

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2014

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

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

Financial statements on consolidated results for the first quarter ended 30 September 2014. Certain items reported for the three months ended 30 September 2013 have been reclassified to conform to this report for the three months ended 30 September 2014.

	Note	Group		
		First Quarter		
		Jul 2014 - Sep 2014 S\$'000	Jul 2013 - Sep 2013 S\$'000 (restated)	Inc/ (Dec) %
Revenue	1	11,574	8,449	37.0
Cost of sales		(9,154)	(6,496)	40.9
Gross profit		2,420	1,953	23.9
Other operating income		43	3,480	(98.8)
Other operating expenses		(511)	(857)	(40.4)
Distribution and selling expenses		(39)	(43)	(9.3)
Administrative expenses		(2,192)	(2,229)	(1.7)
Finance income		61	513	(88.1)
Finance costs		(45)	(31)	45.2
Share of results of joint ventures		85	(19)	N.M
(Loss)/profit before income tax		(178)	2,767	N.M
Income tax		3	(147)	N.M
Net (loss)/profit for the period		(175)	2,620	N.M
Other comprehensive (loss)/income		(1,716)	30,108	N.M
Total comprehensive (loss)/income		(1,891)	32,728	N.M
Net (loss)/profit attributable to:				
Equity holders of the Company		(297)	2,933	N.M
Non-controlling interests		122	(313)	N.M
		(175)	2,620	N.M
Total comprehensive (loss)/ income attributable to:				
Equity holders of the Company		(1,650)	33,107	N.M
Non-controlling interests		(241)	(379)	(36.4)
		(1,891)	32,728	N.M

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Notes:

1) (Loss)/Profit before tax is arrived at after (charging)/crediting the following:-

	Group		
	First Quarter		
	Jul 2014 - Sep 2014 S\$'000	Jul 2013 - Sep 2013 S\$'000 (restated)	Inc/ (Dec) %
Depreciation of property, plant and equipment	(102)	(118)	(13.6)
Realised exchange gain/(loss) (net)	7	(4)	N.M
Unrealised exchange loss (net)	(493)	(849)	(41.9)
Interest expense on borrowings	(22)	(2)	1,000.0
Interest income	61	513	(88.1)
Gain on disposal of property, plant and equipment	8	11	(27.3)
(Loss)/gain on disposal of other financial assets	(6)	1,115	N.M
Transfer of fair value from reserves	-	1,483	(100.0)
Fair valuation of financial asset held for trading	(3)	-	N.M
Adjustment for over/(under) provision of tax in respect of prior years	21	(56)	N.M

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

	Group		
	First Quarter		
	Jul 2014 - Sep 2014 S\$'000	Jul 2013 - Sep 2013 S\$'000 (restated)	Inc/ (Dec) %
<i>Other comprehensive (loss)/income:</i>			
Exchange difference on translation of foreign operations	(820)	150	N.M
Fair value (loss)/gain recognised in equity on revaluation of available-for-sale financial assets during the period	(893)	31,549	N.M
Reversal of fair value gain from equity on disposal of available-for-sale financial assets during the period	-	(1,483)	(100.0)
Deferred tax on fair value changes to available-for-sale financial assets	(3)	-	N.M
Other comprehensive (loss)/income	(1,716)	30,216	N.M

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2014

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

	Note	Group		Company	
		30-Sep-14 S\$'000	30-Jun-14 S\$'000 (restated)	30-Sep-14 S\$'000	30-Jun-14 S\$'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	1	5,700	5,673	43	53
Investment in subsidiaries		-	-	14,449	14,449
Investment in associated companies	2	2	2	-	-
Investment in joint venture entities		4,395	4,005	-	-
Goodwill	2	1,570	1,570	-	-
Other intangible assets	3	27,550	29,023	-	-
Other financial assets	4	3,828	4,799	4	26
Total Non-Current Assets		43,045	45,072	14,496	14,528
Current Assets					
Inventories	5	7,324	7,416	-	-
Trade and other receivables	6	4,492	7,957	609	622
Related parties balances	8	166	260	3,799	4,431
Cash and bank deposits		5,639	4,078	10	25
Fixed deposits		12,507	12,831	-	-
Total Current Assets		30,128	32,542	4,418	5,078
Total Assets		73,173	77,614	18,914	19,606
LIABILITIES AND EQUITY					
Current Liabilities					
Trade and other payables	7	6,605	8,548	1,898	2,356
Bank overdrafts	9	-	755	-	-
Related parties balances	8	14	283	1,566	2,468
Finance lease obligations	10	9	10	-	-
Income tax liabilities	11	506	582	-	-
Total Current Liabilities		7,134	10,178	3,464	4,824
Non-Current Liabilities					
Finance lease obligations	10	30	32	-	-
Deferred tax liabilities	12	6,849	7,253	-	-
Total Non-Current Liabilities		6,879	7,285	-	-
Total Liabilities		14,013	17,463	3,464	4,824
EQUITY					
Share capital		121,027	120,127	121,027	120,127
Reserves		(88,398)	(86,748)	(105,577)	(105,345)
		32,629	33,379	15,450	14,782
Non-controlling interests		26,531	26,772	-	-
Total Equity		59,160	60,151	15,450	14,782
Total Liabilities and Equity		73,173	77,614	18,914	19,606

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2014

Notes to the consolidated statement of financial position

1) Property, plant and equipment

Property, plant and equipment increased marginally from net book value of S\$5.67 million as at 30 June 2014 to S\$5.70 million as at 30 September 2014. Net additions during the period were S\$0.10 million. Depreciation charged was S\$0.10 million. Translation differences was approximately S\$0.03 million.

2) Goodwill

Goodwill remains unchanged over the financial period.

	Sep-14	Jun-14
	S\$'000	S\$'000
Mid-Continent Equipment Group Pte Ltd	1,570	1,570

3) Other Intangible assets

	Sep-14	Jun-14
	S\$'000	S\$'000
20% (2013: 20%) participating interest for the exploration of an area covered by the Petroleum Exploration Licence 101 granted under the Petroleum Act 2000 of South Australia	4,495	4,495
Coal concession rights granted by the Government of Indonesia for a period of 30 years, commencing from the date that mining operations commences, to explore, mine and extract coal from the Kuaro coal formation located at Kabupaten Pasir, East Kalimantan, Indonesia*	26,420	26,420
Exploration and evaluation expenditure incurred for the exploration and evaluation of coal of the Kuaro coal formation located at Kabupaten Pasir, East Kalimantan, Indonesia	1,138	1,138
	27,558	27,558
	32,053	32,053
Translation Differences	(4,503)	(3,030)
	27,550	29,023

**Due to the impending legal proceedings in relation to the Group's ownership interest in PT Batubara Selaras Sapta, the directors have been unable to determine the recoverable amount of the Group's investment in the Coal Concession Rights. Any adjustment to the figures will largely be dependent on the outcome of the legal proceedings and may significantly affect the Group's results.*

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2014

4) Other financial assets - non current

Other financial assets decreased from S\$4.8 million as at 30 June 2014 to S\$3.8 million as at 30 September 2014. The change was mainly due to movement in financial assets held for trading and fair value of available-for-sale financial assets during the period. Other financial assets include financial assets held for trading which are intended to be disposed in the near term.

	Sep-14	Jun-14
	S\$'000	S\$'000
<u>Available-for-sale financial assets</u>		
Quoted equity shares, at fair value	3,824	4,791
<u>Financial assets held for trading</u>		
Quoted warrants, at fair value	4	8
Total other financial assets	3,828	4,799

5) Inventories

	Sep-14	Jun-14
	S\$'000	S\$'000
		(restated)
Finished goods	5,359	5,817
Work-in-progress	59	31
Goods-in-transit	1,906	1,568
	7,324	7,416

Refer to Item 8 on Page 13 for more details on sales performance.

6) Trade and other receivables

The amount of trade and other receivables have decreased from S\$8.0 million as at 30 June 2014 to S\$4.5 million as at 30 September 2014, mainly resulting from payments made by major customers.

	Sep-14	Jun-14
	S\$'000	S\$'000
		(restated)
Trade receivables	3,596	6,561
Other debtors, deposits and prepayments	896	1,396
	4,492	7,957

7) Trade and other payables

Trade and other payables have decreased from S\$8.5 million as at 30 June 2014 to S\$6.6 million as at 30 September 2014.

	Sep-14	Jun-14
	S\$'000	S\$'000
		(restated)
Trade payables	4,433	5,931
Other creditors, payables and accruals	2,172	2,617
	6,605	8,548

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2014

8) Related parties balances (net)

The related party balances relate to trade balances between our equipment supply subsidiary and its joint venture partner and, associated and affiliated companies.

	Sep-14 S\$'000	Jun-14 S\$'000 (restated)
Amount due from	166	260
Amount due to	(14)	(283)
Net amount due from/(to)	152	(23)

9) Bank overdrafts

The outstanding bank overdrafts relate mainly to working capital facilities provided by banks to our subsidiaries.

	Sep-14 S\$'000	Jun-14 S\$'000 (restated)
Bank overdrafts	-	755

10) Finance lease obligations

The decrease in finance lease was due to repayment during the period.

	Sep-14 S\$'000	Jun-14 S\$'000
Current	9	10
Non-current	30	32
	39	42

11) Income tax liabilities

Income tax liabilities which mainly arise from our oilfield equipment supplies and services segment has changed marginally from S\$0.58 million as at 30 June 2014 to S\$0.51 million as at 30 September 2014 as a result of payment of tax and/or provision of current period's income tax expense.

12) Deferred tax liabilities

Deferred tax liabilities have been recognised on the coal concession valuation for PT Batubara Selaras Sapta in Indonesia and investments in quoted equities in Australia. The deferred tax for unutilised benefits mainly comprises the deductible temporary differences arising from the provision for unutilised leave, long service leave and other employee benefits.

	Sep-14 S\$'000	Jun-14 S\$'000 (restated)
Property, plant and equipment	41	67
Intangible assets	8,288	8,607
Available-for-sale financial assets	(175)	(173)
Unutilised benefits	(1,305)	(1,248)
	6,849	7,253

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2014

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-Sep-2014	
Secured	Unsecured
S\$'000	S\$'000
9	-

As at 30-Jun-2014	
Secured	Unsecured
S\$'000	S\$'000
10	755

Amount repayable after one year

As at 30-Sep-2014	
Secured	Unsecured
S\$'000	S\$'000
30	-

As at 30-Jun-2014	
Secured	Unsecured
S\$'000	S\$'000
32	-

Details of group's borrowings, debt securities and any collateral

The unsecured borrowings as at 30 September 2014 relates to bank overdraft which arises mainly due to short term working capital requirement.

The Group's bank borrowings and credit facilities are secured by:

- a Standby Letter of Credit from a bank in Singapore;
- a personal guarantee from the directors, guarantee from a corporate shareholder and a hypothecation of machinery of a joint venture company in India;
- a first floating charge on all its undertaking, other property, assets and rights of a joint venture entity in Singapore; and
- the pledging of subsidiaries' fixed deposits of S\$5,149,000 to certain banks.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2014

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

	Group	
	Three Months Ended	
	Sep-14 S\$'000	Sep-13 S\$'000 (restated)
Cash flows from operating activities		
(Loss)/profit before income tax	(178)	2,767
Adjustments of non-cash items	480	(2,854)
Operating cash flows before working capital changes	302	(87)
- Working capital changes	2,658	(405)
Cash flows from operations	2,960	(492)
Interest income received	61	1,766
Interest paid	(22)	(8)
Income taxes (paid)/refunded	(74)	16
Net cash generated from operating activities	2,925	1,282
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	8	11
Purchase of property, plant and equipment	(101)	(95)
Net proceeds from sale of other financial assets	53	515
Acquisition of other financial assets	-	(3,857)
Payment of petroleum exploration expenditure	(82)	-
Fixed deposits pledged to banks	-	(173)
Net cash flows used in investing activities	(122)	(3,599)
Cash flows from financing activities		
Repayment of finance lease obligations	(3)	(6)
Net cash flows used in financing activities	(3)	(6)
Net increase/(decrease) in cash and cash equivalents	2,800	(2,323)
Cash and cash equivalents at beginning of the period	10,925	16,506
Effects of exchange rate changes on cash and cash equivalents	(728)	892
Cash and cash equivalents at the end of the period	12,997	15,075
Represented by:		
Cash and bank balances	5,639	8,383
Fixed deposits	7,358	6,770
Bank overdrafts, unsecured	-	(78)
	12,997	15,075
<u>Cash and cash equivalents</u>		
Cash and bank balances	5,639	8,383
Fixed deposits	12,507	11,951
Cash and cash equivalents	18,146	20,334
Less: Fixed deposits (restricted)	(5,149)	(5,181)
Less: Bank overdrafts	-	(78)
Cash and cash equivalents at the end of the period	12,997	15,075

MAGNUS ENERGY GROUP LTD.

(Registration No. 198301375M)

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2014

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, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Attributable to shareholders					Non-Controlling Interests Total Equity	
	Share Capital	Fair Value Reserve	Translation Reserve	Accumulated Losses	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2014 (restated)	120,127	961	(7,599)	(80,110)	33,379	26,772	60,151
Total comprehensive loss for the period	-	(908)	(445)	(297)	(1,650)	(241)	(1,891)
Issuance of shares	900	-	-	-	900	-	900
Balance at 30 September 2014	121,027	53	(8,044)	(80,407)	32,629	26,531	59,160

MAGNUS ENERGY GROUP LTD.

(Registration No. 198301375M)

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2014

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, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Group	Attributable to shareholders						
	Share Capital	Fair Value Reserve	Translation Reserve	Accumulated Losses	Total	Non-Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2013 (restated)	120,127	40,839	(7,748)	(71,963)	81,255	27,323	108,578
Total comprehensive income/(loss) for the period	-	30,062	112	2,933	33,107	(379)	32,728
Dividends paid by a subsidiary to non-controlling shareholders	-	-	-	-	-	(173)	(173)
Balance at 30 September 2013 (restated)	120,127	70,901	(7,636)	(69,030)	114,362	26,771	141,133

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2014

- 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, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)**

Company	Share Capital	Fair Value Reserve	Accumulated Losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2014	120,127	-	(105,345)	14,782
Issuance of shares	900	-	-	900
Total comprehensive loss for 1Q2015	-	-	(232)	(232)
Balance at 30 September 2014	121,027	-	(105,577)	15,450
Balance at 1 July 2013	120,127	27,415	(105,339)	42,203
Total comprehensive income for 1Q2014	-	20,870	2,040	22,910
Balance at 30 September 2013	120,127	48,285	(103,299)	65,113

- 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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.**

Date	Description	No of shares	Paid-up Capital S\$'000
30-Sep-14	Issued and paid-up capital	2,108,109,060	121,027
30-Sep-13	Issued and paid-up capital	2,048,678,060	120,127

There is no outstanding convertible and no share option or award granted under the Magnus Energy Employee Share Option Plan or Performance Share Plan. The increase in the Company's share capital during the current financial period is due to the issue of 59,431,000 repayment shares for the repayment of a term loan.

- 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-Sep-14	30-Jun-14
No. of ordinary shares issued and fully paid	2,108,109,060	2,048,678,060

There is no treasury share 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.**

Not applicable

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

The figures have neither been audited nor reviewed by the auditors.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2014

- 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.**

Except as disclosed in Part 5 below, the same accounting policies and methods of computation as in the most recently audited annual financial statements have been applied.

- 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.**

The Group has adopted the new or revised FRS and INT FRS that are effective in this financial period. Except for FRS 111 *Joint Arrangements*, the adoption of these FRS do not have any significant impact on the financial statements.

The adoption of FRS 111 will take effect from the financial year beginning on 1 July 2014 with full retrospective application.

- 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 share of the Group after deducting any provision for preference dividends for the period ended 30 September 2014:

	Group	
	Three Months	
	Jul 2014 - Sep 2014	Jul 2013 - Sep 2013 (restated)
(Loss)/Earnings for the period (S\$'000)	(297)	2,933
- Based on weighted average number of ordinary shares in issue (cents)	(0.014)	0.143
- Weighted average number of ordinary shares ('000)	2,091,203	2,048,678
- On a fully diluted basis (detailing any adjustments made to the earnings (cents)	(0.014)	0.143
- Weighted average number of ordinary shares on fully diluted basis ('000)	2,091,203	2,048,678

- 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.**

	Group		Company	
	As at 30-Sep-14	As at 30-Jun-14 (restated)	As at 30-Sep-14	As at 30-Jun-14
Net asset value per ordinary share (cents)	1.56	1.63	0.74	0.72
On a fully diluted basis (cents)	1.56	1.63	0.74	0.72

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2014

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

Turnover, costs, and earnings of the Group for the quarter ended 30 September 2014 ("1Q2015") and 30 September 2013 ("1Q2014")

The Group's revenue increased by 37.0% from S\$8.4 million for 1Q2014 to S\$11.6 million for 1Q2015. In addition to a stable sales performance in the equipment and spares sales, the increase in revenue in 1Q2015 resulted from additional project and tubular products sales as compared to 1Q2014. Cost of sales increased by 40.9% from S\$6.5 million for 1Q2014 to S\$9.2 million for 1Q2015. Gross profit has increased by 23.9% from S\$2.0 million for 1Q2014 to S\$2.4 million for 1Q2015. Due to the above-mentioned sale of product mix, gross margin has decreased from 23.1% for 1Q2014 to 20.9% for 1Q2015.

Refer to item 10 on page 14 for more information on the Group's sales performance.

Other operating income

	Jul 2014 - Sep 2014	Jul 2013 - Sep 2013
	S\$'000	S\$'000
Gain on disposal of financial asset held for trading	-	1,115
Transfer of fair value gain from equity to profit and loss	-	1,483
Services income from environmental projects	10	119
Exchange gain	7	-
Gain on disposal of property, plant and equipment	8	11
Fair value gain on financial asset held for trading	-	713
Other income	18	39
	<u>43</u>	<u>3,480</u>

Expenses

	Jul 2014 - Sep 2014	Jul 2013 - Sep 2013
	S\$'000	S\$'000
		(restated)
Distribution & selling expenses	39	43
Administrative expenses	2,192	2,229
Other operating expenses	511	857
	<u>2,742</u>	<u>3,129</u>

Expenses have decreased by S\$0.4 million from S\$3.1 million for 1Q2014 to S\$2.7 million for 1Q2015 resulting from lower personnel costs and general operating expenses. Expenses for 1Q2015 was mainly contributed by unrealised exchange loss of S\$0.5 million and remuneration related expenses of approximately S\$1.3 million. Please refer to Note 1 on Page 2 for further details.

Finance income/costs

Finance income is mainly due to interest income. Finance expenses are mainly due to hire purchase interests and bank charges.

	Jul 2014 - Sep 2014	Jul 2013 - Sep 2013
	S\$'000	S\$'000
		(restated)
Finance income	61	513
Finance costs	(45)	(31)
	<u>16</u>	<u>482</u>

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2014

Net (loss)/profit after tax

Net profit after tax was S\$2.6 million for 1Q2014 and net loss after tax was S\$0.2 million for 1Q2015. The net loss for the year was mainly contributed by unrealised exchange losses as mentioned above, otherwise our oilfield equipment supply and services segment remains profitable.

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

The Group recorded a net cash generated from operating activities of S\$1.3 million for 1Q2014 and S\$2.9 million for 1Q2015, refer to details of working capital on Page 5. Cash outflow from working capital was S\$0.4 million for 1Q2014 as compared to cash inflow of S\$2.7 million for 1Q2015.

Net cash flow used in investing activities was S\$3.6 million for 1Q2014 which was significantly higher as compared to an outflow of S\$0.1 million for 1Q2015, mainly due to the acquisition of 15% stake in GCM Resources plc. for S\$3.7 million in 1Q2014.

Movements in net cash flows in financing activities were insignificant for 1Q2014 and 1Q2015. Comparatively, the Group's cash and cash equivalents decreased by approximately S\$2.1 million, after adjusting for effects of foreign currencies exchanges, from S\$15.1 million as at 30 September 2013 to S\$13.0 million as at 30 September 2014. The details of the cash flow statement are on Page 8.

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

Not Applicable.

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 oilfield equipment supplies and services segment, Mid-Continent Equipment Group Pte Ltd and its subsidiaries ("Mid-Con Group") currently forms the Group's main core business. With the restructuring of our casing and tubular subsidiary in Mid-Con Group, a business unit has been setup in Mid-Continent Equipment Group Pte Ltd to handle all the tubular sales, which enable the Group to capture the relevant sales fully instead of a joint arrangement reporting.

The weakness in oil prices may negatively affect the overall performance of the Group. Nevertheless, Mid-Con Group remains cautiously optimistic about its growth prospects and shall continue to focus on its multi-pronged strategy to expand geographically, diversify its business model, widen its product range, and enhance its productivity, and expects to remain profitable in the next twelve months.

The Group is exposed to movements in US Dollar and Australian Dollar and price fluctuation of quoted equities in our investment portfolio. Such movements in the currencies and equities market may have a significant impact on the Group's future results.

The Group look forward to pursue new acquisitions and investments opportunities across the Asia Pacific region in the near future.

QUARTERLY FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2014

11 Dividend

- (a) Current Financial Period Reported On - Not applicable
- (b) Corresponding Period of the Immediately Preceding Financial Year - Not applicable
- (c) Tax exempt dividend - Not applicable
- (d) Date payable - Not applicable
- (e) Book closure date - Not applicable

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

No dividend has been declared/recommended for the period ended 30 September 2014.

13 If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT general mandate has been obtained by the Group from the shareholders. There was no interested person transaction for the year under review, save for interest-free loans provided by directors to the Company.

14 Confirmation by the Board pursuant to Rule 705(5)

We, Kushairi Bin Zaidel and Goh Boon Kok, being two directors of the Company, do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the period ended 30 September 2014 to be false or misleading in any material aspect. A signed confirmation copy is kept in record.

On behalf of the Board of Directors

Kushairi Bin Zaidel
Non-executive Independent Director

Goh Boon Kok
Non-executive Independent Director

15 Disclosure of person occupying a managerial position in the issuer of any of its principal subsidiaries who is a relative or a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there is no such person, the issuer must make an appropriate negative statement.

There is no person occupying managerial positions in the Company or its principal subsidiaries who is related to a director or chief executive officer or substantial shareholder of the Company or its principal subsidiaries.

BY ORDER OF THE BOARD

Luke Ho Khee Yong
Company Secretary
12 November 2014

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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