

ABUNDANCE INTERNATIONAL LIMITED

(Incorporated in Singapore)
(Co. Reg. No: 197501572K)

Unaudited Half Year Financial Statement And Dividend Announcement for the 6 months ended 30 June 2016.

With effect from 1 January 2016, the presentation currency of the Group has been changed from Singapore dollars (“S\$”) to United States dollars (“US\$”) based on the rationale explained in note 4 of this announcement.

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.

	GROUP		
	Half-year ended 30/06/16	Half-year ended 30/06/15	% Change (+/-)
	US\$'000	US\$'000	
Revenues			
Sale of goods	23,959	-	N.M.
Other income	-	-	N.M.
Costs and expenses			
Raw materials and consumables used	22,943	-	N.M.
Salaries and employee benefits	459	-	N.M.
Other expenses	625	-	N.M.
Total costs and expenses	24,027	-	N.M.
Loss from operating activities	(68)	-	N.M.
Finance costs	(35)	-	N.M.
Loss before taxation	(103)	-	N.M.
Tax expense	-	-	N.M.
Loss for the period from continuing operations	(103)	-	N.M.
Discontinued operations			
Gain/(Loss) for the period from discontinued operations	73	(1,650)	-104.4
Loss for the period	(30)	(1,650)	-98.2
Other comprehensive loss			
Foreign currency translation differences – foreign operation	379	(418)	-190.7
Other comprehensive loss for the period	-	-	N.M.
Total comprehensive gain/ (loss) for the period	349	(2,068)	-116.9

	GROUP		
	Half-year ended 30/06/16	Half-year ended 30/06/15	% Change (+/-)
Loss for the period attributable to:			
Owners of the Company			
Loss from continuing operations, net of tax	(320)	-	N.M.
Gain/ (loss) from discontinuing operations, net of tax	73	(1,650)	-104.4
	(247)	(1,650)	-85.0
Non-controlling interest			
Gain from continuing operations, net of tax	217	-	N.M.
Loss from discontinuing operations, net of tax	-	-	N.M.
	(30)	(1,650)	-98.2
Total comprehensive gain/(loss) attributable to:			
Owners of the Company			
Loss from continuing operations, net of tax	(281)	-	N.M.
Gain/ (loss) from discontinuing operations, net of tax	376	(2,068)	-118.2
	95	(2,068)	-104.6
Non-controlling interest			
Loss from continuing operations, net of tax	254	-	N.M.
Loss from discontinuing operations, net of tax	-	-	N.M.
	349	(2,068)	-116.9
Loss per share attributable to the Company – in cents Basic and diluted			
Loss from continuing operations, net of tax	(0.07)	-	N.M.
Gain/ (loss) from discontinuing operations, net of tax	0.02	(0.35)	-105.7
	(0.05)	(0.35)	-85.7

N.M. denotes "not meaningful"
 + denotes "increase"
 - denotes "decrease"

Note:

In 2015, the Company has changed its financial year end from 30 September to 31 December. The comparative results in this announcement covered the period 1 January 2016 to 30 June 2016 against 1 January 2015 to 30 June 2015.

Notes to statement of comprehensive income

Other income for the period is arrived after crediting the following:

	Half-year ended 30/06/16	Half-year ended 30/06/15
	US\$'000	US\$'000
Discontinued operations		
Gain on sale of scrap material	-	64
Government grants	62	56
Gain on disposal of property, plant and equipment	489	-
Reversal of allowance for doubtful debts	103	-

Profit / (loss) for the period is arrived at after charging the following:

	Half-year ended 30/06/16	Half-year ended 30/06/15
	US\$'000	US\$'000
Continuing operations		
Interest expense	(35)	-
Discontinued operations		
Foreign exchange loss, net	(98)	(32)
Interest expense	(218)	(87)
Reversal of write-down in inventories	89	95

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		
	30/06/16	31/12/15	30/09/14	30/06/16	31/12/15	30/09/14
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets						
Property, plant and equipment	38	-	19,641	-	-	19,641
Investments in subsidiaries	-	-	-	4,351	4,351	-
	38	-	19,641	4,351	4,351	19,641
Current assets						
Inventories	-	-	2,504	-	-	2,504
Trade receivables	9,487	-	2,816	-	-	2,816
Other receivables and deposits	88	53	101	-	-	101
Prepayments	4,569	2,020	32	-	-	32
Cash and bank balances	2,768	6,703	11,123	245	300	11,121
	16,912	8,776	16,576	245	300	16,574
Assets directly associated with discontinued operations	15,496	17,302	-	15,487	16,110	-
Total assets	32,446	26,078	36,217	20,083	20,761	36,215
Current liabilities						
Trade payables	4,411	-	1,756	-	-	1,756
Other payables and accruals	543	319	1,265	784	307	1,257
Amounts due to directors and shareholder	3,229	-	5,555	-	-	5,555
Amount due to subsidiary	-	-	-	-	-	-
Loans and borrowings	-	-	3,269	-	-	3,269
Finance lease liabilities	-	-	15	-	-	15
	8,183	319	11,860	784	307	11,852
Long-term liabilities						
Loans and borrowings	-	-	-	-	-	-
Finance lease Liabilities	-	-	10	-	-	10
Provisions	-	-	12	-	-	12
	-	-	22	-	-	22

	GROUP			COMPANY		
	30/06/16	31/12/15	30/09/14	30/06/16	31/12/15	30/09/14
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Liabilities directly associated with discontinued operations	7,328	9,216	-	7,438	8,886	-
Net assets	16,935	16,543	24,335	11,861	11,568	24,341
Equity						
Share capital	27,373	19,284	16,999	27,373	19,284	16,999
Other equity instruments	-	8,704	10,989	-	8,704	10,989
Translation reserve	(1,240)	(2,197)	(126)	(1,166)	(2,155)	(127)
Assets revaluation reserve	9,909	9,909	12,848	9,909	9,909	12,848
Accumulated losses	(23,542)	(23,295)	(16,375)	(24,255)	(24,174)	(16,368)
Attributable to owner of the Company	12,500	12,405	24,335	11,861	11,568	24,341
Non-controlling interest	4,435	4,138	-	-	-	-
Total equity	16,935	16,543	24,335	11,861	11,568	24,341

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

Amount repayable in one year or less, or on demand

As at 30/06/16		As at 31/12/15		As at 30/09/14	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
637	6,750*	1,910	3,023*	3,284	5,450*

Amount repayable after one year

As at 30/06/16		As at 31/12/15		As at 30/09/14	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
-	-	4	-	10	-

*The unsecured amount relates to amounts owing to directors and a shareholder under a loan.

Details of any collaterals

The Group's borrowings for bank overdrafts, trust receipts and term loans were secured on the Company's factory building located at 9 Joo Koon Circle, Singapore. Hire purchase financing was secured by a charge over the respective leased plant and equipment. The amount due to a finance house was secured by specific customer debts.

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

	Half-year ended 30/06/16	Half-year ended 30/06/15
	US\$'000	US\$'000
Cash flows from operating activities		
Loss before taxation	(30)	(1,650)
Adjustments:		
Depreciation of property, plant and equipment	-	542
Interest expense	253	87
Gain on disposal of property, plant and equipment	(489)	-
Operating cashflow before working capital changes	(266)	(1,021)
Change in trade and other receivables	(8,183)	26
Change in prepayments	(2,545)	14
Change in inventories	315	(123)
Change in trade and other payables	3,977	(30)
Cash used in operations	(6,702)	(1,134)
Interest paid	(253)	(87)
Net cash used in operating activities	(6,955)	(1,221)
Cash flows from investing activities		
Purchase of property, plant and equipment	(174)	(25)
Proceeds from disposal of property, plant and equipment	1,570	-
Purchase of held-to-maturity investments	-	(750)
Net cash generated from / (used in) investing activities	1,396	(775)
Cash flows from financing activities		
Net repayment of loans and borrowings	(1,719)	187
Repayment of finance lease liabilities	(8)	(5)
Net proceeds from / (Net repayment of) amounts due to directors	3,634	(2,254)
Proceed from non-controlling interest	43	
Net cash generated from / (used in) financing activities	1,950	(2,072)
Net decrease in cash and cash equivalents	(3,609)	(4,068)
Effect of changes in currency translation	(326)	(66)
Cash and cash equivalents at beginning of financial period	6,703	10,136
Cash and cash equivalents at end of financial period*	2,768	6,002

The impact of the discontinued operations on the cash flows of the Group was as follows:

Operating cash inflows/(outflows)	1,092	(1,221)
Investing cash outflows	(1,728)	(775)
Financing cash inflows/(outflows)	405	(2,072)
Total cash outflows	1,325	(4,068)

Note:

In 2015, the Company has changed its financial year end from 30 September to 31 December. The comparative results in this announcement covered the period 1 January 2016 to 30 June 2016 against 1 January 2015 to 30 June 2015.

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	Other Equity Instruments	Foreign Currency Translation Reserve	Assets Revaluation Reserve	Accumulated Losses	Equity Attributable to Owner of the Company	Non-controlling interest	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2015	19,284	8,704	(964)	12,848	(17,197)	22,675	-	22,675
Total comprehensive loss for the period	-	-	(418)	-	(1,650)	(2,068)	-	(2,068)
Balance at 30 June 2015	19,284	8,704	(1,382)	12,848	(18,847)	20,607	-	20,607
Balance at 1 January 2016	19,284	8,704	(2,197)	9,909	(23,295)	12,405	4,138	16,543
Total comprehensive loss for the period	-	-	342	-	(247)	95	254	349
Proceed from non-controlling interest	-	-	-	-	-	-	43	43
Conversion of convertible bonds	8,089	(8,704)	615	-	-	-	-	-
Balance at 30 June 2016	27,374	-	(1,240)	9,909	(23,542)	12,500	4,435	16,935
Company	Share Capital	Other Equity Instruments	Foreign Currency Translation Reserve	Assets Revaluation Reserve	Accumulated Losses	Total Equity		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000		
Balance at 1 January 2015	19,284	8,704	(958)	12,848	(17,196)	22,682		
Total comprehensive loss for the period	-	-	(418)	-	(1,649)	(2,067)		
Balance at 30 June 2015	19,284	8,704	(1,376)	12,848	(18,845)	20,615		
Balance at 1 January 2016	19,284	8,704	(2,155)	9,909	(24,174)	11,568		
Total comprehensive loss for the period	-	-	374	-	(81)	293		
Conversion of convertible bonds	8,089	(8,704)	615	-	-	-		
Balance at 30 June 2016	27,373	-	(1,166)	9,909	(24,255)	11,861		

- 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.**

Subscription Agreement

Pursuant to a subscription agreement dated 8 May 2014 (the "**Subscription Agreement**") entered into between the Company and each of Mr Shi Jiangang and Mr Sam Kok Yin (the "**Subscribers**"), the Company:

- (a) issued to the Subscribers non-transferrable convertible bonds due 24 March 2016 in an aggregate principal amount of S\$14,000,000 (the "**Convertible Bonds**") convertible into an aggregate of 280,000,000 new ordinary shares in the capital of the Company (the "**Conversion Shares**") at an exercise price of S\$0.05 per Conversion Share; and
- (b) granted to the Subscribers an option (the "**Call Option**") to require the Company to allot and issue an aggregate of 210,000,000 new ordinary shares in the capital of the Company (the "**Option Shares**") at the price of S\$0.05 per Option Share.

On 10 December 2014, pursuant to the Subscription Agreement under which Mr Sam Kok Yin exercised his right to convert a principal amount of S\$3,000,000 in Convertible Bonds into Conversion Shares, the Company issued and allotted 60,000,000 Conversion Shares to Mr Sam Kok Yin.

On 24 March 2016, pursuant to the Subscription Agreement, the Company issued and allotted 220,000,000 ordinary shares at the price of S\$0.05 each in the capital of the Company, following the automatic conversion of S\$11,000,000 outstanding Convertible Bonds due 2016.

Further details of the Subscription Agreement are set out in the Company's announcement dated 8 May 2014.

JV Agreement

On 1 June 2015, the Company entered into a joint venture agreement (the "**JV Agreement**") with Mr Jiang Hao in relation to a new joint venture company, Orient-Salt Chemicals Pte. Ltd. ("**OSC Singapore**"). Under the JV Agreement, the parties agreed to grant to each other put and call options in relation to an aggregate of 69,176,472 new shares in the capital of the Company (the "**JV Put and Call Options**"). On 17 June 2016, the Company announced that it had entered into an agreement to purchase the remaining 49% in OSC Singapore from Jiang Hao (the "**Acquisition**"). Subject to and upon completion of the Acquisition, the JV agreement and the JV Put and Call Options shall terminate and cease to have any further force and effect.

Further details of the JV Agreement and the Acquisition are set out in the Company's announcements dated 2 June 2015 and 17 June 2016.

Summary of Outstanding Convertibles

As at 30 June 2016, the total number of issued shares in the Company is 468,000,000 shares (30 June 2015: 248,000,000 shares). The number of shares that may be issued on conversion/exercise of all the outstanding convertibles (comprising the Call Option under the Subscription Agreement, and the JV Put and Call Options under the JV Agreement) is 279,176,472 shares (30 June 2015: 499,176,472 shares). There were no treasury shares held as at 30 June 2016 and 30 June 2015.

Subsequent Events

On 17 June 2016, in addition to the Acquisition, the Company also announced:-

(a) a placement of 57,150,000 new ordinary shares (the “**Placement Shares**”) at the issue price of S\$0.07 per Placement Share. Completion had taken place and the Placement Shares were issued on 19 July 2016; and

(b) a rights issue of up to S\$12,855,000 in principal amount (the “**Principal Amount**”) of zero coupon bonds due 2020 (the “**Bonds**”) with principal amount of S\$0.02 for each Bond, with up to 642,750,000 free detachable European warrants (the “**Warrants**”), with each Warrant carrying the right to subscribe for one new ordinary share at an exercise price of S\$0.02 each, on the basis of one Bond of principal amount S\$0.02 each with one free Warrant for every existing share in the capital of the Company. The issue price of the Bonds will comprise 80 per cent. of the Principal Amount.

Please refer to the Company’s announcement of 17 June 2016 for more details.

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	
	As at 30/06/16	As at 31/12/15
Issued Ordinary Shares	468,000,000	248,000,000

The Company does not have any treasury shares as at 30/06/16 and 31/12/15.

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

Not applicable.

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

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

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.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the financial period ended 31 December 2015 except for the adoption of the new and revised Financial Reporting Standards which became effective for the financial period beginning on or after 1 January 2016 and the change of presentation currency from SGD to USD with effect from 1 January 2016.

The Group is of the opinion that USD presentation currency best reflects the current and prospective economic substance of the underlying transactions of the Group as a significant amount of the Group's revenue and purchases are and will increasingly be transacted in USD subsequent to the commencement of the chemicals trading business and the cessation of internal production in respect of the printing business.

Accordingly, the Group will translate its results and financial position into USD starting from 1 January 2016. The comparatives of the financial statements of the Company and of the Group for 1H2016 were restated and presented in USD. Specifically, the assets and liabilities of the Company and of the Group as at 31 December 2015 and 30 September 2014 were translated from SGD to USD at the closing exchange rates as at 31 December 2015 and 30 September 2014 respectively, while the income and expense items of the Company and of the Group for 1H2015 were translated at the average rate during the said period

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.

Please refer to note 4.

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	
	Period ended 30/06/16	Period ended 30/06/15
Loss per ordinary share for the period attributable to shareholders:		
Basic and fully diluted		
Loss from continuing operations, net of tax (US cents)	(0.07) cents	- cents
Gain/ (loss) from discontinuing operations, net of tax (US cents)	0.02 cents	(0.35) cents
Based on weighted average number of issued shares of the Company	468,000,000 ⁽¹⁾	468,000,000 ⁽¹⁾

Note:

(1) These figures assume the full conversion of the outstanding Convertible Bonds under the Subscription Agreement. The 210,000,000 ordinary shares in the capital of the Company which may be issued from the call option under the Subscription Agreement and the 69,176,472 ordinary shares in the capital of the Company which may be issued pursuant to the JV Put and Call options under the JV Agreement have been excluded from the calculation of diluted loss per share for the period ended 30 June 2016 as the Group incurred losses.

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

	GROUP			COMPANY		
	As at 30/06/16	As at 31/12/15	As at 30/09/14	As at 30/06/16	As at 31/12/15	As at 30/09/14
Net asset value per ordinary share (US cents)	3.62 cents	6.67 cents	12.94 cents	2.53 cents	4.66 cents	12.95 cents
Based on number of issued shares of the Company	468,000,000	248,000,000	188,000,000	468,000,000	248,000,000	188,000,000

Note:

The net asset value per ordinary share as at 30/06/16 is derived after including the 60,000,000 ordinary shares in the capital of the Company issued to Mr Sam Kok Yin on 10 December 2014 and the aggregate 220,000,000 ordinary shares in the capital of the Company issued to Mr Sam Kok Yin and Mr Shi Jiangang on 24 March 2016 pursuant to the Subscription Agreement, but without taking into account the additional shares that may be issued upon exercise of the Call Option under the Subscription Agreement, or pursuant to the JV Put and Call Options under the JV Agreement.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Group ceased internal production in respect of the printing business on 31 December 2015. Starting from FY2016, any outstanding and new sales orders that have been or may be received in respect of the printing business will be outsourced to other printers to produce on behalf of the Group. Based on the requirements of FRS105, non-current assets held for sale and discontinued operations, all incomes and expenses relating to the printing business for FY2015 and FY2016 were classified as discontinued operations. In addition, all assets and liabilities relating to the printing business for FY2015 and FY2016 were classified as assets directly associated with discontinued operations and liabilities directly associated with discontinued operations respectively.

As the Group started the chemicals trading business subsequent to 1H2015, no revenues and costs and expenses from continuing operations were recorded for 1H2015.

Subsequent to the cessation of internal production in respect of the printing business, the Group focused more of its resources and efforts on the chemicals trading business. Arising from the chemicals trading business, the Group recorded US\$24 million of revenue and a corresponding US\$23 million of cost of goods sold for 1H2016, thereby recording a gross margin of 4% for 1H2016. Salaries and employee benefits of US\$0.5 million, finance costs of US\$0.04 million and other operating expenses of US\$0.6 million were also incurred, relating to the chemicals trading business. Other operating expenses include bank charges, entertainment expenses, legal and professional fees and exchange difference.

For 1H2016, the Group recorded a US\$0.07 million gain from discontinued operations compared to a US\$1.7 million loss from discontinued operations for 1H2015 as a result of the Group ceasing internal production in respect of the printing business on 31 December 2015.

During 1H2016, the Group purchased US\$0.04million of property, plant and equipment for its office in Japan. In line with the growth of the Group's chemicals trading business, trade receivables, other receivables and deposits, prepayments relating to payments made to suppliers for the procurement of goods, and trade payables increased. Other payables and accruals increased by US\$0.2 million mainly due to salaries owing to the Executive Directors for the current period. Amounts due to Directors of US\$3.2 million relate to advances from the Executive Directors during the current period for working capital usage in relation to the chemicals trading business. As a result of the above, current assets increased by US\$8.1 million and current liabilities increased by US\$7.9 million.

Assets directly associated with discontinued operations decreased by US\$1.8 million mainly due to repayment from customers relating to the printing business and the sale of paper inventories to third parties. Liabilities directly associated with discontinued operations reduced by US\$1.9 million mainly due to repayments made for debts incurred in relation to the printing business, ie. trade payables, amounts due to bankers, and amounts due to finance houses.

For 1H2016, net cash used in operating activities was US\$7 million as OSC group has yet to obtain trade facilities with financial institutions for its chemicals trading operations. Cash flows from investing activities was a positive US\$1.4 million as a result of the sale of printing machineries during the current period. US\$2.0 million was generated from financing activities mainly attributable to the advances obtained from the Executive Directors.

During the current financial period, pursuant to the Subscription Agreement as defined in the Company's announcement dated 8 May 2014, the Company issued and allotted 220,000,000 ordinary shares in the capital of the Company to Mr Shi Jiangang and Mr Sam Kok Yin, following the automatic conversion of S\$11,000,000 outstanding Convertible Bonds due 2016. As a result, share capital increased and equity reserve decreased.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's performance for 1H2016 was consistent with the announcement made on 29 February 2016 in respect of the financial period ended 31 December 2015.

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.

For the remainder of the financial year ending 31 December 2016 ("FY2016"), the Group will focus more of its resources and efforts on the chemicals trading business conducted via OSC. The OSC group is expected to contribute materially to the revenue of the Group for FY2016, particularly upon completion of the acquisition of the remaining 49% of OSC as announced by the Company on 17 June 2016. As compared to HY2016, the revenue of the OSC group for the remaining 6 months of FY2016 is expected to be higher due to:

- OSC's wholly-owned subsidiary in the People's Republic of China commencing operations in August/September 2016;
- As announced by the Company on 5 August 2016, the granting of trade facilities of up to S\$14,000,000 by an international bank which will allow OSC to scale up its business activities; and
- The completion of the Compliance Placement and the anticipated completion of the Rights Issue (both announced by the Company on 17 June 2016), which will significantly improve the Company's cash flow position and allow it to give financial support to OSC as and when deemed necessary.

Investment Business

As part of its investment business, the Group will make appropriate investments as and when good opportunities come along and where its cash flow position allows, particularly upon completion of the Rights Issue.

Printing Business

As previously announced, the Group has ceased internal production in respect of the printing business. Any outstanding and new sales orders that have been or may be received in respect of the printing business will be outsourced to other printers to produce on behalf of the Group. It is expected that revenue contribution from, and loss attributable to, the printing business will be significantly lower for the whole of FY2016 as compared to the FP ended 31 December 2015.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the half year ended 30 June 2016.

13. General mandate for interested person transactions

The Group obtained the approval from shareholders on the renewal of the interested person transactions mandate pursuant to Rule 920 during the annual general meeting of the Company held on 29 April 2016.

During the financial period ended 30 June 2016, the Group did not enter into any interested person transactions under the said mandate.

14. Use of proceeds from convertible bonds issue and placement issue

Proceeds from convertible bonds and placement completed on 25 September 2014

Further to the Company's disclosure in its Annual Report for the financial period ended 31 December 2015, there were no material disbursements made from the proceeds from the convertible bonds issue and placement issue.

Proceeds from compliance placement completed on 19th July 2016

Further to the Company's announcement relating to the completion of the compliance placement made on 19 July 2016, the Company wishes to provide an update on the utilisation of the net proceeds of approximately S\$3,981,000. Amount utilised to date is approximately S\$929,000, which amounts to approximately 23% of the net proceeds. This relates to the repayment of the Company's bank overdraft facility. The above utilization is in line with the intended use of the net proceeds.

15 Confirmation pursuant to Rule 720(1) of the Catalist Rules

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in compliance with Rule 720(1) of the Catalist Rules and according to the format set out in Appendix 7H of the Catalist Rules.

16. Negative Assurance Confirmation

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the half-year ended 30 June 2016 to be false or misleading in any material aspect.

On Behalf of the Board of Directors,

Shi Jiangang
Chairman

Sam Kok Yin
Executive Director

BY ORDER OF THE BOARD

Sam Kok Yin
Executive Director
8 August 2016

Note:

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of 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.

*The contact person for the Sponsor is Mr Ng Joo Khin:
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