

UNAUDITED HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2014

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

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

	Group		Inc/ (Dec)
	6 Months ended 30/06/2014	6 Months ended 30/06/2013	
	S\$	S\$	%
Revenue	440,821	2,098,296	(79.0)
Other (losses)/gains, net	(3,607,725)	2,248,700	n.m.
Other income	141,348	30,292	366.6
Employee benefits expense	(909,593)	(410,807)	121.4
Depreciation	(38,571)	(60,545)	(36.3)
Other operating expenses	(859,518)	(669,090)	28.5
Finance cost	(2,627)	(1,037)	153.3
(Loss) / Profit before tax	(4,835,865)	3,235,809	n.m
Income tax expense	(12,600)	(57,008)	(77.90)
Net (loss) / profit for the period	(4,848,465)	3,178,801	n.m
Other comprehensive income:			
Loss transferred from fair value adjustment reserve on impairment of financial assets, available-for-sale / Fair value gain on financial assets, available-for-sale	686,069	8,203,247	(91.6)
Foreign currency translation	(1,092)	2,247	(148.6)
Other comprehensive income, net of tax	684,977	8,205,494	(91.7)
Total comprehensive income for the period	(4,163,488)	11,384,295	(136.6)
Net (loss)/profit attributable to:			
Owners of the parent	(4,848,465)	3,178,801	
Non-controlling interest	-	-	
	(4,848,465)	3,178,801	
Total comprehensive income attributable to:			
Owners of the parent	(4,163,488)	11,384,295	
Non-controlling interest	-	-	
	(4,163,488)	11,384,295	

n.m.: Not Meaningful

Notes to the Consolidated Income Statement

(Loss)/Profit, net of tax is arrived after (charging)/crediting the following items:

	Group		Inc/ (Dec)
	6 months ended 30/06/2014	6 months ended 30/06/2013 (Restated)	
	S\$	S\$	%
Interest income:			
- Financial assets, available-for-sale	-	1,195,209	(100.0)
- Loan and receivables	43	86	(50.0)
Foreign exchange (loss)/gain	(18,100)	20,350	n.m
Gain on partial redemption of redeemable convertible note	-	1,742,500	(100.0)
(Loss)/gain transferred from fair value adjustment reserve on disposal of financial assets, available-for-sale	(625,534)	485,850	n.m
Gain on disposal of property, plant and equipment	-	28,914	(100.0)
Overprovision of tax in respect of prior years			
- Current income tax	-	196,892	(100.0)
- Deferred income tax	1,400	2,600	(46.2)
Rental expense	(212,211)	(173,855)	22.1
Impairment loss on financial assets, available-for-sale	2,990,259	-	100.0

n.m.: Not Meaningful

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	
	30/06/2014	31/12/2013	30/06/2014	31/12/2013
	S\$	S\$	S\$	S\$
ASSETS				
Current assets				
Cash and cash equivalents	489,760	928,598	243,991	638,303
Trade and other receivables	806,744	1,033,664	226,616	121,207
Amount due from subsidiaries	-	-	4,276,204	5,743,885
Financial assets, available-for-sale	3,140	1,171,157	-	-
Other current assets	35,642	28,789	16,151	18,486
	<u>1,335,286</u>	<u>3,162,208</u>	<u>4,762,962</u>	<u>6,521,881</u>
Non-current assets				
Investment in associate	1	1	-	-
Investments in subsidiaries	-	-	3,500,007	1,500,007
Financial assets, available-for-sale	4,364,047	6,661,331	-	-
Property, plant and equipment	384,875	389,331	377,486	383,648
	<u>4,748,923</u>	<u>7,050,663</u>	<u>3,877,493</u>	<u>1,883,655</u>
Total assets	<u>6,084,209</u>	<u>10,212,871</u>	<u>8,640,455</u>	<u>8,405,536</u>
LIABILITIES				
Current liabilities				
Other payables	530,271	491,705	350,216	333,384
Current income tax liabilities	-	4,951	-	-
Finance lease liability	23,644	23,056	23,644	23,056
	<u>553,915</u>	<u>519,712</u>	<u>373,860</u>	<u>356,440</u>
Non-current liability				
Finance lease liability	73,841	85,818	73,841	85,818
Deferred income tax liabilities	52,700	40,100	52,700	40,100
	<u>126,541</u>	<u>125,918</u>	<u>126,541</u>	<u>125,918</u>
Total liabilities	<u>680,456</u>	<u>645,630</u>	<u>500,401</u>	<u>482,358</u>
NET ASSETS	5,403,753	9,567,241	8,140,054	7,923,178
EQUITY				
Share capital	21,549,245	21,549,245	21,549,245	21,549,245
Other reserves	(1,501)	(686,478)	-	-
Accumulated losses	(16,143,991)	(11,295,526)	(13,409,191)	(13,626,067)
TOTAL EQUITY	5,403,753	9,567,241	8,140,054	7,923,178

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

The Group has finance lease liability amounting to S\$97,485 as at 30 June 2014.

	Group		Group	
	30/06/2014		31/12/2013	
	Secured S\$	Unsecured S\$	Secured S\$	Unsecured S\$
Amount repayable in one year or less, or on demand	23,644	-	23,056	-
Amount repayable after one year	73,841	-	85,818	-
	97,485	-	108,874	-

Details of any collateral

The Group's finance lease liability is secured by a motor vehicle.

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

	Group	
	6 months ended 30/06/2014	6 months ended 30/06/2013 (Restated)
	S\$	S\$
Cash flows from operating activities		
(Loss)/profit net of tax for the period	(4,848,465)	3,178,801
Adjustments for:		
Income tax expense	12,600	57,008
Depreciation	38,571	60,545
Interest income	(43)	(1,195,295)
Impairment loss on trade and other receivables	307,808	-
Impairment loss on financial assets, available-for-sale	2,990,259	-
Unrealised currency translation loss/(gain)	18,100	(20,350)
Loss/(gain) transferred from fair value adjustment reserve on disposal of financial assets, available-for-sale	625,534	(485,850)
Gain on disposal of property, plant and equipment	-	(28,914)
Gain on partial redemption of redeemable convertible note	-	(1,742,500)
Operating cash flow before working capital changes	(855,636)	(176,555)
Changes in operating assets and liabilities:		
Trade and other receivables and other current assets	(87,741)	1,868,640
Trade and other payables	37,474	(1,370,976)
Finance lease liability	(11,389)	119,965
Cash (used in)/generated from operations	(917,293)	441,074
Interest received	43	174,990
Income tax paid, net	(4,951)	(30,233)
Net cash (used in)/generated from operating activities	(922,201)	585,831
Cash flows from investing activities		
Purchase of property, plant and equipment	(34,115)	(258,916)
Purchase of financial assets, available-for-sale	(300,000)	(10,207,957)
Proceeds from disposal of property, plant and equipment	-	28,914
Proceeds from disposal of financial assets, available-for-sale	817,477	9,205,850
Cash inflow on disposal of a subsidiary	-	371,756
Net cash provided by/(used in) investing activities	483,362	(860,353)
Net decrease in cash and cash equivalents	(438,838)	(274,522)
Cash and cash equivalents at beginning of financial period	928,598	1,430,195
Cash and cash equivalents at end of financial period	489,760	1,155,673
	Group	Group
	6 months ended 30/06/2014	6 months ended 30/06/2013
List of significant non-cash transactions:	S\$	S\$
Partial redemption of redeemable convertible note by way of shares in another entity	-	5,397,500
Acquisition of financial assets, available-for-sale arising from the partial redemption of redeemable convertible note	-	5,397,500

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 reserves	(Accumulated losses)/Retained earnings	Total equity
	S\$	S\$	S\$	S\$
Balance at 1 January 2014	21,549,245	(686,478)	(11,295,526)	9,567,241
Total comprehensive income	-	684,977	(4,848,465)	(4,163,488)
Balance at 30 June 2014	21,549,245	(1,501)	(16,143,991)	5,403,753
Balance at 1 January 2013	16,041,353	182,609	31,887,033	48,110,995
Total comprehensive loss	-	8,205,494	3,178,801	11,384,295
Balance at 30 June 2013	16,041,353	8,388,103	35,065,834	59,495,290

Company	Share capital	(Accumulated losses)/ Retained earnings	Total equity
	S\$	S\$	S\$
Balance at 1 January 2014	21,549,245	(13,626,067)	7,923,178
Total comprehensive income	-	216,876	216,876
Balance at 30 June 2014	21,549,245	(13,409,191)	8,140,054
Balance at 1 January 2013	16,041,353	10,146,306	26,187,659
Total comprehensive loss	-	(283,918)	283,918
Balance at 30 June 2013	16,041,353	10,430,224	26,471,577

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.

Not applicable.

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.

The total number of issued shares excluding treasury shares as at 30 June 2014 and 31 December 2013 is 214,000,100

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.

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 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.**

Except as stated in Note 5, the Group has applied the same accounting policies and methods of computation as in the most recently audited annual financial statements for the financial 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.**

The Group has adopted all the applicable Financial Reporting Standards ("FRS") which became effective for the financial year beginning on or after 1 January 2014. The adoption of these new and revised FRS has no material effect for the current financial period.

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 30/06/2014	6 months ended 30/06/2013
(Loss)/earnings per ordinary share of the group after deducting any provision for preference dividends (Singapore cents per share) :		
(a) Based on weighted average number of ordinary shares on issue; and	(2.27)	1.77
(b) On a fully diluted basis	(2.27)	1.77

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	
	30/06/2014	31/12/2013	30/06/2014	31/12/2013
Net asset value per ordinary share based on issued share capital at the end of:	2.53 cents	4.47 cents	3.80 cents	3.70 cents

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.**

I) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Revenue

Revenue decreased by S\$1.65 million or 79% from S\$2.09 million for the half year ended 30 June 2013 ("HY2013") to S\$441,000 for the half year ended 30 June 2014 ("HY2014"). The decrease was mainly due to the absence of interest income from redeemable convertible notes amounting to S\$1.19 million and the absence of management fee income of S\$78,000 from a related company, both of which were earned in HY2013 but not in HY2014, as well as reduction in management fee income earned by a subsidiary in HY2014 as compared to HY2013.

Other (losses)/gains – net

Other losses of S\$3.61 million for HY2014 were mainly due to the loss of S\$626,000 made on disposal of financial assets, available-for-sale and the impairment loss of S\$2.99 million on financial assets, available-for-sale. In HY2013, there was a gain on redemption of redeemable convertible note of S\$1.74 million, a gain on disposal of financial assets, available-for-sale of S\$486,000 and foreign exchange gain of S\$20,000, whereas there were no such gains in HY2014.

Other income

Other income increased by S\$111,000 or 366% from S\$30,000 for HY2013 to S\$141,000 for HY2014. The increase was mainly due to the rental income earned from a sub-tenant. There was no such rental income in HY2013.

Employee benefits expense

Employee benefits expense increased by S\$499,000 or 121% from S\$411,000 for HY2013 to S\$910,000 for HY2014. The increase was mainly due to more staff recruited to support the fund management activities. There was also a write-back of accrual for gratuity upon the cessation of an ex-employee's service contract in HY2013. There was no such write back in HY2014.

Income tax expense

Income tax expense decreased by S\$44,000 or 78% from S\$57,000 for HY2013 to S\$13,000 for HY2014. The income tax expense of S\$13,000 for HY2014 is mainly due to the deferred income tax arising from accelerated depreciation. The income tax expense of S\$57,000 incurred for HY2013 was generally due to the higher income generated from interest income, management fee and also the gain on redemption of notes.

Operating expenses

Other operating expenses increased by S\$190,000 or 28.4% from S\$669,000 for HY2013 to S\$859,000 for HY2014. The increase was mainly due to the impairment of certain trade and other receivables.

II) CONSOLIDATED BALANCE SHEET

Cash and cash equivalents

Cash and cash equivalents decreased by S\$439,000 or 47.3% from S\$929,000 as at 31 December 2013 to S\$490,000 as at 30 June 2014. The decrease was mainly due to S\$922,000 being deployed on operating activities and partially offset by S\$483,000 generated from investing activities.

Trade and other receivables

Trade and other receivables decreased by S\$227,000 or 22.0% from S\$1.03 million as at 31 December 2013 to S\$807,000 as at 30 June 2014. The decrease was mainly due to impairment of certain trade and other receivables.

Financial assets, available-for-sale (current)

Financial assets, available-for sale decreased by S\$1.17 million or 99.7% from \$1.17 million as at 31 December 2013 to S\$3,000 as at 30 June 2014, mainly due to disposal of investments during HY2014.

Financial assets, available-for-sale (non-current)

Financial assets, available-for sale decreased by S\$2.3 million or 34% from S\$6.66 million as at 31 December 2013 to S\$4.36 million as at 30 June 2014. The decrease was due to the impairment loss of S\$2.31 million and disposal of securities of S\$284,000. It was partially offset by additional investment of S\$300,000 in a fund.

Other payables

Other payables increased by S\$38,000 or 8% from S\$492,000 as at 31 December 2013 to S\$530,000 as at 30 June 2014. This was mainly due to the deposit collected from the sub-tenant, and was partially offset by the payment of staff bonus in Q1 2014, that was accrued as at 31 December 2013.

Finance lease liability

Finance lease liability as at 30 June 2014, relates to the hire purchase of motor vehicle in HY2013.

Deferred income tax liabilities

Deferred income tax liabilities increased by S\$13,000 or 31% from S\$40,000 as at 31 December 2013 to S\$53,000 as at 30 June 2014 due to the accelerated tax depreciation.

Other reserves

Other reserves increased by S\$685,000 or 99.8% from (S\$686,000) as at 31 December 2013 to (S\$1,500) as at 30 June 2014. This was mainly due to the impairment loss of an unquoted investment that was recognised and transferred from the fair value adjustment reserve to the income statement.

III) CONSOLIDATED STATEMENT OF CASH FLOW

The factors that affected the cash flow, working capital, assets or liabilities of the Group for the half year ended 30 June 2014 are reflected in the statement of cash flow on page 5.

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 Group plans to recalibrate its business and focus on building up the Group's proprietary and direct investment business, creating value by active investing in undervalued companies operating in the resource and mining space, as well as generating new revenue streams from fee based activities.

The Asian economies remain exposed to considerable headwinds and the imminent tapering from the Federal Reserve may result in capital outflows leading to financial turmoil in countries with unsustainable debt levels and a heavy reliance on foreign funding. The Group remains vigilant in the near term in light of the geopolitical risks and uncertainties in the global economy and plans to cautiously reposition its portfolio to recover from its current position this year.

11. Dividend

(a) Current Financial Period Reported On

Any interim (final) dividend declared (recommended) for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(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 has been declared / recommended for the half year ended 30 June 2014.

13. Interested Person Transactions

The Group has no general mandate for interested person transactions under Rule 920(1) of the SGX-ST Listing Manual.

14. Negative Assurance Confirmation On Half Year Financial Results Pursuant To Rule 705(5) Of The Listing Manual

The Board confirms that to the best of its knowledge, nothing has come to its attention which may render the financial results for the half year ended 30 June 2014 to be false or misleading in any material aspect. A confirmation signed by two directors on behalf of the Board of Directors is on record.

BY ORDER OF THE BOARD

DATO' MD WIRA DANI BIN ABDUL DAIM
Non-Executive Chairman and Director
12 August 2014

QUAH SU-YIN
Executive Director and Chief Executive Officer