

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

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)
	12 Months ended 31/12/2017	12 Months ended 31/12/2016	
	S\$	S\$	%
Continuing operations			
Revenue	576,075	349,661	64.8
Other gains/(losses), net	20,218	(131,060)	(115.43)
Other income	16,143	290,733	(94.4)
Employee benefits expense	(830,778)	(1,421,831)	(41.6)
Depreciation	(52,013)	(90,696)	(42.7)
Other operating expenses	(1,146,923)	(7,273,460)	(84.2)
Finance costs	(3,407)	(5,759)	(40.8)
Loss before tax	(1,420,685)	(8,282,412)	(82.8)
Income tax credit/(expense)	-	5,535	(100.0)
Loss for the year, representing total comprehensive income for the year	(1,420,685)	(8,276,877)	(82.8)
Loss attributable to:			
Equity holders of the Company	(1,420,685)	(8,276,877)	(82.8)
Total comprehensive income attributable to:			
Equity holders of the Company	(1,420,685)	(8,276,877)	(82.8)

Notes to the Consolidated Statement of Comprehensive Income

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

	Group		
	12 months ended 31/12/2017	12 months ended 31/12/2016	Inc/ (Dec)
	S\$	S\$	%
Interest income			
- Debt securities	576,075	170,325	238.2
- Bank deposits and trading account	778	1,008	(22.8)
	576,853	171,333	236.7
Arranger fee	-	179,336	(100.0)
Write-back of impairment loss on amount due from former subsidiary	-	35,856	(100.0)
Gain/(Loss) on disposal of financial assets, available-for-sale	30,327	(16,400)	(284.2)
Deferred tax credit/(expense):			
- Current year	-	4,167	(100.0)
- Overprovision of tax in respect of prior years	-	1,368	(100.0)
	-	5,535	(100.0)
Interest expense	(3,407)	(5,759)	(40.8)
Rental expense (operating leases)	(93,459)	(400,927)	(76.7)
Share award expense	-	(210,805)	(100.0)
Impairment loss on financial assets, available-for-sale	(10,109)	(114,660)	(91.2)
Impairment loss on trade and other receivables	-	(2,380,980)	(100.0)
Impairment loss on debt securities	-	(3,665,790)	(100.0)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	S\$	S\$	S\$	S\$
ASSETS				
Current assets				
Cash and cash equivalents	646,422	1,223,132	632,273	1,212,398
Trade receivables	576,075	-	-	-
Other receivables	49,401	185,686	49,401	185,686
Amounts due from subsidiaries	-	-	6,514,399	3,670,285
Financial assets, available-for-sale	1	30,327	-	-
Debt securities	5,322,075	3,467,535	-	-
Other current assets	47,260	38,823	47,260	36,030
	<u>6,641,234</u>	<u>4,945,503</u>	<u>7,243,333</u>	<u>5,104,399</u>
Non-current assets				
Investments in subsidiaries	-	-	7	7
Investment at cost	670,000	-	-	-
Property, plant and equipment	189,815	239,079	178,315	221,579
	<u>859,815</u>	<u>239,079</u>	<u>178,322</u>	<u>221,586</u>
Total assets	<u>7,501,049</u>	<u>5,184,582</u>	<u>7,421,655</u>	<u>5,325,985</u>
LIABILITIES				
Current liabilities				
Other payables	449,606	441,351	298,809	409,705
Finance lease liabilities	9,255	41,408	9,255	26,825
Convertible redeemable bonds	50,148	-	50,148	-
	<u>509,009</u>	<u>482,759</u>	<u>358,212</u>	<u>436,530</u>
Non-current liabilities				
Finance lease liabilities	-	9,255	-	9,255
Convertible redeemable bonds	-	47,168	-	47,168
Deferred income tax liabilities	13,912	13,912	2,954	2,954
	<u>13,912</u>	<u>70,335</u>	<u>2,954</u>	<u>59,377</u>
Total liabilities	<u>522,921</u>	<u>553,094</u>	<u>361,166</u>	<u>495,907</u>
NET ASSETS	<u>6,978,128</u>	<u>4,631,488</u>	<u>7,060,489</u>	<u>4,830,078</u>
EQUITY				
Share capital	35,868,655	32,074,968	35,868,655	32,074,968
Capital reserve	161,773	188,135	161,773	188,135
Currency translation reserve	406	406	-	-
Accumulated losses	(29,052,706)	(27,632,021)	(28,969,939)	(27,433,025)
Total equity attributable to owners of the Company	<u>6,978,128</u>	<u>4,631,488</u>	<u>7,060,489</u>	<u>4,830,078</u>

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

The Group has finance lease liabilities and convertible redeemable bonds amounting to S\$9,255 (2016: S\$50,663) and S\$50,148 (2016: S\$47,168) respectively as at 31 December 2017.

	Group 31/12/2017		Group 31/12/2016	
	Secured S\$	Unsecured S\$	Secured S\$	Unsecured S\$
Finance lease liabilities				
Amount repayable in one year or less	9,255	-	41,408	-
Amount repayable after one year	-	-	9,255	-
	9,255	-	50,663	-
Convertible redeemable bonds				
Amount repayable in one year or less	-	50,148	-	-
Amount repayable after one year	-	-	-	47,168

Details of any collateral

The Group's finance lease liabilities as at 31 December 2017 are secured by the motor vehicle. (2016: motor vehicle and photocopiers).

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	
	12 months ended 31/12/2017	12 months ended 31/12/2016
	S\$	S\$
Cash flows from operating activities		
Net loss for the year	(1,420,685)	(8,276,877)
Adjustments for:		
Income tax credit	-	(5,535)
Depreciation	52,013	90,696
Convertible redeemable bond interest	800	1,624
Hire purchase interest	2,607	4,135
Interest income	(576,853)	(171,333)
Arranger fee	-	(179,336)
Impairment loss on trade and other receivables	-	2,387,499
Impairment loss on debt securities	-	3,665,790
Impairment loss on financial assets, available-for-sale	10,109	114,660
Impairment loss on amount due from related parties	-	12,253
Write back of allowance for impairment on amount due from former subsidiary	-	(35,856)
Employee share award expense	-	210,805
(Write-back)/allowance for unutilised leave	(2,500)	33,000
Provision/(write-back) for bonus	72,000	(3,200)
Net (gain)/ loss on disposal of financial asset, available-for-sale	(30,326)	16,400
Property, plant and equipment written off	-	243
Operating cash flows before changes in working capital	(1,892,835)	(2,135,032)
Changes in working capital:		
Trade and other receivables and other current assets	127,892	407,326
Other payables	(61,046)	(172,410)
Cash flows used in operating activities	(1,825,989)	(1,900,116)
Interest received	734	130,264
Net cash used in operating activities	(1,825,255)	(1,769,852)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,750)	(35,227)
Debt securities extended to third party	(421,210)	(4,717,535)
Debt securities extended to related party	(1,433,330)	-
Proceeds from disposal of financial assets, available-for-sale	50,544	98,401
Investment at cost	(670,000)	-
Net cash used in investing activities	(2,476,746)	(4,654,361)
Cash flows from financing activities		
Hire purchase interest paid	(2,607)	(4,135)
Proceeds from issuance of convertible redeemable bonds	3,800,000	1,900,000
Interest paid on convertible redeemable bonds	(503)	(10,836)
Proceeds from issuance of new ordinary shares	-	6,000,000
Share issue expense	(30,193)	(216,109)
Repayment of finance lease liabilities	(41,406)	(42,164)
Net cash provided by financing activities	3,725,291	7,626,756

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. (cont'd)

	Group	
	12 months ended 31/12/2017	12 months ended 31/12/2016
	S\$	S\$
Net (decrease)/increase in cash and cash equivalents	(576,710)	1,202,543
Cash and cash equivalents at beginning of financial year	1,223,132	20,589
Cash and cash equivalents at end of financial year	646,422	1,223,132
List of significant non-cash transactions:		
Conversion of convertible redeemable bonds to ordinary shares	3,823,880	3,853,484

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	Capital reserve	Currency translation reserve	Accumulated Losses	Total equity attributable to owners of the Company
	S\$	S\$	S\$	S\$	S\$
Balance at 1 January 2017	32,074,968	188,135	406	(27,632,021)	4,631,488
Issuance of new ordinary shares	3,823,880	-	-	-	3,823,880
Share issue expense	(30,193)	-	-	-	(30,193)
Convertible redeemable bonds- equity component	-	(26,362)	-	-	(26,362)
Loss for the year, representing total comprehensive income	-	-	-	(1,420,685)	(1,420,685)
Balance at 31 December 2017	35,868,655	161,773	406	(29,052,706)	6,978,128
Balance at 1 January 2016	22,227,388	134,131	406	(19,355,144)	3,006,781
Issuance of new ordinary shares	10,064,289	-	-	-	10,064,289
Share issue expense	(216,709)	-	-	-	(216,709)
Convertible redeemable bonds – equity component	-	54,004	-	-	54,004
Loss for the year, representing total comprehensive income	-	-	-	(8,276,877)	(8,276,877)
Balance at 31 December 2016	32,074,968	188,135	406	(27,632,021)	4,631,488

Company	Share capital	Capital reserve	Accumulated losses	Total equity
	S\$		S\$	S\$
Balance at 1 January 2017	32,074,968	188,135	(27,433,025)	4,830,078
Issuance of new ordinary shares	3,823,880	-	-	3,823,880
Share issue expense	(30,193)	-	-	(30,193)
Convertible redeemable bonds – equity component	-	(26,362)	-	(26,362)
Loss for the year, representing total comprehensive income	-	-	(1,536,914)	(1,536,914)
Balance at 31 December 2017	35,868,655	161,773	(28,969,939)	7,060,489

Company	Share capital	Capital reserve	Accumulated losses	Total equity
	S\$		S\$	S\$
Balance at 1 January 2016	22,227,388	134,131	(21,799,478)	562,041
Issuance of new ordinary shares	10,064,289	-	-	10,064,289
Share issue expense	(216,709)	-	-	(216,709)
Convertible redeemable bonds – equity component	-	54,004	-	54,004
Loss for the year, representing total comprehensive income	-	-	(5,633,547)	(5,633,547)
Balance at 31 December 2016	32,074,968	188,135	(27,433,025)	4,830,078

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.

Share capital has increased by S\$3,793,687 in FY2017 arising from conversion of convertible redeemable bonds of S\$3,793,687 (face value of S\$4,000,000) to 1,000,000,000 conversion shares after deducting share issue expenses.

The number of shares that may be issued on conversion of the outstanding convertible redeemable bonds as at 31 December 2017 is 12,500,000 conversion shares (31 December 2016: 12,500,000)

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 31 December 2017 and 31 December 2016 were 2,564,249,336 and 1,564,249,336 ordinary shares respectively.

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 neither been audited nor 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 2016.

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 applicable Financial Reporting Standards ("FRS") which became effective for the financial year beginning on or after 1 January 2017. The adoption of these new and revised FRS had no material effect on the Group's and Company's results for the current financial year.

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	
	12 months ended 31/12/2017	12 months ended 31/12/2016
(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	(0.07) cents	(0.72) cents
(b) On a fully diluted basis	(0.07) cents	(0.72) cents
Weighted average number of ordinary shares outstanding for basic loss per share	2,132,243,190	1,148,340,474

The basic and diluted loss per share for the financial year ended 31 December 2017 were the same as the effects of outstanding convertible bonds were anti-dilutive.

7. **Net asset value (for the issuer and group) per ordinary share excluding treasury shares of the issuer at the end of the:**

- (a) **current financial period reported on; and**
(b) **immediately preceding financial year.**

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Net asset value per ordinary share (Singapore cents) based on issued share capital at the end of:	0.27 cents	0.30 cents	0.28 cents	0.31 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 increased by approximately S\$226,000 or 65% from S\$350,000 for the year ended 31 December 2016 ("FY2016") to S\$576,000 for the year ended 31 December 2017 ("FY2017"). Revenue for FY2017 and FY2016 comprised of interest income earned on debt securities.

Other gains/ (losses) – net

Other gains increased by approximately S\$151,000 or 115.4% from a loss of S\$131,000 for FY2016 to a gain of S\$20,000 for FY2017. Other gains for FY2017 was mainly due to a gain on disposal of financial assets, available-for-sale ("AFS financial assets") of S\$30,000 and offset by impairment loss on AFS financial assets of S\$10,000 due to a prolonged decline in the fair value of a quoted security during FY2017. Other losses for FY2016 were due mainly to the impairment loss on AFS financial assets of S\$115,000 and loss on disposal of AFS financial assets of S\$16,000. The impairment loss was recognised as a result of prolonged decline in the fair value of a quoted security.

Other income

Other income decreased by approximately S\$275,000 or 94.4% from S\$291,000 for FY2016 to S\$16,000 for FY2017. Other income for FY2016 pertains mainly to rental income from a former sub-tenant that is listed on SGX and a write-back of allowance for impairment on amount due from a former subsidiary. There was no such income for FY2017.

Employee benefits expense

Employee benefits expense decreased by approximately S\$591,000 or 41.6% from S\$1.42 million for FY2016 to S\$831,000 for FY2017. The decrease was mainly due to the recognition of share award expense in FY2016 and the resignation of the former Executive Chairman and Chief Executive Officer in FY2016 and the resignation of a former executive director and one of the subsidiary's director in FY2017.

Depreciation

Depreciation decreased by approximately S\$39,000 or 42.7% from S\$91,000 for FY2016 to S\$52,000 for FY2017. The decrease was mainly due to leasehold improvements (renovation costs) at the former office being fully depreciated for S\$56,000 in FY2016 and partially offset by the depreciation of S\$20,000 on leasehold improvements for the new office in FY2017.

Other operating expenses

Other operating expenses decreased by approximately S\$6.13 million or 84.2% from S\$7.27 million for FY2016 to S\$1.15 million for FY2017. The decrease was mainly due to the impairment loss on debt securities of S\$3.67 million and impairment loss on trade and other receivables of S\$2.39 million recognised in FY2016. There was no such impairment losses recorded in FY2017.

Finance costs

Finance costs decreased by approximately S\$2,300 or 40.8% from S\$5,800 for FY2016 to S\$3,400 for FY2017. The decrease was in line with the decreasing finance costs incurred on a reducing balance due to the monthly repayment of the finance leases for the Company's motor vehicle and the Group's photocopiers (which have been fully paid for in October and November 2017).

Income tax credit

Income tax credit decreased by approximately S\$5,500 or 100% from S\$5,500 for FY2016 to Nil for FY2017. The tax credit for FY2016 arose from over-provision for prior year's deferred tax liability and adjustment on deferred tax movement.

Loss before tax

Loss before tax decreased by approximately S\$6.9 million or 82.8% from loss before tax of S\$8.28 million for FY2016 to a loss before tax of S\$1.42 million for FY2017. This was mainly due to the impairment losses incurred on debt securities and trade and other receivables recorded in FY2016 but not in FY2017.

II) CONSOLIDATED STATEMENT OF FINANCIAL POSITION**Cash and cash equivalents**

Cash and cash equivalents decreased by approximately S\$577,000 or 47.2% from S\$1.22 million as at 31 December 2016 to S\$646,000 as at 31 December 2017. The decrease was mainly due to the net cash outflows used in investing activities and operating activities of S\$2.48 million and S\$1.83 million respectively and partially offset by net cash inflows of approximately S\$3.72 million generated from financing activities during FY 2017, which was mainly attributed by the net proceeds of S\$3.8 million received from the issuance of convertible redeemable bonds during FY2017.

Trade receivables

Trade receivables increased by approximately S\$576,000 or 100% from Nil as at 31 December 2016 to S\$576,000 as at 31 December 2017. The increase was mainly due to the interest accrued on debt securities.

Other receivables

Other receivables decreased by approximately S\$136,000 or 73.4% from S\$186,000 as at 31 December 2016 to S\$49,000 as at 31 December 2017. The decrease was mainly due to the refund of three months' office rental security deposit from the former landlord as the Company has relocated to a new office towards the end of December 2016 and the full settlement of an amount due from a former subsidiary in FY2017.

Debt securities

Debt securities increased by S\$1.85 million from S\$3.47 million as at 31 December 2016 to S\$5.32 million as at 31 December 2017. The increase was mainly due to drawdowns made by Tantalum Holding (Mauritius) Ltd ("THM") in accordance with a facility agreement dated 26 September 2016.

Financial assets, available-for-sale

Financial assets, available-for sale decreased by S\$30,000 from S\$30,000 as at 31 December 2016 to S\$1 as at 31 December 2017, mainly due to disposal of a former sub-tenant's quoted securities in FY2017 where the quoted securities were issued to the Group as settlement of outstanding rent in FY2016.

Other current assets

Other current assets increased by S\$8,000 or 21.7% from S\$39,000 as at 31 December 2016 to S\$47,000 as at 31 December 2017 due mainly to increase in prepayment of renewal premium for directors and officers liability insurance in FY2017.

Investment at cost

Investment at cost increased by S\$670,000 or 100% from Nil as at 31 December 2016 to S\$670,000 as at 31 December 2017. The increase was due to a subsidiary's investment in Straits Hi-Rel Pte Ltd in FY2017.

Property, plant and equipment

Property, plant and equipment decreased by approximately S\$49,000 or 20.6% from S\$239,000 as at 31 December 2016 to S\$190,000 as at 31 December 2017. The decrease was due to the depreciation charges for FY2017.

Finance lease liabilities (current and non-current)

Finance lease liabilities as at 31 December 2017, arose due to the hire purchase of motor vehicle in FY2013 and photocopiers in FY2014. The hire purchase of the motor vehicle will mature in April 2018 whereas the photocopiers have been fully paid for in the last quarter of FY2017.

Share capital

Share capital increased by approximately S\$3.79 million or 11.8% from S\$32.1 million as at 31 December 2016 to S\$35.9 million as at 31 December 2017. This was mainly due the conversion of bonds into ordinary shares during FY2017. The face value of bonds which amounted to S\$4.0 million, represents a present value of S\$3.82 million at an effective interest rate of 5.5% p.a. The bonds have since been converted to 1.0 billion ordinary shares in FY 2017. Share issue expense was S\$30,000 for FY2017.

Capital reserve

Capital reserve represents the equity component of the convertible redeemable bonds which entitle bondholders to an option to convert the bonds into ordinary shares of the Company. Capital reserve decreased by approximately S\$26,000 or 14.0% from S\$188,000 as at 31 December 2016 to S\$162,000 as at 31 December 2017. This was mainly due to the issuance of convertible redeemable bonds with a face value of S\$4.0 million in FY2017 and shorter time period for conversion of bonds.

III) CONSOLIDATED STATEMENT OF CASH FLOWS

Cash and cash equivalents decreased by approximately S\$577,000 or 47.2% from S\$1.22 million as at 31 December 2016 to S\$646,000 as at 31 December 2017. The decrease was mainly due to the net cash outflows used in investing activities and operating activities of S\$2.48 million and S\$1.83 million respectively and partially offset by net cash inflows of approximately S\$3.72 million generated from financing activities during FY 2017, which was mainly attributed by the net proceeds of S\$3.8 million received from issuance of convertible redeemable bonds.

STATUS ON THE UTILISATION OF PROCEEDS RAISED FROM PLACEMENT OF 70,588,236 SHARES AS AT 31 DECEMBER 2017

The Company refers to the net placement proceeds of approximately S\$5.78 million raised from the placement of 70,588,236 new ordinary shares in the capital of the Company ("the Placement") which arose from the first of a two-tranche share placement that was completed in October 2016.

As at 31 December 2017, the status on the use of the net placement proceeds in S\$'000 is as follows:

	Amount utilised S\$'000
Working capital in relation to the proposed acquisition by the Company of a 60% shareholding in Tantalum Holding (Mauritius) Ltd from REO Magnetic Pte Ltd	4,084
General working capital	1,696*
Total net placement proceeds	<u>5,780</u>

- * The breakdown of the amount utilised for general working capital is as follows:

	S\$'000
Wages and salaries and other short-term employee benefits and employer's contributions to Central Provident Fund	855
Office and warehouse rental	239
Professional fees (including legal, secretarial, investor relations)	222
Insurance premiums	46
Renovation and relocation expenses	51
Directors' fees	75
Travelling expenses	26
Repair and maintenance	22
Others	160
Total	<u>1,696</u>

STATUS ON THE UTILISATION OF PROCEEDS RAISED FROM ISSUANCE OF CONVERTIBLE REDEEMABLE BONDS OF S\$9,000,000 AS AT 31 DECEMBER 2017

The Company refers to the net proceeds of approximately S\$8.29 million raised from the issuance of convertible redeemable bonds as at 31 December 2017.

As at 31 December 2017, the status on the use of the net proceeds raised from the issuance of convertible redeemable bonds in S\$'000 is as follows:

	Amount utilised S\$'000
Investments and general corporate purposes	5,674
General working capital	2,028**
Total net proceeds raised from issuance of convertible redeemable bonds	<u>7,702</u>

- ** The breakdown of the amount utilised for general working capital is as follows:

	S\$'000
Wages and salaries and other short-term employee benefits and employer's contributions to Central Provident Fund	930
Office and warehouse rental	218
Directors' fees	237
Professional fees (including legal, secretarial, investor relations)	148
Listing related expenses	90
Office expenses	45
Repair and maintenance	22
Insurance premiums	73
Others	265
Total	<u>2,028</u>

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

The Group did not make a forecast in its previous prospect statement; hence there is no variance to comment upon. The Group did, however, indicate that it had entered into sale and purchase agreements to acquire a 60% stake in a rare earth project in Madagascar. Announcements on this proposed investment were made on 10 June 2016 and 1 July 2016. In addition, as previously announced on 18 September 2017, the Group had on 17 September 2017, entered into an Investment and Shareholders Agreement with Straits Hi-Rel Pte Ltd ("SHR") and the original shareholders of SHR to invest up to S\$2.68 million and acquire a 25%-stake in SHR. This acquisition will be completed in five stages with Stage 3A having been completed on 3 January 2018.

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.

Following a third valuation report issued by Behre Dolbear Australia Pty Limited on 21 September 2017, the Group is awaiting regulatory approval for Share Sale and Purchase Agreements pertaining to the proposed acquisition of a 60% stake in Tantalum Holding (Mauritius) Ltd ("THM"). THM owns 100% of Tantalum Rare Earth Malagasy S.A.R.L.U., which holds an exploration licence for a concession that hosts critical rare earth oxides in Madagascar. Upon completion of the acquisition, THM will be ISR's main operating entity.

The Group is confident of the potential of rare earths, which are used for diverse applications such as specialised magnets for portable X-ray equipment and electric vehicles. In particular, car manufacturers will need rare earths to make durable batteries for electric vehicles, the demand for which is growing rapidly and has yet to reach its peak. It will continue efforts to obtain the necessary regulatory and shareholder approvals to complete the above acquisition.

As announced on 3 January 2018, the Group's wholly-owned subsidiary Infiniti Advantage Pte. Ltd., has completed the Stage 3A investment in Straits Hi-Rel Pte. Ltd ("SHR"). The Group has agreed to invest up to S\$2.68 million for a 25%-stake in the latter, based on certain agreed milestones. SHR provides high-reliability engineering services and is in the process of setting up a Technology Centre in Singapore dedicated to speciality testing and back-end manufacturing for integrated chips and electronic modules targeted for end applications in the automotive, energy (oil and gas) and industrial sectors. SHR is expected to commence operations in FY2018.

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/recommendeded, a statement to that effect.

No dividend has been declared / recommended for the financial year ended 31 December 2017.

13. Interested Person Transactions

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

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

Not applicable.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1) of the SGX Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

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

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

31 December 2017

	Investment Management	Adjustments and eliminations	Group
	S\$	S\$	S\$
Revenue			
- External revenue	576,075	-	576,075
Results			
Interest income	576,075	-	576,075
Unallocated interest income	-	-	778
Depreciation	(6,000)	-	(6,000)
Unallocated depreciation	-	-	(46,013)
Impairment loss on financial assets, available-for-sale	(10,109)	-	(10,109)
Segment results	36,796	(1,383,889)	(1,420,685)
Assets			
Segment assets	6,593,790	907,259	7,501,049
Segment liabilities	40,911,359	(40,388,438)	522,921

31 December 2016

	Investment Management	Consultancy	Adjustments and eliminations	Group
	S\$	S\$	S\$	S\$
Revenue				
- External revenue	349,661	-	-	349,661
Results				
Interest income	170,328	-	-	170,328
Arranger fee	179,336	-	-	179,336
Unallocated interest income	-	-	-	1,005
Depreciation	(6,000)	-	-	(6,000)
Unallocated depreciation	-	-	-	(84,696)
Impairment on trade and other receivables	(118,117)	(2,281,635)	-	(2,399,752)
Impairment loss on financial assets, available-for-sale	(114,660)	-	-	(114,660)
Impairment loss on debt securities	(3,665,790)	-	-	(3,665,790)
Income tax credit	184	-	-	184
Unallocated income tax credit	-	-	-	5,351
Segment results	(4,107,706)	(2,283,876)	(1,885,295)	(8,276,877)
Assets				
Segment assets	3,528,877	1	1,655,704	5,184,582
Segment liabilities	37,508,925	749,614	(37,705,445)	553,094

Geographical market of the clients

The following details show the distribution of the Group's revenues from continuing operations based on the geographical segments in which the clients are located:

	Group	
	12 months ended 31/12/2017	12 months ended 31/12/2016
	S\$	S\$
Germany	12,398	-
Indonesia	-	349,661
Mauritius	563,677	-
	576,075	349,661

With the exception of Mauritius, no other geographical segment contributed more than 10% of the Group's consolidated revenue for the financial year ended 31 December 2017.

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

Please refer to Section 8(I) on pages 8 to 10 for the review of performance.

18. **A breakdown of sales.**

	Group		
	12 months ended 31/12/2017	12 months ended 31/12/2016	Inc/(Dec)
	S\$	S\$	%
Sales reported for the first half year	-	-	-
Operating loss after tax before deducting non-controlling interests reported for the first half year	(940,462)	(1,081,346)	(13.03)
Sales reported for the second half year	-	-	-
Operating (loss)/gain after tax before deducting non-controlling interests reported for the second half year	(480,223)	(7,195,531)	(93.32)

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

	Total Annual Dividend	
	Latest Full Year 31/12/2017	Previous Full Year 31/12/2016
Ordinary shares	-	-
Preference shares	-	-
Total	-	-

20. **Report Of Persons Occupying Managerial Positions Who Are Related To A Director, CEO Or Substantial Shareholder Pursuant to Rule 704 (13)**

The Board confirms that, to the best of its knowledge, as of the date hereof, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

BY ORDER OF THE BOARD

CHEN TONG
Executive Chairman and Executive Director

1 March 2018