



SINJIA LAND LIMITED
HALF YEAR FINANCIAL STATEMENT AND DIVIDEND
ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE
2017 (UNAUDITED)

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

1(a) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year

(In S\$'000)	6 months ended 30.06.17	6 months ended 30.06.16	Change
<u>Continuing operations</u>			
Revenue	9,892	7,573	30.6%
Cost of sales	(6,398)	(5,044)	26.8%
Gross profit	3,494	2,529	38.2%
Other income	15	194	(92.3%)
Other credits	371	379	(2.1%)
Expenses			
- Distribution and marketing	(634)	(806)	(21.3%)
- Administrative	(2,326)	(2,333)	(0.3%)
- Finance	(30)	(24)	25.0%
- Other charges	(769)	(5)	NM
Profit/(loss) before tax	121	(66)	NM
Income tax expense	(556)	(326)	70.6%
Loss from continuing operations	(435)	(392)	11.0%
<u>Discontinued operations</u>			
Loss from discontinued operations, net of tax	(53)	(78)	(32.1%)
Total loss	(488)	(470)	3.8%
Other comprehensive loss, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Losses	(219)	(54)	NM
Available-for-sale financial assets			
- Fair value losses	(810)	(470)	72.3%
Other comprehensive loss, net of tax	(1,029)	(524)	96.4%
Total comprehensive loss	(1,517)	(994)	52.6%
Loss attributable to:			
Equity holders of the company	(443)	(432)	2.5%
Non-controlling interests	(45)	(38)	18.4%
	(488)	(470)	3.8%
Total comprehensive loss attributable to:			
Equity holders of the company	(1,472)	(956)	54.0%
Non-controlling interests	(45)	(38)	18.4%
	(1,517)	(994)	52.6%
Loss per share for loss attributable to equity holders of the Company (cents per share)			
Cents			
Basic and diluted loss per share			
From continuing operations	(0.27)	(0.28)	(3.6%)
From discontinued operations	(0.01)	(0.03)	(66.7%)
	(0.28)	(0.31)	(9.7%)

Loss net of income tax is arrived at after (charging)/crediting the following:

(In S\$'000)	6 months ended 30.06.17	6 months ended 30.06.16	Change
Depreciation of plant and equipment	(311)	(354)	(12.1%)
Foreign exchange adjustment gain	169	246	(31.3%)
Reversal for impairment on inventories	40	55	(27.3%)
Reversal/(allowance) of impairment on trade and other receivables	11	(6)	NM
Loss on disposal of plant and equipment	(10)	-	NM
Fair value gain on financial assets, at fair value through profit or loss	87	-	NM
Allowance for impairment on goodwill	(758)	-	NM
Rental income	43	-	NM
Compensation of termination of employment contract	(1)	-	NM

NM – 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

(In S\$'000)

	Group		Company	
	30.06.2017 (Unaudited)	31.12.2016 (Audited)	30.06.2017 (Unaudited)	31.12.2016 (Audited)
ASSETS				
Current assets				
Inventories	1,778	1,541	-	-
Trade and other receivables	6,931	5,961	7,931	6,944
Other current assets	600	560	69	61
Financial assets, at fair value through profit or loss	2,138	2,051	2,138	2,051
Cash and cash equivalents	7,910	6,550	1,714	1,167
	<u>19,357</u>	<u>16,663</u>	<u>11,852</u>	<u>10,223</u>
Assets of disposal group classified as held-for-sale	3,253	3,258	3,237	3,207
	<u>22,610</u>	<u>19,921</u>	<u>15,089</u>	<u>13,430</u>
Non-current assets				
Available-for-sale financial assets	12,928	13,881	12,928	13,881
Investments in subsidiary corporations	-	-	12,060	12,060
Plant and equipment	2,005	2,326	66	110
Goodwill	-	758	-	-
	<u>14,933</u>	<u>16,965</u>	<u>25,054</u>	<u>26,051</u>
Total assets	37,543	36,886	40,143	39,481
LIABILITIES				
Current liabilities				
Trade and other payables	13,382	13,357	10,964	11,176
Current income tax liabilities	387	192	6	-
Borrowings	842	901	5,847	5,891
	<u>14,611</u>	<u>14,450</u>	<u>16,817</u>	<u>17,067</u>
Liabilities directly associated with disposal group classified as held-for-sale	1,274	1,256	-	-
	<u>15,885</u>	<u>15,706</u>	<u>16,817</u>	<u>17,067</u>
Non-current liabilities				
Borrowings	199	303	199	303
Provisions	244	244	-	-
Deferred income tax liabilities	22	23	-	-
	<u>465</u>	<u>570</u>	<u>199</u>	<u>303</u>
Total liabilities	16,350	16,276	17,016	17,370
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	25,247	23,147	25,247	23,147
Treasury shares	(2,602)	(2,602)	(2,602)	(2,602)
Accumulated losses	(1,058)	(615)	(1,842)	(1,568)
Other reserves	573	1,602	2,324	3,134
	<u>22,160</u>	<u>21,532</u>	<u>23,127</u>	<u>22,111</u>
Non-controlling interests	(967)	(922)	-	-
	<u>21,193</u>	<u>20,610</u>	<u>23,127</u>	<u>22,111</u>
Total equity and liabilities	37,543	36,886	40,143	39,481

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

Amount repayable in one year or less, or on demand

(In S\$'000)

	As at 30.06.2017		As at 31.12.2016	
	Secured	Unsecured	Secured	Unsecured
Finance lease liabilities	39	-	35	-
Borrowings	608	195	624	242
Total	<u>647</u>	<u>195</u>	<u>659</u>	<u>242</u>

Amount repayable after one year

(In S\$'000)

	As at 30.06.2017		As at 31.12.2016	
	Secured	Unsecured	Secured	Unsecured
Finance lease liabilities	199	-	221	-
Borrowings	-	-	-	82
Total	<u>199</u>	<u>-</u>	<u>221</u>	<u>82</u>

Details of any collateral

Finance lease liabilities refer to hire purchase for motor vehicles. There is no collateral for finance lease liabilities.

Bank borrowings amounting to S\$803,000 as at 30 June 2017 (31 December 2016: S\$948,000) consist of:

- a. Term loans of S\$608,000 (31 December 2016: S\$624,000) by one of our subsidiary corporations in China, secured by corporate guarantee from one of our subsidiary corporations in Singapore.
- b. Unsecured term loans of S\$195,000 (31 December 2016: S\$324,000) by our Company.

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**

(In \$'000)	6 months ended 30.06.2017 <u>(Unaudited)</u>	6 months ended 30.06.2016 <u>(Unaudited)</u>
Cash flows from operating activities		
- Loss from continuing operations	(435)	(392)
- Loss from discontinued operations	(53)	(78)
Total loss	<u>(488)</u>	<u>(470)</u>
Adjustments for :		
- Income tax expenses	556	326
- Depreciation of plant and equipment	311	354
- Gain on disposal of plant and equipment	10	-
- Interest income	(15)	(194)
- Finance expense	16	24
- Allowance for impairment of goodwill	758	-
- Unrealised currency translation losses	(120)	(26)
	<u>1,028</u>	<u>14</u>
Change in working capital, net of effects from disposal of subsidiary corporations:		
- Inventories	(237)	(218)
- Trade and other receivables	(966)	(86)
- Other current assets	(40)	208
- Financial assets, at fair value through profit or loss	(87)	-
- Trade and other payables and provisions	43	123
Cash (used in)/generated from operations	<u>(259)</u>	<u>41</u>
Income tax paid	(358)	(506)
Net cash used in operating activities	<u>(617)</u>	<u>(465)</u>
Cash flows from investing activities		
Additions to plant and equipment	(47)	(771)
Disposal of plant and equipment	3	-
Proceeds from available-for-sale financial assets	142	-
Addition of financial assets, at fair value through profit or loss	-	(2,000)
Interest received	15	194
Net cash provided by/(used in) investing activities	<u>113</u>	<u>(2,577)</u>
Cash flows from financing activities		
Proceeds from issuance of new shares	2,100	-
Cash restricted in use	-	(675)
Interest paid	(16)	(24)
Repayment of lease liabilities	(19)	(20)
Proceeds from borrowings	680	599
Repayment of borrowings	(810)	(202)
Net cash provided by/(used in) financing activities	<u>1,935</u>	<u>(322)</u>
Net increase/(decrease) in cash and cash equivalents	<u>1,431</u>	<u>(3,364)</u>
Cash and cash equivalents		
Beginning of the period	6,550	10,165
Less: bank deposits pledged	(702)	(32)
Effects of currency translation on cash and cash equivalents	(48)	10
End of the period	<u>7,231</u>	<u>6,779</u>
Balance as in statement of financial position	<u>7,910</u>	<u>7,486</u>
Less: bank deposits pledged	(679)	(707)
Cash and cash equivalent as in consolidated statement of cash flows	<u>7,231</u>	<u>6,779</u>

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

	Attributable to Equity Holders of the Company					Non-Controlling Interest	Total Equity
	Share Capital	Treasury Shares	Accumulated Losses	Other Reserves	Subtotal		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
Group							
2017							
As at 1 January	23,147	(2,602)	(615)	1,602	21,532	(922)	20,610
Total loss for the period	-	-	(443)	-	(443)	(45)	(488)
Other comprehensive loss for the period	-	-	-	(1,029)	(1,029)	-	(1,029)
Total comprehensive loss for the period	-	-	(443)	(1,029)	(1,472)	(45)	(1,517)
Issue of new shares	2,100	-	-	-	2,100	-	2,100
Total transactions with owners, recognised directly in equity	2,100	-	-	-	2,100	-	2,100
As at 30 June	25,247	(2,602)	(1,058)	573	22,160	(967)	21,193
2016							
As at 1 January	23,014	(2,602)	(85)	2,068	22,395	(1,013)	21,382
Total loss for the period	-	-	(432)	-	(432)	(38)	(470)
Other comprehensive loss for the period	-	-	-	(524)	(524)	-	(524)
Total comprehensive loss for the period	-	-	(432)	(524)	(956)	(38)	(994)
As at 30 June	23,014	(2,602)	(517)	1,544	21,439	(1,051)	20,388
Company							
2017							
As at 1 January	23,147	(2,602)	(1,568)	3,134	22,111	-	22,111
Total loss for the period	-	-	(274)	-	(274)	-	(274)
Other comprehensive loss for the period	-	-	-	(810)	(810)	-	(810)
Total comprehensive loss for the period	-	-	(274)	(810)	(1,084)	-	(1,084)
Issue of new shares	2,100	-	-	-	2,100	-	2,100
Total transactions with owners, recognised directly in equity	2,100	-	-	-	2,100	-	2,100
As at 30 June	25,247	(2,602)	(1,842)	2,324	23,127	-	23,127
2016							
As at 1 January	23,014	(2,602)	(1,113)	3,447	22,746	-	22,746
Total loss for the period	-	-	(191)	-	(191)	-	(191)
Other comprehensive loss for the period	-	-	-	(470)	(470)	-	(470)
Total comprehensive loss for the period	-	-	(191)	(470)	(661)	-	(661)
As at 30 June	23,014	(2,602)	(1,304)	2,977	22,085	-	22,085

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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**

	Issued and paid-up ordinary shares	Share capital S\$'000
Balance as at 1 January 2017	142,072,685	23,147
Share placement ⁽¹⁾	35,000,000	2,100
Share issue expense	-	-
Balance as at 30 June 2017	177,072,685	25,247

Note:

- (1) The Company had, on 17 April 2017, allotted and issued 35,000,000 new shares in the capital of the Company at an issue price of S\$0.06 per share pursuant to a share placement exercise entered into by the Company on 13 March 2017.

	Number of treasury shares	Number of shares outstanding	Percentage of the aggregate number of treasury shares held against the total number of shares outstanding
As at 30 June 2016	14,978,000	140,659,920	10.65%
As at 30 June 2017	14,978,000	177,072,685	8.46%

There were no outstanding convertibles or subsidiary shares as at 30 June 2017 and 30 June 2016.

- 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**

Total number of issued shares excluding treasury shares as at 30 June 2017 was 177,072,685 (31 December 2016: 142,072,685).

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

There was no sale, transfer, disposal, cancellation and/or use of treasury share for the period ended 30 June 2017.

- 1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of current financial period reported on**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

- 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 external auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 December 2016. The adoption of the new and amended International Financial Reporting Standards ("IFRS") and Interpretations of IFRS ("INT IFRS") that are mandatory for financial year beginning on or after 1 January 2017 does not result in material changes to the Group's financial statements.

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 period, the Group adopted the new/revised IFRS and INT FRS that are effective for annual periods beginning on or after 1 January 2017.

Effective for annual periods beginning on or after 1 January 2017

- Amendments to FRS 7 *Statement of Cash Flows*
- Amendments to FRS 12 *Income Taxes (Recognition of Deferred Tax Assets for Unrealised*
- Amendments to FRS 112 *Disclosure of Interests in Other Entities*

The adoption of the new and amended IFRS and INT FRS that are mandatory for the financial year beginning on or after 1 January 2017 does not result in material changes to the Group's 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

	6 months ended 30.06.2017	6 months ended 30.06.2016
Net loss attributable to equity holders of the Company (S\$'000)	(443)	(432)
Weighted average number of ordinary shares outstanding	156,575,447	140,659,920
Basic and fully diluted loss per share (S\$ cents)	(0.28)	(0.31)

**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**

	<u>Group</u>		<u>Company</u>	
	As at 30.06.2017	As at 31.12.2016	As at 30.06.2017	As at 31.12.2016
Net asset value per ordinary share (cents)	12.51	15.16	13.06	15.56

Net asset value per share of the Group and the Company is calculated based on 177,072,685 shares in issue as at 30 June 2017 (31 December 2016: 142,072,685 shares).

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**

Income Statement

Continuing Operations

Revenue for the 6 months ended 30 June 2017 (“1H2017”) increased by 30.6% to S\$9.89 million from S\$7.57 million for the 6 month ended 30 June 2016 (“1H2016”). The increase was driven mainly by the Group's Elastomeric business units, which generated revenue of S\$9.68 million in 1H2017 as compared to S\$7.57 million in 1H2016. The increase in revenue for the Elastomeric business units in 1H2017 was mainly due to higher demand from its key customers in Malaysia. The Group's new revenue stream, G4 Stations Pte. Ltd. (“G4”) which operates lodging and boarding houses and backpackers hostels, contributed S\$0.21 million for 1H2017. However, the increase was impacted by the effects of the weakening of Ringgit Malaysia against the Singapore Dollar.

Gross profit in 1H2017 grew by 38.2% or S\$0.96 million, from S\$2.53 million in 1H2016 to S\$3.49 million in 1H2017 due to improved gross margins from 33.4% for 1H2016 to 35.3% for 1H2017.

Other income of S\$15,000 in 1H2017 (1H2016: S\$0.19 million) comprised interest income from bank deposits.

Other credits of S\$0.37 million in 1H2017 (1H2016: S\$0.38 million) comprised foreign exchange gains of S\$0.17 million (1H2016: S\$0.29 million), government grants of S\$22,000 (1H2016: S\$30,000), reversal for impairment on inventories of S\$40,000 (1H2016: S\$55,000), reversal of impairment on trade and other receivables of S\$11,000 (1H2016: NIL), gain on financial assets, at fair value through profit or loss of S\$87,000 (1H2016: NIL), and rental income of S\$43,000 (1H2016: NIL).

Distribution and marketing expenses decreased by S\$0.18 million or 21.3% to S\$0.63 million in 1H2017, from S\$0.81 million in 1H2016. This was mainly due to a decrease in staff-related costs of S\$0.20 million, partially offset by an increase in entertainment expenses of S\$0.01 million.

Finance costs increased slightly from S\$24,000 in 1H2016 to S\$30,000 in 1H2017, largely due to additional interest expense payable on the loan extended to the Group's Elastomeric business units in China.

Other charges increased by S\$0.77 million from S\$5,000 in 1H2016 to S\$0.77 million in 1H2017. The increase was mainly due to allowance for impairment of goodwill arising from the acquisition of G4 of S\$0.75 million in 1H2017.

As a result of the above, the Group registered a net profit before tax of S\$0.12 million in 1H2017 as compared to a net loss before tax of S\$0.07 million in 1H2016.

Discontinued Operations

Discontinued operations relate to the Company's investments in Sinjia RTE Solutions Pte. Ltd. and Ace Empire Capital Sdn. Bhd., both of which had been classified as assets held-for-sale. The discontinued operations reported a net loss of S\$0.05 million in 1H2017 (1H2016: S\$0.08 million).

Financial Position

Current Assets

The Group's current assets as at 30 June 2017 comprised inventories of S\$1.78 million, trade and other receivables of S\$6.93 million, other current assets of S\$0.60 million, financial assets (at fair value through profit or loss) of S\$2.14 million, cash and cash equivalents of S\$7.91 million and assets of disposal group classified as held-for-sale of S\$3.25 million. The Group's current assets increased

by S\$2.69 million to S\$22.61 million as at 30 June 2017, from S\$19.92 million as at 31 December 2016.

Inventories, and trade and other receivables increased by S\$0.24 million and S\$0.97 million, respectively, due to the increase in orders received from key customers of the Group's Elastomeric business units, and was in line with the increase in revenue in 1H2017.

Financial assets, at fair value through profit or loss increased by S\$0.09 million from S\$2.05 million as at 31 December 2016 to S\$2.14 million as at 30 June 2017, due to an increase in the fair value of the Company's investment fund (namely, Fortune Asia Long Short Fund).

Cash and cash equivalents increased by S\$1.36 million from S\$6.55 million as at 31 December 2016 to S\$7.91 million as at 30 June 2017, mainly due to funds raised of S\$2.1 million from a share placement exercise ("**Share Placement**"). The Company had, on 17 April 2017 allotted and issued an aggregate of 35,000,000 new ordinary shares in the capital of the Company at an issue price of S\$0.060 per share pursuant to the Share Placement. The increase was partially offset by (i) purchase of new plant and equipment of S\$0.05 million; (ii) repayment of borrowings and lease liabilities of S\$0.83 million; and (iii) payment of income tax of S\$0.36 million.

The Group had a positive working capital of S\$6.72 million as at 30 June 2017, as compared to a positive working capital of S\$4.21 million as at 31 December 2016.

Non-current Assets

The Group's non-current assets as at 30 June 2017 comprised available-for-sale financial assets and plant and equipments. Non-current assets of the Group decreased by S\$2.04 million to S\$14.93 million as at 30 June 2017, from S\$16.97 million as at 31 December 2016. The decrease was mainly due to (i) depreciation of plant and equipment of S\$0.31 million; (ii) decrease in fair value of quoted securities in Abterra Ltd of S\$0.81 million; (iii) disposal of 339,000 number of quoted securities in Abterra Ltd in 1H2017; and (iv) impairment of goodwill arising from the acquisition of G4 of S\$0.76 million.

Current Liabilities

The Group's current liabilities as at 30 June 2017 comprised trade and other payables of S\$13.38 million, current income tax liabilities of S\$0.39 million, borrowings of S\$0.84 million and liabilities directly associated with disposal group classified as held-for-sale of S\$1.27 million. Current liabilities of the Group increased by S\$0.18 million from S\$15.71 million as at 31 December 2016 to S\$15.89 million as at 30 June 2017.

Current income tax liabilities increased by S\$0.20 million from S\$0.19 million as at 31 December 2016 to S\$0.39 million as at 30 June 2017. This was due to additional income tax incurred by a subsidiary in Singapore after a tax review by the Inland Revenue Authority of Singapore, partially offset by payment of income tax of S\$0.36 million in 1H2017.

Borrowings decreased slightly from S\$0.90 million as at 31 December 2016 to S\$0.84 million as at 30 June 2017, due to repayment of borrowings of S\$0.73 million, partially offset by additional bank borrowings of S\$0.68 million in 1H2017.

Non-current Liabilities

The Group's non-current liabilities as at 30 June 2017 comprised mainly borrowings of S\$0.20 million, and provisions of S\$0.24 million. Non-current liabilities of the Group decreased by S\$0.10 million, from S\$0.57 million as at 31 December 2016 to S\$0.47 million as at 30 June 2017. The decrease was due to a decrease in borrowings as the Group had repaid the finance lease liabilities of S\$22,000 and borrowings of S\$82,000.

Equity

Share capital increased by S\$2.10 million, from S\$23.15 million as at 31 December 2016 to S\$25.25 million as at 30 June 2017, due to the Share Placement exercise completed in April 2017.

Other reserves decreased by S\$1.03 million to S\$0.57 million as at 30 June 2017. The decrease was mainly due to (i) an increase in losses from foreign currency translation reserves of S\$0.22 million,

as a result of the weakening of China's Renminbi, Malaysia Ringgit and Indonesia Rupiah against the Singapore Dollar; and (ii) changes in the fair value of available-for-sale financial assets of S\$0.81 million.

Consolidated Statement of Cash Flows

Net cash outflow for operating activities for 1H2017 amounted to S\$0.62 million, mainly due to working capital changes of S\$1.29 million. Cash from working capital in 1H2017 amounted to S\$1.29 million, mainly due to an increase in (i) inventories of S\$0.24 million; (ii) trade and other receivables of S\$0.97 million; (iii) other current assets of S\$0.04 million; (iv) financial assets, at fair value through profit or loss of S\$0.09 million; and (v) trade and other payables and provisions of S\$0.04 million.

Net cash inflow from investing activities of S\$0.11 million in 1H2017 was mainly due to the proceeds from available-for-sale financial assets of S\$0.14 million and purchase of plant and equipment of S\$0.05 million.

Net cash inflow from financing activities of S\$1.94 million in 1H2017 was mainly due to proceeds received from the Share Placement in April 2017 and proceeds from borrowings of S\$0.68 million. The increase was partially offset by repayment of borrowings of S\$0.81 million.

As a result of the above, the Group had cash and cash equivalents of S\$7.91 million as at 30 June 2017, representing an increase of S\$0.42 million as at 30 June 2016.

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

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

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 continues to face challenges arising from uncertain economic conditions and financial environment. In addition, the volatility of the foreign exchange rate for the Malaysia Ringgit against our functional currency (Singapore Dollar) will continue to have a significant impact on the Group's financial results.

The Group remains focused on streamlining its business structure and maintaining disciplined cost management. The Group has implemented various measures to stay lean and cash flow positive in order to stay competitive in the challenging business environment.

Nevertheless, the Company has, and will continue to explore new business opportunities which can enhance long term shareholder value. These include geographical expansion, mergers and acquisitions, divestment and partnering with long term strategic investor(s) who can add depth and breadth to the Group's existing business portfolio.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend has been declared for this period.

(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 previous period.

(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.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.,

No IPT general mandate has been obtained by the Group from the Company's shareholders. There was no interested person transaction exceeding S\$100,000 during the 6 months ended 30 June 2017.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured all the required undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

15. NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and Company for the 6 months ended 30 June 2017 to be false or misleading in any material aspect.

16. USE OF PROCEEDS

The Company received net proceeds of approximately S\$2.05 million from the Share Placement completed in April 2017 ("**Net Proceeds**"). As at the date of this announcement, the Net Proceeds have been partially utilized as set out below:

	S\$' million
Net Proceeds	2.05
Amount utilized for working capital purposes	
- Repayment of bank loan and finance lease	(0.05)
- Payment to suppliers and operating expenses	(0.66)
Balance as at the date of this announcement	<u>1.34</u>

BY ORDER OF THE BOARD

Cheong Weixiong
Executive Director
13 August 2017

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.*

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

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte Ltd at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.