009 $'000	(Restated) 2008 $'000
Operating activities		
Profit before income tax	**4,369**	9,982
Adjustments for:		
Gain on disposal of property, plant and equipment	**(24)**	(53)
(Reversal of) Impairment allowance on trade receivables	**(240)**	8
Interest income	**(244)**	(354)
Interest expense	**903**	1,408
Share of loss of associate	**358**	224
Depreciation and amortisation expenses	**952**	887
Impairment allowance on other receivables	**77**	–
Exchange differences arising on foreign currency translation	**4,979**	190
Operating profit before working capital changes	**11,130**	12,292
Trade receivables	**(3,594)**	(2,977)
Other receivables and prepayment	**3,543**	(3,275)
Inventories	**10**	(278)
Trade payables	**(5,668)**	1,768
Other payables	**77**	(11,462)
Cash generated from (used in) operations	**5,498**	(3,932)
Interest received	**244**	354
Interest paid	**(903)**	(1,408)
Income tax paid	**(805)**	(734)
Net cash from (used in) operating activities	**4,034**	(5,720)
Investing activities		
Purchase of property, plant and equipment (Note A)	**(677)**	(183)
Addition to long term receivables	**(10,220)**	(9,258)
Proceeds on disposal of property, plant and equipment	**82**	62
Purchase of intangible assets	**(200)**	–
Acquisition of interest in a joint venture	**(7,688)**	–
Acquisition of additional shares from minority shareholders	–	(246)
Net cash used in investing activities	**(18,703)**	(9,625)

CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED MARCH 31, 2009

	2009 $'000	(Restated) 2008 $'000
Financing activities		
New bank loans raised	**4,223**	20,930
Proceeds from issuing shares	**13,897**	–
Dividends paid	**(1,193)**	–
Repayment of obligations under finance lease	**(96)**	(192)
Repayments of borrowings	**(2,976)**	(1,966)
Pledged fixed deposits	**1,011**	(1,101)
Net cash from financing activities	**14,866**	17,671
Net increase in cash and cash equivalents	**197**	2,326
Cash and cash equivalents at beginning of financial year	**18,809**	16,617
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	**1,269**	(134)
Cash and cash equivalents at end of financial year (Note B)	**20,275**	18,809

Notes to the consolidated cash flow statement

Note A

In 2008, the Group acquired property, plant and equipment with an aggregate cost of $489,000, of which, $306,000 was acquired under finance lease arrangement. Cash payments of $183,000 were made to purchase property, plant and equipment.

Note B

Cash and cash equivalents consist of:

	2009 $'000	2008 $'000
Cash and bank balances (Note 6)	**20,365**	19,910
Less: Fixed deposits pledged (Note 6)	**(90)**	(1,101)
Cash and cash equivalents	**20,275**	18,809

See accompanying notes to financial statements.

1 GENERAL

The Company (Registration No. 200306466G) is incorporated in Republic of Singapore with its principal place of business at 10 Science Park Road, #01-01 The Alpha, Singapore 117684 and registered office at 8 Cross Street, #11-00 PWC Building, Singapore 048424. The Company is listed on the main board of the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activities of the Company are that of investment holding company and provision of environmental engineering services.

The principal activities of the subsidiaries, associate and joint venture are disclosed in Notes 11, 12 and 13 to the financial statements respectively.

The consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company for the financial year ended March 31, 2009 were authorised for issue by the Board of Directors on June 22, 2009.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost basis except for the revaluation of certain non-current assets and financial instruments, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

ADOPTION OF NEW AND REVISED STANDARDS - In the current financial year, the Group and the Company have adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual years beginning on or after January 1, 2008. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below and in the notes to the financial statements.

INT FRS 112 - Service Concession Arrangements

INT FRS 112, applicable to financial periods beginning on or after January 1, 2009, addresses the accounting by private sector operators involved in the provision of public sector infrastructure assets and services, such as schools and roads (i.e., "public-to-private" arrangements, which are also known by a variety of other titles, including "service concession:", build-operate-transfer", or "rehabilitate-operate-transfer" arrangements).

The Group has adopted INT FRS 112 for the financial year ended March 31, 2009 for its water treatment plants. The adoption of the new standard resulted in a change of the accounting policies of the Group. The impact of this change is disclosed in Note 35 to the financial statements.

At the date of authorisation of these financial statements, the management has considered and anticipated that the adoption of the FRSs, INT FRSs and amendments to FRS that were in issue, but not yet effective, will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption except as follows:

FRS 1 – Presentation of Financial Statements (Revised) - FRS 1 (Revised) will be effective for annual periods beginning on or after January 1, 2009, and will change the basis for presentation and structure of the financial statements. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRSs.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FRS 108 – Operating Segments - FRS 108 will be effective for annual financial statements beginning on or after January 1, 2009 and supersedes *FRS 14 – Segment Reporting*. FRS 108 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, FRS 14 requires an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's 'system of internal financial reporting to key management personnel' serving only as the starting point for the identification of such segments. As a result, following the adoption of FRS 108, the identification of the Group's reportable segments may change.

The Group has determined that the operating segments disclosed in FRS 108 will be the same as the business segments disclosed under FRS 14. The impact of this standard on the other segment disclosures is still to be determined. There will be no impact on the financial position or the financial performance of the Group when implemented for the financial year ending March 31, 2010.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the profit and loss statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

In the Company's financial statements, investments in subsidiaries, associate and joint venture are carried at cost less any impairment in net recoverable value that has been recognised in profit and loss statement.

BUSINESS COMBINATIONS - The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under *FRS 103 Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with *FRS 105 Non-Current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the profit and loss statement.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter year. Income and expense is recognised on an effective interest rate basis for debt instruments other than those financial instruments "at fair value through profit and loss statement".

Financial assets

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and bank overdrafts that are subject to an insignificant risk of changes in value.

Loans and receivables

Trade receivables, financial receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the profit and loss statement. Changes in the carrying amount of the allowance account are recognised in the profit and loss statement.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through the profit and loss statement to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment had not been recognised.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Company and not designated as at fair value through profit and loss statement is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Company measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognition with FRS 18 *Revenue*.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay if the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit and loss statement, unless they are directly attributable to qualifying assets, in which case they are capitalised.

Rentals payable under operating leases are charged to the profit and loss statement on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PROPERTY, PLANT AND EQUIPMENT – Freehold land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

A decrease in carrying amount arising on the revaluation of such land and buildings is charged to the profit and loss statement to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets less residual value over their estimated useful lives, using the straight-line method, on the following bases:

Freehold building	- 5%
Leasehold building and water treatment plant	- 3⅓%
Leasehold improvement	- 10% to 20%
Motor vehicles	- 10% to 20%
Machinery	- 10% to 20%
Office equipment, furniture and fittings	- 10% to 20%

Depreciation is not provided on freehold land and construction-in-progress.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements.

Assets held under finance lease arrangements are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant leases.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the profit and loss statement.

GOODWILL - Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent year.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described under 'Associates' below.

ASSOCIATES - An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under *FRS 105 Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are carried in the balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the profit and loss statement.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

INTANGIBLE ASSETS - Club memberships are stated at cost, less any impairment in value.

<u>Intangible assets acquired separately</u>

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight line basis over their estimated useful lives on the following bases:

Licences	- 20%
Patent	- 20%

The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions are met:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to the profit and loss statement in the year in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately. Amortisation is charged so as to write off the cost of the assets using the straight- line method over their useful lives on the following bases:

Development costs - 20%

Where an indication of impairment exists, the carrying amount of the intangible asset is assessed and written down immediately to its recoverable amount.

INTERESTS IN JOINT VENTURE - A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Where a Group entity undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using equity accounting, except when the investment is classified as held for sale, in which case it is accounted for under FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*. The Group's share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis.

Any goodwill arising on the acquisition of the Group's interest in a jointly controlled entity is accounted for in accordance with the Group's accounting policy for goodwill arising on the acquisition of a subsidiary (see above).

Where the Group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL – At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

The contracts entered into by the Group in respect of environmental engineering projects usually stipulate the various work stages involved and the contract sums in respect of each work stage. Such contracts will clearly define each work stage involved, including milestones evidencing attainment or completion of that work stage. The Group's entitlement to the contracted sum for each work stage is fulfilled upon attainment of the milestone for that work stage and is not dependent upon the successful outcome of the subsequent work stages. The Group recognises revenue from environmental engineering projects in respect of each work stage only when the milestones for that stage have been attained, thus evidencing the completion of that stage.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Income from treatment of waste water

Income from treatment of waste water is recognised based on the volume of waste water treated and are recognised when the services are rendered.

Interest income and finance income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets net carrying amount.

Finance income represents the interest income on the long term receivables recognised in respect of the service concession arrangements in accordance with INT FRS 112. Finance income is recognised in the profit and loss statement using the effective interest method.

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the profit and loss statement in the period in which they are incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

RETIREMENT BENEFIT COSTS - Pursuant to the relevant regulations of the People's Republic of China ("PRC") government, the PRC subsidiaries of the Group ("PRC Subsidiaries") have participated in central pension schemes ("the Schemes") operated by local municipal government whereby the PRC subsidiaries are required to contribute a certain percentage of the basic salaries of their employees to the Schemes to fund their retirement benefits. The local municipal governments undertake to assume the retirement benefit obligations of all existing and future retired employees of the PRC subsidiaries. The only obligation of the PRC subsidiaries with respect to the Scheme is to pay the ongoing required contributions under the Schemes mentioned above. Contributions under the Schemes are charged to the profit and loss statement as incurred.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund and the Malaysia Employee Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the balance sheet date.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the profit and loss statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in the profit and loss statement, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group and the balance sheet and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in the profit and loss statement in the year in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

RESERVES - Pursuant to relevant laws and regulations in the PRC applicable to foreign investment enterprises and the Articles of Association of the PRC subsidiaries, the subsidiaries are requiredmaintain two statutory reserves, being a statutory surplus reserve fund and an enterprise fund. Appropriations to such reserves are made out of profit after taxation of the statutory financial statements of the subsidiaries. The subsidiaries are required to transfer 10% of its profit after taxation as reported in its PRC statutory financial statements to the statutory surplus reserve fund until the balance reached 50% of its registered capital. The statutory surplus reserve fund can be used to make up prior year losses incurred and, with approval from relevant government authority, to increase capital.

The subsidiaries are also required to make appropriation from profit after taxation as reported in the PRC statutory financial statements to the enterprise expansion fund at rates determined by the Board of Directors. The enterprise expansion fund, subject to approval by relevant government authority, may also be used to increase capital.

The reserves available for distribution to the investors are based on the lower of the aggregate amount of profit after taxation for the year and retained profits brought forward determined under accounting principles generally accepted in the PRC and that determined under FRS after deduction of the current year's appropriation to the statutory surplus reserve fund and the enterprise expansion fund.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

i) Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Capitalisation of intangible assets

As described in Note 2 to the financial statements, an internally-generated intangible asset is recognised only if all of the following conditions are met:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the tangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development;

In making its judgement, management considered the detailed criteria for the recognition of intangible assets set out in *FRS 38 - Intangible assets* and the management is satisfied that the conditions set out above are met.

Revenue recognition

As described in Note 2 to the financial statements, it is the Group's policy to recognise revenue from environmental engineering projects in respect of each work stage only when the milestones for that stage have been attained, thus evidencing the completion of that stage.

In making its judgement, management reviewed the contracts entered into by the Group which stipulate the various work stages involved and considered the detailed progress of each environmental engineering project following the detailed discussion of engineering personnel with the customers. The management is satisfied that the recognition of the revenue in the current year is appropriate and in accordance with the Group's policy for revenue recognition.

ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are disclosed below.

Impairment allowances for trade receivables

Trade receivables are carried at amortised cost using the effective interest method, less any identified impairment losses. Appropriate allowances for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired.

In making the judgement, management considered the procedures that have been in place to monitor this risk as a significant proportion of the Group's working capital is devoted to trade receivables. In determining whether allowance for bad and doubtful debts is required, the Group takes into consideration the aging status and the likelihood of collection. Following the identification of doubtful debts, the responsible engineering personnel discusses with the relevant customers and report on the recoverability of such debts. Specific allowance is only made for trade receivables that are unlikely to be collected. In this regard, the management is satisfied that adequate allowance for doubtful debts has been made in the financial statements in light of the historical records of the Group. The carrying amount of trade receivables at the balance sheet date are disclosed in Note 7 to the financial statements.

Service concession arrangements under INT FRS 112 Service Concession Agreements

The Group adopted INT FRS 112 in relation to it waste water treatment plants. The adoption of INT FRS 112 requires management to exercise its judgement in order to estimate the fair value of the operation service under the terms of the arrangements. Further information relating to these arrangements is disclosed in Note 8 to the financial statements.

Useful lives of property, plant and equipment

As described in Note 2 to the financial statements, the Company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. During the financial year, the management is satisfied that there is no change in the useful lives of the property, plant and equipment from prior year. The carrying amounts of property, plant and equipment at balance sheet date are disclosed in Note 14 to the financial statements.

Impairment of property, plant and equipment

During the year, management carried out an impairment review of its property, plant and equipment. In making its judgement, management considered the future cash flows expected to arise from the cash generating unit and a suitable discount rates in order to calculate present value. The carrying amount of property, plant and equipment at the balance sheet date are disclosed in Note 14 to the financial statements.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating operating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill is disclosed in Note 15 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group. The management provides written principles for overall financial risk management and written policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk, equity price risk), credit risk, liquidity risk, cash flow interest rate risk, use of derivative financial instruments and investing excess cash. Such written policies are reviewed annually by the management and periodic reviews are undertaken to ensure that the Group's policy guidelines are complied with. Risk management is carried out by the Finance Department under the policies approved by the management.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(a) Capital risk management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings, cash and cash equivalents and equity attributable to equity holders of the Company, comprising paid up capital, reserves and accumulated profits.

The Group's management reviews the capital structure on an on-going basis. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group balances its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issuance of new debt or the redemption of existing debt.

The Group's overall strategy remains unchanged from the prior year.

(b) Categories of financial instruments

The following table sets out the financial instruments as at the balance sheet date:

	Group		Company	
		(Restated)		
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Financial assets				
Loans and receivables (including cash and cash equivalents)	**106,051**	95,162	**15,236**	13,680
Financial guarantee contracts	**–**	–	**925**	390
Total	**106,051**	95,162	**16,161**	14,070
Financial liabilities				
Borrowing and payables, at amortised cost	**33,029**	37,469	**1,329**	2,630

(c) Financial risk management policies and objectives

The management of the Group monitors and manages the financial risks relating to the operations of the Group to minimise adverse potential effects of financial performance. These risks include market risk (including currency risk and interest rate risk), credit risk, liquidity risk and cash flow interest rate risk.

(i) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The management monitors risks associated with changes in foreign currency exchanges rates and interest rates, and will consider appropriate measures should the need arises.

There has been no change to the Group's exposure to market risk or the manner in which it manages and measures the risk.

(ii) Foreign exchange risk management

The principal entities in the Group transact businesses significantly in Renminbi ("RMB") and Singapore Dollars ("S$"), which are also the functional currencies of its principal entities and therefore its exposure to foreign currency risk arising from transactions in United States Dollars ("US$") and Malaysia Ringgit ("RM$") is minimal except for Hong Kong Dollars ("HK$") whereby the Group is exposed to foreign currency risk arising from the bank borrowings, which were denominated in Hong Kong dollars.

The management monitors the foreign exchange exposure and will consider any hedging should the need arises.

The carrying amounts of foreign currency denominated monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies at the reporting date are as follows:

	2009			**2008**		
	US$	**RM$**	**HK$**	**US$**	**RM$**	**HK$**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group						
Cash and cash equivalents	**13**	**–**	**2**	2,101	–	599
Bank borrowings	**–**	**–**	**22,486**	–	–	19,790
Company						
Cash and cash equivalents	**–**	**–**	**–**	2,089	–	–
Due from subsidiaries	**–**	**2,085**	**–**	–	2,174	–

The Company has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (cont'd)

(ii) Foreign exchange risk management (cont'd)

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase in the S$ against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where S$ strengthens 10% against the relevant currency. For a 10% weakening of the S$ against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

	US$ impact		**HK$ impact**		**RM$ impact**	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group						
Profit and loss	**(1)**	(210)	**2,249**	1,979	**–**	–
Company						
Profit and loss	**–**	(209)	**–**	–	**(209)**	(217)

(iii) Interest rate risk management

The Group is exposed to interest rate risks as the Group borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider restructuring the Group's credit facilities should the need arise.

The Group's exposures to interest rates on financial liabilities are detailed in the liquid risk management set out below.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the balance sheet date. For variable-rate bank borrowings, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rate had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended March 31, 2009 would decrease/increase by $81,000 (2008 : decrease/increase by $48,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The Group's sensitivity to interest rates has increased during the current year mainly due to the increase in variable rate bank loans.

(iv) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by the counterparty limits that are reviewed and approved by the management. The largest customer of the Group accounts for approximately 12% (2008 : 36%) of revenue. Other than this customer, there is no significant concentration of credit risk given to any single customer or group of customers.

The Group's credit risk primarily relates to the Group's trade and other receivables, trade prepayments and pledged bank deposits. The management of the Group generally grants credit only to customers with good credit ratings and also closely monitors overdue trade debts. The recoverable amount of each individual trade debt is reviewed at each balance sheet date and adequate allowance for doubtful debts has been made for irrecoverable amounts. In this regard, the management of the Group considers that the credit risk associated with the Group's trade receivable and trade prepayments is significantly reduced.

The top five raw material suppliers did not account for any of the carrying amount of trade prepayments as at March 31, 2009. In order to minimise the risk, trade prepayments are generally made to suppliers with good credit ratings and with good trading history with the Group.

The credit risk in relation to the Group's pledged bank deposits is not significant as the corresponding banks are reputable banking institutions in the PRC. The credit risk associated with cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at end of the financial period in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the balance sheet.

Further details of credit risks on trade and other receivables are disclosed in Notes 7 and 9 to the financial statements respectively.

(v) Liquidity risk management

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

Undrawn facilities are disclosed in Note 18 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(c) Financial risk management policies and objectives (cont'd)

(v) Liquidity risk management (cont'd)

Liquidity and interest risk analysis

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial asset on the balance sheet.

	Weighted average effective interest rate %	On demand or less than 1 year $'000	More than 1 year to 5 years $'000	More than 5 years $'000	Adjustment $'000	Total $'000
Group						
2009						
Non-interest bearing	**–**	**39,955**	**–**	**–**	**–**	**39,955**
Variable interest rate	**1.05**	**7,362**	**–**	**–**	**(77)**	**7,285**
Fixed interest rate	**6.50**	**3,833**	**14,909**	**116,366**	**(76,297)**	**58,811**
Total		**51,150**	**14,909**	**116,366**	**(76,374)**	**106,051**
2008						
Non-interest bearing	–	35,213	–	–	–	35,213
Variable interest rate	1.35	11,511	–	–	(153)	11,358
Fixed interest rate	6.50	3,161	12,289	96,089	(62,948)	48,591
Total		49,885	12,289	96,089	(63,101)	95,162
Company						
2009						
Non-interest bearing	**–**	**5,761**	**–**	**–**	**–**	**5,761**
Financial guarantee contract	**–**	**925**	**–**	**–**	**–**	**925**
Variable interest rate	**1.05**	**7,255**	**–**	**–**	**(75)**	**7,180**
Total		**13,941**	**–**	**–**	**(75)**	**13,866**
2008						
Non-interest bearing	–	1,003	–	–	–	1,003
Financial guarantee contract	–	390	–	–	–	390
Variable interest rate	1.35	10,411	–	–	(155)	10,256
Total		11,804	–	–	(155)	11,649

Non-derivative financial liabilities

The following table details the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the balance sheet.

	Weighted average effective interest rate %	On demand or less than 1 year $'000	More than 1 year to 5 years $'000	More than 5 years $'000	Adjustment $'000	Total $'000
Group						
2009						
Non-interest bearing	**–**	**8,635**	**–**	**–**	**–**	**8,635**
Fixed interest rate	**4.7**	**96**	**232**	**–**	**(38)**	**290**
Variable interest rate	**3.7**	**6,311**	**20,533**	**–**	**(2,740)**	**24,104**
Total		**15,042**	**20,765**	**–**	**(2,778)**	**33,029**
2008						
Non-interest bearing	–	14,226	–	–	–	14,226
Fixed interest rate	4.7	96	302	40	(52)	386
Variable interest rate	5.0	4,105	17,917	4,997	(4,162)	22,857
Total		18,427	18,219	5,037	(4,214)	37,469
Company						
2009						
Non-interest bearing	**–**	**543**	**–**	**–**	**–**	**543**
Fixed interest rate	**4.7**	**41**	**51**	**–**	**(6)**	**86**
Variable interest rate	**5.5**	**739**	**–**	**–**	**(39)**	**700**
Total		**1,323**	**51**	**–**	**(45)**	**1,329**
2008						
Non-interest bearing	–	608	–	–	–	608
Fixed interest rate	4.7	41	92	–	(11)	122
Variable interest rate	5.0	1,275	739	–	(114)	1,900
Total		1,924	831	–	(125)	2,630

(vi) Fair value of financial assets and financial liabilities

The management considers that the carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

5 RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the Company's transactions and arrangements are with related parties and the effect of these on the bases determined between the parties is reflected in the financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	Group	
	2009	**2008**
	$'000	**$'000**
Short-term benefits	**1,294**	1,592
Post-employment benefits	**72**	66
Total	**1,366**	1,658

The remuneration of directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

6 CASH AND BANK BALANCES

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Fixed deposits	**7,285**	11,358	**7,180**	10,256
Cash at bank	**13,049**	8,534	**1,149**	404
Cash on hand	**31**	18	**15**	–
Total	**20,365**	19,910	**8,344**	10,660

The interest rates relating to fixed deposits for the Group and Company range from 0.3% to 1.8% (2008 : 0.7% to 2.0%) per annum and for a tenure of approximately 30 days (2008 : 30 days).

Fixed deposits amounting to $90,000 (2008 : $1,101,000) is pledged to a bank as additional security for its short-term bank loan (Note 18) and issuance of bankers' guarantees by its subsidiary.

The above balances that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Hong Kong dollars	**2**	599	**–**	–
United States dollars	**13**	2,101	**–**	2,089

7 TRADE RECEIVABLES

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Outside parties	**19,646**	17,418	**1,125**	558
Associate (Note 12)	**3,623**	3,449	**–**	–
Joint venture (Note 13)	**1,192**	–	**–**	–
Total	**24,461**	20,867	**1,125**	558
Less : Allowance for doubtful debts	**(991)**	(1,231)	**–**	–
Net	**23,470**	19,636	**1,125**	558
Movement in the above allowance:				
At beginning of year	**1,231**	1,223	**–**	–
(Reversal) Charge to profit and loss	**(240)**	8	**–**	–
At end of year	**991**	1,231	**–**	–

This allowance has been determined by reference to past default experience for estimated irrecoverable amounts from the provision of environmental consultancy and engineering services to third parties. Reversal of allowance during the financial year was made in view of the amounts recovered.

7 TRADE RECEIVABLES (CONT'D)

The average credit period on sales of goods is 180 days (2008 : 180 days). No interest is charged on the overdue trade receivables.

The table below is an analysis of trade receivables as at March 31:

	Group	
	2009	**2008**
	$'000	**$'000**
Not past due and not impaired	**12,608**	12,689
Past due but not impaired (i)	**10,862**	6,947
	23,470	19,636
Impaired receivables – collectively assessed (ii)	**991**	1,231
Less: Allowance for impairment	**(991)**	(1,231)
	–	–
Total trade receivables, net	**23,470**	19,636

(i) Ageing of receivables that are past due but not impaired:		
- > 6 months to 1 year	**6,071**	1,251
- > 1 to 2 years	**4,791**	5,696
Total	**10,862**	6,947

(ii) These amounts, which are more than 1 year old but less than 2 years, are stated before any deduction for impairment losses. These receivables are not secured by any collateral or credit enhancements.

In determining the recoverability of a trade receivables the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further allowance required for credit risk in excess of the allowance for doubtful debts as there has been no significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

8 LONG TERM RECEIVABLES

	Group	
		(Restated)
	2009	**2008**
	$'000	**$'000**
Financial receivables	**58,811**	48,591
Less: Non-current portion	**(58,801)**	(48,584)
Current portion	**10**	7

The significant aspects of the service concession arrangements are as follows:

(a) The arrangements are 30-year concession arrangements for waste water treatment with the respective municipal governments under INT FRS 112 (see Notes 2 and 35 to the financial statements). The Group has a total of 2 (2008 : 2) transfer-operate-transfer arrangements as the balance sheet date.

(b) For the above arrangements, the Group has a contractual right under the concession arrangements to receive a fixed and determinable amount of payments during the concession period irrespective of the usage of the plants. Under the terms of the arrangements, the Group will receive a yearly minimum amount of RMB51,113,000 (equivalent to S$10,757,000) from the contracted parties (grantors) in exchange for services performed by the Group.

(c) All the waste water treatment arrangements state the right and obligations for the grantors and operator as follows:

    (i) The operator has an unconditional right to use the land and infrastructure within the waste water plant. The operator also has an unconditional right to receive payment from the local government for treatment of waste water.

    (ii) The operator has the obligation to treat the required amount of waste water and also to ensure that the treated water fulfil the standard quality requirement of the grantor. In addition, the operator cannot provide waste water treatment services to third parties without seeking permission from the grantor.

    (iii) The infrastructure including the plant and equipments, "know-how", operations manual, hand-over report, design of infrastructure and related documents, for the waste water treatment plant will be transferred over to the grantor or any grantor appointed agencies at the end of the concession period.

    (iv) The arrangement is terminated only when the other party breaches the contract or due to unforeseeable circumstance.

    (v) The operator has the obligation to maintain and restore the waste water plant to its operational condition upon transferring to the grantor at the end of the concession period.

(d) The above assets are pledged to secure the loans for the Group.

(e) The fair value of the non-current portion of financial receivables approximates its carrying value, as the management is of the opinion that the effective interest rate used is similar to the market interest rates.

9 OTHER RECEIVABLES AND PREPAYMENT

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Dividend receivables from a subsidiary (Note 5)	**–**	–	**3,409**	–
Advance payment to suppliers	**2,165**	6,475	**–**	–
Deposits	**290**	139	**42**	41
Associate (Note 12)	**129**	–	**–**	–
Prepayment	**69**	65	**–**	–
Other receivables	**829**	346	**21**	–
Total	**3,482**	7,025	**3,472**	41
Less: Allowance for doubtful debts	**(77)**	–	**–**	–
Net	**3,405**	7,025	**3,472**	41

Movement in the above allowance:

Charge to profit and loss and at end of year	**77**	–	–	–

10 INVENTORIES

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Raw materials, at cost	**444**	398	**–**	–
Trading merchandise, at cost	**268**	324	**–**	–
Total	**712**	722	**–**	–

11 SUBSIDIARIES

	Company	
	2009 $'000	2008 $'000
Unquoted equity shares, at cost	**29,287**	26,436
Financial guarantee contracts	**925**	390
Less: Impairment loss	**(1,782)**	(1,782)
Net	**28,430**	25,044
Due from subsidiaries (non-trade)	**2,295**	2,421
Total	**30,725**	27,465

The amount due from subsidiaries is unsecured and not expected to be repayable within one year.

The amounts due from subsidiaries that are not denominated in the Company's functional currency are as follows:

	Company	
	2009 $'000	2008 $'000
Malaysian ringgit	**2,085**	2,174

Details of the Company's subsidiaries at March 31, 2009 and 2008 are as follows:

Name of subsidiaries	Principal activities/Country of incorporation and operation	Effective interest and voting power held 2009 %	2008 %
Novo Envirotech (Tianjin) Co. Ltd ("Tianjin") [a]	Environmental engineering/ People's Republic of China ("PRC")	**100**	100
Novo Envirotech (Guangzhou) Co. Ltd ("Guangzhou") [a]	Environmental engineering/ PRC	**100**	100
United Envirotech Water Treatment (Liaoyang) Co. Ltd ("Liaoyang") [a]	Operation of water treatment plant/PRC	**100**	100
United Envirotech Water Treatment (Xintai) Co. Ltd ("Xintai") [a]	Operation of water treatment plant/PRC	**100**	100
UE Novo (Malaysia) Sdn. Bhd. ("UE Novo") [a]	Investment holding company/ Malaysia	**100**	100
Dataran Tenaga (M) Sdn. Bhd. ("Dataran") [a] [b]	Trading of pumps and engineering services/Malaysia	**100**	100
Universal Projects Sdn. Bhd. ("UP") [a] [b]	Environmental engineering/ Malaysia	**100**	100

[a] *Audited by overseas practises of Deloitte Touche Tohmatsu for Group's consolidation purposes.*

[b] *Held by UE Novo.*

12 ASSOCIATE

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Unquoted equity shares, at cost	**2,230**	2,230	**2,230**	2,230
Share of post-acquisition loss and reserves	**(635)**	(277)	**–**	–
Net	**1,595**	1,953	**2,230**	2,230

Details of the associate at March 31, 2009 and 2008 are as follows:

Name of associate	Principal activities/Country of incorporation and operation	Effective interest and voting power held	
		2009	**2008**
		%	**%**
Guangzhou Linhai Envirotech Co., Ltd ("Linhai") [a]	Management of waste water treatment system/PRC	**40**	40

[a] *Audited by overseas practises of Deloitte Touche Tohmatsu for Group's consolidation purposes.*

Summarised financial information in respect of the associate is set out below:

	Group	
	2009	**2008**
	$'000	**$'000**
Total assets	**18,857**	18,694
Total liabilities	**(14,869)**	(13,811)
Net assets	**3,988**	4,883
Group's share of associate's net assets	**1,595**	1,953
Revenue	**1,723**	509
Loss for the year	**895**	560
Group's share of associate's loss for the year	**358**	224

13 JOINT VENTURE

	Group and Company 2009 $'000	2008 $'000
Unquoted equity shares, at cost	**7,688**	–

Details of the joint venture at March 31, 2009 and 2008 are as follows:

Name of joint venture	Principal activities/Country of incorporation and operation	Effective interest and voting power held 2009 %	2008 %
United Envirotech Water Treatment (Dafeng) Co., Ltd [a]	Management of waste water treatment system/PRC	**50**	–

[a] *No audit was carried out as the entity is newly incorporated and has not commenced operations.*

Summarised financial information in respect of the joint venture is set out below:

	Group 2009 $'000	2008 $'000
Total assets	**15,376**	–
Total liabilities	**–**	–
Net assets	**15,376**	–
Group's share of joint venture's net assets	**7,688**	–
Revenue	**–**	–
Profit for the year	**–**	–
Group's share of joint venture's profit for the year	**–**	–

14 PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Freehold building $'000	Leasehold building $'000	Leasehold improvement $'000	Motor vehicles $'000	Machinery $'000	Office equipment, furniture and fittings $'000	Construction in progress $'000	Total $'000
Group									
Cost or valuation									
At April 1, 2007, restated	100	74	–	166	792	240	488	–	1,860
Reinstatement	–	–	–	9	158	–	47	–	214
Exchange differences	–	–	–	–	(82)	2	2	–	(78)
Additions	–	–	–	3	329	90	67	–	489
Disposals	–	–	–	–	(67)	(5)	(9)	–	(81)
At March 31, 2008, restated	100	74	–	178	1,130	327	595	–	2,404
Exchange differences	(4)	(3)	–	7	54	41	49	12	156
Additions	–	–	16	1	380	29	45	206	677
Disposals	–	–	–	–	(118)	(7)	(30)	–	(155)
At March 31, 2009	96	71	16	186	1,446	390	659	218	3,082
Comprising									
At cost	–	–	16	186	1,446	390	659	218	2,915
At valuation	96	71	–	–	–	–	–	–	167
Total	96	71	16	186	1,446	390	659	218	3,082

	Freehold land $'000	Freehold building $'000	Leasehold building $'000	Leasehold improvement $'000	Motor vehicles $'000	Machinery $'000	Office equipment, furniture and fittings $'000	Construction in progress $'000	Total $'000
Group									
Accumulated depreciation									
At April 1, 2007, restated	–	2	–	40	198	26	171	–	437
Reinstatement	–	–	–	9	158	–	47	–	214
Exchange differences	–	–	–	–	(80)	–	(2)	–	(82)
Depreciation	–	5	–	19	137	44	100	–	305
Disposals	–	–	–	–	(66)	(2)	(4)	–	(72)
At March 31, 2008, restated	–	7	–	68	347	68	312	–	802
Exchange differences	–	(2)	–	4	13	22	21	–	58
Depreciation	–	4	1	19	167	67	86	–	344
Disposals	–	–	–	–	(81)	(1)	(15)	–	(97)
At March 31, 2009	–	9	1	91	446	156	404	–	1,107
Accumulated impairment									
As at April 1, 2007, March 31, 2008 and 2009	–	–	–	17	–	–	12	–	29
Carrying amount									
At March 31, 2008, restated	100	67	–	93	783	259	271	–	1,573
At March 31, 2009	96	62	15	78	1,000	234	243	218	1,946

14 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold improvement $'000	Motor vehicles $'000	Office equipment $'000	Total $'000
Company				
Cost				
At April 1, 2007	74	303	60	437
Additions	–	–	5	5
At March 31, 2008	74	303	65	442
Additions	–	–	34	34
At March 31, 2009	74	303	99	476
Accumulated depreciation				
At April 1, 2007	16	88	21	125
Depreciation	15	34	12	61
At March 31, 2008	31	122	33	186
Depreciation	15	34	12	61
At March 31, 2009	46	156	45	247
Carrying amount				
At March 31, 2008	43	181	32	256
At March 31, 2009	28	147	54	229

The carrying amount of the Group's motor vehicles includes an amount of $378,000 (2008 : $509,000) in respect of assets held under finance leases.

The carrying amount of the Company's motor vehicles includes an amount of $147,000 (2008 : $181,000) in respect of assets held under finance leases.

The Group has pledged its freehold land and building having a total carrying amount of approximately $158,000 (2008 : $167,000) to a licensed bank for banking facilities granted to a subsidiary of the Group.

Freehold land and building were revalued on November 1, 2006 by KGV-Lambert Smith Hampton (Johor) Sdn Bhd, independent valuer not connected with the Group, by reference to market evidence of recent transactions for similar properties.

At March 31, 2009, had the freehold land and buildings been carried at historical cost less accumulated depreciation and accumulated impairment losses, their carrying amounts would have been approximately $191,000 (2008: $201,000).

15 GOODWILL

	Group	
	2009	**2008**
	$'000	**$'000**
At beginning of year	**1,531**	1,217
Arising on acquisition of a subsidiary		
– adjustment to prior year	**16**	208
Additional investment in a subsidiary	**–**	106
At end of year	**1,547**	1,531

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the cash generating units, mainly due to one subsidiary, are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates and expected order book secured and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the cash generating units. Order book secured and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial forecasts approved by the management for the next four years using an average discount rate of 15% (2008 : 15%) being the Group's internal rate of return and a growth rate of 10% (2008 : 10%) per annum.

16 INTANGIBLE ASSETS

	Licences	**Patent**	**Development costs**	**Club membership**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Group					
Cost					
At April 1, 2007	59	59	2,989	–	3,107
Exchange differences	–	–	16	–	16
At March 31, 2008	59	59	3,005	–	3,123
Additions	–	–	–	200	200
Exchange differences	–	–	381	–	381
At March 31, 2009	59	59	3,386	200	3,704

16 INTANGIBLE ASSETS (CONT'D)

	Licences $'000	Patent $'000	Development costs $'000	Club membership $'000	Total $'000
Group					
Accumulated amortisation					
At April 1, 2007	40	40	1,401	–	1,481
Exchange differences	–	–	5	–	5
Amortisation	12	12	558	–	582
At March 31, 2008	52	52	1,964	–	2,068
Exchange differences	–	–	281	–	281
Amortisation	7	7	594	–	608
At March 31, 2009	59	59	2,839	–	2,957
Carrying amount					
At March 31, 2008	7	7	1,041	–	1,055
At March 31, 2009	–	–	547	200	747

	Club membership 2009 $'000	2008 $'000
Company		
Addition during the year and balance at end of year	**200**	–

17 DEFERRED TAX ASSETS (LIABILITIES)

	Group 2009 $'000	(Restated) 2008 $'000	Company 2009 $'000	2008 $'000
Deferred tax assets	**708**	410	**–**	200
Deferred tax liabilities	**(1,066)**	(563)	**–**	–
Net	**(358)**	(153)	**–**	200

The following are the major deferred tax assets and liabilities recognised by the Group and Company, and the movements thereon, during the current and prior reporting periods:

	Excess of book depreciation over tax depreciation $'000	Tax losses $'000	Timing differences due to accounting under INT FRS112 $'000	Others $'000	Total $'000
Group					
At April 1, 2007	73	–	–	11	84
Credit (Charge) to profit and loss	126	200	(535)	(28)	(237)
At March 31, 2008, restated	199	200	(535)	(17)	(153)
Credit (Charge) to profit and loss	509	(200)	(531)	17	(205)
At March 31, 2009	708	–	(1,066)	–	(358)
Company					
At April 1, 2007	–	–	–	–	–
Credit to profit and loss	–	200	–	–	200
At March 31, 2008	–	200	–	–	200
Charge to profit and loss	–	(200)	–	–	(200)
At March 31, 2009	–	–	–	–	–

18 BANK LOANS

	Group		Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Bank loans (unsecured)	**1,600**	3,039	**700**	1,900
Bank loans (secured)	**22,504**	19,818	**–**	–
Total	**24,104**	22,857	**700**	1,900
The loans are repayable as follows:				
On demand or within one year	**5,667**	3,473	**700**	1,200
In the second to fifth years inclusive	**18,437**	15,157	**–**	700
After five years	**–**	4,227	**–**	–
Total	**24,104**	22,857	**700**	1,900

18 BANK LOANS (CONT'D)

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Presentation on the balance sheets:				
Current liabilities	**5,667**	3,473	**700**	1,200
Non-current liabilities	**18,437**	19,384	**–**	700
Total	**24,104**	22,857	**700**	1,900
Average effective interest rates paid	**3.7%**	5.0%	**5.5%**	5.0%

The above balances that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Hong Kong dollars	**22,486**	19,790	**–**	–

The bank loans of the Group amounting to $22,486,000 (2008 : $19,790,000) are secured over the long term receivables of its subsidiaries.

The bank loans of the Group amounting to $18,000 (2008 : $27,000) have been secured by a charge over the Group's freehold land and building (Note 14).

At March 31, 2009, the Group and the Company had available $7,000,000 (2008 : $7,500,000) and $7,000,000 (2008 : $7,500,000) respectively of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

19 TRADE PAYABLES

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Outside parties	**2,413**	8,081	**–**	–

The average credit period on purchases of goods is 30 days (2008: 30 days).

20 OTHER PAYABLES

	Group		Company	
		(Restated)		
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Outside parties	**5,301**	4,557	**81**	88
Accruals	**921**	762	**342**	413
Deferred income	**–**	826	**–**	–
Subsidiary (Note 11)	**–**	–	**120**	107
Total	**6,222**	6,145	**543**	608

Included in other payables to outside parties in 2008 was an amount of $3,847,000 (RMB19,412,000) relating to the remaining amount payable by Xintai for the acquisition of the waste water treatment plants in PRC.

21 FINANCE LEASES

	<--------------Group		--------------->		<-------------- Company		-------------->	
	Minimum lease payments		Present value of minimum lease payments		Minimum lease payments		Present value of minimum lease payments	
	2009	2008	2009	2008	2009	2008	2009	2008
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Within one year	**96**	96	**84**	84	**41**	41	**38**	35
In the second to fifth years inclusive	**232**	302	**206**	302	**51**	92	**48**	87
After five years	**–**	40	**–**	–	**–**	–	**–**	–
Total	**328**	438	**290**	386	**92**	133	**86**	122
Less: Future finance charges	**(38)**	(52)	**NA**	NA	**(6)**	(11)	**NA**	NA
Present value of lease obligations	**290**	386	**290**	386	**86**	122	**86**	122
Less: Amount due within 12 months			**(84)**	(84)			**(38)**	(35)
Amount due after 12 months			**206**	302			**48**	87

The average lease terms for the Group and the Company are 5 to 7 years and 5 years respectively. For the period ended March 31, 2009, the average effective borrowing rates for both the Group and the Company were 4.3% to 5.1% (2008 : 4.3% to 5.1%) per annum. Interest rates are fixed at the contract date, and thus expose the Group and Company to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair values of the Group's and Company's lease obligations approximate their carrying amounts.

22 SHARE CAPITAL

	Group and Company			
	2009	**2008**	**2009**	**2008**
	Number of ordinary shares ('000)		**$'000**	**$'000**
Issued and paid-up:				
At beginning of the year	**331,330**	331,330	**42,148**	42,148
Issued for cash, net of expenses	**66,266**	–	**13,897**	–
At end of the year	**397,596**	331,330	**56,045**	42,148

The Company has one class of ordinary shares which carry no right to fixed income and has no par value.

During the financial year ended March 31, 2009, the Company issued 66,266,000 new ordinary shares in the capital of the Company in two private placements to two entities at an issue price of $0.21 each. The proceeds, net of expenses amounting to approximately $19,000 were intended to be used for Build-Operate-Transfer, Transfer-Operate-Transfer and Build-Own-Operate projects and general corporate working capital requirements.

23 GENERAL RESERVE

	Group	
	2009	**2008**
	$'000	**$'000**
Statutory surplus reserve fund	**1,046**	–

24 REVENUE

	Group	
		(Restated)
	2009	**2008**
	$'000	**$'000**
Revenue from environmental engineering projects	**29,573**	40,173
Income from waste water treatment	**7,102**	5,331
Finance income from long term receivables	**3,655**	2,989
Sales of goods	**2,527**	2,716
Total	**42,857**	51,209

25 OTHER INCOME

	Group	
	2009	**2008**
	$'000	**$'000**
Foreign currency exchange gain	**379**	1,515
Interest income	**244**	354
Gain on disposal of property, plant and equipment	**24**	53
Others	**98**	47
Total	**745**	1,969

26 FINANCE COSTS

	Group 2009 $'000	Group 2008 $'000
Interest expense from:		
Bank borrowing	**892**	1,392
Finance leases	**11**	16
Total	**903**	1,408

27 PROFIT BEFORE INCOME TAX

This has been arrived at after charging (crediting):

	Group 2009 $'000	Group (Restated) 2008 $'000
(Reversal of allowance) Impairment allowances on trade receivables	**(240)**	8
Foreign currency exchange gain	**(379)**	(1,515)
Auditors' remuneration:		
Paid to auditors of the Company	**83**	83
Paid to other auditors	**226**	197
Non-audit fees:		
Paid to auditors of the Company	**5**	5
Employee benefits expense	**3,716**	3,182
Director's remuneration	**516**	601
Directors' fee	**175**	160
Cost of defined contribution retirement plans	**472**	243
Total employee benefits expenses	**4,879**	4,186
Depreciation of property, plant and equipment	**344**	305
Amortisation of intangible assets	**608**	582
Total depreciation and amortisation expenses	**952**	887

28 INCOME TAX EXPENSE

	Group	
		(Restated)
	2009	**2008**
	$'000	**$'000**
Current tax	**535**	1,290
Overprovision in prior year	**(34)**	–
Deferred tax	**205**	237
Income tax expense	**706**	1,527

a) In accordance with the tax legislations applicable to foreign investment enterprises, Tianjin, Guangzhou, Liaoyang and Xintai being foreign-owned enterprises are entitled to claim for exemptions from PRC income tax for the two years commencing from their first profit-making year of operations, after offsetting all tax losses carried forward from the previous years, and thereafter, entitled to claim for 50% relief from PRC income tax for the next three years.

On March 16, 2007, the People's Republic of China promulgated the Law of the People's Republic of China on Enterprise Income Tax ("New Law") by Order No. 63 of the President of the People's Republic of China. On December 6, 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the tax rate to 25% for the PRC subsidiaries from January 1, 2008.

Liaoyang

The entity was tax exempted from its first profit-making year in 2005. As the entity is in the fifth year (2008 : fourth year) from the first profit-making year, it has an effective tax rate of 12.5%.

Xintai

The entity was tax exempted from its first profit-making year in 2006. As the entity is in the fourth year (2008 : third year) from the first profit-making year, it has an effective tax rate of 12.5%.

Tianjin

The entity is taxed at the statutory tax rate of 25%.

Guangzhou

The entity, being a high-tech enterprise, is enjoying a 15.0% tax incentive with renewal annually.

b) The income tax expense varied from the amount of income tax expense determined by applying the Singapore domestic income tax rate of 17% (2008 : 18%) to profit before income tax as a result of the following differences:

	Group	
		(Restated)
	2009	**2008**
	$'000	**$'000**
Profit before income tax	**4,369**	9,982
Tax expense (benefit) at the Singapore domestic income tax rate of 17% (2008 : 18%)	**743**	1,797
Tax effect of expense that are not deductible in determining taxable profits	**187**	672
Tax effect of utilisation of tax losses not recognised previously	**(507)**	(591)
Deferred tax benefit not recognised	**377**	225
Effect of different tax rates of subsidiaries operating in other jurisdictions	**575**	(332)
Tax exempt income	**(635)**	(244)
Overprovision in prior year	**(34)**	–
Income tax expense	**706**	1,527

The Group has tax losses carryforwards available for offsetting against future taxable income as follows:

	Group	
	2009	**2008**
	$'000	**$'000**
Amount at beginning of year	**4,094**	5,017
Amount arising	**5,442**	2,360
Amount utilised	**(2,983)**	(3,283)
Amount at end of year	**6,553**	4,094
Deferred tax benefit at 17% (2008 : 18%) on above		
- Recorded (Note 17)	**–**	200
- Unrecorded	**1,114**	537
Total	**1,114**	737

No deferred tax asset amounting to $1,114,000 (2008 : $537,000) has been recognised due to the unpredictability of future profits streams of the loss-making entities.

29 BASIC AND DILUTED EARNINGS PER SHARE

	Group	
	2009	**2008**
Earnings		
Profit attributable to equity holders of the Company ($'000)	**3,663**	8,455
Number of shares		
Weighted average number of ordinary shares ('000)	**383,253**	331,330
Earnings per share		
Earnings per share (cents)	**0.96**	2.55

For the financial year ended March 31, 2009 and 2008, there is no dilution as no share options were granted during the year or outstanding as at the end of the year.

30 DIVIDENDS

During the financial year ended March 31, 2009, a tax exempt (1-tier) dividend of $0.003 per ordinary share on 397,596,000 shares amounting to approximately $1,193,000 was paid to shareholders in respect of the financial year ended March 31, 2008.

31 OPERATING LEASE ARRANGEMENTS

	Group	
	2009	**2008**
	$'000	**$'000**
Minimum lease payments under operating leases recognised as an expense in the year	**275**	270

At the balance sheet date, the Group and Company have outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Future minimum lease payments payable:				
Within one year	**243**	269	**172**	151
In the second to fifth years inclusive	**198**	347	**120**	277
Total	**441**	616	**292**	428

Operating lease payments represent rentals payable by the Group and Company for certain of its office and workshop properties. Leases are negotiated for an average of two years.

32 BUSINESS AND GEOGRAPHICAL SEGMENT INFORMATION

(a) Analysis by business segments (Primary segment)

The Group operates in the following major business segments – Engineering and Treatment. The dominant source and nature of the Group's risks and returns are based on these business segments.

The principal activities of the segments are as follows:

Engineering - design and implementation of integrated environmental engineering solution based on membrane technology.

Treatment - rendering of waste water treatment services.

Segment revenue and expense: Segment revenue and expense include the operating revenue and expense which are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets: Segment assets are all operating assets that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Segment liabilities: Segment liabilities are all operating liabilities of a segment and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

The following table shows the sales, carrying amounts of segment assets and additions to property, plant and equipment by the business segments.

	Engineering $'000	Treatment $'000	Total $'000
2009			
Revenue			
External sales	32,100	10,757	42,857
Results			
Segment result	1,432	4,962	6,394
Finance costs			(903)
Unallocated corporate expenses			(1,387)
Foreign currency exchange gain			379
Share of loss of associate			(358)
Interest income			244
Profit before income tax			4,369
Income tax expense			(706)
Net profit for the year			3,663

32 BUSINESS AND GEOGRAPHICAL SEGMENT INFORMATION (CONT'D)

(a) Analysis by business segments (Primary segment) (cont'd)

	Engineering $'000	Treatment $'000	Total $'000
2009			
Other information			
Segment assets	46,647	66,354	113,001
Unallocated corporate assets			7,993
Consolidated total assets			120,994
Segment liabilities	6,556	25,483	32,039
Unallocated corporate liabilities			2,847
Consolidated total liabilities			34,886
Capital expenditure	840	37	877
Depreciation and amortisation	911	41	952
Allowance on other receivables	77	–	77
Reversal of allowance on trade receivables	(240)	–	(240)
2008			
Revenue			
External sales	42,889	8,320	51,209
Results			
Segment result	6,817	4,407	11,224
Finance costs			(1,408)
Unallocated corporate expenses			(1,479)
Foreign currency exchange gain			1,515
Share of loss of associate			(224)
Interest income			354
Profit before income tax			9,982
Income tax expense			(1,527)
Net profit for the year			8,455

2008	Engineering $'000	Treatment $'000	Total $'000
Other information			
Segment assets	38,840	51,799	90,639
Unallocated corporate assets			11,767
Consolidated total assets			102,406
Segment liabilities	10,812	24,904	35,716
Unallocated corporate liabilities			3,411
Consolidated total liabilities			39,127
Capital expenditure	360	129	489
Depreciation and amortisation	862	25	887
Impairment allowance on trade receivables	8	–	8

(b) Analysis by geographical segments (Secondary segment)

Segment revenue: Segment revenue is analysed based on the location of customers.

Segment assets and capital expenditure: Segment assets and capital expenditure are analysed based on the location of those assets. Capital expenditure includes the total cost incurred to acquire property, plant and equipment and intangible assets.

	Revenue $'000	Assets $'000	Capital expenditure $'000
2009			
PRC	31,687	104,248	662
Singapore	4,476	9,939	203
Malaysia	6,694	6,807	12
Total	42,857	120,994	877
2008			
PRC	40,984	82,589	178
Singapore	1,144	11,615	5
Malaysia	9,081	8,202	306
Total	51,209	102,406	489

33 CONTINGENT LIABILITIES

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Performance guarantees	**–**	521	**–**	521
Letters of undertaking to provide financial support to subsidiary with negative shareholders' equity or negative net working capital	**–**	–	**–**	800

34 COMMITMENTS

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Commitments	**17,000**	5,000	**–**	–

The above shows the commitments of the Group to undertake approximately $17 million (RMB $80 million) [(2008 : approximately $4.93 million (RMB $25 million)] for the upgrading of the Transfer-Operate-Transfer ("TOT") wastewater treatment project in Liaoyang City, Liaoyang province (2008: Build-Operate-Transfer project in Mianyang City, Sichuan Province).

35 PRIOR YEAR RESTATEMENT AND RECLASSIFICATIONS

As mentioned in Note 2 to the financial statements, the Group has adopted INT FRS 112 for the financial year ended March 31, 2009 for its water treatment plants.

INT FRS 112, applicable to financial period beginning on or after January 1, 2008, addresses the accounting by private sector operators involved in the provision of public sector infrastructure assets and services, such as schools and roads (ie. "public-to-private" arrangements, which are also known by a variety of other titles, including "service concession", "build-operate-transfer", or "rehabilitate-operator-transfer" arrangements.)

The types of service concession arrangements within the scope of INT FRS 112 are those in which:

i) The grantor (public sector) controls the use of the infrastructure; and

ii) The grantor (public sector) controls (through ownership, beneficial entitlement or otherwise) any significant residual interest in the infrastructure at the end of the term of the arrangement.

The operator in a service concession arrangement within the scope of INT FRS 112 does not recognise the infrastructure asset as their own property, plant and equipment. Instead, the operator will recognise:

i) A financial asset in accordance with FRS 39 (where the operator has an unconditional right to receive a specific amount of cash or other financial asset over the life of the arrangement); or

ii) An intangible asset subject to amortisation in accordance with FRS 38 (where the operator's future cash flows are not specified - eg. where they vary according to usage of the infrastructure asset); or

iii) Both a financial asset and an intangible asset where the operator's return is provided partially by a financial asset and partially by an intangible asset.

The operator of a service concession arrangement recognises and measures revenue in accordance with FRS 11 and FRS 18 for the services it performs. Adoption of INT FRS 112 shall be applied retrospectively in accordance with the general principles of FRS 8.

The effects of adoption of INT FRS 112 on the financial statements are as follows:

Financial year ended March 31, 2008

Balance sheet	**Previously reported $'000**	**Effects of INT FRS 112 $'000**	**Restated $'000**
Long term receivables	–	48,591	48,591
Lease premium for land	6,535	(6,535)	–
Property, plant and equipment	42,916	(41,343)	1,573
Deferred tax liability	(28)	(535)	(563)
Other payables – deferred income	(5,967)	(178)*	(6,145)
Retained earnings	(23,313)	–	(23,313)

* *The adoption of INT FRS 112 has resulted in a "gain" of $178,000 and this impact has been assessed by management to be immaterial and has adjusted this effect in the current year.*

Profit and loss statement	**Previously reported $'000**	**Effects of INT FRS 112 $'000**	**Restated $'000**
Income from waste water treatment	8,320	(2,989)	5,331
Finance income from long term receivables	–	2,989	2,989
Depreciation and amortisation expenses	(2,625)	1,738	(887)
Other operating expenses	(6,376)	(1,203)	(7,579)
Income tax expenses	(992)	(535)	(1,527)

The contributing effects from adoption of INT FRS 112 for the financial year ended March 31, 2009 are as follows:

Profit and loss statement	**Effects of INT FRS 112 $'000**
Revenue:	
Income from waste water treatment	(3,663)
Finance income from long term receivables	3,655
Net	(8)
Profit before income tax	1,796
Income tax	(449)
Profit after income tax	1,347

STATEMENT OF DIRECTORS

In the opinion of the directors, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company as set out on pages 28 to 79 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at March 31, 2009, and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS

Dr Lin Yucheng

Yeung Koon Sang alias David Yeung

June 22, 2009

STATISTICS OF SHAREHOLDINGS

SHAREHOLDING STATISTICS AS AT 22 JUNE 2009

Class of shares	:	Ordinary Shares
Number of shares	:	397,596,000
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 22 JUNE 2009

Size Of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	5	0.30	1,627	0.00
1,000 - 10,000	633	37.86	4,278,500	1.08
10,001 - 1,000,000	1,001	59.87	76,504,500	19.24
1,000,001 and above	33	1.97	316,811,373	79.68
Total	**1,672**	**100.00**	**397,596,000**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS AT 22 JUNE 2009

Name	Number of Shares	Direct Interests (%)	Number of Shares	Deemed Interests (%)
DR LIN YUCHENG	71,761,000	18.05	–	–
GOH CHING WAH	70,695,000	17.78	–	–
OEI HONG LEONG FOUNDATION (PTE) LTD (1)	16,599,633	4.18	53,317,367	13.41
CHIP LIAN PRIVATE LIMITED (2)	–	–	69,917,000	17.59
OEI HONG LEONG (3)	–	–	69,917,000	17.59
NOVENA HOLDINGS LIMITED	38,421,367	9.67	15,000,000	3.77

(1) Oei Hong Leong Foundation (Pte) Ltd holds 26.63% of the total share capital of Novena Holdings Limited and is pursuant to Section 7 of the Companies Act, Cap. 50 deemed interested in the shares held by Novena Holdings Limited in the capital of the Company. Novena Holdings Limited holds 13.41% of the total share capital of the Company.

(2) Chip Lian Private Limited is the holding company of Oei Hong Leong Foundation (Pte) Ltd. Chip Lian Private Limited is deemed interested in the shares held by Oei Hong Leong Foundation (Pte) Ltd pursuant to Section 7 of the Companies Act, Cap. 50. Oei Hong Leong Foundation (Pte) Ltd holds 4.18% of the total share capital of the Company and is also deemed interested in the shares held by Novena Holdings Limited.

(3) Oei Hong Leong Foundation (Pte) Ltd is wholly-owned by Chip Lian Private Limited which is in turn wholly-owned by Mr Oei Hong Leong. Mr Oei Hong Leong is deemed interested in the shares held by Oei Hong Leong Foundation (Pte) Ltd pursuant to Section 7 of the Companies Act, Cap. 50. Oei Hong Leong Foundation (Pte) Ltd holds 4.18% of the total share capital of the Company and is also deemed interested in the shares held by Novena Holdings Limited.

FREE FLOAT

Based on information available to the Company, as at 22 June 2009, approximately 46.47% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the SGX Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

STATISTICS OF SHAREHOLDINGS

TWENTY LARGEST SHAREHOLDERS AS AT 22 JUNE 2009

	Name Of Shareholder	No. Of Shares	% Of Shares
1	LIN YUCHENG	54,961,000	13.82
2	NOVENA HOLDINGS LIMITED	38,421,367	9.66
3	MAYBAN NOMINEES (SINGAPORE) PTE LTD	32,585,000	8.20
4	HONG LEONG FINANCE NOMINEES PTE LTD	27,956,500	7.03
5	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	21,155,000	5.32
6	OCBC SECURITIES PRIVATE LTD	16,764,000	4.22
7	OEI HONG LEONG FOUNDATION PTE LTD	16,599,633	4.18
8	CIMB BANK NOMINEES (S) SDN BHD	15,450,000	3.89
9	SBS NOMINEES PTE LTD	10,250,000	2.58
10	NG SEE CHENG	6,620,000	1.67
11	DBS NOMINEES PTE LTD	6,516,000	1.64
12	MTM MEMBRANE ENGINEERING PTE LTD	6,453,000	1.62
13	KIM ENG SECURITIES PTE. LTD.	6,405,000	1.61
14	PHILLIP SECURITIES PTE LTD	6,306,000	1.59
15	UOB KAY HIAN PTE LTD	5,616,000	1.41
16	CITIBANK NOMINEES SINGAPORE PTE LTD	5,528,320	1.39
17	PAN SHUHONG	4,626,800	1.16
18	CIMB-GK SECURITIES PTE. LTD.	3,987,000	1.00
19	CHUA KUANG CHIN	3,439,000	0.86
20	DMG & PARTNERS SECURITIES PTE LTD	3,245,000	0.82
	Total:	**292,884,620**	**73.67**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting of the Company will be held at Orchard Hotel, Juniper Room, 442 Orchard Road Singapore 238879 on Friday, 31 July 2009 at 10.00 a.m. to transact the following business:-

AS ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statements of the Company for the financial year ended 31 March 2009 and the Directors' Report and the Auditors Report thereon. (Resolution 1)

2. To re-elect Dr Chong Weng Chiew retiring pursuant to Article 91 of the Company's Articles of Association. (Resolution 2)

   Dr Chong Weng Chiew will, upon re-election as a Director of the Company, remain as Chairman of Remuneration Committee and Member of Audit Committee and Nominating Committee.

3. To re-elect Mr Loh Weng Whye retiring pursuant to Article 91 of the Company's Articles of Association. (Resolution 3)

   Mr Loh Weng Whye will, upon re-election as a Director of the Company, remain as Chairman of Nominating Committee, Member of Audit Committee and Remuneration Committee.

4. To re-elect Mr Tay Beng Chuan retiring pursuant to Article 97 of the Company's Articles of Association. (Resolution 4)

   Mr Tay Beng Chuan will, upon re-election as a Director of the Company, remain as Member of Audit Committee, Nominating Committee and Remuneration Committee.

5. To re-elect Mr Peter Kwok Kian Tow retiring pursuant to Article 97 of the Company's Articles of Association. (Resolution 5)

6. To re-elect Mr Wang Ning retiring pursuant to Article 97 of the Company's Articles of Association. (Resolution 6)

7. To re-elect Mr Andy Lim retiring pursuant to Article 97 of the Company's Articles of Association. (Resolution 7)

8. To approve payment of Directors' fees of S$200,000 for the financial year ending 31 March 2010 (2009: S$175,000). (Resolution 8)

9. To re-appoint Messrs Deloitte & Touche LLP as auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 9)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolution with or without modifications:-

10. Authority to allot and issue shares

    (a) "That, pursuant to Section 161 of the Companies Act, Chapter 50, and the listing rules of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

    (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

    (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

    (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(b) (Notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

provided always that

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares excluding treasury shares of the Company, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares of the Company, and for the purpose of this resolution, the issued share capital shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for:

a) new shares arising from the conversion or exercise of convertible securities, or

b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the Singapore Exchange Securities Trading Limited, and

c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

(ii) the 50% limit in (i) above may be increased to 100% for the Company to undertake pro-rata renounceable rights issue and unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." (Resolution 10)

(See Explanatory Note 1)

11. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company Secretary

Singapore, 16 July 2009

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy in his stead.

2. A proxy need not be a member of the Company.

3. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

4. The instrument appointing a proxy must be deposited at the registered office of the Company at 8 Cross Street #11-00 PWC Building Singapore 048424 not later than 48 hours before the time appointed for the Meeting.

Explanatory Note:-

The ordinary resolution in item no. 10 is to authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 100 percent of the issued share capital of the Company of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20 percent of the issued share capital of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

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UNITED ENVIROTECH LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200306466G)

IMPORTANT
1. For investors who have used their CPF monies to buy United Envirotech Ltd. shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.

2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

*I/We____

of ____

being * a member/members of United Envirotech Ltd. (the "Company"), hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of shareholdings to be represented by proxy (%)

*and/or

as *my/our *proxy/proxies to vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the Sixth Annual General Meeting of the Company to be held at Orchard Hotel, Juniper Room, 442 Orchard Road Singapore 238879 on Friday, 31 July 2009 at 10.00 a.m. and at any adjournment thereof.

*I/we direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specified directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

No.	Ordinary Resolutions	For	Against
1.	To receive and consider the Audited Financial Statements for the financial year ended 31 March 2009 and the Reports of Directors and Auditors thereon.		
2.	To re-elect Dr Chong Weng Chiew pursuant to Article 91 of the Company's Articles of Association.		
3.	To re-elect Mr Loh Weng Whye pursuant to Article 91 of the Company's Articles of Association.		
4.	To re-elect Mr Tay Beng Chuan pursuant to Article 97 of the Company's Articles of Association.		
5.	To re-elect Mr Peter Kwok Kian Tow pursuant to Article 97 of the Company's Articles of Association.		
6.	To re-elect Mr Wang Ning pursuant to Article 97 of the Company's Articles of Association.		
7.	To re-elect Mr Andy Lim pursuant to Article 97 of the Company's Articles of Association.		
8.	To approve the payment of Directors' fees of S$200,000 for the financial year ending 31 March 2010.		
9.	To re-appoint Messrs Deloitte & Touche LLP as auditors of the Company and to authorise the Directors to fix their remuneration.		
10.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50.		

Dated this ________day of ____________________ 2009

Total Number of Shares Held

____

Signature(s) of Member(s)/Common Seal

* *Delete accordingly*

IMPORTANT. Please read notes overleaf

Notes:-

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Such proxy need not be a member of the Company.

2. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.

3. The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.

4. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore.

5. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 8 Cross Street #11-00 PWC Building Singapore 048424 not later than 48 hours before the time set for the Annual General Meeting.

6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

8. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time set for the Annual General Meeting.

Fold Here

AFFIX
STAMP

The Company Secretary
UNITED ENVIROTECH LTD.

8 Cross Street #11-00
PWC Building
Singapore 048424

Fold Here

Designed by Pinkocchio

United Envirotech Ltd

8 Cross Street
#11-00 PWC Building
Singapore 048424
Tel: 6774 7298 Fax: 6774 8920
Co. Regn. No. 200306466G

www.unitedenvirotech.com