

First Half Financial Statement for the Period Ended 30 June 2015

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

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

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PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS
1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 6 months ended		Increase / (Decrease) %
	30 June 2015 (Unaudited) S\$	30 June 2014 (Unaudited) S\$	
Revenue	1,974,737	2,444,779	(19.2)
Cost of sales	(1,450,964)	(1,868,073)	(22.3)
Gross profit	523,773	576,706	(9.2)
Other operating income	80,219	101,633	(21.1)
Other operating expense	(19,629)	-	N/M
Distribution and selling expenses	(29,940)	(50,165)	(40.3)
Administrative expenses	(1,768,432)	(1,619,915)	9.2
Finance costs	(28,799)	(44,503)	(35.3)
Loss before income tax	(1,242,808)	(1,036,244)	19.9
Income tax credit			
Corporate tax			
- Over provision in prior years	-	7,606	N/M
Deferred tax			
- Current year	4,177	5,013	(16.7)
	4,177	12,619	(66.9)
Loss for the period	(1,238,631)	(1,023,625)	21.0
Other comprehensive income			
<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>	39,760	3,106	1,180.1
Total comprehensive loss for the period attributable to owners of the Company	(1,198,871)	(1,020,519)	17.5

Notes:
N/M – Not meaningful

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

	Group 6 months ended		Increase / (Decrease) %
	30 June 2015	30 June 2014	
	(Unaudited) S\$	(Unaudited) S\$	
Loss for the year attributable to:			
Owners of Company	(1,236,677)	(1,023,625)	20.8
Non-controlling interest	(1,954)	-	N/M
	<u>(1,238,631)</u>	<u>(1,023,625)</u>	21.0
Total comprehensive loss attributable to:			
Owners of Company	(1,196,917)	(1,020,519)	17.3
Non-controlling interest	(1,954)	-	N/M
	<u>(1,198,871)</u>	<u>(1,020,519)</u>	17.5

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 6 months ended			Note
	30 June 2015	30 June 2014	Increase / (decrease)	
	(Unaudited) S\$	(Unaudited) S\$	(decrease) %	
Depreciation of property, plant and equipment	201,948	310,166	(34.9)	(i)
Foreign exchange (gain)/loss, net	(11,353)	16,815	(167.5)	(ii)
Fair value loss on held-for-trading investments	19,629	-	N/M	(iii)
Interest expense	28,799	44,503	(35.3)	(iv)
Other operating income	(80,219)	(101,633)	(21.1)	(v)

Note:

N/M – Not Meaningful

Notes:

- (i) The decrease was mainly due to disposal of a machine by a subsidiary of the Company in the second half of FY2014 ("2H2014").
- (ii) The gain in foreign exchange in first half of FY2015 ("1H2015") was primarily due to the strengthening of the United States dollar against the Singapore dollar. The gain was partially offset by the depreciation of the Malaysian ringgit to the Singapore dollar.
- (iii) The fair value loss on held-for-trading investments reflected the fair value of quoted investments, based on the market price on the last trading day of the financial period ended 30 June 2015. There was no such investment in first half of FY2014 ("1H2014").
- (iv) The decrease was due to (i) full repayment of hire purchase for a machine owned by a subsidiary of the Company in 2H2014; and (ii) lower amount of principal outstanding for loans taken by subsidiaries of the Company in 1H2015 compared to 1H2014.
- (v) The decrease in other operating income was mainly due to no scrap material being disposed in 1H2015 (1H2014: S\$0.05 million) and the lower amount of government grants received in 1H2015 amounting to S\$0.02 million (1H2014: S\$0.04 million). However the decrease was partially offset by the increase in interest income from held-for-trading investments amounting to S\$0.04 million, and gain on disposal of held-for-trading investments amounting to S\$0.01 million.

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 2015 (Unaudited) S\$	31 December 2014 (Audited) S\$	30 June 2015 (Unaudited) S\$	31 December 2014 (Audited) S\$
ASSETS					
NON-CURRENT ASSETS					
Subsidiaries		-	-	1,121,741	1,121,091
Goodwill		-	-	-	-
Property, plant and equipment	8b(i)	3,353,276	3,549,169	14,061	19,481
		3,353,276	3,549,169	1,135,802	1,140,572
CURRENT ASSETS					
Inventories	8b(ii)	753,142	808,507	-	-
Intangible asset	8b(iii)	401,271	-	-	-
Option fee	8b(iv)	67,370	-	-	-
Trade and other receivables	8b(v)	13,307,088	685,874	13,263,242	76,623
Cash and cash equivalents		10,083,021	20,161,808	9,912,876	19,972,418
Held-for-trading investments	8b(vi)	3,450,359	1,233,738	3,450,359	1,233,738
		28,062,251	22,889,927	26,626,477	21,282,779
TOTAL ASSETS		31,415,527	26,439,096	27,762,279	22,423,351
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Shareholders' equity		22,244,367	23,442,888	20,836,217	21,821,152
NON-CURRENT LIABILITIES					
Other payables	8b(vii)	6,506,097	6,097	-	-
Interest-bearing loan	8b(viii)	1,049,657	1,082,261	-	-
Deferred tax liabilities	8b(ix)	226,403	230,580	-	-
		7,782,157	1,318,938	-	-
CURRENT LIABILITIES					
Finance leases	8b(x)	42,708	124,854	-	-
Trade and other payables	8b(xi)	1,280,781	1,486,902	6,926,062	602,199
Interest-bearing loan	8b(viii)	65,514	65,514	-	-
		1,389,003	1,677,270	6,926,062	602,199
TOTAL EQUITY AND LIABILITIES		31,415,527	26,439,096	27,762,279	22,423,351

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 2015 (Unaudited)		As at 31 December 2014 (Audited)	
Secured	Unsecured	Secured	Unsecured
108,222	Nil	190,368	Nil

Amount repayable after one year

As at 30 June 2015 (Unaudited)		As at 31 December 2014 (Audited)	
Secured	Unsecured	Secured	Unsecured
1,049,657	Nil	1,082,261	Nil

Details of any collateral

As at 30 June 2015, the Company's subsidiary, Apphia Advanced Materials Pte Ltd ("**Apphia**") has one (1) (1H2014: three (3)) hire purchase agreements with a financial institution for certain plant and machinery. These hire purchase agreements were secured via mortgages over the said plant and machinery.

Additionally, Apphia also has a loan for its leasehold building located at Tuas, Singapore from the same financial institution. The loan was secured by a first legal mortgage over the said property. Both the hire purchase and the loan were secured by a corporate guarantee given 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 2015 (Unaudited) S\$	30 June 2014 (Unaudited) S\$
Loss before income tax	(1,242,808)	(1,036,244)
<u>Adjustments for :</u>		
Bad debt written off	-	3,505
Depreciation of property, plant and equipment	201,948	310,166
Fair value loss on held-for-trading investment	19,629	-
Gain on disposal of held-for-sale investment	(10,000)	-
Interest expense	28,799	44,503
Interest income	(39,250)	(10)
Reversal of allowance for doubtful receivables	(7,830)	(6,131)
Operating loss before working capital changes	(1,049,512)	(684,211)
Trade receivables	101,575	(19,302)
Other receivables	(7,690,691)	71,891
Inventories	55,365	54,742
Trade payables	(55,468)	(49,460)
Other payables	(150,303)	(52,694)
Cash used in operations	(8,789,034)	(679,034)
Income tax refund	-	7,606
Net cash used in operating activities	(8,789,034)	(671,428)
Investing Activities		
Acquisition of held-for-trading investment	(3,482,500)	-
Acquisition of intangible assets	(401,271)	-
Acquisition of property, plant and equipment	(2,944)	(10,249)
Acquisition of the Project ¹	(5,091,638)	-
Interest received	39,250	10
Proceeds from disposal of held-for-trading investment	1,256,250	-
Net cash used in investing activities	(7,682,853)	(10,239)
Financing Activities		
Interest paid	(28,799)	(44,503)
Loan received from a subsidiary's shareholder	6,500,000	-
Proceeds from issuance of shares, net	-	14,639,276
Repayment from third parties	-	1,128,951
Repayment of bank loan	(32,604)	(30,968)
Repayment of obligations under finance leases	(82,146)	(207,850)
Net cash generated from financing activities	6,356,451	15,484,906
Net (decrease)/increase in cash and cash equivalents	(10,115,436)	14,803,239
Cash and cash equivalents at beginning of the period	20,161,808	2,423,165
Net effect of exchange rate changes on cash and cash equivalents	36,649	2,584
Cash and cash equivalents at end of the period	10,083,021	17,228,988

¹ As announced on 12 June 2015, the Company's 65% owned subsidiary, Crimson Star Development Pte Ltd ("CSDPL") has entered into various agreements to acquire 100% of the commercial benefits of a residential property development project in Ho Chi Minh City, Vietnam (the "Project").

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 S\$	Warrant reserve S\$	Statutory reserve S\$	Translation reserve S\$	Share options reserve S\$	Accumulated losses S\$	Attributable to owners of the company S\$	Non-controlling interest S\$	Total S\$
Balance at 1 January 2014	31,750,964	1,382,646	119,135	14,548	105,993	(26,743,767)	6,629,519	-	6,629,519
Total comprehensive loss for the period :									
Loss for the period	-	-	-	-	-	(1,023,625)	(1,023,625)	-	(1,023,625)
Other comprehensive income for the period	-	-	-	3,106	-	-	3,106	-	3,106
Total	-	-	-	3,106	-	(1,023,625)	(1,020,519)	-	(1,020,519)
Transaction with owners recognised directly in equity :									
Issue of shares	14,437,500	-	-	-	-	-	14,437,500	-	14,437,500
Share issuance cost	(241,920)	-	-	-	-	-	(241,920)	-	(241,920)
Total	14,195,580	-	-	-	-	-	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	-	19,804,580
Total comprehensive loss for the period :									
Loss for the period	-	-	-	-	-	(1,368,985)	(1,368,985)	(2,356)	(1,371,341)
Other comprehensive income for the period	-	-	-	6,841	-	-	6,841	-	6,841
Total	-	-	-	6,841	-	(1,368,985)	(1,362,144)	(2,356)	(1,364,500)

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. (cont'd)

GROUP	Share capital S\$	Warrant reserve S\$	Statutory reserve S\$	Translation reserve S\$	Share options reserve S\$	Accumulated losses S\$	Attributable to owners of the company S\$	Non-controlling interest S\$	Total S\$
Transaction with owners recognised directly in equity :									
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	-	-	-	-	(224)	(224)
Share issuance cost	(31,799)	-	-	-	-	-	(31,799)	-	(31,799)
Exercise of share options	224,880	-	-	-	(79,148)	-	145,732	-	145,732
Exercise of warrants	6,271,745	(1,382,646)	-	-	-	-	4,889,099	-	4,889,099
Total	6,464,826	(1,382,646)	-	-	(79,148)	-	5,003,032	(224)	5,002,808
Balance at 31 December 2014	52,411,370	-	119,135	24,495	26,845	(29,136,377)	23,445,468	(2,580)	23,442,888
Total comprehensive loss for the period :									
Loss for the period	-	-	-	-	-	(1,236,677)	(1,236,677)	(1,954)	(1,238,631)
Other comprehensive income for the period	-	-	-	39,760	-	-	39,760	-	39,760
Total	-	-	-	39,760	-	(1,236,677)	(1,196,917)	(1,954)	(1,198,871)
Transaction with owners recognised directly in equity :									
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	-	-	-	-	350	350
Total	-	-	-	-	-	-	-	350	350
Balance at 30 June 2015	52,411,370	-	119,135	64,255	26,845	(30,373,054)	22,248,551	(4,184)	22,244,367

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\$	Accumulate d losses S\$	Total S\$
Balance at 1 January 2014	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 :					
Issue of shares	14,437,500	-	-	-	14,437,500
Share issuance cost	(241,920)	-	-	-	(241,920)
Total	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
Loss for the period, representing total comprehensive loss for the period	-	-	-	(540,454)	(540,454)
Transaction with owners recognised directly in equity :					
Share issuance cost	(31,799)	-	-	-	(31,799)
Exercise of share options	224,880	-	(79,148)	-	145,732
Exercise of warrants	6,271,745	(1,382,646)	-	-	4,889,099
Total	6,464,826	(1,382,646)	(79,148)	-	5,003,032
Balance at 31 December 2014	52,411,370	-	26,845	(30,617,063)	21,821,152
Loss for the period, representing total comprehensive loss for the period	-	-	-	(984,935)	(984,935)
Balance at 30 June 2015	52,411,370	-	26,845	(31,601,998)	20,836,217

- 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.**

Warrants

As at 30 June 2014, there were 244,454,946 unexercised warrants. As at 31 December 2014, all unexercised warrants were exercised by warrant holders at an exercise price of S\$0.02 per warrant. Pursuant to the exercise of warrants, the Company allotted and issued 244,454,946 new ordinary shares in the capital of Company to the warrant holders. There were no outstanding unexercised warrants as at 30 June 2015.

Employee Share Option Scheme (the "ESOS")

The movement in ESOS during the period were as follows:

Options under the ESOS outstanding as at 30 June 2014	8,305,000
Less:	
Expiry of share options	(15,000)
Exercise of share options	<u>(6,110,000)</u>
Options under the ESOS outstanding as at 31 December 2014 and 30 June 2015	<u>2,180,000</u>

Others

Assuming that all the 2,180,000 share options under the ESOS (30 June 2014: 8,305,000 share options and 244,454,946 warrants) were exercised as at 30 June 2015, the total number of shares that would be issued was 2,180,000 shares (30 June 2014: 252,759,946 shares). This represented approximately 0.11% (30 June 2014: 12.94%) of the Company's enlarged share capital comprising 1,952,799,331 shares (30 June 2014: 1,952,814,331 shares).

Other than the unexercised share options under the ESOS as stated in the preceding paragraphs, the Company had no other outstanding convertible securities as at 30 June 2015.

- 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 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014
	No of shares	No of shares	No of shares	No of shares
Issued share capital at the end of the period	<u>1,950,619,331</u>	<u>1,950,619,331</u>	<u>1,950,619,331</u>	<u>1,950,619,331</u>

- 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 2014.

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 2015.

The following are the new or amended FRS that were 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 2015 S\$ (Unaudited)	30 June 2014 S\$ (Unaudited)
Attributable to owners of the Company:		
- Loss after tax	(1,236,677)	(1,023,625)
Basic	No. of shares	No. of shares
Weighted average number of ordinary shares	1,950,619,331	1,359,776,607
	(in S\$ cents)	(in S\$ cents)
Attributable to owners of the Company:		
- Loss per share	(0.06)	(0.08)

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

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

	Group		Company	
	30 June 2015 (in S\$ cents)	31 Dec 2014 (in S\$ cents)	30 June 2015 (in S\$ cents)	31 Dec 2014 (in S\$ cents)
Net asset value per share based on existing capital issued as at respective period	<u>1.14</u>	<u>1.20</u>	<u>1.07</u>	<u>1.12</u>
	No of shares	No of shares	No of shares	No of shares
Issued share capital at the end of the period	<u>1,950,619,331</u>	<u>1,950,619,331</u>	<u>1,950,619,331</u>	<u>1,950,619,331</u>

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 1H2015, The Group recorded a total revenue of S\$1.97 million, which was a decrease of 19.2% over the S\$2.44 million recorded in 1H2014. The decrease was due to lower sales activities in its subsidiaries, and the decline in printing equipment and machinery orders compared to the previous reporting period.

For 1H2015, the cost of sales decreased 22.3% to S\$1.45 million (1H2014: S\$1.87 million). The decrease was mainly attributable to lower sales activities in 1H2015 and decrease in depreciation of machinery arising from the disposal of a machine by subsidiary in 2H2014. Accordingly, the Group recorded S\$0.52 million of gross profit in 1H2015, which was a decrease of 9.2% over S\$0.58 million recorded in 1H2014.

Other operating income for 1H2015 decreased 21.1% to S\$0.08 million from S\$0.10 million in 1H2014. The decrease in other operating income was mainly due to no scrap material being disposed in 1H2015 (1H2014: S\$0.05 million) and the lower amount of government grants received in 1H2015 amounting to S\$0.02 million (1H2014: S\$0.04 million). However the decrease was partially offset by the increase in interest income from held-for-trading investments of S\$0.04 million, and gain on disposal of held-for-trading investments of S\$0.01 million.

Other operating expense comprised fair value loss on held-for-trading investment.

Distribution and selling expenses decreased 40.3% from S\$0.05 million in 1H2014 to S\$0.03 million in 1H2015 mainly due to lower sales commission in 1H2015, as a result of lower sales activities.

For 1H2015, the Group incurred S\$1.77 million for administrative expenses (1H2014: S\$1.62 million). The increase was mainly due to (i) increase in headcount resulting in staff cost increasing by S\$0.06 million; (ii) professional fees increasing by S\$0.11 million and (iii) travelling expenses increasing by S\$0.05 million.

The finance costs consisted mainly of interest charged by a financial institution for hire purchase agreements and a term loan of a subsidiary. The decrease was due to (i) full repayment of hire purchase of a machine owned by a subsidiary of the Company in 2H2014; and (ii) lower amount of principal outstanding for loans taken by subsidiaries of the Company in 1H2015 compared to 1H2014.

The income tax credit of S\$0.004 million was attributable to reversal of deferred tax liabilities arising from revaluation of a subsidiary's leasehold building. The reversal of deferred tax liabilities was in line with the depreciation of the building.

The exchange differences arose from the translation of financial statements of foreign operations with functional currencies that were different from that of the Group's presentation currency. The increase was mainly attributable to the decrease in the exchange rate of the Malaysian ringgit against the Singapore dollar.

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 1H2015.
- (ii) The decrease in inventories is mainly due to consumption for sales activities.
- (iii) The intangible asset was for the right to participate in the Project².
- (iv) The option fee was for an option to acquire the entire share capital of Riverview Company Limited ("RCL")³ in relation to the Project.

² As announced on 12 June 2015, the Company's 65% owned subsidiary, Crimson Star Development Pte Ltd ("CSDPL") has entered into various agreements to acquire 100% of the commercial benefits of a residential property development project in Ho Chi Minh City, Vietnam (the "Project").

³ RCL is a Vietnamese company jointly incorporated by Vinacon Investment and Development Company Limited ("VID") and Rubber Real Estate Construction Joint Stock Company ("RRE"). RRE will inject the Project into RCL, and VID will eventually acquire the Project through the acquisition of the entire share capital of RCL.

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)**

(v) Trade and other receivables as at 30 June 2015 comprised the following:

	30 June 2015 S\$ (Unaudited)	31 Dec 2014 S\$ (Audited)
Trade receivables	396,600	490,345
Other receivables and prepayments	12,910,488	195,529
	<u>13,307,088</u>	<u>685,874</u>

The decrease in trade receivables was mainly due to lower sales activities in 1H2015.

The increase in other receivables and prepayments was mainly attributable to (i) the prepayment of the Project's marketing fee made by CSDPL amounting to S\$7.68 million; and (ii) CSDPL's financial assistance to VID in relation to the Project amounting to S\$5.09 million.

(vi) Held-for-trading investments comprised quoted investments acquired.

(vii) The increase in other payables was mainly attributable to the contribution by way of loan from the minority shareholder of CSDPL to fund the Project amounting to S\$6.50 million.

(viii) The interest-bearing loan comprised a loan from a financial institution for a leasehold building located at Tuas, Singapore of a subsidiary. The decrease was due to repayments made in 1H2015.

(ix) The deferred tax liabilities arose from revaluation of a leasehold building of a subsidiary. The decrease was due to the reversal of the deferred tax liabilities in line with the depreciation of the building.

(x) The finance leases were hire purchase agreements of a subsidiary in relation to certain plant and machinery. The decrease was due to repayments made in 1H2015.

(xi) Trade and other payables as at 30 June 2015 comprised the following:

	30 June 2015 S\$ (Unaudited)	31 Dec 2014 S\$ (Audited)
Trade payables	360,385	415,853
Other payables and accruals	920,396	1,071,049
	<u>1,280,781</u>	<u>1,486,902</u>

The decrease in trade payables was mainly attributable to lower purchases due to lower sales activities.

The decrease in other payables mainly due to the amount due to a subsidiary's director amounting to S\$150,000 in FY2014. The loan was settled in 1H2015.

Statement of Cash Flows

The net cash used in operating activities in 1H2015 was higher than that of 1H2014 was mainly due to advance payment made for the marketing fee in relation to the Project, amounting to S\$7.68 million, and better operating results achieved in 1H2014.

The net cash flow used in investing activities in 1H2015 was higher than that of 1H2014 mainly attributable to (i) the purchase consideration made for the Project by CSDPL by loan to VID, amounting to S\$5.09 million; and (ii) the Group having incurred S\$2.23 million for investing in held-for-trading quoted investments in 1H2015. No such investments were made in 1H2014.

The net cash flow from financing activities decreased mainly due to S\$14.64 million net proceeds received from various share issuance activities, and S\$1.13 million repayment from 3rd parties in 1H2014. However the decrease was partially offset by loan from the minority shareholder of CSDPL to fund the Project in 1H2015 amounting to S\$6.50 million.

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

Not applicable.

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

Advanced materials and solutions

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

Property development

The Vietnam government's relaxation of foreign housing ownership restrictions in July 2015 have a positive impact on the Vietnamese property market. The Group is cautiously optimistic on the Vietnam property outlook barring any unforeseen circumstances.

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 2015.

(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 2014.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend for the financial period ended 30 June 2015 is recommended or declared.

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

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

14. Utilisation of Proceeds

As at 1 January 2015, the Company had balance proceeds of S\$1.25 million, which was raised from the share placement in October 2010. An aggregate of S\$1.23 million was used for working capital purposes, as set out below:

	S\$'000
Balance as at 1 Jan 2015	1,254
Payments for directors and staff expenses	(535)
Payments for operational costs	(402)
Payments for professional fees and other compliance costs	(296)
Balance as at 30 June 2015	<u>21</u>

On 12 March 2014, the Company had net proceeds amounting to approximately S\$14.16 million (the "Proceeds") from the allotment and issue of 875,000,000 new ordinary shares in the share capital of the Company to Mr Chin Bay Ching. On 22 June 2015, the Company announced that it incurred S\$8.52 million for the purchase consideration of the Project. The usage of the Proceeds was as follows:

Intended use of net proceeds	Percentage Allocated (%)	Proceeds from Subscription (S\$'000)	Amount utilised (S\$'000)	Balance (S\$'000)
Undertaking of future acquisitions	75%	10,623	8,521	2,102
General working capital of the Group	25%	3,541	-	3,541

14. Utilisation of Proceeds (cont'd)

Pending the further deployment of the balance of the Proceeds, the Company invested S\$3.45 million in certain quoted investments to generate investment income during the interim.

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 2015, to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Chin Bay Ching
Executive Director & Chairman

Gersom G Vetuz
Director

14 August 2015