



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".

Second Quarter Financial Statement & Dividend Announcement for the Period Ended 30 September 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 30/9/2013	3 months ended 30/9/2012	% Increase/ (Decrease)	6 months ended 30/9/2013	6 months ended 30/9/2012	% Increase/ (Decrease)
Revenue	51,963	53,918	(3.6)	96,029	85,975	11.7
Other income	170	416	(59.1)	575	750	(23.3)
Changes in inventories	936	(231)	N/m	1,215	(161)	N/m
Material purchased, consumables used and subcontractors' fees	(28,895)	(34,446)	(16.1)	(53,905)	(52,303)	3.1
Employee benefits expense	(2,940)	(1,761)	67.0	(6,163)	(3,560)	73.1
Depreciation and amortisation expenses	(1,134)	(485)	133.8	(2,057)	(835)	146.3
Other operating expenses	(8,705)	(5,240)	66.1	(14,299)	(8,770)	63.0
Finance costs	(3,884)	(3,047)	27.5	(7,608)	(6,004)	26.7
Share of profit of associate	266	502	(47.0)	823	1,292	(36.3)
Share of profit of joint venture	1,158	174	565.5	1,828	335	445.7
Profit before income tax	8,935	9,800	(8.8)	16,438	16,719	(1.7)
Income tax expense	(1,577)	(1,431)	10.2	(2,993)	(2,466)	21.4
Net profit for the period	7,358	8,369	(12.1)	13,445	14,253	(5.7)

The Group (\$'000)	3 months ended 30/9/2013	3 months ended 30/9/2012	% Increase/ (Decrease)	6 months ended 30/9/2013	6 months ended 30/9/2012	% Increase/ (Decrease)
Statement of Comprehensive Income						
Profit attributable to:						
Owners of the Company	7,131	8,075	(11.7)	12,863	13,959	(7.9)
Non-controlling interests	227	294	(22.8)	582	294	98.0
Profit for the period	7,358	8,369	(12.1)	13,445	14,253	(5.7)
Fair value change in Available-for-sale investment	2,450	-	N/m	(2,192)	-	N/m
Currency translation (loss) gain	(1,213)	(5,458)	(77.8)	4,558	(6,033)	N/m
Total comprehensive income for the period	8,595	2,911	195.3	15,811	8,220	92.3
Total comprehensive income attributable to:						
Owners of the company	8,368	2,624	218.9	15,229	7,933	92.0
Non-controlling interests	227	287	(20.9)	582	287	102.8
Total comprehensive income for the period	8,595	2,911	195.3	15,811	8,220	92.3

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

The Group (\$'000)	3 months ended 30/9/2013	3 months ended 30/9/2012	% Increase/ (Decrease)	6 months ended 30/9/2013	6 months ended 30/9/2012	% Increase/ (Decrease)
Employee share option expense	1,300	153	749.7	2,600	306	749.7
Interest expense on bank borrowings	984	938	4.9	2,108	1,753	20.3
Interest expense on bond	300	-	N/m	300	-	N/m
Finance cost on convertible bonds	2,600	2,109	23.3	5,200	4,251	22.3
Interest income	(120)	(153)	(21.6)	(211)	(367)	(42.5)
Unrealised net foreign exchange gain	(50)	(263)	(81.0)	(267)	(383)	(30.3)

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 30/9/2013 \$'000	Group 31/3/2013 \$'000	Company 30/9/2013 \$'000	Company 31/3/2013 \$'000
ASSETS				
Current assets:				
Cash and bank balances	82,234	59,068	53,577	40,164
Trade receivables	84,526	99,184	-	-
Service concession receivables	138	135	-	-
Other receivables and prepayments	59,252	63,328	108,989	94,478
Inventories	1,575	360	-	-
Prepaid lease	183	183	-	-
Total current assets	227,908	222,258	162,566	134,642
Non-current assets:				
Trade receivables	682	665	-	-
Service concession receivables	204,408	181,087	-	-
Prepaid lease	9,686	9,756	-	-
Subsidiaries	-	-	154,932	139,097
Associates	9,837	9,014	6,507	6,317
Joint venture	11,822	9,994	7,919	7,688
Available-for-sale investment	30,800	32,900	30,800	32,900
Property, plant and equipment	13,278	13,276	219	249
Goodwill	1,402	1,438	-	-
Intangible assets	134,191	86,124	200	200
Deferred tax assets	621	606	-	-
Total non-current assets	416,727	344,860	200,577	186,451
Total assets	644,635	567,118	363,143	321,093
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	18,976	33,064	7,050	8,566
Trade payables	87,459	54,927	-	-
Other payables	28,288	36,797	15,541	17,743
Finance leases	84	68	54	54
Income tax payable	6,944	8,544	-	-
Total current liabilities	141,751	133,400	22,645	26,363
Non-current liabilities:				
Bank loans	36,647	37,238	-	-
Finance leases	32	47	10	38
Bond	48,393	-	48,393	-
Convertible bonds	124,089	118,677	124,089	118,677
Deferred tax liabilities	6,948	6,422	-	-
Total non-current liabilities	216,109	162,384	172,492	118,715

	Group 30/9/2013 \$'000	Group 31/3/2013 \$'000	Company 30/9/2013 \$'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	5,696	3,096	5,696	3,096
Revaluation reserve	(5,332)	(3,140)	(5,332)	(3,140)
Convertible bonds reserve	22,520	22,520	22,520	22,520
Currency translation reserves	592	(3,966)	3,558	(786)
Accumulated profits (losses)	97,788	87,895	(9,761)	3,000
Total equity attributable to owners of the Company Total equity	276,272	261,413	168,006	176,015
Non-controlling interests	10,503	9,921	-	-
Total equity	286,775	271,334	168,006	176,015
Total liabilities and equity	644,635	567,118	363,143	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 30/9/2013</u>		<u>As at 31/3/2013</u>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
1,622	17,438	1,672	31,460

Amount repayable after one year

<u>As at 30/9/2013</u>		<u>As at 31/3/2013</u>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
6,906	29,773	6,758	30,527

Details of any collateral

1. The finance leases of \$116,000 (31 March 2013: \$115,000) is secured over the Group's motor vehicles.
2. The bank term loan of \$109,000 (31 March 2013: \$115,000) is secured over the freehold properties of its Malaysia subsidiary.
3. The long term bank loans of \$8,303,000 (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 30/9/2013	3 months ended 30/9/2012	6 months ended 30/9/2013	6 months ended 30/9/2012
Operating activities				
Profit before income tax	8,935	9,800	16,438	16,719
Adjustments for:				
Interest income	(120)	(153)	(211)	(367)
Interest expense	3,884	3,047	7,608	6,004
Share of profit of associate	(266)	(502)	(823)	(1,292)
Share of profit of joint venture	(1,158)	(174)	(1,828)	(335)
Depreciation and amortisation	1,134	485	2,057	835
Share option expense	1,300	153	2,600	306
Exchange difference arising on foreign currency translation	(1,866)	(5,412)	4,126	(6,235)
Operating profit before working capital changes	11,843	7,244	29,967	15,635
Trade receivables	20,870	(17,696)	14,661	(25,132)
Other receivables	8,729	(592)	4,056	14,862
Inventories	(936)	231	(1,215)	161
Trade payables	509	4,938	32,532	6,763
Other payables	(500)	6,473	(9,405)	734
Cash generated from operations	40,515	598	70,596	13,023
Interest received	120	153	211	367
Interest paid	(1,284)	(938)	(2,408)	(1,753)
Income tax paid	(1,027)	(984)	(4,082)	(1,442)
Net cash from (used in) operating activities	38,324	(1,171)	64,317	10,195
Investing activities				
Additions to property, plant and equipment	(1,151)	(8,136)	(1,969)	(11,573)
Additions to service concession receivables	(20,825)	(27,319)	(23,324)	(27,319)
Additions to intangible assets	(10,422)	-	(48,067)	-
Non-controlling interests	-	7,857	-	7,857
Net cash used in investing activities	(32,398)	(27,598)	(73,360)	(31,035)
Financing activities				
Dividend paid	(2,970)	(1,433)	(2,970)	(1,433)
Proceeds from issuing bond	48,393	-	48,393	-
Repayment of obligations under finance leases	(19)	(22)	(37)	(41)
Proceeds from bank borrowings	-	4,501	-	5,716
Repayment of bank borrowings	(7,734)	(1,863)	(14,679)	(1,863)
Net cash from financing activities	37,670	1,183	30,707	2,379

The Group (\$'000)	3 months ended 30/9/2013	3 months ended 30/9/2012	6 months ended 30/9/2013	6 months ended 30/9/2012
Net increase (decrease) in cash and cash equivalents	43,596	(27,586)	21,664	(18,461)
Cash and cash equivalents at beginning of period	38,835	98,555	59,068	89,458
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(197)	(900)	1,502	(928)
Cash and cash equivalents at end of period	82,234	70,069	82,234	70,069

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
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

	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
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

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 (30 September 2012: 305,000,007) and 73,300,000 (30 September 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.

	30/9/2013	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 30/9/2013	Group 3 months ended 30/9/2012	Group 6 months ended 30/9/2013	Group 6 months ended 30/9/2012
Net profit attributable to shareholders of the Company(\$'000)	7,131	8,075	12,863	13,959
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	1.20	1.69	2.17	2.92
Weighted average number of shares in issue (in '000) for computation of Diluted EPS	972,432	794,346	972,432	794,346
Earnings per share (cents) – Diluted	1.00	1.28	1.86	2.29

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 30/9/2013	Group 31/3/2013	Company 30/9/2013	Company 31/3/2012
Net asset value (\$'000)	286,775	271,334	168,006	176,015
Net asset value per share (cents)	48.27	45.67	28.28	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 30/9/2013	3 months ended 30/9/2012	% Increase/ (Decrease)
Engineering	36.5	44.0	(17.0)
Treatment	15.5	9.9	56.6
Total	52.0	53.9	(3.6)

The Group's revenue for the year was \$52.0 million, which was \$1.9 million or 3.6% lower than last corresponding period ended 30 September 2012 of \$53.9 million. The decrease was mainly due to the decrease in the engineering business from \$44.0 million to \$36.5 million, representing a decrease of \$7.5 million or 17.0%. On the contrary, revenue from the water treatment business increased from \$9.9 million to \$15.5 million, representing an increase of \$5.6 million or 56.6%.

Materials purchased, consumables used and subcontractors' fees decreased to \$28.9 million from \$34.4 million, representing a decrease of \$5.5 million or 16.1% as compared to the corresponding period ended 30 September 2012. The decrease was consistent with the decrease in the engineering revenue.

Employee benefits expense increased to \$2.9 million from \$1.8 million, representing an increase of \$1.1 million or 67.0% as compared to the corresponding period ended 30 September 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 \$1.1 million from \$0.5 million, representing an increase of \$0.6 million or 133.8% as compared to the corresponding period ended 30 September 2012. The increase was mainly due to the amortization of intangible assets relating to the newly acquired concessions.

Other operating expenses increased to \$8.7 million from \$5.2 million, representing an increase of \$3.5 million or 66.1% as compared to the corresponding period ended 30 September 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 \$0.2 million to \$1.3 million.

Finance costs increased from \$3.0 million to \$3.9 million, representing an increase of \$0.9 million or 27.5% as compared to the corresponding period ended 30 September 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 30 September 2012. In addition, there was an interest expense of \$0.3 million on the bond issued during the period.

The Group generated net profit for the year of \$7.4 million for the current period as compared to \$8.4 million in the corresponding period ended 30 September 2012.

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 30 September 2013.

Statement of financial position

The Group's non-current assets increased from \$344.9 million as at 31 March 2013 to \$416.7 million as at 30 September 2013. The increase was mainly due to the additions of intangible assets relating to the concessions arising from the acquisition of treatment plants and concessions during the period.

The Group's current liabilities increased from \$133.4 million as at 31 March 2013 to \$141.8 million as at 30 September 2013. The increase was mainly due to the increase in trade payables. Trade payables increased from \$54.9 million to \$87.5 million as at 30 September 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 \$216.1 million as at 30 September 2013. The increase was mainly due to the newly issued bond of \$48.8 million.

Statement of cash flow

The net cash from financing activities of the group increased from \$1.2 million to \$37.7 million as compared to the corresponding period ended 30 September 2013. The increase was mainly due to the proceeds from the issuance of the bond under the MTN programme 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 3 major investment projects, namely 2 projects in Shandong province totalling RMB205 million with a treatment capacity of 70,000 m³/day, and a project in Liaoning province worth RMB286 million with a treatment capacity of 60,000 m³/day. In addition, the Company also secured an engineering project in Jiangsu province worth RMB90 million.

The Company expects the recurring treatment income of the 3 investment projects to contribute substantially during the financial year ended 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 \$65 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 \$65 million of bond under the MTN programme. An update of the use of proceeds was summarised below:

	\$ million
Unutilised balance as at last quarterly announcement	82
Issuance of bond under the MTN program	63
Total	145
Investment in Novo Guangzhou	(7)
Investment in UE Dafeng	(1)
Total utilised	(8)
Unutilised balance	137

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/recommended, 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 Second Quarter Results of the Group for the financial period ended 30 September 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
11 November 2013**