



**Unaudited Financial Statement And Dividend Announcement for the Third Quarter and Nine Months Ended 30 September 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 third quarter and nine months ended 30 September 2014**

Note	Group					
	3 <sup>rd</sup> quarter ended 30 September 2014	3 <sup>rd</sup> quarter ended 30 September 2013	Increase / (decrease)	9 months ended 30 September 2014	9 months ended 30 September 2013	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b> (a)	15,472	11,947	30	101,934	35,638	186
Cost of sales (b)	(11,623)	(10,081)	15	(90,691)	(29,871)	204
<b>Gross profit</b>	3,849	1,866	106	11,243	5,767	95
Other income/(losses), net	772	(261)	nm	191	128	49
Selling and distribution expenses	(557)	(523)	7	(1,552)	(1,559)	-
General and administrative expenses	(1,195)	(1,435)	(17)	(3,792)	(3,357)	13
Finance costs	(6)	(41)	(85)	(47)	(157)	(70)
<b>Profit/(loss) before income tax</b>	2,863	(394)	nm	6,043	822	635
Income tax expense	(1)	(1)	-	(3)	(3)	-
<b>Net profit/(loss) for the period</b> (c)	2,862	(395)	nm	6,040	819	637
<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	-	(20)	nm	(31)	(72)	(57)
- Reclassification	-	-	-	245	153	60
Currency translation differences arising from consolidation	591	(2,799)	nm	785	(3,010)	nm
<b>Other comprehensive income/(loss), net of tax</b>	591	(2,819)	nm	999	(2,929)	nm
<b>Total comprehensive income/(loss)</b>	3,453	(3,214)	nm	7,039	(2,110)	nm
<b>Profit/(loss) attributable to:</b>						
Equity holders of the Company	2,705	(506)	nm	5,586	435	1,184
Non-controlling interests	157	111	41	454	384	18
	2,862	(395)	nm	6,040	819	637
<b>Total comprehensive income/(loss) attributable to:</b>						
Equity holders of the Company	3,294	(2,936)	nm	6,420	(2,075)	nm
Non-controlling interests	159	(278)	nm	619	(35)	nm
	3,453	(3,214)	nm	7,039	(2,110)	nm

**Footnotes:**

(a) Revenue comprises the following:

	Group					
	3 <sup>rd</sup> quarter ended 30 September 2014	3 <sup>rd</sup> quarter ended 30 September 2013	Increase / (decrease)	9 months ended 30 September 2014	9 months ended 30 September 2013	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Sales of goods	12,836	11,621	10	35,586	34,676	3
Rental income from investment property	71	326	(78)	727	962	(24)
Construction revenue	-	-	-	58,822	-	nm
Finance revenue	1,666	-	nm	4,281	-	nm
Operating and maintenance income	899	-	nm	2,518	-	nm
	15,472	11,947	30	101,934	35,638	186

(b) The cost of sales includes the following:

	Group					
	3 <sup>rd</sup> quarter ended 30 September 2014	3 <sup>rd</sup> quarter ended 30 September 2013	Increase / (decrease)	9 months ended 30 September 2014	9 months ended 30 September 2013	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Costs of goods sold	10,915	10,028	9	29,900	29,712	1
Construction expense	-	-	-	58,822	-	nm
Operating and maintenance fees	516	-	nm	1,372	-	nm
Others	192	53	262	597	159	275
	11,623	10,081	15	90,691	29,871	204

(c) Profit/(loss) for the period included the following:

	Group					
	3 <sup>rd</sup> quarter ended 30 September 2014	3 <sup>rd</sup> quarter ended 30 September 2013	Increase / (decrease)	9 months ended 30 September 2014	9 months ended 30 September 2013	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation	(718)	(781)	(8)	(2,266)	(2,397)	(5)
Gain on disposal of property, plant and equipment	-	-	-	3	11	(73)
Allowance for impairment of trade receivables	(10)	-	nm	(124)	-	nm
Foreign exchange gain/(loss), net	701	(387)	nm	290	(256)	nm
Bad debts recovered	-	-	-	-	128	nm
Net loss on redemption of available-for-sale financial assets	-	-	-	(245)	(153)	60
Interest income	42	118	(64)	200	382	(48)
Interest expense	(6)	(41)	(85)	(47)	(157)	(70)

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**

	<b>Group</b>		<b>Company</b>	
	<b>30/09/2014</b>	<b>31/12/2013</b>	<b>30/09/2014</b>	<b>31/12/2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Non-current Assets</b>				
Property, plant and equipment	61,304	62,559	272	333
Investment property <sup>^</sup>	-	7,859	-	-
Investments in subsidiaries	-	-	15,694	15,469
Financial receivables*	43,426	-	-	-
Other receivables	-	-	27,847	-
<b>Total Non-current Assets</b>	<b>104,730</b>	<b>70,418</b>	<b>43,813</b>	<b>15,802</b>
<b>Current Assets</b>				
Inventories	8,574	9,533	-	-
Financial receivables*	15,149	-	-	-
Trade receivables	12,695	11,937	831	836
Other receivables	491	15,229	58,978	48,922
Tax recoverable	1	1	-	-
Prepaid operating expenses	495	307	28	15
Available-for-sale financial assets	-	3,531	-	3,531
Cash and bank balances	35,248	71,131	32,483	68,513
	<b>72,653</b>	<b>111,669</b>	<b>92,320</b>	<b>121,817</b>
Property held for sale <sup>^</sup>	7,742	-	-	-
<b>Total Current Assets</b>	<b>80,395</b>	<b>111,669</b>	<b>92,320</b>	<b>121,817</b>
<b>Current Liabilities</b>				
Borrowings	-	(2,483)	-	-
Trade payables and accruals	(4,144)	(4,241)	(336)	(156)
Other payables	(180)	(346)	(90)	(172)
<b>Total Current Liabilities</b>	<b>(4,324)</b>	<b>(7,070)</b>	<b>(426)</b>	<b>(328)</b>
<b>Net Current Assets</b>	<b>76,071</b>	<b>104,599</b>	<b>91,894</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>180,148</b>	<b>174,364</b>	<b>135,707</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)	32,090	26,925	(4,871)	(3,287)
	<b>172,668</b>	<b>167,503</b>	<b>135,707</b>	<b>137,291</b>
<b>Non-controlling interests</b>	<b>7,480</b>	<b>6,861</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>180,148</b>	<b>174,364</b>	<b>135,707</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.

<sup>^</sup> The tenancy agreement of the Tuas property expired on 20 July 2014. As the carrying amount of the property will be recovered principally through a sale transaction, it was reclassified from investment property to property held for sale under current assets.

**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 30/09/2014		As at 31/12/2013	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	2,483

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

As at 30/09/2014		As at 31/12/2013	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

**(c) Details of any collaterals**

As at 30 September 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 September 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**

	3 <sup>rd</sup> quarter ended 30 September 2014	3 <sup>rd</sup> quarter ended 30 September 2013	9 months ended 30 September 2014	9 months ended 30 September 2013
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Profit/(loss) before income tax	2,863	(394)	6,043	822
Adjustments for:				
Depreciation	718	781	2,266	2,397
Gain on disposal of property, plant and equipment	-	-	(3)	(11)
Net loss on redemption of available-for-sale financial assets	-	-	245	153
Allowance for impairment of trade receivables	10	-	124	-
Finance income	(1,666)	-	(4,281)	-
Interest income	(42)	(118)	(200)	(382)
Interest expenses	6	41	47	157
Unrealised currency translation (gains)/losses	(616)	(429)	19	(577)
Operating cash flows before working capital changes	1,273	(119)	4,260	2,559
Changes in working capital				
Inventories	1,047	320	959	202
Financial receivables	4,250	-	4,726	-
Trade receivables	(1,170)	630	(882)	(554)
Other receivables	(61)	(31)	137	(197)
Prepaid operating expenses	(90)	79	(188)	(186)
Trade payables and accruals	(655)	(428)	(372)	(484)
Other payables	(98)	(11)	(166)	(167)
Cash generated from operations	4,496	440	8,474	1,173
Interest received	26	115	130	344
Interest paid	(6)	(41)	(47)	(157)
Income tax paid	(1)	(1)	(3)	(3)
<b>Net cash provided by operating activities</b>	4,515	513	8,554	1,357
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(39)	(245)	(141)	(564)
Proceeds from disposal of property, plant and equipment	-	-	3	24
Redemption of available-for-sale financial assets	-	-	3,500	3,000
Acquisition of financial asset	-	-	(44,093)	-
Deposit for purchase of plant and equipment	-	(14,573)	-	(14,573)
<b>Net cash used in investing activities</b>	(39)	(14,818)	(40,731)	(12,113)
<b>Cash flows from financing activities</b>				
Repayment of borrowings	(704)	(731)	(2,483)	(1,780)
Proceeds from exercise of warrants of the Company	-	-	-	4,067
Dividend paid to equity holders of the Company	-	-	(1,255)	(1,255)
<b>Net cash (used in)/from financing activities</b>	(704)	(731)	(3,738)	1,032

	<b>3<sup>rd</sup> quarter ended 30 September 2014</b>	<b>3<sup>rd</sup> quarter ended 30 September 2013</b>	<b>9 months ended 30 September 2014</b>	<b>9 months ended 30 September 2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	3,772	(15,036)	(35,915)	(9,724)
<b>Cash and cash equivalents at beginning of period</b>	31,013	85,289	70,740	79,884
<b>Effects of currency translation on cash and cash equivalents</b>	69	(72)	29	21
<b>Cash and cash equivalents at end of period</b>	<u>34,854</u>	<u>70,181</u>	<u>34,854</u>	<u>70,181</u>

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

Cash and bank balances	35,248	70,571	35,248	70,571
Less: Pledged fixed deposits	(394)	(390)	(394)	(390)
	<u>34,854</u>	<u>70,181</u>	<u>34,854</u>	<u>70,181</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 September 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>1H 2014</b>								
<b>Balance at 1 January 2014</b>	<b>140,578</b>	<b>712</b>	<b>(10,202)</b>	<b>(214)</b>	<b>36,629</b>	<b>26,925</b>	<b>6,861</b>	<b>174,364</b>
Total comprehensive income for the period	-	(78)	109	214	2,881	3,126	460	3,586
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>
<b>3Q 2014</b>								
Total comprehensive income for the period	-	-	589	-	2,705	3,294	159	3,453
<b>Balance at 30 September 2014</b>	<b>140,578</b>	<b>634</b>	<b>(9,504)</b>	<b>-</b>	<b>40,960</b>	<b>32,090</b>	<b>7,480</b>	<b>180,148</b>

### Consolidated statement of changes in equity for the period ended 30 September 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>1H 2013</b>								
<b>Balance at 1 January 2013</b>	<b>136,511</b>	<b>712</b>	<b>(7,778)</b>	<b>(271)</b>	<b>36,938</b>	<b>29,601</b>	<b>6,715</b>	<b>172,827</b>
Total comprehensive income for the period	-	-	(182)	101	941	860	243	1,103
Warrants conversions	4,067	-	-	-	-	-	-	4,067
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>
<b>3Q 2013</b>								
Total comprehensive loss for the period	-	-	(2,410)	(20)	(506)	(2,936)	(278)	(3,214)
<b>Balance at 30 September 2013</b>	<b>140,578</b>	<b>712</b>	<b>(10,370)</b>	<b>(190)</b>	<b>36,118</b>	<b>26,270</b>	<b>6,680</b>	<b>173,528</b>

## THE COMPANY

### Statement of changes in equity for the period ended 30 September 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>1H 2014</b>						
<b>Balance at 1 January 2014</b>	<b>140,578</b>	<b>74</b>	<b>(214)</b>	<b>(3,147)</b>	<b>(3,287)</b>	<b>137,291</b>
Total comprehensive loss for the period	-	-	214	(1,681)	(1,467)	(1,467)
Dividend relating to 2013 paid	-	-	-	(1,255)	(1,255)	(1,255)
<b>Balance at 30 June 2014</b>	<b>140,578</b>	<b>74</b>	<b>-</b>	<b>(6,083)</b>	<b>(6,009)</b>	<b>134,569</b>
<b>3Q 2014</b>						
Total comprehensive income for the period	-	-	-	1,138	1,138	1,138
<b>Balance at 30 September 2014</b>	<b>140,578</b>	<b>74</b>	<b>-</b>	<b>(4,945)</b>	<b>(4,871)</b>	<b>135,707</b>

### Statement of changes in equity for the period ended 30 September 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>1H 2013</b>						
<b>Balance at 1 January 2013</b>	<b>136,511</b>	<b>74</b>	<b>(271)</b>	<b>(3,225)</b>	<b>(3,422)</b>	<b>133,089</b>
Total comprehensive loss for the period	-	-	101	(716)	(615)	(615)
Warrants conversions	4,067	-	-	-	-	4,067
Dividend relating to 2012 paid	-	-	-	(1,255)	(1,255)	(1,255)
<b>Balance at 30 June 2013</b>	<b>140,578</b>	<b>74</b>	<b>(170)</b>	<b>(5,196)</b>	<b>(5,292)</b>	<b>135,286</b>
<b>3Q 2013</b>						
Total comprehensive loss for the period	-	-	(20)	(958)	(978)	(978)
<b>Balance at 30 September 2013</b>	<b>140,578</b>	<b>74</b>	<b>(190)</b>	<b>(6,154)</b>	<b>(6,270)</b>	<b>134,308</b>



- 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 third quarter ended 30 September 2014.

The Company has no outstanding convertibles and does not hold any treasury shares as at 30 September 2014 and 30 September 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>30.09.2014</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 September 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 Myanma 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 a Concession Period of 30 years and will transfer the plant to the grantor at the end of the Concession Period. Such concession arrangement falls 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.**

		Group			
		3 <sup>rd</sup> quarter ended 30 September 2014	3 <sup>rd</sup> quarter ended 30 September 2013	9 months ended 30 September 2014	9 months ended 30 September 2013
Earnings per ordinary share for the period based on profit/(loss) attributable to equity holders of the Company					
(i)	Based on weighted average number of ordinary shares on issue S\$ cents	0.32	(0.06)	0.66	0.05
(ii)	On a fully diluted basis S\$ cents	0.32	(0.06)	0.66	0.05

The above earnings/(loss) per share is calculated based on the Group's profit/(loss) 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 September 2014	31 December 2013
The Group	S\$ cents	20.64	20.02
The Company	S\$ cents	16.22	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**

3<sup>rd</sup> quarter ended 30 September 2014 ("3Q2014") Vs 3<sup>rd</sup> quarter ended 30 September 2013 ("3Q2013")

The Group recorded gross revenue of S\$15.5 million in 3Q2014, an increase of S\$3.5 million or 30% over 3Q2013. 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.

For the paper mill business, revenue at S\$12.8 million and gross profit at S\$1.9 million in the current quarter were 10% and 20% respectively higher as compared with 3Q2013. Gross profit margin for the period increased from 13.7% to 15.0% on a year-on-year basis despite rising production costs, in particular the hike in electricity and gas tariff in 2014. Higher production costs were offset by higher selling prices of paper and better demand for paper products.

Other income (net) of S\$772k in the current quarter was mainly due to foreign exchange difference from a loss of S\$387k in 3Q2013 to a gain of S\$701k in 3Q2014 arising from the translation of USD denominated balances.

In terms of operating expenses, general and administrative expenses decreased by approximately S\$240k or 17% to S\$1.2 million. The decrease was mainly due to lesser professional fees and travelling expenses incurred for pursuing new investment opportunities in the current period.

With the contribution from the Project in Myanmar, slightly better paper mill business and lower operating expenses, the Group generated a net profit of approximately S\$2.9 million in 3Q2014 as compared to a net loss of S\$395k in 3Q2013.

9 months ended 30 September 2014 ("9M2014") Vs 9 months ended 30 September 2013 ("9M2013")

The Group recorded gross revenue of S\$101.9 million, which was S\$66.3 million or 186% higher than last year's corresponding period. The increase in revenue for 9M2014 was contributed by the commencement of the gas-fired electricity power plant in Ywama, Myanmar from 11 February 2014. 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 9M2014 was relatively consistent with that of 9M2013.

In terms of operating expenses, general and administrative expenses increased by approximately S\$435k or 13% to S\$3.8 million as compared with S\$3.4 million for 9M2013. The increase was mainly due to expenses incurred in relation to the project.

With the contribution from the Project in Myanmar and slightly better paper mill business, the Group reported a net profit of S\$6.0 million for 9M2014, an increase of 637% from S\$0.8 million for 9M2013.

**(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\$31.2 million from S\$111.6 million as at 31 December 2013 to S\$80.4 million as at 30 September 2014 was mainly due to payment made to the turnkey contractor for construction work of gas-fired electricity generating power plant during the period under review.

The decrease in other receivables from S\$15.2 million as at 31 December 2013 to S\$0.5 million as at 30 September 2014 was due to reclassification of deposit paid to the turnkey contractor for building the gas-fired electricity generating power plant to "financial receivables" upon plant in operational.

In July 2014, the Group has also reclassified its investment property in a subsidiary from non-current assets to property held for sale subsequent to the expiry of the tenancy agreement. It is the intention of the Group to dispose of the property in the open market. The carrying amount of the property will be recovered principally through a sale transaction.

The decrease in current liabilities was mainly due to full settlement of the bank borrowings as at 30 September 2014.

As a result of the above-mentioned events, the Group's current ratio increased from 15.8 times to 18.6 times, whilst working capital balance decreased from S\$104.6 million to S\$76.1 million. Total equity increased approximately S\$5.8 million to S\$180.1 million as at 30 September 2014 was mainly due to net profit generated for 9M2014.

#### 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**

##### 3<sup>rd</sup> quarter ended 30 September 2014 ("3Q2014")

For the 3Q2014, the net increase in cash and cash equivalents was approximately S\$3.8 million. Net cash generated from operating activities for 3Q2014 was S\$4.5 million as compared to S\$0.5 million for the same corresponding quarter last year. This was mainly due to the increase in operating profit for the current quarter and improvement in working capital in particularly receipts from the power plant business.

##### 9 months ended 30 September 2014 ("9M2014")

As at 30 September 2014, cash and cash equivalents of the Group amounted to S\$34.8 million. This was 51% or S\$35.9 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 the turnkey contractor for 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**

We expect demand for our paper products to continue given a stable economic outlook. The Group will continue to monitor the key cost drivers whilst maintaining efficiency in the overall operations in order to remain competitive and profitable.

The Group is optimistic about the contribution from its new power plant business and will continue to look for new investment opportunities in the region for the purpose of diversification.

**11. Dividend**

**(a) 3<sup>rd</sup> Quarter ended 30 September 2014**

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

None

**(b) 3<sup>rd</sup> Quarter ended 30 September 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/recommendeded, a statement to that effect.**

No dividend has been declared for the third quarter 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.**

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. Status on the use of net proceeds raised from Share 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 this result announcement.

**15. 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 third quarter and nine months ended 30 September 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

10 November 2014