



**Unaudited Financial Statement And Dividend Announcement for the Second Quarter and Six Months Ended 30 June 2014**

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

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

1(a)(i) Statement of comprehensive income for the second quarter and six months ended 30 June 2014

		Group					
Note		2 <sup>nd</sup> quarter ended 30 June 2014	2 <sup>nd</sup> quarter ended 30 June 2013	Increase / (decrease)	6 months ended 30 June 2014	6 months ended 30 June 2013	Increase / (decrease)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>	(a)	14,975	12,702	18	86,462	23,691	265
Cost of sales	(b)	(10,548)	(10,390)	2	(79,068)	(19,790)	300
<b>Gross profit</b>		4,427	2,312	91	7,394	3,901	90
Other (losses)/income, net		(433)	183	nm	(581)	389	nm
Selling and distribution expenses		(524)	(540)	(3)	(995)	(1,036)	(4)
General and administrative expenses		(1,605)	(913)	76	(2,597)	(1,922)	35
Finance costs		(15)	(57)	(74)	(41)	(116)	(65)
<b>Profit before income tax</b>		1,850	985	88	3,180	1,216	162
Income tax expense		(1)	(1)	-	(2)	(2)	-
<b>Net profit for the period</b>	(c)	1,849	984	88	3,178	1,214	162
<b>Other comprehensive income/(loss):</b>							
<b>Items that may be reclassified subsequently to profit or loss:</b>							
Available-for-sale financial assets:							
- Fair value losses		(11)	(22)	(50)	(31)	(52)	(40)
- Reclassification		138	153	(10)	245	153	60
Currency translation differences arising from consolidation		324	(410)	nm	194	(212)	nm
<b>Other comprehensive income/(loss), net of tax</b>		451	(279)	nm	408	(111)	nm
<b>Total comprehensive income</b>		2,300	705	226	3,586	1,103	225
<b>Profit attributable to:</b>							
Equity holders of the Company		1,673	792	111	2,881	941	206
Non-controlling interests		176	192	(8)	297	273	9
		1,849	984	88	3,178	1,214	162
<b>Total comprehensive income attributable to:</b>							
Equity holders of the Company		1,962	570	244	3,126	860	263
Non-controlling interests		338	135	150	460	243	89
		2,300	705	226	3,586	1,103	225

**Footnotes:**

(a) Revenue comprises the following:

	Group					
	2 <sup>nd</sup> quarter ended 30 June 2014	2 <sup>nd</sup> quarter ended 30 June 2013	Increase / (decrease)	6 months ended 30 June 2014	6 months ended 30 June 2013	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Sales of goods	11,794	12,384	(5)	22,750	23,055	(1)
Rental income from investment property	328	318	3	656	636	3
Construction revenue	-	-	nm	58,822	-	nm
Finance revenue	1,731	-	nm	2,615	-	nm
Operating and maintenance income	1,122	-	nm	1,619	-	nm
	14,975	12,702	18	86,462	23,691	265

(b) The cost of sales includes the following:

	Group					
	2 <sup>nd</sup> quarter ended 30 June 2014	2 <sup>nd</sup> quarter ended 30 June 2013	Increase / (decrease)	6 months ended 30 June 2014	6 months ended 30 June 2013	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Costs of goods sold	9,731	10,337	(6)	18,985	19,684	(4)
Construction expense	-	-	nm	58,822	-	nm
Operating and maintenance fees	565	-	nm	856	-	nm
Others	252	53	375	405	106	282
	10,548	10,390	2	79,068	19,790	300

(c) Profit for the period included the following:

	Group					
	2 <sup>nd</sup> quarter ended 30 June 2014	2 <sup>nd</sup> quarter ended 30 June 2013	Increase / (decrease)	6 months ended 30 June 2014	6 months ended 30 June 2013	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation	(778)	(813)	(4)	(1,548)	(1,616)	(4)
Gain on disposal of property, plant and equipment	-	-	nm	3	11	(73)
Allowance for impairment of trade receivables	-	-	nm	(114)	-	nm
Foreign exchange (loss)/gain, net	(369)	100	nm	(411)	131	nm
Bad debts recovered	-	128	nm	-	128	nm
Net loss on redemption of available-for-sale financial assets	(138)	(153)	(10)	(245)	(153)	60
Interest income	51	105	(51)	158	264	(40)
Interest expense	(15)	(57)	(74)	(41)	(116)	(65)

nm - not meaningful

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

	Group		Company	
	30/06/2014 S\$'000	31/12/2013 S\$'000	30/06/2014 S\$'000	31/12/2013 S\$'000
<b>Non-current Assets</b>				
Property, plant and equipment	61,894	62,559	293	333
Investment property	7,753	7,859	-	-
Investments in subsidiaries	-	-	15,694	15,469
Financial receivables*	45,174	-	-	-
Other receivables	-	-	27,300	-
<b>Total Non-current Assets</b>	<b>114,821</b>	<b>70,418</b>	<b>43,287</b>	<b>15,802</b>
<b>Current Assets</b>				
Inventories	9,621	9,533	-	-
Financial receivables*	14,851	-	-	-
Trade receivables	11,535	11,937	401	836
Other receivables	414	15,229	62,724	48,922
Tax recoverable	1	1	-	-
Prepaid operating expenses	405	307	22	15
Available-for-sale financial assets	-	3,531	-	3,531
Cash and bank balances	31,407	71,131	28,473	68,513
<b>Total Current Assets</b>	<b>68,234</b>	<b>111,669</b>	<b>91,620</b>	<b>121,817</b>
<b>Current Liabilities</b>				
Borrowings	(704)	(2,483)	-	-
Trade payables and accruals	(4,725)	(4,241)	(244)	(156)
Other payables	(278)	(346)	(94)	(172)
<b>Total Current Liabilities</b>	<b>(5,707)</b>	<b>(7,070)</b>	<b>(338)</b>	<b>(328)</b>
<b>Net Current Assets</b>	<b>62,527</b>	<b>104,599</b>	<b>91,282</b>	<b>121,489</b>
<b>Non-current Liabilities</b>				
Deferred income tax liabilities	(653)	(653)	-	-
<b>Total Non-current Liabilities</b>	<b>(653)</b>	<b>(653)</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>	<b>176,695</b>	<b>174,364</b>	<b>134,569</b>	<b>137,291</b>
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	140,578	140,578	140,578	140,578
Reserves/(accumulated losses)	28,796	26,925	(6,009)	(3,287)
	169,374	167,503	134,569	137,291
<b>Non-controlling interests</b>	<b>7,321</b>	<b>6,861</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>176,695</b>	<b>174,364</b>	<b>134,569</b>	<b>137,291</b>

\* The Group recognised financial receivables as it has a contractual right under the concession agreement to receive a fixed and determinable amount of payments during the concession period irrespective of the usage of the plant. The financial receivables are measured on initial recognition at its fair value. Subsequent to initial recognition, the financial receivables are measured at amortised cost using the effective interest rate method.

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

**(a) Amount repayable in one year or less, or on demand**

As at 30/06/2014		As at 31/12/2013	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
-	704	-	2,483

**(b) Amount repayable after one year**

As at 30/06/2014		As at 31/12/2013	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

**(c) Details of any collaterals**

As at 30 June 2014, secured borrowings refer to the trade facilities that are secured by a charge over fixed deposits of S\$394,000 (31 December 2013: S\$391,000). There is no secured borrowing as at 30 June 2014.

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

	2 <sup>nd</sup> quarter ended 30 June 2014	2 <sup>nd</sup> quarter ended 30 June 2013	6 months ended 30 June 2014	6 months ended 30 June 2013
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Profit before income tax	1,850	985	3,180	1,216
Adjustments for:				
Depreciation	778	813	1,548	1,616
Gain on disposal of property, plant and equipment	-	-	(3)	(11)
Net loss on redemption of available-for-sale financial assets	138	153	245	153
Allowance for impairment of trade receivables	-	-	114	-
Finance income	(1,731)	-	(2,615)	-
Interest income	(51)	(105)	(158)	(264)
Interest expenses	15	57	41	116
Unrealised currency translation losses/(gains)	480	(124)	635	(148)
Operating cash flows before working capital changes	1,479	1,779	2,987	2,678
Changes in working capital				
Inventories	(35)	105	(88)	(118)
Financial receivables	(1,122)	-	476	-
Trade receivables	(547)	(792)	288	(1,184)
Other receivables	256	(66)	198	(166)
Prepaid operating expenses	(251)	(76)	(98)	(265)
Trade payables and accruals	467	1,055	283	(56)
Other payables	(47)	(215)	(68)	(156)
Cash generated from operations	200	1,790	3,978	733
Interest received	35	157	104	229
Interest paid	(15)	(57)	(41)	(116)
Income tax paid	(1)	(1)	(2)	(2)
<b>Net cash provided by operating activities</b>	<b>219</b>	<b>1,889</b>	<b>4,039</b>	<b>844</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(49)	(285)	(102)	(319)
Proceeds from disposal of property, plant and equipment	-	-	3	24
Redemption of available-for-sale financial assets	2,250	3,000	3,500	3,000
Acquisition of financial asset	-	-	(44,093)	-
<b>Net cash from/(used in) investing activities</b>	<b>2,201</b>	<b>2,715</b>	<b>(40,692)</b>	<b>2,705</b>
<b>Cash flows from financing activities</b>				
Repayment of borrowings	(1,219)	(1,681)	(1,779)	(1,049)
Proceeds from exercise of warrants of the Company	-	-	-	4,067
Dividend paid to equity holders of the Company	(1,255)	(1,255)	(1,255)	(1,255)
<b>Net cash (used in)/from financing activities</b>	<b>(2,474)</b>	<b>(2,936)</b>	<b>(3,034)</b>	<b>1,763</b>

	<b>2<sup>nd</sup> quarter ended 30 June 2014</b>	<b>2<sup>nd</sup> quarter ended 30 June 2013</b>	<b>6 months ended 30 June 2014</b>	<b>6 months ended 30 June 2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(54)	1,668	(39,687)	5,312
<b>Cash and cash equivalents at beginning of period</b>	31,097	83,182	70,740	79,884
<b>Effects of currency translation on cash and cash equivalents</b>	(30)	35	(40)	93
<b>Cash and cash equivalents at end of period</b>	<u>31,013</u>	<u>84,885</u>	<u>31,013</u>	<u>85,289</u>

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following balance sheet amounts:

Cash and bank balances	31,407	85,289	31,407	85,693
Less: Pledged fixed deposits	(394)	(404)	(394)	(404)
	<u>31,013</u>	<u>84,885</u>	<u>31,013</u>	<u>85,289</u>

- 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

## THE GROUP

### Consolidated statement of changes in equity for the period ended 30 June 2014

	Share capital	Capital reserve	Foreign currency translation reserve	Fair value reserve	Revenue reserve	Total reserves	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>1Q 2014</b>								
Balance at 1 January 2014	140,578	712	(10,202)	(214)	36,629	26,925	6,861	174,364
Total comprehensive income for the period	-	-	(131)	87	1,208	1,164	122	1,286
<b>Balance at 31 March 2014</b>	<b>140,578</b>	<b>712</b>	<b>(10,333)</b>	<b>(127)</b>	<b>37,837</b>	<b>28,089</b>	<b>6,983</b>	<b>175,650</b>
<b>2Q 2014</b>								
Total comprehensive income for the period	-	(78)	240	127	1,673	1,962	338	2,300
Dividend relating to 2013 paid	-	-	-	-	(1,255)	(1,255)	-	(1,255)
<b>Balance at 30 June 2014</b>	<b>140,578</b>	<b>634</b>	<b>(10,093)</b>	<b>-</b>	<b>38,255</b>	<b>28,796</b>	<b>7,321</b>	<b>176,695</b>

### Consolidated statement of changes in equity for the period ended 30 June 2013

	Share capital	Capital reserve	Foreign currency translation reserve	Fair value reserve	Revenue reserve	Total reserves	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>1Q 2013</b>								
Balance at 1 January 2013	136,511	712	(7,778)	(271)	36,938	29,601	6,715	172,827
Total comprehensive income for the period	-	-	171	(30)	149	290	108	398
Warrants conversions	4,067	-	-	-	-	-	-	4,067
<b>Balance at 31 March 2013</b>	<b>140,578</b>	<b>712</b>	<b>(7,607)</b>	<b>(301)</b>	<b>37,087</b>	<b>29,891</b>	<b>6,823</b>	<b>177,292</b>
<b>2Q 2013</b>								
Total comprehensive income for the period	-	-	(353)	131	792	570	135	705
Dividend relating to 2012 paid	-	-	-	-	(1,255)	(1,255)	-	(1,255)
<b>Balance at 30 June 2013</b>	<b>140,578</b>	<b>712</b>	<b>(7,960)</b>	<b>(170)</b>	<b>36,624</b>	<b>29,206</b>	<b>6,958</b>	<b>176,742</b>

## THE COMPANY

### Statement of changes in equity for the period ended 30 June 2014

	Share capital	Capital reserve	Fair value reserve	Revenue reserve	Total reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>1Q 2014</b>						
<b>Balance at 1 January 2014</b>	140,578	74	(214)	(3,147)	(3,287)	137,291
Total comprehensive loss for the period	-	-	87	(387)	(300)	(300)
<b>Balance at 31 March 2014</b>	140,578	74	(127)	(3,534)	(3,587)	136,991
<b>2Q 2014</b>						
Total comprehensive loss for the period	-	-	127	(1,294)	(1,167)	(1,167)
Dividend relating to 2013 paid	-	-	-	(1,255)	(1,255)	(1,255)
<b>Balance at 30 June 2014</b>	140,578	74	-	(6,083)	(6,009)	134,569

### Statement of changes in equity for the period ended 30 June 2013

	Share capital	Capital reserve	Fair value reserve	Revenue reserve	Total reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>1Q 2013</b>						
<b>Balance at 1 January 2013</b>	136,511	74	(271)	(3,225)	(3,422)	133,089
Total comprehensive loss for the period	-	-	(30)	(327)	(357)	(357)
Warrants conversions	4,067	-	-	-	-	4,067
<b>Balance at 31 March 2013</b>	140,578	74	(301)	(3,552)	(3,779)	136,799
<b>2Q 2013</b>						
Total comprehensive loss for the period	-	-	131	(389)	(258)	(258)
Dividend relating to 2012 paid	-	-	-	(1,255)	(1,255)	(1,255)
<b>Balance at 30 June 2013</b>	140,578	74	(170)	(5,196)	(5,292)	135,286



- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediate preceding financial year.**

There were no changes in the Company's share capital for the second quarter ended 30 June 2014.

The Company has no outstanding warrants and does not hold any treasury shares as at 30 June 2014 and 30 June 2013.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of the immediately preceding year**

	<b>Company</b>	
	<u>30.06.2014</u>	<u>31.12.2013</u>
Number of issued shares excluding treasury shares	836,667,121	836,667,121

The Company did not hold any treasury shares as at 30 June 2014 and 31 December 2013.

- 1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury share 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 nor reviewed by the Company's 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.**

Except as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current period as compared with those used in the audited financial statements for the year ended 31 December 2013.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all the new and revised Singapore Financial Reporting Standards (FRS) and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2014.

The adoption of the new and revised FRSs and INT FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior period.

The Group has also adopted INT FRS 112 Service Concession Arrangements which is relevant to its power plant project which has commenced operations during the year.

INT FRS 112 requires the recognition of construction revenue and the corresponding financial receivable and/or intangible asset for public-to-private service concession arrangement if:

- the party that grants the service arrangement (the "grantor") controls or regulates what services that entity (the "operator") must provide with the infrastructure, to whom it must provide them, and at what price; and
- the grantor controls, through ownership, beneficial entitlement or otherwise, any significant residual interest in the infrastructure asset at the end of the term of arrangement.

The Group has concession arrangements with Myanmar Electric Power Enterprise (MEPE), a governmental body of the Republic of the Union of Myanmar to supply a minimum of 350 million kilowatt-hours (kWh) of electricity per year from our gas-fired electricity generating power plant. Under the concession arrangement, the Group will construct and operate the plant for Concession Period of 30 years and transfer the plant to the grantor at the end of the Concession Period. Such concession arrangement is fall within the scope of the INT FRS 112.

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

		<b>Group</b>				
		2 <sup>nd</sup> quarter ended 30 June 2014	2 <sup>nd</sup> quarter ended 30 June 2013	6 months ended 30 June 2014	6 months ended 30 June 2013	
Earnings per ordinary share for the period based on profit attributable to equity holders of the Company						
(i)	Based on weighted average number of ordinary shares on issue	S\$ cents	0.20	0.09	0.34	0.11
(ii)	On a fully diluted basis	S\$ cents	0.20	0.09	0.34	0.11

The above earnings per share is calculated based on the Group's profit after tax with total number of ordinary shares on issue of 836,667,121 (2013: 836,667,121) during the respective financial periods.

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

Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on

		30 June 2014	31 December 2013
The Group	S\$ cents	20.24	20.02
The Company	S\$ cents	16.08	16.41

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

(a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

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

**(a) Review of Statement of comprehensive income**

2<sup>nd</sup> quarter ended 30 June 2014 ("2Q2014") Vs 2<sup>nd</sup> quarter ended 30 June 2013 ("2Q2013")

The Group recorded gross revenue of S\$15.0 million in 2Q2014, an increase of S\$2.3 million or 18% over 2Q 2013. The increase was mainly due to revenue generated from new business, i.e. operations of gas-fired generating power plant in Ywama, Myanmar (the "Project"). The Group has in accordance with INT FRS 112 recognised the consideration received or receivables from the Project as revenue.

Revenue from the paper business in the current quarter was marginally decreased but gross profit margin was marginally increased from 16.5% to 17.5% as compared with 2Q2013. The improvement in gross profit margin was mainly due to better operating efficiencies despite lower selling prices of paper mill products.

Other losses (net) of S\$433k in the current quarter was mainly due to change of foreign exchange difference from gain of S\$100k in 2Q2013 to loss of S\$369k in 2Q2014 arising from the translation of USD denominated balances.

In terms of operating expenses, general and administrative expenses increased by approximately S\$692k or 76% to S\$1.6 million as compared with S\$913k for 2Q2013. The increase was mainly due to expenses of approximately S\$565k incurred in relation to the Project which included back-pay bonus to staff who are responsible for the Project. The Project has commenced operations in February 2014.

As a result of the above, the Group net profit grew 88% to S\$1.8 million in 2Q2014 as compared to S\$1.0 million in 2Q2013.

6 months ended 30 June 2014 ("6M2014") Vs 6 months ended 30 June 2013 ("6M2013")

The Group recorded gross revenue of S\$86.5 million, which was S\$62.8 million or 265% higher than last year's corresponding period. The Group's revenue for 6M2014 was mainly contributed by a subsidiary dealing in gas-fired electricity power plant in Ywama, Myanmar (the "Project"). The project has commenced commercial operations on 11 February 2014 and the Group has in accordance with INT FRS 112 recognised the consideration received or receivables from the project as revenue.

Revenue from the paper business for 6M2014 was marginally decreased but gross profit margin was marginally increased from 14.6% to 16.5% as compared with 6M2013. The improvement in gross profit margin was mainly due to better operating efficiencies despite lower selling prices of paper mill products.

Other losses (net) of S\$581k for 6M2014 was mainly due to change of foreign exchange difference from gain of S\$131k in 6M2013 to loss of S\$411k in 6M2014 arising from the translation of USD denominated balances.

In terms of operating expenses, general and administrative expenses increased by approximately S\$675k or 35% to S\$2.6 million as compared with S\$1.9 million for 6M2013. The increase was mainly due to expenses of approximately S\$633k incurred in relation to the Project which included back-pay bonus to staff who are responsible for the Project. The Project has commenced operations in Feb 2014.

As a result of the above, the Group net profit grew 162% to S\$3.2 million for 6M2014 as compared with S\$1.2 million for 6M2013.

**(b) (i) Review of Statement of Financial Position**

Group level

The long-term and short-term "financial receivables" relates to the Ywama gas-fired electricity generating power plant. The Group recognised the consideration receivables as financial receivables in accordance with INT FRS 112.

Total current assets decreased by S\$43.4 million from S\$111.6 million as at 31 December 2013 to S\$68.2 million as at 30 June 2014 was mainly due to lower cash and bank balances as a result of payment made to our turnkey contractor for construction work of gas-fired electricity generating power plant completed during this period.

The decrease in other receivables from S\$15.2 million as at 31 December 2013 to S\$0.4 million as at 30 June 2014 was mainly due to reclassification of deposit paid to turnkey contractor for building the gas-fired electricity generating power plant to “financial receivables” upon plant completed construction and turning operational.

As a result of the payment made to the turnkey contractor for the construction of gas-fired electricity generating power plant, the Group’s current ratio changed from 15.8 times to 11.9 times as at 30 June 2014, whilst working capital balance decreased from S\$104.6 million to S\$62.5 million. Against 31 December 2013, total equity increased approximately S\$2.3 million to S\$176.7 million as at 30 June 2014.

#### Company level

The decrease in current assets and the corresponding increase in non-current assets were mainly due to payment on behalf of a subsidiary for acquisition of newly constructed power plant in Myanmar.

#### **(b) (ii) Review of Statement of Cash Flows**

##### 2<sup>nd</sup> quarter ended 30 June 2014 (“2Q2014”)

Net cash generated from operating activities for 2Q2014 was S\$0.2 million as compared to S\$1.9 million for the same corresponding quarter last year. This was mainly due to higher operational cash outflow and lower cash inflow from working capital requirements.

Net cash generated from investing activities for 2Q2014 was S\$2.2 million. The cash inflow was mainly attributable to proceeds from the redemption of available-for-sales financial assets.

Net cash used in financing activities was S\$2.5 million. During the 2Q2014, there were cash outflow for payment of dividend amounted to S\$1.3 million and repayment of short-term trade borrowing of S\$1.2 million.

##### 6 months ended 30 June 2014 (“6M2014”)

As at 30 June 2014, cash and cash equivalents of the Group amounted to S\$31.0 million. This was 56% or S\$39.7 million lower compared to that as at 31 December 2013 due mainly to net cash used in investing activities of S\$40.7 million.

The net cash used in investing activities was mainly due to construction expense of S\$44.1 million paid to turnkey contractor for the building of new gas-fired electricity generating power plant partially offset by proceeds from the redemption of available-for-sales financial assets amounted to S\$3.5 million.

**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.**

#### **Outlook**

For the power plant business, frequent power outages in Myanmar will spur the consumption of the electricity produced by the Group. While investment in Myanmar can provide rich returns to the Group in the long run, there is still significant uncertainty surrounding the local regulatory environment. The Board is mindful of these regulatory and political risks and will closely monitor the development of this emerging country, Myanmar to minimize the related business risks.

For paper mill business, the Group expects operating environment to remain challenging in view of the higher gas tariff imposed by Malaysian government which has effective from 1 May 2014. Management has implemented various measures to mitigate higher energy tariffs and improve productivity in order to maintain profitability and remain competitive.

The Group has also reclassified its investment property at Tuas, Jurong to asset held for sale subsequent to the expiry of the tenancy agreement with United Packaging Industries Pte Ltd on 20 July 2014.

The Group will continue to look for new investment opportunities in the region for the purpose of diversification.

Following the signing the Power Purchase Agreement (PPA) as announced on 11 February 2014, the Group through its Myanmar subsidiary has entered into a 30 years land lease agreement with Myanmar Electric Power Enterprise for the right to the site of the power plant. The Group has also entered into a 15 years renewable Operation and Maintenance Agreement with Myan Shwe Pyi Tractors Ltd to provide operation, maintenance and management services for the power plant project on behalf of the Group.

#### **Status on the use of proceeds**

##### **Shares Placement (completion of allotment on 16 May 2012)**

As stated in the Annual Report 2013, a total of approximately S\$31.3 million of the net Placement proceeds of approximately S\$40.3 million ("Net Proceed") was utilised as follows:-

- (a) As announced on 28 February 2014, the Company has utilised an amount of S\$24.0 million to satisfy part of the consideration amounting to S\$36.8 million which is due and payable under the Turnkey Agreement.

The Company confirms that the above amounts of proceeds from the Placement were used as previously disclosed.

- (b) As announced on 26 March 2014, the Company has utilised an amount of approximately S\$7.3 million of the Net Proceeds to satisfy the balance of the consideration which is due and payable under the Turnkey Agreement (the "Turnkey Amount").

The Company notes that the use of the Net Proceeds for the Turnkey Amount represents a change in the intended allocation of the Net Proceeds as stated in its announcement dated 4 May 2012.

The unutilised balance of the Net Proceeds is approximately S\$9.0 million as at the date of the report.

#### **11. Dividend**

##### **(a) 2<sup>nd</sup> Quarter ended 30 June 2014**

**Any dividend declared for the current financial period reported on?**

None

##### **(b) 2<sup>nd</sup> Quarter ended 30 June 2013**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

None

##### **(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 for the second quarter ended 30 June 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.**

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

	Aggregate value of all IPT during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual during the financial period under review (excluding transactions less than \$100,000)
Name of Interested Person		
None	-	-
Total Interested Person Transactions	-	-

14. **Negative assurance confirmation by the Board pursuant to Rule 705(5) of the Manual Listing**

The Board of Directors of the Company hereby confirm to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the second quarter and six months ended 30 June 2014 to be false or misleading in any material respect.

**BY ORDER OF THE BOARD**

Tong Kooi Ong  
Executive Chairman

Koh Wan Kai  
Executive Director

11 August 2014