



**SINO CONSTRUCTION LIMITED**  
(Incorporated in the Republic of Singapore)  
(Registration No: 200613299H)

**UNAUDITED FINANCIAL STATEMENT FOR THE FIRST QUARTER AND THREE MONTHS ENDED 31 MARCH 2014**

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

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

	Unaudited		(+/-) %
	1 <sup>st</sup> Quarter Ended		
	31/03/2014	31/03/2013 (Restated)	
	S\$'000	S\$'000	
<b>Continuing operations</b>			
Revenue	-	-	-
Cost of sales	(3)	-	n.m
<b>Gross loss</b>	<b>(3)</b>	-	n.m
<b>Other items of income</b>			
Other income	303	-	n.m
<b>Other items of expense</b>			
Administrative expenses	(215)	(311)	(30.9)
Finance costs	(1)	-	n.m
Other expenses	(3)	(54)	(94.4)
Profit (loss) before income tax	<b>81</b>	<b>(365)</b>	>100.0
Income tax credit	-	-	-
<b>Profit (loss) from continuing operations</b>	<b>81</b>	<b>(365)</b>	>100.0
<b>Discontinued operations</b>			
Profit (loss) from discontinued operations	-	488	(100)
<b>Profit for the period</b>	<b>81</b>	<b>123</b>	(34.1)
<b>Other comprehensive income:</b>			
Foreign currency translation	810	104	>100.0
<b>Total comprehensive income for the period</b>	<b>891</b>	<b>227</b>	>100.0
<b>Profit for the period attributable to:</b>			
Owner of the Company	100	123	(18.7)
Non-controlling interests	(19)	-	n.m
	<b>81</b>	<b>123</b>	(34.1)
<b>Total comprehensive income for the period attributable to :</b>			
Owner of the Company	910	227	>100.0
Non-controlling interests	(19)	-	n.m
	<b>891</b>	<b>227</b>	>100.0

\*n.m – not meaningful

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

Profit (loss) before tax is arrived at after charging the following items:

	<b>Unaudited</b>	
	<b>1<sup>st</sup> Quarter Ended</b>	
	<b>31/03/2014</b>	<b>31/03/2013</b>
		<b>(Restated)</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Depreciation of property, plant and equipment	16	-
	<u>16</u>	<u>-</u>

**1(a)(iii) Other income**

	<b>Unaudited</b>	
	<b>1<sup>st</sup> Quarter Ended</b>	
	<b>31/03/2014</b>	<b>31/03/2013</b>
		<b>(Restated)</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Unrealised exchange gain, net	2	-
Gain on disposal of group	301	-
	<u>303</u>	<u>-</u>

**1(a)(iv) Other expenses**

	<b>Unaudited</b>	
	<b>1<sup>st</sup> Quarter Ended</b>	
	<b>31/03/2014</b>	<b>31/03/2013</b>
		<b>(Restated)</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Unrealised exchange loss, net	-	54
Realised exchange loss	3	-
	<u>3</u>	<u>54</u>

**1(a)(v) Dispose of the heating services business**

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

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

	Group		Company	
	31/3/2014	31/12/2013 (Restated)	31/3/2014	31/12/2013 (Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	163	163
Investment in equity (unquoted)	12,000	-	12,000	-
Property, plant and equipment	814	-	-	-
	<u>12,814</u>	<u>-</u>	<u>12,163</u>	<u>163</u>
<b>Current assets</b>				
Trade and other receivables	687	5,000	-	5,000
Cash and bank balances	246	212	19	212
	<u>933</u>	<u>5,212</u>	<u>19</u>	<u>5,212</u>
Assets of disposal group classified as held for sale	-	52,332	-	-
	<u>933</u>	<u>57,544</u>	<u>19</u>	<u>5,212</u>
<b>Total assets</b>	<u>13,747</u>	<u>57,544</u>	<u>12,182</u>	<u>5,375</u>
<b>Current liabilities</b>				
Trade and other payables	2,869	5,000	2,393	5,163
Other liabilities	2	266	-	267
Gross amount due to customers for work-in-progress	3	-	-	-
Loans and borrowings	98	-	-	-
Income tax payable	11	-	-	-
	<u>2,983</u>	<u>5,266</u>	<u>2,393</u>	<u>5,430</u>
Liabilities directly associated with disposal group classified as held for sale	-	42,332	-	-
	<u>2,983</u>	<u>47,598</u>	<u>2,393</u>	<u>5,430</u>
<b>Net current assets (liabilities)</b>	<u>(2,050)</u>	<u>9,946</u>	<u>(2,374)</u>	<u>(218)</u>
<b>Non-Current liabilities</b>				
Loans and borrowings	589	-	-	-
	<u>589</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>3,572</u>	<u>47,598</u>	<u>2,393</u>	<u>5,430</u>
<b>Net assets (liabilities)</b>	<u>10,175</u>	<u>9,946</u>	<u>9,789</u>	<u>(55)</u>
<b>Equity attributable to owners of the Company</b>				
Share capital	95,482	95,482	95,482	95,482
Reserve funds	367	-	-	-
Translation reserve	4,574	3,764	-	-
Accumulated losses	(90,305)	(89,300)	(85,693)	(95,537)
	<u>10,118</u>	<u>9,946</u>	<u>9,789</u>	<u>(55)</u>
<b>Non-controlling interest</b>	57	-	-	-
	<u>10,175</u>	<u>9,946</u>	<u>9,789</u>	<u>(55)</u>

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

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

	As at 31/03/2014		As at 31/12/2013	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Obligation under finance lease	56 <sup>(1)</sup>	-	-	-
Borrowings	42 <sup>(2)</sup>	-	-	-
	<u>98</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Amount repayable after one year**

	As at 31/03/2014		As at 31/12/2013	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Obligation under finance lease	56 <sup>(1)</sup>	-	-	-
Borrowings	533 <sup>(2)</sup>	-	-	-
	<u>589</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Details of any collateral**

- (1) The finance lease of Elite Bay Sdn Bhd ("Elite Bay") was secured by the underlying assets under the finance lease with a net carrying amount of S\$44,950 (RM116,412).
- (2) In FY2014, the bank loan with a net carrying value of S\$575,000 is secured by Elite Bay's building in progress at Lot No. 446, Seksyen 3, Bandar Butterworth, Malaysia, and is guaranteed jointly and severally by the directors of Elite Bay.

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

	Unaudited 1 <sup>st</sup> Quarter Ended	
	31/03/2014 S\$'000	31/03/2013 (Restated) S\$'000
<b>Operating activities</b>		
Profit before tax	81	116
<u>Adjustments for:-</u>		
Depreciation of property, plant and equipment	16	683
Amortisation of land use rights	-	69
Gain on disposal of subsidiary	(301)	-
Finance costs	1	211
Interest income	-	(2)
Unrealised exchange (gain) loss	(2)	102
<b>Operating cash flows before changes in working capital</b>	<b>(205)</b>	<b>1,179</b>
<u>Changes in working capital:</u>		
Decrease in inventories	-	34
Decrease (Increase) in trade and other receivables	5,310	(3,786)
Decrease in prepaid operating expenses	-	6,127
Increase (Decrease) in trade and other payables	(4,619)	(4,039)
(Decrease) Increase in other liabilities	(267)	150
<b>Cash flows from (used in) operations</b>	<b>219</b>	<b>(335)</b>
Interest received	-	2
Finance costs paid	(1)	(211)
Income taxes paid	-	-
<b>Net cash flows from (used in) operating activities</b>	<b>218</b>	<b>(544)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(15)	(4)
Net cash out flow on acquisition of subsidiary	(114)	-
<b>Net cash flows used in investing activities</b>	<b>(129)</b>	<b>(4)</b>
<b>Financing activity</b>		
Repayment of bank overdraft	(46)	-
Repayment of loan and borrowings	(9)	-
<b>Net cash flows used in financing activity</b>	<b>(55)</b>	<b>-</b>
Net increase (decrease) in cash and bank balances	34	(548)
Cash and bank balances at beginning of period	212	2,650
<b>Cash and bank balances at end of period</b>	<b>246</b>	<b>2,102</b>

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Unaudited 2014 – Group	Share Capital S\$'000	Reserve Funds S\$'000	Merger Reserve S\$'000	Translation Reserve S\$'000	Accumulated Losses S\$'000	Attributable to owners of the parent S\$'000	Non-controlling interest S\$'000	Total Equity S\$'000
At 1 January 2014	95,482	-	-	3,764	(89,300)	9,946	-	9,946
Profit/(loss) for the period	-	-	-	-	100	100	(19)	81
<u>Other comprehensive income</u>								
Foreign currency translation	-	-	-	810	-	810	-	810
Total comprehensive income for the period	-	-	-	810	100	910	(19)	891
<u>Contribution by and distributions to owners</u>								
Disposal of subsidiaries	-	-	-	-	(1,105)	(1,105)	-	(1,105)
Capital reserve arising on the acquisition of Elite Bay	-	367	-	-	-	367	-	367
Total transactions with owners in their capacity as owners of the parent	-	367	-	-	(1,105)	(738)	-	(738)
<u>Additional non-controlling interest arising on the acquisition of subsidiary</u>								
	-	-	-	-	-	-	76	76
At 31 March 2014	95,482	367	-	4,574	(90,305)	10,118	57	10,715

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)

Unaudited 2013 – Group	Share Capital S\$'000	Reserve Funds S\$'000	Merger Reserve S\$'000	Translation Reserve S\$'000	Accumulated Losses S\$'000	Attributable to owners of the parent S\$'000	Non-controlling interest S\$'000	Total Equity S\$'000
At 1 January 2013	88,312	12,713	(18,156)	(1,142)	(51,468)	30,259	-	30,259
Profit for the period	-	-	-	-	123	123	-	123
<u>Other comprehensive income</u>								
Foreign currency translation	-	-	-	104	-	104	-	104
Total comprehensive income for the period	-	-	-	104	123	227	-	227
At 31 March 2013	88,312	12,713	(18,156)	(1,038)	(51,345)	30,486	-	30,486

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)

Unaudited 2014 – Company	Share Capital S\$'000	Translation Reserve S\$'000	Accumulated Losses S\$'000	Attributable to owners of the parent S\$'000
At 1 January 2014	95,482	-	(95,537)	(55)
Profit for the period	-	-	9,845	9,845
<u>Other comprehensive income</u>				
Foreign currency translation	-	-	-	-
Total comprehensive income for the period	-	-	-	-
At 31 March 2014	95,482	-	(85,692)	9,790

Unaudited 2013 – Company	Share Capital S\$'000	Translation Reserve S\$'000	Accumulated Losses S\$'000	Attributable to owners of the parent S\$'000
At 1 January 2013	88,312	(171)	(93,516)	(5,375)
Profit/(loss) for the period	-	-	(365)	(365)
<u>Other comprehensive income</u>				
Foreign currency translation	-	-	-	-
Total comprehensive income for the period	-	-	-	-
At 31 March 2013	88,312	(171)	(93,881)	(5,740)

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 year.

Details of ordinary share capital movements are as shown below:

As at 31/03/2014		As at 31/12/2013	
No of shares	S\$	No of shares	S\$
1,316,763,799	95,481,587	1,316,763,799	95,481,587



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

<b>Company</b>	<b>31/03/2014</b>	<b>31/12/2013</b>
Total number of issued shares	<u>1,316,763,799</u>	<u>1,316,763,799</u>

There are no treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

**1(d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

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

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The same accounting policies and methods of computation adopted in the most recent audited financial statements for the financial year ended 31 December 2013 have been applied in the preparation of the financial statements for period ended 31 March 2014 except that the Group has adopted the new and revised Financial Reporting Standards (FRS) and interpretations of FRS (INTFRS) which became effective for annual periods beginning on 1 January 2014 or otherwise stated.

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

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

- 6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends. (a) Based on the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	1 <sup>st</sup> Quarter Ended	
	31/03/2014	31/03/2013
	S\$ (cents)	S\$ (cents)
Profit per share		
- Basic	0.01	0.02
- Diluted	0.01	0.02

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

	No. of shares	No. of shares
Basic	1,014,009,867	685,305,599
Diluted	1,014,009,867	685,305,599

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

	Group		Company	
	31/03/2014	31/12/2013	31/03/2014	31/12/2013
	S\$	S\$	S\$	S\$
Net asset value per ordinary share	0.01	0.01	0.01	-*

\*Less than S\$0.01

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

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

#### Statement of comprehensive income review

The Group reported a net profit of S\$81,000 for the quarter ended 31 March 2014. An analysis of the statement of comprehensive income is as follows:

The company's wholly-owned subsidiary, SC Building & Construction Pte. Ltd. ("SCBC"), had on 29 January 2014 completed the subscription of 60% equity interests in Elite Bay Sdn Bhd ("Elite Bay") and Elite Bay has become a subsidiary of the Company. To-date, Elite Bay has an on-going project which is a proposed 8-storey condominium in Kota Kinabalu with a contract sum of RM14.1 million. As announced by the Company on 3 March 2014, Elite Bay was awarded the contract for the proposed mixed commercial development cum bus terminal in Kota Kinabalu, Sabah, Malaysia with a total contract sum of RM43.2 million.

As Sunny Cove Investments Limited is an investment holding company and Daqing Nafei Le Consulting Co. Ltd did not record any business activity, there was no revenue recognition in 1Q FY2014.

Cost of sales increased to S\$3,000 from nil in 1Q FY2013, which was incurred in Elite Bay's construction operation.

Administrative expenses mainly consist of administrative salaries, provision of 1Q directors' fee and other office expenses. The decrease in administrative expenses by S\$96,000 from S\$311,000 in 1Q FY2013 to S\$215,000 in 1Q FY2014 is mainly due to the decrease in professional expenses of S\$149,000 as a result of a corporate exercise 1Q FY2013.

Other income comprises of mainly the gain from the disposal of the heating services business in 1Q FY2014. Both Daqing Xinyuan Construction Installation Co., Ltd and Daqing Sunshine Reli Thermal Co., Ltd have ceased as subsidiaries of the Company accordingly.

The decrease in other expenses is mainly due to the recognition of unrealised exchange loss of S\$54,000 related to translation difference of inter-company balances as there is no such inter-company balance in 1Q FY2014.

#### **Consolidated Balance Sheet review**

The non-current assets as at 31 March 2014 comprises of the long term investment in Ardilaun Energy Limited whose principal activities are those of oil and gas exploration and development in Irish territories and internationally, and property, plant and equipment ("PPE") mainly acquired through the subscription of 60% equity interests in Elite Bay Sdn Bhd ("Elite Bay").

Current assets as at 31 March 2014 amount to S\$933,000 (FY2012: S\$57,544,000). The decrease of S\$56,611,000 is mainly due to the decrease in assets of the disposal group classified as held for sale amounting to S\$52,332,000 whereby the disposal was completed on 27 March 2014.

Trade and other receivables decreased by S\$4,313,000 as at 31 March 2014 as compared to 31 December 2013. The decrease was mainly due to the transfer of deposit held in escrow (with the lawyer) from the consideration of the disposal of heating services business amounting to S\$5,000,000, as payment for acquisition of 19.9% equity interests in Ardilaun Energy Limited ("Ardilaun").

Current liabilities as at 31 March 2014 amount to S\$2,983,000 (FY2013: S\$47,598,000). The decrease of S\$44,615,000 in current liabilities is mainly due to the decrease in liabilities directly associated with disposal group classified as held for sale amounting S\$42,332,000 whereby the disposal was completed on 27 March 2014.

Trade and other payables decreased by S\$2,131,000 as at 31 March 2014 as compared to 31 December 2013. The decrease was mainly due to the transfer of deposit held in escrow (with the lawyer), received from sale of the heating services business amounting to S\$5,000,000, as payment for the investment in Ardilaun. The decrease is offset by the increase in other payable amounting to S\$2,384,000 mainly due to balance amount of S\$2,000,000 for investment in Ardiluan.

### **Equity attributable to owners of the Company**

Equity attributable to owners of the Company increased by S\$229,000 from S\$9,946,000 as at 31 December 2013 to S\$10,175,000 as at 31 March 2014 due to the total comprehensive income amounting to S\$891,000 recorded during 1Q FY2014, capital reserve amounting to S\$367,000 and additional non-controlling interest amounting to S\$76,000 arising from the subscription of 60% equity interests in Elite Bay. The increase is offset by the decrease in other reserve due to transfer of translation reserve of S\$1,105,000 to accumulated losses as a result of the disposal of Daqing Xinyuan Construction Installation Co., Ltd and Daqing Sunshine Reli Thermal Co., Ltd.

### **Consolidated statement of cash flows review**

The increase in net cash and bank balances of S\$34,000 from S\$212,000 as at 31 December 2013 to S\$246,000 as at 31 March 2014 is mainly due to net cash outflows from operating activities of approximately S\$218,000 . The increase is offset by cash flow used in the purchase of office equipment and renovation of SCBC's office amounting to S\$15,000, subscription of 60% equity interests in Elite Bay amounting to S\$114,000 and cash flow used in financing activity amounting to S\$55,000 due to repayment of bank overdraft, loan and borrowing in 1Q FY2014.

**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.**

The Group is reorganizing as well as restructuring its businesses.

On 6 November 2013, the Group has disposed of Daqing City Dazheng Building Installation Co., Ltd. and Daqing City Baixinyuan Concrete Products Co., Ltd. which carried out its construction business in the PRC. On 27 March 2014, the Group completed the disposal of the heating services business. Both Daqing Xinyuan Construction Installation Co., Ltd and Daqing Sunshine Reli Thermal Co., Ltd have ceased as subsidiaries of the Company accordingly.

In an attempt to re-focus on its core business of construction in the PRC, Singapore and other Asia-Pacific regions, the Group has incorporated a subsidiary in PRC, Daqing Naifei Le Consulting Co. Ltd, to continue to tender for construction contracts. Also, with the strong demand of construction forecasted in Singapore and Malaysia market, the Group has incorporated a subsidiary in Singapore, SCBC, to explore business opportunities in these markets. On 29 Jan 2014, the Group, through SCBC, has acquired a 60% interest in Elite Bay to leverage on its presence in Malaysia. To-date, Elite Bay has on-going project which is a proposed 8-storey condominium in Kota Kinabalu with a contract sum of RM14.1 million. In addition, as announced by the Company on 3 March 2014, Elite Bay was awarded the contract for the proposed mixed commercial development cum bus terminal in Kota Kinabalu, Sabah, Malaysia with a total contract sum of RM43.2 million.

The Group is also actively exploring on other investment opportunities to diversify its existing business and had to-date made the following investments;

- (a) Acquisition of 19.9% equity interests in Ardilaun Energy Limited. The principal activities of Ardilaun are those of oil and gas exploration and development in Irish territories and internationally.
- (b) Acquisition of 19.9% equity interests in Renaissance Enterprises S.A. (“Renaissance”) which is a limited liability company incorporated in Luxembourg. Topkapi Mineral Sanayi ve Ticaret A.S. (“Topkapi”) is a wholly-owned subsidiary of Renaissance whose principal activities are those of exploration, development, extraction, processing, production and trading of metals and minerals in Turkey.

On 8 April 2014, the Company announced that it has entered into a subscription agreement (the “Bond Subscription Agreement”) with Dealson Limited (the “Bond Subscriber”). Pursuant to the Bond Subscription Agreement, the Company proposes to issue unsecured redeemable convertible bonds due in 2017 to the Bond Subscriber, in the principal amount of S\$16,000,000, which can be converted into issued ordinary shares in the capital of the Company. As of the date of this report, the bond issue is subject to the receipt of SGX-ST’s approval-in-principle and also the approval of shareholders of the Company at an extraordinary general meeting to be convened.

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

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

None.

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

**(ii) Previous corresponding period**

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

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

**13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for IPTs.

**14 Use of proceeds from placement**

The Company refers to the proceeds raised from placement to the controlling shareholder amounting to S\$900,000, which was completed on 26 June 2013.

As at 30 April 2014, the status on the use of proceeds from placement is as follows:

Use of proceeds	Allocation	Utilisation	Amount yet to be utilised
	S\$'000	S\$'000	S\$'000
Operating expenses	854	854 <sup>(1)</sup>	–
Placement expenses	46	46	–
Total	900	900	–

(1) Comprises of the followings;

- a. compliance and listing expenses amounting to S\$112,000
- b. directors' fee for fourth quarter of FY2011, FY2012, FY2013 and FY2014 amounting to S\$247,000
- c. payroll expenses of employees amounting to S\$158,000
- d. expenses in connection with the unsuccessful conditional cash offer by Allegro Sky Global Pte Ltd amounting to S\$92,000
- e. internal and external auditors' fee for FY2012 amounting to S\$47,000

- f. legal fees in respect of the acquisition of Reli amounting to S\$25,000
- g. capital injection for new subsidiary, Daqing Naifei Le Consulting Co., Ltd, amounting to S\$64,000
- h. legal fees in respect of the disposal of Dazheng Building & Baixingyuan Concrete amounting to S\$27,000
- i. office expenses amounting to S\$82,000

The utilisation is in accordance with the intended use of the placement proceeds as disclosed in the circular dated 11 June 2013.

**15 Negative confirmation pursuant to Rule 705(5)**

We, William Joseph Condon and Chong Chee Meng Gerard, being Directors of the Company, do hereby confirm for and on behalf of the Board of Directors of the Company, that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the 3 months ended 31 March 2014 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

William Joseph Condon  
Executive Director  
15 May 2014