SINO CONSTRUCTION LIMITED

中华建筑有限公司

**(Incorporated in the Republic of Singapore)**

**(Registration No: 200613299H)**

**UNAUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014**

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

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

| | Unaudited 4th Quarter Ended | | | Unaudited Year Ended | | |
|---|---|---|---|---|---|---|
| | 31/12/2014 | 31/12/2013 (Restated) | (+/-) | 31/12/2014 | 31/12/2013 (Restated) | (+/-) |
| | S$'000 | S$'000 | % | S$'000 | S$'000 | % |
| **Continuing Operations** | | | | | | |
| Revenue | 1,119 | - | n.m | 2,331 | - | n.m |
| Cost of Sales | (1,044) | - | n.m | (2,052) | - | n.m |
| **Gross Profit** | **75** | **-** | n.m | **279** | **-** | n.m |
| **Other Items of Income** | | | | | | |
| Other Income | (191) | - | n.m | 31 | - | n.m |
| **Other Items of Expense** | | | | | | |
| Administrative Expenses | (913) | (87) | >100% | (1,887) | (676) | >100% |
| Finance Costs | (20) | - | n.m | (26) | (1) | >100% |
| Other Expenses | (1) | (201) | <100% | (5) | (4,410) | <100% |
| **Loss before Tax** | **(1,050)** | **(288)** | >100% | **(1,608)** | **(5,087)** | <100% |
| Income Tax | - | - | - | - | - | - |
| **Loss from Continuing Operations** | **(1,050)** | **(288)** | >100% | **(1,608)** | **(5,087)** | <100% |
| **Discontinued Operations** | | | | | | |
| (Loss) Profit from Discontinued Operations | (5,956) | 2,472 | <100% | (1,086) | (23,468) | <100% |
| **(Loss) Profit for the Period** | **(7,006)** | **2,184** | <100% | **(2,694)** | **(28,555)** | <100% |
| **Other Comprehensive Income:** | | | | | | |
| Foreign currency translation difference - foreign operation | 3,752 | (27) | <100% | (2) | 2,263 | <100% |
| Foreign Currency Translation differences, reclassified to profit and loss on disposal of foreign operation | 1,092 | - | n.m | 1,092 | (340) | <100% |
| **Total Comprehensive Income for the Period** | **(2,162)** | **2,157** | <100% | **(1,604)** | **(26,632)** | <100% |

| | Unaudited 4th Quarter Ended | | | Unaudited Year Ended | | |
|---|---|---|---|---|---|---|
| | 31/12/2014 | 31/12/2013 (Restated) | (+/-) | 31/12/2014 | 31/12/2013 (Restated) | (+/-) |
| | S$'000 | S$'000 | % | S$'000 | S$'000 | % |
| **(Loss) Profit for the Period attributable to:** | | | | | | |
| Owner Of the Company | (6,997) | 2,184 | <100% | (2,704) | (28,555) | <100% |
| Non-Controlling Interests | (9) | - | n.m | 10 | - | n.m |
| | **(7,006)** | **2,184** | <100% | **(2,694)** | **(28,555)** | <100% |
| **Total Comprehensive Income for the Period attributable to :** | | | | | | |
| Owner Of the Company | (2,153) | 2,157 | <100% | (1,614) | (26,632) | <100% |
| Non-Controlling Interests | (9) | - | n.m | 10 | - | n.m |
| | **(2,162)** | **2,157** | | **(1,604)** | **(26,632)** | |

n.m – not meaningful

**1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.**

(Loss) before tax is arrived at after charging and (crediting) the following items:

| | Unaudited 4th Quarter Ended | | Unaudited Year Ended | |
|---|---|---|---|---|
| | 31/12/2014 | 31/12/2013 (Restated) | 31/12/2014 | 31/12/2013 (Restated) |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Depreciation of Property, Plant & Equipment | 23 | - | 81 | - |

**1(a)(iii) Other expenses**

| | 4th Quarter Ended | | Year Ended | |
|---|---|---|---|---|
| | 31/12/2014 | 31/12/2013 (Restated) | 31/12/2014 | 31/12/2013 (Restated) |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Exchange Loss, Net | 1 | 201 | 5 | 347 |
| Loss from settlement of loan owing to controlling shareholder by issuance of new ordinary shares | - | - | - | 4,063 |
| | 1 | 201 | 5 | 4,410 |

**1(a)(iv) Profit (Loss) From Discontinued Operations**

On 27 March 2014, the Company had disposed of its 100% of the equity interests in Daqing Xinyuan Construction Installation Co., Ltd ("Xinyuan Construction") to Calcourt Limited for a purchase consideration of S$10.0 million. Xinyuan Construction is the holding company of Daqing Sunshine Reli Thermal Co., Ltd ("Reli Thermal"), which operated the heating services business of the Group.

The foreign currency translation differences arise from translating the results of the discontinued operations was reclassified to profit and loss upon the completion of disposal.

**1(b)(i) A statement of financial position together with a comparative statement for the corresponding periods of the immediately preceding year:**

| | Group | | | Company | |
|---|---|---|---|---|---|
| | Unaudited 31 December 2014 | Unaudited 31 December 2013 (restated) | Unaudited 1 January 2013 (restated) | Unaudited 31 December 2014 | Unaudited 31 December 2013 (restated) |
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| **ASSETS** | | | | | |
| **Non-current Assets** | | | | | |
| Available-for-sale financial assets | 35,380 | - | - | 23,380 | - |
| Investment in subsidiaries | - | - | - | 12,100 | 163 |
| Property, plant and equipment | 836 | - | - | - | - |
| Deferred tax asset | 3 | - | - | - | - |
| Goodwill | 25 | - | - | - | - |
| | 36,244 | - | - | 35,480 | 163 |
| **Current Assets** | | | | | |
| Land use rights | - | - | 9,191 | - | - |
| Inventories | - | - | 725 | | - |
| Trade and other receivables | 2,782 | 5,000 | 25,177 | 2,359 | 5,000 |
| Property, plant and equipment | - | - | 28,663 | - | - |
| Income tax receivables | 10 | - | - | - | - |
| Prepaid operating expenses | 43 | - | 7,263 | 10 | - |
| Cash and bank balances | 169 | 212 | 2,650 | 63 | 212 |
| | 3,004 | 5,212 | 73,669 | 2,432 | 5,212 |
| Assets classified as held for sale | - | 52,333 | - | - | - |
| | 3,004 | 57,545 | 73,669 | 2,432 | 5,212 |
| **Total Assets** | 39,248 | 57,545 | 73,669 | 37,912 | 5,375 |

| | Group | | | Company | |
|---|---|---|---|---|---|
| | Unaudited 31 December 2014 | Unaudited 31 December 2013 (restated) | Unaudited 1 January 2013 (restated) | Unaudited 31 December 2014 | Unaudited 31 December 2013 (restated) |
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| **Capital and reserves attributable to equity holders of the Company** | | | | | |
| Share capital | 95,482 | 95,482 | 88,312 | 95,482 | 95,482 |
| Reserve funds | - | - | 12,774 | - | - |
| Merger reserve | - | - | (18,244) | - | - |
| Other reserve | (5,200) | - | - | (5,200) | - |
| Foreign currency translation reserve | (2) | (1,092) | (3,015) | - | - |
| Accumulated losses | (87,148) | (84,444) | (50,419) | (86,730) | (95,537) |
| | 3,132 | 9,946 | 29,408 | 3,552 | (55) |
| Non-controlling interest | 69 | - | - | - | - |
| **Total equity** | 3,201 | 9,946 | 29,408 | 3,552 | (55) |
| **Current Liabilities** | | | | | |
| Loan and borrowings | 662 | - | 9,952 | - | - |
| Trade and other payables | 35,050 | 5,000 | 26,366 | 34,079 | 5,164 |
| Other liabilities | 296 | 267 | 1,605 | 281 | 266 |
| Provision for maintenance warranties | - | - | 62 | - | - |
| Income tax payable | - | - | 5,269 | - | - |
| Deferred tax liabilities | - | - | 1,007 | - | - |
| | 36,008 | 5,267 | 44,261 | 34,360 | 5,430 |
| Liabilities directly associated with assets classified as held for sale | - | 42,332 | - | - | - |
| | 36,008 | 47,599 | 44,261 | 34,360 | 5,430 |
| **Non-current Liabilities** | | | | | |
| Loan and borrowings | 39 | - | - | - | - |
| **Total Liabilities** | 36,047 | 47,599 | 44,261 | 34,360 | 5,430 |
| **Total Equity and Liabilities** | 39,248 | 57,545 | 73,669 | 37,912 | 5,375 |

**1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-**

**Amount repayable in one year or less, or on demand**

| | As at 31/12/2014 | | As at 31/12/2013 | |
|---|---|---|---|---|
| | Secured | Unsecured | Secured | Unsecured |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Obligation under finance lease | 41 | - | - | - |
| Borrowings | 590 | 31 | - | - |
| | 631 | 31 | - | - |

**Amount repayable after one year**

| | As at 31/12/2014 | | As at 31/12/2013 | |
|---|---|---|---|---|
| | Secured | Unsecured | Secured | Unsecured |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Obligation under finance lease | 39 | - | - | - |
| Borrowings | - | - | - | - |
| | 39 | - | - | - |

**Details of any collateral**

Finance lease and bank borrowings are secured over the Group's equipments and building.

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

| | 2014 | 2013 |
|---|---|---|
| | S$'000 | S$'000 |
| **Cash Flows from Operating Activities** | | |
| Loss before tax for continuing operations | (1,608) | (5,087) |
| Loss before tax for discontinued operations | (1,086) | (10,743) |
| | (2,694) | (15,830) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 81 | 3,120 |
| Amortisation of land use rights | - | 287 |
| Allowance for impairment of receivables | - | 15,353 |
| Reversal of provision for maintenance warranties | - | (65) |
| Finance costs | 26 | 1 |
| Gain on disposal of subsidiaries | 1,086 | (16,079) |
| Loss on re-measurement to fair value less costs to sell | - | 1,700 |
| Loss on settlement of loan owing to controlling shareholder by issuance of new ordinary shares | - | 4,063 |
| Unrealised exchange gain | - | 645 |
| **Operating cash flows before changes in working capital** | (1,501) | (6,805) |
| Changes in working capital: | | |
| Increase in inventories | - | (70) |
| Increase in prepaid operating expenses | (28) | 13 |
| (Increase)/Decrease in trade and other receivables | 3,337 | (10,293) |
| Increase/(Decrease) in trade and other payables | (4,822) | 14,775 |
| Increase in other liabilities | 19 | 106 |
| **Cash Flows generated from/(used in) operations** | (2,995) | (2,274) |
| Interest paid | (26) | 1 |
| Income taxes paid | (30) | - |
| **Net cash (used in)/generated from operating activities** | (3,051) | (2,273) |
| **Cash Flows from Investing Activities** | | |
| Net cash inflow on disposal of subsidiaries | 4,634 | 35 |
| Purchase of property, plant and equipment | (119) | (43) |
| Net cash flow from acquisition of subsidiary | (151) | - |
| Investment in available-for-sale financial assets | (10,000) | - |
| **Net cash used in investing activities** | (5,636) | (8) |

| | 2014 | 2013 |
|---|---|---|
| | S$'000 | S$'000 |
| **Cash Flows from Financing Activities** | | |
| Proceeds of non-trade amount due to directors | 150 | - |
| Proceeds of non-trade amount due to shareholders | 3,133 | - |
| Proceeds from loan and borrowings | 36 | 15,702 |
| Repayment of loan and borrowings | (79) | (11,514) |
| Proceeds from issuance of new ordinary shares | - | 900 |
| Share issuance expense | - | (50) |
| **Net cash (used in)/generated from financing activities** | 3,240 | 5,038 |
| | | |
| **Net (decrease)/increase in cash and cash equivalents** | (5,447) | 2,757 |
| Cash and cash equivalents at the beginning of the financial year | 5,585 | 2,650 |
| Effects of translation | - | 178 |
| **Cash and cash equivalents at the end of the financial year** | 138 | 5,585 |

**Notes:**

Cash and cash equivalent at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated balance sheet as follows:

| | 2014 | 2013 |
|---|---|---|
| | S$'000 | S$'000 |
| Cash at banks and on hand | 169 | 212 |
| Less: Bank overdraft | (31) | - |
| Cash and bank balances included in a disposal group held for sale | - | 5,373 |
| | 138 | 5,585 |

**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.**

| | Attributable to owners of the Company | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Reserve funds | Merger reserve | Other reserve | Foreign currency translation reserve | Accumulated losses | Total | Non-controlling interest | Total equity |
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| **Group** | | | | | | | | | |
| **Balance at 1 January 2014** | 95,482 | - | - | - | (1,092) | (84,444) | 9,946 | - | 9,946 |
| Loss for the year | - | - | - | - | - | (2,704) | (2,704) | 10 | (2,694) |
| Other comprehensive income | | | | | | | | | |
| -Foreign currency translation loss | - | - | - | - | 1,090 | - | 1,090 | - | 1,090 |
| Total comprehensive income for the year | - | - | - | - | 1,090 | (2,704) | (1,614) | 10 | (1,604) |
| Issuance of convertible bond | | | | (5,200) | - | - | (5,200) | - | (5,200) |
| Acquisition of subsidiary | - | - | - | - | - | - | - | 59 | 59 |
| **Balance at 31 December 2014** | 95,482 | - | - | (5,200) | (2) | (87,148) | 3,132 | 69 | 3,201 |
| | | | | | | | | | |
| **Balance at 1 January 2013** | 88,312 | 12,774 | (18,244) | - | (3,015) | (50,419) | 29,408 | - | 29,408 |
| Loss for the year | - | - | - | - | - | (28,555) | (28,555) | - | (28,555) |
| Other comprehensive income | | | | | | | | | |
| -Foreign currency translation gain | - | - | - | - | 1,923 | - | 1,923 | - | 1,923 |
| Total comprehensive loss for the year | - | - | - | - | 1,923 | (28,555) | (26,632) | - | (26,632) |
| Issuance of ordinary shares | 900 | - | - | - | - | - | 900 | - | 900 |
| Issuance of ordinary shares for debt capitalisation | 6,320 | - | - | - | - | - | 6,320 | - | 6,320 |
| Share issue expenses | (50) | - | - | - | - | - | (50) | - | (50) |
| Disposal of subsidiaries | - | (12,774) | 18,244 | - | - | (5,470) | - | - | - |
| **Balance at 31 December 2013** | 95,482 | - | - | - | (1,092) | (84,444) | 9,946 | - | 9,946 |

**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).**

| | Share capital S$'000 | Reserve funds S$'000 | Accumulated profits/(losses) S$'000 | Total S$'000 |
|---|---|---|---|---|
| As at 1 January 2014 | 95,482 | - | (95,537) | (55) |
| Issuances of bond | - | (5,200) | - | (5,200) |
| Other comprehensive income | - | - | 8,807 | 8,807 |
| As at 31 December 2014 | 95,482 | (5,200) | (86,730) | 3,552 |

| | Share capital S$'000 | Reserve funds S$'000 | Accumulated (losses) S$'000 | Total S$'000 |
|---|---|---|---|---|
| As at 1 January 2013 | 95,482 | - | (93,516) | 1,966 |
| Other comprehensive income | - | - | (2,021) | (2,021) |
| As at 31 December 2013 | 95,482 | - | (95,537) | (55) |

**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. 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.**

Details of ordinary share capital movements are as shown below:

| As at 31/12/2014 | | As at 31/12/2013 | |
|---|---|---|---|
| **No of shares** | **S$** | **No of shares** | **S$** |
| 1,316,763,799 | 95,481,587 | 1,316,763,799 | 95,481,587 |

**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.**

| **Company** | **31/12/2014** | **31/12/2013** |
|---|---|---|
| Total number of issued shares | 1,316,763,799 | 1,316,763,799 |

There are no treasury shares as at the end of the current financial year 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 not been audited or reviewed 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 same accounting policies and methods of computation adopted in the most recently audited financial statements for the financial year ended 31 December 2013 have been applied in the preparation for the financial statements for the financial year ended 31 December 2014 except that the Group has adopted the new and revised Financial Reporting Standards (FRS) and interpretations of FRS (INTFRS) which became effective for annual period beginning on 1 January 2014 or otherwise stated.

**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 adoption of the new and revised FRS and INT FRS does not have any material financial impact on the Group's and Company's financial statements for the current year.

**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. (a) Based on the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustments made to the earnings).**

| | 4th Quarter Ended | | Year Ended | |
|---|---|---|---|---|
| | 31/12/2014 | 31/12/2013 | 31/12/2014 | 31/12/2013 |
| | S$ (cents) | S$ (cents) | S$ (cents) | S$ (cents) |
| (Loss)/Profit per share | | | | |
| - Basic | (0.53) | 0.17 | (0.20) | (2.81) |
| - Diluted | (0.53) | 0.17 | (0.20) | (2.81) |

The basic and diluted EPS is computed using loss attributable to shareholders of the Company in the relevant periods over the weighted average number of shares as shown below:

| | No. of shares | No. of shares | No. of shares | No. of shares |
|---|---|---|---|---|
| Basic | 1,316,763,799 | 1,316,763,799 | 1,316,763,799 | 1,316,763,799 |
| Diluted | 1,316,763,799 | 1,316,763,799 | 1,316,763,799 | 1,316,763,799 |

**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2014 | 31/12/2013 | 31/12/2014 | 31/12/2013 |
| | S$ | S$ | S$ | S$ |
| Net asset value per ordinary share | –* | 0.01 | –* | –* |

*Less than S$ 0.01

Net asset value per ordinary share of the Group was calculated based on the share capital of 1,316,763,799 (FY2013：1,316,763,799) shares.

**8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**REVIEW OF INCOME STATEMENT**

Revenue and cost of sales

Revenue increased to S$2.3million for the financial year ended 31 December 2014 ("FY2014"). The revenue for the 3 months ended 31 December 2014 ("4Q 2014") was S$1.1 million. The Group's cost of sales increased by S$2.1 million and S$1.0 million for FY2014 and 4Q2014 respectively from the construction segment.

The Group had acquired a subsidiary Elite Bay Sdn Bhd ("Elite Bay") a construction company with operations in Malaysia. Elite Bay contributed solely to the increase in revenue and cost of sales in FY2014 and 4Q2014. The increase in revenue for 4Q2014 was attributed by the completion of projects. Besides, on-going projects also contributed to the increase in revenue. Increase in cost of sales was in line with the increase in revenue.

Other Income

The Group had in previous quarter recognized a negative goodwill of S$220,000 arising from the acquisition. This amount was reversed in 4Q2014 after the finalization of Elite Bay accounts. Based on the audited account of Elite Bay, the Group recognized a goodwill on acquisition of S$25,000 (refer below section on the review of Group Balance Sheet).

Administrative Expenses

Administrative Expenses consist of salary, bonus and director remuneration, office rental, depreciation, travelling expenses, legal fees, and other expenses. Administrative expenses increased by S$1.2million in FY2014 and S$826,000 in 4Q 2014 respectively.

Increased in administrative expenses in FY2014 is due mainly to the increase in salary, bonus and director remuneration by S$405,000. Travelling expenses and legal fees had also increased by S$117,000 and S$370,000 respectively. These expenses relates mainly to the proposed investment in subsidiary and available for sale financial assets. Depreciation increased by S$81,000 due mainly to the operation of Elite Bay. Besides, office rental and other professional fees increased by S$124,000 and S$135,000 respectively. Other professional fees included the audit and tax compliance costs, secretary fees and share registrar expenses.

The above had led to the increase in administrative expenses in 4Q2014.

Other Expenses

The decrease in Other Expenses is mainly due to the loss of S$4,063,000 in 2013 for issuance of 451,458,200 new ordinary shares at S$0.005 from settlement of loan of Rmb11.4 million owing to the controlling shareholder for advances made to the Company for the period from 1 January 2010 to 17 January 2013 to fund and pay its operating expenses and professional fees. The loss arises from the difference between the issued price of S$0.005 per share and the market price of S$0.014 per share at date of issuance i.e. 26 June 2013, but there is no such transaction in FY2014.

Other expenses reduce by S$200,000 compared to 4Q2013 due mainly to the unrealized currency loss of S$201,000 was recognized in 4Q2013.

**REVIEW OF STATEMENT OF FINANCIAL POSITION**

**Non-current assets**

The acquisition of Elite Bay had led to the increase in property, plant and equipment, goodwill and deferred tax by S$836,000, S$25,000 and S$3,000 respectively.

The Group had invested in Ardilaun Energy Limited ("Ardilaun") whose principal activities are those of oil and gas exploration and development in Irish territories and internationally, and also invested in Topkapi Mineral Sanayi ve Ticaret A.S. ("Topkapi"), a wholly-owned subsidiary of Renaissance, whose principal activities are those of exploration, development, extraction, processing, production and trading of metals and minerals in Turkey. The above investment led to the increase in available-for-sale financial assets by S$35.4 million.

**Current assets**

Current Assets as at 31 December 2014 amounted to S$3 million (FY2013: S$57.5 million). The decrease is mainly due to the decrease in assets of the Disposal Group classified as Held for Sale amounting to S$52.3 million whereby the disposal was completed on 27 March 2014.

Trade and other receivables decreased by S$2.2 million mainly due to the transfer of deposit held in escrow (with the lawyer) from the consideration of the disposal of heating services business amounting to S$5 million , as payment for acquisition of 19.9% equity interests in Ardilaun. The decrease is offset by the increase in trade and other receivable from the acquisition of Elite Bay by S$1.0 million increase in amount due to related company by S$1.8million.

**Current liabilities**

Current liabilities decrease by S$11.6 million. The decrease due mainly to the decrease in liabilities directly associated with assets classified as held for sale by S$42.3 million whereby the disposal was completed in March 2014. The decreased was offset by the increase in trade and other payables by S$30 million due mainly to the issuances of notes payable amounting to S$28.6million for the investment in Renaissance. Acquisition of Elite Bay had also contributed to the increase in trade and other payables and borrowings by S$985,000 and S$662,000 respectively.

**Non-current liabilities**

Elite Bay had long-term borrowing of S$39,000.

**REVIEW OF STATEMENT OF CASH FLOW**

The Group reported a net decrease in cash and cash equivalents of S$5.4 million in FY2014, which was mainly attributable to the following:

- In FY2014, the Group generated cash of S$233,000 from its operating activities.
- Net cash used in investing activities was S$5.6 million in FY2014. The decrease in cash due mainly to the investment in Ardilaun offset by the net cash received from the disposal of subsidiaries in People's Republic of China.
- In FY2014, the Group reported net cash used in financing activities of S$43,000 on the repayment of the borrowing taken up by Elite Bay.

**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.**

Barring any unforeseen circumstances, there are no significant changes in the trends and competitive conditions of the industry in which the Group operates and no major known factors or events that may adversely affect the Group in the next reporting period and the next twelve months.

Recent Developments

As part of the strategy to diversify and expand its business base, the recent developments undertaken by the Group are as follows:

Disposal of subsidiary – Daqing NaiFei Le Consulting Co. Ltd ("NaiFei Le")

- On 29 December 2014, the Group had disposed NaiFei Le due to the challenging business environment and intense competition in People's Republic of China ("PRC"). By undertaking the Disposal, the Group would be able to channel its resources and efforts to other areas of its businesses instead of focusing on the non-performing asset.

Takeover Bid for Guildford Coal Limited ("GUF") - Lapse of Offer and Status of Conditions

- As announced on 17 February 2015, the Takeover Bid had lapsed on the 25 February 2015 and the Company had not seek further approval of shareholders for the Takeover Bid. For details please refer to our announcement on 17 February 2015.

Sino Joint Venture Company Starts Micro Power Plant Construction

- Magnum Modular Power Generation Pte Ltd ("MMPGPL"), a joint venture subsidiary with Primeforth Special Situation Fund Limited ("PSSFL"), registered in Singapore, has commenced execution of its Micro Power Plant ("MPP") construction strategy in South Korea.

The Company is targeting the turnkey operation of the first MPP by the 10th of April 2015. This is dependent on the normal approval processes by the City of Pohang and the Korea Power Exchange ("KPX").

The Company will update the shareholders when there are further developments.

**11 If a decision regarding dividend has been made:-**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

None.

**(b) (i) Amount per share**

**(ii) Previous corresponding period**

Not applicable.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

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

No dividend has been declared or recommended for the year ended 31 December 2014.

**13 If the Group has obtained a general mandate from shareholders for IPTs, 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.**

There were no IPTs during the period under review.

**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.**

| | Construction | Investment holding | Total |
|---|---|---|---|
| | S$'000 | S$'000 | S$'000 |
| **Group** | | | |
| **2014** | | | |
| **Revenue** | | | |
| External customers, representing total revenue | 2,331 | - | 2,331 |
| **Results** | | | |
| Cost of sales | (2,052) | - | (2,052) |
| Depreciation of property, plant and equipment | (72) | (9) | (81) |
| Loss before tax from continuing operations | 24 | (1,632) | (1,608) |
| **Assets** | | | |
| Additions to non-current assets | 761 | 35,480 | 36,241 |
| Segment assets | 1,087 | 38,161 | 39,248 |
| **Liabilities** | | | |
| Segment liabilities | 1,687 | 34,360 | 36,047 |

| | (Discontinue operations) | | | | | | |
|---|---|---|---|---|---|---|---|
| | Construction | Concrete products | Services | Investment holding | Adjustment | Notes | Total |
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | | S$'000 |
| **Group** | | | | | | | |
| **2013** | | | | | | | |
| **Revenue** | | | | | | | |
| External customers, representing total revenue | - | 7,447 | 17,143 | - | (24,590) | A | - |
| Results | | | | | | | |
| Interest income | 2 | 1 | 1 | - | (4) | A | - |
| Depreciation of property, plant and equipment | (220) | (1,136) | (1,764) | - | 3,120 | A | - |
| Amortisation of land use rights | - | - | 287 | - | (287) | A | - |
| Reversal of provision for maintenance warranties | 65 | - | - | - | (65) | A | - |
| Allowance for impairment of receivables | (15,353) | - | - | - | 15,353 | A | - |
| Loss before tax from continuing operations | - | - | - | (5,087) | - | | (5,087) |
| **Assets** | | | | | | | |
| Additions to non-current assets | - | 2 | 42 | - | (44) | B | - |
| Segment assets | 3,676 | 9,837 | 54,077 | 5,212 | (67,590) | B | 5,212 |
| **Liabilities** | | | | | | | |
| Segment liabilities | 12,853 | 17,125 | 42,332 | 5,267 | (72,310) | B | 5,267 |

Notes:

A These amounts relate to the results of Dazheng Building, Baixinyuan Concrete and Heating Services Business, which have been excluded from the results of continuing operations and presented separately on the consolidated statement of comprehensive income as “Discontinued operations”.

B These amounts relate to the assets and liabilities of Dazheng Building, Baixinyuan Concrete and Heating Services Business. Other than the assets and liabilities of Heating Services Business which have been presented in the balance sheet as “Assets of disposal group classified as held for sale” and “Liabilities directly associated with disposal group classified as held for sale” respectively, the assets and liabilities of Dazheng Building and Baixinyuan Concrete had been disposed of on 30 December 2013 respectively.

**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.**

The Group does not provide geographical segment results as the Group's operation are located in the PRC for FY2013. After the disposal of PRC subsidiaries in FY2014, the operations are now located in Malaysia in FY2014.

**16 A breakdown of sales.**

| | 2014<br>S$ '000 | 2013<br>S$ '000 | (+/-)<br>% |
|---|---|---|---|
| **1st Half Year:** | | | |
| (a) Sales reported for the period | 1,137 | –(1) | n.m |
| (b) Operating profit/(loss) after tax reported for the period | 51 | (4,601) | >100.0 |
| **2nd Half Year:** | | | |
| (a) Sales reported for the period | 1,194 | –(1) | n.m |
| (b) Operating loss after tax reported for the period | (1,658) | (486) | >100.0 |

Note:
(1) Exclude sales and loss from discontinued operations.

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

| | Current Year<br>SS'000 | Previous Year<br>SS'000 |
|---|---|---|
| (a) Ordinary | – | – |
| (b) Preference | – | – |
| (c) Total | – | – |

**18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual of SGX-ST, the Group would like to confirm that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a Director, Chief Executive Officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

Drew Ethan Madacsi
Executive Director
24 March 2015