

First Half Financial Statement for the Period Ended 30 June 2014

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.

The contact person for the Sponsor is Mr Bernard Lui. Tel: 6389 3000 Email: Bernard.Lui@stamfordlaw.com.sg

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.**
(Movements in the line items below are explained further in Section 8 (a) of this announcement.)

	Group 6 months ended		Increase / (Decrease) %
	30 June 2014	30 June 2013	
	(Unaudited) S\$	(Unaudited) S\$	
Revenue	2,444,779	2,025,014	20.7
Cost of sales	(1,868,073)	(1,618,933)	15.4
Gross profit	576,706	406,081	42.0
Other operating income	101,633	255,903	(60.3)
Distribution and selling expenses	(50,165)	(38,863)	29.1
Administrative expenses	(1,619,915)	(1,501,324)	7.9
Finance costs	(44,503)	(56,275)	(20.9)
Loss before income tax	(1,036,244)	(934,478)	10.9
Income tax credit			
Corporate tax			
- Over provision in prior years	7,606	96,055	(92.1)
Deferred tax			
- Current year	5,013	-	N/M
	12,619	96,055	(86.9)
Loss for the period	(1,023,625)	(838,423)	22.1
Other comprehensive income (loss)			
<u>Items that may be re-classified subsequently to profit or loss</u>			
<i>Exchange differences on translation of foreign operations, representing other comprehensive income, net of tax</i>	3,106	(8,132)	(138.2)
Total comprehensive loss for the period attributable to owners of the Company	(1,020,519)	(846,555)	

Notes:

N/M – Not meaningful

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

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

	Group		Increase / (decrease)	Note
	6 months ended			
	30 June 2014 (Unaudited)	30 June 2013 (Unaudited)		
	S\$	S\$	%	
Bad debt written off	3,505	3,878	(9.6)	
Cost of inventories included in cost of sales	1,306,725	1,056,253	23.7	(i)
Depreciation of property, plant and equipment	310,166	350,743	(11.6)	(ii)
Foreign exchange loss/(gain), net	16,815	(26,857)	(162.6)	(iii)
Gain from disposal of available-for-sale investment	-	(88,792)	N/M	(iv)
Gain on disposal of property, plant and equipment	-	(8,129)	N/M	(v)
Interest expense	44,503	56,275	(20.9)	(vi)
Interest income	(10)	(32,105)	(99.9)	(vii)
Operating lease rentals in respect of premises	137,093	129,583	5.8	
Reversal of allowance for doubtful receivables	(6,131)	(111,419)	(94.5)	(viii)

Note:

N/M – Not Meaningful

Notes:

- (i) The increase is mainly due to increase in sales volume.
- (ii) The decrease is mainly due to the impairment of certain machineries and equipments in FY2013 and change of estimated useful life of certain capitalised items in FY2013.
- (iii) The foreign exchange loss in current periods arose primarily from the strengthening of the Singapore dollar against United States dollar.
- (iv) No disposal of available-for-sales investment in first half of FY2014 ("1H2014"), hence the decrease.
- (v) No property, plant and equipment was disposed in 1H2014, hence the decrease.
- (vi) The decrease is due to the Group's finance costs policy is to recognise the interest expense based on effective interest rate method. The finance costs comprise the interest payment of S\$500 to a subsidiary's director for advances made to subsidiary.
- (vii) In first half of FY2013, the interest income relates to interest earned from overdue other receivables. There is no interest income in 1H2014 as the overdue other receivables was recovered.
- (viii) This is due to recovery of receivables which were impaired in the previous reporting period. The decrease is due to higher provision made at end of FY2012 due to uncertainty in recoverability of such receivables when the provision was made, compare to provision made at end of FY2013, hence the decrease.

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.

	Note	Group		Company	
		30 June 2014 (Unaudited) S\$	31 December 2013 (Audited) S\$	30 June 2014 (Unaudited) S\$	31 December 2013 (Audited) S\$
ASSETS					
NON-CURRENT ASSETS					
Subsidiaries		-	-	1,120,480	1,120,480
Goodwill		-	-	-	-
Property, plant and equipment	8b(i)	4,106,409	4,405,804	6,999	-
		4,106,409	4,405,804	1,127,479	1,120,480
CURRENT ASSETS					
Inventories	8b(ii)	1,335,928	1,390,670	-	-
Trade & other receivables	8b(iii)	601,398	1,780,312	72,689	1,251,711
Cash and cash equivalents		17,228,988	2,423,165	17,056,612	1,903,284
		19,166,314	5,594,147	17,129,301	3,154,995
TOTAL ASSETS		23,272,723	9,999,951	18,256,780	4,275,475
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Shareholders' equity		19,804,580	6,629,519	17,358,574	3,779,204
NON-CURRENT LIABILITIES					
Finance leases	8b(iv)	11,674	219,524	-	-
Other payables		5,785	5,785	-	-
Interest-bearing loan	8b(v)	1,116,806	1,147,774	-	-
Deferred tax liabilities	8b(vi)	235,592	240,605	-	-
		1,369,857	1,613,688	-	-
CURRENT LIABILITIES					
Finance leases	8b(iv)	415,906	415,906	-	-
Trade & other payables	8b(vii)	1,620,209	1,278,667	898,206	496,271
Interest-bearing loan	8b(v)	62,171	62,171	-	-
		2,098,286	1,756,744	898,206	496,271
TOTAL EQUITY AND LIABILITIES		23,272,723	9,999,951	18,256,780	4,275,475

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 June 2014 (Unaudited)		As at 31 December 2013 (Audited)	
Secured	Unsecured	Secured	Unsecured
478,077	Nil	478,077	Nil

Amount repayable after one year

As at 30 June 2014 (Unaudited)		As at 31 December 2013 (Audited)	
Secured	Unsecured	Secured	Unsecured
1,128,480	Nil	1,367,298	Nil

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.

	Group 6 months ended	
	30 June 2014 (Unaudited) S\$	30 June 2013 (Unaudited) S\$
Loss before income tax	(1,036,244)	(934,478)
<u>Adjustments for :</u>		
Bad debt written off	3,505	3,878
Depreciation of property, plant and equipment	310,166	350,743
Expiry of share options	-	(15,280)
Gain on disposal of available-for-sale investment	-	(88,792)
Gain on disposal of property, plant and equipment	-	(8,129)
Interest expense	44,503	56,275
Interest income	(10)	(32,105)
Reversal of allowance for doubtful receivables	(6,131)	(111,419)
Operating loss before working capital changes	(684,211)	(779,307)
Trade receivables	(19,302)	(42,635)
Other receivables	71,891	(23,186)
Inventories	54,742	121,381
Trade payables	(49,460)	(57,567)
Other payables	(52,694)	(96,770)
Cash used in operations	(679,034)	(878,084)
Income tax refund	7,606	144,075
Net cash used in operating activities	(671,428)	(734,009)
Investing Activities		
Acquisition of property, plant and equipment	(10,249)	(49,017)
Interest received	10	-
Proceeds from disposal of available-for-sale investment	-	346,392
Proceeds from disposal of property, plant and equipment	-	17,662
Net cash (used in) / generated from investing activities	(10,239)	315,037
Financing Activities		
Interest paid	(44,503)	(56,275)
Proceeds from issuance of shares, net	14,639,276	18,300
Repayment from third parties	1,128,951	50,530
Repayment of bank loan	(30,968)	(29,960)
Repayment of obligations under finance leases	(207,850)	(205,727)
Net cash generated from /(used in) financing activities	15,484,906	(223,132)
Net increase /(decrease) in cash and cash equivalents	14,803,239	(642,104)
Cash and cash equivalents at beginning of the period	2,423,165	3,121,395
Net effect of exchange rate changes on cash and cash equivalents	2,584	(7,940)
Cash and cash equivalents at end of the period	17,228,988	2,471,351

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	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Balance at 1 January 2013	31,465,503	1,439,206	119,135	6,834	113,484	(25,940,533)	7,203,629
Total comprehensive loss for the period :							
Loss for the period	-	-	-	-	-	(838,423)	(838,423)
Other comprehensive loss for the period	-	-	-	(8,132)	-	-	(8,132)
	-	-	-	(8,132)	-	(838,423)	(846,555)
Transaction with owners recognised directly in equity :							
Expiry of share options	-	-	-	-	(15,280)	-	(15,280)
Exercise of share options	28,901	-	-	-	(10,601)	-	18,300
Balance at 30 June 2013	31,494,404	1,439,206	119,135	(1,298)	87,603	(26,778,956)	6,360,094
Total comprehensive income for the period :							
Profit for the period	-	-	-	-	-	35,189	35,189
Other comprehensive income for the period	-	-	-	15,846	-	-	15,846
	-	-	-	15,846	-	35,189	51,035
Transaction with owners recognised directly in equity :							
Recognition of share options	-	-	-	-	18,390	-	18,390
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
Total comprehensive loss for the period :							
Loss for the period	-	-	-	-	-	(1,023,625)	(1,023,625)
Other comprehensive income for the period	-	-	-	3,106	-	-	3,106
	-	-	-	3,106	-	(1,023,625)	(1,020,519)
Transaction with owners recognised directly in equity :							
Issuance of shares	14,195,580	-	-	-	-	-	14,195,580
Balance at 30 June 2014	45,946,544	1,382,646	119,135	17,654	105,993	(27,767,392)	19,804,580

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 S\$	Warrant reserve S\$	Share options reserve S\$	Accumulated losses S\$	Total S\$
Balance at 1 January 2013	31,465,503	1,439,206	113,484	(29,371,596)	3,646,597
Loss for the period, representing total comprehensive loss for the period	-	-	-	(389,746)	(389,746)
Transaction with owners recognised directly in equity :					
Expiry of share options	-	-	(15,280)	-	(15,280)
Exercise of share options	28,901	-	(10,601)	-	18,300
Balance at 30 June 2013	31,494,404	1,439,206	87,603	(29,761,342)	3,259,871
Profit for the period, representing total comprehensive income for the period	-	-	-	300,943	300,943
Transaction with owners recognised directly in equity :					
Recognition of share options	-	-	18,390	-	18,390
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
Loss for the period, representing total comprehensive loss for the period	-	-	-	(616,210)	(616,210)
Transaction with owners recognised directly in equity :					
Exercise of share options	14,195,580	-	-	-	14,195,580
Balance at 30 June 2014	45,946,544	1,382,646	105,993	(30,076,609)	17,358,574

- 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.

Issuance of Shares

On 26 November 2013, the Company released an announcement that the Company has entered into a subscription agreement with Mr Chin Bay Ching to allot and issue 875,000,000 new shares to Mr Chin Bay Ching at the issued price of S\$0.0165 per shares (the "**Subscription**").

On 12 March 2014, the Company announced that it had completed the Subscription. Pursuant to the completion of the Subscription, the number of issued ordinary shares in the capital the Company has increased from 825,054,385 shares to 1,700,054,385 shares. The net proceeds received from the Subscription amounts to S\$14.196 million.

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 S\$60 million (the "**Bonds**"), issuable in 60 tranches of a principal amount of S\$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 in the capital of the Company.

Warrants

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

As at 30 June 2014, there are 244,454,946 unexercised warrants (30 June 2013: 254,454,946), which are convertible into 244,454,946 shares (30 June 2013: 254,454,946 shares). This represents approximately 14.38% (30 June 2013: 31.22%) of the Company existing share capital.

Employee Share Options Scheme (the "ESOS")

As at 30 June 2014, there are 8,305,000 unexercised share options (30 June 2013: 8,305,000). There are no exercise of share options since the previous period reported on.

As at 30 June 2014, there are 8,305,000 unexercised share options (30 June 2013: 8,305,000), which are convertible into 8,305,000 shares (30 June 2013: 8,305,000 shares). This represents approximately 0.49% (30 June 2013: 1.02%) of the Company existing share capital.

Others

Assuming that all the 8,305,000 share options (30 June 2013: 8,305,000) and 244,454,946 warrants (30 June 2013: 254,454,946) are exercised, the total number of shares that could be issued is 252,759,946 shares (30 June 2013: 262,759,946 shares). This represents approximately 14.87% (30 June 2013: 32.24%) of the Company existing share capital.

Other than the unexercised warrants and unexercised share options stated in the preceding paragraphs, the Company had no other outstanding convertible securities as at 30 June 2014.

- 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 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
	No of shares	No of shares	No of shares	No of shares
Issued share capital at the end of the period	1,700,054,385	825,054,385	1,700,054,385	825,054,385

- 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 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 2013.

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 2014.

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

FRS 27 (Revised) *Separate Financial Statements*

FRS 110 *Consolidated Financial Statements*

Amendments to FRS 32 *Financial Instruments: Presentation*

Amendments to FRS 36 *Impairment of Assets*

FRS 112 *Disclosure of Interests in Other Entities*

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.**

	Group 6 months ended	
	30 June 2014	30 June 2013
	S\$	S\$
	(Unaudited)	(Unaudited)
Attributable to owners of the Company:		
- Loss after tax	(1,023,625)	(838,423)
Basic and Diluted		
Weighted average number of ordinary shares *	1,359,776,607	814,962,120
	(in S\$ cents)	(in S\$ cents)
Attributable to owners of the Company:		
- Loss per share	(0.08)	(0.10)

* 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	
	30 June 2014 (in S\$ cents)	31 Dec 2013 (in S\$ cents)	30 June 2014 (in S\$ cents)	31 Dec 2013 (in S\$ cents)
Net asset value per share based on existing capital issued as at respective period	1.16	0.80	1.02	0.46
	No of shares	No of shares	No of shares	No of shares
Issued share capital at the end of the period	1,700,054,385	825,054,385	1,700,054,385	825,054,385

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 first half of 2014 ("1H2014"), the revenue increased 20.7%, to S\$2.44 million from S\$2.03 million in the first half of 2013 ("1H2013"). The increase is mainly due to (i) Micro Screen Production Pte Ltd, together with its subsidiary in Malaysia, Eternal Exposure Sdn Bhd managing to secure larger orders for printing machines; and (ii) increase in Apphia Advanced Materials Pte Ltd ("Apphia") sales volume from existing customers in North Asia.

For 1H2014, the Group had a 42.0% rise in gross profit to S\$0.58 million from S\$0.41 million in 1H2013. The improvement is mainly due to higher value projects awarded to Apphia which generated more favourable profit margin. Accordingly, the Group recorded S\$1.87 million of cost of sales in 1H2014, which was an increase of 15.4% over S\$1.62 million recorded in 1H2013.

Other operating income for 1H2014 decreased to S\$0.10 million (1H2013: S\$0.26 million). The decrease is mainly due to the following income earned in 1H2013, but not incurred in 1H2014 (i) gain on disposal of available-for-sale quoted investment (S\$0.09 million); and (ii) write-back of impairment on certain receivables which were previously recognised in FY2012 upon repayments received (S\$0.11 million). The decrease is also partially offset by sales of scrap materials by Apphia amounting to S\$0.05 million.

Distribution and selling expenses rose 29.1% from S\$0.039 million in 1H2013 to S\$0.050 million in 1H2014 mainly due to sales commission incurred in 1H2014.

Administrative expenses for 1H2014 increased 7.9% to S\$1.62 million from S\$1.50 million in the corresponding period last year mainly due to (i) staff costs increase of S\$0.08 million; and (ii) foreign exchange loss increase of S\$0.04 million.

The finance costs relate to interest charged from financial institution for hire purchase agreements, mortgage term loan with subsidiary and interest payment to a subsidiary's director for advances made to the subsidiary. The decrease is mainly due to the Group's finance costs policy to recognise the interest expense base on effective interest rate method.

The income tax credit of S\$0.01 million was attributable to tax refund received by Apphia in 1H2014.

The increase in exchange differences on translation of foreign operations is mainly due to fluctuation of foreign currencies exchange rate.

- 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 depreciation charged in 1H2014.
- (ii) The decrease in inventories is mainly due to consumption for sales activities.

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)**

(iii) Trade and other receivables as at 30 June 2014 comprised the following:

	30 June 2014	31 Dec 2013
	S\$	S\$
	(Unaudited)	(Audited)
Trade receivables	484,683	468,886
Other receivables and prepayments	116,715	1,311,426
	<u>601,398</u>	<u>1,780,312</u>

The decrease is mainly attributable to repayments received from other receivables in 1Q2014.

(iv) The finance leases relates to Apphia's hire purchase agreements in relation to certain plant and machineries. The decrease is due to repayments made in 1H2014.

(v) The interest-bearing loan relates to Apphia's loan from a financial institution for its leasehold building located at Tuas, Singapore. The decrease is due to repayments made in 1H2014.

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

(vii) Trade and other payables as at 30 June 2014 comprised the following:

	30 June 2014	31 Dec 2013
	S\$	S\$
	(Unaudited)	(Audited)
Trade payables	462,969	512,429
Other payables and accruals	1,107,240	766,238
Amount due to a related party	50,000	-
	<u>1,620,209</u>	<u>1,278,667</u>

The amount due to a related party relates to advances made by a director of subsidiary to the subsidiary in 1H2014.

The increase in other payables mainly due to proceeds received from the exercise of warrants and share options pursuant to which new ordinary shares were issued and allotted on 3 July 2014.

Statement of Cash Flows

The net cash used in operating activities in 1H2014 was lower than the corresponding period mainly due to improvement in working capital management.

The net cash flow generated from investing activities in 1H2013 is higher than that of 1H2014 mainly due to the Group receiving proceeds from disposal of available-for-sale investment and there being no such disposal in 1H2014.

The Group reported positive net cash flow from financing activities of S\$15.48 million in 1H2014. The increase is mainly due to (i) proceeds received from issuance of new shares pursuant to the Subscription, exercise of warrants and exercise of share options; and (ii) repayment from third party.

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

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The advanced materials markets in which the Group operates are expected to remain challenging due in large to the global economic condition remain uncertain.

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 2014.

(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 2013.

(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 for the financial period ended 30 June 2014 is recommended or declared.

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

The Company does not have any existing general mandate pursuant to Rule 920 of the Catalyst Listing Manual. Save for the following, there were no transactions with interested persons during the half year ended 30 June 2014:

- (a) The Group paid service fees amounting to \$17,500 to Information Technology Laboratories Pte Ltd for IT services rendered and office rental of \$20,960 to Apphia Properties Co Pte Ltd. Mr Lim Keng Hock, Jonathan, former Executive Director and Chairman of the Company (who resigned on 25 July 2014), is also a director and shareholder of both Information Technology Laboratories Pte Ltd and Apphia Properties Co Pte Ltd.

14. Utilisation of Proceeds

As at the beginning of the financial period ended 30 June 2014, the Company had balance proceeds of S\$1.34 million, which was raised from the share placement in October 2010. An aggregate of S\$0.7 million was used for working capital purposes, as set out below:

	S\$'000
Balance as at 1 Jan 2014	1,340
Repayments of loans received	1,129
Payments for directors and staff expenses	(475)
Payments for operational costs	(110)
Payments for professional fees and other compliance costs	(117)
Balance as at 30 June 2014	<u>1,767</u>

The use of proceeds is in accordance with the stated use.

On 12 March 2014, the Company completed the issuance of 875,000,000 new ordinary shares at S\$0.0165 per share. The proceed received from the Subscription amounting to net proceed of S\$14.196 million had yet to be deployed as at the date of this announcement.

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 2014, to be false or misleading in any material aspect.



Chin Bay Ching
Executive Director & Chairman



Gerson G Vetuz
Director

BY ORDER OF THE BOARD

Lee Bee Fong
Company Secretary
14 August 2014