

**First Half Financial Statement for the Period Ended 30 June 2016**

This announcement was prepared by the Company and its contents have been reviewed by the Company's Continuing Sponsor, Stamford Corporate Services Pte Ltd ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "Exchange"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-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.**

	Group		
	6 months ended		
	30-Jun-2016	30-Jun-2015	Increase /
	(Unaudited)	(Unaudited)	(Decrease)
	S\$	S\$	%
Revenue	2,027,541	1,974,737	2.67
Cost of sales	(1,345,009)	(1,450,964)	(7.30)
Gross profit	682,532	523,773	30.31
Other operating income	(i) 53,547	80,219	(33.25)
Other expense	(ii) (156,583)	(19,629)	697.71
Distribution and selling expenses	(23,773)	(29,940)	(20.60)
Administrative expenses	(iii) (1,332,497)	(1,768,432)	(24.65)
Finance costs	(iv) (35,545)	(28,799)	23.42
Loss before income tax	(812,319)	(1,242,808)	(34.64)
Income tax credit			
Corporate tax			
- Over provision in prior years	-	-	
Deferred tax			
- Current year	4,941	4,177	18.29
	4,941	4,177	18.29
Loss for the period from Continuing Operations	(807,378)	(1,238,631)	(34.82)
Discontinued Operations			
Loss for the period from Discontinued Operations	(1,331,313)	-	
Loss for the Period	(2,138,691)	(1,238,631)	72.67
Other comprehensive income			
Items that may be re-classified subsequently to profit or loss			
Exchange differences on translation of foreign operations, representing other comprehensive income, net of tax	-	39,760	N/M
Total comprehensive loss for the period attributable to owners of the Company	(2,138,691)	(1,198,871)	78.39

Note: N/M – Not meaningful

**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. (cont'd)**

	Group 6 months ended		
	30-Jun-2016 (Unaudited) S\$	30-Jun-2015 (Unaudited) S\$	Increase / (Decrease) %
<b>Loss for the year attributable to:</b>			
Owners of Company	(1,855,373)	(1,236,677)	50.03
Non-controlling interest	(283,318)	(1,954)	14,399.39
	<u>(2,138,691)</u>	<u>(1,238,631)</u>	72.67
<b>Total comprehensive loss attributable to:</b>			
Owners of Company	(1,855,373)	(1,196,917)	55.01
Non-controlling interest	(283,318)	(1,954)	14,399.39
	<u>(2,138,691)</u>	<u>(1,198,871)</u>	78.39

**1(a)(ii) Notes to the statement of comprehensive income (for the group).**

	Group 6 months ended			
	30-Jun-2016 (Unaudited) S\$	30-Jun-2015 (Unaudited) S\$	Increase / (Decrease) %	Note
Depreciation of property, plant and equipment	(173,281)	(201,948)	(14.20)	(i)
Interest / Finance expense	(35,545)	(28,799)	23.42	(ii)
Other expense	(156,583)	(19,629)	697.71	(iii)
Other operating income	53,547	80,219	(33.25)	(iv)

**Notes:**

- (i) The decrease was mainly attributable to some plant, machinery and equipment being fully depreciated.
- (ii) The increase was mainly attributable to bank charges incurred on increased trading sales.
- (iii) The increase was attributable to the loss incurred from the disposal of held-for-trading investments.
- (iv) The decrease was mainly due to no scrap material being disposed and lower amount of Government grants received in 1H2016, and was partially offset by interest income from held for trading investments.

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

		Group		Company	
		30-Jun-2016 (Unaudited) S\$	31-Dec-2015 (Audited) S\$	30-Jun-2016 (Unaudited) S\$	31-Dec-2015 (Audited) S\$
<u>ASSETS</u>	Note				
<b>NON-CURRENT ASSETS</b>					
Subsidiaries		-	-	1,121,741	1,121,741
Goodwill		-	-	-	-
Property, plant and equipment	8b(i)	2,973,848	3,133,843	4,000	8,641
		2,973,848	3,133,843	1,125,741	1,130,382
<b>CURRENT ASSETS</b>					
Inventories	8b(ii)	679,674	722,194	-	-
Intangible asset	8b(iii)	404,700	-	-	-
Trade & other receivables	8b(iv)	8,122,288	9,359,646	19,364,082	17,578,903
Cash and cash equivalents		500,879	1,093,081	268,859	851,405
Held-for-trading investments	8b(v)	-	1,184,375	-	1,184,375
		9,707,541	12,359,296	19,632,941	19,614,683
Assets classified as held for sale		62,005,795	53,714,843	-	-
Total Current Assets		71,713,336	66,074,139	19,632,941	19,614,683
<b>TOTAL ASSETS</b>		<b>74,687,184</b>	<b>69,207,982</b>	<b>20,758,682</b>	<b>20,745,065</b>
<b><u>EQUITY AND LIABILITIES</u></b>					
<b>CAPITAL AND RESERVES</b>					
Share Capital		52,411,370	52,411,370	52,411,370	52,411,370
Statutory Reserve		119,135	119,135	-	-
Translation Reserve		212,436	82,810	-	-
Share Option Reserve		26,846	26,845	26,846	26,845
Accumulated Losses		(33,788,251)	(31,932,881)	(32,899,540)	(32,190,341)
		18,981,536	20,707,279	19,538,676	20,247,874
Non-Controlling Interest		(1,305,866)	(1,022,548)	-	-
Total Equity		17,675,670	19,684,731	19,538,676	20,247,874
<b>NON-CURRENT LIABILITIES</b>					
Other payables	8b(vi)	6,409	6,409	-	-
Interest-bearing loan	8b(vii)	1,013,789	1,013,789	-	-
Deferred tax liabilities	8b(viii)	215,542	220,555	-	-
		1,235,740	1,240,753	-	-
<b>CURRENT LIABILITIES</b>					
Finance leases	8b(ix)	-	628	-	-
Trade & other payables	8b(x)	8,633,333	8,115,724	1,220,006	497,191
Interest-bearing loan	8b(vii)	35,505	68,655	-	-
		8,668,838	8,185,007	1,220,006	497,191
Liabilities directly associated with assets classified as held for sale		47,106,936	40,097,491	-	-
Total current liabilities		55,775,774	48,282,498	1,220,006	497,191
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>74,687,184</b>	<b>69,207,982</b>	<b>20,758,682</b>	<b>20,745,065</b>

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

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

<b>As at 30-Jun-2016 (Unaudited)</b>		<b>As at 31-Dec-2015 (Audited)</b>	
Secured	Unsecured	Secured	Unsecured
35,505	Nil	68,655	Nil

**Amount repayable after one year**

<b>As at 30-Jun-2016 (Unaudited)</b>		<b>As at 31-Dec-2015 (Audited)</b>	
Secured	Unsecured	Secured	Unsecured
1,013,789	Nil	1,013,789	Nil

**Details of any collateral**

As at 30 June 2016, the Company's subsidiary, Apphia Advanced Materials Pte Ltd ("**Apphia**") has one (1) loan for its leasehold building located at Tuas, Singapore from a financial institution. The loan was secured by a first legal mortgage over the said property and the loan were secured by a corporate guarantee given by the Company in favour of the financial institution.

- 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.

	Group	
	6 months ended	
	30-Jun-2016	30-Jun-2015
	(Unaudited)	(Unaudited)
	S\$	S\$
<b>Loss before income tax</b>	(2,143,632)	(1,242,808)
Adjustments for :		
Depreciation of property, plant and equipment	159,995	201,948
Fair value loss on held-for-trading investment	-	19,629
Gain on disposal of held-for-sale investment	-	(10,000)
Interest expense	70,281	28,799
Interest income	(14,969)	(39,250)
Reversal of allowance for doubtful receivables	-	(7,830)
<b>Operating loss before working capital changes</b>	(1,928,325)	(1,049,512)
Trade receivables	265,386	101,575
Other receivables	971,974	(7,690,691)
Inventories	42,520	55,365
Trade payables	(48,803)	(55,468)
Other payables	86,118	(150,303)
Acquisition of the Vietnam Project	(1,281,506)	(5,091,638)
Cash used in operations	(1,892,636)	(13,880,672)
<b>Net cash used in operating activities</b>	<b>(1,892,636)</b>	<b>(13,880,672)</b>
<b>Investing Activities</b>		
Acquisition of held-for-trading investment	-	(3,482,500)
Acquisition of intangible assets	(404,700)	(401,271)
Acquisition of property, plant and equipment	-	(2,944)
Interest received	14,969	39,250
Proceeds from disposal of held-for-trading investment	1,184,376	1,256,250
<b>Net cash used in investing activities</b>	<b>794,645</b>	<b>(2,591,215)</b>
<b>Financing Activities</b>		
Interest paid	(70,281)	(28,799)
Loan received from a subsidiary's shareholder	480,222	6,500,000
Repayment of bank loan	(33,150)	(32,604)
Repayment of obligations under finance leases	(628)	(82,146)
<b>Net cash generated from financing activities</b>	<b>376,163</b>	<b>6,356,451</b>
Net (decrease)/increase in cash and cash equivalents	(721,828)	(10,115,436)
Cash and cash equivalents at beginning of the period	1,093,081	20,161,808
Net effect of exchange rate changes on cash and cash equivalents	129,626	36,649
<b>Cash and cash equivalents at end of the period</b>	<b>500,879</b>	<b>10,083,021</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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

GROUP	Share capital	Warrant reserve	Statutory reserve	Translation reserve	Share options reserve	Accumulated losses	Attributable to owners of the company	Non-controlling interest	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<b>Balance at 1 January 2015</b>	<b>52,411,370</b>	<b>-</b>	<b>119,135</b>	<b>24,495</b>	<b>26,845</b>	<b>(29,136,377)</b>	<b>23,445,468</b>	<b>(2,580)</b>	<b>23,442,888</b>
Total comprehensive loss for the period :							-	-	-
Loss for the period	-	-	-	-	-	(1,236,677)	(1,236,677)	(1,954)	(1,238,631)
Other comprehensive income	-	-	-	39,760	-	-	39,760	-	39,760
for the period	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>52,411,370</b>	<b>-</b>	<b>119,135</b>	<b>64,255</b>	<b>26,845</b>	<b>(30,373,054)</b>	<b>22,248,551</b>	<b>(4,534)</b>	<b>22,253,085</b>
Transaction with owners recognised directly in equity :									
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	-	-	-	-	350	350
<b>Total</b>	<b>52,411,370</b>	<b>-</b>	<b>119,135</b>	<b>64,255</b>	<b>26,845</b>	<b>(30,373,054)</b>	<b>22,248,551</b>	<b>(4,184)</b>	<b>22,244,367</b>
<b>Balance at 30 June 2015</b>	<b>52,411,370</b>	<b>-</b>	<b>119,135</b>	<b>64,255</b>	<b>26,845</b>	<b>(30,373,054)</b>	<b>22,248,551</b>	<b>(4,184)</b>	<b>22,244,367</b>
Total comprehensive loss for the period :									
Loss for the period	-	-	-	-	-	(1,559,827)	(1,559,827)	(1,369,917)	<b>(2,929,744)</b>
Other comprehensive income	-	-	-	18,555	-	-	18,555	(27,621)	<b>(9,066)</b>
Non-controlling interest arising from incorporation of subsidiaries, representing transactions with owners, recognised directly in equity.	-	-	-	-	-	-	-	379,174	<b>(379,174)</b>
<b>Total</b>	<b>52,411,370</b>	<b>-</b>	<b>119,135</b>	<b>82,810</b>	<b>26,845</b>	<b>(31,932,881)</b>	<b>20,707,279</b>	<b>(1,022,548)</b>	<b>19,684,731</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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)

GROUP	Share capital	Warrant reserve	Statutory reserve	Translation reserve	Share options reserve	Accumulated losses	Attributable to owners of the company	Non-controlling interest	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Balance at 31 December 2015	52,411,370	-	119,135	82,810	26,845	(31,932,881)	20,707,279	(1,022,548)	19,684,731
Total comprehensive loss for the period :									
Loss for the period	-	-	-	-	-	(1,855,371)	(1,855,371)	(283,318)	(2,138,689)
Other comprehensive income for the period	-	-	-	129,626	-	-	129,626	-	129,626
Total	52,411,370	-	119,135	212,436	26,845	(33,788,252)	18,981,534	(1,305,866)	17,675,668
Balance at 30 June 2016	52,411,370	-	119,135	212,436	26,845	(33,788,252)	18,981,534	(1,305,866)	17,675,668

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

COMPANY	Share capital	Warrant reserve	Share options reserve	Accumulated losses	Total
	S\$	S\$	S\$	S\$	S\$
<b>Balance at 1 January 2015</b>	52,411,370	-	26,845	(30,617,063)	21,821,152
Loss for the period, representing total comprehensive loss for the period	-	-	-	(984,935)	(984,935)
<b>Total</b>	<b>52,411,370</b>	<b>-</b>	<b>26,845</b>	<b>(31,601,998)</b>	<b>20,836,217</b>
<b>Balance at 30 June 2015</b>	52,411,370	-	26,845	(31,601,998)	20,836,217
Loss for the period, representing total comprehensive loss for the period	-	-	-	(588,343)	(588,343)
<b>Total</b>	<b>52,411,370</b>	<b>-</b>	<b>26,845</b>	<b>(32,190,341)</b>	<b>20,247,874</b>
<b>Balance at 31 December 2015</b>	52,411,370	-	26,845	(32,190,341)	20,247,874
Loss for the period, representing total comprehensive loss for the period	-	-	-	(709,198)	(709,198)
<b>Balance at 30 June 2016</b>	<b>52,411,370</b>	<b>-</b>	<b>26,845</b>	<b>(32,899,539)</b>	<b>19,538,676</b>

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

**Employee Share Option Scheme (the "ESOS")**

The movement in ESOS during the period were as follows:

<b>Options under ESOS outstanding as at 30 June 2015</b>	<b>8,305,000</b>
Less:	
Expiry of share options	(115,000)
Exercise of share options	(6,110,000)
<b>Options under ESOS outstanding as at 31 December 2015 and 30 Jun 2016</b>	<b>2,080,000</b>

Reference is made to the annual report of Adventus Holdings Limited for the year ended 31 December 2015 (page 26 under Directors' statement: Share options and Warrants) whereby due to an inadvertent clerical error, the expiry of 100,000 share options of a resigned staff was not taken into account. The amount of 2,080,000 being ESOS outstanding reflected under "Options under ESOS outstanding as at 31 December 2015 and 30 June 2016" is the correct amount.

- 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.

	Group		Company	
	30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
	No of shares	No of shares	No of shares	No of shares
Issued share capital at the end of the period	1,950,619,331	1,950,619,331	1,950,619,331	1,950,619,331

- 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 as there were no treasury shares.

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

These figures have not been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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 paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current period as compared with the audited financial statements for the year ended 31 December 2015.

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.

In the current financial period, the Group adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2016.

The following are the new or amended FRS that were relevant to the Group:

FRS 27 (Revised) *Separate Financial Statements*

FRS 109 *Financial Instruments*

FRS 110 *Consolidated Financial Statements*

FRS 112 *Disclosure of Interests in Other Entities*

FRS 115 *Revenue from Contracts with Customers*

Amendments to FRS 32 *Financial Instruments: Presentation*

Amendments to FRS 36 *Impairment of Assets*

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements.

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

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>S\$</b>	<b>S\$</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Attributable to owners of the Company:		
- Loss for the period from Continuing Operations	(807,378)	(1,236,677)
- Loss for the period from Discontinued Operations	(1,331,313)	-
- <b>Total loss for the period</b>	<b>(2,138,691)</b>	<b>(1,236,677)</b>
<b>Basic</b>	<b>No. of shares</b>	<b>No. of shares</b>
Weighted average number of ordinary shares	1,950,619,331	1,950,619,331
	<b>(in S\$ cents)</b>	<b>(in S\$ cents)</b>
Attributable to owners of the Company:		
- Loss per share from Continuing Operations	(0.04)	(0.06)
- Loss per share from Discontinuing Operations	(0.07)	-
- <b>Total loss per share for the period</b>	<b>(0.11)</b>	<b>(0.06)</b>

As there were no dilutive ordinary shares issued and/or granted, the fully diluted loss per share is the same as the basic loss per share.

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

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2016</b>	<b>31 Dec 2015</b>	<b>30 June 2016</b>	<b>31 Dec 2015</b>
	<b>(in S\$ cents)</b>	<b>(in S\$ cents)</b>	<b>(in S\$ cents)</b>	<b>(in S\$ cents)</b>
Net asset value per share based on existing capital issued as at respective period	0.97	1.06	1.00	1.04
	<b>No of shares</b>	<b>No of shares</b>	<b>No of shares</b>	<b>No of shares</b>
Issued share capital at the end of the period	1,950,619,331	1,950,619,331	1,950,619,331	1,950,619,331

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**

For 1H2016, the Group recorded a total revenue of S\$2.03 million, which was an increase of 2.67% over the S\$1.97 million recorded in 1H2015. The increase was due to higher sales activities in its subsidiaries as compared to the previous reporting period.

For 1H2016, the cost of sales decreased 7.3% to S\$1.34 million (1H2015: S\$1.45 million). The decrease was mainly attributable to better margins on sales activities in 1H2016 by the subsidiaries. Accordingly, the Group recorded S\$0.68 million of gross profit in 1H2016, which was an increase of 30.31% over S\$0.52 million recorded in 1H2015.

Other income for 1H2016 decreased 33.3% to S\$0.05 million from S\$0.08 million in 1H2015. The decrease was mainly due to no scrap material being disposed and lower amount of Government grants received in 1H2016, and was partially offset by interest income from held for trading investments.

Distribution and selling expenses decreased by 20.6% from S\$0.03 million in 1H2015 to S\$0.02 million in 1H2016 mainly due to lower sales commission in 1H2016.

For 1H2016, the Group incurred S\$1.33 million for administrative expenses (1H2015: S\$1.77 million). The decrease was mainly attributable to some plant, machinery and equipment being fully depreciated, the reduction of staff strength and salaries, as well as subsidiaries' efforts in initiating cost controls and reduction measures.

The finance cost of S\$0.04 million in 1H2016 (1H2015: S\$0.03 million) consisted mainly of bank charges incurred on increased trading sales.

- b) **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 Financial Position

- (i) Property, plant and equipment decreased due to lower depreciation charged in 1H2016.
- (ii) The decrease in inventories was mainly due to consumption for higher sales activities.
- (iii) The increase of intangible asset was a result of acquisition of the right to acquire the entire share capital of the entity having ownership of the Vietnam Project.
- (iv) Trade and other receivables as at 30 June 2016 comprised the following:

	30 Jun 2016	31 Dec 2015
	S\$	S\$
	(Unaudited)	(Audited)
Trade receivables	362,453	627,838
Other receivables and prepayments	7,820,460	8,731,808
Total	8,182,913	9,359,646

The decrease in trade receivables and other receivables were mainly due to higher sales activities with improvements on trade collections and better credit terms for new customers in 1H2016.

The decrease in other receivables and prepayments of S\$1.07 million was due to the reclassification of these items to "Assets classified as held for sale".

- (v) All Held-for-trading investments were sold by 1H2016.
- (vi) There was no change in the provision for restoration cost relating to the property of a subsidiary which was classified as other payable under Non-Current Liabilities.
- (vii) The interest-bearing loan comprised a loan from a financial institution for a leasehold building located at Tuas, Singapore of a subsidiary. The decrease was due to repayments made in 1H2016.
- (viii) The deferred tax liabilities arose from the revaluation of a leasehold building of a subsidiary. The decrease was due to the reversal of deferred tax liabilities in line with depreciation of the building.
- (ix) The finance leases were fully settled by 1H2016.

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

(xi) Trade and other payables as at 30 June 2016 comprised the following:

	30 Jun 2016	31 Dec 2015
	S\$	S\$
	(Unaudited)	(Audited)
Trade payables	269,406	318,209
Other payables and accruals	8,363,927	7,797,515
Total	8,633,333	8,115,724

The decrease in trade payables was mainly attributable to lesser trade purchases of a subsidiary of the Company.

The increase in other payables and accruals were mainly due to loan from non-controlling parties, accrued directors' salaries and professional fees.

#### Statement of Cash Flows

The net cash used in operating activities in 1H2016 was higher than that of 1H2015 due mainly to further injection of funds for the Vietnam Project.

The net cash of S\$0.79 million from investing activities in 1H2016 was mainly attributable to the sale of investments held for trading.

The net cash generated from financing activities of S\$0.38 million was due to loan received from a shareholder of a subsidiary.

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.**

#### Advanced materials and solutions

The advanced materials markets in which the Group operate are expected to remain challenging due largely to the uncertain global economic environment.

#### Property development

Barring any unforeseen circumstances, the termination of agreements for the acquisition of commercial benefits for the Vietnam Project should contribute positively to the Group's financial position and cash flow. Going forward, given the uncertain economic environment, the Group will exercise prudence in evaluating opportunities in the property and hospitality businesses.

11. **Dividend**

#### **(a) Current Financial Period Reported On**

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

No dividend was proposed for declaration for the current financial period ended 30 June 2016.

#### **(b) Corresponding Period of the Immediately Preceding Financial Year**

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

No dividend was declared for the corresponding period ended 30 June 2016.

#### **(c) Date payable**

Not applicable.

#### **(d) Books closure date**

Not applicable.

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

No dividend for the financial period ended 30 June 2016 is recommended or declared.

**13. Interested Person Transactions – Pursuant to Rule 920 (1) (a) of Section B of the Catalist Listing Manual**

The Company does not have any existing general mandate pursuant to Rule 920 of the Catalist Listing Manual.

**14. Utilisation of Proceeds**

As at the beginning of the financial year ended 31 December 2015, the Company had net proceeds of S\$18.25 million, comprising S\$14.16 million which was raised from a placement in March 2014, and S\$4.09 million which was raised from a warrant conversion exercise in December 2014. Out of the net proceeds of S\$18.25 million, S\$17.917 million were used for the following purposes, as set out below:

	Amount Allocated	Amount Utilised	Amount Unutilised
	S\$	S\$	S\$
<b>Use of Proceeds</b>			
<b>(A) Net proceeds from share placement</b>			
Undertaking of future acquisitions	11,868	11,868	-
Payment of professional fees	2,292	1,959	333
<b>(B) Net proceeds from warrant conversion</b>			
Administrative expenses	4,090	4,090	-
<b>Total</b>	<b>18,250</b>	<b>17,917</b>	<b>333</b>

**15. Directors confirmation**

Pursuant to Rule 705(5) of Section B: Rules of Catalist of the SGX-ST Listing Manual, we confirm, 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 financial half year ended 30 June 2016, to be false or misleading in any material aspect.

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Chin Bay Ching  
Executive Director & Chairman

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Gersom G Vetuz  
Director

**BY ORDER OF THE BOARD**

Lee Bee Fong  
Company Secretary  
12 August 2016