

Half Year Financial Statements And Dividend Announcement for the Period Ended 30 June 2016 (Unaudited)

INFORMATION REQUIRED FOR ANNOUNCEMENT OF HALF YEAR RESULTS ENDED 30 JUNE 2016

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

Group	HY2016 US\$'000	HY2015 US\$'000	Increase / (Decrease) %
Revenue	584	836	-30%
Other gains and losses	536	258	108%
Expenses:			
Employees compensation	(1,007)	(1,379)	-27%
Change in inventories	(52)	-	NM
Rental expense on operating lease	(82)	(9)	811%
Depreciation, amortisation and impairment charges	(144)	(97)	48%
Subcontractors' fees	(127)	(184)	-31%
Professional fees	(158)	(272)	-42%
Finance expenses	(75)	(86)	-13%
Other expenses	(332)	(254)	31%
Total expenses	(1,977)	(2,281)	-13%
Share of results of associated companies	-	139	NM
Loss before income tax	(857)	(1,048)	-18%
Income tax expense	-	(38)	NM
Net loss	(857)	(1,086)	-21%
Attributable to:			
Equity holders of the Company	(758)	(1,069)	-29%
Non-controlling interests	(99)	(17)	482%
	(857)	(1,086)	-21%

NM - Not meaningful

1(a)(ii) Consolidated Statement of comprehensive income for the six months ended 30 June 2016

	HY2016 US\$'000	HY2015 US\$'000	Increase / (Decrease) %
Net loss	(857)	(1,086)	-21%
Other comprehensive income/(losses):			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale, financial assets			
- Fair value (losses)/gains	(525)	408	NM
Share of other comprehensive income of associated company	83	5	1560%
Currency translation differences arising from consolidation	908	(545)	NM
Other comprehensive income/(losses), net of tax	466	(132)	NM
Total comprehensive losses	(391)	(1,218)	-68%
Attributable to:			
Equity holders of the Company	(73)	(1,251)	-94%
Non-controlling interests	(318)	33	NM
	(391)	(1,218)	-68%
Loss per share attributable to:			
Equity holders of the Company (USD cents per share)	(0.03)	(0.29)	-90%

1(a)(iii) Notes to the consolidated income statements

Gain on disposal of available-for-sale financial assets - net	391	220	78%
Interest income	125	5	2400%

1(a)(iv) Adjustments for under or over provision of tax in respect of prior years

There were no material adjustments for under or overprovision of tax in respect of prior years.

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	
	As at 30 June 2016	As at 31 December 2015	As at 30 June 2016	As at 31 December 2015
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Current assets				
Cash and cash equivalents	20,596	19,874	18,368	18,963
Trade and other receivables	177	597	3,361	2,322
Inventories	38	17	-	-
	<u>20,811</u>	<u>20,488</u>	<u>21,729</u>	<u>21,285</u>
Non-current assets				
Investment Property	3,791	3,774	-	-
Property, plant and equipment	2,710	1,749	6	7
Intangible assets	89	86	44	5
Investment in subsidiary corporations	-	-	2,598	2,501
Available-for-sale financial assets	1,974	3,749	-	-
Transferable club memberships (cost)	13	62	-	-
Other receivables	108	72	-	-
Land development right	720	656	-	-
	<u>9,405</u>	<u>10,148</u>	<u>2,648</u>	<u>2,513</u>
Total assets	<u>30,216</u>	<u>30,636</u>	<u>24,377</u>	<u>23,798</u>
LIABILITIES				
Current liabilities				
Trade and other payables	371	391	160	233
	<u>371</u>	<u>391</u>	<u>160</u>	<u>233</u>
Non-current liabilities				
Borrowings	4,766	4,690	-	-
Retirement benefits	77	168	-	-
Other payables	180	174	-	-
	<u>5,023</u>	<u>5,032</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>5,394</u>	<u>5,423</u>	<u>160</u>	<u>233</u>
NET ASSETS	<u>24,822</u>	<u>25,213</u>	<u>24,217</u>	<u>23,565</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	33,034	33,034	33,034	33,034
Treasury shares	(994)	(994)	(994)	(994)
Other reserves	(1,135)	(1,820)	(558)	(1,712)
Accumulated losses	(7,634)	(6,876)	(7,265)	(6,763)
	<u>23,271</u>	<u>23,344</u>	<u>24,217</u>	<u>23,565</u>
Non-controlling interests	1,551	1,869	-	-
Total equity	<u>24,822</u>	<u>25,213</u>	<u>24,217</u>	<u>23,565</u>

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

	As at 30 June 2016	As at 31 December 2015
	US\$'000	US\$'000
Amount repayable in one year		
Secured	-	-
Unsecured	-	-
Amount repayable after one year		
Secured	4,766	4,690
Unsecured	-	-
	<u>4,766</u>	<u>4,690</u>

Details of any collaterals

The credit facilities for the Group were secured by the following

- Land, building and investment property and corporate guarantee of its 57.5%-owned subsidiary corporation, Onion Holdings Co., Ltd (Previously known as Oniontech Co., Ltd.).

- 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.

	HY2016 US\$'000	HY2015 US\$'000
Cash flows from operating activities		
Net loss	(857)	(1,086)
Adjustments for:		
Income tax	-	38
Amortisation, depreciation and impairment	144	97
Gain on disposal of available-for-sale financial assets	(600)	(183)
Interest income	(126)	(5)
Interest expense	75	86
Provision for retirement benefits	47	143
Share of results of associated companies	-	(139)
Currency translation differences	701	83
	(616)	(966)
Change in working capital		
Trade and other receivables	381	(685)
Inventories	(21)	-
Trade and other payables	(14)	(758)
Cash used in operations	(270)	(2,409)
Interest received	126	5
Income tax paid	-	(38)
Net cash used in operating activities	(144)	(2,442)
Cash flows from investing activities		
Additions to property, plant and equipment	(1,338)	(86)
Purchases of available-for-sale financial assets	-	(1,858)
Redemption of preference shares from an associated company	-	187
Proceeds from disposal of available-for-sale financial assets	1,379	1,625
Proceeds from disposal of subsidiary without loss of control	-	2,149
Payments for retirement benefits	(5)	-
Repayment of loans by staff and third party	-	334
Net cash provided by investing activities	36	2,351
Cash flows from financing activities		
Repayment of borrowings	(14)	(132)
Interest paid	(75)	(86)
Net cash used in financing activities	(89)	(218)
Net decrease in cash and cash equivalents	(197)	(309)
Cash and cash equivalents at the beginning of the financial period	19,874	4,541
Effects of currency translation on cash and cash equivalents	919	(88)
Cash and cash equivalents at the end of the financial period	20,596	4,144

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 capitalization 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								
Group	Accumulated losses							
	Share capital	Treasury shares	Fair value reserve	Currency translation reserve	Actuarial losses	Other	Non-controlling Interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
As at 1 January 2016	33,034	(994)	569	(2,389)	(184)	(6,692)	1,869	25,213
Total comprehensive income/(loss) for the period	-	-	(254)	939	-	(758)	(318)	(391)
Balance as at 30 June 2016	33,034	(994)	315	(1,450)	(184)	(7,450)	1,551	24,822
As at 1 January 2015	17,553	(994)	-	(26)	-	(5,994)	-	10,539
Disposal of interest in a subsidiary corporation without lost of control	-	-	-	-	-	303	1,525	1,828
Total comprehensive income/(loss) for the period	-	-	-	(182)	-	(1,069)	33	(1,218)
Balance as at 30 June 2015	17,553	(994)	-	(208)	-	(6,760)	1,558	11,149
Company	Share capital	Treasury shares	Other reserves	Accumulated losses	Total equity			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000			
As at 1 January 2016	33,034	(994)	(1,712)	(6,763)	23,565			
Total comprehensive income for the period	-	-	1,154	(502)	652			
Balance as at 30 June 2016	33,034	(994)	(558)	(7,265)	24,217			
Company	Share capital	Treasury shares	Other reserves	Accumulated losses	Total equity			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000			
As at 1 January 2015	17,553	(994)	(641)	(6,179)	9,739			
Total comprehensive loss for the period	-	-	(196)	(546)	(742)			
Balance as at 30 June 2015	17,553	(994)	(837)	(6,725)	8,997			

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.

There were no changes in the Company's share capital and treasury shares as at 31 December 2015 and 30 June 2016. The Company had on 21 February 2014 entered into a placement and call option agreement and a consultancy agreement. As a result, 210,000,000 call option shares ("Call Option Shares") were issued, which were subsequently adjusted to 350,755,370 Call Option Shares, following completion of a rights issue in FY2015. In addition, up to 5,000,000 arranger shares may be issued pursuant to the exercise of the call options. As at 30 June 2016, 25,053,955 call options have been lapsed. the number of call option shares and arranger share that may be issued as at 30 June 2016 and 30 June 2015 respectively are as below:

	As at 30 June 2016	As at 30 June 2015
Call Options Shares ('000)	325,701	210,000
Arranger shares ('000)	5,000	5,000

Other than the above, the Company did not have any outstanding convertibles as at 30 June 2015 and 30 June 2016 respectively. The Company had 12,374,000 treasury shares as at 30 June 2016 and 30 June 2015 respectively.

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.

	As at 30 June 2016	As at 31 December 2015
Total number of issued shares excluding treasury shares ('000)	2,510,924	2,510,924
Total number of treasury shares ('000)	12,374	12,374

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

There was no sale, transfer, disposal, cancellation and/or use of treasury shares.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures for the financial period ended 30 June 2016 reported on have not been audited or 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 substantially the same accounting policies and methods of computation as disclosed in the audited financial statements for the financial year ended 31 December 2015.

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 adopted the relevant new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2016, if any.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company's accounting policies and had no material effect on the financial statements for the current or prior financial years.

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:-**

	HY2016	HY2015
	USD cents	USD cents
(a) Based on the weighted average number of ordinary shares in issue; and	(0.03)	(0.29)
(b) On a fully diluted basis (detailing any adjustments made to the losses).	(0.03)	(0.29)

The basic and diluted EPS were the same as the outstanding Call Option Shares have not been included in the calculation of diluted EPS as these adjustment Call Option Shares are out-of-the-money and anti-dilutive.

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

	Group		Company	
	As at 30 June	As at 31	As at 30 June	As at 31
	2016	December	2016	December
		2015		2015
Net asset value (USD'000)	23,271	23,344	24,217	23,565
Ordinary shares in issue ('000)	2,510,924	2,510,924	2,510,924	2,510,924
Net asset value/Share (USD cents)	0.93	0.93	0.96	0.94

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**

Revenue decreased by 30% from US\$0.84 million in the first half financial year ended 30 June 2015 ("HY2015") to US\$0.58 million in the first half financial year ended 30 June 2016 ("HY2016") following continual downsizing and lower business activities volume from the Group's operation in the software solutions segment. Other segments have yet to contribute significant revenue to the Group in HY2016.

Other income increased by US\$0.28 million or 108% from US\$0.26 million in HY2015 to US\$0.54 million in HY2016, mainly due to gains on disposal of available-for-sale financial assets ("AFS") and interest income received from deposits with banks.

Total expenses decreased by 13% from US\$2.28 million in HY2015 to US\$1.98 million in HY2016, mainly due to a decrease in employees compensation, lower subcontractors' fees in the Korea software solution segment in HY2016. Depreciation, amortisation and impairment charges increased by 48% from US\$0.10 million in HY2015 to US\$0.14 million in HY2016, which was mainly due to depreciation of assets acquired since last financial year. Meanwhile, professional fees has also decreased by 42% from US\$0.27 million in HY2015 to US\$0.16 million in HY2016 due to lower business activities and lower volume of corporate exercises. Finance expenses has registered a decrease of 13% from US\$0.09m in HY2015 to US\$0.08m in HY2016 following a repayment of the outstanding loan. Management continues to be cautious for cost management amid the uncertain business outlook in the market. The decrease was offset by increase in other expenses, mainly due to higher rental expenses arising from land rental for the agricultural business and business development activities that were carried out in HY2016.

Subsequent to the partial disposals of shares in TS Investment Corp. and derecognition of it as an associated company, there was no share of results of associated companies in HY2016.

As a result of the above, the Group registered a net loss before tax of US\$0.86 million in HY2016, as compared with a net loss of US\$1.09 million in HY2015. The loss attributable to shareholders reduced by 29% to US\$0.76 million in HY2016, as compared to a loss of US\$1.07 million in HY2015.

Balance Sheet and Statement of Cash Flow

Compared to 31 December 2015, the Group's cash and cash equivalent balances have increased by US\$0.72 million, from US\$19.87 million to US\$20.60 million as at 30 June 2016, mainly due to proceeds from the disposal of AFS during the period. Compared to 31 December 2015, the decrease in trade and other receivables from US\$0.60 million to US\$0.18 million as at 30 June 2016 was mainly due to reclassification of deposits placed for the construction of greenhouse to property, plant and equipment, following the progress of the construction in HY2016. Correspondingly, this had also resulted in a significant increase in property, plant and equipment for the greenhouse as at 30 June 2016, the greenhouse is expected to be completed in 2H 2016.

As a result of the disposal took place in HY2016, AFS reduced by US\$1.78 million, from US\$3.75 million as at 31 December 2015 to US\$1.97 million as at 30 June 2016.

Net current assets of the Group stood at US\$20.44 million as at 30 June 2016, an improvement of US\$0.34 million as compared to the previous comparative period.

The inflows and outflows of cash are detailed in the Group Consolidated Statement of Cash Flows. The net cash outflow from operating activities was mainly due to operating expenses, which was largely attributable to general overheads and business development expenses, incurred by the property development and agricultural segment in Singapore and Malaysia in HY2016. Net cash inflow from investing activities was mainly due to disposals of AFS, offset by the capital expenditures incurred for the construction of the greenhouse for the agricultural business. Net cash outflow from financing activities were due to repayment of borrowings and payment of interests. As a result of the above, the Group's cash and cash equivalents as at the end of HY2016 was US\$20.60 million.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**
There was no prospect statement or forecast made previously.

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.

During the period under review, the Group had continued to place its focus on the construction and development of the greenhouse in Kranji for the agricultural business. Construction progress is on schedule and the farm is expected to commence its production in the second half of 2016 and contribute to the Group's revenue.

For the property development business in Malaysia, the Group is still cautious with the macro-economic conditions in Malaysia and continues to adopt a more prudent approach in dealing with the development. Elsewhere, the Group is also exploring opportunities in the Australian property market. In Singapore, the Group foresees the competition for new development opportunities, including government land sales programme, continue to be intense. The demand for new real estate products is still restricted as a result of the property cooling measures. At the same time, while the Group continues to source for potential business opportunities, the Group will also strive for cost management to maintain the Group's competitiveness over the long term.

11. If a decision regarding dividend has been made:-

(a) Current Financial Period Reported On
Any dividend recommended for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date of 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/recommendeded for the half year ended 30 June 2016.

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.

The Company has not obtained any general mandate from shareholders for interested person transaction.

14. Confirmation by the Board Pursuant to Rule 705(5)

We, Ong Boon Chuan and Lee Jei Hoon, being two Directors of the Company, do hereby confirm on behalf of the 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 statements for the half year ended 30 June 2016 to be false or misleading in any material aspect.

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

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

16. Use of proceeds from Placement and Rights Issue

Placement

The net proceeds from the Placement, which was completed on 21 July 2014 was approximately S\$6.0 million, the utilisation of the proceeds is as follows:

Description	Amount allocated (S\$ million)	Amount utilised (S\$ million)	Balance (S\$ million)
Exploration of the property development business	5.4	(2.1)	3.3
General working capital*	0.6	(0.6)	-
Total	6.0	(2.7)	3.3

The use of net proceeds from the Placement is in accordance with the intended use as set out in the circular dated 24 June 2014.

Rights Issue

The net proceeds from the Rights Issue, which was completed on 08 July 2015 was approximately S\$21.1 million, the utilisation of the proceeds is as follows:

Description	Amount allocated (S\$ million)	Amount utilised (S\$ million)	Balance (S\$ million)
Exploration of the property development business	12.1	-	12.1
General corporate activities	5.0	(2.0)	3.0
General working capital*	4.0	(1.4)	2.6
Total	21.1	(3.4)	17.7

The use of net proceeds from the Rights Issue is in accordance with the intended use as set out in the offer information statement dated 17 June 2015.

* General working capital mainly consist of employees compensation, professional fees and other administrative expenses.

By Order of the Board

Ong Boon Chuan
Executive Chairman and Chief Executive Officer

Lee Jei Hoon
Executive Director

11 August 2016

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "Exchange"). The Sponsor has not independently verified the contents of this announcement.

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

The contact person for the Sponsor is Ms. Tan Pei Woon (telephone: +6565323829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.