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 FIRST QUARTER AND THREE MONTHS ENDED 31 MARCH 2015

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 1st Quarter Ended		
	31/03/2015	31/03/2014	(+/-)
	S$'000	S$'000	%
Continuing Operations			
Revenue	342	-	n.m
Cost of sales	(116)	(3)	>100%
Gross Profit	226	(3)	>100%
Other items of Income			
Other income	15	303	<100%
Other items of Expense			
Administrative expenses	(453)	(215)	>100%
Finance costs	(77)	(1)	>100%
Other expenses	-	(3)	n.m
Profit/(loss) before income tax	(289)	81	<100%
Income tax	-	-	-
Profit/(loss) before tax from continuing operations	(289)	81	<100%
Discontinued operations			
Profit/(loss) from continuing operations	-	-	
Profit/(loss) for the period	(289)	81	<100%
Other comprehensive income for the period			
Foreign currency translation	-	810	n.m
Total comprehensive income for the period	(289)	891	<100%
Profit/(Loss) for period attributable to:			
Owners of the company	(370)	101	<100%
Non-controlling interests	81	(19)	>100%
	(289)	81	

Total Comprehensive Income for the Period attributable to:			
Owners of the company	(370)	910	<100%
Non-controlling interests	81	-19	>100%
	(289)	891	<100%

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	
	1st Quarter Ended	
	31/03/2015	**31/03/2014**
	S$'000	**S$'000**
Depreciation of Property, Plant & Equipment	22	16

1(a)(iii) Other expenses

	1st Quarter Ended	
	31/03/2015	**31/03/2014**
	S$'000	**S$'000**
Unrealised Exchange gain/(loss), Net	(7)	2
Gain on disposal of Group	-	301
	(7)	303

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	**Audited**	**Unaudited**	**Audited**
	31/3/2015	**31/12/2014**	**31/3/2015**	**31/12/2014**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Assets				
Non-Current assets				
Available-for-sale financial assets	23,380	35,380	23,380	23,380
Investment in subsidiaries	-	-	12,100	12,100
Property, plant and equipment	814	836	-	-
Deferred tax asset	-	3		
Goodwill	6	25		
	24,200	**36,244**	**35,480**	**35,480**
Current Assets				
Available-for-sale financial assets	12,000	-	-	-
Trade and other receivables:	2,852	2,782	3,022	2,359
Income tax receivables	10	10		
Prepaid operating expenses	43	43	41	10
Work in Progress	651			
Cash and cash equivalents	138	169	110	63
	15,694	3,004	3,173	2,432
Total Assets	**39,894**	**39,248**	**38,653**	**37,912**
Equity and Liabilities				
Equity				
Capital and reserves attributable to equity holders of the company				
Share capital	95,482	95,482	95,482	95,482
Other reserve	(5,200)	(5,200)	(5,200)	(5,200)
Foreign currency translation reserve	85	(2)		
Accumulated (profit)/loss	(87,523)	(87,148)	(87,073)	(86,730)
	2,844	3,132	3,209	3,552
Non-controlling interest	81	69		
Total Equity	2,925	3,201	3,209	3,552

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	31/3/2015	31/12/2014	31/3/2015	31/12/2014
	S$'000	S$'000	S$'000	S$'000
Current liabilities				
Loan and borrowings	567	662		
Trade and other payables	34,978	35,050	34,215	34,079
Other liabilities	279	296	279	281
	35,824	36,008	34,494	34,360
Non-Current liabilities				
Borrowings	1,145	39	950	-
Total liabilities	36,969	36,047	35,444	34,360
Total Equity and Liabilities	**39,894**	**39,248**	**38,653**	**37,912**

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 31/03/2015		As at 31/12/2014	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Obligation under finance lease	-	-	41	-
Borrowings	567	-	590	31
	631	-	631	31

Amount repayable after one year

	As at 31/03/2015		As at 31/12/2014	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Obligation under finance lease	55	-	39	-
Borrowings	1,090	-	-	-
	1,145	-	39	-

Details of any collateral

Finance lease and bank borrowings are secured over the Group's operating equipment 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.

	Unaudited 1st Quarter Ended	
	31/3/2015	31/12/2014
	S$'000	S$'000
Cash Flows from Operating Activities		
Profit before tax for continuing operations	(289)	(1,608)
Loss before tax for discontinued operations	-	(1,086)
	(289)	(2,694)
Adjustments for:		
Depreciation of property, plant and equipment	22	81
Gain on disposal of subsidiaries	-	1,086
Finance costs	77	26
Unrealised exchange gain	82	-
Work in Progress	(651)	
Operating cash flows before changes in working capital	(759)	(1,501)
Changes in working capital:		
Decrease (increase) in gross amount due to customer for contract work-in-progress	(177)	-
Decrease (increase) in trade and other receivables	(70)	3,337
Decrease (increase) in prepaid operating expenses	1	(28)
Increase (decrease) in trade and other payables	191	(4,822)
Increase (decrease) in other liabilities	(17)	19
Cash flows from/(used in)operations	(831)	(2,995)
Interest paid	(77)	(26)
Income taxes paid	-	(30)
Net cash flows from operating activities	(908)	(3,051)
INVESTING ACTIVITIES		
Net cash inflow on disposal of subsidiaries	-	4,634
Purchase of property, plant and equipment	-	(119)
Disposal of subsidiaries, net of cash disposal	-	-
Net cash out flow on acquisition of a subsidiary	20	(151)
Investment in available-for-sale financial assets	-	(10,000)
Net cash flows used in investing activities	(20)	(5,636)

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 loans and borrowings	950	36
Repayment of loans and borrowings	(25)	(79)
Acquisition of non-controlling interest	(69)	-
Net cash flows (used in)/from financing activities	(857)	3,240
Net increase in cash and cash equivalents	(31)	(5,447)
Cash and cash equivalents at beginning of period	169	5,585
Cash and cash equivalents at end of period	138	138

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 2015	95,482	-	-	(5,200)	(2)	(87,148)	3,132	69	3,201
Profit/(Loss) for the period	-	-	-	-	83	(370)	(287)	11	(276)
Other comprehensive income									
- Foreign currency translation loss	-	-	-	-		-	-	-	-
Total comprehensive income for the period	-	-	-	-	81	(370)	(289)	11	(278)
Issuance of convertible bond	-	-	-		-	-	-	-	-
Disposal of subsidiary	-	-	-	-	-		-	-	-
Acquisition of subsidiary	-	-	-	-	-	-	-		-
Balance at 31 March 2015	95,482	-	-	(5,200)	85	(87,523)	2,843	80	2,923
Balance at 1 January 2014	95,482	-	-	-	(1,092)	(84,444)	9,946	-	9,946
Loss for the year	-	-	-	-	-	(2,621)	(2,621)	10	(2,611)
Other comprehensive income									
- Foreign currency translation loss	-	-	-	-	1,090	-	1,090	-	1,090
Total comprehensive income for the year	-	-	-	-	1,090	(2,621)	(1,531)	10	(1,521)
Issuance of convertible bond	-	-	-	(5,200)	-	-	(5,200)	-	(5,200)
Disposal of subsidiary	-	-	-	-	-	(83)	(83)	-	(83)
Acquisition of subsidiary	-	-	-	-	-	-	-	59	59
Balance at 31 December 2014	95,482	-	-	(5,200)	(2)	(87,148)	3,132	69	3,201

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. (cont'd)

	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	-	-	-	3,764	(89,300)	9,946	-	9,946
Profit/(Loss) for the period	-	-	-	-		100	100	(19)	81
Other comprehensive income									
- Foreign currency translation loss	-	-	-	-	810	-	810	-	810
Total comprehensive income for the period	95,482	-	-	-	810	100	910	(19)	891
Disposal of subsidiary						(1,105)	(1,105)		(1,105)
Capital reserve arising to acquisition of Elite Bay	-	367	-		-	-	367	-	367
Additional non-controlling interest arising on acqisition of subsidiary								76	76
	-	-	-	-	-		-	-	-
Balance at 31 March 2014	95,482	367	-	-	4,574	(90,205)	10,118	57	10,175

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).

Unaudited 2015 - Company	Share capital	Other reserve	Foreign currency translation reserve	Accumulated losses	Attributable to owners of the parent
	S$'000	S$'000	S$'000	S$'000	S$'000
Group					
At 1 January 2015	95,482	(5,200)	-	(86,730)	3,552
Profit/(Loss) for the period	-	-	-	(342)	(342)
Other comprehensive income					
- Foreign currency translation loss	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(342)	(342)
Issuance of convertible bond	-		-	-	-
Disposal of subsidiary	-	-	-		-
Total comprehensive income for the period	-	-	-	-	-
At 31 March 2014	95,482	(5,200)		(87,072)	3,210

Audited 2014 - Company	Share capital	Other reserve	Foreign currency translation reserve	Accumulated losses	Attributable to owners of the parent
	S$'000	S$'000	S$'000	S$'000	S$'000
At 1 January 2014	95,482	-	-	(95,537)	(55)
Profit for the period	-	-	-	9,845	9,845
Other comprehensive income					
Foreign currency translation	-	-	-	-	-
Total comprehensive income for the period	-	-			
At 31 March 2014	95,482	-	-	(85,692)	9,790

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 31/03/2015		As at 31/03/2014	
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	**31/03/2015**	**31/03/2014**
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 2014 have been applied in the preparation for the financial statements for the financial year ended 31 March 2015 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 2015 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).

	1st Quarter Ended	
	31/3/2015	**31/3/2014**
	S$ (cents)	**S$ (cents)**
Profit per share		
Basic	(0.02)	(0.53)
Diluted	(0.02)	(0.53)

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

	No of Shares	**No of Shares**
Basic	1,316,763,799	1,014,009,867
Diluted	1,316,763,799	1,014,009,867

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**	
	31/3/2015	**31/12/2014**	**31/3/2015**	**31/12/2014**
	S$	**S$**	**S$**	**S$**
Net asset value per ordinary shares	0.01	0.01	0.01	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

The Group reported a net loss of S$289,000 for the period ended 31 March 2015. An analysis of the statement of comprehensive income is as follows**:**

Revenue and cost of sales

The Group's revenue and cost of sales for the period ended 31 March 2015 ("1Q 2015") was S$342,000 and S$116, 000 respectively and is solely attributed by our subsidiary Elite Bay Sdn Bhd ("Elite Bay") from their construction segment in Malaysia.

Our Group did not recognized any business activities in Q1 2014. Hence, there was no revenue recognized. The nominal cost of sales recognized in Q1 2014 was attributed by Elite Bay construction operation which was acquired on 29 January 2014.

Other Income

It comprised of recuperation of expenses paid by Elite Bay on behalf of sub-contractor.

Administrative Expenses

Administrative Expenses mainly consist of salary, director remuneration, office rental, depreciation, legal fees, and other expenses. The increase in administrative expenses in Q1 2015 were due mainly to legal fees and professional fees which increased by S$158,000. These expenses were in relation to the GUF Takeover Bid which was discontinued on 17 February 2015. Apart from that, office rental also increased by S$48,400.00 due to relocation of the Company's office. Other professional fees include audit and tax compliance costs, secretary fees and share registrar expenses. The above had led to the increase in administrative expenses in 1Q2015

REVIEW OF STATEMENT OF FINANCIAL POSITION

Non-Current Asset

The Group had 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 investments made up the Group's available-for-sale financial assets amounting to S$23.38 million.

Current assets

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. The above investments made up the Group's available-for-sale financial assets amounting to S$12.0 million. It is the Group's intention to sell Ardilaun in FY2015, as previously announced, the company is refocussing on construction based revenue streams.

Trade and Other Receivables which increased by S$70,000 mainly due to Elite Bay's construction segment. The Group also bought a generator and crude oil amount to S$651,000 for the Miro Power Plant in South Korea.

Current liabilities

Current liabilities decreased by S$184,000. This primarily decreased was attributed by Elite Bay's Trade and Other Payables and Borrowings by S$72,000 and S$95,000 respectively.

Non-current liabilities

Sino Construction Ltd and Elite Bay has long-term borrowings of S$950,000 and S$195,000 respectively.

REVIEW OF STATEMENT OF CASH FLOW

The Group reported a net decrease in cash and cash equivalents of S$31,000 in Q1 2015, which was mainly attributable to the following:

- In Q1 2015, the Group generated a deficit cashflow of S$908,000 from its operating activities. The decrease in cash were due mainly to buy generators and materials for the construction of Micro Power Plant in Korea
- Also the Group reported net cash used in financing activities of S$25,000 on the repayment of the borrowing taken up by Elite Bay. Sino Construction also had a borrowings of S$950,000.00 to pay for operating expenses.

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.

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

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.

Execution of MMP has slightly deviated from our initial target in April 2015, but the management remains optimistic that additional Fire Isolation Infrastructure will be completed before 30th May 2015. Upon execution, we will be running the testing phase, which will test compliance adherence, safety and functionality of the MPP and expect full operational capability and record revenue stream by mid May 2015. The revenues from MPP are expected to form a substantial portion of the Groups' revenues from 3QFY2015 onwards

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 Registered 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.

14 Use of proceeds from placement

Announcement was made on 30 March 2015 of the proceeds raised from the proposed placement amounting to S$6.5 million for Micro Power Plant. The status on the use of proceeds from placement is as follows:

Use of Proceeds	Percentage Allocation (%)
Funding further construction of more micro power plants	Approximately 25% to 40%
Implementation of personnel strategy	Approximately 15% to 25%
General Working Capital	Approximately 35% to 60%

The Company will make further announcement when the placement of shares is completed and the proceeds from the placement are materially disbursed.

15 Negative confirmation pursuant to Rule 705(5)

We, Drew Ethan Madacsi and Chong Chee Meng Gerard, being Directors of the Company, do hereby confirm for and on behalf of the Board of 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 unaudited financial results for the 3 months ended 31 March 2015 to be false or misleading in any material respect. .

BY ORDER OF THE BOARD

Drew Ethan Madacsi
Executive Director
8 May 2015