Financial Statement for the Year Ended 31 December 2013

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

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

	FY2013 S$ (Unaudited)	FY2012 S$ (Audited)	Increase / (Decrease) %
Revenue	**4,386,199**	**3,920,479**	11.9
Cost of sales	(3,415,220)	(3,531,361)	(3.3)
Gross profit	**970,979**	**389,118**	149.5
Other operating income	1,453,969	546,389	166.1
Distribution and selling expenses	(91,742)	(107,542)	(14.7)
Administrative costs	(3,129,805)	(7,679,414)	(59.2)
Finance costs	(112,715)	(145,437)	(22.5)
Loss before tax (Note 1)	**(909,314)**	**(6,996,886)**	(87.0)
Income tax credit			
Corporate tax			
- Over provision in respect of previous years	96,055	6,643	1,346
Deferred tax			
- Current year taxation	10,025	-	N/M
- Under provision in respect of previous years	-	82,756	N/M
	106,080	89,399	18.7
Loss for the year attributable to owners of the Company	**(803,234)**	**(6,907,487)**	(88.4)
Other comprehensive income, net of tax			
Items that maybe classified subsequently to profit or loss			
- Exchange differences on transaction of foreign operations	7,714	2,363	226.4
Items that will not be classified subsequently to profit or loss	-	-	
Other comprehensive income, net of tax	**7,714**	**2,363**	
Total comprehensive loss for the year attributable to owners of the Company	**(795,520)**	**(6,905,124)**	(88.5)

1(a) 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)

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note 1

The loss before taxation were computed after charging / (crediting) the following:

	FY2013 (Unaudited) S$	FY2012 (Audited) S$	Increase / (decrease) %	Note
Bad debt written off (trade)	367	-	N/M	(i)
Cost of inventories included in cost of sales	2,355,504	1,984,230	18.7	(ii)
Depreciation of property, plant and equipment	670,079	959,586	(30.2)	(iii)
Foreign exchange loss, net	3,685	192,766	(98.1)	(iv)
Gain on disposal of available-for-sale investment	(88,792)	-	N/M	(v)
Gain on disposal of property, plant and equipment	(46,072)	(20,417)	125.7	(vi)
Gain on disposal of subsidiary	-	(6,855)	N/M	(vii)
Impairment loss on property, plant and equipment	67,462	525,575	(87.2)	(viii)
Interest expense	112,715	145,437	(22.5)	(ix)
Interest income	(5)	(87,059)	(99.9)	(x)
Impairment of goodwill	-	1,524,841	N/M	(xi)
Loss on fair value of available-for-sales investment	-	11,200	N/M	(xii)
Operating lease rentals in respect of premises	252,820	244,663	3.3	
Property, plant and equipments written off	-	229	N/M	(xiii)
Reversal of impairment loss on inventories	(67,944)	(61,020)	11.4	(xiv)
(Reversal of impairment) Impairment loss on receivables	(1,286,113)	2,151,931	(159.8)	(xv)

Note:
N/M - Not Meaningful

Notes:

(i) This is attributable to the non-recoverable outstanding amount due from trade receivables.

(ii) The increase is mainly due to increase in sales volume.

(iii) The decrease is largely attributable to the impairment of certain plant and machineries in FY2012.

(iv) In FY2012, the foreign currency exposure related to the outstanding receivables denominated in foreign currencies. There is no large foreign currency receivables this year.

(v) This is due to disposal of available-for-sale quoted investment in FY2013.

(vi) This is due to disposal of certain machineries and motor vehicles of subsidiaries during FY2013.

(vii) In FY2012, the gain on disposal related to deregistration of subsidiary, Adventus NZ Limited.

(viii) This is due to allowance for the impairment attributable by certain machineries of subsidiary.

(ix) The interest expense relate to interest charged by financial institutions for hire purchase agreements and mortgage term loans with subsidiaries.

(x) In FY2012, the interest income relates to interest on loan outstanding due from other receivables. There is no interest income in FY2013.

(xi) In FY2012, the impairment was attributable to goodwill on acquisition of Apphia.

(xii) The available-for-sale quoted investment was disposed in FY2013.

(xiii) No property, plant and equipment was written off in FY2013, hence the decrease.

(xiv) The increase is largely due to reversal of allowances made by Apphia in prior years.

(xv) This is due to recovery of receivables which were impaired in the previous reporting period.

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	
		31 December 2013	31 December 2012	31 December 2013	31 December 2012
		S$	S$	S$	S$
ASSETS	**Note**	**(Unaudited)**	**(Audited)**	**(Unaudited)**	**(Audited)**
NON-CURRENT ASSETS					
Subsidiaries		-	-	1,120,480	1,120,480
Goodwill		-	-	-	-
Property, plant and equipment	8b(i)	4,405,804	5,034,290	-	-
		4,405,804	**5,034,290**	**1,120,480**	**1,120,480**
CURRENT ASSETS					
Cash and cash equivalents		2,423,165	3,121,395	1,903,284	2,633,633
Trade and other receivables	8b(ii)	1,782,956	792,845	1,251,711	50,333
Inventories	8b(iii)	1,390,670	1,603,903	-	-
Available-for-sale investments	8b(iv)	-	257,600	-	257,600
		5,596,791	**5,775,743**	**3,154,995**	**2,941,566**
TOTAL ASSETS		**10,002,595**	**10,810,033**	**4,275,475**	**4,062,046**
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Equity attributable to owners of the Company		**6,629,519**	**7,203,629**	**3,779,204**	**3,646,597**
NON-CURRENT LIABILITIES					
Finance Leases	8b(v)	211,046	628,096	-	-
Other payables		5,785	5,490	-	-
Interest-bearing loan	8b(vi)	1,147,774	1,204,505	-	-
Deferred tax liabilities	8b(vii)	240,605	250,630	-	-
		1,605,210	**2,088,721**	**-**	**-**
CURRENT LIABILITIES					
Finance leases	8b(v)	424,385	415,853	-	-
Trade and other payables	8b(viii)	1,281,310	1,042,830	496,271	415,449
Interest-bearing loan	8b(vi)	62,171	59,000	-	-
		1,767,866	**1,517,683**	**496,271**	**415,449**
TOTAL EQUITY AND LIABILITIES		**10,002,595**	**10,810,033**	**4,275,475**	**4,062,046**

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

Amount repayable in one year or less, or on demand

As at 31 December 2013		As at 31 December 2012	
Secured	Unsecured	Secured	Unsecured
486,556	Nil	474,853	Nil

Amount repayable after one year

As at 31 December 2013		As at 31 December 2012	
Secured	Unsecured	Secured	Unsecured
1,358,820	Nil	1,832,601	Nil

The borrowings above relate to mortgage loan and finance leases for assets of subsidiaries.

Details of any collateral

The Company's subsidiary, Apphia Advanced Materials Pte Ltd ("Apphia") has three (3) Hire Purchase agreements with a financial institution for certain plant and machineries. These Hire Purchases agreements are secured over the plant and machineries.

Additionally, Apphia also has a mortgage loan for its leasehold property and building (located at Tuas, Singapore) through the same financial institution. The mortgage loan is secured by a first legal mortgage over the said property. Both of the hire purchases and mortgage loan are also secured by a corporate guarantee from 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.

	FY2013 S$ (Unaudited)	FY2012 S$ (Audited)
Operating Activities		
Loss before taxation	**(909,314)**	**(6,996,886)**
Adjustments for :		
Bad debt written off (trade)	367	-
Depreciation of property, plant & equipment	670,079	959,586
Gain on disposal of available-for-sale investment	(88,792)	-
Gain on disposal of property, plant and equipment	(46,072)	(20,417)
Gain on disposal of subsidiary	-	(6,855)
Impairment of goodwill	-	1,524,841
Impairment on available-for-sale financial asset	-	11,200
Impairment on property, plant and equipment	67,462	525,575
Interest expense	112,715	145,437
Interest income	(5)	(87,059)
Property, plant & equipment written off	-	229
(Reversal of impairment) Impairment loss on receivables	(1,286,113)	2,151,931
Reversal of impairment loss on inventories	(67,944)	(61,020)
Share options expenses (Cancellation of share options)	3,110	(67,196)
Operating cash flows before working capital changes	**(1,544,507)**	**(1,920,634)**
Trade receivables	186,281	(67,470)
Other receivables	27,784	479,858
Inventories	281,177	110,040
Trade payables	106,456	69,915
Other payables	132,319	(145,380)
Cash used in operations	**(810,490)**	**(1,473,671)**
Income taxes refund	144,075	3,012
Net cash used in operating activities	**(666,415)**	**(1,470,659)**
Investing Activities		
Acquisition of plant and equipment	(126,136)	(260,569)
Interest received	5	475
Net cash inflow from acquisition of subsidiary (Note A)	-	1,039,840
Net cash inflow from disposal of subsidiary (Note B)	-	-
Proceeds from disposal of property, plant and equipment	60,350	38,326
Proceeds from disposal of available-for-sale investment	346,392	-
Net cash from investing activities	**280,611**	**818,072**
Financing Activities		
Interest paid	(112,715)	(145,437)
Repayment received (Loan to) third parties	33,550	(1,706,116)
Payment for share issuance	-	(8,000)
Proceeds from shares issued	218,300	5,490
Repayment of obligations under bank loan	(53,560)	(58,401)
Repayment of obligations under finance lease	(408,518)	(362,145)
Net cash used in financing activities	**(322,943)**	**(2,274,609)**
Net decrease in cash and cash equivalents	**(708,747)**	**(2,927,196)**
Cash and cash equivalents at beginning of the year	3,121,395	6,043,472
Net effect of exchange rate changes on cash and cash equivalents	10,517	5,119
Cash and cash equivalents at end of the year	**2,423,165**	**3,121,395**

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. (cont'd)

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(A) Acquisition of subsidiary – FY2012

Assets acquired and liabilities assumed at the date of acquisition

	S$ (Unaudited)
Current assets	
Cash and cash equivalents	1,039,840
Trade and other receivables	615,167
Inventories	1,255,436
Non-current assets	
Property, plant and equipment	5,945,960
Current liabilities	
Trade and other payables	(364,014)
Current portion of finance leases	(406,396)
Interest-bearing loan	(55,769)
Non-current liabilities	
Finance leases	(944,525)
Interest-bearing loan	(1,266,137)
Deferred tax liabilities	(333,386)
Net assets acquired	5,486,176
Less: consideration transferred	(7,011,017)
Goodwill on acquisition	1,524,841

Net cash inflow on acquisition of subsidiaries

	S$ (Audited)
Cash and cash equivalent balances acquired	1,039,840
Less: Consideration paid in cash	-
	1,039,840

The acquisition of the subsidiary was satisfied entirely through the issuance of shares and warrants. No cash consideration was paid.

(B) Disposal of subsidiary

	FY2013 S$ (Unaudited)	FY2012 S$ (Audited)
Cash consideration received	-	-
Cash and cash equivalents disposed of	-	-
	-	-

During FY2013, no subsidiary within the Group was disposed of.

During FY2012, there no cash inflow generated from the voluntary de-registration of ANZ.

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	Employee share option reserve	Fair value reserve	Accumulated losses	Total attributable to owners of the Company
	S$	S$	S$	S$	S$	S$	S$	S$
Balance at 1 January 2012	**25,893,022**	**-**	**119,135**	**4,471**	**183,860**	**-**	**(19,033,046)**	**7,167,442**
Total comprehensive loss for the year	-	-	-	2,363	-	-	(6,907,487)	(6,905,124)
Expiry of share options	-	-	-	-	(67,196)	-	-	(67,196)
Exercise of share options	8,670	-	-	-	(3,180)	-	-	5,490
Issue of warrants	-	1,439,206	-	-	-	-	-	1,439,206
Issue of shares	5,571,811	-	-	-	-	-	-	5,571,811
Share issuance costs	(8,000)	-	-	-	-	-	-	(8,000)
Balance at 31 December 2012	**31,465,503**	**1,439,206**	**119,135**	**6,834**	**113,484**	**-**	**(25,940,533)**	**7,203,629**
Total comprehensive loss for the year	-	-	-	7,714	-	-	(803,234)	(795,520)
Recognition of share options	-	-	-	-	3,110	-	-	3,110
Exercise of share options	28,901	-	-	-	(10,601)	-	-	18,300
Exercise of warrants	256,560	(56,560)	-	-	-	-	-	200,000
Balance at 31 December 2013	**31,750,964**	**1,382,646**	**119,135**	**14,548**	**105,993**	**-**	**(26,743,767)**	**6,629,519**

COMPANY	Share capital	Warrant reserve	Employee share option reserve	Fair value reserve	Accumulated losses	Total
	S$	S$	S$	S$	S$	S$
Balance at 1 January 2012	**25,893,022**	**-**	**183,860**	**-**	**(19,289,065)**	**6,787,817**
Total comprehensive loss for the year	-	-	-	-	(10,082,531)	(10,082,531)
Expiry of share options	-	-	(67,196)	-	-	(67,196)
Exercise of share options	8,670	-	(3,180)	-	-	5,490
Issue of warrants	-	1,439,206	-	-	-	1,439,206
Issue of shares	5,571,811	-	-	-	-	5,571,811
Share issuance cost	(8,000)	-	-	-	-	(8,000)
Balance at 31 December 2012	**31,465,503**	**1,439,206**	**113,484**	**-**	**(29,371,596)**	**3,646,597**
Total comprehensive loss for the year	-	-	-	-	(88,803)	(88,803)
Recognition of share options	-	-	3,110	-	-	3,110
Exercise of share options	28,901	-	(10,601)	-	-	18,300
Exercise of warrants	256,560	(56,560)	-	-	-	200,000
Balance at 31 December 2013	**31,750,964**	**1,382,646**	**105,993**	**-**	**(29,460,399)**	**3,779,204**

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.

Bond Subscription Agreement

On 28 October 2013, the Company released an announcement on SGXNET on the termination of the Bond Subscription Agreement (the "**Bond Programme**") with Asia Convertible Bond Opportunities, LLC, for the issuance of redeemable zero coupon convertible bonds with an aggregate principle amount of $60 million (the "**Bonds**"), issuable in 60 tranches of a principal amount of $1,000,000 each. The Bond Programme was previously approved by the shareholders of the Company in an Extraordinary General Meeting convened on 9 June 2009. Up to the date of the Bond Programme termination, the Subscriber had subscribed for 5 tranches of the Bonds for an aggregate principal amount of S$5,000,000 (the "**Issued Bonds**"). All of the Issued Bonds have been converted into 148,399,437 ordinary shares of the Company.

Warrants

On 3 January 2012, the Company issued 254,454,946 warrants to Mr Lim Keng Hock, Jonathan, Executive Director and Chairman of the Company, as part of the consideration for the acquisition of Apphia. Each warrant carried the right to subscribe for one (1) new share. The warrants will expire on 31 December 2014. As announced on 2 May 2013, Mr Lim Keng Hock, Jonathan, had transferred 200,000,000 warrants and 10,000,000 warrants to Mr Tang Jia Li Jared and Ace Peak Group Capital Pte Ltd respectively.

The Company subsequently released an announcement on SGXNET on 18 September 2013 on the exercise and allotment of 10,000,000 warrants by Ace Peak Group Capital Pte Ltd at an exercise price of S$0.020 per warrant.

As at 31 December 2013, there are 244,454,946 unexercised warrants (31 December 2012: 254,454,946), which are convertible into 244,454,946 shares (31 December 2012: 254,454,946 shares). This represents approximately 29.63% (31 December 2012: 31.26%) of the Company existing share capital.

Employee Share Options Scheme (the "ESOS")

On 11 January 2013 and 21 February 2013, the Company released an announcement on SGXNET on the exercise and allotment of 300,000 share options by an employee and 700,000 share options by an Independent Director of the Group respectively, at the exercise price of S$0.0183 per option for both transactions.

The movement in ESOS during the period is as follows:

ESOS outstanding as at 1 January 2012	**9,975,000**
Add/(less):	
Share option granted	5,300,000
Exercise of share options	(300,000)
Lapse of share option	(3,000,000)
ESOS outstanding as at 31 December 2012	**11,975,000**
Less:	
Cancellation due to cessation of employment	(2,670,000)
Exercise of share option	(1,000,000)
ESOS outstanding as at 31 December 2013	**8,305,000**

As at 31 December 2013, there are 8,305,000 unexercised share options (31 December 2012: 11,975,000). This represents approximately 1.01% (31 December 2012: 1.47%) of the Company's existing share capital.

Others

Assuming that all the 8,305,000 share options and 244,454,946 warrants were exercised at end of FY2013, the total number of shares that could be issued is 252,759,946 shares (31 December 2012: 266,429,946 shares). This represents approximately 23.45% (31 December 2012: 24.66%) of the Company's enlarged share base of 1,077,814,331 shares (31 December 2012: 1,080,484,331 shares).

Other than the unexercised warrants and the unexercised share options stated in the preceding paragraphs, the Company had no other outstanding convertible securities as at 31 December 2013.

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

	Group		Company	
	31 December 2013	**31 December 2012**	**31 December 2013**	**31 December 2012**
	No. of share	No. of share	No. of share	No. of share
Issued share capital	825,054,385	814,054,385	825,054,385	814,054,385

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 the Company does not have any 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.

In the current financial year, the Group adopted the new/ revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are mandatory and effective for annual periods beginning on or after 1 January 2013.

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

Description	*Effective for annual periods beginning on or after*
Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income*	1 July 2012
FRS 113 *Fair Value Measurement*	1 January 2013
Amendments to FRS 107 *Disclosures – Offsetting Financial Assets and Financial Liabilities*	1 January 2013

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 Group's financial statements.

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.

Not applicable.

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

	Group	
	FY2013 S$ (Unaudited)	FY2012 S$ (Audited)
Attributable to owners of the Company:		
- Loss after tax	(803,234)	(6,907,487)
Basic and diluted	**No. of shares**	**No. of shares**
Weighted average number of ordinary shares *	817,643,700	809,354,746
	(in S$ cents)	**(in S$ cents)**
Attributable to owners of the Company:		
- Loss per share	(0.10)	(0.85)

* No adjustment has been made during the period for the effect of dilutive potential of ordinary shares from the assumed conversion of share options and warrants as the effect is anti-dilutive.

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.

	Group		Company	
	31 December 2013 (Unaudited) Singapore cents	31 December 2012 (Audited) Singapore cents	31 December 2013 (Unaudited) Singapore cents	31 December 2012 (Audited) Singapore cents
Net asset value per share based on existing capital issued as at respective period	0.80	0.88	0.46	0.45
	No. of shares	**No. of shares**	**No. of shares**	**No. of shares**
Issued share capital at the end of the period	825,054,385	814,054,385	825,054,385	814,054,385

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 FY2013, the Group recorded total revenue of S$4.39 million, which was an increase of 11.9% over the S$3.92 million recorded in FY2012. The increase is largely attributable to improvement in Apphia's sales volume, due to increase in orders from both existing and new customers.

In FY2013, the Group recorded S$3.42 million of cost of sales, which is lower compared to S$3.53 million recorded in FY2012. Despite the increase in trading activities, the lower cost of sales in FY2013 was largely attributable lower depreciation charged as certain machineries were impaired in FY2012.

Overall gross profit of FY2013 was S$0.97 million, an increase of 149.5% when compared to S$0.39 million in FY2012. The improvement is mainly due to (i) higher value project awarded to Apphia which generated more favorable profit margin; and (ii) decrease in cost of sales as explained in the above paragraph.

Other operating income rose by 166.1% from S$ 0.55 million in FY2012 to S$1.45 million in FY2013, largely attributable to (i) write back of impairment on certain receivables (S$1.29 million) which previously recognised in FY2012 upon repayments received; and (ii) gain on disposal of available-for-sale quoted investment (S$0.09 million).

Distribution costs were S$0.09 million for FY2013, as compared to S$0.11 million in FY2012. The decrease is mainly due to less overseas travels during the financial year.

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)

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 (cont'd)

For FY2013, administrative costs were S$3.13 million (FY2012: S$7.68 million). The administrative costs decrease because the following expenses incurred by the Group in FY2012, but did not occur in FY2013 (i) impairment loss on receivables due to recoverability of such receivables were uncertain when the provision was made (S$2.15 million); (ii) impairment on goodwill from subsidiary acquired (S$1.52 million); and (iii) impairment loss on Apphia's certain plant and machineries (S$0.53 million).

The finance costs relate to interest charged from financial institution for hire purchase agreements and mortgage term loans with subsidiaries. In FY2012, Apphia aligned its finance costs policy to the Group when it was acquired in FY2012.

The income tax credit of S$0.1 million was attributable to tax refund received by Apphia in FY2013.

The increase in currency translation difference mainly due to (i) disposal of ANZ in FY2012; and (ii) fluctuation of foreign currencies exchange rate.

In FY2013, Apphia suffered operating loss before tax of S$0.81 million as compared to operating loss before tax of S$2.03 million in FY2012. The improvement is largely due to (i) increase in sales volume and improvement in gross profit margin as mentioned in the preceding paragraphs; (ii) lower depreciation charged on certain plants and machineries in FY2013, due to certain plant and machineries were previously impaired in FY2012; and (iii) provision for impairment made for certain plant and machineries in FY2012.

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 mainly due to the current year depreciation charged and disposal of certain machineries and motor vehicles by subsidiary during FY2013.

(ii) Trade and other receivables as at 31 December 2013 comprised the following:

	FY 2013 S$ (Unaudited)	FY 2012 S$ (Audited)
Trade receivables	483,790	598,680
Prepayments	122,292	69,091
Deposits	44,538	46,291
Other receivables	1,132,336	78,783
	1,782,956	792,845

The increase in trade and other receivables was mainly attributable to reversal of impairment loss on certain debtor, which now are considered recoverable.

(iii) Inventories mainly comprise raw material and sputtering targets held by Apphia; and printing materials held by Micro Screen Group. The decrease was due to consumptions for sales activities.

(iv) Available-for-sale quoted investment decreased due to disposal in FY2013.

(v) The finance leases comprised certain machineries and motor vehicles of subsidiaries under hire purchase agreements. The decrease is due to repayments made during FY2013.

(vi) The interest-bearing loan relates to Apphia's loan from a financial institution for its leasehold property and building located at Tuas, Singapore. The decrease is due to repayments made during FY2013.

(vii) The deferred tax liabilities arose from revaluation of Apphia's leasehold building. The decrease was due to recognition of the amortisation of the leasehold building which includes the revaluation.

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)

(viii) Trade and other payables as at 31 December 2013 comprised the following:

	FY2013 S$ (Unaudited)	FY2012 S$ (Audited)
Trade payables	512,429	405,973
Accruals	564,240	485,691
Other payables	204,641	151,166
	1,281,310	1,042,830

The increase in trade and other payables is mainly due to advance payment received from customer for purchase of printing machines and accrued of certain expenses which is not due at the end of the reporting period.

Statement of Cash Flows

During the FY2013, 'Net cash used in operating activities' improved due to (i) improvement in working capital management; and (ii) income tax refund during the year.

The amount of 'Net cash generated from investing activities' in FY2013 was lower compared to FY2012, mainly due to the recording of cash inflow generated from the acquisition of a subsidiary in FY2012 and there being no such acquisition in FY2013. However, in FY2013, the Group received proceeds from disposal of available-for-sale investment.

The 'Net cash used in financing activities' improve mainly attributable to (i) proceeds received from warrants exercised during FY2013; and (ii) no extension of loan to 3rd party in FY2013.

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.

Economic conditions remain uncertain.

On 26 November 2013, the Company issued an announcement that the Company has entered into a subscription agreement with Mr Chin Bay Ching (the "Subscriber"), to allot and issue 875,000,000 new shares to the Subscriber at the issued price of S$0.0165 per shares (the "Subscription"). The proceed from the Subscription will be S$14.44 million. For more details, please refer to the announcement dated 26 November 2013.

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 year ended 31 December 2013.

(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 year ended 31 December 2012.

11. Dividend (cont'd)

(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 year ended 31 December 2013 is recommended nor 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. Save for the following, there were no transactions with interested persons in the financial year ended 31 December 2013.

(a) The Company paid fees amounting to S$14,531 to Colin Ng & Partners for legal services rendered, for which Mr Tan Poh Chye Allan, an Independent Director of the Company, was a partner of the firms until October 2013.

(b) The Company paid fees amounting to S$6,538 to Virtus Law LLP for legal services rendered, for which Mr Tan Poh Chye Allan, an Independent Director of the Company, is a partner of the firm.

(c) The Company also paid service fees amounting to $36,000 to Information Technology Laboratories Pte Ltd for services rendered, and rental of S$50,872 to Apphia Properties Co Pte Ltd for the lease of the office premises at Maxwell House. Mr Lim Keng Hock, Jonathan, Chairman of the Company, is a director and shareholder of both Information Technology Laboratories Pte Ltd and Apphia Properties Co Pte Ltd.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Advanced Materials & Solutions		Commodities and mineral resources		Corporate revenue and expenses		Total continuing operations	
	FY2013 S$ (Unaudited)	FY2012 S$ (Audited)	FY2013 S$ (Unaudited)	FY2012 S$ (Audited)	FY2013 S$ (Unaudited)	FY2012 S$ (Audited)	FY2013 S$ (Unaudited)	FY2012 S$ (Audited)
Total revenue	4,386,199	3,920,479	-	-	-	-	4,386,199	3,920,479
Segment results	(1,109,847)	(2,943,228)	(9,229)	(1,617,066)	(1,131,492)	(1,319,558)	(2,250,568)	(5,879,852)
Other operating income	150,815	452,794	1,214,355	5,962	88,794	574	1,453,964	459,330
Interest income	5	50	-	425	-	86,584	5	87,059
Finance costs	(112,715)	(145,437)	-	-	-	-	(112,715)	(145,437)
Gain on disposal of subsidiary	-	-	-	6,855	-	-	-	6,855
Impairment of goodwill	-	(1,524,841)	-	-	-	-	-	(1,524,841)
Income tax	106,080	88,749	-	-	-	650	106,080	89,399
Net loss attributable to owners of the Company	(965,662)	(4,071,913)	1,205,126	(1,603,824)	(1,042,698)	(1,231,750)	(803,234)	(6,907,487)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (cont'd)

	Advanced Materials & Solutions		Commodities and mineral resources		Corporate assets and liabilities		Total continuing operations	
	FY2013 S$ (Unaudited)	FY2012 S$ (Audited)	FY2013 S$ (Unaudited)	FY2012 S$ (Audited)	FY2013 S$ (Unaudited)	FY2012 S$ (Audited)	FY2013 S$ (Unaudited)	FY2012 S$ (Audited)
Segment assets	6,877,775	7,885,105	1,129,000	-	1,995,820	2,924,928	10,002,595	10,810,033
Segment liabilities	2,990,733	3,312,260	6,000	6,124	376,343	288,020	3,373,076	3,606,404
Capital expenditure	126,136	6,212,019	-	-	-	-	126,136	6,212,019
Depreciation of property, plant and equipment	670,079	952,920	-	-	-	6,666	670,079	959,586
Impairment loss on available-for-sale investments	-	-	-	-	-	11,200	-	11,200
Impairment on goodwill	-	1,524,841	-	-	-	-	-	1,524,841
Gain on disposal of available-for-sale investment	-	-	-	-	(88,792)	-	(88,792)	-
Gain on disposal of property. plant and equipment	(46,072)	(20,417)	-	-	-	-	(46,072)	(20,417)
Property, plant and equipment written off	-	229	-	-	-	-	-	229
Impairment on property, plant and equipment	67,462	525,575	-	-	-	-	67,462	525,575

All assets and liabilities are allocated to reportable segments other than corporate assets and libilities which cannot be attributed to any one operating segment.

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year. (continued)

	FY2013 S$ (Unaudited)	FY2012 S$ (Audited)
Sales revenue		
North Asia [1]	998,495	543,198
Southeast Asia [2]	865,665	890,340
Singapore	1,959,527	2,002,050
Europe [3]	347,843	243,314
United States	148,423	147,750
Australia	-	66,540
India	29,633	23,015
Others	36,613	4,272
	4,386,199	3,920,479
Non-current assets		
Singapore	4,401,562	4,928,842
Malaysia	4,242	105,448
	4,405,804	5,034,290

Notes:
[1] North Asia consists of China, South Korea, Taiwan, and Japan.
[2] Southeast Asia consists of Malaysia and Indonesia.
[3] Europe consists of Spain, Germany and United Kingdom.

Information about major customer
In 2013, included in the revenue arising from sales in North Asia Advanced Materials & Solutions segment of S$1.00 million is revenues of S$0.73 million which arose from sales to the Group's largest customer.

In 2012, there is no single customer which account for more than 10% of total Group's revenue.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Advanced Materials & Solutions Segment
In FY2013, the improvement in overall Apphia's performance is due to sales volume increased and higher value project awarded to Apphia which generated more favorable profit margin.

Commodities and Mineral Resources Segment
The Group presently does not have any business activities in this sector. The surplus is due to reversal of impairment loss on certain debtor, which now are considered recoverable.

16. A breakdown of sales.

	FY2013 S$ (Unaudited)	FY2012 S$ (Audited)	Increase / (Decrease) %
Sales reported for 1st half	2,025,014	2,251,423	(10.1)
Operating loss after tax before minority interest for 1st half	(838,423)	(1,564,550)	(46.4)
Sales reported for 2nd half	2,361,185	1,669,056	41.5
Operating income (loss) after tax before minority interest for 2nd half	35,189	(5,342,937)	(100.7)

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable. No dividend was declared.

18. Utilisation of Proceeds

As at the beginning of the financial year ended 31 December 2013, the Company had balance proceeds of S$2.63 million, which was raised from a placement in October 2010. An aggregate of S$1.38 million was used for working capital purposes, as set out below:

	S$'000
Balance as at 1 Jan 2013	2,634
Repayments received from loan	88
Payments for director and staff expenses	(714)
Payments for operational costs	(350)
Payments for professional fee and other compliance costs	(318)
Balance as at 31 December 2013	1,340

There were no material deviations from the stated use of the proceeds.

19. Disclosure of person occupying a managerial position in the issuer or any of its principle subsidiaries who is a relative of a director or chief executive office or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board of Directors of the Company would like to confirm that none of the persons occupying managerial positions in the Company or its principal subsidiaries is related to a Director or Chief Executive Officer or Substantial Shareholder of the Company, for the financial year ended 31 December 2013.

BY ORDER OF THE BOARD

Lee Bee Fong
Company Secretary
28 February 2014