

Unaudited Second Quarter Financial Statement Announcement

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4),
HALF-YEAR AND FULL YEAR RESULTS

- 1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2014

	<u>The Group</u>		<u>Increase</u>	<u>The Group</u>		<u>Increase</u>
	<u>2Q 2014</u>	<u>2Q 2013</u>	<u>(Decrease)</u>	<u>1H 2014</u>	<u>1H 2013</u>	<u>(Decrease)</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Continuing operations						
Revenue	35,578	13,927	>100	53,089	24,554	>100
Cost of sales	(30,812)	(12,724)	>(100)	(44,990)	(23,726)	(90)
Gross Profit	4,766	1,203	>100	8,099	828	>100
Other income	523	413	27	1,197	577	>100
Selling and distribution expenses	(805)	(676)	(19)	(1,814)	(1,461)	(24)
General and administrative expenses	(1,767)	(1,271)	(39)	(3,488)	(2,496)	(40)
Other expenses	(341)	(348)	2	(615)	(726)	15
Finance costs	(3,878)	(143)	>(100)	(7,469)	(289)	>(100)
Loss before taxation	(1,502)	(822)	(83)	(4,090)	(3,567)	(15)
Income tax expense	(200)	-		(200)	-	NM
Loss from continuing operations	(1,702)	(822)	>(100)	(4,290)	(3,567)	(20)
Discontinued operation						
Loss from discontinued operation (net of tax)	(170)	-	NM	(354)	(3)	>(100)
Loss for the period	(1,872)	(822)	>(100)	(4,644)	(3,570)	(30)
Loss attributable to :						
Owners of the Company	(1,555)	(500)	>(100)	(4,124)	(2,731)	(51)
Non-controlling interests	(317)	(322)	2	(520)	(839)	38
Loss for the period	(1,872)	(822)	>(100)	(4,644)	(3,570)	(30)

Remark :

1. Certain items in the prior period have been reclassified to conform with current period's presentation.
2. NM: Not Meaningful

STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2014

Loss for the period	(1,872)	(822)		(4,644)	(3,570)	
Other comprehensive income						
Translation differences relating to financial statements of foreign subsidiaries	32	105	(70)	38	221	(83)
Total comprehensive income for the period	<u>(1,840)</u>	<u>(717)</u>		<u>(4,606)</u>	<u>(3,349)</u>	
Total comprehensive income attributable to :						
Owners of the Company	(1,542)	(391)	>(100)	(4,109)	(2,508)	(64)
Non-controlling interests	(298)	(326)	9	(497)	(841)	41
Total comprehensive income for the period	<u>(1,840)</u>	<u>(717)</u>		<u>(4,606)</u>	<u>(3,349)</u>	

(A) Revenue

	The Group			
	2Q 2014	2Q 2013	1H 2014	1H 2013
	\$'000	\$'000	\$'000	\$'000
Piling contract and rental & servicing of machinery	11,089	6,213	16,969	7,874
Trading of e-waste / metals	4,892	1,244	5,694	3,956
Recycling & refining of metals	14,840	6,295	21,026	12,358
Rental income from investment property	4,556	-	8,996	-
Others	201	175	404	366
	<u>35,578</u>	<u>13,927</u>	<u>53,089</u>	<u>24,554</u>

(B) Loss for the period

	The Group			
	2Q 2014	2Q 2013	1H 2014	1H 2013
	\$'000	\$'000	\$'000	\$'000
Loss for the period is arrived at after:				
Charging/(crediting):				
Amortisation of deferred income	(161)	(172)	(334)	(341)
Reversal of impairment on property, plant and equipment	-	-	(72)	-
Amortisation of intangible asset	56	57	113	115
Reversal of allowance for write-down of inventories	(35)	(2)	(80)	(644)
Net change in fair value of financial assets designated at fair value through profit or loss	(168)	(36)	(54)	294
Profit on disposal of other investment	-	-	(4)	-
Depreciation of property, plant and equipment	1,221	1,183	2,440	2,370
Foreign exchange loss/(gain)	94	(243)	144	(176)
(Profit)/Loss on disposal of property, plant and equipment	-	(1)	21	(385)
Impairment losses on trade receivables made	8	33	9	13

(C) Finance costs

	<u>The Group</u>			
	2Q 2014 \$'000	2Q 2013 \$'000	1H 2014 \$'000	1H 2013 \$'000
Interest income on:				
- cash and cash equivalents	(167)	-	(168)	(1)
Interest expenses on :				
- Finance leases	14	35	32	77
- Bank loans	3,025	77	5,839	145
- Trust receipts	86	3	161	4
- Bank overdrafts	28	5	61	17
- Bond interest	636	-	1,265	-
- Third party	233	-	233	-
- Related company	22	22	44	44
- Others	1	1	2	3
	<u>3,878</u>	<u>143</u>	<u>7,469</u>	<u>289</u>

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

	<u>The Group</u>		<u>The Company</u>	
	30.06.14 \$'000	31.12.13 \$'000	30.06.14 \$'000	31.12.13 \$'000
Non-current assets				
Property, plant and equipment	44,724	55,041	179	182
Investment property	506,553	506,000	-	-
Intangible assets	2,722	2,835	-	-
Subsidiaries	-	-	21,679	21,679
Other investments	5,978	7,189	5,512	6,763
Trade and other receivables	844	398	-	-
Other assets	4,179	4,179	-	-
	<u>565,000</u>	<u>575,642</u>	<u>27,370</u>	<u>28,624</u>
Current assets				
Asset classified as held for sale	8,378	-	-	-
Inventories	8,264	7,237	-	-
Construction work-in-progress	78	143	-	-
Trade and other receivables	22,600	27,814	65,264	63,583
Cash and cash equivalents	2,357	3,212	150	831
	<u>41,677</u>	<u>38,406</u>	<u>65,414</u>	<u>64,414</u>
Total assets	<u>606,677</u>	<u>614,048</u>	<u>92,784</u>	<u>93,038</u>
Equity attributable to owners of the Company				
Share capital	95,888	95,888	95,888	95,888
Other Reserve	(6,852)	(6,852)	-	-
Foreign currency translation reserve	(6,210)	(6,225)	-	-
Accumulated losses	(24,916)	(20,792)	(44,778)	(43,479)
	<u>57,910</u>	<u>62,019</u>	<u>51,110</u>	<u>52,409</u>
Non-controlling interests	11,016	11,513	-	-
Total equity	<u>68,926</u>	<u>73,532</u>	<u>51,110</u>	<u>52,409</u>

Non-current liabilities

Loans and borrowings	310,195	315,268	30,000	30,000
Deferred income	1,228	1,592	-	-
Trade and other payables	44,070	31,854	-	-
	<u>355,493</u>	<u>348,714</u>	<u>30,000</u>	<u>30,000</u>

Current liabilities

Trade and other payables	30,450	39,552	11,674	10,629
Derivatives	-	584	-	-
Loans and borrowings	144,828	150,775	-	-
Deferred income	682	891	-	-
Current tax payable	200	-	-	-
Liabilities classified as held for sale	6,098	-	-	-
	<u>182,258</u>	<u>191,802</u>	<u>11,674</u>	<u>10,629</u>

Total liabilities

	<u>537,751</u>	<u>540,516</u>	<u>41,674</u>	<u>40,629</u>
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Total equity and liabilities

	<u>606,677</u>	<u>614,048</u>	<u>92,784</u>	<u>93,038</u>
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1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable within one year or less, or on demand.**

As at 30/06/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
141,162,000	3,666,000	144,455,000	6,320,000

Amount repayable after one year.

As at 30/06/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
310,195,000	-	315,268,000	-

The Group's borrowings comprise obligations under finance leases, unsecured and secured bank loans, trust receipts and bank overdrafts.

Details of any collateral.

The finance lease liabilities are secured on plant and equipment under the leases with carrying value of \$6,249,000 (31 December 2013 : 7,095,000).

The trust receipts are used to finance the purchase of inventories with carrying value of \$8,470,000 (31 December 2013 : \$7,204,000).

The banks have a lien over the title of such inventories.

The bank loans are secured by/on :

- First legal mortgages over leasehold properties with carrying amounts of \$21,466,000 (31 December 2013 : \$22,338,000);
- First legal mortgages over investment properties with carrying amounts of \$170,352,000 (31 December 2013 : \$170,000,000);
- First and second legal mortgages over investment property with carrying amounts of \$336,201,000 (31 December 2013 : \$336,000,000);
- First fixed charge over 100% shareholdings of F2S1 Investment Pte Ltd;
- Deposits amounting to \$105,000 (31 December 2013 : \$105,000);
- Fixed charges on certain plant and machinery with carrying amounts of \$3,551,000 (31 December 2013 : \$Nil);
- Guarantee by the Executive Chairman of the Company;
- Fixed charges on 200 million shares of the Company held by the Executive Chairman.

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

Consolidated Cash Flow Statements For the Second Quarter Ended 30 June 2014

	2Q 2014 \$'000	2Q 2013 \$'000	1H 2014 \$'000	1H 2013 \$'000
Cash flows from operating activities				
Loss for the period	(1,872)	(822)	(4,644)	(3,570)
Adjustments for:				
Depreciation of property, plant and equipment	1,221	1,183	2,440	2,370
Gain on disposal of other investment	-	-	(4)	-
Loss on disposal of joint venture investment	-	3	-	3
Finance income	(167)	(3)	(168)	(4)
Finance cost	4,079	144	7,705	290
Reversal of impairment on property, plant and equipment	-	-	(72)	-
Amortisation of intangible assets	56	57	113	115
Net change in fair value of financial assets designated at fair value through profit or loss	(168)	(36)	(54)	294
Reversal of allowance for write-down of inventories	(35)	(2)	(80)	(644)
Provision for impairment of trade receivables	8	33	9	13
(Profit)/Loss on disposal of property, plant and equipment	-	(1)	21	(385)
Amortisation of deferred income	(171)	(172)	(344)	(341)
Income tax expense	200	-	200	-
Operating profit/(loss) before working capital changes	3,151	384	5,122	(1,859)
Changes in working capital				
Inventories & construction work-in-progress	(17)	412	(982)	1,535
Trade and other receivables	(3,931)	(1,694)	(4,591)	1,881
Trade and other payables	2,807	1,742	2,392	(270)
Cash generated from operations	2,010	844	1,941	1,287
Income taxes received/(paid)	-	-	-	-
Cash flows generated from operating activities	2,010	844	1,941	1,287
Cash flows from investing activities				
Purchase of property, plant and equipment	(575)	(18)	(947)	(672)
Quasi-equity loan to other investee	-	(205)	(345)	(205)
Payment of deposit for proposed acquisition of subsidiary	-	(3,570)	-	(3,570)
Payment of deposit for proposed acquisition of properties	-	(3,430)	-	(3,430)
Payment for renovation of investment properties	(352)	-	(553)	-
Proceeds from disposal of other investments	-	-	607	-
Proceeds from disposal of property, plant and equipment	-	1	392	388
Receipt of tax refund related to investment properties	-	-	9,854	-
Payment to other creditor related to purchase of a subsidiary	(3,000)	-	(10,000)	-
Interest received	167	3	168	4
Cash flows used in investing activities	(3,760)	(7,219)	(824)	(7,485)
Cash flows from financing activities				
Repayment of long-term loans and borrowings	(9,234)	(461)	(9,033)	(1,129)
Proceeds from short-term loans and borrowings	10,463	5,031	6,570	4,024
Payment of finance lease liabilities	(548)	(709)	(1,116)	(1,497)
Loans from non-controlling interests for working capital	6,830	-	12,216	-
Repayment of bridging loan from non-controlling interests	(951)	-	(557)	-
Proceeds from private placement	-	4,510	-	4,510
Interest paid	(6,631)	(144)	(8,836)	(290)
Cash flows generated (used in)/from financing activities	(71)	8,227	(756)	5,618

Net (decrease)/increase in cash and cash equivalents	(1,821)	1,852	361	(580)
Effect of exchange rate fluctuation on cash held	48	(300)	38	(86)
Cash and cash equivalents at the beginning of the financial period	859	3,442	(1,313)	5,660
Cash and cash equivalents at the end of the financial period	<u>(914)</u>	<u>4,994</u>	<u>(914)</u>	<u>4,994</u>
Cash and cash equivalents are made up of the following:-				
Cash at bank and on hand	2,050	3,334	2,050	3,334
Fixed deposits	307	2,499	307	2,499
	<u>2,357</u>	<u>5,833</u>	<u>2,357</u>	<u>5,833</u>
Less: Bank overdraft (disclosed under interest bearing borrowings)	(3,166)	(839)	(3,166)	(839)
Less: Deposits pledged	(105)	-	(105)	-
Cash and cash equivalents at the end of the financial period	<u>(914)</u>	<u>4,994</u>	<u>(914)</u>	<u>4,994</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 capitalization issues and distribution to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY - GROUP (\$'000) FOR THE QUARTER ENDED 30 JUNE 2014

	<u>Share capital</u>	<u>Foreign currency translation reserve</u>	<u>Other reserve</u>	<u>Accumulated losses</u>	<u>Total</u>	<u>Non - controlling interests</u>	<u>Total equity</u>
As at 1 January 2014	95,888	(6,225)	(6,852)	(20,792)	62,019	11,513	73,532
Changes in equity for the period							
Loss for the period	-	-	-	(4,124)	(4,124)	(520)	(4,644)
Other comprehensive income - Translation differences relating to financial statements of foreign operations/ Total other comprehensive income	-	15	-	-	15	23	38
Total comprehensive income for the period	-	15	-	(4,124)	(4,109)	(497)	(4,606)
As at 30 June 2014	<u>95,888</u>	<u>(6,210)</u>	<u>(6,852)</u>	<u>(24,916)</u>	<u>57,910</u>	<u>11,016</u>	<u>68,926</u>

At 1 January 2013	227,696	(6,377)	(6,852)	(162,686)	51,781	10,378	62,159
Changes in equity for the period							
Loss for the period	-	-	-	(2,731)	(2,731)	(839)	(3,570)
Other comprehensive income							
- Translation differences relating to financial statements of foreign operations/ Total other comprehensive income	-	221	-	-	221	-	221
Total comprehensive income for the period	-	221	-	(2,731)	(2,510)	(839)	(3,349)
Transactions with owners, recognised directly in equity							
Capital reduction exercise	(136,318)	-	-	136,318	-	-	-
As at 30 June 2013	<u>91,378</u>	<u>(6,156)</u>	<u>(6,852)</u>	<u>(29,099)</u>	<u>49,271</u>	<u>9,539</u>	<u>58,810</u>

STATEMENT OF CHANGES IN EQUITY - COMPANY (\$'000) FOR THE QUARTER ENDED 30 JUNE 2014

	<u>Share capital</u>	<u>Accumulated losses</u>	<u>Total</u>
As at 1 January 2014	95,888	(43,479)	52,409
Loss for the period	-	(1,299)	(1,299)
Total comprehensive income	-	(1,299)	(1,299)
As at 30 June 2014	<u>95,888</u>	<u>(44,778)</u>	<u>51,110</u>
As at 1 January 2013	227,696	(145,285)	82,411
Loss for the period	-	(210)	(210)
Total comprehensive income	-	(210)	(210)
- Capital reduction exercise	(136,318)	136,318	-
As at 30 June 2013	<u>91,378</u>	<u>(9,177)</u>	<u>82,201</u>

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

Issued ordinary shares

	Number of shares	
	2014	2013
Balance as at 1 January & 30 June	<u>1,026,650,198</u>	<u>985,650,198</u>

Outstanding warrants

As at 30 June 2014, the Company has Nil outstanding warrants.

The Company 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 the current financial period and as at the end of the immediately preceding year.

Total number of issued shares excluding treasury shares :1,026,650,198 (31 December 2013 : 1,026,650,198)

- 1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of the treasury shares 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 standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

- 3 Where the figures have been audited or reviewed, the auditor's 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 item 5 below, the accounting policies and methods of computation adopted are consistent with those applied in the most recent audited annual financial statements.

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

The Group adopted the following new/revised Singapore Financial Reporting Standards which are effective for its financial statement for the year ending 31 December 2014:

Amendments to FRS 27	<i>Separate Financial Statements</i>
Amendments to FRS 28	<i>Investment in Associates and Joint Ventures</i>
FRS 110	<i>Consolidated Financial Statements</i>
FRS 111	<i>Joint arrangements</i>
FRS 112	<i>Disclosure of interests in other entities</i>

The adoption of the above new/revised Singapore Financial Reporting Standards is assessed to have no material impact on the results of the Group or the Company for the financial year.

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.**

	<u>The Group</u>			
	2Q 2014 \$	2Q 2013 \$	1H 2014 \$	1H 2013 \$
Earnings (loss) per share				
Basic (loss)/profit per share	(0.14) cts	(0.05) cts	(0.40) cts	(0.28) cts
Diluted (loss)/profit per share	(0.14) cts	(0.05) cts	(0.40) cts	(0.28) cts
Continuing operations				
Basic (loss)/profit per share	(0.13) cts	(0.05) cts	(0.37) cts	(0.28) cts
Diluted (loss)/profit per share	(0.13) cts	(0.05) cts	(0.37) cts	(0.28) cts
Discontinued operation				
Basic (loss)/profit per share	(0.01) cts	0.00 cts	(0.03) cts	0.00 cts
Diluted (loss)/profit per share	(0.01) cts	0.00 cts	(0.03) cts	0.00 cts
	2Q 2014 \$'000	2Q 2013 \$'000	1H 2014 \$'000	1H 2013 \$'000
Profit /(Loss) attributable to owners of the Company				
Continuing operations	(1,419)	(500)	(3,840)	(2,729)
Discontinued operations	(136)	-	(284)	(2)
	<u>(1,555)</u>	<u>(500)</u>	<u>(4,124)</u>	<u>(2,731)</u>

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

	<u>The Group</u>		<u>The Company</u>	
	<u>30.06.2014</u>	<u>31.12.2013</u>	<u>30.06.2014</u>	<u>31.12.2013</u>
Net asset value per ordinary share for the Group and the Company	5.64 cts	6.04 cts	4.98 cts	5.10 cts

Net asset value per ordinary share for the Group and the Company are computed based on the net asset value of the Group and the Company after deduction of minority interests and the number of ordinary shares of the Company in issue as at 30 June 2014 of 1,026,650,198 (as at 31 December 2013 : 1,026,650,198) shares.

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.**

BALANCE SHEET

Comparing 30 June 2014 with 31 December 2013 figures:

- (i) The decrease in property, plant and equipment was primarily due to the reclassification of property at 8 Tuas View Circuit to asset held for sales and depreciation charges for the current financial period. Details of disposal of the property was previously announced through SGX-ST on 6 June 2014 and 24 July 2014.
- (ii) Decrease of other investments mainly due to the disposal of investment in quoted share of Professional Waste Technology (1999) Public Company Limited (PWT), a company listed on Thailand Stock Exchange during the current financial period. Details of the disposal can be found in Company announcement dated 26 February 2014.
- (iii) The decrease in trade and other receivables was mainly due to receipt of tax refund in relation to acquisition of investment properties. Details of the acquisitions can be found in Company circular dated 29 August 2013. The decrease is partially offset by increase in trade debtors from the Group construction business which is in line with the increase in construction contract revenue.
- (iv) The assets and liabilities held for sale constitute the assets and liabilities of the Group's subsidiary-HCG Environment Pte Ltd ("HCG"). The Company had entered into a sale and purchase agreement with Yi Hui Metals Pte Ltd ("Purchaser") to dispose HLS Electronic Pte Ltd ("HLS") interest in its wholly owned subsidiary-HCG. Details of the disposal were announced through SGX-ST on 3 June 2014 and 24 July 2014.
- (v) The increase of Inventories was mainly due to purchase of e-waste related products and the increase was partially offset by decrease in copper related products during the current financial period.
- (vi) The decrease in the Group's total borrowings was mainly attributed by reclassification of the borrowing to liabilities held for sales as mentioned in item 8(iv) above and payments of property loan and bridging loan. The decrease was partially offset by increase in trust receipt financing during the current period.
- (vii) The increase in trade and other payables was mainly due to increase of credit purchases for our construction business and inventories for recycling businesses.
- (viii) As at 30 June 2014, the Group's current liabilities exceeded its current assets. In particular, the current liabilities of the Group include a money market loan of \$101,000,000 secured by a second legal mortgage on one of the Group's investment properties and first fixed charge over 100% shareholdings of F2S1 Investment Pte Ltd, a subsidiary of the Group, with underlying assets being the investment property. This loan is structured to be rolled over every three or six months by the Group each time up to the final maturity date in November 2015, subject to meeting the terms and conditions of the facility. The management anticipates that other cash flows requirement will be met out of operating cash flows or from other financing arrangements which can be obtained from time to time.

INCOME STATEMENT

Comparing 1H/2Q 2014 figures with 1H/2Q 2013 figures:

- (i) The Group's revenue increased by \$28.5 million or 116% for 1H 2014 as compared to 1H 2013. This was attributed almost equally from the Group's three core businesses, namely construction, recycling and property investment businesses in the current financial period.

The Group's revenue increased by \$21.7 million or 155% for 2Q 2014 as compared to 2Q 2013. 56% of the increase was attributable by recycling business and the rest attributable by property investment and construction businesses in current quarter.

- (ii) The gross profit and gross margin of 1H/2Q 2014 improved significantly as compared to 1H/2Q 2013. The higher gross profit and gross margin in 1H/2Q 2014 was primarily due to contribution from the property investment business newly setup in 3Q 2013 and improvement of construction business in term of increment in revenue and fixed cost recovery.
- (iii) Other income, selling and distribution expenses, general and administrative expenses and other expenses remains constant in 1H/2Q 2014 as compared to 1H/2Q 2013.
- (iv) The increase in finance cost in 1H/2Q 2014 as compared to corresponding periods in 2013 was due to the bank interest associated to the acquisition of investment properties of the Group. Details of the acquisitions can be found in Company circular dated 29 August 2013.

CASH FLOW STATEMENT

Comparing 1H/2Q 2014 figures with 1H/2Q 2013 figures:

- (i) The increase of net cash inflow from operating activities in 2Q/1H 2014 as compared to corresponding period in 2013 was mainly due to changes in working capital.
- (ii) The decrease of net cash outflows from investing activities in 1H/2Q 2014 as compared to the corresponding periods in 2013 were mainly due to the deposit payments for proposed acquisitions of F2S1 Investment Pte Ltd and 63 Hillview Avenue in 1H/2Q 2013.
- (iii) The net cash outflows from financing activities in 1H/2Q 2014 compared to the net cash inflow in 1H/2Q 2013 was mainly due to interest and principle repayments for banks loans, this outflow was partially offset by proceeds of additional loans from bank and non-controlling interests in 1H 2014. The net cash inflow in 1H/2Q 2013 was mainly attributed to the receipt of proceeds from short term borrowings and private placement of ordinary shares.

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 statements were previously made.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group has previously announced on 21 March 2014 that Leong Hin Piling Pte. Limited, a wholly-owned subsidiary of the Company had been awarded a piling contract of approximately S\$19.17 million ("Project"). As at 30 June 2014, approximately 50% of the project has been completed and recognised. On 3 June 2014 the Group has announced HLS Electronics Pte Ltd ("HLS"), an 80.25%-owned subsidiary of the Company and Yi Hui Metals Pte Ltd ("Purchaser") have entered into the share sale agreement ("SSA") to dispose HCG Environment Pte Ltd ("Disposal"). This disposal has been completed on 24 July 2014. The Project and Disposal will contribute positively to the bottom line of the Group for the current financial year.

11 If a decision regarding dividend has been made:-

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

None.

(b) Final ordinary dividend

None.

(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 period under review.

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.**

Name of the interested person	Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the Shareholders Mandate pursuant to Rule 920)	Aggregate value of all Interested Person Transactions, conducted under the Shareholders Mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Lam Huat Development Pte Ltd	Shareholder loan - S\$345,000 (note 1)	-
	Interest income - S\$167,322	
EH Property & Investments Pte Ltd	Shareholder loan - S\$225,715 (note 2)	-
Kranji Development Pte Ltd	-	Construction-related revenue - S\$8,944,738 (note 3)

Notes:

- (1) The Company has disbursed S\$345,000 during the financial period under review pursuant to existing obligation to make available a shareholder's loan ("LH Shareholder's Loan") of up to an aggregate amount of S\$8 million to Lam Huat Development Pte Ltd ("Lam Huat Development") to fund the joint venture entered into between the Company and BS Capital Pte Ltd, details of the LH Shareholder's Loan of which were set out in the Company's annual report for the financial year ended 31 December 2012. As at the financial period ended 30 June 2014, the Company has disbursed an aggregate amount of S\$5,511,695 to Lam Huat Development pursuant to the LH Shareholder's Loan.
- (2) The Company has disbursed an aggregate amount of S\$225,715 during the financial period under review pursuant to the existing obligation of the Company to fund the joint venture entered into between the Company and BS Capital Pte. Ltd. in relation to EH Property & Investments Pte. Ltd. ("EH Property") by way of shareholder's loan ("EH Property Shareholder's Loan"). Details of the joint venture and the EH Property Shareholder's Loan were set out in the Company's circular to shareholders dated 29 August 2013 and the Company's announcements on the SGXNet dated 25 June 2013, 8 July 2013 and 24 February 2014. As at the financial period ended 30 June 2014, the Company has disbursed an aggregate amount of S\$46,378,957 to EH Property pursuant to the EH Property Shareholder's Loan.
- (3) The Company has, at the Company's AGM held on 29 April 2013, obtained a renewal of the shareholders' general mandate ("IPT Mandate") for (i) the grant of corporate guarantees by the Company to banks and financial institutions for banking and financing facilities to be granted to the Company's subsidiaries which fall within the definition of "interested person" as defined in Chapter 9 of the Listing Manual from time to time; and (ii) the provision of construction-related services by a wholly-owned subsidiary of the Company, Leong Hin Piling (Pte.) Limited, its subsidiaries and associated companies from time to time, or any of them, to Mr Raymond Ng Ah Hua and his associates which are expected to be recurrent in nature. As at the financial period ended 30 June 2014, the Group has entered into IPT transaction amounted to S\$8,944,738 under the IPT Mandate.

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 financial statements, with comparative information for the immediately preceding year.**
Not applicable.
- 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.**
Not applicable.
- 16 **A breakdown of sales.**
Not applicable.
- 17 **A breakdown of the total annual dividend (in thousand dollar value) for the issuer's latest full year and its previous full year.**
Not applicable.
- 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.**
Not applicable.

BY ORDER OF THE BOARD

JOANNA LIM
Company Secretary
13 August 2014



一合环保控股
ENVIRO-HUB HOLDINGS LTD
Let's Restore The Environment!
(Incorporated in the Republic of Singapore)
(Co. Reg. No.: 199802709E)

Confirmation by the Board Pursuant to Rule 705(5)

We, Raymond Ng and Tan Kok Hiang, being two directors of Enviro-Hub Holdings Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render these interim unaudited financial results of the Company and of the Group to be false or misleading in any material respect.

On behalf of the board of directors

Raymond Ng
Chairman

13 August 2014
Singapore

Tan Kok Hiang
Director