Ernst & Young

MISTRAL ENGINEERING SDN. BHD.
(COMPANY NO: 588127-H)
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 December 2012

Ernst & Young
AF:0039

MISTRAL ENGINEERING SDN. BHD.
(Company No: 588127-H)
(Incorporated in Malaysia)

Audited financial statements and other financial information

DIRECTORS

Dato' Seri Mah King Thian @ Mah King Thiam
Dato' Seri Mah King Seng

SECRETARIES

Chan Yoke Yin (MAICSA 7043743)
Chiew Cindy (MAICSA 7057923)

INDEPENDENT AUDITORS

Ernst & Young

BANKERS

RHB Bank Berhad
AmBank (M) Berhad
Public Bank Berhad

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Directors' report

The Directors hereby present their report together with the audited financial statements of the Company for the financial year ended 31 December 2012.

Principal activity

The principal activity of the Company is the operation of a biogas power plant which is currently under construction.

There has been no significant change in the nature of the activity during the financial year.

Results

	RM
Loss net of tax	(81,517)

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Directors

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Seri Mah King Thian @ Mah King Thiam
Dato' Seri Mah King Seng

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Directors' interests

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares of RM1 Each			
	1.1.2012	Bonus Issue	Sold	31.12.2012
The Company				
Indirect interest:				
Dato' Seri Mah King Thian @ Mah King Thiam	175,000	-	-	175,000
Dato' Seri Mah King Seng	175,000	-	-	175,000
Immediate holding company, Cash Nexus (M) Sdn. Bhd.				
Indirect interest:				
Dato' Seri Mah King Thian @ Mah King Thiam	355,000	-	-	355,000
Dato' Seri Mah King Seng	355,000	-	-	355,000
Ultimate holding company, Cepatwawasan Group Berhad				
Indirect interest:				
Dato' Seri Mah King Thian @ Mah King Thiam	79,220,800	39,610,400	-	118,831,200
Dato' Seri Mah King Seng	79,220,800	39,610,400	-	118,831,200

Holding companies

The Directors regard Cepatwawasan Group Berhad and Cash Nexus (M) Sdn. Bhd., both companies incorporated in Malaysia, as the ultimate and immediate holding companies respectively.

Other statutory information

(a) Before the statement of comprehensive income and statement of financial position of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

Other statutory information (continued)

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

  (i) it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Company; and

  (ii) the values attributed to the current assets in the financial statements of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

(d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company which would render any amount stated in the financial statements misleading.

(e) At the date of this report, there does not exist:

  (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Company which has arisen since the end of the financial year.

(f) In the opinion of the Directors:

  (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations when they fall due; and

  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

Significant event

Details of the significant event are disclosed in Note 21 to the financial statements.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 11 March 2013.

Dato' Seri Mah King Thian @ Mah King Thiam

Dato' Seri Mah King Seng

MISTRAL ENGINEERING SDN. BHD.
(Company No: 588127-H)
(Incorporated in Malaysia)

Statement by Directors
Pursuant to Section 169(15) of the Companies Act, 1965

We, Dato' Seri Mah King Thian @ Mah King Thiam and Dato' Seri Mah King Seng, being the Directors of Mistral Engineering Sdn. Bhd., do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 9 to 37 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2012 and of its financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 11 March 2013.

Dato' Seri Mah King Thian @ Mah King Thiam

Dato' Seri Mah King Seng

Statutory Declaration
Pursuant to Section 169(16) of the Companies Act, 1965

I, Wong Kai Lih, being the Officer primarily responsible for the financial management of Mistral Engineering Sdn. Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 9 to 37 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed Wong Kai Lih
at Sandakan in the State of Sabah
on 11 March 2013

Wong Kai Lih

Before me -

PESURUHJAYA SUMPAH
NO. S-029
RAMSAH BINTI
HJ. MOHD. TAHA
MALAYSIA

No.3, Tingkat 2,
Visma Sandaraya,
Sandakan,Sabah

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588127-H
Independent auditors' report to the member of
MISTRAL ENGINEERING SDN. BHD.
(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Mistral Engineering Sdn. Bhd., which comprise statement of financial position as at 31 December 2012, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 37.

Directors' responsibility for the financial statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

588127-H
Independent auditors' report to the member of
MISTRAL ENGINEERING SDN. BHD. (continued)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2012 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other matters

1. As stated in Note 4 to the financial statements, Mistral Engineering Sdn. Bhd. adopted Malaysian Financial Reporting Standards on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by Directors to the comparative information in these financial statements, including the statement of financial position as at 31 December 2011 and 1 January 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2011 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the year ended 31 December 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as of 31 December 2012 and financial performance and cash flows for the year then ended.

2. This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Kuching, Malaysia
11 March 2013

Yong Voon Kar
1769/04/14(J/PH)
Chartered Accountant

Statement of comprehensive income
For the financial year ended 31 December 2012

	Note	2012 RM	2011 RM
Revenue		-	-
Other items of expense			
Other operating expenses		(27,994)	(1,120)
Administrative expenses		(50,118)	(34,686)
Finance cost	5	(3,405)	-
Loss before tax	6	(81,517)	(35,806)
Income tax expense	7	-	-
Loss net of tax		(81,517)	(35,806)
Other comprehensive income		-	-
Total comprehensive loss for the year		(81,517)	(35,806)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of financial position
As at 31 December 2012

	Note	31 Dec 2012 RM	31 Dec 2011 RM	1 Jan 2011 RM
ASSETS				
Non-current asset				
Property, plant and equipment	8	21,671,666	17,121,945	8,576,209
Current assets				
Inventories	9	525	-	-
Other receivables	10	939,702	608,602	1,510,043
Cash and bank balances	11	97,767	850,709	202,889
		1,037,994	1,459,311	1,712,932
Total assets		22,709,660	18,581,256	10,289,141
EQUITY AND LIABILITIES				
Current liabilities				
Other payables	12	7,839,409	4,805,156	4,346,302
Loans and borrowings	13	157,244	-	-
		7,996,653	4,805,156	4,346,302
Net current liabilities		(6,958,659)	(3,345,845)	(2,633,370)
Non-current liability				
Loans and borrowings	13	14,887,491	13,869,067	6,000,000
Total liabilities		22,884,144	18,674,223	10,346,302
Net liabilities		(174,484)	(92,967)	(57,161)
Equity attributable to owners of the parent				
Share capital	14	250,000	250,000	250,000
Accumulated losses		(424,484)	(342,967)	(307,161)
		(174,484)	(92,967)	(57,161)
Total equity and liabilities		22,709,660	18,581,256	10,289,141

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of changes in equity

For the financial year ended 31 December 2012

	Equity, total RM	Share capital (Note 14) RM	Accumulated losses RM
At 1 January 2011	(57,161)	250,000	(307,161)
Total comprehensive loss	(35,806)	-	(35,806)
At 31 December 2011	(92,967)	250,000	(342,967)
Total comprehensive loss	(81,517)	-	(81,517)
At 31 December 2012	(174,484)	250,000	(424,484)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of cash flows

For the financial year ended 31 December 2012

	2012 RM	2011 RM
Operating activities		
Loss before tax	(81,517)	(35,806)
Adjustments for:		
Depreciation of property, plant and equipment	16,420	-
Finance cost	3,405	-
Total adjustments	19,825	-
Operating cash flows before changes in working capital	(61,692)	(35,806)
Changes in working capital		
Increase in inventories	(525)	-
(Increase)/decrease in receivables	(174,603)	924,451
Increase/(decrease) in other payables	923,801	(1,578,662)
Net movement with ultimate holding company	389,795	477
Net movement with related companies	1,564,160	2,016,203
Net movement with immediate holding company	-	(2,174)
Total changes in working capital	2,702,628	1,360,295
Cash flows from operations	2,640,936	1,324,489
Interest paid	(3,405)	-
Net cash flows from operating activities	2,637,531	1,324,489
Investing activities		
Interest paid on term loan	(491,771)	(271,482)
Interest paid on advances obtained	(222,650)	(232,782)
Purchase of plant and equipment	(3,791,720)	(8,041,472)
Net cash flows used in investing activities	(4,506,141)	(8,545,736)
Financing activities		
Repayment of obligation under finance lease	(15,265)	-
Proceeds from drawdown of bank loan	1,130,933	7,869,067
Net cash flows from financing activities	1,115,668	7,869,067
Net (decrease)/increase in cash and cash equivalents	(752,942)	647,820
Cash and cash equivalents at 1 January	850,709	202,889
Cash and cash equivalents at 31 December (Note 11)	97,767	850,709

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Kompleks Pejabat Behrang 2020, Jalan Persekutuan 1, 35900 Tanjung Malim, Perak Darul Ridzuan. The principal place of business of the Company is located at Lot 70, Block 6, Prima Square, Mile 4, North Road, 90000 Sandakan, Sabah.

The immediate and ultimate holding companies of the Company are Cash Nexus (M) Sdn. Bhd. and Cepatwawasan Group Berhad respectively, both of which are incorporated in Malaysia. The ultimate holding company, Cepatwawasan Group Berhad produces financial statements available for public use.

The principal activity of the Company is the operation of a biogas power plant which is currently under construction. There has been no significant change in the nature of the activity during the financial year.

2. Fundamental accounting concept

The financial statements of the Company have been prepared under the going concern concept because the ultimate holding company has agreed to provide adequate funds for the Company to meet its liabilities as and when they fall due.

3. Summary of significant accounting policies

3.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

For all periods up to and including the year ended 31 December 2011, the Company prepared its financial statements in accordance with Financial Reporting Standards ("FRS"). These financial statements for the year ended 31 December 2012 are the first the Company has prepared in accordance with MFRS. Refer to Note 4 for information on how the Company adopted MFRS.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM).

3. Summary of significant accounting policies (continued)

3.2 Standard issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Company's financial statements are disclosed below. The Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
MFRS 101 Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)	1 July 2012
Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)	1 January 2013
MFRS 3 Business Combinations (IFRS 3 *Business Combinations* issued by IASB in March 2004)	1 January 2013
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosures of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associate and Joint Ventures	1 January 2013
MFRS 127 Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards - Government Loans	1 January 2013
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards - Annual Improvements 2009-2011 Cycle	1 January 2013
Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 132: Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to MFRS 11: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to MFRS 12: Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
MFRS 9 Financial Instruments	1 January 2015

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application.

3. Summary of significant accounting policies (continued)

3.3 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowings costs for long-term construction projects if the recognition criteria are met.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Long term leasehold land	Over remaining lease term of land
Heavy equipment, plant and machinery	10%
Furniture, fitting and equipment	10%

Assets under construction are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

3. Summary of significant accounting policies (continued)

3.4 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3. Summary of significant accounting policies (continued)

3.5 Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

3. Summary of significant accounting policies (continued)

3.5 Financial assets (continued)

(c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

(d) Available-for-sale financial assets

Available for sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commit to purchase or sell the asset.

3. Summary of significant accounting policies (continued)

3.6 Impairment of financial assets

The Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Consumable stores: purchase costs and expenses in bringing them into store on a weighted average cost method.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

3. Summary of significant accounting policies (continued)

3.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.10 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Company has not designated any financial liabilities as at fair value through profit or loss.

3. Summary of significant accounting policies (continued)

3.10 Financial liabilities (continued)

(b) Other financial liabilities

The Company's other financial liabilities include other payables and loans and borrowings.

Other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs incurred on or after the date of transition (1 January 2011) for all eligible qualifying assets are capitalised. The Company has not restated the borrowing costs capitalised under the FRS on qualifying assets to the date of transition to MFRS.

3. Summary of significant accounting policies (continued)

3.12 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 January 2011, the date of inception is deemed to be 1 January 2011 in accordance with MFRS 1 Fist-time Adoption of Malaysian Financial Reporting Standards.

As lessee

Finance leases, which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

3. Summary of significant accounting policies (continued)

3.13 Income taxes

a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

3. Summary of significant accounting policies (continued)

3.13 Income taxes (continued)

b) Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.14 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.15 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Company.

Contingent liabilities and assets are not recognised in the statement of financial position of the Company.

3.16 Significant accounting judgement and estimates

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. First-time adoption of MFRS

These financial statements, for the year ended 31 December 2012, are the first the Company has prepared in accordance with MFRS. For the periods up to and including the year ended 31 December 2011, the Company prepared its financial statements in accordance with Financial Reporting Standards in Malaysia.

Accordingly, the Company has prepared financial statements which comply with MFRS applicable for periods ending on or after 31 December 2012, together with the comparative period data as at and for the year ended 31 December 2011, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening statement of financial position was prepared as at 1 January 2011, the Company's date of transition to MFRS.

There are no adjustments arising from the transition to MFRS. Accordingly, reconciliation of equity and total comprehensive income and notes related to the statement of financial position as at date of transition to MFRS are not presented.

5. Finance cost

	2012 RM	2011 RM
Interest on obligation under finance lease	3,405	-

6. Loss before tax

The following items have been included in arriving at loss before tax:

	2012 RM	2011 RM
Auditors' remuneration		
- statutory audit		
- current year	3,500	2,500
- underprovision in prior year	1,000	-
Depreciation of property, plant and equipment (Note 8)	16,420	-
Rental of land	10,000	24,000

7. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2012 and 2011 are:

	2012 RM	2011 RM
Statement of comprehensive income:		
Income tax expense recognised in profit or loss	-	-

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 31 December 2012 and 2011 are as follows:

	2012 RM	2011 RM
Accounting loss before tax	(81,517)	(35,806)
Tax at statutory tax rate of 25% (2011: 25%)	(20,379)	(8,952)
Adjustment:		
Non-deductible expenses	20,379	8,952
Income tax expense recognised in profit or loss	-	-

Current income tax is calculated at statutory tax rate of 25% (2011: 25%) of the estimated assessable profit for the year.

	2012 RM	2011 RM
Unabsorbed capital allowances carried forward	36,243	-

8. Property, plant and equipment

	Long term leasehold land RM	Heavy equipment, plant and machinery RM	Furniture, fittings and equipment RM	Capital work-in-progress RM	Total RM
Cost					
At 1 January 2011	-	-	-	8,576,209	8,576,209
Additions	-	-	-	8,545,736	8,545,736
At 31 December 2011 and 1 January 2012	-	-	-	17,121,945	17,121,945
Additions	396,336	115,000	24,057	4,030,748	4,566,141
At 31 December 2012	396,336	115,000	24,057	21,152,693	21,688,086
Accumulated Depreciation					
Depreciation charge for the year	4,194	10,542	1,684	-	16,420
At 31 December 2012	4,194	10,542	1,684	-	16,420
Net Carrying Amount					
At 31 December 2011	-	-	-	17,121,945	17,121,945
At 31 December 2012	392,142	104,458	22,373	21,152,693	21,671,666

(i) Capitalisation of borrowing costs

The Company's assets under construction include borrowing costs arising from loans and advances borrowed from bank and a related company specifically for the purpose of the construction of a plant. During the financial year, the borrowing costs capitalised as cost of capital work-in-progress amounted to RM714,421 (2011: RM504,264).

8. Property, plant and equipment (continued)

(ii) Assets held under finance leases

During the financial year, the Company acquired property, plant and equipment with an aggregate cost of RM60,000 (2011: Nil) by means of finance leases. The cash outflow by the Company on acquisition of property, plant and equipment amounted to RM4,506,141 (2011: RM8,545,736).

The net carrying amount of property, plant and equipment of the Company held under finance lease at the reporting date was RM82,658 (2011: Nil).

Leased asset is pledged as security for the related finance lease liabilities as disclosed in Note 13.

(iii) Assets pledged as security

In addition to asset held under finance leases, the assets under construction of the Company have been pledged to bank for the banking facilities granted to the Company as disclosed in Note 13.

9. Inventories

	2012 RM	2011 RM
At Cost:		
Consumable supplies	525	-

There were no inventories stated at net realisable value as at 31 December 2012 and 2011.

10. Other receivables

	2012 RM	2011 RM
Current		
Amount due from immediate holding company	2,174	2,174
Amount due from a related company	341,459	184,962
Deposits	121,045	235,316
Prepayment	525	484
Sundry receivables	474,499	185,666
	939,702	608,602
Total other receivables	939,702	608,602
Add: Cash and bank balances (Note 11)	97,767	850,709
Less: Prepayment and non refundable deposits	(121,570)	(235,800)
Total loans and receivables	915,899	1,223,511

10. Other receivables (continued)

(a) Amount due from immediate holding company

The amount is unsecured, non-interest bearing and is repayable upon demand.

(b) Amount due from a related company

The amount is unsecured, non-interest bearing and is repayable upon demand.

(c) Deposits

The deposits represent security deposits paid to contractors for the biogas power plant project.

11. Cash and bank balances

Cash and cash equivalents included in the statement of cash flow represents bank balances.

12. Other payables

	2012 RM	2011 RM
Amount due to a related company:		
- Interest bearing advances	5,830,887	4,100,230
- Non-interest bearing advances	-	10,000
	5,830,887	4,110,230
Amount due to ultimate holding company	390,272	477
Retention sum payable to contractor	1,581,835	589,974
Sundry payables	32,915	101,975
Accruals	3,500	2,500
	7,839,409	4,805,156
Total other payables	7,839,409	4,805,156
Add: Loans and borrowings (Note 13)	15,044,735	13,869,067
Total financial liabilities carried at amortised cost	22,884,144	18,674,223

12. Other payables (continued)

(a) Amount due to a related company

The non-interest bearing advances are unsecured and repayable on demand. The interest bearing advances bear floating interest rate at 6% (2011: 6%) per annum are unsecured and repayable upon demand.

(b) Amount due to ultimate holding company

These amount are non-interest bearing, unsecured and repayable on demand.

(c) Sundry payables

These amounts are non-interest bearing and are normally settled on an average term of three months (2011: average term of three months).

13. Loans and borrowings

	2012 RM	2011 RM
Current		
Secured:		
Obligations under finance lease	19,744	-
Bank loan at COF + 1.5% p.a.	137,500	-
	157,244	-
Non-current		
Secured:		
Obligations under finance lease	24,991	-
Bank loan at COF + 1.5% p.a.	14,862,500	13,869,067
	14,887,491	13,869,067
Total loans and borrowings	15,044,735	13,869,067

The remaining maturities of the loans and borrowings are as follows:

	2012 RM	2011 RM
On demand or within one year	157,244	-
More than 1 year and less than 2 years	1,671,301	101,882
More than 2 years and less than 5 years	5,041,190	3,667,756
5 years or more	8,175,000	10,099,429
	15,044,735	13,869,067

13. Loan and Borrowings (continued)

Obligation under finance lease

The obligation is secured by a charge over the leased asset (Note 8). The average discount rate implicit in the lease is 4% p.a. (2011:Nil).

RM bank loan at COF + 1.5% p.a.

This loan is secured by:

(a) a corporate guarantee given by the ultimate holding company;

(b) first legal charge over the sub-divided land of a related company together with the plant to be erected thereon;

(c) debentures incorporating fixed and floating charge over all assets of the Company excluding the stipulated amount of Certified Emission Reductions ("CERs") to be generated by the Company but including the proceeds generated from the sales of the CERs;

(d) assignment over all contract proceeds from a related company in accordance with the Renewable Energy Power Purchase Agreement;

(e) assignment over all rights and benefits under the contracts between the Company and its contractors;

(f) assignment over the performance bonds issued by contractors in favour of the Company in relation to the plant; and

(g) third party guarantee up to 60% of the limit of the term loan facility of RM15 million.

14. Share capital

	Number of ordinary shares of RM1 each		Amount	
	2012	2011	2012 RM	2011 RM
Authorised				
At 1 January and 31 December	500,000	500,000	500,000	500,000
Issued and fully paid				
At 1 January and 31 December	250,000	250,000	250,000	250,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and rank equally with regard to the Company's residual assets.

15. Deferred tax

Deferred income tax as at reporting date relates to the following:

	As at 1 January 2011 RM	Recognised in profit or loss RM	As at 31 December 2011 RM	Recognised in profit or loss RM	As at 31 December 2012 RM
Deferred tax liabilities:					
Plant and equipment	-	-	-	6,004	6,004
Deferred tax assets:					
Unabsorbed capital allowances	-	-	-	(6,004)	(6,004)
	-	-	-	-	-

Deferred tax assets have not been recognised in respect of unabsorbed capital allowances amounted of RM12,227.

16. Related party transactions

Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place at terms agreed between the parties during the financial year:

	2012 RM	2011 RM
Transaction with related companies		
Prolific Yield Sdn. Bhd.		
- Interest on advances obtained	222,650	232,782
Wong Tet-Jung Plantations Sdn. Bhd.		
- Rental of land	10,000	24,000
- Purchase of land	385,000	-

17. Commitments

(a) Capital commitments

Capital expenditure commitments as at the reporting date are as follows:

	2012 RM	2011 RM
Approved and contracted for:		
Property, plant and equipment	-	3,103,364
Non-cancellable operating lease commitments as lessee		
- within 1 year after balance sheet date	-	24,000

(b) Finance lease commitments

The Company has finance leases for certain items of plant and equipment (Note 8). These leases do not have terms of renewal, but have purchase options at nominal values at the end of the lease term.

Future minimum lease payments under finance lease together with the present value of the net minimum lease payments are as follows:

	2012 RM	2011 RM
Minimum lease payments:		
Not later than 1 year	22,404	-
Later than 1 year and not later than 2 years	22,404	-
Later than 2 years and not later than 5 years	3,722	-
Total minimum lease payments	48,530	-
Less: Amounts representing finance charges	(3,795)	-
Present value of minimum lease payments	44,735	-
Present value of payments:		
Not later than 1 year	19,744	-
Later than 1 year and not later than 2 years	21,301	-
Later than 2 years and not later than 5 years	3,690	-
Present value of minimum lease payments	44,735	-
Less: Amount due within 12 months	(19,744)	-
Amount due after 12 months	24,991	-

18. Fair value of financial instruments

A. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts carrying amounts are not reasonable approximate of fair value.

	2012		2011	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Liability:				
Obligation under finance lease (non-current)	24,991	24,228	-	-

B. Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Other receivables (current)	10
Other payables (current)	12
Loans and borrowings (current)	13

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

Finance lease obligations

The fair values of this financial instrument are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

19. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Executive Committee. The audit committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk arises primarily from its loans and borrowings. The Company's policy is to manage interest cost using a mix of fixed and floating rate debts.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Company's loss net of tax would have been RM30,000 lower/higher, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations associated with financial liabilities that are settled by delivery of cash or another financial assets. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by-credit facilities.

At the reporting date, approximately 1% (2011: Nil) of the Company's loans and borrowings (Note 13) will mature in less than one year based on the carrying amount reflected in the financial statements.

19. Financial risk management objectives and policies (continued)

(c) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

The table below summaries the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted amounts.

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2012				
Financial assets:				
Other receivables	818,132	-	-	818,132
Cash and bank balances	97,767	-	-	97,767
Total undiscounted financial assets	915,899	-	-	915,899
Financial liabilities:				
Other payables	7,839,409	-	-	7,839,409
Loans and borrowings	159,904	6,713,626	8,175,000	15,048,530
Total undiscounted financial liabilities	7,999,313	6,713,626	8,175,000	22,887,939
Total net undiscounted financial liabilities	(7,083,414)	(6,713,626)	(8,175,000)	(21,972,040)
2011				
Financial assets:				
Other receivables	372,802	-	-	372,802
Cash and bank balances	850,709	-	-	850,709
Total undiscounted financial assets	1,223,511	-	-	1,223,511
Financial liabilities:				
Other payables	4,805,156	-	-	4,805,156
Borrowings	-	5,087,500	8,781,567	13,869,067
Total undiscounted financial liabilities	4,805,156	5,087,500	8,781,567	18,674,223
Total net undiscounted financial liabilities	(3,581,645)	(5,087,500)	(8,781,567)	(17,450,712)

20. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2012 and 31 December 2011.

21. Significant event

On 30 November 2012, the Company had entered into a Deed of Assignment and Confirmation with Nordjysj Elhandel A/S ("NE") and NE Climate A/S ("NEC") for the purpose of accepting NE's assignment to NEC absolutely and unconditionally all existing and prospective rights, benefits, obligations, liabilities, duties and interests under the Emission Reductions Purchase Agreement ("ERPA") and Supplemental Agreement to the ERPA with effect from 9 December 2011.

Both NE and NEC are subsidiaries of NEAS Holding A/S. All these companies are incorporated in Denmark.

22. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2012 were authorised for issue in accordance with a resolution of the Directors on 11 March 2013.

MISTRAL ENGINEERING SDN. BHD.
(Company No: 588127-H)
(Incorporated in Malaysia)

Detailed statement of comprehensive income
For the financial year ended 31 December 2012

	2012 RM	2011 RM
Revenue	-	-
Less: Power plant administrative expenses		
Medical expenses	52	-
Printing and stationery	5,255	102
Repair and maintenance	494	-
Sundry expenses	6,542	694
Tools and consumables	11,329	-
Vehicle running expenses	2,810	324
Welfare and benefits	1,512	-
	27,994	1,120
Gross loss	(27,994)	(1,120)
Less: Administrative expenses		
Auditors' remuneration		
- statutory audit		
- current year	3,500	2,500
- underprovision in prior year	1,000	-
Bank charges	135	295
Depreciation of property, plant and equipment	16,420	-
Insurance	-	98
Rental of land	10,000	24,000
Postage and telephone	247	222
Printing and stationery	186	243
Professional fee	1,060	5,000
Secretarial fee	600	600
Sundry expenses	339	698
Training and seminar	-	950
Travelling expenses	15,300	-
Vehicle running expenses	1,331	80
	50,118	34,686
Operating loss	(78,112)	(35,806)
Less: Finance Cost		
Interest on obligation under finance lease	3,405	-
Loss before tax	(81,517)	(35,806)