



UNITED ENVIROTECH LTD. (Company registration number: 200306466G)

Listed companies must provide the information required by Appendix 7.2 of the Listing Manual. Adequate disclosure should be given to explain any material extraordinary item either as a footnote of the material extraordinary item or in the "Review of the performance of the group".

Third Quarter Financial Statement & Dividend Announcement for the Period Ended 31 December 2013

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group (\$'000)	3 months ended 31/12/2013	3 months ended 31/12/2012	% Increase/ (Decrease)	9 months ended 31/12/2013	9 months ended 31/12/2012	% Increase/ (Decrease)
Revenue	64,271	52,251	23.0	160,300	138,226	16.0
Other income	887	146	507.5	1,462	896	63.2
Changes in inventories	962	(67)	N/m	2,177	(228)	N/m
Material purchased, consumables used and subcontractors' fees	(35,040)	(30,046)	16.6	(88,945)	(82,349)	8.0
Employee benefits expense	(3,749)	(2,546)	47.3	(9,912)	(6,106)	62.3
Depreciation and amortisation expenses	(1,378)	(572)	140.9	(3,435)	(1,407)	144.1
Other operating expenses	(10,196)	(5,375)	89.7	(24,495)	(14,145)	73.2
Finance costs	(4,697)	(3,538)	32.8	(12,305)	(9,542)	29.0
Share of profit of associate	489	561	(12.8)	1,312	1,853	(29.2)
Share of profit of joint venture	-	324	N/m	1,828	659	177.4
Profit before income tax	11,549	11,138	3.7	27,987	27,857	0.5
Income tax expense	(2,208)	(2,009)	9.9	(5,201)	(4,475)	16.2
Net profit for the period	9,341	9,129	2.3	22,786	23,382	(2.5)

The Group (\$'000)	3 months ended 31/12/2013	3 months ended 31/12/2012	% Increase/ (Decrease)	9 months ended 31/12/2013	9 months ended 31/12/2012	% Increase/ (Decrease)
Statement of Comprehensive Income						
Profit attributable to:						
Owners of the Company	8,403	8,491	(1.0)	21,266	22,450	(5.3)
Non-controlling interests	938	638	47.0	1,520	932	63.1
Profit for the period	9,341	9,129	2.3	22,786	23,382	(2.6)
Fair value change in Available-for-sale investment	2,450	-	N/m	258	-	N/m
Currency translation (loss) gain	6,505	1,243	423.3	11,063	(4,790)	N/m
Total comprehensive income for the period	18,296	10,372	76.4	34,107	18,592	83.5
Total comprehensive income attributable to:						
Owners of the company	17,358	9,727	78.5	32,587	17,660	84.5
Non-controlling interests	938	645	45.4	1,520	932	63.1
Total comprehensive income for the period	18,296	10,372	76.4	34,107	18,592	83.5

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

The Group (\$'000)	3 months ended 31/12/2013	3 months ended 31/12/2012	% Increase/ (Decrease)	9 months ended 31/12/2013	9 months ended 31/12/2012	% Increase/ (Decrease)
Employee share option expense	1,300	122	965.6	3,900	428	811.2
Interest expense on bank borrowings	919	1,429	(35.7)	3,027	3,182	(4.9)
Interest expense on bond	1,178	-	N/m	1,478	-	N/m
Finance cost on convertible bonds	2,600	2,109	23.3	7,800	6,360	22.6
Interest income	(760)	(146)	420.5	(971)	(513)	89.3
Unrealised net foreign exchange (gain) loss	(127)	106	N/m	(394)	(277)	42.2

N/m: Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group 31/12/2013 \$'000	Group 31/3/2013 \$'000	Company 31/12/2013 \$'000	Company 31/3/2013 \$'000
ASSETS				
Current assets:				
Cash and bank balances	116,000	59,068	45,365	40,164
Trade receivables	83,486	99,184	-	-
Service concession receivables	144	135	-	-
Other receivables and prepayments	59,062	63,328	120,314	94,478
Inventories	2,537	360	-	-
Prepaid lease	237	183	-	-
Total current assets	261,466	222,258	165,679	134,642
Non-current assets:				
Trade receivables	19,505	665	-	-
Service concession receivables	190,402	181,087	-	-
Prepaid lease	12,159	9,756	-	-
Subsidiaries	-	-	171,518	139,097
Associates	10,326	9,014	6,634	6,317
Joint venture	-	9,994	-	7,688
Available-for-sale investment	33,250	32,900	33,250	32,900
Property, plant and equipment	41,255	13,276	219	249
Goodwill	1,388	1,438	-	-
Intangible assets	167,896	86,124	200	200
Deferred tax assets	633	606	-	-
Total non-current assets	476,814	344,860	211,821	186,451
Total assets	738,280	567,118	377,500	321,093
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	18,628	33,064	3,600	8,566
Trade payables	87,047	54,927	-	-
Other payables	34,435	36,797	18,913	17,743
Finance leases	69	68	39	54
Income tax payable	8,728	8,544	-	-
Total current liabilities	148,907	133,400	22,552	26,363
Non-current liabilities:				
Bank loans	74,935	37,238	-	-
Finance leases	27	47	10	38
Bond	63,005	-	63,005	-
Convertible bonds	125,792	118,677	125,792	118,677
Deferred tax liabilities	7,424	6,422	-	-
Total non-current liabilities	271,183	162,384	188,807	118,715

	Group 31/12/2013 \$'000	Group 31/3/2013 \$'000	Company 31/12/2013 \$'000	Company 31/3/2013 \$'000
Capital and reserves:				
Share capital	151,325	151,325	151,325	151,325
General reserve	3,683	3,683	-	-
Share option reserve	6,996	3,096	6,996	3,096
Revaluation reserve	(2,882)	(3,140)	(2,882)	(3,140)
Convertible bonds reserve	22,520	22,520	22,520	22,520
Currency translation reserves	7,097	(3,966)	3,685	(786)
Accumulated profits (losses)	106,191	87,895	(15,503)	3,000
Total equity attributable to owners of the Company Total equity	294,930	261,413	166,141	176,015
Non-controlling interests	23,260	9,921	-	-
Total equity	318,190	271,334	166,141	176,015
Total liabilities and equity	738,280	567,118	377,500	321,093

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

<u>As at 31/12/2013</u>		<u>As at 31/3/2013</u>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
7,641	11,056	1,672	31,460

Amount repayable after one year

<u>As at 31/12/2013</u>		<u>As at 31/3/2013</u>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
45,067	29,895	6,758	30,527

Details of any collateral

1. The finance leases of \$96,000 (31 March 2013: \$115,000) is secured over the Group's motor vehicles.
2. The bank term loan of \$106,000 (31 March 2013: \$115,000) is secured over the freehold properties of its Malaysia subsidiary.
3. The long term bank loans of \$ 52,506,000 (31 March 2013: \$8,200,000) are secured over the concession receivables and the treatment plant and prepaid lease of its subsidiaries.

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

The Group (\$'000)	3 months ended 31/12/2013	3 months ended 31/12/2012	9 months ended 31/12/2013	9 months ended 31/12/2012
Operating activities				
Profit before income tax	11,549	11,138	27,987	27,857
Adjustments for:				
Interest income	(760)	(146)	(971)	(513)
Interest expense	4,697	3,538	12,305	9,542
Share of profit of associate	(489)	(561)	(1,312)	(1,853)
Share of profit of joint venture	-	(324)	(1,828)	(659)
Depreciation and amortisation	1,378	572	3,435	1,407
Share option expense	1,300	122	3,900	428
Exchange difference arising on foreign currency translation	11,109	1,535	15,235	(4,700)
Operating profit before working capital changes	28,784	15,874	58,751	31,509
Trade receivables	(16,919)	(20,350)	(2,258)	(45,482)
Other receivables	(57)	(11,532)	3,999	3,330
Inventories	(933)	67	(2,148)	228
Trade payables	(3,507)	21,336	29,025	28,099
Other payables	6,127	6,464	(3,278)	7,198
Cash generated from operations	13,495	11,859	84,091	24,882
Interest received	760	146	971	513
Interest paid	(2,097)	(1,429)	(4,505)	(3,182)
Income tax paid	(313)	(1,657)	(4,395)	(3,099)
Net cash from operating activities	11,845	8,919	76,162	19,114
Investing activities				
Additions to property, plant and equipment	(2,575)	-	(4,544)	(11,573)
Additions to service concession receivables	-	(27,177)	(23,324)	(54,496)
Additions to intangible assets	(31,207)	-	(79,274)	-
Proceed from disposal of service concession	8,556	-	8,556	-
Non-controlling interests	-	-	-	7,857
Net cash outflow on acquisition of subsidiary	(828)	-	(828)	-
Net cash used in investing activities	(26,054)	(27,177)	(99,414)	(58,212)
Financing activities				
Dividend paid	-	-	(2,970)	(1,433)
Proceeds from issuing bond	14,612	-	63,005	-
Repayment of obligations under finance leases	(38)	(15)	(75)	(56)
Proceeds from bank borrowings	45,609	14,672	45,609	20,388
Repayment of bank borrowings	(12,372)	(3,486)	(27,051)	(5,349)
Net cash from financing activities	47,811	11,171	78,518	13,550

The Group (\$'000)	3 months ended 31/12/2013	3 months ended 31/12/2012	9 months ended 31/12/2013	9 months ended 31/12/2012
Net increase (decrease) in cash and cash equivalents	33,602	(7,087)	55,266	(25,548)
Cash and cash equivalents at beginning of period	82,234	70,069	59,068	89,458
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	164	218	1,666	(710)
Cash and cash equivalents at end of period	116,000	63,200	116,000	63,200

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders.

	Share capital \$'000	General reserve \$'000	Share option reserves \$'000	Revaluation reserve \$'000	Convertible bonds reserves \$'000	Currency translation reserve \$'000	Accumulated profits \$'000	Total equity attributable to owners of the Company \$'000	Non controlling interests \$'000	Total equity \$'000
Group										
At 1 April 2013	151,325	3,683	3,096	(3,140)	22,520	(3,966)	87,895	261,413	9,921	271,334
Total comprehensive income for the period	-	-	-	-	-	5,771	5,732	11,503	355	11,858
Recognition of share-based payment	-	-	1,300	-	-	-	-	1,300	-	1,300
Revaluation of investment	-	-	-	(4,642)	-	-	-	(4,642)	-	(4,642)
At 30 June 2013	151,325	3,683	4,396	(7,782)	22,520	1,805	93,627	269,574	10,276	279,850
Total comprehensive income for the period	-	-	-	-	-	(1,213)	7,131	5,918	227	6,145
Recognition of share-based payment	-	-	1,300	-	-	-	-	1,300	-	1,300
Revaluation of investment	-	-	-	2,450	-	-	-	2,450	-	2,450
Dividend paid	-	-	-	-	-	-	(2,970)	(2,970)	-	(2,970)
At 30 September 2013	151,325	3,683	5,696	(5,332)	22,520	592	97,788	276,272	10,503	286,775
Total comprehensive income for the period	-	-	-	-	-	6,505	8,403	14,908	938	15,846
Contribution from non-controlling interest	-	-	-	-	-	-	-	-	11,819	11,819
Recognition of share-based payment	-	-	1,300	-	-	-	-	1,300	-	1,300
Revaluation of investment	-	-	-	2,450	-	-	-	2,450	-	2,450
At 31 December 2013	151,325	3,683	6,996	(2,882)	22,520	7,097	106,191	294,930	23,260	318,190

	Share capital \$'000	General reserve \$'000	Share option reserves \$'000	Revaluation reserve \$'000	Convertible bonds reserves \$'000	Currency translation reserve \$'000	Accumulated profits \$'000	Total equity attributable to owners of the Company \$'000	Non controlling interests \$'000	Total equity \$'000
Group										
At 1 April 2012	92,659	2,646	1,290	-	22,520	(1,799)	60,850	178,166	-	178,166
Total comprehensive income for the period	-	-	-	-	-	(575)	5,884	5,309	-	5,309
Recognition of share-based payment	-	-	153	-	-	-	-	153	-	153
At 30 June 2012	92,659	2,646	1,443	-	22,520	(2,374)	66,734	183,628	-	183,628
Total comprehensive income for the period	-	-	-	-	-	(5,451)	8,075	2,624	287	2,911
Recognition of share-based payment	-	-	153	-	-	-	-	153	-	153
Non-controlling interest arising from incorporation of subsidiaries	-	-	-	-	-	-	-	-	7,857	7,857
Dividend paid	-	-	-	-	-	-	(1,433)	(1,433)	-	(1,433)
At 30 September 2012	92,659	2,646	1,596	-	22,520	(7,825)	73,376	184,972	8,144	193,116
Total comprehensive income for the period	-	-	-	-	-	1,243	8,491	9,734	645	10,379
Recognition of share-based payment	-	-	122	-	-	-	-	122	-	122
At 31 December 2012	92,659	2,646	1,718	-	22,520	(6,582)	81,867	194,828	8,789	203,617

	Share capital \$'000	Share option reserve \$'000	Revaluation reserve \$'000	Convertible bonds reserves \$'000	Currency translation reserve \$'000	Accumulated profits (losses) \$'000	Total \$'000
<u>Company</u>							
At 1 April 2013	151,325	3,096	(3,140)	22,520	(786)	3,000	176,015
Total comprehensive income for the period	-	-	-	-	4,395	(4,240)	155
Recognition of share-based payment	-	1,300	-	-	-	-	1,300
Revaluation of investment	-	-	(4,642)	-	-	-	(4,642)
At 30 June 2013	151,325	4,396	(7,782)	22,520	3,609	(1,240)	172,828
Total comprehensive income for the period	-	-	-	-	(51)	(5,551)	(5,602)
Recognition of share-based payment	-	1,300	-	-	-	-	1,300
Revaluation of investment	-	-	2,450	-	-	-	2,450
Dividend paid	-	-	-	-	-	(2,970)	(2,970)
At 30 September 2013	151,325	5,696	(5,332)	22,520	3,558	(9,761)	168,006
Total comprehensive income for the period	-	-	-	-	127	(5,742)	(5,615)
Recognition of share-based payment	-	1,300	-	-	-	-	1,300
Revaluation of investment	-	-	2,450	-	-	-	2,450
At 31 December 2013	151,325	6,996	(2,882)	22,520	3,685	(15,503)	166,141

	Share capital \$'000	Share option reserve \$'000	Revaluation reserve \$'000	Convertible bonds reserves \$'000	Currency translation reserve \$'000	Accumulated profits (losses) \$'000	Total \$'000
Company							
At 1 April 2012	92,659	1,290	-	22,520	(1,813)	2,822	117,478
Total comprehensive income for the period	-	-	-	-	1	(1,030)	(1,029)
Recognition of share-based payment	-	153	-	-	-	-	153
At 30 June 2012	92,659	1,443	-	22,520	(1,812)	1,792	116,602
Total comprehensive income for the period	-	-	-	-	(118)	(1,588)	(1,706)
Recognition of share-based payment	-	153	-	-	-	-	153
Dividend paid	-	-	-	-	-	(1,433)	(1,433)
At 30 September 2012	92,659	1,596	-	22,520	(1,930)	(1,229)	113,616
Total comprehensive income for the period	-	-	-	-	118	(3,051)	(2,933)
Recognition of share-based payment	-	122	-	-	-	-	122
At 31 December 2012	92,659	1,718	-	22,520	(1,812)	(4,280)	110,805

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the current financial period, there is no change in the company's share capital. The total number of ordinary shares in issue was 594,132,000.

The total number of shares that may be issued on conversion of all the outstanding convertibles bonds and employees shares options were 305,000,007 (31 December 2012: 305,000,007) and 73,300,000 (31 December 2012: 11,750,000) respectively.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31/12/2013	31/3/2013
Total number of issues shares ('000)	594,132	594,132

The company does not have any treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation are the same as in the Company's audited consolidated financial statements for the financial year ended 31 March 2013.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

There is no change in the accounting policies and methods of computation.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group 3 months ended 31/12/2013	Group 3 months ended 31/12/2012	Group 9 months ended 31/12/2013	Group 9 months ended 31/12/2012
Net profit attributable to owners of the Company(\$'000)	8,403	8,491	21,266	22,450
Weighted average number of shares in issue (in '000) for computation of Basic EPS	594,132	477,596	594,132	477,596
Earnings per share (cents)- Basic	1.41	1.78	3.58	4.70
Weighted average number of shares in issue (in '000) for computation of Diluted EPS	972,432	794,346	972,432	794,379
Earnings per share (cents) – Diluted	1.13	1.33	2.99	3.63

For the purpose of calculating diluted EPS, assumption was made that all the employee share options and convertible bonds issued will be converted to ordinary shares.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.**

	Group 31/12/2013	Group 31/3/2013	Company 31/12/2013	Company 31/3/2012
Net asset value (\$'000)	318,190	271,334	166,141	176,015
Net asset value per share (cents)	53.56	45.67	27.96	29.63

The net asset value per share is calculated based on the issued share capital of 594,132,000 (31 March 2013: 594,132,000).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of comprehensive income

The Group (\$' million)	3 months ended 31/12/2013	3 months ended 31/12/2012	% Increase/ (Decrease)
Engineering	44.1	43.0	2.6
Treatment	20.2	9.3	117.2
Total	64.3	52.3	23.0

The Group's revenue for the year was \$64.3 million, which was \$12.0 million or 23.0% higher than last corresponding period ended 31 December 2012 of \$52.3 million. The increase was mainly due to the increase in the water treatment business from \$9.3 million to \$20.2 million, representing an increase of \$10.9 million or 117.2%.

Materials purchased, consumables used and subcontractors' fees increased to \$35.0 million from \$30.0 million, representing an increase of \$5.0 million or 16.6% as compared to the corresponding period ended 31 December 2012. The increase was consistent with the increase in the engineering revenue.

Employee benefits expense increased to \$3.8 million from \$2.6 million, representing an increase of \$1.2 million or 47.3% as compared to the corresponding period ended 31 December 2012. The increase was mainly due to the additional staff strength for the operation and maintenance of the new treatment plants acquired during the past year.

Depreciation and amortization expenses increased to \$1.4 million from \$0.5 million, representing an increase of \$0.9 million or 140.9% as compared to the corresponding period ended 31 December 2012. The increase was mainly due to the amortization of intangible assets relating to the newly acquired concessions.

Other operating expenses increased to \$10.2 million from \$5.4 million, representing an increase of \$4.8 million or 89.7% as compared to the corresponding period ended 31 December 2012. The increase was mainly due to the operating expenses incurred for the operation and maintenance of the new treatment plants acquired during the past year and the increase in share option expense from \$0.1 million to \$1.3 million.

Finance costs increased from \$3.5 million to \$4.7 million, representing an increase of \$1.2 million or 32.8% as compared to the corresponding period ended 31 December 2012. The increase was mainly due to the finance costs relating to the convertible bonds of \$2.6 million as compared to \$2.1 million for the last corresponding period ended 31 December 2012. In addition, there was an accrual of interest expense of \$1.2 million for the bond issued during the current period.

The Group generated net profit for the year of \$9.3 million for the current period as compared to \$9.1 million in the corresponding period ended 31 December 2012, representing an increase of \$0.2 million or 2.3%.

Fair value change in Available-for sale investment of \$2.5 million gain pertained to mark-to-market gain on the shares of Memstar Technology Ltd as at 31 December 2013.

Statement of financial position

The Group's current assets increased from \$222.3 million as at 31 March 2013 to \$261.5 million as at 31 December 2013. The increase was mainly due to the increase in cash and bank balance. Cash and bank balances increased from \$59.1 million to \$116.0 million as at 31 December 2013, this was mainly due to the net proceeds from the newly issued bond of \$63.0 million.

The Group's non-current assets increased from \$344.9 million as at 31 March 2013 to \$476.8 million as at 31 December 2013. The increase was mainly due to the additions of intangible assets relating to the concessions arising from the acquisition of treatment plants during the period.

The Group's current liabilities increased from \$133.4 million as at 31 March 2013 to \$148.9 million as at 31 December 2013. The increase was mainly due to the increase in trade payables. Trade payables increased from \$54.9 million to \$87.0 million as at 31 December 2013, this was mainly for the raw materials purchased and subcontractors' fees incurred for the engineering projects.

The Group's non-current liabilities increased from \$162.4 million as at 31 March 2013 to \$271.1 million as at 31 December 2013. The increase was mainly due to the net proceeds from newly issued bond of \$63.0 million.

Statement of cash flow

The net cash from financing activities of the group increased from \$11.2 million to \$47.8 million as compared to the corresponding period ended 31 December 2012. The increase was mainly due to the proceeds from the bank borrowing of \$45.6 million on the treatment plants that were acquired and issuance of the bond of \$14.6 million during the period.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

As a long term growth strategy for the Group, the Group continues to expand its stable and recurring treatment income and it believes that there are opportunities for TOT/BOT/BOO investment projects in China. The Group will actively seek suitable engineering and investment projects.

During the period, the Company secured an engineering project in Hebei province worth RMB 250 million, and an investment project in Sichuan province worth RMB160 million. The Company expects contributions from these projects in the financial year ending 31 March 2015.

On 13 June 2013, the Company established a US\$300 million Medium Term Note (MTN) programme. Under the MTN programme, the Company may from time to time issue medium term notes. The proceeds from the issuance of notes will be used for refinancing of existing borrowings, making investments and/or acquisitions, general working capital and corporate purpose. The Company issued \$100 million of bond under this MTN programme till date.

Use of proceeds

The Group had earlier completed the issuance of convertible bond and new ordinary shares to KKR China Water Investment Holdings Limited. In addition, the Company issued a further \$35 million of bond under the MTN programme making the total of \$100 million issued. An update of the use of proceeds was summarised below:

	\$ million
Unutilised balance as at last quarterly announcement	137
Issuance of bond	34
Total unutilised balance	171
Investment in UE Hongwei	(1)
Investment in UE Yantai	(13)
Total utilised	(14)
Unutilised balance	157

11. Dividend

(a) Current Financial Period Reported On

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

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

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
No

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

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

No dividend has been declared/recommendeded.

13. Related parties and interested person transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable

16. A breakdown of sales.

Not applicable

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

Not applicable

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

Not applicable

Statement by Directors

Pursuant to SGX Listing Rule 705(5)

To the best of our knowledge and belief, nothing has come to the attention of the Directors of the Company which may render the Third Quarter Results of the Group for the financial period ended 31 December 2013 to be false or misleading. The financial statements and other information included in this report, present fairly in all material respects the financial condition, results of operations and cash flows of the Group of, and for the periods presented in this report.

On Behalf of the board

Dr Lin Yucheng
Director

Yeung Koon Sang
Director

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company secretary
13 February 2014