

**DARCO WATER TECHNOLOGIES LIMITED (200106732C)**

**Half Year Financial Statement And Dividend Announcement for the six month ended 30 June 2008**

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

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

Set out below are the consolidated results for half year ended 30 June 2008.

**INCOME STATEMENT**

|                               | Notes | Group                       |                             |           |
|-------------------------------|-------|-----------------------------|-----------------------------|-----------|
|                               |       | 1-Jan-08<br>to<br>30-Jun-08 | 1-Jan-07<br>to<br>30-Jun-07 | Change    |
|                               |       | (S\$'000)                   | (S\$'000)                   | %         |
| Revenue                       |       | 51,130                      | 33,851                      | 51        |
| Cost of sales                 |       | (40,858)                    | (25,684)                    | 59        |
| <b>Gross profit</b>           |       | <b>10,272</b>               | <b>8,167</b>                | <b>26</b> |
| Other income                  | 1     | 58                          | 161                         | (64)      |
| Financial income              | 2     | 145                         | 79                          | 84        |
| Financial expenses            | 2     | (973)                       | (1,071)                     | (9)       |
| Distribution cost             |       | (1,829)                     | (1,594)                     | 15        |
| Administrative expenses       |       | (4,279)                     | (3,685)                     | 16        |
| Other credits / (charges)     | 3     | 479                         | 304                         | 58        |
| <b>Profit before tax</b>      |       | <b>3,873</b>                | <b>2,361</b>                | <b>64</b> |
| Income tax (expense)/credit   |       | (511)                       | (295)                       | 73        |
| <b>Profit for the year</b>    | 4     | <b>3,362</b>                | <b>2,066</b>                | <b>63</b> |
| <b>Attributable to:</b>       |       |                             |                             |           |
| Equity holders of the company |       | 2,818                       | 1,874                       | 50        |
| Minority interests            |       | 544                         | 192                         | 184       |
|                               |       | <b>3,362</b>                | <b>2,066</b>                | <b>63</b> |

**Notes:**

1) Included in other income are:

|  | Group                       |                             |        |
|--|-----------------------------|-----------------------------|--------|
|  | 1-Jan-08<br>to<br>30-Jun-08 | 1-Jan-07<br>to<br>30-Jun-07 | Change |
|  | (S\$'000)                   | (S\$'000)                   | %      |
| Rental income                          | 2                           | 2                           | 1      |
| Miscellaneous income from subsidiaries | 56                          | 159                         | (65)   |
|  | 58                          | 161                         | (64)   |

2) Financial income (expenses) are:

|                  | Group                       |                             |        |
|------------------|-----------------------------|-----------------------------|--------|
|                  | 1-Jan-08<br>to<br>30-Jun-08 | 1-Jan-07<br>to<br>30-Jun-07 | Change |
|                  | (S\$'000)                   | (S\$'000)                   | %      |
| Interest Income  | 145                         | 79                          | 85     |
| Interest expense | (973)                       | (1,071)                     | (9)    |
|                  | (828)                       | (992)                       | (17)   |

Presented in the income statement as:

|                                  |       |         |      |
|----------------------------------|-------|---------|------|
| Financial income                 | 145   | 79      | 85   |
| Financial expense                | (973) | (1,071) | (9)  |
| Finance income and (expense)-net | (828) | (992)   | (17) |

3) Other credits / (charges) are:

|  | Group                       |                             |          |
|--|-----------------------------|-----------------------------|----------|
|  | 1-Jan-08<br>to<br>30-Jun-08 | 1-Jan-07<br>to<br>30-Jun-07 | Change   |
|  | (S\$'000)                   | (S\$'000)                   | %        |
| Gain/(Loss) on disposal of plant and equipment | -                           | (3)                         | nm       |
| Foreign exchange adjustment (loss)/gain        | 465                         | (4)                         | (10,988) |
| Doubtful debts no longer required              | 14                          | 311                         | (96)     |
|  | 479                         | 304                         | 58       |

4) Included in profit after income tax are:

| Group                       |                             |        |
|-----------------------------|-----------------------------|--------|
| 1-Jan-08<br>to<br>30-Jun-08 | 1-Jan-07<br>to<br>30-Jun-07 | Change |
| (S\$'000)                   | (S\$'000)                   | %      |
| 285                         | 289                         | (1)    |
| 454                         | 384                         | 18     |

nm-not meaningful

**Additional Information**

**Segmental Results**

**By Business Activity**

Engineered Environmental Systems Sales  
WM Services Sales  
Trading (Chemicals & Others)

|  | Revenue                     |                             | Profit Before Tax           |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | 1-Jan-08<br>to<br>30-Jun-08 | 1-Jan-07<br>to<br>30-Jun-07 | 1-Jan-08<br>to<br>30-Jun-08 | 1-Jan-07<br>to<br>30-Jun-07 |
|  | (S\$'000)                   | (S\$'000)                   | (S\$'000)                   | (S\$'000)                   |
| Engineered Environmental Systems Sales | 46,235                      | 29,189                      | 3,291                       | 1,919                       |
| WM Services Sales                      | 4,220                       | 3,889                       | 517                         | 381                         |
| Trading (Chemicals & Others)           | 675                         | 773                         | 65                          | 61                          |
|  | 51,130                      | 33,851                      | 3,873                       | 2,361                       |

**By Geographical Market**

Singapore  
Malaysia  
China  
Taiwan  
Indonesia  
Others

Engineered Environmental Systems sales comprise sales of Engineered Water Systems, Engineered Air Pollution Control Systems and Engineered Solid Waste Systems.

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

**BALANCE SHEET**

|   | Group          |               | Company       |               |
|---|----------------|---------------|---------------|---------------|
|   | S\$'000        |               | S\$'000       |               |
|   | 30-Jun-08      | 31-Dec-07     | 30-Jun-08     | 31-Dec-07     |
| Property, plant and equipment           | 30,151         | 28,576        | -             | -             |
| Investments in subsidiaries             | -              | -             | 7,376         | 7,376         |
| Goodwill on consolidation               | 1,266          | 1,266         | -             | -             |
| Long Term Trade Receivable              | -              | -             | -             | -             |
| <b>Total Non Current Assets</b>         | <b>31,417</b>  | <b>29,842</b> | <b>7,376</b>  | <b>7,376</b>  |
| <b>Current Assets</b>                   |                |               |               |               |
| Inventories                             | 1,940          | 2,102         | -             | -             |
| Contract work in progress               | 57,644         | 41,479        | 1,052         | -             |
| Trade receivables                       | 18,920         | 15,476        | -             | 996           |
| Other receivables and prepayments       | 6,854          | 8,021         | 63,889        | 58,968        |
| Cash and cash equivalents               | 24,648         | 25,522        | 352           | 360           |
| <b>Total current assets</b>             | <b>110,006</b> | <b>92,600</b> | <b>65,293</b> | <b>60,324</b> |
| <b>Current Liabilities</b>              |                |               |               |               |
| Trade payables & accrued liabilities    | 22,361         | 32,619        | 137           | 249           |
| Contract work in progress               | 9,040          | 2,059         | -             | 402           |
| Other payables                          | 2,423          | 2,353         | 5,284         | 2,958         |
| Provision for taxation                  | 1,048          | 527           | -             | -             |
| Short term borrowing                    | 23,893         | 20,110        | 16,510        | 17,020        |
| Current portion of long term borrowings | 3,454          | 5,511         | 3,440         | 2,778         |
| Current portion of finance leases       | 30             | 323           | -             | -             |
| <b>Total current liabilities</b>        | <b>62,249</b>  | <b>63,502</b> | <b>25,371</b> | <b>23,407</b> |
| <b>Net current assets</b>               | <b>47,757</b>  | <b>29,098</b> | <b>39,922</b> | <b>36,917</b> |
| Deferred Tax                            | 184            | 209           | -             | -             |
| Convertible notes                       | 2,700          | 2,000         | 2,700         | 2,000         |
| Long term borrowings                    | 24,609         | 13,083        | 10,842        | 12,499        |
| Finance leases                          | 332            | 33            | -             | -             |
| Minority interests                      | 4,073          | 3,529         | -             | -             |
|   | 47,276         | 40,086        | 33,756        | 29,794        |
| <b>Shareholders' Equity</b>             | <b>47,276</b>  | <b>40,086</b> | <b>33,756</b> | <b>29,794</b> |

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

Amount repayable in one year or less, or on demand

| As at 30/06/2008 |           |
|------------------|-----------|
| Secured          | Unsecured |
| 27,377,000       | -         |

| As at 31/12/2007 |           |
|------------------|-----------|
| Secured          | Unsecured |
| 25,944,000       | -         |

Amount repayable after one year

| As at 30/06/2008 |           |
|------------------|-----------|
| Secured          | Unsecured |
| 27,641,000       | -         |

| As at 31/12/2007 |           |
|------------------|-----------|
| Secured          | Unsecured |
| 15,116,000       | -         |

**Details of any collateral**

**(a) Short term bank loans**

Borrowings are secured by short-term notes, bill payables and corporate guarantees from various Darco group entities.

**(b) Long term bank loans (secured)**

Borrowings are secured by corporate guarantees from various Darco group entities.

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

**CASH FLOW STATEMENT**

**Cash Flows from Operating Activities**

Profit before taxation

Adjustments for :-

Income tax expense

Depreciation expense

Loss on disposal of fixed assets

Interest income

Interest expense

**Operating profit before changes in working capital**

Changes in working capital:-

Decrease/(Increase) in Inventories

(Increase) in Contract Work In Progress

(Increase)/Decrease in trade receivables

Decrease/(Increase) in other receivables and prepayments

Increase/(Decrease) in trade payables and accruals

(Decrease)/Increase in other payables

Cash restricted in use over 3 months

**Cash generated from operations**

Interest received

Interest paid

Income taxes paid

**Net Cash (used in) from Operating Activities**

**Cash Flows from Investing Activities**

Purchase of property, plant and equipment

Disposal of property, plant and equipment

**Net Cash used in Investing Activities**

**Cash Flows from Financing Activities**

Proceeds from issuance of shares

Proceeds/(repayments) of short-term borrowings

Proceeds/(repayments) of long-term borrowings

Dividends paid

Increase/(Repayment) of Finance lease

Proceeds from convertible notes

**Net Cash generated from Financing Activities**

Net effect of exchange rate changes in consolidating foreign subsidiaries

Net (Decrease)/Increase in cash and cash equivalent

Cash and cash equivalents at beginning of the year

Cash and cash equivalent at end of the year

| Half Year Ended |           |
|-----------------|-----------|
| 30-Jun-08       | 30-Jun-07 |
| S\$'000         | S\$'000   |
| 3,362           | 2,066     |
| 511             | 295       |
| 285             | 289       |
| -               | 3         |
| (145)           | (79)      |
| 973             | 1,071     |
| 4,986           | 3,645     |
| 162             | (377)     |
| (9,184)         | (9,426)   |
| (3,444)         | 256       |
| 1,167           | (1,191)   |
| (10,258)        | 2,977     |
| 70              | (980)     |
| 2,101           | -         |
| (14,400)        | (5,096)   |
| 145             | 79        |
| (973)           | (1,071)   |
| (15)            | (921)     |
| (15,243)        | (7,009)   |
| (1,962)         | (3,328)   |
| -               | 19        |
| (1,962)         | (3,309)   |
| 5,300           | -         |
| 3,783           | 3,758     |
| 9,469           | (1,233)   |
| (1,043)         | (1,845)   |
| 6               | 698       |
| 700             | -         |
| 18,215          | 1,378     |
| 217             | 140       |
| 1,227           | (8,801)   |
| 18,506          | 26,267    |
| 19,733          | 17,466    |

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

**STATEMENT OF CHANGES IN EQUITY**

Half year ended 30 June 2008

|  | Share Capital<br>(S\$'000) | Retained Earnings<br>(S\$'000) | Exchange Reserves<br>(S\$'000) | Total<br>(S\$'000) | Minority Interest<br>(S\$'000) | Total Equity<br>(S\$'000) |
|--|----------------------------|--------------------------------|--------------------------------|--------------------|--------------------------------|---------------------------|
| Balance at 1 January 2008                            | 27,062                     | 14,884                         | (1,860)                        | 40,086             | 3,529                          | 43,615                    |
| Issue of shares upon conversion of convertible notes | 5,300                      | -                              | -                              | 5,300              | -                              | 5,300                     |
| Net profit for the period                            | -                          | 2,818                          | -                              | 2,818              | 544                            | 3,362                     |
| Currency translation difference                      | -                          | -                              | 115                            | 115                | -                              | 115                       |
| Dividends paid                                       | -                          | (1,043)                        | -                              | (1,043)            | -                              | (1,043)                   |
| Balance at 30 June 2008                              | 32,362                     | 16,659                         | (1,745)                        | 47,276             | 4,073                          | 51,349                    |

At 30 June 2007

|                                 | Share Capital<br>(S\$'000) | Retained Earnings<br>(S\$'000) | Exchange Reserves<br>(S\$'000) | Total<br>(S\$'000) | Minority Interest<br>(S\$'000) | Total Equity<br>(S\$'000) |
|---------------------------------|----------------------------|--------------------------------|--------------------------------|--------------------|--------------------------------|---------------------------|
| Balance at 1 January 2007       | 27,062                     | 13,899                         | (1,560)                        | 39,401             | 3,158                          | 42,559                    |
| Net profit for the period       | -                          | 1,874                          | -                              | 1,874              | 192                            | 2,066                     |
| Currency translation difference | -                          | -                              | 530                            | 530                | -                              | 530                       |
| Dividends paid                  | -                          | (1,845)                        | -                              | (1,845)            | -                              | (1,845)                   |
| Balance at 30 June 2007         | 27,062                     | 13,928                         | (1,030)                        | 39,961             | 3,350                          | 43,311                    |

At 30 June 2008

|  | Share Capital<br>(S\$'000) | Retained Earnings<br>(S\$'000) | Total<br>(S\$'000) |
|--|----------------------------|--------------------------------|--------------------|
| Balance at 1 January 2008                            | 27,062                     | 2,732                          | 29,794             |
| Issue of shares upon conversion of convertible notes | 5,300                      | -                              | 5,300              |
| Net profit for the period                            | -                          | (295)                          | (295)              |
| Dividends paid (*)                                   | -                          | (1,043)                        | (1,043)            |
| Balance at 30 June 2008                              | 32,362                     | 1,394                          | 33,756             |

At 30 June 2007

|                           | Share Capital<br>(S\$'000) | Retained Earnings<br>(S\$'000) | Total<br>(S\$'000) |
|---------------------------|----------------------------|--------------------------------|--------------------|
| Balance at 1 January 2007 | 27,062                     | 3,078                          | 30,140             |
| Net profit for the period | -                          | (1,198)                        | (1,198)            |
| Dividend paid             | -                          | (1,845)                        | (1,845)            |
| Balance at 30 June 2007   | 27,062                     | 35                             | 27,097             |

\* This is the dividends paid in respect of dividend declared last year.

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 and warrants, conversion of other issues of equity securities, issue of shares or 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

|  | 30/06/2008<br>(S\$'000) | 31/12/2007<br>(S\$'000) |
|--|-------------------------|-------------------------|
| Issued and fully paid ordinary shares of S\$0.05<br>As at beginning of period      | 9,223                   | 9,223                   |
| Issued during the year upon conversion of convertible notes<br>As at end of period | 5,300                   | -                       |
|  | 14,523                  | 9,223                   |

There are no outstanding convertible securities as at the end of the current or previous year.

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

These figures have not been reviewed nor audited by the auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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 Group has applied the same accounting policies and methods of computation as in the most recently audited annual financial statements.

**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 are no material changes on the Income Statement of the Group arising from the adoption of the new/revised FRSs.

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

Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year:-

- a) Based on the weighted average number of ordinary shares on issue (cents)  
b) On a fully diluted basis (cents)

Weighted average number of ordinary shares used to compute basic earnings per share  
Effect of dilutive share options  
Weighted average number of ordinary shares used to compute fully diluted earnings per share

| Group                       |                             |
|-----------------------------|-----------------------------|
| 1-Jan-08<br>to<br>30-Jun-08 | 1-Jan-07<br>to<br>30-Jun-07 |
| Cents                       | Cents                       |
| 1.32                        | 1.02                        |
| 1.32                        | 1.02                        |
| 213,193,562                 | 184,456,812                 |
| -                           | -                           |
| 213,193,562                 | 184,456,812                 |

**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 period reported on and (b) immediately preceding financial year.**

Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the financial period

| Group               |                     | Company             |                     |
|---------------------|---------------------|---------------------|---------------------|
| As at<br>30/06/2008 | As at<br>31/12/2007 | As at<br>30/06/2008 | As at<br>31/12/2007 |
| Cents               | Cents               | Cents               | Cents               |
| 21.73               | 21.73               | 15.51               | 16.15               |

**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 period reported on.

**Revenue**

Group revenue increased significantly by 51% to \$51.1 million in 1H FY2008 as compared to 1H FY2007. There was a 58% increase in revenue of Engineered Environmental Systems ("EE Systems") from \$29.2 million to \$46.2 million, of which the municipal sector contributed \$28.2 million or 55.3% of the total group revenue as compared to \$17.8 million or 52.7% in 1H FY2007. The increase in municipal sector was mainly due to civil construction activity from Ker-Ya project in Taiwan. The Group's other main business activity, namely the Water Management Services ("WM Services") generated \$4.2 million in revenue; this represents an increase of \$0.3 million or 9%, compared to \$3.9 million in 1H FY2007. This increase was mainly contributed by Deqing BOT project in China. Trading activities (Chemical, spare parts and others) decreased by \$0.1 million representing a 13% drop as compared to 1H FY2007.

Engineered Environmental Systems ("EE Systems") and Water Management Services ("WM Services") account for 90.4% and 8.2% of Group revenue respectively in 1H FY2008.

**Profitability**

In line with the higher revenue, gross profit rose 26% to \$10.3 million in 1H FY2008. Gross profit margin drop 4% to 20.1% from 24.1% in 1H 2007, due to higher fuel, material and freight related costs.

The Group incurred \$1.8 million representing 15% increase in distribution cost. This was chiefly due to higher travelling and marketing incurred cost by our sales and management team to pursue potential new customers in Middle East and India. The Group's administrative expenses increased by \$0.6 million to \$4.3 million in 1H FY2008. This was resulted from the highest staff cost and structuring fee which arising from the convertible notes. In spite of higher distribution cost and administration cost, the Group's pre-tax earnings increased to \$3.9 million in 1H FY2008, from \$2.4 million in 1H FY2007. Consequently, net profit attributable to shareholders increased by 50% to \$2.8 million as compared to \$1.9 million in 1H FY2007.

## **Balance Sheet**

Property, plant and equipment increased by \$1.6 million in 1H FY2008 as compared to those as at 31 December 2007. This increase arose mainly from the completion of raw water intake facilities of Qian Yuan BOT project.

Inventories decreased \$0.2 million to \$1.9 million as at 30 June 2008 as inventories were used up to support higher EE Systems sales. Contract work-in-progress of \$57.6 million was a result of a significant increase in projects of EE systems. Revenue from these projects will be recognised in 2H FY2008 and FY2009.

The increase in trade receivables is in line with the increase in sales as compared to the financial year ended 31 December 2007.

Other receivables and prepayments decreased by \$1.2 million as compared to those at 31 December 2007 mainly due to collection of retention monies from the soil remediation project in Taiwan.

Cash and cash equivalents amounted to \$24.6 million, a decrease of \$0.9 million as compared to those as at 31 December 2007, due primarily to financing cost for the on-going municipal projects in Taiwan.

Trade payables and accrued liabilities decreased by \$10.3 million to \$22.4 million as compared to 31 December 2007. This was mainly due to payments made to suppliers for equipment purchased for our municipal projects in Taiwan.

Short term borrowings increased by \$3.8 million as at 30 June 2008 to \$23.9 million. This was due to drawdown of revolving facilities from our subsidiary in Taiwan for municipal project.

Long term borrowings increased by \$11.6 million to \$24.6 million as at 30 June 2008 as compared to \$13.1 million in 31 December 2007. This was mainly from drawdown of loan facilities for Ker-Ya project.

## **Cash flow statement**

There was a net cash outflow of \$17.2 million to fund operating and investing activities as a result of the increase in group's business activities in 1H FY2008. Financing activities generated a positive cashflow of \$18.2 million in 1H FY2008 mainly from the drawdown of facilities from the Company's subsidiary in Taiwan for municipal projects and the proceeds from the convertible notes and issuance of shares.

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

The business activities of the Group remain broad-based and are in line with the statement disclosed in the full year results for FY2007.

### **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**

The Group expects revenue improvement in industrial sector on the account of higher orders received from this sector in the first half FY2008, but a reduction in revenue contribution from the municipal sector in the next twelve months from lower existing order book from the municipal sector.

The Group announced that the project orders to be delivered in FY2008 stood at \$129 million on 24 April 2008. The Group has now revised this order book to \$109 million as a result of the termination of a civil construction order worth \$20 million.

Further, our subsidiary in China has recently obtained land use rights certificate from the Deqing county authorities for Qian Yuan US\$21 million BOT project. The raw water intake facilities for this BOT project has been completed with US\$6 million investment. The construction of the treatment facilities shall begin in the later half of FY2008 after receiving the land use rights certificate.

Following the MOU with the Group and the Supreme Council of Environment and Natural Resources of Qatar to form a business joint venture, the Company has submitted its final proposal in June 2008. However, the matter has been held in abeyance as the Qatar government is currently undergoing certain departmental restructuring.

### **11. Dividend**

#### **a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? None

#### **b) Corresponding Period of the Immediately Preceding Financial Year**

#### **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 by the Company for the financial period ended 30 June 2008.

## **PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**13. 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**

Please refer to Additional Information in point 1(a) above.

**14. 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

15. A breakdown of sales

Not Applicable

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

Not Applicable

17. Confirmation pursuant to Rule 705(4) of the SGX Listing Manual

The Board has confirmed that to the best of its knowledge, nothing has come to its attention, which may render the unaudited financial statements of the Company, or the unaudited consolidated financial statements of the Group in respect of the half year ended 30 June 2008 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**  
Singapore, 14 August 2008